

MANATEE COUNTY CLERK OF THE CIRCUIT COURT
INTERNAL AUDIT DIVISION
COMMUNITY SERVICES DEPARTMENT
A U D I T R E P O R T

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MANATEE COUNTY CLERK OF THE CIRCUIT COURT
INTERNAL AUDIT DIVISION
COMMUNITY SERVICES DEPARTMENT
AS OF SEPTEMBER 30, 1995

AUDIT REPORT

A financial, compliance, and operational audit of the Manatee County Community Services Department was conducted by the Internal Audit Division for the audit period July 1, 1994 through September 30, 1995. The audit was performed in accordance with *Generally Accepted Governmental Auditing Standards*, issued by the Comptroller General of the United States; and the *Standards for the Professional Practice of Internal Auditing*, issued by the Institute of Internal Auditors.

BACKGROUND:

The mission of the Community Services Department is to effectively identify, assemble, and provide, directly and/or through contract, a vast array of resources and programs designed to assist the young, disabled, elderly, and economically/socially disadvantaged meet the most basic of human needs. The Department consists of the following three Divisions:

Human Services Division provides senior citizens, adults, children, and community agencies of Manatee County with programs and resources designed to foster emotional, social, and physical stability with the ultimate goal of allowing these citizens and community-based agencies to achieve their greatest level of independence.

Probation Division provides a conduit through which directives of the local courts may be applied, monitored, and enforced, and provides guidance and assistance to those defendants placed under the Division's charge.

Veterans Services Division provides assistance and coordination benefits and services for Veterans and their dependents by acting as the "Control Center" for those seeking assistance.

PURPOSE/OBJECTIVE:

The main audit objectives include, but are not limited to, the following:

- To verify accuracy and input timeliness of financial data, and reports processed and received by the Community Services Department.
- To verify an adequate system of internal control exists to safeguard assets, maintain the integrity of reports on operations, and provide adequate evaluation of the Division's objectives and responsibilities.
- To verify compliance with significant laws and regulations, including Florida Statutes, federal regulations, ordinances, resolutions, policies, and signed agreements or contracts related to the Community Services Department.
- To evaluate operational efficiency and effectiveness.

SCOPE:

The financial audit scope consisted of a review of accounts, financial transactions, and reports of the Community Services Department for the period October 1, 1994 through September 30, 1995.

The compliance audit scope consisted of a review of the policies and procedures, Florida Statutes, federal regulations, ordinances, resolutions, contracts, and agreements related to the Community Services Department for the period July 1, 1995 through September 30, 1995.

The operational audit scope consisted of a review of the Community Services Department's internal controls and the effectiveness and efficiency of the operation during the audit period October 1, 1994 through September 30, 1995. Management controls were also reviewed to identify significant weaknesses that may have contributed to deficient performance.

METHODOLOGY:

Internal control evaluations were accomplished by flow charting key operations, discussions with management and staff, observations, and analytical and substantive testing of individual internal controls.

METHODOLOGY: (Continued)

Risk analysis was used to establish priorities of audit objectives. Statistical sampling was used whenever appropriate to accomplish audit objectives.

IRREGULARITIES, ABUSE, AND ILLEGAL ACTS:

No indications of irregularities, abuse, or illegal acts were discovered during the audit that could affect the Community Services Department for the audit period ended September 30, 1995.

TEST OF COMPLIANCE:

Internal Audit tested compliance with certain laws and regulations, obtained an understanding of internal controls, and assessed control risk. Tests performed appeared to provide sufficient evidence to support an opinion on compliance and internal controls.

Except as noted in our audit report, tested items were in compliance with significant laws, regulations, and internal controls that included Florida Statutes, ordinances, resolutions, personnel policies, other policies established by the Community Services Department and other applicable laws and regulations.

STATEMENT ON INTERNAL CONTROL STRUCTURE:

In planning and performing our audit of the Community Services Department for the period July 1, 1994 through September 30, 1995, we considered its internal control structure in order to determine our auditing procedures for the purpose of our report on the Community Services Department. As a result, we noted in the audit report any significant matters involving the internal control structure and its operations that we consider to be reportable conditions under standards established by the U.S. General Accounting Office, *Government Auditing Standards*. Reportable conditions involve matters relating to significant deficiencies in the design or operation of the internal control structure, that in our judgment, could adversely affect the organization's ability to record, process, summarize and report on data consistent with the intent of management.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions, as defined above. In addition, because of the inherent limitations in any internal control structure, significant deficiencies in the design or operation of the internal control structure may exist and not be detected. We believe the conditions identified in our audit report constitute reportable conditions as previously defined.

MANAGEMENT SUMMARY:

The Community Services Department provides services to many people in Manatee County and acts as a liaison between county government and other non-profit organizations that directly provide services to the community. Our audit found that the internal control structure established by management was both effective and efficient for operations of the department. We continue to be impressed by the integrity, skill and ability of the Director of the Community Services to achieve a friendly, balanced, and productively working unit that encourages empowerment of all staff members. Internal Audit is pleased to note that professionalism and abilities of the middle management team that has developed from such an open and responsive leadership. We were pleased with the management team's ability to motivate employees and found the department staffed by caring and dedicated personnel. Our internal audit of the department staffed by caring and dedicated personnel. Our internal audit of the department's operations found excellent internal controls and no significant operational findings.

Internal Audit noted only one opportunity for improvement that relates to the lack of authority and approval by the Board of County Commissioners for a few of the benefits programs administered by the Community Services Department. Four of the implemented programs, comprising only 4% of Community Services Department's budget, require clarifications of the existing authorizations. The need for an overall enabling legislation with appropriate resolutions for individual programs has been recognized by management and they are currently working with the County Attorney's Office to formalize such legislation. Management hopes to complete an enabling ordinance within a few months that will strengthen and codify the authorizations for these programs administered by the Community Services Department. Internal Audit supports this process and anticipates that such legislation will provide additional guidance to the management of Community Services.

AUDIT REPORT AUTHORIZATION:

Other minor findings, not included in this report, have been communicated with management or corrected during the audit. We would like to thank the Community Services Department's personnel and management for the cooperation and courtesy afforded to our auditors throughout the audit.

This audit report has been reviewed and authorized by :

Richard J. Orienti, CIA, CFE R. B. "Chips" Shore

Director of Internal Audit Clerk of the Circuit Court

MANAGEMENT'S RESPONSE

MEMORANDUM

TO: R. B. "Chips" Shore, Clerk of the Circuit Court

FROM: Frederick J. Loveland, Director

Community Services Department

SUBJ: Draft Audit Report

DATE: December 19, 1995

Thank you for the opportunity to respond to the Community Services Department Draft Audit Report forwarded to this Office on December 15thru, 1995.

Pursuant to the Opportunity For Improvement referenced in this report, the Community Services Department will proceed to coordinate closely with the County Attorney's Office to bring forward the required enabling ordinance and implementing resolutions needed to effectuate clear program authority. We will keep you apprised concerning our progress in this matter.

It has been a pleasure, as well as a valuable learning experience, for myself and other members of the Community Services Department involved in the audit process to work with Mr. Richard Orienti and the staff of the Internal Audit Division.

FLJ:jw

Cc: Ernie Padgett, County Administrator