

Emergency Management/Communications Division Audit Report

INTERNAL AUDIT OF THE

BREVARD COUNTY EMERGENCY MANAGEMENT/COMMUNICATIONS DIVISION

AUDIT REPORT SUMMARY

This audit report summary highlights the purpose, background, scope, findings, and conclusion of the Brevard County Emergency Management/Communications Division audit report dated March 28, 1995. It is intended to present the findings of our report in a condensed fashion. The entire audit report should be read for a comprehensive understanding of our audit findings.

PURPOSE Pursuant to a request dated September 22, 1993, from Chief Mark W. McMichael, Assistant Director, Brevard County Public Safety Department, and under the authority of the Constitution of the State of Florida, as referenced in the Brevard County Home Rule Charter, we conducted this audit to assess the Brevard County Management/ Communication Division's (hereafter referred to as the "Division") compliance with applicable Florida statutes and administrative code, and the Board of County Commissioners' policies, procedures, resolutions, ordinances, grants, contracts, and other applicable laws and regulations. We also evaluated the adequacy and effectiveness of the Division's system of internal accounting and administrative control and appraised the economy and efficiency with which resources are employed.

BACKGROUND The primary role of the Division under the Brevard County Public Safety Department (hereinafter referred to as the Department) is the management and implementation of a comprehensive disaster mitigation, preparedness, response, and recovery program in Brevard County. The Division is also responsible for development and maintenance of emergency plans for all man-made and natural disasters. These functions are mandated by Florida statutes and administrative code and are primarily funded through several grants from the state of Florida.

The Division is also responsible for staff support and management of the County's communications assets including the Emergency 911 system (hereinafter referred to as E911). These assets are operated under Florida law and federal regulations.

SCOPE We tested compliance by examining the Division's records for the period of October 1, 1992, through September 30, 1993. In particular, we examined the Division's revenue, expenditures (including travel vouchers), contracts and grants, and transfers between funds. Also, for the period March 17, 1992, through September 30, 1993, we reviewed the Emergency 911 contract between the County and various municipalities.

FINDINGS Except for the first 15 findings noted below, the results of our tests of compliance indicate that the Division had complied with various provisions of Florida Statutes, Florida

Administrative Code, Florida Special Acts, Board of County Commissioners' policies, procedures, grants, contracts, and other applicable laws and regulations. Matters coming to our attention relating to noncompliance are listed in the FINDINGS AND RECOMMENDATIONS section of this report and are summarized as follows:

Florida Statutes, Florida Administrative Code, and Other Laws and Regulations

FINDING 1 - E911 funds were used to cover unrelated salary costs.

FINDING 2 - E911 funds were used to cover unallowable nonpayroll expenditures.

FINDING 3 - The Division has carried forward E911 funds in excess of the legal amount.

FINDING 4 - The Division did not comply with County payroll procedures and IRS Ruling 86-97 for overnight use of vehicles.

Grants and Contracts

FINDING 5 - Expenditures were improperly charged to a Radiological Emergency Preparedness grant.

FINDING 6 - The Division improperly used Hazardous Materials grant funds.

FINDING 7 - The Division did not distribute the approved Hazardous Materials Plan to all proper authorities.

FINDING 8 - The Division did not comply with certain grant specifications on four grants.

FINDING 9 - The Division did not comply with the terms of the Palmer Communications, Inc. (Sun Page) contract.

FINDING 10 - Cities were reimbursed under the E911 contract without adequate supporting documentation.

Board of County Commissioners' Policies, Procedures, and Merit Rules and Regulations

FINDING 11 - The Division did not comply with Brevard County Merit Rules and Regulations for compensatory time.

FINDING 12 - The Division did not comply with the County's travel procedure.

FINDING 13 - Petty cash usage did not comply with County procedures.

FINDING 14 - The Division did not comply with County contract procedures.

FINDING 15 - The Division did not comply with County credit card procedures.

System of Internal Accounting and Administrative Control

In our opinion, the Division's accounting and administrative controls are adequate, except for those over contracts and grants. Some improvement is also needed in the billing and collection of third party contracted services, security of computer files, and changes in an employee's status. We also noted that the Department needs to assist the Division in the documentation of time spent on E911 dispatch. Findings relating to these control weaknesses are listed in the FINDINGS AND RECOMMENDATIONS section of this report and are summarized as follows:

FINDING 16 - Major weaknesses exist in the accounting and administrative controls over grants and contracts.

FINDING 17 - The Division did not bill users for all radio maintenance.

FINDING 18 - Computer files are not properly secured.

FINDING 19 - A terminated employee was listed as active on the County's payroll system.

FINDING 20 - The Department does not require its divisions to document E911 dispatch time.

The Division's written response to the audit findings and recommendations is condensed in the FINDINGS AND RECOMMENDATIONS section of the audit report and included in its full text as Exhibit B.

**Emergency Management/Communications Division Audit
Report
May 22, 1995**

March 28, 1995

Board of County Commissioners

Brevard County, Florida

Post Office Box 1496

Titusville, Florida 32781-1496

Commissioners:

Pursuant to a request dated September 22, 1993, from Chief Mark W. McMichael, Assistant Director, Brevard County Public Safety Department, and 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 effective January 1, 1995, we conducted an audit of the Emergency Management/Communications Division (hereinafter referred to as the "Division") under the Brevard County Public Safety Department (hereinafter referred to as the "Department") of the Brevard County Community Services Group under the Board of County Commissioners (hereinafter referred to as the "Board").

PURPOSE

We conducted this audit to assess compliance with applicable chapters of the Florida Statutes, Florida's Administrative Code, and the Board of County Commissioners' policies, procedures, resolutions, ordinances, grants, contracts, and other applicable laws and regulations. We also evaluated the adequacy and effectiveness of the Division's system of internal accounting and administrative control and appraised the economy and efficiency with which resources are employed. Additionally, we performed other auditing procedures which we considered necessary in the circumstances.

BACKGROUND

The primary role of the Division is the management and implementation of a comprehensive disaster mitigation, preparedness, response, and recovery program in Brevard County under the provisions of F.S. Chapter 252. Also per Rules 9G-6 and 9G-7 of the Florida Administrative Code (FAC), the Division is responsible for development and maintenance of emergency plans for all man-made and natural disasters. The Division receives several grants from the State of Florida in order to carry out their mission. These grants provide funding for hazardous materials planning, radiological preparedness, and emergency planning.

The Division is also responsible for staff support and management of the County's communications assets. The mission includes coordination and implementation of the enhanced Emergency 911 system (hereinafter referred to as "E911"); systems' operation for the County's integrated communications network; administration of the communications maintenance contract; and management of the paging agreement. These functions are operated under the provisions of F.S. 365.171, Florida Emergency Telephone Act, Chapter 13C-5.01 FAC, and other applicable Public Service Commission tariffs and Federal Communications Commission regulations.

SCOPE

We tested compliance by examining the Division's records for the period of October 1, 1992, through September 30, 1993. In particular, we examined the Division's revenue, expenditures (including travel vouchers), and transfers between funds. We also audited contracts and grants for compliance with applicable agreement requirements. We examined the Hazardous Materials, Emergency Management Assistance, Radiological Preparedness, and Warning and Communications grants for the above audit period. We also reviewed the Emergency 911 contract between the County and various municipalities for the period March 17, 1992, through September 30, 1993.

OVERALL EVALUATION

Florida Statutes, Florida Administrative Code, Florida Special Acts, Board of County Commissioners' Policies, Procedures, Grants, Contracts, and Other Applicable Laws and Regulations

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

Board of County Commissioners' Resolutions and Ordinances

The results of our tests indicate that, with respect to the items tested, the Division has complied with the Board's resolutions and ordinances. With respect to the 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 accounting and administrative controls are adequate, except for those over contracts and grants. Some improvement is also needed in the billing and collection of third party contracted services, security of computer files, and changes in an employee's status. We also noted that the Department needs to assist the Division in the documentation of time spent on E911 dispatch.

FINDINGS AND RECOMMENDATIONS

Florida Statutes, Florida Administrative Code, and Other Laws and Regulations

FINDING 1 - *E911 funds were used to cover unrelated salary costs.*

The Division did not maintain proper time allocation records of time spent on E911 by administration and dispatch. Florida Statute 365.171(13)(a) allows for payment of salaries and associated expenses for "911" call takers ***"for that portion of their time spent taking and transferring "911" calls"*** (emphasis added) and for a county full-time "911" coordinator position and a full-time staff assistant position ***"for that portion of their time spent administering the "911" system"*** (emphasis added). For the audit period, E911 funds were used to cover unrelated salary costs of the County's E911 Coordinator and an Accounting Clerk II. Also, E911 funds totaling \$122,000.00 were used to offset the dispatchers salaries without documentation of actual time spent for E911. We also noted that the Division did not have adequate documentation to support a \$300,000.00 reimbursement to the Brevard County Sheriff's Office for E911 services.

Based on interviews with various Division personnel, time records for dispatchers and timesheets for other E911 employees do not identify time spent on E911 operations. With respect to dispatchers, time records do not identify that portion of time spent taking and transferring "911" calls. Also, the E911 Coordinator (E911 Communications Systems Manager) is responsible for

other non-E911 duties including the coordination of the County's integrated communications network and the review of radio, mobile telephone, and pager purchase requests. Furthermore, the staff assistant (Accounting Clerk II) does other non-E911 work related to purchasing supplies and equipment and accounting for all radio, pager, and mobile phone equipment. These conditions result in time not spent administering the E911 function.

The lack of accountability of time spent on the E911 provision does not minimize the risk of payment of unallowable expenditures.

RECOMMENDATION - We recommend the Division comply with Florida Statute 365.171(13)(a) by ensuring that E911 funds are used only for the purposes prescribed by this statute. We also recommend that proper time allocation records be maintained of time spent on E911 by administration and dispatch whether these services are provided by the County or other governmental entities.

MANAGEMENT'S RESPONSE - In a letter (see Exhibit B) dated April 25, 1995, Chief Don E. Boykin, Public Safety Department Director, and Chief Mark W. McMichael, Public Safety Department Assistant Director, stated:

The Division will continue to use the estimated 50% figure, for these times can only be estimated. We are adding a Call Record Management System to all PSAPs. This addition should give adequate documentation to bring us into compliance with the auditors' recommendations.

REBUTTAL - Management did not specifically address time spent by E911 administration. Also, we could not determine whether Management concurred with our finding and recommendation since their second and last sentences seemed to contradict their first sentence in their response. Furthermore, we disagree that "these (dispatch) times can only be estimated." Actual time from the point of taking the E911 call to the completion of the call or the completion of the transfer **can** be documented. Additionally, the continued use of estimates will not assure compliance with Florida Statute 365.171(13)(a).

FINDING 2 - *E911 funds were used to cover unallowable nonpayroll expenditures.*

Expenditures totaling \$18,242.50 were made for supplies, equipment, and services not exclusively related to the provision of E911. According to Florida Statute 365.171(13)(a)(6), costs directly attributable to the provision of "911" service are eligible for expenditure of funds derived from the imposition of the "911" fee. The Division authorized the following expenditures outside this provision:

Office equipment (See Exhibit A) \$12,694.64

Laser printer, hardware and software 5,234.00

for the Division's network

Printing charges for the Division's 168.87

letterhead paper and other forms

Printer toner 98.00

Repair of a kitchen outlet 46.99

TOTAL \$18,242.50

AUDITOR'S NOTE TO THE ON-LINE READER: Exhibit A is available for review at the Brevard County Clerk of the Circuit Court, Internal Audit Department.

The use of E911 funds for expenditures other than E911 results in a telephone surcharge for subscribers higher than necessary and can reduce the funds available for E911. Proper authorization by the Division in this instance did not minimize the risk of the improper use of E911 funds.

RECOMMENDATION - We recommend the Division comply with F.S.365.171(13)(a)(6) with respect to the proper use of E911 funds. Specifically, we recommend the Division's administrative account reimburse the E911 account for the \$18,242.50 of ineligible expenditures or the portion thereof which is not attributable to E911. Furthermore, Department officials should periodically review E911 purchases authorized by the Division to ensure compliance with Florida Statutes.

MANAGEMENT'S RESPONSE - In a letter (see Exhibit B) dated April 25, 1995, Chief Don E. Boykin, Public Safety Department Director, and Chief Mark W. McMichael, Public Safety Department Assistant Director, stated:

Under Florida Statute 365.171 (13-6) it states: "*salary and associated expenses for the county to employ a full time equivalent "911" coordinator position together with "expenses required to develop and maintain all information (ALI and ANI databases and other information source repositories) necessary to properly inform call takers as to location, address, type of emergency and other information directly relevant to the "911" call-taking and transferring function". These two provisions allow the coordinator the necessary office equipment and computer networking tools required to administer the 911 program, maintain the MSAG database and accuracy of ALI and ANI information. The configuration of the networks used and the equipment procured was sometimes shifted and relocated to provide the best possible use by the director.*

The laser printer provides all the printing capability for 911 and is used for letters, memos, and printouts of 911 information and is used together with the networking application described above. Printing charges for the Division letterhead paper were shared

because the 911 organization used that stationary [sic] for memos and letters. The same with the sharing of printer toner. These were associated expenses needed for the day to day administration and operation of 911. As all personnel at the Cedar Street site shared the kitchen and related facilities, repair expenses (i.e. repair of a kitchen outlet) was shared due to the coordinator and accounting clerk working and sharing these facilities at this location.

Although equipment was moved and shifted between users, the 911 function always had more than adequate office and computer equipment and software performance to perform all the functions under the provisions of 365.171 and was of higher performance than the original equipment. It is my belief that the director intended to make the major portions of the databases used in Emergency Management and 911 relational, especially in the area of GIS and mapping; he thought these functions were interrelated and provided information that not only could be used by 911 but shared with Emergency Management functions; and modifications and input to these databases by different Division personnel would be beneficial to Emergency Management and 911.

REBUTTAL - Management's response to this finding does not specifically address our recommendations. The section of the Florida Statutes (365.171(13)(a)(6)) quoted by Management in their first paragraph is preceded in the same statute by, "The following costs **directly attributable** to the establishment and/or provision of '911' service are eligible for expenditure of moneys derived from imposition of the '911' fee authorized by this section:" (emphasis added) As stated in the body of our finding and as further evidenced by Management's admission that the equipment was, in fact, shared, a portion of the subject costs charged to the E911 program were not "directly attributable" to E911. In sum, Management did not indicate whether they intend to comply with F.S. 365.171(13)(a)(6), whether the E911 account will be reimbursed for the \$18,242.50 of ineligible expenditures or the portion thereof which is not attributable to E911, and whether the Department officials will periodically review E911 purchases authorized by the Division.

FINDING 3 - *The Division has carried forward E911 funds in excess of the legal amount.*

The Division carried forward \$3,859.78 more than the legally allowed amount of E911 funds from fiscal year 1992. Florida Statute 365.171(13)(a)(3) allows a carry forward of only 10% of the amount billed for the prior year. A fifty-cent charge is added to telephone subscribers' monthly bill to fund E911. The amount billed subscribers should not generate revenues in excess of those needed for operations plus the legal carry forward amount.

An excess existed because the amount billed per line generated more revenue than necessary to operate. The result is a cash carry forward in excess of that allowed by law and subscribers paying more than necessary for E911 services.

RECOMMENDATION - We recommend the Division comply with F.S.365.171(13)(a)(3). We also recommend the Division request legal guidance as to the proper disposition of the excess. Furthermore, the Division should develop means to ensure that E911 expenditures are more accurately projected, estimated, and budgeted since these expenditures form the basis for determining E911 revenue.

MANAGEMENT'S RESPONSE - In a letter (see Exhibit B) dated April 25, 1995, Chief Don E. Boykin, Public Safety Department Director, and Chief Mark W. McMichael, Public Safety Department Assistant Director, stated:

Under Statute 365.171 (13-30), a county may not carry forward more than 10 percent with the following exception: *"The amount of monies carried forward each year may be accumulated in order to allow for capital improvements described in this subsection. The carryover shall be documented by resolution of the Board of County Commissioners expressing the purpose of the carryover or by an adopted capital improvement program identifying projected expansion or replacement expenditures for "911" equipment and service features or both."* The Board has previously approved a four year capital improvement program with the municipalities which is now in the fourth year.

In review of this cash carry forward concern, the County Attorney has indicated that the current Board approved capital improvement program would allow cash carry forward of more than 10 percent for that program.

REBUTTAL - Management did not address the above recommendation since their response to this finding did not take into consideration the fact that the \$3,859.78 was net of allowable carryover for the approved capital improvement program. The fiscal year 1992 actual carryover amount of \$187,607 was reduced by the 10% allowable carryover of \$127,807.05 (10% of total amount billed in fiscal year 1992) producing an unadjusted excess of \$59,799.95. This amount was reduced by \$55,940.17 which represented unspent capital improvement program allocations from Attachment A of the Board approved inter-local agreement with Brevard County municipalities which was entered into on March 17, 1992. The difference of \$3,859.78 between the \$59,799.95 unadjusted excess and the \$55,940.17 for capital improvement program allocations is the unallowable carryover.

FINDING 4 - *The Division did not comply with County payroll procedures and IRS Ruling 86-97 for overnight use of vehicles.*

The Division did not properly report the overnight use of a County vehicle on a temporary basis by a Division employee. Also, the Division did not maintain written authorization for this use. We examined time cards for a period in which we observed the employee using the vehicle overnight. For this period, October 9, 1993, through January 28, 1994, these time cards did not list the proper designation for this use.

Section VI.B. of Brevard County Procedure BC-31, "Overnight Assignment of County Vehicles," states "TOVA assignment request shall be submitted to Department/Office Directors or their designee for review/approval." Based on this reading, we believe the request should be in writing. Furthermore, County Payroll, in a memorandum dated December 17, 1992, prescribed the reporting for overnight use of a County vehicle. The employee's time card should list the letters "VE" and the number of trips per day. Also, Internal Revenue Service (IRS) Ruling 86-97 has determined that this vehicle use is compensable and should be reported as income for the employee.

Without the proper authorization and recording of overnight vehicle usage, County Payroll cannot accurately report an employee's taxable income which may result in penalties and interest due the IRS by the County.

RECOMMENDATION - We recommend the Division comply with authorization and reporting requirements for overnight use of County vehicles by County employees as prescribed by Brevard County Procedure BC-31, County Payroll, and IRS Ruling 86-97.

MANAGEMENT'S RESPONSE - In a letter (see Exhibit B) dated April 25, 1995, Chief Don E. Boykin, Public Safety Department Director, and Chief Mark W. McMichael, Public Safety Department Assistant Director, agreed with our finding and recommendation and indicated they have taken subsequent actions to correct the condition.

Grants and Contracts

FINDING 5 - Expenditures were improperly charged to a Radiological Emergency Preparedness grant.

During our audit, we determined that certain expenditures charged to a Radiological Emergency Preparedness (REP) grant were not within the scope of the grant. This condition was also reported in an audit report issued by the Office of Audit Services of Florida's Department of Community Affairs (DCA) dated April 11, 1994, (see c. and d. below). These expenditures are not within the grant's scope of work described in Exhibit A referenced by Section IV.B. of the grant. The specific expenditures noted are as follows:

- a. The grant was charged for 35% of the REP Officer's salary. Based on a review of time cards and time sheets, we determined that only 27% of his time was spent on REP resulting in an overcharge of \$2,123.77.

b. Two bookcases at \$246.00 and two dry-wipe marker boards at \$99.99 were purchased with grant funds. Upon physical inspection, only one of the bookcases and none of the boards are used for REP.

c. Based on inquiry and examination of invoices, equipment and supplies totaling \$853.35 charged to the REP grant was found to be used for a citizen ham radio upgrade.

d. Per a review of the cost center's "13th Month Expenditures" report for the period ended September 30, 1993, we noted automobile charges totaling \$1,020.17 for auto insurance, fleet maintenance charges, gasoline, and fuel surcharge for one of the Division's vehicles were charged to the REP grant. We also noted document reproduction charges totaling \$1,454.59 were allocated to the grant; however, the method of allocation could not be verified.

The risk of repayment of grant funds is not minimized when purchases are made that do not comply with provisions of the grant.

RECOMMENDATION - We recommend the Division comply with all terms of the REP grant agreement. We concur with the recommendation made in the DCA audit and also recommend the Division return \$1,873.52 to the State for the radio equipment and the auto charges. Also, we recommend one bookcase and the two boards be returned to the REP Officer or the cost, at \$222.99, be refunded to the State. We also recommend the Division return \$2,123.77 of labor charges not attributable to the grant to the State. We further recommend that any allocation of whole or partial expenditures be properly documented as to their REP benefit.

MANAGEMENT'S RESPONSE - In a letter (see Exhibit B) dated April 25, 1995, Chief Don E. Boykin, Public Safety Department Director, and Chief Mark W. McMichael, Public Safety Department Assistant Director, stated:

Responsibility for monitoring the REP grant has been given to the Public Safety Department's Financial Manager thus assuring

compliance with the Scope of Work as mandated in the grant application.

Time sheets are monitored and signed by the Operations Supervisor, and all time sheets will now reflect 50% of the Radiological Officer's salary.

The two bookcases are now in the possession of the REP Officer. One dry-wipe marker board is located at the EOC and is used by REP officer during training sessions, exercises or activation. The second board is currently in storage at the EOC.

The \$853.35 charged to REP for citizen ham radio upgrade was an error and the money was returned to the State.

Auto insurance, fleet maintenance charges, gasoline and fuel surcharge (\$1,020.17) was a disallowed cost and the funds have been returned to the State.

Reproduction charges are currently monitored and a copy machine key counter is in possession or secured by the REP Officer only.

The Operations Supervisor and the REP Officer have attended two days of training from the Division of Emergency Management in Tallahassee to obtain first hand instruction on proper handling of REP related grants.

REBUTTAL - With respect to a. above and the related recommendation, Management did not indicate whether the Division would return \$2,123.77 to the State which represented labor charges not attributable to the grant. Furthermore, time sheets should reflect the **actual** time spent on REP by the Radiological Officer.

FINDING 6 - *The Division improperly used Hazardous Materials grant funds.*

We noted that certain equipment purchased by the Division with the \$27,628.00 Hazardous Materials (HazMat) grant for 1991-92 was not being used solely for grant purposes. Florida Administrative Code (FAC) Chapter 9G-17.006(4) requires that the funds provided by the grant be used for hazardous materials planning or expended for activities related to hazardous materials planning.

Equipment costing \$5,077.90 purchased with HazMat grant funds was found not being used exclusively for the activities prescribed by the grant. This equipment consisted of two MicroSoft mice (\$173.90), a Dell 466/T Base computer (\$3,209.00), and a Dell 433S/L Base computer (\$1695.00). Based on our physical inspection and a review of the Division's computer listing dated February 1, 1994, the mice and the Dell 433S/L computer are not used by personnel assigned to the hazardous materials function. Also, the Dell 466/T computer, which is used as the network computer, only utilizes a portion of the data base available for hazardous materials purposes.

The use of these grant funds for purposes other than those prescribed by Florida's Administrative Code does not minimize the risk of loss of future funding for hazardous materials planning.

RECOMMENDATION - We recommend the Division comply with FAC 9G-17.006(4) relative to the Hazardous Material Grant. We also recommend the Division either restrict the use of this equipment to hazardous materials planning or reimburse the hazardous materials fund (25) and cost center (39921) for the portion the equipment which will not be used for hazardous materials planning purposes.

MANAGEMENT'S RESPONSE - In a letter (see Exhibit B) dated April 25, 1995, Chief Don E. Boykin, Public Safety Department Director, and Chief Mark W. McMichael, Public Safety Department Assistant Director, stated:

The Division has reviewed the use and location of the grant purchased computer equipment and made the necessary adjustments. The limited resource of the Division and practicality of exclusive use is not an achievable option at this time, however, efforts will be made to correct usage.

FINDING 7 - The Division did not distribute the approved Hazardous Materials Plan to all proper authorities.

The Hazardous Materials Grant was obtained for the purpose of developing a countywide plan for hazardous materials emergencies. The plan, which was adopted by the Brevard County Board of County Commissioners on March 23, 1993, after approval by the State of Florida, included a distribution list on pages i-14 and i-15. The list called for distribution of 46 copies of the plan to various entities. The Division informed us that only 4 copies of the plan were actually distributed. However, all 46 signature blocks on the distribution list were blank.

Among those entities which were due to receive the plan and did not were the Board of County Commissioners, all major municipalities in Brevard County, Brevard County Utilities Division, Coastal Health Services, Inc., Harbor City Volunteer Ambulance Squad, Inc., Brevard County Public Health Unit, Brevard Fire Rescue Communications Center, American Red Cross, Florida Highway Patrol, Florida Department of Transportation, Patrick Air Force Base, Brevard County Code Enforcement Department, National Aeronautics and Space Administration, Canaveral Port Authority, and the Brevard County Office of Natural Resources.

It should be noted that the Director of the Brevard County Natural Resources Management Division who did not receive a copy of the plan is responsible for "...coordination and implementation of hazardous material cleanup operations within the purview of this plan..." according to Brevard County Board of County Commissioners' Resolution 93-107.

The risk of emergency agencies, municipalities, law enforcement officials, and other agencies not being prepared or able to coordinate activities with the County during an emergency is not minimized. More importantly, the failure to distribute the hazardous material plan to the appropriate government officials could severely impede the safety and welfare of Brevard County citizens in a hazardous materials emergency.

RECOMMENDATION - We recommend the Division comply with the approved hazardous materials plan for the distribution to all agencies, municipalities, organizations, and individuals. We also recommend that each party sign the signature block of the distribution list to acknowledge receipt of the plan.

MANAGEMENT'S RESPONSE - In a letter (see Exhibit B) dated April 25, 1995, Chief Don E. Boykin, Public Safety Department Director, and Chief Mark W. McMichael, Public Safety Department Assistant Director, stated that "Emergency Management will comply with the audit recommendation."

FINDING 8 - *The Division did not comply with certain grant specifications on four grants.*

During our audit, we reviewed four grants--Emergency Management Assistance (EMA), REP, HazMat, and Warning and Communications--to determine compliance with grant specifications. We noted the following:

a. The Division did not provide a proper audit trail as required by the grants. We developed a schedule of grant expenditures of the four grants located in the Division's grant files. We could not match these expenditures to the expenditures reported to the State. Article III, Section A, of the HazMat grant specifies that the County agrees "...to maintain books, records and documents...which sufficiently and **properly reflect** all expenditures of funds provided under this Agreement." (emphasis added). The other grants have similar provisions.

b. Some of the progress and final reports for all the grants were either not submitted or submitted late per the grant schedules. Of the 20 report dates of all grants in our audit period, we found no evidence of a report issued for 8 of these dates. Also, 20% or 5 of the 20 required reports were submitted late. All the grants require periodic progress reports and final reports to be submitted at scheduled times.

c. The Division did not maintain a copy of the original grant applications for all four of the grants. All the grants specify that a completed application and any attachments be kept on file. For instance, Article III, Section C, of the HazMat grant specifies that the County agrees "...to retain all financial records, supporting documents, statistical records and any other documents pertinent to this agreement..."

Failure to follow grant terms could result in repayment of grant monies and denial of future grants.

RECOMMENDATION - We recommend the Division comply with all terms of the Emergency Management Assistance (EMA), REP, HazMat, and Warning and Communications grants. Specifically, the Division should 1) maintain documentation to support the reports filed with the grantor, 2) submit progress and final grant reports in a timely manner, and 3) maintain a copy of the original grant application.

MANAGEMENT'S RESPONSE - In a letter (see Exhibit B) dated April 25, 1995, Chief Don E. Boykin, Public Safety Department Director, and Chief Mark W. McMichael, Public Safety Department Assistant Director, agreed with our finding and recommendations and indicated they have taken subsequent actions to correct the conditions.

FINDING 9 - *The Division did not comply with the terms of the Palmer Communications, Inc. (Sun Page) contract.*

During our audit, we determined the Division authorized payments for certain pagers and airtime charges (for two pagers) which were different than the agreed terms of the County's contract with Palmer Communications, Inc. (Sun Page) dated October 6, 1992. The contracted amount for the purchase of Panasonic Pagers is \$125 each and airtime is \$6.75 per pager per month.

Airtime rates of \$23.00 and \$13.00 were charged for two pagers acquired by the Division which resulted in \$270.00 paid in excess of the annual contract airtime rate. Also, one pager was purchased at \$189.00 or \$64.00 more than the contracted amount and five reconditioned pagers were purchased at \$42.95 or \$82.05 less than the contracted amount.

Although the net result of the above actions resulted in a savings of \$76.25 under the contract, the outcome could have been counter to the County and the Board's best interest. Furthermore, nonadherence to these terms does not minimize the risk of employees acquiring pagers at a greater cost or requiring a higher airtime rate than the contract amount. Finally, a duly executed contract between two parties acts as authorization from the Board for the Division to take action within the terms of the contract.

RECOMMENDATION - We recommend the Division comply with the terms of the Palmer Communications, Inc. contract and only authorize payment for airtime and pagers at the contracted rate. However, if the County could better benefit by certain employees using cheaper or more expensive pagers with corresponding airtime charges, we would recommend the contract be revised and sent to the Board of County Commissioners for approval.

MANAGEMENT'S RESPONSE - In a letter (see Exhibit B) dated April 25, 1995, Chief Don E. Boykin, Public Safety Department Director, and Chief Mark W. McMichael, Public Safety Department Assistant Director, indicated that "Emergency Management will comply with the recommendation." and added "Pagers were acquired for the purpose of review and functionality, and the recipients of the pagers initiated purchase prior to review by the Division for compliance with the contracts."

FINDING 10 - Cities were reimbursed under the E911 contract without adequate supporting documentation.

The Division has improperly reimbursed certain Brevard County cities for expenditures submitted for payment under conditions of the E911 Capital Improvements Contract with municipalities having a Public Safety Answering Point (PSAP). Section 5 of the contract requires the cities to include supporting material that will substantiate the expenditure to be statutorily-

authorized. Florida Statute 365.171(13)(a) allows expenditures directly attributable to the provision of "911." It further authorizes salaries and associated expenses of "911" call takers *"for that portion of their time spent taking and transferring '911' calls"* (emphasis added). The requirements have left expenditures open to interpretation and are not clearly defined. The result is the payment of these questionable expenses:

- a. Call takers salaries totaling \$111,475.53 reimbursed without proper documentation representing time spent taking and transferring E911 calls.
- b. Expenditures totaling \$73,515.25 for fire alarms, security systems, air conditioning, and telephone systems. Evidence was not presented at time of reimbursement that would ensure these expenses are directly attributable to the PSAP and not to the entire building, in these cases, police departments.
- c. Bullet resistant windows costing \$6995.00 installed in certain PSAPs. The state "911" plan recommends a heavy duty shatter proof glass with reflective material which allows visibility from the inside only.

The failure to require sufficient documentation from municipalities does not minimize the risk of misuse of the E911 fee charged and paid by Brevard County citizens.

RECOMMENDATION - We recommend the Division comply with Section 5 of the E911 Capital Improvements Contract and the respective Florida Statute 365.171(13)(a).

MANAGEMENT'S RESPONSE - In a letter (see Exhibit B) dated April 25, 1995, Chief Don E. Boykin, Public Safety Department Director, and Chief Mark W. McMichael, Public Safety Department Assistant Director, stated:

The rationale applied in covering salary offset for E-911 call takers was that at least 50% of the time call takers were available to take, handle, and transfer E-911 calls. The documentation used was

payroll information provided by the organizations requesting salary offset. It is neither practical or expected by the State to log time spent on calls vs. time spent transferring calls, therefore an estimate by the agency with supporting payroll documents is acceptable. This is the common method throughout the State per conversation with the State 911 Coordinator, Mr. Jim Martin.

Under F.S. 365.171 (13-16), the "911" fee revenues shall not be used to pay for any items not listed, including, but not limited to, any capital or operational cost for emergency responses which occur after call transfer to the responding public safety entity and the costs for constructing buildings, leasing buildings, maintaining buildings, or renovating buildings, **except those building modifications necessary to maintain the security and environmental integrity of the PSAP and "911" equipment rooms.** Fire alarms security systems and air conditioning systems would be allowable under this provision. As the PSAP is an integral part of the facilities where they are located, a fire anywhere in the building has the potential to take the PSAP out of operation. Equipment rooms and cable entry points are not co-located in any of the County PSAPs. The intent of this legislation is to provide as secure an environment as possible and to prevent operational loss of the PSAP as it is an integral part of the facility and fire danger is danger to the PSAP. The air conditioning repair and installation were dedicated to the actual PSAPs to maintain the proper environment for the related equipment. Other air conditioner bills were paid for the single air conditioner cooling the E-911 Coordinator's office. The normal back up of any E-911 system is the seven digit telephone number used in administration lines. The E-911 systems are completely different from these systems and do occasionally fail; it is natural to depend on them for backup phone facilities in case of E-911 system or cable problems. Failures in E-911 telephone facilities usually result in large numbers of calls to the affected PSAP, therefore these systems become part of the backup capabilities and are the only way to get emergency calls to the PSAP. At the time, the Division believed that the improvements met the intent of F.S. 365.171.

Security of PSAPs is spelled out in F.S. 365.171, so it would seem the security of the PSAP and its call takers is a primary concern in keeping the PSAP operational. If penetration of any part of the facility by persons intent on compromising the PSAP, it makes

sense that securing the entire facility also protects the PSAP. Also, particular facilities installing bullet proof glass (also shatterproof) have operators that are easily exposed to persons entering the facility.

REBUTTAL - With respect to a. above, refer to our rebuttal at Finding 1. Under b. above, Management did not address the lack of documentation of expenditures for fire alarms, security systems, air conditioning, and telephone systems which would ensure these expenses are **directly attributable** to the PSAP and not to the entire building.

Board of County Commissioners' Policies, Procedures, and Merit Rules and Regulations

FINDING 11 - The Division did not comply with Brevard County Merit Rules and Regulations for compensatory time.

The Division did not 1) maintain compensatory time records, 2) give employees the option of overtime or compensatory time, and 3) accrue compensatory time at the proper rate. We compared internally generated time sheets to payroll time cards and noted time sheets completed by three employees had more hours recorded than the corresponding time cards. For example, for the pay period ending August 13, 1993, one employee's time sheet listed 105 hours worked; however, his payroll time card listed only 80 hours.

From our inquiry, these employees indicated they were required to take time off for hours not reported on the time cards in lieu of monetary payment. They also indicated that they had not signed a written agreement regarding the disposition of compensatory time. Furthermore, they advised the hours of compensatory time were compensated on an hour for hour basis instead of one and one-half hours per each hour worked over 40 in one week.

Brevard County Merit Rules and Regulations, Rule III, Section 17A.4, allows the decision to accept compensatory time to be at the sole discretion of the employee. Also, according to Rule III, Section 17B., the Division is responsible for recording compensatory time accrued and taken, and agreements to accept compensatory time are to be in writing and signed by the employee. Paragraph 560 of the Fair Labor Standards Act and Section 17A.2 of the Merit Rules require compensatory time to be earned at one and one-half hour for each hour of overtime worked.

Noncompliance with the County's Merit Rules and the Fair Labor Standards Act may open the Division to disciplinary action as well as legal liability.

RECOMMENDATION - We recommend the Division immediately comply with Paragraph 560 of the Fair Labor Standards Act and Section 17 of the County's Merit Rules and Regulations governing compensatory time. Specifically, the Division should 1) maintain compensatory time records, 2) give employees the option of taking compensatory time in lieu of paid overtime, and 3) accrue compensatory time at the proper rate.

MANAGEMENT'S RESPONSE - In a letter (see Exhibit B) dated April 25, 1995, Chief Don E. Boykin, Public Safety Department Director, and Chief Mark W. McMichael, Public Safety Department Assistant Director, agreed with our finding and recommendations and indicated they have taken subsequent actions to correct the conditions.

FINDING 12 - *The Division did not comply with the County's travel procedure.*

During our audit of travel we noted the following instances of noncompliance with Brevard County Procedure BC-2, "Travel":

- a. Two travel reports were approved (signed) by other than the employees' supervisor.

b. A traveler was overpaid \$6.60 for a total of 33 miles for travel from their last work location to home.

c. Two travel reports were submitted two days late.

Section V.B. of BC-2 requires the report to be approved by the supervisor; Section V.D.1.(3) does not allow payment of mileage from the last work location to home; and Section IV.D.3 requires the travel expense report to be submitted within five working days of the scheduled return date.

Nonadherence to travel procedures does not minimize the risk of overpayment of travel expenditures to employees who were not due reimbursement for travel.

RECOMMENDATION - We recommend the Division ensure compliance with BC-2.

MANAGEMENT'S RESPONSE - In a letter (see Exhibit B) dated April 25, 1995, Chief Don E. Boykin, Public Safety Department Director, and Chief Mark W. McMichael, Public Safety Department Assistant Director, agreed with our finding and recommendations and indicated they have taken subsequent actions to correct the conditions.

FINDING 13 - *Petty cash usage did not comply with County procedures.*

The Division approved the reimbursement of petty cash for items totaling \$235.60 in violation of Brevard County Procedure BC-4. Items totaling \$139.35 available through County stores including \$15.00 for gasoline (available at County dispensing facilities) was reimbursed through petty cash. Also, tolls in excess of \$96.25 have been paid with petty cash even though a travel reimbursement with no tolls listed was submitted for the trip.

Brevard County Procedure BC-4, "Petty Cash and Change Funds" Sections IV.B.1 and VI.D.1 requires the funds to be used for purchases not available through Central Services. The procedure further lists travel advances as an unauthorized expenditure per Section VI.D.3. Tolls related to travel should be reimbursed under BC-2, "Travel," not through petty cash.

Nonadherence to petty cash procedures does not minimize the risk of unauthorized use of petty cash funds.

RECOMMENDATION - We recommend the Division comply with Brevard County Procedure BC-4 "Petty Cash and Change Funds."

MANAGEMENT'S RESPONSE - In a letter (see Exhibit B) dated April 25, 1995, Chief Don E. Boykin, Public Safety Department Director, and Chief Mark W. McMichael, Public Safety Department Assistant Director, agreed with our finding and recommendations and indicated they have taken subsequent actions to correct the conditions.

FINDING 14 - *The Division did not comply with County contract procedures.*

During our audit of contracts we noted several areas of noncompliance with Brevard County Procedure BC-20, "Contract Administration."

a. The following contracts were not listed on the County contract data base:

Mutual Aid Contract

NASA/Kennedy Space Center

Catastrophic Mutual Aid

E911 Local Option Fee

b. As of November 17, 1993, we noted the contract with Silicon East Communications, which had been terminated on September 9, 1992, was listed on the data base with an expiration date of December 31, 1999.

c. Upon review of the contract with Dictaphone dated April 17, 1990, we noted it did not have a proper audit clause or a indemnification clause.

Section VI of BC-20 requires all contracts to be listed on the data base and updated when necessary. Section IV states "In the preparation of contracts, experience and prudence suggest the use of clauses sanctioned by time and custom." Included in the list of suggested contract clauses in BC-20 are "Inspection Clauses (to include audit provision) and Hold Harmless Clauses."

The contract data base was designed to be an effective management tool for control over County contracts. However, for it to be effective, it must be complete and properly maintained. Furthermore, the exclusion of inspection or indemnification clauses does not reduce the County's risk of resource exposure or possible liability.

RECOMMENDATION - We recommend the Division comply with Brevard County Procedure BC-20. We further recommend that the Division ensure that inspection or indemnification clauses are included in its contracts.

MANAGEMENT'S RESPONSE - In a letter (see Exhibit B) dated April 25, 1995, Chief Don E. Boykin, Public Safety Department Director, and Chief Mark W. McMichael, Public Safety Department Assistant Director, agreed with our finding and recommendations and indicated they have taken subsequent actions to correct the conditions.

FINDING 15 - *The Division did not comply with County credit card procedures.*

The Division did not comply with Brevard County Procedure BC-3, "Credit Cards," with regard to the usage and accountability of credit cards:

a. We noted the Division had four credit cards--two were active, one had expired September, 1990, and the other had expired September 1991. Section IV.A.7. of BC-3 requires all expired credit cards to be returned to the issuing department.

b. The Division had not provided an updated listing of authorized credit card user signatures as required by Section IV.A.1. of BC-3. On March 18, 1994, we examined the PR-157 form dated November 5, 1991, for a gasoline credit card and found the former Division director listed as an authorized signatory. This employee was no longer employed by the County for several months prior to our date of examination.

c. Based on our interview of responsible Division personnel, we were advised that the Division did not retain credit card receipts as required by Section IV.A.5. of BC-3.

Because of the high potential for abuse and defalcation, a County procedure is in place to control the issuance and usage of credit cards. The risk of unauthorized use and misappropriation of County assets is not minimized when this procedure is not followed.

RECOMMENDATION - We recommend the Division comply with Brevard County Procedure BC-3, "Credit Cards."

MANAGEMENT'S RESPONSE - In a letter (see Exhibit B) dated April 25, 1995, Chief Don E. Boykin, Public Safety Department Director, and Chief Mark W. McMichael, Public Safety Department Assistant Director, agreed with our finding and recommendations and indicated they have taken subsequent actions to correct the conditions.

System of Internal Accounting and Administrative Control

FINDING 16 - *Major weaknesses exist in the accounting and administrative controls over grants and contracts.*

During the course of our audit, we noted the following weaknesses in the Department/Division's accounting and administrative control over contracts and grants:

- a. Written procedures do not exist by Departmental management to monitor the Division's compliance with contract and grant terms. As noted in Finding 7, the Division failed to distribute all copies of the Hazardous Material Plan as required by the HazMat grant. Finding 8 also noted instances where certain terms of four grants were not met by the Division. In Finding 9, the Division purchased airtime and pagers at prices not specified in the County's contract with Palmer Communications, Inc.
- b. Written procedures do not provide for the review of grant expenditures by Departmental management to ensure compliance with grant terms. As noted in Findings 5 and 6, unallowable expenditures were charged to the REP and HazMat grants although these were approved by Division management.
- c. Written procedures do not require review of the employee's time sheet by their immediate supervisor. These time sheets are used in the Division to allocate time spent on contracts and grants and are completed by certain employees whose salaries are partially paid from State and Federal grant funds. Although Brevard County Procedure EM-13 requires the time sheets to be checked for accuracy by the administrative secretary and signed by the Director, it does not specify that the employee's immediate supervisor review it to ensure time allocated to each grant is properly recorded.
- d. Written procedures do not exist to ensure that municipalities having a Public Safety Answering Point (PSAP) provide supporting documentation to substantiate the reimbursement of salaries and equipment expenditures in accordance with the E911 Capital Improvements Contract and Florida Statute 365.171(13)(a). As

noted previously in Finding 10, the Division did not provide evidence of sufficient documentation of expenditures reimbursed to determine if these expenditures met the requirements of this statute.

e. Written procedures do not exist to ensure the Division maintains adequate supporting documentation for contract expenditures. The documentation provided to us by the Division did not support \$220.86 of contract payments made to Palmer Communications, Inc. (Sun Page) for pagers and airtime. We believe this was due to the Division's lack of reconciliation of amounts invoiced by the contractor and invoice adjustments made by the Division.

Good internal controls should ensure that there is reasonable assurance of compliance with the terms and conditions of contracts and grants and related laws and regulations.

With respect to grants, the risk of noncompliance with these terms can result in the loss of future funding or return of funds. Nonadherence with contract terms and inadequate supporting documentation for contract expenditures can lead to additional liability and cost to the County.

RECOMMENDATION - We recommend the Department develop and implement procedures to review the Division's grant expenditures and monitor the Division's compliance with contract and grant terms. We also recommend the Division develop and implement written procedures to 1) require the review of the employee's time sheet by their immediate supervisor, 2) ensure that municipalities having a Public Safety Answering Point (PSAP) comply with Florida Statute 365.171(13)(a) with regards to E911 salaries and equipment expenditures reimbursed by the Division, and 3) ensure the Division maintains adequate supporting documentation for contract expenditures.

MANAGEMENT'S RESPONSE - In a letter (see Exhibit B) dated April 25, 1995, Chief Don E. Boykin, Public Safety Department Director, and Chief Mark W. McMichael, Public Safety Department Assistant Director, stated

The Division will comply with the recommendations of the auditors. Procedures are in effect at this time to assure compliance. Written procedures will be in place prior to August of 1995.

FINDING 17 - *The Division did not bill users for all radio maintenance.*

The Division does not have written procedures to cover interdepartmental billing and collection of third party contracted services provided to other divisions/agencies. Specifically, no procedures exist to reconcile and account for contract charges and interdepartmental billings. This has resulted in unrecovered contract costs. Good internal controls should ensure that management's directives are properly implemented.

The Division's practice has been to bill various user departments/agencies after authorizing payment of the vendor's invoices which represented contract amounts billed at a fixed rate per month. The Division would then be credited to offset the original expenditure recorded in the Emergency Management/Communications fund (0250). However, we noted that all of the contract cost was either not billed or collected.

With respect to the Communications International Inc. (CII) contract for radio maintenance, we determined that only \$200,685.24 of the \$247,792.72 contract cost was credited and collected from the user departments/agencies. With regards to one of the serviced agencies, we identified \$65,536.49 of unrecovered cost relating to the Brevard County Sheriff's office billed but not collected as of March 18, 1994. We also noted that several of the invoices sent to the Sheriff had duplicate service periods listed.

We believe the unrecovered contract cost as noted in the previous paragraph attributed to the \$15,937.00 deficit in fund 0250 at 1993 fiscal year end. It should be noted that the Division received a \$20,000.00 loan from the General Fund to cover this deficit. To obtain this loan the Division advised the Board in the September 7, 1993, Agenda Report that "...a temporary loan is as a result of an unanticipated delay in revenue..." However, it should be noted that as of March 18, 1994, this loan has not been repaid although the Division advised the Board it was to be paid back by November 15, 1993.

Although, the Communications International Inc. contract expired December 1994, another contract is administered by the Division which follows a similar billing cycle/methodology.

RECOMMENDATION - We recommend the Division establish written procedures to cover the billing and collection of third party contracted services to other divisions/agencies. We also recommend the Division establish written procedures to reconcile contract charges to interdepartmental billings.

MANAGEMENT'S RESPONSE - In a letter (see Exhibit B) dated April 25, 1995, Chief Don E. Boykin, Public Safety Department Director, and Chief Mark W. McMichael, Public Safety Department Assistant Director, stated

The Division is in compliance and no longer is involved in the bill and back bill process. All radio service related matters are handled by the individual departments and the radio repair contractor. With regard to monies by B.C.S.O., all indications are that they have no intention of providing payment and they feel that no obligation to do so exists.

FINDING 18 - *Computer files are not properly secured.*

The Division uses a network file server to store and allow access to the hazardous materials data base, various software applications, and other internal computer files. During our audit, we noted that computer files and information are not routinely or regularly backed up nor are there procedures to ensure backup. In addition, the Division does not have a disaster recovery plan for the computer network. Good internal controls require safeguarding of assets which includes ensuring against loss or damage of computer files due to computer failure. Also, a copy of these files should be secured off premises in the event of the facilities being destroyed by natural or man-made disaster.

Without proper back up procedures, computer files and information can be permanently lost or at a minimum require extensive time and effort to restore.

RECOMMENDATION - We recommend the Division properly safeguard computer files. Specifically, information should be backed up on a regular basis. We further recommend that procedures be developed to facilitate a back up plan and disaster recovery plan to include off-site storage of important and relevant emergency information.

MANAGEMENT'S RESPONSE - In a letter (see Exhibit B) dated April 25, 1995, Chief Don E. Boykin, Public Safety Department Director, and Chief Mark W. McMichael, Public Safety Department Assistant Director, stated

All computer files are secured in a locked cabinet. Files are also backed up with backups stored at a remote location.

FINDING 19 - *A terminated employee was listed as active on the County's payroll system.*

Procedures do not exist that would ensure terminated employees are properly removed from the payroll system. The Division did not properly execute and submit the required documentation that would remove a terminated employee from the county payroll system. The employee terminated on July 3, 1992; however, the Notice to Terminate was not submitted to Human Resources until November 18, 1993, or after the auditors brought the information to management's attention. Good internal controls and procedures should exist to ensure that terminated employees are removed from the payroll system. The lack of these procedures does not minimize the risk of issuing payroll checks to terminated employees.

RECOMMENDATION - We recommend the Division establish written procedures that will ensure all documentation for changes in employee's status including termination are completed and submitted in a timely manner.

MANAGEMENT'S RESPONSE - In a letter (see Exhibit B) dated April 25, 1995, Chief Don E. Boykin, Public Safety Department Director, and Chief Mark W. McMichael, Public Safety Department Assistant Director, agreed with our

finding and recommendation and indicated they have taken subsequent action to correct the condition.

FINDING 20 - *The Department does not require its divisions to document E911 dispatch time.*

Written procedures do not exist by the Department to ensure that time spent on E911 dispatch is properly recorded to comply with Florida Statute 365.171(13)(a). As noted in Finding 1 above, other divisions under the Department were reimbursed for dispatch services using E911 funds without providing evidence of actual E911 call-taking time. Good internal controls should ensure compliance with laws and regulations.

Without Departmental controls to ensure proper recording of E911 time by dispatchers, the risk of noncompliance with Florida Statutes is not assured.

RECOMMENDATION - We recommend the Department develop and implement written procedures to ensure compliance with Florida Statute 365.171(13)(a). Specifically, time spent on E911 dispatch by all divisions under its control should be properly recorded.

MANAGEMENT'S RESPONSE - In a letter (see Exhibit B) dated April 25, 1995, Chief Don E. Boykin, Public Safety Department Director, and Chief Mark W. McMichael, Public Safety Department Assistant Director, stated

As with finding #1, the State Coordinator has accepted the 50% rule as being sound, but dependant [sic] on the conditions at the individual site and how the personnel at that site worked. We will request shift records and time cards in any further salary off sets to be used in conjunction with the new Call Record Management System currently being installed at all PSAPs.

REBUTTAL - See our rebuttal to Management's response of Finding 1. Further, Management should seek the legal opinion of the County Attorney as to whether statements of the "State Coordinator" supersede the requirements in Florida Statute 365.171(13)(a) to reduce the risk of possible subsequent litigation.

SUMMARY

An exit conference was held on March 28, 1995, at which time the audit findings and recommendations were presented to and certain post audit procedures were discussed with Chief Don E. Boykin, Public Safety Department Director, Chief Mark W. McMichael, Public Safety Department Assistant Director, and other members of the Department. Chief Boykin and Chief McMichael's formal reply to the audit findings is attached as Exhibit B. Internal Audit's rebuttal of the response to the audit findings is attached as Exhibit C.

Respectfully submitted,

SANDY CRAWFORD

CLERK OF THE CIRCUIT COURT

J. Carl Smith, CPA Chief Internal Auditor Conducted by:

Johnny R. Street

Senior Internal Auditor

Attachments: Exhibits A, B, and C

AUDITOR'S NOTE TO THE ON-LINE READER: Exhibit A is available for review at the Brevard County Clerk of the Circuit Court, Internal Audit Department.

cc: Each Commissioner

Tom N. Jenkins, County Manager

Joan E. Madden, Assistant County Manager

Chief Don E. Boykin, Public Safety Department Director

Chief Mark W. McMichael, Public Safety Department Assistant Director

James C. (Jim) Giles, Chief Deputy Clerk

Steve Burdett, CPA, Finance Director

Exhibit "B"

TO: J. Carl Smith, C.P.A., Chief Internal Auditor

THROUGH: Joan Madden, Assistant County Manager

FROM: Chief Don E. Boykin, Public Safety Department Director
Chief Mark W. McMichael, Public Safety Dept. Assistant Director

SUBJECT: Formal Reply to Audit Findings

Internal Audit of Emergency Management/Communications
Division

DATE: April 25, 1995

In accordance with Board of County Commissioners' Procedure BC-32 "Internal Audit," please find attached the approved "Formal Reply" to the above referenced audit which will become "Exhibit B" of the Internal Audit Report submitted to the Board of County Commissioners. The Department's reply to the audit findings immediately follow the audit recommendations and are titled **Department Response**.

If you have any questions, please do not hesitate to contact me.

Attachment

cc: Nancy Stokes, Operations Supervisor

REVISED DRAFT

March 28, 1995

Board of County Commissioners

Brevard County, Florida

Post Office Box 1496

Titusville, Florida 32781-1496

Commissioners:

Pursuant to a request dated September 22, 1993, from Chief Mark W. McMichael, Assistant Director, Brevard County Public Safety Department, and 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 Effective January 1, 1995, we conducted an audit of the Emergency Management/Communications Division (hereinafter referred to as the "Division") under the Brevard County Public Safety Department (hereinafter referred to as the "Department") of the Brevard County Community Services Group under the Board of County Commissioners (hereinafter referred to as the "Board").

PURPOSE

We conducted this audit to assess compliance with applicable chapters of the Florida Statutes, Florida's Administrative Code, and the Board of County Commissioners' policies, procedures, resolutions, ordinances, grants, contracts, and other applicable laws and regulations. We also evaluated the adequacy and effectiveness of the Division's system of internal accounting and administrative control and appraised the economy and efficiency with which resources are employed. Additionally, we performed other auditing procedures which we considered necessary in the circumstances.

BACKGROUND

The primary role of the Division is the management and implementation of a comprehensive disaster mitigation, preparedness, response, and recovery program in Brevard County under the provisions of F.S. Chapter 252. Also per Rules 9G-6 and 9G-7 of the Florida Administrative Code (FAC), the Division is responsible for development and maintenance of emergency plans for all man-made and natural disasters. The Division receives several grants from the state of Florida in order to carry out their mission. These grants provide funding for hazardous materials planning, radiological preparedness, and emergency planning.

The Division is also responsible for staff support and management of the County's communications assets. The mission includes coordination and implementation of the enhanced 911 system (hereinafter referred to as "E911"); systems' operation for the County's integrated communications network; administration of the communications maintenance contract; and management of the paging agreement. These functions are operated under the provisions of F.S.

365.171, Florida Emergency Telephone Act, Chapter 13C-5.01 FAC, and other applicable Public Service Commission tariffs and Federal Communications Commission regulations.

SCOPE

We tested compliance by examining the Division's records for the period of October 1, 1992, through September 30, 1993. In particular, we examined the Division's revenue, expenditures (including travel vouchers), and transfers between funds. We also audited contracts and grants for compliance with applicable agreement requirements. We examined the Hazardous Materials, Emergency Management Assistance, Radiological Preparedness, and Warning and Communications grants for the above audit period. We also reviewed the Emergency 911 contract between the County and various municipalities for the period March 17, 1992, through September 30, 1993.

OVERALL EVALUATION

Florida Statutes, Florida Administrative Code, Florida Special Acts, Board of County Commissioners' Policies, Procedures, Grants, Contracts, and Other Applicable Laws and Regulations

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

Board of County Commissioners' Resolutions and Ordinances

The results of our tests indicate that, with respect to the items tested, the Division has complied with the Board's resolutions and ordinances. With respect to the 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 accounting and administrative controls are adequate, except for those over contracts and grants. Some improvement is also needed in the billing and collection of third party contracted services, security of computer files, and changes in an employee's status. We also noted that the Department needs to assist the Division in the documentation of time spent on E911 dispatch.

DEPARTMENT RESPONSE - We feel it is important to note that many of the deficiencies noted by the auditors have been corrected as part of the review by new management. Many processes which contributed to the findings of the auditor have been improved or replaced prior to receiving the audit. It also should be noted that the audit was requested by the current Emergency Management Director, and the findings listed occurred during the previous Director and Operations Supervisor's administration. Some of the Department's responses are based on the best available sources; first hand knowledge by the existing Emergency Management staff is limited.

FINDINGS AND RECOMMENDATIONS

Florida Statutes, Florida Administrative Code, and Other Laws and Regulations

FINDING 1 - *E911 funds were used to cover unrelated salary costs.*

The Division did not maintain proper time allocation records of time spent on E911 by administration and dispatch. Florida Statute 365.171(13)(a) allows for payment of salaries and associated expenses for "911" call takers ***"for that portion of their time spent taking and transferring "911" calls"*** (emphasis added) and for a county full-time "911" coordinator position and a full-time staff assistant position ***"for that portion of their time spent***

administering the "911" system" (emphasis added). For the audit period, E911 funds were used to cover unrelated salary costs of the County's E911 Coordinator and an Accounting Clerk II. Also, E911 funds totaling \$122,000.00 were used to offset the dispatchers salaries without documentation of actual time spent for E911. We also noted that the Division did not have adequate documentation to support a \$300,000.00 reimbursement to the Brevard County Sheriff's Office for E911 services.

Based on interviews with various Division personnel, time records for dispatchers and timesheets for other E911 employees do not identify time spent on E911 operations. With respect to dispatchers, time records do not identify that portion of time spent taking and transferring "911" calls. Also, the E911 Coordinator (E911 Communications Systems Manager) is responsible for other non-E911 duties including the coordination of the County's integrated communications network and the review of radio, mobile telephone and pager purchase requests. Furthermore, the staff assistant (Accounting Clerk II) does other non-E911 work related to purchasing supplies and equipment and accounting for all radio, pager, and mobile phone equipment. These conditions result in time not spent administering the E911 function.

The lack of accountability of time spent on the E911 provision does not minimize the risk of payment of unallowable expenditures.

RECOMMENDATION - We recommend the Division comply with Florida Statute 365.171(13)(a) by ensuring that E911 funds are used only for the purposes prescribed by this statute. We also recommend that proper time allocation records be maintained of time spent on E911 by administration and dispatch whether these services are provided by the County or other governmental entities.

DEPARTMENT RESPONSE - The Division will continue to use the estimated 50% figure, for these times can only be estimated. We are adding a Call Record Management System to all PSAPs. This addition should give adequate documentation to bring us into compliance with the auditors' recommendations.

FINDING 2 - *E911 funds were used to cover unallowable nonpayroll expenditures.*

Expenditures totaling \$18,242.50 were made for supplies, equipment, and services not exclusively related to the provision of E911. According to Florida Statute 365.171(13)(a)(6), costs directly attributable to the provision of "911" service are eligible for expenditure of funds derived from the imposition of the "911" fee. The Division authorized the following expenditures outside this provision:

Office equipment (See Exhibit A) \$12,694.64

Laser printer, hardware and software 5,234.00

for the Division's network

Printing charges for the Division's 168.87

letterhead paper and other forms

Printer toner 98.00

Repair of a kitchen outlet 46.99

TOTAL \$18,242.50

The use of E911 funds for expenditures other than E911 results in a telephone surcharge for subscribers higher than necessary and can reduce the funds available for E911. Proper authorization by the Division in this instance did not minimize the risk of the improper use of E911 funds.

RECOMMENDATION - We recommend the Division comply with F.S.365.171(13)(a)(6) with respect to the proper use of E911 funds. Specifically, we recommend the Division's administrative account reimburse the E911 account for the \$18,242.50 of ineligible expenditures or the portion thereof which is not attributable to E911. Furthermore, Department officials should periodically review E911 purchases authorized by the Division to ensure compliance with Florida Statutes.

DEPARTMENT RESPONSE - Under Florida Statute 365.171 (13-6) it states: "*salary and associated expenses for the county to employ a full time equivalent "911" coordinator position together with "expenses required to develop and maintain all information (ALI and ANI databases and other information source repositories) necessary to properly inform call takers as to location, address, type of emergency and other information directly relevant to the "911" call-taking and transferring function".* These two provisions allow the coordinator the necessary office equipment and computer networking tools required to administer the 911 program, maintain the MSAG database and accuracy of ALI and ANI information. The configuration of the networks used and the equipment procured was sometimes shifted and relocated to provide the best possible use by the director.

The laser printer provides all the printing capability for 911 and is used for letters, memos, and printouts of 911 information and is used together with the networking application described above. Printing charges for the Division letterhead paper were shared because the 911 organization used that stationary for memos and letters. The same with the sharing of printer toner. These were associated expenses needed for the day to day administration and operation of 911. As all personnel at the Cedar Street site shared the kitchen and related facilities, repair expenses (i.e. repair of a kitchen outlet) was shared due to the coordinator and accounting clerk working and sharing these facilities at this location.

Although equipment was moved and shifted between users, the 911 function always had more than adequate office and computer equipment and software performance to perform all the functions under the provisions of 365.171 and was of higher performance than the original equipment. It is my belief that the director intended to make the major portions of the databases used in Emergency Management and 911 relational, especially in the area of GIS and mapping; he thought these functions were interrelated and provided information that not only could be used by 911 but shared with Emergency Management functions; and modifications and input to these databases by different Division personnel would be beneficial to Emergency Management and 911.

FINDING 3 - *The Division has carried forward E911 funds in excess of the legal amount.*

The Division carried forward \$3,859.78 more than the legally allowed amount of E911 funds from fiscal year 1992. Florida Statute 365.171(13)(a)(3) allows a carry forward of only 10% of the amount billed for the prior year. A 50 cent charge is added to telephone subscribers monthly bill to fund E911. The amount billed subscribers should not generate revenues in excess of those needed for operations plus the legal carry forward amount.

An excess existed because the amount billed per line generated more revenue than necessary to operate. The result is a cash carry forward in excess of that allowed by law and subscribers paying more than necessary for E911 services.

RECOMMENDATION - We recommend the Division comply with F.S.365.171(13)(a)(3). We also recommend the Division request legal guidance as to the proper disposition of the excess. Furthermore, the Division should develop means to ensure that E911 expenditures are more accurately projected, estimated, and budgeted since these expenditures form the basis for determining E911 revenue.

DEPARTMENT RESPONSE - Under Statute 365.171 (13-30), a county may not carry forward more than 10 percent with the following exception: *"The amount of monies carried forward each year may be accumulated in order to allow for capital improvements described in this subsection. The carryover shall be documented by resolution of the Board of County Commissioners expressing the purpose of the carryover or by an adopted capital improvement program identifying projected expansion or replacement expenditures for "911" equipment and service features or both."* The Board has previously approved a four year capital improvement program with the municipalities which is now in the fourth year.

In review of this cash carry forward concern, the County Attorney has indicated that the current Board approved capital improvement program would allow cash carry forward of more than 10 percent for that program.

FINDING 4 - *The Division did not comply with County payroll procedures and IRS Ruling 86-97 for overnight use of vehicles.*

The Division did not properly report the overnight use of a County vehicle on a temporary basis by a Division employee. Also, the Division did not maintain written authorization for this use. We examined time cards for a period in which we observed the employee using the vehicle overnight. For this period, October 9, 1993, through January 28, 1994, these time cards did not list the proper designation for this use.

Section VI.B. of Brevard County Procedure BC-31, "Overnight Assignment of County Vehicles," states "TOVA assignment request shall be submitted to Department/Office Directors or their designee for review/approval." Based on this reading, we believe the request should be in writing. Furthermore, County Payroll, in a memorandum dated December 17, 1992, prescribed the reporting for overnight use of a County vehicle. The employee's time card should list the letters "VE" and the number of trips per day. Also, Internal Revenue Service (IRS) Ruling 86-97 has determined that this vehicle use is compensable and should be reported as income for the employee.

Without the proper authorization and recording of overnight vehicle usage, County Payroll cannot accurately report an employee's taxable income which may result in penalties and interest due the IRS by the County.

RECOMMENDATION - We recommend the Division comply with authorization and reporting requirements for overnight use of County vehicles by County employees as prescribed by Brevard County Procedure BC-32, County Payroll, and IRS Ruling 86-97.

DEPARTMENT RESPONSE - All vehicle usage is currently monitored and overnight vehicle usage must be approved by the Operations Supervisor and Division Director. Overnight usage of vehicles on a day to day basis is restricted to the Operations Supervisor and the assigned vehicle

is highly visible and clearly marked as an emergency vehicle exempting it from IRS Ruling 86-97.

Grants and Contracts

FINDING 5 - Expenditures were improperly charges to a Radiological Emergency Preparedness grant.

During our audit, we determined that certain expenditures charged to a Radiological Emergency Preparedness (REP) grant were not within the scope of the grant. This condition was also reported in an audit report issued by the Office of Audit Services of Florida's Department of Community Affairs (DCA) dated April 11, 1994, (see c. and d. below). These expenditures are not within the grant's scope of work described in Exhibit A referenced by Section IV.B. of the grant. The specific expenditures noted are as follows:

- a. The grant was charged for 35% of the REP Officer's salary. Based on a review of time cards and time sheets, we determined that only 27% of his time was spent on REP resulting in an overcharge of \$2,123.77.
- b. Two bookcases at \$246.00 and two dry-wipe marker boards at \$99.99 were purchased with grant funds. Upon physical inspection, only one of the bookcases and none of the boards are used for REP.
- c. Based on inquiry and examination of invoices, equipment and supplies totaling \$853.35 charged to the REP grant was found to be used for a citizen ham radio upgrade.

d. Per a review of the cost center's "13th Month Expenditures" report for the period ended September 30, 1993, we noted automobile charges totaling \$1,020.17 for auto insurance, fleet maintenance charges, gasoline, and fuel surcharge for one of the Division's vehicles were charged to the REP grant. We also noted reproduction charges totaling \$1,454.59 were allocated to the grant; however, the method of allocation could not be verified.

The risk of repayment of grant funds is not minimized when purchases are made that do not comply with provisions of the grant.

RECOMMENDATION - We recommend the Division comply with all terms of the REP grant agreement. We concur with the recommendation made in the DCA audit and also recommend the Division return \$1,873.52 to the State for the radio equipment and the auto charges. Also, we recommend one book case and the boards be returned to the REP Officer or the cost, at \$222.99, be refunded to the State. We also recommend the Division return \$2,123.77 of labor charges not attributable to the grant to the State. We further recommend that any allocation of whole or partial expenditures be properly documented as to their REP benefit.

DEPARTMENT RESPONSE - Responsibility for monitoring the REP grant has been given to the Public Safety Department's Financial Manager thus assuring compliance with the Scope of Work as mandated in the grant application.

Time sheets are monitored and signed by the Operations Supervisor, and all time sheets will now reflect 50% of the Radiological Officer's salary.

The two bookcases are now in the possession of the REP Officer. One dry-wipe marker board is located at the EOC and is used by REP officer during training sessions, exercises or activation. The second board is currently in storage at the EOC.

The \$853.35 charged to REP for citizen ham radio upgrade was an error and the money was returned to the State.

Auto insurance, fleet maintenance charges, gasoline and fuel surcharge (\$1,020.17) was a disallowed cost and the funds have been returned to the State.

Reproduction charges are currently monitored and a copy machine key counter is in possession or secured by the REP Officer only.

The Operations Supervisor and the REP Officer have attended two days of training from the Division of Emergency Management in Tallahassee to obtain first hand instruction on proper handling of REP related grants.

FINDING 6 - *The Division improperly used Hazardous Materials grant funds.*

We noted that certain equipment purchased by the Division with the \$27,628.00 Hazardous Materials (HazMat) grant for 1991-92 was not being used solely for grant purposes. Florida Administrative Code (FAC) Chapter 9G-17.006(4) requires that the funds provided by the grant be used for hazardous materials planning or expended for activities related to hazardous materials planning.

Equipment costing \$5,077.90 purchased with HazMat grant funds was found not being used exclusively for the activities prescribed by the grant. This equipment consisted of two MicroSoft mice (\$173.90), a Dell 466/T Base computer (\$3,209.00), and a Dell 433S/L Base computer (\$1,695.00). Based on our physical inspection and a review of the Division's computer listing dated February 1, 1994, the mice and the Dell 433S/L computer are not used by personnel assigned to the hazardous materials function. Also, the Dell 466/T computer, which is used as the network computer, only utilizes a portion of the data base available for hazardous materials purposes.

The use of these grant funds for purposes other than those prescribed by Florida's Administrative Code does not minimize the risk of loss of future funding for hazardous materials planning.

RECOMMENDATION - We recommend the Division comply with FAC 9G-17.006(4) relative to the Hazardous Material Grant. We also recommend the Division either restrict the use of this equipment to hazardous materials planning or reimburse the hazardous materials fund (25) and cost center (39921) for the portion the equipment which will not be used for hazardous materials planning purposes.

DEPARTMENT RESPONSE - The Division has reviewed the use and location of the grant purchased computer equipment and made the necessary adjustments. The limited resource of the Division and practicality of exclusive use is not an achievable option at this time, however, efforts will be made to correct usage.

FINDING 7 - *The Division did not distribute the approved Hazardous Materials Plan to all proper authorities.*

The Hazardous Materials Grant was obtained for the purpose of developing a countywide plan for hazardous materials emergencies. The plan, which was adopted by the Brevard County Board of County Commissioners on March 23, 1993, after approval by the State of Florida, included a distribution list on pages i-14 and i-15. The list called for distribution of 46 copies of the plan to various entities. The Division informed us that only 4 copies of the plan were actually distributed. However, all 46 signature blocks on the distribution list were blank.

Among those entities which were due to receive the plan and did not were the Board of County Commissioners, all major municipalities in Brevard County, Brevard County Utilities Division, Coastal Health Services, Inc., Harbor City Volunteer Ambulance Squad, Inc., Brevard County Public Health Unit, Brevard Fire Rescue Communications Center, American Red Cross, Florida Highway Patrol, Florida Department of Transportation, Patrick Air Force Base, Brevard County Code Enforcement Department, National Aeronautics and Space Administration, Canaveral Port Authority, and the Brevard County Office of Natural Resources.

It should also be noted that the Director of the Brevard County Natural Resources Management Division who did not receive a copy of the plan is responsible for "...coordination and implementation of hazardous material cleanup operations within the purview of this plan..." according to Brevard County Board of County Commissioners' Resolution 93-107.

The risk of emergency agencies, municipalities, law enforcement officials, and other agencies not being prepared or able to coordinate activities with the County during an emergency is not minimized. More importantly, the failure to distribute the hazardous materials plan to the appropriate government officials could severely impede the safety and welfare of Brevard County citizens in a hazardous materials emergency.

RECOMMENDATION - We recommend the Division comply with the approved hazardous materials plan for the distribution to all agencies, municipalities, organizations, and individuals. We also recommend that each party sign the signature block of the distribution list to acknowledge receipt of the plan.

DEPARTMENT RESPONSE - Emergency Management will comply with the audit recommendation.

FINDING 8 - *The Division did not comply with certain grant specifications of four grants.*

During our audit, we reviewed four grants--Emergency Management Assistance (EMA), REP, HazMat, and Warning and Communications--to determine compliance with grant specifications. We noted the following:

- a. The Division did not provide a proper audit trail as required by the grants. We developed a schedule of grant expenditures of the

four grants located in the Division's grant files. We could not match these expenditures to the expenditures reported to the State. Article III, Section A, of the HazMat grant specifies that the County agrees "...to maintain books, records and documents...which sufficiently and **properly reflect** all expenditures of funds provided under this Agreement." (emphasis added). The other grants have similar provisions.

b. Some of the progress and final reports for all the grants were either not submitted or submitted late per the grant schedules. Of the 20 report dates of all grants in our audit period, we found no evidence of a report issued for 8 of these dates. Also, 20% or 5 of the 20 required reports were submitted late. All the grants require periodic progress reports and final reports to be submitted at scheduled times.

c. The Division did not maintain a copy of the original grant applications for all four of the grants. All the grants specify that a completed application and any attachments be kept on file. For instance, Article II, Section C, of the HazMat grant specifies that the County agrees "...to retain all financial records, supporting documents, statistical records and any other documents pertinent to this agreement..."

Failure to follow grant terms could result in repayment of grant monies and denial of future grants.

RECOMMENDATION - We recommend the Division comply with all terms of the Emergency Management Assistance (EMA), REP, HazMat, and Warning and Communications grants. Specifically, the Division should 1) maintain documentation to support the reports filed with the grantor, 2) submit progress and final grant reports in a timely manner, and 3) maintain a copy of the original grant application.

DEPARTMENT RESPONSE - Emergency Management is in compliance with the recommendations above. All grants have been divided among staff to monitor and follow a

specific grant, therefore, they become familiar with that particular grant and are able to follow it closely. The Operations Supervisor monitors all grants and will maintain documentation to support the reports filed with the grantor, submit progress and final grant reports in a timely manner, and maintain a copy of the original grant application.

FINDING 9 - *The Division did not comply with the terms of the Palmer Communications, Inc. (Sun Page) contract.*

During our audit, we determined the Division authorized payments for certain pagers and airtime charges (for two pagers) which were different than the agreed terms of the County's contract with Palmer Communications, Inc. (Sun Page) dated October 6, 1992. The contracted amount for the purchase of Panasonic Pagers is \$125 each and airtime is \$6.75 per pager per month.

Airtime rates of \$23.00 and \$13.00 were charged for two pagers acquired by the Division which resulted in \$270.00 paid in excess of the annual contract airtime rate. Also, one pager was purchased at \$189.00 or \$64.00 more than the contracted amount and five reconditioned pagers were purchased at \$42.95 or \$82.05 less than the contracted amount.

Although the net result of the above actions resulted in a savings of \$76.25 under the contract, the outcome could have been counter to the County and the Board's best interest. Furthermore, non-adherence to these terms does not minimize the risk of employees acquiring pagers at a greater cost or requiring a higher airtime rate than the contract amount. Finally, a duly executed contract between two parties acts as authorization from the Board for the Division to take action within the terms of the contract.

RECOMMENDATION - We recommend the Division comply with the terms of the Palmer Communications, Inc. contract and only authorize payment for airtime and pagers at the contracted rate. However, if the County could better benefit by certain employees using cheaper or more expensive pagers with corresponding airtime charges, we would recommend the contract be revised and sent to the Board of County Commissioners for approval.

DEPARTMENT RESPONSE - Emergency Management will comply with the recommendation. Pagers were acquired for the purpose of review and functionality, and the recipients of the pagers initiated purchase prior to review by the Division for compliance with the contracts.

FINDING 10 - *Cities were reimbursed under the E911 contract without adequate supporting documentation.*

The Division has improperly reimbursed certain Brevard County cities for expenditures submitted for payment under conditions of the E911 Capital Improvements Contract with municipalities having a Public Safety Answering Point (PSAP). Section 5 of the contract requires the cities to include supporting material that will substantiate the expenditure to be statutorily-authorized. Florida Statute 365.171(13)(a) allows expenditures directly attributable to the provision of "911." It further authorizes salaries and associated expenses of "911" call takers **"for that portion of their time spent taking and transferring '911' calls"** (emphasis added). The requirements have left expenditures open to interpretation and are not clearly defined. The result is the payment of these questionable expenses:

a. Call takers salaries totaling \$111,475.53 reimbursed without proper documentation representing time spent taking and transferring E911 calls.

b. Expenditures totaling \$73,515.25 for fire alarms, security systems, air conditioning, and telephone systems. Evidence was not presented at time of reimbursement that would ensure these expenses are directly attributable to the PSAP and not to the entire building, in these cases, police departments.

c. Bullet resistant windows costing \$6,995.00 installed in certain PSAPs. The state "911" plan recommends a heavy duty shatter

proof glass with reflective material which allows visibility from the inside only.

The failure to require sufficient documentation from municipalities does not minimize the risk of misuse of the E911 fee charged and paid by Brevard County citizens.

RECOMMENDATION - We recommend the Division comply with Section 5 of the E911 Capital Improvements Contract and the respective Florida Statute 365.171(13)(a).

DEPARTMENT RESPONSE - The rationale applied in covering salary offset for E-911 call takers was that at least 50% of the time call takers were available to take, handle, and transfer E-911 calls. The documentation used was payroll information provided by the organizations requesting salary offset. It is neither practical or expected by the State to log time spent on calls vs. time spent transferring calls, therefore an estimate by the agency with supporting payroll documents is acceptable. This is the common method throughout the State per conversation with the State 911 Coordinator, Mr. Jim Martin.

Under F.S. 365.171 (13-16), the "911" fee revenues shall not be used to pay for any items not listed, including, but not limited to, any capital or operational cost for emergency responses which occur after call transfer to the responding public safety entity and the costs for constructing buildings, leasing buildings, maintaining buildings, or renovating buildings, **except those building modifications necessary to maintain the security and environmental integrity of the PSAP and "911" equipment rooms.** Fire alarms security systems and air conditioning systems would be allowable under this provision. As the PSAP is an integral part of the facilities where they are located, a fire anywhere in the building has the potential to take the PSAP out of operation. Equipment rooms and cable entry points are not co-located in any of the County PSAPs. The intent of this legislation is to provide as secure an environment as possible and to prevent operational loss of the PSAP as it is an integral part of the facility and fire danger is danger to the PSAP. The air conditioning repair and installation were dedicated to the actual PSAPs to maintain the proper environment for the related equipment. Other air conditioner bills were paid for the single air conditioner cooling the E-911 Coordinator's office. The normal back up of any E-911 system is the seven digit telephone number used in administration lines. The E-911 systems are completely different from these systems and do occasionally fail; it is natural to depend on them for backup phone facilities in case of E-911 system or cable problems. Failures in E-911 telephone facilities usually result in large numbers of calls to the affected PSAP, therefore these systems become part of the backup capabilities and are the only way to get emergency calls to the PSAP. At the time, the Division believed that the improvements met the intent of F.S. 365.171.

Security of PSAPs is spelled out in F.S. 365.171, so it would seem the security of the PSAP and its call takers is a primary concern in keeping the PSAP operational. If penetration of any part of the facility by persons intent on compromising the PSAP, it makes sense that securing the entire facility also protects the PSAP. Also, particular facilities installing bullet proof glass (also shatterproof) have operators that are easily exposed to persons entering the facility.

Board of County Commissioners' Policies, Procedures, and Merit Rules and Regulations

FINDING 11 - The Division did not comply with Brevard County Merit Rules and Regulations for compensatory time.

The Division did not 1) maintain compensatory time records, 2) give employees the option of overtime or compensatory time, and 3) accrue compensatory time at the proper rate. We compared internally generated time sheets to payroll time cards and noted time sheets completed by three employees had more hours recorded than the corresponding time cards. For example, for the pay period ending August 13, 1993, one employee's time sheet listed 105 hours worked; however, his payroll time card listed only 80 hours.

From our inquiry, these employees indicated they were required to take time off for hours not reported on the time cards in lieu of monetary payment. They also indicated that they had not signed a written agreement regarding the disposition of compensatory time. Furthermore, they advised the hours of compensatory time were compensated on an hour for hour basis instead of one and one-half hours per each hour worked over 40 in one week.

Brevard County Merit Rules and Regulations, Rule III, Section 17A.4, allows the decision to accept compensatory time to be at the sole discretion of the employee. Also, according to Rule III, Section 17B., the Division is responsible for recording compensatory time accrued and taken, and agreements to accept compensatory time are to be in writing and signed by the employee. Paragraph 560 of the Fair Labor Standards Act and Section 17A.2 of the Merit Rules require compensatory time to be earned at one and one-half hour for each hour of overtime worked.

Noncompliance with the County's Merit Rules and the Fair Labor Standards Act may open the Division to disciplinary action as well as legal liability.

RECOMMENDATION - We recommend the Division immediately comply with Paragraph 560 of the Fair Labor Standards Act and Section 17 of the County's Merit Rules and Regulations governing compensatory time. Specifically, the Division should 1) maintain compensatory time records, 2) give employees the option of taking compensatory time in lieu of paid overtime, and 3) accrue compensatory time at the proper rate.

DEPARTMENT RESPONSE - The Division is in compliance with Brevard County Merit Rules and Regulations for compensatory time. If overtime is accrued, it is reflected on the timecard and is paid. Compensatory time is paid at the proper rate of one and one half hour for each hour overtime worked.

FINDING 12 - *The Division did not comply with the County's travel procedure.*

During our audit of travel we noted the following instances of noncompliance with Brevard County Procedure BC-2, "Travel":

a. Two travel reports were approved (signed) by other than the employees' supervisor.

b. A traveler was overpaid \$6.60 for a total of 33 miles for travel from their last work location to home.

c. Two travel reports were submitted two days late.

Section V.B. of BC-2 requires the report to be approved by the supervisor; Section V.D.1.(3) does not allow payment of mileage from the last work location to home; and Section IV.D.3 requires the travel expense report to be submitted within five working days of the scheduled return date.

Non-adherence to travel procedures does not minimize the risk of overpayment of travel expenditures to employees who were not due reimbursement for travel.

RECOMMENDATION - We recommend the Division ensure compliance with BC-2.

DEPARTMENT RESPONSE - The Division has tightened up the process for travel and is in compliance. All travel reports are signed by the Operations Supervisor and the Assistant Department Director. Discrepancies are documented and appropriate disciplinary action taken.

FINDING 13 - *Petty cash usage did not comply with County procedures.*

The Division approved the reimbursement of petty cash for items totaling \$235.60 in violation of Brevard County Procedure BC-4. Items totaling \$139.35 available through County stores including \$15.00 for gasoline (available at County dispensing facilities) was reimbursed through petty cash. Also, tolls in excess of \$96.25 have been paid with petty cash even though a travel reimbursement with no tolls listed was submitted for the trip.

Brevard County Procedure BC-4, "Petty Cash and Change Funds" Sections IV.B.1 and VI.D.1 requires the funds to be used for purchases not available through Central Services. The procedure

further lists travel advances as an unauthorized expenditure per Section VI.D.3. Tolls related to travel should be reimbursed under BC-2, "Travel," not through petty cash.

Non-adherence to petty cash procedures does not minimize the risk of unauthorized use of petty cash funds.

RECOMMENDATION - We recommend the Division comply with Brevard County Procedure BC-4 "Petty Cash and Change Funds."

DEPARTMENT RESPONSE - The Division is in compliance and will monitor petty cash usage to assure same.

FINDING 14 - *The Division did not comply with County contract procedures.*

During our audit of contracts we noted several areas of noncompliance with Brevard County Procedure BC-20, "Contract Administration."

a. The following contracts were not listed on the County contract data base:

Mutual Aid Contract

NASA/Kennedy Space Center

Catastrophic Mutual Aid

E911 Local Option Fee

b. As of November 17, 1993, we noted the contract with Silicon East Communications, which had been terminated on September 9, 1992, was listed on the data base with an expiration date of December 31, 1999.

c. Upon review of the contract with Dictaphone dated April 17, 1990, we noted it did not have a proper audit clause or a indemnification clause.

Section VI of BC-20 requires all contracts to be listed on the data base and updated when necessary. Section IV states "In the preparation of contracts, experience and prudence suggest the use of clauses sanctioned by time and custom." Included in the list of suggested contract clauses in BC-20 are "Inspection Clauses (to include audit provision) and Hold Harmless Clauses."

The contract data base was designed to be an effective management tool for control over County contracts. However, for it to be effective, it must be complete and properly maintained. Furthermore, the exclusion of inspection or indemnification clauses does not reduce the County's risk of resource exposure or possible liability.

RECOMMENDATION - We recommend the Division comply with Brevard County Procedure BC-20. We further recommend that the Division ensure that inspection or indemnification clauses are included in its contracts.

DEPARTMENT RESPONSE - The Division will comply with the recommendation of the auditor. The contract data base will be monitored by the Assistant to the Department Director and all future contracts will include indemnification clauses.

FINDING 15 - *The Division did not comply with County credit card procedures.*

The Division did not comply with Brevard County Procedure BC-3, "Credit Cards," with regard to the usage and accountability of credit cards:

a. We noted the Division had four credit cards--two were active, one had expired September, 1990, and the other had expired September 1991. Section IV.A.7. of BC-3 requires all expired credit cards to be returned to the issuing department.

b. The Division had not provided an updated listing of authorized credit card user signatures as required by Section IV.A.1. of BC-3. On March 18, 1994, we examined the PR-157 form dated November 5, 1991, for a gasoline credit card and found the former Division director listed as an authorized signatory. This employee was no longer employed by the County for several months prior to our date of examination.

c. Based on our interview of responsible Division personnel, we were advised that the Division did not retain credit card receipts as required by Section IV.A.5. of BC-3.

Because of the high potential for abuse and defalcation, a County procedure is in place to control the issuance and usage of credit cards. The risk of unauthorized use and misappropriation of County assets is not minimized when this procedure is not followed.

RECOMMENDATION - We recommend the Division comply with Brevard County Procedure BC-3, "Credit Cards."

DEPARTMENT RESPONSE - The Division is now in compliance. The Operations Supervisor is in sole possession of credit cards, and the Division will comply with BC-3.

System of Internal Accounting and Administrative Control

FINDING 16 - *Major weaknesses exist in the accounting and administrative controls over grants and contracts.*

During the course of our audit, we noted the following weaknesses in the Department/Division's accounting and administrative control over contracts and grants:

- a. Written procedures do not exist by Departmental management to monitor the Division's compliance with contract and grant terms. As noted in Finding 7, the Division failed to distribute all copies of the Hazardous Material Plan as required by the HazMat grant. Finding 8 also noted instances where certain terms of four grants were not met by the Division. In Finding 9, the Division purchased airtime and pagers at prices not specified in the County's contract with Palmer Communications, Inc.
- b. Written procedures do not provide for the review of grant expenditures by Departmental management to ensure compliance with grant terms. As noted in Findings 5 and 6, unallowable expenditures were charged to the REP and HazMat grants although these were approved by Division management.
- c. Written procedures do not require review of the employee's time sheet by their immediate supervisor. These time sheets are used in the Division to allocate time spent on contracts and grants and are completed by certain employees whose salaries are partially paid from State and Federal grant funds. Although Brevard County Procedure EM-13 requires the time sheets to be checked for accuracy by the administrative secretary and signed by the Director, it does not specify that the employee's immediate supervisor review it to ensure time allocated to each grant is properly recorded.

d. Written procedures do not exist to ensure that municipalities having a Public Safety Answering Point (PSAP) provide supporting documentation to substantiate the reimbursement of salaries and equipment expenditures in accordance with the E911 Capital Improvements Contract and Florida Statute 365.171(13)(a). As noted previously in Finding 10, the Division did not provide evidence of sufficient documentation of expenditures reimbursed to determine if these expenditures met the requirements of this statute.

e. Written procedures do not exist to ensure the Division maintains adequate supporting documentation for contract expenditures. The documentation provided to us by the Division did not support \$220.86 of contract payments made to Palmer Communications, Inc. (Sun Page) for pagers and airtime. We believe this was due to the Division's lack of reconciliation of amounts invoiced by the contractor and invoice adjustments made by the Division.

Good internal controls should ensure that there is reasonable assurance of compliance with the terms and conditions of contracts and grants and related laws and regulations.

With respect to grants, the risk of noncompliance with these terms can result in the loss of future funding or return of funds. Non-adherence with contract terms and inadequate supporting documentation for contract expenditures can lead to additional liability and cost to the County.

RECOMMENDATION - We recommend the Department develop and implement procedures to review the Division's grant expenditures and monitor the Division's compliance with contract and grant terms. We also recommend the Division develop and implement written procedures to 1) require the review of the employee's time sheet by their immediate supervisor, 2) ensure that municipalities having a Public Safety Answering Point (PSAP) comply with Florida Statute 365.171(13)(a) with regards to E911 salaries and expenditures reimbursed by the Division, and 3) ensure the Division maintains adequate supporting documentation for contract expenditures.

DEPARTMENT RESPONSE - The Division will comply with the recommendations of the auditors. Procedures are in effect at this time to assure compliance. Written procedures will be in place prior to August of 1995.

FINDING 17 - *The Division did not bill users for all radio maintenance.*

The Division does not have written procedures to cover interdepartmental billing and collection of third party contracted services provided to other divisions/agencies. Specifically, no procedures exist to reconcile and account for contract charges and interdepartmental billings. This has resulted in unrecovered contract costs. Good internal controls should ensure that management's directives are properly implemented.

The Division's practice has been to bill various user departments/agencies after authorizing payment of the vendor's invoices which represented contract amounts billed at a fixed rate per month. The Division would then be credited to offset the original expenditure recorded in the Emergency Management/Communications fund (0250). However, we noted that all of the contract cost was either not billed or collected.

With respect to the Communications International Inc. (CII) contract for radio maintenance, we determined that only \$200,685.24 of the \$247,792.72 contract cost was credited and collected from the user departments/agencies. With regards to one of the serviced agencies, we identified \$65,536.49 of unrecovered cost relating to the Brevard County Sheriff's office billed but not collected as of March 18, 1994. We also noted that several of the invoices sent to the Sheriff had duplicate service periods listed.

We believe the unrecovered contract cost as noted in the previous paragraph attributed to the \$15,937.00 deficit in fund 0250 at 1993 fiscal year end. It should be noted that the Division received a \$20,000.00 loan from the General Fund to cover this deficit. To obtain this loan the Division advised the Board in the September 7, 1993, Agenda Report that "...a temporary loan is as a result of an unanticipated delay in revenue..." However, it should be noted that as of March 18, 1994, this loan has not been repaid although the Division advised the Board it was to be paid back by November 15, 1993.

Although, the Communications International Inc. contract expired December 1994, another contract is administered by the Division which follows a similar billing cycle/methodology.

RECOMMENDATION - We recommend the Division establish written procedures to cover the billing and collection of third party contracted services to other divisions/agencies. We also recommend the Division establish written procedures to reconcile contract charges to interdepartmental billings.

DEPARTMENT RESPONSE - The Division is in compliance and no longer is involved in the bill and back bill process. All radio service related matters are handled by the individual departments and the radio repair contractor. With regard to monies by B.C.S.O., all indications are that they have no intention of providing payment and they feel that no obligation to do so exists.

FINDING 18 - *Computer files are not properly secured.*

The Division uses a network file server to store and allow access to the hazardous materials data base, various software applications, and other internal computer files. During our audit, we noted that computer files and information are not routinely or regularly backed up nor are there procedures to ensure backup. In addition, the Division does not have a disaster recovery plan for the computer network. Good internal controls require safeguarding of assets which includes ensuring against loss or damage of computer files due to computer failure. Also, a copy of these files should be secured off premises in the event of the facilities being destroyed by natural or man-made disaster.

Without proper back up procedures, computer files and information can be permanently lost and (SIC) at a minimum require extensive time and effort to restore.

RECOMMENDATION - We recommend the Division properly safeguard computer files. Specifically, information should be backed up on a regular basis.

We further recommend that procedures be developed to facilitate a back up plan and disaster recovery plan to include off-site storage of important and relevant emergency information.

DEPARTMENT RESPONSE - All computer files are secured in a locked cabinet. Files are also backed up with back ups stored at a remote location.

FINDING 19 - *A terminated employee was listed as active on the County's payroll system.*

Procedures do not exist that would ensure terminated employees are properly removed from the payroll system. The Division did not properly execute and submit the required documentation that would remove a terminated employee from the county payroll system. The employee terminated on July 3, 1992; however, the Notice to Terminate was not submitted to Human Resources until November 18, 1993, or after the auditors brought the information to management's attention. Good internal controls and procedures should exist to ensure that terminated employees are removed from the payroll system. The lack of these procedures does not minimize the risk of issuing payroll checks to terminated employees.

RECOMMENDATION - We recommend the Division establish written procedures that will ensure all documentation for changes in employee's status including termination are completed and submitted in a timely manner.

DEPARTMENT RESPONSE - The Division is in compliance. All personnel matters are routed through the Department's Office of Career Development to ensure that all documentation for changes in employees status are made in a timely manner.

FINDING 20 - *The Department does not require its Division to document E911 dispatch time.*

Written procedures do not exist by the Department to ensure that time spent on E911 dispatch is properly recorded to comply with Florida Statute 365.171(13)(a). As noted in Finding 1 above, other divisions under the Department were reimbursed for dispatch services using E911 funds without providing evidence of actual E911 call-taking time. Good internal controls should ensure compliance with laws and regulations.

Without Departmental controls to ensure proper recording of E911 time by dispatchers, the risk of noncompliance with Florida Statutes is not assured.

RECOMMENDATION - We recommend the Department develop and implement written procedures to ensure compliance with Florida Statute 365.171(13)(a). Specifically, time spent on E911 dispatch by divisions under its control should be properly recorded.

DEPARTMENT RESPONSE - As with finding #1, the State Coordinator has accepted the 50% rule as being sound, but dependant on the conditions at the individual site and how the personnel at that site worked. We will request shift records and time cards in any further salary off sets to be used in conjunction with the new Call Record Management System currently being installed at all PSAPs.

Exhibit "C"

May 1, 1995

MEMORANDUM

TO: Brevard County Board of County Commissioners

FROM: J. Carl Smith, CPA, Chief Internal Auditor

SUBJECT: Internal Audit Rebuttal of Response to Audit of the
Brevard County Emergency Management/Communications
Division

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

FINDING 1: Management did not specifically address time spent by E911 administration. Also, we could not determine whether Management concurred with our finding and recommendation since their second and last sentences seemed to contradict their first sentence in their response. Furthermore, we disagree that "these (dispatch) times can only be estimated." Actual time from the point of taking the E911 call to the completion of the call or the completion of the transfer **can** be documented. Additionally, the continued use of estimates will not assure compliance with Florida Statute 365.171(13)(a).

FINDING 2: Management's response to this finding does not specifically address our recommendations. The section of the Florida Statutes (365.171(13)(a)(6)) quoted by Management in their first paragraph is preceded in the same statute by, "The following costs **directly attributable** to the establishment and/or provision of '911' service are eligible for expenditure of moneys derived from imposition of the '911' fee authorized by this section:" (emphasis added) As stated in the body of our finding and as further evidenced by Management's admission that the equipment was, in fact, shared, a portion of the subject costs charged to the E911 program were not "directly attributable" to E911. In sum, Management did not indicate whether they intend to comply with F.S. 365.171(13)(a)(6), whether the E911 account will be reimbursed for the \$18,242.50 of ineligible expenditures or the portion thereof which is not attributable to E911, and whether the Department officials will periodically review E911 purchases authorized by the Division.

FINDING 3: Management did not address the recommendation since their response to this finding did not take into consideration the fact that the \$3,859.78 was net of allowable carryover for the approved capital improvement program. The fiscal year 1992 actual carryover amount of \$187,607 was reduced by the 10% allowable carryover of \$127,807.05 (10% of total amount billed in fiscal year 1992) producing an unadjusted excess of \$59,799.95. This amount was reduced by \$55,940.17 which represented unspent capital improvement program allocations from Attachment A of the Board approved interlocal agreement with Brevard County municipalities which was entered into on March 17, 1992. The difference of \$3,859.78 between the \$59,799.95 unadjusted excess and the \$55,940.17 for capital improvement program allocations is the unallowable carryover.

FINDING 5: With respect to a. and the related recommendation, Management did not indicate whether the Division would return \$2,123.77 to the State which represented labor charges not attributable to the grant. Furthermore, time sheets should reflect the **actual** time spent on REP by the Radiological Officer.

FINDING 10: With respect to a., refer to our rebuttal at Finding 1. Under b., Management did not address the lack of documentation of expenditures for fire alarms, security systems, air conditioning, and telephone systems which would ensure these expenses are **directly attributable** to the PSAP and not to the entire building.

FINDING 20: See our rebuttal to Management's response of Finding 1. Further, Management should seek the legal opinion of the County Attorney as to whether statements of the "State Coordinator" supersede the requirements in Florida Statute 365.171(13)(a) to reduce the risk of possible subsequent litigation.