

Audit Follow-Up

As of September 30, 2012



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City Auditor

Treasurer-Clerk's Revenue Office

(Report #1208 issued March 20, 2012)

Report #1305

January 24, 2013

Summary

The Treasurer-Clerk's Revenue Office and other applicable City departments and offices have completed 18 of the 21 action plan steps due for completion as of September 30, 2012. Actions have been initiated or are planned to complete the other three steps due for completion as of that date. One additional action plan step is due for completion subsequent to September 30, 2012. We will address the status of those remaining steps in our subsequent follow up engagement.

In audit report #1208 we reported the Treasurer-Clerk's Revenue Office (Revenue Office), with assistance from other City departments and offices, has implemented controls that for the most part provide assurances that revenues and receipts collected through the Revenue Office (\$690 million in fiscal year 2011) are properly and efficiently processed, accounted for, safeguarded, and deposited into the City's bank account. Adequate and appropriate actions were generally taken to collect funds for deposited negotiable instruments and electronic deposits rejected and returned by the City's bank because of insufficient funds in the payer's account or other reasons.

Areas (risks) were identified by the audit for which recommendations were made to further reduce the risk that revenues due the City are not properly received, accounted for, and deposited. For reporting purposes, those risks were classified into the following control categories: (1) access to and accountability for

resources, (2) direct activity management, (3) segregation of incompatible duties, (4) physical controls, (5) execution of transactions and events, (6) recording of transactions and events, (7) information processing, and (8) documentation.

Twenty-two action plan steps were developed to address the identified risks. Twenty-one of those 22 steps were due for completion as of September 30, 2012. This initial follow up engagement showed that the Revenue Office and other applicable City departments and offices have completed 18 of those 21 action plan steps. Actions were initiated for one of the remaining three steps. Actions were planned but not initiated for the last two steps.

Actions completed (or initiated) during the period covered by this follow up review included:

- Revising the electronic system access permission for one employee to appropriately restrict access to the Revenue Office vault, and enhancing procedures for requesting and documenting approval for changes to such access permissions (represents resolution of two action plan steps).
- Revising processes and procedures to better secure keys and doors to locations where revenues are received and processed (represents resolution of three action plan steps).
- Hiring a new Revenue Office Administrator (represents resolution of one action plan step).

- Enhancing managerial reviews of revenue activity in those instances where it is not practicable to segregate certain oversight functions among different supervisory staff (represents resolution of two action plan steps).
- Providing real-time (live) feeds of Revenue Office surveillance cameras to the Tallahassee Police Department (TPD) Communications Center and determining it was not practical or efficient to install an additional surveillance camera to monitor a secured collection box at City Hall (represents resolution of two action plan steps).
- Providing updated restrictive endorsement stamps reflecting the current name of the City's bank to applicable City departments and offices (represents resolution of two action plan steps).
- Determining restrictive endorsements placed on negotiable instruments by the RP Solutions application was practicable and efficient under the current system (represents resolution of one action plan step).
- Implementing a process to clearly document the custodial transfers of funds from Growth Management to the Revenue Office (represents resolution of one action plan step).
- Implementing and/or enhancing reconciliations performed by other City departments as a control to ensure the Revenue Office properly processes revenues and receipts resulting from actions and activities of other City departments and offices (represents resolution of four action plan steps and partial resolution of another action plan step).

We appreciate the cooperation and assistance provided by Revenue Office management and staff, as well staff in other applicable City departments and offices, during this follow up engagement.

Scope, Objectives, and Methodology

We conducted this audit follow-up in accordance with the International Standards for the Professional Practice of Internal Auditing and Generally Accepted Government Auditing Standards. Those standards require we plan and perform the audit follow-up to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit follow-up objectives.

Report #1208

The scope of report #1208 included a review of the various activities administered and performed by the City Treasurer-Clerk's Revenue Office. The audit reviewed applicable processes, procedures, systems, and records used in the Revenue Office. Certain other areas within the City directly relating to Revenue Office operations and activities were also addressed by the audit.

The objectives were to determine whether:

- Methods, procedures, and internal controls were adequate to ensure revenues and receipts collected by the Revenue Office were properly processed, accounted for, safeguarded, and deposited; and
- Adequate and appropriate actions were taken to collect funds for deposited negotiable instruments (e.g., checks) and electronic deposits rejected and returned by the City's bank because of insufficient funds in the payer's account or other reasons.

Inherent in those objectives was the identification of risks and recommendations to eliminate or mitigate those risks.

The audit covered processes and controls in place as of the time of our review during the period September through December 2011.

Report #1305

This is our first follow-up on action plan steps identified in audit report #1208. The purpose of this follow up is to report on the progress and status of efforts to complete action plan steps due for completion as of September 30, 2012. To determine the status of the action plan steps, we interviewed staff, made observations, and reviewed relevant documentation.

Background

The Revenue Office receives and collects moneys due the City pursuant to Section 52 of the City’s charter. As shown in the following table for FY 2011, the vast majority of City receipts and revenues are collected and/or deposited directly by the Revenue Office.

<u>Collecting/depositing department</u>	<u>Amount</u>	<u>Percent</u>
Revenue Office (Note 1)	\$690,176,097	96%
Other City departments and offices (Note 2)	\$29,644,835	4%
Total	\$719,820,932	100%

NOTE (1): Includes collections received in other City department/offices but transferred to the Revenue Office for processing, recording, and deposit.

NOTE (2): Includes, for example, fees collected and deposited directly by Parks and Recreation, StarMetro, and the Animal Services Center.

Revenue Categories. Revenues and receipts collected and deposited by the Revenue Office are from various City activities and functions. The largest category is utility payments and deposits. While the vast majority of collections processed and deposited by the Revenue Office result from activities administered by other City departments, there are two categories that are administered directly by the Revenue Office. Those two categories are (1) business licenses and (2) loading zone permits. The following

table shows categories of revenues and receipts processed and deposited by the Revenue Office in FY 2011.

	<u>Category</u>	<u>Amount</u>	<u>Percent</u>
1	Utility Payments & Deposits	\$502,808,491	72.85%
2	Payments for various fees and services billed through Accounts Receivable	\$30,985,779	4.49%
3	Growth Management Fees	\$8,021,973	1.16%
4	Business Licenses (Note 1)	\$1,793,762	0.26%
5	Parking Meters	\$338,775	0.05%
6	Parking Fines	\$285,591	0.04%
7	Loading Zone permits (Note 1)	\$10,905	0.01%
8	Miscellaneous (Note 2)	\$145,930,821	21.14%
	TOTAL	\$690,176,097	100%

Note 1: These activities are administered directly by the Revenue Office and not by other City departments/offices.

Note 2: This category includes various taxes, grants, fines, etc. to which the City was entitled.

Tender Type. With technological advancements over recent years, an increasing number and amount of payments are now received and deposited electronically. That increase was attributable to significant efforts by Revenue Office management. As shown by the following table, over one-third of FY 2011 collections were received and deposited electronically.

Table 3 - FY 2011 Collections by Tender Type

<u>Payment Method (Tender Type)</u>	<u>Amount</u>	<u>Percent</u>
Cash	\$25,184,849	3.6%
Check (negotiable instruments) <i>(Note 1)</i>	\$413,376,980	59.9%
Electronic	\$251,614,268	36.5%
Total	\$690,176,097	100%

NOTE (1): Negotiable instruments received in the Revenue Office are electronically deposited.

As with most institutions accepting negotiable instruments as payment for fees and/or services, deposited items are sometimes returned by the City’s bank when the payer’s bank account has insufficient funds or is closed, frozen, garnished, etc. Returns include items deposited electronically as well as those physically received and deposited. For returned items the Revenue Office initiates appropriate actions to recover the funds due the City.

Previous Conditions and Current Status

In audit report #1208, we noted our audit procedures showed the Revenue Office, for the most part, established and implemented appropriate, adequate, and efficient methods and controls to ensure the proper processing, recording, and deposit of funds collected on behalf of the City. As reported, many of the identified methods and controls were the result of improvements and enhancements in processes and procedures implemented by Revenue Office management over the past decade.

We identified certain areas where additional improvements and enhancements were warranted to further mitigate the risk that City funds are not properly accounted for and deposited. Twenty-two action plan steps were developed to address the identified issues. Twenty-one of those 22 steps were due for completion no later than September 30, 2012. As shown below in Table 4, as of the end of our follow up fieldwork, 18 of those 21 steps have been completed or resolved. In regard to the remaining three action plan steps due for completion as of September 30, 2012:

- Actions have been initiated but additional actions remain to be completed before the applicable issue is adequately addressed for one step.
- Actions have been planned but not yet initiated for two steps.

The specific actions taken and remaining to be taken are described in further detail in Table 4 that follows.

**Table 4
Action Plan Steps from Audit Report #1208
Due as of September 30, 2012, and Current Status**

Action Plan Steps Due as of September 30, 2012	Current Status
Ensure controlled access and proper accountability	
<ul style="list-style-type: none"> The remaining electronic system access permission for the applicable employee noted in the audit report will be changed so that employee will no longer have unescorted access to the vault. 	<ul style="list-style-type: none"> ✓ With assistance from Facilities Management, the Revenue Office added a new access level within the electronic security access system that provides designated employees access to the balancing and remittance rooms but not access to the vault. That access was assigned to the applicable employee.
<ul style="list-style-type: none"> Documented management approval will accompany all subsequent requests sent to Facilities Management for changes to electronic access permissions. 	<ul style="list-style-type: none"> ✓ Procedures were enhanced such that requests for changes and additions to electronic access permissions are only made upon documented authorizations by the City Treasurer-Clerk and appropriate Revenue Office managerial staff. Our follow up review showed these enhanced procedures are being followed.
<ul style="list-style-type: none"> Keys to the City Hall drop box will be stored in a secured location, accessible only by authorized staff. 	<ul style="list-style-type: none"> ✓ Keys to the lock box are now stored in a secured location with access restricted to authorized staff.
<ul style="list-style-type: none"> Cashiers will lock their cash drawers when temporarily away from their work stations, and cashiers will be instructed to place the keys in a secured location with the Cashier Supervisor when temporarily away from their work stations. 	<ul style="list-style-type: none"> ✓ When temporarily leaving their work stations, individual cashiers now lock their cash drawers and place the keys in a secured box on a desk in a cubicle away from the cashier stations. The cubicle is the office of a Revenue Office employee that is under continuous camera surveillance by the Revenue Office electronic security system. The secured box in which the keys are placed is visible in the surveillance view as observed by audit during the follow up engagement. These circumstances would likely detect any unauthorized removal and use of those keys. Accordingly, this action step is considered completed.
<ul style="list-style-type: none"> The door to the mail room will be locked when that room is not attended by authorized staff. 	<ul style="list-style-type: none"> ✓ During our follow up review we found the mail room was locked when not attended. Mail room staff also indicated in our discussions during the follow up process that they now lock the mail room whenever it is left unattended.
Ensure adequate management and oversight	
<ul style="list-style-type: none"> Efforts will be made to timely hire a new Revenue Office Administrator. 	<ul style="list-style-type: none"> ✓ The City Treasurer-Clerk hired a new Revenue Office Administrator September 4, 2012.

Ensure adequate segregation of employee duties or compensating controls	
<ul style="list-style-type: none"> • Reports documenting all changes to previously recorded collection activity will be generated and reviewed (i.e., by staff other than closing and opening supervisors), with discrepancies reported directly to Revenue Office management and UBCS management for their review. That management staff will review those reports to ensure the propriety and reasonableness of those changes. Questionable and/or unsupported changes will be investigated. 	<ul style="list-style-type: none"> ✓ Revenue Office management enhanced their review of activity performed by staff with capability to sometimes perform incompatible duties. Those enhancements included using system queries to generate reports reflecting changes/adjustments (made by Revenue Office staff) to previously recorded transactions in the cashiering system (CORE) and the City’s utility system. Revenue Office managerial staff review those changes and adjustments for appropriateness and reasonableness.
<ul style="list-style-type: none"> • The Revenue Office Administrator will review, for propriety and reasonableness, voided transactions, database adjustments, and related reconciliations pertaining to business tax and loading zone permit collections. 	<ul style="list-style-type: none"> ✓ Revenue Office managerial staff has enhanced their reviews of transactions pertaining to the business tax and loading zone permits. For example, reports are generated reflecting adjustments and deletions within the applicable system databases. Revenue Office management reviews those reports to ensure the propriety and reasonableness of those transactions. Additionally, Revenue Office management continues to conduct analytical reviews of business tax and loading zone permit collections.
<ul style="list-style-type: none"> • Accounting Services will no longer accept checks and other negotiable instruments. Instead, individuals will be instructed to remit checks and negotiable instruments to the Revenue Office (either at the Renaissance Building or the City Hall satellite office). Any checks or negotiable instruments inadvertently sent to Accounting Services will be immediately transferred to the Revenue satellite office in City Hall. Individuals/entities that have traditionally sent their payments (checks/negotiable instruments) will be instructed to send their subsequent payments directly to the Revenue Office. 	<ul style="list-style-type: none"> ○ In the initial audit we recommended Accounting Services discontinue the practice of receiving and accepting checks from various external entities. We also recommended that applicable entities be instructed to instead remit their checks directly to the Revenue Office (either at the Renaissance Building or the satellite office located in City Hall). Those recommendations were made as good internal control practices provide that the same employees (department) that accounts for and maintains records for revenues (i.e., Accounting Services) should not also have access to or custody of those revenues (such as checks). The underlying control concept is known as segregation of incompatible duties. Accounting Services management agreed with these recommendations. As an additional corrective action, management indicated any subsequent checks inadvertently sent to Accounting Services would be immediately transferred to the Revenue satellite office located in City Hall. We noted during our follow up engagement that Accounting Services continued to occasionally receive and accept checks from external entities. Specifically, since the initial audit report, Accounting Services’ records show 19 checks totaling \$491,877 have been received and accepted. Contrary to the planned corrective

	<p>action, those checks were not <u>immediately</u> transferred to the Revenue satellite office. Instead, similar to the practice described in the initial audit, those checks were placed in an open basket marked “Checks Going to Revenue” located on top of a filing cabinet in the Accounts Receivable area within the Accounting Services office. Any employee or individual accessing that area would have access to those checks. On a daily basis, couriers from the Revenue Office obtained the checks and delivered them to the Revenue Office at the Renaissance building for processing and deposit. This practice continues the increased risk of loss or unauthorized diversion of those checks; and that any unauthorized diversion would be covered up through manipulation of the accounting records such that the diversion is not detected.</p> <p>We again recommend any checks inadvertently received in Accounting Services be <u>immediately</u> transferred to the Revenue satellite office located in City Hall. They should not be placed in an open bin pending pick up by a Revenue Office courier. We also recommend the open bin be removed from Accounting Services to facilitate implementation of those actions. Efforts should continue to notify entities to not send checks to Accounting Services, but to instead send them directly to the City’s Revenue Office.</p>
<p>Ensure adequate and appropriate physical controls</p>	
<ul style="list-style-type: none"> • A surveillance camera will be installed to monitor the lock box located on the north side of City Hall. 	<ul style="list-style-type: none"> ✓ The Revenue Office explored two different options regarding this action step, including the efforts and costs of (1) repositioning an existing camera and (2) installing a new (additional) camera to monitor the lock box. The first option was determined to not be practicable (repositioning an existing camera) and the second option was determined to not be cost beneficial (adding a new camera). Based on these determinations and because of the (1) relatively small amounts collected through this drop box (usually zero to five utility payments a day), (2) fact that the payments are checks or negotiable instruments and not cash, and (3) other existing controls (e.g., box is locked with access to keys restricted to authorized staff), the Revenue Office determined implementation of the action plan step is not warranted.
<ul style="list-style-type: none"> • Real-time (live) feed of all surveillance cameras monitoring Revenue Office locations and activities will be provided to TPD. 	<ul style="list-style-type: none"> ✓ Real-time (live) feeds of Revenue Office surveillance cameras that monitor strategic locations and activities have been provided to the TPD Communications Center.

<ul style="list-style-type: none"> • TPD will be provided a restrictive endorsement stamp to use for checks and negotiable instruments collected for utility turn-ons. 	<ul style="list-style-type: none"> ✓ In the initial audit we recommended the Revenue Office provide TPD a stamp to allow TPD staff receiving negotiable instruments (i.e., as payments on nights and weekends for turn on of utilities) to immediately restrictively endorse those instruments to deposit into the City of Tallahassee’s authorized bank account. In accordance with that recommendation, the Revenue Office provided a restrictive endorsement stamp to TPD. TPD prepared and provided staff with appropriate instructions for use of that stamp.
<ul style="list-style-type: none"> • Updated restrictive endorsement stamps reflecting the current name of the City’s bank will be obtained and provided to applicable City departments and offices. 	<ul style="list-style-type: none"> ✓ Our follow up review showed that the Revenue Office acquired and provided updated restrictive endorsement stamps to applicable City departments and offices.
<ul style="list-style-type: none"> • Efforts will continue to revise the RP Solutions application such that complete and legible restrictive endorsements can be placed on checks and other negotiable instruments processed through that application. <i>(The Treasurer-Clerk indicated a determination has been made that it is not practicable with the current hardware and software to add a legible endorsement containing the City’s bank and bank account. However, the Treasurer-Clerk indicated efforts will continue to place complete and legible endorsements on negotiable instruments as future system upgrades are made.)</i> 	<ul style="list-style-type: none"> ✓ As noted in the initial audit, the Treasurer-Clerk determined that it currently is not practicable with the current hardware and software to add a legible endorsement containing the City’s bank and bank account for checks processed “electronically” through the RP Solutions application. Accordingly, the RP Solutions application continues to endorse negotiable instruments “For deposit only for the COT.” The Treasurer-Clerk indicated that as additional capabilities become available (e.g., new or updated hardware and/or software), the City’s bank and bank account number will be added to the endorsements placed on checks and negotiable instruments physically received in the Revenue Office and “electronically” deposited. Based on this status we consider this action plan step resolved.
<p>Ensure proper execution of transactions and events</p>	
<ul style="list-style-type: none"> • ISS will bill the County for its share of costs for services provided by Accela, Inc. in a timely manner. 	<ul style="list-style-type: none"> ○ In the initial audit we reported that, while the City’s Information System Services Department (ISS) billed Leon County (County) for its share of annual fees paid to a contractor for website services, those billings were not done timely. Specifically, the County was not billed its share until six months after the City received the invoice from and paid the contractor. The delays were attributable to ISS. To ensure the City timely received appropriate amounts for further use or investment, we recommended ISS take actions to ensure the County is timely invoiced after the City pays the applicable fees to the contractor (e.g. within a month). During our follow up on this matter, we again found that the City did not bill the County its share of annual fees (for fiscal year 2012-2013) until six months after the City received and paid those annual fees. ISS

	<p>acknowledged this delay occurred due to an administrative oversight. We again recommend ISS take appropriate actions to ensure timely billing of the County for its share of applicable fees.</p>
<p>Ensure proper recording of transactions and events</p>	
<ul style="list-style-type: none"> • Transfer receipts will be prepared and signed to document the daily transfer of checks and negotiable instruments from the Growth Management Department to the Revenue Office. Both the Growth Management Department and Revenue Office will retain those receipts (e.g., one a copy and the other the original) in accordance with City record retention requirements. 	<ul style="list-style-type: none"> ✓ Transfer receipts are now used to document the daily transfer of checks and negotiable instruments by Growth Management to the Revenue Office. Both Growth Management and the Revenue Office retain and store their respective copies in the City’s Electronic Document Management System (EDMS).
<p>Ensure adequate “external processing controls”</p>	
<ul style="list-style-type: none"> • Growth Management staff will have processes in place that verify collections remitted daily to the Revenue Office are properly recorded and reflected in the PeopleSoft Financials System. 	<ul style="list-style-type: none"> ✓ Growth Management implemented a process to independently verify collections remitted to the Revenue Office are properly recorded in the City’s PeopleSoft Financials System. Along with other existing controls, this process helps ensure proper deposit by the Revenue Office of fees collected by Growth Management.
<ul style="list-style-type: none"> • UBCS staff will use the developed method to verify parking ticket collections reported by the Revenue Office and recorded in the parking ticket ACCESS database are properly and accurately reflected in the PeopleSoft Financials System. 	<ul style="list-style-type: none"> ➤ UBCS staff implemented a method and process to <u>compare</u> parking ticket collections reported to UBCS by the Revenue Office (i.e., reported for the purpose of allowing UBCS to update the City’s parking system database) to parking ticket collections recorded and reflected in the PeopleSoft Financials System. Those UBCS comparisons showed, for the most part, the collections were the same in both places; which indicates that parking tickets collections are being properly deposited into the City’s bank account and recorded in City records. However, for the relatively few instances where amounts were not in agreement, UBCS staff was not conducting adequate research to determine the reasons for the differences (e.g., recording or deposit errors, timing differences, or other reasons). Research of, and identification of reasons for, differences is necessary to help ensure there were no errors or other issues. (Our research of two of the more significant differences showed they were attributable to timing and recording issues.) While UBCS has implemented the basic method and process, we recommend that process be enhanced to include research and resolution of identified differences. Adequate documentation should be prepared and retained to demonstrate such research was conducted and differences resolved.

<ul style="list-style-type: none"> • TPD will verify that fees that should have been collected for issued taxi cab permits are properly reflected as recorded revenue collections in the PeopleSoft Financials System. 	<ul style="list-style-type: none"> ✓ TPD now compares (1) fees that should have been collected for taxi cab permits based on TPD records to (2) taxi permit fees recorded as collected in the PeopleSoft Financials System. Significant differences are to be researched and resolved. Accordingly, this step is considered completed.
<ul style="list-style-type: none"> • An appropriate Public Works supervisor will independently compare parking meter collections reflected by the parking meter application to parking meter collections recorded in the PeopleSoft Financials System. Records used in those comparisons will be obtained independent of staff within the Meter Shop and Revenue Office. Any unreasonable or significant differences will be reviewed and investigated. Also, the appropriate Public Works supervisor will ascertain if there are any unexplained or unreasonable changes to the parking meter application, such that data from that system could have been intentionally manipulated. 	<ul style="list-style-type: none"> ✓ Public Works management recently compared FY 2012 parking meter collections reflected by their parking meter application to FY 2012 parking meter collections recorded in the PeopleSoft Financials System. While that comparison showed the amounts were materially in agreement, there was a difference that is currently being researched and likely attributable to timing issues (i.e., collections reflected by the parking meter application show \$316,103 while the PeopleSoft Financials System shows \$308,971; or a difference of \$7,132, which represents 2% of collections). Based on these actions and ongoing efforts, this action step is considered resolved. (Note: In addition to the above-described corrective action, the Public Works Meter Shop also relinquished control of keys to the coin canisters placed in meter housings. Custody of those keys was transferred to the Revenue Office where they are maintained in a secured location. In the event Meter Shop staff need to work on (repair, replace, etc.) a meter, they now remove the canister and transport it to the Revenue Office to have the Revenue Office staff first remove the coins.)
<ul style="list-style-type: none"> • Accounting Services will complete necessary training to ensure timely reconciliations of collections (and disbursements) per the bank statement to recordings reflected in the City's general ledger (PeopleSoft Financials). 	<ul style="list-style-type: none"> ✓ In the initial audit we reported that independent monthly reconciliations of collections and disbursements on the bank statements to recordings reflected in the City's general ledger, as performed by Accounting Services, were not done in a timely manner. During this follow up engagement we found that management had taken appropriate actions by training and assigning knowledgeable staff to timely complete monthly reconciliations.

Table Legend:

- Issue to be addressed from the original audit.
- Actions not completed
- ✓ Issue addressed and completed or otherwise resolved.
- Action initiated but not completed or additional actions needed

Conclusion

Table 4 above shows 18 of the 21 action plan steps due for completion as of September 30, 2012, have been completed and/or resolved. As also shown in Table 4, efforts are in progress to complete another one of those action plan steps. As of the time of our audit fieldwork for this follow up engagement, actions had yet to be initiated for the remaining two steps due for completion by September 30, 2012.

Also, there is one additional action plan step due for completion subsequent to September 30, 2012. That action step pertains to contracting with a third party to recover returned non-utility items (negotiable instruments for other than utility payments returned by the City's bank because of insufficient funds in the payer's account or other reasons) when City staff's efforts to recover those funds are not successful.

We will follow up and report on that action step, as well as the status of the three other action steps not yet completed, in our subsequent follow up engagement.

We appreciate the cooperation by Revenue Office management and staff, as well as staff in other City departments and offices, during this audit follow-up.

Appointed Official's Response**City Treasurer-Clerk:**

We appreciate the efforts of the City Auditor to follow up on the status of the action plan steps associated with this audit, and we are quite pleased with the progress made to date in addressing the action plan steps. We look forward to resolution of the remaining items and will provide assistance as needed in completing those items.

City Manager:

The City Auditor's Office has conducted a thorough and detailed audit of the City's Treasurer-Clerk's Revenue Office. The issues detailed in the report depict the areas in our processes that are fiscally sound and the areas that are recommended for improvements. I am extremely pleased with the cooperation demonstrated by the City Auditor's team and staff of the various audited departments. I am convinced that the audit findings and the recommended improvements will result in measurable financial results to this government and community. The action items identified in this report will ensure that our internal controls and City policies are continued to be strictly adhered to in the future. I would like to commend the Auditor's Office as well as all of the departments for their outstanding work on this audit.

Copies of this audit follow-up #1305 or audit report #1208 may be obtained from the City Auditor's website (<http://talgov.com/auditing/index.cfm>) or via request by telephone (850 / 891-8397), by FAX (850 / 891-0912), by mail or in person (Office of the City Auditor, 300 S. Adams Street, Mail Box A-22, Tallahassee, FL 32301-1731), or by e-mail (auditors@talgov.com).

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