Audit Project #16-03A:

Remedial Action Update

Audit Item Status as of December 31, 2015

Executive Summary Report

Office of the City Auditor and Clerk
Internal Audit

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Reviewed and Approved by:

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Final Report Issued: March 16, 2016

EXECUTIVE SUMMARY
REMEDIAL ACTION UPDATE: DECEMBER 31, 2015

PROJECT SCOPE

Internal Audit performed a follow-up of the status of prior open audit observations as of December 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 51 of the 75 recommendations (68%);
- 15 items are open (20%);
- 9 items are open pending re-audit (12%); and

Of the 24 open audit items that require management action:

- 10 have original or revised management action dates that occur after 5/31/15;
- 1 have original action dates that are considered past-due as of 5/31/15; and
- 13 did not have management action dates, most of which are findings pending re-audit or recent audits.

Since the time of the last remedial actions update issued to the City Commission in August 2015, management has taken action to close 16 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 75 report recommendations from 14 prior audits.

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 August 13, 2015 status report (and current status):							
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	3	0	2	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
Risk Management	February 2010	EX 10-01: Risk Management Liability Claims Administration	3	2	0	1	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	8	0	0	0
City Manager/Various Departments	July 2014	EX 14-01: Citywide Continuity of Operations Plan	7	2	1	4	0
Financial Administration	January 2015	14-08 Payroll Operations	9	3	4	2	0
Sarasota Police Department	July 2014	14-10 SPD Property & Evidence	8	7	1	0	0
Various Departments	January 2015	15-01 Fiscal Year-End 2014 Citywide Inventory	3	2	0	1	0
Reports added since previous status report:							
None							
TOTAL RECOMMENDATIONS			72	48	9	15	0

Notes:

- ** Items from Information Technology were transferred to the City Manager by Commission action on January 20, 2015.*
- *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 December 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	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	1	0	0	0
City Auditor and Clerk/ Pensions Office	March 2015	FY 2014 Management Letter – External Auditors	1	1	0	0	0
City Auditor and Clerk/ Pensions Office	April 2015	FY 2014 General Employees' Pension Plan Management Letter – External Auditor	2	2	0	0	0
Reports added since previous status report:							
None							
TOTAL RECOMMENDATIONS			10	7	0	3	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.

High- **A high 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.

Medium - **A medium 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.

Low- **A low 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

2009 09-02 Citywide Risk Assessment

Finding #1; Internal Control Framework; 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. **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 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
~~No target date~~
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. (7/16/15) Auditor's Comment – As of the date of this report no action has been taken. Audit Finding remains open.

Finding #3; Logging/Monitoring Issues; 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. Priority - 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 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.

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.

~~12/31/15~~ Undetermined

01/05/16 Update - No changes on server logs. We have bought checkpoint firewall log aggregation software and are implementing for faster response to security, spam and IPS alerts.

Auditor's Comment – Per IT comment, there is still work to be done. Audit Finding remains open.

2009 09-08 IT General Controls

Finding #2 IT Event Logging; 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
Priority – 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.
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.

~~12/31/15~~

01/05/16 Update - Bill Mallett has been selected as the IT Project Manager formalizing IT framework using templates for projects. IT Director met and presented strategy plan to Commission and City Manager regarding current state of ITD and CIP plans for 2015-2016 completed.

Auditor's Comment – Audit Finding is closed.

Finding # 3; Ensure Continuous Service; 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 that IT employees are adequately prepared for their roles, provide periodic continuity plan training
Priority – High

Concur. IT will work to develop and test an IT-specific Continuity of Operations Plan. Staff members will be educated of their roles 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.
2/17/15 Update - IT will begin to work on a formal write-up of these procedures in the event of COOP.

~~12/31/15~~ Undetermined

01/05/16 Update - No change. ITD is changing all aspects of ITD and will update COOP Plan once upgrades are completed.

Auditor's Comment – Audit Finding remains open.

Finding #5; Provide IT Governance; 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.
Priority - 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.
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.

Implementation Date: ~~12/31/15~~ Undetermined

01/05/2016 Update - The plan has been created and submitted to City Manager. It's been funded with $790,000 of CIP and it's currently being implemented. It includes new infrastructure, internet connectivity, uplinks, firewalls, wireless and disaster recovery.

Auditor's Comment – IT Strategic plan was a presentation to the City Manager, but has not been prepared as a written document. Audit Finding remains open.

2009 09-09 2009 COOP Drill Observation

Finding #1; Drill Performance; Emergency Operations Manager

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.
Priority - 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).
2/20/15 Update - Conducted September 23, 2014. Also, Emergency Manager is in the process of developing a long-range training plan.

Implementation Date: ~~6/1/15~~ 2/28/16

1/22/16 Update- Emergency Manager in the process of developing a long-range training plan. County Emergency Management Training position has just been filled. Emergency Manager has just completed the State sponsored Readiness Training Identification and Preparedness Planning course. Anticipate completions of City's long-range training plan within State standards by end of February 2016.

Auditor's Comment – Implementation date has not occurred. Audit Finding remains open.

2009 09-12 LBTR Internal Controls Review

Finding #1 ; LBTR Database Action Plan; 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. Priority - 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. **2/15/15 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. **12/28/15 Update** - NDS is in the process of purchasing a new computer system. We have settled on a Mitchell Humphries system and have started contract negotiations. Our goal is to get the contract to the City Commission by early summer.
Implementation Date: ~~03/31/16~~ 2017
Auditor's Comment – Implementation date has not occurred, finding status remains open.

2011 11-06 City Purchasing Cards

Finding #5; Updates to Administrative Regulation; Financial Administration/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;

- 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.

Priority – 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 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.

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.
12/22/15 Update - The Purchasing Division has completed the implementation of the new Bank of America software and has completed training for Purchase Card holders in August 2015. Administrative Regulation No. 024-A015.0707 will be updated by March 2016.

Implementation Date: ~~10/1/15~~ 3/31/2016

Auditor's Comment – Finding status remains open

Finding #7; Clarify the Food and Beverage Policy; Financial Administration/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.
Priority - 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.
2/20/15 Update - No Change
12/22/15 Update - Administrative Regulation No. 024.A017.0308 is still in effect. The Purchasing Division will review this Administrative Regulation and make recommendation to the Charter Officials for their consideration.

Implementation Date: No Date Provided

Auditor's Comment – Finding status remains open

Finding #5; High Accrued Leave Balances; City Manager/Human Resources
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. Priority – 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. **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.
Implementation Date: Quarterly
12/28/2015 Update – The City initiated a buy-back program for non-represented and management employees for high balances and balance that were over the allowed accrual amount per the City's Rules and Regulations. This was the portion of employees that are generally long serving and have larger balances of vacation time. All employees in this group were allowed to sell back up to 80 hours of vacation and/or bonus time. However, employees with over the allowed amount of vacation were required to sell the overage amount back or it would expire by March 2016. This approach allowed the large balances of senior staff members to be eliminated and the vacation balances to be brought back in line with the rules for vacation accruals. HR will continue to monitor vacation and other leave time but it should be noted that in the past HR had one dedicated staff person monitoring this data. We no longer have this luxury when we downsized our department. In the future it is hoped that we can add an additional personnel to assist in monitoring this. Auditor's Comments – Human Resources has indicated that quarterly reports were to be issued to charter officials and department heads beginning in March 2015. Internal Audit reviewed copies of the quarterly reports, which would resolve the audit recommendation. The Audit Finding is closed.

Finding #7; Time and Attendance Tracking; City Manager/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. Priority – 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.
Implementation Date: 2016

12/22/15 Update - The collective bargaining agreements have not been modified. As modifications are made, it is expected that automation of additional functions will become more practical. The Payroll Division is always willing to provide assistance to users to provide assistance to become more efficient utilizing existing resources. Auditor's Comment: Implementation date has not occurred. Finding remains open.

Finding #8; Overtime; City Manager
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. Priority - 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.
Implementation Date: 2016
Auditor's Comment: Implementation date has not occurred. Finding remains open.

2014 EX 14-01 Citywide Continuity of Operations

Finding #1; Comprehensive Citywide COOP; Emergency Operations 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. Priority – 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. **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: ~~6/1/15~~ 9/30/16
1/22/16 Update- This should be completed by 9/30/16. Auditor's Comment – Revised implementation date has not occurred. Audit Finding remains open.

Finding #4; IT & SPD MIS Disaster Recovery Plan Development; Information Technology and 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 Technology and Management Information Systems develop Disaster Recovery Plans for each of their areas. Priority - High
Information Technology: IT is evaluating the current capabilities for disaster recovery and putting realistic numbers to recovery time objectives. 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. **2/19/15 Update** - 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.
Implementation Date: IT – 12/31/15; SPD – 12/31/15
IT 01/05/16 Update - No change. ITD is implementing CIP projects first and then will update COOP. Disaster recovery has a piece in our CIP. ITD completed a full backup and sent via tapes to a bunker in St. Petersburg. Working on a plan to replicate date to Virginia. **SPD 12/29/15 -** MIS has tested and made sure the DATA Recovery was functional. This was completed on 08-24-15. **EOC 1/22/16 -** on-going process. New staff on board as well as new programs. Auditor's Comment – Audit Finding remains open.

Finding #5; All Hazards Risk Assessment; Emergency Operations 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. Priority – High
The City Emergency Manager has initiated the process of creating a database of city owned/leased property. **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: ~~10/1/15~~ 6/30/16

1/22/16 Update- Software has been purchased by Risk Management. Data is currently being uploaded. Anticipate June 2016 for completions of data base. FY2017 project groundwork being laid for creation of designated Department COOP Program Manager and City Committee.

Auditor's Comment – Revised implementation date has not occurred. Audit Finding remains open.

Finding #7; COOP Testing and Exercises; Emergency Operations 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 training levels of individual participants.

Priority - 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.
2/19/15 Update - The City Manager has discussed this plan with the Emergency Manager and this is currently being developed.

Implementation Date: ~~5/1/15~~ 12/31/16

1/22/16 Update- Emergency Manager beginning annual department meetings with Directors. As part of that meeting, we are identifying potential time windows for a small-scale exercise to be completed by 12/31/16.

Auditor's Comment – Revised implementation date has not occurred. Audit Finding remains open.

2015 15-01 Citywide Inventory

Finding #2; Implement Inventory Software, 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.)

Priority – High

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.

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: ~~9/30/15~~ Revised Implementation Date 4/30/16

12/29/15 Update - Implementation of the New World System has begun with an estimated completion of April 30th, 2016.

Auditor's Comment – Revised implementation date has not occurred. Audit Finding remains open.

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

2008 IN 08-02 Internal Investigation of Alleged Fraud Involving IT

Finding #3; Inventory; Information Technology
Strengthen inventory practices in IT; segregate duties and account for all items, even small and obsolete ones. Priority - 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. 2015 Auditor's Comment: Per discussion with the IT Director – All inventory items have been secured in a cage and are issued via the work-order system.
No projected date for re-audit
1/5/16 Update: Only create accounts as directed by Human Resources. Move to a bar code inventory application. Auditor's Comment – Internal Audit has been unable to re-audit, due to City Commission action. Audit Finding remains open.

2009 09-09 2009 COOP Drill Observation

Finding #3; Re-testing Prior Drill Issues; Utilities
Re-test known deficiencies from previous drills to ensure they are fully resolved, preferably as soon as possible after drill exercise day. Priority - 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. **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.
No projected date of compliance
1/22/16 Update- County still has not completed redundant fiber optic network. Emergency Manager working on the purchase of satellite communications equipment in-order-to maintain communications with County EOC. City maintains Liaison Officers and Joint Information Center personnel at the County EOC. City Communications Unit includes Parking Management personnel to act as couriers during lost data/voice communications. Auditor's Comment – Audit Finding remains open.

2010 EX 10-01 Risk Management

Finding # 1; Automated System Action Plan; Human Resources/Risk Management
Evaluate and acquire a RMIS if financially viable. Priority - 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. In the interim, Risk is exploring the possibility of temporarily utilizing a Windows-based data management system. **02/14 Update** - 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. **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 2014 who has experience with a RIMS system that may be affordable. In addition to this, an RFP was done for our Property & Casualty 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.
Implementation Date: ~~Unknown~~
12/28/2015 Update -Much research of pricing and software was done over the years to acquire this type of system. Not only is it important to reach a conclusion for this audit item but the most important function is for the monitoring and efficient processes for the City's Risk Management unit. With the addition of an experienced Risk Manager in April 2014, she was able to provide the direction for this project and a company that was a viable and affordable option. The RIMS system called Topiary was acquired at a reasonable annual cost and the project plan for implementation will begin in January 2016. This software will retain Risk information from general liability, fleet, property insurance and many other fields in order to provide access to the Risk Manager and the assigned City Attorney personnel. This purchase should close out this open item to automate and more efficiently track Risk Management items for the City. Auditor's Comment - Audit Finding is moved to "Open Pending Re-Audit" and remains open.

2011 11-12 Summer Youth Program

Finding #1; Revamp Summer Youth Contract Action Plan; 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. Priority - 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. **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.
On-going
12/17/15 Update - The same as the 08/3/15 update. Conditions outlined in the 8/3/15 Update are still in effect. Auditor's Comment – Per review of payroll records and PAP forms, the Recommendation has been complied with. Audit Finding is closed.

2014 14-08 Payroll Operations

Finding #1; PAP Form Signatures; City Manager
We recommend that PAP forms be completed in accordance with City's Personnel Rules and Regulations. In the event that 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. Priority - High
City Manager - Management recommends the Director of Human Resources utilize the "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.
Implementation Date: 3/31/15
2/20/15 Update - Management Action Date has not occurred Auditor's comment: A review of PAP forms posted after the Audit's release noted a 90% compliance with the audit recommendation. Audit Finding is closed.

Finding #2; Lack of Signed Supervisory Approvals for Leave; City Manager/Human Resources
Departments implement procedures to maintain signed copies of supervisory approvals as required for all categories of time off. Priority - 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 within the Time and Attendance software. The approval process for this time off is electronic and signed copies would not be needed. **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.

Implementation Date: Completed per City Manager/Human Resources
12/28/2015 Update – Human Resources expends much labor time following up with departments on leave slips that are required. This continues to ensure that the Rules and Regulations are followed as to the leave slips required to be received and placed in employees' files. Auditor's Comment: In discussion with the Human Resources Director, Internal Audit recommended the Personnel Rules be revised to reflect the current business process. Audit comment remains open, pending revision of current Personnel Rule.

Finding #3; Negative Leave Balances; Human Resources
Human Resources should review all negative leave balances and a consistent policy established as to how negative balances will be handled. Priority – 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. 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. The City has discussed a donation bank of time that employees would have access to but this did not get developed this year. It is a possible project for the future if the support remains for this project.
Implementation Date: Completed per City Manager/Human Resources
12/25/2015 Update – Any extended sick leave over 72 hours is being monitored by Human Resources by reviewing attendance reports. If there appears to be an overage, research is initiated to see if FMLA needs to be applied and a request for additional sick leave needs to be approved via the Charter Official. Discussion of Paid Time Off (PTO) and other parameters for leaves were vetted but no support was gained for this. Additionally, this would be considered a benefit and a term and condition of employment which is a negotiable item with both Unions. This additionally did not get any support. Auditor's Comment: Auditor reviewed current personnel records and noted twelve (12) employees with negative sick pay, three (3) employees with negative military leave (two (2) carried over from prior fiscal year) and two (2) employee with negative Bonus time. Three (3) of twelve (12) employees with negative sick time had PAP forms on file for FMLA; two (2) of three military leave balances were cleared from beginning balances; two (2) employees with negative Bonus time had time cleared with allocation from another leave category. Audit Finding remains open.

Finding #4; Employee Overtime, City Manager
Each Department should review their overtime use and evaluate alternative options where possible. Priority - 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 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.

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 evaluate their overtime use and evaluate alternative options
Annually
01/13/16 Update - During the preparation of the Fiscal Year 2015-16 budget, the City Manager, along with the Financial Administration Department, analyzed each Departments overtime request. The analysis included cost comparisons to determine if additional full time equivalents were necessary or whether paying current staff overtime was most cost effective. As a result of that analysis, some full time equivalents were added for Fiscal Year 2015-16. In other cases, it was determined that paying current staff overtime was most cost effective. The analysis of overtime is done every year as part of the budget process as a matter of best practices and will continue as part of the budget process for future fiscal years. Auditor's Comment – City Manager and Finance Department have implemented review procedures as part of the budget process to review overtime use. Audit Finding is closed.

Finding #6; Department Leave Balances; City Manager/Human Resources
Individual employee department leave balances did not always match the Abra leave balances. Priority – Medium
We recommend each department compare their documented leave balances against the Abra system balances and resolve any discrepancies. **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.
Implementation Date: 6/1/15
12/28/2015 Update – I believe this audit item only pertains to the Police department, all other departments do not have leave balances outside of the automated system in ABRA. The Police Vacation plans in ABRA are the only non-accrual plan among all other vacation plans in the City. Transitioning this plan into an accruing plan in ABRA has been discussed extensively and we continue to work towards this objective. The payroll personnel at the Police Department do not have access to change attendance accruals in ABRA. They may present in writing any information for adjustments to the HR department. This information is screened and review to ensure it is accurate prior to entering into the system. There should be no external values that are different than the official record in ABRA. Auditor's Comment – Audit Finding is moved to "Open Pending Re-Audit" and remains open.

Finding #9; New Hire Documentation Verification; Human Resources
Human Resources should review existing procedures to ensure all newly hired employees are screened for proper documentation. Priority – Medium
The I9 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.
Implementation Date: Complete per City Manager/Human Resources
12/28/2015 Update – I9 documentation is extremely important to get accurate and abide by the correct timelines. The HR personnel responsible for I9 documentation took training in January 2015 and is a certified HR professional which requires you know and understand this process. There have been no other discrepancies in I9 documentation since the auditor's comment. Additionally, HR is reviewing the use of E-Verify for new employees which utilizes Homeland Security's database to verify the I9 documentation. We will continue to research this approach in 2016. Auditor's Comment – Audit Finding is moved to "Open Pending Re-Audit" and remains open.

2014 14-10 SPD Property & Evidence

Finding #1; Investigative Use of Drug Items; 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. Priority – 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 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. **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.
Implementation Date: 5/1/15
12/29/15 - Review was completed by Nadine Garber on July 10, 2014 that addressed this issue. All items in question were removed from ICAD as released items. There are no longer any unidentified items in ICAD. Auditor's Comment: Reviewed during the fieldwork for the 2015 audit. Auditor confirmed that there were no unidentified items in the Property and Evidence system. Audit finding is closed.

Finding #2; Weighing of Narcotics; 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. Priority – 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. 2. **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.
Implementation Date ~~9/19/14~~ Undetermined
12/31/15 Update - All narcotics taken into property will be weighed (packaging included) by the submitting officer and will be weighed again upon destruction. The weight will be measured in grams and will be designated on the property receipt. Narcotics sent to the SSO Lab for testing will be weighed upon receipt and return by the technician at the SSO Lab. A scale will have to be purchased and placed in the Property Intake room for the weighing of narcotics. This scale will be calibrated annually. G.O. 731.62.1 will be revised to reflect these changes. Auditor's Comment - Reviewed during the fieldwork for the 2015 audit. Audit Finding remains open.

Finding #3; Computer Security; Sarasota Police Department
All Property and Evidence computers should be upgraded. Upgrade will help ensure SPD computer network integrity. Priority – High
Upgrade all laptops and computers to Windows 7 is completed
Implementation Date - 5/10/14
Auditor's Comment - Reviewed during the fieldwork for the 2015 audit. Auditor confirmed all Property & Evidence computers were upgraded to the Windows 7 operating system. Audit Finding is closed.

Finding #4; Evidence Management; 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. Priority - 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 system with New World's Property Room program. **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
Implementation Date: 5/1/15
12/29/15 - Memo was sent to Capt. Stannish February 19th, 2015 to respond to Audit. Explanation of how to handle is stated in the memo. A copy is attached. Additional training in the New World System for all Property personnel by April 1, 2016. Auditor's Comment: Reviewed during the fieldwork for the 2015 audit. Audit finding is closed.

Finding #5; Duress Alarm; 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 help to ensure staff that the alarm is in working condition, but also judge the efficiency of assistance response time. Priority - 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.
Implementation Date - 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 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. Auditor's Comment - Reviewed during the fieldwork for the 2015 audit. Auditor reviewed SPD documentation for testing and observed a test of the duress alarm. Audit Finding is closed.

Finding #6; Vehicle Forfeiture; 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. Priority - 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.
Implementation Date - 2/19/15
2/19/15 Update - Completed 2/19/15 Auditor's Comment - Reviewed during the fieldwork for the 2015 audit. Auditor confirmed Property & Evidence is receiving notice of Final Order and Judgement and Order of Forfeiture. Audit Finding is closed.

Finding #7; Items Converted to Department Use; 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. Priority – 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.
Implementation Date - 8/24/14
2/19/15 Update - Completed 8/24/14

Auditor's Comment - Reviewed during the fieldwork for the 2015 audit. Auditor confirmed G.O. 731 was clarified and the Guns-For-Trade program was discontinued. Audit Finding is closed.

Finding #8: Bicycle Storage; Sarasota Police Department
Enclose the bicycle storage area to prevent unauthorized access or tampering. Priority – Medium
Enclose the bicycle storage area to prevent unauthorized access or tampering.
Implementation Date - 10/31/14
2/19/15 Update - Completed 10/31/14 Auditor's Comment - Reviewed during the fieldwork for the 2015 audit. Auditor confirmed that an enclosed bicycle storage area was completed. Audit Finding is closed.

2014 EX 14-01 Citywide Continuity of Operations Plan

Finding # 6; Physical Access; 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. Priority - Medium
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 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.
Completed Per Human Resources
2/20/15 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 the added benefit of ensuring all names are current employees. No further action needed. Auditor's Comment - Remains open, pending re-audit.

2015 15-01 Citywide Inventory

Finding #1; Inventory Process; 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. Priority – 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~~ 4/30/16
2/19/15 Update - Inventory Manual has been developed and will be reviewed by all participants in the inventory process. Auditor's Comment - Reviewed during the fieldwork for the 2015 audit. Auditor confirmed that the inventory instruction manual was utilized, however the Department's inventory computer software still had not been implemented for use. Audit Finding remains open.

Finding #3; Limit Stockroom Access; 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.
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 per Sarasota Police Department
Auditor's Comment - Reviewed during the fieldwork for the 2015 audit. Auditor confirmed that the access to the stockroom has been limited to staff, Support Services division leadership and the Chief and Deputy Chief. Audit Finding is closed.

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

2009 09-02 Citywide Risk Assessment

Finding #1; Internal Control Framework Issue, City Auditor and 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. Priority - 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 (i.e., 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 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. **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. Please refer to the 1/31/14 update for more detail on current implementation efforts (Original Management Response column).
On-going
Current Management Response – Prior comment remains valid. Auditor's Comment – As of the date of this report no action has been taken. Audit Finding remains open.

2014 14-08 Payroll Operations

Finding #5; High Accrued Leave Balances; City Auditor and 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. Priority - 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 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.

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.
On-going
Current Management Response – Prior comments remain valid. City offered a buyback program for vacation pay during 2015. Auditor's Comments – Human Resources has indicated that quarterly reports were to be issued to charter officials and department heads beginning in March 2015. Internal Audit has requested copies of the quarterly reports, which would resolve the audit recommendation, but has been unable to ascertain whether the reports were issued and whether management has a process for documenting approval of current leave balances. The Audit Finding remains open.

2014 IN 14-01 Citywide Continuity of Operations

Finding #1; Comprehensive Citywide COOP; City Auditor and Clerk
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. 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. Priority – 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 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. **2/19/15 Update** - Original management response is still relevant (with the exception of the IT Department). One meeting was held with the 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.
Timeline for completion dependent on input from others
Current Management Response – Prior comments remain valid. Auditor's Comments – The response from the City's Emergency Manager indicated that this issue would be resolved by 09/30/2016. Implementation date has not occurred, Audit Finding remains open.

Finding #7; COOP Testing and Exercises; City Auditor and 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 drills, training, notification processes, etc. We also recommend any training include drills that verify the training levels. Priority - 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 Manager. The three Charter Officials should meet to develop

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 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.
On-going
Current Management Response – Prior comments remain valid. Auditor's Comments – Emergency Manager has indicated an implementation date of 12/31/2016. Audit Finding remains Open.

2014 EX 14-02 Management Letter External Auditors

Finding #1; Internal Control Issues Related to Pension Funds; City Auditor and Clerk/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. Priority - 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
Current Management Response: Auditor's Comments -

2014 EX 14-03 General Employees' Pension Plan Management

Finding #1; Internal Controls Issues Related to Pension Plans; City Auditor and Clerk/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. Priority – 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
Current Management Response: Auditor's Comments -

Finding #2; Internal Controls Documentation, City Auditor and Clerk /Pension Office
Recommend the Pension Department document the flow of information through all significant transaction classes, the reconciliation procedures for all material account balances, and the key controls designed to ensure the accurate preparation of financial statements. Priority - Medium

The Pension Plans Administration Division had documented internal 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.
October 30, 2015
Current Management Response: Auditor's Comments -