COUNTY AUDIT DEPARTMENT

REPORT # 409

NOVEMBER 16, 2022

BOCC STATUS REPORT

Cindy Stuart

CLERK OF COURT & COMPTROLLER
HILLSBOROUGH COUNTY

The Honorable Kimberly Overman, Chair
The Honorable Harry Cohen
The Honorable Ken Hagan
The Honorable Pat Kemp
The Honorable Gwen Myers
The Honorable Mariella Smith
The Honorable Stacy R. White

November 16, 2022

Dear Chairman Overman and Commissioners:

The County Audit Department operates in compliance with the standards set forth in the International Professional Practices Framework as well as Government Auditing Standards. These standards require that County Audit communicate the results of audit engagements to the appropriate parties and monitor the action taken by management in response to any audit recommendation.

Attached is a report on the status of all management corrective action plans. County Audit monitored management action for fifteen (15) recommendations originally included in audit reports.

- Eleven (11) recommendations were closed. Four (4) recommendations were implemented and confirmed. Seven (7) were closed due to expiration of follow-up tracking and will be reconsidered for future audit.

- The remaining four (4) will carry forward and continued to be monitored by County Audit.

In addition to routine audits, the County Audit Department also performs advisory services, management assistance projects and continuous monitoring. The results for these projects are not issued as an audit report but are instead communicated in memos to the appropriate County Executive Team members. Results memos issued during the first and second quarter have been attached for your review.

I appreciate this opportunity to be of service to the Board of County Commissioners. I am happy to address any questions that you may have or furnish additional information if desired.

Sincerely,

Heidi Pinner

Together, we will get to YES!

Heidi Pinner, CIA CISA CFE CRMA
Chief Audit Executive, County Audit

Equity. Transparency. Independence.

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P.O. Box 1110, Tampa, FL 33601-1110

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Follow-up activities and management communications are presented for each responsible executive team member by business unit and appear alphabetically.

DEPUTY COUNTY ADMINISTRATOR

OPEN RECOMMENDATIONS   2

MEDICAL EXAMINER   *Management of Outsourced Services*   **REPORT #405**

⬥ Management should consider reviewing existing procedures to make the review of invoices and the monitoring of contracts more robust. This could include the following:

- Documenting receipt of invoices and annotating any errors identified. Maintain original and final invoice support in OnBase.
- Provide training to staff and vendors to ensure duplicate or erroneous charges are not billed and to ensure only authorized individuals are requesting dispatches.
- Research potential ways to automate the review of invoices by utilizing spreadsheets and control numbers between County maintained records and details provided by vendors.
- Enhanced monitoring controls to ensure that any agreements nearing expiration or full spend are re-negotiated or rebid timely.

Original Implementation Estimate: 10/31/2022

MANAGEMENT UPDATE: *No updates yet; report was issued June 13, 2022*

⬥ Management should develop, document, and implement procedures to:

- Ensure that information provided to Procurement Services for new contracts is complete and accurate prior to uploading to Oracle for vendors to submit their bids.
- Provide secondary review and approval of Invitation to Bids to verify the request for accuracy.
- To better monitor contract terms after implementation to ensure compliance with requirements outlined in the agreements. Additionally, provide training where non-compliance has been identified.
- Review current need for specialty doctors. Work with Procurement Services to implement a process to provide payment for services and reduce the need for After-the-Fact payments.

Original Implementation Estimate: 10/31/2022

MANAGEMENT UPDATE: *No updates yet; report was issued June 13, 2022*

UPCOMING/ONGOING AUDIT ACTIVITITIES:

FIRE RESCUE	*Controlled Substance Inventory Management*	In Process
FIRE RESCUE	*Fire Rescue Bunker Gear Contract Management*	Cancelled
FACILITIES & REAL ESTATE	*Surplus Warehouse inventory Controls*	In Process
PARKS & RECREATION	*Management of Contracted Services*	In Process

RESULTS MEMOS ISSUED

DEVELOPMENT SERVICES	*Contractor Licensing Audit Close-Out*	See Appendix
DEVELOPMENT SERVICES	*Cash Counts Sites #171 & #172*	See Appendix
FACILITIES MANAGEMENT	*Cash Count Pierce St Garage*	See Appendix
PARKS & RECREATION	*Cash Count Site #048*	See Appendix

CHIEF FINANCIAL ADMINISTRATOR

OPEN RECOMMENDATIONS	1

SOLID WASTE	*SCALEHOUSE OPERATIONS*	**REPORT #391**

⬥ Work with the Information and Innovation Office (IIO) to implement credit card payment capabilities that are in compliance with Payment Card Industry (PCI) security standards.

Original Implementation Estimate: 10/01/2021

MANAGEMENT UPDATE: *As of June 24, 2022, Solid Waste is working with their Contract Group and the vendor to solve some issues regarding equipment. The equipment has not been ordered and is currently unavailable due to supply chain issues. Due to these supply chain issues, the contract may need to be modified to add new additional hardware choices as substitutes.*

RECOMMENDATIONS CLOSED

HUMAN RESOURCES	*DEPENDENT BENEFITS ELIGIBILITY*	**REPORT #380**

⬥ Ensure that the verification, review and maintenance of dependent eligibility is performed consistently for all agencies within the County Healthcare Benefits Plan. This could be accomplished by formalizing a plan-wide process and procedure or through periodic monitoring of other agency records.

Per client, Department is working with the County Attorney's Office to revise/update agreements for agencies participating in the County Healthcare benefits Plan. This is a work in process. County Audit has tracked this recommendation for more than 12 months. Associated risk will remain and be considered for future audit engagements.

Follow-Up Tracking Expired: June 2022

MANAGEMENT AND BUDGET	*DEPARTMENTAL USER FEES*	**REPORT #394**

⬥ Review the specific fee discrepancies found by the Audit Team and make any necessary corrections and updates to the Departmental User Fees List or other fee listings as applicable.

⬥ Work with the departments to require full participation in the annual updating of the Departmental User Fees List.

Implemented and Confirmed: August 2021

✦ Re-assess the need to continue preparing the Departmental User Fees List each year if it is not being used or providing any significant benefit to the County or to the public.

Implemented and Confirmed: January 2022

✦ County Management should consider taking the following corrective actions: 1) Re-establish current procedures to ensure the requirements in Board Policy 03.02.02.09, User Fees and Cost Recovery, are being met; or 2) Initiate a Board meeting agenda item to update the Board policy to match current operational practices; 3) Consider reviewing older fee rates to determine whether or not adjustments are needed for inflation and/or cost recovery goals.

Implemented and Confirmed: July 2022

PROCUREMENT	*CONTRACT ESTIMATES & MODIFICATIONS*	**REPORT #386**

✦ To ensure that contracts and their associated modifications are monitored more closely:

1. Implement a process to periodically monitor and evaluate all contract modifications in the County for appropriateness.
2. Perform a periodic trend analysis to identify patterns or outliers in contract modifications.
3. Provide feedback to department Directors periodically on contracts that appear to be improperly estimated or frequently modified.
4. Ensure that the history of contract modifications is maintained and available for management decision making.
5. Provide training to department managers on contract management best practices.

Per client, Department is waiting to see what new contract management functionality will come as a result of the Oracle SaaS implementation. County Audit has tracked this recommendation for more than 12 months. Associated risk will remain and be considered for future audit engagements.

Follow-up Tracking Expired: August 2021

✦ The Procurement Services Department should meet with department Directors and formalize a contract estimation and monitoring process to ensure accurate estimates and avoid over-spending.

Per client, Department is waiting to see what new contract management functionality will come as a result of the Oracle SaaS implementation. County Audit has tracked this recommendation for more than 12 months. Associated risk will remain and be considered for future audit engagements.

Follow-up Tracking Expired: August 2021

UPCOMING / ONGOING AUDIT ACTIVITIES

PROCUREMENT DEPARTMENT	*Quarterly Procurement Card Monitoring*	Ongoing
PUBLIC UTILITIES DEPARTMENT	*Leachate Disposal*	In Process

RESULTS MEMOS ISSUED

COUNTYWIDE	*Licenses & Certifications Expenditures*	See Appendix
PROCUREMENT DEPARTMENT	*Pcard Continuous Monitoring (5) Memos*	See Appendix
PUD/WATER RESOURCES	*C-CURE System Control Access Review*	See Appendix
PUD/WATER RESOURCES	*Cash Count BSOC Site #063*	See Appendix

CHIEF HUMAN SERVICES ADMINISTRATOR

UPCOMING AUDIT ACTIVITIES		
HEAD START	*Head Start Grant Accounting*	In Process
AGING SERVICES	*ServTracker IT System Access Review*	In Process
HEALTH CARE SERVICES	*Data Warehouse Application Controls*	In Process

RESULTS MEMOS ISSUED		
SOCIAL SERVICES	*ERAP Monitoring (7) Memos*	See Appendix

OFFICE OF THE CHIEF INFORMATION & INNOVATION OFFICER

OPEN RECOMMENDATIONS   5

INFORMATION & INNOVATION OFFICE	*PCI DSS COMPLIANCE*	**REPORT #395**

- IIO management and the County executive leadership team should work together to ensure that all applicable departments:
  - Participate in the creation of a complete and detailed Network Topology Diagram to include all applicable departments. Having a network diagram should provide a clear picture of all the elements that make up the network, how links and nodes are set up, the flow of data, and the physical and logical arrangement of inter-connected systems.
  - Partner with IIO to identify all applicable devices that could require changing the system default passwords and configuration standards.
  - Enable only the minimum features required to accomplish business objectives for any system identified within the cardholder data environment.
  - Create and enforce uniform standards to ensure that department's document processes maintain applicable records, and notify the IIO Office of any changes affecting the cardholder data environment, systems within the environment and devices connected to the environment.

Original Implementation Estimate: July 2023

MANAGEMENT UPDATE: *No updates yet. Anticipated implementation date occurs in the next calendar year.*

RECOMMENDATIONS CLOSED

INFORMATION & INNOVATION OFFICE	*PCI DSS COMPLIANCE*	**REPORT #395**

- Work with Library Services management to formally update/document the network diagram and applicable firewall configurations to ensure compliance with PCI Standards.

  Per follow-up inquiries in October 2022, client has requested IIO's Network Team to create/provide the diagram of the Library Services PCI network segment but does not expect to receive before the end of the fourth quarter in FY 2023. County Audit has tracked this recommendation for more than 12 months. Associated risk will remain and be considered for future audit engagements.

Follow-up Tracking Expired: October 2022

✦ IIO Management should:
- Work together with the Library's Department to ensure that the policy to check payment kiosk and network jacks on Library Services locations is properly followed. Otherwise, management could update the policy to allow additional assigned personnel to review kiosks and change the review interval/deadline (9.1.2).
- Ensure that all departments that process card payments have a policy in place to periodically inspect payment devices and that this policy includes the use a standard checklist to perform and document such inspections. (9.9.2)

Per follow-up inquiries, Conservation Services, which is the only department outstanding, has not provided their payment device inspection policy/checklist yet. This issue will be streamlined with the implementation of the NIC project and its completion date is dependent on the NIC rollout. The NIC platform is comprehensive and provides a single solution to make payments in any form. County Audit has tracked this recommendation for more than 12 months. Associated risk will remain and be considered for future audit engagements.

Follow-up Tracking Expired: October 2022

✦ IIO Management should ensure that the procedures to manage PCI service providers include:

- Ensuring that all contracts, agreements, and administrative awards contain an acknowledgement outlining the responsibilities for the security of cardholder data.

- Obtain documentation from the vendor to ensure that they are in compliance with PCI standard.

- Monitor and maintain service providers' PCI DSS compliance status (certificates) on an annual basis.

- Document which PCI requirements each service provider manages and which are managed by the County.

Per follow-up inquiries, this issue will be streamlined with the implementation of the NIC project and its completion date is dependent on the NIC rollout. The NIC platform is comprehensive and provides a single solution to make payments in any form. County Audit has tracked this recommendation for more than 12 months. Associated risk will remain and be considered for future audit engagements.

Follow-up Tracking Expired: October 2022

‣ IIO Management should ensure that incident response (IR) plans are updated in accordance with requirements 12,10,1 through 12.10.6, including:

- Providing notification to payment brands.

- Documenting business continuity procedures.

- Documenting data backup processes.

- Documenting legal requirements.
- Referencing IR procedures from payment brands.
- Ensuring relevant alerts (e.g. security monitoring, IDS, and file-integrity monitoring) are included in the plan.

Per follow-up inquiries, this issue will be streamlined with the implementation of the NIC project and its completion date is dependent on the NIC rollout. The NIC platform is comprehensive and provides a single solution to make payments in any form. County Audit has tracked this recommendation for more than 12 months. Associated risk will remain and be considered for future audit engagements.
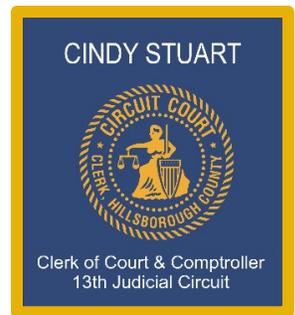
Follow-up Tracking Expired: October 2022

UPCOMING AUDIT ACTIVITIES	
Cybersecurity – Post Implementation Audit	Announced – 3rd Quarter

APPENDIX

Management Memos Issued

June 25, 2021 – September 30, 2022

DATE: June 25, 2021

TO: Audrey Ziegler, Director, Social Services

CC: Tom Fesler, Chief Financial Administrator
Carl Harness, Chief Human Services Administrator
Debbie Benavidez, Director, ESQA

FROM: Heidi Pinner, Chief Audit Executive, Clerk of Court & Comptroller

SUBJECT: MM #112 – ERAP Continuous Monitoring May, 2021

As part of the Consolidated Appropriations Act of 2021, the Emergency Rental Assistance Program (ERAP) made available $25 billion to assist households that were unable to pay rent and utilities due to the COVID-19 pandemic. Hillsborough County received $32,377,869.60 in federal funding to assist residents who are unable to pay rent and utilities due to the impacts of COVID-19. The ERAP Program aims to prevent further financial hardship or consequences to living conditions by providing eligible households financial assistance for past-due rent and electric bills. Social Services conducts application eligibility reviews and approves payments. The Clerk's Office then distributes approved relief payments on behalf of the program.

The County Audit Department is performing continuous monitoring of these ERAP payments based on the County's eligibility requirements and compliance with the guidance published by the U. S. Treasury. The U. S. Treasury has discouraged burdensome documentation requirements that could be a barrier for tenants and therefore allows tenants to satisfy some eligibility requirements through attestation/self-certification.

SCOPE

As of May 30, 2021, the program had issued 1,020 payments totaling $3,697,137.37. The Audit Team tested a random sample of 100 payments totaling $402,313.29 to determine whether or not:

- Payments had appropriate supporting documentation with consistent information.
- Applicants were eligible based on program criteria including the household income.
- A residential property physically existed at the address based on a Google Map street view.
- Payments were made to an appropriate recipient.
- The expenditure had an appropriate approval prior to payment.
- Payment amounts were appropriate based on the number of months listed as past-due on the landlord's rental ledger.

SUMMARY OF RESULTS

For the 100 payments tested, no exceptions were identified and the County's ERAP program appears to be in compliance with the U. S. Treasury guidance. Some eligibility requirements were satisfied by applicants submitting an attestation, including experiencing an impact or loss of income due to COVID and certifying that no familial relationship exists between landlord and tenant.

Feel free to contact me at (813) 307-7000 with any questions, comments, or concerns.

CINDY STUART

Clerk of Court & Comptroller
13th Judicial Circuit

DATE: June 29, 2021

TO: Scott Stromer, Director, Procurement Services

CC: Bonnie Wise, County Administrator
Executive Team, County Administration
Tom Fesler, Chief Financial Administrator

FROM: Heidi Pinner, Chief Audit Executive – County Audit, Clerk of Court & Comptroller

SUBJECT: Management Memorandum #MM113 – PCard Continuous Monitoring – FY20 Third and Fourth Quarters

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This review has been an ongoing project as part of the County Audit department's annual audit plan. Emerging risks and operational needs posed by the COVID-19 pandemic were prioritized over these reviews, which has resulted in the delay of reviews for transactions from the third quarter of fiscal year 2020 and beyond.

OBJECTIVE

The objective of the Purchasing Card (PCard) continuous audit is to evaluate the appropriateness of PCard purchases made during each quarter of the fiscal year (FY) via analysis and sample testing. The program is designed to continuously evolve and adapt the types of testing and analysis performed, with input from management, to ensure that the program delivers timely and useful results and assurances. Third and fourth quarter testing included the basic analysis and review of transactions, account usages, travel and weekend purchases, as well as a review of annual spending trends for FY2020. Information for each concern or exception identified has been communicated to the PCard administrator for any necessary follow-up.

SCOPE

This memo communicates the results of testing for PCard purchases made from April 1, 2020 through September 30, 2020, excluding transactions made on Library Services term accounts and any purchases made by independent agencies. The annual PCard spending analysis included all fiscal year 2020 transactions, excluding independent agencies and Library Services term accounts, and was performed by the Audit Team to analyze how Pcards were utilized.

Fiscal Year P-Card Spending

2019

2020

19% increase

$ 20 Million

$ 24 Million

Q3

TOTAL SPENDING:
$ 6 Million

Q4

TOTAL SPENDING:
$ 6.5 Million
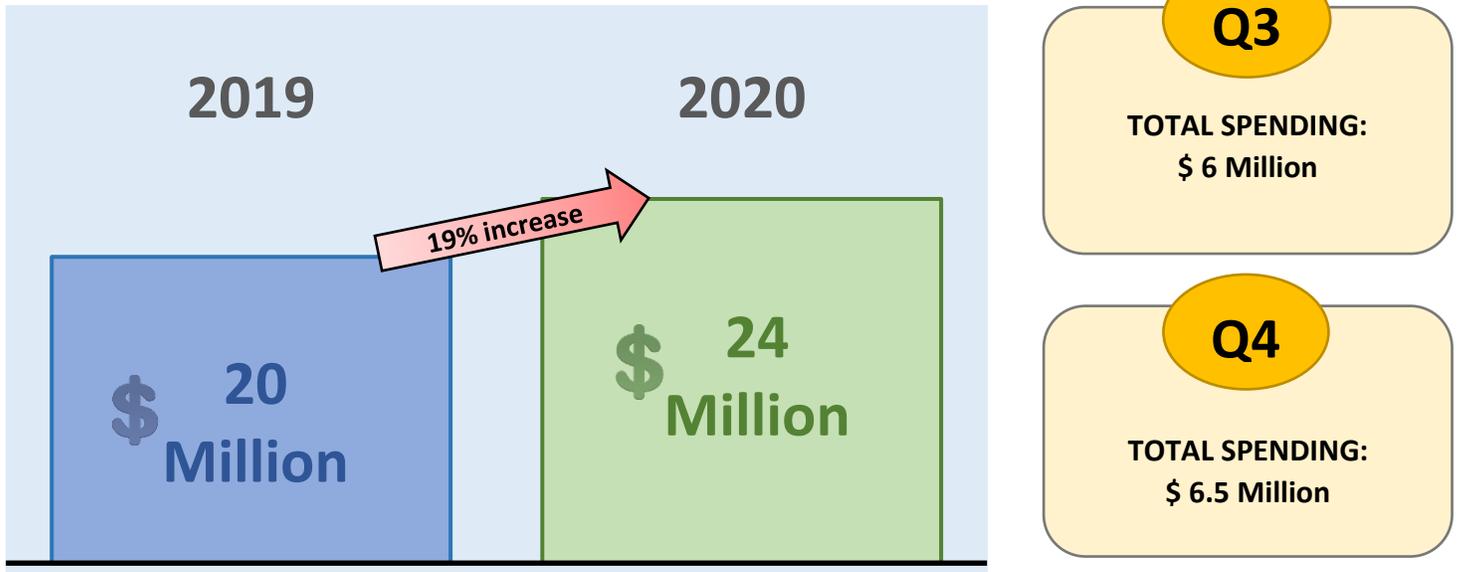
Total PCard spending was $6,025,141.92 for the third quarter and $6,474,572.16 for the fourth quarter of FY 2020; however, Library Services is exempt from normal competitive procurement requirements for books and materials, so these transactions were excluded from testing along with all Independent Agency transactions. PCard spending for all other departments was $4,821,872.41 for the third quarter and $4,765,224.12 for the fourth quarter. Total annual spending excluding the independent agencies was $23,994,727.22 compared to $20,195,355.19 for FY2019, which is a $3,799,372.03 or a 19% increase in purchasing card usage. Based on a review of the annual data, this increased usage may be attributed to pandemic and emergency purchasing needs. Analytical review and testing of the purchases and trends identified:

- Fourteen vendors whose totals exceeded $10,000 and should be considered for a contract.
- Six transactions over $5,000 that either lacked evidence of quotes or had improper competitive quotes.
- Six transactions which used a payment service in an individual's name that did not match the invoice.
- Six transactions which were split to potentially avoid transaction limits or competitive quote requirements.
- Four transactions that did not include adequate justification or support in Oracle.
- Four transactions that did not have the vendor's sensitive information redacted.
- Three transactions that did not have the tax deducted prior to payment.
- Two transactions that could have been purchased at a lower price elsewhere.
- Two transactions that were paid over 90 days past the invoice date.
- One transaction for a food purchase that did not have appropriate approval.
- One transaction for technology items that did not include Information and Innovation Office (IIO) approval.
- One transaction that was lowered below $5,000, to avoid the three required quote process.
- No instances of inappropriate weekend, big box retail, or travel purchases.

DETAIL OF TRANSACTION TESTING & ANALYSIS

MERCHANT CATEGORY CODE (MCC) ANALYSIS

Purchases made during the third and fourth quarters of fiscal year 2020 were analyzed based on the Merchant Category Code (MCC) and Procurement Procedures Manual restrictions. The table below identifies the top 5 MCCs based on the total spent for the third and fourth quarters of fiscal year 2020.

Quarter 3			
MCC Number	MCC Description	Amount Spent	Number of Transactions
5085	Industrial Supplies Not Elsewhere Classified	$430,882.30	473
5047	Lab/Medical/Dental/Ophthalmic Hospital	$397,470.54	180
8999	Professional Services not Elsewhere Classified	$262,223.09	88
5942	Bookstores	$227,105.15	1412
5200	Home Supply Warehouse Stores	$217,651.29	871
Quarter 4			
MCC Number	MCC Description	Amount Spent	Number of Transactions
5942	Bookstores	$353,184.99	1325
5085	Industrial Supplies Not Elsewhere Classified	$339,913.95	372
7399	Business Services Not Elsewhere Classified	$301,124.71	259
5047	Lab/Medical/Dental/Ophthalmic Hospital	$291,993.76	128
5699	Miscellaneous Apparel and Accessory Store	$245,522.83	31

The Audit Team judgmentally selected a sample of 92 transactions for the third quarter and 70 transactions for fourth quarter based on unexpected or unusual MCC descriptions that appeared to be restricted, such as fast food restaurants, hotels, catering, and grocery stores. The transactions were evaluated for appropriate support and justification and several exceptions were identified.

- Fourteen (14) transactions over a month period that exceeded $10,000 and should be considered for a contract per section 4.5.0(A)(V) of the Procurement Procedures Manual.
- Two (2) transactions did not include adequate justification in Oracle. One stated "Purchase for station 41." without describing what was actually purchased, and the other stated "Repairs" without any more information.
- Two (2) transactions where the purchaser could have gotten a lower price elsewhere. One of these was a purchase of HDMI cables from Best Buy which cost less elsewhere and the other was a car wash for $ 32.99.
- One (1) transaction where the invoice was paid over 90 days past the invoice date.
- One (1) transaction that did not receive prior IT approval for the purchase of 2 scanners.
- One (1) transaction that had taxes charged.

TESTING OF QUOTE REQUIREMENTS

The Audit Team tested a sample of 47 transactions above $4,900.00 to ensure that competitive quotes are being obtained as required by PCard policy. Supporting documentation was reviewed for these transactions and the following exceptions were identified:

Five (5) transactions did not receive the required three quotes prior to making the purchase
- $5,690.50 for AEDs
- $5,121.46 for a bulldozer rental
- $6,176.05 for a purchase of tents
- $5,654.20 for a replacement video system
- $5,408.42 for landscaping equipment.
- One (1) invoice of $5,027.16 was changed to $4,999.16 in what appears to be an attempt to avoid the 3 quote requirement.
- One (1) transaction that did not have the vendor's banking information redacted.

SPLIT PURCHASES

The Audit Team analyzed third and fourth quarter transactions to identify instances where purchases for a single vendor on a single day were split across multiple transactions to potentially avoid transaction limits or competitive quote requirements. The Audit Team reviewed 229 groupings of transactions for this testing and identified:

- Six (6) purchases that were split and should have received quotes.
  - $6,000 for backflow refinishing that was split into 2 $3,000 transactions
  - $8,752.50 for employee uniforms that was split into 4 separate charges with the same vendor
  - $5,892.77 for irrigation supplies that was split into 2 separate charges.
  - $6,292.00 purchase of 2 trailers that was split into 2 separate charges.
  - $5,026.76 for broadcast equipment that was split into 2 separate charges.
  - $5,095.16 for volunteer recognition items that was split into 2 separate charges.

- One (1) purchase of $5161.56 for fencing that did not receive additional quotes prior to purchase.
- One (1) transaction was also identified that was not paid within 90 days of the invoice date.

CARD DEACTIVATIONS

The Audit Team analyzed whether or not PCards were used after an employee's termination date by comparing a list of employee termination dates against a list of transactions from Bank of America for the third and fourth quarters. Three (3) active PCards were identified for employees who had been terminated during the third and fourth quarters. No purchases were made on these card accounts subsequent to the employee's termination date.

PAYMENT SERVICES IN AN INDIVIDUAL'S NAME

The Audit Team analyzed transactions which were paid through a payment service provider (such as PayPal or Square) and also included the name of an individual as the vendor to ensure that the vendor name matched the name listed on the invoice. The following exceptions were identified:

- Six (6) transactions used a payment service in an individual's name that did not match the invoice.

WEEKEND TRANSACTIONS

The Audit Team performed an analysis of transactions made during the weekend (Saturday or Sunday) by departments with regular business hours that do not include weekends. The Audit Team also analyzed weekend purchases that were made from restaurants or big box retail stores (Walmart, Lowe's, Office Depot, etc.). The supporting documentation for 72 of these purchases was reviewed for appropriateness. The review did not identify any inappropriate or questionable transactions to big box stores, however, the following transaction exceptions were identified:

- Two (2) purchases were charged taxes.
- One (1) purchase totaling $29.40 for the purchase of food did not have the appropriate approval forms.
- One (1) purchase that did not have the vendor's banking information redacted from the invoice.

The Procurement Procedures Manual should be updated to address when food purchases are authorized on PCards without preapproval.

ANALYSIS OF EMERGENCY PURCHASE TRANSACTIONS

The Audit Team performed a review of transactions that appeared to be related to the response to the emergency declaration due to COVID – 19. A filter was used on the transactions data from Bank of America and Oracle, where terms such as "COVID," "CORONA," and "EMERGENCY" were contained in the Justification field of Oracle to identify potential emergency purchases. Typical transactions included the purchase of Personal Protective Equipment (PPE), sanitizing equipment, and food purchases for those responsible for responding to the emergency. All transactions reviewed appeared consistent with the needs related to the emergency response implemented by the County; however, some administrative transaction level exceptions were identified:

- Two (2) transactions did not have the vendors' banking information redacted from the invoice.
- Two (2) transactions did not include appropriate justification information.
- One (1) transaction did not include an itemized invoice.

REVIEW OF CHARGES NOT IN ORACLE

The Audit Team also reviewed transactions that were either in the Bank of America data or Oracle data, but not in both. For the third quarter, no transactions were identified that required follow up. During the fourth quarter, one transaction was identified in the Oracle data that was not in the Bank of America data. The Audit Team followed up with Accounts Payable and the Pcard Administrator regarding the discrepancy. It appears that this was an erroneous transaction caused when the Bank of America data was uploaded to Oracle. The data was somehow incorrectly mismatched between the upload for the transactions related to P-cards and a system called ePayables, likely due to the similarity in the last four digits of the cardholder's P-card number and the ePayables number. Upon further inquiry, it was noted that a situation like this has not previously happened; however, the technical root cause of this issue was not entirely clear. Therefore, this is being noted here for management's further consideration. The Audit Team will continue inquiring as to the exact cause and future testing may include procedures to look out for similar irregularities.

REVIEW OF TRAVEL TRANSACTIONS

During to the response to COVID – 19, travel was restricted due to the emergency declaration made by the County. Any travel that took place for the third and fourth quarters of FY20 must have had an official business purpose related to COVID–19, received approval from executive staff, or must have been a transaction related to performing daily departmental tasks such as assisting with housing for homeless or displaced residents. Based on the review of travel transactions, the Audit Team did not identify any instances where travel was not properly authorized by management or was not a part of a department's routine job duties as assigned.

ANNUAL TREND ANALYSIS

The Audit Team also reviewed FY20 annual purchasing data and identified several trends that the Procurement Department may find helpful in determining the type of spending taking place throughout the County. This information is presented on the following pages.

The graph on the right depicts purchasing card spending by month during fiscal year 2020. Spending appears to be relatively consistent with peaks during the first month of the fiscal year (October) and again towards the end of the fiscal year (August) and a drop off in the last month of the fiscal year when department spending is cut off for year end. The peak in March appears reasonable due to the initial response to COVID – 19.

Total Spending by Month - BOCC Departments

Month	$ Millions
October	$2.11
November	$1.58
December	$1.42
January	$1.68
February	$1.54
March	$2.68
April	$2.03
May	$1.74
June	$1.81
July	$2.00
August	$2.27
September	$1.54
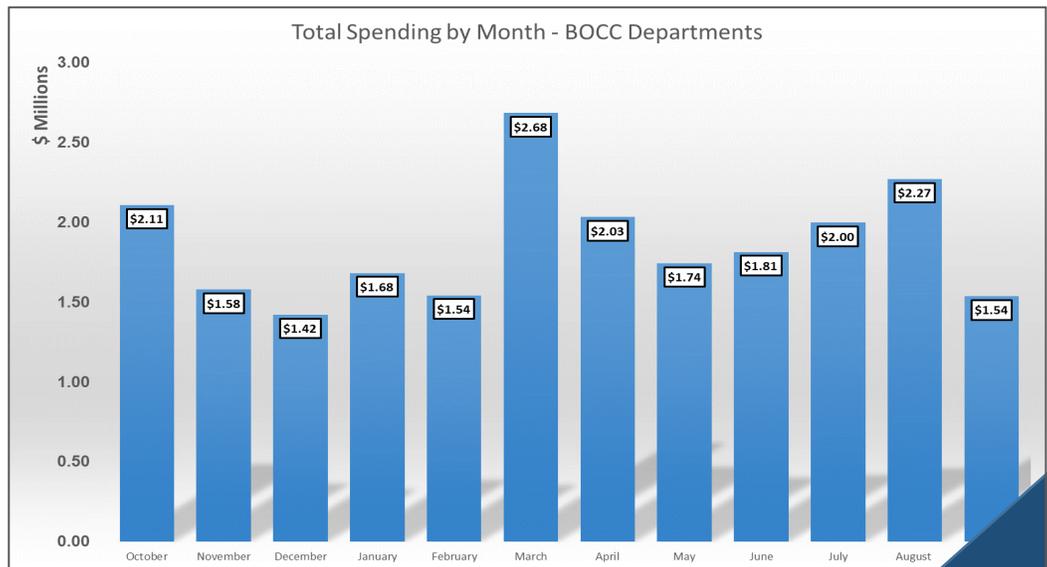
FY20 TOTAL PCARD SPEND

The graph to the right identifies FY20 spending by BOCC Department.

- Four (4) departments made up 54% of all FY20 PCard spending.

- A total of 22.4 Million was spent on PCards during the fiscal year.

Note: Purchases made by departments and agencies not under County Administration were excluded.
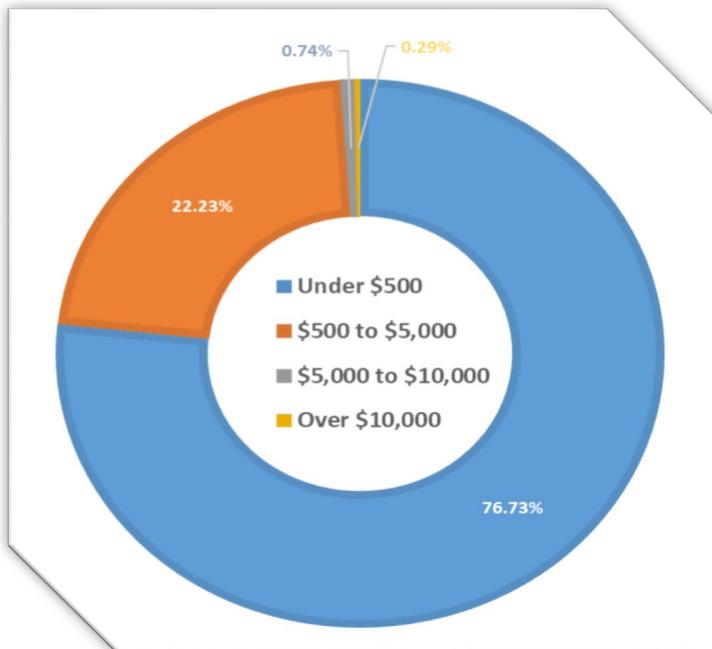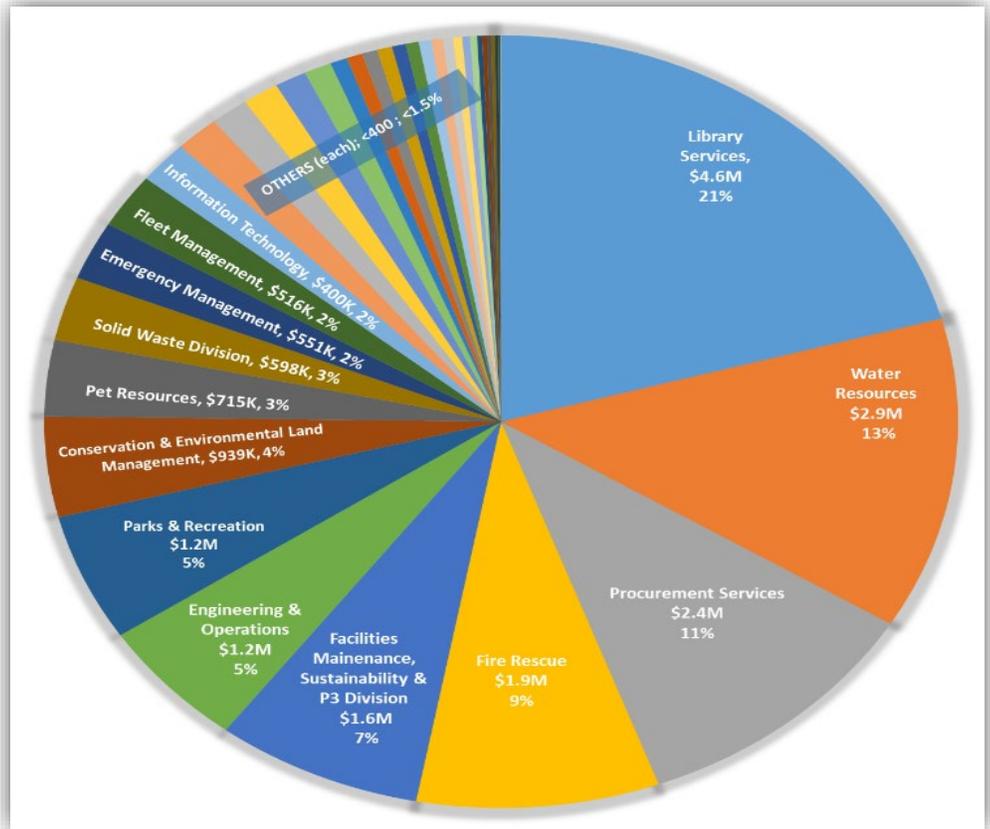
TOTAL BY TRANSACTION AMOUNT

The Audit Team also totaled the sum of all purchases based on the amount of the transaction to analyze the card utilization for BOCC purchasing cards.

- The average FY20 PCard transaction was $568.91.

- 77% of transactions were under $500.00

- Most common single transaction limit: $10,000.00.

* Data excludes independent agencies and Library Services term accounts.

CINDY STUART

Clerk of Court & Comptroller
13th Judicial Circuit

DATE: July 9, 2021

TO: Adam Gormly, Director, Development Services

CC: Greg Horwedel, Deputy County Administrator
Debbie Benavidez, Director, Enterprise Solutions & Quality Assurance (ESQA)
Linda Benoit, Fiscal & Accounting Services Manager - ESQA

FROM: Heidi Pinner, Chief Audit Executive –Clerk of Court & Comptroller

SUBJECT: Management Memorandum #MM114 – Contractor Licensing Audit Close Out

OBJECTIVE

The Contractor Licensing Process was included as a routine audit on the FY21 Annual Audit Plan. The objective of the audit was to determine whether or not appropriate controls were in place to ensure that the licensing and renewal process for contractors in the County were appropriate and the process was being sufficiently monitored. Licensing should be in accordance with State Statutes, local laws and the process should be fair and equitable for all candidates.

BACKGROUND

The Audit Entrance Conference was held May 18, 2021.

Contractor licensing is currently administered by both Hillsborough County and the State of Florida. County licensing includes the licensing of contractors in specialty trades and those that are required at the state level. However, as of July 1, 2021, House Bill (HB) 735 was signed into law which preempts the local licensing process.

SCOPE

The scope of the original audit included all contractors currently licensed within Hillsborough County, those in the process of becoming licensed, and contractors that have been denied licensure.

OVERALL CONCLUSION

As a result of HB 735, the licensing process currently administered at the County level will be eliminated. This includes those licenses required by the State and any local specialty license exclusively required by the County.

Development Services is in the process of reviewing the new statutory requirements and beginning to sunset the local licensing process. The sunset process allows candidates currently working with Development Services on a state mandated license to continue to pursue the license at a local level as long as licensing is completed by January 2023.

Given the recent changes and the impending elimination of County licensing processes, the Audit Team has determined that further review of the Contractor Licensing process is not warranted at this time.

Feel free to contact me at (813) 307-7000 with any questions, comments, or concerns.

CINDY STUART

Clerk of Court & Comptroller
13th Judicial Circuit
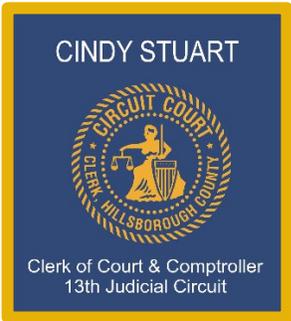
DATE: August 11, 2021

TO: Scott Stromer, Director, Procurement Services

CC: Bonnie Wise, County Administrator
Executive Team, County Administration
Tom Fesler, Chief Financial Administrator

FROM: Heidi Pinner, Chief Audit Executive – Clerk of Court & Comptroller

SUBJECT: Management Memorandum #MM115 – PCard Continuous Monitoring – FY21 First Quarter.

This review is an ongoing and continuous project that is part of the County Audit Department's Annual Audit Plan.

OBJECTIVE

The objective of the Purchasing Card (PCard) Continuous Auditing project is to evaluate the appropriateness of PCard purchases made during each quarter of the fiscal year (FY) via analysis and sample testing. The program is designed to evolve and adapt, with input from management, to ensure that the program delivers timely and useful results and assurances. First quarter testing included the basic analysis and review of transactions, account usages, and travel as well as an analysis related to the use of PCards for weekend purchases. All concerns and exceptions were referred to the PCard administrator for follow-up and corrective action.

SCOPE

Testing included purchases made from October 1, 2020 through December 31, 2020 excluding transactions made on Library Services term accounts and any purchases made by independent agencies.

P-CARD SPENDING FY2021 Q1

Total Spent With All Agencies	$5,988,810.03
Without Library Term Accounts & Independent Agencies	$4,686,905.25

SUMMARY OF RESULTS

Analytical review of the first quarter purchases and trends identified:

- Four (4) transactions which had insufficient details in the justification field of iExpense.
- Four (4) purchases without appropriate support for price quotes included in iExpense and/or on the invoice.
- Two (2) purchases with a purchase date which exceeded the invoice date by over 90 days.
- Multiple monthly bulldozer rentals which should be considered for competitive bidding based on the frequency of use and pricing.
- Two (2) transactions over $5,000 which did not have the required three quotes obtained.
- Two (2) instances of the merchant name not matching the company name listed on the invoice, one of which had 10 invoices.
- One (1) purchase missing the cardholder's signature on the invoice.
- Two (2) purchases that had tax charged.
- Nine (9) transactions where the cardholder approved their own Emergency Food/Meal exception form.
- No instances of inappropriate weekend, big box retail, or travel purchases.

Additional testing details and analysis are included on the following pages. Feel free to contact me at (813) 307-7000 with any questions, comments or suggestions.

DETAIL OF TRANSACTION TESTING & ANALYSIS

MERCHANT CATEGORY CODE (MCC) ANALYSIS

Purchases made during the first quarter of fiscal year 2021 were analyzed based on the Merchant Category Code (MCC) and Procurement Procedures Manual restrictions. The table below identifies the top 5 MCCs based on the total spent for the first quarter of fiscal year 2021.

Quarter 1			
MCC Number	**MCC Description**	**Amount Spent**	**Number of Transactions**
5085	Industrial Supplies Not Elsewhere Classified	$449,335.29	386
5942	Bookstores	$369,292.42	1,402
5047	Lab/Medical/Dental/Ophthalmic Hospital	$291,961.16	147
5999	Miscellaneous and Retail Stores	$209,063.25	203
5969	All other direct marketers	$201,668.78	19

The Audit Team judgmentally selected a sample of 24 transactions for the first quarter based on unexpected or unusual MCC descriptions that appeared to be restricted, such as fast food restaurants, boat dealers, motorcycle dealers, book stores, and grocery stores. The transactions were evaluated for appropriate support and justification and one exception was identified.

- One (1) transaction for a 5 gallon Igloo cooler did not provide sufficient documentation of what was purchased in the justification field.

SPLIT PURCHASES

The Audit Team analyzed transactions to identify instances where transactions for a single vendor on a single day were split up to potentially avoid transaction limits or competitive quote requirements. The Audit Team reviewed 71 groupings of transactions for this testing and identified:

- Two (2) purchases over $5,000 that did not have the required three quotes obtained.
  - An $11,020.20 purchase for 2 autopsy saws was split into 2 separate charges of $5,510.10 each.
  - $5,940 was split into 3 separate transactions for the installation of multiple automated doors in the same community center location on the same date.
- One (1) purchase had an incorrect purchase description of county hats and hydrant inspection tags instead of the 25lb box of terry cloth rags that was purchased.

TESTING OF QUOTE REQUIREMENTS

The Audit Team tested a sample of 30 transactions above $4,900.00 to ensure that competitive quotes are being obtained as required by PCard policy. Supporting documentation was reviewed for these transactions and the following exceptions were identified:

- Three (3) transactions did not provide price quote details within the justification field.
    - $7,715 for an irrigation repair.
    - $5,875 for erosion control hay bales.
    - $5,565 for a wall replacement.
- One (1) purchase for a rolling cabinet had 5 price quotes, however the quote details were not documented within the justification field and support for the quotes was not uploaded with the invoice.
- Two (2) transactions had a purchase date which exceeded the invoice date by over 90 days.
    - $4,999 for pesticide applications on four softball fields invoiced on 08/06/2020 and paid on 12/21/2020.
    - $4,999 for a bulldozer rental invoiced on 7/22/2020 paid on 11/13/2020.
- Three (3) purchases were made for monthly bulldozer rentals totaling $14,997 which should be considered for competitive bidding due to the frequency of use and cost.

CARD DEACTIVATIONS

The Audit Team analyzed whether or not PCards were used after an employee's termination date by comparing a list of employee termination dates against a list of transactions from Bank of America for the first quarter. No purchases were identified as having taken place on a terminated employee's P-card after an employee's termination date.

PAYMENT SERVICES IN AN INDIVIDUAL'S NAME

The Audit Team analyzed transactions which were paid through a payment service provider (such as PayPal or Square) and included the name of an individual as the vendor to ensure that the vendor name matched the name listed on the invoice. The following exceptions were identified:

- Two (2) transactions used a payment service in an individual's name that did not match the invoice.
    - A purchase for an AC adapter in the amount of $34.99 showed the merchant name as PayPal Iguerburn, however, the company name on the invoice reflected USPartsDirect.com. The Audit Team contacted the vendor and confirmed this was a legitimate charge.
    - Ten (10) purchases for the services provided by Tampa Bay Asphalt Paving & Seal Coating had payments made via square card reader to the name of 'Sq Kelli Hill'. The Audit Team contacted the vendor and confirmed this was a legitimate charge.

- One (1) invoice for drain cleaning service in the amount of $2,630 which was not signed by the cardholder on the invoice or receipt.

WEEKEND TRANSACTIONS

The Audit Team performed an analysis of transactions made during the weekend (Saturday or Sunday) by departments with regular business hours that do not include weekends. The Audit Team also analyzed weekend purchases that were made from restaurants or big box retail stores (Walmart, Lowe's, Office Depot, etc.). The supporting documentation for a sample of 40 transactions was reviewed for appropriateness. The review did not identify any inappropriate or questionable transactions.

ANALYSIS OF EMERGENCY PURCHASE TRANSACTIONS

The Audit Team performed a review of transactions that appeared to be related to the response to the emergency declaration due to COVID – 19. A filter was used for terms such as "COVID," "CORONA," and "EMERGENCY" in the Justification field to identify potential emergency purchases. From the review, typical transactions included the purchase of Personal Protective Equipment (PPE), sanitizing equipment, and food purchases for those responding to the emergency declaration. Based on the review, no transactions were identified that appeared to be irregular based on the type of emergency response the County implemented; however, the following exceptions were identified:

- Two (2) transactions had insufficient details of the emergency purchase included in the justification field as required.
    - A purchase in the amount of $14.16 for a pack of 6 Sharpie markers.
    - A purchase in the amount of $78.48 for a pack of 10 - 4GB flash drives and office binders

REVIEW OF TRAVEL TRANSACTIONS

Travel was restricted for the first quarter due to the emergency declaration made by the County and any travel that occurred must have had an official business purpose related to COVID – 19, received approval from executive staff, or been a transaction related to performing daily departmental tasks such as assisting with housing for homeless or displaced residents. The Audit Team filtered on the data and selected 21 samples of travel-related PCard charges. Based on the review, the Audit Team did not identify any instances where travel was not properly authorized by management or part of a department's day-to-day activity; however, the following transaction level exceptions were identified:

- Two (2) instances of tax charged to a food purchase.
    - A purchase in the amount of $307.95.
    - A purchase in the amount of $2,030.40.
- Nine (9) transactions where the cardholder completed and approved their own Emergency Food/Meal form.

REVIEW OF CHARGES NOT IN ORACLE

Every purchase utilizing a County purchasing card is recorded in the Bank of America system by the card provider once charged to the card. In order for these charges to be appropriately accounted for within the County financial system (Oracle), cardholders are required to upload the charges to iExpense. Based on an anomaly identified in the prior quarter, the Audit Team tested first quarter transactions for any instance of a charge recorded in one system but not the other.   No instances/exceptions were identified.

CINDY STUART

Clerk of Court & Comptroller
13th Judicial Circuit
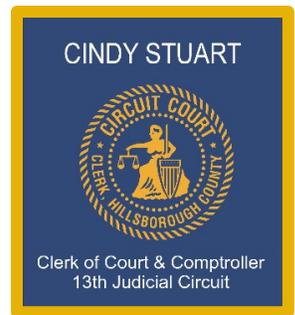
DATE: August 30, 2021

TO: Audrey Ziegler, Director, Social Services

CC: Tom Fesler, Chief Financial Administrator
Carl Harness, Chief Human Services Administrator
Debbie Benavidez, Director, ESQA

FROM: Heidi Pinner, Chief Audit Executive, Clerk of Court & Comptroller

SUBJECT: MM #117 – ERAP Continuous Monitoring June, 2021

As part of the Consolidated Appropriations Act of 2021, the Emergency Rental Assistance Program (ERAP) made available $25 billion to assist households that were unable to pay rent and utilities due to the COVID-19 pandemic. Hillsborough County received $32,377,869.60 in federal funding to assist residents who are unable to pay rent and utilities due to the impacts of COVID-19. The ERAP Program aims to prevent further financial hardship or consequences to living conditions by providing eligible households financial assistance for past-due rent and electric bills. Social Services conducts application eligibility reviews and approves payments. The Clerk's Office then distributes approved relief payments on behalf of the program.

The County Audit Department is performing continuous monitoring of these ERAP payments based on the County's eligibility requirements and compliance with the guidance published by the U. S. Treasury. The U. S. Treasury has discouraged burdensome documentation requirements that could be a barrier for tenants and therefore allows tenants to satisfy some eligibility requirements through attestation/self-certification.

SCOPE

As-of Friday, June 25, 2021, the program has issued 2,406 payments totaling $7,893,016.83. For the 4-week scope period from May 31, 2021 through June 25, 2021, the program issued 1,390 payments totaling $4,227,078.69. The Audit Team tested a random sample of 100 payments from this scope period totaling $329,158.04 to determine whether or not:

- Payments had appropriate supporting documentation with consistent information.
- Applicants were eligible based on program criteria including the household income.
- A residential property physically existed at the address based on a Google Map street view.
- Payments were made to an appropriate recipient.
- The expenditure had an appropriate approval prior to payment.
- Payment amounts were appropriate based on the number of months listed as past-due on the landlord's rental ledger.
- Landlord information appeared to be accurate and appropriate.

SUMMARY OF RESULTS

For the 100 payments tested, no exceptions were identified and the County's ERAP program appears to be in compliance with the U. S. Treasury guidance. Some eligibility requirements were satisfied by applicants submitting an attestation, including experiencing an impact or loss of income due to COVID and certifying that no familial relationship exists between landlord and tenant.

To address the risk of potential fraudulent tenants posing as a landlord, a landlord verification test was also performed to determine whether or not the landlord information provided on the application appeared to be appropriate. The Audit Team searched for the landlords online using sites such as Google, Bing, reverse phone number lookups, and the Hillsborough County Property Appraiser and Tax Collector websites. The search results were compared to the landlord's application data to ensure they matched. For samples that were not a match, the Audit Team contacted the landlords by phone using the information found online to verify that the landlords received the payment.

Of the 100 samples tested, the Audit Team contacted eleven (11) landlords to verify that the payments were appropriate.

- Four (4) were reached and the payments were confirmed.
- Six (6) voice mails were reached that had appropriate identifying information in the recording that matched the application and no message was left.
- One (1) was unable to be reached and did not return calls after several attempts and voice messages were left. This item was referred management for further action as deemed warranted.

OTHER OBSERVATIONS

One of the eligibility requirements to receive ERAP assistance is having a household income at or below 80% of the Area Median Income (AMI) based on household size. The larger the household size, the higher the limit. During testing, the Audit Team observed that some applications have a different number of occupants listed on the lease agreement than the number of occupants listed on the rental ledger, making it unclear as to what the household size is.

Social Services evaluates each of these on a case by case basis to determine whether to utilize the lease or the rental ledger. For example, sometimes household members may have moved in or out since the lease was signed. For applications with differing numbers of household members, Social Services advised they will now start adding explanatory notes in the documentation to clarify how the household size was determined. The Audit Team did inquire with Social Services about several specific samples and no instances of an incorrect household size determination were found.

Feel free to contact me at (813) 307-7000 with any questions, comments, or concerns.

CINDY STUART

Clerk of Court & Comptroller
13th Judicial Circuit

DATE: November 30, 2021

TO: Tom Fesler, Chief Financial Administrator

CC: Kelly Dever, Director, Medical Examiner
Adam Gormly, Director, Development Services
Ivey Martin, Director, Human Resources
Beth Schinella, Director, Water Resources
Scott Trebatoski, Director, Pet Resources
Forest Turbiville, Director, Conservation & Environmental Lands Management

FROM: Heidi Pinner, Chief Audit Executive, Clerk of Court & Comptroller

SUBJECT: MM #118 – Miscellaneous Expenditures Continuous Monitoring FY21 – Licenses and Certifications

As part of the fiscal year 2021 annual audit plan, the County Audit Department initiated a continuous monitoring effort for expenditures throughout the County. The objective of this continuous monitoring project is to periodically evaluate whether or not key controls are in place and functioning adequately for the various types of expenditures throughout the County.

As part of this effort, the Audit Team completed a review of licenses and certification expenditures. The scope of this review included licenses and certification expenditures paid during the period of October 1, 2019 through May 21, 2021. Those who are copied on this memo will also receive a more detailed breakdown of any exception(s) in their area of responsibility.

POTENTIAL RISKS ASSOCIATED WITH THESE EXPENDITURES

- Improper payments to employees
- Inaccurate payments
- Lack of management approvals

WORK PERFORMED

The Audit Team identified 629 payments for licenses and certifications for the review period and selected a sample of 37 for testing which included:

1. Identifying applicable County policies and procedures; including:
   - BOCC Policy # 07.15.00.00 titled *Expenditure of County Funds for Licenses and Certifications.*
   - Procedure and Policy 5.2, titled *Reimbursement for Licenses and Certifications* and found in the County Administrator's Procedures Manual.
   - The *List of Licenses or Certifications for Reimbursement* that is maintained and updated quarterly by the Human Resources Department.

2. Reviewing supporting documentation for each license or certification expenditure.

3. Tested supporting documentation to confirm:
   - The employee was a permanent employee in active status.

- The expenditure fulfilled a valid public purpose.
- Whether or not the license or certification was a pre-hire minimum qualification.
- The license or certification is directly related to employee's position.
- If the license is required or preferred. If preferred, does it meet one of the following:

  - Supports implementation of agency strategic decision units in the approved budget.
  - Supports realization of BOCC approved initiatives.
  - Supports agency improvement in efficiencies and effectiveness in service delivery.

- The license or certification is on the approved list maintained by Human Resources.
- If applicable, license or certification traced to state or organizational database for verification.
- Appropriate approval documentation was included with the submission for reimbursement.

SUMMARY OF RESULTS

For the 37 expenditures tested, several exceptions were identified which indicate that further enhanced oversight of these types of expenditures may be needed. These exceptions included:

- Six reimbursements were made to individuals after they were hired even though the license/certification was a pre-hire minimum requirement. These included:

  - Five reimbursements were for positions which provided the employee a period of time to obtain the required license/certification as a condition of their employment. The expense was incurred and reimbursement was paid after they were hired; however, the reimbursement is not allowable under the existing policy.

  - One reimbursement was for a license that was obtained prior to the employee starting with the County. This license was a pre-hire minimum requirement and the expense was incurred prior to employment, but the employee was reimbursed after being hired.

- Three reimbursements did not have the required *Professional License or Certification Reimbursement Request Form*.

- One reimbursement was made to an employee that was still on probation and was not a permanent employee.

- One payment was made on behalf of multiple employees for a training and certification program that required an after-the-fact-approval.

The details for each of these exceptions have been shared with Human Resources and the appropriate department managers as applicable.

OTHER OBSERVATIONS

During testing, the Audit Team observed that the *List of Licenses or Certifications for Reimbursement* document was not updated for the second quarter of 2021. The Audit Team spoke with Human Resources and they confirmed that it is their policy to update and repost this document each quarter (January, April, July, & October) even if no changes are needed. This policy is also stated on the actual document used by departments to determine if a license or certification is covered.   Per Human Resources, not updating the list for the second quarter was an oversight.
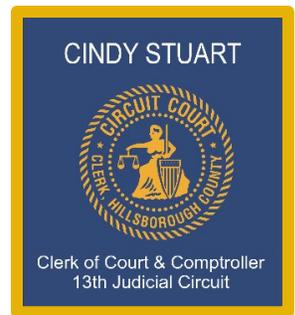
DATE: November 30, 2021

TO: Audrey Ziegler, Director, Social Services

CC: Tom Fesler, Chief Financial Administrator
Carl Harness, Chief Human Services Administrator
Debbie Benavidez, Director, ESQA

FROM: Heidi Pinner, Chief Audit Executive, Clerk of Court & Comptroller

SUBJECT: MM #119(A) – ERAP Continuous Monitoring July, 2021

CINDY STUART

Clerk of Court & Comptroller
13th Judicial Circuit

As part of the Consolidated Appropriations Act of 2021, the Emergency Rental Assistance Program (ERAP) made available $25 billion to assist households that were unable to pay rent and utilities due to the COVID-19 pandemic. Hillsborough County received $32,377,869.60 in federal funding to assist residents who are unable to pay rent and utilities due to the impacts of COVID-19. The ERAP Program aims to prevent further financial hardship or consequences to living conditions by providing eligible households financial assistance for past-due rent and electric bills. Social Services conducts application eligibility reviews and approves payments. The Clerk's Office then distributes approved relief payments on behalf of the program.

The County Audit Department is performing continuous monitoring of these ERAP payments based on the County's eligibility requirements and compliance with the guidance published by the U. S. Treasury. The U. S. Treasury has discouraged burdensome documentation requirements that could be a barrier for tenants and therefore allows tenants to satisfy some eligibility requirements through attestation/self-certification.

SCOPE

As-of Friday, July 30, 2021, the program has issued 3,822 payments totaling $12,009,186.15 *(a prior memo incorrectly stated 8,035 payments totaling $30,169,112.16).* For the 5-week scope period from June 26, 2021 through July 30, 2021, the program issued 1,465 payments totaling $4,235,211.96. The Audit Team tested a random sample of 150 payments from this scope period totaling $423,768.48 to determine whether or not:

- Payments had appropriate supporting documentation with consistent information.
- Applicants were eligible based on program criteria including the household income.
- A residential property physically existed at the address based on a Google Map street view.
- Payments were made to an appropriate recipient.
- The expenditure had an appropriate approval prior to payment.
- Payment amounts were appropriate based on the number of months listed as past-due on the landlord's rental ledger.
- Landlord information appeared to be accurate and appropriate.

SUMMARY OF RESULTS

For the 150 payments tested, no exceptions were identified and the County's ERAP program appears to be in compliance with the U. S. Treasury guidance. Some eligibility requirements were satisfied by applicants submitting an attestation, including experiencing an impact or

loss of income due to COVID and certifying that no familial relationship exists between landlord and tenant.

To address the risk of potential fraudulent tenants posing as a landlord, a landlord verification test was also performed to determine whether or not the landlord information provided on the application appeared to be appropriate. The Audit Team searched for the landlords online using sites such as Google, Bing, reverse phone number lookups, and the Hillsborough County Property Appraiser and Tax Collector websites. The search results were compared to the landlord's application data to ensure they matched. For samples that were not a match, the Audit Team contacted the landlords by phone using the information found online to verify that the landlords received the payment.

Of the 150 samples tested, the Audit Team contacted twelve (12) landlords to verify that the payments were appropriate. All twelve (12) were reached and the payments were confirmed.

OTHER OBSERVATIONS

During the landlord verification process, one (1) landlord advised that she is with a new property management company and is having issues with:

- The previous management company not turning over funds received from the ERAP program.

- A tenant showing a zero balance due for rent despite a check being paid from ERAP in the amount of $13,050.00. The landlord stated the tenant had three (3) people living in the unit but only reported himself as being in the unit.

The Audit Team notified Social Services management of the landlord's concerns for follow-up and any potential corrective action, as needed.

Feel free to contact me at (813) 307-7000 with any questions, comments, or concerns.
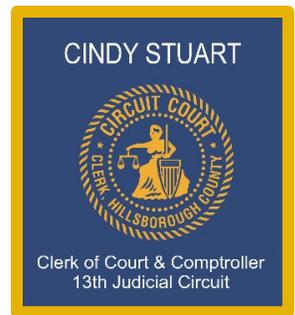
CINDY STUART

Clerk of Court & Comptroller
13th Judicial Circuit

DATE: November 30, 2021

TO: Audrey Ziegler, Director, Social Services

CC: Tom Fesler, Chief Financial Administrator
Carl Harness, Chief Human Services Administrator
Debbie Benavidez, Director, ESQA

FROM: Heidi Pinner, Chief Audit Executive, Clerk of Court & Comptroller

SUBJECT: MM #120 – ERAP Continuous Monitoring August, 2021

As part of the Consolidated Appropriations Act of 2021, the Emergency Rental Assistance Program (ERAP) made available $25 billion to assist households that were unable to pay rent and utilities due to the COVID-19 pandemic. Hillsborough County received $32,377,869.60 in federal funding to assist residents who are unable to pay rent and utilities due to the impacts of COVID-19. The ERAP Program aims to prevent further financial hardship or consequences to living conditions by providing eligible households financial assistance for past-due rent and electric bills. Social Services conducts application eligibility reviews and approves payments. The Clerk's Office then distributes approved relief payments on behalf of the program.

The County Audit Department is performing continuous monitoring of these ERAP payments based on the County's eligibility requirements and compliance with the guidance published by the U. S. Treasury. The U. S. Treasury has discouraged burdensome documentation requirements that could be a barrier for tenants and therefore allows tenants to satisfy some eligibility requirements through attestation/self-certification.

SCOPE

As of Friday, August 27, 2021, the program had issued 5,541 payments totaling $17,939,107.19. For the 4-week scope period from July 31, 2021 through August 27, 2021, the program issued 1,719 payments totaling $5,929,921.04. The Audit Team tested a random sample of 120 payments from this scope period totaling $435,299.53 to determine whether or not:

- Payments had appropriate supporting documentation with consistent information.
- Applicants were eligible based on program criteria including the household income.
- A residential property physically existed at the address based on a Google Map street view.
- Payments were made to an appropriate recipient.
- The expenditure had an appropriate approval prior to payment.
- Payment amounts were appropriate based on the number of months listed as past-due on the landlord's rental ledger.
- Landlord information appeared to be accurate and appropriate.

SUMMARY OF RESULTS

For the 120 payments tested, no exceptions were identified and the County's ERAP program appears to be in compliance with the U. S. Treasury guidance. Some eligibility requirements were satisfied by applicants submitting an attestation, including experiencing an impact or

loss of income due to COVID and certifying that no familial relationship exists between landlord and tenant.

To address the risk of potential fraudulent tenants posing as a landlord, a landlord verification test was also performed to determine whether or not the landlord information provided on the application appeared to be appropriate. The Audit Team searched for the landlords online using sites such as Google, Bing, reverse phone number lookups, and the Hillsborough County Property Appraiser and Tax Collector websites. The search results were compared to the landlord's application data to ensure they matched. For samples that were not a match, the Audit Team contacted the landlords by phone using the information found online to verify that the landlords received the payment.

Of the 120 samples tested, the Audit Team contacted eight (8) landlords to verify that the payments were appropriate. All eight (8) were reached and the payments were confirmed.

Feel free to contact me at (813) 307-7000 with any questions, comments, or concerns.

CINDY STUART

Clerk of Court & Comptroller
13th Judicial Circuit

DATE: December 14, 2021

TO: Beth Schinella, Water Resources Director

CC: George Cassady, Assistant County Administrator,
Public Utilities
William Schill, IT Program Manager, Public Utilities
Axel Clauberg, IIO Division Director, IT Business Management Services Division

FROM: Heidi Pinner, Chief Audit Executive – County Audit, Clerk of Court & Comptroller

SUBJECT: Management Memorandum #121 – IT Access Review for the C-Cure System

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BACKGROUND INFORMATION

As part of the annual audit plan, the County Audit Department performs periodic monitoring for user authentication and password access controls for the Board of County Commissioners and Clerk of Court & Comptroller information systems. As part of this ongoing assessment, the C-Cure system managed by the Hillsborough County Public Utilities Department (PUD) was selected for review.

The C-Cure system is an application used by PUD to manage ID badge access controls providing employees and external contractors access to specific areas and departments within various Public Utilities buildings. At the time of this review, management of the system was being transferred between divisions within PUD: from the Enterprise Solutions Division to the Plant Operations Division.

OBJECTIVE

The objective of the review was to evaluate whether or not main system access controls are in place for the C-Cure system.

SCOPE

The scope for this review includes the logical access controls surrounding the C-Cure system as of October 2021.

POTENTIAL RISKS

- Unauthorized access to system and/or division areas.

- Non-compliance with County's user provisioning and password configuration policies.

- Lack of oversight over the user provisioning and authentication processes.

WORK PERFORMED

The Audit Team:

1. Performed interviews and inquiries with key process owners to get a better understanding of C-Cure system access controls.

2. Requested available department policies and standard operating procedures for user provisioning and password security settings to ensure proper procedures were established and in place.

3. Reviewed C-Cure system password configurations to ensure that they are in compliance with NIST 800-63 best practices.

4. Obtained the list of C-Cure administrator user accounts as of August 10, 2021 and performed the following:

    - Reviewed the list of administrator to make sure that user IDs were unique and in compliance with existing naming conventions.

    - Compared the list of administrative accounts to the list of active employees to ensure that all administrative accounts belong to an active PUD employee.

    - Followed up on identified generic/vendor user accounts to ensure that they were properly used for their intended purpose.

5. Inquired about the process in place to perform periodic reviews of C-Cure administrative user accounts.

6. Obtained the report of all ID badge accounts as of September 14, 2021 and performed the following:

    - Compared the list of ID badge accounts with the list of separated employees in order to identify any active ID badge that may belong to a separated employee.

    - Identified and reviewed generic, vendor, or duplicate ID badge accounts to ensure that they were appropriate and/or deactivated in a timely manner.

    - Inquired about periodic review of all active badge IDs to ensure that separated PUD employees and contractor's badges have been deactivated on a timely manner to avoid separated contractors/employees having physical access to PUD facilities.

SUMMARY OF RESULTS

1. A general policy and written standard operating procedures (SOP) for the C-Cure system are in place.

2. The Audit Team determined that C-Cure passphrase configuration and controls are properly set in place. The PUD SACADA Team updated the AD password length during the course of the review to exceed the minimum password requirements required by policy.

3. C-Cure Administrative accounts:

   - Had user account IDs which were unique and in compliance with existing naming conventions.

   - Had twelve (12) active administrative accounts identified:

     - Nine (9) accounts pertained to active PUD employees. Seven (7) of these administrative accounts belonged to the Plant Operations Division and two (2) pertained to PUD's Enterprise Solution Division.

     - Three (3) belonged to vendor system accounts that were determined to be appropriate.

4. Per follow up with management, periodic administrative user access reviews have been performed regularly. However, no supporting documentation of these review have been maintained.

5. Per testing performed, numerous cases of ID badges belonging to separated employees and/or contractors were found, indicating that timely deactivation of employees/contractor ID badges upon termination has not been consistently performed. The Plant Operations Division has taken action since recently taking over the management of the C-Cure system to review and deactivate ID badges belonging to vendors/ contractors no longer working with the PUD.

CONTROL OPPORTUNITIES

The following best practices, if implemented, would enhance the existing user access management controls for the C-Cure system:

- Supporting documentation for the approval of new administrator user accounts as well as for periodic reviews should be maintained.

- ID badge report should be periodically reviewed and supporting documentation maintained to ensure that respective badges have been deactivated and that employees/contractors do not have physical access to PUD facilities after their last day of work.

DATE: March 11, 2022

TO: Audrey Ziegler, Director, Social Services

CC: Tom Fesler, Chief Financial Administrator
Carl Harness, Chief Human Services Administrator
Debbie Benavidez, Director, ESQA

FROM: Heidi Pinner, Chief Audit Executive, Clerk of Court & Comptroller

SUBJECT: MM #122 – ERAP Applications Processing Times

The County Audit Department has performed continuous monitoring of assistance payments made under Hillsborough County's Emergency Rental Assistance Program (ERAP) and issued several management memos with no exceptions identified to date. In addition to this continuous monitoring, the County Audit Department has analyzed the timeliness of the application review, approval and payment processes. Data contained in the application portal (FASTER) facilitated this review. For comparison purposes, data was also received from a survey among audit divisions of other local municipalities with ERAP programs.

A general overview of the application process is depicted below:
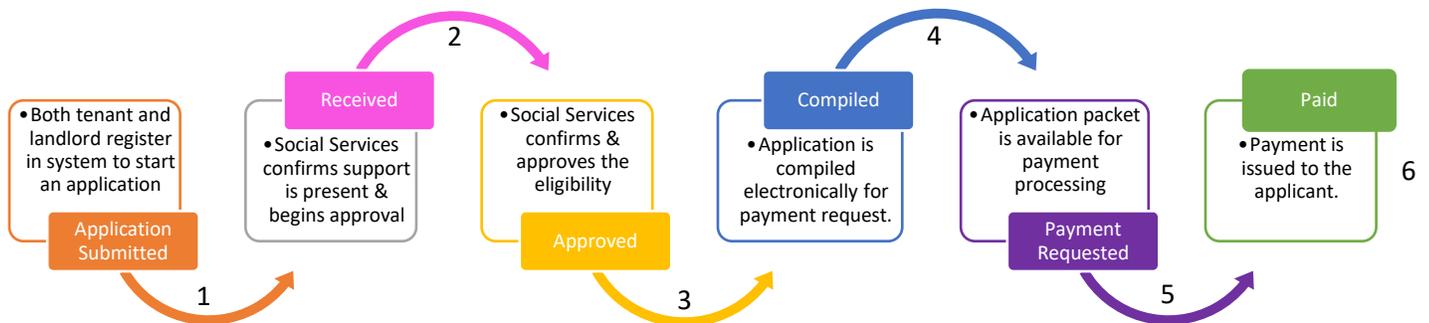
When tenants submit their initial applications online, sometimes County staff must follow up to request proper documentation or other corrections to obtain a properly completed application from the tenant. The Audit Team identified the timeframes for several steps in the application process:

1.   The number of days from when an initial application is submitted by the applicant to when review is started by Social Services (SS) staff.
2.   The number of days to finish reviewing a properly completed application after any needed corrections were made by the applicant.
3.   The number of days to approve a properly completed application.
4.   The number of days to compile an electronic support packet after the approval, with all the required documentation that is sent to payables staff.
5.   The number of days to mail the check payment after the electronic evidence file was compiled.
6.   The overall total number of days from when a properly submitted application was received to when a check was mailed.

SCOPE

All ERAP assistance payments mailed from May 1, 2021 through December 31, 2021 which consisted of 11,870 paid applications totaling $45,460,484.83. Hillsborough County's ERAP program includes tenants in the three (3) cities of Tampa, Temple Terrace, and Plant City, as well as the unincorporated county areas.

OVERALL RESULTS OF ANALYSIS

The following table includes the overall results of the Audit Team's analysis for each step in the process outlined above. Detailed results by month are included on page 4.

STEPS IN THE APPLICATION PAYMENT PROCESS	AVERAGE # OF CALENDAR DAYS
1. Days for SS staff to start a review of an application once submitted by applicant	4.0
2. Days for SS staff to finish the review after any needed corrections were made by the applicant	7.6
3. Days for SS staff to approve a properly completed application once reviewed	9.3
4. Days for the system to compile an electronic support packet after approval	6.8
5. Days for Clerk AP to process payment request & mail payment once compiled	15.9
6. Overall days from receipt of completed application to check mailed	**31.7**

A limited number of records in the data had blank values for some of the date fields. In other instances, the date values resulted in a negative number of days. Therefore, the Audit Team did not factor those records into the calculations.

The overall amount of time needed to process an application also depended on several factors and stakeholders, including:

- Waiting on tenants to provide proper supporting documentation.

- The level of cooperation from property managers, owners, and/or landlords who must provide a rental ledger document showing a monthly breakout of the rental amounts due.

- Delays from landlords who are reluctant to agree not to evict while awaiting payment.

- U. S. Treasury guidance requiring a waiting period for landlord participation before alternative actions may be taken on an application (such as paying a tenant directly).

- Ensuring adequate employee staffing for increased workload, including overtime in County departments, as well as holidays and other paid time off (PTO).

- Use of new technology and occasional system errors when compiling electronic support packets.

- The payables process and quality assurance controls necessary to issue payment checks.

- Timely communication and replies from all of the above to resolve outstanding issues that may delay a payment.

COMPARATIVE DATA

The County Audit Department obtained comparative data for eight (8) Florida Counties through participation in an informational audit survey. This data was obtained in early January, 2022, and was utilized to compare payment timeliness for ERAP programs. The Average Approval Time shown below is the number of days to approve an application after the application is received. The Average Payment Time is the overall total number of days to issue a payment after the application is received.

County	ERA Funding	Expended (DEC 2021)	Average Approval Time (*Estimate)	Average Payment Time
Hillsborough (includes City of Tampa Allocations)	$62.1M	$47.8M	15 Days (8 to approve, 7 to compile)	32 days total
Manatee	$21.1M	$5.8M	60+ days*	65+ days*
Marion	$14.6M	$9.96M	1- 90 days*	6-96 days*
Okaloosa	$6.4M	$544k	14 Days	21 Days
Osceola	$20.4M	$5.7M	Unknown	30 days
Pasco	$22M	$14.6M	Unknown	13 days after approval
Pinellas	$45.8M	$18.7M	80+ days	90+ days
Sarasota	$23.1M	$6.6M	30 days*	31 Days*

MONTHLY RESULTS

Average Days Per Process by Month

Month	Days To Start Reviewing Application	Days To Complete Level 1/2 Review	Days To Approve Application	Days To Create Evidence After Approval	Days To Mail Check After Evidence Created	Total Days From Submission To Check Mailed
May	3.5	7.9	8.9	11.5	9.4	29.4
June	2.7	6.1	7.8	10.0	12.0	29.3
July	3.3	7.9	9.5	9.6	13.3	31.6
August	3.1	6.3	7.4	6.4	12.9	26.5
September	3.5	7.3	8.5	8.9	9.6	27.0
October	6.4	8.9	10.5	2.5	19.0	31.7
November	6.6	9.3	11.7	3.0	21.5	36.1
December	2.9	7.3	9.9	2.7	29.3	41.9

Average of Days for Entire Process

Total of Days From Submission To Check Mailed

May	June	July	August	September	October	November	December
29.4	29.3	31.6	26.5	27.0	31.7	36.1	41.9

CINDY STUART

Clerk of Court & Comptroller
13th Judicial Circuit
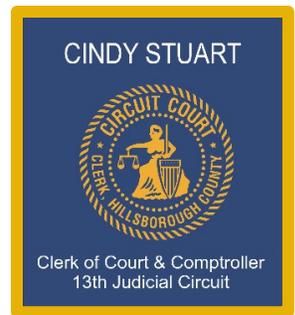
DATE: February 22, 2022

TO: Audrey Ziegler, Director, Social Services

CC: Tom Fesler, Chief Financial Administrator
Carl Harness, Chief Human Services Administrator
Debbie Benavidez, Director, ESQA

FROM: Heidi Pinner, Chief Audit Executive, Clerk of Court & Comptroller

SUBJECT: MM #123 – ERAP Continuous Monitoring September, 2021

As part of the Consolidated Appropriations Act of 2021, the Emergency Rental Assistance Program (ERAP) made available $25 billion to assist households that were unable to pay rent and utilities due to the COVID-19 pandemic. Hillsborough County received $32,377,869.60 in federal funding to assist residents who are unable to pay rent and utilities due to the impacts of COVID-19. The ERAP Program aims to prevent further financial hardship or consequences to living conditions by providing eligible households financial assistance for past-due rent and electric bills. Social Services conducts application eligibility reviews and approves payments. The Clerk's Office then distributes approved relief payments on behalf of the program.

The County Audit Department is performing continuous monitoring of these ERAP payments based on the County's eligibility requirements and compliance with the guidance published by the U. S. Treasury. The U. S. Treasury has discouraged burdensome documentation requirements that could be a barrier for tenants and therefore allows tenants to satisfy some eligibility requirements through attestation/self-certification.

SCOPE

As of September 24, 2021, the program had issued 6,968 payments totaling $24,340,974.19. For the 4-week scope period from August 28, 2021 through September 24, 2021, the program issued 1,429 payments totaling $6,413,036. The Audit Team tested a random sample of 120 payments from this scope period totaling $587,667.53 to determine whether or not:

- Payments had appropriate supporting documentation with consistent information.
- Applicants were eligible based on program criteria including the household income.
- A residential property physically existed at the address based on a Google Map street view.
- Payments were made to an appropriate recipient.
- The expenditure had an appropriate approval prior to payment.
- Payment amounts were appropriate based on the number of months listed as past-due on the landlord's rental ledger.
- Landlord information appeared to be accurate and appropriate.

SUMMARY OF RESULTS

For the 120 payments tested, no exceptions were identified and the County's ERAP program appears to be in compliance with the U. S. Treasury guidance. Some eligibility requirements were satisfied by applicants submitting an attestation, including experiencing an impact or loss of income due to COVID and certifying that no familial relationship exists between landlord and tenant.

To address the risk of potential fraudulent tenants posing as a landlord, a landlord verification test was also performed to determine whether or not the landlord information provided on the application appeared to be appropriate. The Audit Team searched for the landlords online using sites such as Google, Bing, reverse phone number lookups, and the Hillsborough County Property Appraiser and Tax Collector websites. The search results were compared to the landlord's application data to ensure they matched. For samples that were not a match, the Audit Team contacted the landlords by phone using the information found online to verify that the landlords received the payment.

Of the 120 samples tested, the Audit Team contacted eleven (11) landlords to verify that the payments were appropriate. Nine (9) landlords were reached and payments were confirmed. Two (2) landlords were unable to be reached after multiple attempts and messages left. Both landlords were reported to Social Services for follow-up as deemed necessary.

Feel free to contact me at (813) 307-7000 with any questions, comments, or concerns.

Cindy Stuart

CLERK OF COURT & COMPTROLLER
HILLSBOROUGH COUNTY

DATE: April 12, 2022

TO: Beth Schinella, Director of Water Resource Services

FROM: Heidi Pinner, Chief Audit Executive, Clerk of Court & Comptroller

COPY: Bonnie Wise, County Administrator
Tom Fesler, Chief Financial Administrator
George Cassady, Assistant County Administrator, Public Utilities
Tim Simon, Chief Financial Officer, Clerk of Court & Comptroller
Catherine Edwards, Director of Revenue & Cash Management, County Finance

SUBJECT: Management Memo #124 – Cash Count at Public Utilities Brandon Support Operations Complex (BSOC) Site #63.

OBJECTIVE:

On February 24, 2022, the County Audit Department conducted an unannounced cash count at the BSOC Public Utilities Office, Site #63. The objective of this cash count was to determine whether or not the cash drawers and change funds contained the appropriate amount of cash at a specific point in time, whether or not there are sufficient physical safeguards over the cash, and to assess compliance with Board Policy 03.00.01.00, Petty Cash and Change Funds.

SCOPE:

The scope of work consisted of the Audit Team counting funds on hand, making inquiries of personnel regarding cash handling procedures, and observations of physical security of change funds on the day of the site visit.

OVERALL EVALUATION:

The Public Utilities Office had an accurate count for the cash change funds and physical safeguarding controls were satisfactory. The Audit Team learned another Public Utilities Office, Site #62, on N. Premiere Drive had been closed down and its change funds were moved to the BSOC office. However, County Finance had not been notified. Future alterations or changes to cash funds should be passed on to County Finance and may also require Board approval.

All cash amounts for the $800.00 change fund for Site #63 and the cash amounts for the $600.00 change fund for Site #62 were accounted for by the Audit Team. The Public Utilities Office utilizes safes only accessible by either a manager or a supervisor to secure the cash. Cash drawers with lockable till lids are locked in the safes and the lids can only be unlocked with a key kept by the assigned cashier. Specific results of the Audit Team's cash count are as follows:

- The Audit Team alerted County Finance about the Premiere site closure for further follow-up.
- Two starting drawer funds of $100 each had been distributed to the cashiers and were verified with no overages or shortages.
- All change fund amounts for both sites were counted by the Audit Team with no overages or shortages found.
- The total collections in the cashiering system for the day matched the amount of cash and check collections on-hand.
- Appropriate controls were in place to ensure that funds are secured each night.
- Controls are in place to ensure that only authorized personnel can gain access to restricted areas.

Please feel free to contact me at (813) 307-7000 with any questions, comments, or suggestions.

Cindy Stuart
CLERK OF COURT & COMPTROLLER
HILLSBOROUGH COUNTY

DATE: April 13, 2022

TO: Forest Turbiville, Director Regional Parks & Environmental Lands

FROM: Heidi Pinner, Chief Audit Executive, Clerk of Court & Comptroller

COPY: Greg Horwedel, Deputy County Administrator
                Dexter Barge, Assistant County Administrator
                Catherine Edwards, Director of Revenue & Cash Management, County Finance

SUBJECT: Management Memo #125 – Cash Count at Lettuce Lake Park Site #048.

OBJECTIVE:

On February 22, 2022, the County Audit Department conducted an unannounced cash count at Lettuce Lake Park, cash site #048. The objective of this cash count was to determine whether or not the cash drawers and change funds contained the appropriate amount of cash at a specific point in time, whether or not there are sufficient physical safeguards over the cash, and to assess compliance with Board Policy 03.00.01.00, Petty Cash and Change Funds.

SCOPE:

The scope of work consisted of the Audit Team counting funds on hand, making inquiries of personnel regarding cash handling procedures, and observations of physical security of change funds on the day of the site visit.

OVERALL EVALUATION:

All cash amounts for the $300.00 change fund and the day's collections were accounted for by the Audit Team with no shortages or overages identified, based on the number of tickets sold. The Audit Team also observed control strengths and control opportunities for the site, including:

PHYSICAL SECURITY

Strengths
- The cash change funds are stored securely overnight and when not in use.
- Only Park Rangers and Park Managers have access to the safe.
- There are several cameras around the park and at the entrance.
- There is just one entrance point to the park. The ticket booth is located at the entrance point where a Park Ranger is always stationed to monitor incoming park visitors.

Opportunities
- The booth at the entrance to the park should have a lockable drawer to hold the change fund. The lock on the cash drawer at the entrance booth was broken, but staff was already in the process of making repairs.

RECONCILIATION/MONITORING

Strengths
- Deposit amounts are reconciled by two employees to the total pre-numbered park tickets sold from the current day using an automated spreadsheet.
- Electronic & physical copies of the deposit slips and deposit reports are kept on site so deposits can be verified.
- Deposit amounts are confirmed by County Finance once received by the bank.

Opportunities
- The log book used to document the starting and ending ticket numbers should be evidenced consistently via signature by two witnesses. The Audit Team observed several entries that were initialed once.

Please feel free to contact me at (813) 307-7000 with any questions, comments, or suggestions.

Cindy Stuart
CLERK OF COURT & COMPTROLLER
HILLSBOROUGH COUNTY

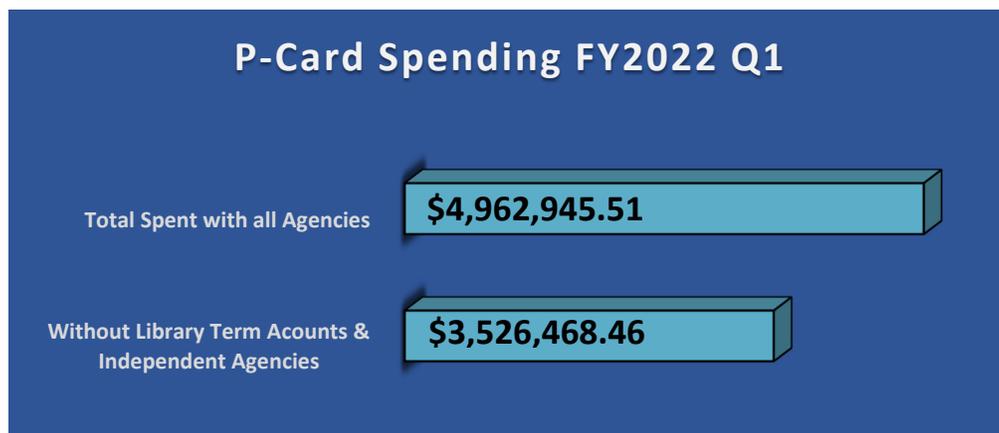|	
DATE:	April 13, 2022
TO:	Scott Stromer, Director, Procurement Services
CC:	Tom Fesler, Chief Financial Administrator
	Linda Wheat, Procurement Operations Coordinator
	Merrie Allen, Director, Accounts Payable, County Finance
FROM:	Heidi Pinner, Chief Audit Executive, Clerk of Court & Comptroller
SUBJECT:	Management Memo #MM126 – PCard Continuous Monitoring – FY22 First Quarter

This review is an ongoing and continuous project that is part of the County Audit Department's Annual Audit Plan.

OBJECTIVE

The objective of the Purchasing Card (PCard) Continuous Auditing project is to evaluate the appropriateness of PCard purchases made during each quarter of the fiscal year (FY) via analysis and sample testing. The program is designed to evolve and adapt, with input from management, to ensure that the program delivers timely and useful results and assurances. First quarter testing included the basic analysis and review of transactions, account usage by cardholders and departments, transactions for items that could be potentially be resold and an analysis related to payments that may have been made to an individual. High level reviews were completed for monthly split transactions, card deactivations and a review of the justification field entered in Oracle by the cardholders. All concerns and exceptions were referred to the PCard administrator for follow-up and corrective action.

SCOPE

Testing included purchases made from October 1, 2021 through December 31, 2021, excluding transactions made on Library Services term accounts and any purchases made by independent agencies.

P-Card Spending FY2022 Q1

Total Spent with all Agencies	$4,962,945.51
Without Library Term Acounts & Independent Agencies	$3,526,468.46

SUMMARY OF RESULTS

Analytical review of the first quarter purchases and trends identified:

- Six (6) transactions which had insufficient details in the justification field of iExpense.
- One (1) transaction for a food purchase that did not have names redacted and did not have a food approval form.
- One (1) invoice for gutter repairs that did not have an itemized list detailing what was purchased.
- One (1) invoice for a 5-gallon drinking water delivery service that included a $20 late fee.
- One (1) transaction for a membership that included the authorization form, but did not have the Director's signature/approval.
- One (1) purchase of a gas stove over $5,000 where the three quotes were not provided in the justification field (vendor's name, date contacted, and amount of quote).
- One (1) payment to install an electric breaker and wires with an invoice dated June 2021 that was not paid until December 2021.
- One (1) transaction for printers which did not receive prior approval from the Information and Innovation Office (IIO).

Additional testing details and analysis are included on the following pages. Feel free to contact me at (813) 307-7000 with any questions, comments or suggestions.

DETAIL OF TRANSACTION TESTING & ANALYSIS

MERCHANT CATEGORY CODE (MCC) ANALYSIS

Purchases made during the first quarter of fiscal year 2022 were analyzed based on the Merchant Category Code (MCC) to identify potential MCCs for items that are not authorized based on the Procurement Procedures Manual restrictions. Eighteen (18) MCC codes were identified for sample selection and 30 transactions were selected. Below is a table of the MCC Descriptions that were selected for review:

MCC Descriptions		
GENERAL CONTRACTORS-RESIDENTIAL	GROCERY STORES, SUPERMARKETS	SPORTING GOODS STORES
TAXICABS/LIMOUSINES	AUTOMOTIVE PARTS, ACCESSORIES STORES	BOOK STORES
VARIETY STORES	GIFT, CARD, NOVELTY, AND SOUVENIR SHOPS	DURABLE GOODS,NOT ELSEWHERE CLASSIFIED
BOAT DEALERS	EATING PLACES, RESTAURANTS	ARTIST SUPPLY STORES, CRAFT SHOPS
RECORD SHOPS	MISCELLANEOUS PERSONAL SERVICES	AUTOMOBILE PARKING LOTS AND GARAGES
OTHER FEES	COMMERCIAL PHOTOGRAPHY, ART, AND GRAPHIC	CIVIC, SOCIAL AND FRATERNAL ASSOCIATIONS

The transactions were evaluated for appropriate support and justification, resulting in three exceptions being identified:

- Two (2) transactions which had insufficient details in the justification field of iExpense.
- One (1) transaction for a food purchase that did not have names redacted and did not have a food approval form.

JUSTIFICATION LENGTH

The Audit Team performed an analysis of the length of the justification field that the cardholders enter in Oracle when completing their expense reports. The total number of text characters having a very short length may indicate that an inadequate description of the purchase was entered. A sort of the data was performed based on the length of the justification field to identify transactions where the cardholder only entered a short description. There were over 100 justification fields that appeared to have either a vague or inadequate explanation about what the purchase was specifically for. The complete list was provided to the Purchasing Card Administrator for their consideration to determine if any additional follow up was warranted.

SPLIT TRANSACTIONS

Audit software is used to perform an analysis each month related to potential split transactions. This includes potential split transactions at the $5,000 & $10,000 thresholds. These thresholds have been used due to the potential for a cardholder to circumvent the requirement to receive three (3) quotes from different vendors when a purchase will exceed $5,000 and to circumvent the single transaction limit set of $10,000 for cardholders. The Audit Team ran the analysis and the resulting data identified potential splits for the three (3) months of the quarter. This information was provided to the Purchasing Card Administrator for further follow up and any necessary inquiry with cardholders.

CARD DEACTIVATIONS

The Audit Team analyzed whether or not PCards were used after an employee's termination date by comparing a list of terminated employees against a list of transactions from Bank of America for the first quarter. No purchases were identified for a terminated employee's P-card after the employee's termination date. Additionally, no cards were active after the employee's last day of employment.

PAYMENT SERVICES IN AN INDIVIDUAL'S NAME

The Audit Team analyzed twenty-nine (29) transactions which were paid through a payment service provider (such as PayPal or Square) and included the name of an individual as the vendor to ensure that the vendor name matched the name listed on the invoice. The Audit Team also judgmentally selected and called six (6) of the 29 vendors that looked like only a person's name and confirmed that they received their payment from the County for the service or product provided. There were no payments identified for an individual not listed on the invoice and all six vendors contacted confirmed they received the payment for the service indicated.

HIGH SPEND DEPARTMENT REVIEW

Certain departments that operate in the County have a higher amount spent using their PCards due to their operations. Historical data of how much was spent by each department was used by the Audit Team to select three departments for this quarterly review. Below is a summary of the departments reviewed and their total amount spent from the prior fiscal year:

Fiscal Year 2021 – Top Three Departments		
Department	Amount Spent	Number of Transactions
Water Resources	$2,296,985.25	4,366
Parks & Recreation	$1,578,077.18	2,616
Fire Rescue	$1,413,517.47	1,828

The following exceptions were identified:

- Two (2) transactions which had insufficient details in the justification field of iExpense.
- One (1) invoice for gutter repairs that did not have an itemized list detailing what was purchased.
- One (1) invoice for a 5-gallon drinking water delivery service that included a $20 late fee.
- One (1) transaction for a membership that included the authorization form, but did not have the Director's signature/approval.
- One (1) purchase of a gas stove over $5,000 where the three quotes were not provided in the justification field (vendor's name, date contacted, and amount of quote).

HIGH SPEND CARDHOLDERS

The Audit Team performed a review of cardholders that had higher totals on their cards based on historical spending. Using the data, the top five (5) cardholder's transactions were filtered out of the population of data in order to select a sample to review. From the data, the Audit Team judgmentally selected a sample of at least five (5) transactions from each of the cardholders to review. The following exceptions were identified:

- Two (2) transactions which had insufficient details in the justification field of iExpense.
- One (1) payment to install an electric breaker and wires with an invoice dated June 2021 that was not paid until December 2021.

POTENTIAL RESALE ITEMS

Items that could be purchased by cardholders and potentially resold, such as gaming consoles, computer equipment, and other electronics were reviewed based on the justification that was entered in Oracle. The Audit Team filtered the population using keywords on the justification field to identify the potential transactions for review. A judgmental sample of twenty-nine (29) transactions was selected and the supporting documents were reviewed for appropriateness. Inquiries were made with cardholder supervisors to determine how the items are being used and to confirm that they had an official business purpose. From the review, the following exception was identified:

- One (1) transaction for printers which did not receive prior approval from the Information and Innovation Office (IIO).

Cindy Stuart
CLERK OF COURT & COMPTROLLER
HILLSBOROUGH COUNTY

DATE: June 2, 2022

TO: Adam Gormly, Director of Development Services

FROM: Heidi Pinner, Chief Audit Executive, Clerk of Court & Comptroller

COPY: Bonnie Wise, County Administrator
                Greg Horwedel, Deputy County Administrator
                Tim Simon, Chief Financial Officer, Clerk of Court & Comptroller
                Catherine Edwards, Director of Revenue & Cash Management, County Finance

SUBJECT: Management Memo #127 – Cash Count at Development Services South Shore,
                Site #172 and the Center for Development Services, Site #171.

OBJECTIVE:

The objective of this cash count was to determine whether or not the cash drawers and change funds contained the appropriate amount of cash at a specific point in time, whether or not there are sufficient physical safeguards over the cash, and to assess compliance with Board Policy 03.00.01.00, Petty Cash and Change Funds.

On April 4, 2022, the County Audit Department attempted to conduct an unannounced cash count at the Development Services South Shore location, Site #172. The auditor was greeted by a security guard at South Shore who advised that the South Shore Development Services office had been closed down for approximately two (2) years and that he occasionally has customers who still arrive there looking for Development Services. The Audit Team observed that the County's website still shows business hours of operation for the South Shore Development Services office and the cash custodian list maintained by County Finance still shows two (2) change funds totaling $600 at the South Shore office.

The auditor subsequently returned downtown and on the same day performed the cash count at the Center for Development Services Site #171 on the 19th floor of the County Center building. The $600.00 South Shore change funds and cashiers had been re-located to downtown.

<u>SCOPE</u>:

The scope of work consisted of the Audit Team counting funds on hand, making inquiries of personnel regarding cash handling procedures, and observations of physical security of change funds on the day of the site visit.

<u>OVERALL EVALUATION</u>:

All cash amounts for the $600.00 change fund for Site #172 were verified and accounted for. The cash amounts for the other $600.00 change funds and $125.00 petty cash for Site #171 were accounted for with a $5.00 shortage from the change funds. County Finance had not been notified about the South Shore closure and change fund re-location. Development Services staff advised that due to the COVID-19 pandemic and more customers making payments online, it is now rare that customers visit in-person to make payments.

Cash drawers with lockable till lids are locked in the safe and can only be unlocked with keys that are kept in the safe. Specific results and opportunities identified by the Audit Team's cash count are as follows:

- Appropriate controls were in place to ensure that funds are secured each night.
- Controls are in place to ensure that only authorized personnel can gain access to restricted areas.
- The Audit Team alerted County Finance about the South Shore site closure for further follow-up.
- One (1) change fund amount counted by the Audit Team had a shortage of $5.00.
- Individual change funds of $200 or $300 each are stored in lockable tills which are secured in the safe. However, the keys to open the till lids are also stored in the safe and may be accessed by anyone with the safe combination.
- Development Services management may wish to consider returning some of the change funds and/or petty cash due to the South Shore closure and very few customers visiting in-person to make payments.
- County management may wish to consider implementing a process to regularly update the County's public website to reflect current business hours and locations for all departments, including announcements of any changes and closures.

Please feel free to contact me at (813) 307-7000 with any questions, comments, or suggestions.

Cindy Stuart

CLERK OF COURT & COMPTROLLER
HILLSBOROUGH COUNTY

DATE: June 2, 2022

TO: Audrey Ziegler, Director, Social Services

CC: Tom Fesler, Chief Financial Administrator
Carl Harness, Chief Human Services Administrator
Debbie Benavidez, Director, ESQA

FROM: Heidi Pinner, Chief Audit Executive, Clerk of Court & Comptroller

SUBJECT: MM #128 – ERAP Continuous Monitoring - Fiscal Year 2022 First Quarter

As part of the Consolidated Appropriations Act of 2021, the Emergency Rental Assistance Program (ERAP) made available $25 billion to assist households that were unable to pay rent and utilities due to the COVID-19 pandemic. Hillsborough County received $32,377,869.60 in federal funding to assist residents who are unable to pay rent and utilities due to the impacts of COVID-19. The ERAP Program aims to prevent further financial hardship or consequences to living conditions by providing eligible households financial assistance for past-due rent and electric bills. Social Services conducts application eligibility reviews and approves payments. The Clerk's Office then distributes approved relief payments on behalf of the program.

The County Audit Department is performing continuous monitoring of these ERAP payments based on the County's eligibility requirements and compliance with the guidance published by the U. S. Treasury. The U. S. Treasury has discouraged burdensome documentation requirements that could be a barrier for tenants and therefore allows tenants to satisfy some eligibility requirements through attestation/self-certification.

SCOPE

As of December 31, 2021, the program had issued 11,886 payments totaling $45,475,734.69. For the 14-week scope period from September 25, 2021 through December 31, 2021, the program issued 4,919 payments totaling $21,145,191.50. The Audit Team tested a random sample of 150 payments from this scope period totaling $665,158.02 to determine whether or not:

- Payments had appropriate supporting documentation with consistent information.
- Applicants were eligible based on program criteria including the household income.
- A residential property physically existed at the address based on a Google Map street view.
- Payments were made to an appropriate recipient.

Cindy Stuart
CLERK OF COURT & COMPTROLLER
HILLSBOROUGH COUNTY

- The expenditure had an appropriate approval prior to payment.
- Payment amounts were appropriate based on the number of months listed as past-due on the landlord's rental ledger.
- Landlord information appeared to be accurate and appropriate.

To address the risk of potential fraudulent tenants posing as a landlord, a landlord verification test was also performed to determine whether or not the landlord information provided on the application appeared to be appropriate. The Audit Team searched for the landlords online using sites such as Google, Bing, reverse phone number lookups, and the Hillsborough County Property Appraiser and Tax Collector websites. The search results were compared to the landlord's application data to ensure they matched. For samples that were not a match, the Audit Team contacted the landlords by phone using the information found online to verify that the landlords received the payment.

SUMMARY OF RESULTS

The County's ERAP program appears to be designed in compliance with the U. S. Treasury guidance. Some eligibility requirements were satisfied by applicants submitting an attestation; including experiencing an impact or loss of income due to COVID and certifying that no familial relationship exists between landlord and tenant.

The Audit Team attempted to contact six (6) landlords to verify that the payments were received. Two landlords were reached who confirmed the payments were received. However, four (4) of those landlords were unable to be reached after multiple attempts and messages left. Those landlords were reported to Social Services who is following up to attempt to reach those landlords.

For the 150 samples tested, one applicant did not have the supporting documentation for a minor living in an applicant's household. The Audit Team informed Social Services management who later updated their database system.

Feel free to contact me at (813) 307-7000 with any questions, comments, or concerns.

Cindy Stuart
CLERK OF COURT & COMPTROLLER
HILLSBOROUGH COUNTY

DATE: June 3, 2022

TO: John Muller, Director of Facilities Management & Real Estate Services

FROM: Heidi Pinner, Chief Audit Executive, Clerk of Court & Comptroller

COPY: Greg Horwedel, Deputy County Administrator
Tom Fass, Asst County Administrator, Asset Management & Knowledge Commons
Catherine Edwards, Director of Revenue & Cash Management, County Finance

SUBJECT: Management Memo #129 – Cash Count at Pierce Street Parking Garage Site #332.

OBJECTIVE:

On April 7, 2022, the County Audit Department conducted an unannounced cash count at the Pierce Street Parking Garage, Site #332. The objective of this cash count was to determine whether or not the cash drawers and change funds contained the appropriate amount of cash at a specific point in time, whether or not there are sufficient physical safeguards over the cash, and to assess compliance with Board Policy 03.00.01.00, Petty Cash and Change Funds.

SCOPE:

The scope of work consisted of the Audit Team counting funds on hand, making inquiries of personnel regarding cash handling procedures, and observations of physical security of change funds on the day of the site visit.

OVERALL EVALUATION:

All cash amounts for the $1,300.00 change fund and the day's collections were accounted for by the Audit Team with an overage of $0.16. The Audit Team also observed that the physical safeguarding controls were satisfactory.

The Pierce Street Garage utilizes a safe and three pay stations only accessible by either the supervisor or the two Pierce Street Parking Garage administrative assistants to secure the cash.

The change fund is dispersed between the three pay stations and the safe. The safe and the pay stations are secured and restricted by adequate access controls. Specific results of the Audit Team's cash count are as follows:

- Only the supervisor and two administrative assistants have access to the safe and pay stations.
- There are cameras located around the garage, exits, and entrances.
- The change fund amount was counted by the Audit Team with an overage of $0.16.
- The total collections in the cashiering system for the day matched the amount of cash collections on-hand.
- Deposit amounts are verified by two employees using system generated reports.
- Appropriate controls were in place to ensure that funds are secured each night.
- Controls are in place to ensure that only authorized personnel can gain access to restricted areas.

Please feel free to contact me at (813) 307-7000 with any questions, comments, or suggestions.

Cindy Stuart
CLERK OF COURT & COMPTROLLER
HILLSBOROUGH COUNTY

DATE: August 26, 2022

TO: Audrey Ziegler, Director, Social Services

CC: Tom Fesler, Chief Financial Administrator
Carl Harness, Chief Human Services Administrator
Debbie Benavidez, Director, ESQA

FROM: Heidi Pinner, Chief Audit Executive, Clerk of Court & Comptroller

SUBJECT: MM #131 – ERAP Continuous Monitoring - Fiscal Year 2022 Second Quarter

As part of the Consolidated Appropriations Act of 2021, the Emergency Rental Assistance Program (ERAP) made available $25 billion to assist households that were unable to pay rent and utilities due to the COVID-19 pandemic. Hillsborough County received federal funding to assist residents who are unable to pay rent and utilities due to the impacts of COVID-19. The ERAP Program aims to prevent further financial hardship or consequences to living conditions by providing eligible households financial assistance for past-due rent and electric bills. Social Services conducts application eligibility reviews and approves payments. The Clerk's Office then distributes approved relief payments on behalf of the program.

The County Audit Department is performing continuous monitoring of these ERAP payments based on the County's eligibility requirements and compliance with the guidance published by the U. S. Treasury. The U. S. Treasury has discouraged burdensome documentation requirements that could be a barrier for tenants and therefore allows tenants to satisfy some eligibility requirements through attestation/self-certification.

SCOPE

As of May 20, 2022, the program had issued 15,228 payments totaling $56,854,172.54. For the 20-week scope period from January 1, 2022 through May 20, 2022, the program issued 3,343 payments totaling $11,379,357.85. The Audit Team tested a random sample of 100 payments from this scope period totaling $360,880.44 to determine whether or not:

- Payments had appropriate supporting documentation with consistent information.
- Applicants were eligible based on program criteria including the household income.
- A residential property physically existed at the address based on a Google Map street view.
- Payments were made to an appropriate recipient.

- The expenditure had an appropriate approval prior to payment.
- Payment amounts were appropriate based on the number of months listed as past-due on the landlord's rental ledger.
- Landlord information appeared to be accurate and appropriate.

To address the risk of potential fraudulent tenants posing as a landlord, a landlord verification test was also performed to determine whether or not the landlord information provided on the application appeared to be appropriate. The Audit Team searched for the landlords online using sites such as Google, Bing, reverse phone number lookups, and the Hillsborough County Property Appraiser and Tax Collector websites. The search results were compared to the landlord's application data to ensure they matched. For samples that were not a match, the Audit Team contacted the landlords by phone using the information found online to verify that the landlords received the payment.

SUMMARY OF RESULTS

The County's ERAP program appears to be designed in compliance with the U. S. Treasury guidance. Some eligibility requirements were satisfied by applicants submitting an attestation, including experiencing an impact or loss of income due to COVID and certifying that no familial relationship exists between landlord and tenant. Of the 100 samples tested, no exceptions were found. One landlord returned a check back to the County because the tenant's rent was already covered by a state program called Our Florida. The Audit Team attempted to contact representatives from Our Florida to inquire about comparing the County's ERAP payment data for duplicates, however no one could be reached. The Our Florida website states that all funds have been allocated and the program is closing. Social Services advised that the County Attorney's Office previously attempted to pursue data sharing with Our Florida, but an agreement could not be reached. The Audit Team also attempted to obtain computer IP address data for analysis of the population, however the data was not recorded in the application portal.

The Audit Team attempted to contact fourteen (14) landlords to verify that the payments were received. Eight (8) landlords were reached and confirmed receipt of payments. One (1) landlord did not receive the payment and after the Audit Team followed up with Social Services, Social Services had the landlord complete a lost check affidavit form and a new check was re-issued. Five (5) landlords could not be reached and were forwarded to Social Services for follow up. Social Services was able to reach all five (5) and confirmed the payments were received.

Feel free to contact me at (813) 307-7000 with any questions, comments, or concerns.

Cindy Stuart
CLERK OF COURT & COMPTROLLER
HILLSBOROUGH COUNTY

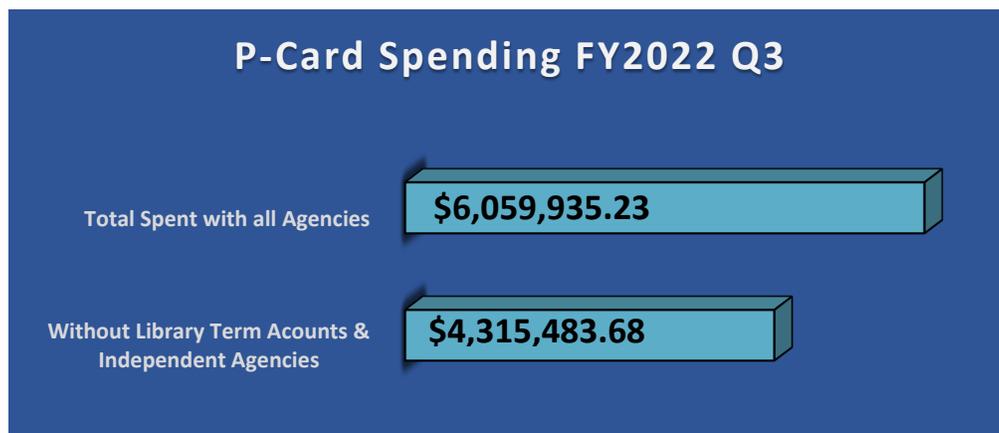|	
DATE:	September 20, 2022
TO:	Scott Stromer, Director, Procurement Services
CC:	Tom Fesler, Chief Financial Administrator Linda Wheat, Procurement Operations Coordinator Merrie Allen, Director, Accounts Payable, County Finance
FROM:	Heidi Pinner, Chief Audit Executive, Clerk of Court & Comptroller
SUBJECT:	Management Memo #MM132 – PCard Continuous Monitoring – FY22 Third Quarter

This review is an ongoing and continuous project that is part of the County Audit Department's Annual Audit Plan.

OBJECTIVE

The objective of the Purchasing Card (PCard) Continuous Auditing project is to evaluate the appropriateness of PCard purchases made during each quarter of the fiscal year (FY) via analysis and sample testing. The program is designed to evolve and adapt, with input from management, to ensure that the program delivers timely and useful results and assurances. Third quarter testing included the basic analysis and review of transactions, account usage by cardholders and departments, transactions for items that could be potentially resold and an analysis related to payments that may have been made to an individual. High level reviews were completed for monthly split transactions, card deactivations and a review of the justification field entered in Oracle by the cardholders. All concerns and exceptions were referred to the Purchasing Card Administrator for follow-up and corrective action.

SCOPE

Testing included purchases made from March 16, 2022 through June 24, 2022, excluding transactions made on Library Services' term accounts and any purchases made by Independent Agencies.

P-Card Spending FY2022 Q3

Total Spent with all Agencies	$6,059,935.23
Without Library Term Acounts & Independent Agencies	$4,315,483.68

SUMMARY OF RESULTS

Analytical review of the third quarter purchases and trends identified the following exceptions:

- Eight (8) invoices that did not have adequate justification or adequate explanation for the items purchased.
- Seven (7) transactions that did not have confidential information redacted prior to uploading to OnBase.
- Four (4) invoices that did not have the complete itemization included of what was purchased or services rendered.
- Three (3) transactions that did not have accurate MCC descriptions.
- Three (3) invoices that did not include the vendor name on the supporting documentation, one of which did not include any contact info.
- Two (2) transactions for conferences that did not have the Pre-Trip Authorization form.
- One (1) transaction where the merchant name in Oracle does not match the invoice support.
- One (1) transaction that had an invoice that was paid over 90 days from the invoice date.
- One (1) invoice uploaded to OnBase that did not have the cardholder's employee ID and signature.
- One (1) transaction where three gift cards were purchased.

Additional testing details and analysis are included on the following pages. Feel free to contact me at (813) 307-7000 with any questions, comments or suggestions.

DETAIL OF TRANSACTION TESTING & ANALYSIS

MERCHANT CATEGORY CODE (MCC) ANALYSIS

Purchases made during the third quarter of fiscal year 2022 were analyzed based on the Merchant Category Code (MCC) to identify potential MCCs for items that are not authorized based on the Procurement Procedures Manual restrictions. Twenty (20) MCC codes were identified for sample selection and thirty (30) transactions were reviewed. Below is a table of the MCC Descriptions that were selected for review:

MCC Descriptions		
FAST FOOD RESTAURANTS	MISCELLANEOUS PERSONAL SERVICES	GROCERY STORES, SUPERMARKETS
TAXICABS/LIMOUSINES	UTILITIES- ELEC/GAS/HEAT OIL/ SANITARY/WTR	MISC FOOD STORES- SPECIALTY, CONVENIENCE
VIDEO AMUSEMENT GAME SUPPLIES	GIFT, CARD, NOVELTY, AND SOUVENIR SHOPS	TOWING SERVICES
CIVIC, SOCIAL AND FRATERNAL ASSOCIATIONS	EATING PLACES, RESTAURANTS	MISCELLANEOUS APPAREL AND ACCESSORY STOR
OTHER FEES	AUTOMATED FUEL DISPENSERS	THEATRICAL PRODUCERS (EXCEPT MOTION PICTURE)
PIECE GOOD, NOTIONS AND OTHER DRY GOODS	AUTOGRAPH	CAR WASHES
MOTION PICTURE THEATERS		HOBBY, TOY, AND GAME SHOPS

The transactions were evaluated for appropriate support and justification, resulting in ten (10) exceptions being identified:

- Four (4) transactions did not have confidential information redacted prior to uploading the support into OnBase.
- Three (3) transactions did not have accurate MCC descriptions. MCC descriptions are set by individual vendors. When vendors have an MCC code inconsistent with their goods or services, it limits the effectiveness of the MCC blocks as a management control. One (1) invoice did not have adequate justification or adequate explanation for the items purchased.
- One (1) invoice did not include the vendor name on the supporting documentation.
- One (1) transaction where three gift cards were purchased. Gift cards are a cash equivalent and are prohibited by purchasing card policy. The gift cards were determined to be a legitimate expenditure in line with the department's function.

JUSTIFICATION LENGTH

The Audit Team performed an analysis of the length of the justification field that the cardholders enter in Oracle when completing their expense reports. The total number of text characters having a very short length may indicate that an inadequate description of the purchase was entered. A sort of the data was performed based on the length of the justification field to identify transactions where the cardholder only entered a short description. There were 144 transactions with justification field lengths of 10 characters or less, which may indicate that an inadequate description was entered in the justification field. The complete list was provided to the Purchasing Card Administrator for their consideration to determine if any additional cardholder training or follow up was warranted.

SPLIT TRANSACTIONS

Audit software is used to perform an analysis each month related to potential split transactions. This includes potential split transactions at the $5,000 & $10,000 thresholds. These thresholds have been used due to the potential for a cardholder to circumvent the requirement to receive three (3) quotes from different vendors when a purchase will exceed $5,000 and/or to circumvent the single transaction limit of $10,000 for cardholders. The Audit Team ran the analysis and the resulting data identified potential splits for the quarter. This information was provided to the Purchasing Card Administrator for further follow up and any necessary inquiry or corrective action with cardholders.

CARD DEACTIVATIONS

The Audit Team analyzed whether or not PCards were used after an employee's termination date by comparing a list of terminated employees against a list of transactions from Bank of America for the third quarter. No purchases were identified on a terminated employee's P-card after the employee's termination date; however, three (3) cards were identified as active after the employee's last day of employment.

PAYMENT SERVICES IN AN INDIVIDUAL'S NAME

The Audit Team analyzed thirty-eight (38) transactions which were paid through a payment service provider (such as PayPal or Square) and included the name of an individual as the vendor. This step is performed to ensure that the vendor name matched the name listed on the invoice. The Audit Team also judgmentally selected and independently contacted six (6) of the 38 vendors to confirm that they were an established vendor and had received payment from the County for the service or product provided. The transactions were also evaluated for appropriate support and justification, resulting in the following five exceptions being identified:

- Two (2) invoices did not have the complete itemization included of the goods purchased or services rendered.
- One (1) transaction was missing the merchant name and contact information on the invoice. The merchant was able to be confirmed but invoices should include basic merchant information to be valid purchasing card support.
- One (1) transaction did not have confidential information redacted prior to uploading the support into OnBase.

All six vendors contacted were confirmed and had received the payment for the service(s) indicated.

HIGH SPEND DEPARTMENT REVIEW

Certain County departments have a higher amount spent using PCards due to the nature of their operations. Historical data of how much was spent by each department was used by the Audit Team to select three departments for this quarterly review. Below is a summary of the subsequent high spend departments reviewed for the quarter and their total amount spent from the prior fiscal year:

Fiscal Year 2022 – High Spend Departments		
Department	Amount Spent	Number of Transactions
Pet Resources	$556,548.93	773
Fleet Management	$524,968.88	1,493
Communications and Digital Media	$380,221.29	473

The following exceptions were identified:

- Two (2) invoices did not have adequate justification or adequate explanation entered in Oracle.
- Two (2) invoices did not have confidential information redacted prior to uploading the support into OnBase.
- Two (2) transactions for conferences did not have the Pre-Trip Authorization form.
- One (1) invoice did not include the vendor name on the supporting documentation.
- One (1) transaction paid for 2 invoices which were outdated (89 days and 121 days).
- One (1) invoice that did not have a complete itemization for goods purchased or services rendered.

HIGH SPEND CARDHOLDERS

The Audit Team performed a review of cardholders that had higher totals on their cards based on historical spending. Using the data, the top five (5) cardholder's transactions for the quarter were filtered out of the population of data in order to select a sample to review. From the data, the Audit Team judgmentally selected a sample of at least five (5) transactions from each of the cardholders. The following exceptions were identified:

- Five (5) invoices did not have adequate justification or adequate explanation for the items purchased.
- One (1) invoice did not have a complete itemization included of the goods purchased or services rendered.
- One (1) transaction had a merchant name in Oracle IExpense which did not match the invoice support.

POTENTIAL RESALE ITEMS

Items that could be purchased by cardholders and potentially resold, such as gaming consoles, computer equipment, and other electronics were reviewed based on the justification that was entered in Oracle. The Audit Team filtered the population using keywords on the justification field to identify the potential transactions for review. A judgmental sample of thirty (30) transactions was selected and the supporting documents were reviewed for appropriateness. Inquiries were made with the cardholders' manager or supervisor to determine how the items are being used and to confirm that they had an official business purpose. No questionable resale items were identified. However, the following unrelated exception was identified during this review:

- One (1) invoice uploaded to OnBase did not have the cardholder's employee ID and signature as required by policy.