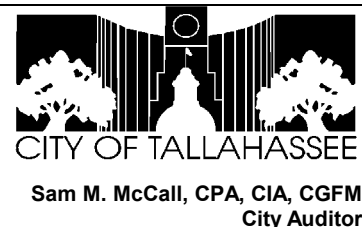


Audit

Follow Up

As of March 31, 2000



“Audit of the 800 MHz Voice Contract with Motorola, Inc.”

(Report #9805, Issued June 30, 1999)

Report #0012

May 18, 2000

Summary

Information Systems Services (ISS) has made significant progress to implement action plan steps management identified in our previously issued report #9805, Audit of the 800 MHz Voice Contract with Motorola, Inc. In that audit, issued June 30, 1999, we identified some areas in which contract administration should be improved and strengthened. ISS management was receptive to the issues identified in the audit and has implemented most (90%) of the scheduled action plan steps to date.

Scope, Objectives, and Methodology

Report #9805

The scope of report #9805 was a review of the City's contract with Motorola, Inc., for Phase I of the 800 MHz Trunked Simulcast Radio (radio) system during the period of April 1997 to March 1999.

The primary objectives of the audit were to determine

whether:

- the contract deliverables met the contract requirements,
- contract administration complied with City policy and procedures, and
- the accounting treatment for Motorola contract costs was proper.

Report #0012

The purpose of this audit follow up is to report on the progress and/or status of the efforts to implement the recommended action plan steps due as of March 31, 2000. To obtain information, we conducted interviews with key department staff, and reviewed relevant documentation.

Previous Conditions and Current Status

In report #9805, we identified two main areas that needed to be addressed: contract administration and financial practices. ISS has completed 10 of the 11 (90%) total action plan tasks that were due to be completed by March 31, 2000. Table 1 provides a summary of the conditions and tasks due.

Table 1
Conditions Identified in Report #9805 and Current Status

Previous Conditions	Current Status
Contract Administration Issues:	
<ul style="list-style-type: none"> • Staff needs to improve management of the 800 MHz contract, specifically staff should: <ul style="list-style-type: none"> ⇒ compare contract deliverables to contract activity and inventory listings, ⇒ determine how inventories are to be maintained, ⇒ revise IT Acquisition Policy to require executive steering committees. 	<ul style="list-style-type: none"> ✓ ISS implemented: <ul style="list-style-type: none"> ⇒ procedures to verify that inventory has been reconciled, ⇒ operating procedures requiring City departments to be responsible for maintaining their own radio and equipment inventories, ⇒ Administrative Procedures Policy # 801, "Information Technology Acquisition Policy,"

	allowing for the ISS Steering Committee to appoint an executive level steering committee for major projects greater than \$50,000.
<ul style="list-style-type: none"> • Develop a shell user agreement for external (non-city) agencies that wish to use the radio system. 	<ul style="list-style-type: none"> ✓ ISS staff is working with Legal to develop a shell "Trunk Simulcast Radio System" user agreement. As of April 14, 2000, the final draft is being reviewed by Legal.
<ul style="list-style-type: none"> • ISS project managers should receive training and guidance on their responsibilities to comply with City policies and procedures and contract requirements. 	<ul style="list-style-type: none"> ✗ ISS management is planning for all project managers to attend and successfully complete the Project training module in the new PeopleSoft Financials application and the Project Management module currently offered by Mindlearning.com. Estimated to be completed by September 30, 2000.
Financial Issues	
<ul style="list-style-type: none"> • Internal accounting practices need to be improved to ensure that: <ul style="list-style-type: none"> ⇒ payments comply with contract requirements, ⇒ payments are properly recorded in the City's financial records, ⇒ change orders are processed in accordance with the City's established policy, ⇒ a reconciliation process for all contract activity is implemented. 	<ul style="list-style-type: none"> ✓ Directives were issued to ISS staff providing guidance on: 1) the process for approving invoices in order to comply with contract requirements; and 2) procedures for establishing accounts and recording expenditures. ✓ The 800 MHz Project Manager implemented reconciliation procedures to track and verify contract activity.
<ul style="list-style-type: none"> • Review contract with Florida State University and process invoice for additional service period when appropriate. 	<ul style="list-style-type: none"> ✓ ISS invoiced Florida State University for \$66,838 on April 20, 2000, and is currently awaiting payment.

Table Legend:

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

- ✓ Issue addressed and resolved
- ✗ Issue not resolved

As noted in Table 1, only one issue remains due, and ISS management has amended the schedule for completion to September 30, 2000.

We appreciate the assistance provided by Information Systems Services during this audit follow up.

Appointed Official Response

City Manager's Response: I would like to thank ISS for its significant progress over the last few months on the 800 MHz Voice Contract with Motorola audit. I am encouraged by the accomplishments achieved since the last follow-up report and am confident that the project management training scheduled in conjunction with the PeopleSoft financial management system conversion will provide the necessary tools for staff to excel as project managers. I also appreciate the professional job and attitude of the Auditing staff in conducting this audit.

Copies of this Audit Follow Up or audit report #9805 may be obtained via request by telephone (850 / 891-8397), by FAX (850 / 891-0912), by mail or in person (City Auditor, 300 S. Adams Street, Mail Box A-22, Tallahassee, FL 32301-1731), or by e-mail (dooleym@mail.ci.tlh.fl.us).

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