Report of Management Actions

Why OCA did this project:
The Office of the City Auditor annually follows up with managers responsible for acting on audit recommendations. This process accomplishes our charter duty to report audit results to the Mayor and City Council.

Project Scope:
This report presents the status of open findings as of June 30, 2023.

How OCA did this project:
The follow-up process involves identifying all open action items and either emailing a status request or meeting with the responsible party.

For reporting purposes, we use the following categories for action status:
- Open – Management has agreed to corrective action, but it is either pending or partially complete.
- Completed – Management completed corrective action.
- Declined - Declined recommendations include:
  ‣ Management does not agree with the recommendation and is not planning any action. When management elects this option, we advise them of the type and level of risk associated with not acting.
  ‣ Implementation is declined due to budget and/or staffing limitations or other factors beyond the control of management.
  ‣ The recommendation is no longer relevant due to changes in conditions after the audit was completed.

After status information is obtained, we summarize the 10-year history by department and calculate the percentage of recommendations that have been accepted for corrective action.

Results
There were 23 findings for follow-up as of June 30, 2023. Corrective action had been completed on 12 of these findings and was in process on the remaining 11. No recommendations were declined.

# Summary of Audit Recommendations by Department
Ten Years ended June 30, 2023

Department	Findings	Open	Complete	Declined
Department of Customer Experience	7	0	6	1
Finance	42	2	36	4
Fire	1	0	1	0
Human Resources	15	0	13	2
Information Technology	19	6	8	5
Legal	2	2	0	0
Partner Tulsa	1	0	1	0
Police	13	8	5	0
Public Works	13	0	11	2
Water and Sewer	8	4	4	0
	121	**22**	**85**	**14**

Acceptance Rate - 88%

Open, 18%

Declined, 12%

Completed, 70%
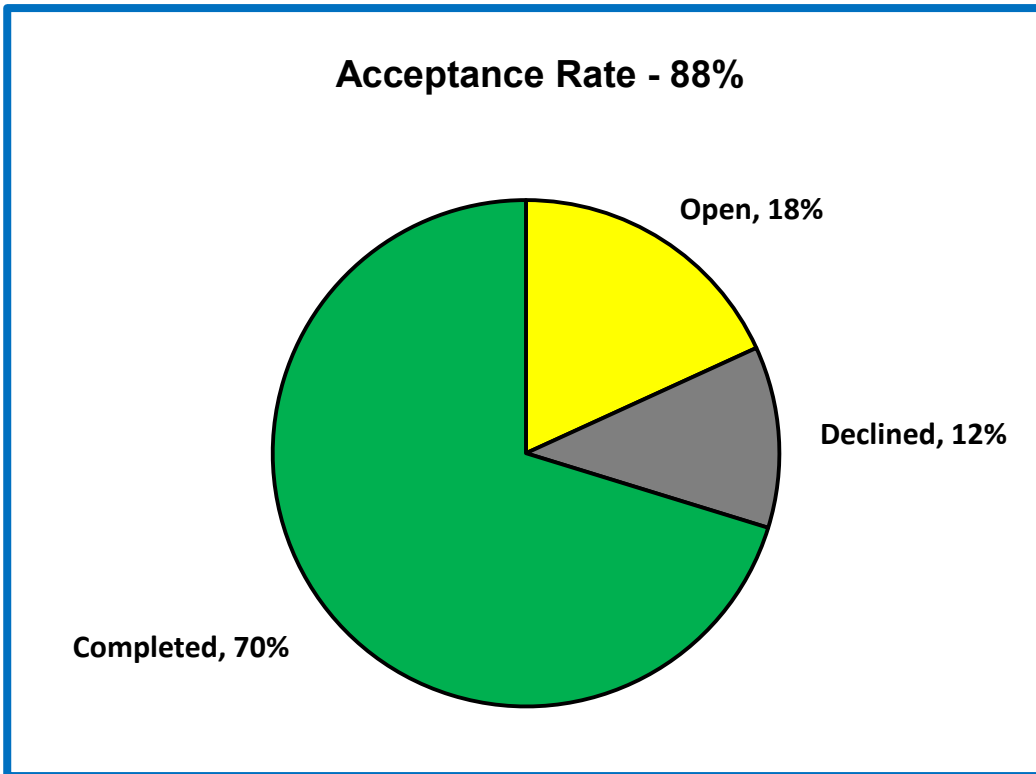
Over the last 10 years, city managers have accepted 88% of audit recommendations. Our goal for management acceptance is 90%.

Implementation Status

As of June 30, 2023, there were 23 open findings in our database. Our status inquiries resulted in the following status.

Results of Status Inquiries

Open, 11

Completed, 12

Declined, 0
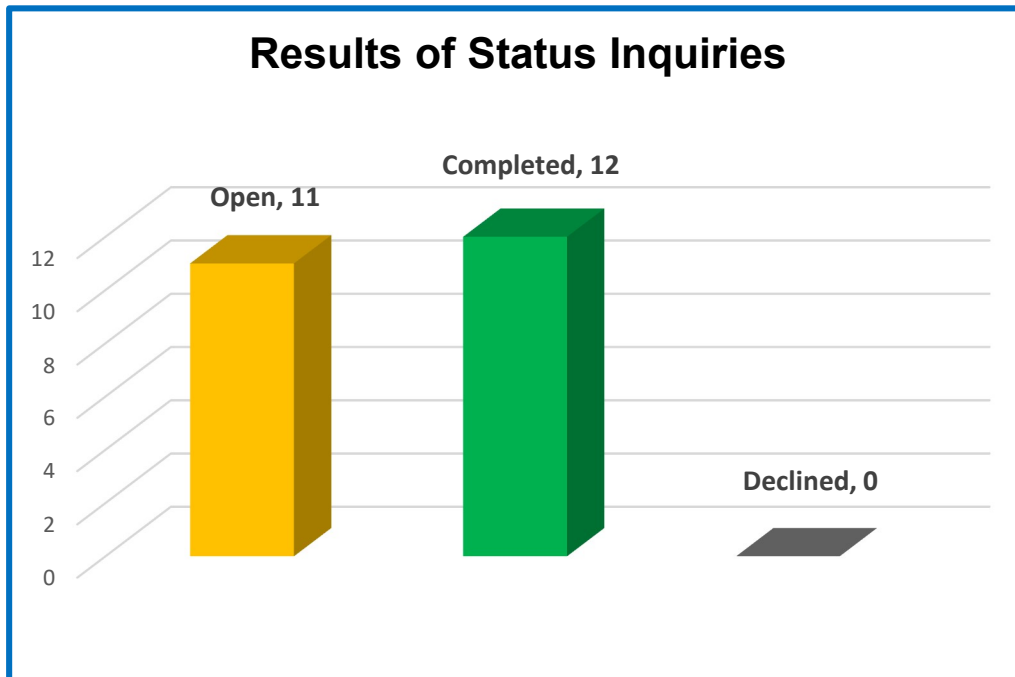
Summary Table

The table below summarizes the information we received about the status of open findings.

2019 – Overtime		
Finance/Budget		
1 Complete		
Finding	**Recommendation**	**Status**
There is insufficient monitoring of overtime.	The Chief Financial Officer should periodically discuss actual overtime as compared to budget with the Mayor and department heads. Additional overtime discussion topics should be considered, including special events overtime, callbacks, and the work that was started for predictive analysis of when overtime is likely to occur.	The Finance Department meets monthly with the Fire Department to identify any circumstances that may cause overtime to exceed budget expectations. The Budget Division updates the Mayor as circumstances arise that could impact the budget, as well as processing any necessary revisions in the last few months of the fiscal year.

2023 – American Rescue Plan Act (ARPA)		
Finance/Grants Administration		
3 Complete		
Finding	**Recommendation**	**Status**
Potential conflicts of interest were not reported.	Request written disclosures of potential and actual conflicts of interest from City officials involved in the grant process. Document and report to US Treasury.	Signed potential and actual conflicts of interest for elected officials and city staff are on file. A request was made to the US Treasury to provide information on how to report.
Risk assessments were not conducted for subawards.	Conduct risk assessments when deciding which applicants will receive a contract. Complete post-award risk assessments on a timely basis. Determine staffing levels based on risk.	Staff completed organizational and risk assessments during the most recent ARPA allocation process.
Reports to US Treasury Department did not clearly identify strategy, goals, and plans.	Formulate strategy, goals, and plan for grant funds and include in reports.	The most recent narrative report provided each area required by Treasury in a clearly labeled format.

2020 Accounts Payable		
Finance/Purchasing		
1 In Process		
Finding	**Recommendation**	**Status**
An audit test compared employee bank accounts to vendor bank accounts. This test detected purchases that had been made from an employee-owned business. Policy does not allow City p-card holders to purchase from a city employee. None of the purchases were made by the employee who owns the business. It appears employees who made the purchases were not aware this was an employee-owned business.	Purchasing should adopt a data analytic designed to identify when employee bank accounts match a vendor bank account and review transactions with the employee-owned business.	The Purchasing Director will investigate whether it will be practical for his staff to use the audit data analytics to monitor vendor/employee matches.

2020 - Quarterly Risk Review		
Finance/Purchasing		
1 In Process		
Finding	**Recommendation**	**Status**
No errors or improper transactions were noted in our review of 182 risk flags in the Vendor Maintenance module. A control improvement was recommended.	Periodically review the vendor list to ensure duplicate vendors are not maintained in the system. Duplicate vendors increase the risk of improper transactions.	The Purchasing Director will investigate whether it will be practical for his staff to use the audit data analytics to monitor and correct duplicate vendors in the financial system.

2022 - Purchasing Card Risk Review
Finance/Purchasing
2 Complete

Finding	Recommendation	Status
Purchasing card duties are not properly segregated	Review workflow in each department to ensure at least one step in the approval process has an approver at a higher level than other approvers in the workflow. Periodically review p-card purchases made by higher-level purchases to ensure approval is appropriate.	Purchasing has been making changes to workflow to address segregation of duties.
Purchasing card transactions were completed before a blanket purchase order was in place.	Improve communication of and provide training on p-card policies. Use data analytics to monitor policy violations.	The Purchasing Director has been meeting with department heads to improve compliance with ordinance and policies.

2019 - Overtime
Fire
1 Complete

Finding	Recommendation	Status
Fire overtime submissions were not in compliance with the State of Oklahoma's Labor Statue that requires overtime to be paid 14 days after the end of the pay period.	Adopt an automated timekeeping system to expedite the overtime payments.	The Fire Department worked with the Information Technology Department to make modifications to their system. Only a small portion of overtime is still recorded manually.

2017 - Special Project Pay & Staffing
Human Resources
1 Complete

Finding	Recommendation	Status
10% of our core programs have lower staffing than comparison cities.	Consider conducting analysis of vacancy rates per non-sworn departments. This should include the amount of time budgeted positions are held open before filling and the amount of time exited positions are held vacant prior to hiring replacements.	Tracking of turnover data was interrupted by a cyber-attack. Turnover data is now monitored and reported to City Council as a follow up to their priority of recruitment and retention.

2020 – Munis Report – Sensitive Payments		
Human Resources		
1 Complete		
Finding	**Recommendation**	**Status**
Commercial Driver's License renewals had reimbursement inconsistencies.	Formalize CDL reimbursement policy in a central repository and make the repository available to all employees to ensure all employees are reimbursed consistently.	Section 711 of the City's Personnel Policies and Procedures was updated

2019 - Purchasing		
Information Technology		
1 In Process		
Finding	**Recommendation**	**Status**
MUNIS system users must manually select three-way matching when entering requisitions. This is an internal control to prevent overspending or paying for something that was not received. In our sample of requisitions, there were 58 instances where three-way match was applicable, but the user did not select this option.	Evaluate whether the system can be modified for three-way match to be the default, and only require a manual change if three-way match is not required.	The recommended corrective action is in process.

2019 - Overtime		
Information Technology		
1 In Process		
Finding	**Recommendation**	**Status**
There was a separation of duties conflict where a role was able to create personnel actions and run payroll.	The role should be split into a payroll processing role and a separate HR functional role that allows view only access.	The recommended corrective action is in process.

2020 – Munis Report-Sensitive Payments
Information Technology
4 In Process

Finding	Recommendation	Status
The workaround to avoid duplicate payments creates incomplete travel claim history.	Integrate P-Card functionality or add an information data field.	The recommended corrective action is in process.
Workflow in employee master file recorded the person who moved data into production as the person who "input" the data. In the payroll module, travel claim numbers were not correctly labeled.	Discuss system changes with Tyler Technologies.	The recommended corrective action is in process.
Business rules and workflow steps needed review.	Formalize a review of business rules and step configuration.	The recommended corrective action is in process.
Employees do not see their travel claim after travel coordinators have access to it. Employees do not have the opportunity to see if any changes were made to their claim.	Add a workflow step to send information to the employee after their claim has been processed by the travel coordinator.	The recommended corrective action is in process.

2023 – Oklahoma Open Meeting Act
Legal
2 – In Process

Finding	Recommendation	Status
Monitoring of Oklahoma Open Meeting Act compliance can be improved through risk assessment.	Adopt a risk assessment process to help with deciding the extent of monitoring for each public body.	The job description for a position in the Legal Department was updated. An employee was hired for the position. This employee will assess how the recommendations will be implemented.
Some liaisons have not received formal training on requirements.	Establish a training plan for liaisons.	

Overtime Police 1 – In Process		
Finding	**Recommendation**	**Status**
Police overtime submissions for sworn staff were not in compliance with the State of Oklahoma's Labor Statue that requires overtime to be paid 14 days after the end of the pay period.	Adopt an automated timekeeping system to expedite the overtime payments.	The Police Chief agrees that this is an issue. Process efficiencies will be created to expedite processing overtime within the 14-day window.

Construction Program Public Works 2 - Complete		
Finding	**Recommendation**	**Status**
Additional public-private partnership project risks need to be considered.	Augment staff capabilities for managing public-private partnership project risks.	Construction inspection training and development program was approved by HR in December 2021, rolled out in January 2022, and continued through FY23. Additional training topics are being added to ensure project components meet and/or exceed construction specifications.
Contractor performance history and capability are not tracked to the extent that performance can be considered when selecting a bid.	Establish a system to track issues for each contractor. Track federal and state debarments, litigations, and claims for contractors.	Contractors performing work for the City of Tulsa must be prequalified. The initial pre-qualification application details the history and capability of the contractor. This was not tracked thereafter. The contractors' renewal application was modified to include information on: failure to complete work, failure to enter into contract once awarded, failure of any officer or partner of the organization in a role of officer or partner of another organization failed to complete a construction contract, and failure of any officer or partner of the organization ever failed to complete a construction contract handled under his/her name. Regardless of prequalification, Grants Administration verifies debarment status for any contractor utilizing grant funds for the City of Tulsa. There must be proof of good standing and their record is checked in the System for Award Management (SAM) for status.

2022 – Review of Annual Water Quality Report record 1133 Water and Sewer 1 Complete		
Finding	**Recommendation**	**Status**
There were no policies and procedures for the Water Quality Report.	Thoroughly document the process, including exhibits.	A standard operating procedure for the Water Quality Report has been written.