



City Auditor's Office

City Clerk Records Division Audit

Report Issued: April 17, 2018

Audit Report No. 17 A-7



TO: Mayor and Council Members

THRU: Andrea R. Butola, City Auditor *awb*

FROM: Oscar Claudio, Assistant City Auditor *OC*

DATE: April 17, 2018

SUBJECT: City Clerk Records Division Audit

The City Auditor's Office has completed the audit of the City Clerk Records Division. The review was conducted in conformance with the Institute of Internal Auditors (IIA) International Standards for the Professional Practice of Internal Auditing and by Generally Accepted Government Audit Standards by the authority granted through City Ordinances 28-02 and 79-10.

We would like to express our sincere appreciation to City Clerk management and staff for the courtesy, cooperation and proactive attitude extended to the team members during the audit. If you have any questions or comments regarding this audit, please contact Oscar Claudio at 242-3382 or Andrea Butola at 242-3380.

C: John Szerlag, City Manager
Michael Ilczyszyn, Assistant City Manager
Jay Murphy, Contract Business Manager
Dolores Menendez, City Attorney
Rebecca van Deutekom, City Clerk
Lynne Jennings, Records Manager
Victoria Bateman, Financial Services Director
Audit Committee

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EXECUTIVE SUMMARY

The City Auditor's Office has conducted an audit of the City Clerk Records Division. Significant areas covered during the review include:

- Records Division Compliance with established policies and procedures, performance measures, City Ordinances and Administrative Regulations, Florida State Statutes and other applicable laws and regulations
- Controls over records management and public information requests

Overall the Records Division has effective internal controls and procedures in place over their processes. The Division complied with applicable laws and regulations and policies and procedures with the exception of areas with findings and recommendations noted below.

- Off-site Storage Vendor Storage Facility Conditions
- Record Management Procedure Manual Updates

For details on test procedures performed see Audit Results section. For details on the findings and recommendations see Findings and Recommendations. No material control deficiencies were noted.

BACKGROUND

The City Clerk's Office, Records Division (Division) is the official custodian of the City's public records and responsible for maintaining and preserving the entire recorded history of the City government. The Division is also responsible for implementing a comprehensive records management program.

The Division provides services for all City departments by storing and maintaining an inventory of records, offering prompt retrieval for public records requests from citizens, news media, and other governmental agencies as well as staff, Mayor and Council Members.

The Division also offers passport services as a designated processing facility. They respond to an average of 1,000 public records requests monthly. Also provides vital records protection and an archival program for the preservation of Cape Coral history. Public Records are defined in Florida State Statute CH.119.011(1) as...

All documents, papers, letters, maps, books, tapes, photographs, films, sound recordings, data processing software, or other material, regardless of the physical form, characteristics, or means of transmission, made or received pursuant to law or ordinance in connection with the transaction of official business by any agency.

These records can be paper documents as well as electronic documents including email.

The Division has nine full time employees, one contract employee and an estimated operating budget of \$645,271 for fiscal year 2016 and \$670,196 for fiscal year 2017.

AUDIT OBJECTIVES

The audit objectives were as follows:

- Determine whether the Division complied with established policies and procedures, City Code of Ordinance, administrative regulations, Florida State Statutes and other applicable laws and regulations.
- Assess controls over records management and public information requests.

SCOPE AND METHODOLOGY

The audit scope focused primarily on the key controls, practices, and compliance with laws and legal requirements, applicable to the Division during fiscal years 2016 and 2017.

The following procedures were performed to meet the above objectives:

- Reviewed applicable laws and regulations
- Reviewed and analyzed current policies and procedures to determine compliance with applicable laws and regulations
- Review the following processes and procedures to determine if controls are in place and operating effectively
 - Department Records Management
 - Records Filing and Retrieval
 - Off-site Records Storage
 - Off-site Storage Facility Vendor Compliance
 - Electronic Records Maintenance
 - Records Division Disaster Plan
 - Public Records Requests
 - Records Division Performance Measures
- Compilation of Records Storage, Retrieval and Destruction and Public Information Request process flow charts (see Appendix B)

STATEMENT OF AUDITING STANDARDS

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

AUDIT RESULTS

Policy and Procedure Review

The City Auditor's Office (CAO) reviewed applicable Division policies and procedures included in the Records Management Program Manual (Program Manual) and applicable Administrative Regulations and determined they comply with applicable laws and regulations.

Department Records Management

The CAO visited several City departments and divisions within those departments to review their records management processes in comparison to the Division policies and procedures. We also observed the location of records maintained by the department/ division and selected individual records for review. Controls appear to be in place to allow for compliance with policies and procedures for records management as we determined that departments and the divisions reviewed materially comply with records management policies; however, revisions to the Program Manual are necessary to provide clarification to specific areas that are vague. Also, changes to the training for Records Liaisons are needed to make it more comprehensive and cover additional areas included in the Program Manual but not currently incorporated into the training. For further details see Finding 2018-01 in the Findings and Recommendations section.

Records Filing and Retrieval Procedures

The CAO, determined controls over filing and retrieval of records are sufficient. There were no exceptions noted during testing.

Off-site Records Storage

The CAO reviewed a sample of records stored at the off-site storage facility in Fort Myers to determine if records were stored in accordance with City policies and procedures specifically if the records were appropriately inventoried and retained according to the Florida General Records Schedule GS1-SL. Controls appear to be in place and operating effectively as all records complied with policies and procedures for off-site storage and indicated appropriate retention schedules that agreed to the GS1-SL.

Off-site Storage Facility Vendor Conditions

The CAO reviewed selected terms of the contract with a third-party vendor to determine vendor compliance, including warehouse facility environmental conditions, fire suppression information, building insurance and pest control. The facility has the appropriate fire suppression system in place, and insurance and pest control records were current; however, the facility does not comply with contract terms for temperature and humidity levels in the main warehouse facility where all City records are currently stored as required by State Guidelines for the storage of archival records. The City shipped a temperature and humidity reader device to the facility to obtain readings inside the facility for a set period. See the table below for average temperature and humidity data from the reader in comparison to external average temperature and humidity readings for Fort Myers.

Date	Per the data reader from City		Per Weather Underground	
	Average Reader Temperature per day (degrees F)	Average Reader Humidity % per Day	Average Temperature per Day (degrees F)	Average Humidity % per Day
10/21/2017	83	66%	77	88%
10/22/2017	83	67%	80	86%
10/23/2017	84	69%	79	88%
10/24/2017	85	68%	79	89%
10/25/2017	82	63%	67	58%
10/26/2017	78	57%	66	57%
10/27/2017	77	56%	71	67%
10/28/2017	78	59%	71	96%
10/29/2017	77	61%	65	80%
10/30/2017	74	56%	60	59%
10/31/2017	73	54%	66	65%
11/1/2017	74	56%	71	71%
11/2/2017	77	57%	72	75%
11/3/2017	76	63%	74	78%

State Guidelines: Humidity – Between 45-50%
 Temperature – Between 65 and 70 degrees.

The facility does not have the equipment to monitor climate conditions nor is it climate controlled in the main warehouse and therefore did not comply with contract terms for temperature and humidity levels in the actual storage facility where records are located. For further details see Finding 2018-02 in the Findings and Recommendations Section.

Electronic Records Maintenance

The CAO reviewed a sample of scanned records to determine if the documents were accurately and completely scanned and if the hard copies were appropriately handled after scanning. Controls over digitized/scanned records appear to be in place and operating effectively as the samples tested were appropriately retained once scanned and destroyed by the departments in accordance with the Division policies and procedures. Although controls over the process are in place and operating effectively, it was brought to our attention that there is a backlog of over 600 boxes of records that need to be reviewed to ensure they were scanned accurately and completed before they can be destroyed as required by State Electronic Records Guidelines. An additional FTE would greatly assist in the review and alleviate the backlog to allow the City to comply with State Guidelines.

Disaster Plan

The Division Program Manual contains the Division Disaster Plan. It was reviewed and deemed adequate to address records management in the event of a disaster and complies with State Guidelines.

Public Records Requests

The CAO reviewed both basic and extensive public records requests submitted to the City. It appears controls over the process are in place and operating effectively to allow for timely and accurate fulfillment of public records requests.

Performance Measures

The fiscal year 2016 and 2017 Division performance metrics were reviewed. The Division metrics were adequately supported, calculated correctly and met or exceeded projected targets for three of the four performance measures. One goal was not achieved; however, due to a shift in priorities for scanning documents, we did not consider this an exception.

FINDINGS AND RECOMMENDATIONS

FINDING 2018-01: Program Manual updates

Rank: (Medium)

The Division Program Manual contains policies and procedures concerning City records management. The comprehensive manual addresses such areas as State of Florida general policies, records management, storage, disposition, electronic records and document imaging. Audit selected certain City departments and divisions to determine compliance with the policies and procedures in the manual. The following was determined through observation and discussion with Records Liaisons:

- An inventory of records including each record's retention period is not maintained by all departments or divisions in accordance with the Program Manual.
- Records that contain sensitive or confidential information were not properly stored.

The Program Manual is vague in certain areas such as when an inventory is necessary, or how or where to record file retention and it does not always represent procedures or policies in use. Records Liaisons in each department and division are responsible for maintaining their records in compliance with the policies and procedures contained in the Program Manual to ensure proper maintenance of department records. Records should be kept in an appropriate storage location in the department or division to ensure the safeguarding of sensitive information such as social security numbers or payment card information.

The circumstances noted in our review are due in part to:

- The decentralized nature of department/division maintenance of records
- Outdated or ambiguous policies and procedures in the Program Manual
- Record Liaison unfamiliarity with record management policies and procedures

Unfamiliarity or confusion concerning policies and procedures can result in non-compliance with records management policies and procedures and State Regulations (GS1-SL). Records that are not properly maintained or disposed of due to inaccurate department inventory as well

as inaccurate retention periods could result in inefficient records management and non-compliance with State Regulations.

RECOMMENDATIONS:

- a. Update Division Program Manual and any associated Administrative Regulations (AR#20) to provide more detail including examples, and clarification of certain requirements, specifically
 - o Requirements for department records inventory for records not stored at storage facility
 - o Record retention notation requirements
 - o Policy for maintenance of duplicate records
 - o Any other vague areas such as the City policy for charging fees for public information requests

- b. Revise mandatory records liaison training in SABA to include information about the Florida General Records Schedule and specifics from Division Program Manual.

- c. Work with departments who are not in compliance with the procedures in the Program Manual to develop a plan to comply and implement policies and procedures.

Management Response and Corrective Action Plan:
It is not necessary for all departments to have a separate inventory nor to note retention on each record. The purpose of an inventory is to be able to locate and identify records on file when items are not able to be organized systematically. If records are filed in a systematic way, then it is just as easy to search a file drawer as it is to search a computer inventory list to locate records. Also, records on hand in Departments can be considered "working documents" so they are constantly changing or referenced. Creating and maintaining a "working file" inventory would be time-consuming and not an efficient use of staff time. A detailed inventory list is required for documents shipped to the offsite storage facility. Records Liaisons will be directed to destroy "duplicates" of records when they are no longer needed as they have a retention of OSA (Obsolete, Superseded, or Administrative value is lost). The Records Procedure Manual will be revised to clarify vague areas, so it more clearly reflects actual procedures in place. Records training will be updated to include more info regarding records retention schedules and will be assigned to all records liaisons to complete. Individual consultation and further follow up with liaisons will be conducted as necessary to review any assessment questions answered incorrectly. The Record's Manager will work with the department liaisons to develop a plan to ensure compliance where exceptions were noted.

2018-01 a. **Responsible Person:** Lynne Jennings, City Clerk Records Manager
2018-01 a. **Anticipated Completion Date:** December 31, 2018

2018-01 b. **Responsible Person:** Lynne Jennings, City Clerk Records Manager
2018-01 b. **Anticipated Completion Date:** January 31, 2019

2018-01 c. **Responsible Person:** Lynne Jennings, City Clerk Records Manager
2018-01 c. **Anticipated Completion Date:** October 31, 2018

FINDING 2018-02: Off-site Storage Conditions

Rank: (Medium)

The City stores some of its records at an off-site storage facility. Temperature and humidity levels in the main records storage area are not maintained as required per the contract in compliance with State Guidelines for the storage of archival records. A temperature and humidity reader was shipped to the City's off-site storage facility and was stored in a box in the warehouse from October 21 through November 3.

Both temperature and humidity readings for the period did not meet the State Guidelines for a temperature of 65 to 70 degrees and humidity level of 45-50%. Contract terms include the clause:

The records to be stored are permanent/archival and non-archival in nature. Therefore, temperature and humidity levels must be maintained according to State Guidelines: Humidity – Between 45-50; Temperature – Between 65 and 70.

The vendor has no means of climate control in the main warehouse storage facility. They have a climate controlled area for storage; however, the cost to store records in this part of the facility is very expensive. These climate conditions could result in damage to stored records due to high temperature and humidity levels. It is important to note these readings were not taken during summer months which tend to be hotter and more humid than in October/ November when the readings were taken. It is expected if the temperature and humidity levels were taken during the summer months they would be considerably higher than the period tested.

RECOMMENDATION: Research appropriate avenues for storage of archival records that will comply with State Guidelines for temperature and humidity levels for such records.

Management Response and Corrective Action Plan:

While is not fiscally feasible to move the records soon, we will research the appropriate avenues for the management of the permanent/archival records. This would include the processes to verify that all current records designated permanent truly have a required permanent retention; confirm that the paper is legally required, and if not, explore the idea of digitizing the records; and/or manage our own records facility to facilitate these records. We also have the option to store them with the current vendor in a more climate controlled environment at their facility which was not communicated to us at the time of RFP. Most of what we have stored at the storage facility is non- archival and stored under appropriate measures.

Responsible Person: Lynne Jennings, City Clerk Records Manager

Anticipated Completion Date: April 30,2019

Overall, the Division has sufficient internal controls over processes to ensure compliance with applicable federal and state regulations and laws. There were no significant control weaknesses identified.

APPENDIX A

Finding Classification

Findings are grouped into one of three classifications: High, Medium or Low. Those findings that are categorized as low are not included in the report but rather are communicated separately to management. Classifications prioritize the findings for management to address and also indicate the level of testing required to determine if a finding's Corrective Action Plan is fully implemented in accordance with recommendations and Management's Response.

High: A finding that is ranked as "High" will have a significant impact on the organization. It is one that *prevents* the achievement of a substantial part of significant goals or objectives, or noncompliance with federal, state or local laws, regulations, statutes or ordinances. Any exposure to loss or financial impact for a High finding is considered *material*. Examples include direct violation of City or Department policy, blatant deviation from established policy and procedure, such as actions taken to circumvent controls in place, material non-compliance with federal, state or local laws, regulations, statutes or ordinances, or an area where significant cost savings could be realized by the Department or the City through more efficient operations.

High findings require immediate management attention and should take management's priority when considering implementation for corrective action.

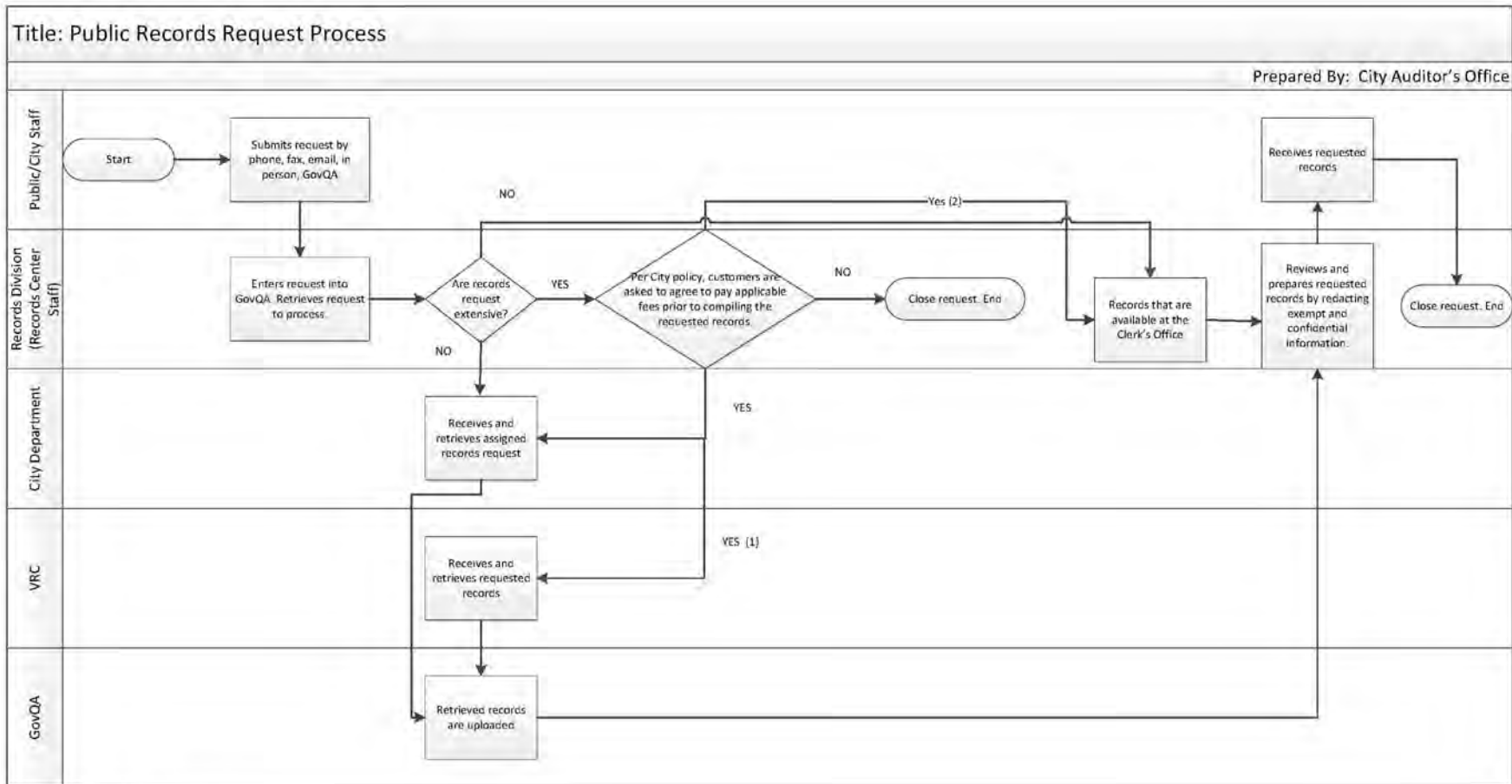
Medium: A "Medium" finding is one that *hinders* the accomplishment of a significant goal or objective or non-compliance with federal, state or local laws, regulations, statutes or ordinances, but can't be considered as preventing the accomplishment of the goal or objective or compliance with federal, state or local laws, regulations, statutes or ordinances. Exposure to loss or potential or actual financial impact is *significant but not material* to the Department or City. Examples include lack of monitoring of certain reports, insufficient policies and procedures, procedure in place or lack of procedure that can result in *potential* noncompliance with laws and or regulations.

Medium findings require management attention within a time frame that is agreed upon by the Department and the City Auditor. Priority for implementation of management's corrective action should be considered in light of other High or Low findings.

Low: A "Low" finding is one that warrants communication to management, but is one that isn't considered as hindering the accomplishment of a significant goal or objective and isn't causing noncompliance with federal, state or local laws, regulations, statutes or ordinances. Financial impact or risk of loss is minimal to none; however, low findings can *hinder the effectiveness or quality of department operations and thus are communicated to management separately. Low ranked findings are not included in the final audit report.*

The City Auditor's Office will not follow up on the status of Low findings communicated to Management.

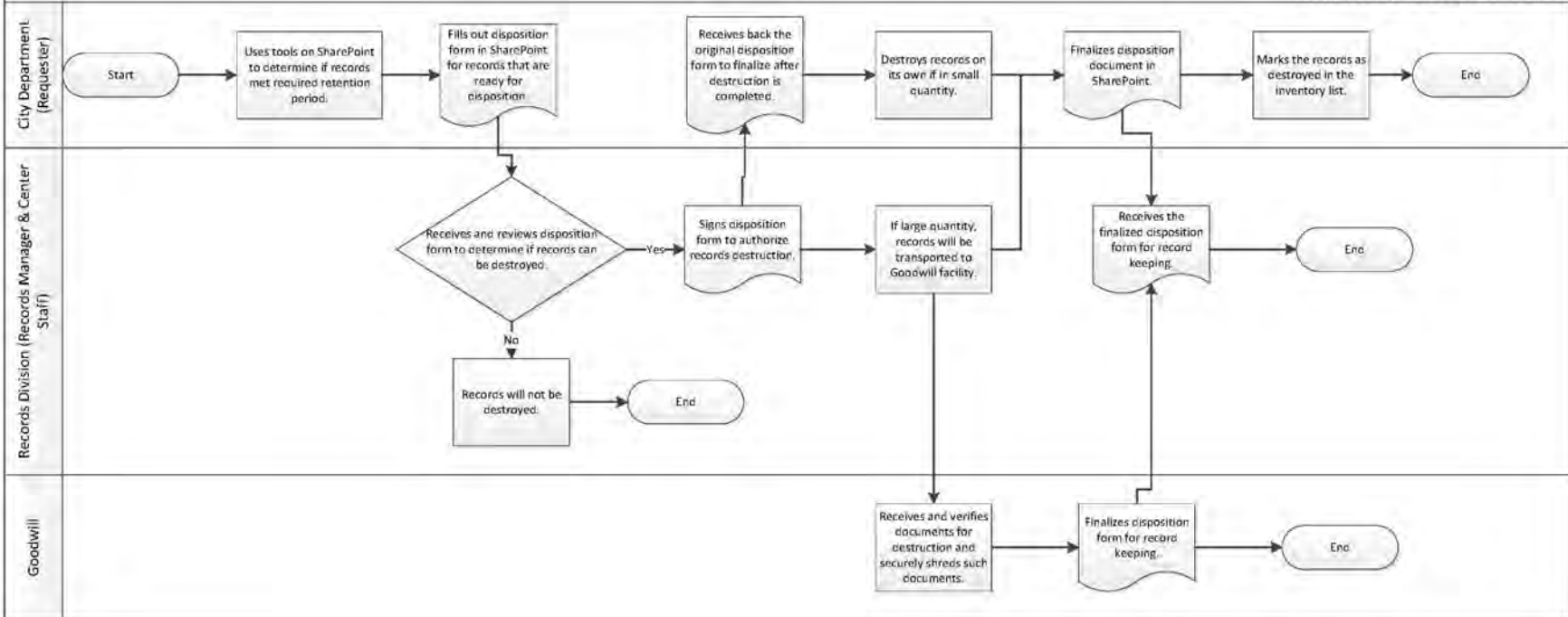
APPENDIX B (Process Flows)



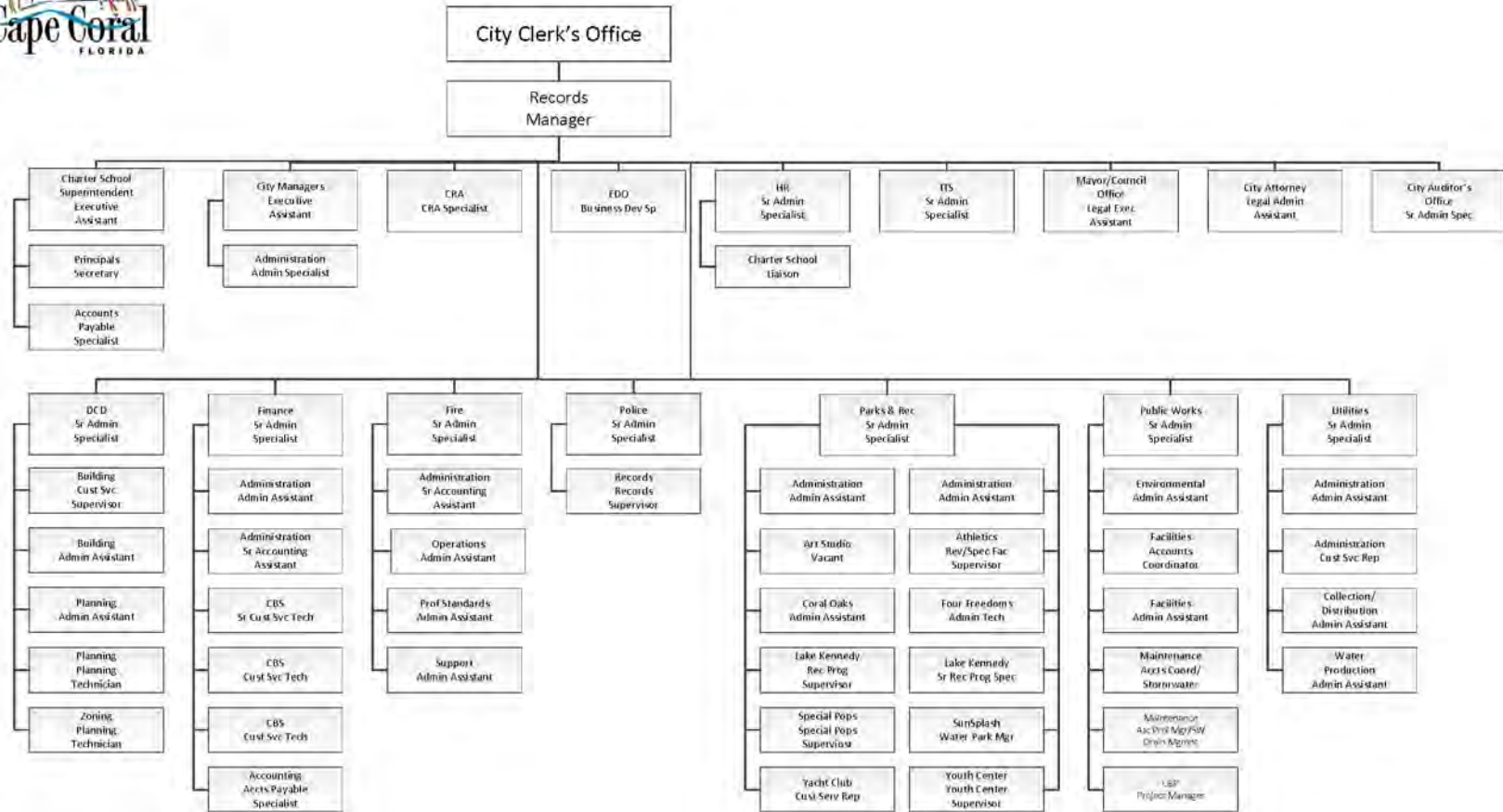
LEGEND
 (1) If records are at VRC
 (2) If records are in City Clerks Office

Title: Records Disposition Process

Prepared By: City Auditor's Office



APPENDIX C (Records Liaisons' Organizational Chart)



Prepared: April 2018