



Jerry E. Abramson  
Mayor

26 Member  
Metro Council

The Office of Internal Audit provides independent, objective assurance and consulting services that adds value to and improves Louisville Metro Government.

# Office of Internal Audit

Louisville Metro  
Government

2007 Audit Follow-up



# Report

Office of Internal Audit

## Louisville Metro Government

### Audit Follow-up

February 2007



Louisville Metro  
Government

---

2007 Audit Follow-up

**Table of Contents**

**TRANSMITTAL LETTER..... 2**

    SCOPE AND PURPOSE ..... 2

    METHODOLOGY ..... 2

    REPORT FORMAT ..... 3

    CONCLUSION ..... 3

**AUDIT FOLLOW-UP REPORT ..... 5**

**INDEX OF DEPARTMENTS ..... 20**



OFFICE OF INTERNAL AUDIT  
LOUISVILLE, KENTUCKY

JERRY E. ABRAMSON  
MAYOR

MICHAEL S. NORMAN, CIA, CFE, CGAP  
CHIEF AUDIT EXECUTIVE

RICK BLACKWELL  
PRESIDENT, METRO COUNCIL

**Transmittal Letter**

February 21, 2007

The Honorable Jerry E. Abramson  
Mayor of Louisville Metro  
Louisville Metro Hall  
Louisville, KY 40202

**Subject: 2007 Audit Follow-up Report**

**Scope and Purpose**

Enclosed is the 2007 Audit Follow-up report. This is the second follow-up report since merger of local government. It encompasses audit projects performed from July 2005 to June 2006 that had issues / areas rated as inadequate or weak. It also includes unresolved issues from the 2006 Audit Follow-up report. Some of the projects listed are consultations in which a formal report was not issued. A total of 42 projects, representing over 100 issues, are included in this report. Of the 111 issues, 40 were carried forward from the 2006 report.

The purpose of performing an audit follow-up review is to determine the status of corrective actions. Not only is this a strong governance and risk management practice, it is also included in the Charter (ordinance) for the Office of Internal Audit. Audit follow-up is included in Government Auditing Standards and in the Standards for the Professional Practice of Internal Auditing.

**Methodology**

Department Directors were requested to provide information on the status of their corrective actions for the issues identified. Based on the information provided, a determination was made as to the status of the corrective action. Some key points to consider are as follows:

- Departments self-report the status of their corrective actions.
- We did not perform additional audit work to verify the corrective actions. However, the corrective actions in the higher risk areas will be reviewed when the area cycles through our audit plan.
- For many of these areas, we are involved as corrective actions are implemented. The issuance of an audit report is not the end of our relationship with the departments.
- Several of the issues are not easily correctable, and are not necessarily controllable by the department. Thus, corrective actions take longer to fully implement.
- In some cases, departments will assume the risk rather than try to mitigate it. This may be a sound approach, especially if the benefits of the corrective actions do not outweigh the costs.

**Report Format**

The report is categorized by the status of the corrective actions as follows:

<b>Corrective action implemented and self-assessment of effectiveness completed</b>
<b>Some corrective action implemented but not completed or self-assessment of effectiveness not performed</b>
<b>Corrective action evaluated and no further action is intended; Department assumes risks associated with issue</b>
<b>Corrective action not evaluated, planned, or implemented</b>
<b>Department did not respond to request for corrective action information</b>

Within each status, the report is sorted by department, and then alphabetically by the particular area. For purposes of brevity, only the original issues are noted, details of the current corrective actions are not. This information will be provided upon request.

**Conclusion**

There has been considerable progress in addressing the issues through implementation of corrective actions. The progress demonstrates the commitment to your vision of an efficient and effective local government. It highlights the quality of

leadership within Metro Government departments. There were no areas falling in the red or black categories. The directors really deserve to be commended for their efforts.

This report also highlights the value of the Office of Internal Audit. While we do not implement the corrective actions, we are often the catalyst for change that results in a more efficient and effective government. We will continue to work with departments to ensure significant issues and risks are addressed. My intention is to perform an audit follow-up review on an annual basis.

If you have any questions, or would like to discuss this report in more detail, please let me know.

Respectfully submitted,



Michael S. Norman, CIA, CFE, CGAP  
Chief Audit Executive

cc: Louisville Metro Council  
Deputy Mayors  
Department Directors (e-file)

## **Audit Follow-up Report**

The Audit Follow-up results begin on the following page. These are presented within the categories noted below. Within each category, the results are presented alphabetically by department / area. An index of departments is included in the report on page 20.

<b>Category</b>	<b>Page #</b>
<b>Corrective action implemented and self-assessment of effectiveness completed</b>	<b>6</b>
<b>Some corrective action implemented but not completed or self-assessment of effectiveness not performed</b>	<b>14</b>
<b>Corrective action evaluated and no further action is intended; Department assumes risks associated with issue</b>	<b>18</b>

**Corrective action implemented and self-assessment of effectiveness completed**

<b>Department</b>	<b>Area</b>	<b>Issues</b>	<b>Report (Consultation) Date</b>
Air Pollution Control	Revenue Management - Policies and Procedures	Lack of documented standard operating procedures.	7/25/2005
Air Pollution Control	Revenue Management - Revenue Deposits	Timeliness of activity.	7/25/2005
Animal Services	License Fee Revenue - Animal Licenses Computer System	The computer system (Atracks) does not produce a system report that totals transactions for the day in order to reconcile payments. Personnel are unable to make corrections in the Atracks system once a transaction has been keyed, adjustments are made manually. No void / return feature on cash registers, manual corrections are made at the end of the day. Generated reports contain inaccurate information.	12/13/2004
Animal Services	License Fee Revenue - Efficiency and Effectiveness	Unnecessary administrative effort used to process payments to veterinary clinics.	12/13/2004
Animal Services	License Fee Revenue - Licenses Renewal Process	Animal services does not have control or direct oversight over license renewal activity since it is administered offsite. Inadequate segregation of duties with regards to the processing of license fee renewals. Missing license renewal support documentation. Multiple deposit slips written instead of a duplicate form being used.	12/13/2004
Animal Services	License Fee Revenue - Monitoring and Reconciliation	End of the day funds are placed in safe without being reconciled. Count of funds done by one person.	12/13/2004
Animal Services	License Fee Revenue - Segregation of Duties	All Animal Service personnel work from one cash register drawer.	12/13/2004
Community Action Partnership	Business Administration - Assets	Outdated custodial list.	7/18/2005
Community Action Partnership	Business Administration - Grants	Lack of documented reconciliation and monitoring. Timely reporting of activity.	7/18/2005
Community Action Partnership	Business Administration - Payroll	Inefficient process because of charging time to various grants.	7/18/2005

**Corrective action implemented and self-assessment of effectiveness completed**

<b>Department</b>	<b>Area</b>	<b>Issues</b>	<b>Report (Consultation) Date</b>
Community Action Partnership	Business Administration - Purchases	Support documentation and processing issues.	7/18/2005
Corrections	IMS - General Computer Controls – Change / Patch / Problem Management	The change / patch / problem management process does not require documented authorization and approval by management.	5/17/2006
Corrections	IMS - General Computer Controls - Notification of Terminated Employees	No formal notification from Human Resources department of employee terminations / transfers.	5/17/2006
Corrections	IMS - Oracle Database - Database passwords	Direct access to the database is not password controlled.	5/17/2006
Corrections	IMS - Oracle Database - Patch Management	The current version of Oracle has not been updated with the latest vendor patches and is susceptible to Oracle database vulnerabilities.	5/17/2006
Corrections	IMS - User Access Request Documentation	The form used to grant a user access to IMS system does not require management's approval or approval of the hiring manager.	5/17/2006
Corrections	Inmate Account - Community Corrections Center Activity	Transfer and handling of funds, deposit delays.	9/12/2005
Corrections	Inmate Account - Monitoring and Reconciliation	Bank account reconciliations, outstanding checks, inmate activity reports.	9/12/2005
Emergency Management Agency	Fiscal Administration - Local Government Radio	Usage fees outdated and insufficiently documented.	11/29/2004
Emergency Medical Services	CPR Training Center and Kentucky Board of EMS Grant - CPR Training Center Management	Monitoring, segregation of duties, lack of documented policies and procedures.	11/22/2005
Emergency Medical Services	CPR Training Center and Kentucky Board of EMS Grant - KY Board of EMS Grant	Activity reports were not available and a balance of funds remained unexpended after the allowable grant period. Revenue receipts were not properly deposited.	11/22/2005

**Corrective action implemented and self-assessment of effectiveness completed**

<b>Department</b>	<b>Area</b>	<b>Issues</b>	<b>Report (Consultation) Date</b>
Emergency Medical Services	Payroll Activity - General Administration	Timeliness of processing payroll (keying). No assurance all employee time sheets have been submitted for processing. Improper or incomplete timesheets set aside during payroll processing.	10/5/2005
Emergency Medical Services	Payroll Activity - Monitoring and Reconciliation	EMS staff does not reconcile employee time sheets to Payroll reports to ensure time was processed appropriately.	10/5/2005
Emergency Medical Services	Payroll Activity - Segregation of Duties	Only the EMS Manager and Assistant Director have the system access to key, as well as approve, payroll.	10/5/2005
Emergency Medical Services	Payroll Activity - Support Documentation	Lack of supporting documentation for payroll activities.	10/5/2005
Emergency Medical Services	Supplier Activity	Use of contract suppliers not coordinated during transition to Metro EMS from Jefferson County and Louisville Fire entities. Issues were noted regarding potential failure to use services authorized by contract with another provider and duplicate payments.	9/28/2005
Enterprise	General Fund Revenue	Consulted regarding monitoring and oversight of financial system activity in Department 34. Metro Agencies that generate activity are not able to reconcile activity (source documents) to financial statements.	12/1/2005
Enterprise	Utility Expenditures - Duplicate Payments	Lack of coordinated administration. Electronic payments for utilities do not promote proper internal controls of cash management. Utility management is not efficient or effective.	7/20/2005
Enterprise	Utility Expenditures - Utility Service Locations	Increased risk of paying for locations that are not Metro.	7/20/2005
Finance	Corrections Revenue - State DUI Fees	Could not identify basis for sources of revenue, no assurance that amount collected is accurate. Finance is responsible for this activity, not Corrections.	7/13/2005
Finance	Corrections Revenue - State Jail Indigent Fees	Could not identify basis for sources of revenue, no assurance that amount collected is accurate. Finance is responsible for this activity, not Corrections.	7/13/2005

**Corrective action implemented and self-assessment of effectiveness completed**

<b>Department</b>	<b>Area</b>	<b>Issues</b>	<b>Report (Consultation) Date</b>
Finance	Enterprise Business Processes - General Ledger	Financial system reports not used but run / printed daily. Interface notifications lack sufficient information.	12/10/2004
Finance	Enterprise Business Processes - Payroll	Payroll personnel shouldn't have the capability to validate invoices. Current training manuals do not adequately address payroll processing.	12/10/2004
Finance	Intent to Purchase Services - Administration	Lack of documented functional policies and procedures for Metro Finance's processing of the transactions.	1/3/2006
Finance	Intent to Purchase Services - Metro Revenue Commission Registration	ITPS forms do not include Revenue Commission registration information. Therefore, there is no assurance that the requesting department performed its responsibilities to verify proper registration for a potential supplier.	1/3/2006
Finance	Intent to Purchase Services - Monitoring and Reconciliation	Monitoring has to be done manually by Metro Finance staff.	1/3/2006
Fire	CPR Training Center - Payroll	CPR Center Instructors - formal documentation of pay rate not readily available from Fire.	6/23/2006
General Services Administration - Facilities Management	Louisville Gardens	No operating mission for facility, Monitoring is not sufficient, inadequate segregation of duties, Financial Management is inefficient and ineffective, lack of functional policies and procedures.	11/14/2005
General Services Administration - Facilities Management	Revenue Management	All revenue sources could not be definitively identified. Contracts are not readily available. No listing of inventory for revenue producing activity (e.g., vending machines) is maintained. No documented policies and procedures for revenue exist.	12/10/2004
Health Department	Billing and Collection Division (Follow-up) - Billing Process	Flu shot vaccination services may not be keyed into the Patient Services Reporting System (PSRS) in a timely manner.	6/16/2005
Health Department	Billing and Collection Division (Follow-up) - Data Entry	A large percentage of the sample data recorded in the PSRS is inaccurate. Inadequate filing of medical records and Patient Encounter Forms. Data entry clerks do not note the CPT, Provider, or ICD9 codes on the lab requisitions.	6/16/2005

**Corrective action implemented and self-assessment of effectiveness completed**

<b>Department</b>	<b>Area</b>	<b>Issues</b>	<b>Report (Consultation) Date</b>
Health Department	Billing and Collection Division (Follow-up) - Financial Process	Payment information not posted to the PSRS in a timely manner.	6/16/2005
Health Department	Billing and Collection Division (Follow-up) - Payor Issues	There is no formal notification to CDP when Passport changes a reimbursement rate. Due to the service code for lead investigation services not being HIPAA compliant, Medicaid will not reimburse the Health Department.	6/16/2005
Health Department	Billing and Collection Division (Follow-up) - PSRS	Credit balances are not reflected in patient history files in PSRS. The PSRS does not provide a payment trail for individual accounts. Payments may be received but not recorded in the PSRS. No verification that daily deposits at a site agree to the monthly PSRS cash receipt report for the site.	6/16/2005
Health Department	Billing and Collection Division (Follow-up) - Quality Assurance	Site coordinators review their own sites, which may impair objectivity since they are not totally independent of the activity reviewed.	6/16/2005
Health Department	MORE Methadone Clinic - Computer System	Does not process appropriate fees. Information maintained in system not properly secured due to password sharing. Antiquated, unsupported system with no useful report information.	4/30/2004
Human Resources	Health Insurance - Fiscal Administration	Several financial accounts for health insurance activity are not being used or have not been established in the Metro financial system. In addition, Benefits personnel do not monitor and reconcile financial accounts associated with health insurance activity.	3/14/2006
Human Resources	Health Insurance - General Administration	Member tracking and verification of dependent eligibility was inadequate. Third party administrator agreements missing or incomplete.	3/14/2006
Human Resources	Health Insurance - Processing	The billings for claims activity and administrative fees are not adequately reconciled for appropriateness. The invoice received from one Third Party Administrator does not include a detailed list of prescription claims paid per member for the period.	3/14/2006

**Corrective action implemented and self-assessment of effectiveness completed**

<b>Department</b>	<b>Area</b>	<b>Issues</b>	<b>Report (Consultation) Date</b>
Human Services	Donations - Fiscal Administration	Deposits are not necessarily processed according to Metro policy.	6/7/2006
Human Services	Donations - Policies and Procedures	The Louisville Metro Human Services (LMHS) donation policy does not comprehensively address donation activity, i.e., from solicitation through receipt to ultimate distribution. This includes the security and handling of donated items. In addition, the LMHS donation policy does not promote compliance with Metro's donation policy. For example, receipts are not completed for all donations, and the final distribution (recipients) of items is not documented.	6/7/2006
Human Services	Donations - Program Administration	Accountability for donations could be improved through better tracking of the recipient / use of the items. The physical security of non-monetary donations could be improved by restricting access.	6/7/2006
Inspections, Permits and Licenses	Revenue Administration - Custody of Funds	The custody of funds is not properly maintained during the transfer of shifts or the deposit verification process.	5/31/2006
Inspections, Permits and Licenses	Revenue Administration - Monitoring and Reconciliation	Limited oversight of information processed on the Hansen system. Structure of the Metro financial system, resulting in an impediment of IPL's ability to perform proper monitoring.	5/31/2006
Inspections, Permits and Licenses	Revenue Administration - Policies and Procedures	Comprehensive, documented policies and procedures were not readily available to personnel administering the activity.	5/31/2006
Inspections, Permits and Licenses	Revenue Administration - Segregation of Duties	The Cashier has the ability to run system activity reports, as well as perform voids and refunds in the absence of supervisory personnel.	5/31/2006
Neighborhoods	Brightside Fiscal Administration - Asset Management / Inventories	There is not sufficient monitoring of inventory. Complete asset listings are not maintained and there is no periodic verification or review of inventory and equipment. Current procedures do not adequately address revenue procedures for items that are available for rent.	10/9/2003
Neighborhoods	Brightside Fiscal Administration - Revenue Management	There are not detailed, documented policies and procedures for the division or its revenue activities.	10/9/2003

**Corrective action implemented and self-assessment of effectiveness completed**

<b>Department</b>	<b>Area</b>	<b>Issues</b>	<b>Report (Consultation) Date</b>
Parks	Farnsley-Moremén Revenue - Revenue Management	Some timeliness problems were noted regarding the deposit of receipts with the bank and the recording of information on the financial statements.	1/25/2006
Parks	Farnsley-Moremén Revenue - Riverside Inc.	Louisville Metro Parks' staff is responsible for processing routine revenue activity that is not recorded on the Metro financial system.	1/25/2006
Police	Narcotics Investigative Fund	No documented functional policies and procedures.	7/22/2003
Revenue Commission	RevTech - General Computer Controls - Datacenter Physical & Environmental Controls	Water - based fire suppressant solution used (instead of dry solution). Maintenance personnel have access to the datacenter.	2/21/2006
Revenue Commission	RevTech - General Computer Controls - Formal notification of terminated/transferred employees	No formal notification from Human Resources department of employee terminations / transfers.	2/21/2006
Revenue Commission	RevTech - General Computer Controls - Change / Patch / Problem Management	Change controls and system patch management procedures are not formalized or managed using an automated process.	2/21/2006
Revenue Commission	RevTech - General Computer Controls - Disaster Recovery Plan	No testing of disaster recovery plan. Plan does not include procedures for users to confirm recovery.	2/21/2006
Revenue Commission	RevTech - System Database - Vulnerabilities	Vulnerabilities to include latest database software updates / patches have not been applied. Several buffer overflows, and easily-guessed passwords.	2/21/2006
Revenue Commission	RevTech - System Documentation	System heavily customized - inadequate system documentation regarding the numerous customizations made since application deployed.	2/21/2006
Solid Waste Management	Waste Reduction Center - Activity Processing	Several forms not being used efficiently (sign-in sheet, usage fee ticket). Inadequate or missing documentation for billed customers.	6/19/2006
Solid Waste Management	Waste Reduction Center - General Administration	Policies and procedures not readily available and outdated. Inconsistencies with policy and practice.	6/19/2006

**Corrective action implemented and self-assessment of effectiveness completed**

<b>Department</b>	<b>Area</b>	<b>Issues</b>	<b>Report (Consultation) Date</b>
Solid Waste Management	Waste Reduction Center - Monitoring and Reconciliation	Reconciliations are not documented (cash register, forms, free transactions, etc.). Register reset every week. Financial reports not provided to SWMS.	6/19/2006
Solid Waste Management	Waste Reduction Center - Segregation of Duties	Cashier can run register reports, do voids / returns. Billing function is not properly segregated.	6/19/2006
Technology	LeAP (Oracle) - Application Controls	User profile parameters not set.	6/3/2004
Technology	LeAP (Oracle) - General Controls	Notification of terminated / transferred employees. Physical security and environmental controls of datacenter. Network access accounts.	6/3/2004
Technology	Peoplesoft - Application Controls	Inadequate segregation of duties. Access permissions. Password logic. Unsigned user agreements.	8/5/2004
Technology	Peoplesoft - Database Security and Controls	Database vulnerabilities. System admin access. Use of database alerts. Policies and procedures.	8/5/2004
Technology	Peoplesoft - Operating System (MS 2000 Server)	System vulnerabilities. Domain administrators. Inadequate privileges.	8/5/2004
Youth Center	Technology General Controls - Home Incarceration	Lack of documented policies and procedures to address information systems general controls, missing vendor support / warranty information. No documented disaster recovery plan, inadequate monitoring of end-user processing.	4/19/2004

**Some corrective action implemented but not completed or self-assessment of effectiveness not performed**

<b>Department</b>	<b>Area</b>	<b>Issues</b>	<b>Report (Consultation) Date</b>
Air Pollution Control	Revenue Management - Computer Systems	Multiple, old and antiquated systems.	7/25/2005
Air Pollution Control	Revenue Management - Penalty Fees	Discretionary ability in fee assessment and processing.	7/25/2005
Community Action Partnership	Business Administration - Assets	Lack of documented policies and procedures.	7/18/2005
Community Action Partnership	Business Administration - Purchases	Lack of documented policies and procedures.	7/18/2005
Corrections	IMS - General Computer Controls - Disaster Recovery Plan	Disaster and recovery plan should be developed and tested.	5/17/2006
Corrections	IMS - Oracle Database - Auditing System Not Enabled	The database auditing system has not been implemented.	5/17/2006
Corrections	IMS - Password Configurations	Password and user session parameters are inadequate (e.g. password length and terminal timeout too short).	5/17/2006
Corrections	Inmate Account - Booking Fee Activity	IMS does not reflect actual collections.	9/12/2005
Corrections	Inmate Account - General Administration	Policies and procedures. Segregation of duties. Accountability for activity.	9/12/2005
Corrections	Inmate Account - Routine Activity	Clerical errors and missing signatures.	9/12/2005
Emergency Medical Services	CPR Training Center and Kentucky Board of EMS Grant - Friends of EMS	Non-Profit entity managed by Metro employees is not administered as intended. Board is inactive and there is not proper oversight.	11/22/2005
Emergency Medical Services	Payroll Activity - Policies and Procedures	No documented policies and procedures.	10/5/2005

**Some corrective action implemented but not completed or self-assessment of effectiveness not performed**

<b>Department</b>	<b>Area</b>	<b>Issues</b>	<b>Report (Consultation) Date</b>
Enterprise	Utility Expenditures - Utility Administration	Lack of documented plan for responsibilities, payment processing, monitoring usage and locations. Vendor initiates fund transfer without adequate oversight by Metro. Electronic payments for utilities do not promote proper internal controls of cash management. Utility management is not efficient or effective.	7/20/2005
Finance	Lockboxes	Consulted regarding use of lockboxes for loan processing functions for various Louisville Metro Agencies.	Oct-2004
Fire	CPR Training Center - General Administration	No documented policies and procedures. Inadequate segregation of duties. Inventory system not up to date. Accounts Receivable process somewhat manual and inefficient.	6/23/2006
Fire	CPR Training Center - Monitoring and Reconciliation	Activity not reconciled on a daily basis and not reconciled to system reports, deposits could not be verified as accurate / complete due to inefficiencies and inadequate support documentation, no documented reconciliation to ensure transactions posted properly.	6/23/2006
General Services Administration - Facilities Management	JP Morgan / Bank One Accounts	Facilities Management receiving 3 statements for accounts with unknown purpose addressed to former Director. Recommended transfer balance to general fund.	9/14/2004
Health Department	Billing and Collection Division (Follow-up) - Billing Process	Services provided to patients incarcerated at Metro Corrections and the Youth Detention Center is not billed. The Health Department does not bill Medicare / Medicaid for some services provided via contract with the University of Louisville.	6/16/2005
Health Department	Billing and Collection Division (Follow-up) - Payor Issues	Passport payments do not automatically interface with the PSRS like other Medicaid payments.	6/16/2005
Health Department	Billing and Collection Division (Follow-up) - PSRS	The Patient Services Reporting System (PSRS) does not have the full functionality of an accounts receivable system.	6/16/2005
Human Resources	Fraud Policy	Consulted regarding fraud policy for Metro government.	3/24/2006

**Some corrective action implemented but not completed or self-assessment of effectiveness not performed**

<b>Department</b>	<b>Area</b>	<b>Issues</b>	<b>Report (Consultation) Date</b>
Human Resources	Health Insurance - General Administration	Support documentation was lacking with regards to internal policies and procedures.	3/14/2006
Human Resources	Health Insurance - Processing	Benefits personnel pay the total amount of claims as indicated on the invoices submitted by the Third Party Administrators without reviewing the detailed support documentation submitted with the invoices. This increases the risk that Metro may be paying for inappropriate charges.	3/14/2006
Human Resources	Tuition Reimbursement Program	Discussed new policy for Tuition Reimbursement to Metro employees.	4/24/2006
Inspections, Permits and Licenses	Revenue Administration - Midas (Hansen) System	While the system appears to record transactions accurately, some weaknesses were noted regarding its current processing and reporting functions. These types of issues may not be associated with the system, rather might be a result of IPL not yet using its capabilities to the fullest extent.	5/31/2006
Metro Development Authority	METCO Loan Processing	Consulted regarding desire to transfer loan processing functions to MDA from Finance, as well as need for new loan software. As result, lockbox processing service was discussed.	Jun-06
Parks	Farnsley-Moremen Revenue - Facility Rental and Catering Administration	Incomplete or inaccurate documentation for the activity.	1/25/2006
Parks	Farnsley-Moremen Revenue - Revenue Management	Segregation of duties, reporting of activity, monitoring and reconciliation.	1/25/2006
Parks	Farnsley-Moremen Revenue - Riverside Inc.	There is no documented agreement between Louisville Metro and the non-profit organization.	1/25/2006
Revenue Commission	RevTech - General Computer Controls - Network User Passwords	Network user accounts with password parameters that circumvent network password policy.	2/21/2006
Revenue Commission	RevTech - User Menu Access	Application users granted access to functionality they do not need to perform their job functions.	2/21/2006
Solid Waste Management	Waste Management District - License Fee Revenues	No documented policies and procedures.	7/30/2004

**Some corrective action implemented but not completed or self-assessment of effectiveness not performed**

<b>Department</b>	<b>Area</b>	<b>Issues</b>	<b>Report (Consultation) Date</b>
Solid Waste Management	Waste Reduction Center - Activity Processing	Permit Hauler Ticket forms are not being used efficiently.	6/19/2006
Technology	LeAP (Oracle) - Operating System	Operating system configuration vulnerabilities.	6/3/2004
Technology	LeAP (Oracle) - Application Controls	SYSADMIN account enabled. System administrator responsibility. Guest account enabled. Inadequate segregation of duties.	6/3/2004
Technology	LeAP (Oracle) - General Controls	Disaster recovery plan. Need to move backup tapes offsite. Monitoring of logs.	6/3/2004
Technology	Peoplesoft - Database Security and Controls	Auditing not enabled.	8/5/2004
Technology (MSD)	MIDAS (Hansen) - Application Controls	Identical user names and passwords.	10/5/2004
Technology (MSD)	MIDAS (Hansen) - General Controls	Disaster recovery plan.	10/5/2004
Youth Center	State Jail Fee Reimbursements - Information Management Computer System	Routine reports not generated to monitor Juvenile Court Activity Tracking System (JCATS) activity. Supervisory approval not required to delete records. JCATS could not report totals or statistical information.	7/9/2004
Youth Center	State Jail Fee Reimbursements - Monitoring and Reconciliation	No written contract for jail fee reimbursements.	7/9/2004
Youth Center	State Meal Program Reimbursements - Efficiency and Effectiveness	JCATS was not used in the preparation of Alternative Placement Services (APS) reimbursement activity.	7/9/2004
Youth Center	Technology General Controls - Juvenile Court Activity Tracking System	Outdated policies and procedures, Management Analyst responsible for managing JCATS may need additional technical training. No documented disaster recovery plan. No standard form to complete to add / delete / change access to the JCATS system.	4/19/2004

**Corrective action evaluated and no further action is intended; Department assumes risks associated with issue**

<b>Department</b>	<b>Area</b>	<b>Issues</b>	<b>Report (Consultation) Date</b>
Animal Services	License Fee Revenue - Monitoring and Reconciliation	Unused tags, returned from veterinary clinics, are not reconciled at the end of the year.	12/13/2004
Corrections	IMS - Oracle Database - Privileges assigned to "public" group	Database privileges such as execute, update and delete are assigned to the public group instead of specific users.	5/17/2006
Corrections	IMS - Oracle Database - Use of Default Profile	All users are assigned the default user profile...this has multiple options that if configured would control access to the database.	5/17/2006
Enterprise	Vendor Payment Threshold Compliance	LEAP does not automatically monitor aggregate payment threshold and \$2,500 threshold is not completely effective. Non-compliance with thresholds. Policies and procedures are incomplete. Non-compliance or lack of documentation for transactions involving purchase orders.	4/27/2005
Finance	Intent to Purchase Services - Monitoring and Reconciliation	The Metro financial system does not automatically prevent exceeding applicable supplier thresholds (e.g., \$10,000 requires a contract).	1/3/2006
Health Department	Billing and Collection Division (Follow-up) - Financial Process	Health Department uses a courier service that only guarantees \$200 cash and reconstruction costs of lost checks.	6/16/2005
Health Department	Billing and Collection Division (Follow-up) - Payor Issues	Multiple fee schedules complicate the billing process and increases the risk of inaccuracies. PSRS cannot bill for lead analysis services when the service is done for another Kentucky county.	6/16/2005
Human Services	Donations - Fiscal Administration	LMHS maintains an ancillary bank account for one program. There are inherent risks associated with ancillary bank accounts. Deposits made by some Nutrition program centers are not monitored or reconciled in the Metro financial system by LMHS staff.	6/7/2006
Solid Waste Management	2nd Shift Bulk Waste - Efficiency	Multiple forms to record 2nd shift activity are inefficient.	5/24/2006
Solid Waste Management	2nd Shift Bulk Waste - Procedures	Procedures are not documented to reflect activities of Supervisor. Controls are heavily dependent on one individual so concern what happens in his absence.	5/24/2006

**Corrective action evaluated and no further action is intended; Department assumes risks associated with issue**

<b>Department</b>	<b>Area</b>	<b>Issues</b>	<b>Report (Consultation) Date</b>
Solid Waste Management	Waste Reduction Center - General Administration	Timeliness of deposits.	6/19/2006
Technology	LeAP (Oracle) - General Controls	Document retention.	6/3/2004

## Index of Departments

Air Pollution Control, 6, 14  
Animal Services, 6, 18  
Community Action Partnership, 6, 14  
Corrections, 7, 14, 18  
Emergency Management Agency, 7  
Emergency Medical Services, 7, 14  
Enterprise, 8, 15, 18  
Finance, 8, 15, 18  
Fire, 9, 15  
General Services Administration - Facilities Management, 9, 15  
Health Department, 9, 15, 18  
Human Resources, 10, 15  
Human Services, 11, 18  
Inspections, Permits and Licenses, 11, 16  
Metro Development Authority, 16  
Neighborhoods, 11  
Parks, 12, 16  
Police, 12  
Revenue Commission, 12, 16  
Solid Waste Management, 12, 16, 18  
Technology, 13, 17, 19  
Technology (MSD), 17  
Youth Center, 13, 17