




Memorandum



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To: Honorable Mayor Carlos A. Gimenez
Honorable Chairman Esteban L. Bovo
and Members, Board of County Commissioners, Miami-Dade County

From: Mary T. Cagle, Inspector General 

Date: August 23, 2018

Subject: **OIG Final Audit Report Re: *Temporary Employment Agency Services Contract No. 9432-4/16 Ref. IG16-0013-A***

Attached please find the above-captioned final audit report issued by the Office of the Inspector General (OIG). Contract No. 9432-4/16, *Temporary Employment Agency Services* (Contract), provided temporary contract personnel, which were hired through various contracted employment agencies on an as needed, temporary basis, to cover departments' operational needs. The audit focused on six user departments, and their compliance with the Contract and the applicable Administrative Order. Additionally, the audit evaluated the effectiveness of the departments charged with oversight responsibilities. Responses received from the departments are included in Appendix A and Appendix B of the final audit report.

In accordance with Section 2-1076(d)(2) of the Code of Miami-Dade County, the OIG requests that OMB and HR provide a status report in 60 days, on or before October 22, 2018, regarding the implementation of the audit report's recommendations..

For your reading convenience, an Executive Summary follows.

Attachment

cc: Edward Marquez, Deputy Mayor
Jennifer Moon, Director, Office of Management and Budget (OMB)
Arleene Cuellar, Director, Human Resources (HR)
Tara Smith, Director, Internal Services Department (ISD)
Michael Liu, Director, Public Housing and Community Development Department (PHCD)
Lucia Davis-Raiford, Director, Community Action and Human Services Department (CAHSD)
Maria Nardi, Director, Parks, Recreation and Open Spaces (PROS)
Cathy Jackson, Interim Commission Auditor, and Director, Miami-Dade Audit and Management Services Department (AMS)

OIG EXECUTIVE SUMMARY

Audit of Temporary Employment Agency Services Contract No. 9432-4/16

The Office of the Inspector General (OIG) performed an audit of Contract No. 9432-4/16, *Temporary Employment Agency Services* (Contract), which was in effect from December 2011 through June 2017. The Contract provided temporary contract personnel (contract employees) through various contracted employment agencies, to supplement Miami-Dade County's (County) workforce. During the six and a half years that this contract was in effect, County departments spent \$100 million on temporary contract personnel.

County department utilization of temporary contract personnel is governed by Administrative Order 7-35 (A.O. 7-35). This audit assessed compliance with A.O. 7-35 and the Contract. Our audit results are presented in two parts. First, this audit addresses overall compliance by user departments and their reporting of their contract employee utilization. Initial testing revealed that only two user departments, Human Resources (HR) and Internal Services Department (ISD), had obtained approvals for contract employees exceeding 6 and 12 months tenure, as required by A.O. 7-35. Based on our discussions with the three departments that have oversight responsibilities, it was apparent that there had been a reliance on the County departments to self-report their contract employee utilization—but it wasn't being done. Thereafter, HR staff reached out to various user departments to obtain information on the number of contract employees and their length of tenure working for the department and compiled an initial report. Departmental responses revealed that 651 contract employees were in use as of December 2016. In addition, the report revealed the following: 361 contract employees, or 55%, exceeded six month's tenure; 135 contract employees, or 21%, exceeded two years tenure; and two individuals exceeded 10 years tenure.

Second, our audit tested six County user departments for general contract compliance. OIG Auditors reviewed how each department managed the contract employee process from initial request, review and approval; to contacting vendors for suitable candidates, selecting individuals, and on-boarding them, including conducting any required pre-employment checks; through to the invoicing and payment process. From each of the six selected departments, OIG Auditors reviewed a sample of individual contract employee files and compared the information to Contract requirements, effective rates, position requirements, invoiced rates, and the actual amounts paid by departments. The issues noted by the OIG, for example, include overtime billing rates, pre-employment background checks, applicant qualifications, and invoice discrepancies. Table 2 on page 8 of the final report collectively captures these discrepancies.

The OIG provided three recommendations—each of which is designed to enhance oversight and ensure appropriate tracking and utilization of contract employees. ISD, OMB, and HR responded positively to each recommendation indicating either that it will prospectively implement and/or that it has already taken steps in the direction of our recommendations since the audit commenced.

During the course of the audit, OMB and HR implemented two notable enhancements that have improved the overall control environment. The first enhancement requires County departments to obtain OMB's approval prior to accessing any contract employee contract(s). The second enhancement, led by HR, requests County departments to provide contract employee

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information on an annual basis, including a listing of all contract employees, their working title, and the prospective starting and ending dates. These added steps to obtain and share information related to contract employees will help OMB and HR oversee County contract employee usage.

Last, we would like to thank the staffs of all participating departments for their cooperation and courtesies extended to OIG staff throughout this audit.

MIAMI-DADE COUNTY

OFFICE OF THE INSPECTOR GENERAL



FINAL AUDIT REPORT

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IG16-0013-A
August 23, 2018

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I. INTRODUCTION AND RESULTS SUMMARY

The Office of the Inspector General (OIG) performed an audit of Contract No. 9432-4/16, *Temporary Employment Agency Services* (Contract). This Contract, which was in effect from December 2011 through June 2017, provided temporary contract personnel (hired through various contracted employment agencies) to supplement Miami-Dade County's (County) workforce. For the six and a half years that the Contract was in effect, County departments collectively spent approximately \$100 million on contract employees. In December 2016, at the initiation of this audit's fieldwork, there were 651 contract employees working across the various County departments.

County departments accessed this Contract in order to hire—on an as needed, temporary basis—contract employees to cover the department's operational needs. Contract employees are not County employees, even if they work full-time performing a County job or function. The utilization of contract employees is governed by Administrative Order 7-35, *Personnel Policy for Contractual Employment Services* (A.O. 7-35), which among other constraints, require that departments seek approval for employees whose durations are expected to exceed six months. Approval is again required for durations exceeding 12 months. One of the general tenets of A.O. 7-35 is that the utilization of contract employees shall not be done to circumvent the County's regular recruitment process for filling authorized budgeted positions. Tenures exceeding a year may be indicative of the need to establish a budgeted county position to fulfill the continued operational need.

The OIG selected this Contract for audit due to its size and wide-ranging operational impact across numerous departments. The purpose of the audit was to assess departmental compliance with the Contract and A.O. 7-35.

Our audit results are presented in two parts. First, this audit addresses the three County departments that each have some administrative and/or oversight responsibility concerning the Contract and the departments' utilization of contract employees. The Internal Services Department (ISD), specifically its Procurement Management Division, is responsible for procuring the vendors and awarding the contract. In conjunction with the Office of Management and Budget (OMB), they establish departmental access to the Contract through authorized budgetary contract allocations. After the Contract is awarded, A.O. 7-35 identifies OMB and the Human Resources Department (HR) as the departments charged with evaluating and approving utilizations exceeding 6 and 12 months in tenure. These departments may also utilize contract employees to supplement their workforces.

With regards to the first part of our review, we found that only two user departments, HR and ISD, had obtained approvals for contract employees exceeding 6 and 12 months tenure, as required by A.O. 7-35. This condition was revealed very early on during our initial audit surveys with the three aforementioned administrative oversight departments.

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Based on our discussions with the oversight groups, it was apparent that there had been a reliance on the County departments to self-report their contract employee utilization—but it wasn't being done. Thereafter, HR staff reached out to various user departments to obtain information on the number of contract employees and their length of tenure working for the department.

Second, our audit tested six County user departments for general contract compliance. OIG Auditors reviewed how each department managed the contract employee process from initial request, review and approval; to contacting vendors for suitable candidates, selecting individuals, and on-boarding them, including conducting any required pre-employment checks; through to the invoicing and payment process. From each of the six selected departments, OIG Auditors reviewed a sample of individual contract employee files and compared the information to Contract requirements, effective rates, position requirements, invoiced rates, and the actual amounts paid by departments. Each department's results were shared with them via earlier-issued OIG memos; and their collective results are reported here in Part 2 of our Audit Results. The issues noted by the OIG, for example, include overtime billing rates, pre-employment background checks, applicant qualifications, and invoice discrepancies. Table 2 on page 8 of this final report collectively captures these discrepancies. Further, responses from ISD and the Parks, Recreation and Open Spaces Department (2 of the 6 departments sampled, which received earlier memos from the OIG and provided responses) are included in Appendix A of this report.

Overall, this audit has already resulted in much improved contract administration and compliance with A.O. 7-35. As mentioned above, HR has been reaching out to the various user departments to collect information on the number of contract employees working at each department and their tenures. As a result, contract utilization data as of December 2016 was collected and reported (see Schedule A). Departments are being required to obtain approval for those contract employees whose tenures exceed six months, as required by A.O. 7-35.

On June 30, 2017, Contract 9432-4/16 expired and was replaced by contract FB-00361, *Contract Employee Services*. An updated tally was prepared by HR showing the number of contracted personnel countywide as of March 2017 (see Schedule B). In a memorandum to the Board of County Commissioners (supplement to the contract award recommendation), HR stated that it was in the process of auditing all user departments to ensure that they obtained the required approvals for contract personnel whose tenure will exceed (or has exceeded six months). In follow-up communications with HR, OIG Auditors were apprised that HR launched a training program for Department Personnel Representatives (DPRs) on how to access the Contract and obtain temporary contract employees, as well as the reporting and approval requirements. As follow-up to this audit, the OIG will be requesting periodic reports from OMB and HR on these on-going compliance efforts.

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II. OIG JURISDICTIONAL AUTHORITY

In accordance with Section 2-1076 of the Code of Miami-Dade County, the Inspector General has the authority to make investigations of County affairs; audit, inspect and review past, present and proposed County programs, accounts, records, contracts, and transactions; conduct reviews and audits of County departments, offices, agencies, and boards; and require reports from County officials and employees, including the Mayor, regarding any matter within the jurisdiction of the Inspector General.

III. BACKGROUND

To help supplement the workforce needs of the County, the County has contracts with employment agencies that can provide temporary employees to departments on an as needed basis. Contracted personnel are not Miami-Dade County employees, even if they work full-time performing a County job or function. The Contract initially had 17 bid groups covering 86 job descriptions. By the end of the Contract's term, there were 66 separate bid groups covering 206 positions ranging from general clerical work to highly technical professions.¹

The Contract was awarded to multiple vendors, which were awarded bid groups based on the bids that they submitted. Each bid group included several job descriptions of a similar job classification (e.g., the Food Service Group included the job descriptions of Cook 1 and Food Service Worker 1; the Maintenance Group includes the job descriptions of Custodial Worker, Inventory Clerk and Maintenance Repairer). For each bid group, there was a primary vendor. Most groups also had a secondary vendor; and some groups had a tertiary vendor. Departments seeking personnel meeting a certain job description must first obtain those services from the designated primary vendor. If that vendor is unable to perform, then the department may contact the secondary vendor, and so on.

Individual County departments received allocations based on their expected level of use of the Contract for each Contract term. Departmental allocations and expenditures totaled \$121.13 million and \$79.51,² respectively, over the Contract term of December 1, 2011 to June 30, 2017. The initial Contract term included collective allocations totaling \$15 million for 22 County Departments. The Contract's final term included allocations of \$49.5 million for 28 County Department (see Table 1). The increase in allocations for the final term was due to a seven-month extension that was granted by the BCC, while its replacement contract was being negotiated.

¹ Expansion for the number of bid groups and positions was due to user departments' requests.

² Expenditure total does not include payments from the County's Public Housing and Community Development Department (PHCD).

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Table 1: Contract 9432-4/16 Allocations and Payments by Term

Contract #	Effective Date	Expiration Date	Dept. Count	Bid Groups	Position Count	Total Allocations	Total Payments
9432-4/16	12/01/11	11/30/12	22	17	86	\$ 14,992,000	\$ 8,404,964
9432-4/16-1	12/01/12	11/30/13	23	39	150	\$ 15,757,000	\$ 9,997,263
9432-4/16-2	12/01/13	11/30/14	25	50	178	\$ 18,881,000	\$13,763,848
9432-4/16-3	12/01/14	11/30/15	27	57	194	\$ 22,062,713	\$13,549,833
9432-4/16-4	12/01/15	06/30/17	28	66	206	\$ 49,432,820	\$33,796,430

\$121,125,533 \$79,512,338³

Source: Bid Tracking System, Financial Accounting Management Information System, Enterprise Resource Planning System

The Contract expired on June 30, 2017, and its replacement contract, FB-00361, *Contract Employee Services*, was approved by the BCC on May 16, 2017.⁴ FB-00361 is a five-year contract that includes 163 positions with department allocations totaling \$118.71 million for 27 County departments.

Utilization of contract employees is governed by A.O. 7-35, *Personnel Policy for Contractual Employment Services*. A.O. 7-35 sets forth the criteria that must be met in order to justify hiring contract employees. These include an assessment of the department's operational need, including whether a contract employee is more advantageous than reassigning a County employee; a determination that hiring contract employees will not exceed budgeted allocations or be used to avoid the establishment of County budgeted positions; and the constraint that a contract employee will not be used in order to circumvent the County's standard recruitment process. To help ensure compliance with the aforementioned criteria, A.O. 7-35 requires that OMB and HR review and approve contract employee tenures that are expected to exceed (or will exceed) 6 and 12 months. Any contract employee position that a department deems necessary to continue for a period of greater than 12 months, requires further review and approval by OMB and HR. This review will determine whether the establishment of a regular County position is necessary and in the best interest of the County.

The County's contracts for temporary contract employees have always drawn attention and discussion by BCC members when they come up for award approval and contract extensions. For one, these contracts are for large dollar amounts. But more importantly, underlying policy considerations and the context of contract personnel usage are discussed. For example, the BCC has previously raised concerns regarding

³ PHCD's actual contract expenditures could not be obtained from its financial system; however, the Bid Tracking System revealed that PHCD Contract allocations and purchase orders issued totaled \$19.44 million and \$19.52 million, respectively. Purchase order amounts may not reflect actual expenditures.

⁴ Resolution R-550-17.

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inappropriate Contract use to hire retired County employees, departments hiring contract employees to circumvent a hiring freeze or to bypass County hiring protocols; the cost difference between contract personnel versus County employees; and the policy of long tenured contract employees being offered permanent county employment.⁵ These discussions help emphasize the importance of A.O. 7-35 and its intent.

IV. OBJECTIVES, SCOPE, AND METHODOLOGY

Our audit objectives were to assess user departments' compliance with the Contract and A.O. 7-35. Further we wanted to evaluate the effectiveness of the departments charged with oversight responsibilities. As contract employee use is countywide, our departmental reviews yielded conclusions that are globally applicable.

OIG Auditors reviewed six departments that collectively had 352 contract employees in use as of December 2016. Based on the number of contract employees in use, allocations, and identified responsibilities, the following six County departments were selected for review: Public Housing and Community Development (PHCD), Community Action and Human Services Department (CAHSD), Parks, Recreation and Open Spaces (PROS), ISD, OMB, and HR.

The audit scope included the testing of 115 judgmentally selected contract employees. We analyzed contract employee usage by cost, tenure, and overtime usage, by utilizing information provided by the user departments and HR. Specifically, we reviewed contract employee request and approval documents, employee qualifications, pre-employment background, purchase orders, invoices, and related payments through June 7, 2017. Other relevant data was obtained from the County's Financial Accounting Management Information System, Bid Tracking System, and Enterprise Resource Planning System.

OIG Auditors conducted numerous interviews with County employees, including Department Directors and their staff tasked with administrative responsibilities in this area. Specific areas of audit testing and inquiry included:

- Assessing the department's contract employee review and approval process, including the justification of the need for the contract employee services, prior to issuing a purchase order

⁵ See the following agenda items for discussion by the BCC regarding contract employees: Item# 801B on the May 3, 2011 BCC Agenda; Item# 801G on the September 1, 2011 BCC Agenda; Item# 801A Supplement on the September 20, 2011 BCC Agenda; Item# 7C on the March 17, 2015 BCC Agenda; Item# 3F on the April 12, 2016 Strategic Planning and Government Operations Committee Agenda; Item# 3E on the March 14, 2017, Government Operations Committee Agenda; and Item #8F1 on the May 16, 2017 BCC Agenda.

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- Reviewing the department's compliance with the Contract Roadmap,⁶ and its obtaining services from the designated primary vendor for that job classification
- Evaluating the department's practices concerning daily work hours, duration, and quality of the services
- Reviewing vendor invoices for accuracy and completeness, prior to the department's approval and invoice remittance

This audit was conducted in accordance with the *Principles and Standards for Offices of Inspector General* and with *Generally Accepted Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain sufficient and appropriate evidence to provide a reasonable basis for our findings and conclusions. Based on our audit objectives, we believe the evidence obtained provides a reasonable basis for our findings and conclusions.

V. AUDITEE RESPONSE

This report, as a draft, was provided to ISD, OMB, and HR for their review and comment. The OIG received a joint response, in which ISD, OMB, and HR concurred with all three recommendations. In the joint response, ISD, OMB, and HR stated that they have already taken appropriate steps and that prospectively the report's recommendations will be implemented. The complete response, which includes attachments, is included as Appendix A. Excerpts of the response addressing each OIG recommendation follows after the recommendation within the Conclusion and Recommendations section of this report. Separately, concerning the departmental testing component of this audit, individual responses received from the Parks, Recreation and Open Spaces (PROS) Department and Internal Services Department (ISD) are included in Appendix B.

VI. AUDIT RESULTS

Our audit results are presented in two parts. Both sets of results highlight a need for improvement in oversight and controls regarding contract employee use. While these conditions do not appear to have compromised County operations, we believe that there can be better coordination between the oversight groups and departments in order to monitor and track the use of contract employees' utilization and tenure. This, in turn, will improve upon the accuracy and completeness of countywide contract employee reporting to the BCC and oversight groups.

⁶ ISD prepares the *Roadmap* to facilitate appropriate Contract access and utilization.

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1. User departments were not initially in compliance with A.O. 7-35's reporting requirements.

It had been County practice to allow the departments to have ample discretion concerning their Contract access and contract employee use; however, our audit revealed that the oversight and internal controls were inadequate to ensure adherence with the A.O. 7-35's reporting requirements. While A.O. 7-35's reporting requirements should have offered some measure of control, it was ineffective due to the reliance placed on departments to self-report. Moreover, during the Contract period prior to the OIG's audit, the two primary departments charged with oversight—OMB and HR—had not engaged in proactive reviews, requested reporting from the other departments, or questioned contract employee use.

At the onset of this audit, the OIG requested departmental utilization and reporting information from HR. Moreover, we asked for the requests and approvals for contract personnel exceeding their 6 and 12 months in tenure (also known as requests for extensions). HR was not able to provide the current number of contract employees in use by each County department nor could it furnish us with the extension requests submitted by departments other than for itself and ISD. ISD and HR were the only two departments that had obtained approvals for contract employees exceeding 6 and 12 months in tenure, as required by A.O. 7-35. OMB did not utilize contract employees in excess of six months, thus an A.O. 7-35 review and approval does not apply. But again, we note that OMB and HR were not tracking requests (or acting upon the lack of extension requests) from the other user departments.

As audit fieldwork progressed, non-compliance with A.O. 7-35's reporting requirement was being revealed throughout the County. HR requested contract employee information from all County departments and compiled an initial report. Departmental responses revealed that 651 contract employees were in use as of December 2016. In addition, the report revealed the following: 361 contract employees, or 55%, exceeded six month's tenure; 135, or 21%, exceeded two years tenure; and two exceeded 10 years tenure (see Schedule A). A subsequent HR report, dated March 30, 2017, noted that 600 contract employees of which 367, or 61%, exceeded six months tenure. However, unlike the initial analysis, the breakdown of the March 2017 report was limited to tenures of less than or beyond six months (see Schedule B).

We observed that OMB and HR had implemented two notable enhancements during the course of the audit that have improved the overall control environment. The first enhancement requires County departments to obtain OMB's approval prior to accessing any contract employee contract(s). The second enhancement, led by HR, requests County departments to provide contract employee information on an annual basis, including a listing of all contract employees, their working title, and the prospective starting and ending dates. These added steps to obtain and share

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information related to contract employees will help OMB and HR oversee County contract employee usage.

In May 2017, at the time the successor contract FB-00361 was before the BCC for approval, HR stated that it was in the process of auditing all user departments to ensure that they obtained the required approvals for contract personnel whose tenure will exceed (or has exceeded six months). Moreover, in follow-up communications, OIG Auditors were apprised of countywide training specific to accessing the new contract and emphasizing to department personnel of the need to seek approval for contract employees exceeding 6 and 12 months tenure. As follow-up to this audit, the OIG will be requesting periodic reports from OMB and HR on these on-going compliance efforts.

2. Departmental Audit Results Concerning Contract Use

As previously stated, our fieldwork primarily focused on six County departments and their utilization of the Contract. To evaluate compliance, we reviewed departmental supporting documentation for 115 selected contract employees. Testing results were shared individually with each department. Two of the six departments elected to provide the OIG with a response; these responses are included in Appendix B of this report. Table 2, below, aggregates our results for the six departments.

Table 2: Summary of Departmental Audit Results Concerning Contract Use

Testing Condition	PHCD	CAHSD	HR	ISD	PROS	OMB
No Drug Test on File	X	X				
Criminal Background Performed Subsequent To Hire	X					
Incorrect Billing Rate					X	
Primary Vendor not Selected					X	
Overtime Billed at Incorrect Rate	X					
Overtime not Approved in Advance				X		
Incorrect Job Classification Utilized	X					
Social Security Number Inadvertently Disclosed	X	X				
Other Documentation Inconsistencies, Inaccuracies, and/or Irregularities		X	X	X		
Tenure of Contract Employees & Non-compliance with A.O. 7-35's Reporting Requirements	X ⁷	X ⁶			X ⁶	N/A ⁸

Each audit testing condition is further described below:

- No Drug Test on File - Individuals hired through the Contract are subject to the County's legally-mandated employment requirements, including a pre-

⁷ At the initiation of the audit, the department was non-compliant with A.O. 7-35; however, prior to the audit's completion, OMB and HR had received the departmental request submissions and had granted approvals.

⁸ During the Contract period, OMB did not utilize contract employees in excess of six months. Thus, A.O. 7-35 review and approval does not apply.

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employment physical and a drug test. Testing of contract employee files revealed 13 instances where the documentation supporting the pre-employment drug testing could not be located.

- **Criminal Background Performed Subsequent to Hire** - Prior to commencing work, each contract employee must undergo (at the County's expense) a comprehensive criminal background check.⁹ Testing of contract employee files revealed seven instances where the criminal background checks were performed subsequent to the contract employees' start date. The criminal background could not be confirmed or located for one contract employee.
- **Incorrect Billing Rate** - The Contract specified the billing rates in effect for the period by job classification. Audit testing revealed one contract employee whose invoiced charges did not match the billing rates in effect for the period being examined.
- **Primary Vendor not Selected** - The designated primary vendor must be contacted first to fill the requested positions. In the event the primary vendor is unable to fill the requested position, the secondary vendor may be utilized. Audit testing revealed one instance where a department did not select or first provide an opportunity to the primary awarded vendor.
- **Overtime Billed at Incorrect Rate** – Overtime premiums are calculated based only on the employee's hourly rate. Audit testing revealed one contract employee whose overtime was billed at time and-a-half of the vendor's billing rate, rather than the actual incremental rate of the contract employee.
- **Overtime not Approved in Advance** - Overtime may be billed by the vendor only if the overtime hours were previously approved by the County in writing and after the vendor's employee has worked 40 hours in a week. Audit testing revealed eight contract employees whose overtime charges did not have the required documented preapproval.
- **Incorrect Job Classification Utilized** - The Contract specified minimum qualifications for the encompassed contract employee positions. Our review of contract employee files and examination of resumes revealed three contract employees were placed in higher paying positions than the actual position qualified for or held.
- **Social Security Number Inadvertently Disclosed** – Audit testing revealed that three contract employees' social security numbers were disclosed on the

⁹ This is accomplished through the County's access to the Florida Department of Law Enforcement's Volunteer and Employee Criminal History System.

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vendor's submitted timesheet. No attempts to redact this information by the vendor or departmental staff was apparent prior to its submission for payment processing.

- Other Documentation Inconsistencies, Inaccuracies, and/or Irregularities – These discrepancies typically involved the request, review, and/or approval process and our audit observations that the corresponding documentation was not consistent, complete, or accurate.

VII. CONCLUSION AND RECOMMENDATIONS

The reliance on departments to self-report compromised oversight effectiveness. While ISD and HR sought and received extension approvals for their departments' own contract employees, this requirement was not being monitored or enforced with regards to all the other County user departments. Since initiation of this audit, OMB and HR have stepped up their oversight efforts, including the aforementioned training of departmental personnel on how to access the contract and comply with A.O. 7-35's requirements. HR has also announced its plans to audit departmental usage and compliance. We note that the last countywide utilization count was for March 2017. As the new contract, FB-00361, has been in effect for over one year, we believe it is time again to capture countywide statistics, especially presenting the number of contract employees by their tenure in months. As such, the OIG makes the following recommendations.

1. OMB and HR should produce, bi-annually, a report that outlines the use of contract employees by department. Employee tenure should be presented, in no less than, the following five durational periods:
 - Less than 6 months
 - 7 – 12 months
 - 13 – 24 months
 - 25 – 36 months
 - More than 36 months

The OIG recommends that these bi-annual reports be presented to the BCC.

ISD, OMB, and HR Response:

As recently as July 12, 2018, HR requested from all DPRs an updated list of all current temporary employees working in their respective departments. The deadline to provide the information was July 31, 2018 (Attachment 1). HR will categorize the employees following the thresholds recommended in your report: less than 6 months, 7 - 12 months, 13 - 24 months and 25 - 36 months.

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2. Separate but related to the compilation of departmental contract utilization, OMB and HR are recommended to put in place proactive measures to ensure that departments timely submit extension requests. These extension requests should be made prior to the contract employee reaching six months tenure and should be made at every six-month interval. OMB and HR are recommended to develop uniform templates that should be used by all requesting departments.

ISD, OMB, and HR Response:

... HR will develop a uniform template to provide to all departments for the purposes of requesting extensions. While HR and OMB are responsible to review requests for extensions which exceed six (6) months or one year, it should be noted that it is ultimately the responsibility of the requesting department director to ensure compliance with A.O. 7-35.

3. Employments exceeding 12 months should require an affirmative acknowledgment by OMB and HR that they have, in accordance with A.O. 7-35, evaluated whether the establishment of a regular County position is necessary and in the best interest of the County. Should both OMB and HR determine it appropriate, the contractual position should be converted to a County employee position.

ISD, OMB, and HR Response:

... both HR and OMB, as part of their current extension approval process are already reviewing the request to determine if the position should be converted to a regular County position. If applicable, a transition plan is requested from the originating department. Based on the transition plan, a determination is made regarding the approval of the extension request. In some cases, the request is denied and a temporary overage is approved to establish a County position and recruit for the vacancy. In other instances, it has been determined that it makes more sense to continue the temporary engagement due to the nature of the work or specialization required.

* * * * *

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OIG FINAL AUDIT REPORT
Temporary Employment Agency Services Contract No. 9432-4/16

The OIG appreciates the acceptance of all recommendations. The OIG asks OMB and HR to provide a status report regarding the implementation of these recommendations. In particular, we would like to be provided with the results of the July 2018 departmental survey and the uniform template to be developed pursuant to recommendation two. We kindly request that OMB and HR provide the OIG with this status report, with applicable documentation in 60 days, on or before October 22, 2018. Last, we would like to thank the staffs of all participating departments in our review for their cooperation and courtesies extended to the OIG throughout this audit.

MIAMI-DADE COUNTY

OFFICE OF THE INSPECTOR GENERAL



FINAL AUDIT REPORT

Schedules

A – Contractual Temporary Employees Countywide as of December 2016

B – Contractual Temporary Employees Countywide as of March 2017

Audit of Temporary Employment Agency Services Contract No. 9432-4/16

IG16-0013-A

Schedule A

9432-4/16 Contract Employee Numbers as of December 2016

DEPARTMENT	TENURE IN MONTHS								TOTAL
	< 6	7-12	13-24	25-36	37-48	49-60	61-120	> 121	
ANIMAL SERVICES	4	2	-	2	1	1	-	-	10
AVIATION	2	-	4	1	-	-	-	-	7
CLERK OF COURTS*	-	-	-	-	-	-	-	-	18
COMMUNICATIONS	2	-	1	-	-	-	-	-	3
COMMUNITY ACTION AND HUMAN SERVICES	30	13	11	9	8	5	14	1	91
CORRECTIONS	4	-	1	-	-	-	-	-	5
CULTURAL AFFAIRS	-	1	1	-	-	-	-	-	2
ELECTIONS	-	-	1	-	-	-	-	-	1
FINANCE	2	1	1	3	-	2	1	-	10
FIRE RESCUE	5	4	3	2	1	1	-	-	16
HUMAN RESOURCES	2	4	-	-	-	-	-	-	6
INFORMATION TECHNOLOGY	7	7	13	6	9	-	-	1	43
INTERNAL SERVICES	8	-	10	1		3	2	-	24
LIBRARY	4	2	5	-	1	-	-	-	12
MEDICAL EXAMINER	1		-	-	-	-	-	-	1
PARKS AND RECREATION	70	31	1	2	-	-	-	-	104
PUBLIC HOUSING	69	18	28	15	13	20	6	-	169
REGULATORY AND ECONOMIC	8	3	1	-	-	-	-	-	12
SEAPORT	-	1	-	1	-	-	-	-	2
SOLID WASTE	22	8	10	2	1	-	-	-	43
TRANSPORTATION	5	3		-	-	-	-	-	8
VIZCAYA	5	-	-	-	-	-	-	-	5
WATER AND SEWER	22	25	12	-	-	-	-	-	59
TOTAL	272	123	103	44	34	32	23	2	651

*Clerk of Courts did not provide names or tenure information for their contract employees, only the count.

SOURCE: Human Resources December 2016 report on contract employees. Original report was 23 pages with all County departments. This representation is a summary of that 23 page report.

Schedule B

9432-4/16 Contract Employee Numbers as of March 2017

DEPARTEMENT	< 6 MONTHS	> 6 MONTHS	TOTAL
ANIMAL SERVICES	17	19	36
AVIATION	-	4	4
CLERK OF COURTS*	2	16	18
COMMUNICATIONS	-	1	1
COMMUNITY ACTION AND HUMAN SERVICES	22	73	95
CORRECTIONS	10	2	12
CULTURAL AFFAIRS	-	1	1
ELECTIONS	-	-	-
FINANCE	-	3	3
FIRE RESCUE	-	11	11
HUMAN RESOURCES	1	4	5
INFORMATION TECHNOLOGY	2	13	15
INTERNAL SERVICES	6	7	13
LIBRARY	2	8	10
MEDICAL EXAMINER	-	-	-
PARKS AND RECREATION	46	49	95
PUBLIC HOUSING	85	80	165
REGULATORY AND ECONOMIC	7	4	11
SEAPORT	-	-	-
SOLID WASTE	18	28	46
TRANSPORTATION	2	7	9
VIZCAYA	3	1	4
WATER AND SEWER	10	36	46
TOTAL	233	367	600

SOURCE: May 16, 2017 BCC Memo; Supplemental item to Agenda Item No. 8(F)1

MIAMI-DADE COUNTY

OFFICE OF THE INSPECTOR GENERAL



FINAL AUDIT REPORT

Appendix A

Joint Response to Draft Audit Report (ISD, OMB, and HR)

Audit of Temporary Employment Agency Services Contract No. 9432-4/16




IG16-0013-A

Memorandum



Date: August 7, 2018

To: Mary Cagle
Inspector General

From: Arleene Cuellar, Director
Human Resources 
Tara Smith, Director
Internal Services Department 
Jennifer Moon, Director
Office of Management & Budget 

Subject: OIG Draft Audit Report – Audit of the Temporary Employment Agency Services Contract – Joint Response (HR, ISD, and OMB)

Thank you for the opportunity to provide a response to the Draft Audit Report on Temporary Employment Agency Services; Contract No. 9432-4/16 – IG16-0013-A. This response is a joint response from the Human Resources Department (HR), Internal Services Department (ISD) and the Office of Management and Budget (OMB).

As noted in the Draft Report, HR and OMB have taken proactive steps in monitoring and ensuring compliance of Administrative Order 7-35 (A.O. 7-35), *Personnel Policy for Contractual Employment Services*. As recently as July 12, 2018, HR requested from all DPRs an updated list of all current temporary employees working in their respective departments. The deadline to provide the information was July 31, 2018 (Attachment 1). HR will categorize the employees following the thresholds recommended in your report: less than 6 months, 7 – 12 months, 13 – 24 months and 25 – 36 months. This will satisfy Recommendation #1 in section VII. *Conclusion and Recommendations* of your Draft Audit report.

In addition to the two notable enhancements mentioned in your report regarding greater enforcement of the contract, HR has included in its Quarterly Departmental Personnel Representative (DPR) meetings the topic of Temporary Employment Agency Employees. The following meetings included this topic on the agenda (Attachment 2):

- October 26, 2016
- February 6, 2017
- October 25, 2017
- August 6, 2018

Additionally, HR has issued a memorandum to DPRs providing guidelines for hiring and monitoring contractual temporary personnel (Attachment 3). As noted in Recommendation #2, section VII of your report, HR will develop a uniform template to provide to all departments for the purposes of requesting extensions. While HR and OMB are responsible to review requests for extensions which exceed six (6) months or one year, it should be noted that it is ultimately the responsibility of the requesting department director to ensure compliance with A.O. 7-35.

As it pertains to Recommendation #3, both HR and OMB, as part of their current extension approval process are already reviewing the request to determine if the position should be converted to a regular County position. If applicable, a transition plan is requested from the originating department. Based on the transition plan, a determination is made regarding the approval of the extension request. In some cases, the request is denied and a temporary overage is approved to establish a County position and recruit for the vacancy. In other instances, it has been determined that it makes more sense to continue the temporary engagement due to the nature of the work or specialization required.

Finally, HR, ISD, and OMB all agree that better enforcement of A.O. 7-35 was necessary and as such have implemented those measures which were possible to implement expeditiously. The goal is to continue to improve the administration of A.O 7-35 by implementing technologies which will allow for a decentralized input of all temporary agency employees by the respective user department in order to facilitate a centralized mechanism for automated monitoring and reporting. The County has just recently launched efforts to integrate all HR, Procurement, and Financial systems into one Enterprise Resource Planning (ERP) system (Attachment 4). It is anticipated that features within the HR and Procurement modules will be able to be implemented allowing for “contingent workers” or non-County workers to be easily tracked within our integrated ERP system. Since this is a multi-year project, the current manual procedures will continue to be in place until we are able to implement the desired functionality.

If you have any questions or wish to discuss our efforts further, please do not hesitate to contact any one of us directly.

Attachments

c: Edward Marquez, Deputy Mayor

ATTACHMENT 1

Cuellar, Arleene (HR)

From: Washington, Virginia (HR)
Sent: Thursday, July 12, 2018 5:14 PM
To: (HR) DPRs Only
Cc: Cuellar, Arleene (HR); Horton, Kathy (HR)
Subject: Temporary Employees
Attachments: AO7-35.pdf0.pdf

Good afternoon:

As part of Human Resources' annual review of temporary employees, we are requesting all departments to provide a list of all current temporary employees working in your department, to include their title, respective start and end dates. As specified in Administrative Order 7-35, Personnel Policy for Contractual Employment Services, Office of Management and Budget (OMB) and Human Resources (HR) review the justification request to utilize temporary employees beyond the initial six months (attached).

To reiterate the current process, departments must obtain approval from OMB prior to accessing the contracts for temporary employees. OMB reviews the justification for accessing the contract to ensure the use of temporary personnel is for a limited period of time or a specialized function and the need would not be better met by recruiting a full-time County employee, as well as reviewing available funding. This approval was recently automated through the procurement process. In addition, HR will discuss plans to transition away from hiring long-term temporary employees, if appropriate.

The list of temporary employees was last compiled as of March 2017. It has been a little over one year since the last compilation of temporary employees, and the information must be reviewed and updated. This information will be reviewed to ensure that all appropriate approvals have been obtained. Please provide this information to Kathy L. Horton, Manager Recruitment and Internal Placement, no later than **Tuesday, July 31, 2018**.

Should you have questions, please feel free to contact Kathy at (305) 375-2668 or myself. Thank you in advance for your cooperation.

Virginia Washington
Division Director, Recruitment, Testing and Career Development
Human Resources Department
(305) 375-1793 Office / (305) 375-5768 Fax

Ability is what you are capable of doing
Motivation determines what you do, but
Attitude determines how well you do it.

Human Resources... Matters!

ATTACHMENT 2

MIAMI-DADE COUNTY

Departmental Personnel Representatives Meeting

Wednesday, October 26, 2016

SPCC, 18th Floor, Room 18-3/4

9:00 a.m. – 11:30 a.m.

Agenda

<u>Time</u>	<u>Item</u>	<u>Presenter</u>
9:00 a.m.	Welcome	Arleene Cuellar, Director Human Resources
9:05 a.m.	Foster Parenting	Jennifer Moon, Director Management and Budget
9:15 a.m.	Presidential Election	Allison McComb, Deputy Supervisor Elections
9:25 a.m.	Public Corruption	David Colon, Police Officer Police
9:35 a.m.	Pre-Employment Medical Testing, Temporary Employees and Volunteer Agreements	Virginia Washington, Division Director Human Resources- Recruitment
9:50 a.m.	HR&FEP eLearning	Colleen McKenzie, HR Program Coordinator Human Resources-HR&FEP
9:55 a.m.	Workers' Compensation	Baunie McConnell, Division Director Internal Services-Risk Management
10:00 a.m.	Zika Virus	Warnell Vickers, Safety Officer Internal Services-Risk Management
10:05 a.m.	Paid Family Leave FAQ's	Toni Thomas-Stacey, Labor Relations Manager Grettel Perez, Labor Relations Officer Human Resources-Labor
10:15 a.m.	Fair Labor Standards Act OT Rules	Eneldo Hernandez, Compensation Manager Human Resources-Compensation
10:30 a.m.	Open Enrollment 2017	Helena Denham-Carter, Division Director Human Resources-Benefits
11:30 p.m.	Questions & Answers	

Human Resources... Matters!

MIAMI-DADE COUNTY

Departmental Personnel Representatives Meeting

Wednesday, February 6, 2017

SPCC, 18th Floor, Room 18-3/4

9:00 a.m. – 11:00 a.m.

Agenda

1. Welcome
 - Arleene Cuellar, Director, Human Resources Department
2. Director's Office
 - Outside Employment, Arleene Cuellar, Director, Human Resources
 - Entry rates
 - Intranet – DPR Resources Section (http://intra.miamidade.gov/intra_home/dpr-resources.asp)
 - Diversity Matters Training (<https://learning.syntrio.com/COE/login.asp?directtoscreen=outregscreen>)
 - FIU Chapmanville Leadership Training
3. Benefits Administration
 - Smart Shopper
 - Live MD
 - 1095C Update - Helena Denham-Carter, Division Director, Benefits Administration, HR
 - Roth/IRA - Dan Gonzales, Benefits Supervisor, Benefits Administration, HR
4. Recruitment, Testing and Career Development
 - JO Approvals – Mari Ledesma, HR Manager, Recruitment & Career Development, HR
 - I-9 Form - Mari Ledesma, HR Manager, Recruitment & Career Development, HR
 - Temporary Contract Employees – Virginia Washington, Division Director, Recruitment & Career Development, HR
 - Ethics Training Update – Andrew Mullings, HR Manager, Recruitment & Career Development, HR
 - Frontline Employees Training Update – Andrew Mullings, HR Manager, Recruitment & Career Development, HR
5. Payroll & Information Management
 - PeopleSoft Person Profile: Certifications and Licenses – Ulises Lincheta, ERP Business Analyst 2, Payroll & Information Management, HR
6. Questions & Answers

Human Resources... Matters!

MIAMI-DADE COUNTY

Departmental Personnel Representatives Meeting

Wednesday, October 25, 2017

SPCC, 18th Floor, Room 18-3/4

9:00 a.m. – 11:00 a.m.

Agenda

1. Welcome – Arleene Cuellar, Human Resources (HR) Director
2. Jackson Health Systems (JHS) – Enhanced Services for Miami-Dade County employees
3. Performance Evaluations Reminder – Arleene Cuellar
4. DPR Training Status – Virginia Washington, HR Division Director, Recruitment, Testing & Career Development
5. Holiday Payroll Processing Schedule – Joy Clodfelter, HR Division Director, Payroll & Information Management (PIM)
6. Holiday Reporting Refresher – Joy Clodfelter, HR Division Director, PIM
7. Temporary Employee Procurement Procedures – Adil Khan, ISD
8. Open Enrollment – Helena Denham-Carter, HR Division Director, Benefits
 - o Wellness Works 5K
9. Questions & Answers

Human Resources... Matters!

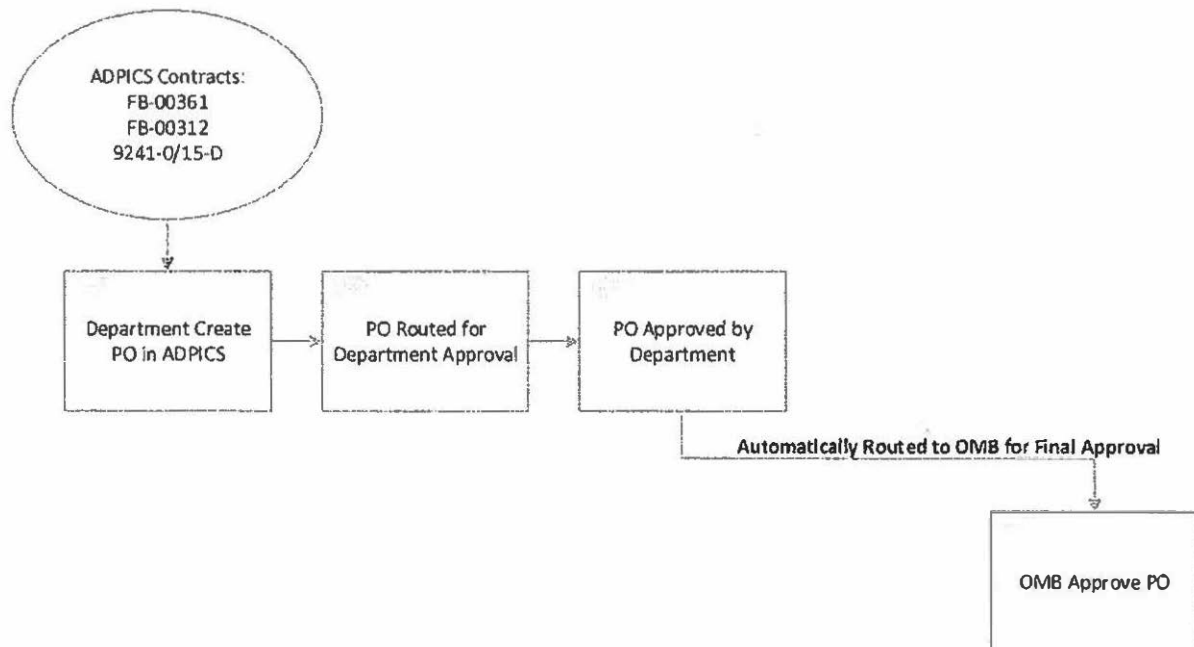
OMB APPROVAL NEEDED FOR TEMPORARY CONTRACTED SERVICES

New business process requires approval from the Office of Management and Budget (OMB) to access Temporary or Contracted services contracts listed below.

The ADPICS system will be modified so that every PO created against any of the following 3 contracts is automatically routed to OMB for final approval.

<u>CONTRACT #</u>	<u>TITLE</u>
FB-00361	CONTRACT EMPLOYEE SERVICES
FB-00312	CONTRACT HEALTH PROFESSIONALS
9241-0/15-D	IT CONSULTANT SERVICES

The requesting department will be required to contact their budget analyst to provide a justification for accessing the services and verify that expenditures are within their available revenues and projected expenses. Departments are encouraged to include this justification in the PO. After reviewing the information, the budget analyst will work with the Budget Director to approve the PO in ADPICS.



MIAMI-DADE COUNTY

Departmental Personnel Representatives Meeting

Monday, August 6, 2018

SPCC, 18th Floor, Room 18-3/4, 9:00 a.m. – Noon

Agenda

1. Welcome – Arleene Cuellar, Director, Human Resources (20 minutes)
 - Completion of Performance Evaluations
 - Review and completion of employee information in Bluebook
 - Review of Disaster Assistance Roles
 - ERP Implementation – Memo from Edward Marquez
 - ePerformance Module - DPR training dates will be provided soon.
2. Recruitment Reminders – Virginia Washington, HR Division Director (20 minutes)
 - Recruitment, Testing & Career Development
 - Temporary employees – Submit Temporary Employees Hire List
 - Applicant eligibility determination - Determine whether applicant meets the eligibility requirements prior to interview
 - Veteran's preference – Brief Process Overview
 - DPR Training – We will be scheduling training for new DPRs on 9/27/18, 10/12/18 & 10/19/18
 - New Hire PCDs
 - a. Accuracy in completion of PCDs
 - b. Importance of timely submittal of PCDs
 - c. Entering Educational Level on PCDs
3. Compensation Refresher – Eneldo Hernandez, HR Section Manager (20 minutes)

Labor Relations and Compensation, Ensuring minimum qualifications are reviewed and updated prior to creating job openings
4. HR&FEP Workplace Civility & Respect, by Corey Edwards, Human Rights & Fair Employment Practices Specialist (20 minutes)
5. Benefits Administration Division – Helena Denham-Carter, Division Director (30 minutes)
 - Reminder - Employees who work more than 6 months, will be eligible for FRS and will begin to contribute 3% of salary to FRS
 - 5K and Fun Day – Desiree Adderley
 - Reasonable Suspicion of Employee Drug Use– Jessica Hughes-Fillette
 - Pre-Open Enrollment Meetings – Sonia Concepcion
6. Documentum – Chris Crowley, ITD (20 minutes)
7. Questions & Answers

Human Resources... Matters!

ATTACHMENT 3

Memorandum



Date: October 19, 2016
To: Department Personnel Representatives
From: Virginia Washington, Division Director *Virginia Washington*
Recruitment, Testing and Career Development
Subject: Guidelines for Hiring and Monitoring Contractual Temporary Personnel
Temporary Employment Agency Services (Contract #9432-4/16)

I would like to take this opportunity to reiterate guidance to County departments regarding the recruitment practices for temporary employees from the contractual employment service agencies. To ensure that the countywide recruitment of temporary employees is conducted in a consistently fair and equitable manner and in compliance with Administrative Order (AO) 7-35, Personnel Policy for Contractual Employment Services, the following guidelines should be utilized:

Hiring

- Candidates referred from the temporary agency should be screened to ensure that they meet the minimum qualifications and possess the appropriate licenses and certifications;
- Format for conducting interviews when hiring temporary employees shall be at the discretion of the department based on the specific assignment, classification and time frame of the assignment;
- Should the department elect not to mirror the County's standard recruitment process for hiring employees and utilize an interview panel, a minimum of two persons should conduct interviews with the potential temporary employees;
- Criminal history background checks are required for all temporary employees per Implementing Order 7-41, Pre-Employment Fingerprint Based Criminal History Records Checks;
- Per AO 7-35 individuals hired in the County through an employment agency, provided that they are continuously employed in a satisfactory manner for at least six (6) months in the same position, have the right to apply for County only recruitments and must adhere to the County's standard recruitment process.

Monitoring

- Establish a central point of contact within each department to access the temporary services contract for specific projects;
- Maintain a list of temporary employees within your respective department and review on a quarterly basis the length of time temporary employees have been working to ensure compliance with AO 7-35.

Approvals


- As specified in AO 7-35, any temporary agency appointment whose assignment exceeds six months must be reviewed by Office of Management and Budget and Human Resources for approval to continue utilizing temporary services personnel.

These guidelines are designed to ensure that all departments are transparent in their recruitment and selection process and that there is uniformity in tracking temporary employees.

ATTACHMENT 4

Memorandum



Date: July 23, 2018
To: Department Directors
From: Edward Marquez
Deputy Mayor 
Subject: Enterprise Resource Planning System Implementation

The Board of County Commissioners recently approved the award for the implementation of the County-wide Enterprise Resource Planning (ERP) System. The implementation services contract, which includes Finance, Supply Chain, HR / Payroll, Budgeting and Business Analytics was awarded to Accenture LLP, commencing on July 30, 2018. Phase I of the project will include Finance and Supply Chain applications, which will sunset our existing FAMIS and ADPICS systems.

We will need your assistance over the next few months as we develop modernization plans to ensure that our new systems fully meet the current and future needs of Central Processing Units, Department functionality, and expanded value to the Citizens of Miami-Dade County. Specifically, the ERP team and Accenture will ask for your help to:

- Complete Surveys in August (Participants include Departmental Finance, Procurement, Budgeting and DPR staff)
- Attend Strategy Workshops facilitated by Accenture during September / October (Participants include selected Department Directors / Department Senior Staff)

Once the above activities are completed, Accenture will work with the ERP Core team, made up of leads from the Finance, Internal Services, Human Resources, Office of Management and Budget, and the Information Technology Departments to develop a comprehensive design framework for the implementation. During these design sessions, members of your teams with the subject matter expertise will be required to provide input and feedback on the Business Process Flow design.

Members of the ERP Core Team will be contacting you over the next few weeks to schedule kick-off meetings to further explain these important activities and answer questions that may arise from your team members. I appreciate your participation and assistance and value the contribution that you and your team members will bring to this significant County effort.

If you have any questions, please contact Joe Conway, ERP Implementation Lead and ITD ERP Division Director at 305-596-8453 or Margaret Brisbane, ITD Assistant Director, ITD at 305.596.8320.

c: Office of the Mayor Senior Staff
Department Personal Representatives

MIAMI-DADE COUNTY

OFFICE OF THE INSPECTOR GENERAL



FINAL AUDIT REPORT

Appendix B

Responses Received Concerning the Departmental Testing Results Memos

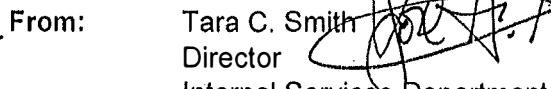
- ISD (B1)
- PROS (B2)

Audit of Temporary Employment Agency Services Contract No. 9432-4/16

IG16-0013-A

Date: June 20, 2018

To: Mary T. Cagle
Inspector General

 From: Tara C. Smith
Director
Internal Services Department

Subject: Response to ISD's Audit Results Summary Concerning the Use of Temporary Contract Employee Services, Contract 9432-4/16, Ref. IG16-13 (Revised)

Thank you for the opportunity to respond to ISD's Audit Results Summary concerning the use of Temporary Contract Employee Services. Your audit confirmed ISD's compliance with Administrative Order (A.O.) 7-35, Personnel Policy for Contractual Employment Services in obtaining the required approvals for temporary agency employees whose assignment exceeds six months. However, I would like to respond to items 2 and 3 of your findings.

2. Overtime Not Approved In Advance

ISD's policy requires overtime to be approved by management in advance. Employees maintain accurate and complete timesheets for actual hours worked, which are signed by each employee and submitted to their supervisor for verification. Given the nature of some assignments, we have scheduled and unscheduled overtime. The Department will implement any requirements needed to comply with the preapproval of overtime, in writing, to the vendor prior to the paying of overtime as stipulated in the contract.

3. Other Documentation Inconsistencies, Inaccuracies, and/or Irregularities

Your report indicates that one contract employee's initial request documentation could not be confirmed or located at ISD. The division's request and my approval for the employee in question, Benigno Hernandez, are attached.

Your recommendations are welcome, and you have our complete cooperation in administering the terms of the contract and complying with Administrative Order 7-35. I value your input and any improvements resulting from this audit are appreciated.

c: Edward Marquez, Deputy Mayor
Jennifer Moon, Director, Office of Management & Budget
Arleene Cuellar, Director, Human Resources
Jose Galan, Assistant Director, Internal Services Department

Memorandum



Date: May 24, 2018

To: Mary T. Cagle, Inspector General
Office of the Inspector General

From: Maria I. Nardi, Director *M. Nardi*
MC Parks, Recreation and Open Spaces Department

Subject: Response to PROS Audit Results Summary Concerning the Use of Temporary Contract Employee Services, Contract 9432-4/16, Ref. IG16-13

In response to your report of the above referenced subject, dated May 9, 2018, the Parks, Recreation and Open Spaces (PROS) Department concurs with the findings and accepts the recommendations made for proper compliance with Administrative Order 7-35, Personnel Policy for Contractual Employee Services, and the Department's adherence to the Contract Roadmap.

The Department acknowledges the need to improve the controls over the use of these contracts and has implemented a process, through its Human Resources Division, to manage the tenure of contractual employees. All new requests as well as requests for extensions now require the approval of the Human Resources Division, the office of the Assistant Director and the Department Director. Additionally, all requests to access the use of Temporary Contract Employee Services require the approval of the Office of Management and Budget and the Human Resources Department. The Department's Human Resources Division is responsible for ensuring that all of the users of the contract are in compliance with the six month term limit as well as ensures that the proper documentation is submitted when an extension is required due to legitimate business needs.

As it relates to the discrepancies with the billing rates, it should be noted that the Internal Services Department (ISD) implemented a change to the rates in October 2016. However, it appears that those changes were not communicated to the Vendors or the Departments until sometime after the changes went into effect. This Department was not aware of these changes until the Finance Department began to return our invoices based on these discrepancies. The matter was corrected and we do not anticipate having these issues in future invoices as the process in place requires strict oversight by the PROS Performance Excellence Division.

Lastly, the PROS Department has centralized the procurement of temporary services; therefore, this should ensure full compliance with all contractual obligations and adherence to the governing administrative order (7-35).

We would like to thank you for the professionalism and guidance your audit team provided during its review. As an organization striving to achieve performance excellence, we welcome and appreciate your efforts.

c: James Schlotzhauer, OIG Audit Manager
Christina Salinas Cotter, Assistant Director, Performance Excellence Division
Beatriz Lee, Chief, PROS Human Resources Division
Bernie Rodriguez, Interim Chief, PROS Procurement Division

**APPENDIX
B-2**