

MEMORANDUM

To: Larry Mau, P.E., Director of the Transportation Department

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

Date: February 9, 1998

Subject: Transportation Department Follow-up Audit #1

The Internal Audit Department has completed a follow-up audit based on the Audit Report of the Transportation Department issued on May 23, 1996. The follow-up audit consisted of reviewing corrective actions implemented by the Transportation Department for areas where we provided constructive criticism and recommendations in the original audit. Internal Audit did not perform tests of compliance with these newly implemented controls. We will review compliance during the next regularly scheduled audit of the Transportation Department to determine whether the controls are functioning effectively and efficiently in accordance with management's designs and objectives.

Internal Audit is pleased with the Transportation Department for their diligent efforts made in correcting the majority of the audit findings from the original audit. Improvements noted by the auditors include, but are not limited to, developing policies and procedures for many areas of operation, clarifying responsibilities in the use of the Road Gang, as well as strengthening internal controls over the Tile Yard. Internal Audit believes the controls implemented will significantly improve the accountability over operations. Management has addressed most of the areas where we recommended improvement however the following areas still require management's attention:

1. The Transportation Department has implemented a work order system, however, areas of improvement are still required. The Highway Operations Division and the Traffic Management Division have implemented the use of work orders in their various sections. These newly implemented work order systems will require additional improvement to function efficiently and effectively. The Transportation Department is in the process of purchasing a maintenance management system to control the work order process and provide a more proactive means of tracking road maintenance in the future. The new system should be able to track outstanding work orders and allow for follow-up by the Divisions. Implementation is anticipated in the current fiscal year.

Internal Audit supports management's efforts to improve maintenance management. Implementation of an efficient and effective work order system will improve accountability over operations and provide information for proactive highway maintenance.

2. The Highway Operations Division is not in compliance with the requirements of Ordinance 89-11. The Right-Of-Way Section is not always documenting inspections for right-of-way permits as required by Ordinance 89-11. Management has expressed staffing concerns in this area. In discussions with management, the Highway Operations Division lacks sufficient staffing needed to perform inspections on all permits.

Internal Audit recommends management complete and document inspections for the right-of-way permits as required by Ordinance 89-11. We support management's need to evaluate current staffing levels.

3. The Transportation Department is still in need of developing and updating Policies and Procedures for a few areas. While the Transportation Department has developed and implemented Policies and Procedures for many of its operations, Internal Audit found that the following areas still need to be addressed:
 - a. The Highway Operations Division has not updated the Policies and Procedures Manual to include the work order system, daily maintenance of vehicles, the responsibilities of all employees and the distribution of the manual to its employees.
 - b. The Traffic Management Division does not include operating Policies and Procedures for the Signal Systems operations Section, Traffic Data Collection Section, Traffic Signals Section and the Traffic Signs Section.

Internal Audit recommends management develops and/or update the Policies and Procedures Manual for the Highway Operations and the Traffic Management Divisions to reflect their current operations.

1. The Transportation Department needs to ensure compliance with the County's Personnel Policies and Procedures through better documentation of non-regular hours of employees. Non-regular hours consist of sick leave, educational training, personal holidays, overtime and comp time. Documentation required by the Personnel Policies and Procedures for non-regular hours recorded on employees' time card is not consistently completed or submitted by the Transportation Department employees. Internal Audit noted that management has developed a "Time Card Back Up Required" log for each pay period that is used to report all instances of incomplete or missing documentation. The log, however, is not being reviewed in a timely manner.

Internal Audit recommends management ensure that the proper documentation required for all non-regular hours recorded on employees' time cards is received by the Management Support division as required by the Personnel Policies and Procedures. In addition, we encourage management follow-up on the "Time Card Back Up Required" log in a timely manner.

We commend the Transportation Department's management and staff for the careful attention given to the audit findings. The majority of the original audit recommendations have been implemented and we noted significant improvements in the overall operations. We feel with the strengthening of controls in the areas mentioned, operations of the Transportation Department will function more effectively and efficiently. Another follow-up will be required in approximately six months to review these areas. We thank the Transportation Department staff and management for their courteous assistance provided to our auditors.

RBS/RJO/BJW

Cc: Board of County Commissioners

Ernie L. Padgett, County Administrator

