

# Internal Auditor Follow-Up Report Summary of Audit Corrective Actions

**BREVARD COUNTY INTERNAL AUDIT**

Audit Report/Subject	Management Comments	Auditor Status Up-Date	Report Issue Date	Corrective Actions		
				Total	Open	Closed
Educational Facilities Impact Fees: County Responsibility	May 2021	May 2021	December 2, 2013	8	2	6
Parks and Recreation - Facilities Usage and Contracting - Phase II	April 2021	April 2021	May 16, 2018	7	0	7
HR - Recruiting & Onboarding	May 2021	May 2021	May 20, 2020	4	1	3
Transit Services	April 2021	April 2021	August 5, 2020	4	0	4

Audit Report Closed during current Follow Up testing cycle

## Internal Auditor Follow-Up Report of Corrective Actions

**BREVARD COUNTY INTERNAL AUDIT**  
**FUNCTION: Educational Facilities Impact Fees**

**Report Issue Date: December 2, 2013**

Risk	Issue C2	Management Comments as of May 2021	Auditor Comments as of May 2021	Status
<b>High</b>	<p>The County provided copies of interlocal agreements entered into with four (4) local municipalities. From the agreements provided, we noted that Section 4.2.3 of the agreements was not updated to reflect the change in the administrative fee collected from no more than 2.5% to 8.0%.</p> <p>Section 3.5 of the four (4) interlocal agreements required the municipality to remit monthly or annual reports to the County identifying the "address and date of all residential building permits, mobile or manufactured home setup permits, residential certificates of occupancy and certificates of completion for mobile or manufactured home setups for the preceding" reporting period. To date, none of the local municipalities have remitted any reports to the County in compliance with their interlocal agreements or in compliance with Section 62-926(e) of Ordinance 04-34, as amended, in the absence of an interlocal agreement.</p>	<p>(b) Rather than amending the interlocal agreements with the municipalities as proposed in the previous follow-up report, Management has decided to send letters to the municipalities reminding them of the reporting requirement in the existing agreements and request them to provide the anticipated date for receiving the report.</p>	<p>(b) We will test this audit item after sufficient time has passed for the County to circulate the reminder letters and for the respective municipalities to respond.</p>	<b>Open</b>
	<b>Auditor Recommendation</b>	<b>ECD:</b>	<b>Testing Date:</b>	
	<p>We recommend the County execute updated interlocal agreements with all local municipalities that reflect all changes to date of the original ordinance.</p> <p>We further recommend the County develop and implement policies and procedures to collect required reports from the local municipalities in order for the County to ensure fees are being appropriately collected.</p> <p>Through discussions with County personnel, we noted the County's Solid Waste department is already receiving reports from five (5) municipalities listing certificates of occupancy issued during the reporting period. The Planning &amp; Development Department may wish to coordinate such required reporting with reports already remitted by local jurisdictions to the County's Solid Waste department to minimize duplication; however, if the Planning &amp; Development Department wishes to utilize these existing reports, a modification to the language in Section 3.5 of the interlocal agreements would be necessary.</p>	<p>(b) O: October 31, 2014 R: December 31, 2015 R: December 31, 2016 R: December 31, 2020 R: June 30, 2021</p>	<p>(b) September 2021</p>	

**BREVARD COUNTY INTERNAL AUDIT**  
**FUNCTION: Educational Facilities Impact Fees**

**Report Issue Date: December 2, 2013**

Risk	Issue C8	Management Comments as of May 2021	Auditor Comments as of May 2021	Status
Low	<p>Section 62-926(c) of Ordinance 04-34, as amended, requires a municipality, in the absence of an interlocal agreement that states otherwise, to require a proof of payment receipt from the County be presented prior to the issuance of an impact-fee-eligible residential building permit. This section is inconsistent with Section 62-928 of the ordinance which allows a municipality to require a proof of payment receipt at any point prior to issuance of the certificate of occupancy or certificate of completion.</p>	<p>Approval of legislative intent to amend Brevard County's impact fee ordinances including amendment to Section 62-926(c) of Ordinance 04-34 to remove the requirement for municipalities without an interlocal agreement with the County to obtain proof of payment receipt prior to issuance of a building permit has been prepared and is pending a request to be added to the Board meeting agenda. Following approval of legislative intent, a public hearing will be need to be held to amend the Ordinance.</p> <p>On July 7, 2020 the Board approved legislative intent and permission to advertise amendments to the impact fee code. As of May 2021, staff is reviewing and finalizing the proposed code amendments to initiate the public hearing process which is anticipated to be completed in December 2021.</p>	<p>This will be tested once the amendment to the Ordinance has been presented to and accepted by the Board of County Commissioners.</p>	Open
<b>Auditor Recommendation</b>		<b>ECD:</b>		<b>Testing Date:</b>
<p>We recommend the County review sections 62-926(c) and 62-928 of Ordinance 04-34, as amended, to resolve any conflicting language.</p>		<p>O: October 31, 2014  R: October 6, 2015  R: October 31, 2016  R: December 31, 2020  R: December 31, 2021</p>		<p>January 2022</p>

Open/Closed

= On schedule to complete ECDs

= Missed ECD (1st time), planned to complete in next 3 month review

= Missed ECD (2nd time or over 3 months for revised ECD)

## Internal Auditor Follow-Up Report of Corrective Actions

BREVARD COUNTY INTERNAL AUDIT

Report Issue Date: May 16, 2018

FUNCTION: Parks and Recreation - Facilities Usage and Contracting

Risk	Observation #4: Facility Keys Inventory (recurring)	Management Comments as of April 2021	Auditor Comments as of April 2021	Status
Moderate	<p>Management provided a consolidated listing of the key's assigned (checked out) for each Area, but was not able to provide an up-to-date master inventory for each Area to account for the completeness of the population such as Keys:</p> <ul style="list-style-type: none"> <li>• Not checked-out</li> <li>• Unaccounted for (Missing / Lost)</li> <li>• "Overdue"</li> </ul> <p>The Central Area provided a Master Key Inventory Registry but the report had not been updated for over a year (last updated 1/17/2017) and there were a number of keys unaccounted for. Further, the disposition column of the report did not indicate the action taken to resolve these matters.</p> <p>The South Area provided two separate reports: an unsigned key list; and an assigned key list that included: name of key holder, date issued, location of key, title of employee, key #, and date issued; but the column for date due was blank, and for department and there was no column for management/staff approval/authorization of the key assignment.</p> <p>The North Area did not provide key list reports beyond the consolidated listing of keys checked out noted above.</p> <p>The lack of proper maintenance of the facility keys can lead to the unauthorized or misuse of assets.</p>	<p>The South Area has implemented the Best Lock system. The Central Area will have the Best Lock system installed by June 2020. The North Area staff ordered hardware in October, 2019 and that hardware has been replaced. The remaining cores were ordered in March 2020. We spoke with Best Lock on May 7, 2020 and they informed us that due to COVID-19, the cores will not ship at least until June 2020.</p> <p>October 2020 update: Due to the extended nature of the effects of COVID-19, installation was further delayed.</p> <p>March 2021 update: The Best Lock key system has been installed for all Areas.</p>	<p>We visited the North, Central and South Areas and met with staff at each location. The Areas are using the Best Lock system to track the keys assigned to and used by employees as well as the Recreation Partners (non-employees). For the facility rentals by patrons (other than Recreation Partners), in the cases the facility being rented is not opened by an employee, only one key is issued for each rental and is tracked through the reservation process via the RecTrac reservation process. We performed inquiries, observations and walkthrough procedures noting that the key inventory and tracking process via the Best Lock system and RecTrac complied with the attributes included in our recommendation. This audit matter is considered closed.</p>	Closed
	<b>Auditor Recommendation</b>	<b>ECD:</b>	<b>Testing Date:</b>	
	<p>We recommend that management develop a complete, standardized Key Registry inventory (keys checked-out and checked-in) consistent by Area that includes, but is not limited to the following data:</p> <ul style="list-style-type: none"> <li>• Key Number</li> <li>• "Assigned To" – this section of the Key Registry should contain: the full name of the assignee along with a title / description of who they are / represent.</li> <li>• Key Location – facility number, name, room number, etc.</li> <li>• Date issued / checked out</li> <li>• Date Due – recreation instructors, recreation partners, other rental users as applicable; upon completion of the contractual usage period, the key(s) could be checked in to the respective Areas</li> <li>• Department management approval – column for tracking proper approval of the key assignments / check out</li> <li>• Disposition – this column could indicate any keys not accounted for and the disposition / resolution thereof</li> </ul> <p>Based on our discussions with management, we understand that management is in the process of updating the key inventory system to address these matters.</p>	Closed.	Closed.	

**Open/Closed**

= On schedule to complete ECDs

= Missed ECD (1st time), planned to complete by next stated ECD.

= Missed ECD (2nd time since latest revised ECD)

FUNCTION: Human Resources - Recruiting and Onboarding

Risk	Observation #1: Recruitment / Selection Prerequisites	Management Comments as of April 2021	Auditor Comments as of April 2021	Status
Moderate	<p>We noted the following lack of compliance with various sections of County Administrative Order 05 Section (AO 05) Background Investigative Checks related to our testing of 40 new hires:</p> <ul style="list-style-type: none"> <li>• For 11 out of 40 employees, various departments did not provide documentation to confirm a check was performed of the employee's prior employment or personal references.</li> <li>• For 4 out of 40 employees, various departments provided documentation that indicated they performed only one or two prior employment/personal reference checks when AO 05 requires a minimum of three.</li> <li>• For 4 out of 40 employees, the respective departments did not provide any documentation to confirm a check of the employee's certification, license, college degree, or other education.</li> <li>• For 1 out of 40 employees, the supporting documentation for the criminal background check could not be located by the hiring office.</li> </ul>	<p>a. Departments may be making telephonic reference checks but are not documenting and maintaining their files. The Background Investigation Checklist was modified to include Reference Checks and a certification statement that back-up materials will be held on file, at the department level, for a period of four (4) years, per GS1-SL guidelines.</p> <p>b. A memo outlining AO-05 responsibilities will be emailed to Department Directors, Administrative Assistants, &amp; Department HR contact annually.</p>	<p>a. We obtained the revised Background Investigation Checklist noting that the Background Investigation Checklist has been modified to include Reference Checks and a certification statement that back-up materials will be held on file, at the department level, for a period of four (4) years, per GS1-SL guidelines. We performed sample testing noting that the revised Background Investigation Checklist was properly applied in the recruiting / selection process and all required background information was properly included. This audit item is considered closed.</p> <p>b. We obtained and inspected the memo and related documents circulated via email to each department director, administration assistant and department HR contact to remind them of their detailed responsibilities pursuant to Section III of AO 05 as related to the various exceptions identified. This audit item is considered closed.</p>	Closed
	<b>Auditor Recommendation</b>	<b>ECD:</b>	<b>Testing Date:</b>	
	<p>We recommend that management perform the following:</p> <p>a. The Office of Human Resources should add a section to their Background Investigation Checklist to verify that the department has provided (3) employment or personal reference checks, and a section in the New Employee Processing/Tracking Checklist to ensure the department has verified education / licenses/ certifications in accordance with the job eligibility requirements specified in the job requisition description.</p> <p>b. The Office of Human Resources should circulate a memo via email to each department / office director to remind them of their detailed responsibilities pursuant to Section III of AO 05 as related to the various exceptions identified.</p>	<p>a. Closed. b. Closed.</p>	<p>a. Closed. b. Closed.</p>	

FUNCTION: Human Resources - Recruiting and Onboarding

Risk	Observation #2: Mandatory Training Courses	Management Comments as of April 2021	Auditor Comments as of April 2021	Status
Moderate	<p>We noted the following lack of compliance with various sections of the 2019 Brevard County Training &amp; Development Opportunities Manual related to our sample of new and/or promoted employees:</p> <ul style="list-style-type: none"> <li>• Based on our inspection of the training history documented in SAP, we noted that 8 out of 40 new employees did not complete these various required training courses as noted in parenthesis:                             <ol style="list-style-type: none"> <li>1. New Employee Orientation (5 of 8)</li> <li>2. Workplace Harassment Awareness and Prevention (4 of 8)</li> <li>3. Preventing Workplace Violence (3 of 8)</li> <li>4. Anger Management (3 of 8)</li> <li>5. Customer Contact – Lasting Impressions (4 of 8)</li> <li>6. The Role of Ethics in Public Government (3 of 8)</li> </ol> </li> <li>• Based on our inspection of the training history documented in SAP, 1 out of 16 new and/or promoted employees tested were for a supervisory position, but did not complete all Phase III Classes which is a requirement of the Employee Development Program</li> </ul>	<p>a. The Office of Human Resources has distributed and will continue to distribute an email annually outlining M.S. Procedure V. Each Department Director and HR Contact will be reminded of the importance of compliance with M.S. Procedures and new hires attending the mandatory training. In addition, it will be recommended that all new employees attend New Employee Orientation within the first 60 days of employment.</p> <p>b. Departments were asked to create the necessary online calendar (Outlook) reminder to ensure that each new hire is attending mandatory training class in a timely manner.</p> <p>c. A Mandatory Training memo for each new hire is currently provided to each Department for completion and return to HR. A copy of said memo will be provided to the Human Resources Training Section to ensure that Departments are registering their employees in a timely manner and to confirm attendance.</p> <p>d. A report is run monthly to ensure departments are meeting compliance for employees attending the mandatory training.</p>	<p>a. We obtained and inspected the email distributed to remind each Department Director and HR contact of the importance of compliance with M.S. Procedures and new hires attending the mandatory training. Further, we noted that it was recommended that all new employees attend New Employee Orientation within the first 60 days of employment. This matter is considered closed.</p> <p>b. We obtained and inspected the email distributed to each Department Director and HR contact noting it included a recommendation to create the necessary online calendar (Outlook) reminder to ensure that each new hire is attending mandatory training class in a timely manner. This matter is considered closed.</p> <p>c.d. We performed sample testing for the period of October 1, 2020 through February 28, 2021 noting that for 4 out of 15 employees selected, the respective department did not perform the New Employee Orientation within the recommended 60 days of their employment start date [four different departments].</p> <p>However, we did note that all the sampled new hires did receive the required new orientation training subsequently. As such, we conclude that controls put in place are operating effectively, since follow-up occurred and compliance was achieved.</p> <p>Since the 60 day new orientation training was recommended, where operationally feasible, and the training was completed, this audit item is considered closed.</p>	Closed
	<p style="text-align: center;"><b>Auditor Recommendation</b></p> <p>We recommend that management perform the following:</p> <ol style="list-style-type: none"> <li>a. Although the 2019 Brevard County &amp; Development Opportunities Manual allows new employees up to 9 months to complete the New Employee Orientation training section ("within the initial probationary period of 9 months"), given the nature of the training, we recommend that new employee orientation training be completed within the first 60 days of employment, where operationally feasible.</li> <li>b. The Office of Human Resources should put a process in place to ensure that at a minimum the New Employee Orientation training is completed timely in accordance with recommended action a. above.</li> <li>c. The Office of Human Resources should circulate an email to the Human Resource contact at each department/office and recommend that they create an outlook calendar reminder for training</li> </ol>	<p style="text-align: center;"><b>ECD:</b></p> <ol style="list-style-type: none"> <li>a. Closed.</li> <li>b. Closed.</li> <li>c. Closed.</li> <li>d. Closed.</li> </ol>	<p style="text-align: center;"><b>Testing Date:</b></p> <ol style="list-style-type: none"> <li>a. Closed.</li> <li>b. Closed.</li> <li>c. d. Closed.</li> </ol>	

FUNCTION: Human Resources - Recruiting and Onboarding

Risk	Observation #3: Probationary Performance Evaluations	Management Comments as of May 2021	Management Comments as of May 2021	Status
Moderate	<p>For 20 employees tested, we noted various instances of a lack of compliance with Merit System Policy XI which states:</p> <p>Employees serving an original probationary period shall receive at least one (1) performance evaluation each four (4) months during their probationary period (II. A.)</p> <p>For the sampled employees hired in the period tested from February 2019 to February 2020, we noted the following:</p> <ul style="list-style-type: none"> <li>• For 19 of the 20 new hires employed for four (4) months, a performance evaluation was not provided related to the first 4 months of their employment</li> <li>• For the new hires that had been employed for nine (9) months or more [the original probationary period], 1 out of 9 did not have any performance evaluations and 8 out of 9 had one performance evaluation in their personnel file.</li> </ul>	<p>a. Each Department Director, Administrative Assistant and HR Contact were reminded of the importance of compliance with M.S. Policy XI and new hires receiving timely performance evaluations.</p> <p>Departments were asked to create the necessary online calendar (Outlook) reminder to ensure that each new hire is receiving their performance evaluations in a timely manner.</p> <p>b. The Records Supervisor sent out monthly emails to Supervisors advising them of those employees that have not received a 4 month evaluation and a 9 month evaluation.</p>	<p>a. We obtained and inspected the email distributed to each Department Director, Administrative Assistant and HR Contact which outlined M.S. Policy XI. and reminded them the importance of compliance with M.S. Policy XI and new hires receiving timely performance evaluations. Additionally, we noted that the email included a recommendation for each department/office to place a reminder on their online (Outlook) calendar for each new hire's four-month and end of probationary period performance evaluation. This audit item is considered closed.</p> <p>b. We selected a sample of 15 employees hired in the period tested from May 2020 to October 2020 noting the following:</p> <p>For the 13 new hires who were employed for four (4) months or more, 2 have not received any performance evaluations; 1 received a performance evaluation within the first 4 months of their employment while 10 received performance evaluations between the first 5 and 10 months of their employment.</p> <p>For 5 out of the 5 new hires that were employed 9 months or more, none had received the required two performance evaluations.</p> <p>This audit item will be tested again in September 2021.</p>	Open
<b>Auditor Recommendation</b>		<b>ECD:</b>		<b>Testing Date:</b>
<p>We recommend that management perform the following:</p> <p>The Office of Human Resources should circulate an email to the Human Resource contact at each department/office and recommend that they create an outlook calendar reminder for performance evaluation completion to comply with the requirements of Merit System Policy XI.</p>		<p>a. Closed. b. August 2021</p>	<p>a. Closed. b. September 2021</p>	

- = On schedule to complete ECDs
- = Missed ECD (1st time), planned to complete in next 3 month review
- = Missed ECD (2nd time or over 3 months for revised ECD)

Risk	Observation #1: Segregation of Duties around Cash	Management Comments as of April 2021	Auditor Comments as of April 2021	Status
High	<p>We noted that there is a lack of segregation of duties as it relates to the counting, depositing, recording and reconciling of cash.</p> <p>Segregation of Duties - The accounting tech participates in the counting of the cash in the vault, signs the deposit slip, places the deposit in the pre-numbered security bags, records the cash collected to SAP and reconciles the amount recorded to SAP and the deposit slips. The accounting tech then submits this "reconciliation package" to County Finance for the consolidated bank reconciliation.</p> <p>Dual Counting - Further, the count is performed once a week. Although there are two people in the vault, dual counting is not performed. Rather, the one counter counts the cash, completes and signs the deposit slip for the cash; and the other counter (usually the planning tech) only counts the coin and signs the coin deposit slip. Dual counting does not take place.</p> <p>Further, in reviewing 24 cash receipts, we noted that 6 out of 24 deposit slips were not signed off by the assigned, individual counter.</p> <p>Video Monitoring - We noted that there are video cameras inside the vault which various employees in the office have access to view. However, there is no one specifically assigned the role to monitor the counting process real-time or review the counting footage later in the week.</p>	<p>a. b. We resumed fares on October 1, 2020. New protocols were adhered to effective October 13, 2020; which is the first time money started being counted.</p> <p>c. Managers have been assigned to observe (via video) that the new money counting protocols are being adhered to. Observations will be completed bi-weekly.</p>	<p>a. b. Segregation of Duties and Dual Counting: We observed the count at the North and South terminals on March 30, 2021 and April 6, 2021 respectively and verified the following:</p> <ol style="list-style-type: none"> <li>1) There was a third person who assisted in the counting of the cash at both the North and South terminals.</li> <li>2) This person performed the dual counting task for both the coin and bill counts.</li> <li>3) Each deposit slip was signed by both counters and not the Accounting Technician.</li> </ol> <p>Additionally, we haphazardly selected a sample of cash receipts from November 2020 through March 2021 and verified that the deposit slips were signed by an employee other than the Accounting Technician.</p> <p>c. Video Monitoring: We haphazardly selected 1 week in January, February and March of 2021 respectively, obtained and inspected video clips for those weeks noting through inquiry, observation and inspection of the "Counting Video Check" spreadsheet that a video monitor was assigned and video reviews were performed for both the North and South terminals to view video footage of the weekly counts.</p> <p>The above audit items are considered closed.</p>	Closed
	<b>Auditor Recommendation</b>	<b>ECD:</b>	<b>Testing Date:</b>	
	<p>We recommend that management perform the following:</p> <ol style="list-style-type: none"> <li>a. Segregate the cash count and deposit duties from recording and reconciliation duties all currently being performed by the accounting tech.*</li> <li>b. Perform dual counting; both counters should sign all deposit slips as evidence of the dual counting. This mitigates the lack of segregation in the counting, depositing and recording duties noted in a. above.*</li> <li>c. Assign a video monitor for both the North and South terminals either 1) to view the weekly count real-time, or 2) to view video footage of the weekly counts at least two times per month to ensure that dual counting is being performed and to mitigate the risk of cash misappropriation.</li> </ol> <p>*Note: Based on discussions with County Finance staff, County Finance receives the reconciliation package and performs its own reconciliation for all departments of cash receipts recorded in SAP to the deposit slips and bank statements received directly from the bank each month. Any discrepancies are investigated and resolved at the department / office level.</p>	<ol style="list-style-type: none"> <li>a. Closed</li> <li>b. Closed.</li> <li>c. Closed.</li> </ol>	<ol style="list-style-type: none"> <li>a. Closed</li> <li>b. Closed.</li> <li>c. Closed.</li> </ol>	



Risk	Observation #4: Customer Service	Management Comments as of April 2021	Auditor Comments as of April 2021	Status	
Low	<p>We noted the following design flaws and/or opportunities for improvement as it relates to area of customer service:</p> <ul style="list-style-type: none"> <li>In the TCT (customer service software) dashboard, the envelope icon for emails does not decrease (show as being addressed) after are items are closed / resolved.</li> <li>When the user opens the complaint from the recent incident's tab on the dashboard, there is no scroll bar to enable the user to see all the relevant information; for example, the user cannot see if the complaint is open or active.</li> <li>In reviewing the Space Coast Transit's website www.321transit.com, we noted that there is no one transparent button / link for customer feedback / complaints.</li> </ul>	<p>a. The TCT (customer service software) use has been discontinued. Customer feedback/questions are handled directly through our website, www.321Transit.com. The designs flaws have been addressed within the new set-up.</p> <p>b. 321.transit.com website was updated.</p>	<p>a. We performed observation and walkthrough procedures of the new process noting that the previous customer service software (TCT) is no longer being used. Customer questions/complaints /compliments are submitted directly through www.321transit.com. Management added a section for 'management team' under the 'contact us' section on their website so customers can send emails directly to management at the applicable location. From the 'management team' tab, the customer selects a person from management and is prompted with a complaint/incident from. Based on our testing, the design flaws and/or opportunities for improvement related to the customer service process have been addressed. This audit item is considered closed.</p> <p>b. We inspected 321.transit.com noting the website was updated to enhance transparency for customer feedback. This audit item is considered closed.</p>	Closed	
<b>Auditor Recommendation</b>		<b>ECD:</b>		<b>Testing Date:</b>	
<p>'We recommend that management perform the following:</p> <p>a. Work with the IT department to enhance the functionality of the TCT interface.</p> <p>b. Update the www.321.transit.com website to enhance transparency in providing one clear link for customer feedback.</p>		<p>a. Closed. b. Closed.</p>		<p>a. Closed. b. Closed.</p>	

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