



# Final Audit Follow-Up



Period Ending March 31, 2020  
Report #2006 | July 30, 2020



## Audit Inquiry into Billings by Day Laborers

**Summary of Original Report # 1906 (Issued August 9, 2019):** This audit inquiry was not included in our annual audit plan, but was completed at the discretion of the City Auditor, based on the information brought to our attention by Community Beautification & Waste Management (CBWM). The purpose and scope of the audit inquiry was to determine the extent to which improper time slips had been submitted during the 2017 and 2018 calendar years by two day laborers working on the City's tree maintenance crew and provide recommendations on internal controls which could help prevent and detect errors in the time slips submitted by day laborers.

In response to concerns expressed to us by the CBWM General Manager, we determined the extent to which the time slips were improper, provided guidance on how to better ensure the accuracy of time slips, and gathered information for law enforcement, as appropriate.

**Summary of Action Plan:** Four action plan steps were established by management in response to the audit recommendations described above. As of March 31, 2020, all four steps were due for completion, and all four have been completed during this first and final follow-up.

Action Plan Steps	Status as of March 31, 2020
<p>1. CBWM will continue requiring the Foreman (or higher position) to approve time slips and use the retained pink copies to validate applicable invoice charges. CBWM will continue submitting those copies, along with the invoices, for scanning into the City's centralized document storage system once the invoices are paid.</p> <p><i>(Management's initial estimated completion date: 8/9/2019)</i></p>	<p><b>Completed.</b> We reviewed all CBWM tree maintenance day labor invoices and time slips for the months of September and October of 2019. The time slips we reviewed contained signatures of City employees who were authorized to acknowledge and approve of the hours worked by day laborers for that time period.</p> 
<p>2. CBWM will require each individual day labor employee to initial by their name at the conclusion of the workday. The applicable supervisor will review the labor sheet and approve the form if the hours worked are correct and the day labor employee has initialed the form.</p> <p><i>(Management's initial estimated completion date: 8/9/2019)</i></p>	<p><b>Completed.</b> The time slips noted as having been reviewed in action plan step 1 above, contained initials representing the day laborer's acknowledgement the hours documented on the time slip were actually worked for that time period.</p> 

Action Plan Steps	Status as of March 31, 2020
<p>3. Relevant duties associated with the enhanced policies and procedures will be communicated in writing to all applicable City staff and each day laborer.</p> <p><i>(Management's initial estimated completion date: 12/1/2019)</i></p>	<p><b><u>Completed.</u></b> CBWM developed a new policy to stipulate how time slips for day laborers should be reviewed and approved for payment by the CBWM staff. Management reported the policy was communicated to CBWM staff responsible for managing day laborers.</p> 
<p>4. CBWM management will document the monitoring of staff compliance with invoice verification procedures.</p> <p><i>(Management's initial estimated completion date: 8/9/2019)</i></p>	<p><b><u>Complete.</u></b> Our review of documentation supporting payments for day labor services showed CBWM management is documenting their review of staff compliance with invoice verification procedures.</p> 

## CONCLUSION

This is the first and final follow-up on action plan steps related to our Audit Inquiry into Billings by Day Laborers. We commend management and staff in CBWM for completing all four action plan steps developed to address our recommendations in the original audit report during this first follow-up period. The actions taken will improve the management of day laborers within CBWM.

We thank CBWM management and staff for their cooperation and assistance during this audit follow-up.

## APPOINTED OFFICIAL'S RESPONSE

The audit staff clearly analyzed the complaint expressed by Community Beautification and Waste Management Services. The department's commitment to comply with the regulations and recommendations are quite evident from the report. They took the necessary steps to work with the audit staff in determining the best practices and implemented them as the audit was being conducted. I thank the audit staff and the department for their professionalism in strengthening our internal controls. I am very pleased with the results of this report.

## STATEMENT OF ACCORDANCE

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The Office of the City Auditor's mission is to provide the City Commission an independent, objective, and comprehensive auditing program of City operations; to advance accountability through the provision of assurance and advisory services; and to actively work with Appointed Officials in identifying risks, evaluating controls, and making recommendations that promote economical, efficient, and effective delivery of City services.

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 that 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 objectives. We believe the evidence obtained provides a reasonable basis for our conclusions based on our audit objectives.

Please address inquiries regarding this report to the Office of the City Auditor at (850) 891-8397.

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