

October 9, 1996

Board of County Commissioners

Brevard County, Florida

Post Office Box 1496

Titusville, Florida 32781

Commissioners:

Pursuant to the provisions of Section 125.01(1)(s), Florida Statutes; Article V, Section 16 and Article VIII, Section 1(d) of the Constitution of the State of Florida; and Article 4, Section 4.2.1 of the Brevard County Home Rule Charter, we conducted an audit of the Health and Social Services Division (hereinafter referred to as the "Division") or all functions under the current Housing and Human Services Department, except for Housing Services and the Community Development Block Grant Program.

#### PURPOSE

We conducted this audit to assess compliance with applicable Federal laws and regulations, Chapters of Florida Statutes, Florida Administrative Code, Florida Department of Health and Rehabilitative Services (hereinafter referred to as the "HRS") rules, and the Board of County Commissioners' (hereinafter referred to as the "Board") policies, procedures, resolutions, ordinances, grants, and agreements. Further, we evaluated the adequacy and effectiveness of the Division's system of internal accounting and administrative control. We also appraised the economy and efficiency with which resources were employed. Additionally, we performed other auditing procedures that we considered necessary in the circumstances.

## BACKGROUND

The primary role of the Division is to provide services or create strategies that enable individuals to solve problems by utilizing community, public, private, and individual resources. In addition, the Division is responsible for the organization and operation of programs and services designed to protect the health and welfare of the general public. Among the programs and services provided are veterans services, family and children's services, residential care to youth, and animal control. Non-profit organizations, such as the Association for Retarded Citizens, Brevard Achievement Center, Community Services

Council, and Child Care Association, Inc., provide further services to the citizens of the county under contract with the Board.

## SCOPE

We tested compliance by examining the Division's records for the period of October 1, 1993 through September 30, 1994. In particular, we examined the Division's revenue, expenditures (including travel vouchers), and transfers between funds. We also reviewed and tested contracts and grants for compliance with applicable agreement requirements. After the audit period (and during the course of our fieldwork), we tested internal controls in place and certain areas of compliance with laws, regulations, and Board directives.

## OVERALL EVALUATION

Federal Laws and Regulations, Florida Statutes, Florida Administrative Code, HRS Rules, and the Board's Policies, Procedures, Resolutions, Ordinances, Grants, and Agreements

Except as noted below, the results of our tests indicated that, with respect to the items tested, the Division complied with applicable Federal laws and regulations, Florida Statutes, Florida Administrative Code, HRS rules, and Board policies, procedures, resolutions, ordinances, grants, and agreements. With respect to items not tested, nothing came to our attention that would cause us to believe that the Division had not complied with those provisions.

#### System of Internal Accounting and Administrative Control

In our opinion, the Division's system of internal accounting and administrative control was adequate, except for monitoring compliance with contract 1) terms, 2) authorization (for payment) procedures, and 3) database procedures. In addition, improvements in controls are needed to ensure that payments for emergency medical treatment of animals are proper and shelter activity reports are accurate. Further, controls over travel and tangible property need to be strengthened.

#### Other

As noted below, some improvement could be made with respect to the follow-up of vaccinations for adopted animals.

### FINDINGS AND RECOMMENDATIONS

Federal Laws and Regulations, Florida Statutes, Florida Administrative Code, HRS Rules, and the Board's Policies, Procedures, Resolutions, Ordinances, Grants, and Agreements

**FINDING 1 - *Software licenses were not available.***

The Division did not comply with copyright law pertaining to software licenses. We performed an examination of all personal computer software utilized by Division personnel. Of 140 copies of 39 applications resident on the Division's twenty computers, the authorization for 41 copies could not be documented. The Copyright Act of Title 17 of the United States Code allows a purchaser of a copy of software to load it onto a single computer and to make another copy for archival purposes only. Penalties include liability for damages suffered by the copyright owner or statutory damages of up to \$100,000 *for each work infringed*. Due to the seriousness of this finding, the Division deleted all unauthorized software when informed of the copyright violations.

We feel this condition can be attributed to a lack of a Board policy stating its intention to ensure employee compliance with copyright regulations. A contributing factor is the absence of a system of controls over software utilized by the Division.

**RECOMMENDATION** - We recommend the Division request the Board institute a policy regarding the acquisition and use of computer software to include a provision for disciplinary action as appropriate. We also recommend the Division initiate effective controls over all software utilized in its operations.

**MANAGEMENT RESPONSE** - In the reply (see Exhibit A) dated October 28, 1996, Jasper Trigg, Assistant Department Director, Housing and Human Services, stated, in part, ". . . The Department has initiated effective controls over all software utilized in its operations."

**FINDING 2 - *Guidelines for welfare assistance payments were not approved by the Board.***

The Welfare Services Program, to prevent hardship, provides assistance to individuals and families who are temporarily without funds or resources. The Division uses guidelines to determine eligibility and the amount of assistance provided. The eligibility guidelines were approved by the Board. However, the guidelines for groceries, utilities and rent payments in the Program Procedure Manual (approved by the County Manager) were not. Since these guidelines are used to determine obligations of the County, authorization by the Board is necessary to

minimize the risk of improper and inefficient use of taxpayer funds. For example, financial assistance provided for prescription drugs could be restricted to generic, if available.

**RECOMMENDATION** - We recommend the Division obtain Board approval for all welfare assistance program guidelines.

**MANAGEMENT RESPONSE** - In the reply (see Exhibit A) dated October 28, 1996, Mr. Trigg, Assistant Department Director, Housing and Human Services, stated:

Program guidelines to determine eligibility and the amount of assistance for groceries, utilities, rent payments, etc. not brought to the Board for approval, will be corrected through Board approved guidelines. Doctors writing prescriptions for Family & Children's Services clients have progressed towards prescribing generic medication except when a specific medication is medically necessary. (Attachment #1).

**FINDING 3 - *The Division did not properly report temporary employee terminations.***

During our examination of personnel records, we noted the following:

- a. One temporary employee worked 1,493 hours in a twelve month period. Rule VI Section 4.F.1., Temporary Appointment, of the Brevard County Merit System Rules & Regulations states that "Temporary appointments shall be for a specific period not to exceed six (6) months or 1,040 hours in a twelve (12) month period." Although an extension was requested and granted, the employee had already worked 1,427 hours by the date of the request.
- b. Although this employee had not worked for the Division since January 1993, and a second employee had not worked since January 1994, the

Division did not inform the Office of Human Resources that these employees were terminated until we brought this matter to the Division's attention in 1995. Although the Division indicated to us that, at times, individuals are "on call," the above referenced Rule would require reappointment.

Without maintaining accurate records of temporary employees, the risk of unauthorized wage payments is not minimized.

**RECOMMENDATION** - We recommend the Division comply with Rule VI, Section 4.F.1. with regards to temporary employees and inform the Office of Human Resources of terminated employees in a timely manner. If provisions are needed to cover temporary employees who need extended appointments because of "on call" status, the Division should seek an exception to the Merit Rules.

**MANAGEMENT RESPONSE** - In the reply (see Exhibit A) dated October 28, 1996, Jasper Trigg, Assistant Department Director, Housing and Human Services, stated:

The Division's failure to inform the Office of Human Resources of a temporary employee termination's (sic) was corrected and staff will comply with Rule VI, Section 4.F.1 and inform the Office of Human Resources in a timely manner. Approval from the Department of Human Resources will be obtained for temporary employees on an "On Call" status.

**FINDING 4 - *Shelters were not accurately reporting operational activity.***

We advised management in our previous audit:

The Animal Control Section has not prescribed the contents of shelter operators' "activity reports" required by their contracts. Certain data reported by the operators was overstated from 4% to 31%.

The shelters maintain a daily log to record all animals brought in. They also prepare Animal Control Cards for each animal which indicates its disposition. We compared the daily logs and the animal control cards to the activity report for the month of September 1994. The activity reports provided by the Central Brevard Humane Society, Inc. (hereinafter referred to as the

"Humane Society") for the central and south area shelters varied from recorded data on the shelters' daily log and animal control cards by up to 57% in the various categories of source and disposition of animals. The majority of these discrepancies were due to the shelters' policy of only reporting the disposition of dogs and cats. Section 3.a.(4) of the agreements with the Humane Society requires "Maintenance of accurate and detailed records of **all** animals impounded by the County, their disposition and provide (the) County with monthly disposition reports." (emphasis added) Without accurate reports, the Board cannot make informed decisions with regard to the amount of funding required for the extent and level of service provided by the shelters.

**RECOMMENDATION** - We again recommend the Division institute procedures for ensuring the accuracy of contractor activity reports. Further, we recommend the Division, in coordination with the Humane Society, develop a reporting system that satisfies the needs of the Board.

**MANAGEMENT RESPONSE** - In the reply (see Exhibit A) dated October 28, 1996, Jasper Trigg, Assistant Department Director, Housing and Human Services, stated:

Effective October 1996, the Department implemented a monthly activity report that contains an "other" column to correctly identify animals other than dogs and cats impounded by Brevard County Animal Control. Monthly activity reports received from the Shelters will be reconciled and the extent and level of service provided by the shelters will be monitored.

#### System of Internal Accounting and Administrative Control

**FINDING 5 - *Stronger controls were needed to ensure contract obligations are being met.***

The controls to ensure proper compliance with contract terms are insufficient. Procedures requiring close contact with non-profit organizations to monitor performance had not been formulated. Also, contract monitoring sheets which were designed to control the receipt of documentation were not being properly used. It is the responsibility of management to ensure compliance with all agreement terms. During our examination of twenty-three agreements executed by the Board during the period since the prior audit, January 1, 1991 through September 30, 1994, we noted the following:

- a. Two agreements with Circles of Care, Inc., dated September 21, 1993, were executed as a result of a State of Florida mandate to match Baker Act

funds. Section 2 of the agreements provided that payments, which totalled \$575,253 during the audit period, will be made "subject to the requirement that Circles of Care demonstrate that the State of Florida has authorized payment or transmitted funds to pay its portion of the cost of service." Documentation of compliance with this provision was not on file.

b. The agreement with the Central Brevard Humane Society, Inc. required that a current certificate of motor vehicle liability insurance be furnished to the Division within ten days of execution of the agreement. The agreements with Brevard Achievement Center, Inc. and the Brevard County Association for Retarded Citizens, Inc. required quarterly goals reports. None of the above documents was on file. The agreement with the Brevard County Medical Society, Inc. required a monthly Statistical and Financial report on a specified form. Although the required information was received, it was not submitted on the prescribed form.

c. The Division did not obtain required documentation in a timely manner for the following eight agreements (*the number of reports missing and required are noted in parenthesis*) :

(1) Concerned Organization of Parents to Educate, (hereinafter referred to as "C.O.P.E.") - annual goals; quarterly goals (2 of 4); insurance; monthly financial statements (10 of 12); and monthly activity reports (10 of 12).

(2) Community Services Council of Brevard County, Inc. - quarterly goals (1 of 4); articles of incorporation; by-laws; meeting minutes (1 of 9).

(3) Space Coast Early Intervention Center, Inc. - financial statements (4 of 4); quarterly program activity report (1 of 4).

(4) Brevard County Association for Retarded Citizens, Inc. - insurance; articles of incorporation; by-laws; and personnel policies.

(5) Salvation Army - quarterly activity reports.

(6) Brevard County Legal Aid, Inc. - quarterly goals attainment report (1 of 4); monthly financial reports (5 of 12); and monthly activity reports (5 of 12).



(7) Brevard Achievement Center, Inc. - insurance (2 of 2); personnel policies; monthly financial statements (4 of 12); and monthly activity reports (4 of 12).

(8) Child Care Association, Inc. - quarterly program activity reports (1 of 4); quarterly financial statements (4 of 4).

d. The contract with C.O.P.E. provided that the County agreed to pay a sum not to exceed \$20,842. Due to clerical errors, the County overpaid a total of \$110.

e. The agreements with Jancy Pet Burial Services, Inc. and Jeffrey Keith Lynar required payments on the last day of each month. Because a certification of services must be approved before payment is authorized, all payments were paid three to twenty-eight days late.

f. Attachment A, Section G(6) of the Low Income Home Energy Assistance Program agreement with the State of Florida, Department of Community Affairs, effective April 1, 1994, stated that the Board ". . . will distribute payments to vendors under vendor agreements on behalf of eligible households." Payments for this program, totalling \$169,000, were made to Florida Power and Light during the audit period without a vendor agreement.

g. The agreement with the Central Brevard Humane Society, dated June 21, 1994, states that payment for services shall be made upon certification that the services were provided and performed in the previous month. Although payments totaling \$102,000 made during the audit period were supported by an invoice, a signed certification was not on file.

Without adequate contract controls, the Division's ability to ensure compliance with all agreement terms is severely limited. These controls are needed to prevent payment for services that have not been performed, liability due to the actions of others, or breach of contract.

**RECOMMENDATION** - We recommend the Division implement controls to ensure that all contractual obligations are fulfilled. Further, we recommend the Division ensure that contract monitoring sheets are properly used. In addition, we recommend that the payment due dates for future agreements which require certification of services allow for sufficient time to ensure prompt payment.

**MANAGEMENT RESPONSE** - In the reply (see Exhibit A) dated October 28, 1996, Jasper Trigg, Assistant Department Director, Housing and Human Services, stated, in part:

- a. . . . we are providing canceled checks from the State of Florida received by Circles of Care for FY 93-94. (Attachment # 2)
- b. . . . A current certificate of motor vehicle liability insurance for the current contract is now on file . . .
- c. All required documentation has been received and is on file.
- d. Deleted as the result of information provided during the exit conference.
- e. Contracts next year will contain the following statement  
"Payment for services will be made during the month following the previous month when services were rendered."
- f. . . . In March 1997, staff will attempt to negotiate written agreements with all vendors under this Program to be presented to the Board for approval.
- g. . . . The Central Brevard Human Society agreed to identify their invoice for payment reflecting "Certification of Services" and an affixed signature.

In additional information provided on November 25, 1996, Jasper Trigg, Assistant Department Director, Housing and Human Services, stated:

- b. All required documentation for the Brevard Achievement Center, Brevard Association of Retarded Citizens and the Brevard County Medical Society, Inc. is on file. Controls have been implemented to ensure that all contractual obligations are fulfilled.
- d. All required documentation has been received and is on file. Controls have been implemented to ensure that all contractual obligations are fulfilled.

**FINDING 6 - *The contract database was incomplete and outdated.***

During our audit of contracts we noted that several contracts listed below were either not recorded or incorrectly recorded in the contract database as required by Brevard County Procedure BC-20, Contract Administration:

- a. The Central Brevard Humane Society, Inc. agreement was not listed on the County contract data base.
- b. The data base was not updated to reflect the current contracts with Jancy Pet Burial Service, Inc., Rheta and Maurice Campbell (space lease), and Fred and Ruth Boozer (space lease).
- c. Two expired contracts with the State of Florida, Department of Health and Rehabilitative Services, were not deleted.
- d. The contract amounts for agreements with the Community Services Council and the State of Florida, Department of Community Affairs, were not input into the data base.
- e. The contract amount for the agreement with the Society for the Prevention of Cruelty to Animals of North Brevard, Inc. was incorrect.
- f. The insurance information for ten contracts was not updated.

Section VI of BC-20 requires all contracts to be listed on the data base and updated when necessary. The contract data base was designed to be an effective management tool for control over Board contracts. However, for it to be effective, it must be complete and properly maintained.

**RECOMMENDATION** - We recommend the Division comply with BC-20 to ensure the contract database is complete and updated.

**MANAGEMENT RESPONSE** - In the reply (see Exhibit A) dated October 28, 1996, Jasper Trigg, Assistant Department Director, Housing and Human Services, stated, in part "The contract data base is complete and has been updated. Staff will continue to comply with Brevard BC-20 . . ."

**FINDING 7 - *Some tangible personal property was not properly safeguarded.***

The Division did not exercise proper control over its tangible personal property. We tested controls by verifying the accuracy of the Division's property control records. One typewriter, which cost \$1,287, could not be located. Also, records did not properly account for four personal computers which were transferred from or to other departments or sections. These conditions were due to the custodians' failure to follow the guidelines of Section V., Transaction Requirements, of Procedure PD-11, Property Control. This section requires that custodians report

to Central Services each item of property that is removed from their control or is no longer required.

Inaccurate records for tangible personal property do not provide the control essential for the proper safeguarding of County assets, especially those items which are most prone to theft such as personal computers.

**RECOMMENDATION** - We recommend the Division ensure that its tangible personal property custodians comply with Procedure PD-11 in order to maintain proper control over County assets.

**MANAGEMENT RESPONSE** - In the reply (see Exhibit A) dated October 28, 1996, Jasper Trigg, Assistant Department Director, Housing and Human Services, stated, in part "The missing typewriter was removed from inventory of County owned tangible property on November 15, 1995 (Attachment # 3) . . ."

In additional information provided on November 25, 1996, Jasper Trigg, Assistant Department Director, Housing and Human Services, stated:

Personal property control records have been corrected to show the disposition of the four computers. Measures have been taken to ensure that tangible personal property custodians comply with procedure PD-11 in order to maintain proper control over county assets.

(Unresolved Prior Audit Finding)

**FINDING 8 - *Payments were authorized and made prior to performance of services.***

During the prior audit it was noted that payments to an animal shelter operator, the Humane Society of South Brevard, were authorized prior to the performance of those services. The operator withdrew in November, 1990; however, a \$5,000 payment was made to the operator for December, 1990, and never recovered.

During the current audit, we examined seventeen agreements which were executed to provide services to the County. For three of eight agreements which required certification of performance before disbursement, payments totalling \$587,898 were authorized by the Division and disbursed

(by County Finance) prior to the performance of service. The remaining nine agreements did not require evidence that services had been performed before payment would be made. Disbursements totalling \$121,251 were authorized for payment prior to the performance of these contract services. Prudent business practice would suggest that agreements require that evidence of performance be submitted **before** payment is authorized. Premature authorization to pay for services not yet rendered increases the risk of loss of County assets (funds).

**RECOMMENDATION** - We recommend the Division comply with the provisions of those agreements which require certification of performance prior to payment. We also recommend that all future contracts for services include such a requirement.

**MANAGEMENT RESPONSE** - In the reply (see Exhibit A) dated October 28, 1996, Jasper Trigg, Assistant Department Director, Housing and Human Services, stated, in part:

Future agreements will contain the following statement "Payment for services will be made during the month following the previous month when services were rendered."

**REBUTTAL** - The Division's response did not address controls needed to ensure that payments are not disbursed prior to performance. As stated above, payments totaling \$587,898 were authorized and disbursed prior to the performance of services for three contracts which required certification prior to payment. It is our opinion that, although the addition of the statement noted in management's response is necessary for all service contracts, it does not alleviate the need for controls to ensure compliance.

**FINDING 9 - *The Division did not fully comply with travel procedures.***

The Division was not in compliance with Section V.D. 1. (2) and (3) of Brevard County Procedure BC-2, Travel. We tested travel expense reports totalling \$860 and noted that five reports were approved for a total of \$48 in excess of that allowed by BC-2. Employees in our sample were paid mileage from the last work location to home and also from home to the first work location. According to Procedure BC-2, this mileage is not allowable. In addition, \$38 in expenditures were approved for travel from and to the employee's home on Saturday which is not specifically addressed in BC-2.

Non-adherence to travel procedures does not minimize the risk of payment for unauthorized travel.

**RECOMMENDATION** - We recommend the Division comply with Brevard County Procedure BC-2, Travel. Further, the Division needs to determine the total amount in error during and subsequent to the audit period and seek direction from the Board as to the final disposition of all overpayments. In addition, we recommend the Division request the County Manager amend BC-2 to provide for reimbursement of travel on other than normal work days.

**MANAGEMENT RESPONSE** - In the reply (see Exhibit A) dated October 28, 1996, Jasper Trigg, Assistant Department Director, Housing and Human Services, stated:

The BC-2 did not contain after hour travel policy statement disallowing the reimbursement. The department feels it was correct in authorizing the after hour travel occurring after normal work day or work week because employees were responding to official County business on weekend days.

**REBUTTAL** - It is our opinion that travel expenditures are not authorized unless specifically allowed by BC-2, Travel. Reimbursement for travel between home and first or last work location was not authorized.

**FINDING 10 - *Written procedures for emergency medical treatment of animals did not exist.***

We made the following comment to management in the prior audit:

The Animal Control Section has assumed, from the operator of two shelters, the financial responsibility for providing emergency medical treatment for animals impounded during other than normal operating hours of the shelters. The Section has not developed sufficient written procedures with the emergency clinics or shelters governing this treatment. As a result, an emergency clinic has been paid as much as 150% of the actual charge for the services provided and the shelter operators are releasing animals to their owner without regards to treatment costs incurred by the County. We further noted that one charge was paid twice by the County.

We had recommended that the Division coordinate with the emergency clinics and shelter operators to establish written procedures which should address assumption of financial liability by pet owners, receipt by clinics of only the amounts due them, and proper accounting and disposition of receipts collected. These procedures have not been drafted and implemented. Without such procedures, the risk of a further loss of assets is not minimized.

**RECOMMENDATION** - We again recommend the Division provide written procedures for emergency medical treatment for animals impounded during other than normal working hours to include:

- 1) Assumption of financial liability by pet owners, for treatment of their animal pursuant to Section 14-44 (e) (2), Brevard County Code,
- 2) Receipt by clinics of only the amount due them,
- 3) Proper accounting and disposition of monies collected from animal owners.

**MANAGEMENT RESPONSE** - In the reply (see Exhibit A) dated October 28, 1996, Jasper Trigg, Assistant Department Director, Housing and Human Services, stated, in part:

. . Standard Operating Procedures pertaining to sick/injured domestic animals have been implemented. These procedures (**dated October 25, 1996**) are in compliance with Brevard County Code, Chapter 14-44 (e)(2) and Florida State Law 828.05. (Attachment #4.a) (Paren added.)

**FINDING 11 - *Fee resolution conflicts with Florida Statutes.***

Resolution No. 93-362 established fees for the impounding of animals. Section 1 of the resolution provides for a \$6 fee for impounding, boarding, and feeding animals, including livestock. However, Section 2 states that "The fees listed in Section 588.18, Florida Statutes, are hereby established for impounding, serving notice, **care and feeding**, advertising, and disposing of **livestock**." (emphasis added) The fee set by F.S. 588.18(3) for livestock at large for feed and care is \$5 per day per animal. Although, in the opinion of the Supervisor of Animal Control, Section 1 related to fees for animals which were not at large, the resolution does not specify whether or not the animals are at large. As a result, a \$6 fee may be charged for the care and feeding of livestock at large which is not in compliance with the \$5 fee specified in F.S. 588.18.

**RECOMMENDATION** - We recommend the Division request the Board to amend Resolution 93-362 to clearly comply with F.S. 588.18.

**MANAGEMENT RESPONSE** - In the reply (see Exhibit A) dated October 28, 1996, Jasper Trigg, Assistant Department Director, Housing and Human Services, stated, in part ". . . the resolution will be amended to comply with State Statutes 588.18."

(Unresolved Prior Audit Finding)

**FINDING 12 - *Contracts with animal shelter operators do not adequately specify legal relationships of all parties.***

In our previous audit report dated March 10, 1992, we noted that the independent contractor clauses in the contracts between the Board and the animal shelters operators indicated that the operators were independent contractors and that nothing in the agreements should in any way be construed to indicate they are agents, employees, or representatives of the County. However, the operators appear to be acting as agents for the County by collecting fees for County licenses that are established by the Board and which are remitted monthly to the Animal Control office. The Division response stated that "Staff will coordinate with the County Attorney's Office . . . to conduct a review of the current contracts for the purpose of developing a clear and concise document that will . . . resolve conflicting issues, if any . . ."

Although a recent (October 1, 1996) opinion issued by the Assistant County Attorney indicated that the independent contractor clauses did not conflict with the provisions allowing the operators to sell licenses on behalf of the County (or a possible agency relationship). However, the opinion referenced boarding fees and not license fees collected by the operators and remitted to the County. Contracts with unclear provisions increase the risk of liability to the County in the event of misconduct on the part of the contractor.

**RECOMMENDATION** - We recommend the Division seek confirmation of the County Attorney's above referenced opinion with specific reference to the license fees collected by the animal shelter operators on behalf of the County. This should ensure that the contracts with the animal shelter operators are clear with respect to their acting as independent contractors or agents.



**MANAGEMENT RESPONSE** - In the reply (see Exhibit A) dated October 28, 1996, Jasper Trigg, Assistant Department Director, Housing and Human Services, stated:

The County Attorney's Office has issued a written opinion that contracts with the Animal Shelter operators are clear with respect to their acting as independent contractors or agents. (Attachment # 5)

**REBUTTAL** - The opinion of the Assistant County Attorney referenced boarding fees and states that "The clause in question does establish fees, however, they are not fees collected on behalf of the county . . ." The opinion does not address license fees collected by the operators and remitted to the County. In addition, the opinion analyzed the relationship of independent contractor versus **employee** but did not address the relationship of independent contractor versus **agent**. Therefore, we feel that the Division has not ensured that the contracts with the animal shelter are clear with respect to their acting as independent contractors or agents.

#### Other

(Unresolved Prior Audit Finding)

**FINDING 13 - *Division did not follow up to determine if all adopted animals were subsequently vaccinated.***

When a customer picks up an unvaccinated animal for adoption at an animal shelter, the customer prepayes the \$10 charge for the license certificate by completing a three part pre-numbered Brevard County license receipt. In our previous audit we recommended that, if the purchaser of a receipt does not redeem it by obtaining a vaccination and license within a predetermined time, the shelter operators inform the Animal Control Section for follow-up action. Since the Section now has knowledge of unredeemed prepaid receipts (as well as vaccinations and licenses issued), reliance on the shelter operators to inform the Section is no longer needed to perform the follow-up. A follow-up, to include the issuance of citations and concurrent impoundment of the animal, is needed to support the rabies control program.

In the prior audit, the Division responded that "Staff would establish a structured follow-up program to include the issuance of citations for violations of the code and concurrent impoundment of animals if necessary." In the current audit, the Division advised that it has not initiated this program due to personnel shortages. As a result, an undetermined amount of revenue from code violations has not been assessed and collected.

**RECOMMENDATION:** We again recommend the Division consider the initiation of a follow-up program which will ensure that all revenue from code violations is assessed and collected.

**MANAGEMENT RESPONSE** - In the reply (see Exhibit A) dated October 28, 1996, Jasper Trigg, Assistant Department Director, Housing and Human Services, stated:

The prepaid fee of \$10.00 paid by a customer to a shelter is for a county license tag. Customers having their animals vaccinated pay an additional charge. Adoption is a function of the shelters and it is the responsibility of the Shelters to follow-up on vaccinations.

We do not agree that the County should be involved in adoption/vaccination follow-up. The cost would be prohibitive and it would result in major expansion of animal controls responsibilities.

**REBUTTAL** - We do not agree that it is the responsibility of the Shelters to follow-up on vaccinations. Section 14-42 of the Code of Ordinances of Brevard County authorizes an animal control officer to issue a citation for failure to vaccinate a dog or cat. During the audit period, the fines for this violation were \$37 for the first offense, \$112 for the second offense, \$212 for the third offense, and \$412 for the fourth offense (in addition to the \$10 fee due the County for the vaccination certificate and tag when issued). Following up on unvaccinated dogs and cats may not only provide enough revenue to the County to compensate for the additional costs associated with such a program, but will also be in the interest of the health, safety and welfare of the people of Brevard County.

### SUMMARY

We held an exit conference on October 9, 1996, during which we discussed the audit report with Tom Jenkins, County Manager; Joan Madden, Assistant County Manager; Bernice Jackson, Director of Housing and Human Services and Jasper Trigg, Assistant Department Director. We have attached the Division's formal reply to the audit report as Exhibit A. Internal Audit's rebuttal to the reply is attached as Exhibit B.

Respectfully submitted,

SANDY CRAWFORD

CLERK OF THE CIRCUIT COURT

Richard L. Scoles, C.P.A., C.I.A.

Chief Internal Auditor

Auditor-in-charge:

Annette Clark, C.P.A., C.I.A.

Senior Internal Auditor

Attachment: Exhibit A, Exhibit B

cc: Each Commissioner

Tom N. Jenkins, County Manager

Scott Knox, County Attorney

Joan Madden, Assistant County Manager

Bernice Jackson, Director, Housing and Human Services

Jasper Trigg, Assistant Department Director, Housing and Human Services

Jim Giles, Chief Deputy Clerk

Steve Burdett, C.P.A., Finance Director

[Exhibit A]

TO: J. Carl Smith, C.P.A., C.G.F.M.,

Chief Internal Auditor

THROUGH: Bernice G. Jackson, Director

Housing & Human Services Department

FROM: Jasper Trigg, Assistant Dept. Director

Housing & Human Services Department

SUBJECT: Response to Audit of Health & Social

Services Division

DATE: October 28, 1996

The following are actions that have or will be taken in response to the audit conducted by Annette Clark, Senior Internal Auditor, for the period October 1, 1993 through September 30, 1994.

I would like to recognize Annette Clark for the manner in which she conducted the audit. Her findings are well taken and will help us in the operation and to better serve the citizens of Brevard County.

Finding 1:

All unauthorized software has been deleted. No unauthorized software will be used in the future. The Department has initiated effective controls over all software utilized in its operations.

Finding 2:

Program guidelines to determine eligibility and the amount of assistance for groceries, utilities, rent payments, etc. not brought to the Board for approval, will be corrected through Board approved guidelines. Doctors writing prescriptions for Family & Children's Services clients have progressed towards prescribing generic medication except when a specific medication is medically necessary. (Attachment #1).

Finding 3:

The Division's failure to inform the Office of Human Resources of a temporary employee termination's was corrected and staff will comply with Rule VI, Section 4.F.1 and inform the Office of Human Resources in a timely manner. Approval from the Department of Human Resources will be obtained for temporary employees on an "On Call" status.

Finding 4:

Effective October 1996, the Department implemented a monthly activity report that contains an "other" column to correctly identify animals other than dogs and cats impounded by Brevard County Animal Control. Monthly activity reports received from the Shelters will be reconciled and the extent and level of service provided by the shelters will be monitored.

Finding 5:

a. The County is required to match funds expended by the State of Florida pursuant to Florida Statutes with a one dollar (\$1.00) for every three dollars (\$3.00) expended by the State (a 1:3 ratio). While we do not agree that written proof of payment by the state of Florida was a requirement we are providing canceled checks from the State of Florida received by Circles of Care for FY 93-94. (Attachment #2)

b. Central Brevard Humane Society

A current certificate of motor vehicle liability insurance for the current contract is now on file. Since motor vehicle liability insurance isn't necessary for CBHS, the requirement will be removed from the next negotiated contract.

c. All required documentation has been received and is on file.

d. Deleted as the result of information provided during the exit conference.

e. Contracts next year will contain the following statement "Payment for services will be made during the month following the previous month when services were rendered."

f. We do not agree a written agreement was necessary; nor did the state auditor. Current transactions with FPL for the Low Income Home Energy Assistance Program are based on a verbal agreement with all concerned parties. In March 1997, staff will attempt to negotiate written agreements with all vendors under this Program to be presented to the Board for approval.

g. The Central Brevard Humane Society submitted their invoices on their letterhead but did not certify by signature. The Central Brevard Human Society agreed to identify their invoice for payment reflecting "Certification of Services" and an affixed signature.

Finding 6:

The contract data base is complete and has been updated, staff will continue to comply with Brevard County BC-20, Contract Administration. A contract management section will update proper documents and monitor, to ensure compliance.

Finding 7:

The missing typewriter was removed from inventory of County owned tangible property on November 15, 1995 (Attachment #3). The "lap top" computer has been tagged by Property Control.

Finding 8:

Permission to submit monthly activity reports before the end of the service month was requested by the Shelter Director in order to receive payment early the following month, was granted; however, we held the monthly report, the request for payment was not sent to Finance until the beginning of the next month.

Future agreements will contain the following statement "Payment for services will be made during the month following the previous month when services were rendered."

Finding 9:

The BC-2 did not contain after hour travel policy statement disallowing the reimbursement. The department feels it was correct in authorizing the after hour travel occurring after a normal work day or work week because employees were responding to official County business on weekend days.

Finding 10:

Injured Animal Care procedures were first developed January 1992 - in response to Management Advisory and evidently did not meet the auditor's expectations. (Attachment #4) Standard Operating Procedures pertaining to sick/injured domestic animals have been implemented. These procedures are in compliance with Brevard County Code, Chapter 14-44 (e)(2) and Florida State Law 828.05. (Attachment #4.a)

Finding 11:

By definition impounded animals are not at large. However, the resolution will be amended to comply with State Statutes 588.18.

Finding 12:

The County Attorney's Office has issued a written opinion that contracts with the Animal Shelter operators are clear with respect to their acting as independent contractors or agents. (Attachment #5)

Finding 13:

The prepaid fee of \$10.00 paid by a customer to a shelter is for a county license tag. Customers having their animals vaccinated pay an additional charge. Adoption is a function of the shelters and it is the responsibility of the Shelters to follow-up on vaccinations.

We do not agree that the County should be involved in adoption/vaccination follow-up. The cost would be prohibitive and it would result in major expansion of animal control's responsibilities.

/ja

Attachments

**AUDITOR'S NOTE TO THE ON-LINE READER:**

Attachments 1 through 5 are available for review at the Brevard County Clerk of the Circuit Court, Internal Audit Department.



[Exhibit B]

December 2, 1996

MEMORANDUM

**TO:** Brevard County Board of County Commissioners

**FROM:** Richard L. Scoles, C.P.A., C.I.A., Chief Internal Auditor

**SUBJECT:** Internal Audit Rebuttal of Response to Audit of the Health and Social Services Division Audit

Pursuant to Board of County Commissioners' Procedure BC-32 "Internal Audit," we are submitting the following rebuttal to the response of the Health and Social Services Division to the audit findings and recommendations (Exhibit A).

FINDING 8

The Division's response did not address controls needed to ensure that payments are not disbursed prior to performance. As stated above, payments totaling \$587,898 were authorized and disbursed prior to the performance of services for three contracts which required certification prior to payment. It is our opinion that, although the addition of the statement noted in management's response is necessary for all service contracts, it does not alleviate the need for controls to ensure compliance.

FINDING 9

It is our opinion that travel expenditures are not authorized unless specifically allowed by BC-2, Travel. Reimbursement for travel between home and first or last work location was not authorized.

FINDING 12

The opinion of the Assistant County Attorney referenced boarding fees and states that "The clause in question does establish fees, however, they are not fees collected on behalf of the

county . . ." The opinion does not address license fees collected by the operators and remitted to the County. In addition, the opinion analyzed the relationship of independent contractor versus **employee** but did not address the relationship of independent contractor versus **agent**. Therefore, we feel that the Division has not ensured that the contracts with the animal shelter are clear with respect to their acting as independent contractors or agents.

### FINDING 13

We do not agree that it is the responsibility of the Shelters to follow-up on vaccinations. Section 14-42 of the Code of Ordinances of Brevard County authorizes an animal control officer to issue a citation for failure to vaccinate a dog or cat. During the audit period, the fines for this violation were \$37 for the first offense, \$112 for the second offense, \$212 for the third offense, and \$412 for the fourth offense (in addition to the \$10 fee due the County for the vaccination certificate and tag when issued). Following up on unvaccinated dogs and cats may not only provide enough revenue to the County to compensate for the additional costs associated with such a program, but will also be in the interest of the health, safety and welfare of the people of Brevard County.