

MEMORANDUM

TO: Garry Dye, Director of the Human Resources Department

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

DATE: October 21, 1996

RE: Human Resources Department Follow-Up Audit #2

The Internal Audit Department performed a second follow-up audit, which was based on the Clerk of the Circuit Court's Audit Report of the Human Resources Department issued on August 17, 1993 and the Follow-Up Audit Report issued March 3, 1995. The follow-up 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 in accordance with management's designs and objectives.

Since the Follow-Up Audit Report, many of the audit findings have been corrected. Internal Audit believes the controls implemented will significantly improve the accountability over operations. The following areas continue to require management's attention:

1. The Manatee County Personnel Policies, Rules and Procedures manual continues to contain weaknesses in the following areas. Management expects to take additions and revisions of the manual to the Board of County Commissioners for approval by April 1, 1997.

(a) The adoption of a Code of Ethics - The Personnel Policies, Rules and Procedures manual does not define unacceptable employee conduct with the associated levels of disciplinary action for such behavior. Management has developed a draft version "Code of Ethics and Conduct" and has submitted the draft for the County Administrator's approval.

(b) Recision of Personnel Policies, Rules and Procedures - A resolution has not been adopted to rescind all previous Personnel Policies, Rules and Procedures Manuals and related revisions.

(c) Take-Home Policy for County Vehicles/Property - A policy has not been developed to provide guidance to employees who are allowed to take home county vehicles or property.

(d) Work at Home Policy - A policy has not been developed to define when a work at home policy could be utilized and what procedures are to be followed.

(e) Long-Term Disability Procedures - Guidelines have not been established defining the County Attorney's role in the decision making process of employees under long-term disability and the documentation required in support of the action taken.

Internal Audit recommends the Human Resources Department continue to pursue the adoption of the items listed above in an effort to strengthen the Personnel Policies, Rules and Procedures and provide guidance to Manatee County employees.

2. 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. Internal Audit tested 18 job descriptions filled by exempt and non-exempt employees. 42.16% or 43 out of 102 employees had an exemption status that differed from what was listed on their job position description and did not have supporting documentation to explain the difference in exemption status. During the audit, the Human Resources Department sent a memorandum to all departments to report the correct status of their employees in positions that have dual status. The Human Resources Department intends to document on the Personnel Action Request Form (PAR) when an employee's exempt status differs from the exempt status listed on their job description or when a job description lists either status as an option for newly hired employees. However, the Human Resources Department has not actively pursued classifying and documenting the existing employees with the exempt status differences.

Internal Audit recommends the Human Resources Department document the explanation for those employees currently filling positions where their exemption status differs from their job position description.

3. The Human Resources Department has not established departmental operating procedures to administer the Sick Leave Bank Program. Overall administrative guidelines were developed and approved during the audit that provide a clear policy on the administration of the Sick Leave Bank Program.

Internal Audit recommends the Human Resources Department develop operating procedures to define the duties and responsibilities of the Human Resources personnel in administering the Sick Leave Bank Program.

4. The Human Resources Department is not in compliance with the Ordinance 83-20 and Resolution 83-114 regarding the procedures for expenditures of awards, refreshments, and seasonal/holiday promotion, which is currently in effect. Expenditures made over \$100 did not have the proper level of authorization prior to the expenditure being made as required in the procedures. Internal Audit acknowledges that a draft ordinance has been submitted to the County Attorney's Office for review which will revise the current Ordinance.

Internal Audit recommends the Human Resources Department comply with the established Ordinance and Resolution for the expending of funds for awards, refreshments, and seasonal/holiday promotion until a new ordinance is approved by the Board of County Commissioners.

5. The Human Resources Department has not adopted policies and procedures to administer the hiring of student workers and interns by county departments. Policies and procedures were developed during the audit and are currently in draft form and will be forwarded for approval by the County Administrator.

Internal Audit supports management of the Human Resources Department in their efforts to approve and implement policies and procedures to govern the hiring of student workers and interns.

6. The Human Resources Department has improved their job application process, however the system continues to be manually operated and inefficient. Internal Audit believes improvements in efficiency could be achieved through computerization. Management is currently modifying the new computerized system (IFAS) for the automation of the job application process and other significant areas performed by the Human Resources Department.

Internal Audit supports the Human Resources Department in the development of the Human Resources Module of the new IFAS system to increase efficiency.

We appreciate the assistance of you and your staff in providing Internal Audit with the necessary information required by the follow-up audit. We have noted significant improvements in the overall operations of the Department. We encourage the continued effort in the implementation of the remaining recommendations to further improve operations. Another follow-up audit will be scheduled in the future to verify management has fully addressed the remaining issues listed in this memorandum.

RBS/RJO/BJW

cc: Ernie Padgett, County Administrator

Board of County Commissioners