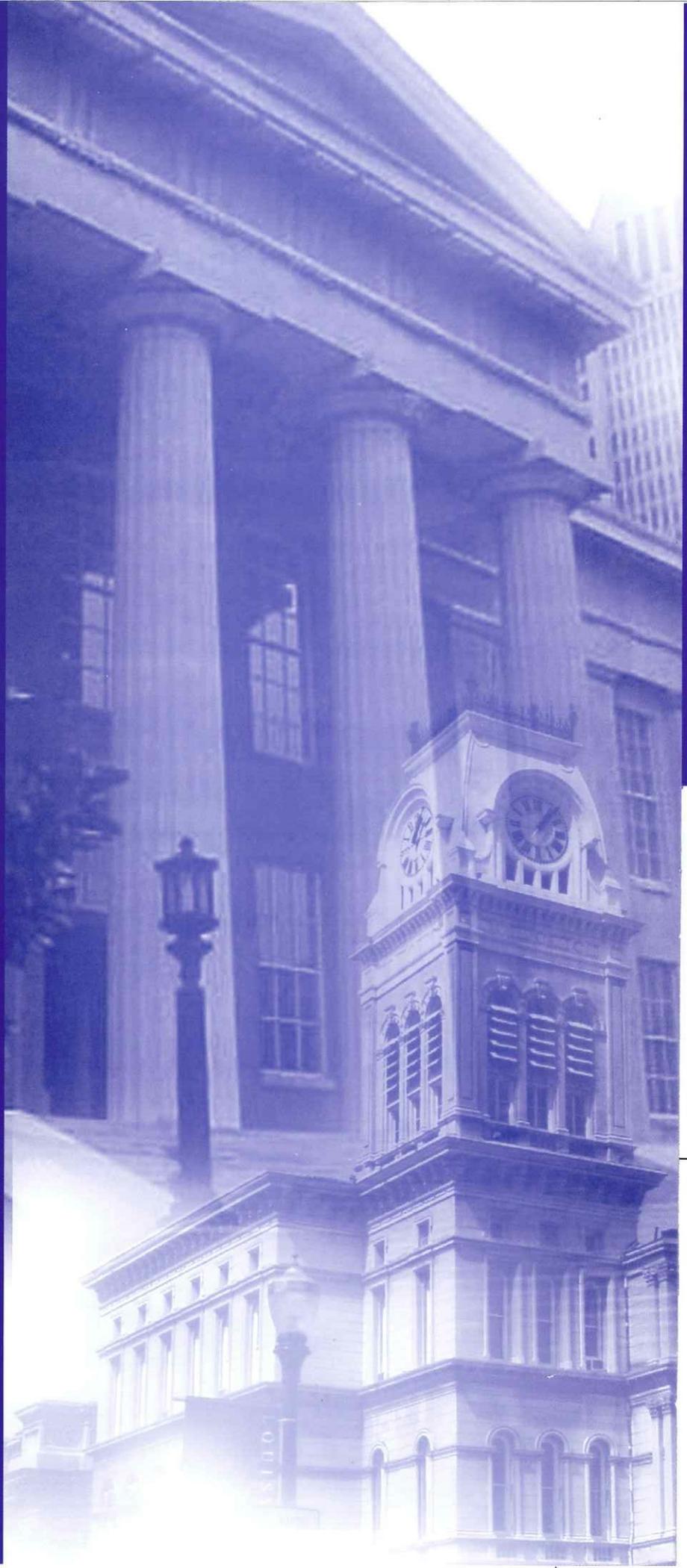




Jerry E. Abramson  
Mayor

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

2008 Audit Follow-up

# Report

Office of Internal Audit

## Louisville Metro Government

### Audit Follow-up

February 2008



Louisville Metro Government

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2008 Audit Follow-up

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OFFICE OF INTERNAL AUDIT  
LOUISVILLE, KENTUCKY

JERRY E. ABRAMSON  
MAYOR

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

**Transmittal Letter**

JIM KING  
PRESIDENT METRO COUNCIL

February 19, 2008

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

**Subject: 2008 Audit Follow-up Report**

**Scope and Purpose**

Enclosed is the 2008 Audit Follow-up report. This is the third follow-up report since merger of local government. It encompasses audit projects performed from July 2006 to June 2007 that had issues / areas rated as inadequate or weak. It also includes unresolved issues from the 2007 Audit Follow-up report. Some of the projects listed are consultations in which a formal report was not issued. A total of 44 projects, representing 103 issues, are included in this report. Of the 103 issues, 50 were carried forward from the 2007 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 International 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 agencies.
- Several of the issues are not easily correctable, and are not necessarily controllable by the agencies. Thus, corrective actions take longer to fully implement.
- In some cases, agencies 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 – division, 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 an efficient and effective local government and highlights the quality of leadership within

Metro Government Departments. There were no areas falling in the red or black categories. The Directors 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.

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

Respectfully submitted,



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

cc: Louisville Metro Council Accountability and Audit Committee  
Louisville Metro Council Members  
Louisville Metro External Auditors  
Department – Division 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 – Division / area. An index of departments is included in the report on page 19.

<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>
<b>Corrective action not evaluated, planned, or implemented</b>	<b>N/A</b>
<b>Department did not respond to request for corrective action information</b>	<b>N/A</b>

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

<b>Department – Division</b>	<b>Area</b>	<b>Issues</b>	<b>Report (Consultation) Date</b>
Codes and Regulations – 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 Inspections, Permits & Licenses not yet using its capabilities to the fullest extent.	5/31/2006
Codes and Regulations – Planning and Design Services	Revenue Administration – Cash Management Database	System used to process revenue is a database, not a true cash management system (lacks inherent controls and security features).	9/27/2006
Codes and Regulations – Planning and Design Services	Revenue Administration – General Administration	Segregation of duties – Planning Technicians reconcile their own funds; funds not adequately safeguarded (kept in file cabinet); everyone works in one cash drawer; overages / shortages not reflected.	9/27/2006
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
Enterprise	Independent Contractor versus Employee	Consulted regarding necessity of Louisville Metro having a formal policy outlining independent contractor versus employee status. Concern is exposure if misclassified as contractors, could result in fines. Consulted with County Attorney, Human Resources, and Finance. Finance is drafting policy for enterprise, which will require review by County Attorney if there are any doubts / concerns in PSC or ITPS activity.	8/10/2006
Enterprise	Donations – Reporting	The Donation Policy requires quarterly reporting of donation activity to Finance (via the quarterly budget reports). There appears to be significant non-compliance with this requirement. However, this could not be determined with certainty. Several departmental reports were either not submitted, or they could not be located by Finance. Part of the difficulty in determining compliance with this requirement is that Finance does not have a routine procedure in place to follow up on missing or incomplete quarterly budget / donation activity reports.	8/2/2006

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

<b>Department – Division</b>	<b>Area</b>	<b>Issues</b>	<b>Report (Consultation) Date</b>
Enterprise	Donations – Awareness and Comprehension	It appears that several Metro Departments were either not aware of the donation requirements, or chose not to comply. The Policy is available on the Metronet, along with other financial policies, so access to the requirements is not an issue. In addition, several Metro Departments voiced concerns about the policy requirements and the feasibility of meeting these requirements given the volume of small monetary and non-cash donations. This may be a contributing factor to non-compliance issues.	8/2/2006
Finance and Administration – Revenue Commission	RevTech – General Computer Controls – Network User Passwords	Network user accounts with password parameters that circumvent network password policy.	2/21/2006
Finance and Administration – Revenue Commission	RevTech – User Menu Access	Application users granted access to functionality they do not need to perform their job functions.	2/21/2006
Human Resources	Retirement Administration – General Administration	No documented desktop policies and procedures; no backup personnel to cover in absence of key personnel.	12/21/2006
Human Resources	Retirement Administration – Sick Leave Balance Conversion Cost	Human Resources has not been able to verify costs associated with converting sick leave balances to service credit since January 2005. Risk of making inappropriate payments.	12/21/2006
Human Resources	Retirement Administration – Retirement Data Analyses	Several cases where contributions appeared inappropriate or inconsistent based on employee's status or standard hours. Employees with prior service in KRS agency are allowed to contribute to retirement immediately – no waiting period like other new hires.	12/21/2006
Human Resources	Health Insurance – Fiscal Administration	Benefits personnel pay the total amount of claims as indicated on the invoices submitted by the third party administrator 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
Information Technology	LeAP (Oracle) – Operating System	Operating system configuration vulnerabilities.	6/3/2004
Information Technology	LeAP (Oracle) – Application Controls	Inadequate segregation of duties.	6/3/2004

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

<b>Department – Division</b>	<b>Area</b>	<b>Issues</b>	<b>Report (Consultation) Date</b>
Information Technology	Firewalls – Penetration Testing and Vulnerability Assessment	Metro needs to have a comprehensive attack and penetration test and vulnerability assessment performed to identify perimeter weaknesses and validate that firewalls, routers, and other network architecture devices are properly configured.	6/22/2007
Information Technology	Firewalls – Configuration of Firewall Rules	Multiple instances of duplicate rules, and instances of rule configurations that cancel out, or defeat the purpose of other established rules. Metro needs a comprehensive review of the rule configurations on the perimeter firewalls.	6/22/2007
Information Technology	Firewalls – Failed Login Attempts	Firewalls are not configured to log failed login attempts.	6/22/2007
Information Technology	Firewalls – Automation of Security Breach Notifications	No processes in place to alert Technology of an attempted or successful breach of Metro's network.	6/22/2007
Information Technology	Email – Administrative Access	Excess assess and duplicate IDs to administrative functions granted on the Microsoft Exchange servers.	6/22/2007
MetroSafe Project – Emergency Management / MetroSafe	MetroSafe Project (Infrastructure)	Financial System account structure; Total expenditures through Fiscal Year 2006 approximately \$19.2 million; Documentation issues including insufficient detail for invoices.	4/3/2007
MetroSafe Project – Project Management	MetroSafe Project (Infrastructure)	Inconsistent documentation for competitively negotiated agreements.	4/3/2007
MetroSafe Project – Purchasing	MetroSafe Project (Infrastructure)	Procurement process including purchase order issuance and custodianship of documents; State contract documentation.	4/3/2007
Neighborhoods	Revenue Administration (Brightside) – Monitoring and Reconciliation	The monitoring of Brightside revenue could be improved. Weaknesses were noted with the reconciliation of supporting records and the transactions posted to the Louisville Metro financial system. There were also issues related to the oversight of credit card activity and problems regarding the appropriateness, accuracy and completeness of revenue transactions.	5/29/2007
Neighborhoods	Revenue Administration (Brightside) – Policies and Procedures	Policies and procedures are not adequately documented for Brightside revenue administration. There is not a comprehensive policies and procedure manual for development revenue. Community Gardens program policies and procedures manual has not been updated to account for current practices.	5/29/2007

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

<b>Department – Division</b>	<b>Area</b>	<b>Issues</b>	<b>Report (Consultation) Date</b>
Parks and Recreation	Farnsley–Moremen Revenue – Facility Rental and Catering Administration	Some concerns were noted during the review of rental and catering information that are indicative of procedural weaknesses. This included incomplete or inaccurate documentation for the activity.	1/25/2006
Parks and Recreation	Employee Misconduct– Community Centers	Parks staff review indicates possible time theft by Center employees. Further review indicates that Jefferson County Public School employment would conflict with official duties. Police investigation determined that criminal charges would not be pursued. Results referred back to Parks for further action.	11/30/2006
Parks and Recreation	Sun Valley Community Center – Rentals	Policy non-compliance issues. Cannot determine if all rental receipts properly received. Issues regarding documentation, appropriateness of charges, and activity on closed days (Sundays).	10/30/2006
Parks and Recreation	Sun Valley Community Center – Summer Camp	Policy non-compliance issues. Cannot determine if all camp receipts were properly received. Issues regarding documentation, fees charged, and completeness of activity.	10/30/2006
Police	Records – Credit Card Process	Based on the standard revenue of \$0.40 for an accident report, the credit card fees could be more than the revenue generated. Since this is a new process and volume has not been estimated, this needs to be monitored. Appropriate controls are needed to offset the risk of having the supervisor assigned the accounting responsibilities for the credit card transactions. After the credit card policies and procedures have been drafted, the Office of Internal Audit should be requested to review them. Deposits should be made using Metro’s armored car services contract.	5/2/2007
Police	False Alarm Activity – Policies and Procedures	Comprehensive, documented policies and procedures for false alarm activity were not available. While Police staff had begun drafting Standard Operating Procedures for the False Alarm Unit, it was not complete as of the review period. This may lead to inconsistencies and inefficiencies with processing, along with inadequate monitoring.	12/29/2006
Police	False Alarm Activity – Processing	There were several issues noted regarding transferring accurate information from Police to the contractor and obtaining complete data from the contractor. These types of problems were mainly related to weaknesses with the systems used to manage the information. These weaknesses could result in limited enforcement of regulations and decreased penalty fee collections.	12/29/2006

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

<b>Department – Division</b>	<b>Area</b>	<b>Issues</b>	<b>Report (Consultation) Date</b>
Police	False Alarm Activity – Monitoring and Reconciliation	Monitoring and reconciliation of false alarm activity is weak. Some of the weaknesses are based on Police’s limited oversight of information processed on the contractor’s system. There were several instances noted in which false alarm incidents were either not recorded or incorrectly recorded. This lessens the usefulness of activity reports as management tools. Ultimately, this could impact the enforcement of regulations and result in lost revenue.	12/29/2006
Public Health and Wellness	Billing and Collection Division (Follow-up) – Patient Services Reporting System	Patient Services Reporting System (PSRS) functionality.	6/16/2005
Public Health and Wellness	Billing and Collection Division (Follow-up) – Billing Process	Services provided to patients incarcerated at Metro Corrections are not billed. Health Department does not bill Medicare / Medicaid for some services provided via contract with the University of Louisville.	6/16/2005
Public Protection – Corrections	Inmate Management System (IMS) – Password Configurations	Inmate Management System (IMS) application’s password and user session parameters are inadequate (e.g. password length and terminal timeout too short).	5/17/2006
Public Protection – Corrections	Inmate Account – General Administration	Segregation of duties; Accountability for activity.	9/12/2005
Public Protection – Corrections	Inmate Account – Routine Activity	Clerical errors and missing signatures.	9/12/2005
Public Protection – Corrections	Law Enforcement Support Office (LESO) Assets	Corrections requested consultation regarding assets provided through the Law Enforcement Support Office (LESO). Metro has signed a Memorandum of Agreement (MOA) and received property that has been considered surplus by the initial purchasing agency. This could include items such as vehicles, firearms, protective vests, old uniforms, etc. These items are considered to still have a useful life for law enforcement entities and are provided to Metro in accordance with the MOA. Recommended that Corrections review the MOA and contact Finance to determine the applicability of Metro procedures (e.g., donations, asset management), the proper accounting of items, and risk management responsibilities. Legal Counsel might also need to be consulted.	6/13/2007

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

<b>Department – Division</b>	<b>Area</b>	<b>Issues</b>	<b>Report (Consultation) Date</b>
Public Protection – Emergency Medical Services	Payroll Activity – Policies and Procedures	No documented policies and procedures.	10/5/2005
Public Protection – Emergency Medical Services	CPR Training Center and Kentucky Board of EMS Grant – Friends of EMS	Non-Profit entity (Friends of EMS) managed by Metro employees is not administered as intended. Board is inactive and there is not proper oversight.	11/22/2005
Public Protection – Fire	CPR Training Center – General Administration	Inadequate segregation of duties.	6/23/2006
Public Protection – Youth Detention Services	Technology General Controls – Juvenile Court Activity Tracking System	Outdated policies and procedures; Management Analyst responsible for managing Juvenile Court Activity Tracking System (JCATS) may need additional technical training; No documented disaster recovery plan; No standard form to add / delete / change access to the JCATS system.	4/19/2004
Public Protection – Youth Detention Services	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
Public Protection – Youth Detention Services	State Meal Program Reimbursements – Efficiency and Effectiveness	Juvenile Court Activity Tracking System (JCATS) was not used in the preparation of reimbursement activity.	7/9/2004
Public Works and Assets – Facilities Management	JP Morgan / Bank One Accounts	Facilities Management receiving three statements for accounts with unknown purpose addressed to former Director; recommended transfer balance to general fund.	9/14/2004
Public Works and Assets – Facilities Management	Payroll Review – Policies and Procedures	No standard policy for how to record work at higher classification (may use Upgrade Sheet or note on timesheet). Not enough info (i.e. union name) recorded on source documentation to ensure processed appropriately.	11/7/2006
Public Works and Assets – Facilities Management	Payroll Review – Analyses Review	Several cases where employees were paid from incorrect union (mostly one employee). Resulted in overpayments.	11/7/2006
Public Works and Assets – Fleet Management	Fuel Administration – Monitoring and Reconciliation	There is not adequate reporting and monitoring of individual vehicle transactions, including fuel activity. Routine user reports are not available from Metro’s fleet management system to provide adequate oversight of activity. Metro Fleet Services management is aware of these reporting weaknesses.	2/22/2007

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

<b>Department – Division</b>	<b>Area</b>	<b>Issues</b>	<b>Report (Consultation) Date</b>
Public Works and Assets – Fleet Management	Fuel Administration – Fuel Charges	Complete monitoring of fuel charges is not performed. The contract with the fuel supplier provides for two methods of calculating fuel costs, the most beneficial of which is applied for each transaction. Sufficient information is not provided on the supplier’s reports to adequately verify fuel charges. Ultimately, this hinders the ability to ensure that payments to the fuel supplier comply with the contract.	2/22/2007
Public Works and Assets – Fleet Management	Fuel Administration – Policies and Procedures	Comprehensive, documented policies and procedures for the fleet fuel administration activity were not available. While fleet staff had notes for some processes, there was not a complete manual that presents the duties that Fleet Services and business office staff use to manage fuel activity. This may lead to inconsistencies and inefficiencies with processing, along with inadequate monitoring.	2/22/2007
Public Works and Assets – Fleet Management	Fuel Administration – Fleet Management Records	Some issues were noted regarding proper authorization for computer access. This results in limited accountability for activity recorded. There were also issues with information recorded in the files used to manage fleet activity. This included cases in which information in the various computer systems did not agree. Inaccurate information recorded in activity files limits their use as management and monitoring tools.	2/22/2007
Public Works and Assets – Operations and Maintenance	Vehicle Impoundment Division Revenue – Monitoring and Reconciliation	Monitoring and reconciliation of Vehicle Impoundment Division activity is weak.	8/11/2006
Public Works and Assets – Operations and Maintenance	Vehicle Impoundment Division Revenue – Segregation of Duties	There is not adequate segregation of duties with regards to the cashiering functions associated with the Vehicle Impoundment Division (VID) revenue activity; Multiple VID attendants share a single cashier drawer during some shifts.	8/11/2006
Public Works and Assets – Operations and Maintenance	Vehicle Impoundment Division Revenue – Policies and Procedures	There are no documented division policies and procedures to guide personnel in the administration and management of towed vehicles. Also, Vehicle Impoundment Division revenue deposits do not consider any threshold amount. Best practices for cash management involve scheduled deposits, along with ensuring funds are deposited once a pre-defined amount is received.	8/11/2006

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

<b>Department – Division</b>	<b>Area</b>	<b>Issues</b>	<b>Report (Consultation) Date</b>
Public Works and Assets – Operations and Maintenance	Vacant Lots Program – MIDAS (Hansen)	There is not a comprehensive manual for the management of Vacant Lots activity in the Metro Development Information and Asset System (MIDAS). Metro Code Enforcement staff is used as support and reference for MIDAS. Users are not familiar with the reporting capabilities of MIDAS. Some reporting is prepared manually.	4/23/2007
Public Works and Assets – Solid Waste Management	Waste Management District License Fee Revenues	No documented policies and procedures.	7/30/2004
Public Works and Assets – Solid Waste Management	Waste Reduction Center – Activity Processing	Permit Hauler Ticket forms are not being used efficiently.	6/19/2006

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

<b>Department – Division</b>	<b>Area</b>	<b>Issues</b>	<b>Report (Consultation) Date</b>
Codes and Regulations – Inspections, Permits and Licenses	Permit Refunds / Escrow Accounts	Consulted regarding refund policy as well as feasibility of establishing escrow accounts for contractors. Goal is to reduce the administrative workload associated with Contractors' overpaying for permits.	7/26/2006
Economic Development – Air Pollution Control	Revenue Management – Computer Systems	Multiple, old and antiquated systems; Not complete in processing activity.	7/25/2005
Economic Development – Air Pollution Control	Revenue Management – Penalty Fees	Discretionary ability in fee assessment and processing.	7/25/2005
Economic Development – Metro Development Authority	METCO Loan Processing	Consulted regarding desire to transfer loan processing functions to Metro Development Authority from Finance, as well as need for new loan software. As result, lockbox processing service was discussed. Implementation of new software and lockbox processing planned in Fiscal Year 2006. Housing may also use the new software and lockbox.	June 2006
Finance and Administration	Lockboxes	Consulted regarding use of lockboxes for loan processing functions for various Louisville Metro Agencies.	October 2004
Finance and Administration – Purchasing	Contract Change Order Process – General Administration	Lack of enterprise policy; No departmental policies and procedures (Purchasing, Parks, Works); Inconsistent project documentation; Usage for adding work to project which may bypass procurement process. Purchasing ultimately responsible for enterprise policy, but Parks and Works also have issues to address.	12/18/2006
Housing and Family Services – Community Action Partnership	Business Administration – Purchases	Lack of documented policies and procedures.	7/18/2005
Housing and Family Services – Community Action Partnership	Business Administration – Assets	Lack of documented policies and procedures.	7/18/2005
Housing and Family Services – Housing	Ramp Program (County Community Development)	Case referred to Police for determination of criminal activity in May 2005. In July 2006, Commonwealth Attorney determined that there were not sufficient grounds to move forward with criminal charges. Office of Internal Audit participated in meeting with County Attorney for pursuing civil action. County Attorney attempted to negotiate with contractor, but unsuccessful. Lawsuit filed December 2006.	12/28/06

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

<b>Department – Division</b>	<b>Area</b>	<b>Issues</b>	<b>Report (Consultation) Date</b>
Human Resources	Fraud Policy	Consulted regarding fraud policy for Metro government.	3/24/2006
Human Resources	Tuition Reimbursement Program	Discussed new policy for Tuition Reimbursement to Metro employees.	4/24/2006
Human Resources	Retirement Administration – Retirement Data Analyses	Hazardous retirement positions were not easily identifiable in Human Resources system, as well as KRS support documentation.	12/21/2006
Human Resources	Health Insurance – General Administration	Support documentation was lacking with regards to internal policies and procedures.	3/14/2006
Information Technology	Email – IT Policies and Procedures, User Acknowledgement	Metro users should acknowledge their acceptance of Information Technology policies and procedures on at least an annual basis.	6/22/2007
Information Technology	Email – Off-site Tape Storage	Current storage location of backup tapes may not provide adequate protection of tapes in the event of a major disaster.	6/22/2007
Information Technology	Firewalls – Disaster Recovery and Business Continuity	Metro does not have a comprehensive disaster recovery plan that addresses the recovery of information technology systems in the event of a disaster.	6/22/2007
Information Technology	Firewalls – Incident Response and Escalation Procedures	Technology does not have formal documentation of incident response and escalation procedures.	6/22/2007
Information Technology	LeAP (Oracle) – General Controls	Disaster recovery plan. Need to move backup tapes offsite. Monitoring of logs. Document retention.	6/3/2004
Information Technology	Peoplesoft – Database Security and Controls	Auditing not enabled.	8/5/2004
Information Technology (MSD)	MIDAS (Hansen) – Application Controls	Identical user names and passwords.	10/5/2004
Information Technology (MSD)	MIDAS (Hansen) – General Controls	Disaster recovery plan.	10/5/2004
Neighborhoods	Revenue Administration (Brightside) – Safeguarding of Revenue Receipts	There is not a consistent process in order to safeguard revenue received at the Neighborhoods administrative office. The routing of revenue receipts may vary. Funds may be delivered to division staff (e.g., Development Office, Community Gardens staff) or placed in mail slots. These practices do not ensure compliance with applicable departmental guidelines and do not adequately document the custody of revenue receipts or properly safeguard funds.	5/29/2007

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

<b>Department – Division</b>	<b>Area</b>	<b>Issues</b>	<b>Report (Consultation) Date</b>
Neighborhoods	Revenue Administration (Brightside) – Development Office Revenue Management System	There were some issues noted that limit the usefulness of the Development Office computer database used to administer revenue. Limited technical support likely impairs the ability to use the software package to its fullest extent. Some reporting for revenue receipts, along with the management of donation pledges, requires manual manipulation. This is inefficient and requires additional staff resources to manage the activity.	5/29/2007
Parks and Recreation	Farnsley–Moremen Revenue – Riverside Inc.	There is no documented agreement between Louisville Metro and the non-profit organization.	1/25/2006
Parks and Recreation	Farnsley–Moremen Revenue – Revenue Management	Several concerns were noted regarding the general administration of revenue activity. This included reporting of activity and monitoring and reconciliation.	1/25/2006
Public Health and Wellness	Billing and Collection Division (Follow-up) – Payor Issues	Passport payments do not automatically interface with the Patient Services Reporting System (PSRS) like other Medicaid payments.	6/16/2005
Public Health and Wellness	Billing and Collection Division (Follow-up) – Billing Process	Services provided to patients incarcerated at the Youth Detention Center are not billed.	6/16/2005
Public Protection – Corrections	Inmate Management System (IMS) – General Computer Controls – Disaster Recovery Plan	Disaster and recovery plan should be developed and tested.	5/17/2006
Public Protection – Corrections	Inmate Management System (IMS) – Oracle Database	The database auditing system has not been implemented.	5/17/2006
Public Protection – Corrections	Inmate Account – General Administration	Policies and procedures.	9/12/2005
Public Protection – Corrections	Inmate Account – Booking Fee Activity	Inmate Management System doesn't reflect actual collections	9/12/2005
Public Protection – Fire	CPR Training Center – General Administration	Accounts receivable process manual and inefficient.	6/23/2006

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

<b>Department – Division</b>	<b>Area</b>	<b>Issues</b>	<b>Report (Consultation) Date</b>
Public Protection – 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
Public Protection – Youth Detention Services	State Jail Fee Reimbursements – Monitoring and Reconciliation	No written contract for jail fee reimbursements	7/9/2004
Public Works and Assets – Operations and Maintenance	Vehicle Impoundment Division Revenue – Segregation of Duties	The cashier has the ability to run register activity reports independently.	8/11/2006
Public Works and Assets – Operations and Maintenance	Vehicle Impoundment Division Revenue – Efficiency and Effectiveness	Vehicle Impoundment Division activity is administered mainly using a manual process. While cash register systems are used, along with information managed using general MS–Office software, most files and records are handwritten. In addition, revenue receipts are processed using two stand–alone cash register systems.	8/11/2006
Public Works and Assets – Operations and Maintenance	Vacant Lots Program – Management of Resources	The lack of useful performance measures is a major obstacle that impairs accountability and limits the ability to assess the effectiveness of services provided.	4/23/2007
Public Works and Assets – Operations and Maintenance	Vacant Lots Program – Reporting of Grant Funded Activity	Costs recorded in MIDAS (Hansen) do not specify the funding source, such as Community Development Block Grant (CDBG) or Metro General Fund. Grant guidelines require that reimbursements of CDBG expenditures be recorded as program income for the grant.	4/23/2007

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

<b>Department – Division</b>	<b>Area</b>	<b>Issues</b>	<b>Report (Consultation) Date</b>
Enterprise	Donations – Financial System	The Metro financial system is used to record financial donation activity. Issues were noted with the proper recording of activity on the financial system. This includes the use of accounting codes that are not descriptive of the actual transaction. This lessens the usefulness of the financial system information for analytical and monitoring purposes. In addition, the financial system is not used to record or monitor non-cash donations. It is the responsibility of each department to administer this activity.	8/2/2006
Information Technology	Email – Diagnostic Logging of Servers	Diagnostic enabling is not enabled on the MS Exchange servers.	6/22/2007
Information Technology	Email – Password Security / Complexity	Domain password security could be enhanced by enabling password complexity requirements.	6/22/2007
Information Technology	LeAP (Oracle) – Application Controls	SYSADMIN account enabled. System administrator responsibility. Guest account enabled.	6/3/2004
Parks and Recreation	Farnsley–Moremen Revenue – Revenue Management	Segregation of duties.	1/25/2006
Public Health and Wellness	Billing and Collection Division (Follow-up) – PSRS	The Patient Services Reporting System does not have the full functionality of an accounts receivable system.	6/16/2005
Public Protection – Fire	CPR Training Center – General Administration	No documented policies and procedures.	6/23/2006

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