



City of Cape Coral City Auditor's Office

---

TO: Mayor and Council Members  
FROM: Dona J. Newman, City Auditor *djn*  
DATE: October 6, 2010  
SUBJECT: Follow Up of FY2009 Position Control Review

On November 12, 2009, a Report on the Review of Position Control was issued. A copy of the report is attached for your convenience. This report identified that while there were not more filled full time positions than authorized; the control was not strong and could be improved. There were four recommendations made to improve the internal controls over the process and management agreed to take actions related to all four recommendations. The status for each of these agreed upon actions is presented below.

**Recommendation #1:** Provide the number of authorized full time positions by department and division in the printed budget documents separately from FTEs.

**Agreed Upon Action:** Additional information will be included in the FY 2010 final budget document.

**Status:** The number of full time positions by fund and by department was included in the budget document. This action was fully implemented.

**Recommendation #2:** Propose an amendment to the Personnel Ordinance for Council to consider that would require Council approval for the creation of full time positions.

**Agreed Upon Action:** This recommendation was originally not acceptable to management and their response reflected that they were not going to do it. However, this opinion changed after the report was issued and there was turnover in the City Management.

**Status:** The Personnel Ordinance was amended by City Council and now requires Council approval to increase the number of regular full time positions per department and fund. This action was fully implemented.

**Recommendation #3:** Perform a higher-level reconciliation monthly that relates to department and/or division total full time positions as authorized by the adopted budget and any subsequent Council actions. For any discrepancies, research the individual positions involved and make adjustment to KRONOS or the budget spreadsheets as needed.

---

**Agreed Upon Action:** The Mgt/Budget Administrator is being tasked with completing this review by the 5<sup>th</sup> of every month and will provide a report of variance as well as corrective action to the Financial Services Director.

**Status:** The Budget Administrator completed monthly reconciliations for six months but then discontinued as of April 2010 and replaced them with continual monitoring. Management has moved to a different method of addressing the risk that the KRONOS System list of authorized positions does not match those actually authorized by Council. This action was fully implemented.

**Recommendation #4:** Add a centralized monitoring and enforcing step to the position control process by having Budget or Human Resources verify the authorization of a position prior to the recruitment process.

**Agreed Upon Action:** The Budget Division will once again assume this responsibility. Human Resources will make the appropriate changes to Administrative Regulation # 29, associated forms, and will send notification of the process change to the operating departments.

**Status:** Management has not implemented the process for the Budget Division to verify positions are authorized by Council prior to posting a position for recruitment. The underlying risk identified in the original report still exists.

This completes our work on position control. If you have any questions or concerns about this report, please contact me at 242-3380.

xc: Gary R. King, City Manager  
Carl Schwing, Assistant City Manager  
Dolores Menendez, City Attorney  
Rebecca van Deutekom, City Clerk  
Wayne Howard, Human Resources Director  
Sheena Milliken, Budget Administrator  
Audit Committee