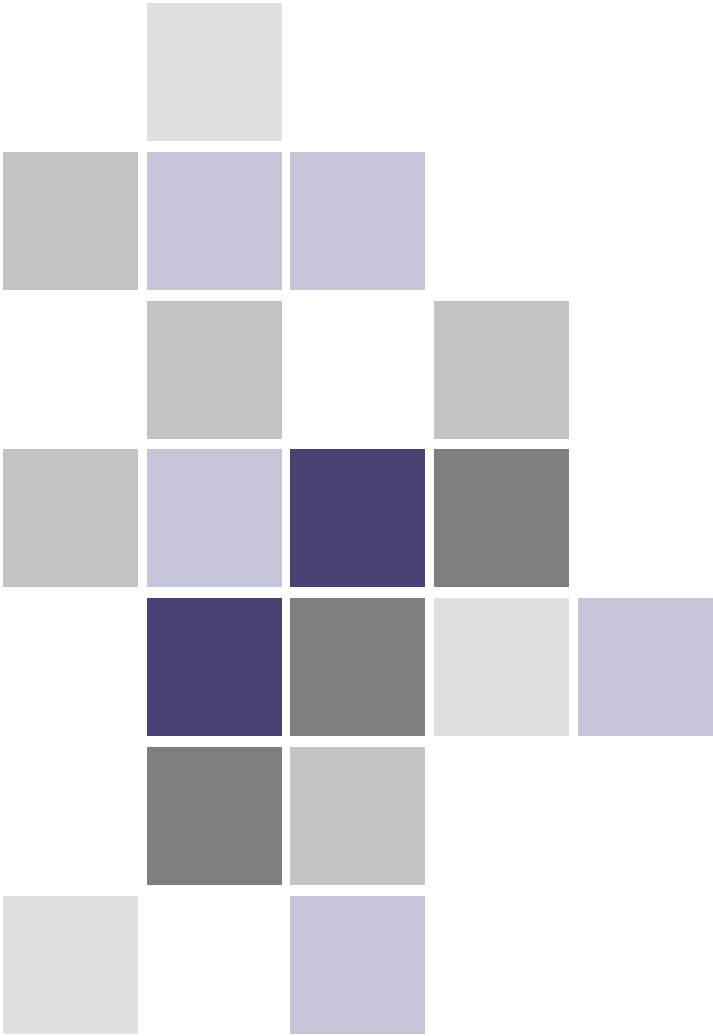




PERFORMANCE AUDIT OF ST. LUCIE COUNTY

Final Report

September 4, 2018



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CHAPTER I. INTRODUCTION

St. Lucie County was formed in 1905 from the southern part of Brevard County under the Constitution and the laws of the State of Florida. The purpose of County Government is to be responsive to citizens in providing an appropriate level of accessible services in a cost-effective basis. The County's mission statement is: To provide service, infrastructure and leadership necessary to advance a safe and sustainable community, maintain a high quality of life, and protect the natural environment for all our citizens.

The Board of County Commissioners (BCC) is the chief legislative body for the County, and its general duties and responsibilities are outlined in Chapter 125, *Florida Statutes*. The BCC is composed of five County Commissioners elected by voters. The BCC approves the County budget, adopts local ordinances and resolutions, and establishes high-level policies that govern the County and ensure the health, safety, and welfare of the citizens. The BCC is also responsible for hiring a County Administrator to oversee the day-to-day operations of the County in line with BCC policy. The County Administrator sets administrative policy associated with the day-to-day operations. The BCC conducts budget workshops during July of each year and budgets are prepared annually. The BCC's proposed budget is released by July 15, in accordance with Florida Statutes. The County's economic base is concentrated in tourism, agriculture, fishing, ranching and forestry with a growing services economy and an emerging technology sector.

According to the U.S. Census Bureau, the County has a total area of 688 square miles (1,780 km²), of which, 572 square miles (1,480 km²) is land and 116 square miles (300 km²) (16.9%) is water. As of 2018, the County was estimated to be home to 313,506 residents, while the most recent annual growth rate was estimated to be 2.43 percent according to the most recent Census data. The County is the 21st largest in Florida. The County provides its citizens with a wide range of services that include law enforcement, airport services, courts, public health, library, public works, tourism development, veteran services and water/sewer service.

Pursuant to the requirements of Ch. 2018-118, *Laws of Florida*, the Office of Program Policy Analysis and Government Accountability (OPPAGA) has contracted with MGT of America Consulting, LLC (MGT) to conduct a performance audit of the programs associated with the surtax ordinance adopted by the St. Lucie County Board of County Commissioners on April 3, 2018. This performance audit of the County focused on the financing, construction, reconstruction, maintenance, repair and improvement of public infrastructure projects such as roadway expansion and major resurfacing, reduced traffic congestion, new and improved sidewalks near schools, local flood control, and improved water quality.

The audit was conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS). Those standards require planning and performance of the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. Audit activities included interviews with key personnel, review of relevant

information (i.e., policies and procedures, original invoices, BCC Board meeting minutes and cost analyses), site visits, and benchmarking. MGT believes that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our audit included performing procedures to identify and evaluate significant internal controls within the context of our audit objectives. Our consideration of internal controls was limited to controls relevant to our audit objectives and was not designed to identify all deficiencies in internal controls that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

CHAPTER 2. REPORT SUMMARY

Pursuant to the scope presented in the RFQ and the prospective County surtax, the audit focused on the program areas related to financing, construction, reconstructions, maintenance, repair and improvement of public infrastructure projects such as roadway expansion and major resurfacing, reduced traffic congestion, new and improved sidewalks near schools, local flood control and improved water quality.

These areas are captured under the functions of the Public Works Department (Department). To assess their respective levels of performance, MGT evaluated the following six key aspects of the program area's performance:

1. Economy, efficiency, and effectiveness
2. Structure or design
3. Methods of providing services and products
4. Goals, objectives and performance measures
5. Adequacy of public documents and reports
6. Process for ensuring compliance with policies, rules, and laws

For each aspect, MGT performed procedures to assess program performance. Audit procedures disclosed several key areas in the Public Works Department function performance met criteria for satisfactory performance within the scope of information examined (i.e., finding numbers 4, 5 and 6) and areas in which adverse findings were identified (i.e., finding numbers 1, 2, and 3).

LIST OF FINDINGS

FINDING 1: ECONOMY, EFFICIENCY AND EFFECTIVENESS

The cost of the projects selected for testing appeared to be reasonable; they were procured at fair market cost and completed at or close to budget. However, the projects in the sample were not completed within the budgeted time. In addition, as it relates to the projects selected for testing, the Department took advantage of competitive procurement, volume discounts, and special pricing agreements. However, there is an opportunity to increase collaboration amongst the three divisions within the Public Works Department by developing a unified and active project management/work order system that allows for coordination of effort.

FINDING 2: STRUCTURE OR DESIGN

Current staffing levels appear to be reasonable given the nature of the services provided and program workload based on a thorough budgeting and staff planning process; however, the County could undertake further efforts to measure workload and productivity to validate staffing levels against volume of need. Further, the Public Works Department organizational charts do not have consistent formatting, lack specificity with regard to individual roles (by aggregating employees into groups), and lack standardization in that there are multiple organizational charts per department. This leads to uncertainty with regard to the efficient construction of the organization.

FINDING 3: METHOD OF PROVIDING SERVICES AND PRODUCTS

The Public Works Department does not have a formal process for evaluating alternative methods of providing services, including existing in-house, contracted and/or privatized services.

FINDING 4: GOALS, OBJECTIVES AND PERFORMANCE MEASURES

The goals, objectives, and performance measures used by the Public Works Department are clearly stated, measurable, and can be achieved within budget; are sufficient to evaluate program performance; and are governed by sufficient controls, policies, and procedures to provide reasonable assurance that goals and objectives will be met.

FINDING 5: ADEQUACY OF PUBLIC DOCUMENTS AND REPORTS

The public has access to program performance and cost information and bond issuance and compliance information that is useful, timely, readily available and easy to locate and sufficient processes exist to ensure its accuracy and completeness or otherwise to correct any errors or inaccuracies that are identified.

FINDING 6: PROCESS FOR ENSURING COMPLIANCE WITH POLICIES, RULES AND LAWS

Public Works has a process in place and appropriate controls to assess compliance with applicable federal, state, local laws, rules, regulations, contracts, grant agreements and local policies. Additionally, management has taken reasonable and timely actions to assess its planned uses of the surtax and their process to comply with applicable laws, rules and regulations.

CHAPTER 3. OBSERVATIONS, FINDINGS AND RECOMMENDATIONS

Findings of the performance audit are presented for each of the six research tasks associated with the audit, bridging all relevant aspects of County operations relevant to the scope of the audit.

- ◆ Aspects of performance that **pass audit criteria** for the scope of information reviewed are identified by area of review and accompanied by a brief description of the current situation.
- ◆ Alternately, aspects of the organization that **did not pass audit criteria** (adverse findings) include the same characterization of the areas of review and summary of current circumstances, but also include further detail and MGT's associated recommendation for remediation of these adverse conditions.

To assess the performance of these programs, MGT reviewed extensive reports and documentation regarding the organization, supplemented and informed by interviews with key staff including:

- ◆ Director of the Office of Management and Budget
- ◆ Director of Public Works
- ◆ Human Resources Manager
- ◆ Purchasing Manager
- ◆ County Engineer
- ◆ Assistant Road and Bridge Manager

FINDING 1: ECONOMY, EFFICIENCY, AND EFFECTIVENESS

The cost of the projects selected for testing appeared to be reasonable; they were procured at fair market cost and completed at or close to budget. However, the projects in the sample were not completed within the budgeted time. In addition, as it relates to the projects selected for testing, the Department took advantage of competitive procurement, volume discounts, and special pricing agreements. However, there is an opportunity to increase collaboration amongst the three divisions within the Public Works Department by developing a unified and active project management/work order system that allows for coordination of effort.

CURRENT SITUATION

The focus of the Public Works Department is to serve the citizens of the County, so residents receive needed improvements in a timely manner. The Department accomplishes this through three divisions: Engineering, Roads and Bridges and Water Quality, which are described below.

- ♦ **Engineering** – proposes, designs and implements projects in stormwater management, transportation system enhancements and infrastructure maintenance. The Engineering Division also implements the Municipal Service Benefit Unit Program (MSBU).
- ♦ **Roads and Bridges** – manages the operation and maintenance of all roadway and stormwater infrastructure including mowing, pavement resurfacing, canal cleaning, grading of dirt roads and traffic operations.
- ♦ **Water Quality** – manages and regulates the construction, operation and maintenance of stormwater system including driveway permits, stormwater permits, the Stormwater Pollution Prevention Program and the Enhanced Swale Maintenance Program.

Through the course of the year, Department staff maintains a running list of infrastructure needs. The needs are identified based on citizen complaints, studies and field condition assessments. The needs for road widening projects and intersection expansion projects are identified in the 2040 Long-Range Transportation Plan (LRTP), prepared by the St. Lucie County Transportation Planning Organization (TPO). The TPO is a regional planning body comprised of elected officials from the two cities, the County Commission, the School Board and the Local Transit Authority. As part of the LRTP development process, regional traffic modeling is performed by the TPO to develop a regional transportation plan that ensures connectivity and considers future population growth in developing and identifying the regional needs. The primary types of projects performed by this unit include:

- ♦ **Culverts.** County personnel indicated that Department staff has an ongoing culvert monitoring program. Large culverts are regularly inspected in the field by the inspection field staff, to determine current conditions, especially after major rainfall events.
- ♦ **Roadways.** County personnel also stated that roadway pavement resurfacing is also evaluated in the field each year by the road and bridge staff to determine the areas of greatest need. Roadway condition is evaluated using visual grading methodology, and

methods of treatment are recommended by County staff working with the selected paving contractors.

- ♦ **Bridges.** County bridges are evaluated and inspected every two years by the State Department of Transportation (FDOT). The inspection reports provided by FDOT identify the needs for bridge maintenance and replacement. County personnel indicated that one of their bridges is currently closed to public traffic, and the County does not have a viable solution for funding the replacement at this time. Due to the lack of adequate capital funding, the County has been forced to defer maintenance for about 10 years.

PROJECT SAMPLING

The three divisions within the Department use traditional construction methods and processes as necessary to support the tasks as required for each project. As part of audit testing, MGT selected eight (8) capital projects ranging from approximately \$300k to over \$23M for testing.

TABLE 1 – SUMMARY OF PROJECT SAMPLE

PROJECT NAME	BUDGET	PROJECT STATUS
White City Drainage Citrus & Seager	\$1,289,500.00	Completed
Juanita Ave Sidewalk (41st-Sheraton)	\$303,022.51	Completed
Sneed Road	\$303,223.90	Completed
Midway Road Widening	\$23,323,804.75	Completed
Orange Avenue	\$1,179,320.11	Completed
Kings at Indrio	\$19,874,369.00	In-progress
San Lucie Drainage	\$680,143.00	In-progress
Paradise Park Phase 5	\$1,053,593.68	In-progress

Testing Outcomes

For these eight (8) projects, MGT interviewed County personnel and reviewed project documentation (e.g., approvals, invoices and monitoring reports) stored within the County's records to gain an understanding of the project requirements, performance and cost. Audit procedures disclosed that for all eight (8) projects tested:

- ♦ Management periodically evaluated project performance and cost using information that is adequate to assess project performance and cost.

- ♦ The projects followed the rules within the Board of County Commissioners Purchasing Policy Procedures, which is a written policy to take advantage of competitive procurement, volume discounts, and special pricing agreements.
- ♦ The eight (8) projects that were selected for testing were procured at a reasonable cost. A competitive bidding process provides a fair representation of the market value of the services that were provided. For each of these projects, MGT reviewed documentation and determined that all eight projects went through the competitive bidding process and the selected contractor was the lowest qualified bid.
- ♦ The five (5) projects that have been completed, were completed within budget when taking into consideration change orders. Three of the five were ultimately completed under the budgeted amount, while the other two projects exceeded the budget by no more than six percent.
- ♦ MGT's testing found that all five (5) completed projects were finished behind schedule due to unforeseen circumstances, but change orders demonstrated proper management of scheduled changes. All parties including county personnel followed proper change order processes, including proper county approvals along with documentation of issues, which were found in meeting minutes. Circumstances that caused change orders to occur included inclement weather, natural disasters, design changes, scope additions and community impact. Nonetheless, while large-scale construction projects are quite complex, and the County has taken reasonable actions to address issues that have arisen during execution, the consistency of schedule over-runs is of concern. This suggests a more robust planning process and further accommodation for such contingencies is warranted.
 - The Juanita Ave Sidewalk (41st-Sheraton) project serves as an example of change management within audit testing. Circumstances driving changes included conflicts with utilities, inability to work weekends because of residential impact, and working through concerns with a church property. The approval process for these change orders in St. Lucie County requires reasonable oversight – including acceptance by three different county representatives, along with architect and contractor approval. This procedure is sufficient to review any changes and ensure that they are reasonable and protect the county from any unnecessary expenses or delays.
 - MGT reviewed all change orders associated with the projects included in testing to assess whether the reason(s) for the change orders appeared reasonable. MGT concluded that other change orders received appropriate oversight and authorization as illustrated in the example above.

As it relates to the financing, audit procedures disclosed that:

- ♦ Three (3) of the eight (8) projects selected for testing were financed through grants. MGT interviewed County personnel and reviewed relevant grant documentation (e.g.,

approvals, grant agreements, and award letters) to gain an understanding of grant requirements.

- ♦ The process to obtain and monitor grants and grant compliance appears adequate for the three (3) grants tested.
- ♦ MGT also reviewed the 2015, 2016 and 2017 single audit reports to assess whether any noncompliance had been identified during the single audits. The review disclosed that no internal control or grant compliance deficiencies were identified during the audits.

Although the overall management of the program has been acceptable, there is concern about the level of collaboration amongst the three (3) divisions. Even though the divisions share similar activities (e.g., orders/projects, landscaping, de-watering), efforts are not coordinated. By not coordinating similar activities, there is an increased risk that these similar services are not being performed as efficiently and economically as possible. Additionally, the divisions operate independently using different systems for project management. Each division develops projects individually with different quality standards and processes for project management. For example, the Roads and Maintenance Division uses a manual, paper document system to assign and track work orders, while the Engineering Division uses a frequently updated Excel spreadsheet to track its projects.

In response to audit inquiries, County personnel indicated that the possibility of purchasing a management system was evaluated, but a system was not purchased due to the perceived value and need, versus available funds for this type of investment. The absence of a project management system that gives the divisions the ability to coordinate effort across related divisions increases the risk that the project management process is ineffective, and potential duplication of work.

RECOMMENDATION:

MGT recommends pursuing a unified and active project management/work order system that allows for coordination among all divisions within the Department to assure that schedules, quality assurance, resources and assets operate more efficiently and effectively. Coordinating similar efforts through a unified mechanism could help to improve program efficiency. Also, a more robust schedule planning system and further accommodations to incorporate more accurate contingencies is needed to help to alleviate schedule overruns.

FINDING 2: STRUCTURE OR DESIGN

Current staffing levels appear to be reasonable given the nature of the services provided and program workload based on a thorough budgeting and staff planning process; however, the County could undertake further efforts to measure workload and productivity to validate staffing levels against volume of need. Further, the Public Works Department organizational charts do not have consistent formatting, lack specificity with regard to individual roles (by aggregating employees into groups), and lack standardization in that there are multiple

organizational charts per department. This leads to uncertainty with regard to the efficient construction of the organization.

CURRENT SITUATION

As indicated above, the Public Works Department operations are divided between three (3) divisions: Engineering, Road and Bridge, and Stormwater/Water Quality. Each division is led by a manager who reports to the Director of Public Works. The Department utilizes a combination of in-house staff and contracted vendors to perform its functions. The Department's functions include: design and construction of capital projects, operation of traffic control devices, construction and maintenance of stormwater facilities throughout the County, and other infrastructure related functions.

MGT's audit procedures included:

- ♦ A review of the County's organizational charts and comparisons to peer county organizations and charts (i.e., Martin County and Indian River), to confirm minimization of overlapping functions and excessive administrative layers.
- ♦ Additionally, MGT personnel interviewed the Human Resources Manager and reviewed staffing levels and sample Job / Position Descriptions to determine whether the organizational structure has clearly defined units and minimizes overlapping functions and excessive administrative layers.
- ♦ MGT also reviewed the County's 2017-18 Pay and Classification Manual, Employee Handbook and Hiring Guide to ensure that the County has written human resources policies and positions are classified and documentation is open to the public, available, and followed as policy.

While St. Lucie County does not go through workload analysis or specific individual utilization reviews, they do consider staffing levels throughout the year, which are summarized and reviewed by management, public, and the Board annually. Additionally, MGT's review of County operations included (1) observations of a budget process that reviews FTE levels, which is brought forward from department leaders and approved by the Board; (2) review of the sample job / position descriptions to verify minimal duplication of effort; (3) review of organizational charts relative to peer counties to confirm that other peers have similar departments and management levels; and (4) interviews with HR management to verify fidelity to established processes. Audit procedures disclosed that St. Lucie County examines staffing levels by going through an annual budget process, including FTE review per department, and both the budget and salary schedule (i.e., County's 2017-18 Pay and Classification Manual) are reviewed and approved by the Board. An example description of the budgeting and FTE process from St. Lucie's approved FY18 budget document is included as ***Exhibit 1 – Example FTE and Budget Documentation***.

EXHIBIT 1 – EXAMPLE FTE AND BUDGET DOCUMENTATION

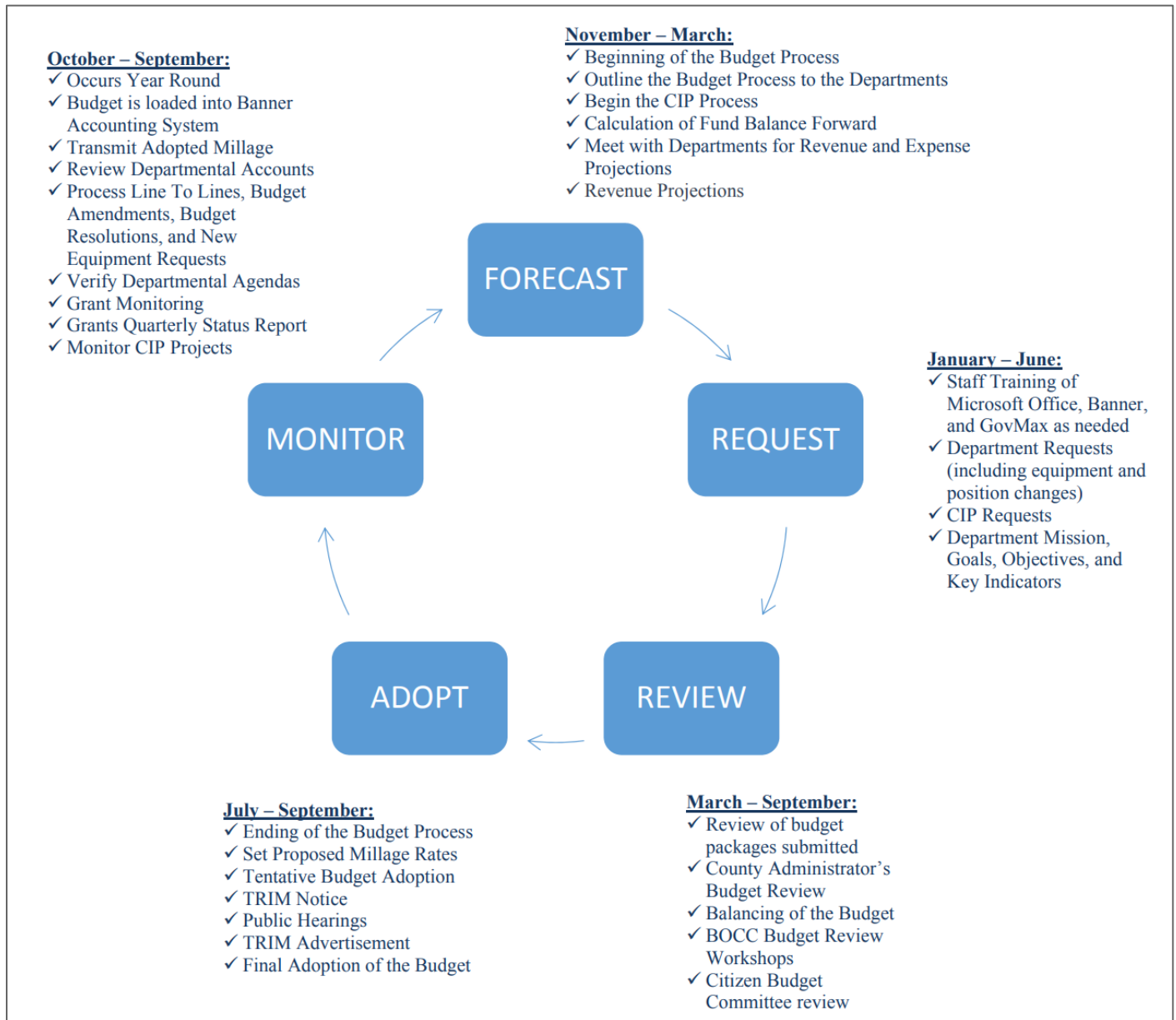
St. Lucie County Board of County Commissioners Fiscal Year 2018 Full Time Equivalent Summary				
<u>Public Works</u>				
	FY 2016 Actual	FY 2017 Adopted	FY 2018 Adopted	FY 2018 Change
Administration - Public Works	4.00	4.00	4.00	0.00
Engineering	20.00	23.00	23.00	0.00
Port	1.00	1.00	1.00	0.00
Road & Bridge	55.00	55.00	55.00	0.00
Water Quality	9.00	9.00	9.33	0.33
	<u>89.00</u>	<u>92.00</u>	<u>92.33</u>	<u>0.33</u>

Public Works			
Water Quality	0.33	The addition of an Emergency Management Safety Planner Position in FY 2017 from the reclass of a vacant Solid Waste Recycling Position	

St. Lucie County Board of County Commissioners Departmental Budget Documents	
<u>Planning</u>	
<u>Highlights</u>	
Planning Division:	
The Planning Division FY18 adopted budget, \$1,595,326 increase by a total of \$107,092 or +7.20%.	
<ul style="list-style-type: none"> • Personnel increase by a total of \$106,298 or (10.63%) from the following: <ul style="list-style-type: none"> o An increase in the health insurance; o 2% COLA increase; and o The addition of an Emergency Management Safety Planner position (0.33 FTE) in FY 2017. The position is shared by Public Safety (0.34 FTE) and Public Works - Stormwater Management (0.33 FTE). • Operating had an increase of \$794 or (.2%) • Grants and Aids did not have any changes 	

As part of the budget development process, the County’s various services are broken down into strategic operational areas that include Infrastructure; Public Safety; Environment; Community & Economic Services; Culture and Recreation; and Administrative Services. The process goes from October through September of each year as can be seen in **Exhibit 2 – Budget Process Diagram** below.

EXHIBIT 2 –BUDGET PROCESS DIAGRAM



Additionally, the FY 2017/2018 budget continues with the County’s efforts of establishing a Performance Management Process (see **Exhibit 3 – Performance Management Process**). The County’s overall business strategy is presented by focus areas, which allows the County to meet the goals in its operational areas that lead to achieving the County’s Vision. The performance measures for the focus areas start appropriately with Financial Management, as the key to building a successful foundation for the organization. This, in turn, assists with staff planning and ensuring the appropriate training, support, and work environment to be successful.

EXHIBIT 3 –PERFORMANCE MANAGEMENT PROCESS

St. Lucie County 2019 Strategy Map

Our Core Values: Integrity • Professionalism • Accountability • Excellence

GUIDING PRINCIPLES & VALUES

Our Mission
To provide excellent customer service that advances a safe community, maintain a high quality of life and protects the natural resources.

<i>Governance</i>	<i>Perspective</i>	<i>Objectives</i>	<i>Initiatives</i>	<i>Performance Measures</i>
<i>Operational Areas</i> Infrastructure Public Safety Environment Community & Economic Development Culture & Recreation Management Services	SERVICE	<ul style="list-style-type: none"> • Deliver excellent customer service • Innovations 	<ul style="list-style-type: none"> • Public engagement 	<ul style="list-style-type: none"> • Outcome measures • Output/workload measures • Customer service ratings on delivery of service • Customer engagement targets met
	COMMUNITY	<ul style="list-style-type: none"> • Provide for a safe community • Design, construct & maintain infrastructure • Promote economic development • Protect natural resources • Maintain a high quality of life 	<ul style="list-style-type: none"> • Deploy survey instruments to external and internal customers 	<ul style="list-style-type: none"> • Effectiveness ratings • Efficiency ratings
	PEOPLE	<ul style="list-style-type: none"> • Develop and train workforce 	<ul style="list-style-type: none"> • Employ engagement survey • Develop performance management process • Develop dashboards • Process improvements • Employee development • Develop standard operating procedures 	<ul style="list-style-type: none"> • Employee engagement survey results • Development plans • Training hours
	FINANCIAL MANAGEMENT	<ul style="list-style-type: none"> • Provide transparent & accountable financial management 	<ul style="list-style-type: none"> • Communicate value of county service 	<ul style="list-style-type: none"> • Capital improvement cost vs. plan • Percent of project complete vs. plan

The additional exhibits below show the County’s FTE summary, position changes and justification, and performance measures against which staffing is measured.

EXHIBIT 4A – COUNTY FTE SUMMARY, POSITION CHANGE JUSTITIFICATION, AND PERFORMANCE MEASURES

Positions:

Comparing FY 2018 to FY 2010, the total of St. Lucie County’s workforce, counted in terms of Full Time Equivalent (FTE) positions (where one full-time employee is equal to 1.0 FTE), reduce by a total of 118.02 FTEs.

In FY 2011, as part of an effort to reduce the deficit gap, the Board approved the structural realignment of the County’s 18 operating departments down to nine operating departments. With the organization of departments, there were also staff layoffs that resulted in a \$4.19 million personnel expense reduction and a drop in the FTE count by 237.31 FTEs. Upon conclusion of the layoffs, there were 659.76 FTEs remaining, which placed the County near the 1992-93 staffing level.

For FY 2018, the adopted FTE count is 779.05, with an increase of 4.37 FTE which is related to reallocation of positions within BOCC departmental divisions.

For FY 2018, a variety of personnel requests were received from the county departments, however, the budget includes no new county positions. When demand dictates, new position requests will be brought to the Board.

The FY 2018 FTEs 779.05; of which, the closest and most comparable is 778.85 FTEs in FY 2002.

Table 2

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Total FTE by Fiscal Year	897.07	659.76	653.06	666.59	674.84	707.74	744.74	774.68	779.05
Change in FTEs by Fiscal Year	(22.15)	(237.31)	(6.70)	13.52	8.25	32.90	37.01	29.94	4.37

Source: St. Lucie County Office of Management & Budget – Annual Final Budget Books – Personnel History

EXHIBIT 4B – COUNTY FTE SUMMARY, POSITION CHANGE JUSTIFICATION,
AND PERFORMANCE MEASURES

St. Lucie County Board of County Commissioners Fiscal Year 2018 Position Changes		
Department/Division	Change in Positions	Comment
County Administration		
County Administration	-0.25	FTE transferred to Human Resources
Human Resources		
Human Resources	1.15	Position added in FY18 from Human Services; P/T Position moved from County Administration to Human Resources
Insurance Program	0.20	P/T position moved from County Administration to Human Resources
Risk Management	-0.10	FTE transferred to Human Resources
Office of Management & Budget		
Planning & Grant Management	1.00	Position added in FY18, transferred and reclassified from Solid Waste
Community Services		
Housing Services	-1.00	Position reallocated to the General Fund
Human Services	-1.00	Transferred and reclassified to Human Resources
Transit	1.00	Sr. Program Associate Position, added during FY 2017
Extension		
Extension	-0.13	P/T employee was increased to F/T status using an approved 0.50 FTE from FY 17 approved budget
Environmental Resources		
Environmental Regulations	1.00	Transfer-in from Community Services and reclassified the Position to an Environmental Regulations Technician Position
Facilities		
Facilities	-3.67	Transfer-out of the Trades Crew to Parks & Special Facilities
Mosquito Control & Coastal Mgt Svcs		
Admin-Mosquito Control	-2.00	Transfer-out of 1 FTE to Parks, Recreation and Facilities; and transfer of 1 FTE to Mosquito Inspection Division
Inspection Division	1.00	Transfer-in the Inspection Division
Parks & Recreation		
Admin-Parks and Recreation	-1.00	Transfer-out of the Parks & Recreation Assistant Director Position to Director Position in Facilities
Parks and Special Facilities	13.67	Positions transferred from Facilities, Mosquito Control and Solid Waste Facilities
Regional Parks & Stadiums	1.00	Transfer of a Position from Solid Waste during FY2017
Planning & Development Svcs		
Planning	0.33	The addition of an Emergency Management Safety Planner Position (0.33 FTE)

EXHIBIT 4C – COUNTY FTE SUMMARY, POSITION CHANGE JUSTIFICATION, AND PERFORMANCE MEASURES

HUMAN RESOURCES/RISK MANAGEMENT: PERFORMANCE MEASURES

OBJECTIVES	MEASURES	ACTUAL FY 2015-16	TARGET FY 2016-17	TARGET FY 2017-18	
1.0 Customer Service					
1.10	Deliver Excellent Customer Service	Percentage of satisfied customers with benefits utilization	91%	95%	100%
2.0 Community					
2.20	Provide For a Safe Community	Percentage reduction in Workers Comp. Claims	0.65	0.67	0.7
2.50	Maintain a High Quality Of Life	Safety surveys completed	10	18	25
3.0 People					
3.10	Develop and Train Workforce	Percentage of employees completed or have received safety training	65%	67%	70%
4.0 Financial Management					
4.10	Provide Transparent and Accountable Financial Management	Percentage of operating budget vs. actual	95%	100%	100%

The above information is publicly available, open for public comment, and ensures that management is reviewing staffing and workload levels annually with Board approval.

Additionally, MGT reviewed management staffing levels (i.e., Administrators, Directors, and Managers) to verify St. Lucie’s levels mirrored peer counties and to verify there was no excessive overlap of positions. Management positions of St. Lucie County are shown alongside two county-designated peer organizations in **Table 2 – Comparison of Management Titles and Positions** below.

TABLE 2 – COMPARISON OF MANAGEMENT TITLES & POSITIONS

ORG CHART TITLE COMPARISON - PUBLIC WORKS		
St. Lucie County Management Titles	Indian River County Management Titles	Martin County Management Titles
County Administrator	County Administrator	Public Works Administrator
Public Works Director	Public Works Director	Deputy Public Works Director
Project Manager	Facility Manager	Project Manager

MGT's review of Division operations included (1) observations of a budget process that reviews workload and FTE levels, which is brought forward from department leaders and approved by the Board; (2) review of the sample job / position descriptions to verify minimal duplication of effort; (3) review of organizational charts relative to peer counties to confirm that other peers have similar departments and management levels; and (4) interviews with HR management to ensure the fidelity to established processes.

Based on the information reviewed, MGT confirmed that the relevant departments' budgeting and staff planning processes appear reasonable given the nature of the services provided and program workload and promote the accomplishments of program goals and objectives by considering staffing levels throughout the year and addressing staffing levels per strategic program goals. However, the County could undertake further efforts to measure workload and productivity to validate staffing levels against volume of work to demonstrate that staffing levels are reasonable relative to needs.

The review also disclosed that the departments' organizational charts do not have consistent formatting, lack specificity with regard to individual roles (by aggregating employees into groups), and lack standardization in that there are multiple organizational charts per department. Among the issues noted leading to this assessment:

- ♦ There are multiple organizational charts for Engineering, Roads and Bridges, and Water Quality / Stormwater. While these divisions report to separate division heads and one director, Human Resources should use a standardized organizational chart structure, which includes individual names and positions for each employee, to ensure clarity and consistency, and to make future updates easier.
- ♦ Additionally, the organizational chart entitled "Public Works Road & Bridge Fiscal Year 2017-2018" does not portray individual employees and positions below the Foreman level, but instead reports in aggregated boxes "Heavy Equip Oper II (4)" and "Equip Oper (7)".
- ♦ Finally, in the Public Work Engineering Organization Chart, there is a lack of clarity and consistency with regards to the dotted line to the Senior Fiscal Assistant, as she has a dotted line to two individuals in the chart entitled "Public Works Engineering" and only one individual in the chart entitled "Public Works Engineering Fiscal Year 2017-2018."

As it relates to the organizational charts, the Public Works Department did not have priorities or directives from Human Resources to update and standardize organizational charts. The current organizational chart format and structure makes it difficult to identify the number of employees and positions within each department to ensure effective and appropriate staffing.

RECOMMENDATION:

MGT recommends that the Department incorporate further measures of workload or productivity to validate the staffing levels of the organization against need. Additional reference points to place context around staffing levels and ratios to workload would provide more transparency to the efficiency of operations. MGT also recommends having organization charts with consistent formatting, as well as clear reporting lines, structures, and individual boxes per employee. Resources like the Society for Human Resource Management (SHRM), which is the world's largest HR professional society, or the National Human Resources Association, offer additional best practices to creating and managing organizational charts. With regard to the Public Work Engineering Organizational Chart, Human Resources is already in the process of correcting the dotted line reporting with regard to the Senior Fiscal Assistant.

FINDING 3: METHOD OF PROVIDING SERVICES AND PRODUCTS

The program does not have a formal process for evaluating alternative methods of providing services, including existing in-house, contracted and/or privatized services.

CURRENT SITUATION

The Public Works Department currently uses several alternative methods of delivering services to realize cost savings, including outsourcing construction activities and performing certain road and bridge maintenance activities with in-house staff. All large capital maintenance projects such as: large culvert replacements, bridge replacements, guardrail replacements, traffic signal replacements and pavement resurfacing, are performed by private contractors. Construction management of larger capital projects is typically done by private consulting engineering firms. County staff manage the construction of the smaller capital projects such as culvert replacements and road resurfacing.

The same sample of eight (8) projects used to test the economy, efficiency, and effectiveness of the program was utilized to test the method of providing services and products (*See Table 2. Summary of Project Sample*). The projects included sidewalk construction, culvert replacements, intersection widening and road and bridge maintenance activities. For these eight (8) projects, MGT interviewed Department personnel and reviewed supporting documentation stored within the County's records to determine whether there was evidence that, (1) for services or activities performed in-house, management considered alternative service delivery methods and, (2) for contracted/privatized services or activities, that management verified effectiveness and cost savings achieved. Audit procedures disclosed that there is no formal process for evaluating existing in-house services and activities to assess the feasibility of alternative methods of delivering services:

- ◆ Currently project work is distributed based on availability of staff personnel versus considering overall schedule, expertise, costs and the County's overall master plan.

- ♦ As it relates to contracted services, there was no evidence that management evaluated contracted and/or privatized services to verify effectiveness and cost-savings achieved. Regular contracted operatives are initiated with a sound bidding process; however, the contract terms can range between three to five years with no formal review process. Implementing a process of periodically evaluating contracted and/or privatized services can help provide reasonable assurance that the performance and cost of the services meet County standards.

In response to audit inquiries, County personnel indicated that, although outsourcing construction and certain repairs and maintenance activities is significantly more expensive than performing the services in-house, due to a lack of human capital, certain projects such as chip sealing and road resurfacing are often outsourced. The absence of a formal process for periodically evaluating in-house, contracted, and prioritized services increases the risk that cost savings and program efficiency may be unrealized.

RECOMMENDATION:

MGT recommends that management implement procedures to periodically evaluate all services provided by the County and determine whether alternative service delivery methods have the potential to reduce costs without significantly affecting the quality of services. Specifically:

- ♦ To determine the best approach, the following process might be considered.
 - Create a long and short-term project plan and consider those projects which might be considered for in-house personnel.
 - Test those in-house projects versus a private consultant by conducting a bid process to provide a level comparison and to help determine the best support for the project.
- ♦ Conduct a review of contracted work periodically and compare the results to the original contract to assure quality is as intended.

FINDING 4: GOALS, OBJECTIVES AND PERFORMANCE MEASURES

The program goals and objectives are clearly stated and are consistent with the County's strategic plan. The internal controls evaluated by MGT within the context of the audit objectives are adequate to provide reasonable assurance that program goals and objectives are met.

CURRENT SITUATION

The County has adequately identified current infrastructure needs including roads and bridges, engineering, water quality and facilities. Per the County's website, the County is committed to provide service, infrastructure and leadership necessary to advance a safe and sustainable community, maintain a high quality of life and protect the natural environment for all our citizens.

The Public Works Department’s goal is to serve the citizens of St. Lucie County in a way that allows residents to receive needed improvements in a timely manner. This goal includes providing St. Lucie County, the Board of County Commissioners, County Administration and the general public with a solid, dependable infrastructure program through procurement of funds for projects and overseeing a successful outcome.

MGT interviewed County personnel, reviewed policies and procedures and performed research to gain an understanding of the Department’s goals and objectives. The County’s GO2040 – St. Lucie TPO Long Range Transportation Plan was reviewed and the following goals, objectives and performance measures were identified that are related to the program areas covered in the performance audit.

TABLE 3 – GOALS, OBJECTIVES AND PERFORMANCE MEASURES

GOALS	OBJECTIVES	PERFORMANCE MEASURES
1. Economic Prosperity and Growth	a) Enable people and goods to move around efficiently. b) Increase transportation options and improve access to destinations that support prosperity and growth.	<ul style="list-style-type: none"> • Lane miles of additional capacity along existing congested corridors • % truck miles severely congested • % of population within ¼ mile of Activity Centers • Transit routes providing access to Activity Centers
2. Choices	a) Improve bike/pedestrian and public transportation networks. b) Provide transportation needs of transportation disadvantaged that may include use of automated vehicles.	<ul style="list-style-type: none"> • % of roadways with sidewalks and bike lanes • % of transit stops with sidewalk access • Miles of fixed route transit service • % of low-income, older adults, persons with disabilities within ¼ mile of transit route
3. Existing Assets and Services	a) Maintain condition of existing transportation needs. b) Improve efficiency of existing transportation services.	<ul style="list-style-type: none"> • Pavement condition, 70 or less • Bridge condition, 50 or less • % transit fleet beyond useful life • VMT of roads operating at adopted LOS • Passenger trips per vehicle mile of service

GOALS	OBJECTIVES	PERFORMANCE MEASURES
4. Cooperation	a) Facilitate unified transportation decision-making through intergovernmental cooperation. b) Ensure community participation is representative.	<ul style="list-style-type: none"> Attendance at TPO meetings Collaboration opportunities with local and resource agencies Collaboration opportunities with community and public groups Opportunities for engagement in traditionally underserved areas.
5. Health and Environment	a) Support healthy living strategies, programs and improvements. b) Make transportation investments that minimize impacts to natural environment and allocate resources towards mitigation.	<ul style="list-style-type: none"> Community walk scores Number of bicycle riders Number of additional roadway lane miles of impacting environmentally sensitive areas Increase transit frequency and span of service
6. Safety and Security	a) Improve safety of transportation system that may include incorporation of infrastructure in support of automated vehicles. b) Improve transportation system's stability/resiliency in event of climate change, emergencies or disasters.	<ul style="list-style-type: none"> Number and rate of fatalities/serious injuries motorized Number of fatalities/serious injuries, non-motorized Number of projects permanently inundated by Mean Sea Level (MSL + 5 inches)

Per a review of the program goals and objectives in the above table, the program goals are clearly stated which include 1) Economic Prosperity and Growth, 2) Choices, 3) Existing Assets and Services, 4) Cooperation, 5) Health and Environment and 6) Safety and Security. The measures for each objective are clearly stated and measurable and, based on the projects tested can be achieved within budget. Measures range from simple, easy measures such as percent of roadways with sidewalks and bike lanes and percent of truck miles severely congested to more complex measures such as Lane miles of additional capacity along congested corridors and number of additional roadway lane miles impacting environmentally sensitive areas.

The County's goal is committed to provide service, infrastructure and leadership necessary to advance a safe and sustainable community, maintain a high quality of life and protect the natural environment for citizens. The program objectives in the long term strategic plan include safety of the citizens, minimizing impacts to the natural environment and allocating resources towards

mitigation, meeting the needs of the citizens by improving transportation, supporting healthy living strategies and developing infrastructure which reflects the County's goals.

MGT also performed procedures (e.g., flowcharted processes, reviewed policies and procedures, interviewed personnel) to identify and evaluate significant internal controls within the context of the audit objectives. Audit procedures disclosed that the program has a process and internal controls in-place which include:

- ◆ The County develops a long-term transportation plan to meet the needs of the citizens of the county. This TPO committee receives input from the county, cities, citizens, School Board and Transportation Board through a public hearing to ensure appropriate and unbiased prioritization of projects to best serve the needs of the entire county.
- ◆ Purchasing policy mandates that Public Works projects greater than \$50,000 require Board of County Commissioner's approval.
- ◆ The purchasing policy outlines the requirements for the initiation of any purchase including project work. A competitive bid process is used to ensure that the County receives the best price for projects completed in Public Works.
- ◆ Review and approval of invoices for the payment of project work goes through multiple reviews and approvals prior to payment.
- ◆ Projects are monitored to ensure the work is completed within the contract specification, on time (or managed appropriately when delays), and payments are made in compliance with the contract.

The internal controls and policies and procedures in place provide reasonable assurance that the County will be able to meet their program objectives which includes safety of the citizens, minimizing impacts to the natural environment and allocates resources towards mitigation, meeting the needs of the citizens by improving transportation, supporting healthy living strategies and current and future infrastructure needs.

FINDING 5: ADEQUACY OF PUBLIC DOCUMENTS AND REPORTS

The public has access to program performance and cost information and bond issuance and compliance information that is useful, timely, readily available and easy to locate and sufficient processes exist to ensure its accuracy and completeness or otherwise to correct any errors or inaccuracies that are identified.

CURRENT SITUATION

All County government records, unless exempted by state or federal law, are public records as per Ch. 119 *Florida Statutes*. This statute is referred to as the Florida Sunshine Law and it governs the public's right to inspect and obtain copies of public records including documents, reports and requests related to programs and functions. All St. Lucie County agencies are required to

centrally record and track public record requests. Providing access to public records is a duty of each agency within St. Lucie County government.

Providing timely and accurate information is the direct responsibility of the designated County staff who developed the documents, reports and other materials. The general method of distribution of information is done through the County's website. Once the responsible staff prepares its information, the Department Manager is responsible for its review and approval. In the event there is any inadvertent erroneous information, the Communications Director will immediately remove the information from the website and contact the department to edit and correctly post the information.

MGT researched the County's website to gain an understanding of the information that is readily available to the public. The research disclosed that:

- ♦ The GO2040 Long Term Transportation Plan is posted on the County's website which clearly reflects the County's transportation goals, objectives and performance measures.
- ♦ All engineering projects currently in progress are listed on the County's website. The information posted on the website included information on the Kings Highway and Indrio Road Intersection Improvements project, which was one of the projects selected for testing. The website discloses the project summary, project benefits, total construction cost, notice to proceed, project duration; this information appears accurate and agrees with project testing documentation received the Public Works. All projects listed on the County's website were included in the listing of projects provided for testing indicating a comprehensive list of active projects.
- ♦ The SEFA (Schedule of Expenditures of Federal Awards and State Projects) as of September 30, 2017 is posted on the County's website listing all projects financed with Federal and State grants. This information agrees to the audited September 30, 2017 financial statements.

Documents on the website were also used in the testing of projects and grants noting those used were complete and accurate. The County has policies and procedures and accounting information systems in place to ensure that accurate information is posted on the County's website and the public has access to information that is useful, timely, readily available and easy to locate.

FINDING 6: PROCESS FOR ENSURING COMPLIANCE WITH POLICIES, RULES, AND LAWS

Public Works has a process in place and appropriate controls to assess compliance with applicable federal, state, local laws, rules, regulations, contracts, grant agreements and local policies. Additionally, management has taken reasonable and timely actions to assess its planned uses of the surtax and their process to comply with applicable laws, rules and regulations.

CURRENT SITUATION

MGT reviewed the 2015, 2016, and 2017 Single Audit reports to assess whether any noncompliance with applicable federal, state and local laws, rules and regulations, contracts and grant agreements. or internal control weaknesses were identified during the audits. MGT's review disclosed that no noncompliance or deficiencies in internal controls were identified during the audits.

Further compliance investigation was conducted with respect to grant funding. Projects financed through grants are managed by the Public Works Department by a fiscal specialist. The fiscal specialist applies for the grants, monitors grant and matching requirements and provides documentation to support the reimbursements. All the grants used to finance Public Works projects have 50% match requirements and are reimbursed after the money has been spent on the project (reimbursable grants). Three (3) out of the eight (8) projects tested received financial assistance through grant agreements.

Matching requirements are evaluated and appropriated at the grant application stage to ensure the County does not enter a grant that it cannot comply with and the appropriated funds cannot be used as match for another project. Extensive supporting documentation was provided for the reimbursements tested along with the appropriate approvals and oversight to ensure compliance.

As it relates to construction contracts, the construction contracts are awarded through a formal approval by the BCC. The Department works closely with the County Attorney's office and the Purchasing Department to prepare the necessary contract documents, obtain the necessary construction bonds, obtain the proof of insurance coverage and issue the Notice to Proceed documents. Per review of project documentation sampled, evidence of bonds and insurance and Notice to Proceed were obtained and appropriately documented.

Audit procedures disclosed that:

- ◆ The Department has a process in place and appropriate controls to assess compliance with applicable federal, state, local laws, rules, regulations, contracts, grant agreements and local policies.
- ◆ The County will establish an independent citizens committee to review expenditures to ensure that revenues received via the surtax are spent fairly throughout Port St. Lucie, Fort Pierce, St. Lucie Village and St. Lucie County. This will be accomplished by following existing policies and procedures related to purchasing, budgeting, and finance to ensure that funds are spent appropriately.

CHAPTER 4. OBJECTIVES, SCOPE, AND METHODOLOGY

The scope of this audit focused on program areas related to the financing, construction, reconstruction, maintenance, repair and improvement of public infrastructure projects such as roadway expansion and major resurfacing, reduced traffic congestion, new and improved sidewalks near schools, local flood control, and improved water quality. The scope period covered the operations of the program areas from the period July 1, 2015, through May 31, 2018.

The audit objectives were:

- ◆ To assess the economy, efficiency, or effectiveness of the program, including the reliability, validity, and relevance of performance and cost measures used to monitor program performance and cost.
- ◆ To determine whether the organizational structure promotes the achievement of the program's goals and objectives.
- ◆ To determine whether alternative methods of providing services and products are evaluated by program administrators and identify opportunities for alternative service delivery methods.
- ◆ To determine whether the program goals and objectives are clearly stated, measurable, achievable within budget, and consistent with the County's strategic plan.
- ◆ To assess the accuracy and adequacy of public documents, reports, and requests prepared by the County.
- ◆ To determine whether the program operations comply with applicable laws, rules and regulations, and policies and whether program administrators have taken reasonable and timely actions to assess if planned uses of the surtax comply with applicable state laws, rules, and regulations.

In conducting the audit, MGT:

- Interviewed County personnel and performed researched to gain an understanding of the entity and the transportation and facilities management programs.
- Held fraud discussions with members of the management team.
- Interviewed County personnel, reviewed policies and procedures, and created flowcharts to identify and evaluate significant internal controls relevant to the audit objectives and determine whether these controls provide reasonable assurance that program goals and objectives will be met.
- Reviewed findings, recommendations, and audit results from internal and external reports issued between the period June 1, 2015, through May 31, 2018, to determine

whether management has taken reasonable and timely actions to address any deficiencies in program performance and/or cost identified in any relevant internal or external report.

- Selected a sample of eight (8) projects completed by the Public Works Department and reviewed project information stored in the County's records to:
 - Determine whether projects are periodically evaluated using performance and cost data adequate to assess performance and cost.
 - Determine whether reports/data used by management on a regular basis is adequate to monitor project performance and cost.
 - Evaluate project performance and cost based on reasonable measures.
 - Evaluate whether the projects were completed on-time, within budget, and at a reasonable cost.
 - Determine whether management formally evaluated existing in-house services and activities to assess the feasibility of alternative methods of providing services, such as outside contracting and privatization, and the reasonableness of their conclusions.
 - Determine whether management assessed any contracted and/or privatized series to verify effectiveness and cost savings achieved and the reasonableness of their conclusions.
 - Identify possible opportunities for alternative service delivery methods that have the potential to reduce program costs without significantly affecting the quality of series.
- Reviewed projects financed through grants (3 of the 8 projects were financed with grants) to determine whether:
 - Policies and procedures are in place to ensure that grant process is monitored and compliant.
 - Grant compliance is being performed and monitored.
 - The acquisition of grants follows internal policies and procedures with the appropriate approvals.
- Reviewed policies and procedures to determine whether the County has established written policies and procedures to ensure that matching requirements were evaluated before application of grant.
- Reviewed the adequacy of public documents and reports prepared by the County related to the department.

- Reviewed the information posted on the County’s website to determine whether the public has access to financing and debt compliance information that is readily available and easy to locate.
- Reviewed processes the program has in place to ensure the accuracy and completeness of any grant information provided to the public.
- Interviewed County personnel to determine whether the department has procedures in place that ensure that reasonable and timely actions are taken to correct any erroneous and/or incomplete program information included in public documents, reports, and other materials prepared by the County and these procedures provide for adequate public notice of such corrections.
- Reviewed processes to determine whether the program has a process in place to assess its compliance with applicable federal, state, and local laws, and regulations; contracts; grant agreements; and local policies.
- Interviewed County personnel and created flowcharts to identify and review internal controls in place to determine whether these controls are reasonable to ensure compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures.
- Determined whether management has taken reasonable and timely actions to address any noncompliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures identified by internal or external audits.
- Interviewed County personnel to determine whether management has taken reasonable and timely actions to ensure that planned uses of the surtax comply with applicable state laws, rules, and regulations.

APPENDIX A
ST. LUCIE COUNTY MANAGEMENT RESPONSE LETTER

ST. LUCIE COUNTY
BOARD OF COUNTY
COMMISSIONERS

FRANNIE HUTCHINSON
CHAIR
DISTRICT 4

LINDA BARTZ
VICE-CHAIR
DISTRICT 3

CHRIS DZADOVSKY
DISTRICT 1

ANTHONY BONNA
DISTRICT 2

CATHY TOWNSEND
DISTRICT 5

DAN MCINTYRE
COUNTY ATTORNEY

MAILING ADDRESS
2300 VIRGINIA AVENUE
FORT PIERCE, FL 34982

PHONE
(772) 462-1156

TDD
(772) 462-1428

FAX
(772) 462-2131

E-MAIL
PHELANK@STLUCIECO.ORG

WEBSITE
WWW.STLUCIECO.GOV

August 31, 2018

Robert Holloway
Vice President of Operations
MGT Consulting Group
516 North Adams Street
Tallahassee, FL 32301

Dear Mr. Holloway,

We are very pleased with the results of the performance audit that was performed by the MGT Audit Team. We greatly appreciate the detailed analysis that the MGT Team performed in their analysis of our Public Works programs and project management processes. The findings and recommendations provided by the Audit Team will certainly add value to our Public Works Programs. Most importantly, the Audit Team did not identify any material weaknesses in our internal controls and processes for administering our Public Works projects. The Audit Report recognizes that the Public Works Department has a process in place and appropriate controls to assess compliance with applicable federal, state, local laws, rules, regulations, contracts, grant agreements and local policies. Additionally, the Report recognizes that County management has taken reasonable and timely actions to assess our planned uses of the surtax and the processes to comply with applicable laws, rules and regulations.

Based upon our review of the MGT Performance Audit Draft Final Report, dated August 30, 2018, we offer the following comments:

Finding 1:

MGT recommends pursuing a unified and active project management/work order system that allows for coordination among all divisions within the Public Works Department to assure that schedules, quality assurance, resources and assets operate more efficiently and effectively. Additionally, a more robust schedule planning system and further accommodations to incorporate more accurate contingencies is needed to help alleviate schedule overruns.

Response:

Public Works Staff agrees with this recommendation and recognizes our limitations in this regard. We would be interested in any recommendations from the MGT Team for Public Works software programs that have been used successfully in other jurisdictions. The County overall has taken steps to incorporate use of integrated software programs to coordinate several other departmental functions to gain better efficiency. For example, the County has initiated use of integrated software programs to improve:

- Administration Department – BOCC Agenda preparation software
- Planning Department - Building permits & inspections scheduling, tracking permit & inspection approvals for final CO issuance through integrated software program
- Office of Management & Budget- budget preparation and budget operations software; Performance measurement software and Quarterly reporting for Capital Projects status
- Human Resources – hiring software and timekeeping software

Project scheduling falls into 2 categories: In-house projects versus contracted construction projects. We believe our In-house projects could be completed much faster and more efficiently with increased staffing levels, comparable to a private Contractor field construction crew. We acknowledge that our very limited staffing makes it impractical to achieve project completion in an expeditious manner, to be comparable to a private Contractor. One of the methods currently being implemented by the State FDOT involves the use of bonus payments for early completion of Contractor construction contracts. This technique of providing a positive incentive may be better way to achieve project completion on schedule. We would welcome any other suggested methods for achieving project completion on time. A unified project management software program could also help to develop more detailed schedules and coordinate our activities better.

Finding 2:

MGT recommends the County could undertake further efforts to measure workload and productivity to validate staffing levels against volume of need. Further, the Public Works Department organizational charts do not have consistent formatting, lack specificity with regard to individual roles, and lack standardization within the Department.

Response:

Due to the economic conditions, the County Public Works Department is still operating at reduced staffing levels in all Divisions, compared to historical levels. We have been forced to seek alternative methods of maintenance to maintain expected services for the public. Many functions that were previously performed with in-house staff are now privatized. With an inability to hire more workers, we have been forced to privatize these maintenance activities in order to maintain limited levels of service. For example, mowing of right-of-ways is provided through private contractors on a reduced cycle of 10 times per year. Swale cleaning and reshaping is also performed through private contractors. Most of our labor intensive activities have been restructured or outsourced to maintain a limited level of service for the public.

The Office of Management & Budget is currently implementing a Performance Measurement Program using integrated software to help identify current and future needs for service improvements. This Program will help to identify areas of service that may need additional staff resources to achieve the desired levels of service for the public.

The Human Resources Department is currently implementing a project to update all of the County organizational charts, using our NEOGOV software program. This will insure uniformity of format for all organizational charts across the County Departments. The new Organizational chart format will include more detailed information, such as individual Employee roles.

Finding 3:

Audit procedures disclosed that there is no formal process for evaluating existing in-house services and activities to assess the feasibility of alternative methods of delivering services to the public. Currently project work is distributed based on availability of staff personnel versus considering overall schedule, expertise, costs and the County's overall master plan. Implementing a process of periodically evaluating contracted and/or privatized services can help provide reasonable assurance that the performance and cost of the services meet County standards.

Response:

With a staffing level in the Public Works Department at the same level it was in 1992, the lack of human capital has clearly driven, by necessity, the outsourcing of many of our services. In many cases the feasibility of looking to bring certain activities in-house just isn't realistic at this time. Should the resource picture for infrastructure projects brighten in the future, the department would certainly be willing to undertake a review of certain activities that might return a better ROI for the taxpayers by bringing them in-house. Additionally, although we currently have not implemented a formalized system to evaluate the performance of private contracted services, the County is currently working to implement an evaluation system that will be used to grade the performance of contracted services for Consulting Engineers and Construction Contractors. The evaluation program will be implemented through a minor revision to our Purchasing policy manual, as the forms to perform evaluations have already been developed by the County.

Finding 4:

The goals, objectives and performance measures used by the Public Works Department are clearly stated, measurable and can be achieved within budget. The goals, objectives and performance measures are sufficient to evaluate program performance and are governed by sufficient controls, policies and procedures to provide reasonable assurance that goals and objectives will be met.

Response:

We appreciate the recognition of our goals and measurement criteria, and our Public Works Staff focuses on meeting these goals and objectives each year to maintain our desired level of service for the public.

Finding 5:

The public has access to program performance and cost information and bond issuance and compliance information that is useful, timely, readily available and easy to locate. Sufficient processes exist to insure information accuracy and completeness, or otherwise to correct any errors or inaccuracies that are identified.

Response:

We appreciate the recognition of our public education efforts. Our County Media Department works together with the Public Works Department to update our County web pages and provide the public with updated information about our projects and programs.

Finding 6:

Public Works has a process in place and appropriate controls to assess compliance with applicable federal, state, local laws, rules, regulations, contracts, grant agreements and local policies. Management has taken reasonable and timely actions to assess our planned uses of the surtax and their process to comply with applicable laws, rules and regulations.

Response:

We appreciate the recognition of our administrative processes and policies to insure compliance. Our County Staff works hard to insure that our projects are implemented with regard to compliance and accuracy.

We greatly appreciate the work that was performed by the MGT Audit Team and the findings are duly noted. The recommended changes in our operations and administration of Public Works projects will undoubtedly improve our performance. Thanks to the MGT Audit Team for their hard work in performing the audit and completing the Audit Report in such a timely manner.

Sincerely,



Howard N. Tipton

CC: Mark Satterlee, Deputy County Administrator
Jeff Bremer, Deputy County Administrator
Dan McIntyre, County Attorney
Don West, Public Works Director
Jennifer Hill, OMB Director
Erick Gill, Communications Director
Board of County Commissioners