



# CITY OF ORLANDO

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## Office of Audit Services and Management Support

### MEMORANDUM

To: Cheryl J. Henry, Chief of Staff  
Byron W. Brooks, Chief Administrative Officer

From: Beryl H. Davis, Director  
Office of Audit Services and Management Support

Date: July 11, 2006

Re: Recommendations Not Fully Implemented  
(Report #06-15)

In accordance with our annual plan, the Office of Audit Services and Management Support has prepared a report of the status of open recommendations for the period ending February 28, 2006. In this annual process, we transmitted to each Department Director a list of the notable recommendations that we reported as not being fully implemented at the time of our follow-up reviews. We requested the Department Directors to have their staff report the current status of these recommendations. The attached matrices list the recommendations that remain open after receiving these updated responses.

The following paragraphs summarize the results of this process and the 27 recommendations that remain open at this time. We encourage the affected Department Directors to continue efforts to fully implement these recommendations, as we believe they will result in improvements to current operations.

#### **Economic Development Department – five open recommendations**

Three of the remaining recommendations are *planned for implementation*. The remaining two are *partially implemented*. Several open recommendations concern the Economic Development Department updating its policies and procedures for economic incentive projects to provide: internal controls in administering the projects; certification that performance requirements for incentives have been verified; and the collection of information useful in evaluating project performance. The department plans to fully implement the policy recommendations by the end of this fiscal year.

Other recommendations address Permitting Services' need to ensure that expired permits are followed up and all permits are closed. Permitting is seeking a method to contact customers automatically before their permits expire.

### **Executive Offices – nine open recommendations**

Seven of the remaining recommendations are *planned for implementation*. The remaining two are *partially implemented*. All the recommendations concern Citywide grants policies and procedures. Citywide grants responsibilities were recently transferred to Neighborhood and Community Affairs, which is currently evaluating the recommendations to determine how to fully implement them.

### **Families, Parks and Recreation Department – one open recommendation**

The open recommendation concerns the Families, Parks and Recreation Director formally studying patron demand of recreation and aquatics facilities and has been *partially implemented*. The department indicated that actions have been taken for the CLASS system to track patron demand; we support this effort and encourage the department to review and utilize this information to enhance its operations.

### **Finance Department – six open recommendations**

The remaining recommendations are *planned for implementation*. One recommendation concerns Risk Management loss avoidance. We encourage the Chief Financial Officer to work with the Risk Manager to pursue incentives and accountability in this area. The remaining five recommendations concern the Finance Department updating its policies and procedures for budgeting and payroll processes. The department is currently working on policy revisions.

### **Fire Department – one open recommendation**

The open recommendation is *planned for implementation*. The recommendation concerns the Fire Department amending the union contract to reflect whether work hours charged to the HB-FD pay code are considered pensionable. The next contract is expected to be negotiated in September 2008.

### **Housing Department – three open recommendations**

The remaining recommendations are *planned for implementation*. One recommendation concerns the need for the Housing managers to work towards reconciling and monitoring the department financial accounts. Other concerns Housing will address are developing financial self-reporting procedures for grant sub-recipients and assigning an assistant to confirm that required documents are in the program files. All three recommendations are planned for implementation in July and August of 2006.

**Public Works Department – two open recommendations**

The remaining recommendations are *planned for implementation*. One recommendation concerns the Public Works Director instituting greater control over selecting Continuing Service Contractors and reporting contract compliance.

The other recommendation concerns the department revising its website by uploading simplified information about its current projects as a resource for the general public. The City's Web Development Coordinator is currently in the process of revising the website.

Please note that General Administration, Police and Transportation responded and have implemented all their open recommendations. Centroplex did not have any open recommendations at the time we initiated this review and therefore was not subject to this annual process. We would like to thank the management and staff of all the affected departments for their cooperation in completing this review.

BHD/cip

Attachment

c: The Honorable Buddy Dyer, Mayor  
Department Directors (with respective attachments)

**OFFICE OF AUDIT SERVICES AND MANAGEMENT SUPPORT  
RECOMMENDATIONS NOT FULLY IMPLEMENTED  
FROM MARCH 2005 REPORT AND FOLLOW-UP AUDITS CONDUCTED MARCH 1, 2005 TO FEBRUARY 28, 2006**

Recommendation	Responsible Office, Division or Department	Original Auditee Response	Current Status	Follow-up Report No.
<b><u>ECONOMIC DEVELOPMENT DEPARTMENT:</u></b>				
Permitting Services should formally establish a requirement for all contractors to schedule inspections and to close permits and include in this requirement all necessary enforcement measures.	Permitting Services Division	Concur	Planned for Implementation	04-20
The Permitting Services Division Manager should establish a policy and methodology to identify and follow up on expired permits, and to report the status of expired permits periodically.	Permitting Services Division	Concur	Planned for Implementation	05-06
The Economic Development Department, in conjunction with other appropriate departments/functions, should develop City Policies and Procedures to provide direction, consistency and appropriate internal control activities in administering the economic incentive programs.	Economic Development Department	Concur	Planned for Implementation	06-06
The Economic Development Department, through a Policy and Procedure, should develop standardized documentation which Program Managers would sign certifying that performance requirements have been verified and accepting responsibility for release of funds.	Economic Development Department	Concur	Partially Implemented	06-06
The Economic Development Department should establish a Post Completion Analysis program to gather information that will enable the evaluation of projects in the light of actual performance and to provide periodic summaries to the Mayor and Cabinet.	Economic Development Department	Concur	Partially Implemented	06-06

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Recommendation	Responsible Office, Division or Department	Original Auditee Response	Current Status	Follow-up Report No.
<b><u>EXECUTIVE OFFICES:</u></b>				
Develop strategic grants objectives in keeping with the City's overall vision.	Executive Offices	Concur with Reservations	Planned for Implementation	05-20
Establish a grants structure through City policies and procedures to include: central oversight of Citywide grant writing and grant management; a grants advisory committee; specific departmental responsibilities; systematic reporting and communications; central oversight for timely reports to grantors; and a reference to policies for fiscal compliance.	Executive Offices	Concur with Reservations	Partially Implemented	05-20
Develop a grants manual to provide guidance to all staff involved in grants.	Executive Offices	Concur with Reservations	Planned for Implementation	05-20
Provide basic guidance for departments to write internal policies and procedures for inclusion as a supplement to the Citywide grants manual.	Executive Offices	Concur with Reservations	Planned for Implementation	05-20
Develop forms to aid in the documentation of decision points such as the justification to pursue grants, assignments of responsible individuals, and required reports.	Executive Offices	Concur with Reservations	Planned for Implementation	05-20
Establish performance goals for the Grants Development Specialist and Citywide grants manager, in keeping with City grants goals and objectives.	Executive Offices	Concur with Reservations	Planned for Implementation	05-20
Work with managers in other departments to establish similar performance goals for employees who are assigned grants responsibilities.	Executive Offices	Concur with Reservations	Planned for Implementation	05-20

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Recommendation	Responsible Office, Division or Department	Original Auditee Response	Current Status	Follow-up Report No.
<b><u>EXECUTIVE OFFICES (continued):</u></b>				
Create and maintain a comprehensive database of grants, and design and provide high-level management reports of Citywide grants activity to Executive Management.	Executive Offices	Concur	Planned for Implementation	05-20
Determine which departments have the capacity to ensure timely and accurate financial reports and fiscal compliance required by grantors; and establish written procedures stating how these responsibilities should be allocated between the departmental and Accounting staff.	Executive Offices	Concur	Partially Implemented	05-20

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Recommendation	Responsible Office, Division or Department	Original Auditee Response	Current Status	Follow-up Report No.
<b><u>FAMILIES, PARKS AND RECREATION DEPARTMENT:</u></b>				
The Families, Parks and Recreation Director should initiate an effort to formally study patron demand of recreation facilities, including aquatics facilities.	Recreation	Concur	Partially Implemented	05-03

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Recommendation	Responsible Office, Division or Department	Original Auditee Response	Current Status	Follow-up Report No.
<b><u>FINANCE DEPARTMENT:</u></b>				
The CFO and Risk Manager should work with the Risk Management Committee to pursue incentives for managers to focus on loss avoidance, such as making them accountable through annual goals, or charging their programs for payments made for losses.	Risk Management	Partially Concur	Planned for Implementation	04-25
Budget should propose revised City Policies & Procedures to: (1) require departments to submit initial budget requests allocating project costs among appropriate budgetary accounts; and (2) establish dollar limits for the Budget Director, other officials, and the BRC to approve transfers between accounts.	Budget	Concur	Planned for Implementation	05-12
Budget should update the program's internal policies and procedures for all budget activities, and further enhance City Policies & Procedures to include all responsibilities of or interactions with other City departments or offices.	Budget	Concur with Reservations	Planned for Implementation	05-12
Budget should propose a policy and work with departments responsible for projects to develop a reporting mechanism for periodic project status reports which detail actual costs, estimated costs to complete, and potential cost overruns or savings.	Budget	Concur	Planned for Implementation	05-12
Finance should amend P&P 412.1 to require that early release of paychecks be approved in writing and state the "justifiable cause."	Finance Department	Concur	Planned for Implementation	05-18
Finance should amend P&P 412.1 to prevent a manager from approving his or her own paycheck request on an early release or emergency basis, instead requiring approval by the next level of management.	Finance Department	Concur	Planned for Implementation	05-18

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Recommendation	Responsible Office, Division or Department	Original Auditee Response	Current Status	Follow-up Report No.
<b><u>FIRE DEPARTMENT:</u></b>				
The Fire Chief, in consultation with the Office of Legal Affairs, should formally confirm whether it is the intention of the City to consider hours charged to the HB-FD pay code to be "pensionable," and amend the contract either through a Memorandum of Understanding or during the next negotiation.	OFD	Concur	Planned for Implementation	05-21

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Recommendation	Responsible Office, Division or Department	Original Auditee Response	Current Status	Follow-up Report No.
<b>HOUSING DEPARTMENT:</b>				
The Housing Department Director should consider implementing these suggested enhancements:				
Evaluate how spreadsheets of the Housing Division Manager and the Housing Coordinator may assist the Housing Manager to reconcile and monitor accounts.	Housing Department	Concur	Planned for Implementation	06-04
Institute selected financial self-reporting procedures for grant subrecipients, and checklists or programs for financial monitoring of subrecipients in the field.	Housing Department	Concur	Planned for Implementation	06-04
Assign an assistant to confirm that documents are present in program files, and avoid any delay that could make it difficult to obtain documents if missing.	Housing Department	Concur	Planned for Implementation	06-04

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Recommendation	Responsible Office, Division or Bureau	Original Auditee Response	Current Status	Follow-up Report No.
<b><u>PUBLIC WORKS DEPARTMENT:</u></b>				
The Public Works Director should institute greater control over the selection and use of Continuing Service Contractors and the reporting of compliance with contract terms.	CIP/ Infrastructure Division	Concur	Planned for Implementation	06-08
The Division Manager, with assistance from the City's Web Development Coordinator, should revise the website that shows information on current projects by simplifying the information, making it more succinct, presentable and useful to the general public.	CIP/ Infrastructure Division	Concur	Planned for Implementation	06-08