



Wakulla County Board of County Commissioners Internal Audit Report Employee Support Services Audit

July 2024

The Internal Audit Department (IA) completed an audit of the Employee Support Services Department (ESS) for Wakulla County (County) Board of County Commissioners (BOCC). ESS is responsible for human resources (HR) including recruitment, employee relations, compensation, benefits, county-wide training, purchasing cards, management of information technology (IT) equipment and the BOCC's IT vendor, unemployment, and worker's compensation as well as risk management. These services are provided for the offices of the BOCC, Supervisor of Elections (SOE), and the Property Appraiser (PA). There are two full-time ESS employees: a director and a specialist, serving over 200 employees across the three offices.

The ESS policy is governed by Administrative Regulation 1.01 Personnel Policy (AR 1.01) at the local level. There are additional Florida Statutes (FS) and Federal Regulations that guide the requirements of the department. The full text of the FS referenced in this report is included at the end.

The objective of this audit was to evaluate specific HR functions. The functions covered include hiring practices, new and continuing employee county-wide training, and termination processes.

To evaluate these areas 20 employees were selected as samples. This included five employees selected from the list of employees that have been hired since the beginning of fiscal year 2022-2023 (FY2223) which began on October 1, 2022. Additionally, five employees were selected from the list of employees that have been separated since the beginning of FY2223. The remaining 10 samples were selected from all regular employees, meaning they are not considered temporary, employed between the beginning of FY2223 through the present.

The ESS director discussed processes and provided follow-up information to IA throughout the audit as questions arose. Several items brought to the attention of the ESS director were addressed as the audit progressed, but they are still included in this report.

Observations and Recommendations

Observations and Recommendation on the Sample Files

Below is a summary of the paperwork that was not on file for the employee samples. Details on any issues identified will follow the summary.

Paperwork	Number of Samples Without the Paperwork on File
References Checked Form	12
Interview Form	7

Investigative Report Disclosure Statement Form	7
Job Description Acknowledgement	7
First Cybersecurity Training Documented	6
Sexual Harassment Training Confirmation	5
Education/License Requirements Verified	4
Drug Testing Consent Form	3
Results of Drug Test in File	3
Safety Policy Acknowledgment	3
Firefighter's Non-Tobacco Use Form (Signed & Notarized)	3
Results of Background Check in File	2
Oath of Loyalty	2
Employee Handbook/Policy Acknowledgement	1
Copy of Voter Registration Card in File (Commissioners ONLY)	1
Copy of Social Security Card	1

As shown on the table above, there were a number of employee files with missing paperwork. Some items missing are less significant than others. The details are outlined below.

References Checked Form - AR 1.01 states that references are to be checked by telephone and that they "shall be documented on an approved Telephone Reference Check form." Of the samples, 12 did not have records of the references being checked and the form was not in the file. If this is not the practice, it is recommended that either the practice be changed or a request is made to the BOCC to amend AR 1.01 to reflect the current practice.

Interview Form - Similarly, seven samples did not have the approved interview form in their file. AR 1.01 states: "The Department Head and the direct supervisor of the position being filled will work with the Equal Employment Opportunity Officer to prepare interview questions and list any tests that will be administered. The Human Resources Director must approve all interview questions prior to the interviews. All interview comments will be made on an approved interview questions/comments form and turned into the Human Resource Office upon completion." Because there are specific questions that cannot be asked by law in interviews, clearing the questions with ESS prior to interviews would be the safest practice to follow. Having documentation of the practice is in the County's best interest. However, if County administration determines this is not the practice that is going to be followed, BOCC approval to amend AR 1.01 is needed.

Investigative Report Disclosure Statement Form - Seven samples did not have this form in their file. This form is referenced in AR 1.01 as part of the hiring process and that it is to be signed so a background check can be completed prior to an offer of employment. The application for employment does contain a disclosure about drug testing and background checks, however AR 1.01 specifically lists this form as part of the hiring process so it is recommended that this form be part of the interview process. This form has been part of the onboarding process, so again either the practice needs to be modified or BOCC approval is needed to amend AR 1.01.

Job Description Acknowledgement - Seven samples did not have this form in their file. This form has not always been part of the onboarding process and the ESS director indicated it

began in 2023. Though this is part of the current process, it is not required and was not required when these samples were hired. It is recommended that this be incorporated into the annual review process so each employee file is consistent.

First Cybersecurity Training Documented - Six employees did not have documentation of cybersecurity training completed within their first 30 days or when the law went into effect July 1, 2022. Since this is a requirement under FS 282.318, it is recommended that this training be part of the onboarding process. If this is not possible, a follow-up is recommended every week until it is completed.

Sexual Harassment Training Confirmation - Five samples did not have this in their file. It is recommended that training be provided and the form signed for employees who are missing it since there is specific guidance in AR 1.01 that must be followed.

Education/License Requirements Verified - ESS confirmed that education is not typically verified. There are a few positions that require education beyond a high school diploma or GED. There is a risk of applicants being hired that have misrepresented their education if it is not verified. However, this practice appears to have been consistently applied. AR 1.01 appears to only require education to be verified for cases of new hires being paid above the normal starting rate due to education exceeding the minimum requirements, so it may be more beneficial to indicate this on the new hire checklist.

Drug Testing Consent Form/Results of Drug Test - Three employee files did not have the consent form or record of results. Based on AR 1.01 and discussion with the ESS director, not all positions require the drug test prior to employment but the consent form should be part of the file since a test is possible for any position to be tested after employed. These were all older files and two were part of the County absorbing Road and Bridge from an external contractor, which was not part of the normal hiring process.

Safety Policy Acknowledgment - Three samples did not have the form acknowledging they have read the safety policy. It is recommended that the employees with this missing from their file should read the Safety Policy #15-02 and complete the form.

Firefighter's Non-Tobacco Use Form (Signed & Notarized) - There were three samples that should have this form in their file and either did not have the form or the form was not notarized. As this is a requirement under FS 633.412 (6), it is recommended that all Fire Rescue employee's files are reviewed and ensure compliance for all.

Results of Background Check in File - Two samples that fall into the category of positions that should have a background check did not have the results of the background check in their file. Because this varies from position to position, it is recommended that the new hire checklist be modified to allow ESS to use the checklist for different categories. This will be discussed in greater detail in the general recommendations section of the report.

Oath of Loyalty - This was missing from two files, one of which is for someone that is no longer employed with the County. The other employee should have the form completed since it is part of the paperwork required in AR 1.01 and also required by FS 876.05.

Employee Handbook/Policy Acknowledgement - One sample did not have the acknowledgement of receiving AR 1.01 in their file. It is recommended that this is completed and added to the file.

Copy of Voter Registration Card in File (Commissioners ONLY) - One of the samples was the employee file of a commissioner. County Ordinance 2014-10 added the requirement to the County Charter that requires: "All persons who have been duly elected to the office of county commissioner shall provide a notarized declaration and oath stating the intent of the person to reside in the District in which elected to serve for the full term of office. The person elected shall also provide their voter registration card, verifying their physical address in the district, within 30 days after election." The oath was on file but the voter registration card was not. It is recommended the card be added to the file to show compliance with the County Charter.

Copy of Social Security Card - All but one file had a copy of the social security card. The card does not need to be in the file however since it is in most files and it is on the new hire checklist, it should be in them all for consistency.

Employee Separation - Six of the samples were former employees. Five of them had a voluntary separation and one was terminated. An exit interview was conducted with one of the employees. Though exit interviews are not required, they can help HR in understanding why employees are leaving and identify other issues. When employees quit without notice it may be more difficult but it should be offered to the former employee. AR 1.01 indicates that employees that do not take part in an exit interview will be sent a short survey. There was no documentation of this being sent in the files, and the checklist only references the exit questionnaire and interview. It is recommended that the survey being sent be added to the checklist. If the survey is not going to be sent, it is recommended that AR 1.01 be updated. The one exit interview was conducted by the employee's supervisor, which is in accordance with AR 1.01. However, this may defeat the purpose of an exit interview and it is recommended that ESS conduct those interviews and AR 1.01 be updated.

Leave payouts for terminated employees were all found to be in compliance with BOCC policy. The termination checklist has a line for verifying unused vacation and sick time to be paid out, but it was not completed on any of the samples. It is recommended that this be filled out and sent to payroll with the Personnel Action Form (PAF) or by the deadline for payroll submissions for their final check so payroll has direction on what is to be paid rather than payroll interpreting BOCC policy.

Overall Observation and Recommendation

1. While reviewing the sample selections IA noted that the majority of samples had onboarding paperwork (Loyalty Oath, Employee Handbook Acknowledgement, benefit forms, etc.) completed prior to the start date listed on their PAF. To verify IA's understanding of the situation the ESS director was consulted and it was confirmed that the County, as part of its normal practice, has new hires complete onboarding activities prior to their first day and they were not paid for this time. Onboarding activities are considered work under the Fair Labor Standards Act of 1938 (FLSA).

Additionally, AR 1.01 states: “New employees shall report to the Human Resource Office at the beginning of their first day to receive a copy of the Personnel Policy and Procedures Manual and any other orientation information and Onboarding processes will be provided or scheduled. At this time, employees will be asked to sign for the receipt of the Personnel Policy and Procedures Manual and complete other human resource and employment forms as required.”

- a. Because AR 1.01 is the policy approved by the BOCC and the FSLA requires this time be paid, it is recommended that onboarding be completed on the employees first day. This eliminates any risk of a new hire completing the onboarding process and not actually starting, since that person would still have to be compensated. The County’s employment lawyer should be consulted to confirm exactly what paperwork can be completed prior to the compensation period. For example, signing an offer letter, completing a background check, and a drug screen that are required for employment in certain positions would typically be completed prior to employment. Onboarding paperwork such as Loyalty Oath, Employee Handbook Acknowledgement, benefit forms, etc. would be compensable time.
 - b. If County administration determines the preference is to continue all onboarding prior to the employees first day, AR 1.01 will need to be amended to reflect this practice and approved by the BOCC and new hires must be compensated for this onboarding time.
2. Access in the accounting software, MIP, was reviewed. A report was run to look at changes made to employee information. Currently the procedure is for the payroll clerk, an employee of the Clerk of the Courts (Clerk) to enter new BOCC employees into MIP. This employee also updates pay amounts and direct deposit information. This poses an internal control issue because there is a lack of segregation of duties. When the same individual has access to enter or modify employee data and can process pay to employees, fraud can occur. In an ideal setting, payroll processes the paychecks based on time approved by supervisors and HR enters employee records, including pay rates. There are several options to address this issue and it is recommended that the administration and senior management from the BOCC and the Clerk meet to discuss how to implement one of the recommendations below.
 - a. The best course of action would be for anyone able to process payroll (payroll clerk and their back-ups) to have view only access to employee data and only have access needed to be able to process payroll. BOCC ESS personnel would enter or modify the employee data in MIP for new and existing employees. A copy of the PAF should be sent to the payroll clerk so the new employee, updated pay rate, or termination information (including leave to be paid out) could be added to the payroll processing list.
 - b. HR personnel for the Clerk’s Office currently handle multiple roles as well, but is checking the employee data after the payroll clerk enters it to verify its accuracy. These roles could be switched and payroll and their back-ups could have view only access to verify the information entered by Clerk HR is

accurate. This poses an issue however because it would leave only one employee that could enter employee data for the Clerk, BOCC, SOE, and PA.

- c. If proper segregation of duties is deemed unfeasible, a compensating control will be needed. This can be done by BOCC ESS personnel running audit reports from MIP at least monthly that will detail changes made to employee wages, direct deposits, employees added, and any other details they may want to review to ensure it matches their records.
3. Several FS have gone into effect over the past few years, creating certain requirements for counties that the County is not currently in compliance with. Two of these involve veterans, FS 295.065 and FS 295.07. These two are related but have different requirements. FS 295.065 requires written, audio, and video job announcements to relay the information that veterans and specific family members may have education requirements waived and that they are encouraged to apply. The applications for employment do provide this information, but based on the language in the statute, it should be added to the job announcement as well.

FS 295.07 deals with preference in appointment and retention of veterans and specific family members. The County has updated the application to include the additional groups and gives preference to these groups. But Senate Bill 922 which went into effect on July 1, 2021 required a “veterans’ recruitment plan” with specific goals to be established annually. It should be noted, it appears that the County is actively recruiting and giving preference to veterans and eligible family members as outlined in the statute, but a formal plan has not been adopted.

- a. The ESS director began working on this process during the audit and just needs to finalize it. The recommendation is to continue this process and for the BOCC to formally adopt a plan annually at a board meeting.
4. The other new statute pertains to cybersecurity. House Bill 7055 went into effect July 1, 2022 and is known as the Local Government Cybersecurity Act (FS 282.318). One of the requirements is for all employees to undergo annual cybersecurity training. The majority of employees completed this training in 2022 or when they were hired, if it was after the initial county-wide training. There were a few employees that did not complete the training and at the beginning of the audit no employees had completed annual training in 2023 or 2024.
 - a. The ESS director has begun working with the IT vendor to get all employees in compliance as this audit is in progress. The recommendation is to continue this process and ensure it is completed annually. Aligning it with open enrollment or another annual calendar event is recommended to help keep track of the training.
5. There are a few other statutes that were modified and require some minor housekeeping to bring AR 1.01 and onboarding paperwork aligned with these changes. Additionally, some other minor changes are recommended. Some of these items have already been completed by ESS during the course of this audit, but will

be included as a check below. The recommendation is to make sure all BOCC paperwork matches FS.

- a. AR 1.01 uses the terminology “safety sensitive positions” for groups of employees that must pass a drug test to be eligible for employment. House Bill 1205 changed this language effective July 1, 2012. The language is now “mandatory-testing position.”
 - b. The drug-free workplace language in FS 440.102 requires the information be provided to applicants and not just new hires. It is recommended that the information referencing the drug-free workplace policy outlined in AR 1.01 be referenced on the application. AR 1.01 is available on the County’s website so it should be sufficient to make a statement directing applicants to this location and stating the County is a drug-free workplace.
 - c. FS requires firefighters to have a sworn affidavit that they have not used tobacco products for at least one year. The form the County had been using lists FS 633.34 (6). Senate Bill 1410 effective July 1, 2013 changed the statute to FS 633.412 (6).
 - d. The County updated the employment application to be in compliance with FS 295.07 but the application on the website needed to be changed and was updated while the audit was in progress. It is recommended to verify the old version of the application is not posted anywhere else.
 - e. The “Safety Policy” acknowledgement form in the employee files stated that the employee had read the policy. ESS confirmed that they are given the policy and just acknowledge it has been received. The recommendation was to strike the word “read” and replace it with “received” or provide the new hire time to read the policy during onboarding. At this time the form has been changed to “received” for future new hires.
6. The ESS director went over several of the procedures followed with IA, and some do not follow what is detailed in AR 1.01. These procedures are not necessarily an incorrect process from an audit standpoint. However, the AR should reflect the practice that is being carried out. For example, AR 1.01 states an annual drug test and background checks for safety sensitive positions will be conducted, but they are only being done when hired. The recommendation is to review AR 1.01 and determine where it diverges with the actual day to day operations and either make the operations match what is outlined in AR 1.01 or request BOCC approval to modify AR 1.01 to match the practice.
 7. Related to this, ESS routinely fills out paperwork for new hires rather than having the new hire fill it out themselves. This includes W2s, internal onboarding forms, and retirement and benefit forms. There could be advantages to this practice, but it may leave the County open to issues arising from something being filled out incorrectly. The recommendation is for ESS to either have new hires complete this paperwork themselves or have new hires review what has been written and initial on each form

that it is correct. If the latter is done, there should be sufficient time provided for the new hire to read what has been written for them. A line could be stamped on the forms for initials and date confirming it has been reviewed.

8. Since the audit identified a significant amount of paperwork missing from employee files, some of which are required by FS, it is recommended that employee files not be filed away until all items on the checklist are completed. Currently it does not appear the checklists are being utilized in an effective manner because many items are not checked and the files are left with missing paperwork.

ESS should update the checklist to accommodate different categories of positions. This will help ensure that all necessary paperwork is collected and retained for each type of position. For example, firefighters have different paperwork requirements than an office employee or a temporary employee but some items are required for everyone. Creating a different checklist form for each type of position is one way to address this issue. Another option could be putting different columns for the different roles on one checklist, separating items required for all employees and items required only for specific roles. Color coding the different categories is also an option. Any modification that would help ESS ensure all paperwork is in each file would be helpful. Based on the audit results it is recommended that ESS reviews all employee files to check for any items that may be missing, prioritizing ones required under FS.

Currently there are only two BOCC ESS personnel serving over 200 employees, while also handling risk management, procurement cards, and IT equipment and vendors. Between fiscal year 2017-2018 and present the employees ESS is responsible for has grown from approximately 130 to just over 200 or an increase of 54% with no additional ESS staff, this includes taking on the responsibilities of the PA. During this same time FS have expanded the requirements that must be met. Having limited staff to take care of all of these responsibilities in a department that monitors significant risk for the County, is a risk in itself and makes some of the recommendations difficult to complete.

Management Responses Begin on Next Page

EMPLOYEE SUPPORT SERVICES AUDIT
Management Response

TO: Katrina Cromwell
Internal Audit Director

FROM: J. David Edwards
County Administrator

CC: Greg James, Brandy King, Stacy Nicoll

DATE: August 26, 2024

Please accept this as the formal written response to the Internal Audit of the Employee Support Services Audit. Overall, I concur with the observations made in this audit which accurately reflect the deficiencies related to the processes of the various functions that fall under the purview of the Employee Support Services section.

In the Audit, eight (8) observations and recommendations have been noted. Employee Support Services staff have reviewed these observations and recommendations and are the following responses.

Item #1: On-Boarding Process

Audit staff identified new hire forms that were dated prior to the scheduled 1st day of employment with the BoCC. Further research indicated that the on-boarding process was being conducted prior to the employee's scheduled first day of employment and this was in violation of AR 1.01 as well as the Fair Labor Standards Act of 1938 as this is considered time worked.

RESPONSE: The ESS office concurs that the previous process taking place to onboard new hires was in conflict with AR 1.01 as well as with the Fair Labor Standards Act of 1938. After consultations with legal as suggested by the Internal Audit Department, it was determined that new hires were indeed entitled to compensation for time spent in the onboarding process. This was estimated to be an average of one-hour in length. Additionally, at the suggestion of legal counsel the BoCC made payment to all employees hired within the last 24 months for the time spent in the onboarding process. Those payments were included in the employee's paychecks dated July xx, 2024. Corrective Action has been taken and from this point forward all new hires are being properly compensated for time spent in the onboarding process.

Item #2: Accounting Software, MIP – New Hires

Audit staff identified the fact that improvement was needed with internal controls due to a lack of segregation of duties with the same individual who has access to enter or modify employee data and can process payment to employees, fraud can occur. One proposed solution is to have BoCC ESS personnel enter or modify the employee data in MIP for new and existing employees. A copy of the PAF would be sent to the payroll clerk so the new employee, or existing employee's modifications could be added to the payroll processing list.

RESPONSE: The BoCC agrees with this finding and recommendation and is prepared to set up a meeting for

management to work out the details of the recommended change.

Item #3: Florida Statute 295.065 and FS 295.07 - Veterans

Florida Statutes 295.065 requires written, audio and video job announcements to relay that veterans and specific family members may have education requirements waived and that they are encouraged to apply. Florida Statute 295.07 relates to preference in appointment and retention of veterans and specific family members. It also requires a “Veterans Recruitment Plan” with specific goals to be established annually.

RESPONSE: The HR Office has updated the BoCC employment application as well as the County’s website to comply with the F. S. requirement; the required Veterans Recruitment Plan has been drafted and is currently scheduled to be on the Board agenda for Tuesday, September 3rd as A.R. 1.13.

Item #4: Cybersecurity Training

In July of 2022 the Florida Legislature passed legislation known as the Local Government Cybersecurity Act. One of the requirements is for all employees to undergo annual cybersecurity training.

RESPONSE: In 2022 the BoCC utilized the KnowB4 Security Training Program for the required employee training. At that time the bulk of the employee’s participated in this training. At the suggestion of the auditor, the ESS Director has set July 1st as the annual date from this point forward to conduct the annual training. In the interim, as new employees are brought on board they will be advised of this initial training requirement. This requirement will be added to the new hire process and be added to the BoCC Personnel Policy when updated.

Item #5: Housekeeping Issues

There were five (5) housekeeping issues listed in the audit findings.

- a. AR 1.01 use of the terminology “safety sensitive position” passing a drug test for employment. Language is now required to read “mandatory-testing position”.

RESPONSE: Staff acknowledges this change and will take corrective action to amend AR 1.01 accordingly. When updating AR 1.01 the County Administrator will be given the latitude to make decisions about drug screens ensuring that Florida Statutes are followed and that decisions are made on a fair, equitable and consistent basis.

- b. Drug-free workplace language required by FS 440.102. Requires that the information be provided to applicants and not just new hires.

RESPONSE: Staff acknowledges this change and has amended its employment application on the BoCC’s website to indicate this change.

- a. Statutory Reference number incorrect on BoCC tobacco product form required for Firefighters.

RESPONSE: This has been corrected by ESS staff.

- b. Language relating to Veteran Services was no longer correct on the BoCC employment application.

RESPONSE: This has been corrected by ESS staff.

- c. The “Safety Policy” acknowledgment form utilized by the HR Office for new hires needed to be reworded per audit findings.

RESPONSE: This has been corrected by ESS staff.

Item #6: Administrative Regulation 1.01

This item addressed several procedures that currently take place in the hiring process that do not necessarily line up with what is in AR 1.01.

RESPONSE: The BoCC concurs with the audit findings and are addressing current practices to include the recommended changes. Corrective action will take place as soon as possible.

Item #7: Housekeeping Issue – Onboarding Process

This item addressed the fact that ESS staff routinely completes parts of the onboarding forms including benefit and retirement forms on behalf of the new hire and this possibly could leave the county open to liability issues.

RESPONSE: The BoCC concurs with the audit findings and will amend its current practice to allow the perspective new hire to complete their own forms. Assistance will be provided only when necessary.

Item #8: Housekeeping Issue – Missing Paperwork from Employee Files

This item addressed missing paperwork from employee files some of which is statutorily required.


RESPONSE: The BoCC concurs with the audit findings and will be meeting to discuss how the process can be streamlined better to avoid anything from getting missed.

Staff concurs with the closing comments of the audit findings and recommendations. With the exception of procurement cards being shifted to the BoCC Finance Office and the cancellation of the MOU with the Property Appraiser’s Office this leaves two staff members to handle over 206 employees (171 full-time and 35 part-time). That figure does not include the volunteers or seasonal employees that are also a part of the BoCC and require background checks, drug screens, etc. The volume of work that goes on behind each of these employees is substantial with each new hire needing and expecting their HR Office to successfully get them on-boarded, answer their questions, guide them to make informed decisions and ensure that they have everything they need from day 1 can sometime be daunting. Not to mention the day-to-day needs once they get onboard. We owe our staff an efficient and effective Human Resource Office and at the same time management owes the HR staff sufficient staff to be efficient.



MEMORANDUM

TO: Renea Ross, Clerk of the Court, Payroll
Katrina Cromwell, Auditor, Clerk of the Court

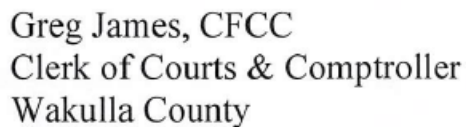
FROM:  Debbie DuBose, Director, Employee Support Services

DATE: July 3, 2024

SUBJECT: "BoCC – Orientation Back Pay"

As previously discussed, attached is a listing of employees hired in the past two years that are due one hour of pay for the estimated time spent in new hire orientation per recent audit findings. The attached spreadsheet reflects their hourly rate upon hire not their current salary.

Please add this additional pay during the next payroll period of July 1st through July 14th 2024. If you should have any questions, or require additional information, please feel free to contact me.



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To: Katrina Cromwell, Internal Auditor

From: Brandy King, Finance Director

CC: Greg James, Clerk of Courts & Comptroller

Date: August 16, 2024

Re: Employee Support Services Audit

In response to the Employee Support Services (ESS) Audit dated July 2024, Finances agrees with the observations of the Internal Auditor regarding the internal control issue due to lack of segregation of duties. Finance will either redistribute the roles of staff or institute a compensating control, to be determined once discussions with ESS personnel have taken place.

Thank you for bringing our attention to this issue.

Respectfully,

Bun Rgk.

Brandy King

End of Report