



BOCC Audit Recommendations Status Report As of June 30, 2020

Inspector General Department



Tim Parks, Chief Internal Audit Officer/Inspector General



BOCC Audit Recommendations Status Report As of June 30, 2020



To: The Honorable Linda Doggett, Lee County Clerk of the Circuit Court & Comptroller

From: Tim Parks, Chief Internal Audit Officer/Inspector General

Date: June 30, 2020

Re: Lee County Board of County Commissioners (BOCC)
Audit Recommendations Status Report as of 06/30/2020

Dear Ms. Doggett,

The Inspector General Department has completed its *BOCC Audit Recommendations Status Report as of June 30, 2020*, which reflects the implementation status of outstanding audit report recommendations for the Lee County Board of County Commissioners. The report fulfills the IG Department's accountability for reporting on issues through their resolution.

This audit activity conforms to the Institute of Internal Auditor's (IIA) *International Standards for the Professional Practice of Internal Auditing (Red Book)* and the Association of Inspectors General (AIG) *Principles and Standards for Offices of Inspector General*.

The follow-up on recommendation status was conducted during the second quarter of 2020. We reviewed the status of the audit recommendations with the department personnel responsible for implementing the audit recommendations.

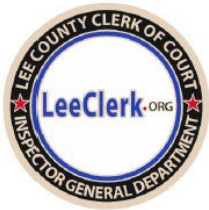
The follow-up report contains information regarding each outstanding recommendation, including recommendation status, management action taken, and Internal Audit follow up notes.

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

Sincerely,

A handwritten signature in blue ink that reads "Tim Parks".

Tim Parks, Chief Internal Audit Officer/Inspector General
Inspector General Department
TJP/GK



Lee County BOCC Audit Recommendation Status Report As of June 30, 2020



| BOCC GCN Digital Retrofit Project Feasibility (Project 2016.12, Issued January 2017) | | |
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| BOCC GCN Digital Retrofit Project Feasibility | | |
| Observation | Recommendation | Original Management Response |
| <p>The risks associated with the analog portion of the GCN include:</p> <ul style="list-style-type: none"> • The current analog system does not meet the Department of Homeland Security’s interoperability standards. In the event of large-scale emergencies and disasters, communication with external government agencies could potentially be difficult, and require workarounds. • The production of existing analog radio system equipment was discontinued in 2010-2011, with correlated supplier repair and technical support ending as of December 31, 2018. Thus, there is the potential impact of GCN communication services which are difficult to repair. There is no assurance that analog parts will be obtainable from government agency surplus donations or from online used equipment suppliers. • There are currently fewer towers than is necessary to remedy poor outdoor and in-building radio coverage in Central, South, and East Lee County. | <p>We recommend rapid adoption and completion of the BOCC GCN all-digital conversion to:</p> <ul style="list-style-type: none"> • Comply with Department of Homeland Security interoperability standards. • Get beyond the end-of-life system issues that may cause continued difficult radio maintenance issues. • Prepare for future County-wide growth and expansion. • Allow for effective communications between authorities during large-scale emergencies and disasters. | <p>The Department of Public Safety (DPS) is currently working with County Administration and Budget Services to move forward in the development of a plan for update and replacement of the GCN to an all-digital radio network. This project will include acquisition of a contracted consultant to design and plan the system, and working with County Administration and Budget Services to thoroughly explore all available funding sources, and develop a Capital Improvement Plan for the project.</p> <p>The Department of Public Safety is committed to a thoughtful and thorough evaluation of the audit’s recommendation, and will assure the information contained herein remains relevant in the Government Communications Network replacement plan moving forward.</p> |
| Estimated Implementation Date | Revised Implementation Date | Status |
| 6/30/17 | 9/30/2021 | In Progress |
| Last Status Update | Current Recommendation Action | IA Follow-up Notes |
| N/A | 7/17/17 - Procurement has issued the RFP for the Radio Communications P25 Migration Consultant. It remains open until August 23, 2017. | 7/17/17 - Management is taking action on the project. We will continue to monitor the adoption process until completion. |



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| 4/9/2018 | It remains open at this time. | GCN is currently engaged with the consultant and is expecting to be out to bid within 90 days. We will continue to monitor, with follow up in 90 days. |
| 6/30/2018 | It remains open at this time. | “Consultant’s initial phase of work is done and we’re crafting the RFP for competitive bid.” |
| 9/14/18 | It remains open at this time. | “The competitive RFP is expected to be issued within 60 Days” |
| 4/8/2019 | It remains open at this time | The installation of the microwave radio backhaul equipment & installation will be completed by 6/30/19. The P25 system was opened for bid as of 4/8/19. |
| 6/25/2019 | It remains open at this time | “Procurement has posted the notice of decision on the P25 replacement RFP Monday, and the protest period ends Thursday. If there are no protests, this will move toward contract negotiations this summer.” |
| 9/30/2019 | It remains open at this time | Board approved replacement of the system, awarded to Motorola, on Sept. 17. 24 Month implementation |
| 3/27/2020 | Benjamin Abes estimates the design/buildout is about 25 percent complete. We were due to have factory staging at the end of April, but the COVID outbreak will delay staging. | N/A |
| 5/27/2020 | The network replacement is proceeding as scheduled and is at about 40 percent of completion. The system was built at the factory and shipped to Lee County in the first week of May. | N/A |
| BOCC Emergency Medical Services (Project 2016.18, Issued March 2017) | | |



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| Policies and Procedures | | |
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| Observation | Recommendation | Original Management Response |
| Written policies and procedures were insufficient to document the processes that are followed by EMS to monitor or reconcile service billing and collection activities. | We recommend that documentation be developed and implemented to formalize the policy and maintenance procedures. Written policies and procedures are industry standards that define how organizations deal with everyday operational items to comply with regulations and codes. Failure to have and maintain current policies and procedures can lead to inefficiencies and confusion. | The Department of Public Safety (DPS) is currently working with McKesson to develop a process to allow more specific monitoring of patient accounts. DPS leadership is also inquiring with other similar EMS agencies around the country how they handle account reconciliation in their services. Our goal is to have these processes in place by the end of this fiscal year. |
| Estimated Implementation Date | Revised Implementation Date | Status |
| 9/30/17 | 9/30/2020 | In Progress |
| Last Status Update | Current Recommendation Action | IA Follow-up Notes |
| N/A | | Management change and natural disaster (Hurricane Irma) have put this behind schedule. We will follow up until completion. |
| 4/9/2018 | Remains open at this time | We have engaged the support of a billing consultant to help us a broader evaluation of our billing processes; there is no estimated timeline for completion at this point. |
| 6/30/2018 | Remains open at this time | “We continue to work with the vendor to clarify roles/responsibilities; we’re also going out to bid for these services in the fall, as the contract expires in September 2019.” |
| 9/14/2018 | Remains open at this time | “We are rebidding this project to explore the options available to us in the market. That timeframe is TBD.” |
| 3/31/2019 | Remains open at this time | There is no change in the timeframe to rebid the contract. |



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| 6/25/2019 | Remains open at this time | “We expect to take a new contract for billing services to the BoCC by the first meeting in September.” |
| 9/30/2019 | Remains open at this time | The BOCC is in the process of securing a new vendor. However, the current contract was extended for 6 months pending longer term agreement. That will be completed this quarter. Policies and Procedures will be updated with new contract. |
| 3/27/2020 | The vendor selection is complete (we’re remaining with the same vendor), and we are writing a new billing manual. The COVID outbreak will delay the completion of the manual, though it is mostly complete. | N/A |
| 5/27/2020 | We are focused on revenue stream management and changing billing regulations due to COVID-19, when these regulation stabilize, we’ll be able to document the billing processes under these new standards. We had a draft of the manual before this struck, but it will have to be rewritten. We’ve been in the new agreement with our vendor since last quarter. | N/A |
| BOCC Lee County Civic Center (Project 2019.17, Issued October 2019) | | |
| Related Party Transaction Disclosure | | |
| Observation | Recommendation | Original Management Response |



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| <p>We noted that the Fair Association entered into business transactions with three board members in 2017 and 2018. The Fair Association did not have written conflict of interest policy. The Fair Associations IRS Form 990 of 2017 and 2018 incorrectly indicated that there was a written policy addressing related party transactions, and that they did not enter into any related party transactions.</p> | <p>We recommend that the Fair Association:</p> <ul style="list-style-type: none"> • Creates a written policy addressing related party transactions following the IRS recommended conflict of interest policy • Discloses related party transaction on IRS Form 990 if applicable | <p>Response to Bullet 1: The Fair Association has a Conflict of Interest Policy in its By-Laws. The Board has adopted an additional Conflict of Interest Policy.</p> <p>Response to Bullet 2: Management will confer with the CPA regarding applicability. Will be implemented and discussed monthly - no written supporting documentation to provide.</p> |
| Estimated Implementation Date | Revised Implementation Date | Status |
| 12/31/19 | 5/30/2020 | Implemented and closed |
| Last Status Update | Current Recommendation Action | IA Follow-up Notes |
| 12/23/19 | <p>The Fair Association continues to work with our (external) CPA firm regarding the inclusion of related party transactions on the IRS Form 990, as applicable.</p> | To be confirmed by Fair Association |
| 3/23/2020 | <p>Per Fair Association, "In light of the all circumstances that surround all of us at this time, we anticipate a filing in early May."</p> | To be confirmed by Fair Association. |
| 6/25/2020 | <p>Client has filed 2018 filing (for fiscal year 2019) to include related party transactions disclosure.</p> | N/A |
| <p>BOCC Contract Management (Project 2018.15, Issued October 2019)</p> | | |
| <p>Contract Monitoring</p> | | |
| Observation | Recommendation | Original Management Response |



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| <p>A survey of 25 project managers and fiscal employees was conducted. The purpose of the survey was to document the process they followed to ensure that vendors are complying with key contract deliverables and whether written procedures were available.</p> <p>There were nine responses consisting of:</p> <ul style="list-style-type: none"> • One had written procedures • Eight described the monitoring procedures they followed • One believed that the PMO would be the individuals to contact | <p>We recommend that the PMO encourage user departments to document the process they follow to ensure that vendors are complying with key contract specifications and deliverables.</p> | <p>Procurement Management will send out guidance to County departments explaining their responsibility for the project management process and encouraging departments to document the process they follow to ensure contract compliance.</p> |
| Estimated Implementation Date | Revised Implementation Date | Status |
| 3/31/2020 | 6/30/2020 | Implemented and closed |
| Last Status Update | Current Recommendation Action | IA Follow-up Notes |
| 3/18/2020 | N/A | Management has been contacted and are in the process of providing a response. |
| 4/15/2020 | <p>Procurement Management have stated that "Senior staff from Procurement Management meet regularly with fiscal and project managers from most departments to discuss their upcoming and ongoing projects. These meetings afford an opportunity to reinforce good project management and procurement process compliance. Additionally, Procurement Management oversees the Resource Analysts assigned to each of the major departments in the County (DOT, Parks and Recreation, Facilities Construction & Management, Utilities and Solid Waste, and Transit). These Resource Analysts work with the departments on their projects from "cradle to grave," offering guidance on the procurement process and contract administration aspects of the projects."</p> | N/A |
| Solicitation Documents | | |



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| Observation | Recommendation | Original Management Response |
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| <p>As part of the solicitation process, there is documentation that must be completed and included in the contract file.</p> <p>Ten contract files were reviewed to determine whether the required solicitation documents were completed and included in the file. There were three contract files that had incomplete or missing documentation.</p> <p>The risks of incomplete or missing documentation may include:</p> <ul style="list-style-type: none"> • Financial loss • Regulatory non-compliance • Legal liabilities • Timeliness | <p>We recommend that written procedures be developed outlining the solicitation supervisory review process to mitigate the risk of incomplete and missing documentation in the contract file.</p> | <p>Procurement Management has implemented the use of a thorough solicitation process workflow department wide that functions as a checklist for the completion of the project and its corresponding file, which includes all required forms. Additionally, SOPs are being developed to provide a more in-depth detailed description of the procedures and tasks to be accomplished during the solicitation review and documentation process.</p> |
| Estimated Implementation Date | Revised Implementation Date | Status |
| 3/31/2020 | 9/30/2020 | In Progress |
| Last Status Update | Current Recommendation Action | IA Follow-up Notes |
| 3/18/2020 | N/A | Management has been contacted and are in the process of providing a response. |
| 5/26/2020 | N/A | Management has been contacted to provide sufficient supporting documentation to their response. |
| Continuous Insurance Coverage | | |
| Observation | Recommendation | Original Management Response |
| <p>Contracts and solicitation documents state under the <i>Vendor's Insurance</i> section that "<i>Vendor shall, on a primary basis and at its sole expense, maintain in full force and effect, at all times during the life of this Agreement, insurance coverage...</i>"</p> <p>A review was conducted to determine if insurance was current and whether supporting documentation was received. Out of 41 contracts reviewed, ten</p> | <p>We recommend a more effective follow-up methodology be implemented to encourage vendor compliance with providing proof of continuous insurance coverage.</p> | <p>Tracking and managing vendors' continuous insurance coverage is an area of responsibility that was only recently initiated by this department. Previously, coverage was verified at the issuance of a purchase order or execution of a contract, but there was no mechanism to track its expiration and ensure that coverage was in place throughout the year or the contract term.</p> |



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| (24%) did not include proof of active insurance coverage. | | Now, vendor insurance is entered into a contract management system and expiration dates are tracked, but it is an incredible volume of work. Because the process is new, and the number of insurance coverages tracked is so great, improvements are being continuously sought to make follow-up more effective and promote better vendor compliance. |
| Estimated Implementation Date | Revised Implementation Date | Status |
| 3/31/2020 | 6/30/2020 | Implemented and closed |
| Last Status Update | Current Recommendation Action | IA Follow-up Notes |
| 3/18/2020 | N/A | Management has been contacted and are in the process of providing a response. |
| 4/15/2020 | Procurement managements have stated that "Procurement no longer requires vendors to include project numbers/titles to be listed on the Certificate of Insurance (COI). Procurement can use one COI as a Master COI as long as the insurance requirements have been met. This reduces the number of COI's on file per vendor. When vendor insurances are entered into the contract management tracking system, email reminders are set per policy to be sent out 3 days prior to the policy expiration date. If an email address for the vendor isn't available, staff researches for a vendor contact to set as the reminder. This will assist in obtaining new COIs in a timely fashion." | N/A |
| Future Implementations | | |
| Observation | Recommendation | Original Management Response |
| The PMO was in the process of developing and implementing operating processes to enhance internal controls. The enhancements included: | We recommend that the PMO continues with the implementation of: <ul style="list-style-type: none"> Developing written operating procedures for consistency and training guidance | As stated in the audit report, this department is currently drafting and implementing Standard Operating Procedures (SOPs) for the various functions under the Procurement umbrella. This is a significant undertaking that must be accomplished in tandem with all other business handled by this |



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| <ul style="list-style-type: none"> Developing written standard operating procedures Adding a second user department reviewer to the E1 requisition approval process <p>There were no written standard operating procedures associated with the procurement and contract processes. Written policies and procedures serve as a guide to agencies and their personnel to ensure consistency with the different contract and procurement processes.</p> <p>According to Lee County Procurement Ordinance No. 18-22, the user department has the authority to procure and the department director has the authority to approve purchases that do not exceed \$49,999.99. Not all departments have an approver for authorizing a purchase requisition in the Enterprise One financial reporting system (E1) requisition approval process. The risk is a requisition could be opened without the user department director's knowledge.</p> | <ul style="list-style-type: none"> Adding a user department approver to the E1 requisition approval path to prevent inaccurate or unmonitored entries | <p>department. The objective is to write, finalize and implement six SOPs each calendar year, and revise these as required.</p> <p>Procurement Management is working with the County's departments to have second user department reviewers added to the E1 purchase requisition approval process. Some departments have made this change, and others are in the process of establishing a second reviewer.</p> |
| Estimated Implementation Date | Revised Implementation Date | Status |
| 3/31/2020 | 9/30/2020 | In Progress |
| Last Status Update | Current Recommendation Action | IA Follow-up Notes |
| 3/18/2020 | N/A | Management has been contacted and are in the process of providing a response. |
| 5/26/2020 | N/A | Management has been contacted to provide sufficient supporting documentation to their response. |
| Purchase Order Tracking | | |
| Observation | Recommendation | Original Management Response |



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| <p>According to Lee County Procurement Ordinance No. 18-22 3.10 Single Source, states that <i>“When a Purchase exceeds the threshold amount for Tier 3, the item will be placed on the agenda for Board approval and certification that the Vendor has been determined to be a Single Source.”</i> The threshold amounts for tier 3 is between \$50,000- \$99,999.99. A sample of eleven vendors with purchases that exceeded Tier 3 was reviewed. It was determined that at least two purchases from two vendors needed to go through the Single Source process. In addition, one service agreement did not include an expiration date.</p> | <p>We recommended that PMO provides oversight and monitor purchase orders to provide quality assurance and mitigate the risk of non-compliant purchases.</p> | <p>Procurement Management initiated audits twice yearly of Countywide spends to spot check expenditures outside the formal solicitation process, ensure adherence to Board authorization, and to identify any red flags or opportunities to formally solicit goods or services.</p> |
| <p style="text-align: center;">Estimated Implementation Date</p> <p style="text-align: center;">3/31/2020</p> | <p style="text-align: center;">Revised Implementation Date</p> <p style="text-align: center;">9/30/2020</p> | <p style="text-align: center;">Status</p> <p style="text-align: center;">In Progress</p> |
| <p style="text-align: center;">Last Status Update</p> <p style="text-align: center;">3/18/2020</p> | <p style="text-align: center;">Current Recommendation Action</p> <p style="text-align: center;">N/A</p> | <p style="text-align: center;">IA Follow-up Notes</p> <p>Management has been contacted and are in the process of providing a response.</p> |
| <p style="text-align: center;">5/26/2020</p> | <p style="text-align: center;">N/A</p> | <p>Management has been contacted to provide sufficient supporting documentation to their response.</p> |
| <p>BOCC Animal Services (Project 2019.16, Issued January 2020)</p> | | |
| <p>Animal Care Trust Fund</p> | | |
| <p style="text-align: center;">Observation</p> | <p style="text-align: center;">Recommendation</p> | <p style="text-align: center;">Original Management Response</p> |



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| <p>We noted that the Animal Services Department did not uniformly maintain documentation of all grant agreements. Upon request, Animal Services was able to obtain a copy of the agreement from the grantor. Upon review of the grant agreement, it was noted that approximately \$55,000 of funds went unspent since 2015. Additionally, per Lee County Ordinance 14-22, which provides for the Department to maintain an Animal Care Trust Fund, the fund is required to be assessed annually. As a result of the lapse in assessment, the Department had carryover funds that potentially may have provided for the immediate and necessary care of the animals in their care.</p> | <p>We recommend the Animal Services Department maintain all written grant agreements and spend down all Animal Trust Fund funds per County Ordinance.</p> | <p>Lee County Domestic Animal Services (LCDAS) is utilizing the Animal Care Trust Fund to for kennel upgrades that will provide better enrichment and stimulation while the dogs are in the adoption play yards behind the shelter. We will be do this through the use a landscape architect that will provide a conceptual design for the installation of stimulating natural features and the installation of synthetic turf in the large adoption play yard. Additionally we are working with SiriusXM to play consistent calming music while they are in their cages. We are also working with a vendor to provide durable, lasting, and (most importantly) cleanable cat trees as a method to reduce stress and provide enrichment making the cats more adoptable while maintaining health. There are other smaller projects that we are working on, but we still in the planning phase.</p> <p>Additionally, if awarded grants in the future, LCDAS will maintain all written grant agreements.</p> |
| <p style="text-align: center;">Estimated Implementation Date</p> | <p style="text-align: center;">Revised Implementation Date</p> | <p style="text-align: center;">Status</p> |
| <p style="text-align: center;">12/30/2020</p> | | <p style="text-align: center;">Implemented and closed</p> |
| <p style="text-align: center;">Last Status Update</p> | <p style="text-align: center;">Current Recommendation Action</p> | <p style="text-align: center;">IA Follow-up Notes</p> |
| <p style="text-align: center;">3/20/2020</p> | <p style="text-align: center;">N/A</p> | <p>Management has been contacted and are in the process of providing a response.</p> |
| <p style="text-align: center;">6/17/2020</p> | <p>Animal Services is following through with the below response.</p> <p>Here is an update on how Animal Services is following through with changes that are benefiting the animals and helping to make them more adoptable. We have purchased the SiriusXM radio and installed in the canine kennel. This is helping to create a calming environment for the dogs in our care. We have also opened purchase orders and have ordered long term use cat trees (currently</p> | <p>N/A</p> |



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| | <p>in production) and have received the preliminary designs from the landscape architect to remodel the adoption play yards. We are also renovating the canine kennel area and have ordered new signage. We have also ordered new promotional items to be used in schools and at community events that promote Animal Services and the trust fund. We are also always using the trust fund to provide medical care for animals beyond the typical care Animal Services is able to provide.</p> <p>Animal Services has not received any grants since the first response was provided.</p> | |
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| BOCC Economic Development Office (Project 2019.18, Issued May 2020) | | |
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| Inter-local Agreement | | |
| Observation | Recommendation | Original Management Response |
| The EDO had the responsibility to maintain the records of projects and provide resources through an Inter-Local Agreement with the Lee County Industrial Development Authority (IDA). We reviewed the 2010 and the current 2015 Agreements and found them to be outdated and vague. | We recommend that EDO Management bring to BOCC attention the outdated agreement(s), and work with them to develop and redraft a new agreement. This would ensure transparency and add clarification as to function and responsibility. | Right now, we'd look at September 30th as our target date for getting a new agreement in place. |
| Estimated Implementation Date | Revised Implementation Date | Status |
| 9/30/2020 | | Pending |
| Last Status Update | Current Recommendation Action | IA Follow-up Notes |
| N/A | N/A | N/A |