



City Auditor's Office

Carlos Lee Holt

November 15, 2018

TO: Combined Communications Center - Executive Board
FROM: Carlos Holt, City Auditor
SUBJECT: Combined Communications Center Recommendations

BACKGROUND

In accordance with the City of Gainesville fiscal year 2018 Annual Audit Plan, the City Auditor's Office completed an *Agreed Upon Procedures*¹ engagement of the Alachua County Combined Communications Center. This engagement was agreed to by the Alachua County Sheriff's Office solely to determine procedure-specific compliance with the interlocal agreement for the period of October 1, 2015, through September 30, 2017.

While performing the procedures outlined in the Combined Communications Center engagement and our pre-engagement enabling procedures, we determined there was noncompliance with the interlocal agreement by all parties.

As such, we are writing this notification and our recommendations in accordance with:

Government Auditing Standards December 2011 Revision, Chapter 5 -Standards for Attestation Engagements:

Section 5.59 - "If, on the basis of conducting the procedures necessary to perform an agreed-upon procedures engagement, significant deficiencies, material weakness, instances of fraud, noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse come to the auditors' attention that warrant the attention of those charged with governance, GAGAS requires that auditors should communicate such matters to audited entity officials."

WHAT WE FOUND

We found several instances of noncompliance with the interlocal agreement. We also identified other instances of noncompliance that were outside the scope of the agreed upon procedures that we would like to bring to your attention.

See the *Independent Combined Communication Center Interlocal Agreed Upon Procedures* report at Attachment A.

While performing our procedures, we noted additional noncompliance, as it relates to:

- a) the timing and composition of monthly billings by Clerk of Courts – Finance and Accounting,
- b) timely payment compliance of billings by the City of Gainesville, and;

¹ An attestation engagement as per the Government Accountability Office Government Auditing Standards



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- c) the timing of the invoice of annual settlements for both fiscal years by Clerk of Courts – Finance and Accounting.

During our test-work, we noted:

Criteria:

"SECTION 3. FINANCING PLAN B. Apportionment of Costs. Each year of this agreement, the County shall invoice the City on a monthly basis as follows: City of Gainesville's % of calls for service for the month two months immediately prior to the billing date X operating budget divided by 12."

Two monthly bills, subject to test-work from fiscal year 2016, were issued in arrears greater than two months.

Criteria:

"SECTION 3. FINANCING PLAN B. Apportionment of Costs. Payments due from either party are preferably paid via electronic funds transfer and all payments shall be paid within thirty days of receiving the invoice."

Three monthly invoices, subject to test-work from fiscal year 2016 and fiscal year 2017, were not paid within the 30 day period.

Criteria:

"SECTION 3. FINANCING PLAN B. Apportionment of Costs. The final amount due to/from the City for the fiscal year shall be calculated and a statement of the final amount due to/from the City for the fiscal year should be presented to the City by November 15..."

Both fiscal year 2016 and fiscal year 2017 annual settlements were not issued until January/February of the following fiscal year.

Key Finding:

Simply stated, a majority of the noncompliance issues relate to the fact that the overall process is not documented. Further, no single department, key role, or process owner is responsible for understanding the Combined Communication Center operational and financial processes from end to end; then, to ensure the process continually complies with the interlocal agreement.

Each entity has been operating independently. However, the process should ideally be a collaborative effort that would reduce the risk of noncompliance and errors. Notwithstanding, much by chance and various individual efforts, the disconnected processes have resulted in an overall fair appropriation of costs.

See current process at Attachment B1 and B2.



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OUR RECOMMENDATIONS

Representatives from each party to the interlocal agreement party along with Combined Communication Center process owners assess the current process and:

- a. Make a determination of necessary controls to reduce the risk of noncompliance and errors and implement,
- b. Fully document the necessary changes along with the entire process,
- c. Assess the applicability of the current interlocal agreement as written and make necessary revisions.

End of report

Attachment B1: The Combined Communication Center Financial Process

Combined Communications Center Financial Process

The purpose of this document is to share our comprehensive understanding of the current Combined Communication Center process.

Background of the Interlocal Agreement and Combined Communication Center

In November 1999, the City of Gainesville, Alachua County and the Alachua County Sheriff entered into an interlocal agreement for a Combined Communications Center. The Combined Communication Center was designed and sized to provide all participating emergency agencies with a single point for the receipt of emergency assistance requests and to eliminate duplicate facilities and systems while improving the delivery of emergency services (law, fire and medical). The interlocal agreement has had three amendments since it was initially signed.

The Combined Communication Center is a department of and managed by Alachua County Sheriff's Office. The City of Gainesville, Alachua County Sheriff's Office and the Alachua County Board of County Commissioners are responsible for providing staff support via an Executive and Administrative Board.

The Executive Board (Sheriff, Mayor of the City of Gainesville and Alachua County Board of County Commissioners' member) meet at least semi-annually and is responsible for strategic long-term policy recommendations on planning and funding issues affecting the Combined Communication Center. The Administrative Board (City Manager or Assistant City Manager, County Manager or Deputy County Manager and Sheriff's designee) meet at least bi-annually and is responsible for recommending amendments to the day-to-day operational policies (i.e., SOP Manual) and implementation/work plan items to the Sheriff who has the authority to reject, accept, or modify such recommendations in his/her sole discretion. Both boards can be involved in funding, dispute resolutions, etc.

Funding of the Combined Communication Center

The annual certified budget request for the Combined Communication Center is prepared by the Alachua County Sheriff's Office- Accounting and Budget Bureau in accordance with section 30.49 Florida Statutes, and presented to the Alachua County Board of County Commissioners for approval, with a copy to the City of Gainesville Commission. If the City of Gainesville Commission does not approve the Combined Communication Center budget, the two Commissions shall schedule a joint meeting to resolve the budget issue. The funding should not be comingled with other budgets under Alachua County Sheriff's Office. The total final approved Alachua County Sheriff's Office budget is distributed by Alachua County Board of County Commissioners in 1/12th draws monthly and is done similarly for the Combined Communication Center portion. However, any items budgeted for through the Combined Communication Center Capital Replacement Fund is refunded by the Alachua County Board of County Commissioners through a special revenue fund held at the Alachua County Board of County Commissioners.

All costs for running the Combined Communication Center should be proportionally shared amongst the parties in the interlocal agreement.

Attachment B1: The Combined Communication Center Financial Process

Billing & True Up of Combined Communication Center Expenditures

All Combined Communication Center expenses, capital equipment replacement, debt service cost and revenue should be proportionally shared amongst the parties in the interlocal agreement. This proportionate share is determined based on the portion of "calls for service" for the party compared to the total "calls for service".

Expenses:

We determined there are three sources of expenses being applied to the Combined Communication Center outside of the Capital Equipment and Debt Service Cost.

The direct costs related to the Combined Communication Center captured and recorded by the Alachua County Sheriff's Office - Accounting and Budget Bureau, are operating and payroll related expenses. The direct/indirect costs related to running the Combined Communication Center facility, captured and recorded by the Alachua County Board of County Commissioners - Budget and Fiscal Services, are allocated facilities cost and insurance premiums.

Capital Equipment and Debt Service Cost:

The Combined Communication Center capital equipment is not handled in the exact manner outlined in the interlocal agreement. Although it is budgeted for yearly at the Combined Communication Center and the funds are held at the Alachua County Board of County Commissioners, the Combined Communication Center is not updating the replacement schedule and related replacement table annually, nor budgeting based on the replacement table and not presenting it to the Administrative Board annually as detailed in the interlocal agreement.

Currently, the Alachua County Sheriff's Office budgets for the capital replacement fund based on an old replacement schedule. The budgeted dollars are billed for monthly and held in Combined Communication Center Capital Equipment Fund 147 by the Alachua County Board of County Commissioners and only dispensed to Alachua County Sheriff's Office on a reimbursable basis.

Offsetting Revenues

There was only one revenue source received during Fiscal Year 2016 and 2017 and it was E911 funds from 9-1-1/Communications Office part of the Alachua County Fire and Rescue. These revenues come from the Florida Department of Management Services. However, we determined the offsetting revenues are not handled in the manner that is outlined in interlocal agreement. Instead of directly offsetting each party's expenditures, E911 Revenues are used to:

- a) fund the 9-1-1/Communications Office who's main responsibility is maintaining and ensuring the accuracy of the Automatic Location Information Database,
- b) reimbursed agreed upon expenses at the Alachua County Sheriff's Office level for the Combined Communication Center,
- c) pay invoices directly (by 9-1-1/Communications Office) on behalf of the Combined Communication Center and,
- d) a lump sum payment to the Combined Communication Center was used to reduce total expenditures prior to allocation to the parties for both fiscal years during annual settlements.

Attachment B1: The Combined Communication Center Financial Process

Calls for service:

The calls for service are used to determine the proportionate share of costs. The Combined Communication Center uses a dynamic (ever changing) formula in the Crystal Report formula window to query the call load data from Computer Aided Dispatch (CAD). During this process, only one call per incident for each jurisdiction is counted but we noted the formula varies based on the jurisdiction. Additionally, we noted there are not any completeness nor change management procedures in place to ensure the integrity of the data used. The percentage is then computed based on the number of calls per jurisdiction divided by total of calls pulled via Crystal Reports.

Monthly:

- Alachua County Sheriff's Office- Accounting and Budget reports actual operating expenditures and the Combined Communication Center reports all calls for service to Alachua County Board of County Commissioners- Budget and Fiscal Services where it is monitored and tracked for annual true up.
- All monthly billing to interlocal parties is calculated and sent by Finance and Accounting under The Clerk of Courts to the City of Gainesville.
 - *Monthly Billing = percent of calls for service from 2 months prior * 1/12th of Combined Communication Center budget*

Annually:

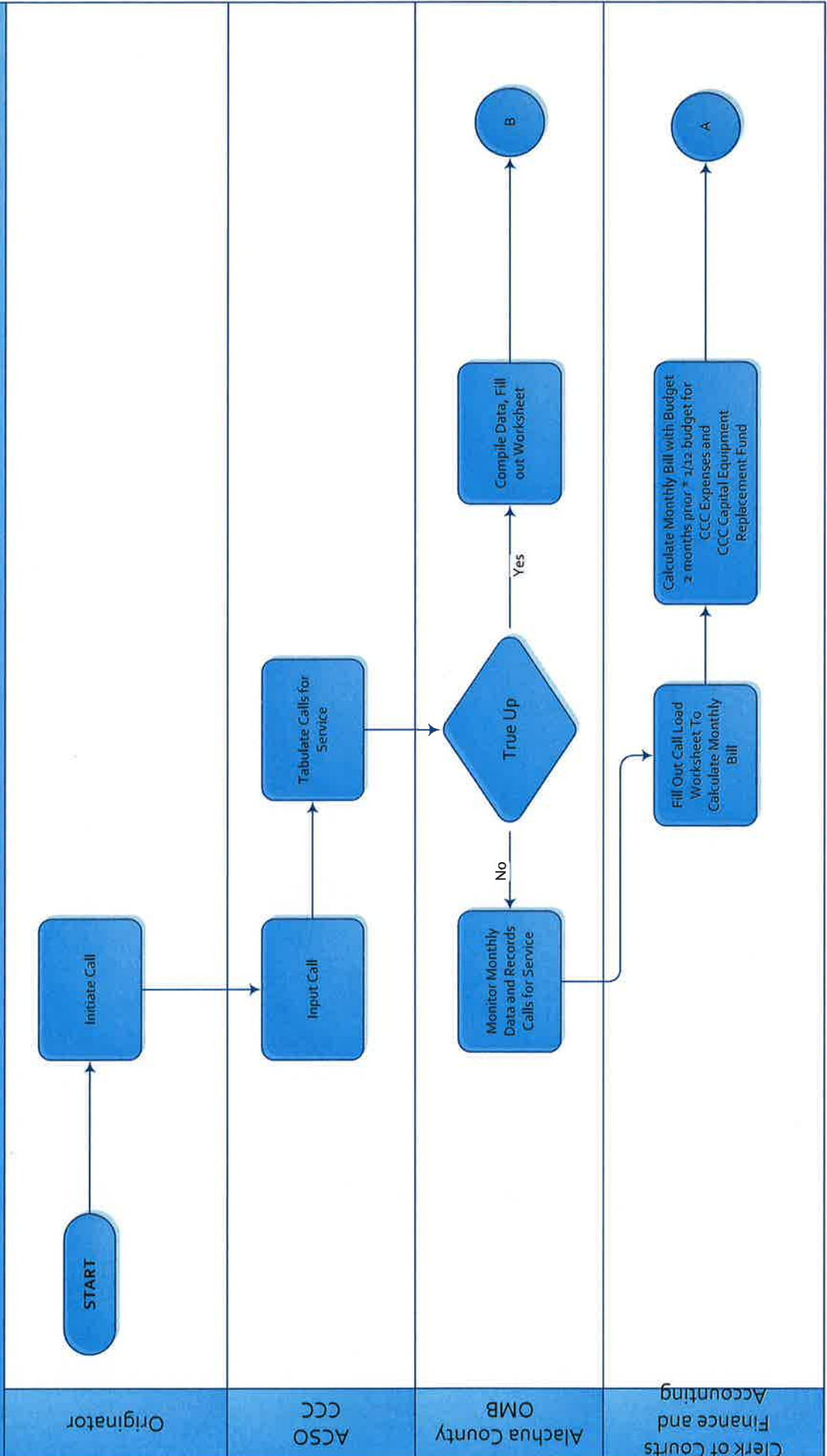
At fiscal yearend Combined Communication Center (13th month), all the related Combined Communication Center actual expenses (from Alachua County Sheriff's Office- Accounting and Budget) and actual calls for service (Combined Communication Center) for the year are provided to the Alachua County Board of County Commissioners- Budget and Fiscal Services. The Budget and Fiscal Services inputs the information provided in a formula driven worksheet with additional expenses incurred by the County. These expenses include insurance, facilities cost, and debt service cost. They include any offsetting revenue provided by E911. The worksheet calculates the refund or money due to the Combined Communication Center for the annual expenses based on the party's proportionate share.

*(percent of calls for service for the year * actual Combined Communication Center expense less offsetting revenue less the amount previously billed and collected)*

This worksheet is then provided to Finance and Accounting under The Clerk of Courts to verify and then bill or refund the parties of the interlocal agreement for the difference.

(End Process)

CCC Calls for service



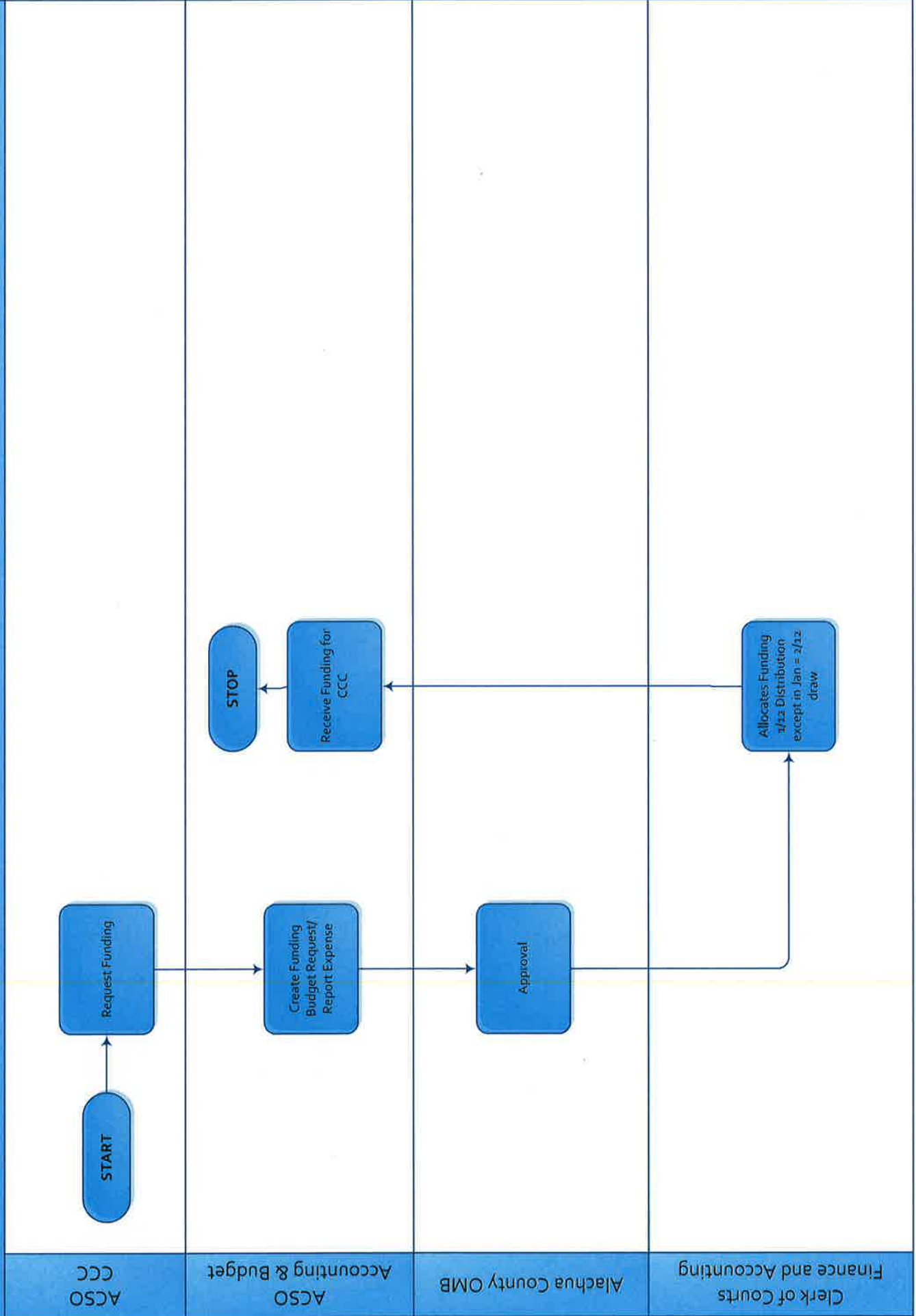
Originator

ACSO
CCC

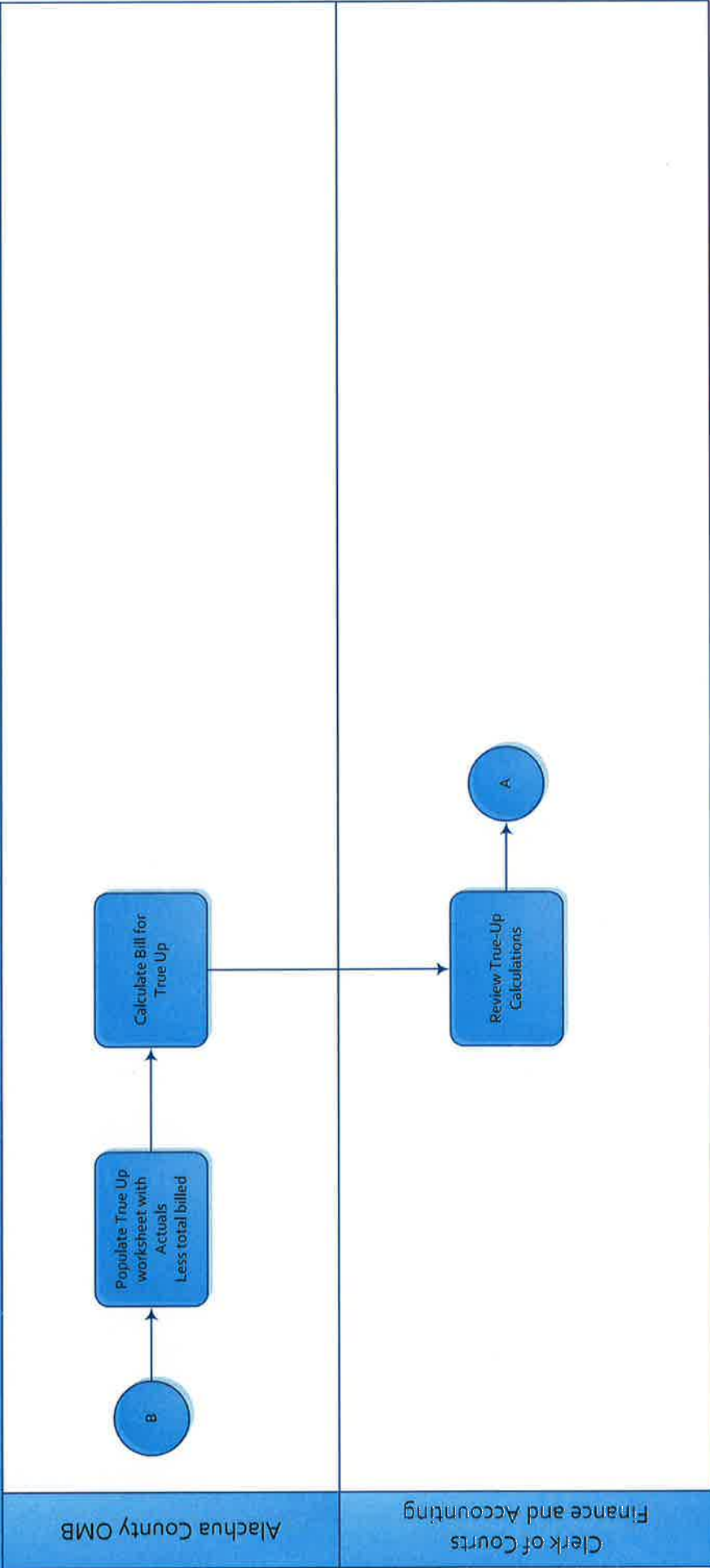
Alachua County
OMB

Clerk of Courts
Finance and
Accounting

CCC Operating Funding Needs



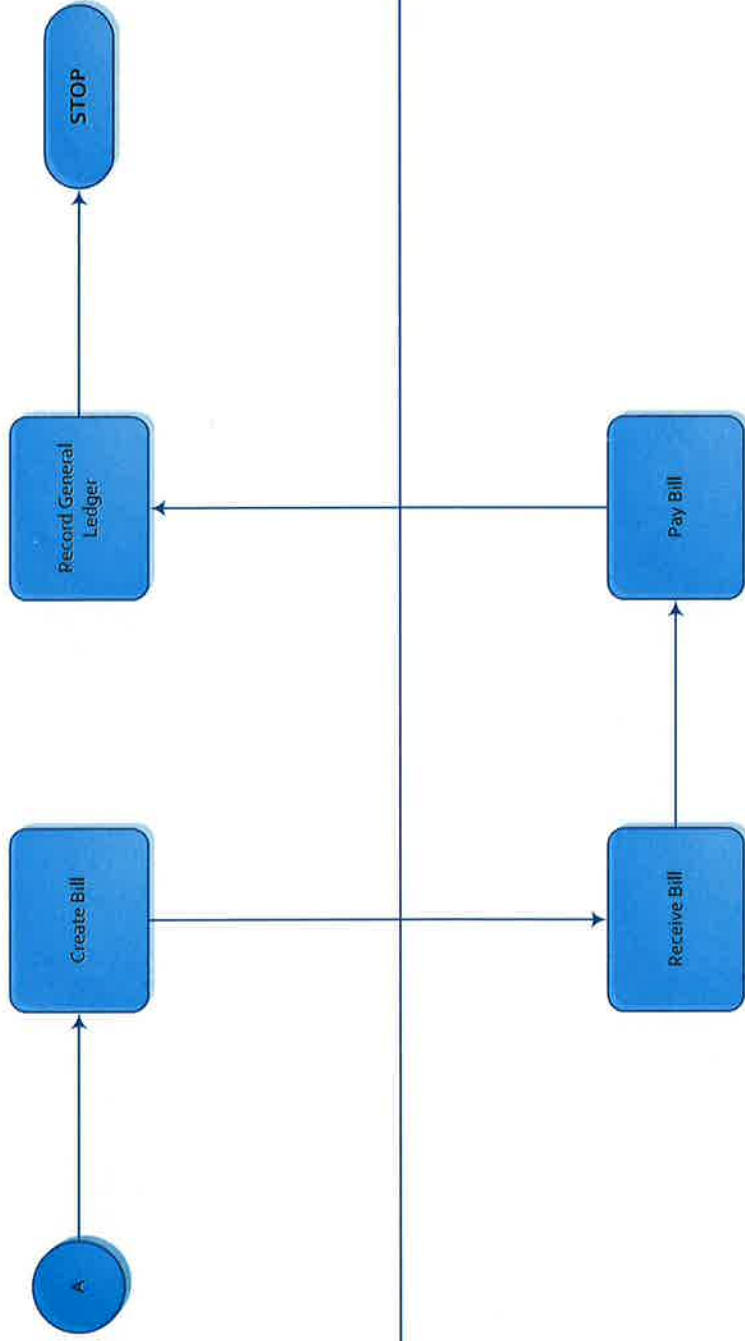
True Up



CCC Billing

Clerk of Courts
Finance and Accounting

City of Gainesville





Sheriff Sadie Darnell
Post Office Box 5489 • Gainesville, FL 32627

November 6, 2018

Carlos L. Holt, City Auditor
City of Gainesville
200 E. University Ave., Ste. 211
Gainesville, FL 32601

Dear Mr. Holt:

Below please find our responses related to the Combined Communication Center Agreed Upon Procedures performed by the City Auditor's that are under the control of the Alachua County Sheriff's Office.

Procedure #1 – Determine with accuracy the total population of billable calls for each fiscal year.

City's concern – There is no clear definition of a Call for Service in the Sheriff's Office Standard Operating Procedures Manual. City was unable to substantiate the total population of billable calls used in the annual true-up invoices.

Sheriff's response – CCC leadership will draft a policy specifically defining a call for service. In addition, CCC leadership will work with the IT Director to standardize a process for completeness testing. Also see response to Procedure #3 below.

Procedure #3 – Independently re-compute the percentage of total billable calls for service allocated to the City of Gainesville each year.

City's concern – City was unable to recompute the percentage of calls allocated to the City of Gainesville

Sheriff's response – Crystal Reports capture the calls for service and shows what jurisdiction they belong to. Currently (and to date), the Crystal Reports are essentially a snapshot that was available at the time the report was generated, and the specific database information that the report is based on is not archived. If discrepancies show in the same report generated at a later time, the comparative data from the previous report findings is not available. CCC will work with the Sheriff's Office Computer Aided Dispatch (CAD) Administrator and IT Director to ensure that when billable calls for service reports are created, that the database information is archived for future access and comparison. In addition, a procedure will be created to test the completeness and accuracy of the data.

(352) 367-4000



Procedure #6 – Test payroll records for appropriate assignment to CCC costs and include short interviews of some employees to determine workload areas.

City's concern – Two of the interviewees who charge 100% to the CCC did not spend 100% percent of their time performing CCC duties. This is easily offset by other positions that provide services to the CCC whose costs are not allocated to the CCC.

Sheriff's response – When the Center was combined with the City of Gainesville, the City transferred a specific number of FTE's to the Sheriff's Office. The Sheriff's Office has tried to maintain this same number of city FTE's throughout the years. This means that several agency employees who do perform services for the CCC are not being allocated to the CCC. The City states that some positions that charge 100% to the CCC, but perform other non-CCC functions, are **easily** offset by those who perform services to the CCC but do not charge off to the CCC. Our response is that the offset is **significant** and the City is receiving a great benefit by not being charged for many positions that do perform services for the CCC.

Procedure #8 – Compare capital equipment and debt service cost calculations with portions allocated to the City of Gainesville.

City's concern – The CCC Capital Equipment Replacement schedule is not being updated annually, budgeted based on the replacement schedule and not presented to the Administrative Board annually as detailed in the Interlocal agreement.

Sheriff's response – The Sheriff's response is strictly related to the Capital Equipment Replacement (CER) schedule as debt service is a county responsibility. Although the CER schedule is internally updated on an annual basis, and in past years changes have been brought to the attention of the Administrative Board, it has not been presented to the Administrative Board on an annual basis. We will be meeting with key staff to update the CER schedule, present it to the Administrative Board annually, and budget accordingly based on the new calculations.

Sincerely,



Sadie Darnell 11/6/18
Sheriff