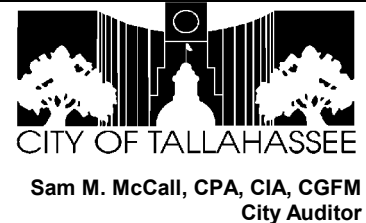


Audit Follow up

As of September 30, 2000



“Open Capital Projects”

(Report #0018, Issued September 7, 2000)

Report #0114

January 25, 2001

Summary

The Office of Budget & Policy is in the process of implementing the PeopleSoft Projects Management module that should address most of the issues we identified in our previous Audit of Open Capital Projects (#0018). The scheduled implementation date is October 2001.

In that audit, issued September 7, 2000, we identified several areas where compliance with the Capital Projects Management Policy could be improved and strengthened. The Office of Budget & Policy was receptive to the issues raised in the audit, and, with the implementation of the PeopleSoft Projects Management module, should address the action plan steps contained in the audit. A review of open capital projects, dated October 20, 2000, showed significant improvement as of September 30, 2000; a total of nine projects were open past their due dates. In addition, 20 projects had deficit balances totaling \$81,427, and 14 projects had a zero balance.

Scope, Objectives, and Methodology

The audit and this subsequent follow up were conducted in accordance with Generally Accepted Government Auditing Standards, and accordingly included such tests of the records and other auditing procedures as were considered necessary.

Report #0018

The scope of Report #0018 was to determine compliance with the current policy and follow up on a previous review. Specifically, we sought to identify the number of projects not in compliance with the policy and to determine if improvement had been made over our previous review.

Report #0114

This audit follow up focuses on the action plan steps that the Office of Budget & Policy has implemented. We reviewed the documentation provided by the Office of Budget & Policy.

Previous Conditions and Current Status

In Report #0018, we identified three areas in compliance with the Capital Projects policy that needed improvement. Table 1 summarizes all conditions identified in Report #0018 and shows that they have all been addressed and resolved.

**Table 1
Conditions Identified in Report #0018 and Current Status**

Previous Conditions	Current Status
<ul style="list-style-type: none"> • Departments are not submitting revised completion dates for approval and input into the financial management system in a timely manner. 	<ul style="list-style-type: none"> ✗ We noted significant improvement as of September 30, 2000. An October 20, 2000, computer listing of open Capital Projects as of September 30, 2000, showed only nine projects out of the 547 projects that were open past their due dates. Twenty projects had deficit balances totaling \$81,427, and fourteen projects had a zero balance. The Office of Budget & Policy is in the process of implementing the PeopleSoft Projects Management module within the PeopleSoft Financials System. Any problems with completion dates being past due will be addressed by the new system. This new module is anticipated to be on-line by October of 2001.
<ul style="list-style-type: none"> • Oversight over capital projects at the Assistant City Manager and Appointed Official level needs to improve. 	<ul style="list-style-type: none"> ✓ The Office of Budget & Policy has met with all Assistant City Managers and provided assistance to them in establishing procedures for oversight of capital projects within their respective areas.
<ul style="list-style-type: none"> • Controls are needed for expenditure or transfer of funds from a capital project that is open beyond its scheduled completion date. 	<ul style="list-style-type: none"> ✗ The Office of Budget & Policy is in the process of implementing the PeopleSoft Projects Management module within the PeopleSoft Financials System. This module is scheduled for completion in September of 2001. Implementation of this module will prohibit the expenditure or transfer of funds from a capital project where the completion date has already passed.

Table Legend:

- Issue addressed in the original audit
- ⇒ Issue sub-components

- ✓ Issue addressed and resolved
- ✗ Issue not resolved

We appreciate the cooperation of the Office of Budget & Policy and the assistance provided in this Audit Follow Up.

Appointed Official Response

City Managers Response:

Budget and Policy staff have been working to improve and strengthen compliance with the Capital Projects Management Policy and we appreciate the Auditing staff noticing these improvements. Deficit positions in the majority of those projects had

already been resolved as of this response. Those projects still having deficit balances were identified to the departments and action is being taken to resolve the negative balances. We look forward to implementation of the PeopleSoft Projects Management module next fall which is expected to strengthen capital project controls on expenditures and budget transfers.

Copies of this Audit Follow Up or audit report #0018 may be obtained via request by telephone (850 / 891-8397), by FAX (850 / 891-0912), by mail or in person (City Auditor, 300 S. Adams Street, Mail Box A-22, Tallahassee, FL 32301-1731), or by e-mail (dooleym@mail.ci.tlh.fl.us).

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