Report of Management Actions on Internal Audit Recommendations
As of June 30, 2011

City of Tulsa Internal Auditing
DECEMBER 2011

Report of Management Actions
on Internal Audit Recommendations
As of June 30, 2011

City of Tulsa Internal Auditing

Ron Maxwell, CIA, CFE
Chief Internal Auditor

Clift Richards, CPA
City Auditor

AUDIT TEAM:
Cecilia Ackley, CPA
Lela Walden, CPA
Nathan Pickard, CIA
John Disler

INTRODUCTION

The purpose of this report is to provide information on the status of corrective action management has agreed to implement. This report is one of the ways Internal Auditing reports on the actions taken by management on audit recommendations.

Internal Auditing maintains a database to track pending corrective action. Since its creation in 1988, Internal Auditing has made a total of 1,230 recommendations for improvement. The database contains 1,021 of the recommendations. The recommendations not tracked were made to grant sub-recipients or are tracked in other ways. Exhibit 1 on page 2 presents summary information about the 1,021 recommendations on the database.

Each recommendation on the database has a date when corrective action is to be completed. Annually, Internal Auditing sorts the database to identify all pending recommendations with expired completion dates. An inquiry form is sent for each expired completion date asking whether corrective action has been completed.

This year, Internal Auditing distributed 34 inquiry forms for recommendations with projected completion dates through June 30, 2011. City managers were requested to indicate if corrective action had been completed. The results from the inquiry forms in this report are based on the responses provided by management. The responses were not independently verified by Internal Auditing.

Based on the information provided by management on the inquiry forms and other correspondence with Internal Auditing, corrective action on 17 audit recommendations had been completed during the fiscal year ended June 30, 2011. Management, also, partially completed corrective action on 17 additional recommendations.

A history of audit recommendations is presented at Exhibit 1 on page 2. A summary of the inquiry results is presented at Exhibit 2 on page 3. Exhibit 3 on page 4 presents the status of audit recommendations made during the last five fiscal years.

Exhibit 1
HISTORY OF AUDIT RECOMMENDATIONS

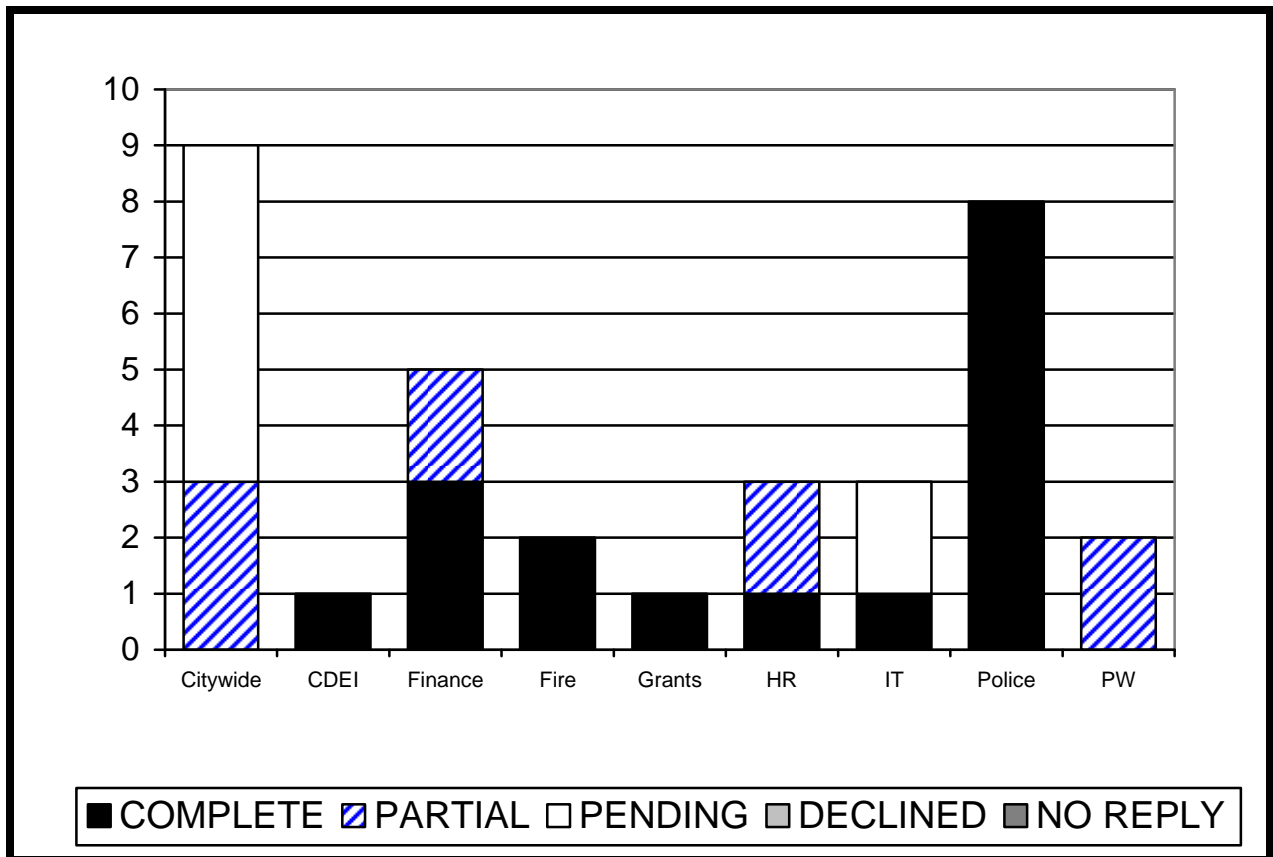| BEFORE STATUS UPDATES					
	Number of Findings	Number Declined*	Number Accepted	Number Completed	Number Open
Airport	44	3	41	41	0
City Council	16	0	16	16	0
Citywide	41	6	35	26	9
Community Development and Education	5	0	5	4	1
Development Services	21	2	19	19	0
Economic and Real Estate Development	6	1	5	5	0
Equipment Management	31	1	30	30	0
Finance	224	28	196	191	5
Fire	40	0	40	38	2
Gilcrease Museum	23	0	23	23	0
Grants Administration	8	0	8	7	1
Human Resources	109	8	101	98	3
Human Rights	1	0	1	1	0
Information Technology	86	7	79	76	3
Legal	13	1	12	12	0
Municipal Court	38	4	34	34	0
Park	47	8	39	39	0
Performing Arts Center	7	0	7	7	0
Police	134	24	110	102	8
Public Works	105	9	96	94	2
Real Estate Management	5	0	5	5	0
Tulsa Area Emergency Management Agency	2	0	2	2	0
Tulsa Zoo	6	1	5	5	0
Working in Neighborhoods	9	1	8	8	0
TOTAL	1,021	104	917	883	34
Total recommendations included in this status report					34

*This column includes recommendations that were declined by management or not implemented because of changed conditions.

AFTER STATUS UPDATES					
	Number of Findings	Number Declined*	Number Accepted	Number Completed	Number Open
Airport	44	3	41	41	0
City Council	16	0	16	16	0
Citywide	41	6	35	26	9
Community Development and Education	5	0	5	5	0
Development Services	21	2	19	19	0
Economic and Real Estate Development	6	1	5	5	0
Equipment Management	31	1	30	30	0
Finance	224	28	196	194	2
Fire	40	0	40	40	0
Gilcrease Museum	23	0	23	23	0
Grants Administration	8	0	8	8	0
Human Resources	109	8	101	99	2
Human Rights	1	0	1	1	0
Information Technology	86	7	79	77	2
Legal	13	1	12	12	0
Municipal Court	38	4	34	34	0
Park	47	8	39	39	0
Performing Arts Center	7	0	7	7	0
Police	134	24	110	110	0
Public Works	105	9	96	94	2
Real Estate Management	5	0	5	5	0
Tulsa Area Emergency Management Agency	2	0	2	2	0
Tulsa Zoo	6	1	5	5	0
Working in Neighborhoods	9	1	8	8	0
TOTAL	1,021	104	917	900	17

*This column includes recommendations that were declined by management or not implemented because of changed conditions.
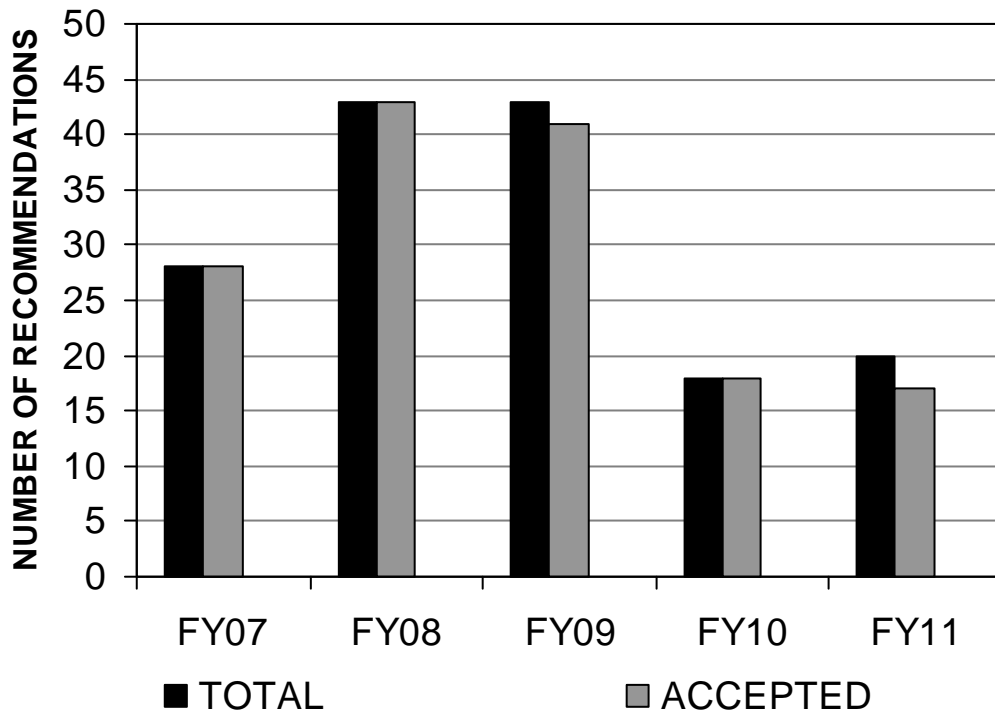
Exhibit 2
ANALYSIS OF RESPONSES TO 6/30/11 STATUS INQUIRIES

	COMPLETE	PARTIAL	PENDING	WILL NOT BE IMPLEMENTED	NO REPLY	TOTAL
Citywide	0	3	6	0	0	9
Community Development and Education Initiatives (CDEI)	1	0	0	0	0	1
Finance	3	2	0	0	0	5
Fire	2	0	0	0	0	2
Grants Administration	1	0	0	0	0	1
Human Resources (HR)	1	2	0	0	0	3
Information Technology (IT)	1	1	1	0	0	3
Police	8	0	0	0	0	8
Public Works (PW)	0	2	0	0	0	2
TOTAL	17	10	7	0	0	34
PERCENT	53%	18%	29%	0%	0%	100%

Exhibit 3

RECORD OF AUDIT RECOMMENDATIONS
## FOR THE LAST FIVE FISCAL YEARS

These numbers are based on the management responses to the initial audit report.
Current statistics are shown in Exhibit 1.
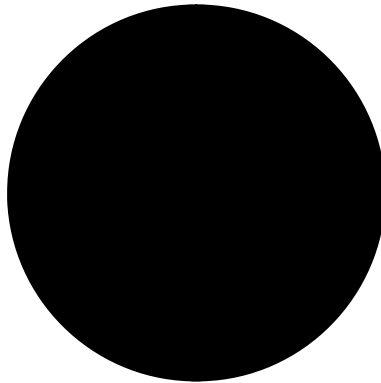
AIRPORT

AUDIT HISTORY AS OF JUNE 30, 2011

NAME OF AUDIT	AUDIT COMPLETION DATE	NUMBER OF FINDINGS	NUMBER DECLINED	NUMBER ACCEPTED	NUMBER COMPLETED	NUMBER OPEN
Construction Contract Change Orders	Oct 12, 1988	2	0	2	2	0
Airport Concessions & Rental	Sep 21, 1990	31	2	29	29	0
Supplies Inventory	May 04, 2000	3	0	3	3	0
Accounts Receivable Controls Revw	Dec 02, 2004	8	1	7	7	0
Total		44	3	41	41	0

COMPLETE
93%
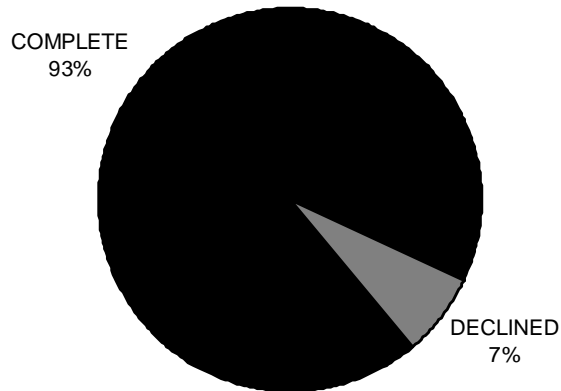
DECLINED
7%

CITY COUNCIL

AUDIT HISTORY AS OF JUNE 30, 2011

| NAME OF AUDIT	AUDIT COMPLETION DATE	NUMBER OF FINDINGS	NUMBER DECLINED	NUMBER ACCEPTED	NUMBER COMPLETED	NUMBER OPEN
Imprest & Petty Cash	Apr 15, 1993	2	0	2	2	0
City Council Special Investigation	Aug 31, 1999	8	0	8	8	0
Budget Process/Council	Sep 12, 2006	5	0	5	5	0
Grants Administration	Jan 30, 2008	1	0	1	1	0
Total		<u>16</u>	<u>0</u>	<u>16</u>	<u>16</u>	<u>0</u>

COMPLETE
100%

CITY-WIDE

AUDIT HISTORY AS OF JUNE 30, 2011

NAME OF AUDIT	AUDIT COMPLETION DATE	NUMBER OF FINDINGS	NUMBER DECLINED	NUMBER ACCEPTED	NUMBER COMPLETED	NUMBER OPEN
Equipment Utilization	Feb 28, 1991	4	0	4	4	0
Parking Facilities Revenue	Sep 15, 1992	2	1	1	1	0
Information Systems Plan Special Examination	Nov 29, 1993	8	2	6	6	0
Records Retention & Storage	Dec 21, 1993	1	0	1	1	0
Chamber of Commerce Contract Compliance	Mar 31, 1994	6	1	5	5	0
LAN Security & Planning	Nov 28, 1995	7	1	6	6	0
Ethics Complaint	Mar 17, 2006	4	1	3	3	0
Expenditure Analysis	Jan 31, 2009	6	0	6	0	6
Ethics Complaint	May 19, 2011	3	0	3	0	3
Total		41	6	35	26	9
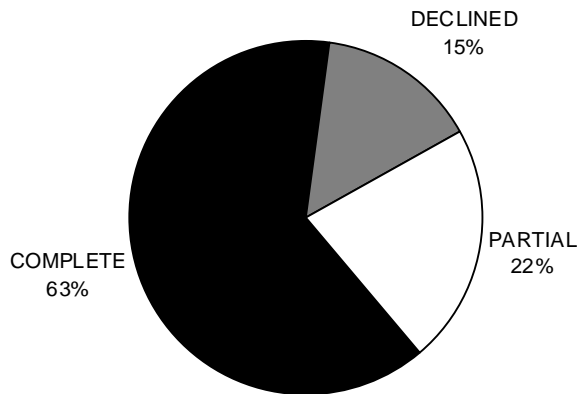
CITY-WIDE

Corrective action is PENDING on the following:

Audit – Expenditure Analysis
Finding 2 - Access all spend data sources.
Response – Lack of funding for new technology for expenditure analysis has stalled this effort. In addition, the expenditure analysis function belongs to the Finance department. The IT Department requests that this audit finding be transferred to Finance.
Finding 3 - Adopt a common transaction coding classification method citywide.
Response – Lack of funding for new technology for expenditure analysis has stalled this effort. In addition, the expenditure analysis function belongs to the Finance department. The IT Department requests that this audit finding be transferred to Finance.
Finding 4 - Establish efficient and repeatable data cleansing (accuracy checking).
Response – Lack of funding for new technology for expenditure analysis has stalled this effort. In addition, the expenditure analysis function belongs to the Finance department. The IT Department requests that this audit finding be transferred to Finance.
Finding 5 - Provide information to empower buyers to become commodity managers.
Response - Lack of funding for new technology for expenditure analysis has stalled this effort. In addition, the expenditure analysis function belongs to the Finance department. The IT Department requests that this audit finding be transferred to Finance.
Finding 6 - Classify spending at a detailed level.
Response – Lack of funding for new technology for expenditure analysis has stalled this effort. In addition, the expenditure analysis function belongs to the Finance department. The IT Department requests that this audit finding be transferred to Finance.
Finding 7 - Enhance core spend data with management information (business intelligence).
Response - Lack of funding for new technology for expenditure analysis has stalled this effort. In addition, the expenditure analysis function belongs to the Finance department. The IT Department requests that this audit finding be transferred to Finance.
Audit – Special Project – Ethics complaint
Finding 1 – The Mayor should request an opinion on appearance of any impropriety from the Ethics Advisory Committee before accepting free services from contractors. The Mayor should obtain City Council approval of acceptance of free service donations as required by Title 4, Chapter 3, TRO Section 313 entitled "donations".
Finding 2 – The Mayor should request an Ethics advisory committee opinion on influence or perception of influence in performance of official duties before accepting free services intended as public service from city contractors. In event of any future contracts between the City of Tulsa and the contractor, the Mayor should file with the City Clerk a disclosure of the personal interest (attorney-client relationship) with the contractor and not participate in any city business with the contractor.

Finding 3- The City should adopt and document policies and procedures for engagement of outside legal counsel.

Response –A process will be developed for providing staff input to the Mayor regarding requirements and procedures for compliance with the Ethics Ordinance, Donations Ordinance, Travel Ordinance and Policies. An on-going contact will be established for the Mayor to work with the Director of Finance for input regarding acceptance and processing of donation transactions as such occur. The City Legal Department will be consulted regarding development of policies and procedures for engagement of outside legal counsel.

COMMUNITY DEVELOPMENT AND EDUCATIONAL INITIATIVES

AUDIT HISTORY AS OF JUNE 30, 2011

NAME OF AUDIT	AUDIT COMPLETION DATE	NUMBER OF FINDINGS	NUMBER DECLINED	NUMBER ACCEPTED	NUMBER COMPLETED	NUMBER OPEN
Special Project – Animal Welfare Center (CDEI)	Aug 01, 2009	5	0	5	5	0
Total		5	0	5	5	0

PARTIAL
0%
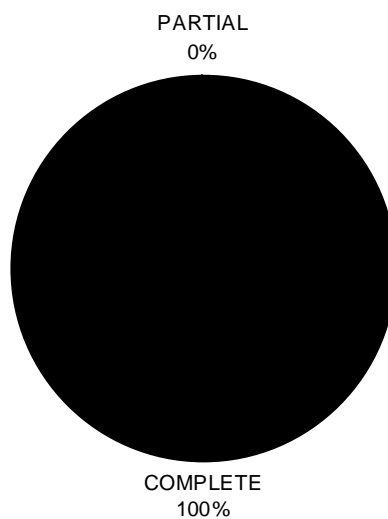
COMPLETE
100%

The Community Development and Education Initiatives Department completed the following:

**Audit** – Special Project – Animal Welfare Center
> **Finding 3** – Revenues from AWC and the centers are not reconciled to the general ledger.

- **Response** – CDEI-Administration reconciles the Park's Department Safari System and Animal Welfare's subsidiary system receipts directly to the General Ledger on a monthly basis.

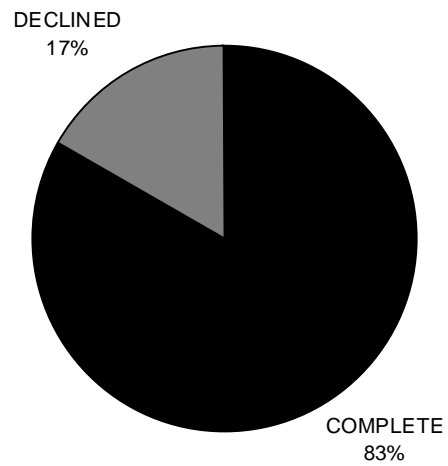# DEVELOPMENT SERVICES

AUDIT HISTORY AS OF JUNE 30, 2011

NAME OF AUDIT	AUDIT COMPLETION DATE	NUMBER OF FINDINGS	NUMBER DECLINED	NUMBER ACCEPTED	NUMBER COMPLETED	NUMBER OPEN
Permit and License Issuance	Nov 15, 1988	5	0	5	5	0
Permits & Licenses	Feb 13, 2001	16	2	14	14	0
Total		21	2	19	19	0

DECLINED
10%
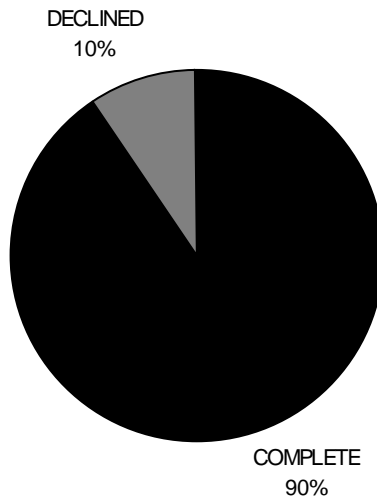
COMPLETE
90%

ECONOMIC AND REAL ESTATE DEVELOPMENT

AUDIT HISTORY AS OF JUNE 30, 2011

NAME OF AUDIT	AUDIT COMPLETION DATE	NUMBER OF FINDINGS	NUMBER DECLINED	NUMBER ACCEPTED	NUMBER COMPLETED	NUMBER OPEN
Chamber of Commerce Contract Compliance	Jun 30, 2008	6	1	5	5	0
Total		6	1	5	5	0

DECLINED
17%

COMPLETE
83%

EQUIPMENT MANAGEMENT DEPARTMENT

AUDIT HISTORY AS OF JUNE 30, 2011

| NAME OF AUDIT	AUDIT COMPLETION DATE	NUMBER OF FINDINGS	NUMBER DECLINED	NUMBER ACCEPTED	NUMBER COMPLETED	NUMBER OPEN
Follow-Up Fuels Inventory Management Practices	Apr 20, 1989	3	0	3	3	0
Equipment & Vehicle Maintenance	Nov 01, 1990	11	0	11	11	0
Inventory Management and Control	Jan 01, 1991	9	1	8	8	0
Imprest & Petty Cash	Apr 15, 1993	1	0	1	1	0
Follow-up Inventory Management and Control	Dec 23, 1996	4	0	4	4	0
Equipment Repair-Outside Contractors	May 03, 2000	3	0	3	3	0
Total		31	1	30	30	0

COMPLETE 97%
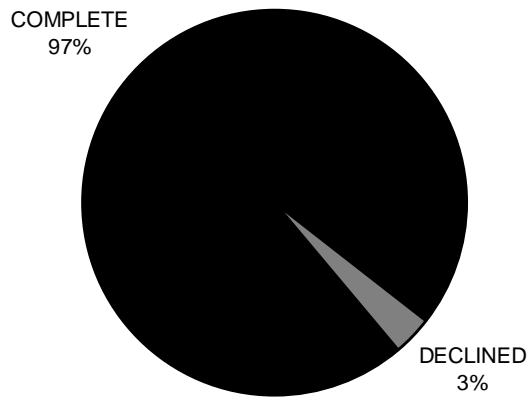
DECLINED 3%

FINANCE DEPARTMENT

AUDIT HISTORY AS OF JUNE 30, 2011

NAME OF AUDIT	AUDIT COMPLETION DATE	NUMBER OF FINDINGS	NUMBER DECLINED	NUMBER ACCEPTED	NUMBER COMPLETED	NUMBER OPEN
Investments	Feb 28, 1989	6	0	6	6	0
Surplus Property	Apr 04, 1989	16	2	14	14	0
Payroll Cycle	Nov 01, 1989	6	0	6	6	0
Consolidated City-County Jail Agreement	Apr 01, 1990	1	0	1	1	0
Workers' Compensation	Jun 01, 1991	4	1	3	3	0
Payroll Computer Password & Security Controls	Nov 15, 1991	5	0	5	5	0
Fixed Assets	Jan 01, 1992	8	1	7	7	0
Application Review/Program Budgeting System	Jul 15, 1992	2	0	2	2	0
Budget Process	Jul 15, 1992	3	0	3	3	0
Capital Projects/Construction Contract Adm	Dec 03, 1992	5	1	4	4	0
Application Review-Payroll	Feb 22, 1993	5	1	4	4	0
Imprest & Petty Cash	Apr 15, 1993	2	0	2	2	0
Revenue/Accounts Receivable	Jul 29, 1993	9	3	6	6	0
Citation Control/Fine Collection	Jun 26, 1995	3	1	2	2	0
Code Enforcement	Jul 15, 1995	4	1	3	3	0
License and Permit Center Audit	Aug 08, 1996	9	1	8	8	0
Police Grants Administration	Aug 22, 1997	18	2	16	16	0
Long Term Debt	Mar 15, 1998	3	0	3	3	0
Grants Accounting	Mar 18, 1999	1	0	1	1	0
Cash Flow Position/Forecasting	Jun 24, 1999	5	2	3	3	0
Personnel/Payroll Accounting Systems	Jan 31, 2000	11	2	9	9	0
Revenue/Cash Control	Jun 30, 2000	3	2	1	1	0
Purchase Cards	Jun 01, 2001	10	1	9	9	0
Purchasing/Accounts Payable	Jun 01, 2001	18	5	13	13	0
Changes to Construction Contracts	Sep 11, 2001	1	0	1	1	0
Contract Database	Sep 30, 2001	8	1	7	7	0
Municipal Budget Act Compliance	Mar 18, 2002	1	0	1	1	0
General Ledger	Apr 10, 2002	1	0	1	1	0
Municipal Budget Act - Airport (Special Project)	Jun 19, 2003	4	1	3	3	0
Wire Transfers	Aug 22, 2003	12	0	12	12	0
Point of Sale	May 14, 2004	1	0	1	1	0

Fixed Asset / PC Equipment	Aug 15, 2004	6	0	6	4	2
Cost Allocation	Apr 15, 2005	7	0	7	7	0
Revenue Analysis - Sales Tax	Jun 07, 2005	6	0	6	6	0
Grants-Workforce Development/Community Service	Nov 13, 2006	9	0	9	9	0
Purchase Card Review	Feb 29, 2008	6	0	6	6	0
Special Project - Animal Welfare Center (CDEI)	Aug 01, 2009	5	0	5	5	0
Total		<u>224</u>	<u>28</u>	<u>196</u>	<u>194</u>	<u>2</u>
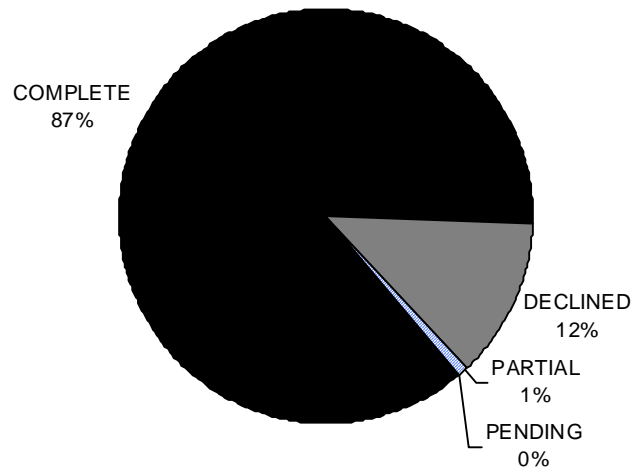
FINANCE DEPARTMENT

The Finance Department COMPLETED the following:

AUDIT – Special Project – Animal Welfare

FINDING 1 – The City does not have written cash-handling policy and procedures for processing its revenue.

RESPONSE – Treasury is currently well into development of a draft for an all-encompassing citywide cash handling policy and procedure manual. The manual addresses cash-handling training, as well as cash drawer accountability and procedures for employees in all cash-handling locations. Treasury has identified the following locations with employees in cash-handling responsibilities: Revenue Processing (City Hall cashiers and Municipal Court cashier), Parks and Recreation Centers (Central, Chamberlain, Henthorne/Heller, Hicks, Lacy, McClure, Oxley, Reed, WaterWorks, and Whiteside), Animal Welfare, Municipal Courts Booking, Tulsa Police Records Division, Tulsa Police Property Room, and Performing Arts Center. Currently, Revenue Processing, Parks and Recreation, and Animal Welfare are working from previously instituted procedures for cash-handling. These procedures are being incorporated into the full-scale policy and procedure manual.

Staffing issues have prevented the full completion of the policy and procedure manual to date, however, it is expected that this manual will be completed by November 1, 2011

Training of staff at each individual location involved with cash-handling will commence with the release of the policy and procedure manual. Anticipation of commencement of this training is December 2011.
.
FINDING 9 – Central Recreation Center does not have an assigned change fund.

RESPONSE – Currently, none of the Recreation Centers operate with a change fund. Treasury will review this practice to evaluate if it warrants modification. Based in this decision, proper procedures for managing this fund will be integrated into the cash-handling policy and procedure manual.

With regards to cash acceptance and balancing, training was held for any staff members handling or responsible for cash at each of the recreation centers during the summer and fall of 2009. It is now Treasury's goal to provide this training and oversight consistently on an annual basis. Staffing issues have prevented this in 2010, but we expect this to take place during the next few months. This will continue to be addressed and included in the Cash Handling Manual, which will be completed by November 1, 2011. Training will recommence in December 2011, in conjunction with the release of the policy and procedure manual.

FINDING 10 – The City does not have written policy or procedures for City safes.

RESPONSE - City Safes and codes have been identified and combinations are sealed and stored in Treasury Administration. Treasury is currently developing an all-encompassing cash-handling policy and procedure manual, which will include processes for maintaining the security and integrity of all city safes. This cash-handling policy and procedure manual will be completed by November 1, 2011.

The Finance Department PARTIALLY COMPLETED the following:

AUDIT – Fixed Asset / PC Equipment
FINDING 1.1 – Executive order 03-06 outlines a cohesive process for maintaining control of fixed assets. Noncompliance with any of the requirements will affect the success of properly recording, tracking, and safeguarding fixed assets.
RESPONSE – With the integration of Public Works' former Capital Assets staff into the Finance department, BarScan procedures have continued to evolve and be refined. Comprehensive update of capital assets procedures documentation is among projects planned to be completed during FY11.

AUDIT – Fixed Asset / PC Equipment
FINDING 5 – The source used for determining asset lives is not authorized.
RESPONSE – Review of the City's actual asset retention and retirement experience is among projects planned to be completed for major asset classes during FY11.

FIRE DEPARTMENT

AUDIT HISTORY AS OF JUNE 30, 2010

NAME OF AUDIT	AUDIT COMPLETION DATE	NUMBER OF FINDINGS	NUMBER DECLINED	NUMBER ACCEPTED	NUMBER COMPLETED	NUMBER OPEN
Inventory Management & Control	Apr 11, 1994	24	0	24	24	0
Employee Leave Systems	Feb 19, 1999	4	0	4	4	0
Safety Procedures	May 26, 2004	7	0	7	5	2
Special Project - Fire Department CEU	Apr 01, 2010	5	0	5	5	0
Total		40	0	40	40	0

COMPLETE
100%

PARTIAL
0%
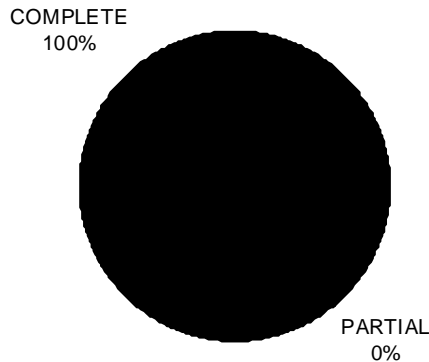
The Fire Department COMPLETED the following:

Audit – Safety Procedures

Finding 4 – Annual physical examinations by a firefighter's personal physician should be as complete as those performed by the City Physician.

Response – This issue is still under direct supervision of the Health, Wellness and Safety Committee and will remain there for review and status update.

The fire fighter, following his/her annual physical from a personal physician will provide notification and present all required documentation to City Medical for the City Physician's review.

Tulsa Fire Department's current policy – Administrative Operating Procedures (AOP) Section 619 states that the member shall have undergone a comparable physical by a personal physician.

All fire fighters, in addition to their annual physical are required to take a hearing and pulmonary exam for medical clearance with respirator use at City Medical.

Finding 6 – There are no written procedures for retaining records of respirator fit tests.

Response – The Emergency Operating Procedures (EOP) has been updated and is now the new Emergency Operating Guidelines (EOG) and addresses respirator fit testing. Section 200.3.4 of the new EOG includes Fit Testing and assigns the fit test results to be kept by the Chief of Health and Safety, both electronic and hard copy form.

Retention and time line of records for respiratory fit testing of firefighters is covered under the Occupational Safety and Health Standard – Number 1910.134 Title Respiratory Protection.

Records are maintained for each member:

- Medical Clearance from City Medical for the current year in hard copy and electronic.
- Face Piece Fit Test performed on every member annually by Tulsa Fire Department, with the current year in hard copy and electronic.
- All past years kept by electronic method – Scanning and data entry.

GILCREASE MUSEUM

AUDIT HISTORY AS OF JUNE 30, 2010

| NAME OF AUDIT	AUDIT COMPLETION DATE	NUMBER OF FINDINGS	NUMBER DECLINED	NUMBER ACCEPTED	NUMBER COMPLETED	NUMBER OPEN
Gilcrease Museum Revenue Controls	Oct 31, 1988	20	0	20	20	0
Imprest & Petty Cash	Apr 15, 1993	2	0	2	2	0
Public Facilities Security	Jul 30, 2003	1	0	1	1	0
Total		23	0	23	23	0
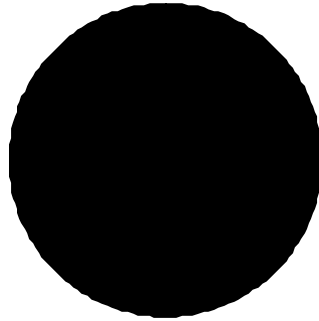
COMPLETE
100%

GRANTS ADMINISTRATION

AUDIT HISTORY AS OF JUNE 30, 2011

NAME OF AUDIT	AUDIT COMPLETION DATE	NUMBER OF FINDINGS	NUMBER DECLINED	NUMBER ACCEPTED	NUMBER COMPLETED	NUMBER OPEN
Grants Administration	Jan 30, 2008	8	0	8	8	0
Total		8	0	8	8	0

PARTIAL
0%
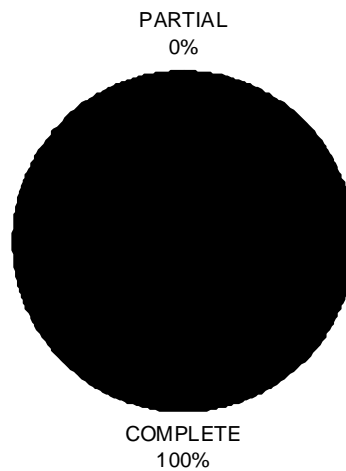
COMPLETE
100%

The Grants Administration Department completed the following:

**Audit** – Grants Administration

    Finding 9 – There is no process to ensure program income at the IDIS activity level is fully expended prior to requesting and using new entitlement funds for the activity.

    Response – Grant's fiscal staff and Accounting work together to plan a drawdown. Accounting staff sends a spreadsheet with details. Grants checks IDIS (HUD's transaction computer system) for program income (PI). When there is PI available, they tell Finance to code the draw accordingly and Grants staff makes a corresponding entry into the IDIS transactions system.

HUMAN RESOURCES DEPARTMENT

AUDIT HISTORY AS OF JUNE 30, 2011

NAME OF AUDIT	AUDIT COMPLETION DATE	NUMBER OF FINDINGS	NUMBER DECLINED	NUMBER ACCEPTED	NUMBER COMPLETED	NUMBER OPEN
Municipal Employees' Retirement Plan	Aug 31, 1989	13	2	11	11	0
Temporary Personnel	Apr 15, 1991	9	1	8	8	0
Workers' Compensation	Jun 01, 1991	20	0	20	20	0
Payroll Computer Password & Security Controls	Nov 15, 1991	5	0	5	5	0
Loss Control Administration	Dec 15, 1994	14	1	13	13	0
Employee Leave Systems	Feb 19, 1999	3	0	3	3	0
Personnel/Payroll Accounting Systems	Jan 31, 2000	2	0	2	2	0
Revenue/Cash Control	Jun 30, 2000	1	0	1	1	0
Deferred Compensation	Feb 01, 2001	1	0	1	1	0
Education & Tuition Benefits Program	Oct 16, 2002	4	0	4	4	0
Financial Systems Security	Oct 21, 2002	1	0	1	1	0
Municipal Employees Retirement Plan	Jun 26, 2003	11	2	9	9	0
Accounts Receivable Controls Revw	Dec 02, 2004	2	1	1	1	0
Hiring and Promotion	Sep 19, 2006	6	0	6	5	1
Safety Training	Mar 14, 2008	7	0	7	7	0
Insurance Administration	Jun 30, 2009	10	1	9	8	1
Total		109	8	101	99	2
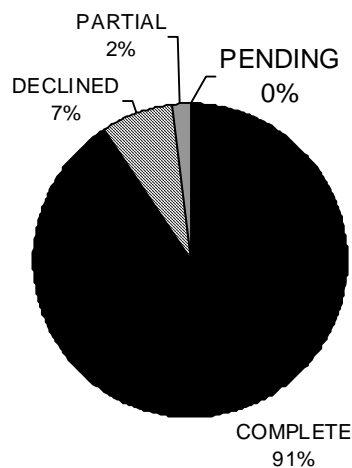
HUMAN RESOURCES DEPARTMENT

The Human Resources Department COMPLETED the following:

Audit – Safety Training

Finding 3 – Performance measures have not been updated.

Response – The Management Safety Committee meets on a quarterly basis, and has given HR/safety the task of reducing collisions and injuries by 10% over a 3 year average. Injuries and collisions are compiled and reported to the committee each quarter. A report showing facility and job site inspections conducted with a report on violations found will be provided to the committee. Performance Measures will be reviewed for updates.

The Human Resources Department PARTIALLY COMPLETED the following:

AUDIT – Insurance Administration

Finding 8 – Policy and procedure manuals are not adequate for Insurance Retirement Services (IRS) staff.

Response – We are currently gathering data to create a policy and procedure manual for both insurance and retirement. We should have the approved manuals in place by June 2012.

**Audit** – Hiring and Promotion

Finding 5 – No formal risk assessment process exists.

Response – Discussions have been held with the City Risk manager and are on-going to date.

HUMAN RIGHTS DEPARTMENT

AUDIT HISTORY AS OF JUNE 30, 2011

| NAME OF AUDIT	AUDIT COMPLETION DATE	NUMBER OF FINDINGS	NUMBER DECLINED	NUMBER ACCEPTED	NUMBER COMPLETED	NUMBER OPEN
Contracts Monitoring	Dec 02, 1999	1	0	1	1	0
Total		1	0	1	1	0
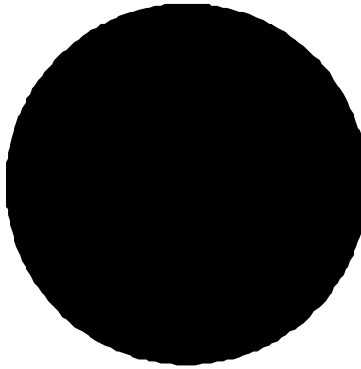
COMPLETE
100%

INFORMATION TECHNOLOGY DEPARTMENT

AUDIT HISTORY AS OF JUNE 30, 2011

NAME OF AUDIT	AUDIT COMPLETION DATE	NUMBER OF FINDINGS	NUMBER DECLINED	NUMBER ACCEPTED	NUMBER COMPLETED	NUMBER OPEN
General Controls Review	Dec 05, 1988	7	0	7	7	0
ICS Bull Mainframe Password/Security	Jun 30, 1989	8	0	8	8	0
Application Review-Payroll	Feb 22, 1993	3	0	3	3	0
LAN Security & Planning	Nov 28, 1995	4	1	3	3	0
Mail Room Procedures & Postage Control	Feb 08, 1999	9	2	7	7	0
Employee Leave Systems	Feb 19, 1999	3	0	3	3	0
Emergency Warning System Support	Dec 31, 1999	1	0	1	1	0
Revenue/Cash Control	Jun 30, 2000	5	0	5	5	0
Phone System	Oct 31, 2000	2	1	1	1	0
Phone System Operation & Security	Oct 31, 2000	1	0	1	1	0
Back-up and Recovery of Data and Program Files	Oct 31, 2001	2	1	1	1	0
Financial Systems Security	Oct 21, 2002	17	2	15	15	0
Help Desk/Technical Support	Aug 01, 2003	6	0	6	6	0
Information Technology Control Environment	Aug 18, 2005	5	0	5	5	0
Software Licenses	Aug 21, 2006	5	0	5	4	1
Help Desk Evaluation	Apr 10, 2007	3	0	3	3	0
Financial Systems Support	Nov 30, 2008	5	0	5	4	1
Total		86	7	79	77	2

COMPLETE
90%

DECLINED
8%

PARTIAL
0%

PENDING
2%
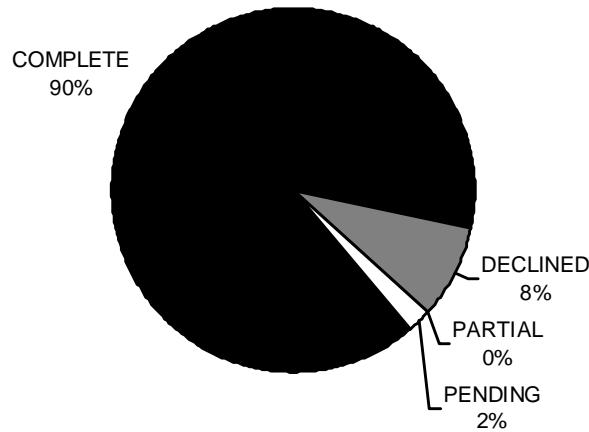
INFORMATION TECHNOLOGY DEPARTMENT

Corrective action is completed on the following:

Audit – Information Technology Control Technology
Finding 1 – A citywide strategic plan should be created and updated annually.
Response – The IT Department has developed a strategic plan defining department goals, risks and strategic initiatives. The IT strategic plan committee will continue to review and revise the plan at least twice annually.

Corrective action is PENDING or IN PROCESS on the following:
Audit – Financial Systems Support
Finding 2 – There is insufficient cross-training within the Financial System technical support group.
Response – This recommendation was originally made several years ago when the IT Financial Systems section was fully staffed. This section of IT is currently staffed at only 50% of its original level because it has experienced high attrition and turnover. As a result of budget cuts, several of the open positions in this section have been abolished and cannot be filled. There are two open positions that can be filled and the team is actively engaged in finding qualified individuals to fill those positions. Once the 2 positions have been filled, the team will start developing a cross-training plan that meets this audit requirement. The projected completion date is December 2011.
**Audit** – Software Licenses
Finding 1 – Citywide policy on software usage is incomplete.
Response – The final draft of a citywide policy on software usage has been approved by Human Resources and is awaiting approval from the Legal Department.
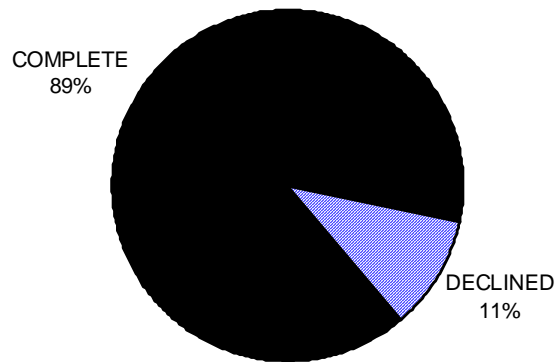
LEGAL DEPARTMENT

AUDIT HISTORY AS OF JUNE 30, 2011

NAME OF AUDIT	AUDIT COMPLETION DATE	NUMBER OF FINDINGS	NUMBER DECLINED	NUMBER ACCEPTED	NUMBER COMPLETED	NUMBER OPEN
Selected Management Practice	May 01, 1988	5	0	5	5	0
Workers' Compensation	Jun 01, 1991	4	0	4	4	0
Citation Control/Fine Collection	Jun 26, 1995	1	0	1	1	0
Contract Database	Sep 30, 2001	1	0	1	1	0
Cost Allocation	Apr 15, 2005	2	1	1	1	0
Total		13	1	12	12	0

DECLINED
8%
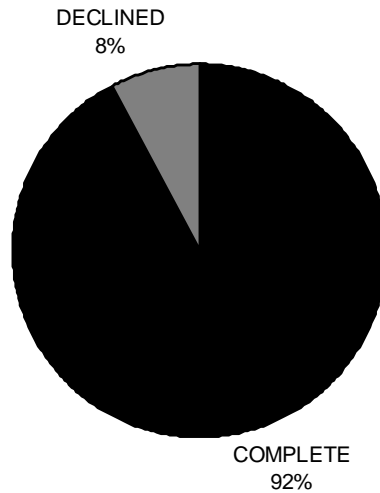
COMPLETE
92%

MUNICIPAL COURT

AUDIT HISTORY AS OF JUNE 30, 2011

NAME OF AUDIT	AUDIT COMPLETION DATE	NUMBER OF FINDINGS	NUMBER DECLINED	NUMBER ACCEPTED	NUMBER COMPLETED	NUMBER OPEN
Follow-Up Cash Management Practices	Oct 01, 1989	11	0	11	11	0
Citation Control/Fine Collection	Jun 26, 1995	13	1	12	12	0
Warrants	Jan 31, 2001	4	1	3	3	0
Booking	Aug 31, 2002	10	2	8	8	0
Total		38	4	34	34	0

COMPLETE
89%

DECLINED
11%

PARK AND RECREATION DEPARTMENT

AUDIT HISTORY AS OF JUNE 30, 2011

NAME OF AUDIT	AUDIT COMPLETION DATE	NUMBER OF FINDINGS	NUMBER DECLINED	NUMBER ACCEPTED	NUMBER COMPLETED	NUMBER OPEN
Imprest & Petty Cash	Apr 15, 1993	4	0	4	4	0
Capital Projects/Construction Contract Adm	Jun 30, 1993	13	1	12	12	0
Parks Petty Cash	Aug 22, 1996	2	0	2	2	0
Employee Leave Systems	Feb 19, 1999	4	0	4	4	0
Revenue/Cash Control	Jun 30, 2000	13	4	9	9	0
Tulsa Zoo Friends Contract Compliance	May 01, 2001	5	1	4	4	0
Computer Systems RecWare - Parks	Feb 04, 2003	4	1	3	3	0
Special Project - Animal Welfare Center (CDEI)	Aug 01, 2009	1	0	1	1	0
Special Project – Giraffe	May 05, 2011	1	1	0	0	0
Total		47	8	39	39	0

COMPLETE 83%
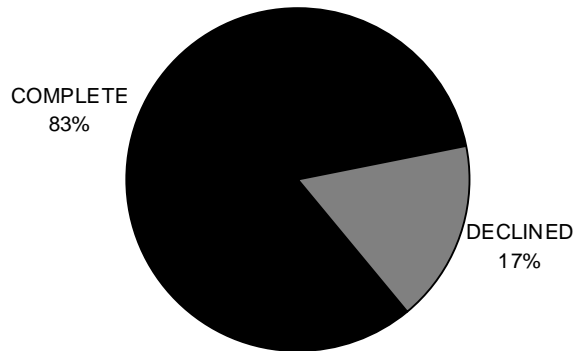
DECLINED 17%

PERFORMING ARTS CENTER

AUDIT HISTORY AS OF JUNE 30, 2011

| NAME OF AUDIT	AUDIT COMPLETION DATE	NUMBER OF FINDINGS	NUMBER DECLINED	NUMBER ACCEPTED	NUMBER COMPLETED	NUMBER OPEN
Follow-Up Ticket Management Practices	Oct 21, 1988	1	0	1	1	0
Review of Cash Accounts and Contract Compliance	Jul 01, 1989	5	0	5	5	0
Ticket Management Practices	Dec 17, 2002	1	0	1	1	0
Total		7	0	7	7	0
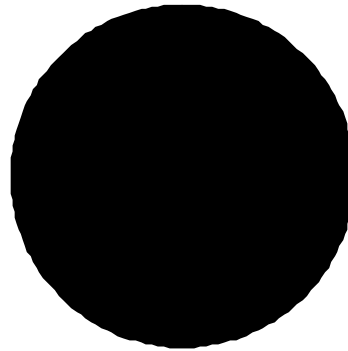
COMPLETE
100%

POLICE DEPARTMENT

AUDIT HISTORY AS OF JUNE 30, 2011

NAME OF AUDIT	AUDIT COMPLETION DATE	NUMBER OF FINDINGS	NUMBER DECLINED	NUMBER ACCEPTED	NUMBER COMPLETED	NUMBER OPEN
Special Investigations Div-	Sep 30, 1988	2	0	2	2	0
Imprest & Petty Cash	Apr 15, 1993	5	0	5	5	0
Police Property Room	Sep 04, 1994	35	17	18	18	0
Citation Control/Fine Collection	Jun 26, 1995	3	0	3	3	0
Court Overtime Special Project	Jan 31, 1997	4	2	2	2	0
Police Grants Administration	Aug 22, 1997	10	1	9	9	0
Employee Leave System	Feb 19, 1999	1	0	1	1	0
Employee Leave Systems	Feb 19, 1999	5	0	5	5	0
Control of Weapons and Special Equipment	Nov 30, 1999	7	2	5	5	0
Records Management - Police Department	Nov 30, 2004	3	0	3	3	0
Property Room/Accreditation - Police Department	Dec 13, 2004	10	0	10	10	0
Special Project TPD T.O.I.C.	Oct 04, 2007	17	0	17	17	0
TPD Inventory Controls	Apr 23, 2009	16	0	16	16	0
TPD Payroll Recordkeeping	Sep 28, 2010	16	2	14	14	0
Total		134	24	110	110	0
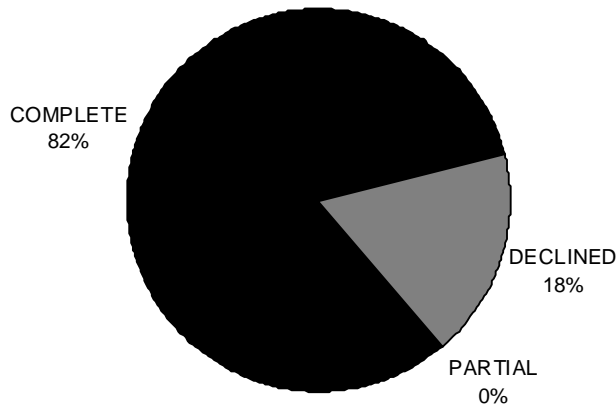
POLICE DEPARTMENT

The Police Department COMPLETED the following:

Audit – TPD Inventory Controls

Finding 2 – Inventory records are not maintained for ammunition.

Response – Procedures are in place and an inventory system has been implemented.

Finding 4 – TPD officers do not sign for ammunition received.

Response - The handwritten log is still being utilized to capture the officer's signature. The ammunition issued is then removed from inventory in the Barscan system by the designated Range Staff member. An additional software upgrade was purchased through Barscan and installed. This allows the workstation scanner to read UPC bar codes on the individual boxes of ammunition and enter that into BarScan at the same time the information is stored on the digital recording of the transaction.

The POS system has been purchased and installed. A further enhancement to automating the process by adding a barcode identifier to the City of Tulsa ID or Police Commission cards will not be implemented at this time due to cost. This will require replacement of all cards and some additional software adjustments that are not funded. This enhancement is not necessary to comply with the audit requirements. All transactions for issuance of ammunition and weapons are recorded on cameras installed as part of the audit recommendations.

Finding 8 – Written physical inventory procedures have not been established.

Response – The Range Unit Manual has been updated in compliance with CALEA requirements.

Audit – TPD Payroll Recordkeeping

Finding 1 – Evidence of time worked by TPD employees is unreliable.

Response – The supervisor will review sign up sheets daily to ensure each officer or employee has signed in for being at work. The SOD Administrative Captain or designee will review all sign up sheets and verify the day is initialed as worked. The SOD staff will take responsibility to ensure proper documentation is submitted by the employee.

Finding 2 Calculation of overtime has not complied with TPD's collective bargaining agreement. Timekeepers should track overtime requests to ensure officers are only paid OT for time worked in excess of a 40 hour work week.

Response – see Response to Finding 1 above.

Finding 3 – Employees received overtime pay for work performed during their regularly scheduled shifts.

Response – We agree that Special Event sponsors provide TPD with advance notice sufficient to either hire off-duty officers, or to schedule officer's time of work to begin after the conclusion of the Special Event. Officers are now required to cancel vacation or compensatory time if called into court or called back to duty and do not receive overtime pay or compensatory time. TPD should not consider time worked during employees' regularly scheduled shifts as overtime or leave, City Payroll is in the process of addressing this issue.

Finding 4 – TPD does not have written policies and procedures for adjusted days off.

Response –TPD will review the current procedure, but change is an issue that will need to be addressed through the City's Collective Bargaining Agreement negotiation process with the Fraternal Order of Police.

Finding 5 – Payments for work periods including holidays on employees' regular days off have not complied with TPD's collective bargaining agreement.

Response – According to Police Payroll, education and longevity is no longer factored in calculation of Holiday Overtime. This problem has been corrected. (see Finding #6). Straight time for a holiday that occurs on a regular day off is considered as a sum of money bargained for, not a day of work bargained for, and is in compliance with the Collective Bargaining Agreement section 14.5.

Finding 6 – Evidence of time worked by TPD employees is unreliable.

Response – See Above Finding 5.

Finding 7 – TPD employees have elected compensatory time for voluntarily working special events.

Response – The practice of allowing compensatory time rather than overtime for BOK events is no longer allowed. TPD has recommended that a surcharge be assessed to BOK event ticket costs.

Finding 8 – TPD's timekeeping system is outdated and inefficient.

Response – We recommend that either the City commit to implementation of City-wide enterprise solution, or allow TPD to implement an electronic timekeeping system independently.

Finding 9 – Employees may have used some leave they did not report.

Response – We agree. This has been addressed as a supervisory/administrative issue that is being addressed by the SOD. (See Finding #1).

Finding 10 – Official time records are incomplete and inaccurate.

Response – See Above Findings 1 and 8 .

Finding 11 – Calculation of overtime hours is more generous for TPD than for other City employees.

Response – TPD is in compliance with the Collective Bargaining Agreement.

Finding 12 – TPD's use of authorized absences has not been cost-effective.

Response – TPD must comply with Federal law that requires police agencies grant time off that has been accrued as compensatory time. Due to a recent agreement with the CBA (January to June 30, 2010) the "24 hour rule" advance notification was revoked. The TPD now requires "72 hour" notice of an officer requesting to use compensatory time off. However, the current memorandum of understanding (MOU), allows officers to take time off down to minimum manning levels ("The Books are the Books"). No additional vacation or compensatory time off is allowed once the minimum manning levels for that shift are reached.

Finding 13 – Postings to official time records have been inconsistent.

Response – As stated in Finding #8, #10, and #13, TPD is in agreement that an electronic timekeeping system should be implemented as soon as possible.

Finding 14 – Some time documents were not submitted promptly.

Response – As stated in Finding #10 (1&8), we agree. SOD has established a divisional policy that establishes an expectation that time documents must be submitted properly and on time.

PUBLIC WORKS DEPARTMENT

AUDIT HISTORY AS OF JUNE 30, 2011

NAME OF AUDIT	AUDIT COMPLETION DATE	NUMBER OF FINDINGS	NUMBER DECLINED	NUMBER ACCEPTED	NUMBER COMPLETED	NUMBER OPEN
Street Lighting Expense	Aug 01, 1988	4	0	4	4	0
Water & Sewer Data Processing Facilities	Jan 05, 1989	5	0	5	5	0
Follow-Up Analysis of Lease Payment Practices	Mar 15, 1989	1	0	1	1	0
Right of Way/Land Acquisition	Mar 31, 1989	5	0	5	5	0
Water & Sewer Password/Security Controls	May 01, 1990	5	0	5	5	0
Inventory Management and Control	Jan 01, 1991	5	0	5	5	0
Commercial Refuse Billing Process	Aug 17, 1992	6	0	6	6	0
Capital Projects/Construction Contract Adm	Dec 03, 1992	8	2	6	6	0
Residential Refuse Contract Administration	Apr 01, 1993	5	0	5	5	0
Imprest & Petty Cash	Apr 15, 1993	1	0	1	1	0
Utility Information System	May 22, 1996	17	4	13	13	0
Compliance Monitoring - Environmental Operations	Oct 31, 1997	8	0	8	8	0
Employee Leave Systems	Feb 19, 1999	5	0	5	5	0
Street Maintenance	Aug 09, 1999	2	0	2	2	0
Building Maintenance	May 31, 2000	1	0	1	1	0
Changes to Construction Contracts	Sep 11, 2001	5	1	4	4	0
Public Facilities Security	Jul 30, 2003	5	1	4	4	0
Meter Shop	Apr 15, 2004	4	0	4	4	0
Point of Sale	May 14, 2004	1	0	1	1	0
Cost Allocation	Apr 15, 2005	8	0	8	7	1
Sewer Cleaning	Sep 19, 2007	4	1	3	2	1
Total		105	9	96	94	2

COMPLETE
89%

DECLINED
9%

PARTIAL
2%
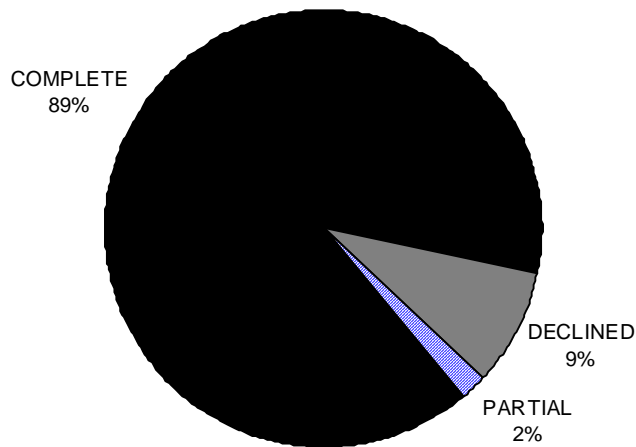
PUBLIC WORKS DEPARTMENT

The Public Works Department COMPLETED the following:

Audit – Sewer Cleaning

Finding – Lack of access to reliable information decreases effectiveness of Sewer Cleaning operations.

Response – Backup procedures have already been changed. IT personnel are completing weekly backups. Monthly a paper copy of the frequent cleaning list is put in storage for safekeeping. The budget request for a new software package has been carried forward to the 2011-2012 budget. I have requested a target purchase date from the IT group. The scope of the project has changed to accommodate all of the water and sewer groups, if needed; and to no longer support storm sewer needs, due to recent City reorganization. We hope to purchase the software this fiscal year.

The Public Works Department PARTIALLY COMPLETED the following:

Audit – Cost Allocation

Finding – Criteria for board approval of contracts are not clearly defined.

Response – The Water and Sewer Department is developing a draft contract review and processing policy and procedures that establishes a process for the review and authorization of contracts entered into on behalf of the Tulsa Metropolitan Utility Authority/Tulsa Utility Board.

REAL ESTATE MANAGEMENT

AUDIT HISTORY AS OF JUNE 30, 2011

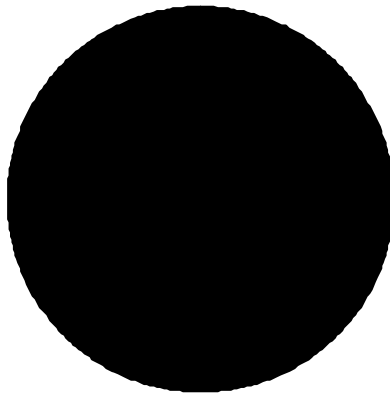| NAME OF AUDIT	AUDIT COMPLETION DATE	NUMBER OF FINDINGS	NUMBER DECLINED	NUMBER ACCEPTED	NUMBER COMPLETED	NUMBER OPEN
Parking Facilities Revenue	Sep 15, 1992	4	0	4	4	0
Real Estate - Asset Management Acquisition & Relocation	Mar 12, 2003	1	0	1	1	0
Total		5	0	5	5	0
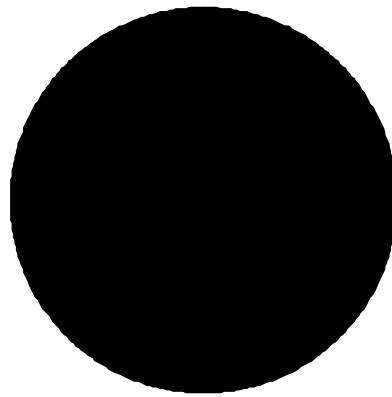
COMPLETE
100%

TULSA AREA EMERGENCY MANAGEMENT AGENCY

AUDIT HISTORY AS OF JUNE 30, 2011

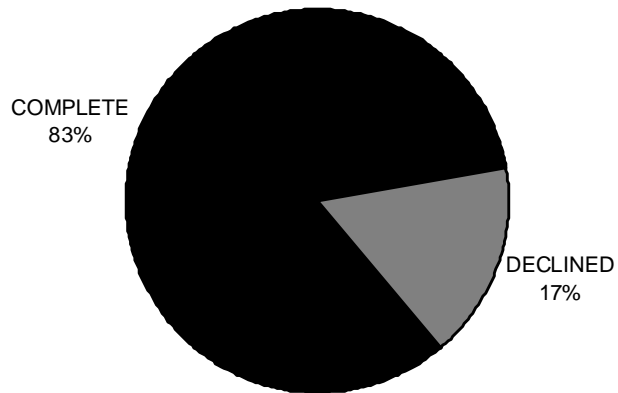| NAME OF AUDIT	AUDIT COMPLETION DATE	NUMBER OF FINDINGS	NUMBER DECLINED	NUMBER ACCEPTED	NUMBER COMPLETED	NUMBER OPEN
Emergency Warning System Support	Dec 31, 1999	2	0	2	2	0
Total		2	0	2	2	0

COMPLETE
100%

TULSA ZOO

AUDIT HISTORY AS OF JUNE 30, 2011

| NAME OF AUDIT	AUDIT COMPLETION DATE	NUMBER OF FINDINGS	NUMBER DECLINED	NUMBER ACCEPTED	NUMBER COMPLETED	NUMBER OPEN
Tulsa Zoo Friends Contract Compliance	May 01, 2001	6	1	5	5	0
Total		6	1	5	5	0

COMPLETE
83%

DECLINED
17%

WORKING IN NEIGHBORHOODS

AUDIT HISTORY AS OF JUNE 30, 2011

NAME OF AUDIT	AUDIT COMPLETION DATE	NUMBER OF FINDINGS	NUMBER DECLINED	NUMBER ACCEPTED	NUMBER COMPLETED	NUMBER OPEN
Citation Control/Fine Collection	Jun 26, 1995	1	0	1	1	0
Code Enforcement	Jul 15, 1995	1	0	1	1	0
Grants Monitoring-Urban Development	Nov 15, 1998	5	1	4	4	0
Special Project - Animal Welfare Center (CDEI)	Aug 01, 2009	2	0	2	2	0
Total		9	1	8	8	0

COMPLETE
89%

DECLINED
11%
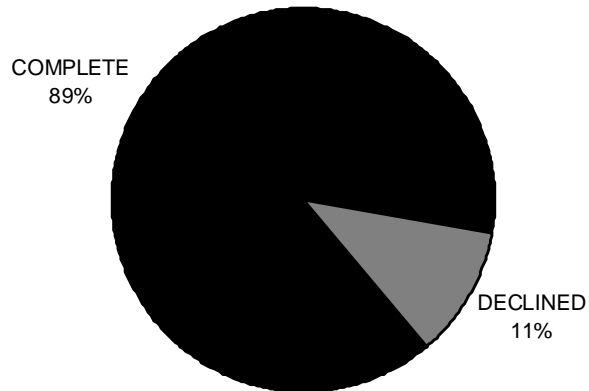
DISTRIBUTION LIST

Mayor
Councilor, District 1
Councilor, District 2
Councilor, District 3
Councilor, District 4
Councilor, District 5
Councilor, District 6
Councilor, District 7
Councilor, District 8
Councilor, District 9
City Auditor
Director of Communications
Mayor's Chief of Staff
City Manager
Director of Public Facilities and Transportation
Director of Community Development
Director of Sustainability
Chief Technology Officer
Press Secretary
General Counsel
Council Administrator
Council Secretary
Equipment Management Director
Finance Director
Sr. Admin. Services Officer
Controller, Accounting Division
Budget & Capital Planning Division
Treasury Division
Purchasing Division
Fire Chief
Gilcrease Museum Director
Gilcrease Museum Assistant Director
Human Resources Director
Personnel Director
Human Rights Director
Working in Neighborhoods
City Attorney
Municipal Court Administrator
Park & Recreation Director
Performing Arts Center Director
Police Chief
Public Works Director
Asst. Public Works Director
Engineering Services Dep. Director
Public Facilities Deputy Director
Environmental Operations Dep. Dir.
Community Development & Education Initiatives Administration Manager
Development Services Dep. Director
External Auditor
Mayor's Audit Committee
Internal Auditing Staff
Ethics Committee Chair
Mayor's Action Center
Director of IT Admin and Planning
Manager - IT Admin and Planning
Real Estate Management Director