



Find your place

To: The Honorable John McLeod, President of the Council
The Honorable Jay Musleh, President Pro Tem
The Honorable James Hilty
The Honorable Brent Malever
The Honorable Mary Sue Rich
The Honorable Kent Guinn, Mayor
Matthew Brower, City Manager

Date: June 25, 2014

Re: Reemployment Insurance - Special Review

On June 16, 2014, subsequent to the \$3,176.80 payment for the Florida Department of Revenue for Reemployment Tax for the period of October 1, 2013 - March 31, 2014, Internal Audit became aware that the payment included a \$1,375 invoice for benefits paid to a current part-time employee with the City. Based upon discussions with the Florida Department of Economic Opportunity-Reemployment Assistance Program, Human Resources, and the employee, we concluded that the claim was fraudulently filed using the employee's personal information and was not attributable to any claim filed by the employee.

Per direction from the Florida Department of Economic Opportunity, the fiscal coordinator for support services has requested the initiation of a fraud investigation and any future payments on the claim be immediately ceased. Finance has requested a refund of the \$1,375 payment.


Based upon our research, we have identified the following opportunities to strengthen the controls over processing and paying reemployment claims and we recommend:

- that all information requests from the Reemployment Assistance Program, including hard-copy and electronic requests, be processed quickly by the City's Human Resources Department and include any necessary corrections to the information supplied by the Program. Questionable items should be addressed for clarification from the Program and/or City departmental personnel to promptly assist the Program in identifying potential fraudulent claims.
- that all Reemployment Assistance Program invoices be reviewed by Human Resources to validate that a benefit determination notice has been received for each claimant. Finance should only process the invoice for payment upon formal approval and authorization by the Human Resources Department for payment. Any questionable items should not be paid and a written reconsideration request be submitted within 20 days, in writing, to the Department of Economic Opportunity as required by the Reemployment Assistance Program Law Florida Statutes Chapter 443.

Internal Audit, Support Services, and Finance will closely monitor the investigation with the Reemployment Assistance Program until the refund of \$1,375 is received.

We appreciate the assistance of all personnel involved in the review, especially Alina Schaad, Fiscal Coordinator, Support Services, for coordinating the investigation with the Reemployment Assistance Program.

Generally Accepted Government Auditing Standards and the Institute of Internal Auditors Standards require that we plan and perform our audits to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. The evidence obtained provides a reasonable basis for our observations and conclusions.



Jeanne Covington, Internal City Auditor

c: Diane Reichard, Chief Financial Officer and Assistant City Manager
Mary Ann Davis, Finance Director

Sandra Wilson, Assistant City Manager, Support Services
Jared Sorensen, Director, Human Resources & Risk
Alina Schaad, Fiscal Coordinator, Support Services