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**OFFICE OF THE CITY AUDITOR
Audit Report**

**AUDIT FINDINGS FOLLOW-UP:
STATUS OF
MANAGEMENT ACTION PLANS - 2007**

October 2007



City Auditor
F. Michael Taylor

Stockton, California



CITY OF STOCKTON

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October 12, 2007

Stockton City Council

AUDIT FINDINGS FOLLOW-UP: STATUS OF MANAGEMENT ACTION PLANS - 2007

In accordance with our 2006-2007 audit plan, we have completed the annual follow-up of management action plans to improve conditions reported in audits.

The objective of our audit was to determine whether management's plans for corrective action had been implemented, and whether audit finding conditions were corrected. We verified management's corrective actions through interview, observation, and testing. Included in this year's audit findings follow-up were 17 management action plans with implementation dates of June 30, 2007, or earlier.

We have verified management's correction of 7 of the audit finding conditions reviewed. Management's corrective actions have resulted in:

- revision of various City administrative directives;
- strengthened practices and controls over employee salary adjustments;
- improved risk management of insurance provisions;
- implementation of written procedures on performing golf inventory counts;
- improved practices and controls of golf course video tapes from surveillance cameras;
- implementation of written procedures for transactions at the golf pro shops; and,
- documenting asset accountability of non-capital assets of the organization.

The remaining 10 findings to be resolved relate to:

- strengthening internal controls over golf course passes and gift certificates;
- revision of various administrative directives;
- use of temporary workers to staff essential positions;
- developing procedures for effective construction contract management and monitoring;
- retention of records in accordance with the City's records retention schedule;

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- implementation of an electronic document management system;
- strengthening internal controls over inventory of fixed assets; and,
- developing and documenting procedures for payroll processing and time sheet submittal.

The responsible department managers for Human Resources, Parks and Recreation, Administrative Services, and the City Manager are to be commended for their efforts to improve the City's systems of internal control by resolving audit findings in a timely manner.

Additional information about our audit can be found in the attached Audit Report.


F. MICHAEL TAYLOR, CIA
CITY AUDITOR


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DEPUTY CITY AUDITOR I

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AUDIT FINDINGS FOLLOW-UP: STATUS OF MANAGEMENT ACTION PLANS - 2007

In accordance with the City Auditor's 2006-2007 audit plan, we have completed the annual follow-up of management's action plans to improve conditions reported in audit reports.

BACKGROUND

As each audit assignment is completed, the auditor categorizes the conditions found as either audit findings, suggestions for improvement, or other comments. How a condition is categorized depends on its significance and relationship to the audit objectives.

Audit findings are presented to responsible City management in writing. Management responds to the audit findings with action plans and target dates to make needed improvements. We incorporate management's action plans into the final audit report. We provide our audit reports to the City Council and City management. Additionally, we discuss any significant findings identified in our audit reports with the Audit Committee.

After report issuance, we track audit findings, including the related management action plans and target dates, in a database application. On a quarterly basis, we provide a listing of all open findings to the City Manager's Office to assist in monitoring progress toward corrective action. On an annual basis, we conduct a follow-up review of open audit findings to assess the status of all management's action plans and to verify the implementation of management's corrective action.

Suggestions for improvement are those conditions deemed by the auditor to be of less significance than audit findings. Generally, these are areas where procedures could be more efficient, or where opportunities exist to make minor internal control improvements. These items are reported in a separate memorandum to management, and no follow-up work is performed.

Other comments may appear in the body of our audit reports. These comments may be included to highlight issues that apply to related areas in addition to the specific audit assignment, or to call attention to actions or events that may be of significant interest to the City Council.

OBJECTIVES AND SCOPE

Much of the benefit from audit work is not in the findings reported or the recommendations made, but in the effective resolution of control weaknesses. Management is responsible for resolving audit findings and the Office of the City Auditor performs follow-up procedures to determine whether prompt and appropriate corrective action has been taken on reported findings. We conducted our audit follow-up on management's action plans with target implementation dates of June 30, 2007 or earlier.

METHODOLOGY

On an annual basis, the City Auditor sends a written inquiry to management requesting the status of planned actions that have passed their target implementation date. For planned actions that have not been implemented, management is asked to provide revised plans and target dates. Auditing verifies through interview, observation, and testing those actions represented by management as implemented.

Our audit was conducted in accordance with Generally Accepted Government Auditing Standards.

RESULTS

During the 2006-2007 fiscal year, there were 17 reportable audit findings with management action plans due to be implemented by June 30, 2007 or earlier. The reportable audit findings and their status are summarized in the tables below.

Management's corrective actions during the year have resolved seven of the audit finding conditions.

Department	Audit Title	Finding Number	Status	Original Target Date
City Manager	IFG Facilities Management Agreement	160-03	Closed	05/17/2007
City Manager	Fixed Assets	310-02	Closed	11/01/2006
City Manager	Payroll	321A-05	Closed	06/30/2006
Human Resources	Administrative Directives	460-10	Closed	12/01/2002
Parks & Recreation	Golf Pro Shop Inventory	129-02	Closed	10/15/2004
Parks & Recreation	Golf Course Receipts	187-07	Closed	06/30/2004
Parks & Recreation	Golf Course Receipts	187-10	Closed	06/30/2004

In resolving the above audit findings, management's corrective actions have resulted in the following improvements:

- revision of various City administrative directives;
- strengthened practices and controls over the adjustment of employee salaries due to changes in classification;
- improved risk management by meeting all insurance provisions of the IFG and professional sport teams' contracts, risk management and insurance reporting requirements will be included into the City's contract compliance program;
- implementation of written procedures on performing golf inventory count;
- improved control on the handling, storage, and access of golf course video tapes from surveillance cameras;
- implementation of written procedures for cash handling and deposits for the golf pro shops; and,
- strengthening of City Departments' responsibility to control all non-capital assets of the organization.

Following is a list of the remaining ten open audit findings. For each open audit finding, we have attached copies of the most recent follow-up reports, which detail the condition, management's action plan, and current status.

Department	Audit Title	Finding Number	Status	Original Target Date	Revised Target Date
City Manager	Internal Control Evaluation: Events Center	159-02	Open	06/30/2007	01/31/2008
City Manager	City Clerk	306-03	Open	12/31/2006	12/31/2010
City Manager	City Clerk	306-05	Open	12/31/2005	01/31/2008
City Manager	Fixed Assets	310-01	Open	06/30/2007	12/31/2007
City Manager	Payroll	321A-01	Open	06/30/2007	12/31/2007
City Manager	Payroll	321A-04	Open	11/30/2007	11/31/2007
City Manager	Administrative Directives	460-03	Open	12/31/2002	06/30/2008
Human Resources	Management Information Services	182-09	Open	09/30/2001	06/30/2008
Parks & Recreation	Golf Course Receipts	187-02	Partially	05/19/2004	12/31/2007
Parks & Recreation	Golf Course Receipts	187-03	Partially	09/30/2004	12/31/2007

We would like to express our appreciation to the staff of all departments for their assistance during this audit.

REPORT OF OPEN AUDIT FINDINGS

Audit Name: Internal Control Evaluation – Events Center **Finding Number:** 159-02

Department: City Manager **Implemented:** No

Division:

Original Target Date: 06/30/2007 **Current Target Date:** 01/31/2008

Condition:

During our audit, we noted several internal control weaknesses related to management of city-wide construction projects.

1. The City's contract with Treadwell & Rollo did not contain standard contract clauses. The contract lacked specific terms describing what was to be provided, the basis for making payments, and how progress would be measured and monitored.
2. The City contracted for specific services to assist in contract management but did not ensure these services were rendered.
 - Based on the architects' observations on site, they were required to review and comment on Swinerton's percentage of completion and quality of work in accordance with the construction documents. As evidence of their review, they were to execute the "Architect's Certification of Application for Payment." We noted both architects did not review and certify all of Swinerton's applications for payment. HKS Architects, Inc. (HKS), the architect for the ballpark, certified only 2 of 19 payment applications. For payment application numbers 14 to 19, HKS notified the City that they would not perform the work until the City resolved the payment issues with their invoices. Accordingly, the City reduced the final settlement amount with HKS to adjust for the work that was not performed. 360 Architecture (ThreeSixty), the architect for the arena, stated the initial payment applications provided to them for review were payment application numbers 7, 9, and 10. ThreeSixty did review and certify the remaining payment applications related to the arena as required.
 - The City's contract with Regent Event Center, LLC (Regent) was in place to address project controls, schedule and budget issues. According to the contract, Regent was to provide monthly budget reports to the City. Regent was unable to prepare the reports as the City did not provide them with access to financial data for the project.
3. Total project costs for the Events Center were difficult to determine as not all costs were recorded under assigned project numbers. Costs for the Events Center were recorded under two project numbers as well as allocated to various departments thus making it difficult to determine the total cost of the project. The project also experienced turnover of key staff responsible for tracking project costs. Each individual used a different methodology to track project costs. Costs charged outside the assigned project numbers were overlooked unless the individual tracking the costs knew the specific accounts in which costs were originally recorded.
4. City-wide procedures addressing supporting documentation to be submitted to Accounts Payable with requests for payment are lacking. Payments to Regent, F&H Construction, HKS, and ThreeSixty, were processed without adequate supporting documentation submitted to Accounts Payable. The amount of supporting documentation provided to Accounts Payable varied depending on the individual submitting the invoice for payment. It was unclear whether the detail in support of the invoices was maintained by individuals submitting the invoices. Accounts Payable is often viewed as a control point as all documentation submitted in support of payments is eventually scanned and maintained electronically by check number. Supporting documentation for Events Center invoices was voluminous in some instances and may explain why it was not submitted to Accounts Payable.

REPORT OF OPEN AUDIT FINDINGS

Audit Name: Internal Control Evaluation – Events Center **Finding Number:** 159-02

Management's Action Plan:

Management agrees with the need for effective construction contract management and orderly organization of supporting documentation. As pointed out in this finding, Management's current administrative directive regarding contracts expresses the importance of contract monitoring for progress, performance and payment.

Management will ensure that all construction contracts include provisions for deliverables, milestones and payment terms in order that contract performance can be monitored and payment processing expectations are clear.

All contract managers will be expected to monitor the performance of the contracts under the terms of the construction contracts.

Project numbers will be assigned to all projects for which establishing such numbers is Date Printed: 07/10/2007 necessary to facilitate accurate financial reporting.

Supporting documentation will be maintained by project managers who will note where supporting documentation can be found on all invoices submitted for payment to Accounts Payable that do not have the complete documentation attached.

Management Follow-up Comments:

Status at June 30, 2007 Follow-up: Staff is currently reviewing standard processes used by project managers for construction contract management. The next step is to develop a plan for communicating to all City project managers the standards for construction contract management including contract terms, supporting documentation, contract monitoring, payment processing, and the use of project numbers.

REPORT OF OPEN AUDIT FINDINGS

Audit Name: City Clerk

Finding Number: 306-03

Department: City Manager

Implemented: No

Division:

Original Target Date: 12/31/2006

Current Target Date: 12/31/2010

Condition:

The City Council has recently adopted a record retention and management policy City-wide. While there are numerous manual records that are kept by the City, electronic records make up a significant portion of the City records. In the development of record retention plan, there needs to be an emphasis on policies, procedures and practices relating to how computer records are managed and retained, as well as manual records.

City-wide controls and accountability over computer records is necessary because creators of records, users of records, City departments, City Attorney and Administrative Services –Information Technology all have a degree of control and influence over vital records. Each of the above has significant control over how records are managed, placed on the record retention schedule and which records are retained after the required retention period has passed.

There are significant issues in which coordination of effort between groups is needed such as:

- Computer records often have a paper copy kept. It is uncertain whether the record retention schedule for the same document in both paper and computer form is adhered to simultaneously.
- The City's record retention in many cases is longer than two years and varies in accordance with each department's record retention needs. GroupWise may not be capable of handling the diverse record retention schedules needed by the City.
- Other technologies storing public records, GroupWise, or other computer technology that can handle different record retention schedules need to be explored. There are issues involving responsibilities over records and what procedures should be used to monitor the process of electronic record management. Issues that need to be resolved include access rights to records, periodic review of records for determination of record retention, record security, hardware and software used to store records and naming conventions of records so they can be located more easily.
- Software and other computer systems may store information for long periods of time. If a computer software system becomes obsolete, the transfer of data from one medium to another is necessary to preserve key records. Public records are at risk if technology cannot successfully transfer records to other technology.
- Departments testing disaster recovery systems periodically to determine electronic records can be recovered in an efficient and effective manner.

Management's Action Plan:

On December 14, 2004, City Council Resolution 04-0803 was adopted authorizing the City to enter into a contract with THIRDWAVE CORPORATION to provide enterprise document management consulting services in the amount of \$95,165 to evaluate its stand-alone document and records management systems and to make recommendations for an Electronic Document Management System. The consulting services will include recommendations regarding the City's

REPORT OF OPEN AUDIT FINDINGS

Audit Name: City Clerk

Finding Number: 306-03

current electronic document management system, the management of electronic records to include an imaging solution and suggestions of policies and procedures for the City to adopt. It will take some time for the study to be done, recommendations to be drafted, and decisions to be made regarding policies and procedures to be implemented.

Management Follow-up Comments:

Status at June 30, 2007 Follow-Up: A consulting firm has been hired to assess internal readiness, help with vendor selection, perform cost benefit analysis, and to assist with vendor contract negotiations (should the first two items show environmental readiness/fitness). Target date for starting implementation is January 2008 with completion estimated within 36 months.

Status at June 30, 2006 Follow-Up: An Electronic Document Management System has been approved in the 2006-2007 budget. City staff is coordinating implementation efforts.

REPORT OF OPEN AUDIT FINDINGS

Audit Name: City Clerk **Finding Number:** 306-05
Department: City Manager **Implemented:** No
Division:
Original Target Date: 12/31/2005 **Current Target Date:** 01/31/2008

Condition:

In our observation and review of record storage, we noted contents that were several years old and possibly kept in excess of the established retention periods. We also reviewed and observed records outside our sample at various storage sites. In some cases, we observed records in excess of 70-80 years old. Many records appear to have exceeded their useful life and the cost benefit to the City in retaining the above records needs to be assessed.

Management's Action Plan:

The City Manager's Office will draft a memo to all City departments who may have old and outdated records at various sites that may no longer serve any legal, operational or enduring purpose. The memorandum will mandate that records be inventoried and retained in accordance with the City's records retention schedule. Because the above records involve more analysis in order to determine records status, it may take a period of time to properly evaluate each records status in accordance with the records retention schedule and handle records appropriately.

Management Follow-up Comments:

Status at June 30, 2007 Follow-Up: All files were removed from the old Fire Company No. 1 location. Additional file clean-up is still needed in the City Hall attic. It is anticipated that this next phase will be completed by January 31, 2008.

Status at June 30, 2006 Follow-Up: A memo was drafted to all City departments. Individual departments are in the process of reviewing files stored at various sites.

REPORT OF OPEN AUDIT FINDINGS

Audit Name: Fixed Assets	Finding Number: 310-01
Department: City Manager	Implemented: No
Division:	
Original Target Date: 06/30/2007	Current Target Date: 12/31/2007

Condition:

The City's annual physical inventory of fixed asset equipment is performed by the same staff that has custody or access to the assets, with no independent verification. On an annual basis, Resource Managers send equipment listings to departments identifying equipment for which the department is accountable. Departments are to compare the lists to equipment on hand, noting any discrepancies, and return it to the Resource Managers. There is no independent verification to provide assurance that counts performed by the departments are complete and accurate.

Management's Action Plan:

The proposed Administrative Directive - FIN-003, Asset Accountability requires departments to develop appropriate criteria for tracking assets assigned to their department. The directive includes considerations that should be taken into account by departments when developing their criteria. Resource Managers will apply sampling techniques during their normal work processes to verify the accuracy of inventories for which they are responsible, on a sample basis.

Management Follow-up Comments:

Status at June 30, 2007 Follow-up: Administrative Directive FIN-003, Asset Accountability was presented to the Executive Committee and received final approval effective June 25, 2007. The revised directive incorporates the changes recommended by the audit. Resource Managers will perform periodic sampling techniques to verify the accuracy of inventories for which they are responsible. Accounting will work with the Resource Managers to obtain documentation of these sampling procedures.

REPORT OF OPEN AUDIT FINDINGS

Audit Name: Payroll **Finding Number:** 321A-01
Department: City Manager **Implemented:** No
Division:
Original Target Date: 06/30/2007 **Current Target Date:** 12/31/2007

Condition:

Though there are payroll related Administrative Directives, the City does not maintain comprehensive, written, citywide policies and procedures related to payroll processing. The responsibility for complete and accurate payroll extends to every City employee, in every department. In the absence of citywide guidance, the City is missing an opportunity to promote uniformity in processing, and to emphasize critical roles and activities of the internal control structure. In addition, policies and procedures could formalize segregation of duties by describing the responsibilities of each participant in the payroll process, while listing incompatible activities for each.

To be effective, employees in critical positions should receive training to ensure they understand the policies and procedures, written guidance should be made readily available, and each department's operational processes should be surveyed and monitored to ensure correct implementation.

Management's Action Plan:

The Human Resources Department and the Administrative Services Department – Payroll Unit will collaboratively review the segregation of duties between the departments to insure that proper internal controls are in place to properly safeguard the assets of the City of Stockton. Written policies and procedures will be developed that clearly define the division of responsibilities. The Human Resources Department and the Administrative Services Department – Payroll Unit will develop a meeting schedule to develop these documents.

In addition, both departments will review the payroll processes in each department and develop consistent procedures for the user departments. To develop uniformity, training will be conducted for the payroll users in each department. A first training on the proper use of the Payroll system will be conducted by HTE in July 2006.

Management Follow-up Comments:

Status at June 30, 2007 Follow-up: The Human Resources Department and the Administrative Services Department have been meeting consistently to address this finding. The segregation of duties between departments has been reviewed and it has been determined that proper internal controls are in place to safeguard City assets. The payroll processing responsibilities of the Human Resources Department are documented and procedures have been developed. The Administrative Services Department is continuing to document citywide policies and procedures related to payroll processing, including the responsibilities of the user departments. The Finance Division has assigned an internal auditor to work with Payroll staff to assist with the development of the documentation. Training will be provided to the payroll users in each department.

REPORT OF OPEN AUDIT FINDINGS

Audit Name: Payroll	Finding Number: 321A-04
Department: City Manager	Implemented: No
Division:	
Original Target Date: 01/31/2007	Current Target Date: 11/30/2007

Condition:

Though time sheets are identified as the official source document and audit trail, in practice other records are required to fully document payroll. Time sheets are often not signed by employees, or are signed with known inaccuracies under the assumption that corrections will be made in future pay periods. For the Police Department, overtime hours are not documented on the time sheets submitted to Payroll.

Management's Action Plan:

Automated time entry is the desired method of tracking and archival of payroll attendance and will continue to be explored as part of the city wide Electronic Document Management System (EDMS) project. In the short term, FIN-004 will be reviewed and revised as needed. In addition, the necessity for accurate, timely filing of an employees' time sheet will be reaffirmed and communicated by the City Manager to all departments. Departments will be required to submit to Payroll documents and procedures that are a variation to the current official record for acceptance and filing.

Management Follow-up Comments:

Status at June 30, 2007 Follow-up: The Human Resources Department and the Administrative Services Department have worked together to update FIN-004 to address the necessity for accurate and timely filing of employee time sheets. The revised draft has been finalized and submitted to the Executive Committee for adoption.

REPORT OF OPEN AUDIT FINDINGS

ATTACHMENT

Audit Name: Administrative Directives
Department: City Manager

Finding Number: 460-03

Directive	Title	Effective Date	Current Target Date	Exhibit Appendix Updated	Status	Date Verified
MAN-13*	City Manager's Agenda Report to the City Council	4/1/1998	6/30/2008	No	Open	
MAN-13E	Resolution Memo Sample		6/30/2008	No	Open	
MAN-13F	Committee Meeting Sample		6/30/2008	No	Open	
MAN-13G	Staff Report Sample		6/30/2008	No	Open	
MAN-13H	Legislation Adoption Sample		6/30/2008	No	Open	
MAN-13M	Multiple Committee Meeting Sample		6/30/2008	No	Open	
MAN-13T	Transmittal of Material for City Council Agenda		6/30/2008	No	Open	
MAN-15*	Emergency Plans	9/15/1982	6/30/2008	No	Open	
MAN-17	Health Insurance Advisory Committee	11/15/1989	6/30/2008		Open	
MAN-19	Economic Review Committee (ERC)	6/1/1994	6/30/2008		Open	
MAN-03*	Budget Transfer Administrative Policy	9/2/1997	9/30/2003	Yes	Closed	12/19/2003
MAN-04	Departmental Orientations	5/8/1995	9/30/2003		Closed	6/24/2004
MAN-04A	Departmental Orientation Form		9/30/2003		Closed	6/24/2004
MAN-04B	Departmental Orientation Critique Sheet		9/30/2003		Closed	6/24/2004
MAN-07*	City Council Inquiries/Complaints	3/15/1979	9/30/2003	No	Closed	6/24/2004
MAN-08	Correspondence: External	1/1/1997	9/30/2003		Closed	12/13/2004
MAN-08S	Sample Simplified Letter		9/30/2003		Closed	12/13/2004
MAN-09	Correspondence: Internal (Memorandum)	1/1/1997	9/30/2003		Closed	12/13/2004
MAN-09S	Sample Memorandum		9/30/2003		Closed	12/13/2004
MAN-11	Administrative Procedure Directive Changes	3/15/1979	9/30/2003		Closed	6/24/2004
MAN-12*	Grants – Application Procedure	12/2/1992			Closed	12/17/2002
MAN-18	Affirmative Action Guidelines for Federal Funded Pro	10/8/1997	9/30/2003		Closed	10/5/2004
MAN-20*	Electronic Monitoring System (CityLink)	2/1/1991	9/30/2003	No	Closed	6/24/2004
MAN-22	Employee Suggestion Program	9/1/1996	7/31/2005		Closed	8/19/2005
MAN-23*	Communications Policy	10/20/1999	9/30/2003	Yes	Closed	10/5/2004
MAN-24	Cable T.V. Channel 42 – Government Channel Prog.	3/15/1994	9/30/2003		Closed	10/5/2004
MAN-25	Contracts, Management of	8/2/2000	9/30/2003		Closed	10/5/2004
MAN-26	Staff Committee Structure	6/3/1996			Closed	3/27/2003
MAN-26A	Committee Formation Form				Closed	3/27/2003
P&R-02	Civic Memorial Auditorium	3/15/1979	9/30/2003		Closed	10/5/2004

*Directive references that an appendix or exhibit is attached but is not available in GroupWise

REPORT OF OPEN AUDIT FINDINGS

Audit Name: Management Information Services

Finding Number: 182-09

temporary staff may have the appearance of short-term cost savings, it was determined that this process is costing the City more resources in its long-term operation in the following quality and quantity measures: productive time; level of deliverables and service products; continuity of services; quality control; reliability of operation; skill set and knowledge consistency; training and learning curve; work assignment and scheduling flexibility; and accountability of service qualities. Specifically, their recommendation was to allocate temporary staff to full-time positions of Administrative Assistants and Micro-Computer Specialists. This recommendation has not been implemented by the City Manager due to the excessive costs associated with the allocation of eight (8) additional positions.

The City Information Technology Committee is also reviewing the IT organization structure and staffing. This committee is tasked with making recommendations to the City Manager that will increase overall IT effectiveness in meeting the City's current and future needs.

Status at June 30, 2002 Follow-Up: A Management Study recommended converting temporary positions at the Help Desk and Administrative personnel into regular positions. A City IT committee formed after being recommended in the audit report is currently exploring alternatives to the recommendation identified in the Management Study. Such alternatives may be to contract out with an agency to provide technical support (Help Desk). The IT Committee is meeting monthly to discuss this issue. However, this is not the only alternative. As previously stated, alternatives are still being considered. Also, the ability of converting temporary staff to permanent status requires Council action along with the budgetary process."

REPORT OF OPEN AUDIT FINDINGS

Audit Name: Golf Course Receipts

Finding Number: 187-02

Status at June 30 2006 Follow-Up: A procedure on handling gift certificates was developed and implemented in April 2006. This procedure has been added to the Golf Operations Manual. The department is looking at the possibility of limiting the use of the gift certificates to the Golf Course where the gift certificates were issued due to the issues identified with maintaining and reconciling separate logs at both golf courses. Adding magnetic strips or converting the gift certificates to magnetic cards will be postponed due to cost considerations.

Status at June 30, 2005 Follow-Up: The Parks & Recreation department is currently recruiting a new Golf Manager and needs to give the person hired for the position time to establish procedures.

Status at June 30, 2004 Follow-Up: Effective May 19, 2004, all golf course staff were required to log all gift certificates sold with the amount of that certificate. Parks and Recreation is also working with the Purchasing Division of Administrative Services to select a vendor for magnetic card gift certificates. We anticipate having the magnetic strip gift cards by October 1, 2004.

REPORT OF OPEN AUDIT FINDINGS

Audit Name: Golf Course Receipts

Finding Number: 187-03

make this determination by December 31, 2006.

Status at June 30, 2005 Follow-Up: The Parks & Recreation department is currently recruiting a new Golf Manager and needs to give the person hired for the position time to establish procedures.

Status at June 30, 2004 Follow-Up: The Parks and Recreation Department is working with the Purchasing Division of Administrative Services to select a vendor for providing a magnetic card program that can be used for golf passes as well as gift certificates. We anticipate having the magnetic strip cards by October 1, 2004

CITY AUDITOR MISSION STATEMENT

The Office of the City Auditor independently promotes ethical, efficient and effective governance for the citizens of Stockton. We provide the City Council, management, and employees with objective analyses, appraisals, and recommendations for improvements to City systems and activities. The department maintains independence and objectivity by reporting directly to the City Council and by not exercising direct authority over any department, system, or activity subject to audit.

