Audit Project #15-03A:

Remedial Action Update

Audit Item Status as of May 31, 2015

Executive Summary Report

Office of the City Auditor and Clerk
Internal Audit

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Final Report Issued: August 13, 2015

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EXECUTIVE SUMMARY
REMEDIAL ACTION UPDATE: MAY 31, 2015

PROJECT SCOPE

Internal Audit performed a follow-up of the status of prior open audit observations as of May 31, 2015.

REPORT CONTENT AND LIMITATION OF USE

This executive summary report is limited in detail. In order to obtain the full background on a particular item, please contact Internal Audit prior to drawing conclusions based on the limited information contained in this report. Objective ratings indicate the levels at which the objectives were met; rating definitions are included in the **appendix**.

OVERALL CONCLUSIONS

The results of our review indicate (management referenced to in the report refers to the Charter Officials):

- Management implemented 87 of the 132 recommendations (70%);
- 32 items are open (22%);
- 13 items are open pending re-audit (8%); and

Of the 45 open audit items that require management action:

- 21 have original or revised management action dates that occur after 5/31/15;
- 19 have original action dates that are considered past-due as of 5/31/15; and
- 5 did not have original action dates as they were originally "do not concur" items or were recommendations from follow-up audits.

Since the time of the last remedial actions update issued to the City Commission in March 2014, management has taken action to close 21 audit items.

Management's response to the FY 2008 Management Letter indicated that disagreements with audit observations will be resolved through a consensus of the Charter Officials. Based on that response, Internal Audit regularly elevates the "do not concur" audit items to the Charter Officials for a decision to either take action on the observation or accept the level of residual risk associated with taking no action. Internal Audit also presents audit observations that have not been resolved over a significant length of time. Management has the opportunity to review the observation and recommendation and decide whether to accept the risk or to continue to seek a resolution.

This follow-up audit project focused on the following objective:

Audit Objective	Objective Rating		
The primary objective of this review is to provide the City Commission with the status of management action to adequately address observations previously noted by internal auditors.		X	

Significant Remaining Open Issues	
Observation	**Original Priority**
Audit 09-08: #3 – A finalized and fully tested plan for IT-specific business continuity has not been in place for the previous 72 months.	High
Audit EX 14-01: #7 – The City has not yet determined its state of readiness for a real disaster, as it has not yet performed a comprehensive disaster recovery drill.	High
Audit 11-06: #5 – Administrative Regulation No. 024-A015.0707 does not reflect the current purchasing threshold tiers.	Medium

Significant remaining open audit observations are listed below. For a complete list of audit items and their statuses, refer to the detailed version of this report.

The tables below (separated by Charter Official) outline 132 report recommendations from 23 prior audits (102 recommendations from audits prior to 1/31/14 and 30 new recommendations since 1/31/14).

Audits highlighted in green have had all audit items addressed by management.

CITY MANAGER

Department(s) Responsible	*Report Date*	*Audit Number/Title*	*Total Report Items*	C	OPR	O	D
Reports with open items that appeared on January 31, 2014 status report (and current status):							
Information Technology*	December 2002	FY 2002 Management Letter-External Auditors	5	5	0	0	0
Information Technology*	April 2008	IN 08-02 Internal Investigation of Theft involving Information Technology	5	4	1	0	0
City Manager	July 2009	09-02: Citywide Risk Assessment	3	2	0	1	0
Information Technology*	July 2009	09-02: Citywide Risk Assessment	1	0	0	1	0
Information Technology*	July 2009	09-08: IT General Controls	5	2	0	3	0
City Manager/Public Works	August 2009	09-09: Public Works COOP Drill Observation	3	1	1	1	0
Neighborhood and Development Services	October 2009	09-12: Local Business Tax Receipts Internal Controls Review	10	9	0	1	0
City Manager/ Sarasota Police Department	October 2009	09-10: Parking Internal Controls Review	13	9	0	0	0
Risk Management	February 2010	EX 10-01: Risk Management Liability Claims Administration	3	2	0	1	0
City Manager	December 2010	EX 10-04: Construction Contract Oversight- SPD Headquarters Building	10	10	0	0	0
Financial Administration	April 2011	11-06: City Purchasing Cards	7	5	0	2	0
City Manager/ Neighborhood and Development Services	September 2011	11-12: Summer Youth Programs	8	7	1	0	0
City Manager	March 2012	FY 2011 Management Letter-External Auditors	2	2	0	0	0

Various Departments	April 2012	12-01: Fiscal Year-End 2011 Citywide Inventory	10**	10	0	0	0
City Manager/Financial Administration	February 2013	FY 2012 Management Letter – External Auditors	1	1	0	0	0
Information Technology	February 2013	FY 2012 Management Letter – External Auditors	1	1	0	0	0
Various Departments	March 2014	14-01: Fiscal Year-End 2013 Citywide Inventory	7***	7	0	0	0
Reports added since previous status report:							
City Manager/Various Departments	July 2014	EX 14-01 Citywide Continuity of Operations	7	2	1	4	0
Financial Administration	January 2015	14-08 Payroll Operations	6	0	1	8	0
Sarasota Police Department	July 2014	14-10 SPD Property & Evidence	8	0	6	2	0
Various Departments	January 2015	15-01 Fiscal Year-End 2014 Citywide Inventory	3	0	2	1	0
TOTAL RECOMMENDATIONS			**121**	**83**	**13**	**25**	**0**

Notes:

- ** Items from Information Technology were transferred to the City Manager by Commission action on January 20, 2015.*
- *** Two recommendations were issued for each of the five divisions included in the audit.*
- **** One recommendation was made to each of the five divisions included in the audit.*
- *Items from Audit 12-01 were closed/retested under Audit 14-01. Items from Audit 14-01 were closed/retested under Audit 15-01.*
- *Column headings in the above table refer to the status of audit items as follows: C= Closed; OPR= Open Pending Re-audit; O= Open; D= Do not Concur (this item will be elevated to the Charter Officials). See **Exhibit A** for definitions of audit statuses.*

CITY ATTORNEY

The City Attorney's Office does not have any open items as of May 31, 2015

CITY AUDITOR AND CLERK

Department(s) Responsible	*Report Date*	*Audit Number/Title*	*Total Report Items*	*C*	*OPR*	*O*	*D*
Reports with open items that appeared on January 2014 status report (and current status):							
City Auditor and Clerk	July 2009	09-02: Citywide Risk Assessment	2	1	0	1	0
City Auditor and Clerk	February 2013	FY 2012 Management Letter – External Auditors	1	1	0	0	0

Reports added since previous status report:							
City Auditor and Clerk	July 2014	EX 14-01: Citywide Continuity of Operations Plan	4	2	0	2	0
City Auditor and Clerk	January 2015	14-08: Payroll Operations	1	0	0	1	0
City Auditor and Clerk/ Pensions Office	March 2015	FY 2014 Management Letter – External Auditors	1	0	0	1	0
City Auditor and Clerk/ Pensions Office	April 2015	FY 2014 General Employees' Pension Plan Management Letter – External Auditor	2	0	0	2	0
TOTAL RECOMMENDATIONS			**11**	**4**	**0**	**7**	**0**

Notes:

Information Technology audit recommendations have been transferred to the City Manager for action as of January 20, 2015 as a result of actions by the City Commission.

APPENDIX
AUDIT RATING SYSTEM

The audit ratings listed below are based on the auditor's assessment of whether the audit objectives were met.

Red- **A red control rating denotes significant business risk or exposure to the City that requires immediate attention and remediation efforts.** The controls reviewed do not appear to provide reasonable assurance that the control objectives are being met. The City is being exposed to a high level of business risk and exposure. Management is advised to immediately review the design and effectiveness of existing controls or consider implementing new or additional controls.

Yellow- **A yellow control rating denotes opportunities for improvement exist relating to the controls reviewed.** If this state of control is not improved, it could lead to a higher than acceptable level of business risk or exposure to the City. The controls reviewed provide some, but not sufficient assurance that control objectives are being met. Management is advised to review the design and effectiveness of existing controls or consider implementing new or additional controls on a priority basis.

Green- **A green control rating indicates that the controls reviewed at the time of the audit indicated a satisfactory or acceptable state of control, where risk appears to be minimized and appropriately managed.** Controls reviewed appear to provide a high degree of assurance that control objectives are being met. To maintain this rating management is advised to continue to assess the control systems and monitor existing controls for efficiency and effectiveness as business and organizational changes occur.

EXHIBIT A- AUDIT ITEM STATUS DEFINITIONS

Audit Item Status Definitions

Internal Audit classifies observations as follows:

- **Open (O)**- Management has not adequately addressed the audit observation to reduce risk to an acceptable level. Remedial action(s) may have been proposed with a future target date of completion (to be tested later) or parts of the recommendation have been addressed with some remaining areas still open.

- **Open pending re-audit (OPR)**- Management has indicated that action has been taken to address the audit observation. The item is considered open until Internal Audit has had the opportunity to confirm through follow-up testing that the stated actions have fully addressed prior recommendations.

- **Closed (C)**- Management actions in response to audit observations have been effectively implemented. Items are closed upon successful verification by Internal Audit (based on sufficient evidence or positive retesting of controls) that the item has been addressed. Internal Audit may also close an item if it is no longer relevant given organizational or other changes.

- **Do not Concur (D)**- This is a new classification to be used when management does not agree with Internal Audit's observation in the audit report. Per the March 23, 2009 response to the external auditor's 2008 governance letter, as part of each semi-annual report Internal Audit will elevate items where management provided a response of "Do not concur" to the Charter Officials for resolution in the form of written memo signed by the three Charter Officials indicating a consensus of whether they believe the item should remain on the semi-annual remedial action report.

It should be noted that each time Internal Audit begins a new audit engagement the preliminary survey includes a review of the current status of all previous audit recommendations in the audited area. Items that were previously considered closed may be re-opened if Internal Audit observes that the controls are not functioning as intended.

EXHIBIT B- "OPEN" ITEMS: CITY MANAGER

#	Subject	Categories	Recommendation	Priority	Original Management Response	Expected Completion Date	2015 Management Update	Internal Audit Comments
2009 09-02: Citywide Risk Assessment								
1	City Manager – Internal Control Framework	Department = City Manager	To assist employees in achieving the City's objectives and to ensure the existence of basic and consistent business controls throughout the City, management formally adopt an enterprise risk management framework (such as COSO), and provide both reference materials and training on specific methods to be used by departmental management and staff responsible for designing, monitoring and reporting on the effectiveness of internal controls.		City Manager Response: **12/4/09:** Management changed response to "Concur". Management will develop standards for internal controls and will update risk assessment on an annual basis. **4/11/12 Update**: The City Auditor and Clerk and City Manager met with Internal Audit on 4/11/12 to discuss outstanding audit items. Management has agreed to explore an enterprise risk management model for the City and will work with directors to achieve this. Financial Administration will take the lead on this project and management indicated that a status report will be provided on May 1, 2012.	Status Report 5/1/2012	**2/20/15 Update -** The City's departments have some unique operations where some functions of enterprise risk management **(ERM)** is more effective at a department level than at an entity wide level. Other functions that are more uniform to the organization, such as payroll and procurement follow entity wide policies and procedures. Ultimately, overall oversight for most of the departmental financial functions end up being the responsibility of the City's Financial Administration department. ERM was enhanced at the City when departments documented their cash receipts procedures and incorporated internal control elements like, separation of duties, authorization, documentation and reconciliation. Managers at the department level are responsible to ensure that actions that impact internal controls are carried out properly and in a timely manner. As a result, Department Management performs various on-going monitoring activities to ascertain that controls are operating as designed and are effective. Ongoing monitoring activities include various management and supervisory activities that evaluate and improve the design, execution, and effectiveness of internal controls. Monitoring activities are directed at all processes but focus at the high-risk areas. The use of spot checks of	Decision of the Charter Officials was to leave this item open for further consideration. Charter Officials agreed to review the adoption of an enterprise risk management framework.

#	Subject	Categories	Recommendation	Priority	Original Management Response	Expected Completion Date	2015 Management Update	Internal Audit Comments
							transactions can provide a reasonable level of confidence that the controls are functioning as intended. As part of these on-going monitoring activities, Department Management are required to perform tests of the internal controls to determine that they are working as described in their cash receipts procedures manual at least semi-annually. We believe that the steps taken since 2009 to establish internal controls procedures, the processes to monitor compliance with those procedures, and the reporting on the effectiveness of internal controls has accomplished our goal of reducing our exposure to risks.	
3	IT Event Logging/Monitoring Issue	Department = City Manager; Division = Information Technology	Due to the critical nature of information security, Internal Audit recommends management prioritize establishing proper identification of events to be logged, and assure adequate resources (software and personnel) are available to perform timely log reviews for each system so that follow-up action is taken promptly on suspicious activity. Due to the constantly changing nature of threats to information security, ongoing security training and certification for IT personnel is critical.	High	Concur. Currently, the IT Department is in a transitional phase and, before the department can adequately focus on logging and monitoring, staff needs to address several other issues and vulnerabilities. There is a long-term plan to enhance security over information technology resources, which will include further training and log review. IT staff will work with department staff to identify critical events to monitor through activity and error logs. **4/29/12 Update:** The IT Department is working to restore the health of its systems and infrastructure. Once that is accomplished, further enhancements to	~~12/31/12~~ ~~12/31/14~~ 12/31/15	**2/17/2015 Update:** IT manually reviews the logs on Keys servers daily. IT has plans to buy the Log aggregation piece of Solar Winds next fiscal year to automate this process.	Revised implementation date has not occurred

#	Subject	Categories	Recommendation	Priority	Original Management Response	Expected Completion Date	2015 Management Update	Internal Audit Comments
					security oversight will be implemented. **1/14 Update: -** Concur. The IT Dept. is working to centralize system (not application level) monitoring, which will enable a much higher level of visibility and responsiveness. We expect this to be completed and tuned by the end of this year.			
2009 09-08 IT General Controls								
2	IT Event Logging	Department = Information Technology	For the City to achieve the benefits of proper project management (resource planning, standardization of hardware and software, reduced maintenance issues and version conflicts), management should consider: a) Adopting full project management framework for large projects b) Formalize and communicate the project management framework all affected departments, and c) Involve IT during the needs assessment phase	Medium	Concur. Strategies to implement a more comprehensive approach to project management will be considered so that IT is involved in major projects that affect the City's IT infrastructure. Early input and guidance from IT staff will ensure that the City's technological needs can be supported in a standardized manner. **4/19/12 Update:** Once hired, the new IT Director will be tasked with implementing this recommendation. **1/31/14 Update: -** Strategies to implement a more comprehensive approach to project management will be considered and developed. Complete buy-in across the city will be critical to this process.	~~12/31/14~~ 12/31/15	**2/17/15 Update: -** IT to develop a plan and present to Department Directors regarding the current state of Information Technology and CIP plans for 2015-2016	Revised Implementation Date has not occurred.
3	Ensure Continuous Service	Department = Information Technology	To reduce the probability and impact of a major IT service interruption on key business functions, develop, maintain and test an IT-specific continuity plan. To ensure	High	Concur. IT will work to develop and test an IT-specific Continuity of Operations Plan. Staff members will be educated of their roles	~~12/31/12~~ ~~06/30/14~~ 12/31/15	**2/17/15 Update: -** IT will begin to work on a formal write-up of these procedures in the event of COOP.	Revised Implementation Date has not occurred

#	Subject	Categories	Recommendation	Priority	Original Management Response	Expected Completion Date	2015 Management Update	Internal Audit Comments
			that IT employees are adequately prepared for their roles, provide periodic continuity plan training.		responsibilities so that they will be prepared to support the City in the event the COOP is activated. **1/31/14 Update:** This does not currently exist in any formalized document. As IT has begun to work on a viable COOP, the lack of a definitive plan has become evident. The IT Department has many process and procedures in place for redundancy and continuity, but the plan needs to be detailed and formalized.			
5	Provide IT Governance	Department = Information Technology	In order for an information technology strategic plan to ensure that the City's IT investment is appropriately aligned with key city objectives it must: a) Be based on the input and support of all key affected parties (ie. Charter Officials, Department Directors, etc) and organizational units; b) Be reviewed and revised on a frequent basis (such as annually) based on the input of an Information Technology Steering Committee comprised of key decision-makers; and c) Be supported by an approved, detailed, and up-to-date tactical plan outlining the resource needs, prioritization and scheduling of projects.	High	Concur. The creation of an IT Strategic Plan with an accompanying Tactical Plan is critical to aligning technology needs with the City's strategic initiatives. The plan will be based on input from key decision-makers. **4/19/12 Update:** Once hired, the new IT Director will be tasked with implementing this recommendation. **01/14 Update:** Concur. The Information Technology Strategic Plan that includes tactical objectives was created based on input from all Charter Officials and Department Directors. It was approved on October 1, 2013 and disseminated internally and externally (via the public web site). The Strategic Plan for 2014 will include a separate Tactical Plan.	~~12/31/12~~ ~~06/30/14~~ 12/31/15	**2/17/15 Update: -** IT will submit a new strategic plan that includes security, redundancy, backup and wireless as the basis of enabling IT's vision for 2020.	Revised Implementation Date has not occurred

#	Subject	Categories	Recommendation	Priority	Original Management Response	Expected Completion Date	2015 Management Update	Internal Audit Comments
2009 09-09 2009 COOP Drill Observation								
1	Drill Performance	Department = Utilities	Due to the City's geographical risk, Internal Audit recommends developing an action plan to perform a more comprehensive city-wide disaster recovery drill covering key functions. Internal Audit believes that a target goal of performing a comprehensive test within the next three to five years is both achievable and realistic. Senior management should pursue additional resources to support preparing for this effort, such as possible funding from the Department of Homeland Security.	High	Concur. Staff will develop an action plan to perform a more comprehensive city-wide disaster recovery drill covering key functions with a target goal of performing a comprehensive test within the next three to five years (Complete by October 1). Staff will also pursue resource and grant opportunities to support this effort (On-Going).	6/1/15	**2/20/15 Update:** - Conducted September 23, 2014. Also, Emergency Manager is in the process of developing a long-range training plan.	September 23, 2014 event was a meeting of all personnel assigned to the Emergency Operations Center (EOC) to discuss roles and responsibilities. Since that meeting the Emergency Manager has restructured the EOC with new furniture and equipment. EM stated that he was going to begin bringing individual sections for training sessions. His goal is to participate in a drill with Sarasota County in May 2016.
2009 09-12 LBTR Internal Controls Review								

#	Subject	Categories	Recommendation	Priority	Original Management Response	Expected Completion Date	2015 Management Update	Internal Audit Comments
1	LBTR Database Action Plan	Department = Neighborhood Development Services	To increase efficiency of the LBTR process and reduce the risk of theft or fraud, either a new computer application for LBTR should be implemented or deficiencies in the current application should be addressed. Additions or modifications to the application should include: -Acceptance of electronic payments and applications, -Work flow processing (requiring electronic management approval of documents rather than allowing the manager's name to print on the receipt automatically), -Utilization of electronic mail and submission capabilities for electronic processing and record-keeping, -A method to prevent tax receipts from being printed until full payment is received, -Controls over input entry into record fields (validation controls), and -Reports for use in monitoring revenues and user activity in the application.	High	Concur. NDS management is aware that the current Lotus based computer system is inadequate and action has already been taken to address these issues. The process of developing a new computer system has started with the IT department taking the lead. The new system will be designed to incorporate the suggested activities. This process to purchase and implement the new computer system will be in connection with the replacement of the building division computer program, and may take up to 24 months to implement. **2/14 Update** - The Purchasing Department is currently negotiating with a vendor for a replacement system for the current software. Implementation is not expected to occur until the 2014/15 fiscal year.	~~10/1/11~~ ~~3/31/13~~ 3/31/16	**2/20/15 Update: -** The Purchasing Department is currently negotiating with a vendor for a replacement system for the current software. Implementation is not expected to occur until the 2015/16 fiscal year.	Revised Implementation Date has not occurred
2010 EX 10-01 Risk Management								
1	Automated System Action Plan	Department = Human Resources Division – Risk Management	Evaluate and acquire a RMIS if financially viable.	High	Concur. If funds can be secured in the FY 2011 budget, Risk will issue an RFP to purchase a web-based system. System implementation will be phased throughout 2010 and 2011.	~~4/15/10~~ ~~3/31/13~~ No Date	**2/20/15 Update: -** A RIMS system does not appear to be financially viable. We have a desire for this system but do not have the means to afford a fully operating RIMS system. During the last update with Audit, information was provided on the Access database that was developed in-house to track our Risk data and it is now outdated. A new City Risk Manager was hired in April	Decision of the Charter Officials was to leave this item open for further consideration. Charter Officials agreed that this was a worthwhile investment to consider.

#	Subject	Categories	Recommendation	Priority	Original Management Response	Expected Completion Date	2015 Management Update	Internal Audit Comments
					In the interim, Risk is exploring the possibility of temporarily utilizing a Windows-based data management system. 02/14 - Per discussion with Human Resources Director, no progress has been made toward acquiring any sort of software. There has been no further progress toward implementing an ERP solution.		2014 who has experience with a RIMS system that may be affordable. In addition to this, an RFP was done for our Property & Causalty Broker and it included information to quote an optional RIMS system. The information received on this quote was more than $51,000 over a 5 year period. This is not affordable for our department. At this time, we track Risk claims in excel and we track Workers Compensation claims & costs through our TPA's software which is web based. We are also working with IT on integrating much of our data onto maps for property, flood plans, liability claims, public art, etc. Unless RIMS systems become more affordable in the future, we will not be able to purchase this.	City Attorney will discuss with his staff and Human Resources regarding software acquisition.
2011 11-06 City Purchasing Cards								
5	Updates to Administrative Regulation	Department - Financial Administration Division - Purchasing	To ensure that the policy is current and outlines actual business practices, update Administrative Regulation No. 024.A015.0707 to reflect: - Changes in purchasing limits (thresholds for quotes have increased); - A "designee" may provide purchasing transaction approval in lieu of a department director; - Employee social security numbers are no longer needed to establish a purchasing card; - A reference on the Cardholder Understanding Agreement that acknowledges an employee must also abide by the City's Food and Refreshment Policy;	Medium	Concur. Purchasing will update Administrative Regulation No. 024.A015.0707. **4/11/12 Update:** The City Auditor and Clerk and City Manager met with Internal Audit on 4/11/12 to discuss outstanding audit items. The City Manager indicated this item was discussed with appropriate personnel and he would ensure that it gets completed. A status report will be provided May 1, 2012. **03/14 Update** - Per discussion with the Financial Administration Director and the Purchasing Manager, Administrative	~~9/30/11~~ ~~5/1/12~~ 10/1/15	**2/20/15 Update:** - The Administrative Regulation will be updated upon implementation of the new software by Bank of America. The software is open for use but has had a few bugs that are being worked out.	Revised Implementation Date has not occurred

#	Subject	Categories	Recommendation	Priority	Original Management Response	Expected Completion Date	2015 Management Update	Internal Audit Comments
			- Circumstances under which cardholders may purchase gift cards; - Card deactivation timelines for terminated employees; and - Departments not under the purview of the City Manager may purchase their own IT equipment with the purchasing card.		Regulation No. 024.A015.0707 has not been replaced by a new ordinance or Administrative Regulation. No date for implementation of a new ordinance has been set.			
7	Clarify the Food and Beverage Policy	Department - Financial Administration Division - Purchasing	To ensure that City funds are used for appropriate purchases, management should clarify the approval process and spending limitations for social events held for exclusive groups, such as Advisory Boards and donors.	Medium	2/22/12: Management changed response to "Concur". Management will review the policy and disallow inappropriate expenditures in the future. **4/11/12 Update:** The City Auditor and Clerk and City Manager met with Internal Audit on 4/11/12 to discuss outstanding audit items. The City Manager indicated he would review the policy, and in the future he would not allow such expenditures to occur. **03/14 Update** - Per discussion with the Financial Administration Director and Purchasing Manager, Administrative Regulation No. 024.A017.0308 remains in effect. No timeframe for developing a new ordinance or administrative regulation has been set.	No Date	No Change	Decision of the Charter Officials was to leave this item open for further consideration. Consensus of Charter Officials was work with staff to review the current policy.
2014 14-08 Payroll Operations								
1	PAP Form Signatures	Department – City Manager	We recommend that PAP forms be completed in accordance with City's Personnel Rules and Regulations. In the event that	High	City Manager - Management recommends the Director of Human Resources utilize the	3/31/15	**2/20/15 Update:** - Management Action Date has not occurred	Decision of the Charter Officials was to leave this item open for further consideration.

#	Subject	Categories	Recommendation	Priority	Original Management Response	Expected Completion Date	2015 Management Update	Internal Audit Comments
			any party decides to delegate his or her authority, that it be documented on the appropriate form and filed with the custodian (the Purchasing Manager) designated by City policy.		"Authorization Signature of Internal Documents by Department's form to document approval to sign PAPs on behalf of the City Manager. The Director of Human Resources will request authorization to sign as a designee for the City Manager and City Auditor and Clerk and if authorization is not granted then the Charter Officials will be asked to sign the PAPs.			City Manager agreed to review current signature process.
2	Lack of Signed Supervisory Approvals for Leave	Department – City Manager	Departments implement procedures to maintain signed copies of supervisory approvals as required for all categories of time off.	High	City Manager - The Human Resources Department monitors the leave requests that are required by the City's Rules and Regulations and notifies departments on outstanding leave approval slips. Only specific approvals are required to be received by Human Resources and retained in employees' files. A report is run that indicates that leaves requiring an attendance slip to be completed. This report is tracked by Human Resources as the leave slips are received. Supervisor and department head approval of time within the time and attendance system is not considered implied approval but rather explicit approval of all time worked for their unit or department. Time off requests can be, and are for most departments, an automated process	Completed	**2/20/15 Update: -** Time off requests, as stated in Management's response, are being completed within the Time and Attendance system. This is an electronic approval process and hard copies do not need to be printed and retained. Any outstanding leave slips that are required per the current Rules to be retained within the personnel file are being requested from the departments on a biweekly basis. No further action is required.	Auditor's issue is that there has been a process change (from paper forms to an electronic process), but the Personnel Rules have not been updated to reflect the current process.

#	Subject	Categories	Recommendation	Priority	Original Management Response	Expected Completion Date	2015 Management Update	Internal Audit Comments
					within the Time and Attendance software. The approval process for this time off is electronic and signed copies would not be needed.			
3	Negative Leave Balances	Department – City Manager Division – Human Resources	Human Resources should review all negative leave balances and a consistent policy established as to how negative balances will be handled.	Medium	City Manager - Human Resources reviews negative balances within ABRA's attendance module on a bi-weekly basis. Departments are notified verbally or via email to address the issues. Generally a request will be made to rectify the negative balance by using another leave balance that is available and not in the negative, i.e. bonus time instead of vacation time. Negative balances can then be eliminated from the employee's attendance file.	Completed	**2/20/15 Update:** - This is currently being done and is evidenced in Management response. Rule 11.9 outlines the Directors ability to use discretion at approving Sick Leave over 72 hours within one year. No further action is required.	Decision of the Charter Officials was to leave this item open for further consideration. Charter Official indicated that he does not concur with the recommendation. Rule 11.9(D) states in part: Leaves of absence in excess of 72 working hours in any employment year require the approval of the appropriate Charter Official. Policy is currently applied inconsistently between departments. Current practice allows for sick leave at the discretion of the Department Director, with no limitations. Recommendation to the Charter Officials was that sick leave be awarded for a defined length of time and renewed, as appropriate. If sick leave is awarded that time should be posted to the employee's records, eliminating negative balances. Charter Officials concurred that this recommendation needed to be reviewed.

#	Subject	Categories	Recommendation	Priority	Original Management Response	Expected Completion Date	2015 Management Update	Internal Audit Comments
5	High Accrued Leave Balance	Department – All Departments	We recommend a process be developed to allow Charter Officials (and Department Heads) to review leave balances on a quarterly basis and document their approval of the current leave balances.	Medium	The Human Resources department can provide vacation balances to Charter Officials and Department Heads on a quarterly basis for review. Extension for vacation and expiration of attendance time must be uniformly applied across all departments and Charter Officials. Management recommends that all employees are subject to the same standards and requirements per the current rules regardless of department or division. Management recommends allowing a grace period for the employees out of compliance to use this time or it will expire within a set time period.	Quarterly	**2/20/15 Update:** - As mentioned in Management's response, the first quarterly report of high balances of accrued time will be disseminated at the end of March for Charter Official and Department Heads review. Discussion and action plan can be developed, if needed, for any employees that are over the maximums per the current Rules.	Decision of the Charter Officials was to leave this item open for further consideration. There was consensus among the Charter Officials to work with staff to "buy down" high accrued leave balances to reduce the City's liabilities.
6	Department Leave Balances	Departments - Various Departments	Individual employee department leave balances did not always match the Abra leave balances.	Medium	We recommend each department compare their documented leave balances against the Abra system balances and resolve any discrepancies.	6/1/15	**2/20/15 Update:** - The HRIS system (ABRA) has an attendance module that is used throughout the City for accrual and tracking of attendance time for all employees. Each department does not establish their own procedures for tracking attendance time; ABRA has an attendance module that is used for citywide attendance plan monitoring. The Police Department's sworn officers are the only unit that does not accrue vacation time within the HRIS system. An element of their vacation process is governed by the collective bargaining agreement and is in discussion currently. Again this is an efficiency process that we are currently discussing during the negotiation process.	During the audit, we noted examples of adjustments to the Abra balances (primarily for SPD personnel). Changes were to the balances reflected in the SPD documentation. We also noted that adjustments for accruals in the Abra system are made through changes in the balances for each category, rather than as credits to the balance. This makes it more difficult for employees to determine the effects of time earned, time used and adjustments.

#	Subject	Categories	Recommendation	Priority	Original Management Response	Expected Completion Date	2015 Management Update	Internal Audit Comments
7	Time and Attendance Tracking	Department – Financial Administration	We recommend staff from the Payroll Division offer to consult with the departments using a manual process to increase the use of the City's time and attendance software and reduce the current duplication of efforts.	Medium	The Payroll Division is always willing to provide assistance to departments to become more efficient utilizing existing resources. As modifications are made to collective bargaining agreements, it is expected that automation of additional functions will become more practical.	2016		Implementation date has not occurred.
8	Overtime	Departments – Various Departments	We recommend Regulations 8.6 (A) and 8.8 be reviewed for possible modification to reflect actual processes currently in place or that the Regulations currently in place be enforced as written.	Medium	Management would recommend a review and update of the Overtime approval and authorization rule to reflect the current practice that is necessary for the departments to manage effectively.	2016		Implementation date has not occurred.
9	New Hire Employee Documentation Verification	Department – Human Resources	Human Resources should review existing procedures to ensure all newly hired employees are screened for proper documentation.	Medium	The 19 forms and process is governed by Department of Homeland Security and it is against the law to request identification documents prior to an offer of employment. Human Resource staff discussed the issue with the City Attorney and any future incidents that are unclear will be reviewed immediately by the City Attorney. No further action needed.			Human Resources has implemented a new procedure for future exceptions. Internal Audit will follow up on this finding to determine if the new process is adequate or if further action is required.
2014 – 14-10 SPD Property & Evidence								
1	Investigative Use of Drug Items	Department – Sarasota Police Department	Improve tracking of items made available for investigative use through the use of additional file tracking systems or other processes approved by SPD management.	High	Chief DiPino moved the management of the Property Room under Support Services Division (SSD) are requested a comprehensive audit of all items at SPD. Cpt. Stannish directed	~~10/1/14~~ 5/1/15	**2/19/15 Update** - A report is in progress regarding the operation of the Property and Evidence Unit. Consider on-going. New target date for expected completion is 5/1/15.	Internal Audit will review as part of the 2015 SPD Property & Evidence Audit. Internal Audit has been informed that the report referenced in the 2/19/15 Update

#	Subject	Categories	Recommendation	Priority	Original Management Response	Expected Completion Date	2015 Management Update	Internal Audit Comments
					Accreditation Manager Alfreda Jackson to conduct on audit which began in August 2013 and concluded in February 2014. The comprehensive audit showed that there were incomplete records for 2,167 items out of a total of 53,621 items (report completed 4/4/14). April 14, 2014, Chief DiPino ordered Deputy Chief Moyer to conduct an ongoing review of the property & evidence section that is ongoing as of July 8, 2014. During D.C. Moyer's review he located a memo from P&E Manager D. Harrington dated May 9, 2007, identified 2,392 items with incomplete records. No action was taken to correct this identified deficiency in 2007.			has been completed, but Internal Audit has not reviewed the completed product.
4	Evidence Management	Department – Sarasota Police Department	Track evidence through the Property and Evidence Unit property management software for disposition or disposal. Update records to reflect the final location of items where further ICAD review identified their disposition. Total inventory to be tracked will be reduced.	Medium	1. Prepare a report reflecting the current status of all evidence in the Property & Evidence Room to determine dated of items on hand. 2. Make a recommendation in writing on how to bring the items on hand current with statute of limitations guidelines. 3. Meet with executives in the 12th Judicial Circuit to determine best practices on storing drugs and money on site. 4. Train and implement on new RMS	~~3/1/15~~ 5/1/15	**2/19/15 Update: -** 1. & 2. Report completed on 7.2.14 regarding current status of all evidence on hand in Property & Evidence. 3. On 10.1.14, P & E Manager along with effected command staff met with Craig Schaeffer with the SAO. Discussed best practices on storing drugs and money and recommended a memo to send to the defendant involving cases with large narcotics notifying them a representative sample would be used as evidence. 4. On going	Internal Audit will review as part of the 2015 SPD Property & Evidence Audit

#	Subject	Categories	Recommendation	Priority	Original Management Response	Expected Completion Date	2015 Management Update	Internal Audit Comments
					system with New World's Property Room program.			
2014 – EX 14-01 Citywide Continuity of Operations								
1	Comprehensive Citywide COOP	Department – City Manager	To ensure that there is a comprehensive response to City emergencies which may require either an individual or group activation of Charter Officials' or City Departments' COOPs, Internal Audit recommends the City Manager incorporate existing Charter Officials' and City Departments' COOPs into a Comprehensive Citywide COOP.	Medium	The City Emergency Manager recommends the creation of a Continuity of Government (COG) plan that is approved by the City Commission. This new plan will work in conjunction with the City's Comprehensive Emergency Management Plan (CEMP) that will also be approved by the City Commission. I concur with both recommendations. 2/19/2015 Update: The Emergency Manager has submitted a "draft" Continuity of Government Plan to the City's Charter Officials. The Emergency Manager is waiting on County Emergency Management to complete the review and approval process of the Comprehensive Emergency Management Plan in-order-to move forward with keeping the hierarchy of plans aligned.	~~5/31/15~~ 6/1/15	2/19/15 Update – Emergency Manager has submitted a "draft" Continuity of Government Plan to the City's Charter Officials. The Emergency Manager is waiting on County Emergency Management to complete the review and approval process of the Comprehensive Emergency Management Plan in order to move forward with keeping the hierarchy of plans aligned.	Implementation date has not occurred.
4	IT and SPD MIS Disaster Recovery Plan Development	Departments – Information Technology, Sarasota Police Department	In order to ensure the City's Vital Records, applications, networks, services and functions can be recovered after an emergency when and if it is declared, Internal Audit recommends Information	High	**Information Technology:** IT is evaluating the current capabilities for disaster recovery and putting realistic numbers to recovery time objectives.	IT – ~~8/31/14~~ 12/31/15 SPD – ~~12/31/14~~ ~~5/15/15~~ 12/31/15	**2/19/15 Update** – Emergency Manager has submitted a "draft" Continuity of Government Plan to the City's Charter Officials. The Emergency Manager is waiting on County Emergency	Implementation date has not occurred.

#	Subject	Categories	Recommendation	Priority	Orginal Management Response	Expected Completion Date	2015 Management Update	Internal Audit Comments
			Technology and Management Information Systems develop Disaster Recovery Plans for each of their areas.		IT has met with all departments to set preliminary levels of expectation. Once the current capabilities are documented and realistic recovery timeframes identified, Information Technology will present options to better our DR posture, along with cost scenarios. **SPD MIS:** We are in the process of re-evaluating our current disaster recovery strategy to ensure that the Sarasota Police Departments vital records, applications, networks, services and functions can be recovered after an emergency.		Management to complete the review and approval process of the Comprehensive Emergency Management Plan in order to move forward with keeping the hierarchy of plans aligned.IT will revisit the COOP plan and review lessons learned. IT will streamline as needed. IT is in the process of re-evaluating our current disaster recovery strategy to ensure that all vital records, applications, networks, services and functions can be recovered after an emergency. Once identified we will create a list of realistic recovery times and a testing strategy to ensure that recoveries can be performed both quickly and reliably. Due to critical staffing shortages, this was not completed for SPD. SPD Server tech will coordinate with EOC Manager.	
5	All Hazards Risk Assessment	Department – City Manager	In order to assist in securing proper facilities in the event of an emergency, Internal Audit recommends development of an annual review process and "all hazards" risk assessment for City facilities (for those that have changed). Without a current evaluation of Citywide facilities for hazards, alternate facilities may be incapable of supporting COOP relocations.	High	The City Emergency Manager has initiated the process of creating a database of city owned/leased property.	10/1/15	**2/19/15 Update –**.The Emergency Manager is currently developing the data base of facilities and working with Risk Management on current insurance issues. Upon adoption of the City's Continuity of Government Plan, the City will have a formalized approach to dealing with COOP locations.	Implementation Date has not occurred
7	COOP Testing and Exercises	Department – City Manager	Internal Audit recommends an action plan be developed to hold a comprehensive city-wide COOP drill covering key functions. We further recommend developing a series of tests and exercises to test components of the COOPs, such as evacuation drills, training, notification processes, etc. We also recommend any training include drills that verify the	High	The City Manager will coordinate with the City Emergency Manager on the type of exercise that is most appropriate and cost effective to implement.	5/1/15	**2/19/15 Update –**The City Manager has discussed this plan with the Emergency Manager and this is currently being developed.	Internal Audit discussed this item with the City's Emergency Manager. His plans include training for the individual sections of the EOC Team, with a goal to participate in the Sarasota County exercise in May 2016.

#	Subject	Categories	Recommendation	Priority	Original Management Response	Expected Completion Date	2015 Management Update	Internal Audit Comments
			training levels of individual participants.					
2015 15-01 Citywide Inventory								
2	Implement Inventory Software	Department – Sarasota Police Department	Implement the inventory software by: • posting stock purchases and issues • utilizing an acceptable costing system (FIFO – First In, First Out), • assigning locations for stock items, • setting reorder levels • identifying slow-moving or obsolete stock • utilizing reporting system for inventory worksheets • Consider having the inventory storeroom staffed by someone to oversee, organize and maintain the inventory storeroom along with performing the functions listed above. A policy should also be implemented for releasing inventory items during unstaffed hours. (We did note that a posting for the Quartermaster position is currently open and a potential candidate has been identified.)	High	A Quartermaster for the Sarasota Police Department has been hired; targeted start date is January 7, 2015. This person has experience in military stockrooms. The current Cribmaster program is military based. The new Quartermaster can evaluate whether it is feasible to update and start utilizing the Cribmaster program or if the inventory program with New World (the agencies new Report Writing System) would be better. Once that decision is made, implement training on the software and begin utilizing the computer based program to track and order inventory. The SPD is no longer going to utilize their inventory room to keep large amounts of equipment/clothing etc. on hand. Only critical items will be stocked with identified levels of items to keep on hand. With current ease of online ordering, the majority of items can be ordered on an as needed basis.	~~7/31/2015~~ 9/30/15	**2/19/15 Update –** Management Action date has not occurred. 7/31/15 Update – SPD has decided to implement the inventory module for the New World software. Implementation was to be completed by 7/25/15, but the Quartermaster's Office has not been set up. Estimated implementation date changed to 9/30/15.	Implementation Date has not occurred. Internal Audit will review inventory software status during the next Citywide Inventory Audit (Audit 16-01)

EXHIBIT C- "OPEN PENDING RE-AUDIT" ITEMS: CITY MANAGER

#	Subject	Categories	Recommendation	Priority	Original Management Response	Expected Completion Date	2015 Management Update	Internal Audit Comments
2008 IN 08-02: Internal Investigation of Alleged Fraud Involving IT								
3	Inventory	Department = Information Technology	Strengthen inventory practices in IT; segregate duties and account for all items, even small and obsolete ones.	Medium	Concur. It will work with relevant parties to review existing processes in place and implement changes which more appropriately protect taxpayer investments in information technology assets.			Per discussion with the IT Director – All inventory items have been secured in a cage and are issued via the work-order system.
2009 09-09 2009 COOP Drill Observations								
3	Re-testing Prior Drill Issues	Department – Utilities	Re-test known deficiencies from previous drills to ensure they are fully resolved, preferably as soon as possible after drill exercise day.	High	Concur. The Duty Managers laptop has been periodically updated and presently serves as a good tool for managing incidents. After last year's drill, Public Works identified some issues resulting from not having access to the Emergency Operations work order software. Since then, the Public Works department has successfully accessed and received training on the use of this software, thus enabling Public Works to have uncorrupted information transmitted to the field crews for mitigation. Additionally, Public Works will work with IT on certain connectivity issues related to the use of air-cards. **10/21/09 Management Update**: PW is continuing to work with IT on connectivity issues related to the use of air cards. An IT service request was issued at the end of July, 2009 to address this issue. Currently Public Works has in place other forms of communication to relay information to field crews such as hand held radios, vehicle radios and cellular and satellite phones.	~~9/1/09~~ ~~6/30/11~~ ~~10/1/14~~	**2/19//15 Update** - All City of Sarasota field units will be required to conduct all business through the City's EOC and not directly contact the County. Once the County has established a below ground redundant fiber optic network from the Terrace Building to their data center, the emergency manager will conduct an analysis to determine the City's suitability to utilizing the County system. The Emergency Manager is currently conducting an analysis as to the purchase of our own same or similar program to the County.	Per discussion with the Emergency Manager, there have been modifications to the City's emergency planning, including the TFIT Teams routes and responsibilities. He anticipates beginning exercises with various segments of the Emergency Operations teams later this year.

#	Subject	Categories	Recommendation	Priority	Original Management Response	Expected Completion Date	2015 Management Update	Internal Audit Comments
2011 11-12 Summer Youth Program								
1	Revamp Summer Youth Contracts Action Plan	Department = Neighborhood Development Services/Public Works	Modify the Sub-recipient Agreements so that the City is responsible for payroll administration and recruitment and the sub-recipient provides day-to-day operational services only. High	High	Concur. Staff accepts the recommendation of the auditor with some modifications. Staff recommends that the City take full responsibility for managing the entire program. Staff will take to the City Commission for their review and approval a proposal to administer the payroll, recruitment and administration of the program. Selection of the young people who meet eligibility requirements would be made by the city, but would be based on some combination of first come - first served or, possibly, a subjective process to reward high performing youth. **01/14 Update** - The City runs a summer youth program each year at the Robert Taylor Center. Approximately 10 young people participate. Robert L Taylor hires the young people and supervises their daily activities. OHCD determines the eligibility of the participants and draws the funds from the federal government. Payroll sets them up in the system. HR sets up the system for the applications.	~~12/31/11~~ On-going	**8/3/15 Update -** The Robert L. Taylor Community Complex is still operating a Summer Youth Program (Summer Teen Work Program). The steps are in place for the operation of the Summer Youth Program (Summer Teen Work Program) at the Robert L. Taylor Community Complex. The program is based on first come – first served depending on paperwork that must be filled out and approved.	
2014 14-08 Payroll Operations								
4	Employee Overtime	Department – City Manager	Each Department should review their overtime use and evaluate alternative options where possible	Medium	City Manager - During the budget process each year all Departments review their staffing requirements and analyze their overtime requirements to determine how to best minimize the need for overtime. The analysis includes cost	Annually	**2/20/15 Update -** The City Manager and Deputy City Manager will meet with Department Heads during the months of April and May to discuss Departmental Budgets. This will be a time when the each Department will	Internal Audit will monitor future overtime costs to determine if there is any change

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					comparisons to determine if additional full time equivalents are necessary or whether paying the current staff overtime is the most cost effective. However, contract with bargaining units have minimum manning stipulations that require the payment of overtime under certain conditions.		evaluate their overtime use and evaluate alternative options	
2014 14-10 SPD Property & Evidence								
2	Weighing of Narcotics	Department – Sarasota Police Department	Weigh and document the weight of all narcotics upon each transfer into and out of the Property and Evidence Unit. Monitoring the weight of packaged narcotics will allow for better control over the contents and offer better detection to identify when packages are altered.	High	1. Review IAPE Standards (Version 2.4/Rev. 30 Sept 2012) regarding weigh and document weight of all narcotics upon transfer into and out of P&E Unit. 2. Review CLEA standards manual (Edition 4.0.24 dated February 2012) regarding best practices. 3. Implement recommendations in SPD G.O. 731 - Property Control.	9/19/14	**2/19/15 Update -** Completed in 9.19.14. IAPE and FLEA standards were reviewed. The Property Managers recommendations were given via a memo to the SSD Captain dated 9.19.14. Property Unit personnel never open narcotics packages. The recommendation is for the officers to continue to weigh narcotics only for trafficking offenses. The labs testing the narcotics weigh the narcotics for charging purposes. Any narcotics leaving the unit for undercover investigation are weighed before & again upon return. Continue to weigh narcotics when scheduled for destruction.	Internal Audit will review as part of the 2015 SPD Property & Evidence Audit
3	Computer Security	Department – Sarasota Police Department	All Property and Evidence computers should be upgraded. Upgrade will help ensure SPD computer network integrity.	High	Upgrade all laptops and computers to Windows 7 is completed	5/10/14		Internal Audit will review as part of the 2015 SPD Property & Evidence Audit
5	Duress Alarm	Department – Sarasota Police Department	Perform periodic surprise tests of the Property and Evidence Unit's duress alarm, document test results as well as the date and time of the test, and take corrective action, where necessary. Testing the alarm will not only	Medium	1. Immediately test duress alarm. 2. Add language to G.O. 733 call for random test of the duress alarm no less than twice a year.	5/1/15	**2/19/15 Update -** 1. Work began immediately with the alarm company (BCI) and ISCOF to install the triggers to make the alarm function properly. That is due to be completed week of 2.24.15. 2. Language	Internal Audit will review as part of the 2015 SPD Property & Evidence Audit

#	Subject	Categories	Recommendation	Priority	Original Management Response	Expected Completion Date	2015 Management Update	Internal Audit Comments
			help to ensure staff that the alarm is in working condition, but also judge the efficiency of assistance response time.				was requested to be added to GO 733, which is in progress and held up due to Property & Evidence internal administration review not completed yet.	
6	Vehicle Forfeiture	Department – Sarasota Police Department	Track receipt of final judgment on all forfeited items. SPD management should ensure that the Property and Evidence Unit is added to all pertinent forfeiture distribution correspondence.	Medium	Add language to G.O. 424.80 to notify Property & Evidence Unit upon notification of Final Order and Judgement and Order of Forfeiture is received.	2/19/15	**2/19/15 Update -** Completed 2/19/15	Internal Audit will review as part of the 2015 SPD Property & Evidence Audit
7	Items Converted to Department Use	Department – Sarasota Police Department	Clarify if weapons added to the Guns-for-Trade program are considered as being converted to department use. Revise general orders to clarify the procedure to be used for all weapons. All converted weapons will be easier to track in the property management system.	Medium	1. Discontinue practice effective immediately utilizing Guns-for-Trade program. 2. Have the Office of the Chief of Police send a special order to the Property and Evidence Unit notifying them of the discontinuation of this practice, 3. G. O. 731 will no longer appear to offer conflicting directives regarding whether weapons added to the Guns-for-Trade program are considered as being converted to department use.	8/24/14	**2/19/15 Update -** Completed 8/24/14	Internal Audit will review as part of the 2015 SPD Property & Evidence Audit
8	Bicycle Storage	Department – Sarasota Police Department	Enclose the bicycle storage area to prevent unauthorized access or tampering.	Medium	Enclose the bicycle storage area to prevent unauthorized access or tampering.	10/31/14	**2/19/15 Update -** Completed 10/31/14	Internal Audit will review as part of the 2015 SPD Property & Evidence Audit
2014 EX 14-01 Citywide Continuity of Operations Plan								
6	Physical Access	Departments – Human Resources, Sarasota Police Department	In order to assist in securing facilities before and during an emergency, Internal Audit recommends Human Resources coordinate with MIS to ensure City employees who leave or terminate City employment surrender any MIS issued access devices and notify MIS so access rights to the SPD building can be terminated.		**Human Resources:** Human Resources has a termination process in place for notifying the City's IT to terminate access to systems and eliminate email address and others technology rights, including door fob access rights. The termination checklist is a Citywide checklist but does not appear to have a notification to the Police departments MIS unit regarding access rights for	Human Resources ~~8/1/2014~~ Completed	**2/19/15 Update -** Termination checklist has been updated to include providing all door fobs and access keys to HR. HR will then submit these back to SPD along with informing them to terminate employees access. Additionally, SPD will proactively send a listing of door access fobs to HR to review at least quarterly. This will have	Per discussion with City's Emergency Manager, he notifies SPD and Human Resources of any changes to EOC personnel. He also monitors the communications between SPD and Human Resources concerning terminations.

#	Subject	Categories	Recommendation	Priority	Original Management Response	Expected Completion Date	2015 Management Update	Internal Audit Comments
					City employees that are not located within the Police Department. The Coordinator, Terminal Agency position within the Police department has responsibility for assigning access rights and door fobs for City employees that are not located within the Police building. This position along with the Emergency Coordinator within the HR department worked together to assign access rights for the EOC located on the 4th floor of the Police building and to distribute door fobs to all EOC assigned personnel beginning in 2012. The process of notification to the Coordinator, Terminal Agency of employees that are no longer with the City was not documented on the Termination Checklist. Currently a monthly report is being generated by the Coordinator and sent to HR to review for terminated employees. The termination checklist/process is currently being modified to include HR receiving all fobs, ID's and other access items in order to notify the involved departments. For departments that have COOP alternative sight (sic) relocation to the EOC, door fobs can be distributed and access rights limited to that area through the Coordinator, Terminal Agency.		the added benefit of ensuring all names are current employees. No further action needed.	

#	Subject	Categories	Recommendation	Priority	Original Management Response	Expected Completion Date	2015 Management Update	Internal Audit Comments
2015 15-01 Citywide Inventory								
1	Inventory Process	Department – Sarasota Police Department	Departmental inventory instructions should be provided and reviewed by members of the count teams prior to the physical inventory. Having a department manager that is familiar with current inventory activities observing the physical counts can help to provide guidance and clarity for any count issues that may arise. Additionally, once the department begins to utilize the inventory software and updates physical counts real time a variance report should be printed to help identify errors made during the counts.	High	Keep a departmental inventory instruction manual in the Quartermaster's office at all times. The day prior to the inventory count, the Quartermaster will go over the manual and instructions with anyone assisting to brush up on inventory activities prior to conducting the physical counts. Utilize the department inventory computer software to prepare variance reports to identify errors and make the process efficient and accurate on a regular basis once the program is being utilized again to make inventory and audit process less cumbersome.	2/15/15	**2/19/15 Update -** Inventory Manual has been developed and will be reviewed by all participants in the inventory process.	Internal Audit will review inventory process during the next Citywide Inventory Audit (Audit 16-01)
3	Limit Stockroom Access	Department – Sarasota Police Department	Stockroom access should be reviewed on a regular basis to determine that only individuals who truly need access to the stockroom have been approved. Although the inventory stockroom is locked, the inventory items are in the open in the stockroom. Individuals who are not responsible for inventory should not have access to unsecured inventory.	High	After 2013 Audit, four SPD cleaning crew members were taken off the list to have access to the Quartermaster's office. They were allowed to utilize the area to store their personal belongings while working, to include their paperwork, department cell phones charging stations, etc. Arrangements were made for these things to be stored in the common maintenance office. Quarterly, the SSD Commander should review the access list to the Quartermaster's Office.	Completed	**2/19/15 Update -** Completed 12.16.14	Internal Audit will review access logs and procedures during the next Citywide Inventory Audit (Audit 16-01)

EXHIBIT D – "OPEN" AUDIT ITEMS: CITY AUDITOR AND CLERK

#	Subject	Categories	Recommendation	Priority	Original Management Response	Expected Completion Date	2015 Management Update	Internal Audit Comments
2009 09-02 Citywide Risk Assessment								
1	Internal Control Framework Issue	Department – City Auditor & Clerk	To assist employees in achieving the City's objectives and to ensure the existence of basic and consistent business controls throughout the City, management formally adopt an enterprise risk management framework (such as COSO (the Committee of Sponsoring Organizations of the Treadway Commission)),and provide both reference materials and training on specific methods to be used by departmental management and staff responsible for designing, monitoring and reporting on the effectiveness of internal controls.	High	**4/19/12 Update:** The City Auditor and Clerk agrees with the City Manager's most recent response that Financial Administration will be responsible for spearheading this effort in the near future and supports the action. **1/31/14 Update -** Although no formal framework has been adopted by the overall City, practices of the Office of the City Auditor and Clerk regularly include a discussion of internal controls. To facilitate awareness of the importance of internal controls in our department, discussions concerning departmental activities and tasks often include a discussion about the associated controls and responsibility for oversight. On a quarterly basis, departmental staff meetings are held that now incorporate training for employees to make them aware of the need for controls within our business practices (ie, access controls and physical controls over computer equipment, etc). On an annual basis, all employees in our office work with supervisors to be a part of the Annual	~~12/31/12~~ On-going	**2/19/15 Update -** At this point in time, we feel that this item has been addressed to the best of our ability as a department. Any City-wide attention to this matter will involve input from the City Manager's Office.	Decision of the Charter Officials was to leave this item open for further consideration. Charter Officials agreed to review the adoption of an enterprise risk management framework.

#	Subject	Categories	Recommendation	Priority	Original Management Response	Expected Completion Date	2015 Management Update	Internal Audit Comments
					Risk Assessment process where they review current processes and controls, the design of those controls, and whether or not the controls are effective in relation to the process.			
2014 14-08 Payroll Operations								
5	High Accrued Leave Balances	Department – City Auditor & Clerk	We recommend a process be developed to allow Charter Officials (and Department Heads) to review leave balances on a quarterly basis and document their approval of the current leave balances.	Medium	We concur that a process should be developed to allow Charter Officials the opportunity to review leave balances on a quarterly basis and acknowledge current leave balances of employees. It is suggested that Human Resources provide a report indicating current leave balances and expiration dates. The Office of the City Auditor and Clerk is in compliance with the current regulations regarding accumulated time including Compensatory Time. The Exempt Staff supporting the City Commission for Commission meetings in the Office of the City Auditor and Clerk is very small and backup for the Staff working at Commission meetings is not possible. For that reason, certain Staff accumulate a large number of hours in the form of Compensatory Time. In the past, management approved	On-going	**2/19/15 Update** - Original management response is still relevant. In order to assist with clearing excessive leave balances in the Office of the City Auditor and Clerk, we will explore options to reduce high leave balances.	Decision of the Charter Officials was to leave this item open for further consideration. There was consensus among the Charter Officials to work with staff to "buy down" high accrued leave balances to reduce the City's liabilities.

#	Subject	Categories	Recommendation	Priority	Original Management Response	Expected Completion Date	2015 Management Update	Internal Audit Comments
					for exempt Staff to carryover the time if taking the time off was not possible which is the reason large back balances have been accumulated. Several avenues may be possible to reduce the large accumulated balances. Every effort should be made to reduce large accumulated approved balances but it is just not possible to reduce all back balances without a major negative impact on some employees. Some suggestions include: offer employees the opportunity to "buy back" a week of time, for example (this has been done previously); allow "flex time" so more hours are not accumulated by the same small Staff; pay down the larger back balances over a certain amount over an extended period; have employees take earned time by a certain dates or pay down smaller back balances. Management will make every effort to assure staff is encouraged to take necessary earned leave as requested and when possible.			
EX 14-01 Citywide Continuity of Operations								
1	Comprehensive Citywide COOP	Department – City Auditor & Clerk	To ensure that there is a comprehensive response to City emergencies which may require either an individual or group activation of Charter	High	City Auditor and Clerk: Management concurs and will provide a copy of the COOP which includes the Office of the	Timeline for completion dependent	**2/19/15 Update -** Original management response is still relevant (with the exception of the IT Department). One meeting was held with the	City Manager's response refers to the need to wait on County Emergency Management to

#	Subject	Categories	Recommendation	Priority	Original Management Response	Expected Completion Date	2015 Management Update	Internal Audit Comments
			Officials' or City Departments' COOPs, Internal Audit recommends the City Manager incorporate existing Charter Officials' and City Departments' COOPs into a Comprehensive Citywide COOP. This should include the City Attorney and Parking Operations' COOPs once these are completed. This includes modifying the "General Procedures" document by providing the "General Procedures" document to the other Charter Officials (City Auditor and Clerk and City Attorney) for their input as to how the Charter Officials will coordinate with each other and interact in the case of their COOP activation.		City Auditor and Clerk and Information Technology to the City Attorney and the City Manager. The three Charter Officials should meet to develop a comprehensive, city-wide COOP. In addition, the Charter Officials should assure the integration of individual departmental plans into a cohesive plan to address the City-wide COOP to include all Charter Officials and reporting departments. The General Procedures should be reviewed to incorporate the Office of the City Auditor and Clerk and the City Attorney's Office and address interactions between the Charter Officials in the event of activation of the COOP. To have a cohesive plan, Officials should designate a top-tier team to incorporate the individual COOPs into one integrated City-wide COOP with the goal of developing one overall plan to provide clear and unambiguous direction in the event of a large scale or Citywide emergency.	on input from others	Charter Officials to determine how to move forward in developing an overall City COOP; the City Auditor and Clerk will await future meetings in order to continue to move forward. A phone tree was developed for and distributed to the Charter Officials in 2014 in order to facilitate conversation during emergencies between the City Manager, City Attorney, and City Auditor and Clerk.	complete the review and approval process of the Comprehensive Emergency Management Plan in order to move forward with keeping the hierarchy of plans aligned.
7	COOP Testing & Exercises	Department – City Auditor & Clerk	Internal Audit recommends an action plan be developed to hold a comprehensive city-wide COOP drill covering key functions. We further recommend developing a series of tests and exercises to test components of the COOPs, such as evacuation	High	City Auditor and Clerk: Management concurs and will provide a copy of the COOP which includes the Office of the City Auditor and Clerk and Information Technology to the City Attorney and the City	On-going	**2/19/15 Update** - We feel that this is an on-going item and will await the Emergency Manager's plans to go forward with an all-City COOP exercise. On a departmental level, we completed a COOP exercise for the Office of the City Auditor and Clerk in the	The City's Emergency Manager's goal is to participate in the County Emergency Exercise, tentatively scheduled for May 2016.

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			drills, training, notification processes, etc. We also recommend any training include drills that verify the training levels of individual participants.		Manager. The three Charter Officials should meet to develop		summer of 2014 and anticipate planning another exercise in the future to ensure staff is aware of actions to take in the event of an emergency.	
2014 Management Letter – External Auditors								
1	Internal Control Issues Related to Pension Funds	Department – City Auditor & Clerk, Division – Pension Office	Recommend the City perform a review of its pension investment transactions during the year, to determine if any errors exist requiring further resolution.	Medium	The City's Firefighters' and Police Officers' Pension Boards have requested that Salem Trust engage its independent auditors to perform agreed upon procedures to test the transactions and balances for their respective plans to identify any errors. In addition, Salem Trust committed to do the agreed upon procedures for the General Employees' Pension Plan as well.	December 31, 2015		Expected Implementation date has not occurred
2014 General Employees' Pension Plan Management Letter – External Audit								
1	Internal Control Issues Related to Pension Funds	Department – City Auditor & Clerk, Division – Pension Office	Recommend the Pension Department staff perform a review of its pension investment transactions during the year, to determine if any errors existed requiring further resolution.	Medium	The City's Firefighters' and Police Officers' Pension Boards have requested that Salem Trust engage its independent auditors to perform agreed upon procedures to test the transactions and balances for their respective plans to identify any errors. In addition, Salem Trust committed to do the agreed upon procedures for the General Employees' Pension Plan as well.	December 31, 2015		Expected Implementation date has not occurred
2	Internal Controls Documentation	Department – City Auditor & Clerk,	Recommend the Pension Department document the flow of information through all	Medium	The Pension Plans Administration Division had documented internal	October 30, 2015		Expected Implementation date has not occurred

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		Division – Pension Office	significant transaction classes, the reconciliation procedures for all material account balances, and the key controls designed to ensure the accurate preparation of financial statements.		controls during the audit period, including a written procedure on performing the monthly investment statement reconciliations. The Pension Plans Administration Division will work in conjunction with the City's Internal Audit Department to perform a thorough review of the existing internal controls and procedures and determine any areas where the internal controls could be strengthened.			