



PERFORMANCE AUDIT

FINAL REPORT

AUGUST 5, 2019



McCONNELL & JONES LLP

4828 LOOP CENTRAL, SUITE 1000, HOUSTON, TEXAS 77081

OFFICE: 713.968.1600 | FAX: 713.968.1601 | WWW.MCCONNELLJONES.COM



August 5, 2019

Mr. Dan Schebler
County Administrator
Santa Rosa County – Board of County Commissioners
6495 Caroline Street, #C
Milton, Florida 32570

Dear Mr. Schebler:

McConnell & Jones LLP (MJ) is pleased to submit our final report of the performance audit of Santa Rosa County (the County) pursuant to 212.055(10), *Florida Statutes*. In accordance with the requirements of Ch. 2018-118, *Laws of Florida*, the Office of Program Policy Analysis and Government Accountability (OPPAGA) selected MJ to conduct a performance audit of the program areas related to law enforcement/fire and public safety facilities and equipment, transportation and drainage improvements, infrastructure projects/public facilities, recreation/natural resources and capital equipment programs associated with the discretionary sales surtax proposed by citizen initiative. Dover Engineering, PLLC, based in Tequesta, Florida, served as technical advisor for the project.

We conducted this performance audit in accordance with Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on the audit objectives.

The objective of the audit was to fulfill the requirements of 212.055(10) *Florida Statutes*. This statute requires that Florida local governments, with a referendum on the discretionary sales surtax held after March 23, 2018, undergo a performance audit conducted of the program associated with the proposed sales surtax adoption. The audit must be conducted at least 60 days before the referendum is held. OPPAGA is charged with procuring and overseeing the audit. The primary County departments that expend Local Option Sales Tax funds, which are the subject of this performance audit, are the Santa Rosa County Public Works Department, County Engineer, Public Safety Department, Parks and Recreation Department, Sheriff's Office, and supporting divisions.

The objectives of the audit are consistent with the requirements of the statute, which are to evaluate the program associated with the proposed sales surtax adoption based on the following criteria:

1. The economy, efficiency, or effectiveness of the program
2. The structure or design of the program to accomplish its goals and objectives
3. Alternative methods of providing services or products
4. Goals, objectives, and performance measures used by the program to monitor and report program accomplishments
5. The accuracy or adequacy of public documents, reports, and requests prepared by the County, which relate to the program
6. Compliance of the program with appropriate policies, rules, and laws

We developed a work plan outlining the procedures to be performed to achieve the above audit objectives. Those procedures and the results of our work are summarized in the Executive Summary and discussed in detail in the body of the report.

Based upon the procedures performed and the results obtained, the audit objectives have been met. We conclude that, with the exception of the findings discussed in the report and based upon the work performed, the departments that expend Local Option Sales Tax funds have sufficient policies and procedures in place, supported by appropriate documentation, reports, monitoring tools, and personnel to address the statutory criteria defined in s. 212.055(10) *Florida Statutes*.

A handwritten signature in blue ink, reading "McConnell & Sonnet LLP".

Houston, Texas



TABLE OF CONTENTS

<i>EXECUTIVE SUMMARY</i>	<i>1</i>
<i>SUMMARY OF RESULTS</i>	<i>7</i>
<i>RESEARCH TASK 1</i>	<i>19</i>
<i>RESEARCH TASK 2</i>	<i>55</i>
<i>RESEARCH TASK 3</i>	<i>62</i>
<i>RESEARCH TASK 4</i>	<i>75</i>
<i>RESEARCH TASK 5</i>	<i>91</i>
<i>RESEARCH TASK 6</i>	<i>106</i>
<i>MANAGEMENT RESPONSE</i>	<i>118</i>



EXECUTIVE SUMMARY

SANTA ROSA COUNTY OVERVIEW

Santa Rosa County was formed in 1842. It was named for the Roman Catholic saint, Rosa de Viterbo. Santa Rosa County covers a 1,174 square mile area, of which 1,012 square miles is land and 162 square miles is water according to the U.S. Census Bureau. Santa Rosa County is part of the Pensacola-Ferry Pass-Brent, FL Metropolitan Statistical Area. The city of Milton is the County seat and lies in the geographic center of the County. Santa Rosa County can be divided into three distinct sections: south Santa Rosa, central Santa Rosa, and north Santa Rosa.

Santa Rosa County is governed by the Board of County Commissioners, five elected commissioners, who are elected at-large to serve and represent one of five districts and the County as a whole. Each member must reside within the district for the seat that is held. The Santa Rosa County Board of County Commissioners also serves as the legislative and policy setting body of Santa Rosa County as established under Section 125 of the *Florida Statutes*. Under *Florida State* law, the County Commission is responsible for funding the budgets of all Santa Rosa County Government, including the independently elected Constitutional Officers and Judicial Officers, as well as the Commission's own departments. (Source: Santa Rosa County's website at <https://www.santarosa.fl.gov>.)

According to executive management, Santa Rosa County is growing and developing; population is increasing by approximately 2.5% per year, and both commercial and residential development has returned to and even exceeded pre-2007 recession levels. The County has maintained the same millage rate for the last 11 years and over the last 20 years lowered the millage rate twice. The recession in the early 2000s hit the County's General Fund revenue hard— with the majority impact on Ad Valorem revenues. Ad Valorem revenues decreased a little over \$14 million through 2013 and just recently rebounded. The planned budget for Fiscal Year 2020 project revenues returning to the 2007 level. During the time period between the 2007 recession and the present, the County made many difficult budget decisions to include a reduction in the workforce of over 16%, travel and training budgets were reduced or eliminated, and most capital investments were curtailed.

The County was significantly impacted by Hurricanes Ivan and Dennis within six months of each other in 2005-2006. These storms depleted County general fund unassigned fund balance as response and cleanup occurred. Since that time, Administration and the office of management and budget (OMB) have focused on returning the County to a sound financial position.

The County has not undertaken a major vertical capital construction project since 1996 when the new jail and sheriff administration building was constructed. These projects were funded through a local infrastructure surtax; total project costs were approximately \$6 million. Additionally, no new roads have been planned or built over this same time period. Planning for several large necessary projects – courthouse replacement, wastewater treatment plant effluent relocation – has been ongoing, but due to lack of funding they have not moved beyond



the initial planning stages. The County sought approval for local infrastructure surtax referenda over the years to provide a revenue source for capital investments. The electorate approved a ½ cent surtax with a five-year sundown in November of 2016.

Administration

Administration in Santa Rosa County has gone through several transitions in the last three years. Mr. Hunter Walker served as the county administrator for 25 plus years. He was replaced by Mr. Tony Gomillion in 2015 who served in various capacities within the County for 30 plus years. Upon his appointment, Mr. Gomillion created the first formal assistant county administrator position in the County and hired Dan Schebler in March of 2017. The County had developed and was implementing an execution plan for the new infrastructure surtax. An allocation model and plan were developed and adopted by the Board of County Commissioners (BoCC) in the summer of 2017 and initial projects kicked-off that same fiscal year. Part of the implementation of the surtax in Santa Rosa County includes a Board appointed Local Option Sales Tax (LOST) Citizen Committee which meets quarterly to review ongoing projects, receive budget updates, and provide recommendations to the Board on new projects. Simultaneously, the County's budget process and document were being revised to include goals and objectives and a plan to identify measures and metrics for performance.

In March of 2018, Dan Schebler was appointed as the interim county administrator upon the announcement of Mr. Gomillion's retirement and then permanent county administrator effective July 1, 2018. A new assistant county administrator, Mark Murray, was hired shortly afterwards. The organizational changes and refinements that began with Mr. Gomillion continue today with the addition of several new departments reflecting BoCC priorities being created and new positions being added incrementally in key locations. In 2018, the County undertook an in-house strategic planning process to look at mission, vision, values and strategic priorities. This was the first strategic planning effort since the Better Santa Rosa Plan of 2005. With the development of the 2025 – A Way Forward, the efforts to align departmental goals and objectives with the strategic priorities while also developing those specific performance measures and metrics continues. The Departments collect, track and report data and outcomes but as it continues to grow and develop and continue to improve, there is still a need to link planning initiatives together.

SANTA ROSA LOCAL OPTIONS SALES TAX COMMITTEE

At the Santa Rosa County Committee Meeting on October 10, 2016, the board discussed forming a citizens' committee to give input on projects receiving Local Option Sales Tax (LOST) funds and oversee funds distribution.

Each commissioner was allowed to appoint two residents to the committee, one from their district of residence and one from the County at-large. After appointments were confirmed, the BoCC held a workshop to develop a process to review projects and clearly define the role of the committee members.



2019 BUDGET SUMMARY

Santa Rosa County (the County) is required to prepare an annual budget under rules of *Florida State Law* and the Florida State Board of Education. Each year the County develops a budget in accordance with Chapters 129, 200 and 197 of the *Florida Statutes*. Chapter 129 guides overall budget development and administration, while Chapter 200 provides specific directions for the annual levy of property taxes and the corresponding budget adoption timeline. Chapter 197 provides for the uniform method for levy, collection and enforcement of non-ad valorem assessments. The County operates on an October 1 to September 30 Fiscal Year.

According to the Santa Rosa County Fiscal Year 2019 Adopted Budget, the total budget for Fiscal Year 2019 is \$175,298,694, which is an overall increase of twenty percent over the Fiscal Year 2018 Adopted Budget. **Figure ES-1** below shows the budget comparison for Fiscal Years 2018 and 2019, as follows:

FIGURE ES-1
BUDGET COMPARISON FOR FISCAL YEARS 2018 AND 2019

Description	FY 2019	FY 2018	Percent Increase (Decrease)
General Funds	\$94,222,735	\$79,302,316	19%
Special Revenue Funds	\$45,873,741	\$41,682,745	10%
Debt Service Funds	\$1,191,042	\$1,445,097	(18%)
Capital Project Funds	\$2,162,147	\$1,649,220	31%
Permanent Funds	\$200,000	\$0	N/A
Enterprise Funds	\$27,989,238	\$18,019,964	55%
Internal Service Funds	\$3,659,791	\$3,605,500	2%
Total	\$175,298,694	\$145,704,842	20%

Source: Santa Rosa County Fiscal Year 2019 Adopted Budget.

The General Fund is Santa Rosa County's main operating fund and is the default fund used to account for and report all financial resources not required to be accounted for and reported in another fund. Special Revenue Funds include proceeds of specific revenue sources that are restricted or committed to be spent for specified purposes and include revenue from the state's one-half percent infrastructure tax funds. Debt Service Funds include resources that are restricted, committed, or specifically assigned to expenditures for principal and interest in anticipation of debt service payments. Capital Projects funds include financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of facilities and other capital assets. Permanent Funds include resources restricted to the extent that only earnings, and not principal, may be used to support County government programs for the benefit of the government or its citizens (e.g., Santa Rosa County's Gas & Oil Preservation Fund). Enterprise Funds include revenue and expenditures from any activity for which a fee is charged to external users for goods and services, mirroring a private business. Internal Service Funds include activities that provide goods and services to



other funds, departments, or agencies of the Santa Rosa County government and its component units, or to other governments, on a “cost-reimbursement” basis.

The Special Revenue Fund includes departments and units within Santa Rosa County that will receive and spend infrastructure funds generated by the additional one-half percent infrastructure tax are as follows:

1. Public Works – Transportation and Drainage, Recreation and Natural Resources
2. Sheriff & Emergency Management and Communications – Public Safety
3. Capital Equipment
4. Public Facilities

DISCRETIONARY SALES SURTAX

According to the State of Florida Department of Revenue website, Florida law authorizes local governments to impose nine different types of local discretionary sales surtaxes as potential revenue sources for county and municipal governments. Discretionary sales surtaxes apply to all transactions subject to the state sales and communications services taxes, vary from county to county, and are set by the local governments within the limits set by *Florida Statutes*.

Santa Rosa County voters passed the current half-penny sales tax in August 2016. The funds were earmarked for infrastructure. The tax took effect on January 1, 2017 and expires after five years on December 31, 2021. The original allocation of the half-cent funds approved by BoCC was transportation and drainage (public works) - 52%; public safety (sheriff & emergency management/communications) - 27%; recreation/natural resources (public works) 10%; capital equipment - 2%; public facilities - 4%, and unallocated - 5%.

On June 27, 2019, the Santa Rosa County Board of County Commissioners (BoCC) passed an ordinance imposing a one cent infrastructure sales surtax to be placed on the October 8, 2019 ballot. If approved by voters, the one-half cent tax will expire on December 31, 2019 and the one cent tax will become effective January 1, 2020 and expire after 10 years. The BoCC approved allocation of the one-cent tax – subject to the results of the referendum to take place on October 8, 2019 – is 50% Infrastructure (Transportation and Drainage); 30% Public Safety, and 20% Quality of Life/Quality of Service.

GOVERNANCE IMPLICATIONS OF SURTAX PASSAGE

Under Florida state law, Santa Rosa County’s five-member County Commission is responsible for providing funds for the budgets for all Santa Rosa County Government, including the independently elected Constitutional Officers and court administration, as well as all County departments. Accordingly, the County Commission exercises oversight only over its own departments and will be ultimately responsible for overseeing the efforts of the recipients of funds from the sales tax.



The county administrator and assistant administrator oversee the County Engineer, Public Works, and Public Safety Departments, which are the primary recipients of funds from the one-half percent sales surtax. The Santa Rosa County will manage and control the surtax funds through its office of management and budget (OMB), which reports to the OMB director.

AUDIT OBJECTIVE

In accordance with s. 212.055(10), *Florida Statutes*, and Government Auditing Standards, the certified public accountant must conduct a performance audit of the Santa Rosa County program areas within the administrative unit(s) that will receive funds through the referendum.

The performance audit must include a review of program areas for Santa Rosa County related to public safety facilities and capital equipment, transportation and drainage improvements, infrastructure projects and public facilities, recreation and natural resources, and public works equipment.

Audit fieldwork must include interviews with program administrators, review of relevant documentation, and other applicable methods to complete the assessment of the six (6) research tasks.

PROJECT SCOPE

The subject auditees for the performance audit were the following departments within Santa Rosa County. These departments included: Public Works, Public Safety, and Sheriff & Emergency Management/Communications Departments. Within these departments program funds will be specifically use for road paving, resurfacing, and sidewalks; emergency communications systems, public safety automotive and capital equipment, elections computers and public works equipment. The performance audit was conducted in accordance with *Generally Accepted Government Auditing Standards (GAGAS)*. Those standards require that the audit be conducted in a manner to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on the audit objectives. The MJ Team believes that the evidence obtained provides a reasonable basis for our observations and conclusions.

METHODOLOGY

The MJ Team conducted fieldwork for the performance audit from July 15-19, 2019. During fieldwork, an introductory kickoff meeting was conducted to discuss the project scope regarding each of the six (6) audit research tasks. Audit team members conducted a total of 21 individual interviews with management and executive-level staff during the fieldwork period (Note – some individual interviews were conducted by more than one (1) consultant). Additionally, nine (9) group interviews were conducted. Each of the group interviews had varying management team members in attendance depending on their involvement with a particular research task.



During the interviews, management team members' roles were discussed along with processes and procedures the County follows to address the six (6) research tasks and underlying subtasks. The MJ Team initiated multiple follow-up contacts with nearly all County management team members to clarify information outlined in processes, procedures, and management reports the County provided to address the research tasks. Performance audit team members reviewed and analyzed extensive, relevant operational and financial data in order to document and report findings and conclusions.



SUMMARY OF RESULTS

The Santa Rosa County operating units currently managing projects financed by the one-half cent Local Option Sales Tax (LOST) that was approved by voters in August 2016 are the same units that will expend the one cent infrastructure tax funds should voters approve the October 8, 2019 referendum. These units include: Public Works, Public Safety, Parks and Recreation, Engineering, and the Sheriff's Department. Departments that provide administrative support and oversight of LOST funds include: Administration, Office of Management and Budget, Procurement, Grants and Special Programs, and the County Clerk of Court. County commissioners approved the following five-year target percentage allocations at the May 9, 2017 regular board meeting.

- Transportation and Drainage (Public Works) - 52%
- Public Safety (Sheriff & Emergency Management/Communications) - 27%
- Recreation/Natural Resources (Public Works) - 10%
- Capital Equipment - 2%
- Public Facilities - 4%
- Unallocated - 5%

Figure ES-2 provides an overview of LOST fund allocations and spending as of June 2019. Approximately \$16.2 million of LOST funds had been spent from a total of \$18.2 million received as of that date. LOST revenues have been running ahead of the County's projections. According to County administrative staff, project allocations were based on a revenue estimate of \$7.6 million per year. However, based on MJ's review of the Florida Department of Revenue Office's projections for Santa Rosa County, the Fiscal Year 2020 revenue estimate is \$9.5 million per year. This situation accounts for the lag of project spending behind revenue receipts.

FIGURE ES-2

LOST ALLOCATION AND EXPENDITURE UPDATE AS OF JUNE 2019

Authorized Users	Allocated	Allocated Percentage	Expended (through June 28, 2019)	Percentage of Allocation Expended
Transportation & Drainage*	\$17,230,968	56%	\$7,566,218	44%
Public Safety**	8,221,086	27%	7,424,158	90%
Recreation & Natural Resources*	3,599,397	12%	1,012,779	28%
Public Facilities	981,000	3%	0	0%
Capital Equipment	729,172	2%	171,442	24%
Total	\$30,761,623	100%	\$16,174,597	53%

Source: June 2019 LOST Update at <https://www.santarosa.fl.gov/378/Local-Option-Sales-Tax-Information-LOST>

*These are Public Works units.

**Includes Fire and Emergency Communications Equipment and Sheriff's Office.



Figure ES-3 provides an overall summary of project status. Of the 83 projects approved by the BoCC, 37 percent have been completed, 27 percent are in progress, and 36 percent have not started. These percentages demonstrate that in the three years since project activities began, the projects are progressing.

FIGURE ES-3
LOST PROJECT STATUS
AS OF JUNE 2019

Fiscal Year	Total Number of Projects	Number Complete	Number in Progress	Not Started	Percentage Complete	Percent in Progress	Percent Not Started
2017	13	13	0	0	100%	0%	0%
2018	33	14	12	7	42%	36%	21%
2019	17	4	10	3	24%	59%	18%
2020	20	0	0	20	0%	0%	100%
Total	83	31	22	30	37%	27%	36%

Source: June 2019 LOST Update at <https://www.santarosa.fl.gov/378/Local-Option-Sales-Tax-Information-LOST>

Figure ES-4 through **Figure ES-9** present a summary of the overall results of the performance audit based on the six (6) research tasks required by *Florida Statute* 212.055(10). The six (6) research tasks consist of 25 subtasks. The MJ Team's assessment of the subtasks revealed that 16 of the 25 were met, eight (8) were partially met, and one (1) was not met.



RESEARCH TASK 1 – The Economy, Efficiency, or Effectiveness of the Program.

Finding Summary: Overall, Santa Rosa County Partially Meets Task 1

Santa Rosa County uses various reports to monitor project performance and cost; however, improvements need to be made in how software systems, which are the source of data and reports, are acquired. The County has performance measures and various kinds of operational statistics and data. However, the County did not sufficiently demonstrate that it uses the data to evaluate programs against the performance measures, analyze the results, and determine and report reasons for variations. Findings and recommendations have been included in relevant internal and external reports on program performance and costs, and management has taken actions to address deficiencies in program performance and/or cost identified in management reports/data, periodic program evaluations, audits, etc. Program managers use innovative practices in their operations and endeavor to stay abreast of emerging trends through involvement in professional organizations and conferences. Most of the sample of projects reviewed were completed on time and within budget. However, project file documentation inconsistently included information requested such as the vendor bid tabulation and completion reports or other documents to verify that the project was completed well. Finally, written policies and procedures exist to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements.

FIGURE ES-4

SUMMARY OF SANTA ROSA COUNTY RESEARCH RESULTS

Research Subtask	Research Results	Conclusion	Recommendation
1. The Economy, Efficiency, or Effectiveness of the Program			
1.1	Management reports and data are available for program administrators to use on a regular basis to monitor program performance and cost. The reports are adequate and statistical data is plentiful. However, the County's ability to make data-driven decisions and predictive analysis is being delayed while another project management solution is being developed internally to replace project management software implemented less than two years ago in September 2017. The County did not develop and document a comprehensive requirements definition or prepare a capabilities analysis for the project management software. Subsequently, the County became dissatisfied with the program after discovering that it did not meet the County's needs.	Partially Met	Implement proven, more effective practices and approaches to future software acquisitions and development.



Research Subtask	Research Results	Conclusion	Recommendation
1.2	County departments have performance measures, and they accumulate performance data. In addition, county administrators meet regularly with staff to discuss program performance. However, the County provided no documentation of program evaluations taking place during these meetings using performance measures or other criteria.	Partially Met	Develop a process for evaluating the performance of each department against their performance measures and use the results to drive continuous improvement.
1.3	Our work revealed no issues or concerns related to findings and recommendations included in relevant internal or external reports on program performance and cost.	Met	N/A
1.4	Our work revealed no issues or concerns related to whether program administrators have taken reasonable and timely actions to address any deficiencies in program performance and/or cost identified in management reports/data, periodic program evaluations, audits, etc.	Met	N/A
1.5	Our work revealed no issues or concerns related to program performance and cost based on reasonable measures, including best practices.	Met	N/A
1.6	Most of the sample of projects reviewed were completed on time and within budget. However, project file documentation did not always include information requested such as the vendor bid tabulation and completion reports or other documents to verify that the project was completed well.	Partially Met	Maintain consistent and standard project file documentation.
1.7	Our work revealed no issues or concerns related to whether the County has established written policies and procedures to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements.	Met	N/A



RESEARCH TASK 2 – The Structure or Design of the Program to Accomplish its Goals and Objectives.

Finding Summary: Overall, Santa Rosa County Meets Task 2

The County has been incrementally scaling up its focus on capital repair, improvement, and enhancement since the implementation of the one-half cent local option sales tax (LOST). While these tasks were accomplished, in large measure with existing staff, the County's tentative Fiscal Year 2020 budget recognizes the need for additional full-time equivalents (FTE's) focused on capital planning and project oversight. This need includes four senior-level positions that are either entirely or largely focused on providing additional oversight and stewardship of LOST funds.

FIGURE ES-5

SUMMARY OF SANTA ROSA COUNTY RESEARCH RESULTS

Research Subtask	Research Results	Conclusion	Recommendation
2. The Structure or Design of the Program to Accomplish its Goals and Objectives			
2.1	Our work revealed no issues or concerns related to the program organizational structure to ensure the program has clearly defined units, minimizes overlapping functions and excessive administrative layers, and has lines of authority that minimize administrative costs. The County is engaged in a reorganization to better focus attention on capital planning and project oversight.	Met	N/A
2.2	Our work revealed no issues or concerns related to the reasonableness of current program staffing levels given the nature of the services provided and program workload. This is particularly true given the four (4) FTE's that the County is proposing to add in the Fiscal Year 2020 tentative budget.	Met	N/A



RESEARCH TASK 3 – Alternative Methods of Providing Services or Products.

Finding Summary: Overall, Santa Rosa County's Public Safety and Public Works Departments Meet Task 3

The County has contracted out several functions and programs and periodically evaluates the performance of these programs on the basis of cost and level of service. In some cases, programs have been brought back in-house when the evaluation indicates that County staff can perform the functions at a lower cost or higher quality. Similarly, the County has adjusted some programs to modify the procurement method or program if the results can be improved. Discussions with peer agencies occur at least annually and occasionally more frequently commensurate with the specific project or need. Resulting discussions identify potential structural or procurement practices that can improve the delivery of services and programs. County Departments and Purchasing should collaborate to create a process to document that goods and services are being provided to the County in the most effective manner that achieves the greatest cost savings.

FIGURE ES-6

SUMMARY OF SANTA ROSA COUNTY PUBLIC SAFETY, SHERIFF AND PUBLIC WORKS RESEARCH RESULTS

Research Subtask	Research Results	Conclusion	Recommendation
3. Alternative Methods of Providing Services or Products			
3.1	Our work revealed no issues or concerns related to whether program administrators formally evaluated in-house services and activities to assess the feasibility of providing these services using outside contractors.	Met	N/A
3.2	Our work revealed that Public Works conducted a cost benefit analysis of paying existing staff overtime versus hiring new staff. Other departments were not able to supply documentation related to whether program administrators have assessed any contracted and/or privatized services to verify effectiveness and cost savings achieved.	Partially Met	County Departments and Purchasing should collaborate to create a process to document that goods and services are being provided to the County in the most effective manner that achieves the greatest cost savings.



Research Subtask	Research Results	Conclusion	Recommendation
3.3	Our work revealed no issues or concerns related to whether program administrators have made changes to service delivery methods when their evaluations/assessments found that such changes would reduce program costs without significantly affecting the quality of services.	Met	N/A
3.4	Our work revealed no issues or concerns related to whether program administrators have reviewed peer entities' approaches for identifying opportunities for alternative service delivery methods that have the potential to reduce program costs without significantly affecting the quality of services.	Met	N/A



RESEARCH TASK 4 – Goals, Objectives, and Performance Measures Used by the Program to Monitor and Report Program Accomplishments.

Finding Summary: Overall, Santa Rosa County Partially Meets Task 4

Program goals and objectives align with the County's strategic plan and are generally clearly stated. However, benchmarks, which are measurable tasks that can be achieved within budget, were inconsistently included in the Fiscal Year 2019 Adopted Budget. Although the County uses performance measures to evaluate program performance and objectives, the program reports lack clear documentation as to whether projects are both completed timely and within budget. Internal controls provide reasonable assurance that program goals and objectives will be met.

FIGURE ES-7

SUMMARY OF SANTA ROSA COUNTY RESEARCH RESULTS

Research Subtask	Research Results	Conclusion	Recommendation
4. Goals, Objectives, and Performance Measures Used by the Program to Monitor and Report Program Accomplishments			
4.1	Although program goals and objectives are generally clearly stated and consistent with the County's strategic plan, some of the departments' goals and objectives lack benchmarks that represent measurable tasks that can be achieved within budget.	Partially Met	Develop and maintain benchmarks for all departments and goals and objectives which are measurable and can be achieved within budget.
4.2	Performance measures are reported in the Fiscal Year 2019 Adopted Budget. Some of the descriptions of the performance measures reported in the budget are insufficient to assess program progress toward meeting its stated goals and objectives. Also, no performance measures were reported in the budget for one department. In addition, key performance measures such as monitoring actual costs to the budget and targeted versus actual completion timelines are not listed as a benchmark.	Not Met	Enhance program performance measures to assess program process toward meeting its stated goals and objectives.
4.3	Our work revealed no issues or concerns related to internal controls, including policies and procedures, to determine whether they provide reasonable assurance that program goals and objectives will be met.	Met	N/A



RESEARCH TASK 5 – The Accuracy or Adequacy of Public Documents, Reports, and Requests Prepared by the County, which Relate to the Program.

Finding Summary: Overall, Santa Rosa County Meets Task 5

The County has developed adequate financial and non-financial information systems which are useful, timely, and accurate. The County uses news releases and social media platforms when important, time sensitive information needs to be conveyed to the public quickly. The County makes program budget, cost, and performance data available on its website and provided evidence that processes are in place to ensure accuracy and completeness. The County has processes in place to correct erroneous and incomplete information timely and provided evidence that these processes are followed. The County has systems in place to check data prior to publication. However, the County lacks data quality standards and should implement a formal evaluation process (report) to periodically evaluate the adequacy and accuracy of information provided to the public after publication. This evaluation should address factors such as whether the information is still relevant, useful, and reached its intended audiences. The evaluation standards should be created by all staff responsible for developing public documents.

FIGURE ES-8

SUMMARY OF SANTA ROSA COUNTY RESEARCH RESULTS

Research Subtask	Research Results	Conclusion	Recommendation
5. The Accuracy or Adequacy of Public Documents, Reports, and Requests Prepared by the County which, Relate to the Program			
5.1	Our work revealed no issues or concerns related to whether the program has financial and non-financial information systems that provide useful, timely, and accurate information to the public.	Met	N/A
5.2	Although the County prepares internal analytics reports to measure the County's website traffic the data obtained from these reports is not sufficient to ensure that information is adequate and accurate.	Partially Met	Establish data quality standards and implement a formal evaluation process (report) that addresses the adequacy and accuracy of information provided to the public and communicate these standards and evaluation results to all staff responsible for developing public documents.



Research Subtask	Research Results	Conclusion	Recommendation
5.3	Our work revealed no issues or concerns related to whether the public has access to program performance and cost information that is readily available and easy to locate.	Met	N/A
5.4	Our work revealed no issues or concerns related to whether processes the program has in place to ensure the accuracy and completeness of any program performance and cost information provided to the public.	Met	N/A
5.5	Our work revealed no issues or concerns related to whether the program 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 that these procedures provide for adequate public notice of such corrections.	Met	N/A



RESEARCH TASK 6 – Compliance of the Program with Appropriate Policies, Rules, and Laws.

Finding Summary: Overall, Santa Rosa County Partially Meets Task 6

The Santa Rosa County attorney serves as the in-house chief legal counsel to the County in all legal matters. The attorney provides legal advice and representation to the board of commissioners, the county administrator, all County departments, and boards and committees organized under the board of commissioners on matters related to their official responsibilities. The county attorney is also responsible for the prosecution and defense of all civil actions for and on behalf of County government and reviews all ordinances, resolutions, contracts, bonds, and other written instruments. In addition, strong internal controls exist to ensure compliance with granting agency requirements. Moreover, the LOST Citizens Committee was formed to provide input and feedback to the LOST program on behalf of County voters. However, despite its protective legal infrastructure, the County had no explanation for overlooking the performance audit requirements of 212.055(10) *Florida Statutes* in preparation for the LOST referendum, which was originally intended for August 27, 2019. In addition, the County lacks comprehensive and current policies and procedures as an internal control to ensure compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures. Yet, program administrators have 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 evaluations, audits, or other means. Finally, Ordinance 2019-12 will levy a one cent infrastructure tax upon voter approval. The ordinance reflects the requirements of 212.055 (2) of the *Florida Statutes* and contains language to ensure that funds are spent in accordance with applicable state laws, rules, and regulations.

FIGURE ES-9

SUMMARY OF SANTA ROSA COUNTY RESEARCH RESULTS

Research Subtask	Research Results	Conclusion	Recommendation
6. Compliance of the Program with Appropriate Policies, Rules, and Laws			
6.1	There is no single function within the County that coordinates the efforts of several parties to track and communicate to County stakeholders new legislation that impacts County operations. Conversely, the County has several means of keeping track of changes to legislation that affect the County; for example, the county attorney, contracted lobbyist, state representatives, and organizations such as the Small County Coalition all play a role. Despite these information sources, county	Partially Met	Coordinate with County Stakeholders, including the County Clerk of Courts and Sheriff's Office to perform government relations functions to stay abreast of federal, state, and local legislation and to coordinate and disseminate information from agencies such as the Small County Coalition.



Research Subtask	Research Results	Conclusion	Recommendation
	administrators had no explanation for why the performance audit requirements of <i>Florida Statute 212.055(10)</i> were overlooked and a referendum was planned for August 27, 2019.		
6.2	Documentation and approval of policies requires improvement. Inconsistent competitive bid thresholds exist in the County's Procurement Manual dated June 27, 2019 and the Accounting Policies and Procedures Manual dated June 16, 2015 of over \$35,000 versus over \$10,000. In addition, a comprehensive operations manual is not maintained to ensure that all department policies and procedures authorized by management are documented and approved.	Partially Met	Develop and maintain current policy and procedures manuals. Ensure consistency among policies and procedures.
6.3	Our work revealed no issues or concerns related to whether program administrators have 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 evaluations, audits, or other means.	Met	N/A
6.4	Our work revealed no issues or concerns related to whether program administrators have taken reasonable and timely actions to determine whether planned uses of the sales surtax are in compliance with applicable state laws, rules, and regulations.	Met	N/A



RESEARCH TASK 1

THE ECONOMY, EFFICIENCY, OR EFFECTIVENESS OF THE PROGRAM.

FINDING SUMMARY – Overall, Santa Rosa County partially meets Task 1. Management reports and data are available; however, management software, in use or under development, needs to be sourced more effectively and fully utilized. Performance measures exist, but they are not used to evaluate program performance and costs. Findings and recommendations have been included in relevant internal and external reports on program performance and costs, and management has taken actions to address deficiencies in program performance and/or cost identified in management reports/data, periodic program evaluations, audits, etc. Management uses and encourages the use of effective practices. Most of the sample of projects reviewed were completed on time and within budget. However, project file documentation did not always include information requested such as the vendor bid tabulation and completion reports or other documents to verify that the project was completed well. Finally, written policies and procedures exist to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements.

SUMMARY OF CONCLUSIONS ON RESEARCH SUBTASKS

See the Analysis and Results section below for details regarding these conclusions.

SUBTASK 1.1

Condition: Subtask 1.1 Partially Met

Review any management reports/data that program administrators use on a regular basis and determine whether this information is adequate to monitor program performance and cost.

Management reports and data are available for program administrators to use on a regular basis to monitor program performance and cost. The reports are adequate and statistical data is plentiful. However, the County's ability to make data-driven decisions and predictive analysis is being delayed while another project management solution is being developed internally to replace project management software implemented less than two years ago in September 2017. The County did not develop and document a comprehensive requirements definition or prepare a capabilities analysis for the project management software. Subsequently, the County became dissatisfied with the program after discovering that it did not meet the County's needs.

Cause: The County had not undertaken a major vertical construction project since 1996 and did not establish project management guidelines or expectations to determine whether the project management program implemented in September 2017 would meet the County's project management needs. Eventually, the County discovered that it would not meet the County's needs because it lacked features essential for a county government.

Effect: Time and resources were spent on a program that did not meet the County's needs. Moreover, the County's ability to make data-driven decisions and predictive analysis is currently being delayed while GoTracker, a project management solution, is being developed



internally. This situation could have been avoided if the original project management software had been sourced more effectively. Although the County had not engaged in a major construction project in years, research and information from other counties could have been used to document a comprehensive requirements definition and a program capabilities analysis that may have led to a better procurement decision.

Criteria: When used throughout this report, best practices refer to ways of performing work and achieving outcomes that have proven effective for a given industry, discipline, or business process. Many best practices are intuitive or based on common sense. For example, it is best practice for an accounts payable function to confirm receipt of goods and services before paying an invoice. Other best practices are based on observation and documentation, over time, of effective and efficient ways of accomplishing work. Proven, effective practices for software acquisition and development include the following:

- management taking ownership and not delegating software acquisition and development to information technology professionals;
- developing a comprehensive, documented technology acquisition/development plan;
- determining the need and involving users early;
- defining and prioritizing requirements;
- researching the market;
- developing a business case;
- building a short list of vendors (including in-house development);
- educating vendors on the need;
- comparing, scoring, and ranking solutions;
- gathering and comparing costs;
- obtaining stakeholder buy-in; and
- making informed decisions.

RECOMMENDATION 1.1

Implement proven, more effective practices and approaches to future software acquisitions and development.

SUBTASK 1.2

Condition: Subtask 1.2 Partially Met

Determine whether the program is periodically evaluated using performance information and other reasonable criteria to assess program performance and cost.

County departments have performance measures, and they accumulate an abundance of performance data and statistical information. In addition, county administrators meet regularly with staff to discuss program performance. However, the County did not sufficiently



demonstrate that it uses the data to evaluate programs against performance measures, analyze the results, and determine and report reasons for variations during these meetings.

Cause: Evaluating program performance using performance measures was not a County priority in the past. Since the early 2000s, the County's budgetary focus has been on managing decreases in general fund revenues caused by decreased Ad Valorem tax revenues. The County's Fiscal Year 2019 budget is the first to include goals, objectives, and performance measures.

Effect: Unless County departments continuously improve through evaluation of their program activities and operations against relevant performance measures, they may be hampered in their ability to serve citizens, employees, and stakeholders more efficiently and effectively.

Criteria: The County's Fiscal Year 2019 budget document establishes goals, objectives, and performance measures for each department thereby providing the criteria against which operations and activities should be evaluated. County efforts to strengthen the quality, reliability, and usefulness of performance measures in all departments is a new initiative.

RECOMMENDATION 1.2

Develop a process for evaluating the performance of each department against their performance measures and use the results to drive continuous improvement.

SUBTASK 1.3

Our work revealed no issues or concerns related to findings and recommendations included in relevant internal or external reports on program performance and cost.

SUBTASK 1.4

Our work revealed no issues or concerns related to whether program administrators have taken reasonable and timely actions to address any deficiencies in program performance and/or cost identified in management reports/data, periodic program evaluations, audits, etc.

SUBTASK 1.5

Our work revealed no issues or concerns related to program performance and cost based on reasonable measures, including best practices.

SUBTASK 1.6

Condition: Subtask 1.6 Partially Met

Evaluate the cost, timing, and quality of current program efforts based on a reasonably sized sample of projects to determine whether they were of reasonable cost and completed well, on time, and within budget.



Most of the sample of projects were completed on time and within the budget. However, documentation was not consistently provided to confirm if the project was completed well and bid tabulations were not always provided to determine if the lowest bidder was selected to increase the likelihood for reasonable estimated costs.

Cause: The County lacks project file maintenance standards.

Effect: Without standard project file maintenance guidelines, critical documents may be inadvertently omitted from the departments' records. For example, the lack of vendor selection records could indicate noncompliance with purchasing policies and procedures to ensure that the County obtains the best value or best price.

Criteria: The process of managing project files and records is important because this supports the ease and efficiency of the project activities and allows others to find required information when needed.

RECOMMENDATION 1.6

Maintain consistent and standard project file documentation.

SUBTASK 1.7

Our work revealed no issues or concerns related to whether the County has established written policies and procedures to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements.

ANALYSIS RESULTS & CONCLUSION

SUBTASK 1.1 – Review any management reports/data that program administrators use on a regular basis and determine whether this information is adequate to monitor program performance and cost.

To address the requirements of all of the subtasks in Research Task #1, the MJ Team interviewed the individuals in **Figure 1-1**. Joint interview denotes that there were one (1) or more support staff in the interview.



FIGURE 1-1
TASK 1 INTERVIEWS

Title	Type	Date
Internal auditor	Individual	7/15/2019
Santa Rosa County administrative coordinator	Individual	7/16/2019
Grants/special programs director procurement officer	Joint	7/16/2019
Public works director	Joint	7/16/2019
Sheriff's procurement captain, special operations & sheriff's finance director	Joint	7/16/2019
OMB director & senior budget manager	Joint	7/16/2019
Director of parks & recreation	Joint	7/17/2019
County engineer & assistant county engineer	Joint	7/17/2019
Public safety director & administrative assistant	Joint	7/17/2019
County attorney and deputy clerk-finance director	Joint	7/17/2019
County administrator	Individual (with other team members)	7/18/2019
Assistant county administrator	Individual (with other team members)	7/18/2019
Local option sales committee chairman	Individual (with other team members)	7/18/2019

Source: MJ Team's Master Interview Schedule.

To address the requirements of Subtask 1.1, the MJ Team examined various reports and data that County staff discussed during the interview and provided subsequently. Departments that receive LOST funding produce a variety of reports and financial and operational data.

The County uses a project management system to track project status and to prioritize, schedule, and assign project tasks. The system is a "software as a service", cloud-based solution paid for through a subscription. The County acquired the system in September 2017. The County had not undertaken a major vertical capital construction project since 1996. County staff told the review team that as a result, when the software was initially purchased, the County did not have established project management guidelines or expectations, and therefore could not ascertain if the product would be sufficient. The County became dissatisfied with the program after discovering that it would not meet the County's project management needs. While the program is designed for project management, County staff told the MJ Team that it does not have some features needed by a county government. Presently, County staff are using the software only to track status and comments on existing projects.

After determining that the project management system acquired in September 2017 did not meet its needs, the County decided to develop a solution in-house. Administrative and information technology staff determined that an in-house program could be developed quickly. It would also be scalable and include enhanced report generating capability. Information



technology is currently programming some design features after the program will be tested and more changes made. Once testing is complete, staff will begin transferring project information from the discontinued application to the in-house solution, which will be called GoTracker.

The County expects GoTracker to “go live” in August 2019. Staff training will occur in subsequent weeks. The program is expected to be fully implemented by October 1, 2019. Monthly reports will be posted on the website beginning in October 2019.

The County anticipates that GoTracker will enable it to effectively track capital projects and purchases while monitoring program performance, operations statistics, and cost. The software will hold funding information, project descriptions and updates, project expenditures, timeline milestones, and completion dates. The County also expects that it will provide staff, administration, commissioners, and citizens with current, reliable project status information. The County plans to provide project information on its website so that citizens have access to the most up to date information. In the future, the County’s Capital Improvement Plan will be published from the information in GoTracker.

The County also uses an operations software application to manage work tasks; assets such as roads, signs, trees, and facilities; and resources such as people, materials, vehicles, and equipment. The County acquired this software in August 2018 primarily for the benefit of Public Works, which, uses the program for operations, asset, and resource management. The program allows Public Works to manage, track, collect, view, display, and share information about assets, work/tasks, and resources.

Parks and Recreation also uses the program after inputting park location, facilities, staff, and equipment information. Parks and Recreation also enters a variety of requests from the public and staff. These requests can include repairs as well as day-to-day preventative maintenance tasks. Cost can also be tracked in the system in a variety of ways, including labor, equipment used, materials used, and other costs such as vendor purchases are made.

The system is web based and fully integrates with the County’s global information systems (GIS) software. The system allows multiple users to input or retrieve data in real time on a computer, iPad or cell phone. Citizen work requests are received via an online form or phone call, a task is created, and the assigned crew receives the task instantaneously.

Various operational data is being input into the system, and many different types of reports can be generated from the system. Both Public Works and Parks and Recreation have plans to expand use of the system and make fuller use of its capabilities. Public Works is currently generating the following reports from the system.

- Paving
- Ditch Cleaning
- Retention Pond Cleaning
- Traffic Signal Maintenance
- Patching (pothole repair)

Figure 1-2 provides an example of the operations dashboard that can be produced from the integration of this application with the County’s GIS system, which has detailed mapping capabilities. The dashboard shows the following at a glance:

- road and bridge task volume (number of road resurfacings, tree trimmings, investigations, and ditch cleanings, etc.) (bar graph top left);
- work activities in progress by location (top second column);
- planned and in-progress tasks per work zone (bar graph top right);
- number of in progress work tickets (last column top right);
- activities currently in progress (circle graph bottom left);
- activity type (list bottom second column);
- current work ticket status, planned or in progress (circle graph bottom right); and,
- number of completed work tickets (last column bottom right).

FIGURE 1-2
ROAD AND BRIDGE TASK DASHBOARD



Source: Posted on hallway wall of County Administrative Offices.

To maximize the availability of information to monitor program performance and cost effectively and efficiently, the County must acquire and fully implement systems that meet its various needs. Otherwise, the County will continue to rely heavily on current means of producing and sharing data for managing its programs and operations.



Presently, administrative staff meet on a bi-weekly basis with directors and project managers to discuss project status, departmental updates, and other issues. MJ examined a sample Outlook calendar invitation noting the regularity of these meetings and that the subject line read "Engineering Project List Update/Review." Administration and members of the leadership team (directors and key personnel) have a round table discussion each month to discuss leadership topics and to receive project/departmental updates.

All County departments have access to the expenditure status report through the County's financial software system. This report shows, by account, what has been budgeted, expended, encumbered, and the available balance. Reports can be viewed or printed by any staff with access rights. The reports are useful for determining how general and LOST funds have been spent. **Figure 1-3** provides an example of an expenditure status report.

FIGURE 1-3
EXPENDITURE STATUS REPORT

SUNGARD PENTAMATION			SANTA ROSA COUNTY BOCC			PAGE NUMBER: 1	
DATE: 07/01/2019			EXPENDITURE STATUS REPORT			EXPSTall	
TIME: 07:28:17							
SELECTION CRITERIA: ((({orgn.fund <= "107"})) AND (({expledgr.budget_orgn NOT IN ("0030","0040","0050","0075"}))) AND (({orgn.fund NOT IN							
ACCOUNTING PERIOD: 9/19							
SORTED BY: FUND,DEPARTMENT,1ST SUBTOTAL,ACCOUNT							
TOTALLED ON: FUND,DEPARTMENT,1ST SUBTOTAL							
PAGE BREAKS ON: FUND,DEPARTMENT							
FUND-001 GENERAL REVENUE FUND							
DEPARTMENT-0010 BOARD OF COMMISSIONERS							
1ST SUBTOTAL-51000 PERSONNEL SERVICES							
ACCOUNT	TITLE	BUDGET	PERIOD EXPENDITURES	ENCUMBRANCES OUTSTANDING	YEAR TO DATE EXP	AVAILABLE BALANCE	YTD/ BUD
51110	SALARIES-ELECTED OFFICIALS	343,317.00	26,139.60	.00	241,732.18	101,584.82	70.41
51210	REGULAR SALARIES	147,452.00	10,819.22	.00	96,228.30	51,223.70	65.26
52110	FICA TAXES	37,544.00	2,715.01	.00	25,129.38	12,414.62	66.93
52210	RETIREMENT CONTRIBUTIONS	182,890.00	11,811.14	.00	109,977.67	72,912.33	60.13
52310	LIFE AND HEALTH INSURANCE	114,386.00	11,177.92	.00	80,061.23	34,324.77	69.99
52410	WORKERS COMPENSATION	1,144.00	.00	.00	1,144.00	.00	100.00
TOTAL PERSONNEL SERVICES		826,733.00	62,662.89	.00	554,272.76	272,460.24	67.04
1ST SUBTOTAL-53000 OPERATING							
534001	OTHER CONTRACTUAL SERVICE	3,300.00	.00	.00	.00	3,300.00	.00
540001	TRAVEL AND PER DIEM	40,000.00	2,919.90	.00	23,548.09	16,451.91	58.87
541001	COMMUNICATIONS	.00	.00	.00	132.59	-132.59	.00
542001	POSTAGE SERVICE	5,100.00	557.99	.00	2,076.49	3,023.51	40.72
545001	INSURANCE	1,000.00	.00	.00	1,054.82	-54.82	105.48
546001	REPAIR AND MAINTENANCE	1,000.00	.00	.00	.00	1,000.00	.00
549001	OTHER CURRENT CHARGES	1,000.00	.00	.00	.00	1,000.00	.00
551001	OFFICE SUPPLIES	6,000.00	248.59	.00	4,907.50	1,092.50	81.79
552001	OPERATING SUPPLIES	6,000.00	598.27	.00	4,077.53	1,922.47	67.96
554001	BOOKS/PUBLICATIONS/SUBS	500.00	.00	.00	.00	500.00	.00
5540011	DUES AND MEMBERSHIPS	25,500.00	.00	.00	25,276.00	224.00	99.12
5540012	EDUCATION AND TRAINING	2,500.00	.00	.00	674.00	1,826.00	26.96
TOTAL OPERATING		91,900.00	4,324.75	.00	61,747.02	30,152.98	67.19
TOTAL BOARD OF COMMISSIONERS		918,633.00	66,987.64	.00	616,019.78	302,613.22	67.06

Source: County Clerk's Office.

Figure 1-4 provides examples of operational management reports used by Public Works, Public Safety, and Parks and Recreation. These three (3) departments have been allocated the bulk of LOST funding.



FIGURE 1-4
MANAGEMENT REPORTS BY DEPARTMENT

Public Works		
Report Name	Description	Usage
<i>Paving Budget Distribution</i>	Shows the road paving budget, by road, for each commissioner's district segregated by revenue source, which consists of a gas tax and the LOST. Available upon request.	To track available funding, estimated costs, and actual costs, by road by commissioner's district to facilitate prioritization of roadway resurfacing projects.
<i>Paving Report</i>	Shows total costs, paving or resurfacing completion date, length of road paved, funding source, and section of road paved. Readily available upon request.	Used by Road and Bridge Department to monitor and refine estimated and actual costs. Available to County administration and the public. The County's information technology department uses this report to update layers in the County's global information system.
<i>Ditch Cleaning Report</i> <i>See Figure 1-5 for an example.</i>	Shows location of ditch cleaning activities, date, crew, and the quantity of materials removed during the work. Produced every two (2) weeks.	Provided to the County Commissioners and senior administrative staff for informational purposes and to the County Engineering Department as supporting documentation for required annual reporting to the Environmental Protection Agency. The report also provides the Road and Bridge Department with an overview of resource allocations for ditch cleaning throughout the County.
<i>Retention Pond Cleaning</i>	Shows location of retention pond, type of cleaning, status, and date. Produced every two (2) weeks.	Provides the Road and Bridge Department with an overview of resource allocations for retention pond cleaning throughout the County. The information is used to balance and reallocate maintenance resources as necessary.
<i>Traffic Signal Maintenance</i>	Shows issue report date, nature of the issue, location, cost, service request number, and notes. Produced each month.	Provides the Road and Bridge Department with an overview of the traffic signals that have been experiencing excessive maintenance needs. Reoccurring maintenance at a specific location may indicate the need for preventative maintenance.
<i>Pothole Patching</i>	Provides a tabulation of the number of complete and incomplete tasks, date, location, and work zone. Also shows how many patch requests citizens called in during the year and how many were completed. Produced each week.	Public Works uses this report to check for timeliness in completing tasks.
<i>Engineering Projects</i>	A monthly presentation to the BoCC showing construction projects by district.	Provides BoCC with a status of projects in their district.

Source: Santa Rosa Public Works Department.



Public Safety		
Report Name	Description	Usage
<i>Five-year LOST Funding Plan</i>	The Santa Rosa Firefighters Association's (SRFA) five-year strategic goals and objectives for the period 2017 through 2021. Prepared as of March 2017.	Developed to enhance services and respond to challenges presented by rapid County growth. SRFA is represented by 275 Santa Rosa County firefighters who work together to reduce duplication of services.
<i>Expenditure Status Report</i>	Displays actual-to-budgeted expenditures per line item. Can be generated at will from the financial system.	Provides the ability to determine what funds are available and what has been expended.

Source: Santa Rosa Public Safety Department.

Recreation and Natural Resources		
Report Name	Description	Usage
<i>Budget Tracking Report</i>	Spreadsheet showing the account, budget amendment amount, vendor, check date, invoice, voucher number, amount paid, and remaining balance. Updated as expenditures occur.	Used to track expenditures against board-approved budget amendments for the fiscal year by park location.
<i>Pier Dock Report</i> <i>See Figure 1-6 for an example.</i>	Shows the current condition of all County-owned piers and loading docks. Updated twice a year.	Used to show the condition of piers throughout the County.
<i>Park Project Working List</i>	List of park projects showing project work request date, location, requested by, funding source, project description, estimated costs, and action taken.	Used to monitor all park projects, large or small.
<i>Playground Cost Report</i>	Spreadsheet showing playgrounds by commissioner district, number of play areas, age of equipment; and various equipment cost information. Annually, unless there is a need sooner.	Used to determine renovations/replacements for budgeting purposes

Source: Santa Rosa Parks and Recreation Department.

Figures 1-5 and 1-6 present examples of Public Works and Parks and Recreation management reports. The purpose, use, and value of these reports is explained in **Figure 1-4**.

FIGURE 1-5
PUBLIC WORKS-DITCH CLEANING REPORT

DITCH CLEANING AND DIGGING REPORT

Date Range: 6/15/2019 to 7/16/2019

Work Zone : EAST

Crew: EAST ZONE CREW

Location	Asset	Activity	Length in Feet	Yards Removed	Task ID	Date
JOHN MATTHEWS RD	Roadway	Ditch Digging	500.00	36.00	63771	7/10/2019
JOHN MATTHEWS RD	Roadway	Ditch Digging	500.00	16.00	57995	7/8/2019
METZ RD	Roadway	Ditch Cleaning	20.00	2.00	62101	7/10/2019
Totals Per Work Zone			1020.00	54.00		

Work Zone : NORTH

Crew: NORTH ZONE CREW

Location	Asset	Activity	Length in Feet	Yards Removed	Task ID	Date
CHUMUCKLA HWY	Roadway	Ditch Digging	100.00	0.00	6327	6/17/2019
J LOWERY RD	Roadway	Ditch Cleaning	400.00	36.00	63108	7/10/2019
TIDWELL RD	Roadway	Ditch Digging	600.00	90.00	58447	6/26/2019
Totals Per Work Zone			1100.00	126.00		

Work Zone : SOUTH

Crew: SOUTH ZONE CREW




Location	Asset	Activity	Length in Feet	Yards Removed	Task ID	Date
EAST BAY BLVD	Roadway	Ditch Digging	300.00	22.00	51087	6/24/2019
Totals Per Work Zone			300.00	22.00		

Source: Santa Rosa Public Works Department-Ditch Cleaning and Digging Report.

FIGURE 1-6
PIER DOCK REPORT-PARKS & RECREATION

Marquis Basin Boat Ramp
Straight Piers
Located at west end of
Gillespie Road

- Purpose
 - Launch/Retrieve Boats
 - Tie up at dock to load or unload passengers and belongings
- Intended Use
 - Watercraft entering Marquis Basin
- North pier - Size/Dimensions: 6' x 93': 558 sf
- South pier - Size/Dimensions : 6' x 94': 564 sf
- Built 10/1994 with FBIP
- Re-decked piers 2011
- Replaced both docks in 2018 for \$ 26,500
- Condition – Very Good

Source: Santa Rosa Parks and Recreation Department-June 3, 2019 Pier/Dock Report.

In addition to the Public Works and Parks and Recreation reports discussed above, the County uses LOST funds to leverage grant monies and generates grant expenditure reports to track matched LOST funds and awarded grant funds. This type of information is useful to demonstrate how the County is maximizing LOST dollars to finance its projects. According to



the June 2019 LOST update on the County's website, the County has matched \$3.9 million of LOST funding with \$8.9 million of grant funding. This represents a leverage ratio of \$1.00 to \$2.29, meaning that for every dollar of LOST funds matched, the County has received \$2.29 in grant funds.

For grant funded projects for which LOST funds are used for matching funds, grantors require periodic reporting on the status of the project including time, budget, and deliverables. MJ examined the quarterly report for the Patterson and Pace Lane Drainage improvements. Through June 2019, the County had spent a total of \$1.4 million on this project consisting of \$353,006 of LOST funding and \$1,042,224 of funding from a Florida Division of Emergency Management Hazard Mitigation Assistance Program grant. This means that LOST funds comprised 25 percent of costs and that for every LOST dollar spent, the County received \$2.95 in grant funds.

Figure 1-7 presents an example of a financial report produced and maintained by Grants and Special projects to account for grants leveraged by grant funds. Only the top portion of the report is shown.

FIGURE 1-7
GRANTS EXPENDITURE REPORT

Pace Patterson HMGP Drainage Improvements Ph II									
Grantor	Florida Division of Emergency Management								
Award	\$ 1,059,022.00 CFDA# 97.039								
Project	Pace/Patterson Drainage Phase 2								
Award Date	8/14/2017 thru 11/2/2018								
Contract#	18HM-H4-01-67-01-023 FEMA Tracking# 4177-10-A								
Contract Date	8/14/2017 Florida Division of Emergency Management								
Match Amt	\$ 353,007.00 Ms. Velma Noel								
Match Source	FY18 LOST FDEM Bureau of Mitigation								
Expenditure	2106-53400036 2702 Director's Row								
Revenue	101-33150023 Orlando, FL 32609-5631								
Bal Brt Forward	\$ - Previous Yr 850-815-4571								
Preaward costs	velma.noel@em.myflorida.com								
Expenditures					Revenues				
Date	Action	Total Amt	FEMA Total	Match Total	Current Bal	Date	Action	Total	Reimbursed Total
8/11/2017	BA-2017-172	\$183,846.00	\$137,885.00	\$45,961.00	\$183,846.00	3/16/2018	RFR #3	(\$280,759.42)	
9/22/2017	Pegasus	(\$5,197.50)	(\$3,898.13)	(\$1,299.36)	\$178,648.50	4/12/2018	Reimbursement		\$ (210,569.57)
9/30/2017	Pegasus	(\$412.50)	(\$309.38)	(\$103.13)	\$178,236.00	1/8/2019	RFR #4	(\$1,024,893.31)	
8/10/2017	Patterson Land	(\$17,200.50)	(\$12,900.38)	(\$4,300.13)	\$161,035.50				\$ (768,602.48)
		\$161,035.50	\$120,777.13	\$40,258.38				(\$1,305,562.73)	\$ (979,172.05)
FY 2018 Contractual 2106-53400036									
10/1/2017	BA 2018-015 Rollover	\$1,270,919.00	\$953,189	\$317,729.75	\$1,270,919.00				
11/1/2017	Budget Transfer	(4,300.00)	(3,225.00)	(1,075.00)	1,266,619.00				
11/27/2017	Pegasus	(660.00)	(495.00)	(165.00)	1,265,959.00				
11/20/2017	Atkins 1-1871000	(2,666.00)	(1,999.50)	(666.50)	1,263,293.00				
12/29/2017	Pegasus 4	(330.00)	(247.50)	(82.50)	1,262,963.00				
12/31/2017	Atkins 2-1874876	(2,588.20)	(1,941.15)	(647.05)	1,260,374.80				
1/31/2018	Pegasus 5	(825.00)	(618.75)	(206.25)	1,259,549.80				
2/6/2018	Budget Transfer	(1,034,875.00)	(776,156.25)	(258,718.75)	224,674.80				
2/20/2018	Atkins 3-1876251	(46.00)	(34.50)	(11.50)	224,628.80				
3/23/2018	Pegasus 6	(660.00)	(495.00)	(165.00)	223,968.80				
3/29/2018	Pegasus 7	(460.00)	(345.00)	(115.00)	223,508.80				
4/3/2018	Atkins 4-1878810	(690.29)	(517.72)	(172.57)	222,818.51				
4/23/2018	Atkins 5 - 1880238	(280.39)	(210.29)	(70.10)	222,538.12				
5/11/2018	Atkins 6 - 1881471	(3,019.12)	(2,264.34)	(754.78)	219,519.00				
6/13/2018	Pegasus 8	(412.50)	(309.38)	(103.13)	219,106.50				
6/15/2018	Atkins 7 - 1883638	(4,157.38)	(3,118.04)	(1,039.35)	214,949.12				
7/5/2018	Atkins 8 - 1884842	(7,636.54)	(5,727.41)	(1,909.14)	207,312.58				
7/5/2018	Pegasus 9 - 224011	(247.50)	(185.63)	(61.88)	207,065.08				
8/20/2018	Atkins 9 - 1887331	(9,194.08)	(6,895.56)	(2,298.52)	197,871.00				
7/20/2018	Pegasus 10 - 224053	(495.00)	(371.25)	(123.75)	197,376.00				
9/7/2018	Pegasus 11 - 224090	(660.00)	(495.00)	(165.00)	196,716.00				
9/26/2018	Atkins 10 - 1889550	(3,068.00)	(2,301.00)	(767.00)	193,648.00				
10/4/2018	Pegasus 12 - 224140	(825.00)	(618.75)	(206.25)	192,823.00				
FY 2018 Stormwater Improvements (56300036)									
2/6/2018	Budget Transfer	\$1,034,875.00	\$776,156	\$258,718.75	\$1,034,875.00				
12/25/2017	Panhandle Grading &	(40,489.63)	(30,367.22)	(10,122.41)	994,385.37				
1/25/2017	Panhandle Grading &	(87,798.84)	(65,849.13)	(21,949.71)	906,586.53				
2/25/2017	Panhandle Grading &	(201,603.80)	(151,202.85)	(50,400.95)	704,982.73				
4/1/2018	Panhandle Grading &	(178,120.60)	(133,590.45)	(44,530.15)	526,862.13				
5/1/2018	Panhandle Grading &	(145,797.11)	(109,317.83)	(36,439.28)	381,105.02				
5/31/2018	Panhandle Grading &	(98,684.07)	(74,013.05)	(24,671.02)	282,420.95				
8/9/2018	Panhandle Grading &	(105,911.50)	(79,433.39)	(26,477.99)	176,539.05				
7/6/2018	Panhandle Grading &	(102,943.95)	(77,207.99)	(25,736.00)	73,565.07				
8/25/2018	Panhandle Grading &	(2,792.55)	(2,094.41)	(698.14)	70,772.52				
9/12/2018	Panhandle Grading &	(53,561.25)	(40,170.94)	(13,390.31)	17,211.27				
10/25/2018	Panhandle Grading &	(53,561.24)	(40,170.93)	(13,390.31)	(36,349.97)				
11/5/2018	Budget Carry Forward	156,482.00	117,362.00	39,120.00	156,482.00				
12/7/2018	Panhandle Final 1743	(36,740.01)	(27,555.01)	(9,185.00)	119,741.99				
12/20/2018	Pegasus 224184_13	(742.50)	(556.88)	(185.63)	118,999.49				
12/20/2018	Atkins 11-1895383_1	(9,460.00)	(7,095.00)	(2,365.00)	109,539.49				
12/21/2018	Pegasus 224222_11	(3,072.50)	(2,304.38)	(768.13)	106,466.89				

Source: Santa Rosa Grants and Special Projects Grants Expenditure Tracking Spreadsheet.



The Sheriff's Department uses LOST funds to purchase vehicles, Tasers, and information technology equipment. The Florida Sheriffs Association (FSA) offers statewide purchasing contracts on a variety of vehicles, equipment, and services. The Sheriff's Department purchases vehicles off the FSA contract. **Figure 1-8** presents approved and requested Sheriff's Department LOST allocations for Fiscal Years 2018 through 2020. Fiscal Year 2019 purchases of vehicles and equipment totaled \$2,748,363.










FIGURE 1-8
SHERIFF'S DEPARTMENT LOST FUNDING

Fiscal Year	Vehicles	Capital Equipment
2018 (Approved)	\$1,860,000	\$828,655
2019 (Approved)	\$1,852,500	\$595,750
2020 (Requested)	\$1,028,050	\$-0-
Total	\$4,740,550	\$1,424,405

Source: LOST Update Report-June 2019.

The Sheriff's Department maintains a database of all vehicles belonging to Santa Rosa County. The database is simply an inventory of all the vehicles the County owns. The database also tracks equipment installed in the vehicles. Inventory reports can be generated showing the vehicle number, year, make, model, vehicle tag and other information. The report is updated as vehicles are purchased and is used to provide assurance and evidence that all vehicles purchased with LOST funds are properly accounted for. An example is presented in **Figure 1-9**.

FIGURE 1-9
VEHICLE INVENTORY REPORT

SANTA ROSA COUNTY SHERIFFS OFFICE						
VEHICLES BY FUNDING SOURCE: LOST FUNDED						
	Car #: 483	Year: 2018 Make: DODGE	Model: CHARGER	Category: PATROL	<input checked="" type="checkbox"/> Marked	
SR5017VBR000060	VIN: 2C3CDXAG8JH203554	OAN: 903520	Agency Tag: ZLD07	Confidential Tag:	Odometer:	17905 M
	Date Assigned: 1/28/2019	To: CRIAZZO, DENAE PAULA	Emp ID: 950	Unit: SHF/CHF/MAJ/OPS/PATROL/D1		
	Car #: 484	Year: 2018 Make: DODGE	Model: CHARGER	Category: PATROL	<input checked="" type="checkbox"/> Marked	
SR5017VBR000053	VIN: 2C3CDXAG8JH203547	OAN: 903528	Agency Tag: ZLD24	Confidential Tag:	Odometer:	41427
	Date Assigned: 7/12/2019	To: SPARE	Emp ID:	Unit:		
	Car #: 485	Year: 2018 Make: DODGE	Model: CHARGER	Category: PATROL	<input checked="" type="checkbox"/> Marked	
SR5017VBR000054	VIN: 2C3CDXAG8JH203550	OAN: 903531	Agency Tag: ZIV79	Confidential Tag:	Odometer:	20682
	Date Assigned: 4/2/2018	To: FUSZNER, THOMAS MICHAEL	Emp ID: 974	Unit: SHF/CHF/MAJ/OPS/PATROL/D4		
	Car #: 486	Year: 2018 Make: DODGE	Model: CHARGER	Category: PATROL	<input checked="" type="checkbox"/> Marked	
SR5017VBR000055	VIN: 2C3CDXAG8JH203549	OAN: 903530	Agency Tag: ZIT05	Confidential Tag:	Odometer:	9183
	Date Assigned: 3/21/2018	To: RHEIN, CHARLES STEVEN	Emp ID: 456	Unit: SHF/CHF/MAJ/OPS/PATROL/D4		
	Car #: 487	Year: 2018 Make: DODGE	Model: CHARGER	Category: PATROL	<input checked="" type="checkbox"/> Marked	
SR5017VBR000056	VIN: 2C3CDXAG8JH203562	OAN: 903533	Agency Tag: ZLD26	Confidential Tag:	Odometer:	30601
	Date Assigned: 3/14/2018	To: LOHACHAREONVANICH, VANI	Emp ID: 1264	Unit: SHF/CHF/MAJ/OPS/PATROL/D2		
	Car #: 488	Year: 2018 Make: DODGE	Model: CHARGER	Category: PATROL	<input checked="" type="checkbox"/> Marked	
SR5017VBR000057	VIN: 2C3CDXAG8JH203548	OAN: 903529	Agency Tag: ZIT04	Confidential Tag:	Odometer:	34298
	Date Assigned: 7/15/2019	To: YOUNG, JOHN FITZGERALD	Emp ID: 1082	Unit: SHF/CHF/MAJ/OPS/PATROL/D2		
	Car #: 489	Year: 2018 Make: DODGE	Model: CHARGER	Category: PATROL	<input checked="" type="checkbox"/> Marked	
SR5017VBR000058	VIN: 2C3CDXAG8JH203560	OAN: 903532	Agency Tag: ZLD25	Confidential Tag:	Odometer:	34790
	Date Assigned: 3/26/2018	To: HARGITT, JOSHUA JOHN	Emp ID: 1214	Unit: SHF/CHF/MAJ/OPS/PATROL/D5		
	Car #: 490	Year: 2018 Make: DODGE	Model: CHARGER	Category: PATROL	<input checked="" type="checkbox"/> Marked	
SR5017VBR000059	VIN: 2C3CDXAG8JH203559	OAN: 903522	Agency Tag: ZLD09	Confidential Tag:	Odometer:	27341
	Date Assigned: 3/26/2018	To: ROBERSON, VIRGINIA ALLEY	Emp ID: 743	Unit: SHF/CHF/MAJ/OPS/PATROL/D1		
	Car #: 491	Year: 2018 Make: DODGE	Model: CHARGER	Category: PATROL	<input checked="" type="checkbox"/> Marked	
SR5017VBR000052	VIN: 2C3CDXAG8JH203546	OAN: 903518	Agency Tag: ZLD05	Confidential Tag:	Odometer:	105000
	Date Assigned: 3/9/2018	To: STOVALL, SHERI LEANNE	Emp ID: 1251	Unit: SHF/CHF/MAJ/OPS/PATROL/D2		

Printed by: MGBISON on 7/19/2019, 9:17:50 AM

Page 1 of 9


Number of Vehicles: 103

Source: Sheriff's Vehicle Inventory Report.



The Sheriff's Department contracts with a local automobile dealership to service its vehicles. The vendor produces an inspection report that the fleet manager uses to monitor the service record of each vehicle. Drivers to whom vehicles are assigned are required by Sheriff's Office policy to take their vehicle in for preventive maintenance every 4,500 miles. The service record provided by the automobile dealership ensures that the policy is being followed. **Figure 1-10** presents an example of a vehicle service record.

FIGURE 1-10
VEHICLE SERVICE RECORD

SANTA ROSA COUNTY SHERIFFS OFFICE	
VEHICLE DETAILS: Car No. 485	
 SRS017VEH000054	
Car #: 485	Year: 2018 Make: DODGE Model: CHARGER
Style: SEDAN	Color: White Category: PATROL
VIN: 2C3CDXAG8JH203550	OAN: 903531 Weight: 0 <input checked="" type="checkbox"/> Marked
Agency Tag: ZIV79	Confidential Tag: Last Odometer Reading: 20582 Avg. MPG: 0.00
Funding Source: LOST FUNDED	Purchased: Purchase Cost: \$0.00 Ownership Cost: \$2,776.25
Vendor:	Odometer at Purchase: 0 Warranty (months): 0 Expires:
<input type="checkbox"/> Insured Insurance Description:	
Date Assigned: 4/2/2018 Assigned To: FUSZNER, THOMAS MICHAEL Unit: SHF/CHF/MAJ/OPS/PATROL/D4 Emp ID: 974	
<input type="checkbox"/> Archived Disposition Date: Disposition Reason:	
Vehicle Notes LOST WEX CARD # 045500112562464985 SUNPASS # 0521445501108 RADIO PROPERTY # 100654 S/N # 471CTZ5928 LIGHTBAR # 903489 S/N # 3YX43-016 PRINTER # 20180102 S/N # U64145G7Z565458 DOCKING STATION # 20180015 S/N # 26946-0182 DL READER # 20180157 POWERHEART G5 AED # 903437 S/N # D00000074103 Applied Concepts Dual SL # 903419 S/N # DD012163 Antenna #1 - KC138274 Antenna #2 - KC139364 Tuning Fork #1 - FA251832 Tuning Fork #2 - FB359308	
Property Currently Assigned:	
Category	Sub-Category Serial Number OAN
VEHICLE EQUIPMENT	MCLM200208545
Assignment History:	
Issue Date: 12/22/2017	Assigned To: Not Assigned Return Date: 4/2/2018
Maintenance History:	
Date of Service: 1/2/2018	Odometer: 0 Invoice Number: IHQ-0102-11041 Date Sent: Returned:
Technician Name:	Sent To: AVALON GLASS INC.
Notes WINDOW TINT	
Category Qty. Description Part Number Warranty Unit Cost Cost	
PARTS 1 WINDOW TINT WINDOW TINT 150 \$150.00	
Total Cost: \$150.00	
Date of Service: 1/31/2018	Odometer: 0 Invoice Number: 1604 Date Sent: Returned:
Technician Name:	Sent To: Turn One Performance
Notes DECALS	
Category Qty. Description Part Number Warranty Unit Cost Cost	
PARTS 1 DECALS DECALS 900 \$900.00	
Total Cost: \$900.00	
Date of Service: 4/16/2018	Odometer: 0 Invoice Number: 6366 Date Sent: Returned:
Technician Name:	Sent To: WILLIAMS COMMUNICATIONS
Notes INSTALLED EMERGENCY EQUIPMENT	
Category Qty. Description Part Number Warranty Unit Cost Cost	
LABOR 1 SEE ABOVE NOTES LABOR 950 \$950.00	
Total Cost: \$950.00	
Date of Service: 5/9/2018	Odometer: 1836 Invoice Number: 6655 Date Sent: Returned:
Printed by: MGBISON on 7/16/2019, 4:42:36 PM Page 1 of 3	

Source: Sheriff's Department.



Based on the analysis performed, management reports and data are available for program administrators to use on a regular basis to monitor program performance and cost. However, the County did not develop and document a comprehensive requirements definition or capabilities analysis for the project management software purchased in September 2017. As a result, time and resources were spent on a program that did not meet the County's needs.

The County provided documentation to MJ showing that a committee of county staff developed the following general mission statement: *Find a program that provides project management tracking including: task dependencies, project templates, dashboards, reports, time tracking and Gantt charts.* MJ also examined documentation listing the County departments that would be using the software and their general needs. For example, the document identified the following uses for Public Works, Engineering, and Emergency Management:

Public Works

- LOST Projects
- Gas Tax Projects
- Drainage Projects

Engineering

- LOST Projects
- Capital Projects
- NB Projects
- Landfill Projects

Emergency Management

- LOST Projects
- Community Outreach
- Communication System

The information the County provided did not rise to the level of an effective comprehensive requirements definition and capabilities analysis. Both the mission and descriptions of use are too general and therefore subject to misunderstanding and misinterpretation. Detailed requirements documentation in system implementations is crucial, because it is the ground upon which user needs will be specifically defined and around which the system will be developed.

A comprehensive, well written requirements definition includes both business requirements (what the business and user need), and product requirements (what the system must be able to do to satisfy what the business and user need). The following compares a business requirement to a product requirement for a theoretical payroll system.

Business Requirement: Implement a payroll system that reduces errors and increases efficiency by calculating wages and withholdings correctly.

Product Requirement: The system must accommodate 1,000 plus employees including salary, hourly, part-time, contract, and seasonal. It must be able to calculate tax withholdings from all



50 states in addition to complying with all federal withholding requirements across every employee type.

The County's mission statement and use documentation provides evidence of business requirements but does not provide evidence that the county developed specific product requirements as part of a comprehensive requirements definition and capabilities analysis before acquiring the software. As a result, the software purchased in September 2017, provided project tracking; however, it lacked adaptability to track funds by numerous accounts. After working with the software vendor to modify the program to meet its needs, the County determined that no solution was possible and became dissatisfied with the program. Subsequently, the County decided to allocate IT resources to build a software to meet all project management needs and abandon the "off-the-shelf" product.

Consequently, the County's ability to make data-driven decisions and predictive analysis is somewhat delayed while GoTracker is under development. This situation could have been avoided if an original solution had been sourced more effectively and product requirements more clearly and specifically defined. Although the County had not engaged in a major construction project in years, research and information from other counties could have been used to document a comprehensive requirements definition and a program capabilities analysis that may have led to a better procurement decision. Consequently, MJ deems this subtask to be partially met.

SUBTASK 1.2 – Determine whether the program is periodically evaluated using performance information and other reasonable criteria to assess program performance and cost.

To address this subtask, the MJ Team examined potential performance evaluation information in the form of surveys, inspection reports, email communications, financial reports, and performance statistics.

An effective performance measurement system involves five elements: (1) relevant performance measures; (2) reliable, readily available data; (3) performance evaluation analysis; (4) action to address findings; and (5) reporting of results.

A distinction must be made between performance measurement and performance evaluation. While these concepts are different, they complement each other. Both help to identify program areas that need improvement, and both are used to determine whether a program is achieving its goals and objectives. However, performance *measurement* uses pre-selected measures to monitor and report on a program's ongoing progress and accomplishments. Program *evaluation* uses those measures to analyze and answer specific questions about how and why a program is achieving, or not achieving, desired outcomes and results. In summary, performance measurement data *describe program achievement* while program evaluation *assesses program performance* against the achievement data and explains the results.

The focus of Subtask 1.2 is the *evaluation* of program performance against performance measures. This subtask is closely related to Subtasks 1.5, 4.2, and 5.3.



The County's Fiscal Year 2019 budget document includes goals, objectives, performance measures, and outcomes. The stated purpose of the measures is: *"to give legislators and administrators a way of determining the level of service Santa Rosa County provides."*

Figure 1-11 provides an overview of the performance measures of departments impacted by LOST funding.

FIGURE 1-11
SANTA ROSA COUNTY PERFORMANCE MEASURES

Public Works			
Performance Measures (PMs)	Performance Data Exist?	Evidence Provided of PMs Used to Evaluate Performance?	Informal Means of Evaluation
ENGINEERING	Yes		<ul style="list-style-type: none"> Financial reports Regularly scheduled administration and staff meetings Onsite inspections American Institute of Architects (AIA) Certifications
Number of Subdivision reviews		No	
Number of Site plan reviews		No	
Number of In-house engineering projects		No	
ROAD AND BRIDGE	Yes		<ul style="list-style-type: none"> Financial reports Regularly scheduled administration and staff meetings Onsite Inspections Load tickets Paving daily-Asphalt inspection documentation Paving estimate sheet worksheet
Miles of road paved		No	
Number of bridges constructed		No	
Work Orders Completed		No	
Driveway Inspections		No	
Retention ponds mowed		No	
Arterial roads mowed		No	

Public Safety			
Performance Measures (PMs)	Performance Data Exist?	Evidence Provided of PMs Used to Evaluate Performance?	Informal Means of Evaluation
All hazards presentations	Yes	No	<ul style="list-style-type: none"> Financial reports Regularly scheduled administration and staff meetings Bi-monthly Santa Rosa County Firefighters Association monthly meetings Firefighters Association five-year plan
E-911 calls answered in <10 seconds	Yes	No	
Fire calls dispatched in <100 seconds	Yes	No	
Enhanced 911 classes	Yes	No	



Recreation and Natural Resources			
Performance Measures (PMs)	Performance Data Exist?	Evidence Provided of PMs Used to Evaluate Performance?	Informal Means of Evaluation
Number of playgrounds maintained	Yes	No	<ul style="list-style-type: none">• Financial reports• Regularly scheduled administration and staff meetings• Listing of highlights and accomplishments• Fidelis Community Center Planning Survey• Statistical reports• Better Santa Rosa Plan updates• LOST grant matching fund schedule
Number of playgrounds inspected	Yes	No	
Number of updated welcome signs & parks	Yes	No	

Source: Santa Rosa County 2019 Adopted Budget.

The MJ Team examined documentation such as financial reports, Outlook meeting invitations, emails, Firefighters Association meeting agendas and minutes, financial reports, surveys, and other information useful for evaluating program performance. MJ determined that evaluation data exists. However, the County did not provide evidence that the data are used to evaluate program performance against performance measures. Moreover, no evidence was provided demonstrating that evaluations are documented or that performance evaluation results are analyzed, used to improve operations, and reported.

County administrators recognize that the County's performance measurement system should be improved. In the Fiscal Year 2019 budget document, County administration established a goal to: *"Strengthen the quality, reliability, and usefulness of performance measures in all departments."*

Based on the analysis MJ performed, County departments have performance measures, and they accumulate an abundance of performance data and statistical information. In addition, county administrators meet regularly with staff to discuss program performance. However, the County did not provide sufficient evidence that it uses the statistical data to evaluate programs against performance measures, analyze the results, and determine and report reasons for variations.

In conclusion, the County collects data and discusses performance but did not provide sufficient evidence that its programs are periodically evaluated using performance information and other reasonable criteria to assess program performance and cost. Consequently, MJ deems this subtask to be partially met.

**SUBTASK 1.3 – Review findings and recommendations included in any relevant internal or external reports on program performance and cost.**

To address the requirements of this subtask, the MJ Team reviewed available internal and external reports for the following County departments:

- Public Works
- Parks and Recreation
- Public Safety
- Internal Audit

Figure 1-12 summarizes the reports provided by each of these departments.

FIGURE 1-12**REVIEW OF INTERNAL AND EXTERNAL REPORTS**

Public Works	
Report Name/Date/Description	Results
Holley by the Sea Drainage Study <i>January 2016</i> Drainage improvements project conducted by an independent engineering firm commissioned to complete watershed studies, an alternatives and feasibility analysis, and development of design work needed to accomplish drainage improvements within the Holley by the Sea community. Conceptual improvements were developed to route stormwater more efficiently to reduce home, yard, and street flooding.	Each of the conceptual projects was scored and given an estimated cost. The score compares effectiveness with higher numbers indicating greater benefit. This comparison provides a tool to aid in stormwater project programming.
Florida Department of Transportation Bridge Deficiency Inspection <i>August 2018</i>	Bridges inspected June 2018 were reviewed for posting consistency. Bridge 584194 was found to be missing a posting sign.

Source: The Indicated Reports.



Parks and Recreation	
Report Name/Date/Description	Results
<p>State of Florida Department of Health-Public Pool and Bathing Place Inspection Reports. <i>June 5, 2019</i></p> <p>These are inspection reports related to the splash pad at Navarre Park. Splash pads are outdoor play areas with sprinklers, fountains, nozzles, and other devices or structures that spray water. The inspections are performed randomly during the splash pad season (May – September) and are conducted to protect citizens using the splash pad.</p>	<p>Deficiencies were noted with chlorine and bromine levels, flowmeters, and the maintenance log.</p>
<p>State of Florida Department of Health-Public Pool and Bathing Place Inspection Reports. <i>June 25, 2019</i></p>	<p>This was a reinspection of the 6/5/2019 inspection that found the violations corrected but recommended that chlorine levels be watched and that Oxidation Reduction Potential (ORP) levels be calibrated carefully. ORP is a measurement of chlorine's ability to oxidize contaminants in pool water.</p>
<p>Midway Water System (MWS) <i>February 6, 2019</i></p> <p>Notice for Santa Rosa County to conduct backflow prevention assembly tests of its water supply.</p>	<p>MWS's records indicated that backflow assemblies at Tiger Point Park behind field #6 were due for inspection and must be inspected by the stated due date to avoid service disconnection.</p>
<p>Hiller Systems-Pre-Engineered Restaurant Fire Suppression Systems Report <i>April 9, 2019</i></p> <p>This company conducted inspections of the County's fire extinguishers and fire suppression systems.</p>	<p>MJ reviewed the inspection reports noting they had been completed and signed by the fire inspection company. Fire extinguishers are required by law to be inspected every year. Fire suppression systems (concession hood systems) do not have a mandatory inspection requirement; however, the County has both systems inspected annually by a certified fire extinguisher company. The County has hood systems inspected every year because a dirty hood could cause a fire and unsafe conditions for concession workers.</p>

Source: The Indicated Reports.



Public Safety	
Report Name/Date/Description	Results
<p>Santa Rosa County Animal Services, Florida <i>November 2018</i></p> <p>The University of Florida Maddie's Shelter Medicine Program and Million Cat Challenge sponsored an organizational assessment of Santa Rosa's Animal Services Department as part of a nationwide initiative to end the euthanasia of dogs and cats in shelters as a means of control their population.</p>	<p>The report included 102 recommendations that were based on industry effective practices.</p>

Source: *The Indicated Reports.*

Finance	
Report Name/Date/Description	Results
<p>The Department of the Treasury Office of Inspector General-Review of Internal Controls over Federal Awards <i>Audit Start Date: July 2015</i> <i>Audit Completion Date: December 2017</i> <i>Audit Report Date: August 7, 2018</i></p> <p>The audit objective was to assess Santa Rosa County's internal control over the administration of Federal awards in accordance with Federal laws, regulations, and the Department of the Treasury's (Treasury) grant application requirements.</p>	<p>The report concluded that Santa Rosa County had designed and implemented a system of internal controls to administer federal awards in accordance with applicable requirements.</p>
<p>Independent certified public accounting firm report on an enterprise-wide risk assessment of Santa Rosa County. <i>April 15, 2017</i></p> <p>The objective of the risk assessment was to identify and assess key governance, strategic, operational, compliance, human capital, and information technology risks within the County's significant functional areas and processes.</p>	<p>The enterprise-wide risk assessment identified 48 risks consisting of 4 high, 32 moderate, and 13 low.</p>

Source: *The Indicated Reports.*



Internal Audit	
Report Name/Date/Description	Results
Santa Rosa County Internal Audit Department-Review of Landfill Scale House Cash Controls <i>May 2018</i> The audit objective was to identify and evaluate internal controls and potential control weaknesses over the assessment, collection and deposit of funds received at the scale house located at the central landfill in Milton.	The report noted several weaknesses and included six recommendations to strengthen internal controls.

Source: The Indicated Report.

Based on the analysis performed, the MJ Team was able to review findings and recommendations included in relevant internal or external reports on program performance and cost. Accordingly, this subtask is met.

SUBTASK 1.4 – Determine whether program administrators have taken reasonable and timely actions to address any deficiencies in program performance and/or cost identified in management reports/data, periodic program evaluations, audits, etc.

To address the requirements of this subtask, the MJ Team reviewed the reports listed in **Figure 1-12** to determine whether program administrators had taken reasonable and timely action to address report findings and observations. **Figure 1-13** summarizes the results of MJ's review of management's response to internal and external report recommendations.

FIGURE 1-13

MANAGEMENT'S RESPONSE TO INTERNAL/EXTERNAL REVIEWS AND ASSESSMENTS

Department/Report	Reasonable/Timely Actions Taken?	Work Performed by the MJ Team
Public Works		
Holley by the Sea Drainage Study <i>January 2016</i>	Yes	The County provided a list of eight (8) projects included in the Holley by the Sea Drainage Study. MJ traced the projects to the study summary of recommended projects and examined the board agenda items for each of the projects noting that they were approved for the work to proceed. MJ deems management's actions to be reasonable and timely.



Department/Report	Reasonable/Timely Actions Taken?	Work Performed by the MJ Team
Florida Department of Transportation Bridge Deficiency Inspection- <i>August 2018</i>	Yes	Examined an email from the public works director dated August 9, 2018, to the Florida Department of Transportation providing a photograph of the replacement bridge posting sign for bridge 584194. MJ deems management's actions to be reasonable and timely.
Parks and Recreation		
State of Florida Department of Health- Public Pool and Bathing Place Inspection Reports. <i>June 5, 2019</i> <i>June 25, 2019 (Follow-up)</i>	Yes	<ol style="list-style-type: none"> 1. Examined email correspondence dated June 6, 2019, between Santa Rosa County's administrative services manager for recreation and Florida Department of Health staff. The administrative services manager for recreation outlined the deficiencies that the County needed to correct and sought clarification, which the Florida Department of Health representative provided. 2. Examined pool contractor's invoice dated 6/7/2019 for repairs related to the deficiencies identified in the Florida Department of Health's report. Also, examined Santa Rosa's Project Audit Trail report noting that the invoice was paid on 7/16/2019. 3. Examined the Florida Department of Health's reinspection report dated 6/25/2019 noting that the deficiency had been corrected.
Midway Water System (MWS) <i>February 6, 2019</i>	Yes	<ol style="list-style-type: none"> 1. Examined email dated 2/6/2019 between the administrative assistant for Parks and Recreation and the Navarre Beach utilities supervisor. The administrative assistant requested that the utilities supervisor address the backflow inspection issue, and the utilities supervisor acknowledged that he would do so. 2. Examined email dated 2/8/2019 from the utilities supervisor to the administrative assistant attaching a copy of the Midway Water System's Backflow Prevention Assembly Certified Test Report Test and Maintenance Report indicating that the issue had been addressed.
Hiller Systems-Pre-Engineered Restaurant Fire Suppression Systems Report <i>April 9, 2019</i>	Yes	Examined vendor invoice dated 4/23/2019 for inspection of the County's fire extinguishers and fire suppression systems. The invoice indicated that the inspections were performed on 4/9/2019.



Department/Report	Reasonable/Timely Actions Taken?	Work Performed by the MJ Team
Public Safety		
Santa Rosa County Animal Services, Florida <i>November 2018</i>	Yes	Examined a report entitled, "Summary of Recommended Action Steps" showing each recommendation with County comments indicating the actions the County was taking to address the recommendations. Some of the recommendations had been completed, some were in progress, and others were slated for short or long-term implementation. Some recommendations were scheduled for January 2019 implementation indicating that the County began addressing them shortly after the date of the report.
Finance		
The Department of the Treasury Office of Inspector General (TOIG) Review of Internal Controls over Federal Awards <i>August 7, 2018</i>	Yes	Reviewed the TOIG audit report noting that it began in July 2015. At the start of the audit, Santa Rosa County had not performed an entity-wide risk assessment. During the audit, the County engaged an independent certified public accounting firm to conduct the risk assessment (see below). The TOIG report acknowledged the action taken by the County but included no recommendations.
Independent certified public accounting firm report on an enterprise-wide risk assessment of Santa Rosa County. <i>April 15, 2017</i>	Yes	Reviewed the auditor's report noting that it was performed during the TOIG review of internal controls. The report included county management's response to each of the auditor's 48 recommendations.
Internal Audit		
Santa Rosa County Internal Audit Department-Review of Landfill Scale House Cash Controls <i>May 2018</i>	Yes	Reviewed the internal auditor's report noting that it was accompanied by County management's response to each of the six (6) recommendations.

Source: The Indicated Reports.

Based on the analysis performed, the MJ Team was able to determine that program administrators have taken reasonable and timely actions to address deficiencies in program performance and/or cost identified in management reports/data, periodic program evaluations, audits, etc. Accordingly, this subtask is met.

**SUBTASK 1.5 – Evaluate program performance and cost based on reasonable measures, including best practices.**

This subtask is closely related to Subtask 1.2, which MJ found to be partially met because although the County accumulates performance data, it did not provide evidence that the data is used to evaluate program performance and cost. Therefore, since program performance is addressed in Subtask 1.2, this subtask focuses on innovative practices as they relate to program operations, performance, and cost.

To address the requirements of this subtask, the MJ Team examined evidence of the use of innovative practices in operations as well as efforts by County staff to stay abreast of emerging trends in their respective disciplines through membership in professional organizations, certifications, participation in seminars, and subscriptions to professional publications. For example, like other Florida counties, the County is a member of the Florida Association of Counties (FAC). The county administrator and assistant county administrator have attended FAC conferences and reported they have benefited from associating with professionals from other Florida counties and being exposed to innovative, forward looking practices and solutions through the FAC's events, programs, and services (including advocacy and educational initiatives). **Figure 1-14** summarizes additional innovative practices employed by County departments that expend most of the LOST funds.

FIGURE 1-14
INNOVATIVE PRACTICES

Public Works		
Innovative Practices	Professional Associations/Certifications	Seminars/Publications
<ul style="list-style-type: none">• Capability to build bridges in-house rather than through contractors resulting in costs savings through elimination of expenses associated with acquiring outside professional resources.• Eliminated paper-based road inspections after acquiring operations management software that calculates an operating condition index that ranks road conditions allowing Public Works to prioritize roads for repaving.	<ul style="list-style-type: none">• Examined staff continuing education course certificates of staff attending courses in roadway and drainage design.	<ul style="list-style-type: none">• In June 2019, the County's GIS coordinator made a presentation at the ESRI International Users Conference in San Diego, California entitled "<i>Smart Systems for Small Communities-ArcGIS and Cartegraph for Work Management</i>" ESRI stands for Environmental Systems Research Institute and is the world's largest event dedicated to GIS technology.

Source: Interviews and Supporting Documents.



Parks and Recreation		
Innovative Practices	Professional Associations/Certifications	Seminars/Publications
<ul style="list-style-type: none"> Contracts with outside expert to advise on American with Disabilities Act (ADA) compliance related to playground equipment and recreational spaces. Receives advice at no charge from an expert in environmental horticulture at the University of Florida. The advice enables the County to maintain its turf in optimal condition. Maintains a detailed lawn maintenance schedule from January through December outlining lawn care activities to be performed each month such as fertilization, disease and insect control, watering, weed control, soil cultivation, etc. 	<ul style="list-style-type: none"> Member of the National Recreation and Park Association (NRPA), an organization dedicated to the advancement of public parks, recreation, and conservation. 	<ul style="list-style-type: none"> Subscription to <i>Parks Recreation</i>, the official publication of NRPA. <i>Public Playground Safety Handbook</i>, published by the U.S. Consumer Product Safety Commission. Subscription to <i>Recreation Management</i>, a publication dedicated to providing ideas and solutions for recreation, sports, and fitness facility managers.

Source: Interviews and Supporting Documents.

Public Safety		
Innovative Practices	Professional Associations/Certifications	Seminars/Publications
<ul style="list-style-type: none"> Developed a County Emergency Management Plan (CEMP) that complies with Florida's Administrative Code and was approved by the Santa Rosa Board of County Commissioners in April 2018. 	<ul style="list-style-type: none"> Adopts emergency management standards and is accredited through the Emergency Management Accreditation Program (EMAP). This organization fosters excellence and accountability in emergency management in homeland security programs by establishing credible standards applied in a peer review assessment and accreditation process. Member of several professional associations including the following examples: Florida Emergency Preparedness Association, an organization that provides information, resources, best 	<ul style="list-style-type: none"> Attended <i>Current Issues in Emergency Management, Governors Hurricane Conference</i>, May 12-17, 2019, West Palm Beach, Florida Attended the Florida Division of Emergency Management's <i>All-Hazards Incident Management Team Committee Meeting</i> - June 11-13, 2019 in Tallahassee, Florida Registered to attend the <i>Best Friends National Animal Conference</i> July 23-27, 2019 in Dallas, Texas Registered to attend the <i>National Tsunami Hazard Mitigation</i>



Public Safety		
Innovative Practices	Professional Associations/Certifications	Seminars/Publications
	<p>practices, and training to help emergency managers protect their communities. International Association of Emergency Managers, an organization that promotes emergency management principles and represents emergency management professional whose goals are saving lives and protecting property and the environment during emergencies and disasters. National Emergency Number Association provides an effective and accessible 9-1-1 service for North America through research, standards development, training, education, outreach, and advocacy.</p> <ul style="list-style-type: none">• The public safety director received a Certificate of Achievement from the Florida Division of Emergency Management for completing course entitled-<i>Current Issues in Emergency Management-4/5/2018</i>.	<p><i>Program Annual Meeting - August 19-23, 2019, Salt Lake City Utah</i></p>

Source: Interviews and Supporting Documents.

Sheriff		
Innovative Practices	Professional Associations/Certifications	Seminars/Publications
<ul style="list-style-type: none">• Contracts with a local auto dealer to provide maintenance and repair services to the fleet. The dealer furnishes all supervision, labor, supplies, and parts as necessary to manage and maintain the fleet in good repair based on established fleet management best practices.	<ul style="list-style-type: none">• Member of the Florida Sheriff's Association (FSA). The mission of the FSA is "to foster the effectiveness of the Office of Sheriff through leadership, education and training, innovative practices, and legislative initiatives."	<ul style="list-style-type: none">• Attendance at the 2018 Executive Leadership and Fleet Exposition Conference in Orlando Florida October 23-31. The sheriff and four members of his leadership team attended and received continuing education credits and certificates.

Source: Interviews and Supporting Documents.

Based on the analysis performed, innovative practices are used to enhance program performance and manage costs and leadership supports staff staying abreast of emerging trends in their various disciplines. Accordingly, this subtask is met.



SUBTASK 1.6 – Evaluate the cost, timing, and quality of current program efforts based on a reasonably sized sample of projects to determine whether they were of reasonable cost and completed well, on time, and within budget.

The MJ Team selected projects for review from the master projects list. These are a random sample of nine LOST projects for the program review areas, including projects over a million dollars. Planned audit procedures for the sample projects consisted of reviewing project file information such as the board agenda item, bid tabulation, contract, purchase order, change order, pay application, inspection reports, project photos, and certificates of substantial completion.

Figure 1-15 presents a list of the projects selected for review.



FIGURE 1-15
INNOVATIVE PRACTICES

Classification	Project Name/Number	Status	Budget Amount Per Operations	Actual Costs Per Operations	Budget vs Actual	Target Completion Date	Actual Completion Date	Comments	Completed Well?
Capital	Supervisor of Elections - Automotive (Cargo Vans) #18029	Complete	\$30,000.00	\$29,957.16	(\$42.84)	Not provided	1/2018		No delivery and acceptance documents provided
Public Safety	Trunked Radio Enhancement/ Whispering Way/Radio Tower Navarre #17007	Complete	\$558,722.00	\$558,722.00	\$0.00	12/22/2017	2/24/2018	Project delays. County letter indicated site had frequency allocation issues; no change order.	Yes, per signed Acceptance Test Plan Certificate 2/22/18
Public Safety	Emergency Communication System #18018	Continuous Annual Lease	\$7,279,240.00	\$7,585,456.00	\$306,216.00	1/29/2016	8/15/2016	Project delays. Change order dated 5/7/2016 to extend completion date to 8/15/2016 due to structural stability of one tower and for additional cost of \$306,216 paid with SHSGP monies	Yes, per signed Certificate of Project Completion dated 8/15/16
Recreation	Tiger Point Park Lights #17013	Complete	\$124,946.75	\$131,577.99	\$6,631.24	4/18/2018	5/8/2018	Contractor delays; no change order	No project completion reports provided
Recreation	Optimist Park #17010	Complete	\$285,116.12	\$265,518.33	(\$19,597.79)	7/18/2018	7/16/2018		No project completion reports provided



Classification	Project Name/Number	Status	Budget Amount Per Operations	Actual Costs Per Operations	Budget vs Actual	Target Completion Date	Actual Completion Date	Comments	Completed Well?
Transportation Drainage	Settler's Colony Expansion Construction #18013	70% Complete	\$6,228,230.00	\$6,532,850.76	\$304,620.76	Oct-19	Jan-20	Project delays occurred; request for time extension through grant is under development	Status reports not provided
Transportation Drainage	Venetian Way / Coronado Dr #18015	80% Complete	\$2,307,024.00	\$2,422,056.41	\$115,032.41	9/20/2019	9/30/19		Status reports not provided
Transportation Drainage	Allentown Road #17004	Complete	\$606,815.00	\$413,848.00	(\$192,967.00)	Nov-18	Nov-18	Budget includes Allentown \$240,886; Woodbine \$194,908	No project completion reports provided
Transportation Drainage	Sweet Bay Bridge #17003	Complete	\$250,000.00	\$244,093.00	(\$5,907.00)	Spring 2018	Mar-18		No project completion reports provided

Source: County Administrative Project Status List, June 2019.



As **Figure 1-15** demonstrates, most of the projects were completed on time and within the budget.

- Six (6) were completed within budget and three (3) exceeded the budget;
- Five (5) were completed near the target deadline; three (3) exceeded the target completion date by more than 30 days; and the target completion date was not provided for one capital equipment purchase.

However, documentation was not consistently provided to confirm if the project was completed well. Some County staff indicated that if the invoice was paid, then that is the indicator that the project was completed well. In addition, for four (4) of the projects the bid tabulation was not provided to determine if the lowest bidder was selected to increase the likelihood for reasonable estimated costs. As a result of the inconsistent project file documents, this task is partially met.

SUBTASK 1.7 – Determine whether the County has established written policies and procedures to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements.

To address the requirements of this subtask, the MJ Team reviewed the County's and the County Sheriff's Office's procurement manual.

Florida Statutes 125.74(i) authorizes the county administrator to develop, install, and maintain centralized budgeting, personnel, legal, and purchasing procedures. The County's revised procurement manual was effective as of June 27, 2019. The stated purpose of the procedure manual is to promote "efficiency, economy, and fair and open competition in an effort to reduce the appearance of and opportunity for favoritism or impropriety, and to inspire public confidence that all purchases and contracts are awarded equitably and economically."

The manual outlines the following objectives:

- To deal fairly and equitably with all suppliers wishing to do business with Santa Rosa County.
- To assure adherence to all purchasing laws, regulations, and procedures.
- To maximize competition for all procurements.
- To administer the procurement function with internal efficiency.
- To procure goods and services at the lowest price, consistent with quality, performance, and delivery requirements from capable suppliers meeting the County's needs.

The County's procurement officer is responsible for maintaining and updating the purchasing manual. The procurement officer, county administrator or designee, county attorney, and BoCC must review and approve revisions.



The manual governs all departments and divisions under the jurisdiction of the BoCC as well as all purchasing transactions that are paid for directly from County and grant funds under the control of the BoCC.

It is the responsibility of the county administrator (or designee), through the procurement office, headed by the procurement officer, to implement and enforce purchasing policies and procedures. The procurement officer exercises functional authority over the County's procurement process. Finally, each department and division director is responsible for implementing and enforcing purchasing policies and procedures within their area of responsibility.

The purpose of the County's procurement manual, as stated on the first page, provides evidence of the County's commitment to taking maximum advantage of competitive procurement, volume discounts, and special pricing agreements. The purpose is stated as follows:

The County maintains a central procurement system which promotes efficiency, economy, and fair and open competition in an effort to reduce the appearance of and opportunity for favoritism or impropriety, and to inspire public confidence that all purchases and contracts are awarded equitably and economically. The purpose and objectives of this Procurement Manual (the "Manual") are:

- A. To deal fairly and equitably with all suppliers wishing to do business with Santa Rosa County.*
- B. To assure adherence to all purchasing laws, regulations, and procedures.*
- C. To maximize competition for all procurements.*
- D. To administer the procurement function with internal efficiency.*
- E. To procure goods and services at the lowest price, consistent with quality, performance, and delivery requirements from capable suppliers meeting the County's needs.*

The following provisions from the procurement manual create the context and opportunity for the County to fulfill the purpose of the manual as stated above and to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements:

- The procurement officer shall develop and administer operational procedures implementing this policy and for governing the internal functions of the Office of Procurement.
- The Procurement Office will assist the requesting department in soliciting quotes where formal bidding is not required.



- It is the intent of the Board to provide all vendors, with the exception of those on the State Department of Management Services Convicted Vendor List, with a fair and impartial opportunity in which to compete for the County's business.
- Departments are responsible for following the Procurement Manual. Department directors may establish internal operating procedures to fully implement the Procurement Manual so long as such procedures are consistent with the Procurement Manual.
- Departments will use the forms supplied by the Procurement Office for procuring services, equipment and supplies.
- Departments shall formulate specifications or the scope of work, including any pre-qualification requirements, for competitive bids or requests for proposals or qualifications, to include any terms and conditions specified in related funding documents i.e. Federal and State grant funding.
- Departments will verify, when a low bidder proposes an equal to that specified, that the equal is in fact a comparable item and will provide documentation of such to the Procurement Office.
- All formal competitive procurements are to be prepared by the Procurement Office in conjunction with staff, who will provide input on the scope of the commodities, equipment or services needed. The Procurement Office shall determine the date, time and location for submitting bids, as well as the date, time and location of the Public Bid Opening.
- The Procurement Office shall have the authority to purchase from and join with other units of governments in cooperative purchasing ventures when the best interest of the County would be served thereby. It is standard policy of the County to cooperate with other government agencies in the purchase of commodities, equipment and services required by the County.
- Contracts with other government entities. The Procurement Office shall have the authority to join with other units of government in cooperative purchasing ventures when the best interest of the County would be served thereby, and the same is in accordance with county and state law.

The MJ Team reviewed the procurement manual, summarized in **Figure 1-16**, noting that it is comprehensive and adequate to ensure that the County takes maximum advantage of competitive procurement, volume discounts, and special pricing agreements.

**FIGURE 1-16****TABLE OF CONTENTS-SANTA ROSA PROCUREMENT MANUAL**

Section	Title
1	Purpose
2	Distribution & Revisions
3	Application of Manual and Exemptions
4	Implementation
5	Training
6	General Principles of Law
7	Code of Ethics
8	Definitions
9	Duties and Responsibilities
10	Authority of Procurement Officer
11	Vendor Policies
12	Purchasing Categories; Threshold Amounts; General Guidelines
13	Quotes
14	Types of Competitive Sealed Bids/Proposals
15	Competitive Formal Procurements, Sealed Bids
16	Noticing Requirements for Competitive Procurements
17	Request for Qualifications (CCNA)
18	Emergency Procurements
19	Sole Source Procurements
20	Single Source Procurements
21	Cooperative Procurements (Piggybacking)
22	Direct Payments
23	Identical (Tie) Procurement Responses
24	Unauthorized Procurements
25	Public Records and Public Meetings Involving Procurements
26	Cone of Silence
27	Grant Funding Used in Procurements
28	Procurement Selection Committee
29	Guidelines of Use Contracts, Purchase Orders, Change Orders, Contract Amendments, and Task Orders
30	Contracts General
31	Continuing Contracts
32	Bid Bonds
33	Payment and Performance Bonds
34	Insurance Requirements
35	Federally Funded Procurements
Appendix	Purchasing Card Policy

Source: Santa Rosa County Procurement Manual.



The Sheriff's Office has a separate purchasing unit led by the sheriff's purchasing supervisor. The sheriff is a constitutional officer as set forth in Article VIII, Section 6 (d) of the Florida Constitution. The office of sheriff falls under *Florida Statutes*, Title V, Judicial Branch, and is governed by Chapter 30 of that statute, which in section 30.53 provides the following:

The independence of the sheriffs shall be preserved concerning the purchase of supplies and equipment, selection of personnel, and the hiring, firing, and setting of salaries of such personnel....

Moreover, Florida Attorney General Opinion 78-122 states the following regarding the sheriff's purchase of equipment and supplies by competitive bids:

In the absence of statutory requirement for competitive bidding, sheriffs are not required by law or public policy to enter into competitive bidding in making purchases of goods, supplies, and equipment. Sheriffs may, but are not required to, utilize a system of competitive bids when purchasing goods, supplies, and equipment for their offices and may expend reasonable amounts of public funds to advertise for and secure such bids.

Accordingly, the Sheriff's Office purchasing policy states: "The Sheriff's Office will acquire commodities, equipment, and services at the best possible price and quality. No member will make purchases or in any way obligate the agency without approval of the department captains, or majors, or chief deputy, unless authorized herein."

Although the Sheriff's Office has separately documented purchasing policies and procedures, the requisition and purchase of materials, supplies, and equipment must conform with state statutes and applicable local regulations. However, there are no statutory requirements that the sheriff purchase goods by competitive bid. Yet, Florida policy suggests that the expenditures of public funds be made by competitive bidding, when possible.

The following provisions from the sheriff's procurement policy create the context and opportunity for the County to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements:

- The Sheriff's Office will acquire commodities, equipment, and services at the best possible price and quality. No member will make purchases or in any way obligate the agency without approval of the department captains, or majors, or chief deputy, unless authorized herein.
- The Purchasing Unit, under the direction and control of the purchasing supervisor, is responsible for all purchases, except where authority has been delegated to others by the sheriff. The requisition and purchase of supplies and equipment shall conform to state statute and applicable local regulations.
- There are no statutory requirements that a sheriff purchase goods by competitive bid. However, the policy of this state suggests that the expenditures of public funds be made by competitive bidding, when possible.



- A memo or verbal request may be made to the Purchasing Unit to obtain pricing and availability of items. The buyer will obtain the information and advise the requestor. The requestor is required to complete a purchase requisition and obtain authorizations before any purchase is made.
- When deemed necessary, any department may request that the Purchasing Unit prepare and issue a formal request for proposal (RFP). This document is used to solicit proposals from potential providers for goods and services (Offerors). Price is usually not a primary evaluation factor. Provides for the negotiation of all terms, including price prior to contract award. May include a provision for the negotiation of Best and Final Offers. May be a single step or multi-step process.

The MJ Team reviewed the Sheriff's Office's purchasing policies and procedures document, summarized in **Figure 1-17**, noting that it is adequate to ensure that the Sheriff's Office takes maximum advantage of competitive procurement, volume discounts, and special pricing agreements.

FIGURE 1-17

TABLE OF CONTENTS-SANTA ROSA SHERIFF'S OFFICE PROCUREMENT POLICY

Section	Title
I.	Procurement
II.	Request for Pricing
III.	Routine Purchases
IV.	Emergency Purchases
V.	Receipt of Goods
VI	Definitions

Source: Santa Rosa County Sheriff's Office Procurement Manual.

Based on the analysis performed, the MJ Team determined that the County and the Sheriff's Department have established written policies and procedures to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements. Accordingly, this subtask is met.



RESEARCH TASK 2

THE STRUCTURE OR DESIGN OF THE PROGRAM TO ACCOMPLISH ITS GOALS AND OBJECTIVES.

FINDING SUMMARY – Overall, Santa Rosa County meets Task 2. The County has been incrementally scaling up its focus on capital repair, improvement, and enhancement since the implementation of the one-half cent LOST. While these tasks were accomplished, in large measure with existing staff, the County's tentative Fiscal Year 2020 budget recognizes the need for additional full-time equivalents (FTE's) focused on capital planning and project oversight. This need includes four senior-level positions that are either entirely or largely focused on providing additional oversight and stewardship of LOST funds.

SUMMARY OF CONCLUSIONS ON RESEARCH SUBTASKS

See the Analysis and Results section below for details regarding these conclusions.

SUBTASK 2.1

Our work revealed no issues or concerns related to the program organizational structure to ensure the program has clearly defined units, minimizes overlapping functions and excessive administrative layers, and has lines of authority that minimize administrative costs.

SUBTASK 2.2

Our work revealed no issues or concerns related to the reasonableness of current program staffing levels given the nature of the services provided and program workload. Given the increasing ability of the County to focus on capital projects, and the anticipation of additional revenues to support capital projects, Santa Rosa County has proposed the addition of four (4) positions focused on the delivery of capital projects in the tentative Fiscal Year 2020 budget.



ANALYSIS RESULTS & CONCLUSION

SUBTASK 2.1 – Review program organizational structure to ensure the program has clearly defined units, minimizes overlapping functions and excessive administrative layers, and has lines of authority that minimize administrative costs.

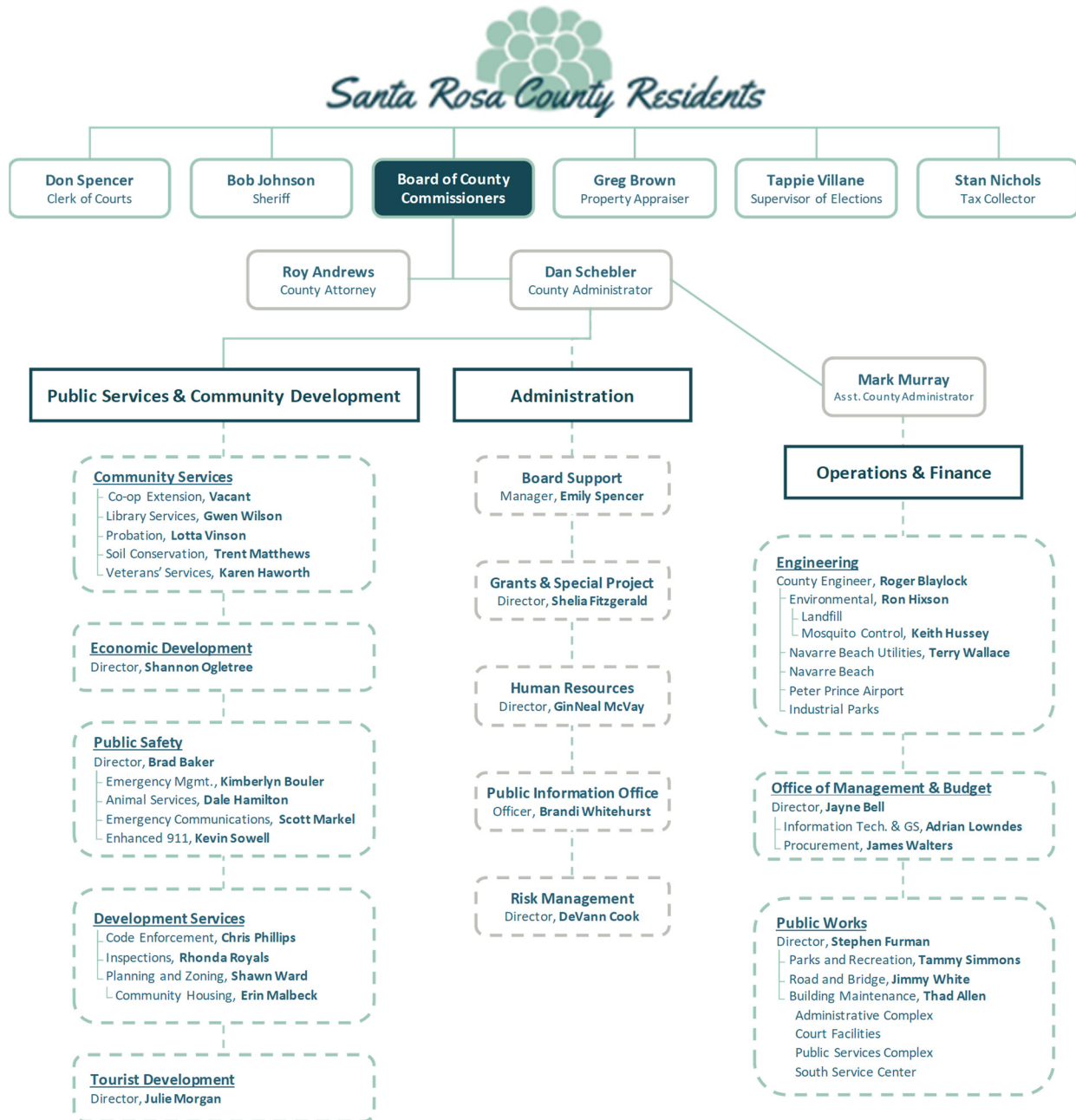
Organization Structure

Santa Rosa County is made up of functions that report to the Board of County Commissioners (in this case through the county administrator and assistant county administrator) and those constitutionally independent functions (Clerk of Courts, Sheriff, Property Appraiser, Supervisor of Elections, and Tax Collector). The current structure has 11 positions reporting directly to the county administrator while three (3) report directly to the assistant county administrator (who is one of the 11 reporting to the county administrator). The organizational structure, as currently configured, is relatively straightforward with clearly defined areas of responsibility and no overlaps and meets typical standards of efficiency, effectiveness, and best practice in small counties. This current structure can be seen in **Figure 2-1**.

The county administrator has proposed a reorganization of certain County functions to increase focus on capital asset management and project oversight. This proposal involves reallocating a number of existing resources into two new divisions reporting to the assistant county administrator in the Operations and Finance functional area: Environmental and Facilities Management. These two new functional areas will be overseen by a proposed environmental director and facilities manager. A third position (not shown), a capital projects manager, will be located in the Grant and Special Programs Department.

Figure 2-1 presents the CURRENT organizational structure for Santa Rosa County, which indicates defined units and lines of authority.

FIGURE 2-1
SANTA ROSA COUNTY CURRENT ORGANIZATION CHART



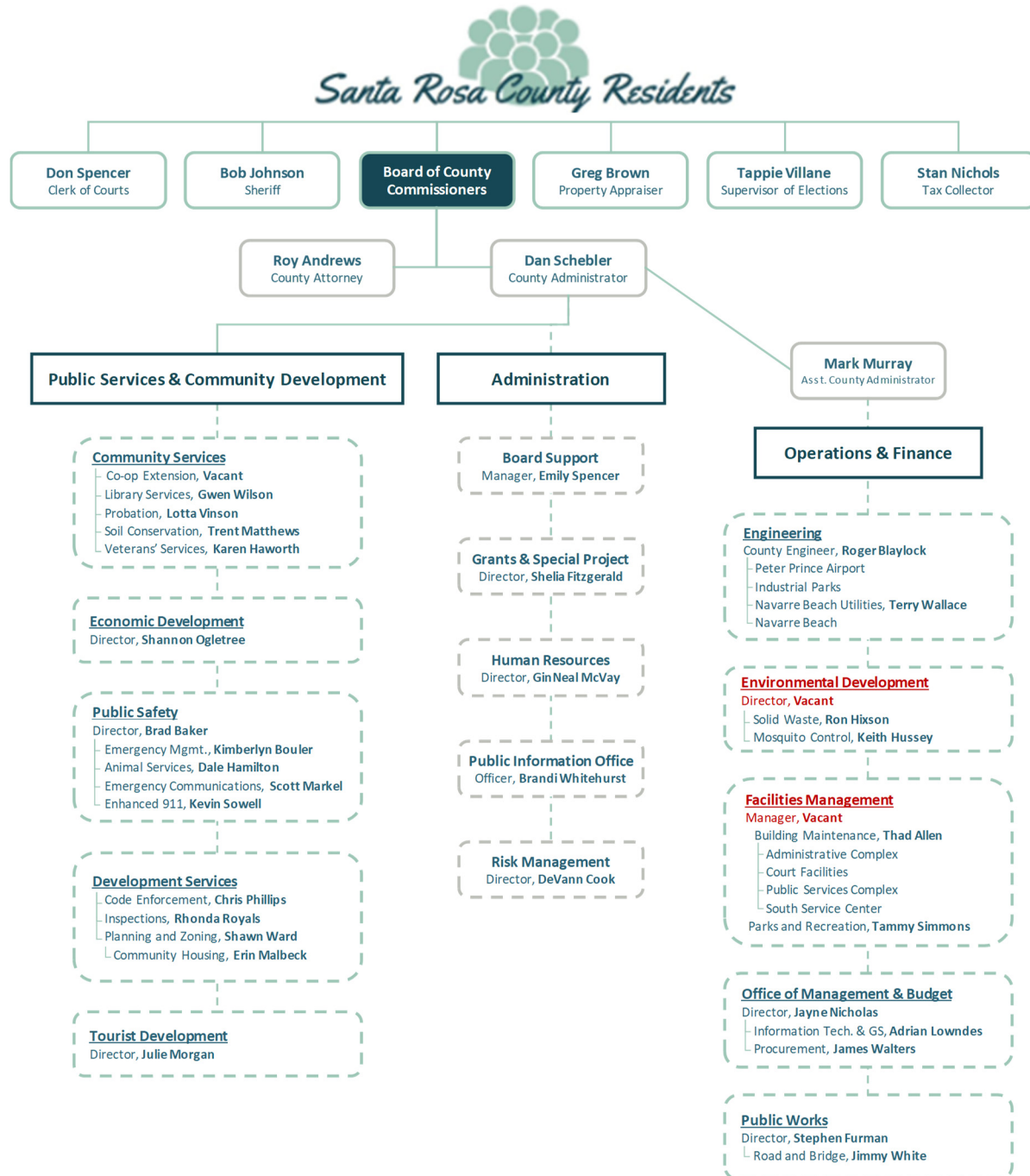
Source: Santa Rosa County Fiscal Year 2019 Budget.

Figure 2-2 presents the proposed County organizational structure, which shows defined units and lines of authority. The proposed structure includes the creation of two (2) new departments under Operations and Finance: Facilities Management and Environmental. The work these two (2) new departments will undertake is currently performed within other departments as additional duties. The creation of full-time positions under the Operations and



Finance, Facilities Management, and Environmental Departments will allow greater emphasis on County-wide environmental issues and the maintenance of existing County facilities.

FIGURE 2-2
SANTA ROSA COUNTY PROPOSED ORGANIZATION CHART



Source: Santa Rosa County Proposed Fiscal Year 2020 Budget.



According to a benchmarking study conducted by the Society for Human Resource Management, the average span of control (the number of individuals who report to a manager) for executive management is seven direct reports and for middle management is twelve direct reports. **Figure 2-3** presents the span of control benchmarking results. The span of control for the County falls within this range, with the exception of the county administrator, who will continue to have 11 direct reports, even under the proposed reorganization. To address this situation, the County should consider, in the future, an administrative services or internal services director who oversees the various administrative functions of the BoCC.

FIGURE 2-3
SPAN OF CONTROL DATA – NATIONAL BENCHMARKS

Management Level	25 th Percentile	Median	75 th Percentile	Average
	Number of Direct Reports			
Executive Level	4	5	8	7
Middle Management	5	8	14	12

Source: Society for Human Resource Management, *Human Capital Benchmarking Report*, December 2017.

Primary Functions of Divisions

In addition to reviewing the County's overall organizational structure, the MJ Team developed an understanding for the proposed reorganization of County functions as presented in **Figure 2-4**. The proposed structure is primarily focused on reorganizing some functions of the Engineering and Public Works Departments to create two new departments: Environment and Facilities. The primary benefit of the proposed structure is to enable PW to focus on Road and Bridge (infrastructure) while supporting capital project execution and environmental permitting for infrastructure projects.



FIGURE 2-4

SANTA ROSA COUNTY– FUNCTIONS AND QUALIFICATIONS

Division	Primary Functions of Division
<i>Current Public Works Division</i>	The current Public Works division is responsible for overseeing, managing, and repairing a wide variety of functional areas including: roads, bridges, parks and recreation, land fill, mosquito control, facilities, and other environmental functions with the primary focus on infrastructure (road, bridge, drainage) maintenance as their budget demonstrates.
<i>Proposed Public Works</i>	The newly proposed division will focus exclusively on roads, bridges, and drainage maintenance. Larger drainage projects, of which there are many, will be the primary responsibility of the Engineering Division as it oversees various projects and contractors.
<i>Proposed Environmental</i>	This newly proposed department will focus on solid waste, mosquito control, and on projects focused on environmentally sensitive areas of the County, including the beaches. This will include focus on issues relating to stormwater, ambient water, sea grasses, and estuary programs.
<i>Proposed Facilities</i>	This division will focus on the County-owned facilities – including those that are utilized by constitutional offices. In addition, this unit will be largely responsible for coordinating capital projects related to the County's facilities, including (most visibly) a major construction project for the County's courts.

Source: Santa Rosa County Proposed Fiscal Year 2020 Budget and Interviews with staff.

Based on the review of the organization charts and span of control compared with the Society for Human Resources Management (SHRM) benchmark, there were no issues or concerns. In addition, review of documents, organization charts, and the County's budget documents demonstrate that the County has clearly defined units, minimizes overlapping functions and excessive administrative layers, and has lines of authority that minimize administrative costs. Accordingly, this subtask is met.

SUBTASK 2.2 – Assess the reasonableness of current program staffing levels given the nature of the services provided and program workload.

The County is seeking to increase its LOST from one-half cent to one cent with a proposed ballot measure. The additional funds would be focused on a wide variety of, as yet, unmet capital needs in the County. The County has, under the current LOST program, relied on staff who are not specifically dedicated to capital projects or asset oversight (outside of the Engineering Division) but who, instead, treat capital project oversight as an additional function assigned in addition to their other roles and responsibilities.



Staffing Level Trend

The staffing trend for capital-related staff has been relatively stable, with modest increases until this upcoming fiscal year (Fiscal Year 2020) when four (4) positions are proposed that will be directly engaged in capital assets and projects.

Figure 2-5 presents a summary of the new positions proposed by Santa Rosa County related to overall management and oversight, and in particular of capital project planning, budgeting, and oversight.

FIGURE 2-5

SANTA ROSA COUNTY NEW POSITIONS – WITH FOCUS ON CAPITAL PLANNING

Position	Primary Functions
<i>Capital project manager (grants)</i>	This position will focus on overseeing small and large-scale capital projects from an administrative perspective. This position will coordinate with staff in operational departments to ensure that progress is being maintained, invoices are processed properly, and other key functions.
<i>Environmental director (environmental)</i>	This new position will focus on a wide variety of environmentally focused capital and operating projects, including focus on: stormwater, waste water, ambient water, estuary management, sea grass management, land-fill and other key functions.
<i>Facilities manager</i>	The position will oversee both County facilities (BoCC as well as constitutional offices) as well as parks and recreation spaces. The manager will be responsible for overseeing maintenance, capital projects for maintenance, and development of new County buildings and facilities.
<i>Strategic planning and performance manager</i>	The role of this position will be to continue to expand the County's focus on increasingly formal management tools and documents, as well as performance measures and management. Examples will include improved capital budgeting, improved strategic planning, enhanced task tracking (including capital projects).

Source: Santa Rosa County Proposed Fiscal Year 2020 Budget and justification documents.

The current staffing level expectations are adequate, but the proposed changes to the organizational structure are an enhancement. As noted above, the organizational staffing additional positions that are described in **Figure 2-5** each have an area of primary focus which is on capital planning, budgeting, and oversight and will be hired only if the surtax passes. These positions will significantly enhance the County's ability to oversee LOST funds, and will allow managers who should be focused on operational issues to spend less time overseeing increasingly demanding capital projects. Accordingly, this subtask is met.



RESEARCH TASK 3

ALTERNATIVE METHODS OF PROVIDING SERVICES OR PRODUCTS.

FINDING SUMMARY – Overall, Santa Rosa County meet Task 3. The County has contracted out several functions and programs and periodically evaluates the performance of these programs on the basis of cost and level of service. In some cases, programs have been brought back in-house when the evaluation indicates that County staff can perform the functions at a lower cost or higher quality. Similarly, the County has adjusted some programs to modify the procurement method or program if the results can be improved. Discussions with peer agencies occur at least annually and occasionally more frequently commensurate with the specific project or need. Resulting discussions identify potential structural or procurement practices that can improve the delivery of services and programs. County Departments and Purchasing should collaborate to create a process to document that goods and services are being provided to the County in the most effective manner that achieves the greatest cost savings.

SUMMARY OF CONCLUSIONS ON RESEARCH SUBTASKS

See the Analysis and Results section below for details regarding these conclusions.

SUBTASK 3.1

Our work revealed no issues or concerns related to whether program administrators formally evaluated in-house services and activities to assess the feasibility of providing these services using outside contractors.

SUBTASK 3.2

Condition: Subtask 3.2 Partially Met

Determine whether the program administrators have assessed any contracted and/or privatized services to verify effectiveness and cost savings achieved.

The County overall does not have a formal policy requiring the evaluation of existing contracted and/or privatized services to verify effectiveness and cost savings achieved. The County provided one example where a formal cost-benefit analysis was performed by Public Works related to the comparison of paying overtime to existing employees for weekend work versus hiring additional staff. In this example, the analysis supported the decision to pay overtime to existing employees. The County's position to outsource in lieu of adding staff appears to be successful as measured by the County's lack of long-term bond debt, but no other department had documentation (formal evaluations) to validate its decision to outsource.

Cause: The County's decision to maintain a conservative financial position by outsourcing to reduce costs has been their driving force since the 2007 recession and appears to be effective. There is insufficient County staff available to perform the needed tasks so outsourcing appears to provide a means to maintain service levels.



Effect: Formal evaluations to verify effectiveness and cost savings achieved by utilizing privatization and outsourcing would provide justification to either continue to utilize this process or, if outsourcing costs escalated, to justify possibly adding County staff to accomplish the County's needs. Although County purchasing procedures are well established, there appears to be no provision in the procedures for performing assessments of outsourced services to verify effectiveness and cost savings achieved.

Criteria: Since 1944, NIGP (The Institute for Public Procurement) has been developing, supporting and promoting the public procurement profession. The organization's goal is recognition and esteem for the government procurement profession and its dedicated practitioners. As the foremost authority in public procurement, NIGP offers educational and research programs, professional support, technical services, and timesaving resources to its members. The following is from a NIGP 2013 position paper entitled, Best Value in Government Procurement:

Procurement professionals should guide organizational assessments and decisions regarding tradeoffs at several stages, not just when choosing evaluation criteria for specific procurements. As described in Canada's Treasury Board policy on contracting: "The analysis necessary to achieve best value should not be confined to the actual procurement process; it should begin in the planning and appraisal of alternatives and continue through the definition of requirements which would include assessment and award criteria, evaluation of sources, selection of contractor, preparation, negotiation, execution and award of contract, contract administration and post-contract evaluation. Procurement professionals serve a valuable role in helping the organization keep the big picture of its cumulative choices organized over time. Procurement staff must also ensure that documentation of the valuation and evaluation processes include not only conclusions about the criteria and outcome, but the context (goals and values), the facts/considerations examined, and the reasoning leading up to the value conclusions.

RECOMMENDATION 3.2

County Departments and Purchasing should collaborate to create a process to document that goods and services are being provided to the County in the most effective manner that achieves the greatest cost savings.

The County may already be utilizing the most cost-effective procurement vehicles available in the form of the Florida Sheriff's Contract and the Houston-Galveston Area Contract. However, there appears to be no documentation to prove this point. Commensurate with each department's specific needs, the County may want to consider adding another step in their procurement process to document (using a template appropriate for each department) that the procurement vehicle being used is effective in achieving the greatest cost savings.



SUBTASK 3.3

Our work revealed no issues or concerns related to whether program administrators have made changes to service delivery methods when their evaluations/assessments found that such changes would reduce program costs without significantly affecting the quality of services.

SUBTASK 3.4

Our work revealed no issues or concerns related to whether program administrators have reviewed peer entities' approaches for identifying opportunities for alternative service delivery methods that have the potential to reduce program costs without significantly affecting the quality of services.

ANALYSIS RESULTS & CONCLUSION

SUBTASK 3.1 – Determine whether program administrators have 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 determine the reasonableness of their conclusions.

Santa Rosa County (the County) is already using outsourcing to accomplish many functions across departments. The County experienced a loss of staff during the economic downturn of 2007. In lieu of re-staffing to pre-2007 levels, the County elected to use outside contracting and privatization (i.e., outsourcing). Examples of outsourcing currently used by the County include:

- The Engineering Department outsources most design projects to consultants as well as inspection and services during construction.
- The Public Safety Department outsources radio communication evaluations and maintenance to vendors. Equipment purchases use piggybacking from the State of Florida or from other municipalities around the country.
- The Sheriff's Department outsources inmate food, medical, facilities maintenance, fleet maintenance, and transportation services.

Exceptions to outsourcing occur in the Public Works Department where County staff provide road and bridge construction and maintenance (however, paving is outsourced). Mowing in general is performed along roadways and drainage easements by the Public Works Department with the exception of select high tourist areas where mowing is outsourced to private companies due to the increased mowing frequency required.

The procurement process begins when a department head contacts the County Purchasing Department for guidance and makes recommendations concerning whether to piggyback an existing contract, sole source a product, or seek competitive bids. Each department is responsible for collecting pricing data to submit to the County Purchasing Department. Decisions are primarily based on price unless the nature of the purchase requires a sole source



as described in the County's Procurement Manual. An example of a sole source purchase is the County's radio system. The County formed an interlocal committee with surrounding counties and municipalities to determine the best overall solution to providing a unified communication system. Analyses of options concluded that the County should use Escambia County's existing backbone communication system, as well as the surrounding cities of Pensacola, Navarre, Gulf Breeze and Milton. The sole supplier priced both options, and sharing the Escambia system was less costly than providing a stand-alone system and provides the benefit of sharing maintenance costs and being able to communicate with other communities during a regional emergency (e.g., hurricane).

For procurements using the Consultant Competitive Negotiation Act (CCNA), which applies to architectural, engineering, landscape architectural, or surveying services, selection is based solely on qualifications. This approach mirrors the federal Brooks Act, which governs similar procurements using federal money. For CCNA's with a value under \$1 million per year, the evaluation committee makes a recommendation to the BoCC to begin price negotiations with the highest ranked firm. For CCNA's with a value in excess of \$1 million per year, the Evaluation Committee presents the BoCC with the short list of firms and the evaluation forms. The BoCC may then request a presentation from the short listed firms, or select the highest ranked firm without further presentation. Once the highest ranked firm has been selected, the County Manager is authorized to begin negotiations on price. Following the conclusion of these negotiations, the negotiated contract will be brought to the BoCC for final approval and authorization for the county manager to execute the contract.

Formal evaluations were available for Public Works and Public Safety. Florida sheriffs are statutorily guaranteed (*Florida Statute* Section 30.53) their independence from the counties in making purchases. The Santa Rosa County Sheriff's Department utilizes alternative procurement methods by outsourcing virtually all functions except actual law enforcement duties provided by deputies.

County Departments summarized under Task 3.1 (Public Works, Public Safety, Engineering, and Sheriff) routinely utilize outsourcing. Cost savings resulting from keeping staffing levels low have allowed the County to reduce debt. Accordingly, this subtask is met.

SUBTASK 3.2 – Determine whether program administrators have assessed any contracted and/or privatized services to verify effectiveness and cost savings achieved and determine the reasonableness of their conclusions.

County staff provided evaluations of three services/programs that demonstrate an analysis was performed and action was taken as a result of the analysis that resulted in cost effective solutions. The evaluations assessed the costs of hiring additional staff versus paying overtime to existing staff and contract operation versus using in-house staff. Each is discussed below.



Overtime Pay vs. Adding Staff

In preparation for the Fiscal Year 2017 budget cycle, the Public Works Department conducted an analysis in June 2016 to determine if paying overtime to existing staff for weekend work is more cost effective than hiring additional crews that could do the same work during a regular work week. The results of this analysis are shown in **Figures 3-1, 3-2 and 3-3**.

FIGURE 3-1

PAYING OVERTIME TO EXISTING STAFF

Position	Avg. Hourly Pay Rate	Hourly Rate with Benefits	Overtime Pay Rate	OT Rate with Benefits*	Number Employees Worked
Foreman	\$22.14	\$29.89	\$33.21	\$42.27	2
Eq. Op. III	\$18.52	\$26.10	\$27.78	\$35.36	1
Eq. Op. II	\$14.47	\$21.33	\$21.70	\$27.62	2
Eq. Op. I	\$11.59	\$18.14	\$17.38	\$22.12	16

Source: Public Works Department, Fiscal Year 2017 Budget.

The labor costs for the typical weekend work conducted by existing staff, as presented above, would be the overtime rate of pay with benefits, multiplied by the number of employees in each category and the number of hours worked. Assuming a two-day weekend, (20 hours), the cost of one weekend of work equates to:

$$\{(\$42.27 \times 2) + (\$35.36 \times 1) + (\$27.62 \times 2) + (\$22.12 \times 16)\} \times 20 = \$10,581.20/\text{weekend}$$

With weekend work occurring approximately 70% of the time during a year, the annual cost of weekend work utilizing existing staff is approximately \$385,155.00.

For existing employees, the number of weekend man-hours worked in a typical year would be:

$$(52 \text{ weekends} \times 0.7) \times 21 \text{ people} \times 20 \text{ hours/weekend} = 15,288 \text{ hours}$$

The number of personnel required to produce the same 15,288 hours during the normal work week was also computed. Adjustments were made to subtract holidays (110 hours) and vacation/sick leave (assume an average of 60 hours) to obtain the expected hours worked by an employee:

$$15,288 \text{ hours} / (2080 - 110 - 60) \text{ hours} = 15,288 / 1910 = 8 \text{ employees needed to produce the same work}$$

It was assumed that one (1) additional crew would be required to produce the same work as currently being produced by the existing employees performing the weekend work. The make-up of the additional eight (8) person crew would be a foreman, an operator III, an operator II, and five (5) operator I's.



As shown in **Figure 3-2**, The salary costs for the additional crew would be as follows:

FIGURE 3-2
HIRING NEW CREW

Position	Avg. Hourly Pay Rate	Hourly Rate with Benefits	Number of Employees	Annual Cost
Forman	\$22.14	\$29.89	1	\$62,171.20
Eq. op. III	\$18.52	\$26.10	1	\$54,288.00
Eq. op. II	\$14.47	\$21.33	1	\$44,366.40
Eq. op. I	\$11.59	\$18.14	5	\$188,656.00
Total				\$349,481.60

Source: Public Works Department, Fiscal Year 2017 Budget.

Equipment necessary for the additional crew would include two (2) pickup trucks, three (3) dump trucks, one (1) excavator, and host of other tools and equipment. A breakdown of the equipment and the associated costs is presented in **Figure 3-3** below.

FIGURE 3-3
EQUIPMENT COSTS FOR NEW CREW

Quantity	Type	Cost	Life Cycle	Cost Per Year
2	Pick-up	\$53,000.00	10 years	\$5,300.00
3	Dump Truck	\$495,000.00	15 years	\$33,000.00
1	Excavator	\$165,000.00	12 years	\$13,750.00
1	20 Ton Trailer	\$22,500.00	20 years	\$1,125.00
1	1.5 Ton Roller	\$20,000.00	8 years	\$2,500.00
1	5 Ton Trailer	\$3,500.00	20 years	\$175.00
1	Concrete Mixer	\$2,500.00	6 years	\$417.00
1	Chop Saw	\$1,000.00	3 years	\$333.00
1	Pole Saw	\$800.00	2 years	\$400.00
1	Chain Saw	\$500.00	3 years	\$167.00
1	Blower	\$200.00	2 years	\$100.00
	Hand tools	\$2,000.00	4 years	\$500.00
		\$766,000.00		\$57,767.00

Source: Public Works Department, Fiscal Year 2017 Budget.

The estimated annual cost to hire and equip an additional eight (8) person crew is:

$$\text{\$349,482} + \text{\$57,767} = \text{\$407,249}$$

Based on the assumptions presented, the cost to employ and equip a seasoned crew would be approximately \$407,249 annually. This amount is higher than the \$385,155 computed as the estimated current spending for overtime work. The Public Works Department concluded that



hiring a single crew capable of performing the vast array of tasks that the weekend workers do was unlikely; and second, the County's current pay scale makes filling open positions difficult. This point has been validated given the County's difficulty in retaining existing employees because of pay scale concerns. It was determined that hiring an entire crew would be almost impossible, leaving weekend/overtime work as the only viable option for providing our current level of service.

Outsourced Engineering

The County uses the engineering services of six (6) engineering firms. The County chose this route to reduce operating cost rather than hire additional engineering, surveying, inspection, drafting and secretarial staff along with the necessary equipment and office space.

Santa Rosa County Board of County Commissioners advertised a request for qualifications for continuing services contracts and requested qualified professional engineering firms interested in providing general engineering services such as studies, drainage design, roadway and utility design, wetland permitting, plans and specification production, project cost estimation, bid document preparation, post construction engineering (project certification), surveying, and other miscellaneous engineering and planning services for various civil/public works projects to submit their qualifications. Professional services were procured in accordance with the Consultants' Competitive Negotiation Act (F.S. 287.055). Nineteen engineering firms responded by the February 15, 2018 submittal deadline and County staff ranked those firms based on specific scoring criteria and attached ranking forms. The top six (6) firms were selected that included two (2) small firms and four (4) large firms.

Outsourced Sheriff's Office Functions

The County Sheriff's Office outsources the following functions:

- Security Services
- Food Services
- Laundry Services
- Medical Services
- Inmate Transport Services
- Commissary and Property Room Services
- Jail Control Room Services
- Vehicle Maintenance
- Facilities Management Services

The Sheriff is a Florida constitutional officer and a part of the state judicial branch and is not required to obtain competitive bids. Consequently, the uniqueness of the department's needs does not require alternative purchasing methods be used. Specialty equipment including vehicles are procured from a variety of sources including specialty suppliers, state contracts,



and piggybacking from other agencies. The effects of outsourcing the above functions have reduced the number of full-time employees (FTE) and associated costs within the department.

The three (3) examples above illustrate how functions within the Public Works, Engineering and Sheriff's Departments have been contracted out to reduce cost. In one example, mowing services, the conclusion was that the privatized operation was more cost effective than using County staff in select areas requiring a higher level of service. In the two remaining examples, using outsourcing allows the County to perform the work in a more cost-effective manner.

Only Public Works had verifiable analysis results for outsourcing due to the number of existing staff. Other smaller departments had no verifiable evidence that outsourcing is less costly than adding staff.

Accordingly, the lack of verifiable evidence for demonstrating effectiveness and cost-savings in departments other than Public Works justifies that this subtask is partially met.

SUBTASK 3.3 – Determine whether program administrators have made changes to service delivery methods when their evaluations/assessments found that such changes would reduce program costs without significantly affecting the quality of services.

County staff provided three (3) examples where the delivery method was changed to provide higher quality programs at lower cost to the County. The first example was a change in the mowing services for select areas. The second example was a change in how the Public Safety Office procures fire apparatus (primarily fire trucks). The third example was a change in how the Office of Public Safety procured veterinary services for the Animal Control Department.

Drainage Easement Maintenance Services Procurement

The R&B Dept. has many responsibilities. These include, but are not limited to:

- Drainage easement maintenance
- Retention pond maintenance
- Mowing along sidewalks and paths
- Right of way mowing (over 1500 miles of roads)
- Patching of potholes
- Resurfacing roadways
- Grading dirt roads
- Paving dirt roads
- Sign maintenance
- Limb trimming
- Bridge repairs and replacements
- Boat ramp maintenance
- Litter pick up



- Driveway Inspection
- Utility work inspections
- Fleet maintenance
- Special projects

The Public Works Dept. is comprised of the Road and Bridge (R&B) Department, the Building Maintenance Dept. and the Parks Dept. All three (3) of these departments play a role in maintenance of County infrastructure, including drainage; but the Road and Bridge Dept. maintains the majority of the drainage features in the County.

The R&B Dept. currently has 107 budgeted positions and ten (10) unfilled positions. There are 16 designated crews with a total of 86 positions (crew sizes vary from one (1) position to eight (8) positions), maintenance shop (9 positions), office staff (4 positions), inspectors (3 positions), upper level supervisors (3 positions), and director level (2 positions). Due to the lack of available personnel, R&B routinely combines crews to accomplish certain tasks.

R&B also uses state Department of Corrections inmates to help accomplish many designated responsibilities. The R&B Dept. currently has four (4) inmate squads, one (1) DOC officer and ten (10) inmates per squad). One (1) squad is dedicated to litter pick up along County roads, two (2) squads are designated as "Chipper Crews" for the cutting of limbs from roadways and for the cleaning of retention ponds, and one (1) squad is designated for mowing along major sidewalks as well as the cleaning of drainage easements, and the required annual maintenance on the numerous Emergency Water Shed Protection project sites.

Some work items are accomplished with private contractors. These duties generally require special equipment or skills that the County has chosen not to support in the budget. These include but are not limited to:

- Actual paving operation (conducted with R&B inspection)
- Fence installation (except for minor repairs)
- Roadway stripping
- Specialty concrete work
- Larger sidewalk construction
- Landscape maintenance in areas not maintained by the Parks Dept. or the Building Maintenance Dept.

The Public Works Department was asked to expand their drainage maintenance (mowing) into non-BoCC controlled property for the benefit of potentially reducing drainage issues. Public Works Department performed an analysis of existing staffing needs and concluded that increased workload by mowing additional areas would require execution of outsourced contracts. As a result of this analysis, mowing of non-BoCC controlled property was withheld.



Fire Truck Purchases

The County has 15 independent fire departments that are funded four (4) ways. Nine (9) departments are Municipal Service Business Unit (MSBU) funded, one (1) department is a Special MSBU, two (2) departments are municipalities and three (3) are legislative districts. (Note Pace will be converting from MSBU to legislative district October 1, 2019)

In 2007, the Fire/Rescue Executive Group (FDEG) was created and tasked with implementing the proposed plan along with managing the budgets and oversight of nine (9) MSBU Fire Districts. The group is comprised of the MSBU Chiefs and two (2) citizens appointed by the BoCC and meets periodically to review progress and address concerns. The FDEG reviews all nine (9) budgets submitted by the fire departments and adopts modified budgets which are then approved by the BoCC. Operational funds are dispersed monthly to the individual accounts and managed by their Board of Directors. The remainders of the funds are held in a joint MSBU account that is managed through Emergency Management to make bulk purchases and approved capital equipment. All the departments' expenditures are audited by the Clerk of Courts, reviewed by the FDEG and copied to the BoCC.

The BoCC approved the purchase of fire apparatus for three (3) departments in 2007-2008. A competitive bid was solicited for the apparatus and four (4) to five (5) bids were received for each apparatus. The vendor bid packages were voluminous, requiring substantial effort to validate that the bids met the minimum standard requested in the Invitation to Bid. Emergency Management (EM) staff and the fire chiefs reviewed and scored each bid over a period of three (3) weeks. At the conclusion of the procurement process, EM staff and department chiefs discussed changes needed in the procurement process to ensure that all apparatus specifications and requested options are supplied in a timely manner.

For the next apparatus purchase, EM canvassed the chief's minimum needs which were summarized in a request-for-quote using the piggybacking delivery method from the Florida Sheriffs Contract pricing. Using the piggyback alternative delivery method reduced equipment cost and delivery time with the added benefit of allowing the fire departments to customize the truck to their specific needs. The EM now purchases all apparatus using the piggyback method from the Florida Sheriffs contract or the Houston-Galveston Area Contract (H-GAC) depending on pricing. H-GAC is a cooperative purchasing program that assists local governments in reducing costs through government-to-government procurement available to local government entities nationwide. Its enabling legislation allows the program to act nationwide on behalf of local governments. Products offered have been subjected to either competitive bid or competitive proposal format and ensure non-discrimination in its programs. The H-GAC's contract pricing is compliant with County procurement standards. The use of the H-GAC by the County is authorized through an Interlocal Agreement that is automatically renewed by the County annually. Using the H-GAC (or Florida Sheriff's Contract) has proven to be more efficient and effective for procurement of fire department apparatus at a lower cost. Local Option Sales Tax (LOST) dollars will be used to pay for fire apparatus purchases to defer rate



increases identified in a recent rate study so that when rate increases do occur, they will fund the addition of fire staff in lieu of equipment.

Veterinarian Services

The Office of Public Safety (OPS) is responsible for Animal Control in the County. In 2018, the BoCC authorized \$50,000 to fund the hiring of a part-time veterinarian on a trial basis. An RFP was issued for these services in accordance with the County purchasing procedures which received no responses. OPS re-advertised the RFP and changed the procurement process to an outsourced hourly contract not-to-exceed \$25,000 for a six-month period. A local veterinarian responded to the RFP and a contract was executed. The Animal Services Department manages the contract.

The 2007 recession resulted in staff reductions across the County. With the exception of Public Works Department, the County Department staff interviewed intentionally chose to seek outsourcing in lieu of adding staff. For procurement of products, the H-GAC and Florida Sheriff's Contract are competitively bid and comply with the County's purchasing standards. The Sheriff's Department is an exception but is not required to comply with a low bid process by statute due to the unique nature of their needs. Accordingly, this subtask is met.

SUBTASK 3.4 – Identify possible opportunities for alternative service delivery methods that have the potential to reduce program costs without significantly affecting the quality of services, based on a review of similar programs in peer entities (e.g., other counties, etc.).

The County provided two (2) examples of alternative delivery methods shared with peer entities. The first example is the replacement of the County-wide radio system using a collaborative, regional solution. The second example is the Public Works Department's unique, in-house bridge replacement process.

Replacement of County Wide Radio System

The OPS is responsible for the operation and maintenance of the County's radio services used by fire, sheriff and other departments with the exception of the Public Works Department which uses cellular Push-To-Talk technology.

The County's Motorola-based public radio communication system was outdated and had been identified for overhaul/replacement for many years. A Communication Committee was formed to discuss options to achieve the replacement/upgrade at the lowest cost. During these discussions, Escambia County, which adjoins Santa Rosa County to the west, indicated a desire to create a regional system that could benefit both counties. The Committee requested Motorola's assistance to determine the best approach for Santa Rosa County.

In February 2013, Motorola provided budgetary pricing options which included a stand-alone system for the County and an option to use Escambia County's backbone system (i.e., core). The resulting analysis conducted by Motorola estimated a net savings of \$926,557 for the



County to use Escambia County's core system. The option was presented to the County BoCC, which was received favorably and endorsed the partnership with Escambia County.

An Interlocal Agreement between Santa Rosa County and Escambia County for shared use of communication systems was approved by the County BoCC in 2014. Continued discussions with Motorola regarding pricing options revealed that Escambia County had used a Houston-Galveston Area Contract (HGAC) piggyback as the procurement vehicle. The pricing quote provided by Motorola stated it was established from the H-GAC. While price variance occurs between the H-GAC and Florida Sheriff's Contract, it was lower using the H-GAC. Previously the Florida Sheriffs contract had been used by the County. A summary of the communication system pricing is shown in **Figure 3.6** below:

FIGURE 3-6
COMMUNICATION SYSTEM COST SUMMARY

Name of Equipment/Area	Cost
Emergency Communications Equipment	\$8,393,226
Services (Engineering and Installation)	\$2,269,153
Subtotal	\$10,662,379
Less H-GAC Discount	\$1,757,523
Less Using Escambia County's Core	\$1,625,616*
Final Contract Price	\$7,279,240

Source: Motorola Pricing Summary, Section B-1 dated September 30, 2014 as included in November -12-14 BoCC Agenda Item Backup

* Net Savings were \$926,557 after Core Upgrades.

The City of Pensacola decided to join the regional project which allowed the County to use their towers, resulting in increased coverage area and enhancing a favorable negotiation position with Motorola using bulk collaborative pricing.

When warranty and long-term maintenance contract discussions arose, Motorola extended the maintenance contract to three (3) years, included an additional six (6) months of warranty, eliminated portions of an existing contract and reduced the annual maintenance fee. The County BoCC approved the radio project and maintenance contract in November 2014 at a total price of \$7,279,240 over a seven (7) year period with 1.79% financing.

Public Works Department Bridge Replacement Process

The Public Works Department uses FDOT District 3 to benchmark County constructed bridges for replacement. When Public Works Department faced an FDOT estimate of \$1.1 M to replace a County bridge, they began to research an alternative bridge replacement option. In lieu of the traditional design-bid-build approach using the County's consultants for design, conventionally bidding the project, and having a consultant oversee construction, the Public



Works Department prepared their own scope for replacement using in-house staff (with the exception of paving which is outsourced).

Using prefabricated components sized to fit on County trailers and lifted with County equipment, the Public Works Department successfully replaced the bridge for approximately \$400,000 resulting in a savings of over \$600,000 compared with the original FDOT estimate. According to the Public Works Department director, other County bridges have been replaced in a similar manner. The Public Works Department's approach attracted the attention of the FDOT as well as that of surrounding peer counties with the idea of potentially duplicating Public Works Department's bridge replacement process. Not all County bridges can be replaced using this method, but significant savings are possible for bridges that fit within the Public Works Department's allowable size.

Compared to other departments within the County, Public Safety offered the best example of collaboration with peer communities for a regional radio system. The Public Works Department provided an example of bridge replacement that gleaned attention from peer communities and the FDOT due to their unique and innovative approach to bridge replacement, which utilizes in-house staff. The Sheriff's department and the Public Works Department attend annual conventions where national experts share roundtable discussions on the latest best practices with other peer communities.

The County provided two (2) examples of changes that were implemented to improve the quality of services at a reduced cost and/or improved productivity. Accordingly, this subtask is met.



RESEARCH TASK 4

GOALS, OBJECTIVES, AND PERFORMANCE MEASURES USED BY THE PROGRAM TO MONITOR AND REPORT PROGRAM ACCOMPLISHMENTS.

FINDING SUMMARY – Overall, Santa Rosa County partially meets Task 4. Program goals and objectives align with the County's strategic plan and are generally clearly stated. However, benchmarks which are measurable tasks that can be achieved within budget were inconsistently included in the Fiscal Year 2019 Adopted Budget. Although the County uses performance measures to evaluate program performance, and objectives, the program reports lack clear documentation as to whether projects are both completed timely and within budget. Internal controls provide reasonable assurance that program goals and objectives will be met.

SUMMARY OF CONCLUSIONS ON RESEARCH SUBTASKS

See the Analysis and Results section below for details regarding these conclusions.

SUBTASK 4.1

Condition: Subtask 4.2 Partially Met

Review program goals and objectives to determine whether they are clearly stated, measurable, can be achieved within budget, and are consistent with the County's strategic plan.

Although program goals and objectives are generally clearly stated and consistent with the County's strategic plan, some of the departments' goals and objectives lack benchmarks that represent measurable tasks to describe performance measures.

Cause: The County did not require departments to formally document goals and objectives.

Effect: Without clearly stated and documented program-level goals and objectives, management's expectations may not be known or met and management lacks a benchmark to assess if performance measures will be sufficient to achieve program goals and objectives, which could result in wasted resources and ineffective service delivery.

Criteria: Setting goals and objectives provides the clearest way to measure success and communicate what the organization is working toward. When goals and objectives are defined, an organization can develop a deeper understanding of the effects of tactical decisions and how they impact the strategic goals.



RECOMMENDATION 4.1

Develop and maintain benchmarks for all departments and goals and objectives which are measurable and can be achieved within budget.

SUBTASK 4.2

Condition: Subtask 4.2 Not Met

Assess the measures, if any, the County uses to evaluate program performance and determine if they are sufficient to assess program progress toward meeting its stated goals and objectives.

Performance measures are reported in the Fiscal Year 2019 Adopted Budget. Some of the descriptions of the performance measures reported in the budget are insufficient to assess program progress toward meeting its stated goals and objectives. Also, no performance measures were reported in the budget for one department. In addition, key performance measures such as monitoring actual costs to the budget and targeted versus actual completion timelines are not listed as a benchmark.

Cause: The County did not require departments to formally document performance measures. The County monitors costs and completion dates yet has not implemented a management report to track over/under budget and timelines for all projects.

Effect: Performance measures may not align with management's expectations or effectively present project progress or outcomes.

Criteria: Performance measures are a best practice emphasizing regularly collecting a limited set of data to determine where objectives are met or improvements can be made.

RECOMMENDATION 4.2

Enhance program performance measures to assess program process toward meeting its stated goals and objectives.

SUBTASK 4.3

Condition: Subtask 4.3 Met

Our work revealed no issues or concerns related to internal controls, including policies and procedures, to determine whether they provide reasonable assurance that program goals and objectives will be met.



ANALYSIS RESULTS & CONCLUSION

SUBTASK 4.1 – Review program goals and objectives to determine whether they are clearly stated, measurable, can be achieved within budget, and are consistent with the County's strategic plan.

To address the requirements of this subtask, the MJ Team requested documentation of the County's program goals and objectives and reviewed them for consistency with the County's strategic plan.

The team first reviewed the County's 2025 Strategic Plan, which is included in the County's Annual Budget, Fiscal Year 2019-Adopted. On June 14, 2018, the Board of County Commissioners (BoCC) adopted the County's 2025 Strategic Plan, which outlines strategic goals, objectives, and priorities. The County completed an in-house staff led strategic planning exercise to refocus the mission and vision statements and to identify values and strategic priorities. As indicated in the budget, this document is a work-in-progress. The previous strategic plan was the Better Santa Rosa Plan which was completed circa 2006. This recent in-house planning effort will be an ongoing process for Santa Rosa County government and an essential component of its management approach. In addition to the strategic plan, the departments' goals and objectives were developed and enhanced with benchmarks and performance measures to give legislators and administrators a way of determining the level of service Santa Rosa County provides. Finally, the Annual Report information in the budget has been added to each department and includes highlights from the prior year.

In the 2019-2020 budget planning cycle, departments identified which of the five strategic priorities are supported by their goals and objectives. **Figure 4-1** presents the County's strategic goals and objectives.

FIGURE 4-1

SANTA ROSA COUNTY GOALS & OBJECTIVES PER THE 2025 STRATEGIC PLAN

GOAL	OBJECTIVE
GOAL 1: Quality of Life – <i>To be a provider of essential services which promote the well-being of our citizens and the livability of our community. A community's livability is reflected in its availability of desirable housing, health, recreational, and cultural opportunities and protecting natural resources and historical legacy.</i>	Advance and encourage social, cultural, and recreational opportunities; preserve natural resources with sustainable programs; and develop and implement a County-wide recreation and beautification plan making Santa Rosa County the place to live, work, and play. <ul style="list-style-type: none">– Develop plans and construct a sportsplex and YMCA where needed in the County– Expand capabilities of County boat ramps for users of all abilities– Improve water and sewer services through partnerships with local utilities– Modify the Land Development Code to encourage developers to plant more trees– Encourage planting or native species



GOAL	OBJECTIVE
GOAL 2: <u>Public Health & Safety</u> – <i>A moral “duty of care” and a legal responsibility to our citizens. We support and promote access to basic health and welfare services to our community members most in need; provide essential public safety infrastructure and services; and, maintain a safe and secure environment through first-rate disaster planning and emergency response.</i>	<p>Continue promoting public safety awareness through education and community outreach; enhance and develop transportation systems; ensure availability of adequate emergency services; provide a communications system that is reliable and current.</p> <ul style="list-style-type: none"> – Engage businesses with disaster preparedness, mitigation and recovery – Develop outreach programs for all public safety components – Advance best practice models for efficiency and effectiveness within public safety communications – Improve fire protection with new non-ad valorem rate structure – Grow public/private partnerships
GOAL 3: <u>Organizational Excellence</u> – <i>Promote employee growth and development while providing exemplary customer service, strengthening the community through strategic partnerships, planning for capital projects, and being adaptive and responsive to change and streamlined processes.</i>	<p>To attract, retain, and grow a quality work force that has the proper knowledge, skills, and abilities.</p> <ul style="list-style-type: none"> – Make salaries more competitive – Promote County’s training programs and encourage higher education – Prioritize employee safety and wellness – Offer daycare assistance for parents/guardians
GOAL 4: <u>Innovative Infrastructure</u> – <i>Cultivate smart growth management by maintaining effective transportation planning and congestion management, increasing energy efficiency and providing stormwater management and flood mitigation.</i>	<p>To expand, improve, and maintain public infrastructure; pursue knowledge and practices leading to more environmentally friendly construction; shift towards green construction for new projects.</p> <ul style="list-style-type: none"> – Proactively develop roads to support growth – Encourage innovative storm water management practices – Improve road interconnectivity – Encourage underground utilities in new developments – Promote small communities with proactive approach by developing LDC language that will allow tiny houses, multigenerational housing or granny flats
GOAL 5: <u>Economic Vitality</u> – <i>Develop an environment that encourages high paying jobs, facilitates public/private partnerships and leverages the unique skills of our veteran population.</i>	<p>To conserve, enhance and promote the County’s tourism destinations; invest in infrastructure to meet current and future needs; develop and implement a County-wide plan for business districts.</p> <ul style="list-style-type: none"> – Expand tax incentives to encourage business growth – Offer incentives for current businesses to beautify and revitalize blighted areas – Leverage the availability of retired military workforce to encourage companies to move to the County – Increase the numbers of events and festivals throughout the County

Source: Santa Rosa County Fiscal Year 2019 Adopted Budget.

The team also reviewed the County’s adopted budget, which documents goals, objectives and performance measures by department. **Figure 4-2** depicts the goals and objectives by department.



FIGURE 4-2

DEPARTMENTAL GOALS AND OBJECTIVES PER THE ADOPTED BUDGET

Per County Budget		How Aligned with County's Strategic Plan
Mission	Goals and Objectives	
County Engineer The Engineering department provides technical support to all County operations and departments. Services include engineering, planning, surveying, environmental and regulatory permitting, design and construction document preparation, and inspection for multiple County projects involving stormwater management, traffic management and control systems, roadway improvements, airport infrastructure, hazard mitigation, County-owned water and wastewater systems and industrial park infrastructure improvements. Additionally, all commercial site plans and subdivision developments are reviewed to determine potable water, wastewater concurrency, and compliance with the County's stormwater requirements through the land development code.	Goals & Objectives: <ul style="list-style-type: none"> – Deliver excellent customer service – Design, construct and maintain infrastructure – Promote economic development – Initiate new technologies and cost saving measure – Provide consistent reviews and interpretations of codes and policies 	Goal 4 - Innovative Infrastructure
Office of Management and Budget-Information Technology and GIS Information technology (IT) and Geographical information system (GIS) provide services, including project and capital related work to all County departments/divisions to aid in the effective delivery of IT services that support the business needs of the County and programming to all County departments/divisions to aid in the effective delivery of citizen focused services.	Goals & Objectives: <ul style="list-style-type: none"> – Promote and deliver software as service solutions via the web and potentially create alternate revenue funding sources for Information Technology Services – Reduce the emissions and energy consumption from the use of GIS and technology – Make government information more available, accessible, and affordable – Provide training and educational materials for all levels of GIS users 	Goal 4 - Innovative Infrastructure - Support
Public Works Performs maintenance and improvements to roads, parks and County buildings.	No Goals & Objectives or Benchmark data available.	Goal 4 - Innovative Infrastructure
Public Works Building Maintenance	Goals & Objectives: <ul style="list-style-type: none"> – Coordinate, direct and perform the daily interior/exterior maintenance operations of BoCC-owned and leased buildings – Provide a clean, comfortable, energy-efficient work environment for personnel to fulfill customer 	Goal 4 - Innovative Infrastructure



Per County Budget		How Aligned with County's Strategic Plan
Mission	Goals and Objectives	
	<p>needs and meet the service expectations of the citizens of Santa Rosa County</p> <ul style="list-style-type: none"> – Ensure the health and safety of the buildings' occupants by checking and maintaining conditions to ADA and IAQ standards 	
<p>Public Works-Parks & Recreation Provide management of the County parks system, administration for Peter Prince Field, and County record management compliance.</p>	<p>Goals & Objectives:</p> <ul style="list-style-type: none"> – Improve maintenance program within County owned park facilities – Improve access to park and recreation facilities – Improve safety and sense of security for park users – Develop comprehensive park identification/signage program – Meet current and future recreational needs of our community 	<p>Goal 4 - Innovative Infrastructure Goal 1 - Quality of Life</p>
<p>Public Works-Road and Bridge Mission includes roadway maintenance, such as paving and resurfacing, dirt road grading, drainage work, bridge repair, shoulder repair, roadside mowing, brush removal, retention pond maintenance, sign installation and repair, litter removal, and numerous other services. The department also undertakes some new construction projects including bridges, sidewalks, boat ramps, fishing piers, and parking lots.</p>	<p>Goals & Objectives:</p> <ul style="list-style-type: none"> – Respond in a timely manner to citizen concerns related to maintenance issues associated with County infrastructure – Enhance the safety and drivability of County roadways and bridges – Maintain rights of way and other County properties in a safe and aesthetic condition <p>Benchmarks:</p> <ul style="list-style-type: none"> – Complete all paving operations in the fiscal year they are approved – Rebuild two (2) bridges per year – Complete critical maintenance efforts within five (5) working days – Complete driveway and other inspections within three (3) working days – Mow retention ponds once per year – Mow arterial roadways three (3) cycles per year 	<p>Goal 4 - Innovative Infrastructure</p>



Per County Budget		How Aligned with County's Strategic Plan
Mission	Goals and Objectives	
Public Safety (PS) Public Safety consists of four departments, animal services, emergency management, enhanced 911 and emergency communications. Staff from these divisions also work very closely with fire and rescue and emergency medical services.	No Goals & Objectives or Benchmark data available.	Goal 2 - Public Health & Safety
PS-Emergency Communications The Emergency Communications Center (ECC) is the primary 9-1-1 answering point for Santa Rosa County. The ECC also dispatches and tracks all EMS/Fire department responses along with after hours' calls for other County offices. The center is a 24/7/365 operation.	Goals & Objectives: <ul style="list-style-type: none">– Continue 911 awareness and community CPR/AED programs– Dispatch fire calls within NFPA requirements– Achieve higher ISO point rating Benchmarks: <ul style="list-style-type: none">– Fire calls dispatched 95% of time in under 100 seconds– 911 calls answered 98% of the time in ten (10) seconds or less	Goal 2 - Public Health & Safety

Source: Fiscal Year 2019 Adopted Budget.

Based on the information reviewed, the MJ Team concluded that program goals and objectives are generally clearly stated and are consistent with the County's strategic plan. As indicated in the 2019 Adopted Budget, specific projects are identified and costs are budgeted based on estimated costs. The cost estimates may be based on engineering or departmental estimates or vendors' quotes to determine if project costs can be achieved within budget. Competitive procurement procedures as required by Board ordinance and the procurement policy manual are designed to provide the best price for purchase and construction.

However, the County's goals should be separated from the objectives. A goal is a desired result to achieve and is typically broad and long-term. An objective, on the other hand, defines the specific, measurable actions to achieve the overall goal. In addition, some of the departments' goals and objectives lack benchmarks. In general, the County uses benchmarks to represent measurable tasks that describe performance measures. For example, for the benchmark "Fire calls dispatched 95% of time in under 100 seconds", the performance measure is "Percent of fire calls dispatched in under 100 seconds". Only Emergency Communications and Road and Bridge Departments include benchmarks in the Fiscal Year 2019 Adopted Budget. Accordingly, the subtask is partially met.



SUBTASK 4.2 – Assess the measures, if any, the County uses to evaluate program performance and determine if they are sufficient to assess program progress toward meeting its stated goals and objectives.

To perform the assessment, the MJ Team interviewed County management regarding their documentation of program measures and determining if they successfully meet its program goals and objectives.

As indicated in subtask 1.2, a distinction must be made between performance measurement and performance evaluation. In summary, performance measurement data *describe program achievement* while program evaluation *assesses program performance* against the achievement data and explains the results. This subtask is closely related to subtasks 1.2, 1.5, and 5.3. Accordingly, the MJ Team coordinated closely to ensure consistency. The focus of this subtask 4.2 is the *identification* of performance measures.

The MJ Team reviewed performance measures documented in the County's Fiscal Year 2018-2019 Adopted Budget. **Figure 4-3** through **4-6** present the performance measures and reported results in the budget. No performance measures were reported in the budget for Public Works – Building Maintenance.

Figure 4-3 presents the County Engineer's performance measures. In comparing the performance measures to the goals and objectives, it is not clear which goal and objective each performance measure addresses.

FIGURE 4-3
DEPARTMENTAL PERFORMANCE MEASURES PER FISCAL YEAR 2019 BUDGET
COUNTY ENGINEER

Performance Measures	FY 2018 Actual	FY 2019 Projected	Goals & Objectives
<i>Subdivisions Reviews</i>	11	11	Goals & Objectives: 1. Deliver excellent customer service 2. Design, construct and maintain infrastructure 3. Promote economic development 4. Initiate new technologies and cost saving measure 5. Provide consistent reviews and interpretations of codes and policies
<i>Site Plan Reviews</i>	57	60	
<i>In-house Engineering Projects</i>	4	6	
<i>Project Management</i>	45	40	

Source: Santa Rosa County Fiscal Year 2019 Budget, Page 119.

Figure 4-4 presents the Public Works-Parks and Recreation's performance measures. In comparing the performance measures to the goals and objectives, it is not clear which goal and objective each performance measure addresses. It appears that Playground Maintenance refers



to improving the maintenance programs and Updated Welcome Signs address the signage program.

FIGURE 4-4

DEPARTMENTAL PERFORMANCE MEASURES PER FISCAL YEAR 2019 BUDGET

PUBLIC WORKS – PARKS AND RECREATION

Performance Measures	Unit of Measure	FY 2018 Actual	FY 2019 Projected	Goals & Objectives
<i>Playground Maintenance</i>	Number	387	316	Goals & Objectives: <ol style="list-style-type: none"> 1. Improve maintenance program within County owned park facilities 2. Improve access to park and recreation facilities 3. Improve safety and sense of security for park users 4. Develop comprehensive park identification/signage program 5. Meet current and future recreational needs of our community
<i>Playground Inspections</i>	Number	1,389	438	
<i>Updated Welcome Signs @ Parks</i>	Number	2	32	

Source: Santa Rosa County Fiscal Year 2019 Budget, Page 152.

Figure 4-5 presents the Public Works-Road and Bridge's performance measures. In comparing the performance measures to the benchmarks, it is clear which benchmark each performance measure addresses. However, it would be clearer if the performance measures were more specific. For example, instead of only Work Orders Completed, to also indicate the Percent of Critical Work Orders Completed Within Five Working Days.

FIGURE 4-5

DEPARTMENTAL PERFORMANCE MEASURES PER FISCAL YEAR 2019 BUDGET

PUBLIC WORKS – ROAD AND BRIDGE

Performance Measures	Unit of Measure	FY 2018 Actual	FY 2019 Projected	Goals & Objectives and Benchmarks
<i>Paving Operations</i>	Miles	49.12	44.5	Goals & Objectives: <ol style="list-style-type: none"> 1. Respond in a timely manner to citizen concerns related to maintenance issues associated with County infrastructure 2. Enhance the safety and drivability of County roadways and bridges 3. Maintain rights of way and other County properties in a safe and aesthetic condition
<i>Bridge Construction</i>	Number	1	2	
<i>Work Orders Completed</i>	Number	4,554	4,900	
<i>Driveway Inspections</i>	Number	4,800	5,200	
<i>Retention Ponds Mowed</i>	Number	157	520	
<i>Arterial Roads Mowed</i>	Miles	1,200	1,200	



Performance Measures	Unit of Measure	FY 2018 Actual	FY 2019 Projected	Goals & Objectives and Benchmarks
				Benchmarks: <ol style="list-style-type: none"> 1. Complete all paving operations in the fiscal year they are approved 2. Rebuild two bridges per year 3. Complete critical maintenance efforts within five (5) working days 4. Complete driveway and other inspections within three (3) working days 5. Mow retention ponds once per year 6. Mow arterial roadways three cycles per year

Source: Santa Rosa County Fiscal Year 2019 Budget, Page 156.

Figure 4-6 presents the Public Safety-Emergency Communications performance measures. In comparing the performance measures to the benchmarks, it is clear which benchmark each performance measure addresses.

FIGURE 4-6

**DEPARTMENTAL PERFORMANCE MEASURES PER FISCAL YEAR 2019 BUDGET
PUBLIC SAFETY – EMERGENCY COMMUNICATIONS**

Performance Measures	Unit of Measure	FY 2018 Actual	FY 2019 Projected	Goals & Objectives and Benchmarks
E-911 Calls Answered in <10 sec	Percent	99	98	Goals & Objectives: <ol style="list-style-type: none"> 1. Continue 911 awareness and community CPR/AED programs 2. Dispatch fire calls within NFPA requirements 3. Achieve higher ISO point rating Benchmarks: <ol style="list-style-type: none"> 1. Fire calls dispatched 95% of time in under 100 seconds 2. 911 calls answered 98% of the time in ten (10) seconds or less
Fire Calls Dispatched <100 sec	Percent	*	95	

Source: Santa Rosa County Fiscal Year 2019 Budget, Page 188.



Key performance measures include monitoring actual versus budgeted expenditures and target versus final completion dates. These performance measures are not listed as benchmarks in the Fiscal Year 2019 budget and sample reports indicating how these are monitored were not provided.

The County maintains diverse project status spreadsheets instead of developing standard forms for all projects such as the following best practices examples of a Project Summary Sheet and Monthly Progress Report. These examples can be modified to fit the County's requirements and to enhance reporting performance measures such cost and timeline variances. The key components include the following.

Project Summary Sheets

The project summary sheet serves as a management tool to monitor project costs and also provides historical evidence should the need arise to look back at the project's financial activities. This is an effective internal control.

A project summary sheet is prepared and updated for each payment made, change order, and at project completion. This summary sheet tracks the financial aspects of the respective project. **Figure 4-7** provides a project summary sheet example.



CONSTRUCTION PROJECT #		17009		TOTAL PROJECT BUDGET		\$ 7,000,000.00	
LAWSON PROJECT NUMBER:		8619		TOTAL DESIGN & CONSTRUCTION BUDGET		\$ 5,684,900.00	
PROJECT NAME:		Robinson HS Addition		TOTAL DESIGN & CONSTRUCTION COST		\$5,187,226.04	
SDHC ADMINISTRATOR		Chuck Plante		Over/Under Budget		\$ 497,673.96	
				Over/Under Budget % 9%			
CONTRACTOR / CONSTRUCTION MANAGER:				ARCHITECT:			
NAME:		Ajax Building Corporation		NAME:		John J. McKenna	
DATE APPOINTED:		05/02/17		DATE APPOINTED:		05/02/17	
<i>*Please see Bond for complete names of Bonding Companies</i>							
BONDING CO.:		Liberty Mutual Ins. Co. Bond #01607265;		SCHEMATIC DESIGN			
ADDRESS:		175 Berkeley Street		DESIGN DEVELOP.		100% APPROVED	
LOCATION:		Boston, MA 02116		CONSTRUCT. DOC.		05/15/18 100% APPROVED	
				GUAR. MAXIMUM PRICE		05/15/18 100% APPROVED	
CONTRACT COMPLETION DATE:		03/26/19		PROJECT SQUARE FOOTAGE <input type="text"/> SF			
REVISED COMPLETION DATE:							
SUBSTANTIAL COMPLETION DATE:							
BOARD ACCEPTANCE DATE:							
TIME EXTENSIONS APPROVED		<input type="text"/> (# of days)		APPROVED		<input type="text"/> (date)	
		<input type="text"/> (# of days)		APPROVED		<input type="text"/> (date)	
ORIGINAL GUARANTEED MAXIMUM PRICE:				\$4,859,768.00		PRECONSTRUCTION:	
						FEE: \$44,336.00	
C/O #1		07/23/18 (\$825,000.00)		Direct Purchase		C/O #1 (amount)	
C/O #2		(date) (amount)				C/O #2 (amount)	
C/O #3		(date) (amount)				C/O #3 (amount)	
C/O #4		(date) (amount)				REVISED: \$44,336.00	
C/O #5		(date) (amount)					
C/O #6		(date) (amount)					
C/O #7		(date) (amount)					
C/O #8		(date) (amount)					
C/O #9		(date) (amount)					
CHANGE ORDERS (NET TOTAL)				(\$825,000.00)		-17.0% if 10% or +\$300,000 (whichever is less) requires Board Approval	
REVISED GUAR. MAXIMUM PRICE				\$4,034,768.00		REVISED GMP (Includes ODP) \$4,034,768.00	
COMPLETED & STORED TO DATE				\$393,709.85		DIRECT PURCHASE #1 (\$825,000.00)	
RETAINAGE				\$30,637.98		DIRECT PURCHASE #2 (amount)	
LIQUIDATED DAMAGES				\$0.00		DIRECT PURCHASE #3 (amount)	
AMOUNT PAID TO DATE				\$363,071.87		DIRECT PURCHASE #4 (amount)	
BALANCE DUE ON CONTRACT				\$3,671,696.13		DIRECT PURCHASE #5 (amount)	
						DIRECT PURCHASE #6 (amount)	
						DIRECT PURCHASE #7 (amount)	
						DIRECT PURCHASE #8 (amount)	
						DIRECT PURCHASE TAX SAVINGS (\$53,971.96)	
PERCENT CONTRACT PAID				9.00%		REVISED TOTAL CONSTRUCTION COST \$4,805,796.04	
ORIGINAL DESIGN SERVICE FEE:				\$354,900.00		REIMBURSABLES:	
						INITIAL: \$10,000.00	
Reimbursables		\$10,000.00		Geotechnical Services		ADS # (amount)	
ADS #1		10/11/17 \$3,950.00		New Entry Canopy		ADS # (amount)	
ADS #2		05/08/18 \$11,700.00		(Description)		ADS # (amount)	
ADS #3		06/18/18 \$880.00		(Description)		ADS # (amount)	
ADS #4		(date) (amount)		(Description)			
ADS #5		(date) (amount)		(Description)		REVISED: \$10,000.00	
ADS #6		(date) (amount)		(Description)			
ADS #7		(date) (amount)		(Description)			
TOTAL ADDITIONAL DESIGN SERVICE (NET TOTAL)				\$26,530.00		7.5% 10% or \$300,000 (whichever is less) requires Board Approval	
REVISED DESIGN SERVICE FEE				\$381,430.00		Total Paid	
						REVISED TOTAL DESIGN COST \$381,430.00	



McCONNELL & JONES LLP
CERTIFIED PUBLIC ACCOUNTANTS



Monthly Progress Report – Best Practice Example

The monthly progress report provides summary details of the project and also includes a picture of the project's progress. In addition to project details, key information includes the following:

- Contract status in terms of approved budget and amount billed, percentage of dollars expended, contract calendar days, calendar days expended, and percentage of time expended. These measures enable project managers to quickly identify potential problems. For example, if the contractor has billed a significantly higher percentage of the contract amount compared to the percentage of calendar days expended it could indicate that the contractor may be in a position that the budget will be depleted before the project is completed.
- Key milestone dates that include project start date, certificate of occupancy date, substantial completion date, final completion date and total project duration.


Figure 4-8 provides a monthly progress report example. The County can establish the criteria for using a monthly progress report such as for major projects over \$100,000. In addition, it may be feasible for the County to design a progress report template in the in-house developed GoTracker project management system.



FIGURE 4-8
MONTHLY PROGRESS REPORT – BEST PRACTICE EXAMPLE

T1-Q1-Monthly Progress Report to Monitor Project Performance and Cost

MONTHLY PROGRESS REPORT



PROJECT DIRECTORY:
Construction Manager/GC: Creative Contractors, Inc.
PROJECT MANAGER: Ben Harger
PROJECT SUPERINTENDENT: John Fraley / Shane McCray
PROJECT OFFICE ACCOUNTANT: Jennifer Hall
Engineer: Lyle Engineering Group, Inc.
PRINCIPAL: Roy Moral
ASSOCIATE:
Structural Engineer: N/A
Civil Engineer: N/A
Mechanical Engineer: Lyle Engineering Group, Inc.
Electrical Engineer: Lyle Engineering Group, Inc.

REPORT DATE, PREPARED BY: 06/27/2018 Ben Harger

PROJECT DESCRIPTION:
Building Use: Elementary School
Construction Type: 2 story masonry, concrete, and steel structure
Total Square Footage: 78,000
Student Stations: NA
Number of Floors: 2
Foundation Type: Spread Footing
Structural Frame: Masonry
Exterior Skin: Stucco over Masonry
Roof System: Modified Bitumen Roof

SITE STATS:
TOTAL AREA (ACRES): 3
SURFACE PARKING SPACES (EACH): Existing
OF HANDICAP SPACES: Existing

CONTINGENCIES (current \$)
Contingency: \$97,217

OTHER: NONE

PROJECT INFORMATION:
Name: Cypress Creek Elem. School HVAC Replacement
Address: 4040 19th Ave NE
City/State/Zip: Ruskin, FL 33573
District Job Number: 17023

PROJECT OVERVIEW: A=Actual, P=Projected

	Date	A/P
Project Start Date (NTP):	05/02/18	A
Structure top out Date:	NA	
Permanent Power Date:	NA	
Certificate of Occupancy Date:	08/03/18	P
Substantial Completion Date:	08/03/18	P
Date of Actual Building Occupancy:	08/02/18	P
Date of Final Completion:	08/10/18	P
Total Project Duration:	70 Days	

ADMINISTRATIVE OVERVIEW:
Total # of Subcontracts Anticipated: 4
of Subcontracts Issued: 4
of OSD Agreements Executed: TBD
\$ Value of OSD Agreements: TBD

PROGRESS PENDING ISSUES (& RESPONSIBILITIES):
Current Critical Issues:

Issue	Responsibility
No significant issues to report at this time.	

COMMENTS:

SCHEDULE POSITION (actual (+ days = ahead of schedule))
Critical Path Report: 0

CONSTRUCTION UPDATE:

TYPE	% COMP.	REMARKS
Moving	100%	Furniture move is complete as of 5/31
Temp Prot	100%	Installing floor/millwork/window protection
Demo	100%	AHUs and 30% of first floor complete on 5/31
HVAC	50%	Working on HVAC Demo
Elec	50%	Working on Electrical safing and UG
ACT	40%	

CONTRACT STATUS:
CURRENT CONTRACT AMOUNT: \$ 3,008,615.55
AMOUNT BILLED TO DATE: \$ 1,385,159.04
PERCENT DOLLARS EXPENDED: 46%
CONTRACT CALENDAR DAYS: 70
CALENDAR DAYS EXPENDED: 36
PERCENT TIME EXPENDED: 51%
TOTAL LOST WEATHER DAYS: 0

Source: MJ's Best Practices Research.



As previously indicated, some of the descriptions of the performance measures reported in the budget are insufficient to assess program progress toward meeting its stated goals and objectives. Also, no performance measures were reported in the budget for Public Works' Building Maintenance Department.

In addition, key performance measures such as monitoring actual costs to the budget and targeted versus actual completion timelines are not listed as a benchmark. Although such information may be available in project files, the County did not provide a standard management report by project which demonstrates that cost and timing variances are monitored and reported. Thus, this subtask is not met.

SUBTASK 4.3 – Evaluate internal controls, including policies and procedures, to determine whether they provide reasonable assurance that program goals and objectives will be met.

To address the requirements of this subtask, the MJ Team addressed various aspects of program oversight including the following:

- The chairman of the Local Option Sales Tax (LOST) Citizen Oversight Committee reported that the committee meets quarterly to monitor, review, and approve or reject the projects allocated program funds to ensure compliance with the overall program goals and objectives.
- The county attorney reviews program expenditures when there is new project development as part of the budget process and Board agenda review to ensure expenditures are allowable.

The MJ Team also reviewed various policies and procedures and program reports, to determine if they provide reasonable assurance that program goals and objectives will be met. The documents were reviewed in light of the guiding principles in the COSO Internal Control – Integrated Framework. The *COSO Internal Control – Integrated Framework* is laid out into five (5) components that incorporates 17 principles incorporating internal controls. The five (5) components are:

- **Control environment** – Sometimes referred to as "the tone at the top". Control environment refers to the example set by executive management in its attitude toward the organization's internal controls and processes. In short, control environment refers to the extent to which management "walks the walk" in its approach to protecting the organization's reputation, assets and resources
- **Risk assessment** – What can possibly go wrong? Risk assessment seeks to identify business risks, both external and internal, that could prevent the organization from achieving its objectives.
- **Control activities** – Control activities refer to the policies and procedures put in place to meet the organization's objectives, while minimizing the potential for things to go wrong.



- **Information and communication** – Information and communication refers to the flow of relevant information both to and from management regarding the effectiveness of the internal controls and meeting the organization's objectives. For example, providing management with a report that shows performance results compared to goals and a written explanation of the deviation causes.
- **Monitoring activities** – These are the processes, tasks, reports and actions that management has in place to evaluate the performance of its internal controls and also identify and correct any flaws in the system.

The following reports and policies and procedures listed in **Figure 4-9** were reviewed in relation to the internal control components.

FIGURE 4-9

EXAMPLES SUPPORTING INTERNAL CONTROL ENVIRONMENT

	Control Environment	Risk Assessment	Control Activities	Information and Communication	Monitoring Activities
<i>LOST project reporting in the Fiscal Year 2019 Adopted Budget which lists the projects approved by the LOST citizen committee and the Board of County Commissioners.</i>	X	X	X	X	X
<i>Comprehensive Annual Financial Report</i>	X	X	X	X	X
<i>Annual Adopted Budget</i>	X	X	X	X	X
<i>Board of County Commissioners reviews and approval of financial transactions</i>	X	X	X	X	X
<i>Finance reports including the Monthly Budget Report which tracks the program revenue and expenditures.</i>	X	X	X	X	X
<i>Management reports described in Subtask 1.1 such as Public Works' Paving Report which indicates the project location and description, finish date, task number, length and cost.</i>	X				X
<i>Procurement Manual effective June 27, 2019 which includes purchasing and guidelines for competitive sealed bid proposal instructions.</i>	X				

These internal controls provide reasonable assurance that program goals and objectives will be met. Thus, this subtask is met.



RESEARCH TASK 5

THE ACCURACY OR ADEQUACY OF PUBLIC DOCUMENTS, REPORTS, AND REQUESTS PREPARED BY THE COUNTY WHICH RELATE TO THE PROGRAM.

FINDING SUMMARY – Overall, Santa Rosa County meets Task 5. The County has developed adequate financial and non-financial information systems which are useful, timely, and accurate. The County uses news releases and social media platforms when important, time sensitive information needs to be conveyed to the public quickly. The County makes program budget, cost, and performance data available on its website and provided evidence that processes are in place to ensure accuracy and completeness. The County has processes in place to correct erroneous and incomplete information timely and provided evidence that these processes are followed. The County has systems in place to check data prior to publication. However, the County lacks data quality standards and should implement a formal evaluation process (report) to periodically evaluate the adequacy and accuracy of information provided to the public after publication. This evaluation should address factors such as whether the information is still relevant, useful, and did it reach its intended audiences. The evaluation standards should be created by all staff responsible for developing public documents.

SUMMARY OF CONCLUSIONS ON RESEARCH SUBTASKS

See the Analysis and Results section below for details regarding these conclusions.

SUBTASK 5.1

Our work revealed no issues or concerns related to whether the program has financial and non-financial information systems that provide useful, timely, and accurate information to the public.

SUBTASK 5.2

Condition: Subtask 5.2 Partially Met

Review available documents, including relevant internal and external reports that evaluate the accuracy or adequacy of public documents, reports, and requests prepared by the County related to the program.

Although the Public Information Office prepares internal analytics reports to measure the County's website traffic (e.g., page views, and length of time a user views a specific page), the data obtained from these reports is not sufficient to ensure that information is adequate and accurate.

Cause: The Public Information Office has taken steps using internal analytics reports to strengthen the accessibility and quality of data provided to the public. However, no additional processes have been put in place to ensure the accuracy and adequacy of data.



Effect: Without a clear process to evaluate and ensure the accuracy and adequacy of public data, community members may lose confidence in the reliability of information.

Criteria: Communications best practices suggest that data quality standards be established and that these quality objectives be linked to business/organization objectives.

RECOMMENDATION 5.2

Establish data quality standards and implement a formal evaluation process (report) that addresses the adequacy and accuracy of information provided to the public and communicate these standards and evaluation results to all staff responsible for developing public documents.

SUBTASK 5.3

Our work revealed no issues or concerns related to whether the public has access to program performance and cost information that is readily available and easy to locate.

SUBTASK 5.4

Our work revealed no issues or concerns related to whether processes the program has in place to ensure the accuracy and completeness of any program performance and cost information provided to the public.

SUBTASK 5.5

Our work revealed no issues or concerns related to whether the program 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 that these procedures provide for adequate public notice of such corrections.

ANALYSIS RESULTS & CONCLUSION

SUBTASK 5.1 – Assess whether the program has financial and non-financial information systems that provide useful, timely, and accurate information to the public.

To address the requirements of this subtask, the MJ Team conducted a focus group interview with the assistant public information officer, the administrative coordinator, and the computer support/web technician I.

The MJ Team also evaluated relevant documents that are available to the public on the County's website during fieldwork (conducted July 15-19, 2019) to determine usefulness, timeliness, and accuracy. **Figure 5-1** provides sample documents that are on the County's website. Most organizations consider the website to be the primary communications system (tool) that is used to ensure the public has access to pertinent, accurate, and timely data.



FIGURE 5-1

CURRENT FINANCIAL AND NON-FINANCIAL INFORMATION ON THE WEBSITE

Sample Documents Available to the Public on the Website	
Financial Information	Description/Purpose
<i>Comprehensive Annual Financial Report (CAFR) 2017 – 2018</i>	<p>State law requires that every general purpose local government publish, within forty-five days after the completion of the audit report but no later than nine months after the close of each fiscal year, a complete set of audited financial statements.</p> <p>This report provides a complete set of fiscal year-end financial statements presented in conformity with <i>generally accepted accounting principles (GAAP)</i> and audited in accordance with <i>generally accepted auditing standards</i> by a firm of licensed certified public accountants.</p>
<i>Fiscal Year 2019 Adopted Budget</i>	<p>This document was prepared in accordance with Chapter 129, 200 and 197 of the <i>Florida Statutes</i>. This budget document is comprised of the General Funds, Special Revenue Funds, Debt Service Funds, Capital Project Funds, Permanent Funds, Enterprise Funds and Internal Service Funds.</p> <p>The 2025 Strategic Plan is included in the budget document.</p> <p>This budget is balanced, sustainable, responsible, and reflective of the Board of County Commissioners' (BoCC) directives that began in February. These directives were to keep the current millage rate of 6.0953, maintain a strong commitment to public safety, include a merit increase for the employees plus additional compensation adjustments to respond to salary survey results, and continue planning and investing in infrastructure.</p>
<i>On-line Check Register and Budget Amendments</i>	<p>Check registers and budget amendments outlining all board spending are published on all Board of County Commissioner Agendas. These documents are available for each Committee and Regular Commissioner Meeting. Notice of these meetings is published in the local newspaper as required by statute. Once the agenda is published on the website, a news release is sent as well as an event notice on Facebook.</p>
<i>Single Audit Report 2017 – 2018</i>	<p>The purpose of this report is to ensure the County is in compliance with the federal program's requirements for how the money can be used.</p>
<i>Municipal Service Benefit Unit (MSBU) Assessments</i>	<p>The Board of County Commissioners, pursuant to <i>Florida Statute</i> and County Ordinance, may create a Municipal Services Benefit Unit (MSBU) to serve a specific area of the County. The MSBU may be created for: road paving, sewer lines, street lighting, speed humps, and Ofire protection, etc.</p>

**Sample Documents Available to the Public on the Website**

Non-Financial Information	Description/Purpose
<i>Meeting Agenda and Minutes</i>	<p>These types of agenda typically provide an opportunity for appropriate public participation. This can be used to increase awareness of an issue or proposal, and can be a starting point for, or an ongoing means of engaging, further public involvement.</p> <p>Meeting videos are available to the public to watch at any time. The public can also download meeting agenda and agenda packet. Agendas are available prior to the meetings. Minutes are available following approval.</p> <p>The County maintains meeting minutes for one-year on the website.</p>
<i>Customer Service Website Link</i>	<p>The link is maintained on the County website homepage so that web visitors can find easy access to the County department staff directory telephone numbers. Users can contact the Customer Service telephone number to receive general information from one central source rather than being routed to multiple departments.</p>
<i>Public Meeting Audio Feeds</i>	<p>The website link to live and archived video feeds are available on the County website homepage to keep community members informed of important meeting content.</p>
<i>Individual Department Page Links</i>	<p>Provides informational updates such as road closures and calendars for use of recreational facilities, etc.</p>
<i>Infographics</i>	<p>Graphic presentations of projects and other information that presents a visual image of projects supported by brief facts.</p>
<i>Quarterly Reports</i>	<p>Provides project descriptions and cost information (Quarterly reports were discontinued in October 2018 as the County transitions to more user friendly project management software).</p>
<i>News and Social Media Releases</i>	<p>The Public Information Office distributes news to the public through a variety of avenues from news releases to social media accounts.</p>
<i>Street Paving Progress 2009 – Current Map</i>	<p>This map shows all County-maintained roads that have been paved since 2008. It also includes information such as paving date, funding source, cost and length paved.</p>
<i>2018 Comprehensive Emergency Management Plan</i>	<p>This document contains information pertaining to the planning process, trends in disaster, potential hazards to which Santa Rosa County is vulnerable, vulnerable locations and populations, and the concept of operations for Emergency Management.</p>
<i>2040 Planning Document</i>	<p>Document that outlines goals, objectives and policies related to future land use, transportation, housing, infrastructure, coastal management, conservation, recreation, capital improvements, and intergovernmental coordination.</p>

Source: Compiled by the MJ Team.



In addition to the website, the County primarily uses news releases and social media to ensure community members receive useful, up-to-date, accurate information.

The Public Information Office regularly issues news releases to local newspapers and media outlets to keep the public informed about project status updates. News releases (often accompanied by photos and videos) are typically issued for important safety messages and to provide project updates. For example, at the conclusion of infrastructure project construction for which LOST funding is used, a news release is generally drafted to note the project funding sources and other important details.

Social media platforms such as Facebook, Twitter, Instagram, and NextDoor are also used to keep the community sufficiently informed. The Public Information Office as well as each of the five (5) members of the Santa Rosa Board of County Commissioners (BoCC) have Facebook pages and use social media to keep community members informed about financial (budget and cost) and non-financial (status) aspects of projects “real time.” Many of the sample social media postings provided by the County showed community members “liked” the posting, which indicates favorable feedback for the information provided.

The MJ Team evaluated the timeliness of the financial documents presented in **Figure 5-1** based on the preparation calendar the County provided for each report, and determined that all documents were completed on schedule and made available to the public shortly thereafter. The MJ Team also evaluated the timeliness of the non-financial documents shown in **Figure 5-1**. For example, upon a review of sample Board of Commissioner meeting notices and minutes, it was noted that meeting notices were posted in the newspaper timely and meeting materials were sent to Commissioners timely. Public meeting audio feeds are “live” and therefore, timely. Live feed videos are archived for continued access. Sample news releases were reviewed and those that were evaluated were published in sufficient time to apprise the public of the event noted. Dates on sample social media postings provided to the MJ Team also demonstrated timely dissemination to the public.

Accordingly, the MJ Team concludes that public documents prepared by the County are useful, timely and available to the public.

SUBTASK 5.2 – Review available documents, including relevant internal and external reports that evaluate the accuracy or adequacy of public documents, reports, and requests prepared by the County related to the program.

To address the requirements of this subtask, the MJ Team interviewed the assistant public information officer, the administrative coordinator, and the computer support/web technician I. We also reviewed various electronic media sources and documents, which included:

- Website pages and links;
- Sample news releases and social media postings;
- Internal utilization analytics;



- Sample financial and non-financial reports maintained on the County website; and
- Live and archived meeting video/audio.

Four (4) County staff members have responsibility for ensuring public documents are available, adequate, and accurate for public use. These staff members are as follows:

The public information officer (PIO) has primary responsibility for issuance of accurate and timely information to Santa Rosa County community members, the media and Board of County Commissioner's employees. The PIO serves as primary point of contact for media inquiries and monitors coverage; manages the County's social media accounts; assists with managing website content; and coordinates with other departments regarding drafting news releases and sends out releases in a timely manner. The PIO also attends County Commissioner meetings and other meetings as necessary to stay informed on County activities.

The assistant public Information officer (APIO) assists the PIO in coordinating County communications and releases accurate and timely information to Santa Rosa County community members, the media, and Board of County Commissioners' employees. The APIO serves as secondary point of contact for media inquiries and monitors coverage; manages County's social media accounts; assists with managing website content; produces videos related to County activities/projects; and livestreams public meetings/activities as appropriate.

The administrative coordinator achieves customer service objectives by preparing and completing action plans; gathers budget, cost, and program performance data and prepares special reports for public/citizen presentations and education; works with IT staff and department staff to design/develop programs that will generate efficiencies in daily operations throughout BoCC operations; develops and maintains tracking mechanisms for workforce task versus resources; tracks program development improvements initiated or implemented by county administrator; and assists commissioners through the county administrator by developing case studies to answer citizen questions and concerns.

The computer support/web technician I assists in updating County web pages, creates and edits web graphics and ensures all web pages and documents meet American with Disabilities Act (ADA) compliancy requirements; assists with posting minutes to the website; assists with maintaining help desk documentation; operates in a multi-software environment; provides technical support as needed for hardware, software, and imaging.

The County's website is hosted by CivicPlus. CivicPlus specializes in offering integrated website solutions which includes a content management system, website hosting, mass and emergency notifications, recreation management, agenda and meeting management and more for governmental agencies.

The Public Information Office prepares internal analytics reports to measure the County's website traffic. Examples of these statistics show that the website received nearly 1.08 million page views for the period between July 1, 2018 and July 22, 2019. The website received 776,000 unique page views during this same time period and the average time a viewer spent on a page was approximately 58 seconds. For this same time period, analytics showed that the



Local Option Sales Tax Information (LOST) page received 454 page views, 359 unique page views, and the average length of time a viewer spent on this page was 1 minutes and 55 seconds.

While during the fieldwork review and analysis of data, the MJ Team did not uncover any instances where County data in the public domain was inaccurate, the standard for Subtask 5.2 is in part that internal or external reports be prepared to evaluate the accuracy of data and this function is not being performed. The Public Information Office uses internal analytics reports to measure website traffic and to informally measure adequacy of data (through social media feedback); however, no formal report or process is in place to evaluate the accuracy and adequacy of the County's public information.

The U.S. Government Accountability Office and IDashboards suggest that public sector/governmental organizations need best practice standards for accurate and timely information to: 1) ensure accountability, 2) manage service effectiveness, and 3) prioritize the best use of resources. An example of the application of this best practice would be to conduct a regular evaluation/audit (e.g., bi-weekly, monthly, or quarterly depending on the function) of the content of information.

The four (4) County staff members responsible for public information should work together to develop a process for establishing quality standards and a formal process for public data integrity. This process should involve a "sweep" of the content by navigating website and social media pages to ensure the content remains useful and accurate.

Figure 5-2 presents the type of criteria the County should consider when evaluating/auditing its website, social media postings and news releases, print and digital media materials as well as other information published in the public domain.

FIGURE 5-2

SAMPLE PROCESS TO EVALUATE ADEQUACY AND ACCURACY OF PUBLIC DOCUMENTS

Evaluation/Audit Criteria	Description
<i>Identify Potential Data Integrity Deficiencies</i>	Determine if data has been altered, deleted or lost without management detecting how, when, and by whom.
<i>Determine Whether Data/Information is Correct and/or Complete</i>	Determine if the data is still relevant. As content ages, facts and data that were once accurate can become inaccurate.
<i>Determine Common Data Threats</i>	Determine if the information has been subjected to human error, unintended information transfer errors, misconfiguration and security errors, malware, insider threat, cyberattack, and compromised hardware.
<i>Determine Whether Content is Effective/Still Serving Original/Intended Purpose</i>	Determine if the content is useful and if it is reaching its intended audience.
<i>Train Users and Maintain Training Records</i>	Ensure users are properly trained on systems, policies, and procedures.
<i>Conduct Audits and Reviews</i>	Conduct periodic audits, evaluate controls, and promote compliance policies and procedures.

Source: MJ Best Practices Database.



The use of internal analytics is not sufficient to ensure accurate and adequate public documents are prepared by the County. Since the County has no clear process supported by a content evaluation/audit with associated internal or external reports, accordingly, this subtask is partially met.

SUBTASK 5.3 – Determine whether the public has access to program performance and cost information that is readily available and easy to locate.

To evaluate this subtask, the MJ Team reviewed project budget and cost information included on the County website related to the Santa Rosa County Local Option Sales Tax (LOST) projects that passed on August 30, 2016 and went into effect on January 1, 2017 and we reviewed the Capital Improvement Plan that was part of the FY2019 Adopted Budget. Over a five-year period, funds related to the LOST projects are estimated to be \$38 million as shown in **Figure 5-3**. The budget allocation for LOST projects involving public safety, capital equipment, public facilities, transportation and drainage, and recreation and natural resources total \$30.8 million and actual expenditures (cost) totaled \$18.2 million through June 28, 2019.

Additionally, as shown in **Task 4, Figures 4-3 through 4-6**, performance data can be found in the Fiscal Year 2019 Adopted Budget related to department programs areas such as the County Engineer, Public Works, and Public Safety. These performance statistics can be found in the FY2019 Adopted Budget online on pages 119, 152 and 156. The performance statistics include the number of in-house engineering projects completed, the number/units of playground equipment maintained, the number of playground inspections completed, the number of miles for paving operations completed, the number of work orders completed, the number of driveway inspections completed, the number of retention ponds mowed, the number of E-911 calls answered (in less the 10 seconds), and the number of fire calls dispatched (in less than 100 seconds). The public has suitable, access to performance statistics related to the sales tax on the County's examples in **Figure 5-3**.



FIGURE 5-3

SUMMARY PAGE FOR SANTA ROSA COUNTY LOCAL OPTION SALES TAX PROJECTS

**½ Cent Local Option Sales Tax Projects**

The half-cent local option sales tax was passed by approximately two-thirds of Santa Rosa County voters on August 30, 2016 and went into effect January 1, 2017. In five years, the half-cent sales tax will generate an estimated \$38 million to fund infrastructure improvement projects and capital equipment.

**Authorized Uses**

- Capital equipment
- Infrastructure projects and public facilities
- Law enforcement, fire and public safety facilities and equipment
- Recreation/natural resources
- Transportation and drainage improvements

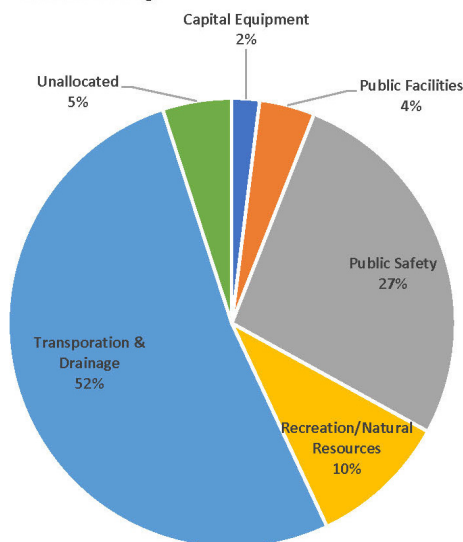
Restrictions

LOST funds cannot be used for:

- Employee insurance costs
- Employee retirement expenses
- Salaries, position upgrades, merit increases or Cost of Living Adjustments (COLA)

Allocations

Based on citizen input received from survey comments and town hall meetings in April 2017, the Board approved the following 5-year target percentage allocations at the May 9, 2017, regular board meeting:



Note: Unallocated moved to Public Safety (2%) and Transportation & Drainage (3%)

Revenue received as

of June 28, 2019: \$18,182,058

	Allocated	Spent
Public Safety	\$8,221,086	\$7,424,158
Capital Equipment	\$729,172	\$171,442
Public Facilities	\$981,000	\$0
Transportation & Drainage	\$17,230,968	\$7,566,218
Recreation & Natural Resources	\$3,599,397	\$1,012,779
Total	\$30,761,623	\$16,174,597

Leveraged Project	LOST Funding	State/Federal Funding
Hamilton Bridge Rd Sidewalk	\$90,000	\$210,804
Floridatown Park Imp.	\$125,119	\$50,000
Patterson/Pace Lane	\$353,006	\$1,042,224
Maranatha/Chipper Lane	\$246,423	\$739,268
Blackwater Heritage Trail	\$93,000	\$132,795
Settlers Colony -Drainage	\$1,651,849	\$4,165,867
Ranchettes/Whisper Bay	\$72,597	\$217,791
Venetian Way Coronado Dr	\$581,216	\$1,743,647
Godwin Connector	\$465,000	\$145,857
Bagdad Mill Site Restroom	\$51,500	\$30,000
Miracle League Project	\$50,000	\$150,000
Pace Ln (sidewalk)	\$80,000	TBD
King Middle School Sidewalk	\$25,000	\$253,854
Total:	\$3,884,710	\$8,882,107

$\$30,761,623 + \$8,882,107 =$

\$39,643,730 of projects

accomplished because of the ½ cent

www.santarosa.fl.gov/capitalprojects

Source: <https://www.santarosa.fl.gov/capitalprojects>



Currently County staff utilizes a cloud-based project management tracking software tool that was originally implemented in September 2017. Over the past two (2) years, management realized that the software is not capable of adapting easily to provide the information that the County needs to track. Therefore, in-house staff is developing GoTracker, which will be used as the primary project management software.

GoTracker is being designed as an advanced software tool to fill a need to track capital projects and purchases. The software will be key to administration in monitoring program performance and cost. The software will contain funding information, project descriptions and updates, project expenditures and a timeline of milestones and completion dates. GoTracker will ensure that staff, administration, commissioners and citizens have access to the latest documentation and status of a projects. Reports from GoTracker will be provided on the website each month so that citizens have access to the most up to date information. In the future, the Capital Improvement Plan will be published from information from this database.

Administration meets bi-weekly with directors and project managers to discuss projects and department updates, issues and future requirements for proper execution. A snapshot of a calendar invitation is presented in **Figure 5-4** below, which documents the on-going bi-weekly meetings.

FIGURE 5-4

SAMPLE DOCUMENTATION FOR PROJECT MANAGEMENT MEETINGS

The screenshot shows a calendar invitation interface. At the top, a blue header bar contains the text "Engineering Project List Update/Review • Meeting Occurrence • Mark Murray • sabrinaw@santarosa.fl.gov". Below this is a toolbar with various icons for actions like "Send Update", "Cancel", "Appointment", "Scheduling", "Skype Meeting", "Teams Meeting", "Busy", "Edit Series", "Request Responses", "Allow Proposal", "Allow Forwarding", and "Room Finder". The main form fields are as follows:

- From:** Mark Murray
- To:** Mark Murray, Roger Blaylock, Dan Schebler, Michael Schmidt (michaels@santarosa.fl.gov)
- Subject:** Engineering Project List Update/Review
- Location:** Engineering Conference Room
- Duration:** 1 Hour (selected), All day event (unchecked)
- Starts:** 7/25/2019, 3:00 PM
- Ends:** 7/25/2019, 4:00 PM
- Recurrence:** Occurs every Thursday effective 12/20/18 from 3:00 PM to 4:00 PM.

At the bottom, there are two informational messages: "You are viewing a single occurrence that is part of a series." with a "Go to Series" button, and "This invitation has been sent."

Source: Santa Rosa County Information Technology Department.

On a monthly basis, Administration and the Leadership Team (directors and key personnel) have a round table meeting to discuss leadership topics and project/department updates from each department. A snapshot of a calendar invitation is presented in **Figure 5-5**, which documents the on-going monthly leadership team meetings.



FIGURE 5-5

SAMPLE DOCUMENTATION FOR PROJECT MANAGEMENT FOR LEADERSHIP TEAM MEETINGS

The screenshot displays the GoTracker software interface for creating a meeting invitation. The top navigation bar includes 'Administrative Leadership Team Meeting', 'Meeting', 'Calendar', and the user email 'sabinaw@santarosa.fl.gov'. The main interface is divided into two tabs: 'Organizer Meeting' (selected) and 'Format Text'. The 'Organizer Meeting' tab contains various icons for actions like 'Send Update', 'Cancel', 'Appointment', 'Scheduling', 'Skype Meeting', 'Teams Meeting', 'None', 'Recurrence', 'Request Responses', 'Allow Proposal', 'Allow Forwarding', and 'Room Finder'. Below the navigation bar, the invitation details are as follows:

- From:** Calendar - sabinaw@santarosa.fl.gov
- To:** A list of 13 participants: Dan Schebler, Julie Morgan - White, Brad Baker, DeVann Cook, Brandi Bates Whitehurst, Sheila Fitzgerald, Shawn Ward, GinNeal McVay, Tammy Simmons, Rhonda Royals, Michael Schmidt, Roger Blaylock, Jayne Bell, Laurie Schulze, Karen Haworth, and Mark Murray.
- Subject:** Administrative Leadership Team Meeting
- Location:** Economic Development
- Duration:** 1 Hour (selected), with an option for 'All day event'.
- Starts:** 6/ 4/2019 at 10:30 AM
- Ends:** 6/ 4/2019 at 11:30 AM

At the bottom, there are two status messages: 'This appointment occurs in the past.' and 'This invitation has been sent.'

Source: Santa Rosa County Information Technology Department.

The GoTracker enhanced software is currently in the last phase of testing and is scheduled to be rolled out to all staff August 12, 2019. Training will occur for staff in subsequent weeks. The program will be fully implemented by October 1, 2019. Monthly reports will be posted on the website beginning in October 2019. The County is also in the process of implementing advanced tools to make public access to program and cost information even more useful and easily accessible.

In summary, the public has access to transparent program performance and cost information that is readily available and easy to locate. Accordingly, the MJ Team concludes that this subtask is met.

SUBTASK 5.4 – Review processes the program has in place to ensure the accuracy and completeness of any program performance and cost information provided to the public.

To address the requirements of this subtask, the MJ Team interviewed the county administrator, assistant county administrator, administrative coordinator, office of management and budget director, and the finance director. Additionally, we reviewed documentation provided for processes the Clerk and Finance Department follow such as accounting policies and procedures and guidelines the office of management and budget adhere to such as budget procedures to ensure accuracy and completeness when preparing the sample of documents outlined below:

- Comprehensive Annual Financial Report (CAFR) 2017-2018;
- Single Audit Report 2017-2018;
- Fiscal Year 2019 Adopted Budget;
- Capital Improvement Plan (Included in the Fiscal Year 2019 Budget);



- Strategic Plan (Included in the Fiscal Year 2019 Budget);
- Board of County Commissioners Agenda and Minutes (to Approve Projects);
- Quarterly Performance Reports and Subsequent Project Updates on Website;
- 2018 Comprehensive Emergency Plan; and
- 2040 Comprehensive Plan.

The Clerk and Finance Department's Accounting Policies and Procedures Manual was last updated in June 2015 and covers guidelines for processing (including approval authorities and internal controls) cash receipts; bank reconciliations; investments; capital assets, purchasing; vendors and payables; bids and bid documents, and payroll. Each of these functions has a significant impact on accurate and complete reporting related to finance, budget, and planning documents prepared by the County.

The process for the development of the budget and related planning documents is summarized below.

- The office of management and budget director and senior budget manager each maintain a spreadsheet that contains all revenues and expenditures for the entire budget. Both work in their individual spreadsheets creating the budget. Once they are both complete they compare and cross-check items to ensure all requests are included and that no unjustified expenditures are included.
- Once the office of management and budget director and senior budget manager reconcile/balance the information is then provided to the administrative coordinator who then inputs the information into spreadsheets and compiles it with other department information to create the budget documents. The senior budget manager coordinator double-checks each department's information once it is compiled.
- Once the document is complete, it is provided to the office of management and budget director, various department directors and the administrative coordinator for a final review for accuracy.

Moreover, it was noted that the County was the recipient of the Government Finance Officers Association (GFOA) *Distinguished Budget Presentation Award* for 2017 – 2018, which recognizes entities that implement guidelines established by the National Advisory Council on State and Local Budgeting and GFOA best practices on budgeting. Each document submitted is graded by three (3) reviewers. At least two (2) of the reviewers must rate the document proficient or outstanding on all four (4) overall categories and all mandatory criteria for the document to receive the award.

Additionally, the County Engineer, Public Works management, Public Safety management, and the Sheriff administration work closely with the Clerk and Finance Department staff as well as the office of management and budget staff to coordinate the reporting of program performance and accurate project cost information. Periodic updates of this information are reported to both the Board of County Commissioners and the LOST Committee and is also available to the public.



County management staff interviewed was intimately familiar with the financial, budget, and planning documents. The MJ Team reviewed applicable policies, procedures, and processes executed which result in appropriate quality assurance to ensure accurate and complete information is provided to the public.

In summary, the County provided numerous examples of Board of County Commissioner agendas and meeting minutes and other public meeting documentation to demonstrate that adequate and complete information pertaining to program performance and cost is made available to the public. The MJ Team identified no deficiencies in the accuracy and completeness of the program performance and cost information in the sample documents that were reviewed. Accordingly, this subtask is met.

SUBTASK 5.5 – Determine whether the program has procedures in place to 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 that these procedures provide for adequate public notice of such corrections.

To address this subtask, the MJ Team conducted interviews with the assistant public information officer, the administrative coordinator, and the computer support/web technician I.

During the onsite review, the MJ Team was told that all news releases and other public information notices were issued by the County through the Public Information Office. The Public Information Office uses the following process for preparing news and social media releases and correcting erroneous or incomplete information, when necessary. Most news releases and social media posts are prepared and/or corrected by either the public information officer or assistant public information officer including those social media posts that are made on behalf of the Board of County Commissioners and included on their individual social media pages.

Figures 5-6 and 5-7 present the procedures for drafting and correcting news releases and social media posts used by the County's Public Information Office.

FIGURE 5-6

PROCEDURES FOR DRAFTING AND CORRECTING NEWS RELEASES

Procedures for Drafting News Releases	Procedures for Correcting News Releases
<ul style="list-style-type: none">• Collect information for the news release from the appropriate department.• Determine appropriate timing/content for release. If the news release is about an event on a specific date, generally the news release should be sent out at least one week in advance.	<ul style="list-style-type: none">• Once notified of a correction to a news release that has already been sent out, go into CivicSend and copy the news release.• In the subject line, add "CORRECTION:" to the beginning.• Open up the message and add to the top "Please see correction highlighted below."• Correct wrong information and highlight it.



Procedures for Drafting News Releases	Procedures for Correcting News Releases
<ul style="list-style-type: none">• Create a new message in CivicSend – or if a reoccurring message, copy the last one sent and updated necessary information. Include a photo when appropriate.• News releases should be written in Associated Press (AP) media style.• Spell check draft, but do not rely on spell check; proof the news release manually. Have the appropriate department and Public Information Office proof the news release.	<ul style="list-style-type: none">• Re-send immediately to pre-determined email distribution lists.

Source: Santa Rosa County Public Information Office.

FIGURE 5-7

PROCEDURES FOR POSTING AND CORRECTING SOCIAL MEDIA POSTS

Procedures for Posting on Social Media	Procedures for Correcting Social Media Posts
<ul style="list-style-type: none">• Log onto accounts (Facebook, Twitter, Instagram and NextDoor) using information from passwords file. For Facebook, the person posting will use their personal account as they will be administrators or editors on the County Facebook pages allowing them to post as that page.• News releases, important safety messages, other updates, photos and videos can be added as approved by the PIO.• Posts on Twitter are limited to 280 characters and should be kept brief. Include a link to the news release or include screen shots of news releases as images to make more content available if over 280 characters.• Check messages and comments on social media daily and answer questions as appropriate. The PIO or delegated staff has the authority to hide or delete any comments as set forth by the guidelines in the "About" section on each Facebook page.	<ul style="list-style-type: none">• Inappropriate comments should be hidden, not deleted, unless the posts are highly inflammatory. Corrections should be tactfully made to any user comments with misinformation.<ul style="list-style-type: none">– For Facebook posts that require updates throughout the day, such as storm or road closure related posts, do the following:<ul style="list-style-type: none">○ Edit the original post.○ Add "UPDATE" and then the time to the top of the post.○ Add updated information and post.

Source: Santa Rosa County Public Information Office.



Figure 5-8 provides examples of timely correction of news releases and social media posts in accordance with the County's procedures.

FIGURE 5-8

EXAMPLES OF TIMELY CORRECTION OF NEWS AND SOCIAL MEDIA RELEASES

Santa Rosa County Public Meetings for February 2019	General News and Information, District 1, District 2, District 3, District 4, District 5, Local Option Sales Tax, Media, Santa Rosa County Employees	01/18/2019 11:24 AM	Sent		
Career Online High School Program	General News and Information, Media, Santa Rosa County Employees	01/18/2019 11:28 AM	Sent		
Santa Rosa County Public Meetings for February 2019 - LOCATION CORRECTION	General News and Information, District 1, District 2, District 3, District 4, District 5, Local Option Sales Tax, Media, Santa Rosa County Employees	01/18/2019 12:20 PM	Sent		
Santa Rosa County Commission Regular Meeting - Thurs, Jan. 10	General News and Information, District 1, District 2, District 3, District 4, District 5, Local Option Sales Tax, Media, Santa Rosa County Employees	01/09/2019 05:06 PM	Sent		
CORRECTION: Santa Rosa County Commission Regular Meeting - Thurs, Jan. 10	General News and Information, District 1, District 2, District 3, District 4, District 5, Local Option Sales Tax, Media, Santa Rosa County Employees	01/09/2019 05:34 PM	Sent		
Santa Rosa County Public Meetings for June 2019	General News and Information, District 1, District 2, District 3, District 4, District 5, Local Option Sales Tax, Media, Santa Rosa County Employees	05/17/2019 11:23 AM	Sent		
Correction to Santa Rosa County Public Meetings for June 2019	General News and Information, District 1, District 2, District 3, District 4, District 5, Local Option Sales Tax, Media, Santa Rosa County Employees	05/17/2019 01:05 PM	Sent		

Based on the information provided, the MJ Team concludes that the County has adequate policies and procedures in place to correct erroneous and/or incomplete program information and notice of corrections were timely. Accordingly, this subtask is met.



RESEARCH TASK 6

COMPLIANCE OF THE PROGRAM WITH APPROPRIATE POLICIES, RULES, AND LAWS.

FINDING SUMMARY – Overall, Santa Rosa County meets Task 6. The County attorney oversees compliance with applicable (i.e., relating to the program's operation) federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies. Internal controls over grant compliance are strong, and the LOST Citizens Committee provides input and support for the LOST program on behalf of citizens. However, County administrators had no explanation for why the performance audit requirements of *Florida Statute* 212.055(10) were overlooked while planning the LOST referendum and have taken no action to avoid a future occurrence. The County lacks comprehensive and current policies and procedures as an internal control to ensure compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures. Despite the lack of policies and procedures, program administrators have 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 evaluations, audits, or other means. Ordinance 2019-12, will levy a one cent infrastructure tax upon voter approval. The ordinance reflects the requirements of 212.055 (2) of the *Florida Statutes* and contains language to ensure that funds are spent in accordance with applicable state laws, rules, and regulations.

SUMMARY OF CONCLUSIONS ON RESEARCH SUBTASKS

See the Analysis and Results section below for details regarding these conclusions.

SUBTASK 6.1

Condition: Subtask 6.1 Partially Met

Determine whether the program has a process to assess its compliance with applicable (i.e., relating to the program's operation) federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies.

The County has no single function that coordinates the efforts of the county attorney, a contracted lobbyist, state representatives, and organizations such as the Small County Coalition all of whom play a role in keeping the County abreast of changes to legislation that affects the County. County administrators had no explanation for why the performance audit requirements of *Florida Statute* 212.055(10) were overlooked while County officials were planning a referendum for August 27, 2019.

Cause: The Santa Rosa County Board, County Clerk of Court, and the Sheriff's Office are separately elected bodies with their own general counsel. Each counsel works to identify legislative changes that affect their office alone. There is no formalized procedure for sharing of effort or resources to identify legislative changes that impact the County as a whole. Moreover, the County does not have a focused government relations function dedicated to staying abreast



of legislative changes. The responsibility is divided among the County's lobbyist and organizations that publish legislative updates such as the Small County Coalition, the Florida Association of Counties, and the Florida Municipal Attorney's Association. No single individual in the County coordinates the efforts of these organizations for the sole purpose of staying abreast of legislative changes.

Effect: The absence of a coordinated effort to identify legislative changes that impact the entire County places the County at greater risk of overlooking small, yet important, changes in federal, state, and local laws. The county administrators had no explanation for why the performance audit requirements of *Florida Statute* 212.055(10) were overlooked while County officials were planning a referendum for August 27, 2019. Moreover, no action has been taken to determine why the oversight occurred or to implement controls to avoid future occurrences.

Criteria: Government relations functions help organizations stay abreast of federal, state, and local legislation that could impact its operations. The role a government relations function is to stay informed of relevant federal, state, and local legislative and regulatory changes. The function could also be responsible for recommending changes to policy resulting from changes in the legal/regulatory environment and for communicating such changes to departments and divisions throughout the organization.

RECOMMENDATION 6.1

Coordinate with County stakeholders, including the Clerk of Courts and Sheriff's Office, to perform government relations functions to stay abreast of federal, state, and local legislation and to coordinate and disseminate information from agencies such as the Small County Coalition.

SUBTASK 6.2

Condition: Subtask 6.2 Partially Met

Review program internal controls to determine whether they are reasonable to ensure compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures.

Documentation and approval of policies requires improvement to support compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures. Inconsistent competitive bid thresholds exist in the County's Procurement Manual dated June 27, 2019 and the Accounting Policies and Procedures Manual dated June 16, 2015 of over \$35,000 versus over \$10,000.

In addition, a comprehensive operations manual is not maintained to ensure that all department policies and procedures authorized by management are documented and approved including requirements for using the County's operations management system and other program related systems and compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures.



Cause: Inconsistency in documenting and maintaining policies and procedures.

Effect: Procedures implemented may not be in accordance with management's authorization or employees may not be formally informed of the correct procedures and expectations.

Criteria: Maintaining documented and current policies and procedures are a standard best practice.

RECOMMENDATION 6.2

Develop and maintain current policy and procedures manuals.

SUBTASK 6.3

Our work revealed no issues or concerns related to whether program administrators have 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 evaluations, audits, or other means.

SUBTASK 6.4

Our work revealed no issues or concerns related to whether program administrators have taken reasonable and timely actions to determine whether planned uses of the surtax are in compliance with applicable state laws, rules, and regulations.

ANALYSIS RESULTS & CONCLUSION

SUBTASK 6.1 – Determine whether the program has a process to assess its compliance with applicable (i.e., relating to the program's operation) federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies.

To address the requirements of this subtask, the MJ Team examined information regarding the county attorney's responsibilities for ensuring County compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies. We also examined evidence of the County's membership in attorney professional associations and reviewed the contract the County has with a lobbyist. Finally, we reviewed information provided by the director of Grants and Special Projects related to grants legal compliance.

The county attorney serves as the in-house chief legal counsel to the County in all legal matters. Two paralegals assist the county attorney in the execution of these responsibilities. In addition, the County contracts with an outside law firm for litigation support.

The attorney provides legal advice and representation to the BoCC, the county administrator, all County departments, and boards and committees organized under the BoCC on matters related to their official responsibilities. The county attorney is also responsible for the prosecution and defense of all civil actions for and on behalf of County government and reviews all ordinances, resolutions, contracts, bonds, and other written instruments. The county



attorney and the county administrator review and approve all BoCC agenda items. Each item is reviewed and approved as legally sufficient before presentation to the board. The county attorney represented to the MJ Team that since he began working for the County in August 2014, there have been no instances of a noncompliance with any applicable federal, state, or local law, rules or regulations or any noncompliance with contractual obligations, grant agreements or local policies and procedures.

The county attorney is a member of the Florida Association of County Attorneys (FACA) and the Florida Municipal Attorney's Association (FMAA). The purpose of the FACA is to provide a forum for research, advice and discussion in the development of local government law, including technical assistance. The FMAA provides a permanent forum for municipal attorneys to identify and address legal problems of common concern among Florida's municipalities, and to study, summarize, and disseminate legislation, court decisions, and administrative rulings affecting municipal operations. Both organizations are active in legislative matters and provide timely legislative updates throughout the year, with daily updates through the legislative session.

Santa Rosa County has engaged a federal lobbyist and a Florida State lobbyist to keep the County advised of pending or possible legislation. In addition, the County is a member of the Small County Coalition (SCC), which is a non-partisan statewide alliance of County commissions in Florida's small and rural counties. The SCC's primary mission is to help Florida's small and rural counties address legislative issues from a small county/rural perspective and work effectively with state agencies leadership. The BoCC is also actively engaged in contacts with Florida and federal legislators regarding legislative issues.

Despite the legal infrastructure described above, the County's process for assessing legal compliance needs to be strengthened. In one instance, on June 27, 2019, Santa Rosa commissioners initially set a referendum vote for the one cent local sales option tax for August 27, 2019 but were unaware of the performance audit provisions of 212.055(10) *Florida Statutes*. The County reported that they learned of the requirement when informed by OPPAGA. The statute requires the following:

(a) For any referendum held on or after March 23, 2018, to adopt a discretionary sales surtax under this section, an independent certified public accountant licensed pursuant to chapter 473 shall conduct a performance audit of the program associated with the surtax adoption proposed by the county or school district. The Office of Program Policy Analysis and Government Accountability shall procure the certified public accountant and may use carryforward funds to pay for the services of the certified public accountant.

(b) At least 60 days before the referendum is held, the performance audit shall be completed and the audit report, including any findings, recommendations, or other accompanying documents, shall be made available on the official website of the county or school district. The county or school district shall keep the information on its website for 2 years from the date it was posted.



To address whether the County has a process to assess compliance over grant agreements, MJ reviewed grant compliance controls. The director of Grants and Special Projects has primary responsibility for ensuring that the County complies with grant contracts and agreements. The Department of the Treasury Office of Inspector General (TOIG) had no findings during its 2015-2018 review of the County's internal controls over federal awards, and the County's independent auditors had no findings in its Fiscal Year 2018 Single Audit report. The auditors deemed the County to be low risk. **Figure 6-1** describes the controls in place to monitor grant compliance.

FIGURE 6-1
GRANTS COMPLIANCE CONTROLS

Control	Description	Benefit
<i>Grants Manual</i>	Adopted by the BoCC in March 2016. Addresses the BoCC policy, federal and state laws and regulations, and other relevant information pertaining to grants administration in the County. The purpose of this is to document grants related protocol for the pursuit of grant funding and the management of grant awards as well as to serve as an informational guide for all Santa Rosa County Departments that have a need or interest in grant funding.	Not intended to be an exhaustive listing of all rules, regulations, or laws relating to grants administration, but is a guide of standardized procedures to direct County staff in the pursuit, application, and management of grant proposals and awards. The manual describes the grants administration policy and procedures of the County associated with: <ul style="list-style-type: none">• Grant Identification, Application, and Tracking• Grant Award Notification, Review, and Acceptance• Grant Oversight and Monitoring• Grant Accounting and Reporting• Grant Subrecipient Monitoring• Grant Close-out
<i>Grant Checklists</i>	Tool used to set up grant files and to help manage budget, time, and performance and to ensure that grant requirements are met.	Helps to ensure that all standard, required activities necessary to open, manage, and close grant files are performed.
<i>Communication of required grant language in contracts</i>	Grant requirements are included in procurement packages based on communication between the project manager and the Procurement Office. The MJ team examined examples of emails where grant requirements and pertinent	Ensures that grant requirements are included in contracts as needed to ensure compliance.



Control	Description	Benefit
	information was communicated to procurement director.	
<i>Training Workshops</i>	The County's director of Grants and special projects director provides training opportunities to County staff who have a role in grant management. MJ examined the training presentations and sign-in sheets for two such trainings, one occurring in October 2018 and the other May 2017. The director's goal is to conduct two trainings per year.	Keeps staff who have a role in grant management, monitoring, or execution to stay abreast of grant requirements to enhance compliance.

Source: The indicated documents.

In conclusion, based on the analysis performed, the County's process to assess compliance with applicable (i.e., relating to the program's operation) federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies requires strengthening. The County's internal controls over grant funds are strong. TOIG had no findings during its internal controls review, and the County's independent auditors deemed it to be low risk with respect to stewardship over grant funds. However, the County was unaware of statutory requirements to have a performance audit prior to the sales tax referendum. Moreover, no action has been taken to determine why the oversight occurred or to implement controls to avoid future occurrences. Consequently, MJ deems this subtask to be partially met.

SUBTASK 6.2 – Review program internal controls to determine whether they are reasonable to ensure compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures.

To address the requirements of this subtask, the MJ Team reviewed the County's external audit reports to determine if the auditors had identified internal control weaknesses that directly impact the program. The County's internal audit reports and other external reports were reviewed in **Subtasks 1.3** and **1.4**.

External Audit Reports

During an audit of a governmental entity, independent auditors perform procedures and issue reports that address the entity's internal controls. The County's independent auditors issued the reports in connection with their audit, which are shown in **Figure 6-2**. One internal control deficiency was identified in March 2017 in conjunction with the Fiscal Year 2016 Single Audit. Finding #2016-001 indicated that a budget amendment was not executed in accordance with *Florida Statute* 129.06 (2) for receipts not originally anticipated and received for a particular purpose. As a result, actual expenditures reported in the general fund's schedule of revenues,



expenditures, and changes in fund balance exceeded total appropriations by approximately \$11.7 million. As indicated in Subtask 6.3, it was too late to make any adjustments per *Florida Statute*. The external auditor reported that County management indicated their action steps to address the finding.

FIGURE 6-2

SUMMARY OF EXTERNAL AUDIT REPORTS FINDINGS – FY2016, FY2017, FY2018

INDEPENDENT AUDITOR REPORTS FINDINGS			
Report Description	FY18	FY17	FY16
Auditor General Compliance:			
<i>Independent Accountants' Report on Examination of Compliance Requirements in Accordance with Chapter 10.550, Rules of the Auditor General</i>	<ul style="list-style-type: none"> – No exceptions – Page 143 	<ul style="list-style-type: none"> – No exceptions – Page 140 	<ul style="list-style-type: none"> – No exceptions – Page 137
Deepwater Horizon Oil Spill:			
<i>Independent Auditors' Report on the Schedule of Receipts and Expenditures of Funds Related to the Deepwater Horizon Oil Spill</i>	<ul style="list-style-type: none"> – No exceptions – Page 144 	<ul style="list-style-type: none"> – No exceptions – Page 141 	<ul style="list-style-type: none"> – No exceptions – Page 138
<i>Schedule of Receipts and Expenditures of Funds Related to the Deepwater Horizon Oil Spill</i>	<ul style="list-style-type: none"> – \$150,000 – Page 145 	<ul style="list-style-type: none"> – \$100,000 – Page 142 	<ul style="list-style-type: none"> – \$36,800 – Page 149
Auditor General Management Letter:			
<i>Management Letter</i>	<ul style="list-style-type: none"> – No current year findings – Corrective actions have been taken for prior year findings (#2016-001) – Page 146 	<ul style="list-style-type: none"> – No current year findings – Corrective actions have been taken for prior year findings (#2016-001) – Page 143 	<ul style="list-style-type: none"> – No current year findings – No findings were reporting in the prior year – Page 140
<i>Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards</i>	<ul style="list-style-type: none"> – No exceptions – Page 148 	<ul style="list-style-type: none"> – No exceptions – Page 145 	<ul style="list-style-type: none"> – One instance of noncompliance in the Single Audit Schedule of Findings & Questioned Costs: #2016-001 – Page 142



INDEPENDENT AUDITOR REPORTS FINDINGS			
Report Description	FY18	FY17	FY16
Single Audit Compliance:			
<i>Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and State Project and on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General</i>	<ul style="list-style-type: none"> - No exceptions - Page 150 	<ul style="list-style-type: none"> - No exceptions - Page 147 	<ul style="list-style-type: none"> - No exceptions - Page 144
<i>Schedule of Findings and Questioned Costs</i>	<ul style="list-style-type: none"> - No exceptions - Page 157 	<ul style="list-style-type: none"> - No exceptions - Page 154 	<ul style="list-style-type: none"> - Noncompliance material to financial statements noted - #2016-001: General Fund Budget Over Expenditure - Page 151
<i>Schedule of Prior Year Findings and Corrective Action Plan</i>	N/A	<ul style="list-style-type: none"> - 2016-001: Current Status- - No similar findings were noted in the 2017 audit - Page 156 	<ul style="list-style-type: none"> - No prior year findings. - Current year finding #2016-001 and Corrective Action Plan - Page 153

Source: Santa Rosa County Fiscal Year 2016 to Fiscal Year 2018 CAFR.

Internal Control Questionnaire

The management of an organization is responsible for maintaining an effective system of internal control. Accordingly, the MJ Team deployed an internal control questionnaire to the internal auditor, finance director, assistant finance director, and the procurement officer to obtain management's assessment of internal controls. The questionnaire asks specific questions about the existence and effectiveness of internal controls and rates each response from 1 (very weak) to 5 (very strong). The business functions included on the survey are as follows:

- Segregation of Duties
- Purchasing
- Contract Management
- Payroll
- Accounts Payable



- Accounts Receivable
- Cash Management & Investment
- Information System Security
- Information System Access
- Information System Backup & Recovery

All survey respondents rated the effectiveness of these functions as 4-Strong or 5-Very Strong. Only the procurement area was rated as 4 because of its recent centralization. In addition to the survey questions, there were two open-ended questions:

1. What are the top five (5) challenges, risks, or significant internal control issues that exist with respect to projects funded by a sales surtax or other sources as they relate to the development, construction, and operation of transportation facilities and services?
2. Are there any critical/urgent control issues which require immediate attention?

All survey respondents indicated there were no critical/urgent issues or internal control weaknesses. The MJ Team noted no significant or material weaknesses in internal controls from the perspective of the County management who completed the questionnaire.

Policies and Procedures

The MJ Team inquired regarding available policies and procedures and observed the following:

- The County's Procurement Manual was approved effective June 27, 2019 and the Accounting Policies and Procedures Manual (no approval provided) was updated June 16, 2015. The Procurement Manual section 12 Purchasing Categories: Threshold Amounts indicates that competitive sealed bids/proposals are required for purchases over \$35,000. However, the purchasing section on page 13 of the Accounting Manual states a purchase of \$10,000 or more requires competitive bidding.
- A comprehensive operations manual is not maintained to ensure that all department policies and procedures authorized by management are documented and approved including requirements for using the County's operations management software and other program related systems and compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures.

Figure 6-3 presents the overview pages of an example operations manual which Santa Rosa County can use as a guide and tailor to fit the County.



FIGURE 6-3
EXAMPLE OPERATIONS MANUAL OVERVIEW

PURPOSE AND USE OF MANUAL

This manual has been designed as a detailed "operating procedures" manual for the Capital Improvement Program which is managed by the Projects Management Section of the Public Works Department. However, most of processes and information contained in this document are applicable to all programs. It has been developed to conform with other policy and procedures manuals currently in use in the County, including the following:

- Public Works Department Policy and Procedures Manual
- Procurement Manual
- County Right of Way Procedures Manual
- County Utility Accommodation Guide

Accordingly, this manual is not a replacement or substitute for any of these other manuals or policies but rather is intended to provide more detail and delineation of responsibilities regarding the day to day tasks to be performed by the project delivery team. Additionally, by providing the actual forms to be used by the project delivery team, this manual is intended to produce uniformity in management from project to project and project manager to project manager.

This manual is divided into thirteen sections, corresponding to the major management processes involved in managing County CIP Projects from inception through close-out. These processes are as follows:

- A. Project Development
- B. Retaining Consultants
- C. Managing Consultant Contracts
- D. Managing Design by Consultants
- E. Managing In-House Design
- F. Dealing with the Public
- G. Right-of-Way Acquisition Process
- H. Managing the Bid Process
- I. Managing Construction
- J. Inspecting and Documenting
- K. Managing Post-Construction Activities
- L. Project Reporting
- M. Local Agency Program (LAP)

Each section consists of a "stand alone" operating procedure regarding that management process. As such, each section includes samples of the forms necessary to manage the process. The text of each section emphasizes the tasks to be accomplished, the next project delivery team member responsible at various steps of the process, the timing involved, and interface requirements with other team members.

Public Works Department Projects
Management Delivery Team Manual

Section: Purpose and Use of Manual
Revised 3/2010

Source: MJ's Best Practices Research.



Internal Audit Plan

The County recently hired a new auditor who has been assigned to continue the practice of auditing a few key areas in the County. Although the job description for this position includes development and implementation of an annual audit plan, only a draft audit plan is in progress. The lack of the implementation of a risk-based audit plan cycle impacts program internal controls designed to ensure compliance with laws, agreements, and policies and procedures.

As a result of the inconsistency in financial policies and procedures and lack of comprehensive operational policies and procedures, this subtask is partially met regarding the review of program internal controls to determine whether they are reasonable to ensure compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures.

SUBTASK 6.3 – Determine whether program administrators have 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 evaluations, audits, or other means.

To address the requirements of this subtask, the MJ Team reviewed whether corrective actions were timely taken to address auditor findings discussed in Subtask 6.2.

External Audit Report – Single Audit

Finding #2016-001 indicated that a budget amendment was not executed in accordance with *Florida Statute* 129.06 (2) for receipts not originally anticipated and received for a particular purpose. As a result, actual expenditures reported in the general fund's schedule of revenues, expenditures, and changes in fund balance exceeded total appropriations. The Schedule of Prior Year Findings and Corrective Action Plan for the Year Ended September 30, 2016 indicated that management's action plan was that going forward the Budget Department will issue a budget amendment number before any items are paid that do not have sufficient funds budgeted.

By March 2017 it was too late to make an adjustment, as the 60-day limitation after the fiscal year end for budget amendments per *Florida Statute* 129.06 (2) had passed. Thus, management's response was to implement an action plan to prevent this from happening in the future, which is reasonable. Subsequent single audits found no similar deficiencies. Since the County could not make a budget adjustment, there was no basis to review for timeliness of any adjustment. The County provided the external auditor's email dated March 10, 2017 and the County's email response dated March 24, 2017. The County provided an example November 2017 email of a transaction that was not approved without confirmation of the budget amendment number.

Based on the analysis performed, the MJ Team concludes that the County takes reasonable and timely actions to address noncompliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures identified by internal or external evaluations, audits, or other means. This task is met.



SUBTASK 6.4 – Determine whether program administrators have taken reasonable and timely actions to determine whether planned uses of the surtax are in compliance with applicable state laws, rules, and regulations.

To address the requirements of this subtask, the MJ Team reviewed *Florida Statutes* 212.054 and 212.055(2), County Ordinance 2019-12, and board minutes establishing a LOST citizens committee. These documents outline requirements for the infrastructure surtax.

At its July 2016 meeting the BoCC directed County staff to develop a template for establishing a citizen committee to review and make recommendations relative to capital project funding. During subsequent discussions, the BoCC approved the formation of the Local Option Sales Tax Citizen Committee (LOST Committee) and determined that it would be made up of two appointees by each board member with at least one of those appointees residing in the respective district. At the January 2017 board meeting, 10 nominees were recommended for appointment to the LOST Committee.

The LOST Committee meets once per quarter. Its first meeting was held on July 11, 2017. County staff familiarized committee members with the LOST program, discussed their role as an advisory group, urged them to ask questions, and encouraged them to have an opinion and offer advice and input to staff and the BoCC as the LOST program moved forward. County staff gave a PowerPoint presentation of board-approved projects and LOST allocation percentages and discussed authorized uses of LOST funds as required by *Florida Statute*.

On June 28, 2019, the Santa Rosa County Board of County Commissioners approved Ordinance 2019-12, levying, subject to voter approval, a one cent infrastructure sales surtax in accordance with *Florida Statute* 212.055(2). The infrastructure sales surtax, if passed by voters in a referendum to be held October 8, 2019, will be effective for 10 years starting January 1, 2020. If the referendum passes, the existing on half (.5%) LOST will expire December 31, 2019. The ordinance is in accordance with *Florida Statutes* and states the following:

An ordinance of Santa Rosa County, Florida, imposing a local government one cent infrastructure sales surtax in Santa Rosa County pursuant to Florida Statute 212.055(2) to provide for law enforcement/fire and public safety facilities and equipment, transportation and drainage improvements, infrastructure projects/public facilities, recreation/natural resources and capital equipment; providing for approval of the levy by voters in a referendum; providing the time length of imposition; providing for distribution; providing ballot language; providing a general description of the projects to be funded by the surtax; providing for severability; providing for codification; and providing for an effective date.

Based on the analysis performed, program administrators have taken reasonable and timely actions to determine whether planned uses of the surtax are in compliance with applicable state laws, rules, and regulations. Accordingly, this subtask is met.



MANAGEMENT RESPONSE

**SANTA ROSA COUNTY
BOARD OF COMMISSIONERS**

Administrative Offices | 6495 Caroline Street, Suite M | Milton, Florida 32570-4592

SAM PARKER, District 1
ROBERT A. "BOB" COLE, District 2
W. D. "DON" SALTER, District 3
DAVE PIECH, District 4
R. LANE LYNCHARD, District 5DAN SCHEBLER, County Administrator
ROY V. ANDREWS, County Attorney
MARK MURRAY, Asst. County Administrator

August 2, 2019

McConnell & Jones, LLP
4828 Loop Central, Suite 1000
Houston, TX 77081

To Whom It May Concern:

Santa Rosa County appreciates the opportunity to respond to the performance audit performed by McConnell & Jones LLP.

We are pleased that you determined the departments expending Local Option Sales Tax funds have sufficient policies and procedures in place, supported by appropriate documentation, reports, monitoring tools, and personnel to address the statutory criteria defined in s. 212.055(10) *Florida Statutes*. Furthermore, the performance audit concluded with limited exceptions Santa Rosa County met or partially met all six outlined criteria and that the audit objectives have been satisfied. The conclusions are supported by the findings that Santa Rosa County met or partially met 24 of 25 audit subtasks, a 96 percent success rate.

The audit process sampled projects and expenditures of the current local option sales tax as part of the interview process as well as the related data submissions. Santa Rosa County is proud of its history of sound financial management, transparent and open government, and consistent delivery of high-quality products, projects and services at a low cost – the second lowest per capita total county revenue in the state -- to our residents. Santa Rosa County established a Citizen Committee to provide oversight and review of local option sales tax revenues and expenditures to enhance transparency and ensure program economy, efficiency and effectiveness.

Santa Rosa County has no objections to the findings or recommendations provided in the report and will work to implement the recommendations. The analyses, recommendations, and examples provided in the report will assist the County as we address the identified gaps while strengthening and improving existing policies and procedures.

Sincerely,

Dan Schebler
County AdministratorOffice: 850.983.1877 | Fax: 850.983.1856 | www.santarosa.fl.gov