

Audit

Follow-Up

As of September 30, 2009



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City Auditor

StarMetro Staffing of Drivers and Mechanics

(Report #0817, Issued August 14, 2008)

Report #1008

January 14, 2010

Summary

This is the second follow-up on the action plan steps originating from the audit of the City's StarMetro Staffing of Drivers and Mechanics (Report #0817) issued on August 14, 2008.

During the audit of StarMetro staffing of drivers and mechanics, we assisted management in developing methodologies to determine staffing needs in the General Transit, Special Transportation, and Garage Divisions and in determining the costs of services for General Transit bus service. We also provided analyses of overtime and temporary wage expenses and provided recommendations toward reducing these expenses in each of the three divisions. Of the 20 management action plan steps in the original audit report, eight were completed during the first follow-up period. During this second follow-up period ending September 30, 2009, five steps were completed and six steps are behind schedule and have not been completed. The targeted completion date for one additional step had been amended to be due in January 2010.

During FY 2009, StarMetro decreased overtime expenditures in the department from FY 2008 by 18% (from \$811,718 to \$663,068) and increased temporary wages by over 50% (from \$411,521 to \$641,129). While combined overtime and temporary wages increased by 7% (from \$1,223,239 to \$1,304,197), from FY 2008 to FY 2009, we estimated that StarMetro's increased use of temporary drivers rather than full-time drivers paid overtime has provided a more cost effective use of StarMetro's budget. For example, we estimated that in FY 2009, StarMetro saved over \$9 for every hour worked by temporary drivers paid an average regular rate of \$10.56 instead of paying full-time drivers at the average overtime rate of \$19.92.

Notwithstanding the above positive actions, we note that from FY 2005-2009, StarMetro's combined salaries, temporary wages, and overtime expenditures have consistently exceeded the amount budgeted from a low of 4% in FY 2006 to 17% in FY 2009. In FY 2009, the budget was \$5,837,846 and actual expenditures were \$6,813,624, or \$975,778 over-budget. StarMetro management reported they have been consistently challenged by the high turnover of temporary drivers over the years, and in FY 2009, increased use of additional temporary wages and overtime costs were caused by a three-month hiring freeze and voluntary separation incentive program, of which five full-time General Transit employees (four drivers and one clerk) participated in and terminated their employment with the City.

The five steps completed during this period were related to:

- Developing a methodology to predict vacancies and improve budgeting of temporary and overtime costs.
- Documenting the methodology for collecting, calculating, and reporting transit data.
- Developing, implementing, and documenting quality assurance processes to validate the information collected and reported.
- Establishing and implementing quality assurance processes to ensure that the revenues reported collected in the fare box system is accurate and all cash is properly accounted for and recorded.
- Implementing procedures to regularly monitor budget to actual expenditures and take appropriate management actions as needed. As a result, a more realistic budget for overtime and temporary wages was presented and approved for FY 2010.

The six steps behind schedule are related to:

- Identifying the most appropriate timekeeping codes to use to better track overtime.
- Incorporating the use of the identified overtime codes to better track reasons for overtime.
- Developing and implementing a method to track the amount of time employees are out of work due to workers' compensation and leave without pay.
- Developing strategies to minimize workers' compensation, catastrophic leave, leave without pay and safety related accidents in 1) General Transit and 2) Special Transit. *(These are two separate steps.)*
- Ensuring that all staff responsible for collecting and submitting NTD information receives appropriate training.

The additional remaining step due for completion in January 2010 is related to evaluating the performance measures and data to ensure the information is correctly calculated.

We appreciate the full cooperation provided during this audit follow-up from StarMetro and Accounting Services staff.

Scope, Objectives, and Methodology

We conducted the original audit and this subsequent follow-up audit in accordance with the International Standards for the Professional Practice of Internal Auditing and 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.

Original Report #0817

The objectives of the audit, for each of the three StarMetro divisions, were to: 1) provide budgeted and actual personnel and overtime costs and overtime hours paid to full-time and temporary drivers and mechanics during FYs 2004-2007; 2)

identify contributing causes for overtime; 3) develop a methodology to measure driver and mechanic productivity and staffing levels for budgeting and planning purposes; 4) provide recommendations to assist StarMetro management obtain savings by reducing overtime; and 5) calculate average costs of services for FYs 2005–2007 and review the processes related to the validity and reliability of the information collected that impacts those average costs.

Report #1008

This is our second follow-up on action plan steps identified in audit report #0817. The purpose of this follow-up is to report on the progress and status in completing the action plan steps due for completion as of September 30, 2009. To obtain information and assess the status, we interviewed key staff from StarMetro, reviewed relevant documentation, reconciled sample monthly cash collected, and analyzed City financial reports and timekeeping data.

Background and Analysis

We have conducted two audits over the past three years related to staffing and overtime at StarMetro; audit report #0601, "Inquiry into TALTRAN Overtime" in November 2005, and audit report #0817, "Audit of StarMetro Staffing" in August 2008. [Note: StarMetro was formerly TALTRAN] During the 2005 audit, our analyses showed that there were not enough full-time drivers to fill the regularly assigned drive-time (there was a gap of 47,737 hours). We provided alternative methods of filling the gap in hours between scheduled drive hours and available drive hours and recommended that StarMetro conduct an analysis to identify the most cost-effective balance of full-time and temporary drivers with a goal of keeping overtime to a minimum for full-time drivers.

Using the 2005 audit report's analyses, StarMetro submitted an agenda item to the City Commission and was approved 27 additional full-time General Transit drivers to fill the 47,737 hours of needed drive-time. The increase of full-time positions was intended to help reduce the costs for overtime and temporary wages, and operate less costly overall. As seen in Figure 3, combined overtime and temporary wages decreased between FYs 2007-2008 by

\$86,007 while management reported that General Transit driver hours increased by approximately 13,000 hours (see Table 2).

Even with the additional positions, overtime continued to be heavily utilized in FY 2007. A review of the FY 2007 budget revealed the following assumptions that did not materialize: 1) the budget contemplated that the added positions would be immediately filled; 2) already filled positions in General Transit would remain filled; and 3) the budget was sufficient to cover all scheduled routes and other special services (special events, football games, and charters).

In this follow-up, we updated and analyzed the total personnel costs, salaries, overtime and temporary costs, combined and individually, for the department (Table 1 and Figures 1 and 2) and for each of the three divisions (Figures 3-8) for FYs 2005-2009.

Table 1, on the next page, provides a comparison of budget to actual expenditures for FYs 2005-2009, and the percent differences for the personnel services, salaries, overtime, and temporary wages. Table 1 shows the following:

- During FYs 2005–2009, combined salaries, temporary wages, and overtime expenditures have consistently exceeded the amount budgeted each year ranging from 4% (FY 2006) to 17% (FY 2009). The excess of expenditures over the amounts budgeted has ranged from \$205,063 in FY 2006 to \$975,778 in FY 2009. The approved FY 2010 budget includes increased funding for overtime and temporary wages and is more realistic compared to prior years.
- Salaries expenditures have consistently been under amounts budgeted during FYs 2005–2008 ranging from 5% (FY 2008) to 8% (FY 2007). In FY 2009, actual salaries were very close to budgeted salaries (under by 0.5%).
- Actual overtime expenditures were consistently greater than amounts budgeted during FYs 2005–2009 ranging from 83% (FY 2006) to 601% (FY 2007). In FY 2009 actual overtime expenditures were 177% greater than amount budgeted.
- Temporary wages expenditures were consistently greater than amounts budgeted

during FYs 2005–2008 ranging from 29% (FY 2006) to 407% (FY 2007). In FY 2009 actual temporary wages expenditures were 928% greater than amount budgeted (\$641,129 vs. \$62,349).

- Combined overtime and temporary expenditures were consistently over amounts budgeted during FYs 2005–2008 ranging from 56% (FY 2006) to 545% (FY 2007). In FY 2009 overtime and temporary expenditures were 332% greater than amounts budgeted (\$1,304,197 vs. \$301,690).
- Total personnel expenditures to include benefits have consistently exceeded the amounts budgeted during FYs 2005–2009, ranging from 2% (FY 2006) to 8% (FY 2009).

During FYs 2005–2008, there have been major differences between final amounts budgeted and actual expenditures in the overtime and temporary wages line items. Historically, Budget management indicated they focused on budgeting at the total personnel cost level and were less concerned at the individual line items. We believe that since overtime and temporary wages has represented approximately 15% of total personnel costs, close monitoring of budget to actual expenditures for these line items is warranted.

The FY 2010 budget for StarMetro shows that overtime and temporary wages have been increased and better reflects past years' expenditures. Temporary wages is budgeted to be \$471,780 and overtime is budgeted to be \$752,779 for FY 2010. We believe this budgeting change is more realistic and provides improved information for City Commission consideration during their budget review and approval process.

The analysis of general transit driver work hours presented in the prior audit report issued in August 2008 compared the hours needed for routes, events, and charters during FY 2007. StarMetro management indicated that they have increased services and routes since then. Table 2 describes the additional services provided and the additional number of annual driver hours needed to provide those services.

Table 1
StarMetro Department (includes all divisions)
FY 2005 - 2009 Total Personnel, Salaries, Overtime, and
Temporary Budget to Actual Expenditures (1) and FY 2010 Budgeted Amounts

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010 Budget
Salaries Budgeted	\$4,426,182	\$4,579,855	\$5,494,332	\$5,485,227	\$5,536,156	\$5,685,692
Salaries Actual	\$4,040,181	\$4,296,340	\$5,050,362	\$5,225,752	\$5,509,427	
Difference	(\$386,001)	(\$283,515)	(\$443,970)	(\$259,475)	(\$26,729)	
% Diff from budgeted	-9%	-6%	-8%	-5%	0.50%	
Overtime Budgeted	\$292,981	\$433,466	\$154,873	\$229,776	\$239,341	\$752,779
Overtime Actual	\$689,017	\$795,032	\$1,085,481	\$811,718	\$663,068	
Difference	\$396,036	\$361,566	\$930,608	\$581,942	\$423,727	
% Diff from budgeted	135%	83%	601%	253%	177%	
Temporary Budgeted	\$213,590	\$431,400	\$62,349	\$104,849	\$62,349	\$471,780
Temporary Actual	\$632,765	\$558,412	\$316,397	\$411,521	\$641,129	
Difference	\$419,175	\$127,012	\$254,048	\$306,672	\$578,780	
% Diff from budgeted	196%	29%	407%	292%	928%	
Combined Temporary & Overtime Budgeted	\$506,571	\$864,866	\$217,222	\$334,625	\$301,690	\$1,224,559
Combined Temporary & Overtime Actual	\$1,321,782	\$1,353,444	\$1,401,878	\$1,223,239	\$1,304,197	
Combined Difference	\$815,211	\$488,578	\$1,184,656	\$888,614	\$1,002,507	
% Diff from budgeted	161%	56%	545%	266%	332%	
Combined Salaries, Temporary & Overtime Budgeted	\$4,932,753	\$5,444,721	\$5,711,554	\$5,819,852	\$5,837,846	\$6,910,251
Combined Salaries, Temporary & Overtime Actual	\$5,361,963	\$5,649,784	\$6,452,240	\$6,448,991	\$6,813,624	
Difference	\$429,210	\$205,063	\$740,686	\$629,139	\$975,778	
% Diff from budgeted	9%	4%	13%	11%	17%	
Total Personnel Budgeted	\$6,617,283	\$7,216,524	\$7,894,934	\$8,188,621	\$8,277,581	\$9,102,124
Total Personnel Actual	\$7,009,374	\$7,352,795	\$8,494,228	\$8,706,613	\$8,980,955	
Difference	\$392,091	\$136,271	\$599,294	\$517,992	\$703,374	
% Diff from budgeted	6%	2%	8%	6%	8%	

Source: City financial accounting reports.

Notes (1): This table does not include the costs for benefits; therefore the amounts will not sum to total personnel costs.

Table 2
Services and Routes and Driver Hours Added Between November 2007–July 2008

Month/Year Implemented	Description of Added Services	Number of Added Driver Hours Annually
November 2007	General transit service for 80X North routes extending service to Bradfordville Road along Thomasville Road.	3,800
November 2007	Special transit (Dial-a-Ride) service for 80X North routes extending service to the required area surrounding Bradfordville Road.	The number of trips was tracked for this increased service, but not the number of hours.
July 2008	The FSU Service Agreement was revised to reconfigure and expand routes (such as the new Osceola Route). The costs associated with the increased services were included in the contract to be covered by FSU.	8,594
Total increase in driver hours associated with the added services and routes:		Over 12,934

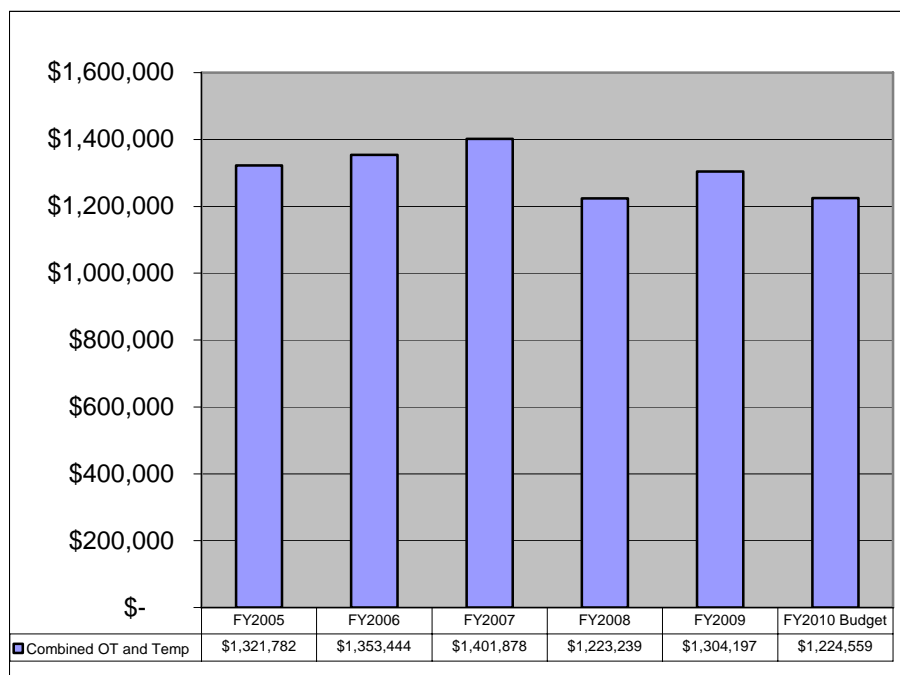
Source: This information was provided by StarMetro management and has not been audited.

StaMetro management reported that they changed their policies and procedures related to assigning overtime and utilization of temporary drivers and mechanics resulting in additional savings. Figure 1 shows that as a department, StarMetro decreased combined overtime and temporary costs from FY 2007 to FY 2009 by 7% (\$1,401,878 to \$1,304,197) even though there was an increase in services in FY 2008, as described in Table 2 above. Management

has budgeted for a 7% decrease from FY 2009 actual expenditures in combined overtime and temporary costs in FY 2010 (from \$1,304,197 to \$1,224,559).

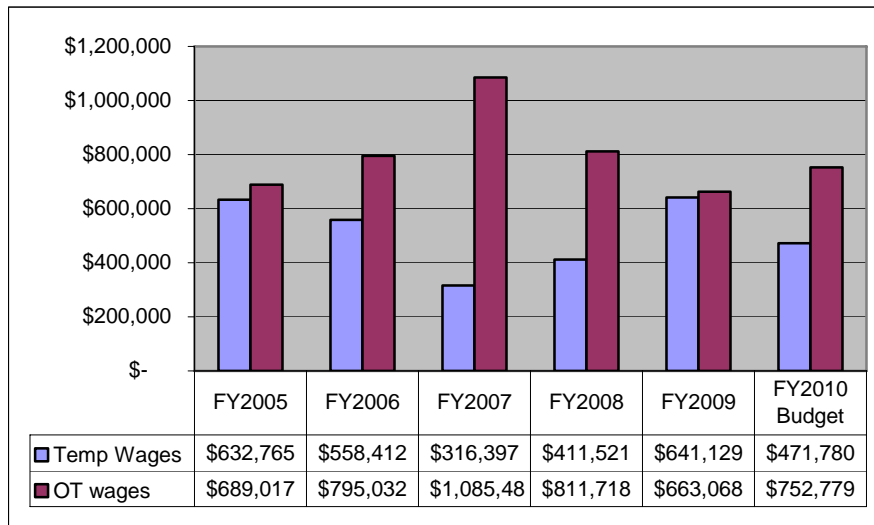
For StarMetro overall, Figure 2 shows that overtime costs decreased and temporary costs increased from FY 2007 to FY 2009, showing that StarMetro management utilized more temporary employees than paid overtime even with increased services.

Figure 1
StarMetro Combined Overtime and Temporary Wages for FYs 2005-2010



Source: City financial reports

Figure 2
StarMetro Overtime and Temporary Wages for FYs 2005-2010

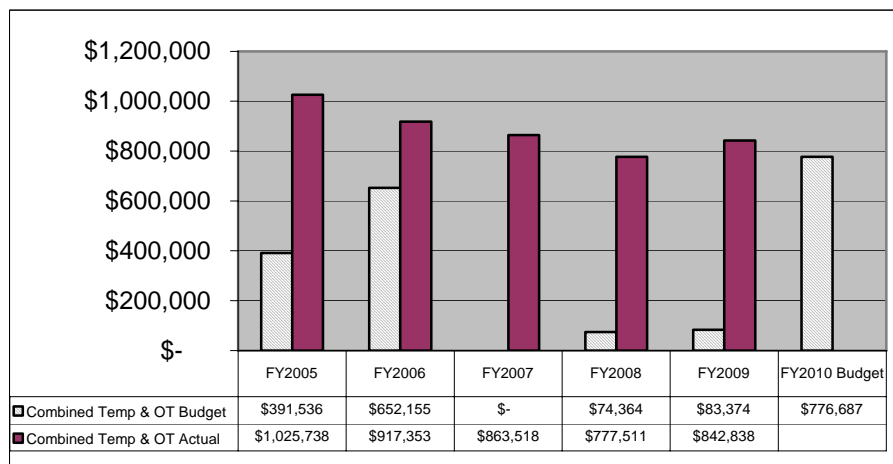


Source: City financial reports

For the General Transit Division, Figure 3 shows that combined overtime and temporary costs decreased by approximately 2% from FY 2007 to FY 2009 (from \$863,518 to \$842,838) even though services increased (See Table 2). However, FY 2009 combined overtime and temporary wages increased by 8% (\$777,751 to \$842,888) from FY 2008. General Transit management reported that they are closely monitoring overtime and temporary costs. In order to be more cost effective, they continue to try to utilize temporary drivers as much as possible before assigning overtime. However,

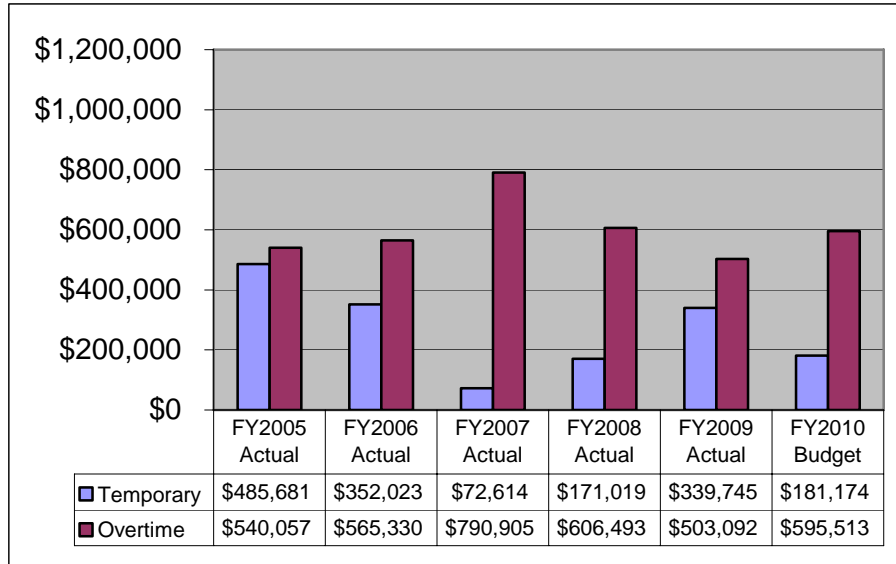
management reported they have been consistently challenged by the high turnover of temporary drivers. Additionally, in FY 2009, StarMetro encountered hiring and retention challenges related to a three-month hiring freeze and voluntary separation incentive program, of which five full-time General Transit employees (four drivers and one clerk) participated in and terminated their employment with the City. StarMetro management reported that each of these events resulted in increased use of temporary wages and overtime costs.

Figure 3
StarMetro General Transit Combined Temporary and Overtime Budget to Actual for FYs 2006-2010 as of October 1, 2009



Source: City financial reports

Figure 4
General Transit Overtime and Temporary Wages for FYs 2005–FY 2010

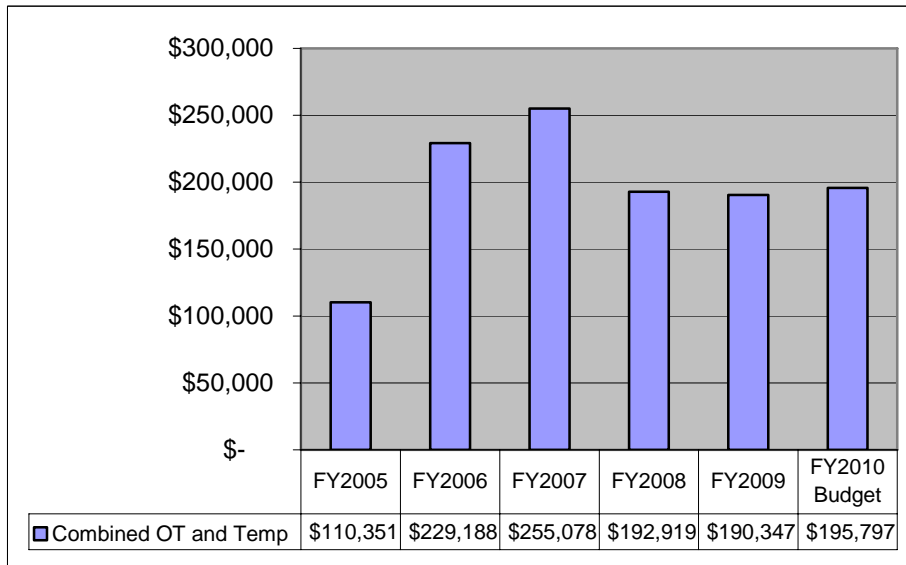


Source: City financial reports

For the Garage Division, Figure 5 shows that combined overtime and temporary costs decreased by 34% from FY 2007 to FY 2008, and decreased an additional 1% in FY 2009. The budget for FY 2010 anticipates a 3% increase in combined overtime and temporary costs.

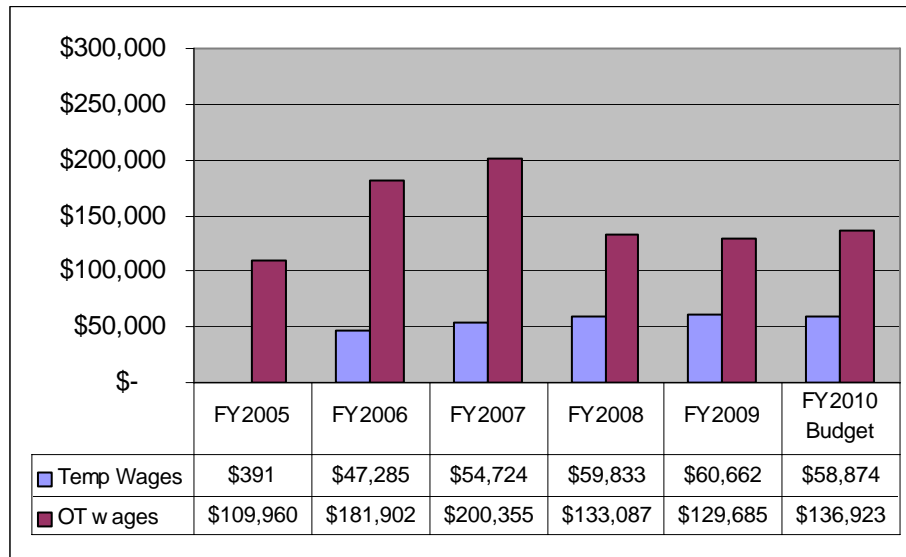
Figure 6 shows from FY 2008 to FY 2009, temporary wages increased slightly (from \$59,833 to \$60,662) while overtime decreased 3% (from \$133,087 to \$129,685). Garage management reported that they continue to monitor mechanic productivity closely and utilize temporary workers in building maintenance as much as possible before assigning overtime.

Figure 5
Garage Combined Overtime and Temporary Wages for FYs 2005-2010



Source: City financial reports

Figure 6
Garage Overtime and Temporary Wages for FYs 2005-2010

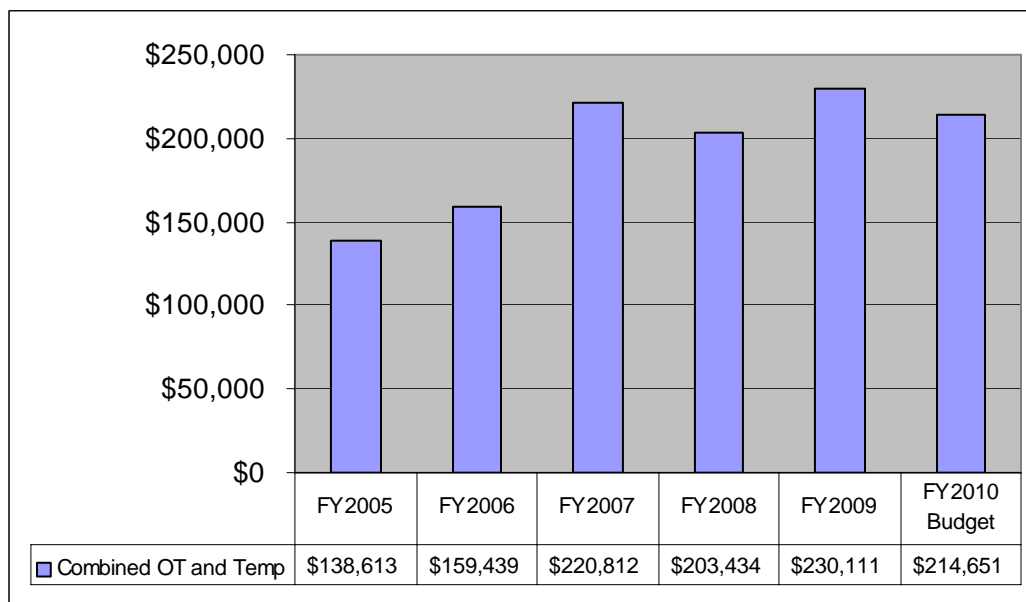


Source: City financial reports

For the Special Transit Division, Figure 7 shows that combined overtime and temporary costs increased from FY 2007 to FY 2009 by 4% (\$220,812 to \$230,111). Management has budgeted for a 7% decrease (from \$230,111 to \$214,651) in combined overtime and temporary costs for FY 2010. Special Transit management reported that they are closely monitoring driver overtime costs and are utilizing temporary workers as much as possible before

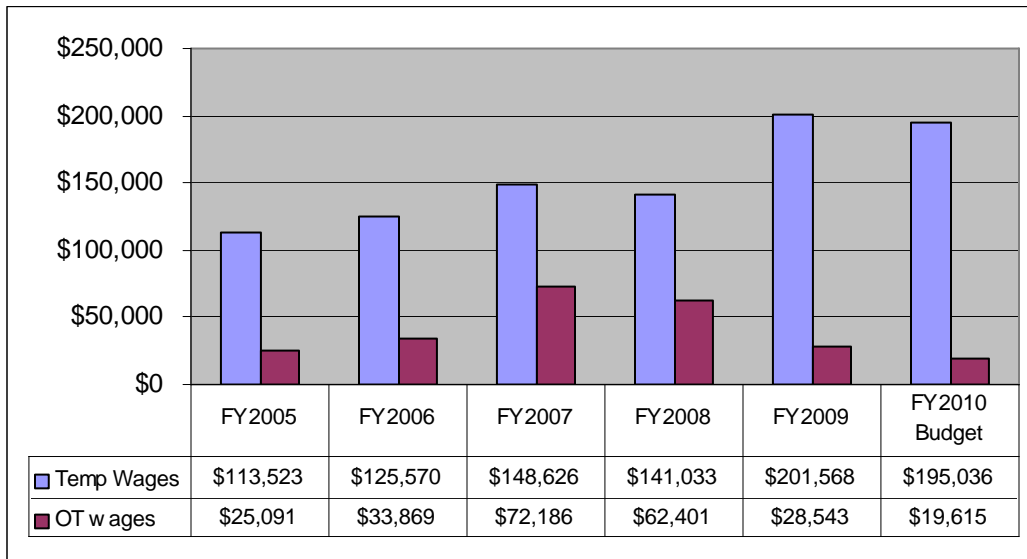
assigning overtime. This is supported by the increase in temporary wages and decrease in overtime in FY 2009, shown in Figure 8. Management reported that the increase in temporary wages was needed to fill in for the increased service level (described in Table 2) and to fill in for drivers on unexpected catastrophic and workers' compensation leave.

Figure 7
Special Transit Combined Overtime and Temporary Wages for FYs 2005-2010



Source: City financial reports

Figure 8
Special Transit Overtime and Temporary Wages for FYs 2005-2010



Source: City financial reports

In summary, the increased use of temporary drivers to fill in when needed rather than using full-time drivers at overtime rates provides more driver hours at the most efficient cost.

Previous Conditions and Current Status

In report #0817, we provided recommendations to the General Transit, Garage, and Special Transit Divisions at StarMetro toward reducing annual overtime and workers’ compensation costs, improving their ability to track and monitor reasons for overtime, workers’ compensation, and leave

without pay, and improving the validity and reliability of information used in management calculations of costs of services.

To address areas that needed improvement, management developed 20 action plan steps. All steps were originally targeted to be completed between August 1, 2008, and March 31, 2009. Of these 20 steps, eight steps were completed as of March 31, 2009, three were completed as of September 30, 2009, eight steps are in process and have not been completed. The additional remaining step due is for completion in January 2010. Table 3 provides a summary of management’s action plan steps and their current status.

Table 3
Action Plan Steps from Report #0817
Due as of September 30, 2009, and Current Status

Action Plan Steps Due As of September 30, 2009	Current Status
To better track overtime worked on holidays and type of leave taken	
<ul style="list-style-type: none"> Work with Payroll staff to obtain an understanding of the overtime codes available in the City’s timekeeping system that can be incorporated into StarMetro’s timekeeping practices to better track reasons for overtime. 	<ul style="list-style-type: none"> Behind Schedule. Staff from StarMetro and Payroll was planning to meet to assess the best way to record and track reasons for overtime. However, DMA management reports that DMA resources are limited and other priorities have delayed this from occurring. DMA staff plans on revisiting this issue in the future after system upgrade and modification plans are decided. There is no anticipated amended completion date.

<ul style="list-style-type: none"> Determine which timekeeping codes are most appropriate to use for tracking overtime and implement the use of the timekeeping codes to better track reasons for overtime at StarMetro. 	<ul style="list-style-type: none"> Behind Schedule. Staff from StarMetro and Payroll was planning to meet to assess the best way to record and track reasons for overtime. However, DMA management reports that DMA resources are limited and other priorities have delayed this from occurring. DMA staff plans on revisiting this issue in the future after system upgrade and modification plans are decided. There is no anticipated amended completion date. <u>Audit Comment:</u> Until DMA staff can work on additional ways to track reasons for overtime in the City’s timekeeping system, we recommend that StarMetro review the leave codes they use in their internal timekeeping system to determine if a LWOP code could be implemented to assist management in tracking employees' LWOP and evaluating its impact on the budget for OT and temp.
<ul style="list-style-type: none"> Develop and implement a method for tracking the amount of time employees are out of work due to workers’ compensation and/or leave without pay. 	<ul style="list-style-type: none"> Behind schedule. Accounting Services indicated that due to limited resources, the initial plan to examine and determine what new leave codes could be implemented in PS HRMS was postponed due to limited DMA resources. DMA staff plans on revisiting this issue in the future after system upgrade and modification plans are decided. <u>Audit Comment:</u> In the meanwhile until staff can work on additional ways to track workers’ compensation and leave without pay in the City’s timekeeping system, we recommend that StarMetro review the leave codes they use in their internal timekeeping system to determine if a LWOP code could be implemented to assist management in tracking employees' LWOP and evaluating its impact on the budget for OT and temp.
<p>To increase the efficiency and accuracy of bus routing and driver scheduling</p>	
<ul style="list-style-type: none"> Include all scheduled and assigned driver routes in regular assignment schedules. 	<p>✓ Completed in the prior period.</p>
<ul style="list-style-type: none"> Account for all known additional events (special events, charters, and football games) in the appropriate schedules to plan for drivers and minimize overtime. 	<p>✓ Completed in the prior period.</p>
<ul style="list-style-type: none"> Develop a methodology to predict vacancies and leave for better budgeting of temporary and overtime costs. 	<p>✓ Completed. StarMetro management used various information, such as scheduled vacations, prior usage of sick leave, workers’ compensation leave, leave without pay, catastrophic leave, and driver turnover, to assist them in budgeting for temporary and overtime costs in FY 2010.</p>
<ul style="list-style-type: none"> Work with City Safety Manager and Risk Management staff to develop strategies to minimize workers’ compensation, catastrophic leave, leave without pay, and safety related accidents and incidents in General Transit Division. 	<ul style="list-style-type: none"> Behind Schedule. StarMetro management met preliminarily with City’s Safety Administrator and Risk Manager to begin analyzing these types of leave. For example, Risk Management will be providing StarMetro management with access to their risk management system for them to monitor StarMetro’s workers compensation claims. Progress on this action plan step has been delayed due to staff out on leave and vacated positions. The targeted completion date has tentatively been amended to March 31, 2010.

<ul style="list-style-type: none"> • Work with City Safety Manager and Risk Management staff to develop strategies to minimize workers' compensation, catastrophic leave, leave without pay, and safety related accidents and incidents in Special Transportation Division. 	<ul style="list-style-type: none"> ○ Behind Schedule. StarMetro management met preliminarily with City's Safety Administrator and Risk Manager to begin analyzing these types of leave. For example, Risk Management will be providing StarMetro management with access to their risk management system for them to monitor StarMetro's workers compensation claims. Progress on this action plan step has been delayed due to staff out on leave and vacated positions. The targeted completion date has tentatively been amended to March 31, 2010.
<ul style="list-style-type: none"> • Develop strategies in General Transit to maximize utilization of temporary drivers and processes to regularly measure the strategies' effectiveness. 	<p>✓ Completed in the prior period.</p>
<ul style="list-style-type: none"> • Develop strategies in Special Transportation to maximize utilization of temporary drivers and processes to regularly measure the strategies' effectiveness. 	<p>✓ Completed in the prior period.</p>
<p>To be able to determine work productivity of mechanics and evaluate mechanic staffing</p>	
<ul style="list-style-type: none"> • Develop and implement processes to capture how mechanic work time is spent including, but not limited to, preventative maintenance, repairs, road calls, bus startup support, meetings, training, cleanup, etc. 	<p>✓ Completed in the prior period.</p>
<p>To improve the reliability and validity of data collection and reporting of transit user and cost information</p>	
<ul style="list-style-type: none"> • Ensure that all staff responsible for collecting and submitting the NTD information receives appropriate training to understand the data requirements and definitions. 	<ul style="list-style-type: none"> ○ Behind Schedule. StarMetro management indicated that the National Transit Database training is not provided often and when it becomes listed, it fills up very quickly. Staff is on the waiting list to attend training on March 2, 2010. StarMetro management also indicated that they would communicate their concern and need for training with a Federal Transit Authority representative regarding their desire to attend the training.
<ul style="list-style-type: none"> • Document the methodology for collecting, calculating, and reporting transit data so it can be applied consistently from year to year. 	<p>✓ Completed. Staff has developed and documented procedures to collect, calculate, and report the NTD data.</p>
<ul style="list-style-type: none"> • Develop, implement, and document quality assurance processes to validate the information collected and reported. 	<p>✓ Completed. StarMetro's planning staff has developed and documented monthly and quarterly steps to monitor and evaluate adherence to procedures and standards and improve the reliability and validity of the data collected and reported.</p>
<ul style="list-style-type: none"> • Budget Division and StarMetro management evaluate the performance measure information being provided to the Budget Division to ensure that the information is correctly calculated for the applied performance measure. 	<p>The completion date for this step was amended during the last period to be January 31, 2010.</p>
<ul style="list-style-type: none"> • Standardize and document the processes to transfer data from the buses to the information system, either through automation or standardization to ensure that the information is complete and accurate. 	<p>✓ Completed in the prior period.</p>
<ul style="list-style-type: none"> • Assign and train a backup person to perform the data transfer procedures from the buses to the information system should the primary staff not be available to perform the transfer tasks. 	<p>✓ Completed in the prior period.</p>

<ul style="list-style-type: none"> • Establish and implement quality assurance procedures to ensure that the fare box system’s data is accurate and all cash is properly accounted for and properly recorded. 	<ul style="list-style-type: none"> ✓ Completed. Staff has developed a process to ensure that the fare box system data is accurate and all cash is properly accounted for and reported. The Transit Financial Administrator indicated that he will begin reviewing the reports monthly.
<p>To improve the on-going monitoring of budgeted to actual expenditures</p>	
<ul style="list-style-type: none"> • Implement procedures to regularly monitor budgeted to actual expenditures and take management actions when actual expenditures exceed or will exceed budgeted categories. 	<ul style="list-style-type: none"> ✓ Completed. The Transit Financial Administrator reviews and monitors the budget and actual expenditures on a monthly basis. Additionally, StarMetro worked with the Budget Division to budget more realistically for temporary wages and overtime costs in FY 2010. <p><u>Audit Comment:</u> We commend StarMetro and Budget management for working together to budget adequately for temporary wages and overtime costs in the FY 2010 budget, and recommend that StarMetro continue to work with Budget during the year to adjust the budget appropriately as the revenues and expenses forecasts change.</p>
<ul style="list-style-type: none"> • Evaluate the possibility of obtaining or converting an existing position into an Administrative Supervisor or Administrative Manager position. 	<ul style="list-style-type: none"> ✓ Completed in the prior period.

Table Legend:

- Issue addressed in the original audit
- ✓ Completed
- Behind schedule

Conclusion

As described in detail in Table 3, of the 20 action plan steps due between August 1, 2008 and September 30, 2009, 11 steps have been completed to date, six steps are in process and have not been completed, and the completion date for the remaining step was amended to January 31, 2010.

We continue to encourage StarMetro management to closely monitor and manage their use of overtime and temporary wages and continue to explore strategies to reduce these overall costs. We estimate that in FY 2009, StarMetro saved over \$9 for every hour worked by temporary drivers paid an average regular rate of \$10.56 instead of paying full-time drivers at the average overtime rate of \$19.92.

We appreciate the full cooperation provided during this audit follow-up from StarMetro and Accounting Services staff.

Appointed Official’s Response

City Manager:

We appreciate the information and assistance provided by the City Auditor and his staff in the audit follow up for StarMetro Staffing. The City is committed to improving procedures and controls at StarMetro. This audit follow-up recognizes the improvements made, the planned completion of several items this year, and the completion of last few items associated with the tracking of payroll codes, risk management, National Transit Database Training and Performance Measures.

Copies of this audit follow-up #1008 or audit report #0817 may be obtained from the City Auditor’s website (<http://www.talgov.com/auditing/auditreports.cfm>) or via request by telephone (850 / 891-8397), by FAX (850 / 891-0912), by mail or in person (Office of the City Auditor, 300 S. Adams Street, Mail Box A-22, Tallahassee, FL 32301-1731), or by e-mail (auditors@talgov.com).

Audit follow-up conducted by:
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