

MANATEE COUNTY CLERK OF CIRCUIT COURT

INTERNAL AUDIT DEPARTMENT

AUDIT REPORT

OFFICE OF HUMAN RESOURCES

AS OF FEBRUARY 28, 1993

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MANATEE COUNTY CLERK OF THE CIRCUIT COURT

INTERNAL AUDIT DEPARTMENT

OFFICE OF HUMAN RESOURCES

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MANATEE COUNTY CLERK OF THE CIRCUIT COURT
INTERNAL AUDIT DEPARTMENT
OFFICE OF HUMAN RESOURCES
AS OF FEBRUARY 28, 1993

A U D I T R E P O R T

A financial, compliance, and operational audit of the Manatee County Office of Human Resources was conducted by the Internal Audit Department for the audit period November 1, 1991 through February 28, 1993. The audit was performed in conformance 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 Office of Human Resources provides general and specialized personnel services to all departments and county employees under the Board of County Commissioners. The office is divided into four divisions: the Employment and Employee Development Division, the Records Management Division, the Compensation Division, and the Employee Health Benefits Division.

The Employment and Employee Development Division provides support in recruitment, testing and selection of employees. The division is responsible for coordinating county-wide programs which inform, educate, motivate and recognize achievement of county employees. The Compensation Division and Records Management Division administer the classification/pay plan. The divisions conduct job analysis, recommend pay grades, conduct wage surveys, and analyze requests for pay adjustments. They revise and maintain job descriptions, analyze labor market trends, and develop and maintain procedures and practices for administration of the classification/pay plan.

The Employee Health Benefits Division has recently undergone an internal audit and will be excluded from this audit.

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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 Division.

- To verify an adequate system of internal control exists to safeguard assets, maintain the integrity of reports on operations, and provide adequate evaluation of departmental objectives and responsibilities.

- To verify compliance with significant laws and regulations, including Florida Statutes, federal regulations, county ordinances, resolutions, policies, and signed agreements or contracts.

- To evaluate operational efficiency and effectiveness.

SCOPE

The financial audit scope consisted of a review of accounts, financial transactions, and reports of the Office of Human Resources for the period November 1, 1991 through October 31, 1992. Additional testing was performed through February 28, 1993.

The compliance audit scope consisted of a review of the policies and procedures, Florida Statutes, federal regulations, county ordinances, resolutions, contracts, and agreements made by the Office of Human Resources.

The operational audit scope consisted of a review of the Office of Human Resources' internal controls and the effectiveness and efficiency of its operation during the audit period November 1, 1991 through February 28, 1993.

METHODOLOGY

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

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

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IRREGULARITIES, ABUSE, AND ILLEGAL ACTS

Except as noted in our audit report, no indications of irregularities, abuse, or illegal acts were discovered during the audit that could affect the Office of Human Resources for the audit period ending February 28, 1993.

TEST OF COMPLIANCE

Except as noted in our audit report, tested items were in compliance with significant Florida Statutes, ordinances, laws, personnel policies, other policies established by the Board of County Commissioners and other applicable laws and regulations.

Nothing came to our attention as a result of specified procedures that caused us to believe that the untested items of the Office of Human Resources failed to comply with applicable laws and regulations. However, it should be noted that our audit was not directed toward obtaining knowledge of noncompliance for areas not specifically tested.

STATEMENT ON INTERNAL CONTROL STRUCTURE

In planning and performing our audit of the Office of Human Resources for the period November 1, 1991 through February 28, 1993, we considered its internal control structure in order to determine our auditing procedures for the purpose of this report on the Office of Human Resources. As a result, we did not note 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. However, we believe the conditions identified in our audit report constitute reportable conditions as previously defined.

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MANAGEMENT SUMMARY:

One of the main objectives of the Office of Human Resources is to provide a fair and open process to allow all qualified candidates the opportunity to be selected as Manatee County employees. Our audit revealed a need to strengthen internal controls in the Office of Human Resources to achieve such a fair and open system and we make many recommendations in this report to assist management in moving toward achievement of this goal. Our audit found a weak, ambiguous and ineffective manual of policies and procedures which allows inconsistent application. In addition, we found that management places a high priority on facilitating external requests and low priority on assuming responsibility for reviewing or monitoring compliance with personnel rules. Internal Audit believes Manatee County would benefit by an Office of Human Resources that places a higher priority on monitoring and assuring compliance with personnel policies and procedures. This can be accomplished by providing clear direction through revising and strengthening of the current policies and procedures, and by taking an active role in assuring compliance and consistency of interpretation with personnel rules.

The hiring process often involves initially hiring temporary employees, without fair and open competition, and subsequently moving these employees into permanent positions. This process by-passes hiring competition for permanent employment and generally gives the appearance of favoritism in hiring. We found a list or pool of eligible temporary employees has not been established, despite the assertion on most of the hiring forms stating that the employee was hired from a pool of qualified candidates. In this report we recommend policies and procedures be developed to strengthen the controls over hiring of temporary employees to prevent future abuse and appearance of favoritism. (See Detailed Audit Finding #1, at pages 11 & 12) In addition, we tested the employment of temporary employees and found noncompliance with the Florida Retirement System requirements. We recommend the Office of Human Resources monitor and enforce the requirements of the Florida Retirement System to eliminate the inappropriate use of temporary employment practices. (See Detailed Audit Finding #2, at pages 13 & 14)

Internal Audit reviewed the currently adopted Manatee County Personnel Policies, Rules and Procedures manual. We found this manual lacked clarity, assignment of responsibilities, and is generally weak and subject to inconsistent interpretation. Without a clear statement of personnel rules, the appearance of favoritism and associated liability exist. We recommend the Manatee County Personnel Policies, Rules and Procedures manual be substantially

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MANAGEMENT SUMMARY (Continued):

revised to provide clarity, consistency of interpretation, and assignment of responsibilities which can serve as clear guidance to Manatee County employees. We have provided a separate and

detailed set of specific findings and recommendations for strengthening of this manual in Exhibit A, pages 39 through 49 of this report. (See Detailed Audit Finding #3, at pages 15) In addition, we found that the Manatee County Personnel Policies, Rules and Procedures manual was adopted without a resolution, without rescinding outstanding prior resolutions and without provisions for updates. In this report we recommend a resolution be formally adopted with update provisions and prior resolutions rescinded. (See Detailed Audit Finding #22, at page 36)

Internal Audit found another hiring practice that has been allowed to occur in Manatee County departments that distorts staffing levels and personnel needs. A practice of "underencumbering" is allowed, despite a lack of policies and procedures for this practice, where vacant positions are filled with unqualified employees at reduced pay rates from those designated for the vacant positions. Staffing levels and personnel needs are approved by the Board of County Commissioners and we believe this practice of "underencumbering" misrepresents and distorts true staffing needs to the Board of County Commissioners. In this report, we recommend the practice of "underencumbering" of positions no longer be facilitated by the Office of Human Resources so that true staffing needs can be represented to the Board of County Commissioners. (See Detailed Audit Finding #4, at page 16)

The operating procedures for the Office of Human Resources have not been developed for the administration and systematic review of the County's classification and pay plan, as required by Manatee County policy. We also found that these reviews are not performed systematically but are performed only upon individual requests and that these reviews are not processed timely. Without systematic review and administration of the classification and pay plan, inequities and the appearance of favoritism develop. We recommend the Office of Human Resources develop procedures and comply with policy regarding the administration and systematic review of the County's classification and pay plan. (See Detailed Audit Finding #5, at page 17)

Preferential treatment of certain employees exists that does not conform to policies and procedures and has been allowed by the Office of Human Resources in the sick leave policies and

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MANAGEMENT SUMMARY (Continued):

procedures. Some of the instances occurred in the Office of Human Resources. We recommend the Office of Human Resources develop standardized policies and procedures and maintain administrative directives for the clarification and uniform interpretation of existing policies related to sick leave. (See Detailed Audit Finding #6, at pages 18 & 19)

Retroactive lump-sum payments to employees for delayed merit increases and reclassification often lacked the documentation supporting the reason for the delay in processing the evaluations and recommendations for increases. We also found two instances of retroactive payments processed by the Office of Human Resources that did not conform to the policies and procedures

of Manatee County regarding eligibility for such payments. We recommend the Office of Human Resources obtain and maintain complete information regarding retroactive payments. We further recommend the Board of County Commissioners formally approve the exceptions to the policies and procedures that occurred to eliminate the need for repayment. (See Detailed Audit Finding #7, at page 20)

Our audit found the Employee Handbook provided to new employees by the Office of Human Resources has not been updated to reflect current policies and procedures. In this report we recommend the Employee Handbook be updated and we further recommend the Office of Human Resources consider distribution of the Manatee County Personnel Policies, Rules and Procedures manual to all employees due to the numerous changes that have occurred. (See Detailed Audit Finding #8, at page 21)

Internal Audit reviewed the operating policies and procedures of the Office of Human Resources and found the manual to be inadequate to provide guidance to employees, contains weak controls and outdated information. We recommend the operating policies and procedures be revised to provide clear guidance to employees. We have provided a separate and detailed set of specific findings and recommendations for strengthening this manual in Exhibit B, on pages 50 through 52 of this report. (See Detailed Audit Finding #9, at page 22)

Job descriptions for County employees were not always reviewed, approved, appropriate for the positions, and were often in draft form. We recommend the Office of Human Resources strengthen the control over review, approval and finalization of job descriptions. (See Detailed Audit Finding #10, at page 23)

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MANAGEMENT SUMMARY (Continued):

Our audit found weak internal controls over the tracking of documentation for applicants interviewed for County positions. We were concerned with the discovery of two fabricated interview sheets for individuals applying for positions in the Office of Human Resources. In this report we recommend internal controls be strengthened for the preparation and tracking of interview documentation. (See Detailed Audit Finding #11, at page 24)

Employee performance evaluations were not always performed timely, some of the evaluations were misfiled or missing. While it is the responsibility of department managers to perform the evaluations, we recommend the Office of Human Resources document the delays and verify proper filing of these documents in personnel files. (See Detailed Audit Finding #12, at page 25)

Our audit found variances between personnel records and time cards for terminated employees. In this report we recommend the Office of Human Resources strengthen review of personnel file documentation for terminated personnel. (See Detailed Audit Finding #13, at page 26)

The Professional Development Program for all Manatee County employees requires the Office of Human Resource to track and assure all requests meet policy requirements. We found weak

internal controls over monitoring of this program and recommend increased internal control over monitoring of this program. (See Detailed Audit Finding #14, at pages 27 & 28)

We found that the Office of Human Resources has not developed policies and procedures for a sick leave pool program and in this report we recommend this program be developed to comply with the Board of County Commissioners' directive. (See Detailed Audit Finding #15, at page 29)

The current budget for the Office of Human Resources has understated its personnel costs. In addition, we found that formal policies and procedures have not been developed for the County-wide education program which development has been directed and funds appropriated by the Board of County Commissioners for two fiscal years. By not implementing the funded program in a timely manner, Manatee County employees are denied program benefits which were adopted and funded by the Board of County Commissioners. In this report we recommend the full personnel costs be budgeted for the Office of Human Resources and the education program for County employees be administrated effectively. (See Detailed Audit Finding #16, at page 30)

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MANAGEMENT SUMMARY (Continued):

Our audit found inconsistent policies and procedures for the verification of employees' college degrees. Our testing revealed that the Office of Human Resources primarily verifies college degrees on a requested basis and does not always process this verification timely. We recommend the Office of Human Resources verify all college degrees for employees hired by Manatee County. (See Detailed Audit Finding #17, at page 31)

The Office of Human Resources does not monitor and rescind "Acting Status" on a timely basis and does not pursue timely filling of vacant Manatee County positions. We found 67% of employees remain in "Acting Status" for longer than six months, 39% remain in "Acting Status" for longer than one year. We recommend the Office of Human Resources monitor, rescind, and pursue hiring of employees to minimize the time frame during which employees serve in "Acting Status". (See Detailed Audit Finding #18, at page 32)

The Director of Human Resources has not complied with the County's personnel policies and procedures regarding prior approval and documentation of overtime hours or scheduled extra hours of employees in his department. In this report we recommend compliance with the policies and procedures regarding prior approval and documentation of work schedules. (See Detailed Audit Finding #19, at page 33)

Our audit found the Office of Human Resources does not have a current contract with a company providing unemployment compensation services and does not have an inter-local agreement for providing pre-employment health screening. We recommend obtaining new contracts and Board of County Commissioners' approval for providing these services. (See Detailed Audit Finding #20, at page 34)

The Office of Human Resources is responsible for obtaining prior approval of expenditures for awards given to County employees; however, testing revealed that prior approval is not always

obtained. We also found discrepancy between the Ordinance for awards and policies regarding cash awards. We recommend the Office of Human Resources comply with the awards procedures and we also recommend the current procedures be amended to allow for monetary awards. (See Detailed Audit Finding #21, at page 35)

The computer employment records maintained by the Office of Human Resources is incomplete, contains input errors and information conflicting with personnel records. In this report we recommend input verification and accuracy controls be strengthened. (See Detailed Audit Finding #23, at page 37)

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MANAGEMENT SUMMARY (Continued):

We reviewed the computers used by the Office of Human Resources to track job applications and found the computer system to be inefficient as a management tool. We recommend improvements to automation. (See Detailed Audit Finding #24, at page 38)

Detailed audit findings and recommendations can be found in the main body of this report (pages 11 through 38). EXHIBIT A: Specific detail of recommended changes to the Manatee County Personnel Policies, Rules, and Procedures Manual can be found on pages 39 through 49. EXHIBIT B: Specific detail of recommended changes to the operating policies and procedures manual of the Office of Human Resources can be found on pages 50 through 52.

Management's response to detailed audit findings can be found on pages 53 through 123. Other minor findings, not included in this report, have been discussed with management or corrected during the audit. We would like to

thank the Office of Human Resources's personnel and management for the cooperation and courtesy afforded 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
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DETAILED AUDIT FINDINGS

+-----+
01.THE HIRING PRACTICES FOR OPS/TEMPORARY POSITIONS CIRCUMVENT THE NORMAL
HIRING PROCEDURES FOR PERMANENT POSITIONS AND GIVE THE APPEARANCE OF
FAVORITISM. +-----+

Governmental hiring, by its very nature, should be fair and open to all qualified candidates. Internal Audit reviewed the practices followed for the hiring of County employees. We found the initial hiring of OPS/Temporary positions and subsequent moving these employees into permanent positions by-passes open and fair hiring procedures and appears to promote favoritism. OPS/Temporary positions are filled without open competition and these employees are often placed into permanent positions once the OPS/Temporary status expires. We reviewed the hiring procedures used for OPS/Temporary employees and found policies and procedures related to the selection of

OPS/Temporary candidates are not enforced to insure that all applicants are given equitable treatment. In addition, changes in staffing levels require approval by the Board of County Commissioners; however, OPS/Temporary positions are not required to be approved by the Board of County Commissioners or reviewed by the Office of Financial Management.

Internal Audit also found the Human Resource Director has not established a pool or temporary eligibility list for qualified candidates, despite the assertion on most of the Personnel Action Request (PAR) Forms for OPS/Temporary personnel that the employee was hired from a pool of qualified candidates.

Appearance of favoritism in hiring practices specifically included:

- the hiring of relatives of other County employees,
- the preferential treatment without competition in the hiring of candidates based on external pressure,
- the preferential treatment of continuous employment under the OPS/Temporary guise.

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DETAILED AUDIT FINDINGS

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01. THE HIRING PRACTICES FOR OPS/TEMPORARY POSITIONS
CIRCUMVENT THE NORMAL HIRING PROCEDURES FOR PERMANENT
POSITIONS AND GIVE THE APPEARANCE OF FAVORITISM.

(Continued)

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Internal Audit recommends the Office of Human Resources establish policies and procedures for the selection and employment of OPS/Temporary candidates. We also recommend management establish a list of eligible temporary candidates who have been determined to be qualified candidates. We further recommend the active review and monitoring of OPS/Temporary positions to assure these positions are not utilized to circumvent open and fair hiring practices whose circumvention gives the appearance of favoritism in employment.

It was also noted Manatee County has contracted with three temporary employment service agencies. Internal Audit recommends the Office of Human Resources consider the exclusive use of these contracts in order to avoid further abuse and the appearance of favoritism through the hiring of OPS/Temporary positions.

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DETAILED AUDIT FINDINGS

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02. OPS/TEMPORARY POSITIONS APPEAR TO HAVE CIRCUMVENTED

THE SIX CONSECUTIVE MONTH EMPLOYMENT CRITERIA

ESTABLISHED BY THE FLORIDA RETIREMENT SYSTEM.

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The Florida Retirement System requires:

"Membership in the Florida Retirement System shall be compulsory if the employee is filling a full-time or part-time regularly established position. An employee filling a regularly established

position shall be enrolled on the first day of employment. A regularly established position in a local agency is an employment position which will be in existence beyond six (6) consecutive months. A temporary position is an employment position which will not exist beyond six (6) consecutive calendar months."

Internal Audit reviewed the practices followed by the Office of Human Resources for processing OPS/temporary positions and found positions that appear to have been deliberately misclassified, reclassified and used as training positions all of which circumvent the Florida State Retirement System criteria. Internal Audit found the following exceptions:

- 22 out of 42 or 52% of the OPS/Temporary employees' files examined misclassified positions as OPS/Temporary positions that should be classified as regularly established positions according to Florida Retirement System criteria.
- 14 out of 42 or 33% of the OPS/Temporary employees' files examined continued employment beyond six (6) consecutive months by changing the employee's job title. The paperwork submitted and processed appears to deliberately circumvent the six (6) consecutive month employment criteria established by the Florida Retirement System.
- 6 out of 42 or 14% of the OPS/Temporary employees' files examined found the individual was employed, separated and later re-employed into the previous position. Although the individuals' employment in the positions existed for less than six consecutive months, the position itself appears to qualify as a regular established position under Florida Retirement System's criteria.

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02. OPS/TEMPORARY POSITIONS APPEAR TO HAVE CIRCUMVENTED

THE SIX CONSECUTIVE MONTH EMPLOYMENT CRITERIA

ESTABLISHED BY THE FLORIDA RETIREMENT SYSTEM.

(Continued)

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- The Transit Division, with facilitation from the Director of Human Resources, was utilizing the OPS/Temporary employment period as a training and evaluation period for its Transit and Para-transit Operators. The Florida Retirement System does not consider the OPS/Temporary Transit Operator as a valid temporary position but rather as a regular position subject to retirement contributions. As of February 5, 1993, Internal Audit found five Transit Operators classified as OPS/ Temporary.

Three (3) employees were initially hired as OPS/Temporary and subsequently rehired to fill regular positions with the same job classification as the OPS position. This appears to be an extended probationary period.

Internal Audit recommends the Office of Human Resources strictly adhere to the Florida Retirement System's rules and inform all departments of the appropriate uses for OPS/Temporary positions and the financial implications for violations. Internal Audit further recommends management establish policies and procedures to monitor and review OPS/Temporary positions to assure compliance. We also recommend management stop facilitating the practice of hiring OPS/Temporary positions as a training function or as an extended probationary period for regularly established positions.

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03. MANATEE COUNTY PERSONNEL POLICIES, RULES, AND PROCEDURES MANUAL DOES NOT PROVIDE CLEAR GUIDANCE FOR COUNTY EMPLOYEES, IS VAGUE, AMBIGUOUS AND LACKS ASSIGNMENT OF RESPONSIBILITY FOR COMPLIANCE WITH POLICIES.

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Internal Audit reviewed the Manatee County Personnel Policies, Rules and Procedures manual, compared this manual with similar manuals in other Florida counties, and conducted a statistical survey of Manatee County Employees. We found the manual does not provide clear guidance for county employees. In addition, the manual contains information that is vague, ambiguous and weak in defining responsibilities, documentation required and maintenance of the documentation used to verify compliance. We have provided detailed and specific comments and recommendations to areas where the manual can be strengthened, language may be clarified and deficiencies may be eliminated. We have included these specific recommendations on Exhibit A on pages 39 through 49 of this report.

Internal Audit recommends the Office of Human Resources review and revise the Manatee County Personnel Policies, Rules and Procedures manual to clearly define policies, responsibilities, documentation, and retention of the documentation required.

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04. THE OFFICE OF HUMAN RESOURCES ALLOWS FOR
UNDERENCUMBERING OF EXISTING COUNTY POSITIONS
RESULTING IN MISREPRESENTATION OF APPROVED
STAFFING LEVELS.

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Internal Audit reviewed employee files and found county employees placed in higher positions for which they are neither qualified nor are they compensated according to the position's pay grade. This practice of "underencumbering" results in county positions being filled with people not qualified for the position they occupy, excess funds in personnel appropriations for departments and misrepresentation of staffing needs which are approved by the Board of County Commissioners. Internal Audit did not find any policies or procedures to allow this staffing level manipulation practice facilitated by the Office of Human Resources. Internal Audit found the following exceptions:

- 10.60% or 7 out of 66 new hired employees in the sample selected were placed in positions which underencumbered positions of higher classifications and pay grades.
- 6.15% or 8 out of 130 active employees in the sample selected were placed in positions which underencumbered positions of higher classifications and pay grades.

Internal Audit recommends the Office of Human Resources no longer facilitate the practice of underencumbering positions to properly reflect the approved staffing levels and needs approved by the Board of County Commissioners.

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05. OPERATING PROCEDURES DO NOT EXIST FOR THE
ADMINISTRATION AND SYSTEMATIC REVIEW OF THE
CLASSIFICATION AND PAY PLAN.

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The Manatee County Policy, Rules and Procedures manual assigns responsibility to the Director of Human Resources for reviewing all positions assigned to the classification and pay system on a routine basis to ensure equity, and for the periodic and as-needed reviews of the pay grades for all classifications. Internal Audit found that there are no operating procedures for the administration and systematic review of the classification and pay plan. Internal Audit found the staff of the Human Resources Department has been limited to reviews and evaluations by department's individual audit requests and evaluations required as a result of departmental reorganizations. We also found these special requests are not processed timely with approximately 35% of those reviewed requiring longer than 90 days to complete. Without a systematic review process and administration of the County's classification and pay plan, inequities and the appearance of favoritism develop.

Internal Audit recommends the Office of Human Resources develop operating policies and procedures to comply with the Manatee County Policies, Rules and Procedures manual which includes the administration and systematic review of the classification and pay plan and the performance of systematic and routine evaluations to ensure proper classification and placement of employees.

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06. THE OFFICE OF HUMAN RESOURCES ALLOWS ABUSES IN THE
SICK LEAVE POLICIES AND PROCEDURES RESULTING
IN PREFERENTIAL TREATMENT FOR SELECTED EMPLOYEES.

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Internal Audit reviewed the Office of Human Resources' policies and procedures related to sick leave and found several abuses that appear to be preferential treatment given to selected employees. Some of these abuses occurred within the Office of Human Resources. Specific examples of instances that are not addressed in the Personnel Policies, Rules and Procedures manual included:

- A probationary employee of the Office of Human Resources was given permission by the Human Resource Director to make up sick leave hours by working at home, working through lunches, and altering schedules. In addition, Internal Audit found other examples where selected individuals were allowed to work at home to compensate for sick leave where the employee did not have sufficient sick leave hours earned. The appearance of favoritism exists since this practice is not available to all County employees.
- A former full-time employee of the Office of Human Resources was allowed to reduce the number of hours paid and sick leave used in order to extend benefits during her maternity leave. If this employee had been required to report the full 80 hours per pay period that this position required, she would not have had enough vacation and sick hours left to cover her entire absence.
- A full-time Transit Department employee received payments for only 6.75 hours of sick leave per pay period since September 25, 1992. The payment of sick leave hours compensated for his dependent medical insurance coverage and allowed him to continue to receive county insurance benefits. This employee was kept on the county's payroll until he became vested with the Florida Retirement System on July 2, 1993, the effective date of his termination.

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06. THE OFFICE OF HUMAN RESOURCES ALLOWS ABUSES IN THE
SICK LEAVE POLICIES AND PROCEDURES RESULTING
IN PREFERENTIAL TREATMENT FOR SELECTED EMPLOYEES.

(Continued)

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Internal Audit recommends the Office of Human Resources develop standardized policies and procedures and maintain administrative directives for the clarification and uniform interpretation of existing policies related to sick leave. Developing stronger policies and procedures will minimize the appearance of preferential treatment to certain employees. We also recommend management take a more active role in reviewing and monitoring sick leave to ensure the consistent application to all employees.

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7. RETROACTIVE PAY REQUESTS OFTEN LACK DOCUMENTATION

OF THE REASON FOR THE DELAY, AND INSTANCES WERE FOUND

WHERE RETROACTIVE PAYMENTS DID NOT CONFORM TO

POLICIES AND PROCEDURES.

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Manatee County Personnel Policies, Rules and Procedure allow for retroactive pay adjustments. The retroactive pay adjustments are to be granted if it is delayed through no fault of the employees. Internal Audit reviewed retroactive pay requests and found 10.52% of employees' retroactive pay requests did not have a reason for the late filing of the merit increase after the evaluation date.

The Personnel Policies, Rules and Procedures manual states:

"Employees are eligible for retroactive pay adjustments... This does not apply to reclassification if the classification position did not exist prior to the claim for retroactivity, even though the employee may have been performing some duties of the new position."

Internal Audit found inappropriate retroactive lump-sum payments totaling \$3,520 for two county employees who were reclassified. The employees were reclassified based on recognition of expanded job duties; however, the positions did not exist during the period for which the retroactive payments were made. Since the positions did not exist prior to the reclassification, the retroactive payments appear inappropriate and do not conform to the County's policies and procedures.

Internal Audit recommends the Office of Human Resources obtain and review all supporting documentation for completeness prior to processing retroactive payments for compliance with County policies and procedures. We further recommend the Board of County Commissioners formally approve the exceptions to the policies and procedures that occurred for the above individual employees to eliminate the need for repayment.

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8. THE EMPLOYEE HANDBOOK, DISTRIBUTED TO ALL NEWLY HIRED EMPLOYEES, HAS NOT BEEN UPDATED.

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The Office of Human Resources distributes a copy of the County's Employee Handbook to all newly hired employees. Internal Audit found the Employee Handbook contains only excerpts of the personnel policies and procedures and was not updated to reflect current information in the sections pertaining to general Manatee County background information and to the sections related to Office and Department Descriptions. The October 1, 1992 Manatee County Personnel Policies, Rules and Procedures Manual has not been incorporated into the Handbook.

Internal Audit conducted a survey and found that several employees believed the County's Employee Handbook was the Manatee County Personnel Policies, Rules and Procedures Manual and are relying on the information it contains.

Internal Audit recommends the Office of Human Resources revise and update the Employee Handbook to reflect the adopted October 1, 1992 Manatee County Personnel Policies, Rules and Procedures Manual. Internal Audit also recommends the Office of Human Resources consider the distribution of the Manatee County Personnel Policies, Rules and Procedures manual to all personnel and new hires to allow all employees to become familiar with the County's policies and procedures relating to their employment.

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9. THE OFFICE OF HUMAN RESOURCES' POLICIES AND

PROCEDURES OPERATING MANUAL IS INADEQUATE,

CONTAINS WEAK CONTROLS AND OUTDATED INFORMATION.

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Internal Audit reviewed the policies and procedures operating manual for the Office of Human Resources and found the operating manual to be inadequate, with weak controls and outdated information. In addition, there was no policy or procedures for the periodic review or revision of the operating manual and no documentation for the manual's disbursement or updates.

Internal Audit also found there was no uniformity in the format of the manual. Most of the pages did not have an effective date. The pages were not numbered, there was no authorization section and it was noted the manual included numerous blank pages. Procedures included exhibits, which were not labeled or explained.

Internal Audit reviewed the operating manual and provided detailed comments and recommendations relating to areas of deficiencies. These comments are found in Exhibit B on pages 50 through 52.

Internal Audit recommends the Office of Human Resources review and revise the operating policies and procedures manual in order for the manual to provide the department with an effective management tool.

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10. JOB DESCRIPTIONS ARE NOT REVIEWED, APPROVED AND
FINALIZED.

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Internal Audit verified all positions on the Allocated Position Listing as of March 12, 1993 to a corresponding job description in the Office of Human Resources. The following exceptions were noted:

- Job descriptions involving working with children do not list the child abuse registry screening as a requirement for employment as required.
- 16.59% or 71 of the total population of 428 job descriptions did not have the review and approval section completed.
- 5.37% or 23 of the total population of 428 job descriptions had been stamped "Draft".

Internal Audit recommends that the Office of Human Resources review all current positions to verify that job descriptions have been created, reviewed, and approved by the appropriate Department Director.

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11. SOME PERSONNEL INTERVIEW SHEETS WERE MISSING AND
SOME WERE FABRICATED.

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Internal Audit reviewed a judgmental sample of 9 County positions hired during the audit period. The applications and interview sheets of employees interviewed but not hired were examined for reasonableness of qualifications and completeness of interview sheet. The following exceptions were noted:

- Two interview sheets of individuals who applied for the position of Emergency Communications Center dispatcher were not on file in the Human Resource Department. We also found a lack of tracking controls to assure employment candidates are interviewed by County Departments.

- Two interview sheets for individuals applying for positions in the Human Resources Department were fabricated and signed by the Personnel Management Specialist; however, the applicants were never interviewed.

Internal Audit recommends the Office of Human Resources develop stronger controls for tracking interview sheets sent to the county departments to ensure the applicants are given an equal opportunity to be interviewed. We also strongly recommend the Office of Human Resources ensure the integrity of all documents internally produced.

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12. EMPLOYEE PERFORMANCE EVALUATIONS WERE MISSING,
MISFILED AND NOT PERFORMED ON A TIMELY BASIS.

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Internal Audit reviewed employee personnel files for completeness for the last five years ending February 28, 1993 and found the following exceptions relating to the Employee Performance Evaluations:

- 5.38% (7 out of 130) files examined for the last five years had Employee Performance Evaluations performed but were not in the files.
- 29.23% (38 out of 130) files examined for the last five years had Employee Performance Evaluations that were performed at least two months after their due date.

Internal Audit recognizes that the departments are ultimately responsible for the completion of the Employee Performance Evaluations; however, documentation was not available in the personnel files to support the causes of the delays.

Internal Audit recommends the Office of Human Resources establish operating procedures to ensure that supporting documentation is available to explain delays in the evaluation process. Internal Audit also recommends that careful attention be given to the filing of documents in the employee files.

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13. TERMINATED EMPLOYEE FILES WERE INCOMPLETE AND
CONTAINED INCONSISTENT DATA.

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Internal Audit reviewed a statistical sample of 100 terminated County employee personnel files for completeness, reasonability, and consistency with the County's payroll data. The following exceptions were found:

- 45% (45 out of 100) of the Personnel Action Requests (PAR) forms had dates for the "last work day" which were inconsistent with the employees' time cards. 87% (39 out of 45) of the exceptions were temporary/OPS employees.
- 66% (66 out of 100) of the terminated personnel files did not contain an employment history summary sheet. 74% (49 out of 66) of the exceptions were temporary/OPS employees. Inserting the summary sheet in the personnel file after termination is a standard procedure.
- 10% (10 out of 100) of the terminated employees continued to receive time cards for two or more pay periods after the effective termination date. 100% of the exceptions were either temporary/OPS employees (6) or Civic Center employees (4) who remained on the payroll even though they had no scheduled work hours.

Internal Audit recommends the Office of Human Resources develop stronger controls to ensure that supporting documentation from terminated employees is accurate and completed on a timely basis. Internal Audit also recommends establishing procedures for the periodic review of OPS/Temporary and Civic Center positions.

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14. THE OFFICE OF HUMAN RESOURCES IS NOT IN COMPLIANCE
WITH ITS POLICIES AND PROCEDURES REGARDING THE
PROFESSIONAL DEVELOPMENT PROGRAM.

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The Professional Development Program Policy and Procedures for Training and Education states: "The Office of Human Resources will maintain a record on every employee, will ensure all request(s) meet policy requirements, and will act as a clearing-house for educational and training opportunities."

Internal Audit found the Training Division of the Human Resource Department has no controls in place to verify that their records of "Professional Development" are accurate and complete. Internal Audit noted the following control weaknesses:

- The Policies and Procedures for Training and Education do not require the Director of the Human Resources Department or any other employee to review or authorize the Record of Training forms to ensure that all expenditures meet policy requirements.
- Time cards are not reviewed to verify that employees who attend education/training courses during working hours properly label their time with "ET" as required in the procedures.
- Per review of 107 voucher packages of all educational expenditures paid to individual county employees, the following reimbursements were found not to be in compliance with the policy requirements:
 - 8.41% or 9 out of 107 did not have Record of Training forms attached.
 - 10.28% or 11 out of 107 had incomplete Record of Training/Tuition Reimbursement forms.

30.84% or 33 out of 107 had tuition reimbursement forms with the pre-approval section completed after the employee began attending classes.

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14. THE OFFICE OF HUMAN RESOURCES IS NOT IN COMPLIANCE WITH ITS POLICIES AND PROCEDURES REGARDING THE PROFESSIONAL DEVELOPMENT PROGRAM.

(Continued)

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17.76% or 19 out of 107 did not have the course description attached to the Record of Training or Tuition Reimbursement form.

Internal Audit recommends the Professional Development Program Policies and Procedures be revised to provide stronger controls to verify records are accurate and complete, and to ensure all requests for training and education are properly reviewed and authorized to meet policy requirements.

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15. THE OFFICE OF HUMAN RESOURCES HAS NOT DEVELOPED A
SICK LEAVE POOL PROGRAM.

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The Office of Human Resources has not completed the development of a Sick Leave Pool. The Board of County Commissioners approved the concept to be developed in July 1992 with the anticipated completion in January 1993. To date, the policies and procedures have not been established for the proposed Sick Leave Pool.

Internal Audit recommends the Office of Human Resources develop a program to pool sick leave hours according to the Board of County Commissioners' directives on a timely basis.

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16. THE OFFICE OF HUMAN RESOURCES' BUDGET DOES NOT

ADEQUATELY REFLECT OPERATIONS. IN ADDITION, THE
OFFICE HAS NOT FULLY UTILIZED FUNDING PROVIDED FOR
A COUNTY-WIDE EDUCATION PROGRAM.

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Internal Audit noted the budgets from 1991 (\$420,360) to 1993 (\$478,068) increased approximately 14% without an apparent increase in staff or services provided. The Office of Human Resources' original 91/92 fiscal year budget was increased approximately 5% (\$25,277) over the 90/91 fiscal year budget. Approximately \$10,000 of the increase was to provide for development of a training program for all county employees and the balance was to provide for a full-time position which was to be hired mid-year. We found the County-wide training and education program has not been implemented, policies and procedures have not been formally developed and the full-time position was not filled until August 25, 1992. Of the \$25,277 budget increase, approximately \$4,522 or 17.89% was actually expended. By not implementing the funded program in a timely manner, Manatee County employees are denied program benefits which were adopted and funded by the Board of County Commissioners.

An analytical review of the original budget compared to fiscal year-end expenditures of the Office of Human Resources noted the regular salary line item was overspent by approximately 11% (\$29,315). In an analysis of the adopted 1993 budget for regular salaries compared to projected fiscal year-end expenditures, the budget appears again to be understated by at least 4.5%.

Internal Audit recommends the Office of Human Resources' budget accurately reflect funding for departmental needs and fully implement programs benefiting County employees. Internal Audit also recommends the Office of Human Resources formally establish policies and procedures for the training and education program for the benefit of County employees utilizing the funding provided in the budget.

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17. PROCEDURES FOR THE VERIFICATION OF EMPLOYEES'

COLLEGE DEGREES ARE NOT CONSISTENT IN THE

OPERATING POLICIES AND PROCEDURES AND THE MANATEE

COUNTY PERSONNEL POLICIES, RULES AND PROCEDURES.

+-----+

The Office of Human Resources operating procedures includes a procedure for the verification of employees' college degrees. The procedure established in March of 1992 calls for weekly verification of candidates filling positions requiring a degree to be documented on a log. Internal Audit found the Manatee County Personnel Policies, Rules and Procedures Manual calls for the verification process to be performed on a requested basis. Internal Audit noted that the Office of Human Resources is performing verification on a request basis.

Internal Audit reviewed the log summary and found 40 verifications were attempted, with 9 items unverified and/or outstanding. A review of the log sheets revealed only 25 out of the 40 had been completed.

Internal Audit recommends the Office of Human Resources make the necessary revisions to their operating policies and procedures and to the Personnel Policies, Rules and Procedures to allow for consistent verification of employees' college degrees.

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18. THE OFFICE OF HUMAN RESOURCES DOES NOT REVIEW,
MONITOR AND RESCIND EMPLOYEES ON "ACTING
STATUS" ON A TIMELY BASIS.

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Internal Audit found that policies and procedures do not exist relating to the review and the rescinding of "acting status" employees. Internal Audit reviewed employees files with "acting status" in effect during our audit period and found the following:

- 66.66% or 24 out of 36 employees had "acting status" in effect for longer than six (6) months.
- 38.88% or 14 out of 36 employees had "acting status" in effect for longer than twelve (12) months.
- 5.55% or 2 out of 36 employees had "acting status" in effect for longer than three (3) years.

Internal Audit believes that establishing standards and monitoring guidelines will assist in the permanent placement of employees on a timely basis.

Internal Audit recommends the Office of Human Resources establish standards on the allowable time frame for "acting status" employees. We also recommend that operating procedures be developed to properly monitor, review and document employees on "acting status".

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19. DIRECTOR OF HUMAN RESOURCES IS NOT IN COMPLIANCE

WITH COUNTY PERSONNEL POLICIES, RULES AND

PROCEDURES RELATING TO MAINTENANCE OF WORK

SCHEDULES AND PRE-DESIGNATED SCHEDULED EXTRA HOURS.

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The County Personnel Policies, Rules and Procedures state:

"Office Directors are responsible for maintaining a record of work schedules for non-exempt employees and for those pre-designated scheduled extra hours assigned to exempt non-managerial employees".

Internal Audit found the Director of the Office of Human Resources did not have supporting documentation for overtime hours reported on non-exempt employees' time cards or for scheduled extra hours reported on exempt employees' time cards. In addition, we noted the Office of Human Resources does not have operating policies and procedures in place to comply with and monitor the policy.

Internal Audit recommends the Office of Human Resources Director comply with county policies by establishing operating policies and procedures for maintaining a record of work schedules for non-exempt employees and for those pre-designated scheduled extra hours assigned to exempt non-managerial employees.

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20. THE OFFICE OF HUMAN RESOURCES DOES NOT HAVE
CURRENT CONTRACTS.

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The Office of Human Resources is neither reviewing nor monitoring contracts. We found the Office Human Resources entered into a contract with the Unemployment Tax Council, effective June 1, 1981, to service the County's unemployment compensation claims. Subsequently, the Unemployment Tax Council changed its name to National Employee Council, Inc. (NEC). The Office of Human Resources produced correspondence from NEC indicating the name change and rate increase; however, a contract with the NEC name and new rates have not been formally approved by the Board of County Commissioners.

Internal Audit also found the Office of Human Resources is responsible for scheduling pre-employment physicals of all county employees prior to the start of employment. The Manatee County Health Department has been primarily used to provide this service. The county has no contract or inter-local agreement with the Manatee County Health Department for providing the pre-employment health screening.

Internal Audit recommends the Office of Human Resources obtain new contracts and Board of County Commissioners' approval for NEC and the Manatee County Health Department to properly reflect the new business name, the current rate structure and the services provided to the county. In addition, we recommend that operating policies and procedures be established to assure all contracts are periodically reviewed and monitored.

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21. AWARDS PRACTICES FOLLOWED BY THE OFFICE OF HUMAN

RESOURCES ARE NOT IN COMPLIANCE WITH ESTABLISHED

PROCEDURES.

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Internal Audit reviewed the procedures manual for expending funds for awards in accordance with Ordinance 83-20 and Resolution R-83-114 which states that the proper level of authorization must be given on the "Request Form" prior to the expenditure being paid. Internal Audit found 11 out of 20 or 55% of expenditures for employee awards are not in compliance with the established procedures. Additionally, 2 out of 20 or 10% of the request for expenditure forms did not have the approved date field completed which resulted in the inability to determine compliance with established policies.

The Office of Human Resources is responsible for the Manatee County Employee of the Year program for which the selected employee receives a cash award. The enabling Ordinance 83-20 allows for expending funds for monetary awards. The policies and procedures established by a former County Administrator do not recognize cash awards. The policy specifically states: "all awards are to be non-monetary." Therefore, the cash award appears to be in violation of the established policies and procedures.

Internal Audit recommends the Office of Human Resources comply with established procedures for the expenditure of funds for awards. In addition, we recommend management seek amendments to the procedures manual to allow for monetary awards consistent with County Ordinance and the Office of Human Resources' established program.

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22. THE MANATEE COUNTY PERSONNEL POLICIES, RULES AND PROCEDURES MANUAL WAS ADOPTED WITHOUT A RESOLUTION, WITHOUT RESCINDING OUTSTANDING RESOLUTIONS AND WITHOUT PROVISIONS FOR UPDATES.

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On July 28, 1992 the Board of County Commissioners adopted the revised Manatee County Personnel Policies, Rules and Procedures effective October 1, 1992, (with the exception of section IX-D/1 and IX-D/2, titled Layoff, to be effective September 1, 1992). Previous revisions to the policy have been brought to the Board for adoption in resolution format and citing the original resolution in 1976 providing for periodic review and updates. Internal Audit noted the new policy was adopted without a resolution, without a revision to the original resolution and without rescinding outstanding resolutions.

Internal Audit also noted the Manatee County Personnel Policies, Rules and Procedures Manual has no provisions governing the periodic revisions and distribution of updates. The actual pages of the manual have an area to notate the revision date, but does not contain any such notations or authorizations. In addition, we found the Office of Human Resources' operating procedures do not address the periodic update and the distribution of updates for the County's Personnel manual.

Internal Audit recommends the Office of Human Resources seek Board of County Commissioners' adoption of a resolution for the new manual and rescind the previous manual's resolution and its revisions. In addition, we recommend the implementation of additional procedures addressing the periodic reviews, revisions, and appropriate distribution of the Manatee County Personnel, Policies, Rules and Procedures manual. We further recommend operating procedures be established for the documentation of updates relating to revision dates and authorizations.

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23. THE EMPLOYMENT HISTORY RECORD COMPILED BY THE OFFICE OF HUMAN RESOURCES IS INCOMPLETE, CONTAINS INPUT ERRORS AND CONTAINS CONFLICTING INFORMATION.

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Internal Audit reviewed the Employment History Records compiled by the Office of Human Resources and found 10% (10 out of 100) of the Employment History Records were lacking entries for either the hiring or termination of employees. In addition it was noted that personnel records lacked a complete audit trail documenting the changes in hourly rates. The Personnel Action Request (PAR) forms and the Employment History Records, which are the computerized history of employment personnel actions, are inconsistent and incompletely capture Cost Of Living Adjustment's (COLAs). Internal Audit did not find a sufficient input verification control for computer input. Internal Audit noted the following:

- 9.23% (12 out of 130) of the active employee records reviewed had data input errors on the Employment History Records processed by the Office of Human Resources.
- 15% (15 out of 100) of the terminated employee personnel files reviewed had conflicting hire dates on the Employment History Summary Sheets. 13 of the 15 exceptions were Summer Food Program employees in the Community Services Department.
- 10% (10 out of 100) of the terminated employee personnel files reviewed had incomplete Employment History Record summary sheets due to the Office of Human Resources' failure to make entries into the computer system.

Internal Audit recommends the Office of Human Resources establish policies and procedures to ensure that all personnel actions are entered into the personnel/payroll system and reviewed for input accuracy. Internal Audit also recommends that the Employment History Records be periodically reviewed for

completeness. We further recommend the Employment History Records be reconciled to the payroll system to ensure a complete audit trail for the record of changes in employees hourly rates of pay.

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24. A COMPUTER SYSTEM USED TO PROCESS AND TRACK JOB

APPLICATIONS RECEIVED APPEARS OPERATIONALLY

INEFFICIENT.

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Internal Audit found the present Worksaver computer system appears to be operationally inefficient for adequately processing and tracking job applications received. We found the computer system can only retain a month or two of data information. Data cannot be combined or sorted to produce a list of all applicants for a position. As a result, the present system neither allows for efficient tracking of applicants selected for interview nor tracking of the receipt of completed departmental interview forms.

Internal Audit recommends the Office of Human Resources reevaluate their automation needs and seek alternatives or improvement in the operational efficiency of processing job applications.

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MANATEE COUNTY CLERK OF CIRCUIT COURT

INTERNAL AUDIT DEPARTMENT

THE OFFICE OF HUMAN RESOURCES

AUDIT REPORT

EXHIBITA

DETAILED FINDINGS AND RECOMMENDATIONS FOR

STRENGTHENING OF THE MANATEE COUNTY PERSONNEL

POLICIES, RULES AND PROCEDURES MANUAL

+-----+

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3 #6 Verification of professional, academic, and personal references. This paragraph places the responsibility on the

hiring departments. No documentation of verifications are required or placed in personnel files.

We recommend that the verifications, whether performed by the hiring departments or by the Office of Human Resources, be documented and the documentation be placed in the personnel file. We further recommend the responsibility be assumed by the Office of Human Resources to assure verifications of professional, academic, and personal references are made prior to employment.

3 #6 Other Investigations, besides criminal background checks, to be done by Office of Human Resources. No documentation required and "other investigations" not clearly defined which may cause exposure to county liability.

We recommend the "other investigations" be clearly defined and documentation of these investigations be made and retained, or the reference be dropped. In addition, we observed a lack of guidance for the investigation of employee activities involving the grounds for discipline and discharge. While the list of just causes in the manual are good, there appears to be a lack of planning and organizing of how such violations will be investigated. Investigation of employee misconduct is a specialty that should not be undertaken by management not trained to investigate such matters. Improperly handled investigations can result in ruining civil or criminal investigation and prosecution. We believe that the manual should include guidance to inform Internal Audit of all allegations of employee wrong-doing at the earliest stage, so that a proper investigation may be conducted. It is further suggested that after the allegations are properly investigated, a committee or the County Administrator alone would hear the evidence and administer any necessary disciplinary action for administrative type findings.

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5 Pre-employment drug testing - being developed

We recommend this section be completed.

11 #1 Waiving or extending for cause the three month probationary period for employees promoted or demoted. No criteria has been established for definition of cause.

We recommend the reasons be clarified that constitute "cause" for waiving or extending probationary period and that such reasons be documented.

13 #2 Non-managerial exempt employees assigned "pre-designated

and scheduled extra hours" and non-managerial exempt employees

15 paid for "pre-designated scheduled extra hours". No

#1-b definition or clarification of how or when these hours are scheduled, monitored, or documented.

We recommend the phrase "pre-designated scheduled extra hours" be clarified to include how far in advance, when and how these type of hours are scheduled or what constitutes documentation and approval of need for these types of hours.

14 #1 County Administrator MAY approve change of workweek. This does not require the County Administrator to approve the change.

We recommend "may" be changed to "shall" to require the County Administrator's formal approval for such a change.

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15 #4 Compensatory Time. The last sentence reads "...at the rate of one (1) hour for each extra hour worked for exempt employees." We believe "exempt employees" should be replaced with "exempt non-managerial employees", as appears intended.

We recommend the addition of "non-managerial" in the last sentence to conform to management's intentions.

16 Shift Differential. Currently, an employee regularly assigned shift work, is paid shift differential for all hours worked in a day at the highest shift differential pay, if four or more hours fall within any differential shift. This encourages abuse by employees working a minimum number of hours in a high shift differential so they can be paid all hours at that rate.

We recommend all employees who regularly are assigned shift work be compensated based on actual hours and actual shifts worked. Compensation for hours worked would equal the shift differential pay rate for the actual number of hours worked in the particular shift.

16 #6 Scheduled Extra Hours. This section states that in extra-ordinary needs or circumstances scheduled extra hours may be designated. This contradicts page 15 #1(c) which states extra hours for exempt managerial employees is none. There is no definition of "extraordinary needs or circumstances" given and no procedures are included for requiring documentation to allow verification of these types of hours and subsequent pay.

We recommend that this section be eliminated or revised to more clearly define the needs or circumstances and how they will be documented.

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20 #4 Compensation for Non-Exempt Employees. The last sentence requires work assignments to be "specifically approved by the Department/Office Director." No mention is made of how this is to be documented.

We recommend the responsibility for maintaining the written documentation for approvals for specific work assignments be maintained by the department.

27 #7 Temporary assignment to a different exempt category. No definition is given of "temporary".

We recommend "temporary" be clarified and form required for temporary assignments.

30 #1 Human Resource Directors' role in determining status of each employee as exempt or non-exempt. The Human Resource Director is the expert in this field for the county and we believe he should be responsible for determining such status with the assistance of departmental personnel.

We recommend the Human Resources Director be charged with the ultimate responsibility for the determination of status as exempt or non-exempt.

35 #3 Review of all positions of pay to ensure internal and external equity to be done on a routine basis. No definition of "routine basis".

We recommend a time frame be established to define the timeliness of these reviews.

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38 #3 Periodical reviews of pay grades. No definition of "periodically" to allow verification.

We recommend a time frame be established to define the timeliness of these reviews.

39 Employees temporarily assigned to higher level positions.

#b-3 No definition of "temporarily" exists.

We recommend "temporarily" be defined.

41 #c Maximum Pay Rates. Last sentence includes ". . . other temporary administrative pay adjustment or similar payments."

We recommend "other temporary administrative pay adjustment or similar payments" be removed or defined to distinguish them from other instances.

41 #d Salary Adjustments. No criteria has been established for these salary adjustments. The section specifically excludes merit increases, promotions or reclassification salary adjustments.

We recommend this section be removed or criteria be established to govern salary adjustments.

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45 #7 Administrative Pay Adjustments. No criteria has been established for these adjustments. Without clear criteria the appearance of favoritism may be a matter of concern. Other sections of this manual include procedures for pay adjustments that make this section appear an unnecessary duplication.

We recommend this entire section be deleted from the manual or clearly define the criteria to prevent arbitrary favoritism in granting pay raises.

46 #7 Holiday hours credited. This schedule is confusing and open to interpretation.

We recommend removal of this schedule or additional clarity in order to avoid interpretation.

55 #11 Illness or injury incurred from outside employment. This section states that sick leave can not be used for such injuries; however, Page 96 #12 states that it can be used when outside employment is approved. This appears to be a direct contradiction.

We recommend this paragraph be deleted or restructured to include information from page 96 #12 to eliminate this contradiction.

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66 #3 Coverage of insurance while on leave of absence without pay. This section states that the dependent coverage must be paid by the employee for the first six months of the leave without pay. Other employee-paid supplemental insurance coverage are not addressed.

We recommend adding other employee-paid insurance premiums that also must be paid by the employee during the leave without pay.

68 #3 Resignation in good standing without employee giving two weeks notice. This section says that "under extenuating circumstances" waiver of the two weeks notice can be made. No definition of "extenuating circumstances" is given, and without consistently applied guidelines, we are concerned about liability for other employees who terminate without two weeks notice and are not granted a waiver.

We recommend the types of extenuating circumstances be defined so that inconsistent treatment or favorable treatment will not cause additional county liability.

73 #2 Disciplinary action of employees. This section does not set a standardized procedure for discipline of employees. Without consistent procedures, the county increases its exposure to claims of unlawful dismissal for arbitrary action, personal favoritism and political coercion.

We recommend the procedures for documenting discipline be standardized with flexibility based on established criteria and consistently administered to minimize the county's exposure to claims of unlawful dismissal.

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74 Discipline. Search of employees desks, files, records etc. is not included in the manual to describe that all such items are county property and may be inspected at any time. Without such language the expectation of privacy may exist that would preclude use of obtained documents and information in civil or criminal prosecution.

We recommend the County Attorney's office be involved in developing language as suggested above to reduce expectation of privacy claims by employees.

74 #1 Discipline. No dollar value limit is set for employees

and accepting gifts.

97 #17

We recommend a dollar limit be established to eliminate the acceptance of gifts with little or no monetary value.

82 #1 Employee Complaint Procedure. This section states that Department Directors and other exempt staff do not have to follow the procedures but are to use separate procedures that are described in a separate document. We are not aware of any separate document describing procedures to follow for Directors and other exempt staff.

We recommend the Department Directors and other exempt staff follow the same employee complaint procedures as all other county employees and this section be removed. If the Office of Human Resources believes a separate document is necessary, we recommend such document be established.

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ADDITIONAL INTERNAL AUDIT RECOMMENDATIONS:

1. We recommend the Office of Human Resources actively pursue the adoption of a **Code of Ethics**. The Personnel Policies, Rules and Procedures manual should define violations with associated disciplinary actions and the methodology for the investigations of breaches in the Code of Ethics.
2. We recommend the Office of Human Resources include a policy statement defining and prohibiting **Nepotism** in the Personnel Policies, Rules and Procedures manual.
3. We recommend the development of policies and procedures governing **volunteer workers** of the county for inclusion in the Personnel Policies, Rules and Procedures manual.
4. We recommend the development of policies and procedures addressing the payment of **interview and relocation expenses** for job applicants.
5. We recommend the policies and procedures clearly define who is responsible for the **administration, verification and appropriate documentation for minimum job requirements**, such as typing minimums, shorthand, valid class driver's license, etc. We recommend the policies and procedures clarify whether finalists or selected applicants are required to take such tests. We further recommend the documentation be included in the employees personnel file.
6. We recommend the policies and procedures address who is responsible for performing, verifying and monitoring the **pre-employment physical**, along with the required documentation and the appropriate maintenance of the documentation.
7. We recommend inclusion of policies and procedures governing county employees for the **use of county vehicles when taken home after hours, vendor solicitations of and by employees, issuance of employee identification cards, issuance of employee uniforms, and provisions in the Florida Clean Indoor Air Act**.

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MANATEE COUNTY PERSONNEL POLICIES, RULES

AND PROCEDURES MANUAL REVIEW

(continued)

ADDITIONAL INTERNAL AUDIT RECOMMENDATIONS:

8. We recommend the Office of Human Resources incorporate into the Personnel Policies, Rules and Procedures the adopted policies, standards and procedures addressing the following topics: **A Drug Free Workplace, HIV/Communicative Disease Policy, County Health and Insurance Benefits, Employee Recognition Programs, and the Employee Assistance Program .**

9. We recommend procedures defining the updating process for this manual be included in the general policy statement section of this manual.

10. We recommend a copy of the documents referred to in the policies and procedures manual be included for reference.

11. We recommend a definition section be included in the policies and procedures manual to provide additional clarity for many of the words having detailed or technical meanings, to avoid ambiguity and confusion.

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MANATEE COUNTY CLERK OF CIRCUIT COURT

INTERNAL AUDIT DEPARTMENT

THE OFFICE OF HUMAN RESOURCES

AUDIT REPORT

EXHIBIT B

DETAILED FINDINGS AND RECOMMENDATIONS FOR
STRENGTHENING OF THE OFFICE OF HUMAN RESOURCES
OPERATING POLICIES AND PROCEDURES MANUAL

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THE OFFICE OF HUMAN RESOURCES

OPERATING POLICIES AND PROCEDURES MANUAL REVIEW

1. The operating policies and procedures appear to be inadequate and do not address the seven (7) program objectives identified by the Office of Human Resources. Only three (3) of the identified objectives were partially address in the manual.

Internal Audit recommends that management incorporate Operating Policies and Procedures for all program objectives identified in the by the Office of Human Resources.

2. The Operating Policies and Procedures manual does not include any procedures for conducting background investigations. The manual does not define the other types of investigations the Director of Human Resources is authorized to conduct, or the documentation required for the investigations conducted. Furthermore, the Office of Human Resources has no procedures to assure requested background information is received, reviewed and poses no employment problems.

Internal Audit recommends management clearly define the role of the Office of Human Resources in the performance of background investigations. We further recommend that procedures be established and supporting documentation be obtained and maintained to assure compliance.

3. The Operating Policies and Procedures manual does not provide specific guidelines to determine which positions will be advertised in publications and newspapers in addition to the weekly Job Opportunities List. Furthermore, the procedures do not specify parameters for the cost, length, and duration of newspaper and publications and advertisements.

Internal Audit recommends management develop a standard procedures for advertising positions in newspaper and publications. Internal Audit also recommends complete documentation of advertisement records be maintained.

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THE OFFICE OF HUMAN RESOURCES

OPERATING POLICIES AND PROCEDURES MANUAL REVIEW

(continued)

4. The Operating Policies and Procedures manual does not contain procedures for the evaluation and maintenance of secondary employment requests. In addition, the secondary employment records are not reviewed and updated on a consistent and timely basis.

Internal Audit recommends management develop written operating procedures for the evaluation and maintenance of secondary employment requests. Internal Audit further recommends that the secondary employment records be reviewed and updated annually.

5. During the performance of audit testwork it was discovered the Office of Human Resources Operating Policies and Procedures manual lacks definitive guidelines for the following areas:

- Pre-employment physical performed by a private doctor
- Disciplinary actions not recorded on Personnel Action Request forms
- Processing resubmitted aggrieved Employee's Performance Evaluations,
- Lack of documentation required for name change
- Follow-up on notations in employee files
- Standardized effective dates for merit raises

Internal Audit recommends management provide definitive policies and procedures to assure the consistent and equal treatment related to the areas described above.

NOTE: Management responses are not included. To obtain a copy, please call Richard Orienti at (941) 708-6001