Agenda Item #: 3EE-1

PALM BEACH COUNTY

BOARD of COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

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Meeting Date: November 1, 2016 [X] Consent [ ] Regular
[ ] Public Hearing

Department:
Submitted By: Internal Auditor's Office

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I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to receive and file:

A. Audit reports reviewed by the Audit Committee at its September 21, 2016 meeting as follows:
   1. 2016-11 Fire Rescue - Revenue Management
   2. 2016-12 Airports - Revenue Management
   3. 2016-13 Facilities Development & Operations - Procurement to Payment
   4. 2016-14 Palm Tran - Revenue Management

B. Audit Risk Assessment and Work Plan for FY 2017.

Summary: Ordinance 2012-011 requires the Internal Audit Committee to review audit reports prior to issuance. Ordinance 2012-012 requires the County Internal Auditor to send those reports to the Board of County Commissioners. At its meeting on September 21, 2016, the Committee reviewed and authorized distribution of the attached audit reports. We are submitting these reports to the Board of County Commissioners as required by the Ordinance. The Audit Committee also reviewed and approved the FY 2017 risk assessment and proposed annual audit work plan for FY 2017. Countywide (PFK)

Background and Policy Issues: The Internal Audit Committee reviewed and authorized distribution of audit reports 2016-11 through 2016-14 at its September 21, 2016 meeting. The Audit Committee also reviewed and approved the FY 2017 risk assessment and the proposed annual audit work plan for FY 2017.

Attachments:

Audit reports as identified above
Risk assessment and annual audit work plan for FY 2017

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Recommended by: Joseph F. Bergeron — County Internal Auditor — 5 October 2016 — Date

Recommended by: for [signature] Baker — County Administrator — 10/18/16 — Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2017	2018	2019	2020	2021
Capital Expenditures					
Operating Costs					
External Revenues					
Program Income (County)					
In-Kind Match (County)					
NET FISCAL IMPACT	None				
# ADDITIONAL FTE					
POSITIONS (Cumulative)					

Is Item Included In Current Budget? Yes ____ No
Budget Account No.: Fund ____ Agency ____ Org. ______ Object ____
Program Number __________ Revenue Source __________

B. Recommended Sources of Funds/Summary of Fiscal Impact:

No fiscal impact

A. Department Fiscal Review:

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III. REVIEW COMMENTS:

A. OFMB Fiscal and/or Contract Administration Comments:

10/5/16
____
10/5 Budget/OFMB 10/5

10/18/16
____
Contract Administration
10/17/16

B. Legal Sufficiency:

10/18/16
____
Assistant County Attorney

C. Other Department Review:

____
Department Director

This summary is not to be used as a basis for payment.

Office of the County Internal Auditor
Audit Report #2016-11

Fire Rescue

Revenue Management

Reviewed by Audit Committee
September 21, 2016

DATED August 22, 2016

Stewardship – Accountability – Transparency

WHY WE CONDUCTED THIS AUDIT

We conducted this audit to address the following:

Did the Fire Rescue Administrator implement effective revenue management controls to ensure that:

- charges are imposed and collected in accordance with established fees and agreements;
- revenues collected are appropriately secured, deposited, and recorded; and
- internal records are periodically reconciled against external sources to confirm their accuracy?

WHAT WE FOUND

The Fire Rescue Administrator implemented effective management controls over non-transport type revenues to ensure that charges were imposed and collected in accordance with established fees and agreements; and that revenues collected were appropriately secured, deposited, and recorded.

The Fire Rescue Administrator did not implement effective management controls over transport revenues to ensure that charges were imposed and collected in accordance with established fees and agreements. However, transport revenues that were collected were appropriately secured, deposited, and recorded.

The Fire Rescue Administrator did not implement effective management controls to ensure that internal records of non-transport revenues are periodically reconciled against external sources to confirm their accuracy.

During the course of our fieldwork, we noted certain minor issues related to the hazardous material cost recovery revenues and transport overpayment refunds. We determined, based on the low level of risk, that these issues did not rise to the level of findings. A management letter has been issued to the FR Administrator for informational purposes.

WHAT WE RECOMMEND

The audit report makes eight recommendations to improve controls over the revenue management process. The recommendations address performing periodic reconciliations and following up on discrepancies, establish policy and procedure for periodic review and corrective actions on system access rights with particular emphasis on HIPPA related systems, accepting online payments for transport services, conducting a cost analysis of transport services, review receivables for collectability quarterly as required by County Policy, and perform periodic write-offs of uncollectible receivables as required by County Policy.

DETAILED FINDING AND RECOMMENDATIONS

Finding 1. Unbilled Receivables for Five Months could exceed $600,000

According to the County's FR contract with ADPI for Emergency Transport Third Party Billing (R2015-0366), the contractor shall be expected to bill emergency transport patients and/or file patient insurance.

Transport Variances

A comparison of SafetyPad records (FR's tracking system) to a billing report (from ADPI system) for the audit period revealed total emergency medical transports do not agree. Table 5 below shows the differences:

Table 5

FY 2016 (Five Months) October 2015 to February 2016	Fire Rescue (SafetyPad)	Third Party (ADPI)	Difference
Transports for full period	30,929	29,902	1,027 (3.3%)
Average monthly	6,185	5,980	205

SafetyPad is an electronic Patient Care Reporting (ePCR) software system that allows FR to collect emergency medical services relating to patient transports. The SafetyPad is used to determine billable services. There is an automated process run by SafetyPad that sends a data file (via secure FTP) to ADPI server of all patients transported since the last data transmission. Then, ADPI bills the patients.

As shown in Table 5, it appears that 1,027 transports were not billed by ADPI during the five month period. There are many factors that go into determining the proper billing for each transport. The most significant of those is whether the patient is a Medicare or Medicaid patient. The standard billing rates for FY 2016 are $630 for Basic Life Support (BLS) and Advance Life Support 1 (ALS1), and $790 for Advanced Life Support 2 (ALS2). The FY 2016 rates also include a mileage charge of $12.50 per mile. Based on the $630 basic charge and no mileage charges, the potential unbilled transport revenue could be in excess of $640,000 for the 1,027 unbilled transports shown in Table 5. However, as shown in Table 3, the average collected amount per transport in FY 2015 was $325 when a $610 rate was in effect for BLS and ALS1 transports. Using the $325 rate, the potential unbilled transport revenues could be in excess of $330,000.

At the time this audit report was prepared there had been no explanation or analysis of the variance in transport numbers for the five month period.

FR staff informed us that they do not perform monthly reconciliations between the SafetyPad report and ADPI report. A FR official commented that *in April 2016 they requested an additional report from ADPI.* However, it had not been provided as of the end of audit field work. *FR spoke to ADPI. ADPI assured FR that they are communicating with their IT folks to develop the report.* Timely review and reconciliation of transport revenues will provide for full accountability to ensure that all transported patients are actually billed. Reconciliation helps to verify ADPI's contract compliance.

Our review of 60 Patient Care Services (out of a population of 30,929) revealed an instance wherein one patient care services (# PBC15111250) was not billed. According to FR, SafetyPad appeared to have transmitted the data to ADPI. ADPI has requested that FR export the data again for this incident manually to see if a bill can be generated.

Recommendations:

1. **The Fire Rescue Administrator should ensure staff complete a monthly reconciliation of transport service recorded in the Fire Rescue Department to ADPI's system.**

2. **The Fire Rescue Administrator should determine the reasons for the discrepancies noted and ensure that any properly billable transport charges that have not been billed are promptly billed.**

Management Comments and Our Evaluation

In responding to a draft of this audit report addressing recommendation #1, the Fire Rescue Administrator discussed the chronology of events over the last few years leading to the selection of SafetyPad. The Administrator stated that the Department had always had effective controls over their transport revenues. When SafetyPad went live, it was discovered that the interface with the third party billing vendor was not functioning. The Administrator also notes that the collection rate for transport billings is approximately 49% which would mean a potential actual revenue loss exposure of approximately $294,000. The Administrator stated that actions are underway to reconcile differences noted in the audit and to collect all revenues due to the County with a projected completion date of February 28, 2017.

As to recommendation #2, the Administrator stated they will continue to work with the SafetyPad and billing vendors to resolve the issue of dropped billings. The Administrator projects completion of this action by January 2017.

We are not in a position to confirm the Administrator's assessment of the effectiveness of the Departments controls over transport billing prior to SafetyPad because we did not audit those systems. However, we believe the actions the Administrator indicates are underway are appropriate to address the audit finding and recommendations.

At the exit conference on August 22, 2016, the Fire Rescue Administrator agreed with the finding and recommendations. However, the Administrator was concerned about the Department's ability to fully resolve the recommendations due to reliance on third parties for the necessary support in resolving the issues. Fire Rescue fiscal staff indicated that they are already working with the two vendors to attempt to resolve the issues contributing to the billing variances noted. Fire Rescue fiscal staff also indicated they are already conducting daily reconciliations between Safety Pad and ADPI.

We told the Fire Rescue Administrator that we understand the issues with working with the two vendors and that we can only expect Fire Rescue to its best to resolve the issues. However, we do expect Fire Rescue to be able to implement the aspects of the recommendations that are within their control. In that regard, we find the actions being taken and underway by the fiscal staff satisfactory. We will conduct our standard follow-up review in the near future to ascertain compliance with the agreed upon recommendations subject to the limitations, if any, related to support from the third party vendors.

Finding 2. SafetyPad System Access Controls Violates Health Insurance Portability and Accountability Guidelines

According to the Health Insurance Portability and Accountability Act (HIPAA) of 1996, the Security Standards establish a national set of security standards for protecting certain health information that is held or transferred in electronic form. The Security Rule requires covered entities to maintain reasonable and appropriate administrative, technical, and physical safeguards for protecting electronic protected health information (e-PHI).

Technical Safeguards:

Access Control. A covered entity must implement technical policies and procedures that allow only authorized persons to access e-PHI.

Audit Controls. A covered entity must implement hardware, software, and/or procedural mechanisms to record and examine access and other activity in information systems that contain or use e-PHI.

Integrity Controls. A covered entity must implement policies and procedures to ensure that e-PHI is not improperly altered or destroyed. Electronic measures must be put in place to confirm that e-PHI has not been improperly altered or destroyed.

Transmission Security. A covered entity must implement technical security measures that guard against unauthorized access to e-PHI that is being transmitted over an electronic network.

According to the County's *Information Technology Security Policy* (CW-O-059), the department or agency shall immediately review access authorizations when employees resign or are transferred to other positions within the County and initiate appropriate actions such as closing and establishing accounts and changing system access authorizations.

We examined access accounts of SafeyPad users to determine if terminated or resigned employees have access. As of February 18, 2016, 14 former FR employees have access to SafetyPad. Based on our review,

- 10 of 14 employees left the department two or more months ago (with the longest of which was 5 months ago).
- 4 of 14 employees left the previous month.

A FR official commented that '*what was supposed to happen is that the employee's user account would be disabled once they have been terminated (retired, fired, resigned, transferred, etc.). I believe this is one of those things that "fell through the cracks" because no one brought it up before.*'

This risk is compounded when former FR personnel (with SafetyPad access) work for outside agencies or hospitals having access to the system.

Failure to remove a terminated employee's access to protected health information increases the risk that unauthorized users gain access to SafetyPad and its sensitive information, with the potential for loss or modification of the information. The penalties for noncompliance are based on the level of negligence and can range from $100 to $50,000 per violation.

Recommendations:

3. **In order to comply with HIPPA's regulation, the Fire Rescue Administrator should review the current security profiles for all SafetyPad users and ensure that appropriate system access rights are assigned only to employees whose current duties and responsibilities require system access.**

4. **The Fire Rescue Administrator should establish written procedures covering requesting, modifying, and deleting system access for users, and schedule periodic reviews of user lists and the associated access rights for SafetyPad.**

Management Comments and Our Evaluation

In responding to a draft of this audit report, the Fire Rescue Administrator stated that the Department's SafetyPad Administrator (who controls access to the application) has reviewed all users in the SafetyPad application and verified that only current employees whose current duties and responsibilities require system access have the appropriate rights assigned.

As to recommendation #4, the Fire Rescue Administrator stated that the Payroll Section of the Department's Finance Division has implemented a notification system to inform the SafetyPad Administrator of all terminations of employees with system access.

At the exit conference on August 22, 2016, the Fire Rescue Administrator agreed with the finding and recommendations. The Fire Rescue Director of Finance and Planning stated that they would be developing a means to track users of each IT system operated by the Department and link that tracking system to changes in staff assignments and staff terminations.

We believe the proposed actions are appropriate and should substantially correct the noted situation.

Finding 3. Payment Option Not in Compliance with Contract

According to the County's FR contract with ADPI for Emergency Transport Third Party Billing (R2015-0366), the contractor shall be required to establish a method to accept and record credit cards from patients electronically. A detailed outline of the credit card acceptance procedure shall be submitted with the contractor's proposal.

Online Payment Option

Currently, patients can only pay their bills manually via a check. Several counties in Florida (Polk, Pinellas) offer patients the option to pay their emergency transport bills online using a credit card. Payment made online could include a convenience fee such as those charged by the referenced counties.

The County could be more efficient and effective in the processing of EMS fees/payments if credit card payments were processed. An electronic payment system will decrease the chances of manual errors, minimize the collection float time for transport, and eliminate mailing copies of checks.

According to FR, the implementation of the electronic system is pending based on interface development coordination between the third party vendor and Information System Services (ISS). ISS is involved in the coordination. There is no estimated timetable for completion.

Recommendation:

5. **The Fire Rescue Administrator should offer patients the option to pay their ambulance bill using an online payment method in accordance to contract requirement. The online payment option should include a convenience fee.**

Management Comments and Our Evaluation

At the exit conference on August 22, 2016, the Fire Rescue Administrator agreed with the finding and recommendation. The Fire Rescue Director of Finance and Planning stated that the system had already been implemented. **We verified the functionality of the new system and consider this recommendation closed with report issuance.**

Finding 4. Determination of Billing Rates for Emergency Transport Services

County Administrative Code Section 306.02 entitled *Billings for County Services* requires the County Administrator to establish written policies and procedures for determining the amount to be charged for County services provided to other departments, other governmental agencies, or other entities. Countywide PPM CW-F-044 entitled *Interdepartmental Billings* establishes a methodology to be used by departments for billing other departments for services. The PPM applies to all County departments for which it has been determined that costs for goods and services are to be recovered. There is no comparable PPM for billings to other government agencies or other entities.

FR determines its billing rates for emergency transport services by conducting a market analysis of other fire departments providing the service. In 2013, FR conducted a market analysis of transport fees by comparing their rates to other cities and agencies within the County. The analysis did not take into consideration the cost (such as labor, equipments, overhead, and supplies) of providing transport services. According to FR officials the Department does not calculate the "actual cost" to provide transport services. Absent an analysis of the cost of providing the service FR cannot determine if the fees recover cost of the service.

PPM CW-F-044 requires departments providing interdepartmental services to charge for those services using a full cost methodology. We are not in a position to assert that PPM CW-F-044 should be applied to departments providing services to other entities (individuals, business, other governments) such as FR's emergency transport services billing. However, we believe that a basic tenet of sound management requires managers to know what their goods or services cost as a starting point for determining charges to users.

Recommendation:

6. **The Fire Rescue Administrator should conduct a cost analysis of the average unit cost of providing transport services and then adjust billing rates accordingly, if appropriate.**

Management Comments and Our Evaluation

In responding to a draft of this audit report, the Fire Rescue Administrator commented that the complexity of the Department makes the development of unit costs for transport very challenging. The Administrator also stated that a broad methodology based on total expenditures and total transports resulted in a calculated cost per transport significantly more than the current transport fees.

At the exit conference on August 22, 2016, the Fire Rescue Administrator agreed with the finding. However, the Administrator felt that there were too many variable to allow for a meaningful and reasonable determination of the cost of providing transport services. The Administrator reviewed the Department's process for establishing rates and noted that the Centers for Medicare and Medicaid Services establish fee schedules for the various types of transport services provided. These CMMS schedules limit the amounts CMMS will pay for services.

We believe an attempt should be made to determine the costs of providing these services. There is the potential, we believe, to recover a larger percentage of the actual cost if our cost structure is higher than the fees structure currently in place. However, it is possible that our actual costs may be less than the adopted fee structure which could lead to a reduction in amounts charged for the service.

<u>Finding 5. Uncollectible Accounts For Non-Transport Receivables Not Written-off Since 2010</u>

According to Countywide Policy and Procedure Memorandum (PPM) (*CW-F-048*) *Receivables Collections and Write-offs*, as a general rule, if any receivables remain uncollected after eighteen (18) months from the original date of transmittal to the County Collections Coordinator, they should be "written off' the County's books." PPM *CW-F-048* also requires receivables to be reviewed at least quarterly by the responsible Department to determine if further collection action is necessary. If receivables remains uncollected after 90 days from the due date, the file will be sent to the County Collection Coordinator who will determine whether the account will be worked "in-house", turned over to an outside collection agency, or forward to the County Attorney's office.

Based on an aging of billed accounts receivable balance, FR has not written off uncollectible balances for non-transport related billings since 2010. Fire Rescue provided an aging report that shows over $2 million of receivable balances older than 120 days.

FR has not been able to determine the accurate amount of uncollectible balance that remained outstanding after 18 months. FR does not review their receivables on a quarterly basis.

These practices are not in accordance with *CW-F-048*. The risk is revenue balance is overstated. FR comments, *this process fell through the cracks because of changing of staff.* At the time, written off uncollectible balance was not a priority. FR indicated the issue will be resolved moving forward.

Recommendations:

7. **The Fire Rescue Administrator should perform quarterly review of receivables.**

8. **The Fire Rescue Administrator should perform periodic write-offs of accounts that are uncollectible; in order to more clearly represent the financial position of the County and in accordance with County's Policy.**

Management Comments and Our Evaluation

At the exit conference on August 22, 2016, the Fire Rescue Administrator agreed with the finding and recommendations. Fiscal staff indicated that they were already working to get the non-transport billing write-offs up to date and to coordinate future write-offs with the write-off of transport billings. The Administrator's written response restated the comments from the exit conference.

We agree with the actions already underway to implement these recommendations.

BACKGROUND

Palm Beach County Fire Rescue (FR) was created by County Ordinance in 1984 to provide fire, emergency medical services, advanced life support, and transport services to the unincorporated areas of the County, as well as, several municipalities. The Department is primarily funded by ad valorem taxes through two Municipal Service Taxing Units (MSTUs).

For the fiscal year 2016, the budgeted revenues for FR amounted to $363.9 million:

Table 1	
Budgeted Revenues	**Amounts in $1,000s**
1. Taxes	$232.5
2. Balances Forward	$77.5
3. Charges for Services	$37.0
4. Interfund Transfers	$28.6
5. Miscellaneous	$1.6
6. Statutory Reserves	-$13.3

FR has a budgeted staff of 1,498 (1,304 Certified Firefighters and 194 Employees) and 49 Fire Stations. The Director of Finance & Planning and the Financial Analyst III are responsible for oversight of the revenue cycle. FR has 33 revenue sources and eight funds. Below is a breakdown of the $37.0 million in charges for services:

Table 2	
Charges for Services	**Approved Budget 2016 in $1,000**
1. ALS Transport Fees	$23.0
2. Charges Fire Protection Services	$5.2
3. Charges Services Emergency Service Fees	$2.8
4. Hazard Material Cost Recovery	$2.1
5. Charges Fire Plan Review Fees	$1.2
6. Charges Fire Protection Municipal	$1.0
7. Fire Inspection Fees	$.7
8. Other Charges	$.6
9. False Alarm Fees	$.1
10. Miscellaneous	$.3

In 2015 (the last year for which statistics are available), there were 129,138 FR calls. Below are the number of dispatched calls, transports, and fees collected for FY 2013 - 2015.

Table 3			
	FY 2013	FY 2014	FY 2015
# of Dispatched Calls	120,280	123,648	129,138
# of Patients Transported	64,869	67,140	72,071
Transport Fees Collected	$19,391,915	$20,551,478	$23,423,397
Collection per Transport	$298.94	$306.10	$325.00

In 1998, FR outsourced the billing of transport to a third party vendor named Advanced Data Processing Inc (ADPI). Since 2011, the Internal Auditor's Office conducted five audits of FR. Only one of those prior audits addressed revenues. The prior internal audit report related to FR's revenues was Report 2011-18 related to Costs and Revenues for Contracts with Municipalities. There were no findings or recommendations in that report.

AUDIT SCOPE AND METHODOLOGY

This audit was part of the 2016 new business process annual audit plan as approved by the Audit Committee. The audit scope included a review of existing internal controls, as well as the testing of those controls related to FR's management process for its largest revenue sources derived from charges for services. Our audit included a review of revenue activity during the five months of Fiscal Year 2016.

To become familiar with the various revenue processing functions performed at the Department, we interviewed management and staff involved in processing the department's largest revenue sources: Transport Fees, Charges Fire Protection Services, Hazard Material Cost Recovery, Charges Fire Plan Review, Fire Inspection, and False Alarm. We discussed the process and the controls used to manage the revenue function at the Department. Our methodology included reviewing and testing backup documentation related to the charging, collecting, recording, and verifying revenue transactions related to the department's revenue sources. This included a review to determine if duties related to these functions are appropriately segregated.

Sample Selections

To meet our audit objective, we divided the population of items to be tested within each transaction type:

Table 4	
Transaction Types	**Total**
Cash Receipts	939
Journal Vouchers and others	247
Receivables	2,641
Refunds	788
Grand Total	4,615

Next, we divided the population of items to be tested between the different types of revenue sources and we randomly selected samples.

1. ALS Transport Fees
2. Charges Fire Protection Services (Department of Airport and Special Event)
3. Hazard Material Cost Recovery
4. Charges Fire Plan Review Fees
5. Fire Inspection Fees
6. False Alarm Fees

We selected 6 out of the 8 revenue sources shown in Table 2 because *Charges Services Emergency Service Fees* and *Charges Fire Protection Municipal* were based on two separate contract agreements and not necessarily charges for services.

The receivable sample selections were to review and test the associated rates and fees charged. Since the population is greater than 1,000, our sample size was 60 based on Internal Audit sampling methodology.

We reviewed the methodologies used to determine the amounts to be charged for the various fees. We also reviewed documentation to determine that charges for services were being imposed in accordance with the approved fee schedule. Also, we selected revenue transactions recorded in Advantage to verify applicable fees were recorded in accordance with Departmental and County-wide policies. The County Finance section processed cash receipts for all FR revenue source except for emergency medical services transport. FR processes cash receipts for transport. We selected 5% of cash receipt for transport since the sample population was from 500 to 1,000.

We reviewed refund requests to ensure proper authorization and accurate payment in accordance with Departmental and County-wide policy.

Since the sample population was from 500 to 1,000, our sample size was 5% based on Internal Audit sampling methodology.

We conducted this performance audit in accordance with generally accepted government auditing standards. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Management is responsible for establishing and maintaining effective internal controls to help ensure that appropriate goals and objectives are met; resources are used effectively, efficiently, and economically, and are safeguarded; laws and regulations are followed; and management and financial information is reliable and properly reported and retained. We are responsible for using professional judgment in establishing the scope and methodology of our work, determining the tests and procedures to be performed, conducting the work, and reporting the results.

We conducted this performance audit in accordance with generally accepted government auditing standards. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Joseph F. Bergeron

Joseph F. Bergeron, CPA, CIA, CGAP
County Internal Auditor
August 22, 2016
W/P # 2016-05

Appendix 1

Business Process Objectives and Controls Worksheet
Revenue Management Process

This process covers identification of the items that will be sold or charged to our customers, the individual pricing points for those items, the collection of payment for those items, depositing the receipts, recording the revenue activity in the accounting system, and safeguarding the receipts from the time of receipt through time of deposit.

Objectives
1. Identify goods and services that will be provided for a fee.
2. Determine appropriate bases for fees or charges.
3. Establish fees in conformance with above policies.
4. Impose fees in accordance with established fee schedules.
5. Collect, secure, record and deposit receipts.
6. Reconcile internal records of receipts to the accounting system.

ADMINISTRATIVE RESPONSE

PALM BEACH COUNTY FIRE-RESCUE

Inter-Office Memorandum

TO: Joseph F. Bergeron, Internal Auditor

JPC

FROM: Jeffrey P. Collins, Administrator
Fire Rescue Department

DATE: August 29, 2016

RE: **Final Draft Audit Report – Revenue Management Audit**

I have received your "Final Draft" audit report regarding "Revenue Management Audit." The following are my responses:

Recommendation:

1. **The Fire Rescue Administrator should ensure staff complete a monthly reconciliation of transport service recorded in the Fire Rescue Department to ADPI's system.**

In the conclusion of the audit report it was stated that "The Fire Rescue Administrator did not implement effective management controls over transport revenues to ensure that charges were imposed and collected in accordance with established fees and agreements. However, transport revenues that were collected were appropriately secured, deposits, and recorded".

Over the past few years, Fire Rescue has migrated from paper patient care reports to electronic patient care reporting (ePCR). TripTix was the first ePCR where the crews could do the entire report on a portable electronic device without having to return to the station to complete it. After using TripTix for about a year, an ePCR committee was formed to see if there was something better out there. A "short list" was created, and SafetyPAD had much more functionality and flexibility than all of the other ePCR systems, including TripTix. A decision was then made to switch to SafetyPAD for our ePCR system. We went live with SafetyPAD on April 28, 2015.

A major factor in the decision to go with SafetyPAD was the FDM (other Fire Rescue software program) integration that eliminated the dual-entry of reports in both the NFIRS (National Fire Incident Reporting System) and ePCR systems. FDM ensures that we are compliant with 69A-66 Florida Administrative Code, which requires fire protection agencies to submit fire report data to the state (FFIRS – Florida Fire and Incident Reporting System). FFIRS then reports to NFIRS. SafetyPAD also ensures that we are compliant with 64J-1.014 Florida Administrative Code, which requires EMS agencies to submit EMS report data to the state (EMSTARS). EMSTARS then reports to NEMSIS.

Prior to the implementation of the most recent ePCR system (SafetyPAD), the Department has always had effective management controls over transport revenues. As soon as SafetyPAD went "live", it was discovered that the interface with our third party billing vendor, was not functioning. Several configuration issues evolved with the new ePCR software and our billing vendor. It took several months to work through these issues, and then we were faced with a reconciliation issue. Due to several changes in staff with the ePCR vendor, our billing vendor and staffing issues in our Department (promotion/departure of a Financial Analyst III; extended leave of a Fiscal Specialist II), the transport reconciliation to ADPI's system was delayed. The Department is currently performing a daily reconciliation of all transports being processed in SafetyPAD to ensure all invoices are being billed.

The audit report states that there may be unbilled receivables that could exceed $600,000. Due to our current gross collection rate of approximately 49%, the potential revenue to the County is estimated at $294,000. Over 85% of the accounts identified in the audit have been created, and the Department will continue to reconcile the remaining accounts. This reconciliation will be completed by February 28, 2017 to ensure that all revenue owed to the County has been invoiced.

2. **The Fire Rescue Administrator should determine the reasons for the discrepancies noted and ensure that any properly billable transport charges that have not been billed are promptly billed.**

   We will continue to work with the software vendor and the billing vendor to resolve the billable accounts being dropped off. We anticipate this issue being resolved by January 2017. Once this issue is solved we can move to a monthly reconciliation as recommended. Additionally, as mentioned above in item one, the daily will continue so all revenue will be captured.

3. **In order to comply with HIPAA regulations, the Fire Rescue Administrator should review the current security profiles for all SafetyPAD users and ensure that appropriate system access rights are assigned only to employees whose current duties and responsibilities require system access.**

   The Department's SafetyPAD Administrator (who controls access to the application) has reviewed all users in the SafetyPAD application and verified that only current employees whose current duties and responsibilities require system access have the appropriate rights assigned.

4. **The Fire Rescue Administrator should establish written procedures covering requesting, modifying, and deleting system access for users, and schedule periodic reviews of user lists and the associated access rights for SafetyPAD.**

   The Payroll Section of the Finance Division has implemented a system where the payroll staff notifies the SafetyPAD Administrator of all employee terminations. This will ensure that only employees whose current duties and responsibilities require system access have it. This procedure will be documented in an internal policy which is expected to be completed by February 28, 2017.

5. **<u>The Fire Rescue Administrator should offer patients the option to pay their ambulance bill using an online payment method in accordance to contract requirement. The online payment option should include a convenience fee.</u>**

   The option to make an online credit card payment for patient transport charges has been available since July 27, 2016. The Department is not currently charging a convenience fee.

6. **<u>The Fire Rescue Administrator should conduct a cost analysis of the average unit cost of providing transport services and then adjust billing rates accordingly, if appropriate.</u>**

   Due to the complexity of our Department, developing a direct cost analysis of the average unit cost of providing transport services is a very challenging task. Our Department does not currently have a direct cost accounting financial system as the costs associated with this type of system would outweigh the benefits. A broad methodology based on total actual expenditures versus total number of transports was provided to the auditor, and the cost calculated per transport was significantly more that our current fees.

7. **<u>The Fire Rescue Administrator should perform quarterly review of receivables.</u>**

   The Finance Division currently performs a monthly review of our receivables. A detailed written policy of our review of receivables will be completed by February 28, 2017.

8. **<u>The Fire Rescue Administrator should perform periodic write-offs of accounts that are uncollectible; in order to more clearly represent the financial position of the County and in accordance with County's Policy.</u>**

   The Finance Division is currently working on the non-transport uncollectible write-offs thru FY2012, which will match the fiscal year of the recently approved transport uncollectible write-off. This will be completed by February 28, 2017. Subsequent non-transport write-offs will be completed annually, along with our uncollectible transport write-offs.

Office of the County Internal Auditor
Audit Report #2016-12

Airports

Revenue Management

Reviewed by Audit Committee
September 21, 2016

DATED *August 10, 2016*

Stewardship – Accountability – Transparency

WHY WE CONDUCTED THIS AUDIT

We conducted this audit to address the following:

Did the Department of Airports (DOA) Director implement effective revenue management controls to ensure that for the first quarter of Fiscal Year 2016:

- charges were imposed and collected in accordance with established fees and agreements;
- revenues collected were appropriately secured, deposited, and recorded; and
- internal records were periodically reconciled against external sources to confirm their accuracy and compliance with County revenue management policies?

WHAT WE FOUND

Except for the findings and recommendations described below, the Department Director implemented effective revenue management controls to ensure that charges were imposed and collected in accordance with established fees and agreements; revenues collected were appropriately secured, deposited, and recorded; and internal records were periodically reconciled against external sources to confirm their accuracy.

During the course of our fieldwork we noted certain minor issues related to the oversight of parking revenue, which included the reconciling of revenue records against the County's financial system and the documentation of cash receipt reviews. We determined, based on the low level of risk associated with these items, that these issues did not rise to the level of a finding. Thus, a management letter has been issued to the Department Director for informational purposes to discuss these matters.

WHAT WE RECOMMEND

The audit report makes six recommendations to improve controls over the revenue management process. The recommendations address accurate and timely communication, calculation of rental car minimum annual guaranteed revenues (MAG), timely contract billings, monitoring of contract changes to support accurate billings, correction of charges on certain airport space contracts, and imposition of late fees as provided for in agreements.

DETAILED FINDING AND RECOMMENDATIONS

Finding 1. Control Improvements Are Needed to Ensure the Appropriate Billing and Collection of Revenue in Accordance with County Agreements

Countywide PPM CW-F-047 "*Revenue-Producing Contracts and Ordinances*" states under Administering the Contract or Ordinance, that department and division directors are responsible for ensuring compliance by the parties with the terms of the contract and implementation of revenue increases permitted by the contract.

The *United States General Accountability Office Standards for Internal Control in the Federal Government*, indicates under Information and Communications that information should be communicated to management and others within the entity who need it within a timeframe that enables them to carry out their responsibilities.

We reviewed a sample of 16 transactions for various types of revenues to determine if billings were accurately and timely done in compliance with the requirements of the different agreements. We found issues with 3 of those 16 transactions. **The issues we identified with these three transactions are summarized below and more fully described in Appendix 1.**

A Terminal Building Lease Agreement approved in August, 2011 with the General Services Administration (GSA) established the leased space as 10,370 square feet with annual rates based on those premises. The original lease agreement has been amended several times since then changing the square footage of the premises leased and adding a maintenance fee for the leased premises. Monthly billings were not adjusted following an increase in the square footage leased following a lease amendment in July, 2014.

An Airline Operating and Lease Agreement with Silver Airways Corp. was not billed during the 28 months from May 2013 through August 2015.

Rental car concession agreements specify the methods for determining the amounts of the minimum annual guarantee (MAG) and the required annual security deposits for the concessionaires. Our review of four of the seven rental car concessionaire agreements showed the MAG was not properly calculated. Additionally, the required annual security deposits were not calculated properly as they are based on the MAG. The required MAG is based on the prior year actual revenue for the concessionaire. The calculations of the MAG were done based on 11 months instead of the full year.

The Airports Finance Section handles the billing for these types of agreements on an on-going monthly basis. Prior to each fiscal year start Airports Finance provides a pre-invoice copy to Airports Business Affairs Division for review. It appears that changes in the lease agreements during the fiscal year were not communicated in a timely manner to allow for revision to the monthly billings. Additionally, it appears that the absence of Silver Airways from the pre-invoice copy was not noted in a timely fashion - again linked to a mid-year change in lease agreements. Finally, the Business Affairs Division calculated the MAG and security deposits on what was believed to be a full year of information without confirming that fact.

Recommendations:

1. The Airport Director should ensure timely and accurate communications between the Finance and Business Affairs/ Properties sections are incorporated into the workflow with regards to notifying the Finance Section of actions that impact revenue billing.

2. The Airport Director should ensure rental car MAGs are accurately computed and verified.

3. The Airport Director should initiate actions to ensure contracts are timely billed.

4. The Airport Director should implement a monitoring function such as the incorporation of periodic reviews to confirm revenue billing information is accurate (i.e. Business Affairs/Properties Section compares monthly invoice information against existing agreements).

5. In addition, GSA monthly billings prior to the beginning of FY 2016, should be reviewed to identify incorrect charges for rental, maintenance & repair costs, and ATO Common area use; and any necessary adjustments are made.

Management Comments and Our Evaluation

In responding to a draft of this audit report, the Department Director said the Department was in overall concurrence with the audit finding and recommendations. Specifically, the Director made the following comments:

As to recommendation #1 - The Department has adopted internal procedures to improve communication as noted.

As to recommendation #2 - Monthly data will be verified as complete prior to calculating the MAG.

As to recommendation #3 - The Department added a new position for the primary purpose of addressing quality control issues such as these.

As to recommendation #4 - The position noted in #3 above will also address this issue.

As to recommendation #5 - The GSA was billed and has paid the amounts due.

Evaluation - we believe the actions taken and proposed by the Director adequately address the recommendations. We were provided evidence of payment of the GSA billing and consider recommendation #4 closed with issuance of this report. We will review the other items in our routine follow-up work.

Finding 2. Late Fees Are Not Being Charged in Accordance with Board Approved Agreements

According to the Palm Beach County Agreement between Signatory Airlines, which was approved in *Palm County Resolution 2014-1033,* interest at the rate of one and one half percent (1 1/2%) per month shall accrue against any and all delinquent payment(s) from the date due until the date payment is received by the County.

Our review of four months (Oct 2015-Jan 2016) of billing signatory airline landing fees showed that of the six signatory airlines invoiced monthly, on average, 3 (or 50 percent) during the 4-month period, did not remit payment each month on or before the 30 day deadline, and late fees; as a result, were not accrued against the past due amounts. More specifically, a total of 24 invoices were sent [6 airlines invoiced monthly] during the 4-month period. Of the 24 invoices sent, the associated payment for 12 invoices (or 50 percent) were paid more than 30 days after the invoice was received by the airline. The number of days past due ranged from 4 to 87 days, and the related monthly invoiced amounts ranged from $22k to $150k.

Based on the number of days past due and the related invoiced amounts, we determined the estimated uncharged late fees for landing fees during the 4-month period to be as follows:

Airline	Oct	Nov	Dec	Jan	Total
American Airlines		$80			**$80**
Delta Airlines	$1,150	$1,316	$978	$1,325	**$4,769**
JetBlue Airways				$3,009	**$3,009**
Southwest Airlines					**$0**
United Airlines			$1,884	$344	**$2,228**
US Airways	$515	$669	$271	$152	**$1,607**
Total	**$1,666**	**$2,065**	**$3,134**	**$4,831**	**$11,693**

Landing Fees (Signatory)

Based on four months of signatory landing fee collection activity reviewed, an extrapolation of uncharged late fees for one year was determined to be $35,079. This amount does not include fees for delinquent payments related to other airline charges or from concessionaires.

According to Department management, interest (late fees) are generally not being accrued against delinquent payments from both airlines and concessionaires; although, there is a provision in the related agreements to do so. Further, management indicated that this provision in the agreements is a tool used to encourage airlines and concessionaires to remit payments timely.

The Department currently invoices airlines for landing fees, joint use, and preferential terminal space rent on a monthly basis. Further, concessionaires are required to remit monthly concession payments 20 days after the close of the month. Both the airline and concessionaire approved agreements include a provision that allows the Department to impose fees for late payments. However, the Department currently does not impose late charges on airlines and/ or concessionaires for delinquent payments.

Discussions with management at four airports (Ft. Lauderdale, Tampa, Orlando, Ft. Myers) located in Florida revealed:

1.) Three of the four airports (or 75 percent) impose late charges on airlines for delinquent payments, and

2.) All four airports (or 100 percent) impose late charges on concessionaires for delinquent payments.

The Deputy Director of Airports Finance & Administration indicated a decision was made with the DOA Director to implement a practice to not charge airlines and concessionaires interest for late payments, as they felt such action would have a negative impact on existing relationships and would not be effective in the collection of future and delinquent payments.

Late fee revenue is income that could be used by the Department to cover operating expenses, and delays in collecting monthly payments contributes to the time in which the DOA does not have use of those funds.

Recommendation:

6. The Airport Director should impose late fees in accordance with the Signatory Airline agreements, and in accordance with other airline and concessionaire agreements.

Management Comments and Our Evaluation

In responding to a draft of this audit report, the Department Director said the Department was in overall concurrence with the audit finding and recommendation. The Director also stated that a variety of means are used to enforce collections and that their intent was to impose late charges only when the airline (or any customer) was not making good faith efforts to pay and not in every instance of untimely payment. The Director also said that contract language would be refined in the future to reflect this intent.

The position put forth by the Director should reflect common industry practices, not just the Department's business relations with its customers. Base on our survey, it would appear that common industry practice is to impose the late charges as a matter of course. If the Department proceeds with revisions to the contracts modifying the late charge language, we believe guidance of "good faith efforts" should be included.

BACKGROUND

The Department of Airports (DOA) operates Palm Beach International Airport (PBIA) and three general aviation airports located in Palm Beach Gardens, Lantana, and Pahokee. The PBIA serves six million passengers a year with 15 or more airlines. PBIA is also home to three fixed based operators: Jet, Signature, and Atlantic Aviation serving general aviation customers making PBIA one of the busiest general aviation airports in the country.

The DOA has five divisions: Administration, Finance & Administration, Business Affairs, Operations & Maintenance, and Planning & Community Affairs. Under the Business Affairs Division is the Properties Section.

For the fiscal year 2016, the Department has 153 positions and an adopted annual operating budget of $79.6M, with revenues generated from Tenants ($18.3M), Concessionaires ($16.7M), Airport Parking ($15.7M), Landing Fees ($4.8M), as well as other charges. In addition, operating support comes from balances brought forward from prior fiscal periods ($18.6M).

The DOA has concessionaire agreements with seven on-site rental car companies and three in-terminal retail service companies, as well as signatory agreements with eight airline carriers. A signatory agreement is for a scheduled carrier that has a right to operate at the airport and has been granted a license to use certain space and for the exclusive use of at least one gate, or an all cargo transportation company that leases a certain amount of space for an agreed upon term.

The Department's largest operating revenue sources include: Auto Parking concessions, Rental Car concessions, Airline Space Rental, Ground Rent, Building Rent, and Landing Fees (Signatory).

Prior internal audit reports related to DOA revenues are: (1) Report 2008-12 related to landing fees, concessions, and rent, (2) Report 2011-07 related to Parking revenues, which both resulted in no findings; and (3) Report 2010-13 related to Rental Car Concession revenues that resulted in three recommendations associated with audit report submissions. A follow-up audit was completed to confirm all corrections were made.

AUDIT SCOPE AND METHODOLOGY

This audit was included in the approved audit work plan for FY 2016. The audit scope included a review of existing internal controls, as well as the testing of those controls related to DOA's management process for its largest revenue sources. Our audit included a review of revenue activity during the first quarter of Fiscal Year 2016, from which we selected a samples of both dates and revenue transactions. In order to answer the audit objective, we used the Revenue Management matrix (**Appendix 2**) to evaluate effectiveness. The matrix was used to identify controls to address activities of the revenue management process. udit field work was conducted at the DOA administrative offices from March 2016 to May 2016.

In order to gain an understanding of DOA's revenue management function, we obtained and reviewed

Departmental and Countywide policies and procedures, airline and concessionaire agreements, and other pertinent documentation; as well as interviewed management and staff at the Department's Finance and Business Affairs/ Properties sections and at the Parking operations. We discussed with management and staff the controls and processes used to manage the revenue functions, which included the collecting, securing, depositing, and recording of revenue, the charging and billing of revenue, and the year-end reconciliations of both airline and concessionaire revenues. We conducted a walk-through of the revenue management processes at both the Administrative offices and at the Parking Revenue Control building.

The table below summarizes the first quarter (October 1, 2015 - December 31, 2015) Fiscal Year 2016 activity in the County's financial system, Advantage, for the Department's six largest revenue sources for Fiscal Year 2016:

			FY 2016 (October 1, 2015 - December 31, 2015)	
	Revenue Source	**Fiscal Year 2016 Annual Budget**	**Revenue Collected**	**No. of Advantage Transactions**
1	Auto Parking	15,700,000	$4,215,128	210
2	Concession -- Rental Cars	10,300,000	$1,683,357	2
3	Rental Space -- Airlines	8,500,000	$1,659,811	24
4	Rent -- Grounds	4,395,000	$1,033,946	24
5	Rent -- Building	4,245,000	$1,111,764	27
6	Landing Fees (Signatory)	3,700,000	$1,193,632	3
	TOTAL	**46,840,000**	**$10,897,638**	**290**

From these six revenue sources above, we judgmentally selected a sample size of 5% of the 290 (14.5) transactions recorded in the County's financial system during the first quarter of Fiscal Year 2016, to ascertain if revenues were appropriately charged and collected. We rounded the initial sample size to allow for testing of at least two transactions from each revenue source resulting in a sample size of 16 items. The number of test selections for each revenue source was based on its proportion of total revenue collected for the period. For each of the selected revenue transactions, we obtained and reviewed the related agreements and support documentation to ascertain the appropriateness of the fee basis used and charged. Auto parking transactions represent daily parking receipt deposits. Transactions for the other revenue sources represent deposits of collections from receipts derived from various agreements with airlines, concessionaires and other third parties.

In addition, we judgmentally selected seven dates (one day from each day of the week) during the audit period to ascertain the adequacy of the controls related to processing parking revenues. For each selected date, we randomly chose a shift to review in further detail from receipt of revenue through the recording into the County's financial system.

We initially selected one month (December) from the three-month (October - December) audit period to review the related billing and collection process for one of the Department's largest revenue sources (Landing Fees). To further ascertain the timeliness of payment collections for this revenue source, we expanded our scope to include the remaining two months (October, November) of the audit period, and also included the month (January) following the audit period.

In addition, we randomly selected two business days from each of the three months during the audit period (a total of six business days) to ascertain the adequacy of controls related to the collecting, securing, depositing, and recording of daily revenue receipts, as well as evaluated if related duties were appropriately segregated.

We randomly selected one signatory airline to review the year-end true-up process and calculation, and one rental car concessionaire to review the year-end reconciliation of audited gross revenue information against DOA internal records.

We benchmarked PBIA's practices against four other airports located in the state of Florida, with regards to imposing late charges on delinquent payments in accordance with related airline and concessionaire agreements.

Management is responsible for establishing and maintaining effective internal controls to help ensure that appropriate goals and objectives are met; resources are used effectively, efficiently, and economically, and are safeguarded; laws and regulations are followed; and management and financial information is reliable and properly reported and retained. We are responsible for using professional judgment in establishing the scope and methodology of our work, determining the tests and procedures to be performed, conducting the work, and reporting the results.

We conducted this performance audit in accordance with generally accepted government auditing standards. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Joseph F. Bergeron

Joseph F. Bergeron, CPA, CIA, CGAP
County Internal Auditor
August 10, 2016
W/P # 2016-04

Appendix 1

<u>**Fee Bases and Charges**</u>

A review of the fee bases and charges for 16 out of a total of 290 revenue transactions recorded in the County's financial system during the audit period, revealed three instances (or 19 percent) wherein appropriate fees were not charged, not timely charged, or amounts were not accurately computed. To further explain:

<u>1. General Services Administration (GSA) Terminal Building Lease Agreement:</u>

Terminal Building Lease Agreement (R2011-1160, 8-16-2011) between Palm Beach County and the General Services Administration indicates that rental is to be paid by the lessee for the premises of 10,370 square feet and use of an ATO Office Common Area, and states that rental rates shall be adjusted each October 1 throughout the term of the lease.

Second Amendment to Terminal Building Lease Agreement (R2014-0032, 1-14-2014) between Palm Beach County and the General Services Administration adds a section, <u>Maintenance and Repair Expense</u>, which indicates that the lessee shall pay two dollars per square foot annually effective February 1, 2014.

Third Amendment to Terminal Building Lease Agreement (R2014-1034, 7-22-2014) between Palm Beach County and the General Services Administration deletes the prior rental and ATO Office Common area square footage, increases the overall rental premises to 11,041 square feet, and changes the ATO Office Common Area Charge formula.

Fourth Amendment to Terminal Building Lease Agreement (R2015-0473, 4-21-2015) between Palm Beach County and the General Services Administration (GSA) deletes the prior rental and ATO Office Common Area square footage and rates, and increases the overall rental premises to 11,110 square feet.

Our review of the fee basis and charges of airport terminal rentals for GSA revealed they were being undercharged monthly for (1) the rental of the premises and (2) reimbursement of maintenance and repair costs. The net impact was determined to be $3,666 per month, or $43,989 annually.

More specifically,

- Maintenance & Repair cost charged was based on 10,370 square feet ($1,728 per month), which was the original square footage of the lease. The applicable square footage has since increased twice to 11,041 square feet per the third amendment and 11,110 square feet per the fourth amendment, which increased the monthly Maintenance & Repair cost charges per square foot, accordingly. Being this cost was calculated utilizing the square footage (10,370) from the original agreement, monthly charges since the inception of this charge on February 1, 2014, would have been calculated utilizing the incorrect amount of square footage since this time.

- The *ATO Office Common Area* charge was $1,106.50; however, the applicable amount for FY 2016 was $602.

- The rental charges of $4,046 for the *TSA Coordination Center*, which is 703 square feet of the premises leased by GSA, was not included in the monthly invoice.

Note: The Department's Finance Section took action to correct the monthly invoice for GSA going forward, and has gone back and corrected prior month charges for FY 2016 (Oct - March). However, it appears that GSA may not have been appropriately invoiced since the inception of the Third Amendment; however, adjustments have only been made for the current fiscal year.

2. Silver Airways Non Signatory Agreement

Airline Operating and Lease Agreement between Palm Beach County and Silver Airways Corp. indicates the agreement shall be effective May 1, 2013, and terminate September 30, 2013, and shall automatically renew at the end of the initial term year to year. Further, it states under Rentals, Fees and Charges, that the airline shall pay to the County all rentals, fees and charges set forth in the *Rate and Fee Schedule* at rates calculated by the County applicable to non signatory airlines. It further shows under Exhibit B of the agreement the exclusive and preferential use premises in the terminal areas are for 279 square feet for ticket counter space and 149 square feet for ticket office space.

Our review of the fee basis and charges of airport terminal rentals for Silver Airways revealed they had not been charged monthly for the rental of preferential use premises since the effective date of the lease agreement. DOA staff noted the non-billing error during the month of August 2015; and as a result, Silver Airways was retroactively billed for 28 months (May 1, 2013 through August 31, 2015) in the amount of $84,955. The airline requested that this amount be retroactively paid over future monthly payments, which DOA agreed to do. *Note: The Department is currently invoicing Silver Airways monthly.*

On an annual basis, prior to the start of each fiscal year, the Finance Section provides a pre-invoice printout to the Business Affairs/Properties Section for review, which lists the company and related charges for the upcoming fiscal year. The Business Affairs/Properties Section confirms that the charges shown in the pre-invoice copy are in accordance with the related agreements and returns the document to the Finance Section with feedback.

Annual Pre-Invoice Copy Review

The fiscal year 2016 pre-invoice copy, which was reviewed by the Business Affairs/Properties Section, showed the following:

- GSA was not listed and there was a comment, "Didn't see GN-11-01 General Service Admin Lease" that was noted by the Business Affairs/Properties Section.

- Silver Airways was not listed, nor was it noted by the Business Affairs/Properties Section to be missing from the pre-invoice copy.

We confirmed with the Finance Section that both of these tenants has not been included in the pre-invoice copy provided to the Business Affairs/Properties Section for review.

The Finance Section accountant indicated that, although GSA had been inadvertently excluded from the pre-invoice copy provided to the Business Affairs/Properties Section for review, she had been copied on a letter sent to GSA by the Properties Director, which outlined the new charges. The letter, however, did not specify all applicable billing information, such as the Maintenance and Repair cost [rate] and applicable total square footage [quantity] effective with the most recent amendment. Also, the Business Affairs/Properties Section had not been presented the opportunity to verify the accuracy of the monthly invoiced charges to GSA.

Lease agreements with tenants are subject to change during the term of a lease due to adjustments in both square footage use and rates; which impact the monthly billing amounts and result in subsequent amendments to address these changes. Lease agreements and amendments are handled by the Business Affairs/ Properties Section, and any changes to a lease agreement that impacts billing needs to be promptly and accurately communicated to the Finance Section who completes the monthly invoicing.

Non or incorrect billing could result in the Department not collecting and recording all revenue due them from a tenant or concessionaire, or the necessity to refund overcharged amounts.

<u>3. Rental Car Agreements -- Minimum Annual Guarantee</u>

Palm Beach County Agreement between Rental Car Concessionaire Companies, *Agreement for Rental Car Lease and Concession at the Palm Beach International Airport*, <u>Section 5.1 A</u>., indicates the Minimum Annual Guarantee (MAG) for each year of the contract shall be ninety percent (90%) of the Annual Percentage Payment for the prior contract year, or the MAG for the prior contract year, whichever is higher. In addition, <u>Section 5.13</u> of the agreement indicates that a security deposit equal to 50% of the highest contract year MAG shall be posted by the concessionaire.

Rental car concessionaires are required to remit 10 percent of their annual gross revenue or a minimum annual amount, whichever is greater, to PBIA. The minimum annual amount [MAG] each year is calculated based on the prior year annual amount [Annual Percentage Payment] remitted by the concessionaire.

Our review of the current fiscal year computations of the Minimum Annual Guarantee (MAG) for four [Budget, DTG, Alamo, and National] of the seven rental car concessionaires found that the MAG calculations were not properly calculated. The MAGs were calculated utilizing the YTD Percentage Payment as of August 31 [11 months], as opposed to the Annual Percentage Payment (10 percent of the gross revenue) as of September 30 [12 months]. As a result, the calculated MAG and related security deposit adjustments were less than the amounts required. Thus, the MAGs were calculated based on 10 percent of the gross revenues for an 11 month period instead of an annual period.

While the same error had been applied in calculating the MAG for the other three rental car concessionaires [Avis, Enterprise, and Hertz], the MAG from the prior year was higher than the YTD percentage payment paid at both eleven months and twelve months; and therefore, this amount applied regardless of the Percentage Payment amount used in the calculation. As a result, both the MAG and security deposit adjustment amounts used were correct for these three concessionaires.

The Business Affairs/ Properties Section computes the annual MAG for each of the rental car concessionaires utilizing Annual Percentage Payment information from the Finance Section records. The Properties Director indicated they assumed the records showing the YTD Percentage Payments were complete with 12 months of activity. However, the Annual Percentage Payment amounts utilized in the MAG calculations were for eleven months of payments and not twelve. As a result, the MAGs were calculated utilizing less than one year of information, resulting in an overall shortage of approximately $188k in MAGs and $68k in posted security deposit funds for fiscal year 2016.

The MAG calculation error could result in a shortage of revenue payments remitted to DOA if the applicable amount to be paid is the MAG, as opposed to the percentage payment of gross revenues. Further, audited gross revenues have been checked against existing MAGs in prior years, which will detect an error in the MAG calculation.

Appendix 2

Business Process Objectives and Controls Worksheet
Revenue Management Process

This process covers identification of the items that will be sold or charged to our customers, the individual pricing points for those items, the collection of payment for those items, depositing the receipts, recording the revenue activity in the accounting system, and safeguarding the receipts from the time of receipt through time of deposit.

Objectives
1. Identify goods and services that will be provided for a fee.
2. Determine appropriate bases for fees or charges.
3. Establish fees in conformance with above policies.
4. Impose fees in accordance with established fee schedules.
5. Collect, secure, record and deposit receipts.
6. Reconcile internal records of receipts to the accounting system.

ADMINISTRATIVE RESPONSE

Palm Beach
INTERNATIONAL AIRPORT
PBI

To: Joseph F. Bergeron
County Internal Auditor

From: Bruce V. Pelly, Director
Department of Airports

Date: August 11, 2016

Re: Internal Audit Revenue Report Response

Overall we are in concurrence with the Revenue Management Audit findings, our specific responses to your recommendations are listed below. We believe having third party audits are an important component to our internal controls, which is why we requested this review. Given the Department has over $63 million in annual operating revenues derived from 150 contracts, generating approximately 700 billing line items per month plus 75,000 parking transactions per month, we are pleased there were no critical findings related to lost revenue or irregularities.

1. **Timely communications:** The Department acknowledges that improvements can always be made in the communications between Department Divisions, particularly given the complexity and significant number of agreements (and amendments) processed and managed by the Department. The Department has adopted internal procedures in an effort to improve coordination of functions between the Divisions and will modify these procedures as necessary to ensure timely and accurate communications.

2. **MAG verification:** MAG calculation for rental cars is a multi-step process. The initial MAG adjustment is based upon monthly self-reported data pending the submission of an annual audit by an independent, third party, which insures all revenues are charged and collected correctly. In other words, the Department makes a preliminary MAG adjustment pending receipt of the final audit, which is used to determine the final MAG. We concur there were inadvertent errors in the preliminary MAG adjustment calculation for the agreements noted. Although we believe the errors would have been resolved under the current process since the Department performs a reconciliation based upon audited information to determine the final MAG, the Department will verify that self-reported monthly data is complete

prior to calculating the preliminary MAG adjustment in the future. It should be noted that the errors had no revenue impact in this instance since the concessionaires were required to pay the greater of the MAG or a percentage of gross revenues, and all payments were made on the higher gross revenue basis. In addition, the final MAG adjustments based upon the audited data have been completed.

3. **Timely billing of contracts:** The Department had previously taken actions in 2015, which we believe resolves this finding. We added a staff position for the primary purpose of quality control of the process and revised some of our internal processes. The new staff position/process discovered this billing omission (prior to the audit); the Department immediately invoiced for the outstanding balance. Upon commencement of the audit, the Department notified the auditor of this instance. It should also be noted that the contract was being billed for certain components, but not all, which added to the difficulty in detection of the oversight.

4. **Monitoring function:** Previously completed as noted in item 3 above. This action was taken prior to audit commencement.

5. **GSA billing:** The Department has since been reconciled with the GSA, all net payments due have been received, and the matter resolved.

6. **Signatory airline late fees:** When an airline (or any customer) is not making a good faith effort to pay, the Department utilizes a variety of means to enforce collections, including imposition of late fees. The Department's contractual intent was to assess late charges when a customer is not making a good faith effort to timely pay outstanding amounts, not to assess such fees as a matter of course against all customers; we will refine the contract language in future agreements to reflect this intent.

cc: C. Michael Simmons, Deputy Director, Finance and Administration
Laura Beebe, Deputy Director, Airports Business Affairs

Office of the County Internal Auditor
Audit Report #2016-13

Facilities Development & Operation

Procurement to Payment

Reviewed by Audit Committee
September 21, 2016

DATED July 8, 2016

Stewardship – Accountability – Transparency

WHY WE CONDUCTED THIS AUDIT

We conducted this audit to address the following:

Did the Facilities Development & Operations (FDO) Department Director ensure that internal controls implemented for the procurement to payment processes were adequate to ensure compliance with the County's procurement requirements in Fiscal Year 2015?

WHAT WE FOUND

The Facilities Development & Operations Director ensured that internal controls implemented for the procurement to payment processes were adequate to ensure compliance with the County's procurement requirements in Fiscal Year 2015.

Additionally, during the course of fieldwork, we noted certain situations that did not rise to the level of findings that we felt should be communicated to management. A management letter was issued to the Director identifying these situations for informational purposes only. The management letter comments included suggestions for a review of user authority in the Advantage system, to further develop internal procedures for the receipt of purchase orders, and to ensure shipping charges (if applicable) are included on purchase orders and the FOB "free on board" point shall be destination.

WHAT WE RECOMMEND

The audit report makes no recommendations to improve controls over the procurement to payment process

DETAILED FINDING AND RECOMMENDATIONS

None

BACKGROUND

FDO is responsible for siting, building and operating the County's physical plants, major equipment, and electronics systems. This includes the buildings occupied by the Sheriff's Office and the 15th Judicial Circuit Court, as well as several other Constitutional Officers including the Property Appraiser, Supervisor of Elections, and the Tax Collector. More specifically, this includes the implementation of capital building and land improvement projects, the maintenance and operation of more than 800 occupied structures, and operations and maintenance of the countywide public safety radio system. Capital facilities assigned to the Departments of Airports, Environmental Resources Management, and Water Utilities are not included.

The major divisions within FDO include: Administration, Capital Improvements, Electronic Services and Security (ESS), Facilities Management, Facilities Services, and Property and Real Estate Management (PREM) in the General Fund: and Fleet Management in the Fleet Management Fund. In fiscal year 2015, FDO reported 305 positions and an annual operating budget of $40M.

Procurements for FDO are processed within the Administration Division. Staff responsible for procuring goods and services include the Fiscal Manager II, Fiscal Manager I, a Financial Analyst, three Fiscal Specialist III, five Procurement Specialists, and one Computer Specialist. However, specific types of procurement requests are to be reviewed and approved by designated Resource Managers for requests within their area of expertise in order to ensure that the requested goods or services meet established County standards. Designated Resource Managers (individuals) working within FDO's ESS, Fleet Management, and PREM Divisions, therefore staff within these Divisions require the authority to submit procurements in Advantage.

The chart below illustrates expenditures in fiscal year 2015. The Non-Purchase Order payments exclude utilities and travel/training reimbursements.

FY 2015		
TYPE	**AMOUNT**	**TRANSACTIONS**
Procurement Transactions	$26,334,471.00	6,555
Other Payments	$550,918.90	518

AUDIT SCOPE AND METHODOLOGY

This audit was selected as part of the 2016 business process annual audit plan approved by the Audit Committee. The audit scope included a review of internal controls in place, relating to the procurement to payment process for Fiscal Years 2015 as well as testing of these controls.

For our initial planning, we reviewed the budget information in the County Budget Book for Fiscal Year 2015. We reviewed the organizational chart and FDO's website to get an understanding of the structure of the department and identify the staff involved in the procurement process. We met with procurement staff to discuss FDO's procurement process. Our methodology included the review of the requisitioning, ordering, and receiving processes. We tested transactions using analytical procedures applied to samples for the audit period. We also reviewed the segregation of duties and the implementation of compensating controls.

For the procurement sample, we selected a sample of 60 randomly selected procurement transactions valued at $173,019.74 and 25 randomly selected other payments valued at $7,633.01. In addition, we judgmentally selected the top 10 General Fund procurement transactions (in amount) valued at $4,720,490.42 cumulatively and the top 10 Fleet Management procurement transactions (in amount) valued at $2,958,519.51 cumulatively.

Management is responsible for establishing and maintaining effective internal controls to help ensure that appropriate goals and objectives are met; resources are used effectively, efficiently, and economically, and are safeguarded; laws and regulations are followed; and management and financial information is reliable and properly reported and retained. We are responsible for using professional judgment in establishing the scope and methodology of our work, determining the tests and procedures to be performed, conducting the work, and reporting the results.

We conducted this performance audit in accordance with generally accepted government auditing standards. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Joseph F. Bergeron

Joseph F. Bergeron, CPA, CIA, CGAP
County Internal Auditor
July 8, 2016
W/P # 2016-03

Attachment 1
Business Process Objectives and Controls Worksheet
Procurement to Payment Process

This process covers all activities from original identification of the need for a good or service, the development of specifications, solicitation of providers, award to a provider, receipt of the good or service, evaluation of the provider, and payment for the good or service.

Objectives
1. Comply with County, State and Federal procurement regulations
2. Identify and qualify vendors capable of meeting the County's needs
3. Develop appropriate, well defined specifications for goods or services
4. Order items that meet specifications from qualified vendors
5. Determine appropriate solicitation method
6. Maintain vendor information accurately and timely
7. Procurements are appropriately authorized by department requesting
8. Order appropriate quantities at appropriate times
9. Goods or services received comply with purchase orders
10. Purchase orders payments made based on actual goods or services received at approved prices
11. Evaluate vendor performance on a timely and accurate basis
12. Ensure timely delivery
13. Direct payment are appropriately authorized by department requesting

Office of the County Internal Auditor
Audit Report #2016-14

Palm Tran

Revenue Management

Reviewed by Audit Committee
September 21, 2016

DATED *August 15, 2016*

Stewardship – Accountability – Transparency

WHY WE CONDUCTED THIS AUDIT

We conducted this audit to address the following:

Did the Palm Tran Executive implement effective revenue management controls to ensure that:

- charges are imposed and collected in accordance with established fees and agreements;
- revenues collected are appropriately secured, deposited, and recorded; and
- internal records are periodically reconciled against external sources to confirm their accuracy?

WHAT WE FOUND

Except for the findings and recommendations described below, the Palm Tran Executive Director implemented effective revenue management controls to ensure that charges were imposed and collected in accordance with established fees and agreements; revenues collected were appropriately secured, deposited, and recorded; and internal records were periodically reconciled against external sources to confirm their accuracy. During the course of our fieldwork we noted certain minor issues related to the reconciliation of the paratransit retained revenues, the timeliness of revenue billing for the special routes, and the need to amend the bus bench contract language. We determined, based on the low level of risk associated with these items, that these issues did not rise to the level of a finding. Thus, a management letter has been issued to the Palm Tran Executive Director for informational purposes to discuss these matters.

WHAT WE RECOMMEND

The audit report makes six recommendations to improve controls over the revenue management process. The recommendations address retaining documentation supporting approvals for Americans with Disabilities Act (ADA) and Transportation Disadvantaged (TD) programs, ensuring vendor compliance with revenue contract requirements, and develop policy and procedure governing revenues from advertising placed on buses.

DETAILED FINDING AND RECOMMENDATIONS

Finding 1: Improve Controls over Eligibility determination of clients for Discounted Fare Programs

Countywide PPM CW-F-047 "*Revenue - Producing Contracts and Ordinances*' assigns the primary responsibility for the administration of a contract or ordinance to the Department or Division Director. The PPM further states these responsibilities 'will include, but not be limited to, ensuring the compliance by the parties with terms of the contract or ordinance. The PPM also assigns responsibility to the initiating department, to establish procedures and controls for the collection of the revenue.

Two of the Discounted Fare Programs offered by Palm Tran are the American with Disabilities Act (ADA) program and the Transportation Disadvantaged (TD) program. Palm Tran Connection staff review and approve client eligibility for these programs.

The ADA program is federally mandated and requires, among other things, transportation providers with a fixed route bus system such as Palm Beach County to provide alternative transportation to eligible riders in Palm Beach County. In order to be eligible, the applicant must have a disability that prevents or limits their ability to utilize Palm Tran fixed-route bus service. Applicants must complete an application form which includes a verification of disability section as well as a Medical verification form that must be completed by a Medical professional and including the signature, designation, and professional license number of the medical professional.

The TD program is a State of Florida funded Program. Eligibility is based on annual household income being less than 150% of the Federal poverty level. The program has two tiers of eligibility and discounted fares based on the level of annual income percentage of the Federal Poverty level (Tier 1 below 76% of the Federal Poverty level, and tier 2 between 76% and 150% of the Federal Poverty level). Applicants must provide valid identification, proof of residency, and proof of income.

We reviewed backup system and file documents to verify appropriateness of eligibility determination for TD Bus pass and ADA Tickets to Ride sales by using a sample of 12 TD and 10 ADA clients for both connection and agency approved clients. We found the following:

ADA Program Eligibility:

Our review of ten ADA client eligibility files found two clients with no backup documents for their recent certification. We also found two client files where the Medical Verification certification forms were missing medical provider license numbers. Additionally we found one client file where the system eligibility expiration date did not match the dates of the eligibility application and backup documents .

All of these issues were researched by Palm Tran Connection supervisors and the documents were either found, and/or corrected and placed in the appropriate files during the course of the audit. No clients were wrongly qualified or adversely affected by these errors.

TD Program Eligibility:

Our review found five of the twelve TD client eligibility files reviewed had income recorded on system that did not match the backup documents. Four of these were understated and one was overstated. However, all these clients qualified for TD program bus passes. Additionally, we also found one client file with no documentation. This client was certified and then made inactive. Additionally there was no documentation in the file/system of when and why the client was made inactive.

Our review found that there was a lack of a review process over the documents received and used in the eligibility determination of these programs, which resulted in the issues identified above not being identified and corrected prior to the eligibility determination.

Recommendation:

1. The Palm Tran Executive Director should ensure that all required documents are received and properly retained for the approved application for the ADA and TD programs of the department. This should include a supervisory review of the documentation.

Management Comments and Our Evaluation

In responding to a draft of this audit report, the Department Director agreed with the finding and recommendation. The Department Director indicated that a Standard Operating Guideline had been developed to implement the recommendation. We concur with this action.

Finding 2. Late Fees Are Not Being assessed on Late payments for Bus Shelters Advertising Space Revenue

Countywide PPM CW-F-047 "*Revenue-Producing Contracts and Ordinances*' assigns the primary responsibility for the administration of a contract or ordinance to the Department or Division Director. The PPM further states these responsibilities 'will include, but not be limited to, ensuring the compliance by the parties with terms of the contract or ordinance. The PPM also assigns responsibility to the initiating department, to establish procedures and controls for the collection of the revenue.

Palm Tran has a revenue contract though which it is paid by a vendor for the use of space on Bus Shelters and Bus Benches for Advertising purposes. The revenue for 2015 for the bus shelter was $154,080, and for the bus benches was $24,068.

The Bus Shelters Contract (11-053R/SC) requires that the monthly payment be made in advance without billing on the first day of each month. The contract also states that payments not received by the 10th day following the due date shall be considered past due and shall be subject to a five percent (5%) late fee per month until paid.

We selected a sample of three monthly invoices for each of the two contracts (Bus Shelter & Bus Bench) and tested the invoices for accuracy, completeness; and timeliness, in particular reviewing the number & types of benches/shelters, rates and calculations used, and tracing these to the related information in the benches/shelters inventory report and the approved contract rates.

Our review of the selected bus shelter invoices found that all three were paid after the due date and no late fees were charged. Additionally our review of the check dates and accounting system entries for bus shelter revenues for FY 2015 showed that each of the twelve monthly checks were dated in the month following the due dates, thereby being late. No late fees were charged on any of them. The uncollected late fees due for FY 2015 totals $7,704.

Recommendations:

2. The Palm Tran Executive Director should ensure that vendor complies with the timely payment of revenues due.

3. The Palm Tran Executive Director should ensure that late fees are assessed for late payments as defined in the contract.

4. The Palm Tran Executive Director should assess and collect the late fees for the late payments identified in the audit.

Management Comments and Our Evaluation

In responding to a draft of this audit report, the Department Director agreed with the finding and recommendations. The Department Director stated that contract administration and oversight has been enhanced to ensure contract compliance and that the late fees had been validate and that settlement discussions were underway with the vendor. We concur with these actions.

Finding 3: Improve Controls over Bus Advertising Space Contract

Countywide PPM CW-O-001 "*Policies and Procedures Memoranda (PPMs)*" 'requires departments that receive any type of revenue to issue one or more PPMs describing the procedures for collecting, accounting for, safeguarding, and transferring or depositing such funds.' Countywide PPM CW-F-047 "*Revenue-Producing Contracts and Ordinances*' assigns the primary responsibility for the administration of a contract or ordinance to the Department or Division Director. The PPM further states these responsibilities 'will include, but not be limited to, ensuring the compliance by the parties with terms of the contract or ordinance. The PPM also assigns responsibility to the initiating department, to establish procedures and controls for the collection of the revenue.

Palm Tran has a revenue contract for Transit Advertising Services though which it is paid by a vendor for the use of interior and exterior space on Palm Tran buses. The contract (15-044/SC) requires a minimum guaranteed revenue payment of $520,000 and a percentage share of the contractor's net advertising revenue billings in excess of the minimum guaranteed revenue amounts. The contract requires the contractor to report on a monthly basis, the difference between the total annual monthly minimum guaranteed revenue and the percentage share of the monthly net revenues. The contract also requires the contractor to provide the Palm Tran Marketing Manager on a monthly basis, a monthly report of net billings, and an advertising inventory report. The advertising inventory report should indicate the availability of advertising space, the types of advertising by type/category installed, location on the bus, bus number and expiration date of the advertising.

The contract requires that rates for advertising space be established by the contractor and reviewed and approved by the Palm Tran Marketing Manager. All rate adjustments requests are required to be made in writing and approved by the Palm Tran Executive Director. The Palm Tran Marketing Manager maintains a rate card of approved minimum rates for all advertisement product types. The contract establishes guidelines for the content of the advertising space and requires that it be approved by the Palm Tran Marketing Manager.

We reviewed the contractor billing and inventory reports and backup documents for the first two months (January and February 2016) of the contract. The contractor provides monthly information including net billings, the type and location of advertising placed on each bus by bus number and advertising contract number and the expiration dates for each advertising contract. We also inspected five randomly selected buses in each of the three regions and verified the physical advertisements on the buses to the bus inventory report, the invoice report and the contracts. Our review found the following:

- The department does not have a PPM for the Monitoring of this contract.

- The department does not have a process to verify the accuracy, completeness and timeliness of the information reported on the contractor billing and inventory reports.

- 18 of the 116 advertising invoices listed on the January and February 2016 contractor billing reports were for prior period activity. Six were two months old and twelve were one month old. We were unable to verify completeness of the contracts and quantities listed on the contractor billing report since we did not have the complete list of contracts.

- We found inconsistencies between the contracts listed on the Bus Inventory report and the advertising contract invoice report. Of the 90 advertising contract shown on both report only 68 were shown on both reports. It appears that the 90 advertising contracts should have been shown on both reports.

- We found differences between the advertisement products listed on the Bus Inventory report and the Contractor billing report for each of the two months reviewed. Of 23 advertising products shown on the bus inventory reports for the two months, 15 were not included in the bus advertising contract invoice report.

- In our physical testing and verification of the advertisements on the 15 buses, we found three buses had advertisements that did not match the Inventory List as well as the Invoice or the Contract. In addition to the three buses described as part of our physical verification tests, in our review of the inventory lists, posting sheets, and invoices we also found three buses, where the advertisements were displayed on the buses after the expiration of the contract term. In discussions with the Palm Tran Advertising Manager and the Contractor representative, they indicated that it is likely these differences are as a result of the late installs and removals of advertisements from the buses, especially the removals.

- In our variance analysis between the actual billing rates of the 91 contractor billing invoices listed on the monthly Contractor billing reports and the approved rate card rates, we found six had advertisement products invoiced (and sold) that were not on the rate cards. Forty four of the remaining 85 invoices (52%) were charged less than the rate card rates. This amounted to $22,874 less than the minimum rate required and equaled 17% of the total revenue share earned to date. The remaining 41 invoices (48%) were charged more than the rate card rate. We were able to verify rate deviation approvals for three of the 44 invoices identified above.

In our view these discrepancies indicate inadequate management oversight of the bus advertising contract and create a potential for revenue reporting errors that could lead to Palm Tran not receiving all the revenues it is entitled to under this contract.

Recommendations:

5. The Palm Tran Executive Director should develop and implement policy and procedures to establish a reconciliation and monitoring process for the contract. This should include, verifying the accuracy, completeness and timeliness of contractor billing reports, including the quantity and type of advertisement product, and the gross space, gross production and net invoice dollar amounts; verifying the types of advertising by type/category installed, location on the bus, bus number and expiration date of the advertising on the contractor inventory reports; ensuring the timely installation and removal of advertising products; and tracking the frequency, type and amount of rate deviations approved;

6. The Palm Tran Executive Director should develop a database of bus advertising information to use as a tool for the monitoring and tracking processes.

Management Comments and Our Evaluation

In responding to a draft of this audit report, the Department Director agreed with the finding and recommendations. The Department Director stated that a Standard Operating Guideline has been developed for management of the bus advertising contract, and that a database will be developed to track and monitor all advertising contracts. We concur with these actions.

BACKGROUND

Palm Tran's mission is to provide the citizens of Palm Beach County with a safe, convenient, and affordable mode of transportation. Palm Tran provides two types of public transit services for Palm Beach County: Palm Tran Fixed Route and Palm Tran Connection. The fixed route bus system provides daily scheduled services throughout Palm Beach County. The Fixed Route Division has a fleet of 148 buses, operating from facilities in West Palm Beach, Delray Beach, and Belle Glade. At peak times, 124 buses are running and servicing 33 fixed routes.

Palm Tran's Fiscal Year (FY) 2015, actual revenues inclusive of Gas Taxes, Grants and Transfers was $101.6M. Table 1 below illustrates the department's various revenue types and amounts. The department controlled revenues relate to Charges for Services and Miscellaneous Revenue types which totaled $16.1M in FY 2015. The department has 20 different revenue sources that contributed towards these revenues. The top five of these revenue sources totaled $14.3M or 88.6% of the total. Table 2 illustrates the amounts and percentages of these top five revenue sources.

Table 1
FY 2015 Actual Revenues for Palm Tran Department

Revenue Type	Amount	Percentage of Total
Gas Taxes	$33,172,622	33%
Grants	$23,739,014	23%
Transfers in	28,647,799	28%
Charges for Services	$13,642,236	13%
Misc. Revenue	2,476,708	2%
Total	**$101,678,379**	**100%**

FY 2015 Actual Department Controlled Revenues (Charges for Services and Misc. Revenue) = $16,118,944

Table 2 Top FY 2015 Department Controlled Revenues		
Revenue Source	**Amount**	**Percentage of Total**
Farebox Revenue	$8,105,321	50.3%
All Commuter Passes	$3,116,146	19.3%
Other Charges For Services	$1,511,603	9.4%
Contract Services - Special Routes	$907,620	5.6%
Rental of Advertising Space	$649,423	4.0%
Total	**$14,290,113**	**88.6%**

PRIOR AUDITS

Our office conducted an audit of Palm Tran operations and issued Report # 2015 - 06 which included findings and recommendations related to their Farebox Revenues. As such, we limited our review of the farebox revenues to the reconciliations and recording of the deposits.

AUDIT SCOPE AND METHODOLOGY

This audit was included in the approved audit work plan for FY 2016. The audit scope covered selected revenue transactions during FY 2015 and bus advertising revenue transactions for the first quarter of calendar 2016 (the bus advertising contract was approved by the BCC in December 2015). We included a review of existing internal controls, as well as testing those controls related to the Department's management process for its largest department controlled revenue sources. Audit field work was conducted from March through May 2016 at Palm Tran headquarters and at various other sites.

Table #2 above summarizes the five largest department controlled revenue sources for FY 2015. Since this audit was focused on Palm Tran's revenue management processes, we excluded from our testing those revenues outside of Palm Tran's direct control (primarily gasoline taxes, transfers in and grants). Grants management will be the focus of a future audit. These five revenue sources were included in our audit scope for detailed review and testing. Our scope of review and testing for the Farebox revenues was limited since it was part of the review conducted in a previous audit conducted by our department.

In order to gain an understanding of Palm Tran's revenue management function, we obtained and reviewed Departmental and Countywide policies and procedures, revenue contracts and agreements, and other pertinent documentation; as well as interviewed management and staff at the Department's Headquarters and at the Palm Tran Connection location. We discussed with management and staff the controls and processes used to manage the revenue functions, which included the collecting, securing, depositing, and recording of revenue, the charging and billing of revenue, and the periodic and year-end reconciliations of these revenues. We conducted a walk-through of the revenue management processes at both the Headquarters and the Palm Tran Connection location.

To meet our audit objective we applied analytical procedures to whole populations as well as select samples. Our sampling was as follows:

Farebox Revenue Testing:

- To trace from original revenue documents to accounting system entries we selected a sample of eight deposit slips. To trace from accounting system entries to source documents we selected a sample of five accounting system entries. Our samples were selected randomly using sampling software from a population of 312 of each type of transaction.

Pass Sales Revenue Testing:

- A sample of 12 Transportation Disadvantaged (TD) program clients from a list of 37,639 clients and 10 American with Disabilities Act (ADA) program clients from a list of 32,275 clients, for the review of eligibility determination. (Samples were randomly selected using sampling software).
- A sample of seven days of Tickets to Ride sales from a population of 104 deposit days. (Samples were randomly selected using sampling software)
- A sample of 10 deposit slips, and 10 CR documents from a population of 156 each. (Samples were randomly selected using sampling software)

Connection Non-Fare Revenues Testing:

- A sample of 45 invoice transactions (15 per vendor) from a population of 156. (Samples were randomly selected using sampling software)
- A sample ten PRCD documents recorded in Advantage from a population of 61. (Samples were randomly selected using sampling software)

Advertising Space Revenue: Bus Advertising

- All Billing and Inventory Reports for current contract.

Bus Shelter/Bench Advertising:

- A sample of 3 monthly transactions per contract, randomly selected using sampling software.

Contract Service Route Revenue:

A sample of 3 monthly transactions per contract, randomly selected using sampling software.

Management is responsible for establishing and maintaining effective internal controls to help ensure that appropriate goals and objectives are met; resources are used effectively, efficiently, and economically, and are safeguarded; laws and regulations are followed; and management and financial information is reliable and properly reported and retained. We are responsible for using professional judgment in establishing the scope and methodology of our work, determining the tests and procedures to be performed, conducting the work, and reporting the results.

We conducted this performance audit in accordance with generally accepted government auditing standards. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Joseph F. Bergeron

Joseph F. Bergeron, CPA, CIA, CGAP
County Internal Auditor
August 15, 2016
W/P # 2016-06

ADMINISTRATIVE RESPONSE

Palm Tran
Administrative Offices
3201 Electronics Way
West Palm Beach, FL 33407-4618
(561) 841-4200
FAX: (561) 841-4291

Palm Tran Connection
50 South Military Trail
Suite 101
West Palm Beach, FL 33415-3132
(561) 649-9838
FAX: (561) 514-8365
www.palmtran.org

MEMORANDUM
Palm Beach County

Date: August 29, 2016

To: Mr. Joseph F. Bergeron, County Internal Auditor

Thru: Clinton Forbes, Executive Director

From: Joe Doucette, Director of Administrative Services

RE: Internal Audit

In response to your audit dated August 16, 2016, I am submitting the following in response to the recommendations contained therein:

Recommendations:

1. The Palm Tran Executive Director should ensure that all required documents are received and properly retained for the approved application for the ADA and TD programs of the department. This should include a supervisory review of the documentation.

> Response: Palm Tran management agrees with this recommendation and has memorialized our standard procedures into a Standard Operating Guideline (SOG) for the processing of American with Disabilities Act (ADA) and Transportation Disadvantage (TD) discounted fare eligibility which requires the Revenue Supervisor (Fiscal Analyst 1) to review and audit the documentation used to determine new and renewed eligibility calculation on a weekly basis.

2. The Palm Tran Executive Director should ensure that vendor complies with the timely payment of revenues due.

3. The Palm Tran Executive Director should ensure that late fees are assessed for late payments as defined in the contract.

4. The Palm Tran Executive Director should assess and collect the late fees for the late payments identified in the audit.

Response: Palm Tran management agrees with these three (3) recommendations and has enhanced our contract administration and oversight to ensure contract compliance with the bus shelter advertising contract payment terms and conditions. In addition, Palm Tran has validated the late fee payments identified in the audit report and is currently in settlement discussions with the vendor.

5. The Palm Tran Executive Director should implement reconciliation and monitoring process for the contract. This should include, verifying the accuracy, completeness and timeliness of contractor billing reports, including the quantity and type of advertisement product, and the gross space, gross production and net invoice dollar amounts; verifying the types of advertising by type/category installed, location on the bus, bus number and expiration date of the advertising on the contractor inventory reports; ensuring the timely installation and removal of advertising products; and tracking the frequency, type and amount of rate deviations approved;

Response: Palm Tran management agrees with this recommendation and has developed a Standard Operating Guideline (SOG) for the management of the bus advertising contract including timely monitoring and reconciliation of the vendor monthly billing.

6. The Palm Tran Executive Director should develop a database of bus advertising information to use as a tool for the monitoring and tracking processes.

Response: Palm Tran management agrees with this recommendation and will develop capacity (i.e) database, Excel file) to track and monitor all advertising contracts issued by the vendor. Palm Tran anticipates this to be completed by December 2016.

I appreciate your effort and the diligent work performed by your staff in identifying opportunities as we strive to make improvements in our operations. If you need any additional information, please do not hesitate to contact me.

cc: Shannon R. LaRocque, P.E.,
Assistant County Administrator

FY 2017 Proposed Audit Work Program

Availability of Resources

Total annual hours per person	2,080
Holidays (12 per year)	100
Vacation (20 days per year)	160
Sick time	100
Training	50
Administrative	200
Follow-up work	130
Available hours per auditor (rounded)	1,340
Number of auditors (FTEs)	5.0
Total available auditor hours	6,700
Hours assigned to report and project support	500
Hours to complete 2016 program	3,270
Hours available for 2017 program	2,930
Average hours per audit	450
Potential new audit projects for 2017	7

Carry over projects from 2016 program	**Estimated Hours to Complete**
Engineering & Public Works Capital Projects Management	60
Human Resources - Customer Service	150
Library - Customer Service	450
Planning, Zoning & Building - Customer Service	150
Water Utilities - Capital Projects Management	60
* Airports - Capital Projects Management	400
* Community Services - Grants Management	400
* Facilities Development & Operations - Capital Projects Management	400
* Fire Rescue - Human Resources Management	450
* Library - Information Technology Management	400
* Palm Tran - Grants Management	350
Total estimated hours to complete	3,270

Projects marked with an " * " will start after October 1, 2016 and will be treated as FY 2017 projects. The other projects will be tracked as FY 2016 projects continuing into FY 2017.

DEVELOPMENT OF THE RISK ASSESSMENT AND PLAN

The risk assessment conducted for the FY 2017 audit plan was developed to produce risk rankings using a series of factors that led to assignment of numerical scores for each auditable unit. There were 10 risk factors drawn from the input of management (5), financial or budget considerations (3), auditor judgment (1), and the length of time since the prior audit for the unit (1). The factors were assigned relative weights adding up to 100% across the 10 factors.

Management input was gathered from a questionnaire provided to department and division managers, and interviews with senior management and the individual county commissioners. The questionnaire asked managers to rank each of five risk factors on a scale of one to five with five representing the highest risk. The interviews were open discussions seeking areas of interest or concern.

The financial/budget factors were derived from the County's accounting system and sorted to support the organizational focus of the auditable units. The data elements representing total operating budget, total "own department" revenue budgets, and total departmental grant revenue budgets were individually sorted from highest to lowest and assigned risk scores of one to five based on the relative sizes of the individual budgets. Those units without either own department or grant revenues were assigned scores of zero.

Auditor judgment risk scores were based on a review of all audit reports issued by this office from FY 2011 to FY 2016. We reviewed the objectives of each audit, the number and severity of findings from each audit, the number and nature of the audit findings, and management responses to the audit findings and recommendations. The audited departments were assigned risk scores of one to five based on our overall assessment of the control environment of each department as derived from our prior audits.

Time since last audit assigns scores from one to five based simply on how long it has been since we audited a particular unit. The risk scores assumed that a lower risk associated with more recent audits. We assigned scores of 1 to audits completed in the current or prior year, 2 to audits completed two or three years ago, and so on with a five being assigned to an audit completed longer than seven years ago.

All the individual scores were loaded into a spreadsheet which applied the weighting factors for each risk element to the risk score and summed the risk scores for each auditable unit. The final risk scores were sorted from highest to lowest to produce the final entity-wide risk assessment.

Projects were selected for audit in FY 2017 from the risk assessment and from our knowledge of new programs that need audit review as early as possible in the program life. We selected three high risk projects from the risk assessment and two other projects to address the new Infrastructure Sales Tax Program and the Youth Services Department which was recently established. The three high risk projects selected from those auditable units with the highest risk scores that had not been audited in the last two years. We also selected two projects at random from the non-high risk projects.

The risk assessment worksheet represents a very good beginning point to the process. Additional work will be required going forward to identify and analyze organizational components below the division level. Essentially every division conducts multiple programs or activities that may be subject to audit. These programs and activities generally do not have separate budget or accounting information which renders them unusable in the risk assessment methodology we have adopted. We will identify and evaluate these programs and activities going forward as either an aspect of our engagement level risk assessment or as a standalone project.

The risk assessment worksheet included in this report has been significantly reduced in size to fit the format of this reporting medium. To fit on an 8-1/2 by 11 paper size, the worksheet was reduced to 45% of its original scale. A large scale (11 by 17) version is provided separately.

Proposed FY 2017 Project List

	Projects Carried Over from FY 2016	
	Airports - Capital Projects Management	High
	Community Services - Grants Management	High
	Facilities Development & Operations - Capital Projects Management	High
	Fire Rescue - Human Resources Management	High
	Library - Information Technology Management	High
	Palm Tran - Grants Management	High
	New Projects for FY 2017	
	Review of Controls for the Infrastructure Sales Tax Program	High
	Youth Services Department - New department overall review	High
	Palm Tran Connection	High
	Public Safety - Animal Care and Control	High
	Water Utilities - Customer Service	High
	FDO Property & Real Estate Management	Medium Low
	Engineering & Public Works - Construction Coordination	Low

		Management Input					Financial											
		Public Interaction	Information Technology	Operational Complexity	Compliance Requirements	Management Changes	Operating Budget	Operating Budget	Revenue Budget	Revenue Budget	Grants	Grants	Date of Last Audit	Time Since Last Audit	Audit Judgment	Result	Risk Rank on Result
Departments	Divisions Weight	5	15	10	10	5	8		8		8			6	25	100	
		Score	Score	Score	Score	Score	Score	Budget $	Score	Budget $	Score	Budget $		Score	Score		
Palm Tran	Connection	5	5	5	5	5	5	29,864,684	4	2,178,864	4	6,217,812	Before FY 09	5	5	484	High
Palm Tran	Fixed Route	5	5	5	5	5	5	58,443,410	5	11,536,053	4	5,335,019	Mar-15	1	5	468	High
Palm Tran	Capital Expansion	5	5	5	5	5	5	29,973,542			5	39,972,477	Before FY 09	5	5	460	High
PZB	Building	5	5	5	5	5	5	41,973,601	5	16,372,500			Before FY 09	5	4	435	High
CSD	Community Action Program	5	5	3	5	5	3	4,287,479			4	5,383,526	Before FY 09	5	4	391	High
Public Safety	Animal Care & Control	4	5	4	5	3	4	9,626,844	5	2,903,480			Sep-11	3	4	390	High
Fire Rescue	Operations	4	3	4	4	3	5	245,712,838	5	4,824,317	2	420,186	Jun-09	4	4	380	High
PZB	Code Enforcement	5	5	4	5	5	3	3,388,889	2	75,300			Jun-09	4	4	379	High
PZB	Zoning	5	5	4	5	1	3	3,798,352	4	1,874,200			Dec-09	4	4	375	High
WUD	Customer Services	5	4	4	5	2	5	23,211,004					Dec-11	3	5	368	High
FDO	ESS	5	5	5	5	2	4	12,093,168	4	1,533,000			Sep-13	2	3	361	High
Public Safety	Justice Services	5	2	5	5	3	4	7,938,997	3	559,300	2	353,886	Mar-11	3	4	360	High
P & R	Aquatics	5	4	5	5	3	4	11,757,697	5	2,872,584			Jun-14	2	3	359	High
WUD	Engineering	3	3	4	5	3	5	54,947,857	5	186,149,000			Jun-13	2	4	357	High
E&PW	Traffic	5	5	5	5	5	5	21,718,676	3	845,000			Jul-12	3	2	357	High
Public Safety	Emergency Management	5	5	3	3	4	3	2,870,042	1	42,000	3	1,127,863	Sep-12	3	4	354	High
Youth Services	Administration	4	3	4	3	3	4	12,790,133			2	668,440	Before FY 09	5	5	353	High
Medical	Medical Examiner	5	5	5	5	3	3	2,899,225	3	329,000	1	3,150	Dec-15	1	3	352	High
DOA	Operations	3	3	2	4	1	5	79,572,312	5	59,598,895	5	40,721,518	Sep-16	1	4	351	Med-High
ISS	Network services	5	5	5	5	1	4	6,829,530	1	1,000			Before FY 09	5	3	350	Med-High
CSD	Senior Services	5	5	3	5	1	4	8,870,388	2	95,235	4	5,735,625	Jun-15	1	3	346	Med-High
CSD	Ryan White Program	3	4	2	5	1	4	7,536,606			5	9,455,666	Mar-10	4	4	346	Med-High
Public Safety	Victim Services	5	2	5	5	3	3	3,953,746	1	70,000	3	2,104,223	Mar-14	2	4	338	Med-High
DES	Operations & External	3	2	3	3	1	5	29,571,018	2	198,200	5	35,036,832	Sep-15	1	5	337	Med-High
P & R	Recreation Services	5	4	5	4	3	3	6,394,042	3	815,110			Sep-09	4	3	337	Med-High
PZB	Administration	4	5	2	4	4	2	1,885,821	2	238,000			Before FY 09	5	4	337	Med-High
WUD	Plant O&M	2	4	4	5	1	5	82,028,095					Mar-15	1	5	336	Med-High
P & R	P&R Admin	5	5	5	3	2	3	4,118,552	3	565,983	2	400,000	Mar-16	1	3	335	Med-High
P & R	Special Facilities	4	5	5	2	3	4	15,590,946	5	10,827,793			Mar-15	1	3	333	Med-High
ISS	IT Operations	3	5	5	4	4	3	2,832,900	1	2,500			Jun-09	4	3	331	Med-High
FDO	Facilities Management	4	3	5	3	5	5	23,094,233	4	1,606,000			Sep-14	2	3	329	Med-High
Public Safety	911 Tech Services	1	5	3	2	1	4	6,534,911			4	3,577,004	Before FY 09	5	4	329	Med-High
Fire Rescue	Bureau of Safety Services	3	3	3	3	4	3	6,417,072	4	2,006,500	1	5,440	Sep-10	4	4	328	Med-High
ISS	ISS Admin	3	5	3	5	4	2	1,329,405	5	8,651,590			Mar-16	1	3	327	Med-High
CSD	Human & Veteran Services	5	3	4	3	5	4	11,410,871	1	73,200	3	891,594	Dec-10	3	3	322	Med-High
Public Safety	Consumer Affairs	4	5	3	5	1	2	2,641,791					Mar-09	4	4	320	Med-High
PZB	Planning	3	4	3	3	3	3	3,020,698	2	220,400			Dec-09	4	4	314	Medium
HR	Department	3	5	3	5	4	3	2,964,728		0			Sep-10	4	3	313	Medium
ISS	Strategic Services &	3	5	3	5	4	2	1,283,074					Before FY 09	5	3	311	Medium
ISS	Computing platforms	5	5	4	2	5	4	7,940,063					Jul-12	3	3	310	Medium
Public Affairs	Channel 20	3	5	2	3	1	3	2,800,551	1	20,000			Before FY 09	5	4	307	Medium
Library	Finance & Facilities	1	3	4	3	1	5	52,760,873	1	475	3	1,233,021	Mar-15	1	4	303	Medium
FDO	FDO Admin	5	4	4	4	3	3	2,835,749	2	117,000			Sep-16	1	3	301	Medium
Fire Rescue	Administrative Services	5	1	2	3	2	5	54,988,784	5	24,296,688	1	22,240	Sep-16	1	4	294	Medium
OEO	Fair Housing	5	4	2	3	2	1	642,886			1	130,000	Mar-15	1	5	292	Medium
OEO	Disability Access	5	4	1	3	2	1	161,531					Sep-09	4	5	292	Medium
OEO	Equal Employment	5	4	1	3	2	1	319,867	2	74,600			Mar-15	1	5	290	Medium
P & R	Parks Maintenance	5	2	3	3	3	5	33,102,147	4	2,440,674			Dec-12	2	3	289	Medium
FDO	Capital Improvements	5	2	2	5	2	2	2,341,763	4	1,239,504			Before FY 09	5	3	288	Medium
Public Safety	Finance & Admin Services	4	3	5	4	2	1	875,527	1	20,000			Jun-15	1	4	287	Medium
FDO	Fleet Management	2	4	3	3	2	5	56,498,187					Before FY 09	5	3	285	Medium
E&PW	Road & Bridge	4	4	4	3	5	5	21,802,700	1	10,000			Mar-13	2	2	285	Medium
ADM	County Administration	4	3	2	2	4	2	2,124,397	3	468,958			Dec-11	3	4	283	Medium
Fire Rescue	Support Services	1	3	1	2	4	4	12,499,712	3	668,000	1	2,640	Sep-12	3	4	282	Medium
ERM	Resources Protection	4	3	3	4	3	3	3,605,897	3	550,000	2	596,933	Dec-10	3	2	282	Medium
ERM	Environmental Enhancement	3	3	3	4	3	4	12,425,281	3	975,000	3	3,338,337	Sep-15	1	2	281	Med-Low
Public Affairs	Media & Public Information	5	4	2	2	2	2	1,168,077					Before FY 09	5	4	281	Med-Low
Legislative	Legislative Affairs	5	5	1	3	5	1	346,387					Before FY 09	5	3	278	Med-Low
CSD	CS Admin	3	4	2	4	4	2	2,124,362					Jun-16	1	4	277	Med-Low
Public Affairs	Community Relations	5	4	2	2	1	1	385,269	1	3,000			Before FY 09	5	4	276	Med-Low
ERM	ERM Admin	3	3	3	4	3	0	x	2	145,000	5	6,881,361	Jun-10	4	2	275	Med-Low
ERM	Natural Areas Stewardship	3	3	3	3	3	4	18,653,893	4	1,342,907	1	115,388	Sep-12	3	2	275	Med-Low
FDO	Property and Real Estate	5	2	4	5	1	2	1,469,684					Before FY 09	5	3	271	Med-Low

		Management Input					Financial										
		Public Interaction	Information Technology	Operational Complexity	Compliance Requirements	Management Changes	Operating Budget	Operating Budget	Revenue Budget	Revenue Budget	Grants	Grants	Date of Last Audit	Time Since Last Audit	Audit Judgment	Result	Risk Rank on Result
Departments	Divisions Weight	5	15	10	10	5	8		8		8			6	25	100	
		Score	Score	Score	Score	Score	Score	Budget $	Score	Budget $	Score	Budget $		Score	Score		
PZB	Contractor Certification	4	4	1	4	3	1	761,548					Mar-11	3	4	271	Med-Low
OFMB	Financial Management	3	3	3	5	1	2	1,476,346	2	268,981			Sep-13	2	3	264	Med-Low
ISS	Application Services	1	5	5	2	1	3	11,049,104					Dec-15	1	3	260	Med-Low
Public Affairs	Graphics	1	3	4	1	1	2	1,250,520	3	435,000			Sep-13	2	4	257	Med-Low
CJC	Criminal Justice	3	2	3	3	5	2	1,621,983			3	742,154	Jun-15	1	3	251	Med-Low
Purchasing	Purchasing	3	4	1	4	1	3	2,741,209	1	1,000			Mar-13	2	3	249	Med-Low
CES	CES Admin	4	3	3	3	2	1	459,384					Sep-15	1	4	249	Med-Low
MPO	MPO Planning	4	4	2	4	4	3	5,630,586			4	5,086,985	Sep-15	1	1	247	Med-Low
E&PW	Roadway Production	2	3	2	4	2	3	3,350,440			5	7,323,082	Mar-15	1	2	245	Med-Low
E&PW	Land Development	5	5	2	2	3	2	1,832,884					Jun-10	4	2	245	Med-Low
OSBA	OSBA	5	5	2	4	2	2	883,129					Sep-15	1	2	242	Low
ERM	Mosquito Control	4	3	3	4	3	2	2,163,702					Jun-13	2	2	228	Low
OFMB	OFMB Administration	3	3	2	4	1	1	478,590					Sep-11	3	3	226	Low
Risk Mgmt	Group Insurance	1	5	1	4	2	5	77,867,470					Sep-11	3	1	223	Low
Legislative	Legislative Delegation	4	1	2	3	5	1	176,757					Before FY 09	5	3	223	Low
OFMB	Budget	2	3	1	3	1	2	1,034,393					Before FY 09	5	3	221	Low
Purchasing	Warehouse	1	2	3	3	1	2	1,144,802					Mar-10	4	3	215	Low
E&PW	Administrative Services	1	4	1	3	1	2	2,427,229	2	209,080	2	694,751	Jun-16	1	2	214	Low
OFMB	Contract Development and	2	3	1	3	1	1	447,122					Jun-10	4	3	207	Low
Risk Mgmt	Property & Casualty	3	3	1	3	4	4	14,586,119	1	1,000			Jun-15	1	1	191	Low
E&PW	Construction Coordination	4	2	2	3	1	1	825,425					Jun-09	4	2	187	Low
CA	County Attorney	1	1	1	1	3	3	5,885,470	4	1,977,500			Sep-09	4	2	185	Low
Risk Mgmt	Workers Compensation	3	2	2	4	1	4	15,776,035					Jun-14	2	1	179	Low
OCR	OCR	5	1	1	1	1	1	655,960					Before FY 09	5	3	178	Low
Risk Mgmt	Loss Control	1	3	4	3	1	1	849,085					Mar-11	3	1	176	Low
Risk Mgmt	Occupational Health	1	4	1	3	1	1	740,314					Before FY 09	5	1	173	Low
TDC	Tourist Development	3	1	1	3	1	1	594,505					Sep-13	2	3	170	Low
Risk Mgmt	Administration	1	1	2	5	5	1	407,753	1	400			Dec-15	1	1	162	Low
Risk Mgmt	Employee Assistance	1	2	1	2	1	1	93,459					Before FY 09	5	1	133	Low
	92	92	92	92	92	92	92	91	52	53	30	30	92	92	92	92	92