

MEMORANDUM

TO: Frank M. Gilbert, Director of the Human Resources Department

FROM: R.B. "Chips" Shore, Clerk of the Circuit Court, County Comptroller and Auditor

DATE: March 3, 1995

RE: Human Resources Department Follow-up Audit Memorandum

The Internal Audit Department performed a follow-up audit which was based on the Clerk of Circuit Court's Audit Report of the Human Resources Department issued on August 17, 1993. The follow-up audit consisted of reviewing corrective actions implemented by the Human Resources Department for areas where we provided constructive criticism and recommendations. Compliance will be reviewed during the next regularly scheduled audit of the Human Resources Department to determine whether the controls are functioning effectively and efficiently in accordance with management's designs and objectives.

We have noted only partial corrective actions implemented on the findings and recommendations included in the Audit Report issued August 17, 1993. Improvements have been made in the following areas that include: departmental operating procedures; limitations in OPS/Temporary positions; underencumbered positions; and employees on acting status. Internal Audit believes the controls implemented in these areas will improve the accountability over operations. Internal Audit believes there is still room for improvement in accountability and standardization over operations. Internal Audit continues to have concerns in the following areas:

- 1) The 1992 Manatee County Personnel Policies, Rules and Procedures manual has not been revised to clearly define policies, responsibilities, documentation and retention of the documentation required. A complete Policies, Rules and Procedures revision package has not yet been compiled nor anticipated revision date set. The Manatee County Personnel, Policies, Rules and Procedures manual does not provide for periodic review or revision. The Human Resources Department has not prepared a resolution correcting the adoption of the new manual and rescinding the previous manual's resolutions and revisions.

Internal Audit recommends the Human Resources Department review and revise the Manatee County Personnel Policies, Rules and Procedures manual to clearly define policies, responsibilities, documentation and retention of the documentation required. We recommend the Human Resources Department establish policies and procedures for the periodic review and revision of the Manatee County Personnel, Policies, Rules and Procedures. Furthermore, we recommend the Human Resources Department obtain the timely approval of the Board of County Commissioners adopting a resolution rescinding the previous Manatee County personnel policies and procedures manual, and its related resolutions and revisions.

- 2) Internal Audit continues to note weakness in the Manatee County Personnel Policies, Rules and Procedures manual that include, but are not limited to the following items:

The adoption of a Code of Ethics - The Personnel Policies, Rules and Procedures manual should define acceptable and unacceptable employee conduct with associated ranges of disciplinary actions and the methodology for the investigations of breaches in the Code of Ethics.

Policies and procedures governing volunteer workers - The Personnel Policies, Rules and Procedures manual should include and clarify the County's legal liabilities for volunteer workers, clearly define their role, and provide for documentation of service hours utilized.

Criteria for "other investigations" by the Human Resources Department - The Personnel Policies, Rules and Procedures manual should include a clear definition of "other investigations" to be performed by the Human Resources Department, in addition to criminal background checks. Lack of documentation and no clear definition may cause the County exposure to liability.

Criteria to govern Administrative Pay and Salary Adjustments - The Personnel Policies, Rules and Procedures manual contains other sections addressing pay adjustments, but lacks criteria and definitions for Administrative Pay Adjustments and Salary Adjustments. Without the establishment of clear criteria, there may be an appearance of favoritism.

Internal Audit recommends the Human Resources Department actively pursue the adoption of the items listed above to strengthen the Manatee County Personnel Policies, Rules and Procedures manual.

- 3) The Human Resources Department developed changes to the Professional Development Program and obtained Board of County Commissioners approval under Resolution 94-203. The resolution was subsequently revised under Resolution 95-26 and will be revised again to correct further typographical errors.

The Professional Development Program's policy and procedures delegate the responsibility of record keeping and annual report preparation to the County departments. The County departments have neither been given formal notification nor instruction on these new responsibilities. The Human Resources Department has not planned for the policy implementation which became effective November 15, 1994.

Internal Audit recommends the Human Resources Department adequately plan for the timely implementation of adopted personnel related policies and procedures. We further recommend the Human Resources Department provide timely notification and guidance to County departments clarifying responsibilities and standardizing documentation requirements.

- 4) The Human Resources Department has not fully implemented countywide programs benefiting employees which have been funded in the Human Resources budget since 1992. The 1995 fiscal year's funding for the program is approximately \$20,000. The training and education program for County employees is still in the development phase. Formalized goals and objectives have neither been set nor do policies and procedures exist for the proposed training and education program.

Internal Audit recommends management develop the educational training program for County employees to provide for an equitable program available to all County employees.

- 5) Job descriptions for positions working with children have not been revised to include the pre-employment requirement of HRS screenings.

Internal Audit recommends the Human Resources Department include the pre-employment requirement of HRS screenings on applicable job descriptions.

- 6) The Fair Labor Standards Act requires employees to be classified as either exempt or non-exempt from the minimum wage and overtime provisions of this act. The Human Resources

Director agrees that he is the final authority regarding determination of exempt or non-exempt status. Policies and procedures have not been developed to monitor and periodically review the classification of employees as exempt and non-exempt. 8.8% or 17 out of 193 job codes with more than one position listed, had positions with both exempt and non-exempt status. There was no documentation available explaining the distinctions in the pay code classifications.

Internal Audit recommends the Human Resources Department establish policies and procedures to monitor and periodically review the classification of employees as exempt and non-exempt to ensure compliance with the Fair Labor Standards Act. We further recommend supporting documentation be established for those employees filling exempt status positions while others in the same job code are classified as non-exempt.

- 7) The Human Resources Department is not in compliance with the established procedures for the expenditure of funds for awards. The "Procedure For Expending Funds For Awards, Refreshments And Seasonal Or Holiday Promotion" as established by resolution requires approval prior to the expenditure being made. Internal Audit found approvals continuing to be made after the merchandise was procured.

Internal Audit recommends the Human Resources Department comply with the established provisions in the "Procedure For Expending Funds For Awards, Refreshments And Seasonal Or Holiday Promotion" or change the existing policy.

- 8) The Human Resources Department has not adequately reevaluated their automation needs to improve their operational efficiency of processing job applications. The Human Resources Department personnel have not obtained the computer skills necessary to combine and sort data to comply with the Human Resources Department's operating procedures for printing of monthly reports. Our audit noted incomplete documentation for the manual tracking of applicants sent for interview. The Human Resources Department's computer program established for application intake processing has not been modified to provide for the computerized tracking of applicants sent for interviews; the subsequent receipt of interview sheets from hiring departments; and the recording of the applicant hired for the position.

Internal Audit recommends the Human Resources Department evaluate and automate the department to improve its operational efficiencies in processing job applications.

Management is aware of the corrective actions needed and is in the process of implementing these actions. Another follow-up audit will be scheduled in the future to verify management has

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properly implemented the above recommendations to these findings.

RBS/RJO/CAD

cc: James W. Seuffert, Interim County Administrator
The Manatee County Board of County Commissioners