



# City of Norfolk

**TO:** Honorable Council Members

**FROM:** John H. Sanderlin, Jr., City Auditor

JHS

**DATE:** October 12, 2012

**SUBJECT:** Emergency Preparedness and Response Follow Up Audit

Please find attached our final follow up report on Emergency Preparedness and Response. Should you have any questions please feel free to contact me at 664-4045.

cc: Marcus Jones, City Manager

# ***Audit Follow Up***

## ***On Report Issued December 2007***

**City of Norfolk**

**Office of the City Auditor**

John H. Sanderlin, Jr., CPA, CIA, CGFM, City Auditor

Timothy Haycox, CPA, Deputy City Auditor

Yvette Fleming, CICS, Assistant City Auditor

Michael Helmke, CISA, Assistant City Auditor

Barbara Reeves, CICS, Assistant City Auditor

Bradford Smith, CICS, Assistant City Auditor



## **Audit of Emergency Preparedness and Response**

Audit Report No. 13-3F

October 12, 2012

### **Summary**

We performed the initial audit of Emergency Preparedness and Response (EPR) in 2007 as a part of our Fiscal Year 2007 Annual Audit Plan. EPR performs an important role in city government in attending to and managing critical aspects of public safety - a demanding, highly stressful, 24/7 365-day task. Issues initially brought forth in our audit included personnel staffing, pay matters and financial accounting processes. Since our audit, EPR has undergone significant organizational changes in structure and assigned responsibilities as well as experiencing key leadership changes.

The follow up audit, performed as a part of our Fiscal Year 2012 Annual Audit Plan, indicates that actions have been taken sufficient to close eight of the eleven report recommendations. The remaining open recommendations, work on which is currently underway, involve coordination with other departments of the City in the development, refinement, and adoption of matters of policy and technical processes.

### **Scope, Objective, and Methodology**

This review was limited to following up on the status of corrective action EPR has taken in regards to recommendations made in our December 2007 audit report *Audit of the Office of Emergency Preparedness and Response*.

We reviewed the original audit report and requested that EPR provide documentation to support the progress made on each recommendation. We matched actions taken against the recommendations and followed up as necessary for clarification and additional information.

We used our professional judgment in considering a recommendation closed if current circumstances, facts, or practices satisfied the original recommendation. Specifically, the follow criteria were used:

- Reasonable action was taken to satisfy the original recommendation
- The relevance of the open recommendation in the current environment
- Changes in circumstances that affect implementation
- Relative risk of the recommendation not being performed
- Similarities of other actions taken or practices
- Procedures or controls in place that address the level of risk addressed by the recommendation
- Existence of compensating controls

Our report has been reviewed by EPR management and City Management, both of which concurred with our results.

As a follow up to the original performance audit, this engagement is considered as a nonaudit service. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions.



## Current Status

The table that follows provides a summary of the actions taken and notes the status of each recommendation. We look forward to EPR's continued efforts in addressing the remaining outstanding

recommendations and appreciate the cooperation and assistance of EPR staff during our follow up review.

### Audit Report Recommendations and Current Status

<b>RECOMMENDATIONS FROM AUDIT REPORT DECEMBER 14, 2007</b>	<b>SUMMARY OF ACTION TAKEN</b>	<b>STATUS</b>
<b>Procurement</b>		
<b>Receipt of Goods and Services Not Documented</b>		
1. Implement a procedure to require employees initial to "OK to pay" with the date on the invoice or packing slip upon receipt of goods or services. Administrative personnel should be instructed to obtain such documented acknowledgment prior to paying invoices.	Management continues to review, initial, and date on invoices/packing slips "OK to Pay" or "Approved to Pay".	Completed. Reasonable action was taken to satisfy the original recommendation.
2. Ensure that the Security Manager/Emergency Planner position sufficiently reviews contractual security services invoices and monitors related performance.	Responsibility of managing security services, including reviewing and paying invoices is now under the Department of General Services.	Completed. Changes in the circumstances of this item now affect implementation.
<b>Transactions not Accurately Classified</b>		
3. Compile a list of EPR's expenditures that truly belong in equipment rental (account 5377) and reprogram the remaining funds to a more accurate object code number.	Funding for this account has been distributed to other accounts and account 5377 is no longer used.	Completed. Reasonable action was taken to satisfy the original recommendation.
4. Coordinate with the Budget Office to establish special revenue accounts for grants and funds received from the state or federal government as needed.	Any/all funds received by State/Federal agencies are placed in accounts designated by the Budget Office. EPR works closely with Budget during the process of acquiring these funds.	Completed. Reasonable action was taken to satisfy the original recommendation.



<p><b>RECOMMENDATIONS FROM AUDIT REPORT DECEMBER 14, 2007</b></p>	<p><b>SUMMARY OF ACTION TAKEN</b></p>	<p><b>STATUS</b></p>
<p><b>Management Approval not Evidenced</b></p>		
<p>5. Establish a requirement that management's initials and date are needed to authorize Level 3 approval on transactions.</p>	<p>This procedure was established and Level 3 approval continues to be restricted to management only. Initials and date are annotated on invoice voucher when approved.</p>	<p>Completed. Reasonable action was taken to satisfy the original recommendation.</p>
<p>6. Establish a process for fiscal staff to routinely provide reports of, and for management to review, the status of incurred costs to budget.</p>	<p>Administrative Technician provides monthly report in Excel format to director for review.</p>	<p>Completed. Reasonable action was taken to satisfy the original recommendation.</p>
<p><b>Payment not Always Timely</b></p>		
<p>7. Process payments within 30 days of receipt of invoice or note the cause of any delay which prevents timely payment.</p>	<p>Payments are processed in a more timely manner. If delay of more than 30 days is approaching or has been exceeded, explanation is annotated and vendor contacted.</p>	<p>Completed. Reasonable action was taken to satisfy the original recommendation.</p>
<p><b>Staffing Concerns</b></p>		
<p>8. Request that Human Resources (HR) conduct a pay study on the Telecommunicator position and provide support of its results.</p>	<p>Review of the pay study (which was prepared in 2007) was to be made by EPR with HR soon after the original audit. This was not done and the 2007 pay study results are no longer relevant.</p>	<p>In Process. Reasonable action is now being taken to satisfy the original recommendation with EPR to request an updated pay study.</p>
<p>9. Coordinate with HR to assess the effectiveness of recruiting techniques for Norfolk Telecommunicators.</p>	<p>In coordination with HR, EPR has increased the number of candidates applying for telecommunicator positions. HR has also included advertising to veterans and communicates with Virginia Employment Commission when openings become available. EPR is also working closely with NFR/NPD Training Academy, advising program dropouts of the opportunity to apply for Telco Trainee positions. This significantly saves time and reduces funds required to recruit, screen, and interview Telco candidates.</p>	<p>Completed. Reasonable action was taken to satisfy the original recommendation.</p>



<b>RECOMMENDATIONS FROM AUDIT REPORT DECEMBER 14, 2007</b>	<b>SUMMARY OF ACTION TAKEN</b>	<b>STATUS</b>
<b>Leave and Overtime</b>		
10. Discuss EPR's method for calculating leave with HR to ensure accuracy in accordance with City payroll guidelines.	EPR has been working closely with HR as it reviews/updates its leave and overtime policies with continued coordination with HR during the process of acquiring Telestaff, a scheduling program that will automate and replace work currently being conducted on paper and in logbooks.	In Process. Reasonable action is now being taken to satisfy the original recommendation.
11. Request that HR and/or the City Attorney's office review EPR's Standard Operating Procedures regarding leave to ensure that they are consistent with the City's leave policy and applicable laws.	Close coordination with HR staff continues as SOP's are being updated at the departmental level. These will be forwarded to HR and the City Attorney's office to ensure compliance with City/State/Federal regulations.	In Process. Reasonable action is now being taken to satisfy the original recommendation.