



Internal Audit Committee of Brevard County, Florida

Internal Audit Review of 800 Megahertz Program

**Prepared By:
Internal Auditors of Brevard County
July 3, 2007**

Table of Contents

Transmittal Letter	1
Executive Summary	2
Background	3-5
Objectives and Approach	6-7
Issues and Recommended Actions	8-17

July 3, 2007

The Audit Committee of
Brevard County, Florida
Viera, Florida 32940-6699

Pursuant to the provisions of Section 125.01(1)(s), Florida Statutes, and the approved 2006/2007 internal audit plan, we hereby submit our internal audit report covering the 800 Megahertz Program. We will be presenting this report to the Audit Committee at the next scheduled meeting on August 3, 2007.

Our report is organized in the following sections:

Executive Summary	A high level summary of the major issues which were identified during our internal audit.
Background	This provides an overview of the 800 Megahertz program.
Objectives and Approach	The internal audit objectives and focus are expanded upon in this section as well as a review of the various phases of our approach.
Issues and Recommended Actions	This section gives a description of the issues, the impact and recommended action. Management's response has been incorporated into this section as well.

We would like to thank the Office of Emergency Management and all those involved in assisting the Internal Auditors regarding this report on the 800 Megahertz Program. We found the Office of Emergency Management staff to be very professional and cooperative during the audit. In addition, the Office of Emergency Management staff was receptive to the recommendations and, as noted in our report, they have already begun making the recommended improvements.

Respectfully Submitted,

INTERNAL AUDITORS

Executive Summary

Executive Summary

To obtain a thorough understanding of the existing internal controls and procedures of the 800 Megahertz Program (the Program), we noted it was critical to understand the history of the management of the Program. Specifically, the Program was operated by the Brevard County Sheriff’s Office (BCSO) from 1991 until January 28, 2006, at which time operation of the Program was transferred to the Office of Emergency Management. While both sides appeared to complete the transition with the best intentions, we noted the transition was generally challenging, lengthy and complex, involving several parties. Management of the Office of Emergency Management was not made aware or able to obtain BCSO’s existing policies, procedures, contracts, and requirements in an efficient and timely manner.

The following is a high level summary of the major issues and observations identified during our internal audit in the order of their priority from highest to least significant. Detailed findings and recommendations are included within this report.

Issues	Risk Rating
Revenue Management – We noted several issues related to the billing, tracking and recording of revenues, including:	
<ul style="list-style-type: none"> ▪ Management does not budget for revenues related to tower lease agreements, nor does management invoice customers for such agreements. This has led to the 800 Megahertz Program receiving payments from customers well past the due date. 	High
<ul style="list-style-type: none"> ▪ Management does not bill user agencies (of the 800 Megahertz system) in accordance with their respective 800 Megahertz Backbone Agreements. 	High
<ul style="list-style-type: none"> ▪ The existing intergovernmental agreement with Brevard County municipalities related to the \$12.50 surcharge is inconsistent with the corresponding Florida Statute (Section 318.12), resulting in an understatement of revenues since the Program’s inception. 	High
Segregation of Duties – We noted management lacks adequate segregation of duties related to agency billings and processing of accounts payable.	High
Operation and Maintenance of the 800 Megahertz System - Representatives of agencies utilizing the 800 Megahertz system frequently report failures in signal coverage. There is not currently an effective or efficient procedure for management to track and follow up on such reported failures, which creates a significant potential liability for the County given the critical nature of work performed by the agency members.	High
Contract Management - As previously noted, the Office of Emergency Management assumed responsibility for the 800 Megahertz Program from the Brevard County Sheriff’s Office (BCSO) on January 28, 2006. Due to an inefficient transition between the entities, the majority of contracts have not yet been assigned from BCSO to the County. Accordingly, management has not yet coordinated with certain contract provisions.	Moderate
Policies and Procedures - In general, very few policies and procedures of the 800 Megahertz Program are documented. In particular, there are not written procedures to track and invoice for tower lease agreements, to perform agency billings, to administer the \$12.50 surcharge funds, to track maintenance and replacement of the 800 Megahertz system, to allocate various employees’ time to the 800 Megahertz Program, or to cross-train employees.	Low

Background

Background

800 Megahertz Program

The 800 Megahertz Program (the Program) is Brevard County's intergovernmental radio communications system. Approximately 69 agencies with approximately 6,000 mobile and portable radio units currently utilize the system on a regular basis. Primary users of the system include, among others, the Brevard County Sheriff's Office, Brevard County Fire Rescue, various other Brevard County departments, municipal police departments, municipal fire departments, and health care systems throughout Brevard County.

In 1991, the Brevard County Sheriff's Office (BCSO) purchased the original equipment to establish the 800 Megahertz Program. BCSO was responsible for maintaining and upgrading the system. On January 28, 2006, the BCSO transferred its ownership and license for the 800 Megahertz system to the Board of County Commissioners (BOCC), and the Office of Emergency Management was assigned responsibility by the Board of County Commissioners to perform the day to day management of the system.

In order to provide service to its 69 user agencies, the Program operates and manages towers in the following locations:

- Rockledge
- Titusville
- Melbourne
- Palm Bay
- Mims/Scotsmoor (receiving tower only)
- Barefoot Bay (receiving tower only)
- Sharpes/County Jail (receiving tower only)

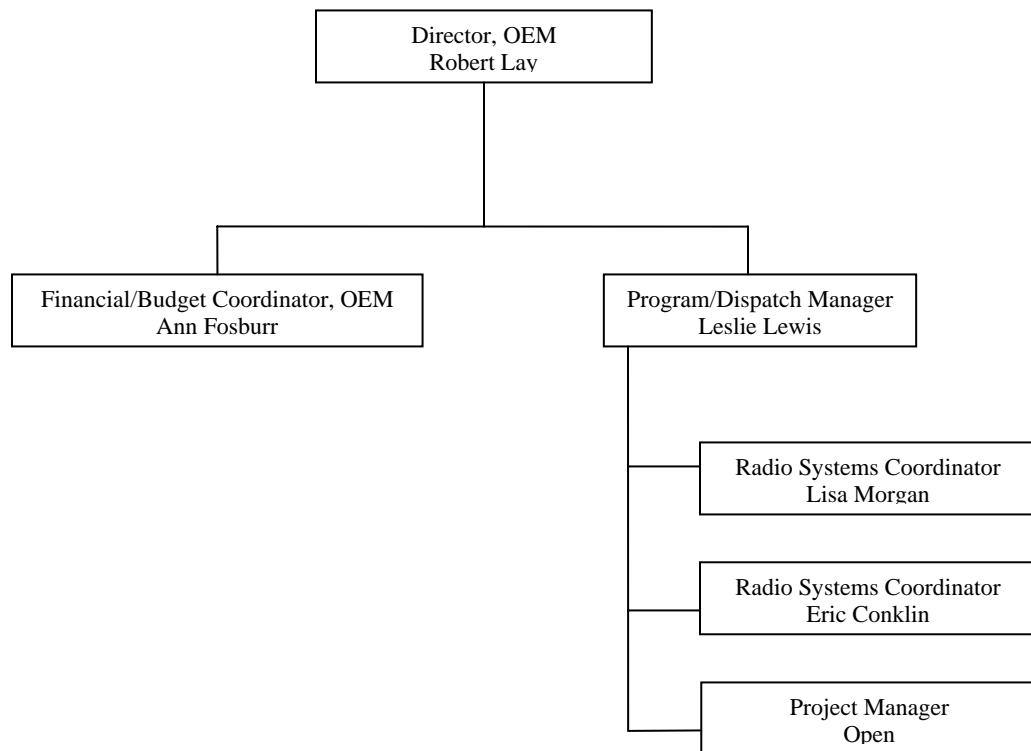
The Program receives revenues from the following different sources:

1. Florida Statutes, Title XXIII, Chapter 318.21(9) created a \$12.50 surcharge on traffic citations for moving violations that are written within Brevard County. The surcharge funds are to be used to fund participation in an intergovernmental radio communication program. The actual revenues from the \$12.50 surcharge for the period October 1, 2006 to June 30, 2007 were \$278,257.
2. The agencies that use the system are required to share in the costs to operate the 800 Megahertz system. The actual revenues from the agency billings for the period October 1, 2006 to June 30, 2007 were \$2,424 (related revenues for the period January 28, 2006 to September 30, 2006 were \$239,108).
3. Several tower lease agreements in which the County leases space at its radio tower sites to vendors for an annual fee. The actual revenues from the tower lease agreements for the period October 1, 2006 to June 30, 2007 were \$53,408.
4. The remaining balance required to operate the 800 Megahertz Program is funded from the County's general revenues. The actual revenues from the general fund for the period October 1, 2006 to June 30, 2007 is approximately \$574,000.

Background - continued

Organization Chart

The 800 Megahertz Program is operated and managed predominantly by the Office of Emergency Management, under the direction of Robert Lay, Director. However, our review only covers the 800 Megahertz Program, and not the Office of Emergency Management as a whole. Accordingly, the following represents an organizational chart of only employees and key personnel related to the 800 Megahertz Program:



Background - continued

Selected Statistics

	FY 06/07 Current Budget ±	FY 06/07 YTD Actual ‡	FY 05/06 Budget †	FY05/06 Actual †
Revenues				
Charges for service	\$ 210,526	\$ 2,424	\$ -	\$ 239,108
Fines & Forfeits	415,000	278,257	-	438,645
Miscellaneous	30,000	102,850	-	88,566
Balance forward**	1,114,834	1,270,850	1,188,714	1,188,714
Transfers – General fund	765,355	574,016	68,143	68,143
Statutory reduction (5%)	(31,276)	-	-	-
Total revenues	2,504,439	2,228,397	1,256,857	2,023,176
Expenditures				
Compensation & benefits	173,468	128,587	68,143	60,430
Operating expenses	1,108,123	465,962	197,063	195,981
Capital outlay	1,222,848	898,345	991,651	695,205
Total expenditures	2,504,439	1,492,894	1,256,857	951,616
Excess of revenues over expenditures	\$ -	\$ 735,503	\$ -	\$ 1,071,560

All amounts are unaudited.

** Balance forward amount is the unused balance from the \$12.50 Surcharge Fund.

‡ FY 06/07 actuals are for the period from October 1, 2006 to June 30, 2007.

† FY 05/06 actuals and budget are for the period January 28, 2006 to September 30, 2006. January 28, 2006 is the date the OEM was given responsibility for the 800 Megahertz Program.

± FY 06/07 budget is significantly more than the budget for FY 05/06 due to several factors. The most significant differences are due to OEM having responsibility for the program for only a part of the year for the FY 05/06. Also the Transfers – General Fund and Compensation & Benefits in FY 05/06 only contained funds for one employee's salary, whereas FY 06/07 contained multiple employees' salaries. Finally, because OEM was only responsible for the program for part of the year, there was no program revenues budgeted in FY 05/06.

Objectives and Approach

Objectives and Approach

Objectives

The objectives of the internal audit of the 800 Megahertz Program included the following:

<input type="checkbox"/>	Determine that controls are in place to ensure compliance with applicable Florida Statutes and the applicable Board of County Commissioners' policies, procedures, resolutions, ordinances and agreements.
<input type="checkbox"/>	Determine that the records and documentation maintained by management are sufficient to establish an audit trail for all transactions of the 800 Megahertz Program.
<input type="checkbox"/>	Determine that expenses of the 800 Megahertz Program are properly authorized.
<input type="checkbox"/>	Determine that the \$12.50 surcharge funds are collected and tracked by management, so that the funds can be expended appropriately.
<input type="checkbox"/>	Determine that users of the 800 Megahertz System are billed for appropriate system backbone maintenance costs, in accordance with their respective user agreements.
<input type="checkbox"/>	Determine that management of the 800 Megahertz Program is efficiently and effectively managing the capital requirements of the 800 Megahertz system, in order to achieve the objectives of the Program.
<input type="checkbox"/>	Determine that the system of internal accounting and administrative control operates as designed and accurately provides timely information needed to comply with County requirements.

Approach

Our audit approach consisted of four phases:

Understanding and Documentation of Process

During phase one, we held an entrance conference with the Director of the Office of Emergency Management and other personnel related to the 800 Megahertz Program to discuss the scope and objectives of the audit work, obtain preliminary data, and establish working arrangements. We then conducted interviews with responsible 800 Megahertz personnel and documented their role in the process.

In addition, we contacted representatives from Martin County and Volusia County that were responsible for the operation of their respective 800 Megahertz systems. During each telephone interview, we obtained an understanding of the method of operation and management of their 800 Megahertz system. Such an understanding provided us with a basis for comparison while reviewing Brevard County's internal controls and procedures.

Population and Sample Determination

The time period covered by the testing was January 28, 2006 through April 30, 2007.

Detailed Testing

The purpose of this phase was performance of testing procedures based on our understanding of the 800 Megahertz Program, applicable County ordinances, and state statutes. Our procedures included observation and inquiry, walk-throughs, and testing of individual transactions.

Objectives and Approach - continued

Approach – continued

Our procedures included, but were not limited to, testing revenue billing and tracking, contract compliance, general operation and maintenance of the 800 Megahertz system, and Program expenditures.

Reporting

During this phase, we summarized our findings, based on our detailed testing, into a report format and conducted an exit conference with management and incorporated their responses into our report.

Issues and Recommended Actions

Rating	Issues	Recommendation	Management Response																								
High	1. Tower Lease Agreements																										
	<p>The County maintains several lease agreements in which the County leases space at its radio tower sites to vendors for an annual fee. We noted management does not have a system in place to track and monitor the tower lease agreements. The lack of an adequate tracking system has led to the following:</p> <ul style="list-style-type: none"> a. Management does not budget for lease revenues (approximately \$60,000 for fiscal year 2007), which could result in over-reliance on general revenues. When the revenues are received they are included in miscellaneous revenues. b. The majority of tower lease agreements were initiated by the Brevard County Sheriff's Office (BCSO). We noted the BCSO has not yet assigned these agreements to the County. c. Management does not invoice the vendors to solicit contracted payments. All but one of payments due during the period from January 28, 2006 to April 30, 2007 was received after its respective due date. However, management did not follow up with vendors to solicit payments. The following is a summary of late payments: <table border="1" data-bbox="235 927 768 1105"> <thead> <tr> <th><u>Payment</u></th> <th><u>Due date</u></th> <th><u>Received*</u></th> <th><u>Posted**</u></th> </tr> </thead> <tbody> <tr> <td>\$ 9,308</td> <td>04/30/06</td> <td>06/29/06</td> <td>07/05/06</td> </tr> <tr> <td>\$ 6,000</td> <td>06/21/06</td> <td>07/07/06</td> <td>07/07/06</td> </tr> <tr> <td>\$20,343</td> <td>09/15/06</td> <td>12/08/06</td> <td>01/31/07</td> </tr> <tr> <td>\$20,270</td> <td>01/26/07</td> <td>01/14/07</td> <td>05/25/07</td> </tr> <tr> <td>\$ 9,773</td> <td>04/30/07</td> <td>***</td> <td>***</td> </tr> </tbody> </table> <p>* 'Received' represents date received by BCSO. ** 'Posted' represents date funds transferred from BCSO to the Office of Emergency Management. *** Payment not yet received as of the date of this report.</p> <p>We also noted significant variances in fees charged under each lease for similar capacity. In addition, space on several of the towers is not currently being leased, which could represent an underutilization of County assets.</p>	<u>Payment</u>	<u>Due date</u>	<u>Received*</u>	<u>Posted**</u>	\$ 9,308	04/30/06	06/29/06	07/05/06	\$ 6,000	06/21/06	07/07/06	07/07/06	\$20,343	09/15/06	12/08/06	01/31/07	\$20,270	01/26/07	01/14/07	05/25/07	\$ 9,773	04/30/07	***	***	<p>Management should establish a policy to track and monitor the terms of the tower lease agreements. The tracking mechanism should be maintained by a single employee and periodically reviewed by an appropriate member of management. Both the tracking and review should be documented.</p> <p>Management should begin budgeting for expected revenues, invoicing vendors, and following up on late or missing payments. In addition, an interest charge should be assessed for late payments.</p> <p>Management should perform a detailed analysis of activity over the recent past to determine whether the County (or Brevard County Sheriff's Office) has received all payments in accordance with its tower lease agreements. In addition, all lease agreements should be assigned directly to the County so that payments come directly to the Office of Emergency Management.</p> <p>In addition, management should consider development of a tower lease policy, including a standardized agreement and rates for use upon renewal. Management should also consider marketing space on its remaining towers.</p>	<p>Management concurs with Tower Lease recommendation. Management's records from BCSO show regular scheduled receipts from vendors, though information and transfer of funds from BCSO to County was delayed.</p> <p>Agreements are presently at renewal status, allowing for a natural transition to County. Revenue from Tower Lease agreements will be more efficiently collected with revised agreements in County's name.</p> <p>Budgeting, billing, collecting in accordance with County lease agreements will be performed.</p> <p>Management has determined that a standardized tower lease agreement and cost is currently not feasible. Once all towers have been analyzed for structural ability and defects, a standard can be set up for the different locations and sizes. Location and size will indicate the lease amounts. Management can then determine whether a standardized tower lease agreement is feasible.</p> <p>Expected completion date: October 1, 2007 Expected test date: June 2008 Responsible party: Robert Lay</p>
<u>Payment</u>	<u>Due date</u>	<u>Received*</u>	<u>Posted**</u>																								
\$ 9,308	04/30/06	06/29/06	07/05/06																								
\$ 6,000	06/21/06	07/07/06	07/07/06																								
\$20,343	09/15/06	12/08/06	01/31/07																								
\$20,270	01/26/07	01/14/07	05/25/07																								
\$ 9,773	04/30/07	***	***																								

Rating	Issues	Recommendation	Management Response
High	2. Agency Billing		
	<p>The 800 Megahertz Program (the Program) maintains separate 800 Megahertz Backbone Maintenance Agreements with each agency using the 800 Megahertz system. These agreements are those that were transferred from the BCSO. The agreements enable the Program to charge back to the agencies certain maintenance expenses. Specifically, it states the agency will pay “a proportionate share of the...backbone trunked radio system maintenance costs associated with the [agency’s] primary transmission site [and that] proportionate share shall be based on the system’s total number of mobiles and portables utilizing this primary transmission site.”</p> <p>During the period from January 28, 2006 to April 30, 2007, management performed one annual billing in September 2006. During our review of that billing, we noted it was not performed in accordance with the agreements, as follows:</p> <ul style="list-style-type: none"> • Rather than identifying actual costs of the Program, management simply charged the total amount most recently charged by the BCSO (approximately \$262,000) plus 10%. The agreement does not appear to allow for the billing of estimated costs. • Management has not yet identified the specific and actual program costs that can and should be charged to the agencies, in accordance with the agreement. • Management allocated the total pool of costs (approximately \$288,000) to the agencies by their proportionate share of radios in use on the entire system, rather than their proportionate share of radios on their primary transmission site (i.e. the Titusville tower), as defined in the agreements. <p>We noted there are no written policies and procedures in place related to invoicing the user agencies.</p>	<p>Management should investigate the most appropriate method of billing the user agencies, in accordance with the agreement, and establish written policies and procedures to invoice the user agencies. The policies and procedures should include, but not be limited to, the following:</p> <ul style="list-style-type: none"> • Invoicing procedures, including calculation methodology, timing, identification of expenses to be charged back to agencies, and the procedures for entering billing data into SAP • Procedures to track the inventory of radio units used by each agency • A requirement that review of the billing calculation be documented and performed by a supervisor prior to being mailed • Procedures for collection of past due accounts, including an interest charge for late payments • An outline of responsible individuals. <p>Management should begin following the above recommended procedures immediately. However, management should also reconcile the billing performed in September 2006 with actual costs to be consistent with the agreements. Over or under billings that have occurred should be corrected on future billings to the agencies.</p>	<p>Since Program transition, Management performed one annual billing based solely on budget projections due to the absence of BCSO detailed account records. Subsequent billings will be performed based on anticipated program operation costs, determined by current activity and adjusted for necessary modifications. Following review of billing data collection, management is drafting agreements between County and user. The financial aspect of the agreement will contain detail of the billing, to include purpose and methodology. Management will complete development of a billing procedure to include audit recommendations. Further, as a result of completing its first billing, management has already identified improvements and efficiencies in the billing process. Finally, issuance of a County/User agreement will facilitate the billing and collection process.</p> <p>Expected completion date: October 1, 2007 Expected test date: January 2008 Responsible party: Robert Lay</p>

Rating	Issues	Recommendation	Management Response
High	2. Agency Billing (continued)		
	<p>The spreadsheet used to calculate each agency’s invoice is prepared by the Financial/Budget Coordinator. Review of this spreadsheet by another member of management is not documented.</p> <p>The current agreements with the user agencies have not yet been assigned from the Brevard County Sheriff’s Office (BCSO) to the Board of County Commissioners (BOCC). There are also other minor updates (i.e. vendor names, etc.) that need to be made to the agreements.</p> <p>As noted above, the only billing performed by management was completed September 2006 (total of approximately \$288,000). As of the date of this report, several agencies have not yet paid their invoices in full, totaling approximately \$46,000. Included in this past due balance are receivables management does not expect to collect. Such balances have not been written off. We note there is no written collections procedure for agencies that pay late or not at all.</p>	<p>We recommend management coordinate with the user agencies to assign the agreements from the Brevard County Sheriff’s Office to the Board of County Commissioners and update the agreements, as necessary.</p>	

Rating	Issues	Recommendation	Management Response
High	3. Segregation of Duties		
	<p>Our review of the billing and payables functions indicated that a proper segregation of duties was not always maintained.</p> <p>Related to agency billings, we noted the Financial/Budget Coordinator is responsible for generating invoices, mailing invoices to customers, receiving payment from customers, logging the payments, and taking the payments to County Finance. In addition, we noted the log of payments received is not reconciled on a regular basis.</p> <p>Related to processing of accounts payable, we noted the Financial/Budget Coordinator is responsible for processing purchase order requisitions, receiving and invoices from vendors, approving invoices for payment, and entering them into SAP for payment.</p>	<p>We recommend an employee other than the Financial/Budget Coordinator receive the checks from the agencies and log them into the Excel spreadsheet. Only then should the checks be provided to the Financial/Budget Coordinator for processing. On a regular basis, the log should be reconciled to the deposits posted by County Finance. This reconciliation should be documented and reviewed.</p> <p>Responsibility to process purchase order requisitions and receive and process invoices from vendors should be segregated from the responsibility to approve vendor invoices for payment.</p>	<p>Management concurs with recommendation and has reinstated a department check log other than the one maintained by the Financial/Budget Coordinator. To provide a further check and balance this log will be reconciled with County Finance records and documentation will be retained.</p> <p>An Accounts Payable check and balance will include a Department approval other than the Accounts Payable processor.</p> <p>Expected completion date: August 1, 2007 Expected test date: January 2008 Responsible party: Robert Lay</p>

Rating	Issues	Recommendation	Management Response
High	4. \$12.50 Surcharge		
	<p>In accordance with Section 318.21, Florida Statute, there is a \$12.50 surcharge on all traffic citations for moving violations written in Brevard County.</p> <p>The Board of County Commissioners maintains an agreement (Master Agreement – Intergovernmental Radio System Civil Penalty) with various cities to divide the \$12.50 surcharge received from traffic citations for moving violations written in Brevard County. During the period from January 28, 2006 to April 30, 2007, 80% of the surcharge on citations written in the <i>incorporated</i> areas of Brevard County was distributed by the Clerk of the Court to the respective town or city. During October 2006, management received information from the County Attorney indicating that 100% of the surcharge on all citations should have been distributed to the County (0% to the cities). As a result, surcharge funds have been incorrectly distributed since the inception of the Program, resulting in an understatement of revenues during that time. Because the County has separate agreements with each agency outlining the 80/20 split, management does not believe they can retroactively re-coop the lost revenues. Agreements will be revised effective October 2007.</p> <p>The Master Agreement – Intergovernmental Radio System Civil Penalty also establishes a Communications Surcharge Advisory Committee (Committee) that is responsible for making recommendations on how to expend a certain portion of the surcharge funds. Specifically, the Committee has responsibility over 20% of all tickets written in both the <i>incorporated</i> and <i>unincorporated</i> areas of Brevard County. Accordingly, we conclude there are additional restrictions on such funds. We note management does not separately track the balance of each pool of funds. Due to the small quantity of expenditures from the \$12.50 surcharge fund, we tested 100% of such expenditures (20 in total) from January 28, 2006 to April 30, 2007. We noted two expenditures totaling \$456 that were not recommended by the Committee, nor were the expenditures consistent with the intended purposes of the surcharge funds, as described in Section 318.21, Florida Statutes.</p>	<p>Management should establish a new intergovernmental agreement related to the \$12.50 surcharge. In addition, management should establish written policies and procedures for the administration of the revised agreement. The policies should give consideration to</p> <ul style="list-style-type: none"> • Day-to-day administration of the \$12.50 surcharge funds, • Periodic verification that the Clerk of the Court is posting the correct amounts earned by the 800 Megahertz Program, • Separate tracking of the funds received, as identified in the intergovernmental agreement, and • Periodic review of expenditures of \$12.50 surcharge funds to ensure they are in accordance with both the revised intergovernmental agreement and Section 318.21, Florida Statute. 	<p>Management has conducted two \$12.50 Surcharge meetings and has discussed the need for changing the collection of \$12.50 surcharge as well as other changes. Management has met with City Managers on two occasions to discuss the reallocation of funding in line with Florida Statute as well as the actual need. Management will be following up with a new inter-local agreement that will define role of committee and authority within the Public Safety Radio System.</p> <p>Expected completion date: October 1, 2007 Expected test date: June 2008 Responsible party: Robert Lay</p>

Rating	Issues	Recommendation	Management Response
High	5. Inadequate Signal Coverage		
	<p>The Program is responsible and therefore the County, for providing signal coverage to mobile and hand-held radio units operated by various emergency response units and other agencies throughout Brevard County.</p> <p>Per discussions with management, representatives of agencies utilizing the system frequently report failures in signal coverage. For example, police officers may be unable to communicate with either their dispatch center or with other officers in the field, or EMT's may be unable to communicate with a hospital while en route with a patient. We note there is a significant potential liability to the County given the critical nature of work performed by the agency members.</p> <p>When reporting signal coverage failures, agency members will either call or email one of several members of County management or a representative of Communications International, Inc. (contracted equipment and maintenance provider). Some or all of these individuals then coordinate to determine the most appropriate course of action. The reported signal failure, including resolution and follow-up with the reporting agency member, if any, is not well documented by management.</p>	<p>Management should explore options to enhance the system to either reduce or eliminate signal coverage failures.</p> <p>Management should develop policies and procedures related to the method in which agency members report signal coverage failures. The procedures should eliminate the current practice of multiple individuals performing redundant functions. In addition, procedures should be developed to standardize the way in which agency members report signal coverage failures so that management can adequately track and respond to such failures. The recommended tracking mechanism (log) should be reviewed and signed off periodically by the Director of the Office of Emergency Management.</p> <p>Management should communicate its revised procedures to Communications International, Inc. and to each agency. Finally, reference to the revised procedures should be included in all subsequent contracts or contract renewals with Communications Inc. and each agency.</p>	<p>Management accepted the system with knowledge of pre-existing coverage deficiencies. Management has contracted with a specialized consultant and is actively engaged in the investigative process. These issues will be addressed by the report from the currently contracted consultant. The resolution will be impacted by that study and input from the affected users. The projected costs to improve the signal coverage are estimated at \$11,428,763 in 2006 dollars, and will be affected by price changes until the project is completed. Projected costs are approximately \$18,000,000 by the year 2012.</p> <p>Management is in the process of refining a procedure for identifying problems, to categorize and provide solutions for network failure, operator difficulties and various coverage problems. A user-friendly process for reporting difficulties will be implemented. 800 MHz staff will monitor and analyze results and provide auditing of the work product from the contracted vendor.</p> <p>Expected completion date: December 1, 2007 Expected test date: June 2008 Responsible party: Robert Lay</p>

Rating	Issues	Recommendation	Management Response
Moderate	6. Contract Compliance		
	<p>We reviewed all of the significant contracts managed by the 800 Megahertz Program and tested various provisions for compliance, noting the following:</p> <p>Under the following County service contracts, the vendors are required to provide to management updated lists of employees and related certifications, licenses, etc, as defined in each contract:</p> <ul style="list-style-type: none"> • Master Contract Agreement - at the time of our audit (June 2007), management was unable to provide a current list of vendor employees working on the 800 Megahertz system. The most recent listing on hand was from the contract’s inception (October 1, 2006). Per the agreement, updated listings are required quarterly. Management subsequently obtained a revised listing from the vendor; however, the listing was missing various requirements, per the agreement, such as certifications, licenses, on-the-job training, and equipment skills. • Miscellaneous Radio Maintenance Contract – at the time of our audit (June 2007), the most recent employee listing was missing each employee’s race, sex and date of birth, as required by the agreement. <p>Under the following County service contracts, the vendors are required to provide to management current Certificates of Insurance (general liability, automobile and workers’ compensation) throughout the life of each agreement:</p> <ul style="list-style-type: none"> • Master Contract Agreement – at the time of our audit (June 2007), management was only able to provide verification of coverage through October 13, 2006. The vendor subsequently provided a current certificate of coverage. 	<p>Management should coordinate with the County’s Contract Management Department to identify all contracts under the management of the 800 Megahertz Program. For all contract provisions for which the County’s Contract Management Department will <i>not</i> track compliance, management should develop a checklist of specific contract requirements by contract, including related timelines, etc. One employee should be responsible for coordinating with vendors and tracking the checklist throughout the year. The checklist should be reviewed periodically by an appropriate member of management. Both the tracking and review of the checklist should be documented.</p>	<p>Management will develop a department contract management procedure. This procedure will include a “tickler” system for renewals and requirement compliance for maintenance of certificates, licenses, etc.</p> <p>During the course of this audit Emergency Management followed up on existing contract needs as noted in the 800 Megahertz audit issue. Requirements are satisfied but it is evident that a revised tracking system is necessary.</p> <p>Expected completion date: September 1, 2007 Expected test date: January 2008 Responsible party: Robert Lay</p>

Rating	Issues	Recommendation	Management Response
Moderate	6. Contract Compliance (continued)		
	<ul style="list-style-type: none"> • Tower and Antennae Maintenance Contract - at the time of our audit (June 2007), management was only able to provide verification of coverage through October 13, 2006. The vendor subsequently provided current certificates of coverage. • Miscellaneous Radio Maintenance Contract - at the time of our audit (June 2007), certificate of coverage for automobile coverage was current but in the wrong amount (\$100,000 vs. \$1,000,000). Management subsequently provided a revised certificate with the corrected amount. Management was only able to provide verification of workers' compensation coverage through February 28, 2007. The vendor subsequently provided a current certificate of coverage. • Four tower lease agreements - County Management was unable to produce documentation that the vendors were compliant with this requirement, thereby creating potential liability for the County. <p>Per discussions with management, the County's Contract Management Department has not been made aware of several of the contracts managed by the 800 Megahertz Program and therefore was not following up for the appropriate insurance coverages.</p> <p>The above discrepancies indicate management does not have a system in place to ensure contract compliance.</p>		

Rating	Issues	Recommendation	Management Response
Low	<p>7. Transmitter Buildings</p> <p>During a tour of certain facilities of the 800 Megahertz Program, we noted significant and noticeable mold in two of the transmitter buildings - Titusville and Mims.</p> <ul style="list-style-type: none"> • Titusville: While the older Titusville building is currently being used, the replacement building is on site and nearly complete. Management plans to destroy the existing building when the replacement building is complete. • Mims: Management is currently undecided on the future use of the transmitter building in Mims. <p>The buildings are relatively small – approximately 200 square feet. Both County and Communications International, Inc. employees are required to work in these confined spaces on a regular basis.</p> <p>The Florida Department of Health notes there are “four kinds of health problems that come from exposure to mold: allergic illness, irritant effect, infection, and toxic effects.” While the severity of effects can vary, the Department notes “one should not let mold grow and multiply indoors... when this happens, your level of exposure can increase, thereby increasing the risk of potential health problems.”</p> <p>In addition to potential health risks, the presence of mold indicates high levels of moisture, which can also lead to structural damage to the buildings and equipment.</p>	<p>We recommend that management complete an analysis of all sites to identify the severity of mold and potential water damage. Management should develop a plan to remove mold at all sites as quickly as possible.</p>	<p>Emergency Management has previously submitted to the Board of County Commissioners plans for 800 MHZ radio system expansion & modernization. Currently the approved \$1.7m upgrade plan is in progress, three tower buildings are being replaced with new concrete structures and two primary sites are receiving new 800 MHZ station equipment and backup power systems.</p> <p>Specific to the mold issues, the modernization plan currently in the works will address all sites except Mims. Emergency Management will cause necessary cleanup actions to occur at the Mims site based on recommendations of County Facilities Management. Further, work is pending Radio System consultant report.</p> <p>Expected completion date: October 1, 2007 Expected test date: January 2008 Responsible party: Robert Lay</p>

Rating	Issues	Recommendation	Management Response
Low	8. Policies and Procedures - Other		
	<p>We noted the following issues that need to be addressed in a formalized policies and procedures manual:</p> <ol style="list-style-type: none"> 1. We also noted that no employee is trained as a back up for another employee. There is no procedure for cross-training employees on the 800 Megahertz Program. 2. Employees' time spent on the 800 Megahertz project may not be accurately recorded as there are some employee's who have 0% of their time allocated to the program that work more than 5% on the program and some employee's whose time is allocated 100% to the program who work more than 5% on other duties. 3. The majority of the program's employees are expected to retire within 5 to 10 years and to date there have been no replacements named or cross-trained. 	<p>Management should implement and document a cross-training plan to train at least one other person on a job so there is full coverage on every duty. Written policies and procedures will help with this.</p> <p>Management should evaluate each person's time spent on the 800 Megahertz Program and consider re-evaluating the allocation annually.</p> <p>Management should develop a backup plan for those employees that are planning to retire so that those individuals will have ample time to train their replacements.</p>	<p>Management concurs with recommendations and had identified many of the same issues prior to the transition. Management is working to ensure there is sufficient back-up but with a small organizational staff it is hard in the start up period to have the time or the funds to do everything initially. Periodic meetings of staff will include reference to duties and documented policies and procedures. Labor distribution will be included with the current EM quarterly process. Fund transfers will be performed according to time allocation.</p> <p>Expected completion date: December 1, 2007 Expected test date: June 2008 Responsible party: Robert Lay</p>