

# OFFICE OF INSPECTOR GENERAL CITY OF JACKSONVILLE



## FINAL REPORT 2024-AR-0001

### CAREER DEVELOPMENT PROGRAM AUDIT

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**MATTHEW J. LASCELL**  
INSPECTOR GENERAL

04/16/2024

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**DATE ISSUED**

*“Enhancing Public Trust in Government Through Independent and Responsible Oversight”*

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**FINAL DRAFT REPORT****Executive Summary****WHAT WE DID**

The Office of Inspector General (OIG) Audit Unit conducted an audit of the City of Jacksonville's (COJ) Career Development Program (CDP). This audit was performed as part of the OIG's 2024 Annual Audit Plan.

The focus was on if tuition reimbursements issued from Fall 2020 to December 2023 were compliant with CDP's Standard Operating Procedures (SOP) and the Jacksonville Ordinance Code. We examined if proper documentation was submitted, if payments were made accurately and timely, and if employees repaid their reimbursements if they left COJ employment early.

**WHAT WE FOUND**

Overall, tuition reimbursements were made in timely and appropriate amounts; however, we found issues with CDP's record keeping, which could have led to impermissible payments and missed repayments:

- The required reimbursement documentation was not always collected and/or uploaded. We discovered that 10.5% did not have the necessary documentation uploaded.
- While the timing and accuracy of tuition reimbursements were appropriate, CDP's records did

not reflect these payments 26.9% of the time.

- Within our sample, five employees left COJ employment early and COJ provided insufficient information to determine the repayment status of three of them.

**WHAT WE RECOMMEND**

- We recommended that CDP update its record-keeping process possibly with case management software that would maintain accurate records and prevent intentional or negligent destruction or manipulation of data.
- We recommended that the monitoring of ex-employee repayment occur in a centralized process to increase the oversight of those owing money to the City.

## FINAL DRAFT REPORT

### Purpose

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As part of the Office of Inspector General's (OIG) 2024 Annual Audit Plan, the Audit Unit conducted a performance audit of the City of Jacksonville's (COJ) Career Development Program (CDP) (2024-AR-0001) to determine if tuition reimbursements were executed by the CDP's Standard Operating Procedure (SOP) and Jacksonville Municipal Code.

### Background

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COJ offers CDP as a benefit to full-time employees to enhance their skills and capabilities through qualifying degree-granting programs at little or no cost to the employee. The program was authorized through Jacksonville Municipal Code Sections 106.901-106.903. To qualify, the degree program (or individual course) must be related to the employee's job, approved by a supervisor, and increase the employee's value to the City.

CDP reimburses employees at either the actual rate paid, the Florida State College rate (for undergraduate programs), or the University of North Florida rate (for graduate programs), whichever is lower; however, an employee is only eligible for \$5,250 per year. They also must remain a COJ employee for one year after the course/program is completed or repay the reimbursement.

Employee Services Department (Employee Services) employees manage CDP—one of their several job duties. For the program, they receive and store paperwork from applicants usually submitted via email. Then they document this information into a shared Excel spreadsheet. After which they upload the documents into COJ's Oracle HRMS program, which allows the Finance and Administration Department (Finance) to reimburse the employee.

### Statement of Objectives, Scope, and Methodology

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This audit was to ensure Employee Services was properly administering CDP following their SOP and the Jacksonville Municipal Code. To accomplish this, the audit reviewed reimbursements from Fall 2020 to December 2023.

The objectives of the audit were to determine:

1. Whether there are adequate controls in place to ensure reimbursements are supported by proper documentation.

2. Whether reimbursements to benefiting employees were made timely and in accurate amounts.
3. Whether benefiting employees remained employed with COJ for one year after completion of the program, and if not, repaid the reimbursement.

The Audit Unit reviewed the following laws, directives, policies, and procedures:

- CDP Standard Operating Procedure (rev. 2023)
- Sec. 106.901-903, Jacksonville Ordinance Code

To conduct the audit, the Audit Unit:

- Interviewed Employee Services personnel
- Reviewed the CDP spreadsheet and other internal documents
- Reviewed data contained within COJ's Oracle HRMS software
- Reviewed financial data related to reimbursement payments
- Created a sample size of 191 individuals from the CDP spreadsheet with an 85% confidence level and a margin of error of +/- 5%

## Statement of Auditing Standards

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This audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*, issued by the Institute of Internal Auditors. The standards require the OIG to plan and perform the audit to obtain sufficient, reliable, relevant, and useful information to support the engagement results and conclusions based on the stated audit objectives. This audit was also conducted according to Section 1.203(c), Charter of the City of Jacksonville, and Section 602.303(a-c), Jacksonville Ordinance Code.

## Findings and Recommendations

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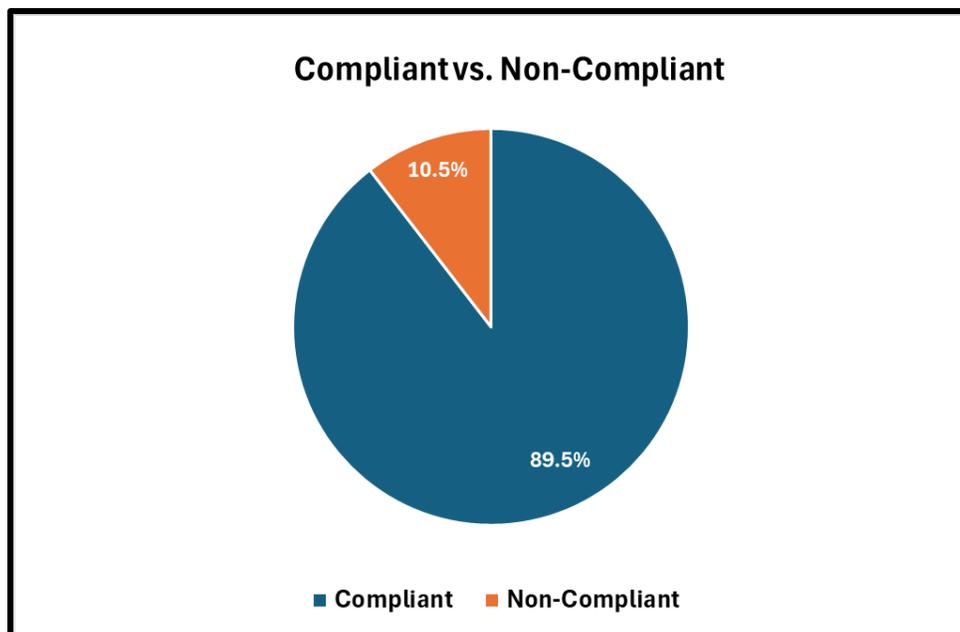
**Objective 1: Are there adequate controls in place to ensure reimbursements are supported by proper documentation**

**Finding 1: The required documents were not consistently uploaded before reimbursement.**

To receive a reimbursement, an individual must first submit four documents to Employee Services: (1) Certification of Completion, (2) proof of grade, (3) proof of payment, and (4) a CDP application. Employee Services then reviews the documents for sufficiency and accuracy before uploading them to HRMS (COJ's

Human Resource software). Once uploaded Finance can pay the employee for the tuition costs.

The Audit Unit randomly selected 191 employees out of 2,562 to create a sample with an 85% confidence level and a margin of error of +/- 5%. These employees had applied for CDP benefits from August 2020 to December 2023. The Audit Unit then reviewed the CDP spreadsheet, which reflected that all employees who had received a reimbursement had submitted the required paperwork. However, when verifying that the documents were uploaded to HRMS, it was discovered that 20 individuals (10.5%) received reimbursements without all the required documents being uploaded to HRMS.



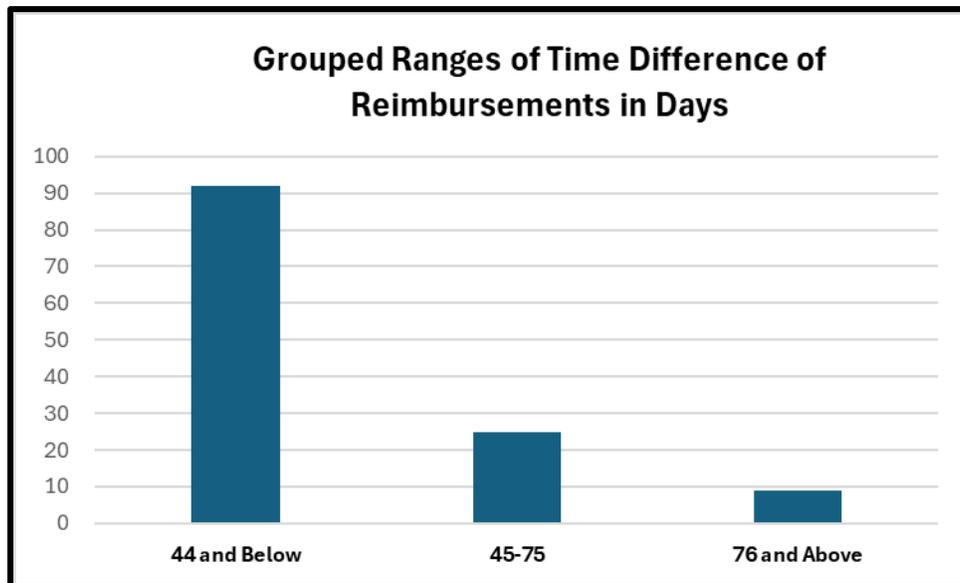
**Recommendation:** CDP should implement a more secure and centralized case management system. CDP's method for record-keeping involves receiving the documents via email and entering that information into a spreadsheet before uploading the documents into HRMS. The audit found that those documents were not always uploaded, which led to a discrepancy between the spreadsheet and HRMS. The use of email, a spreadsheet, and HRMS increases the chance of errors in recording submitted documentation, which can lead to erroneous or missed payments. A centralized case management system could lessen these issues. Additionally, it would provide greater security against intentional or negligent destruction or manipulation of data, than a shared spreadsheet and emails.

**Career Development Response to Finding:**

Agree X      Disagree       Partially Agree

**Objective 2: Were reimbursements to benefiting employees made timely and in accurate amounts**

**Observation 1:** Benefiting employees were reimbursed timely and accurately. The average time between the course end date and reimbursement was 40 days. The quickest reimbursement occurred two days after course completion and the longest took 374 days; the latter was one of three outliers of 122, 179, and 374 days (1.6%).



40 days is a reasonable time frame for reimbursement, because it allows employees 30 days to submit their final grade and Certification of Completion plus two weeks to pay the employee. A review of payment records revealed that employees received the proper reimbursements, however, the CDP spreadsheet did not accurately reflect these payments for 15.8% of the sample.

**Recommendation:** No recommendation at this time.

**Objective 3: Did benefiting employees remain employed with the COJ for one year after completion of the program, and if not, did they repay the reimbursement**

**Finding 2: Not all employees who owe tuition repayments are accurately tracked.**

When a benefiting employee leaves before one year after the last reimbursement, he or she must repay their CDP benefits. The responsibility of ensuring this repayment is split between Employee Services and Finance. First, Employee Services must identify that a benefiting employee is leaving. Then they must communicate this information to Finance. Finance then must seek the repayment, which is usually pulled from the employee's leave balance; however, when there is

insufficient leave or if Employee Services notifies Finance late, then Finance must arrange the repayment(s) with the ex-employee separately.

Out of the sample, five employees left before one year after their last CDP reimbursement. Of those, three employees were unaccounted for by Employee Services and Finance. Neither department could provide information on the status of these individuals' repayments. It is unclear whether they repaid their reimbursements.

**Recommendation:** The process of identifying and managing ex-employee repayments should be improved. Employee Services has part of the process, while Finance has the other. This segregation can pose communication issues if not properly managed, which can result in not recouping impermissible benefits. This process should be improved to increase communication and data accessibility.

**Career Development Response to Finding:**

Agree  Disagree  Partially Agree

## Conclusion

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The audit concluded that CDP needs to improve its record-keeping practices and end-of-employment processes for benefiting employees. A better record-keeping process could address the 10.5% of individuals who lacked proper documentation in the HRMS system. While the audit did not reveal any employees receiving impermissible benefits, the current process increases that risk.

Improved record keeping would also address the 15.8% of repayments that were inaccurately recorded on the CDP spreadsheet. While the audit did not reveal any employees entitled to benefits who did not receive them, the current process increases this risk.

Enhancing the end-of-employment process would ensure that the City would receive repayments from employees who leave COJ early. The current situation provides several opportunities for communication breakdowns, which could be the reason for the lack of information on the three employees.

## Management's Response

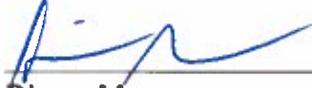
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On 03/26/2024, CDP was provided a copy of the audit and given an opportunity to respond on or before 04/12/2024.

The signature below acknowledges receipt and review by the CDP administrator:

Acknowledged with no Response

Acknowledged with Response



Diane Moser

Director

Employee Services Department  
117 West Duval Street, Suite 100  
Jacksonville, Florida 32202

4/12/24  
Date



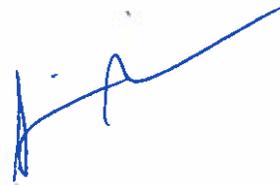
A NEW DAY..

# City of Jacksonville, Florida

*Donna Deegan, Mayor*

Employee Services Department  
City Hall at St. James  
117 W. Duval Street.  
Jacksonville, FL 32202  
(904) 630-CITY  
[www.jacksonville.gov](http://www.jacksonville.gov)

**DATE:** April 12, 2024  
**TO:** Matthew Lascell, Inspector General  
**FROM:** Diane Moser, Director of Employee Services  
**SUBJECT:** Career Development Program Audit Response



This is in response to the OIG Management inquiry regarding Career Development Program Audit.

*Finding 1: The required documents were not consistently uploaded prior to reimbursement.*

Employee Services will audit the tuition reimbursement program quarterly to ensure that all documentation is being uploaded into the employee's personnel file. A column will be added to the current spreadsheet to indicate that the documentation has been uploaded into Oracle. Employee Services concurs that a better record keeping system would address stated issues and is looking into case management software. We will also investigate the possibility of employee's uploading their documents into 1Cloud to be routed to the CDP staff through a workflow.

*Finding 2: Not all employees that owe tuition repayments are accurately tracked.*

Employee Services staff that work within the Career Development Program currently receive separation notifications directly into the [tuition@coj.net](mailto:tuition@coj.net) mailbox and also run a termination report in Oracle. We will create an updated policy that will address separating employees and will share with constitutional offices that do not utilize the current separation notification so that the CDP staff know about these terminations prior to running the termination report as we may be able to capture the repayment through the leave payout. We will also track and follow up on each repayment with Finance to improve communication and ensure the process is completed.

Thank you for considering our responses.