

**Audit Follow-up Report**

**July 27, 2009**

**Report #666**

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**OFFICE OF THE COUNCIL AUDITOR**  
Suite 200, St. James Building

July 27, 2009

Special Report # 666

Honorable Members of the City Council  
Jacksonville, Florida

The purpose of this report is to document our follow-up review of past audits to determine whether or not corrective action was taken in response to our report. We are providing this special written report in accordance with Ordinance Code Section 102.102. This report does not represent an audit or attestation conducted pursuant to Government Auditing Standards.

In determining our population for audit follow-ups, we reviewed all reports issued between January 1, 2007 and April 30, 2008 and excluded all non-audit reports as well as those for which we had already performed a follow-up review. We sent follow-up letters to four departments inquiring as to the status of the original audit report recommendations. We reviewed the recommendations from our audit reports, the auditee's responses to the recommendations, and the auditee's response to our follow-up letter. We then performed limited testing on a judgmentally selected sample of findings to verify that our recommendations have been implemented as stated in the auditee's response. The following is a brief summary of the results of our follow-up inquiry and testing.

**Medical Examiner's Office Audit Report #635 (August 2007)**

Based on the responses received from the Medical Examiner's Office and our follow-up testing, it appears that the Medical Examiner's Office has substantially complied with our audit recommendations.

**Office of Special Events Audit Report #638 (October 2007)**

Based on the responses received from the Office of Special Events and our follow-up testing, it appears that the Office of Special Events has substantially complied with our audit recommendations. We do have one recommendation as a result of our follow-up with the Office of Special Events.

**Recommendation**

The Administrative Assistant should open the mail and record all checks in a log or on an Excel spreadsheet listing the date the check was received at the City, the dollar amount, the payor, and the event. A copy of the check should continue to be made and retained on file with the Office of Special Events.

**Office of Special Events Response**

*The Office of Special Events concurs.*

**Overtime Audit Report #644 (February 2008)**

Based on the responses received from the General Accounting Division/Central Payroll Section and our follow-up testing, it appears that the General Accounting Division/Central Payroll and the Administrative Services Division have complied with our audit recommendations with the following exceptions:

1. Finding 2-1 in the Overtime Audit dealt with incorrect overtime pay elements used in the calculation of overtime. General Accounting/Payroll's response was that Accounting would work with Human Resources to create a payroll training class and call it Oracle Advanced Training and

have it included in the Oracle Training manual. Our follow-up revealed that the Oracle Advanced training manual is still in draft form and has not been finalized and/or implemented due to the City wide reorganization of divisions and the creation of the Administrative Services Division.

2. Finding 2-5 in the Overtime Audit dealt with incorrect overtime elements used in the calculation of the Solid Waste Division's timesheets. General Accounting/Payroll's response was that Central Payroll and ITD were working on creating and implementing four new overtime elements for the Solid Waste Division. Our follow-up revealed that the four new elements are still being tested and have not been implemented.

### **General Accounting Division Response**

*Finding 2-1: With the implementation of the Time and Attendance system (TAS) for most of the Departments reporting to the Mayor (Fire Rescue has their own time and attendance system and Public Works is being installed in FY2009), the requirements for the Oracle Advanced training manual has changed. The new payroll supervisor is reviewing the draft training manual for applicability and we will determine whether it will still be beneficial to TAS payroll representatives in the Administrative Services Division (ASD) and remaining Departments that are using the Oracle Batch entry system. Some modifications may be necessary. Central Payroll will be discussing with ASD and applicable Offices of the possibility of utilizing TAS in FY2010 for the four constitutional offices (JSO has their own time and attendance system), council auditor office, and city council office.*

*Finding 2-5: Three elements are finished and have just been put in production for use in subsequent pay periods. We do not have actual usage as yet, so the effectiveness of this change has not been determined. The final element concerning the leave accrual is being reviewed by HR. This element may not be needed, but a final determination has not been made.*

3. Finding 2-6 in the Overtime Audit which dealt with Solid Waste Division employees and/or supervisors not signing the timecard or PD-10's was at the time of the finding the responsibility of General Accounting/Central Payroll. However, subsequent to the City wide reorganization in Fiscal Year 2007-2008, it became the responsibility of the Administrative Services Division. For our follow-up testing we selected two payroll periods; payroll 14 for the period ending March 27, 2009 and payroll 16 for the period ending April 24, 2009. The results of our testing were as follows:

- Week 1 of period #14 - 3 of 88 time cards or PD-10's were not signed by both the employee and/or supervisor.
- Week 2 of period #14 - 10 of 90 time cards or PD-10's were not signed by both the employee and/or supervisor.
- Week 1 of period #16 - 2 of 90 time cards or PD-10's were not signed by both the employee and/or supervisor.
- Week 2 of period #16 - 5 of 91 time cards or PD-10's were not signed by both the employee and/or supervisor.

Based on our testing, it appears that either the time cards or PD-10s were not being signed by the employee and/or supervisor on a consistent basis. Without signatures, the time worked is not considered to be certified.

**Administrative Services Division Response**

*The Administrative Services Division has completed an internal review of the Solid Waste payroll process and has implemented several items that will ensure compliance regarding the required signature of both the employee and supervisor. The Division is confident that the new process has resolved the previous concerns.*

**Courthouse Audit Report #646 (April 2008)**

Based on the responses received from Alan Mosley, Chief Administrative Officer for the City and our follow-up testing, it appears that the Administration has substantially complied with our audit recommendations.

**Outstanding Item from Follow – Up Audit Report #652 dated June 25, 2008**

In our audit of City Payroll (Report #610 January 2006), we noted the following:

- Signatures were missing from the PD-10 Time and Attendance sheets.
- Overtime was not always paid in the pay period earned.
- PD-10 formats varied among departments.

The General Accounting Division’s original audit responses and its follow-up response indicated that these shortcomings would be corrected by the implementation of an electronic Time and Attendance System. However at the time of our fieldwork on our previous Follow-Up (Report #652) an electronic Time and Attendance System had not yet been implemented. Subsequent to our field work for Report #652, we were informed by the General Accounting Division that the Information Technology Division was preparing to go live with the electronic Time and Attendance System (TAS) in July 2008. As part of this follow-up, we tested to determine whether this system was in place in the applicable departments and found that TAS had been implemented.

We would like to thank the Administration and the various department heads for their cooperation in conducting this follow-up review of past audit reports.

Sincerely,

Kirk A. Sherman, CPA  
Council Auditor