

DEPARTMENT OF HEALTH

**SELECTED ADMINISTRATIVE MATTERS AND
PRIOR AUDIT FOLLOW-UP**

Operational Audit



STATE SURGEON GENERAL AND STATE HEALTH OFFICER

The Department of Health is created by Section 20.43, Florida Statutes. The head of the Department is the State Surgeon General and State Health Officer who is appointed by the Governor subject to confirmation by the Senate. Dr. Ana M. Viamonte Ros served as the State Surgeon General and State Health Officer during the period of our audit.

The audit was supervised by Karen Van Amburg, CPA. Please address inquiries regarding this report to Jane Flowers, CPA, Audit Manager, by e-mail at janeflowers@aud.state.fl.us or by telephone at (850) 487-9136.

This report and other reports prepared by the Auditor General can be obtained on our Web site at www.myflorida.com/audgen; by telephone at (850) 487-9175; or by mail at G74 Claude Pepper Building, 111 West Madison Street, Tallahassee, Florida 32399-1450.

DEPARTMENT OF HEALTH

Selected Administrative Matters and Prior Audit Follow-up

SUMMARY

This operational audit of the Department of Health (Department) focused on real property leases and selected administrative matters, and included a follow-up on prior audit findings. Those matters requiring corrective action are described below.

REAL PROPERTY LEASES

Finding No. 1: The Department had not adopted current written leasing procedures.

Finding No. 2: Accountability over leases could be improved by the maintenance of a more comprehensive control listing of leases.

Finding No. 3: The Department did not always have documentation to demonstrate compliance with provisions of laws and rules applicable to the procurement of leases.

Finding No. 4: The Department did not perform reconciliations of accounting records to the approved lease payments and lease agreements.

PAYROLL AND PERSONNEL FUNCTIONS

Finding No. 5: Department employees did not always appropriately complete notifications of additional employment and instances were noted in which Department employees also had a vendor relationship with the Department.

Finding No. 6: County health department staff did not always conduct appropriate leave balance audits for employees separating from Department employment.

TANGIBLE PERSONAL PROPERTY RECORDS

Finding No. 7: The Department did not always timely record tangible personal property acquisitions in the FLAIR Property Subsystem.

BACKGROUND

The Department of Health (Department) is responsible for promoting and protecting the health of all visitors and residents of the State through organized State and community efforts, including cooperative agreements with counties. As such, the Department provides administrative support and oversight of various health programs primarily delivered in partnership with the 67 county health departments (CHDs). The Department's divisions include the Divisions of Administration, Environmental Health, Disease Control, Family Health Services, Children's Medical Services Network, Emergency Medical Operations, Medical Quality Assurance, Children's Medical Services Prevention and Intervention, Information Technology, Health Access and Tobacco, and Disability Determinations. Our audit focused on selected functions performed by the Department's Division of Administration, which is composed of seven bureaus, including the Bureau of Finance and Accounting, the Bureau of General Services, and the Bureau of Human Resource Management.

FINDINGS AND RECOMMENDATIONS

Real Property Leases

During the period July 2008, through February 2010, the Department expended \$49 million to lease real property from private entities, Florida cities and counties, and other State entities. Department leasing expenditures paid to private entities for administrative and clinical needs totaled approximately \$31 million, and the majority of the remaining \$18 million in leasing expenditures was paid to the Department of Management Services (DMS) and other governmental entities. The Department's leasing office, within the Bureau of General Services, is responsible for the procurement of real property leases.

Finding No. 1: Leasing Policies and Procedures

State law and DMS rules provide guidelines for State agencies to follow when leasing real property.¹ State law also requires each State agency to ensure that its leasing practices are in substantial compliance with DMS uniform leasing rules.² To reasonably ensure such compliance, the Department is responsible for developing, implementing, and maintaining related policies and procedures. We noted that, although a Department leasing policy and procedures document (dated October 1998) existed, Department management indicated that the policy was no longer in use, and that the Department relied on the guidance provided by DMS. DMS guidance included rules³ and information contained on the DMS Division of Real Estate Development and Management's Web site, and the 2006 Leasing Manual and Guidelines.

We noted that, while the guidance provided by DMS included forms and instructions for State agency use during the leasing process, Department-specific procedures had not been addressed through supplemental Department policies and procedures. Department-specific procedures should include, for example, such pertinent items as instructions for lease authorization, CHD leasing methods, subleasing processes, and the Department's internal review and approval routing process.

Absent Department-specific policies and procedures prescribing the required steps for executing and managing leases and for documenting compliance therewith, the Department has reduced assurance that leases will be executed in a manner consistent with management intent and in substantial compliance with State law and DMS uniform leasing rules. The lack of Department policies and procedures also reduces assurance of the continuity of Department leasing practices should staff turnover occur.

Recommendation: To provide staff with appropriate guidance for executing and managing leases in accordance with management intent and in compliance with laws and rules and to promote the continuity of the Department's leasing processes, the Department should establish written leasing policies and procedures that reflect current laws, rules, and conforming Department practices.

Finding No. 2: Maintenance of Leasing Data

Pursuant to law, DMS requires of State agencies the submission of various leasing activity reports. Specifically, inventory reports are required when significant changes occur and a report providing a compilation of leasing data to

¹ Chapter 255, Florida Statutes, and DMS Rules, Chapter 60H-1, Florida Administrative Code.

² Section 255.25(2)(c), Florida Statutes.

³ DMS Rules, Chapter 60H-1, Florida Administrative Code.

DMS is required annually.⁴ Also, various other reports are provided to DMS, Department management, and the Legislature upon request throughout the year. For example, during the period of our audit, the Department completed a DMS leasing survey, provided information to DMS for a report due to the Governor and Legislative members, and reported other information to DMS for strategic planning purposes.

To ensure accountability and provide a means of generating efficient, timely, accurate, and complete reports regarding the Department's more than 105 leases, the Department should have in place a perpetually maintained control listing of all real property leases and subleases containing the information needed for external reporting and the internal management of Department leases. Our audit disclosed that the Department did not maintain an accurate and complete control listing of leases. We found that to identify and track Department real property leases, the Department maintained and annually updated a spreadsheet listing of leases. The listing contained information such as lease number, property address, number of square feet, number of occupants, annual rate, ending date, and original start date. The listing did not contain other significant and relevant lease information including, for example lease renewals, rate restructuring, lease term extensions and addendums, changes of ownership, modifications, such as increases or decreases in square footage, and replacement leases.

The Department's practice involving the periodic preparation of the spreadsheet listing, which required the review of hard-copy lease files and the manual compilation of data upon request of information, was inefficient and subject to increased risk of error, as evidenced by our audit tests, which disclosed that the spreadsheet listing omitted two leases and one sublease. Also, as noted above, the lease listing lacked some information useful to the management of the leasing activities of the Department.

Recommendation: To increase efficiency, accuracy, and completeness when compiling leasing data for management and oversight entity reporting purposes, we recommend that the Department revise its leasing spreadsheet to contain more comprehensive information, including historical information and identification of subleases, and that the listing be maintained on a perpetual basis.

Finding No. 3: Procurement of New Leases

According to Department records, 14 real property leases with annual rental amounts totaling \$1.7 million were newly procured during the period July 2008 through February 2010. State law and DMS rules contain provisions the Department must comply with prior to executing a lease, and the Department is to certify its compliance using a form provided by DMS that is to be signed by the Department's leasing administrator. We tested documentation for 11 of the 14 leases to determine Department compliance with the provisions of laws and rules applicable to real property leases and good business practices.⁵ Our tests disclosed deficiencies in the Department's leasing processes. Specifically:

- For each of the 11 leases we tested, documentation was not available to demonstrate that, during the term of the previous lease, the Department had monitored market conditions or consulted with DMS regarding opportunities for consolidation, use of State-owned space, build-to-suit space, and potential acquisitions, as required by law.⁶

⁴ Sections 216.0152(2) and 255.249(3)(d), Florida Statutes.

⁵ Chapter 255, Florida Statutes, and DMS Rules, Chapter 60H-1, Florida Administrative Code.

⁶ Section 255.25(1)(b), Florida Statutes.

- For one lease of 4,990 square feet of office space with \$50,299 in lease payments annually, documentation was not available to demonstrate that, prior to the execution of the lease, the Department had certified to DMS its compliance with the applicable requirements of State law and DMS rules.⁷
- In selecting landlords, the Department did not consider and rate for each proposer, past performance and financial capability.
- For one lease of 13,113 square feet, for which the Department issued an Invitation to Negotiate (ITN), Department records did not contain documentation showing for one proposal, that the individual responding to the ITN was authorized to submit a proposal and transact business for the property owner, as required by DMS rules.⁸

Absent appropriate documentation, the Department cannot demonstrate compliance with certain aspects of real property leasing laws and administrative rules. In addition, the availability of information concerning a prospective landlord's past performance and financial capability would further enhance the Department's ability to identify and select the best facility from among those offered.

Recommendation: To demonstrate compliance with the provisions of applicable laws and rules, the Department should implement procedures to ensure that appropriate documentation supporting real property lease procurements is maintained in all lease files. The Department should also consider requiring that in the competitive solicitation of leased facilities, there be an evaluation of the potential landlords' past performance and financial capability.

Finding No. 4: Lease Payment Accounting and Reconciliations

The Department's leasing administrator is responsible for approving the monthly lease payment amounts and the funding sources (accounting codes) to be used. Upon approval by the leasing administrator, the payment authorization for each lease is to be forwarded to the Bureau of Finance and Accounting.

Our test of lease payments made by the Department during the period July 2008 through February 2010 related to 11 leases disclosed that, with few minor exceptions, the lease payment amounts matched those required by contract. However, further inquiry disclosed that, although the Department had a process in place to establish and approve lease payment amounts and accounting codes, no verifications were performed by the leasing office to ensure that the amounts actually paid and the codes actually used were consistent with the approved amounts and codes. We also found that verification efforts could be hindered by accounting record omissions, as Department staff did not always enter the lease number in the State accounting system (FLAIR) transaction description field, or otherwise specifically identify for lease payments the lease number.

Absent verification of the lease payments, the risk of payment errors is increased.

Recommendation: The Department should implement a process to facilitate the verification of lease payments, including initiating procedures to ensure that lease numbers are recorded in FLAIR.

Payroll and Personnel Functions

The Department's Bureau of Human Resource Management is responsible for payroll and personnel functions related to Department employees. In report No. 2009-018, we noted deficiencies in the practices associated with employee

⁷ Section 255.249(5), Florida Statutes.

⁸ DMS Rule 60H-1.015(5)(m), Florida Administrative Code.

notifications of additional employment and in the Department's performance of leave balance audits. As discussed in succeeding paragraphs, our follow-up testing disclosed that similar deficiencies continued to exist.

Finding No. 5: Additional Employment

State law prohibits employees of State agencies from receiving compensation simultaneously from any appropriation source other than salaries, unless approved by DMS, or as delegated to the agency head.⁹ In order to document compliance with this requirement, DMS has established a Dual Employment and Compensation Request (Request) form, that agencies are required to complete annually for each employee who simultaneously fills more than one State position (either full or part time), or who simultaneously fills a State position and receives compensation from an expense category. An example of the latter would be an individual who is either a full or part-time employee of an agency and also receives compensation through a vendor relationship with the agency. In addition to documenting the agency head's approval for the dual employment, the Request also serves to document that the additional employment does not constitute a conflict of interest for the employee.

As part of our audit, we compared Department payroll records to vendor payment records and identified employees who, during the period July 2008 through February 2010, also had a vendor relationship with the Department and, thus, should have completed a Request. For the ten employees identified, with vendor payments for medical and consulting services totaling \$626,058, we reviewed Department records to determine whether the required Request had been submitted and reviewed. Our audit tests disclosed that Requests were not available for the ten employees.

The Bureau of Human Resources communicated the requirement for submission of Requests to supervisors and employees through written procedures and periodic email bulletins. However, the Bureau of Human Resources did not perform analytical procedures that would identify instances of dual employment, such as matching social security numbers of employees with vendor identification numbers shown for vendor payments. Absent employee submission of the completed Requests and supervisory review of additional employment activities, the Department has reduced assurance that the additional employment does not constitute a conflict of interest or interfere with the employee's ability and availability to perform his or her job duties.

Recommendation: We recommend that the Department obtain and process Requests for the ten employees identified by our audit tests. We also recommend that the Department continue to communicate the need to adhere to established policies regarding additional employment. Further, we recommend that the Department periodically perform record-matching procedures to identify any employees who may also have a vendor relationship with the Department. For any employees identified, the Department should ensure that the additional employment resulting from the vendor relationship has been reported to and appropriately reviewed by the employees' supervisors and that such additional employment does not constitute a prohibited conflict of interest.

Finding No. 6: Leave Balance Audits

Accurate and complete records of employee leave balances are necessary to precisely track leave availability and usage, calculate amounts due to employees upon termination, and accurately report the State's liability for compensated absences. To ensure the accuracy of employee leave balances, the Department developed in 2005 the *Desk Manual for Conducting a Leave Audit* that provides instructions for leave balance audits. The *Desk Manual* includes a requirement

⁹ Section 216.262(1)(e), Florida Statutes.

for the conduct of leave balance audits upon an employee's separation from the Department and also provides guidelines for the periodic conduct of random leave balance audits for current employees.

We tested the leave balance records of 20 employees who had separated from Department employment during the period July 2008 through February 2010. As similarly noted in audit report Nos. 2009-018 and 2007-087, our audit tests disclosed deficiencies in the conduct of leave balance audits. Specifically, we noted:

- Leave balance audits were not conducted for 4 employees each located at a different CHD. Staff at 3 of the CHDs indicated that leave balance audits were not being conducted for employees at the CHD. Staff at the fourth CHD indicated that leave balance audits were conducted for employees, but only information one year prior to the employee's separation was verified. The Department made payments totaling \$18,276 for accrued leave to these 4 employees.
- In connection with our audit, Department staff surveyed all 67 CHDs to determine whether CHD staff had been following the Department's policy regarding leave balance audits. Responses to the survey indicated that 7 CHDs, including the 4 described above, were not conducting leave balance audits in accordance with Department policy. Department staff indicated the failure to conduct leave balance audits was the result of a misunderstanding by staff of some CHDs.

Absent the performance of leave balance audits, Department assurance related to the accuracy of employee leave balances is limited and leave balance payouts made upon employee separation from Department employment may not be properly calculated.

Recommendation: We recommend that the Department more closely monitor CHD performance of leave balance audits for current and terminating employees.

Tangible Personal Property Records

The Department's Bureau of General Services is responsible for recording and accounting for tangible personal property. In report No. 2009-018, we noted deficiencies in Department records related to tangible personal property acquisitions. Our follow-up testing disclosed that similar deficiencies continued to exist.

Finding No. 7: Tangible Personal Property Additions

According to Department procedures, for property acquisitions meeting established criteria, a FLAIR record is to be created and maintained in a pending file until such time that required information, including the asset decal number, is added. The property item is then to be entered into the FLAIR Property Subsystem.

As noted in audit report No. 2009-018, the Department implemented the property pending tracker database in January 2008 to assist Department personnel in ensuring that property acquisitions were timely entered into the FLAIR Property Subsystem. For property acquisitions listed in the database for more than 30 days (and periodically thereafter), property custodians were to be sent a notice to remind them that action must be taken before the item can be entered into the property records. To test the sufficiency of this corrective action, we compared the dates the items were physically received, as recorded by the Department in the FLAIR Property Master File, for 2,087 property items with acquisition costs totaling \$14,420,435, to the dates the property items were recorded in the FLAIR Property Subsystem for all items added to Department property records during the period July 2008 through February 2010. Of the 2,087 items added, we noted 708 property items with acquisition costs totaling \$4,763,804, that were added to the property records 31 to 432 days after the dates the items were received, according to entries in the

FLAIR Property Master File. (We also noted 6 instances in which the dates the items were added to the property records preceded the dates the items were recorded as received.)

We requested explanations for the 26 items for which the greatest number of days had elapsed between the dates the items were received and the dates the items were added to the property records. In response to our audit inquiry, Department staff indicated that the delays were due either to the property item not being in the pending file or to the applicable program office not timely completing a receiving report. Regarding property items for which the add date preceded the received date, Department staff indicated that the received dates in these instances were incorrect and were a result of user error. Absent the timely and accurate recording of property acquisitions, Department property records will not be complete and Department assets may not be adequately safeguarded.

Recommendation: We recommend that the Department continue its efforts to ensure property acquisitions are timely recorded in Department property records.

PRIOR AUDIT FOLLOW-UP

Except as discussed in the preceding paragraphs, the Department had taken corrective actions for the findings included in our report No. 2009-018.

OBJECTIVES, SCOPE, AND METHODOLOGY

The Auditor General conducts operational audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

We conducted this operational audit from November 2009 through June 2010, and performed selected audit procedures through February 2011, in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

This operational audit focused on selected administrative matters. The overall objectives of the audit were:

- To evaluate the effectiveness of established internal controls in achieving management's control objectives in the categories of compliance with controlling laws, administrative rules, and other guidelines; the economic, efficient, and effective operation of State government; the relevance and reliability of records and reports; and the safeguarding of assets.
- To evaluate management's performance in achieving compliance with controlling laws, administrative rules, and other guidelines; the economic, efficient, and effective operation of State government; the relevance and reliability of records and reports; and the safeguarding of assets.
- To identify statutory and fiscal changes that may be recommended to the Legislature pursuant to Section 11.45(7)(h), Florida Statutes.

Our audit also included steps to determine whether management had corrected, or was in the process of correcting, all applicable deficiencies disclosed in report No. 2009-018.

In conducting our audit we:

- Obtained an understanding of the Department’s controls over real property leasing and performed procedures to evaluate whether the controls were appropriately designed, implemented, and operating effectively.
- Examined documentation relating to 11 new leases, 20 existing leases, and 16 leases that were renewed, extended, replaced, or modified during the period July 2008 through February 2010 to test compliance with selected provisions of Chapter 255, Florida Statutes, and DMS Rules, Chapter 60H-1, Florida Administrative Code.
- Examined records related to the conduct of physical tangible personal property inventories during the period July 2008 through February 2010 at ten Department locations to determine whether the inventory counts were taken by employees other than the property custodian or custodian’s delegate.
- For tangible personal property items acquired during the period July 2008 through February 2010, compared the dates the items were recorded as received to the dates the items were added to the FLAIR Property Subsystem to determine whether the Department timely and accurately recorded property acquisitions.
- Examined records related to ten tangible personal property item disposals during the period July 2008 through February 2010 to determine whether the Department disposed of the property in accordance with governing laws and rules.
- Compared Department payroll records to vendor payments to identify employees who, during the period July 2008 through February 2010, also had vendor relationships with the Department. For ten of the employees identified, reviewed documentation to determine whether a Dual Employment and Compensation Request form had been appropriately completed and reviewed.
- Requested leave balance audit documentation for 20 employees who separated from Department employment during the period July 2008 through February 2010 to determine whether the Department had properly conducted leave balance audits.
- Performed various other auditing procedures, including analytical procedures, as necessary, to accomplish the objectives of the audit.
- Prepared and submitted for management response the findings and recommendations that are included in this report and which describe those matters requiring corrective actions.

AUTHORITY

Section 11.45, Florida Statutes, requires that the Auditor General conduct an operational audit of each State agency on a biennial basis. Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.



David W. Martin, CPA
Auditor General

MANAGEMENT’S RESPONSE

In a response letter dated April 20, 2011, the State Surgeon General concurred with our audit findings and recommendations. The Department’s response is included as **EXHIBIT A**.

EXHIBIT A
MANAGEMENT'S RESPONSE



Rick Scott
Governor

H. Frank Farmer, Jr., M.D., Ph.D.
State Surgeon General

April 20, 2011


Mr. David W. Martin, C.P.A.
Auditor General
Room G74, Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. Martin:

Thank you for giving the Department of Health (Department) the opportunity to respond to the preliminary and tentative audit findings and recommendations concerning the Auditor General's Operational Audit of the Department of Health Selected Administrative Matters and Prior Audit Follow-up. Our response to the findings is enclosed as required by section 11.45(4)(d), *Florida Statutes*.

We appreciate your efforts in assisting the Department improve operations. If you have any questions, please contact our Director of Auditing, Mr. Michael J. Bennett by calling (850) 245-4444 extension 2150.

Sincerely,



H. Frank Farmer, Jr., M.D., Ph.D.
State Surgeon General

HFF/kir
Attachment

cc: James D. Boyd, C.P.A., M.B.A.
Inspector General
Michael J. Bennett, C.I.A.
Director of Auditing

**EXHIBIT A
MANAGEMENT’S RESPONSE (CONTINUED)**

Operational Audit of DOH, Selected Administrative Matters and Prior Audit Follow-up

<i>Para. # Finding:</i>	<i>Recommendation:</i>	<i>Management Response:</i>	<i>Corrective Action Plan:</i>	
1	<p>The department had not adopted current written leasing procedures.</p>	<p>To provide staff with appropriate guidance for executing and managing leases in accordance with management intent and in compliance with laws and rules and to promote the continuity of the department’s leasing processes, the department should establish written leasing policies and procedures that reflect current laws, rules, and conforming department practices.</p>	<p>Concur. Although the department has written procedures for Central Office Leasing staff that are preparing and processing leasing documents for Department of Management Services (DMS) approval, guidelines for field personnel engaging in leasing processes can be strengthened.</p>	<p>The department Leasing Unit will compile all written Leasing procedures into a comprehensive reference guide. This is to be completed by August 1, 2011.</p>
2	<p>Accountability over leases could be improved by the maintenance of a more comprehensive control listing of leases.</p>	<p>To increase efficiency, accuracy, and completeness when compiling leasing data for management and oversight entity reporting purposes, we recommend that the department revise its leasing spreadsheet to contain more comprehensive information, including historical information and identification of subleases, and that the listing be maintained on a perpetual basis.</p>	<p>Concur. The department will expand the database to include all recommended information possible.</p>	<p>The department Leasing Unit will modify the department’s Leasing database to include lease renewals, rate restructuring, lease term extensions, addendums, ownership changes, modifications, and replacement leases. This is to be completed by December 31, 2011.</p>

**EXHIBIT A
MANAGEMENT’S RESPONSE (CONTINUED)**

<i>Para. # Finding:</i>	<i>Recommendation:</i>	<i>Management Response:</i>	<i>Corrective Action Plan:</i>
3	<p>The department did not always have documentation to demonstrate compliance with provisions of laws and rules applicable to the procurement of leases.</p>	<p>To demonstrate compliance with the provisions of applicable laws and rules, the department should implement procedures to ensure that appropriate documentation supporting real property lease procurements is maintained in all lease files. The department should also consider requiring that in the competitive solicitation of leased facilities, there be an evaluation of the potential landlords' past performance and financial capability.</p>	<p>The Leasing Unit will consult with DMS regarding additional required documentation and will work with General Counsel's Office to implement financial capability requirements into the Invitation To Negotiate (ITN) process. This is to be completed by June 30, 2011.</p>
4	<p>The department did not perform reconciliations of accounting records to the approved lease payments and lease agreements.</p>	<p>The department should implement a process to facilitate the verification of lease payments, including initiating procedures to ensure that lease numbers are recorded in Florida Accounting Information Resource (FLAIR).</p>	<p>Concur. Although the department has procedures in place to ensure all required documentation is submitted to DMS and maintained in the lease file, The department will consult with DMS regarding any additional requirements they may have to ensure Department of Health compliance with applicable laws and rules.</p> <p>Concur. The department will work with Central Office Disbursements to perform a verification of lease payments and the information recorded therein.</p> <p>The Leasing Unit will coordinate with the Disbursements Office to receive copies of lease payments. These will be reviewed by the Leasing representative and then placed in the lease file. This is to be completed by April 30, 2011.</p>

**EXHIBIT A
MANAGEMENT’S RESPONSE (CONTINUED)**

<i>Para. # Finding:</i>	<i>Recommendation:</i>	<i>Management Response:</i>	<i>Corrective Action Plan:</i>
5	<p>Department employees did not always appropriately complete notifications of additional employment and instances were noted in which department employees also had a vendor relationship with the department.</p>	<p>We recommend that the department obtain and process Requests for the ten employees identified by our audit tests. We also recommend that the department continue to communicate the need to adhere to established policies regarding additional employment. Further, we recommend that the department periodically perform record-matching procedures to identify any employees who may also have a vendor relationship with the department. For any employees identified, the department should ensure that the additional employment resulting from the vendor relationship has been reported to and appropriately reviewed by the employees' supervisors and that such additional employment does not constitute a prohibited conflict of interest.</p>	<p>The agency is working on a database that will identify these employees. This will be an on-going task.</p>
6	<p>County Health Department staff did not always conduct appropriate leave balance audits for employees separating from department employment.</p>	<p>Concur.</p>	<p>The HR office continues to provide reminders to CHD staff on the Human Resource (HR) conference call. Additionally, the requirement to conduct leave audits was added into the policy on leave and attendance. This will be an on-going task.</p>
7	<p>The department did not always timely record tangible personal property acquisitions in the FLAIR Property Subsystem.</p>	<p>Concur. The department will continue to ensure all property acquisitions are timely recorded in departmental property records.</p>	<p>The department will continue to send out and in the future will maintain copies of notices for audit purposes. This is to be completed April 30, 2011.</p>