



CITY OF HARTFORD

INTERNAL AUDIT DEPARTMENT

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Internal Audit Commission

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The following audit reports and related recommendations have been discussed with new City management since our last IAC audit meeting on December 20, 2018:

Fiscal Year 2014 Statistics:

Internal Audit reviewed all open FY'2014 open recommendations (91 in total). We were able to eliminate 73 either because a subsequent audit was completed in a more recent fiscal year or these audits are due to be performed in either FY'2019 or FY'2020. The remaining 18 open recommendations pertain to Audit Reports 1403 & 1405, as discussed below:

Audit Report 1403 (City CIP Operations): We discussed this report L.A. Ralls, Finance Director, and K. Campagna, Controller, and they noted the audit report is outdated as the process for CIP has changed as a result of the City being under MARB supervision. Back in FY'2014, bonded debt was used for CIP projects. There were several procedures that weren't developed and were noted in our report. In addition, we noted that hundreds of projects were active and many needed to be closed-out. The current process calls for a "pay as you go" funding for CIP with dollars from the general fund being used to finance CIP projects. Finance provided us with documented procedures over the current "pay as you go process", and not for the bonded debt process. Since the City cannot bond for the next 5 years, we feel this is sufficient; however, Finance will need to enhance their documented procedures when they begin bonding once again. L.A. Ralls also informed us that Finance took action to remove hundreds of projects that needed to be closed out and this is still a work in progress. The number of projects in MUNIS is substantially less since our audit back in FY'2014. Internal Audit decided to close out all audit recommendations pertaining to this audit and will re-evaluate the necessity of doing a future audit over the current CIP process.

Audit Report 1405 (DPW Vehicle Inventory, Assignment & Usage): Per review of the contents of this report, we noted many open items pertain to procedures not being documented by various City departments. We met with M. Fontaine, Asst. Superintendent, to discuss progress made with our audit findings. Mr. Fontaine cleaned up all the City license plates and each one is now registered with the DMV and assigned to a specific City vehicle. Each vehicle is also assigned to a specific City employee for tracking purposes. We believe an audit of fleet inventory is overdue and should be put on the FY'2020 Audit Plan. We will address the any undocumented procedures during that audit.

Conclusion:

We believe all recommendations for FY'2014 can be closed due to the reasons mentioned above.

Fiscal Year 2015 Statistics:

Internal Audit reviewed all open FY'2014 open recommendations (73 in total). We were able to eliminate 16 findings either because a subsequent audit was completed in a more recent fiscal year or these audits are due to be performed in either FY'2019 or FY'2020. The remaining 57 open recommendations pertain to several audit reports. Below are reports we've discussed with City management and current statuses:

Audit Report 1505 (DPW Equipment Services Division): We met with M. Fontaine, Asst. Superintendent of DPW, to discuss open items relating to the Equipment Services Division (ESD) of DPW. It should be noted that some items have been addressed, including adjusting part records within MUNIS to match inventory on-hand and removing obsolete inventory from the parts inventory. In addition, we held a LEAN event with Mr. Fontaine and Finance management to implement a new process of recording all City vehicles more timely into the MUNIS Fixed Asset module so Mr. Fontaine can assign work orders for work done on these vehicles. Finance previously only recorded them as Fixed Assets when the lease payments were fully paid off. This should assist Mr. Fontaine in creating work orders and assigning them to a vehicle going forward. We also noted that none of the policies and procedures that were recommended have been completed. DPW management did clear 3 of our findings. This audit accounts for 9 open item audit recommendations. It is expected that this audit will need to be performed again for FY'2020.

Audit Report 1512 (HHS Medicaid Reimbursements): We met with L. Arroyo, Director of Health & Human Services (HHS), to discuss open items relating to Medicaid Reimbursement revenue. She noted that she is in the beginning stages of addressing these items as she was just provided this report recently. We agreed to follow-up at a later date; however Internal Audit recommends a full-blown Revenue within HHS be included on the FY'2020 Audit Plan. This audit accounts for 7 open item audit recommendations.

Audit Plan 1513 (City A/P Operations): We discussed this report L.A. Ralls, Finance Director, and K. Campagna, Controller, and noted that Finance has made progress in scanning documents into MUNIS so they can destroy the hard copies per our recommendation. Finance has been working with the State of CT Librarian to remove old documents located in the City Hall basement. Progress is still ongoing however. In addition, we noted that Finance regularly checks for Accounts Payable credits and follows-up on those credits where we do not make regular purchases. We did note that there is still no PII policy, which Finance believes is unnecessary. Finance management has cleared 2 of our audit recommendations, while the remaining 2 open items remain as City management is disputing its necessity to remediate.

Audit Report 1514 & 1516 (City Town Clerk and Vital Records): We re-sent this report to J. Bazzano, Town Clerk, to address open audit recommendations. Internal Audit is still awaiting a response from Mr. Bazzano as to what's been cleared or not. These audits account for 13 open audit recommendations.

Conclusion:

We have closed 5 recommendations from FY'2015, while 2 others are being disputed with City management. There are still 5 FY'2015 audit reports that have not been reviewed with City management that account for the remaining 21 open audit recommendations.

Fiscal Year 2016 Statistics:

Internal Audit reviewed all open FY'2014 open recommendations (98 in total). These have been reviewed and still remain open.

Fiscal Year 2017 & 2018 Statistics:

Internal Audit has only entered in FY'2017 audit recommendations through Report # 1710 (39 in total) as Department of Management & Budget did not enter any of our audit recommendations into the spreadsheet for these fiscal years. Internal Audit will periodically update these fiscal years when time permits itself to do so with the hope of showing monthly progress until completed.

Fiscal Year 2019 Statistics:

Internal Audit followed up on FY'2019 audits that had recommendations that were past due. We noted there are 7 in total, of which only 1 has been cleared by HPS management. We followed up on the following two reports with recommendations past due:

Audit Report 1903 (HPS Facility Rental Revenue): We emailed C. Bazzano, Director of HPS Facilities, as to the status of the open audit recommendations from this report. Mr. Bazzano requested that we meet in mid-to-late Feb as the key contact for the audit is out on leave and isn't expected to return until 2nd week of Feb. We agreed to address this report in mid-to-late Feb. This audit accounts for 5 open audit findings.

Audit Report 1904 (City of Hartford P-Card): We followed-up with L.A. Ralls, Finance Director, on the City P-Card audit. She mentioned that a new P-Card policy has been drafted and is being reviewed by City management. A copy of the draft will soon be sent to Internal Audit for our feedback. Once all feedback has been received, final changes to the P-Card policy will be and then signed off by the Mayor. Once signed by the Mayor, all audit recommendations will be cleared for this report. This audit accounts for 2 open audit findings.