



# Walton County Performance Audit

## TRANSPORTATION SYSTEM DISCRETIONARY SALES SURTAX

Final Report

AUGUST 2022



# Walton County Discretionary Sales Surtax

Performance Audit

August 2022

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August 26, 2022

Mr. Tony Cornman, Interim County Administrator  
Walton County  
76 North 6<sup>th</sup> Street  
Defuniak Springs, FL 32433

Dear Mr. Cornman:

MGT is pleased to submit our final report of the performance audit of Walton County (County) pursuant to Section 212.055(11), Florida Statutes. In accordance with the requirements of Section 212.055(11)(b), Florida Statutes, the Office of Program Policy Analysis and Government Accountability (OPPAGA) selected MGT to conduct a performance audit of the program areas related to projects that improve roads and bridges, expand public transit options, fix potholes, enhance bus services, relieve rush hour bottlenecks, improve intersections, and make walking and biking safer. Leon Corbett Consulting, based in Tallahassee, Florida, served as technical advisor for transportation-related functions.

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 Section 212.055(11), 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 of the program associated with the proposed sales surtax adoption. The audit must be completed at least 60 days before the referendum is held. The referendum is scheduled for November 8, 2022. OPPAGA is charged with procuring and overseeing the audit.

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

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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.

MGT developed a work plan outlining the procedures to be performed to fulfill the audit objectives in Section 212.055(11), Florida Statutes. 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 Department that expends sales surtax funds has sufficient policies and procedures in place, supported by appropriate documentation, reports, monitoring tools, and personnel to address the statutory criteria defined in Section 212.055(11), Florida Statutes.

*MGT of America Consulting LLC*

MGT  
TAMPA, FLORIDA

# Overview of Performance Audit Findings

Walton County

August 2022

## Overall, the County Did Not Meet Expectations in 12 of the 25 Performance Audit Research Areas

1.

Issue Area (Number of Subtasks Examined)	Overall Conclusion	Did the District Meet Subtask Expectations?		
		Yes	Partially	No
Economy, efficiency, or effectiveness of the program (7) <sup>1</sup>	Partially Met	2	2	2
Structure or design of the program (2)	Partially Met	1	0	1
Alternative methods of providing program services or products (4)	Did Not Meet	0	0	4
Goals, objectives, and performance measures (3)	Did Not Meet	0	0	3
Accuracy or adequacy of public documents, reports, and requests prepared by the school district (5)	Partially Met	0	3	2
Compliance with appropriate policies, rules, and laws (4) <sup>1</sup>	Partially Met	1	2	0
<b>All Areas (25)</b>		<b>4</b>	<b>7</b>	<b>12</b>

<sup>1</sup> The 2 research tasks not addressed above were considered to be not applicable. These tasks related to correcting deficiencies noted in evaluations, internal and external reports and, as the County had no noted evaluations or deficiencies in internal and external reports requiring correction, the tasks were not applicable.

### Results in Brief

In accordance with s. 212.055(11), F.S., and Government Auditing Standards, MGT conducted a performance audit of the Walton County programs within the administrative units that will receive funds through the referendum approved by Resolution adopted by the Walton Board of County Commissioners on April 26, 2022. The performance audit included an examination of the issue areas identified below.

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 program 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 or school district which relate to the program.
6. Compliance of the program with appropriate policies, rules, and laws.

Findings for each of the six issue areas were based on the extent to which the programs met expectations established by audit subtasks. Overall, the audit found that Walton County partially met expectations in 5 areas and did not meet expectations in 1 area. Of the 25 total subtasks, the audit determined that the County met expectations in 4, partially met 7, and did not meet 12.

A summary of audit findings by issue area is presented below. A more detailed overview of the findings can be found in the Executive Summary.

## ***Findings by Issue Area***

### **Economy, Efficiency, or Effectiveness of the Program**

Overall, Walton County partially met expectations in this area. MGT made inquiries with County management and examined records and reports to assess the County's procedures for evaluating the program. MGT's examination indicated that the County's Public Works Department did not have sufficient reports in place to appropriately evaluate program performance and did not conduct such evaluations.

With regards to individual projects, Public Works Department projects were completed within budget and a reasonable amount; however, procedures could be enhanced to ensure that projects are completed well and on time. The County has established written policies and procedures that allow the County to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements. Lastly, review of procurement documentation indicated that the procedures were generally followed.

MGT recommends that County management create reports that include planned and actual start and completion dates. County management should utilize these reports, along with existing reports, to monitor program performance and cost for all projects, both in-house and outsourced. Additionally, County management should consider using work orders on a task-by-task basis, rather than blanket work orders by type of work to more effectively track the utilization of staff, materials, and availability of equipment. MGT also recommends County management develop policies and procedures for the periodic evaluation of County programs, including the establishment of criteria to assess program performance and cost. County management should consider implementing processes and systems that will allow for more precise, real-time tracking of projects. Further, MGT recommends that Public Works Department management implement policies and procedures to ensure that projects are completed timely or contract terms are enforced when contractors fail to meet contractual deadlines. MGT also

recommends that County management ensure that compliance with purchasing policies and procedures is fully documented in County records including appropriate approvals for procurements.

### **The structure or design of the program to accomplish its goals and objectives**

Overall, Walton County partially met expectations in this area. The Public Works Department demonstrated a program organizational structure with clearly defined units, minimal overlapping functions, and administrative layers that minimize costs. Adequate leadership and management positions were in place for the Public Works Department. However, the reasonableness of the County's staffing for the Public Works Department could not be readily demonstrated. While the County has significantly more staff than peer counties, the County had been unable to start 4 projects scheduled for the 2020-21 fiscal year and 12 projects for the 2021-22 fiscal year. MGT's analysis showed that as of August 2022, 15 of 151 transportation-related positions were vacant, a vacancy rate of 9.9 percent.

MGT recommends that County management develop appropriate reports and systems to accurately track project progress and staff utilization for work orders. The County should review current staffing and utilization levels to evaluate whether staffing is appropriate and that current staff are appropriately utilized. If staffing is determined to be an issue with regards to completing the program's workload, County management should consider additional methods for recruiting staff and conducting a compensation and classification study to ensure that Public Works salaries are not a barrier to recruitment.

### **Alternative methods of providing services or products**

Overall, Walton County did not meet expectations in this area. MGT examined the processes used by the County's Public Works Department to evaluate whether a service could be privatized to evaluate whether privatized services are operating efficiently and effectively. MGT also evaluated the services currently provided by the

Public Works Department for opportunities for outsourcing. MGT's examination disclosed:

Evaluation of services for the feasibility of outsourcing. The County did not have a process in place to formally evaluate the feasibility of alternative methods of providing services. Program administrators indicated that they evaluated in-house services and activities as part of the annual budgetary process to assess the feasibility of alternative methods of providing services. Additionally, when determining whether to perform specific construction projects using in-house staff or outsourcing the project, the County evaluates whether staff resources and funds are available and whether the staff has the expertise in the required field of discipline to perform the project. If the County does not have the resources or expertise to perform the project in-house, then the County will outsource the project and work with consultants to manage the project. However, the County has no documentation to support these decisions.

Evaluation of outsourced services. While the County has processes in place to manage outsourced projects, the County did not have a formal process to assess the effectiveness and cost savings achieved by using outside providers. In March 2022, the County adopted a performance evaluation for consultants and contractors providing services to Walton County that evaluates work performance, project budget, and time.

Opportunities for outsourcing. The County has a pool of outsourced design firms that can be used at any time. Other outsourcing efforts include contracting for traffic light maintenance and lighting, as well as guard rail work. The County does not currently consider design-build contracting due to concerns from the previous County Attorney over the complexity of such contracts. While a review of peer counties did not disclose common use of the design-build method for road and bridge construction, the Florida Department of Transportation has established a nationally recognized design-build program that could be utilized.

MGT recommends County management ensure that periodic evaluations of the feasibility of alternative methods of providing services are conducted. Policies and procedures should be developed to identify the frequency with which evaluations should be conducted, the factors to be considered, and the documentation to be maintained. County management should develop policies and procedures for assessing contracted services to document that services provided by the contractors are effective and that cost savings are achieved. The policies and procedures should include the factors to be included in the assessment and the documentation that should be maintained. Additionally, MGT recommends that County management establish a method for evaluating the possible use of the design-build contracting method, particularly as it sees growing demands on its transportation network and the potential for an increased number and complexity of capital improvement projects in the future.

### **Goals, objectives, and performance measures used by the program to monitor and report program accomplishments**

Walton County did not meet expectations in this area. MGT inquired with County management regarding the County's strategic plan and the goals and objectives established for the Public Works Department. In response to inquiries, County management indicated that the County did not have a strategic plan, nor had goals and objectives been established and documented for the Public Works Department. County management further indicated that they had contracted for the development of a strategic plan and that the plan was in the development phase. Additionally, while the Public Works Department had no overall goals and objectives that had been established and documented, Public Works management indicated that their goals and objectives are submitted annually in the budget request in which the annual projects are approved by the Board of County Commissioners each fiscal year. However, the Public Works Department did not meet that goal for the 2020-21 fiscal year and is not on track to meet the goal for the 2021-22 fiscal year.

MGT recommends that County management continue their efforts to develop a strategic plan. As part of those efforts, the Public Works Department should establish goals and objectives which are clearly stated, measurable, and achievable within budget. Further, once goals and objectives are established, County management should ensure that appropriate policies and procedures are developed to support program goals and objectives.

**The accuracy or adequacy of public documents, reports, and requests prepared by the school district which relate to the program**

Overall, Walton County partially met expectations in this area. Walton County uses its primary website to disseminate important financial and non-financial information. Examples of information located on the website include the Annual Budget, as well as a listing of active and upcoming transportation projects. However, cost and performance information, such as projected and actual costs and completion dates, is not publicly available. Additionally, while the County has processes in place to evaluate the accuracy of financial information posted to its website, the County does not have procedures addressing the correction of data previously made publicly available.

MGT recommends that the County publish additional financial and non-financial information for transportation projects, including information such as budgeted and actual to-date costs and planned and actual start and end dates. Additionally, the County should implement a process for verifying the accuracy of non-financial information, and documenting that verification, prior to publishing information. Lastly, the County should establish written procedures formalizing the process for correcting public data.

**Compliance of the program with appropriate policies, rules, and laws**

Overall, Walton County partially met expectations in this area. The County's Public Works Department ensures compliance through periodic training conducted by the Florida Department of Transportation, obtaining Local Agency Program certification, which allows the

County to receive Federal transportation grants, and spreadsheets that help ensure that key approvals are obtained before a project can proceed further. Additionally, the County's Purchasing Office provides new employee training to familiarize staff with purchasing policies and procedures. The County also employs a Grant Coordinator who monitors the County's compliance with federal and state grant requirements. However, review of the documentation for 7 Public Works projects with budgets totaling approximately \$12.4 million, disclosed that the County had not fully documented its determination of compliance for 2 of the 7 projects.

Additionally, MGT inquired with the County Attorney and the Chair of the Transportation Advisory Committee and reviewed documentation from the Transportation Advisory Committee to determine whether the County had appropriately determined whether planned uses of the surtax are in compliance with applicable state laws, rules, and regulations. MGT also compared the requirements contained in Section 212.055, Florida Statutes, with language in County Ordinance 2022-06, adopted on April 26, 2022. Based on MGT's inquiry and review of documentation, it appears that the County took reasonable and timely actions to determine whether planned uses of the surtax comply with applicable state laws, rules, and regulations. However, the County is contemplating using the discretionary sales surtax for debt service which, while expressly authorized by Florida statutes and included in the Resolution, is not explicitly included in the referendum.

MGT recommends that County management ensure that compliance is fully documented in County records including appropriate approvals for procurements and the reason for not assessing liquidated damages when contract terms are not met. MGT also recommends the County Attorney consult with the Florida Department of Revenue or other appropriate governing body to determine the appropriateness of utilizing surtax funds for debt service, prior to issuing any bonds.

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# Executive Summary

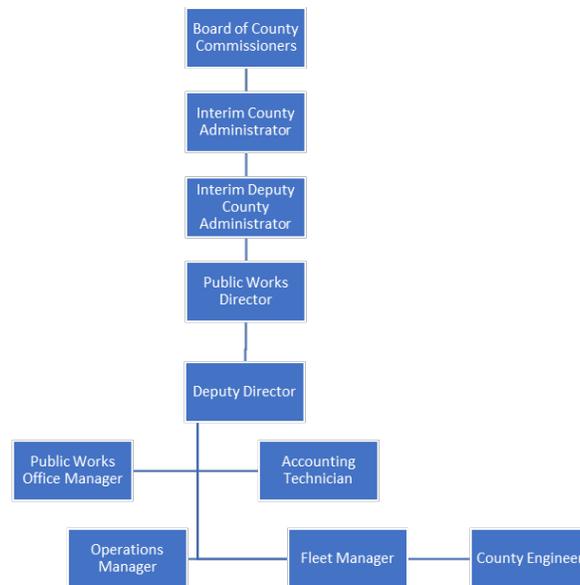
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## Background

Walton County, located in the northwestern portion of the state, stretches from its border with Alabama to the Gulf of Mexico, with the County seat located in DeFuniak Springs. The northern and southern portions of the County have distinct differences. The northern portion of the County is rural, and most of the current transportation projects are completed by the County's Public Works Department. The southern portion of the County is densely populated and most of the current transportation projects are outsourced, with the County Public Works Department overseeing the projects.

### *Responsible Organizational Units*

The County's Public Works Department is responsible for providing transportation-related services as well as other non-transportation duties. The Engineering, Surveying, Environmental, and Fleet Services Department, which are included in the total Public Works staffing provide a multitude of support services to other County Departments. As of May 2022, the Public Works Department had 160 full-time equivalent employees and a 2021-22 fiscal year budget totaling approximately \$29.5 million, of which \$10.9 million was allocated for payroll-related expenses and \$6.1 million for construction costs.



### *Use of Surtax Funds*

On April 26, 2022, the Walton County Board of County Commissioners approved an ordinance to place a referendum on the ballot for November 8, 2022, which would impose a 30-year 1 cent sales surtax within

## EXECUTIVE SUMMARY

the County's incorporated and unincorporated areas effective January 1, 2023. Section 212.055(11), Florida Statutes, provides requirements associated with such referenda, including that the Legislature's Office of Program Policy Analysis and Government Accountability (OPPAGA) procure the services of a certified public accountant to conduct a performance audit of the program associated with the proposed surtax. Should Walton County voters approve the one cent sales surtax, the proceeds will be used to improve roads and bridges, expand public transit options, fix potholes, enhance bus services, relieve rush hour bottlenecks, improve intersections, and make walking and biking safer. Pursuant to Walton County's April 26, 2022, ordinance, the County desires to fund the development, construction, and operation of transportation systems, facilities, and services through a one cent discretionary sales tax known as a Transportation System Surtax. The funds from the Transportation System Surtax will be used for projects that improve roads and bridges, expand public transit options, fix potholes, enhance bus services, relieve rush hour bottlenecks, improve intersections, and make walking and biking safer.

### *Existing Transportation Budget*

Walton County participates in the Okaloosa-Walton Transportation Planning Organization (TPO). The Okaloosa-Walton TPO is a local, intergovernmental transportation policy board for Okaloosa County and Walton County. The TPO's board is comprised of local government officials, including Walton County Commissioners, who make decisions regarding transportation at a regional level. The Okaloosa-Walton TPO Long Range Transportation Plan (LTRP) serves as a blueprint for maintaining and enhancing the regional transportation system. The LTRP identifies roadway, transit, bicycle and pedestrian, intelligent transportation systems, and other improvements needed over the next 25 years. The LTRP includes a Needs Plan and a Cost Feasible Plan. The Needs Plan identifies all transportation projects necessary to meet future demands. The Needs Plan is reviewed and prioritized, and the prioritized projects are included in the Cost Feasible Plan based on anticipated funding. Currently, forecasted revenues are not sufficient to fund all identified projects.

### **Audit Objectives**

In accordance with Section 212.055(11), Florida Statutes, and Generally Accepted Government Auditing Standards (GAGAS), a certified public accountant must conduct a performance audit of Walton County program areas within the administrative unit(s) that will receive funds through the referendum approved by Resolution on April 26, 2022. Pursuant to the requirements of Section 212.055(11), Florida Statutes, OPPAGA selected MGT to conduct the performance audit of the programs associated with the surtax resolution. 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.

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,

## EXECUTIVE SUMMARY

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, and
6. Compliance of the program with appropriate policies, rules, and laws.

### Project Scope

The subject auditee for the performance audit is Walton County. We conducted this audit from July 2022 through August 2022 in accordance with GAGAS. 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 and described below in the report provides a reasonable basis for our findings and conclusions based on our audit objectives.

### Project Methodology

Our audit included the selection and examination of transactions and records occurring during the period October 2020 through May 2022. Unless otherwise indicated in this report, these transactions and records were not selected with the intent of statistically projecting the results, although we have presented for perspective, where practicable, information concerning relevant population value or size and quantifications relative to the items selected for examination.

An audit by its nature, does not include a review of all records and actions of agency management, staff, and vendors, and as a consequence, cannot be relied upon to identify all instances of noncompliance, fraud, abuse, or inefficiency.

As described in more detail below, for those programs, activities, and functions included within the scope of our audit, our audit work included, but was not limited to, communicating to management and those charged with governance the scope, objectives, timing, overall methodology, and reporting of our audit; obtaining an understanding of the program, activity, or function; identifying and evaluating internal controls significant to our audit objectives; exercising professional judgment in considering significance and audit risk in the design and execution of the research, interviews, tests, analyses, and other procedures included in the audit methodology; obtaining reasonable assurance of the overall sufficiency and appropriateness of the evidence gathered in support of our audit's findings and conclusions; and reporting on the results of the audit as required by governing laws and auditing standards.

In conducting our audit, we:

- Reviewed applicable laws, rules, County policies and procedures, and other guidelines, and interviewed County personnel to obtain an understanding of the administration of transportation services.
- Examined reports and data used by management to monitor program performance and cost to determine whether the information appeared to be adequate to monitor program performance and cost.

## EXECUTIVE SUMMARY

- Analyzed the data contained in the County's Work Order Database to determine if it was sufficiently detailed to allow the County to monitor the utilization of Public Works staff, equipment, and materials.
- Inquired with County management to determine whether the program was periodically evaluated.
- Examined the County's Annual Comprehensive Financial Reports for the fiscal years ending September 30, 2020 and September 30, 2021, to determine whether the County had any findings affecting the Public Works Department and, if so, if management had taken appropriate action to correct the findings.
- Evaluated Public Works Department program performance by comparing Walton County road and safety statistics with statistics from Columbia, Nassau, Putnam, and Santa Rosa counties to determine whether Walton County's performance was within the same range of its peer counties.
- From the population of 24 Public Works projects with expenditures totaling \$18,773,287 completed during the period October 2020 through May 2022, examined project management documentation for 3 projects to determine whether the projects were completed well, within budget or a reasonable amount, and completed on-time.
- Examined County purchasing policies and procedures to determine whether the policies and procedures addressed the use of competitive procurement, volume discounts, and special pricing agreements. Additionally, from the population of 43 Public Works projects with project budgets totaling \$57,315,229 begun during the period October 2020 through May 2022, examined documentation for 6 projects to determine whether the projects were procured in accordance with established procedures regarding competitive procurement, volume discounts, and special pricing agreements.
- Examined procurement and project documentation of the following to determine whether the County had appropriately documented its determination of compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures:
  - From the population of 43 Public Works projects with project budgets totaling \$57,315,229 and expenditures through May 2022 totaling \$35,149,747 begun during the period October 2020 through May 2022 and, examined award and procurement documentation for 6 Public Works projects (including 2 of 3 completed projects) with project budgets totaling \$11.7 million
  - From the population of 24 projects with expenditures totaling \$18,773,287 completed during the period October 2020 through May 2022, examined project management documentation for 3 Public Works projects with expenditures totaling \$6.8 million.
- Examined the County's overall and Public Works Department organizational charts, and compared staffing levels to comparable counties and Span of Control benchmarks obtained from the Society for Human Resource Management (SHRM) to determine whether the organizational structure appears to minimize overlapping functions, excessive administrative layers, and minimizes administrative costs.
- Reviewed the budgeting process to determine whether the process included procedures to assess the Full-Time Equivalent positions needed in the Public Works Department to help ensure current staffing levels are adequate based on the nature of the services provided and program workload. Additionally, analyzed work orders and in-house projects completed during the 2020-21 and

## EXECUTIVE SUMMARY

2021-22 fiscal years to determine whether the staffing appeared appropriate to complete the work assigned.

- Inquired with the CFO and Public Works management and staff regarding evaluations of in-house services and activities to assess the feasibility of alternative methods of providing services and the assessment of contracted services.
- Compared the services provided by the County's Public Works Department with the services provided by public works departments in Columbia, Nassau, Putnam, and Santa Rosa counties and with information on the Florida Department of Transportation's website.
- Inquired with Public Works management and staff to identify the program's goals and objectives, measures used to evaluate program performance, and internal controls in place to determine whether clear, measurable, and achievable goals have been established for the program, sufficient measures are in place to evaluate program performance, and internal controls provide reasonable assurance that goals and objectives will be met.
- Reviewed the County website to identify the types of transportation services-related documents available and reviewed the 2022 County Budget and List of Active and Upcoming Transportation Projects to determine the types of performance and cost data publicly available.
- Evaluated the efficacy of the County's website by comparing website average visit duration and bounce rate against industry averages.
- Reviewed the County website to determine whether information appeared to be posted timely and made inquiries regarding corrections to data previously posted on the website.
- Inquired with County management to gain an understanding of the processes and controls established to determine whether the Public Works Department has established a process to ensure compliance with applicable federal, state, and local laws and regulations; contracts; and grant agreements.
- Made inquiries with the County Attorney and Transportation Advisory Chair and examined Transportation Advisory Committee meeting minutes to determine how the County verified that planned uses of the surtax comply with applicable state laws, rules, and regulations.
- Performed various other auditing procedures, including analytical procedures, as necessary, to accomplish the objectives of the audit.
- Prepared and submitted for management response the findings and recommendations that are included in this report and which describe the matters requiring corrective actions. Management's response is included in this report under the heading MANAGEMENT'S RESPONSE.

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## Summary of Findings

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**Overall Conclusion:**

Walton County could improve its processes related to the Public Works Department to help ensure the proper administration of discretionary sales surtax proceeds as detailed in Research Tasks 1 through 6 below.

**Research Task 1: The economy, efficiency, or effectiveness of the program—Partially Met**

SUBTASK	NARRATIVE	CONCLUSION	RECOMMENDATION
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.	Partially Met	MGT recommends that County management establish reports that include planned and actual start and completion dates to monitor program performance for all projects, both in-house and outsourced. Additionally, County management should consider using work orders on a task-by-task basis, rather than blanket work orders by type of work to more effectively track the utilization of staff, materials, and availability of equipment.

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SUBTASK		NARRATIVE	CONCLUSION	RECOMMENDATION
		system included 2,192 work orders in progress, with 1,520 having been open since 2020.		
1.2	Determine whether the program is periodically evaluated using performance information and other reasonable criteria to assess program performance and cost.	County administrators did not periodically evaluate the performance or cost of the Public Works Department.	Did Not Meet	MGT recommends County management develop policies and procedures for the periodic evaluation of County programs, including the establishment of criteria to assess program performance and cost.
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 MGT Team requested access to all internal and external reports related to transportation performance and costs. We received the County's Annual Comprehensive Financial Reports (ACFR) for fiscal years ending September 30, 2020, and September 30, 2021. During our interview process, we confirmed with management that these were the only two reports, either internal or external, that related to the program's performance. For both years, the auditors noted that Walton County had no material weaknesses or significant deficiencies in its internal controls over financial reporting or compliance for its major Federal programs.	Met	

## SUMMARY OF FINDINGS

SUBTASK		NARRATIVE	CONCLUSION	RECOMMENDATION
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.	Not applicable, there were no deficiencies noted in program performance or cost identified in management reports/data, periodic program evaluations, or audits.	N/A	N/A
1.5	Evaluate program performance and cost based on reasonable measures, including best practices.	We evaluated the following elements of program performance and cost: ratio of paved and unpaved roads, number of traffic fatalities, budget and actual expenditures for projects completed during the period October 2020 through May 2022, along with days to complete for those projects. We also obtained best practices information from Santa Rosa, Nassau, and Sarasota counties. Due to the limited data available, MGT is unable to assess whether the County is effectively managing its projects.	Did Not Meet	County management should consider implementing processes and systems that will allow for more precise, real-time evaluation of projects. The County should also review the fatality data to determine if the fatalities occurred on County facilities, and, if so, whether they could be related to safety or road quality issues.
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.	We reviewed 3 of 24 projects completed during the period October 2020 through May 2022. Based on our examination of project documentation for the projects, the County completed its projects within budget and a reasonable time; however, the County's processes were not effective in ensuring that projects were	Partially Met	MGT recommends that Public Works Department management implement policies and procedures to ensure that projects are completed timely or contract terms are enforced when contractors fail to meet contractual deadlines.

## SUMMARY OF FINDINGS

SUBTASK	NARRATIVE	CONCLUSION	RECOMMENDATION
	always completed well and on time.		
1.7	Determine whether the program has established written policies and procedures to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements.	Met	
	<p>Our review of the County’s written procurement policies and procedures; specifically, Procedure PP-002 Spending Levels, PP-012 Source Selection, PP-013 Extension Off Other Entities Contracts, PP-020 Utilizing State of Florida Term Contracts, and PP-021 Term Contracts indicated that the policies and procedures sufficiently addressed competitive procurement, volume discounts, and special pricing agreements. Additionally, we reviewed 6 of 43 transportation projects started during the period October 2020 through May 2022 to evaluate whether the related procurements for the project followed established procedures regarding competitive procurement, volume discounts, and special pricing agreements. Based on review of the projects, the County generally followed established procedures when procuring transportation services; however, we noted one instance where the County did not obtain appropriate</p>		

## SUMMARY OF FINDINGS

SUBTASK	NARRATIVE	CONCLUSION	RECOMMENDATION
	approvals prior to making a purchase.		

### Research Task 2: The structure or design of the program to accomplish its goals and objectives—Partially Met

SUBTASK	NARRATIVE	CONCLUSION	RECOMMENDATION
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.	Met	
2.2	Assess the reasonableness of current program staffing levels given the nature of the services provided and program workload.	Did Not Meet	As discussed in Research Subtask 1.1, MGT recommends that County management develop appropriate reports and systems to accurately track project progress and staff utilization for work orders. The County should review current staffing and utilization levels to evaluate whether staffing is appropriate. If staffing is determined to be an issue with regards to completing the program workload, County management should consider additional methods for recruiting staff and conducting a compensation study to

## SUMMARY OF FINDINGS

SUBTASK		NARRATIVE	CONCLUSION	RECOMMENDATION
		<p>May 31, 2022. While Public Works Department management indicated that it is the County’s goal to complete all projects identified for a fiscal year within that fiscal year, as of May 31, 2022, the County had not started 4 projects scheduled for the 2020-21 fiscal year and 12 projects for the 2021-22 fiscal year. However, as discussed in Research Subtask 1.1, without a work order system that accurately tracks staff utilization and reports that monitor the status of projects, it is not apparent whether staff is being appropriately utilized.</p>		<p>ensure that Public Works salaries are not a barrier to recruitment.</p>

### Research Task 3: Alternative methods of providing services or products—Partially Met

SUBTASK		NARRATIVE	CONCLUSION	RECOMMENDATION
3.1	<p>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.</p>	<p>The County does not have a process in place to formally evaluate the feasibility of alternative methods of providing services. Program administrators indicated that they evaluated in-house services and activities as part of the annual budgetary process to assess the feasibility of alternative methods of providing services. Additionally, when determining whether to perform specific</p>	<p>Did Not Meet</p>	<p>MGT recommends that County management ensure that periodic evaluations of the feasibility of alternative methods of providing services are conducted. Policies and procedures should be developed to identify the frequency with which evaluations should be conducted, the factors to be considered, and the documentation to be maintained.</p>

## SUMMARY OF FINDINGS

SUBTASK	NARRATIVE	CONCLUSION	RECOMMENDATION
	<p>construction projects using in-house staff or outsourcing the project, the County will evaluate whether staff resources are available and the staff has the expertise to perform the project. If the County does not have the resources or expertise to perform the project in-house, then the County will outsource the project and work with a Construction Engineering and Inspection (CEI) firm to manage the project. However, the County had no documentation to support these decisions.</p>		
<p>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.</p>	<p>The County does not have a process to assess the effectiveness and costs savings achieved when using an outside provider. The County outsources construction projects where it is required by the terms of the grant, such as Florida Department of Transportation projects, or where the County does not have the resources or expertise to perform the work in-house. The County utilizes a CEI firm to monitor the quality of the project on a day-to-day basis. The CEI firm provides the County with weekly status reports.</p>	<p>Did Not Meet</p>	<p>MGT recommends that County management develop policies and procedures for assessing contracted services to document that services provided by the contractors are effective and that cost savings are achieved. The policies and procedures should include the factors to be included in the assessment and the documentation that should be maintained.</p>

## SUMMARY OF FINDINGS

SUBTASK		NARRATIVE	CONCLUSION	RECOMMENDATION
3.3	Determine whether program administrators have made changes to service delivery methods when their evaluations/assessments found that such changes would reduce program cost without significantly affecting the quality of services.	As the County had no documented evaluations or assessments of services, this subtask is not applicable.	Did Not Meet	See 3.2 Recommendation
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.	We reviewed the transportation programs in Nassau, Putnam, Santa Rosa, and Columbia counties, along with information published by the Florida Department of Transportation, to identify possible opportunities for alternative service delivery methods. Our review disclosed that the County may be able to reduce costs without affecting the quality of services by adopting the design-build method for large construction projects.	Did Not Meet	County management should consider the possible opportunity of using the design-build contracting method as a potential alternative to reduce project costs and delays, particularly on its largest and most complex capital improvement projects. Additionally, MGT recommends County management establish a method for evaluating the possible use of design-build, particularly as it sees growing demands on its transportation network and the potential for an increased number and complexity of capital improvement projects in the future.

### Research Task 4: Goals, objectives, and performance measures used by the program to monitor and report program accomplishments—Not Met

SUBTASK		NARRATIVE	CONCLUSION	RECOMMENDATION
4.1	Review program goals and objectives to determine whether they are clearly stated, measurable, can be achieved	Based on the analysis performed, program goals and objectives have not been established.	Did Not Meet	MGT recommends that County management continue their efforts to develop a strategic plan.

## SUMMARY OF FINDINGS

SUBTASK	NARRATIVE	CONCLUSION	RECOMMENDATION
<p>within budget, and are consistent with the County’s strategic plan.</p>	<p>Additionally, the County does not have a strategic plan. County management advised that they are developing a strategic plan.</p>		<p>As part of those efforts, Public Works Department management should establish goals and objectives which are clearly stated, measurable, and achievable within budget. Further, once goals and objectives are established, County management should ensure that appropriate policies and procedures are developed to support program goals and objectives.</p>
<p>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.</p>	<p>The County has not established measures to evaluate the performance of the Public Works Department.</p>	<p>Did Not Meet</p>	<p>MGT recommends that County management establish measures that will assess program progress towards meeting its stated goals and objectives, once those goals and objectives are established.</p>
<p>4.3 Evaluate internal controls, including policies and procedures, to determine whether they provide reasonable assurance that program goals and objectives will be met.</p>	<p>As the County has not established program goals and objectives, the evaluation of relevant internal controls cannot be made.</p>	<p>Did Not Meet</p>	<p>Once goals and objectives are established, County management should ensure that appropriate policies and procedures are developed to support program goals and objectives.</p>

**Research Task 5: The accuracy or adequacy of public documents, reports, and requests prepared by the County which relate to the program—Partially Met**

## SUMMARY OF FINDINGS

SUBTASK		NARRATIVE	CONCLUSION	RECOMMENDATION
5.1	Assess whether the program has financial and non-financial information systems that provide useful, timely, and accurate information to the public.	Based on the analysis performed, the program has financial and non-financial information systems in place that provide useful, timely, and accurate information to the public. However, the County could improve its processes to ensure the accuracy of non-financial information.	Partially Met	MGT recommends that the County publish additional financial and non-financial information for transportation projects, including information such as budgeted and actual to-date costs and planned and actual start and end dates.
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.	There were no relevant internal or external reports that evaluated the accuracy or adequacy of public documents, reports, and requests prepared by the County related to the program.	Did Not Meet	MGT recommends that County management ensure that the review of documents, reports, and requests made publicly available be appropriately documented.
5.3	Determine whether the public has access to program performance and cost information that is readily available and easy to locate.	We reviewed the County's website to identify the information available for transportation services. We reviewed the budget documents and the listing of active and upcoming road, bridge, and drainage projects. While the County provides overall budget information and a list of active projects, the County does not provide public access to program performance and cost information on a detailed project basis. Accordingly, this subtask is partially met.	Partially Met	MGT recommends that the County publish additional financial and non-financial information for transportation projects, including information such as budgeted and actual to-date costs and planned and actual start and end dates.
5.4	Review processes the program has in place to ensure the accuracy and completeness of any program	We reviewed the County's process for reviewing and approving documents	Partially Met	MGT recommends that Public Works Department management implement a

## SUMMARY OF FINDINGS

SUBTASK	NARRATIVE	CONCLUSION	RECOMMENDATION
	<p>performance and cost information provided to the public.</p> <p>before being published to the website or being provided through a public records request. Our analysis indicated that the County has an appropriate process in place to ensure the accuracy and completeness of financial information; however, a process is not in place to ensure the accuracy of non-financial information.</p>		<p>process to ensure the accuracy of non-financial information related to transportation services.</p>
<p>5.5</p>	<p>Determine 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.</p> <p>MGT interviewed the Public Information Officer regarding the processes in place to correct any erroneous and/or incomplete information included in public documents, reports, or other materials prepared by the County. The County does not have written procedures regarding the correction of any erroneous or incomplete information; however, the Public Information Officer indicated that, if erroneous or incomplete information was noted, the record would be corrected and notification sent to all subscribers on the County’s website, along with a notice published on the main page of the website. According to the Public Information Officer, no erroneous or incomplete transportation</p>	<p>Did Not Meet</p>	<p>County management should establish written procedures formalizing the process for correcting public data.</p>

## SUMMARY OF FINDINGS

SUBTASK		NARRATIVE	CONCLUSION	RECOMMENDATION
		services information was noted during the period October 2020 through May 2022. Based on the information provided, the County has a process for identifying and correcting erroneous or incomplete information; however, there are no written procedures. Accordingly, this subtask is partially met.		

### Research Task 6: Compliance of the program with appropriate laws, rules, and policies— Partially Met

SUBTASK		NARRATIVE	CONCLUSION	RECOMMENDATION
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.	Based on the analysis performed, the program has a sufficient process in place to assess compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies.	Met	
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.	We gained an understanding of the internal controls the County has in place regarding the provision of transportation services. Gaining an understanding included review of the County’s written policies and procedures, interviews with the Chief Financial Officer and Public Works staff, and inspection of County records including	Partially Met	MGT recommends that County management ensure that compliance is fully documented in County records including appropriate approvals for procurements and the reason for not assessing liquidated damages when contract terms are not met.

## SUMMARY OF FINDINGS

SUBTASK	NARRATIVE	CONCLUSION	RECOMMENDATION
	<p>procurement and project management files. Based on our understanding, it appears that internal controls are in place to ensure compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures. However, the controls were not operating effectively to ensure that the County's assessment of compliance was fully documented.</p>		
6.3	<p>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.</p>	N/A	
6.4	<p>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.</p>	Partially Met	<p>MGT recommends the County Attorney obtain authorization from the Florida Department of Revenue or other appropriate governing body before utilizing surtax funds for debt service.</p>

## SUMMARY OF FINDINGS

SUBTASK	NARRATIVE	CONCLUSION	RECOMMENDATION
	<p>rules, and regulations. However, the County is contemplating using the discretionary sales surtax for debt service which, while expressly authorized by Florida Statutes and included in the Resolution, is not explicitly included in the referendum. Therefore, the subtask is partially met.</p>		

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## Detailed Findings and Results

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### RESEARCH TASK 1: ECONOMY, EFFICIENCY, OR EFFECTIVENESS OF THE PROGRAM

**Finding: Overall, the County's Public Works Department partially met expectations for this research task.**

The periodic evaluation of the economy, efficiency, and effectiveness of the program, along with individual projects, is an important element to ensuring that the program is operating and funds are expended as intended.

MGT made inquiries with County management and examined records and reports to assess the County's procedures for evaluating the program. Our examination indicated that the County did not have sufficient reports in place to appropriately evaluate program performance and did not conduct such evaluations.

With regards to individual projects, Public Works Department projects were completed within budget and a reasonable amount; however, procedures could be enhanced to ensure that projects are completed well and on time. Also, the County has established written policies and procedures that allow the County to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements.

MGT recommends that County management establish reports that include planned and actual start and completion dates. County management should utilize these reports, along with existing reports, to monitor program performance and cost for all projects, both in-house and outsourced. Additionally, County management should consider using work orders on a task-by-task basis, rather than blanket work orders by type of work to more effectively track the utilization of staff, materials, and availability of equipment. We also recommend County management develop policies and procedures for the periodic evaluation of County programs, including the establishment of criteria to assess program performance and cost. County management should consider implementing processes and systems that will allow for more precise, real-time evaluation of projects. Further, MGT recommends that Public Works Department management implement policies and procedures to ensure that projects are completed timely or contract terms are enforced when contractors fail to meet contractual deadlines. MGT also recommends that County management ensure that compliance with purchasing policies and procedures is fully documented in County records including appropriate approvals for procurements.

## DETAILED FINDINGS AND RESULTS

### Research Subtask Analysis and Conclusions

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 this subtask, MGT interviewed Public Works Department management and examined existing reports. The County Public Works Department management monitored program performance and cost monthly using Project Reports (Exhibit 1.1) that contain only outsourced projects and an Internal Work Order spreadsheet (Exhibit 1.2).

### Exhibit 1.1 Project Spreadsheet Example

CR2 over Long Creek Bridge #60007 Small County Outreach Program							
PROJECT NAME and DESCRIPTION	CONTACT PERSON	EXPENDITURES	APPROVAL CHECKLIST				BCC MINUTES
			GRANT CONTRACT	DESIGN	CEI	CONSTRUCTION	
CR2 over Long Creek Bridge (#600077)  FPN: 44309-1-54-01  Expires : September 30, 2022 Extension:  <b>PROJECT DESCRIPTION</b> Permitting, design and necessary repair work. Repairs include placing a crutch bent at bent 3, installing rip rap on both sides of bent 3, and along both abutments where it is needed. Spalling repairs will also be completed.	Anna Hudson	DESIGN  CONSTRUCTION/CEI  DESIGN  CEI  CONSTRUCTION	<input checked="" type="checkbox"/> Legal Approval <input checked="" type="checkbox"/> Agreement <input type="checkbox"/> Design-BCC Approved to Advertise <input type="checkbox"/> CEI-BCC Approved to Advertise. <input type="checkbox"/> Construction-BCC approved to Advertise <input type="checkbox"/> Agmt sent to FDOT for signature <input type="checkbox"/> FDOT Notice to Proceed/Signed agreement <input type="checkbox"/> Agreement sent to Clerk	<input type="checkbox"/> Advertised <input type="checkbox"/> Q&A <input type="checkbox"/> Closes <input type="checkbox"/> Review Team <input type="checkbox"/> Ranking Sheet sent to FDOT <input type="checkbox"/> BCC Award/Negotiate Firm <input type="checkbox"/> CCNA/Vendor Eligibility form Sent to FDOT <input type="checkbox"/> BCC Approved Contract <input type="checkbox"/> NTP Sent to Engineer <input type="checkbox"/> Contract sent to FDOT <input type="checkbox"/> 30% Plans Received <input type="checkbox"/> 30% Plans sent to FDOT (bridge) <input type="checkbox"/> Comments <input type="checkbox"/> 60% Plans Received <input type="checkbox"/> 60% Comments <input type="checkbox"/> 90% FDOT Submittal <input type="checkbox"/> 90% FDOT Submittal <input type="checkbox"/> Plans <input type="checkbox"/> Cost Estimate <input type="checkbox"/> Utility Memo <input type="checkbox"/> Permit Certification <input type="checkbox"/> ROW Certification <input type="checkbox"/> Railroad Certification <input type="checkbox"/> Bid Documents <input type="checkbox"/> 90% Comments <input type="checkbox"/> 100% Plans Received <input type="checkbox"/> 100% Plans sent to FDOT <input type="checkbox"/> Signed and sealed plans sent to FDOT <input type="checkbox"/> Signed and sealed plans received	<input type="checkbox"/> Advertised <input type="checkbox"/> Q&A <input type="checkbox"/> Closes <input type="checkbox"/> Review Team <input type="checkbox"/> Ranking Sheet sent to FDOT <input type="checkbox"/> BCC Award/Negotiate Firm <input type="checkbox"/> CCNA/Vendor Eligibility form sent to FDOT <input type="checkbox"/> BCC Approved Contract <input type="checkbox"/> NTP sent to Engineer <input type="checkbox"/> Contract sent to FDOT <input type="checkbox"/> Constructability Review <input type="checkbox"/> 30% <input type="checkbox"/> 60% <input type="checkbox"/> 90% <input type="checkbox"/> 100%  <input type="checkbox"/> Asbuilt Plans/Notice of Completion <input type="checkbox"/> Daily Logs/Material Certifications <input type="checkbox"/> Letter of Final Completion	<input type="checkbox"/> FDOT Letter of Concurrence: <input type="checkbox"/> Intake Meeting: <input type="checkbox"/> Advertised: <input type="checkbox"/> Q&A: <input type="checkbox"/> Bid Closes: <input type="checkbox"/> Bid tab sent to FDOT:  <input type="checkbox"/> FDOT approval to award: <input type="checkbox"/> Legal to draft contract: <input type="checkbox"/> BCC approved contract: <input type="checkbox"/> NTP <input type="checkbox"/> Pre-construction date: <input type="checkbox"/> Pre-construction Meeting (2-week notice-FDOT) <input type="checkbox"/> Preliminary schedule (FDOT) <input type="checkbox"/> Change Order sent to FDOT: <input type="checkbox"/> FDOT approved Change Order: <input type="checkbox"/> BCC approved Change Order 1:	March 23, 2021-BCC approved for staff to apply for state funding for CR2 over Long Creek Bridge #600077 through the FDOT Bridge Small County Outreach Program. October 14, 2021-BCC approved the FDOT SCOP grant agreement #44309-1-54-01 for CR 2 over Long Creek Bridge #600077 repair in the amount of \$324,596.00.
			SCOP	DESIGN	CEI	CONSTRUCTION	
			#44309-1-54-01 \$324,596.00				
NOTES: This grant agreement will be on the October 14 <sup>th</sup> agenda for approval						CONTRACT DAYS	
						Substantial:	
						Final:	

Source: Walton County Public Works Department

## DETAILED FINDINGS AND RESULTS

### Exhibit 1.2 Work Order Spreadsheet Excerpt

Number	Requesting Department	Servicing Department	Activity	Description	Status	Creator	Creation Date
3236	PW-GENERAL	PW-ASPHALT CREW	Paving	MOULTRIE DRIVE-ASPHALT CREW-DIRT TO PAVE PROJECT	In Progress	pw-leeamanda	7/22/2020 1:07:00 PM
3237	PW-GENERAL	PW-ASPHALT CREW	Paving	JEANINE WAY-ASPHALT CREW-DIRT TO PAVE	In Progress	pw-leeamanda	7/22/2020 1:21:00 PM
3239	PW-GENERAL	PW-ASPHALT CREW	Paving	HANNAH LN-ASPHALT CREW-DIRT TO PAVE PROJECT	In Progress	pw-leeamanda	7/22/2020 1:26:00 PM
3240	PW-GENERAL	PW-ASPHALT CREW	Paving	W. VEREEN CIRCLE-ASPHALT CREW-DIRT TO PAVE PROJECT	In Progress	pw-leeamanda	7/22/2020 1:31:00 PM
3241	PW-GENERAL	PW-ASPHALT CREW	Paving	E VEREEN CIRCLE-ASPHALT CREW-DIRT TO PAVE PROJECT	In Progress	pw-leeamanda	7/22/2020 1:35:00 PM
3242	PW-GENERAL	PW-ASPHALT CREW	Overlay Asphalt	CLOUD DRIVE-ASPHALT CREW-OVERLAY	In Progress	pw-leeamanda	7/22/2020 8:38:00 AM
3671	PW-GENERAL	PW-ASPHALT CREW	Overlay Asphalt	TUCKER TOWN RD - Overlay Asphalt	In Progress	pw-comkim	9/2/2020 8:44:00 AM
3848	PW-GENERAL	PW-ASPHALT CREW	BARRICADES	BEAR BAY FLATS-ASPHALT CREW-HURRICANE SALLY:PLACES BARRICADES AND CLEAN	Work Complete	pw-leeamanda	9/17/2020 7:15:00 PM
3849	PW-GENERAL	PW-ASPHALT CREW	BARRICADES	CAMPGROUND RD-ASPHALT CREW-HURRICANE SALLY: PLACING BARRICADES AND CL	Work Complete	pw-leeamanda	9/17/2020 7:24:00 PM
3853	PW-GENERAL	PW-ASPHALT CREW	BARRICADES	CO HIGHWAY 1087-ASPHALT CREW-HURRICANE SALLY:BARRICADES	Work Complete	pw-leeamanda	9/17/2020 7:35:00 PM
4017	PW-GENERAL	PW-ASPHALT CREW	Cleanup	SCHOFIELD RD-HURRICANE SALLY-ASPHALT CREW-Cleanup	Work Complete	pw-leeamanda	9/19/2020 2:02:00 AM
4018	PW-GENERAL	PW-ASPHALT CREW	Cleanup	PEN WILLIAMS RD-ASPHALT CREW-HURRICANE SALLY-Cleanup	Work Complete	pw-leeamanda	9/19/2020 2:15:00 AM
4019	PW-GENERAL	PW-ASPHALT CREW	Cleanup	STEWART RD-ASPHALT CREW-HURRICANE SALLY-Cleanup	Work Complete	pw-leeamanda	9/19/2020 2:19:00 AM
4461	BCC-GENERAL	PW-ASPHALT CREW	Patching Asphalt	WEE CARE PARK-ASPHALT CREW-Patching Asphalt ON WALKING TRACK	In Progress	pw-leeamanda	10/15/2020 1:24:00 PM
4496	PW-GENERAL	PW-ASPHALT CREW	Overlay Asphalt	COY ELLIS RD-ASPHALT CREW-OVERLAY	In Progress	pw-leeamanda	10/20/2020 3:40:00 PM
4661	BCC-GENERAL	PW-ASPHALT CREW	Paving	WEE CARE PARK-ASPHALT CREW-Paving-DISTRICT 3 COMMISSIONERS OFFICE	In Progress	pw-leeamanda	11/9/2020 5:37:00 PM
4673	PW-GENERAL	PW-ASPHALT CREW	Patching Asphalt	E CO HIGHWAY 30A BIKE PATH-ASPHALT CREW-Patching Asphalt ON BIKE PATH	In Progress	pw-leeamanda	11/10/2020 10:47:00 AM
4702	BCC-GENERAL	PW-ASPHALT CREW	Parkinglot Patch	TRI-COUNTY PARKINGLOT-ASPHALT CREW-Parkinglot Patch	In Progress	pw-leeamanda	11/17/2020 8:24:00 AM
4742	PW-GENERAL	PW-ASPHALT CREW	Patching Asphalt	CREEKSIDE DR-ASPHALT CREW-Patching Asphalt	In Progress	pw-leeamanda	11/24/2020 7:02:00 AM
5215	PW-GENERAL	PW-ASPHALT CREW	Patching Asphalt	CO HWY 2A-LONG CREEK BRIDGE APPROACH-ASPHALT CREW-Patching Asphalt	In Progress	pw-leeamanda	2/4/2021 8:13:00 AM
5229	PW-GENERAL	PW-ASPHALT CREW	Overlay Asphalt	WILLIE B PARKER RD - OVERLAY-ASPHALT CREW-Overlay Asphalt	In Progress	pw-leeamanda	2/8/2021 8:39:00 AM
5232	PW-GENERAL	PW-ASPHALT CREW	Overlay Asphalt	OAK RIDGE CEMETERY RD-OVERLAY-ASPHALT CREW-Overlay Asphalt	In Progress	pw-leeamanda	2/8/2021 8:43:00 AM

Source: Walton County Public Works Department

Additionally, the County provided reports from the Work Order system that summarized costs for a work order as shown in Exhibit 1.3. While this report is useful in monitoring project cost, staffing, and equipment and material utilization, the report is only run upon request and is not used by Public Works management on an ongoing basis to monitor Department activities. Additionally, the County does not have the capability to run a report by day to determine whether staff and equipment are being utilized efficiently and effectively.

HANNAH LN (IN-HOUSE DIRT TO PAVE PROJECT)									
Work Order Number	Task	Cost Type	Class/Overhead Code	Detail Description	Qty	Rate/Cost	Total	Date	
3239		1 EQUIPMENT		2019 Ford F550 4x4 Crew Cab Utility Bed	1.00	\$ 27.55	\$ 27.55	09/02/2020	
3239		1 EQUIPMENT		2019 ,F150 4X4 GC	2.00	\$ 12.78	\$ 25.56	09/02/2020	
<b>TOTAL EQUIPMENT:</b>							<b>\$ 53.11</b>		
3239		1 LABOR	4700	ARD, JEFFREY MARTIN	7.00	\$ 19.74	\$ 138.15	09/08/2020	
3239		1 LABOR	4700	BISHOP, RONALD K	7.00	\$ 28.06	\$ 196.39	09/08/2020	
3239		1 LABOR	4700	BURNHAM, WILLARD C, JR	7.00	\$ 18.67	\$ 130.72	09/08/2020	
3239		1 LABOR	4700	JACKSON, RENDA SHARELL	7.00	\$ 14.01	\$ 98.07	09/08/2020	
3239		1 LABOR	4700	LILLAND, MARTIN WILL	7.00	\$ 14.66	\$ 102.62	09/08/2020	
3239		1 LABOR	4701	HENDERSON SR, JAMES W, SR	5.00	\$ 26.70	\$ 133.52	09/08/2020	
3239		1 LABOR	4700	ARD, JEFFREY MARTIN	10.00	\$ 19.74	\$ 197.36	09/02/2020	
3239		1 LABOR	4700	BISHOP, RONALD K	10.00	\$ 28.06	\$ 280.55	09/02/2020	
3239		1 LABOR	4700	JACKSON, RENDA SHARELL	10.00	\$ 14.01	\$ 140.10	09/02/2020	
3239		1 LABOR	4700	LILLAND, MARTIN WILL	10.00	\$ 14.66	\$ 146.60	09/02/2020	
3239		1 LABOR	4701	HENDERSON SR, JAMES W, SR	2.00	\$ 26.70	\$ 53.41	09/02/2020	
<b>TOTAL LABOR:</b>							<b>\$ 1,617.49</b>		
3239		1 SUPPLIES		BAHIA SOD/HANNAH LANE	1.00	\$ 4,608.00	\$ 4,608.00	11/25/2020	
3239		1 SUPPLIES		BAHIA SOD/HANNAH LANE	1.00	\$ 1,728.00	\$ 1,728.00	11/25/2020	
3239		1 SUPPLIES		ASPHALT/HANNAH LN	1.00	\$ 23,829.00	\$ 23,829.00	09/30/2020	
<b>TOTAL SUPPLIES:</b>							<b>\$ 30,165.00</b>		
<b>GRAND TOTAL</b>							<b>\$ 31,835.60</b>		

The reports and data utilized did not appear adequate for the intended purpose as they do not contain information on planned and actual project start and end dates or information on activity by day. Additionally, because the Public Works Department uses blanket work orders for items such as debris removal and does not close them out, even at fiscal year-end, the system is of limited use in monitoring

## DETAILED FINDINGS AND RESULTS

the status of work orders and the availability of staff to work on additional assignments. As of May 2022, the work order system reflected the following:

<b>Table 1.1 Summary of Work Order Database as of May 2022</b>			
<b>Status by Creation Date</b>	<b>Number of Work Orders</b>	<b>Percent of Total</b>	<b>Percent of Status</b>
<b>In Progress</b>	<b>2,192</b>	<b>84.24%</b>	
<b>2020</b>	1,520		69.34%
<b>2021</b>	447		20.39%
<b>2022</b>	225		10.26%
<b>Work Complete</b>	<b>410</b>	<b>15.76%</b>	
<b>2020</b>	400		97.56%
<b>2021</b>	10		2.44%
<b>Total</b>	2,602		

Source: Walton County Public Works Department

As reflected by Table 1.1, only 10 work orders created during the 2021 calendar year have been closed out and none of the work orders created in 2022 have been completed. With 2,192 work orders in progress, management has limited ability to identify work that needs to be done because of the number of open, but idle, work orders.

**Subtask 1.1 Conclusion:** MGT reviewed the management reports and data that program administrators use on a regular basis. This review indicated that the information is not adequate to monitor program performance. Consequently, this subtask is partially met.

**Subtask 1.1 Recommendation:** MGT recommends that County management establish reports that include planned and actual start and completion dates to monitor program performance and cost for all projects, both in-house and outsourced. Additionally, County management should consider using work orders on a task-by-task basis, rather than blanket work orders by type of work to more effectively track the utilization of staff, materials, and availability of equipment.

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

Based on inquiries with Public Works Department management including the Director, Deputy Director, and the Public Works Office Manager, while out-sourced projects are monitored for quality and compliance with contract terms, County administrators have not conducted any evaluations of the Public Works Department performance.

## DETAILED FINDINGS AND RESULTS

**Subtask 1.2 Conclusion:** This subtask was not met.

**Subtask 1.2 Recommendation:** MGT recommends County management develop policies and procedures for the periodic evaluation of County programs, including the establishment of criteria to assess program performance and cost.

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 MGT Team requested access to all internal and external reports related to transportation performance and costs. MGT received the County's Annual Comprehensive Financial Reports (ACFR) for fiscal years ending September 30, 2020, and September 30, 2021. During our interview process, MGT confirmed with management that these were the only two reports, either internal or external, that related to the program's performance.

In both the County's ACFRs, the auditors noted that Walton County had no material weaknesses or significant deficiencies in its internal controls and its major programs which relates to federal funds expended by the County. See Exhibits 1.4 and 1.5 below for Schedule of Findings and Questioned Costs from ACFR fiscal years ending September 30, 2020, and September 30, 2021, respectively.

## DETAILED FINDINGS AND RESULTS

### Exhibit 1.4 – Schedule of Findings and Questioned Costs – September 30, 2020

**Walton County, Florida**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended September 30, 2020**

**Section I: Summary of Auditor's Results**

**Financial Statements**

- |  |            |
|--|------------|
| 1. Type of auditors' report issued   | Unmodified |
| 2. Internal control over financial reporting:                                    |            |
| a. Material weaknesses identified?   | No         |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. Noncompliance material to the financial statements noted?                     | No         |

**Federal Awards**

- |  |            |
|--|------------|
| 1. Type of auditors' report issued on compliance for major programs  | Unmodified |
| 2. Internal control over major programs:   |            |
| a. Material weaknesses identified?   | No         |
| b. Significant deficiencies identified not considered to be material weaknesses?                             | None noted |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)? | None noted |
| 4. Identification of major programs  |            |

CFDA Number	Federal Program
21.019	COVID-19 Coronavirus Relief Fund
21.015	Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States
93.558	Temporary Assistance for Needy Families <b>Housing Vouchers Cluster</b>
14.871	Section 8 Housing Choice Vouchers
14.879	Mainstream Vouchers

- |  |           |
|--|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs | \$750,000 |
| 6. Auditee qualified as low-risk under 2CFR 200.520                        | No        |

**State Projects**

- |  |            |
|--|------------|
| 1. Type of auditors' report issued on compliance for major projects              | Unmodified |
| 2. Internal control over major projects:   |            |
| a. Material weaknesses identified?   | No         |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |

## DETAILED FINDINGS AND RESULTS

### Exhibit 1.5 – Schedule of Findings and Questioned Costs – September 30, 2021

**Walton County, Florida**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended September 30, 2021**

**Section I: Summary of Auditor's Results**

**Financial Statements**

1. Type of auditors' report issued	Unmodified
2. Internal control over financial reporting:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified not considered to be material weaknesses?	None noted
c. Noncompliance material to the financial statements noted?	No

**Federal Awards**

1. Type of auditors' report issued on compliance for major programs	Unmodified
2. Internal control over major programs:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified not considered to be material weaknesses?	None noted
3. Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)?	None noted
4. Identification of major programs	

**Assistance Listing**

Assistance Listing Number	Federal Program	
21.019	COVID-19 Coronavirus Relief Fund <b>Housing Vouchers Cluster</b>	
14.871	Section 8 Housing Choice Vouchers	
14.879	Mainstream Vouchers	
5. Dollar threshold used to distinguish between type A and type B programs	\$750,000	
6. Auditee qualified as low-risk under 2CFR 200.520	No	

**State Projects**

1. Type of auditors' report issued on compliance for major projects	Unmodified
2. Internal control over major projects:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified not considered to be material weaknesses?	None noted
3. Any audit findings disclosed that are required to be reported in accordance with Florida Single Audit Act?	None noted

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Source: Walton County Website

**Subtask 1.3 Conclusion:** Based on the analysis performed, the County's external audits contained no findings related to the program. Therefore, the subtask is deemed met.

## DETAILED FINDINGS AND RESULTS

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.

Not applicable, there were no deficiencies noted in management reports, data, periodic program evaluations, or audits.

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

To address the requirements of this subtask, MGT made inquiries with County Public Works management and staff to determine how Public Works evaluates program performance and costs. County management indicated that the program’s performance is monitored by management daily and discussed during meetings. Issues are communicated with staff when they arise and are addressed in a timely manner. The County uses project budgets to monitor and evaluate the costs. However, there are no formal evaluations of program performance or costs using internal or external data sources performed by the County. Despite these limitations, MGT performed a comparative analysis using Florida Department of Transportation (FDOT) data and the limited project data provided by Walton County.

Table 1.2 compares Walton County’s paved and unpaved roads, in miles, excluding city roads which are almost 100 percent paved in each county based on information from the 2021 City Mileage Report posted on the FDOT website. Walton sits in the middle of its peers when comparing total county roads and the percentage of county roads that are unpaved. Walton County is comparable to its peers being only 4 percent under the average in the percentage of unpaved roads.

Table 1.2 Summary of Paved and Unpaved Road Miles				
County	Paved	Unpaved	Total	Percent Unpaved
Walton	713.255	339.066	1,052.321	32%
Santa Rosa	1,524.200	92.172	1,616.372	6%
Nassau	437.340	176.500	613.840	29%
Columbia	618.999	445.275	1,064.274	42%
Putnam	597.010	1,045.020	1,642.030	64%
<b>Peer Average</b>	<b>794.387</b>	<b>439.742</b>	<b>1,234.129</b>	<b>36%</b>

Source: 2021 City County Mileage Report, Florida Department of Transportation

Table 1.3 compares the crashes, fatalities, and injuries for all crashes that occurred in each County during the 2021 calendar year. Walton County is again in the middle of its peers when comparing total crashes and injuries. However, Walton County is an outlier in total fatalities when comparing to its peer county

## DETAILED FINDINGS AND RESULTS

with its total fatalities being almost double the peer average. According to County management, while a definitive explanation could not be provided for the number of fatalities, Walton County experiences more than 5 million visitors annually compared to a permanent population of approximately 80,000. This creates many more trips on the transportation network over what would be experienced simply by the County's permanent population.

County	Crashes	Fatalities	Injuries
Walton	1,692	40	970
Santa Rosa	2,283	23	1,614
Nassau	1,191	11	811
Columbia	1,231	28	858
Putnam	1,732	24	1,103
<b>Peer Average</b>	<b>1,609</b>	<b>22</b>	<b>1,097</b>

Source: Florida Department of Highway Safety and Motor Vehicles  
Crash Dashboard

We also examined budgeted and actual expenditures for the 24 transportation projects completed during the period October 2020 through May 2022, along with the days to complete. Of the 24 projects, 23 projects were completed at or under budget. In total these projects were completed \$8.1 million under budget, representing 30 percent of the total budget for the projects. For the remaining project, the Western Lake Basin Drainage Improvement Project, the budget totaled \$64,624, while actual expenditures totaled \$140,942.16, an average of \$76,318.16. On average, the projects were completed within 277 days (approximately 9 months), and the days to complete ranged from 47 to 821 days.

The use of performance information by public administrators to inform decisions is a tested concept at federal, state, and local levels to manage transportation assets and improve program outcomes. The U.S. Department of Transportation Federal Highway Administration defines transportation performance management as a strategic approach that uses system information to make investment and policy decisions to achieve strategic goals. The Florida Department of Transportation publicly tracks and shares its key performance measures that are used to inform decision making. For example, for accountability measures, the Department reported that for the 2019-20 fiscal year, 86 percent of its projects were completed on time, and 90.1 percent were completed within budget. In addition, we reviewed best practices for identified peer and other counties and identified the following examples of performance measurement and reporting. A July/August 2013 Public Administration Review article, "Does Performance Management Lead to Better Outcomes? Evidence from the U.S. Public Transit Industry" concludes that both strategic planning and performance measurement, the principal components of performance management in public organizations, contribute to improved performance in small and medium-sized transit systems in the United States. The article also indicates that overall gains in outcomes can be associated with what have become conventional performance management practices. In reviewing peer county practices, we found the following examples of performance measurement and reporting.

## DETAILED FINDINGS AND RESULTS

Santa Rosa County: In 2019, Santa Rosa County utilized a web-based system that fully integrated with the County's global information system software, allowing multiple users to input or retrieve data via computer, tablet, or mobile phone. The Public Works Department used the system to generate reports on core activities. An operations dashboard gave managers a snapshot of the following on one screen:

- Road and bridge task volume (number of road resurfacings, tree trimmings, investigations, and ditch cleanings, etc.)
- Work activities in progress by location
- Planned and in-progress tasks per work zone
- Number of in progress work tickets
- Activities currently in progress
- Activity type
- Current work ticket status, planned or in progress and,
- Number of completed work tickets

Source: Santa Rosa County Performance Audit Report published by OPPAGA August 5, 2019

Nassau County: Nassau County includes performance measures in its monthly newsletter, offering transparency and accountability by sharing performance with the public. Related performance measures include:

- Counts of work orders created and linear feet of ditches and storm drains cleaned
- Work order highlights including counts of completed culvert repairs, ditches cleaned, storm drains cleaned, fleet maintenance, and paved road maintenance
- Photos of completed work
- Updates on transportation projects from engineering services

Additionally, Nassau County used an unbiased prioritization system in 2021 to inform its 22-year Pavement Management Plan. In 2020, the County contracted with Roadbotics to provide an app-based, unbiased roadway condition survey for all paved roadways maintained by the County. The roadways are scored based on condition. Future projects are then ranked with details such as project length and estimated cost.

Sarasota County: Sarasota County provides another best practice by using performance measures throughout the organization to manage operations, track and monitor key activities, and inform decision making. Performance measures are linked to the County's strategic plan goals and Department objectives. A three-year trend provides a quick review of progress for the measure.

In its Fiscal Year 2021 Performance Measures Summary, Sarasota County tracked three measures as outlined in the table below.

## DETAILED FINDINGS AND RESULTS

Sarasota County Government Fiscal Year 2021 Adopted Strategic Financial Plan						
Department	Department Objective	Measures	Fiscal Year			3-Year Trend
			Sep-18	Sep-19	Sep-20	
Capital Projects	Deliver the CIP on Time and on Budget Capital Projects	% of Change Orders and Amendments Capital Projects	8%	11%	14%	⊖ N
	Develop a High Performing Department Capital Projects	% of Projects Meeting Milestones Capital Projects	86%	77%	92%	⊕ P
	Deliver Exceptional County Services Capital Projects	Satisfaction Rating for External Customers Capital Projects	3.80	4.47	4.09	⊖ NP

Source: Sarasota County Government Fiscal Year 2021 Adopted Strategic Financial Plan Performance Measures Summary.

**Subtask 1.5 Conclusion:** As discussed in this Research Task and throughout the report, the County has limited data available to measure program performance and cost. Based on the limited data available, MGT is not able to make an assessment of how effectively the County is managing its projects. However, given the County’s higher than average fatality rate and the lack of performance data on day-to-day activities, this research task was not met.

**Subtask 1.5 Recommendation:** County management should consider implementing processes and systems that will allow for more precise, real-time evaluation of projects. The County should also review the fatality data to determine if the fatalities occurred on County facilities, and, if so, whether they could be related to safety or road quality issues.

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.

To accomplish this subtask, MGT selected a sample of 3 of the 24 projects completed during the period October 2020 through May 2022, to determine whether project documentation evidenced that the projects were of reasonable cost and completed well, on time, and within budget. The table below summarizes the information for the selected projects.

## DETAILED FINDINGS AND RESULTS

<b>Table 1.4 Summary of Selected Projects</b>					
Project Code	Project Description	Revised Budget	Actual Expenditures	Project Start Date	Project End Date
PW20018	Grant CR 185 SCOP Gum Creek Church Road Resurfacing	\$2,595,215.22	\$2,419,461.55	10/12/20	07/26/21
TF20031	Lakewood Dr Pedestrian Path Addition of Concrete Sidewalk and Road Paving	722,559.29	309,436.09	11/01/21	02/11/22
PW20015	Grant CR 0605 SCRAP County Road 0605 Resurfacing	6,904,510.54	4,089,505.38	01/25/21	04/04/22

Source: Walton County Public Works Department

For each of the three projects, MGT examined documentation included in the project manager’s files including Construction Engineering and Inspection (CEI) firm status reports and invoices, construction company invoices, change orders, and project manager correspondence with the CEI and construction firms. Projects were considered to be completed well if the weekly status reports for the CEI firm were included in County files and documented satisfactory progress. Projects were considered to be completed at a reasonable amount if they were competitively procured with multiple responsive vendors and change orders were appropriately justified and approved by the County Commission. MGT’s examination disclosed that the County completed its projects within budget and a reasonable amount; however, the County could enhance its procedures to ensure that projects are completed well and on time. Specifically:

- Grant CR 185 SCOP (Small County Outreach Program): The County did not document this project was completed timely. According to project documentation, the project was required to be completed by May 7, 2021; however, the project was not completed until July 26, 2021, 80 days after the required completion date.
- Lakewood Drive Pedestrian Path: The County appropriately documented that this project was completed well and timely.
- Grant CR 0605 SCRAP (Small County Road Assistance Program): The County did not document this project was completed well or timely. According to project documentation, the Board of County Commissioners approved a change order for this project on July 12, 2022, although the final acceptance for the project was done on April 4, 2022. This change order added an additional

## DETAILED FINDINGS AND RESULTS

\$14,349.95 to the total price and retroactively increased the contract time by 78 days. Without this change order, the contractor would have been subject to liquidated damages of \$2,172 per day for a period of 21 days.

**Subtask 1.6 Conclusion:** Based on the analysis performed, Public Works Department projects were completed within budget and a reasonable amount; however, procedures could be enhanced to ensure that projects are completed well and on time. Therefore, subtask 1.6 is partially met.

**Subtask 1.6 Recommendation:** MGT recommends that Public Works Department management implement policies and procedures to ensure that projects are completed timely or contract terms are enforced when contractors fail to meet contractual deadlines.

Subtask 1.7 – Determine whether the program 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, MGT interviewed the Chief Financial Officer and Purchasing Director. We also examined the County’s Purchasing Procedures. Specifically, we reviewed Procedure PP-002 Spending Levels (competitive procurement), PP-012 Source Selection (competitive procurement), PP-013 Extension Off Other Entities Contracts (volume discounts and special pricing agreements), PP-020 Utilizing State of Florida Term Contracts (volume discounts and special pricing agreements), and PP-021 Term Contracts (volume discounts). Our review of the policies and procedures indicated that the County has established sufficient procedures to allow the County to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements.

The County has procurement policies that require certain approvals or bid processes to be used depending on the potential cost of a project. All purchases and requests for goods and/or services must go through the County’s Purchasing Department, unless otherwise exempted by the Board of County Commissioners. The County also has set spending levels based on level of authority in its policies (see Table 1.5 below). All contracts in excess of \$50,000 must be awarded through a competitive sealed bid process unless the purchase meets certain exceptions. The County will award the contract to the lowest responsible and responsive bidder whose bid meets the specifications, requirements and criteria set forth in the Invitation to Bid.

<b>Level of Authority</b>	<b>Spending Level</b>
Supervisor/Department Head	Up to \$5,000
Division Director	Up to \$15,000
Assistant County Administrator	Up to \$25,000
County Administrator	Up to \$50,000
TDC Executive Director	Up to \$25,000
County Attorney	Up to \$25,000

Source: Walton County Website

In addition to evaluating the County’s written policies and procedures, we examined the procurement documentation for 6 of the 43 projects that were started during the period October 2020 through May

## DETAILED FINDINGS AND RESULTS

2022 to determine whether the projects were procured in accordance with County policies and procedures.

<b>Table 1.6 Summary of Selected Projects</b>				
Project Code	Project Description	Revised Budget	Actual Expenditures	Project Start Date
PW20018	Grant CR 185 SCOP Gum Creek Church Road Resurfacing	\$2,595,215.22	\$2,419,461.55	10/12/20
PW20015	Grant CR 0605 SCRAP County Road 0605 Resurfacing	6,904,510.54	4,089,505.38	01/25/21
BCC2201	Grant Restore Act Little Redfish Bridge Replacement	1,175,396.16	1,175,396.16	03/01/22
TF20002	Little Redfish Lake Bridge Replacement	411,012.11	312,610.97	03/01/22
PW20024	Chesser Road Bridge Replacement	509,770.74	428,740.13	06/01/22*
PW20063	East Burnis Road Paving	92,973.20	42,436.80	02/10/22

\*Note: While the project start date for this project is June 1, 2022, the procurement activities were undertaken during the period under review and we, therefore, included it in our sample.

Source: Walton County Public Works Department

Our review of the procurement documentation indicated that the procurements were made in accordance with established policies and procedures.

**Subtask 1.7 Conclusion:** The subtask is met.

## DETAILED FINDINGS AND RESULTS

### RESEARCH TASK 2: STRUCTURE OR DESIGN OF THE PROGRAM

**Finding: Overall, the County’s Public Works Department partially met expectations for this research task.**

Organizational structure aligns and relates parts of an organization so it can achieve its maximum performance. Organizational structure is the method by which work flows through an organization. It allows groups to work together within their individual functions to manage tasks. Five elements create an organizational structure: job design, departmentation, delegation, span of control, and chain of command. Departmentation refers to the way an organization structures its jobs to coordinate work and span of control means the number of individuals who report to a manager.

Walton County’s Public Works Department demonstrated a program organizational structure with clearly defined units, minimal overlapping functions, and administrative layers that minimize costs. While the County has a significantly higher number of positions than peer counties, as of May 31, 2022, the County had not started 4 projects scheduled for the 2020-21 fiscal year and 12 projects for the 2021-22 fiscal year. According to County management, the delay in starting projects was primarily due to the inability to hire and retain qualified construction staff. However, as discussed in Research Subtask 1.1, without a work order system that accurately tracks staff utilization and reports that monitor the status of in-house projects, it is not apparent whether staff are being appropriately utilized.

Accurately tracking staff activity will aid in the assessment of staffing levels. Additionally, periodically evaluating employee compensation and implementation of a robust recruitment program can aid in the retention and recruitment of qualified employees.

As discussed in Research Subtask 1.1, MGT recommends that County management develop appropriate reports and systems to accurately track project progress and staff utilization for work orders. The County should review current staffing and utilization levels to evaluate whether staffing is appropriate. If staffing is determined to be an issue with regards to completing the program workload, County management should consider additional methods for recruiting staff and conducting a compensation study to ensure that Public Works salaries are not a barrier to recruitment.

### Research Subtask Analysis and Conclusions

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.

MGT reviewed Walton County’s high-level and Public Works Department organizational structure. The Public Works Department reports to the Deputy County Administrator (Interim). The Interim Deputy County Administrator has oversight responsibility for 14 organizational units including the Public Works Department. Figure 2.1 presents the Departments that report to the Interim Deputy County Administrator.

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Figure 2.1 Walton County Organizational Structure



Source: Walton County Human Resources

Organizational span of control refers to the number of subordinates that can be managed effectively and efficiently by executive/director level staff and middle management staff. Middle management typically includes manager and supervisor level staff.

MGT compared the County's organizational chart span of control with Society of Human Resource Management (SHRM) guidelines and the organization charts in several Florida counties. The County's organizational chart shows that the span of control falls within the benchmarks published by the SHRM. For example, the Operations Manager supervises 8 employees, which falls between the 25<sup>th</sup> percentile and the median number of direct reports for middle management.

MGT also compared the Public Works Department organizational structure to the organizational structure for the Public Works, or equivalent, Department in Columbia, Nassau, Putnam, and Santa Rosa Counties. The comparison of the organizational structure for Walton County's Public Works Department to the peer counties indicated that the structures were consistent across counties, with some variations based on the work performed in each county. For example, Columbia County's Public Works Department includes Utilities staff, which is not managed by the Public Works Department in Walton County. In addition, we compared the number of Public Works positions in Walton County with the number of positions in Columbia, Nassau, and Putnam counties, along with the miles of road maintained. As shown in Table 2.1, the number of positions in Walton County appears high.

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County	Number of Positions	Miles of Paved Road	Miles of Unpaved Road	Total Road Miles	Avg. Positions Per Mile
Walton	168	728.8	317.7	1,046.5	.16
Columbia	84	600.0	450.0	1,050.0	.08
Nassau	69	345.5	176.5	522.0	.13
Putnam	55	597.1	1,045.02	1,642.12	.03

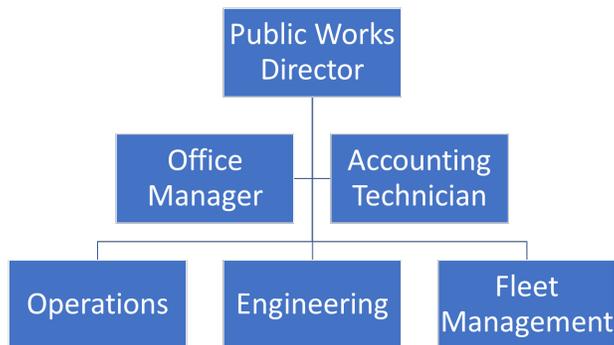
Note: Although requested, the number of positions for the Santa Rosa Public Works Department was not provided.

Source: Applicable County Public Works Departments and 2021 City County Mileage Report, Florida Department of Transportation

### *Public Works Department Organizational Structure*

The Public Works Department encompasses Operations, Engineering, Fleet Management, and North Walton Mosquito Control. Figure 2.2 presents the County’s organizational structure for the Public Works Department.

**Figure 2.2 Walton County Public Works Organizational Structure**



Source: Walton County Human Resources

### **Operations**

The Operations Department consists of specialty crews for asphalt, bridges, drainage, paint, stabilization, and the Road Department Districts. The specialty crews primarily work on capital improvement projects and more detail-oriented projects throughout the County. The Road Department Districts are divided into geographic maintenance zones. The five districts perform various maintenance tasks such as grading, ditch/drainage maintenance, shoulder repair, mowing and tree trimming within County right of way, and road sign installation.

### **Engineering**

The Engineering Department includes the County’s engineers and survey crew, among other staff. The Engineering staff review engineered plans for all capital projects within the County to include, new development infrastructure, parks, road and bridge projects, traffic operations, and stormwater drainage.

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Engineering also provides oversight on all grant funded infrastructure improvements. The survey crew supports the work of Public Works Operations and other County Divisions.

### Fleet Management

The Fleet Department provides maintenance for all vehicles owned by the County, including the 4 buses used for public transportation. The work includes routine oil changes, scheduled services, and more complex repair work. The Fleet Department is responsible for tracking, billing, and reporting all fuel transactions made at County-owned fueling sites.

**Subtask 2.1 Conclusion:** Based on the analysis performed, the Public Works Department organizational structure has clearly defined units and lines of authority and no overlapping functions. Additionally, the organizational structure is similar to the structure of Public Works Departments in peer counties, which suggests reasonable administrative layers. Therefore, the subtask is deemed met.

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

MGT reviewed the staffing and workload rationale in the Public Works Department 2023 Budget Request. Additionally, we compared the 2020-21 and 2021-22 fiscal year planned projects with the 2020-21 and 2021-22 projects that were in progress or completed as of May 31, 2022. Public Works Department management indicated that it is the County's goal to complete all in-house projects identified for a fiscal year within that fiscal year. While the County has a significantly higher number of positions than peer counties, as of May 31, 2022, the County had not started 4 projects scheduled for the 2020-21 fiscal year and 12 projects for the 2021-22 fiscal year. According to County management, the delay in starting projects was primarily due to the inability to hire and retain qualified construction staff. Our analysis showed that as of July 2022, 30 of 168 positions were vacant, a vacancy rate of 17.9 percent. When we inquired regarding the County's recruiting and compensation practices, County management indicated that a compensation study had not been completed in more than 10 years and that recruiting efforts consisted of posting open positions to the County's website and utilizing social media to recruit potential candidates. However, as discussed in Research Subtask 1.1, without a work order system that accurately tracks staff utilization and reports that monitor the status of in-house projects, it is not apparent whether staff is being appropriately utilized.

**Subtask 2.2 Conclusion:** As discussed in Research Subtask 1.1, the County does not have a work order system that accurately tracks staff utilization, nor are reports available that accurately reflect the status of in-house projects. Additionally, the County's Public Works Department staffing levels are higher than peer counties. As a result, it is not apparent whether staffing levels are appropriate or staff is being appropriately utilized. This subtask is not met.

**Subtask 2.2 Recommendation:** As discussed in Research Subtask 1.1, MGT recommends that County management develop appropriate reports and systems to accurately track project progress and staff utilization for work orders. The County should review current staffing and utilization levels to evaluate whether staffing is appropriate and that current staff are appropriately utilized. If staffing is determined to be an issue with regards to completing the program workload, County management should consider additional methods for recruiting staff and conducting a compensation study to ensure that Public Works salaries are not a barrier to recruitment.

## DETAILED FINDINGS AND RESULTS

### RESEARCH TASK 3: ALTERNATIVE METHODS OF PROVIDING PROGRAM SERVICES

**Finding: Overall, the County's Public Works Department did not meet expectations for this research task.**

The evaluation of existing services to determine whether a service should or could be privatized, along with an objective determination of the value of privatization, can help the County identify areas where cost savings may be achieved. Additionally, for those services already privatized, ongoing evaluations to verify that forecasted cost savings have materialized and the quality of services is at or exceeds levels prior to privatization are essential to ensuring that taxpayers receive quality services at a good value.

We examined the processes used by the County to evaluate whether a service could be privatized to evaluate whether privatized services are operating efficiently and effectively. We also evaluated the services currently provided by the Public Works Department for opportunities for outsourcing. Our examination disclosed:

- Evaluation of services for the feasibility of outsourcing. Our inquiries with County management disclosed that the County did not have a process in place to formally evaluate the feasibility of alternative methods of providing services. Program administrators indicated that they evaluated in-house services and activities as part of the annual budgetary process to assess the feasibility of alternative methods of providing services. Additionally, when determining whether to perform specific construction projects using in-house staff or outsourcing the project, the County will evaluate whether staff resources are available and the staff has the expertise to perform the project. If the County does not have the resources or expertise to perform the project in-house, then the County will outsource the project and work with a Construction Engineering and Inspection firm to manage the project. However, the County has no documentation to support these decisions.
- Evaluation of outsourced services. While the County has processes in place to manage the outsourced projects, the County did not have a formal process to assess the effectiveness and costs savings achieved by using outside providers.
- Opportunities for outsourcing. The County has a pool of outsourced design firms that can be used at any time. Other outsourcing efforts include contracting for traffic light maintenance and lighting, as well as guard rail work. The County does not currently consider design-build contracting due to concerns from the County legal Department over the complexity of such contracts. While a review of peer counties did not disclose common use of the design-build method for road and bridge construction, the Florida Department of Transportation has established a nationally recognized design-build program that Florida-based design and construction firms can utilize.

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The establishment of formal processes for assessing whether services should be privatized and whether privatized services are operating effectively helps promote the efficient and effective operations of the County.

MGT recommends:

- County management ensure that periodic evaluations of the feasibility of alternative methods of providing services are conducted. Policies and procedures should be developed to identify the frequency with which evaluations should be conducted, the factors to be considered, and the documentation to be maintained.
- County management develop policies and procedures for assessing contracted services to document that services provided by the contractors are effective and that cost savings are achieved. The policies and procedures should include the factors to be included in the assessment and the documentation that should be maintained.
- County management should consider the possible opportunity of using the design-build contracting method as a potential alternative to reduce project costs and delays, particularly on its largest and most complex capital improvement projects. Additionally, MGT recommends that County management establish a method for evaluating the possible use of design-build, particularly as it sees growing demands on its transportation network and the potential for an increased number and complexity of capital improvement projects in the future.

### Research Subtask Analysis and Conclusions

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.

The County does not have a process in place to formally evaluate the feasibility of alternative methods of providing services. Program administrators indicated that they evaluated in-house services and activities as part of the annual budgetary process to assess the feasibility of alternative methods of providing services. Additionally, when determining whether to perform specific construction projects using in-house staff or outsourcing the project, the County will evaluate whether staff resources are available and the staff has the expertise to perform the project. If the County does not have the resources or expertise to perform the project in-house, then the County will outsource the project and work with a Construction Engineering and Inspection (CEI) firm to manage the project. However, the County has no documentation to support these decisions.

**Subtask 3.1 Conclusion:** Program administrators have not formally evaluated existing in-house services and activities to assess the feasibility of alternative methods of providing services; however, informal evaluations are conducted. This subtask is not met.

## DETAILED FINDINGS AND RESULTS

**Subtask 3.1 Recommendation:** MGT recommends that County management ensure that periodic evaluations of the feasibility of alternative methods of providing services are conducted. Policies and procedures should be developed to identify the frequency with which evaluations should be conducted, the factors to be considered, and the documentation to be maintained.

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.

To address the requirements of this subtask, the MGT Team interviewed the County Chief Financial Officer, the Deputy Director of the Public Works Department, the Public Works Office Manager, and the Procurement Director. We also reviewed project documentation as outlined in Table 3.1.

Document	Number of Documents Reviewed					
	Grant CR185 SCOP	Lakewood Dr. Ped Path	Grant 0605 SCRAP	Little Redfish Lake Bridge	Chesser Road	East Burnis Road
Procurement Documents	3	2	4	3	2	-
Contract Documents	2	1	4	1	1	2
Change Orders	1	2	5			-
Weekly Project Updates and Progress Meeting Minutes	9	5	25			-
<b>Pay Applications with CEI Verification and Invoices</b>	12	2	8			2
Additional County Correspondence	3	2	5			1
<b>Board of County Commission Agenda Items and Actions</b>	1	2	1			1
<b>Other Staff Worksheets, Notes, Schedules, and Related Procedures</b>	3	2	3			3

Procurement Documents include the invitation to bid and addendums, questions and answers, bid tabulation, and notice of award.

Contract Documents include construction and CEI contract, materials purchase orders, and FDOT contract.

Note: The Little Redfish Lake Bridge and Chesser Road projects were only selected for the procurement review.

As of May 2022, the County had 17 projects that were outsourced. These projects included Florida Department of Transportation (FDOT) projects that require the County to contract with an outside provider and projects, primarily in the southern portion of the County, that the County’s Public Works Department does not have the expertise or resources to effectively perform in-house.

The County manages these outsourced projects with the assistance of an outside Construction Engineering and Inspection (CEI) firm. The CEI firm’s duty is to manage the day-to-day operations as they are on-site daily. The CEI firm provides the County with weekly status reports.

## DETAILED FINDINGS AND RESULTS

### Exhibit 3.1 Example CEI Weekly Status Report Project CR 185, Weekly Update January 10, 2021

#### Weekly Project Update:

**Total Contract Days:** 200 Days (Weather impacted work on Thursday (01-07-2021); No work on project Friday, Saturday or Sunday)

**Days Used:** 91 Days

**Days Remaining:** 109 Days (The current contract expiration date is 4/29/2021.)

**Time:** 45.5 %

**\$\$\$:** ±52 % Invoice rejected

#### Week ending 01-10-2021

CWR (Prime) completed preparations for placement of Misc. Asphalt from Sta 234+67 to 236+94 RT and from Sta 235+73 to 237+99 LT. VMBs advising of paving start next week were deployed.

No Sub-contractors were present on project.

Picture of Asphalt Prep



Source: Walton County Public Works Department

While the County has processes in place to manage the outsourced projects, the County did not have a formal process to assess the effectiveness and costs savings achieved by using outside providers. When determining to either perform a project using in-house staff or outsourcing the project, the County will evaluate whether its staff has the expertise and the resources available to perform the project. If the County does not have the expertise or the resources to perform the project, then the County will outsource the project and work with the CEI firm to manage the project.

**Subtask 3.2 Conclusion:** Based on the analysis performed, Public Works Department management and staff provided no evidence that the program assessed any contracted and/or privatized services to verify effectiveness and cost savings achieved. This subtask was not met.

## DETAILED FINDINGS AND RESULTS

**Subtask 3.2 Recommendation:** MGT recommends that County management develop policies and procedures for assessing contracted services to document that services provided by the contractors are effective and that cost savings are achieved. The policies and procedures should include the factors to be included in the assessment and the documentation that should be maintained.

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 cost without significantly affecting the quality of services.

There is no documentation to support the results of the information evaluations and the County made no formal evaluations or assessments to consider changing service delivery methods to reducing program costs without significantly affecting the quality of services.

**Subtask 3.3 Conclusion:** Based on the analysis performed, Public Works Department management and staff provided no evidence that evaluations were performed or changes to service delivery methods were made as a result of the evaluations. This subtask was not met.

**Subtask 3.3 Recommendation:** MGT recommends that County management develop policies and procedures to evidence the evaluation or assessment of contracted services and the determination as to whether changing service delivery methods would reduce program costs.

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.

The County's assessment when considering alternative service delivery methods consists of determining whether the Public Works Department has the expertise and resources to perform the project in-house. If the Public Works Department has the expertise and the resources to perform a project, then the County will complete the project in-house. If the Department doesn't have the expertise or resources to perform the project, then the County will outsource the project. This is an informal process with no supporting documentation of the decision made.

To address the requirements of this subtask, the MGT Team interviewed the Deputy Director of the Public Works Department, the Public Works Office Manager, and the Procurement Director. We also reviewed peer entities to study alternative delivery methods.

The County has a pool of outsourced design firms that can be used at any time. Other outsourcing efforts include contracting for traffic light maintenance and lighting, as well as guard rail work. The County does not currently consider design-build contracting due to concerns from the previous County Attorney about the complexity of this type of contracting. Design-build contracting is a method of contracting where the design and construction services are contracted to a single entity which provides a single point of responsibility. Traditional design-bid-build construction has separate contracted entities for the design phase and construction phase of the project.

## DETAILED FINDINGS AND RESULTS

While a review of peer counties did not disclose common use of the design-build method for road and bridge construction, the Florida Department of Transportation has established a nationally recognized design-build program that Florida-based design and construction firms can utilize. General information, procurement schedules, template contracts, and other rules and procedures implemented by FDOT may be found on the FDOT website at <https://www.fdot.gov/construction/designbuild/design-build.shtm>.

Utilization of the design-build method can result in significant cost savings. For example, in an FDOT March 2014 internal review of their Design-Build program, FDOT concluded using design-build instead of design-bid-build resulted in total costs savings of \$6.5 million and time savings of 656 days for a project with a \$55 million construction value and build time of 814 days.

**Subtask 3.4 Conclusion:** The County did not formally evaluate the use of alternative service delivery methods, and it appears that, methods are available that may lower costs without compromising the delivery of services. This subtask is not met.

**Subtask 3.4 Recommendation:** County management should consider the possible opportunity of using the design-build contracting method as a potential alternative to reduce project costs and delays, particularly on its largest and most complex capital improvement projects. Additionally, MGT recommends that County management establish a method for evaluating the possible use of design-build, particularly as it sees growing demands on its transportation network and the potential for an increased number and complexity of capital improvement projects in the future.

## DETAILED FINDINGS AND RESULTS

### RESEARCH TASK 4: GOALS, OBJECTIVES, AND PERFORMANCE MEASURES

**Finding: Overall, the County’s Public Works Department did not meet expectations for this research task.**

To facilitate the process of decision making in the context of the public administration system, a governmental entity should establish and communicate clear, relevant goals and objectives; set measurable targets for accomplishment; and develop and report indicators that measure its progress in achieving those goals and objectives.<sup>1</sup>

MGT inquired with County management regarding the County’s strategic plan and the goals and objectives established for the Public Works Department. In response to our inquiries, County management indicated that the County did not have a strategic plan, nor had goals and objectives been established and documented for the Public Works Department. County management further indicated that they had contracted for the development of a strategic plan and that the plan was in the development phase. Additionally, while the Public Works Department had no goals and objectives that had been established and documented, Public Works management indicated that their goal was to complete the annual projects approved by the Board of County Commissioners each fiscal year. However, as described in Research Task 2, Subtask 2.2, the Public Works Department did not meet that goal for the 2020-21 fiscal year and is not on track to meet the goal for the 2021-22 fiscal year.

The establishment of clear, relevant goals and objectives; measurable targets; and indicators that measure progress that have been communicated to all applicable staff help promote the economic and efficient operation of the program by identifying potential areas where operations need to be improved or resources need to be adjusted.

MGT recommends that County management continue their efforts to develop a strategic plan. As part of those efforts, the Public Works Department should establish goals and objectives which are clearly stated, measurable, and achievable within budget. Further, once goals and objectives are established, County management should ensure that appropriate policies and procedures are developed to support program goals and objectives.

#### Research Subtask Analysis and Conclusions

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.

MGT made inquiries with the Chief Financial Officer and Public Works Department management and staff regarding the Public Works goals and objectives. Our inquiries disclosed that the County does not have a strategic plan, but has contracted for, and is in the process of developing, a strategic plan. Additionally, we made inquiries with Public Works Department management regarding the goals and objectives of the program. MGT’s inquiries indicated that the Public Works Department had no established goals and objectives. However, Public Works management indicated that they have a goal to complete all authorized

## DETAILED FINDINGS AND RESULTS

projects each fiscal year. As described in Research Task 2, the County did not meet that goal for the 2020-21 fiscal year and is not on track to meet the goal for the 2021-22 fiscal year.

**Subtask 4.1 Conclusion:** The County does not have a strategic plan. Additionally, the County has not established goals and objectives for the Public Works Department. Consequently, this subtask was not met.

**Subtask 4.1 Recommendation:** MGT recommends that County management continue its efforts to develop a strategic plan. As part of those efforts, the Public Works Department should establish goals and objectives which are clearly stated, measurable, and achievable within budget.

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.

Based on our inquiries with County management, the County has not established any measures to evaluate the performance of the Public Works Department.

**Subtask 4.2 Conclusion:** This subtask was not met.

**Subtask 4.2 Recommendation:** MGT recommends that County management establish measures that will assess program progress towards meeting its stated goals and objectives, once those goals and objectives are established.

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.

As the County has not established program goals and objectives, the evaluation of relevant internal controls cannot be made.

**Subtask 4.3 Conclusion:** This subtask was not met.

**Subtask 4.3 Recommendation:** Once goals and objectives are established, County management should ensure that appropriate policies and procedures are developed to support program goals and objectives.

## DETAILED FINDINGS AND RESULTS

### RESEARCH TASK 5: ACCURACY OR ADEQUACY OF PUBLIC DOCUMENTS, REPORTS, AND REQUESTS

**Finding: Overall, the County's Public Works Department partially met the expectations for this research task.**

An important goal of Walton County is to support the distribution of information to members of the public, and to do so with a level of transparency that encourages trust in government. To meet that goal, it is essential that the County have policies and procedures in place to ensure the accuracy of information made publicly available, along with procedures for correcting erroneous information as necessary.

The County uses its website to disseminate both financial and non-financial information related to transportation services. Examples of the information disseminated include the annual budget and a list of active and upcoming transportation projects. Additionally, the County posts news releases to its website about upcoming transportation projects that will impact the citizenry. However, cost and performance information, such as projected and actual costs and completion dates, is not publicly available. Additionally, while the County has processes in place to evaluate the accuracy of financial information posted to its website, the County does not have procedures addressing the correction of data previously made publicly available. County management asserted that no corrections to publicly available data were required during the period October 2020 through May 2022. Useful, timely, and accurate information, both financial and non-financial, made available to the public, assists the County in its goal of transparency.

MGT recommends that the County publish additional financial and non-financial information for transportation projects, including information such as budgeted and actual to-date costs and planned and actual start and end dates. Additionally, the County should implement a process for verifying the accuracy of non-financial information, and documenting that verification, prior to publishing information. The County should also establish written procedures formalizing the process for correcting public data.

### Research Subtask Analysis and Conclusions

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

MGT interviewed the County's Chief Financial Officer, the Public Works Deputy Director, and the Public Works Office Manager to assess the systems used to provide information to the public and the processes used to ensure the information is timely and accurate. Additionally, we evaluated relevant documents available on the County's website (<https://www.co.walton.fl.us/>).

The County's website includes the financial and non-financial information identified in Table 5.1 below. Based on the interviews completed and documents reviewed, the County has processes in place to ensure that financial information is useful, timely, and accurate. Specifically, the Chief Financial Officer checks all financial-related reports and data for accuracy and reasonableness prior to publishing the information on

## DETAILED FINDINGS AND RESULTS

the County’s website. However, the County does not have processes in place to ensure the accuracy of non-financial information prior to publishing the information on the website.

Table 5.1 Website Information
Financial Information
Walton County Budgets for the 2021 and 2022 fiscal years
Anti-Fraud Policy
Capital Asset Policy
Grants Administration Handbook
Purchasing Policy Manual and Procedures
Transportation Information
Active and Upcoming Road, Bridge, and Drainage Projects

Source: Walton County Website

Additionally, to determine the usefulness of the County’s website, we compared the average visit duration and bounce rate (left the website after one page, with no further navigation to additional pages on the site) for the County’s website to industry averages and found that the County’s website performance exceeded averages. A longer average visit duration generally indicates that users have found the content they were looking for, where a higher bounce rate is indicative that a user didn’t find what they were searching for and left after landing on the home page. Specifically:

Table 5.2 Website Performance		
Measure	Walton County	Benchmark
Average Visit Duration	2 min. 35 s.	54 s.
Bounce Rate	57%	63.51%
*Benchmark data for Average Visit Duration is from Contentsquare’s 2020 Digital Experience Benchmark report, average is across all industries. Benchmark data for Bounce Rate is for the Business and Finance industry, a good bounce rate across all industries is under or around 50%.		

**Subtask 5.1 Conclusion:** Our evaluation of the systems and documents utilized to provide information to the public disclosed that the County could improve its processes to ensure the accuracy of non-financial data and the usefulness of information made available to the public. This subtask is partially met.

**Subtask 5.1 Recommendation:** MGT recommends that County management publish additional financial and non-financial information for transportation projects, including information such as budgeted and actual to-date costs and planned and actual start and end dates.

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.

## DETAILED FINDINGS AND RESULTS

There are no internal or external reports that evaluate the accuracy or adequacy of public documents, reports, or requests prepared by the County.

**Subtask 5.2 Conclusion:** This subtask was not met.

**Subtask 5.2 Recommendation:** MGT recommends that County management ensure that the review of documents, reports, and requests made publicly available be appropriately documented.

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

MGT reviewed the County budget and listing of active and upcoming road, bridge, and drainage projects identified in Table 5.1. Our analysis of these documents indicated that the County does not include sufficient financial and non-financial information on the website. Specifically, while the website includes the overall budget for Public Works within the County's Annual Budget and a list of active and upcoming transportation projects, no information is provided on budgeted and actual project costs, planned and actual completion dates, or project status.

**Subtask 5.3 Conclusion:** While the County provides overall budget information and a list of active projects, the County does not provide public access to program performance and cost information on a detailed project basis. Accordingly, this subtask is partially met.

**Subtask 5.3 Recommendation:** MGT recommends that County management publish additional financial and non-financial information for transportation projects, including information such as budgeted and actual to-date costs and planned and actual start and end dates.

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.

MGT interviewed the Public Information Officer, Chief Financial Officer, and Public Works management to assess the processes in place to verify the accuracy and completeness of any information provided to the public. The Public Information Office relies on the applicable Departments to verify the accuracy of information provided to the Office to post publicly. The Chief Financial Officer reviews and approves all financial information before it is sent to the Office for posting. Public Works information is not reviewed and approved before it is sent to the Office.

**Subtask 5.4 Conclusion:** This subtask is partially met. The County has processes in place to ensure the accuracy of financial information provided to the public; however, as noted in Subtask 5.1, processes need to be implemented for non-financial information related to transportation services.

**Subtask 5.4 Recommendation:** MGT recommends that Public Works Department management implement a process to ensure the accuracy of non-financial information related to transportation services.

## DETAILED FINDINGS AND RESULTS

Subtask 5.5 – Determine 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.

MGT interviewed the Public Information Officer regarding the processes in place to correct any erroneous and/or incomplete information included in public documents, reports, or other materials prepared by the County. The County does not have written procedures regarding the correction of any erroneous or incomplete information; however, the Public Information Officer indicated that, if erroneous or incomplete information was noted, the record would be corrected and notification sent to all subscribers on the County’s website, along with a notice published on the main page of the website. According to the Public Information Officer, no erroneous or incomplete transportation services information was noted during the period October 2020 through May 2022.

**Subtask 5.5 Conclusion:** Based on the information provided, the County has a process for correcting erroneous or incomplete information; however, there are no written procedures. Accordingly, this subtask is not met.

**Subtask 5.5 Recommendation:** County management should establish written procedures formalizing the process for correcting public data and providing adequate public notice of any corrections made.

## DETAILED FINDINGS AND RESULTS

### RESEARCH TASK 6: COMPLIANCE WITH APPROPRIATE POLICIES, RULES, AND LAWS

**Finding: Overall, the County’s Public Works Department partially met expectations for this research task.**

County governments are subject to a number of state and federal laws and regulations, along with the local laws and policies established by the County itself. Given the number and breadth of laws, regulations, and policies governing County operations, it is imperative that the County develop and implement appropriate controls to ensure compliance with these laws and regulations.

MGT assessed how the County ensures compliance with applicable federal, state, and local laws and regulations; contracts; and grant agreements. The County’s Public Works Department ensures compliance through periodic training conducted by the Florida Department of Transportation, obtaining Local Agency Program certification, which allows the County to receive Federal transportation grants, and spreadsheets that help ensure that key approvals are obtained before a project can proceed further. Additionally, the County’s Purchasing Office provides new employee training to familiarize staff with purchasing policies and procedures. The County also employs a Grant Coordinator who monitors the County’s compliance with federal and state grant requirements. However, our review of the documentation for 7 Public Works projects with budgets totaling approximately \$12.4 million, disclosed that the County had not fully documented its determination of compliance for 2 of the 7 projects.

Additionally, MGT inquired with the County Attorney and the Chair of the Transportation Advisory Committee and reviewed documentation from the Transportation Advisory Committee to determine whether the County had appropriately determined whether planned uses of the surtax are in compliance with applicable state laws, rules, and regulations. We also compared the requirements contained in Section 212.055, Florida Statutes, with language in County Ordinance 2022-06, adopted on April 26, 2022. Based on our inquiry and review of documentation, it appears that the County took reasonable and timely actions to determine whether planned uses of the surtax comply with applicable state laws, rules, and regulations. However, the County is contemplating using the discretionary sales surtax for debt service which, while expressly authorized by Florida statutes and included in the Resolution, is not explicitly included in the referendum.

Laws, rules, regulations, and policies prescribe the County’s objectives, structure, and methods to achieve objectives. Accordingly, compliance with laws, rules, regulations, and policies is essential to maintaining constituent trust and ensuring that the County is not subject to fines or penalties from the State or Federal government.

MGT recommends that County management ensure that compliance is fully documented in County records including appropriate approvals for procurements and the reason for not assessing liquidated damages when contract terms are not met. We also recommend the County Attorney consult with the Florida Department of Revenue or other appropriate governing body to determine the appropriateness of utilizing surtax funds for debt service, prior to issuing any bonds.

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### Research Subtask Analysis and Conclusions

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.

MGT interviewed the County Attorney, Chief Financial Officer, and Public Works Department Deputy Director to gain an understanding of the processes the County has in place to assess compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies. The County has contracted for the services of an individual to serve as County Attorney. The contract terms provide that the Attorney will provide legal advice and representation to the County on all needed matters, including attendance at all Board of County Commissioner meetings and Walton County Planning Board meetings, and reviewing legal contracts. The County also utilizes a lobbyist who provides the County with an annual Legislative update to inform the County of any changes to Florida laws that may impact County operations. In addition to the legal advice provided by the County Attorney, the County and its staff are members of various professional associations. These associations, including the Florida Association of Counties and Florida Government Finance Officers Association, help keep members informed of changes to laws and standards.

In addition, the Office of Management and Budget is responsible for ensuring that processes and expenditures comply with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies.

**Subtask 6.1 Conclusion:** This subtask is met. The County has an appropriate process in place 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.

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.

MGT interviewed the Chief Financial Officer, Public Works Department management, and the County Attorney and reviewed applicable policies and procedures to determine whether the internal controls are reasonable to ensure compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures. The internal controls established by the County include having the County Attorney review all contracts and provide legal guidance as needed. The County’s Public Works Department ensures compliance through periodic training conducted by the Florida Department of Transportation, obtaining Local Agency Program certification, which allows the County to receive Federal transportation grants, and spreadsheets that help ensure that key approvals are obtained before a project can proceed further. Additionally, the County’s Purchasing Office provides new employee training to familiarize staff with purchasing policies and procedures. The County’s policies and procedures provide guidance for procurements and the County has a Grant Coordinator who helps ensure compliance with federal and state laws and rules.

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In order to assess whether the County’s internal controls over compliance were operating effectively, we reviewed award and procurement documentation for 6 Public Works projects (including 2 of 3 completed projects) with project budgets totaling \$11.7 million begun during the period October 2020 through May 2022 and project management documentation for 3 Public Works projects with expenditures totaling \$6.8 million completed during the period October 2020 through May 2022 to determine whether the County had appropriately documented its determination of compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures.

<b>Table 6.1 Summary of Selected Projects</b>				
Project Code	Project Description	Revised Budget	Actual Expenditures	Project Start Date
<b>Procured Projects</b>				
PW20018	Grant CR 185 SCOP Gum Creek Church Road Resurfacing	\$2,595,215.22	\$2,419,461.55	10/12/20
PW20015	Grant CR 0605 SCRAP County Road 0605 Resurfacing	6,904,510.54	4,089,505.38	01/25/21
BCC2201	Grant Restore Act Little Redfish	1,175,396.16	1,175,396.16	03/01/22
TF20002	Little Redfish Lake Bridge Replacement	411,012.11	312,610.97	03/01/22
PW20024	Chesser Road Bridge Replacement	509,770.74	428,740.13	06/01/22
PW20063	East Burnis Road Paving	92,973.20	42,436.80	02/10/22
<b>Completed Projects</b>				
PW20018	Grant CR 185 SCOP Gum Creek Church Road Resurfacing	\$2,595,215.22	\$2,419,461.55	10/12/20
TF20031	Lakewood Dr Pedestrian Path Extension of Concrete Sidewalk and Road Paving	722,559.29	309,436.09	11/01/21
PW20015	Grant CR 0605 SCRAP County Road 0605 Resurfacing	6,904,510.54	4,089,505.38	01/25/21

Source: Walton County Public Works Department

Our examination of the project documentation indicated that for 2 of the 3 completed projects, the County did not fully demonstrate its assessment of compliance. Specifically, the projects were not completed within the timeframes established by the contract and there was no evidence that the County had assessed liquidated damages.

**Subtask 6.2 Conclusion:** The County’s internal controls are designed to provide reasonable assurance that the Public Works Department complies with applicable federal, state, and local laws, rules, and

## DETAILED FINDINGS AND RESULTS

regulations; contracts; grant agreements; and local policies and procedures; however, the controls do not appear to be operating effectively to ensure compliance. This subtask is partially met.

**Subtask 6.2 Recommendation:** MGT recommends that County management ensure that compliance is fully documented in County records including appropriate approvals for procurements and the reason for not assessing liquidated damages when contract terms are not met.

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.

Not applicable, no noncompliance was identified by internal or external evaluations, audits, or other means.

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.

MGT inquired with the County Attorney and the Chair of the Transportation Advisory Committee and reviewed documentation from the Transportation Advisory Committee to determine whether the County had appropriately determined whether planned uses of the surtax are in compliance with applicable state laws, rules, and regulations. We also compared the requirements contained in Section 212.055, Florida Statutes, with language in County Ordinance 2022-06, adopted on April 26, 2022, as outlined in Table 6.2. Based on our inquiry and review of documentation, it appears that the County took reasonable and timely actions to determine whether planned uses of the surtax comply with applicable state laws, rules, and regulations. However, our inquiries with the County Attorney and Chair of the Transportation Advisory Committee indicated that the County intends to issue bonds predicated on the revenue from the surtax, although the referendum does not indicate that debt service was one of the intended uses of surtax funds.

**Table 6.2 Comparison of Florida Statutes to County Ordinance**

Section 212.055, Florida Statutes	Walton County Ordinance 2022-06 Resolution Language
<p><b>Timeliness</b> Pursuant to Section 212.055(11)(b)1., Florida Statutes, at least 180 days before the referendum is held, the county shall provide a copy of the final resolution or ordinance to the Office of Program Policy Analysis and Government Accountability (OPPAGA).</p> <p><b>Planned Uses of Surtax Funds</b> Pursuant to Section 212.055(1)(d)1., Florida Statutes, proceeds from the surtax shall be applied to as many or as few of the uses enumerated below in whatever combination the County Commission deems appropriate:</p>	<p><b>Timeliness</b> Referendum Date: November 8, 2022 Date Notification Provided to OPPAGA: May 2, 2022 The County notified OPPAGA 190 days prior to the scheduled referendum.</p> <p><b>Planned Uses of Surtax Funds</b> <i>Section 3. Use of Transportation Sales Surtax Proceeds.</i> Proceeds of the Transportation Sales Surtax shall be used for the purpose of funding transportation facilities and services in the incorporated and</p>

## DETAILED FINDINGS AND RESULTS

Table 6.2 Comparison of Florida Statutes to County Ordinance	
Section 212.055, Florida Statutes	Walton County Ordinance 2022-06 Resolution Language
<p>a. For the purposes of development, construction, equipment, maintenance, operation, supportive services, including a countywide bus system, on-demand transportation services, and related costs of a fixed guideway rapid transit system;</p> <p>b. Remitted by the governing body of the county to an expressway, transit, or transportation authority created by law to be used, at the discretion of such authority, for the development, construction, operation, or maintenance of roads or bridges in the county, for the operation and maintenance of a bus system, for the operation and maintenance of on-demand transportation services, for the payment of principal and interest on existing bonds issued for the construction of such roads or bridges, and, upon approval by the County Commission, such proceeds may be pledged for bonds issued to refinance existing bonds or new bonds issued for the construction of such roads or bridges; and</p> <p>c. Used by the county for the planning, development, construction, operation and maintenance of roads and bridges in the county; for the planning, development, expansion, operation, and maintenance of bus and fixed guideway systems; for the planning, development, construction, expansion, operation, and maintenance of on-demand transportation services; and for the payment of principal and interest on bonds issued for the construction of fixed guideway rapid transit systems, bus systems, roads, or bridges; and such proceeds may be pledged by the governing body of the county for bonds issued to refinance existing bonds or new bonds issued for the construction of such fixed guideway rapid transit systems, bus systems, roads, or bridges.</p>	<p>unincorporated areas of the County permitted by Section 212.055(1) Fla. Stat. (2021) and as amended from time to time.</p> <p><i>Referendum Language</i> Should transportation facilities and services be funded throughout Walton County, including, but not limited to, projects that improve roads and bridges, expand public transit options, fix potholes, enhance bus services, relieve rush hour bottlenecks, improve intersections, and make walking and biking safer by levying a one-cent sales surtax for 30 years?</p>

Source: Florida Statutes and Walton County Board of County Commissioners Records

## DETAILED FINDINGS AND RESULTS

**Subtask 6.4 Conclusion:** Based on the analysis performed, the County has taken reasonable and timely actions to determine whether planned uses of the surtax are in compliance with applicable state laws, rules, and regulations. Moreover, a Transportation Advisory Committee has been created to oversee the uses of surtax dollars. However, the County is contemplating using the discretionary sales surtax for debt service which, while expressly authorized by Florida statutes and included in the Resolution, is not explicitly included in the referendum. Therefore, the subtask is partially met.

**Subtask 6.4 Recommendation:** MGT recommends the County Attorney consult with the Florida Department of Revenue or other appropriate governing body to determine the appropriateness of utilizing surtax funds for debt service, prior to issuing any bonds.

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# Management's Response

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**WALTON COUNTY, FLORIDA**  
**Board of County Commissioners**

Boots McCormick, District 1  
Danny Glidewell, District 2, Vice Chair  
Michael Barker, District 3, Chair  
Trey Nick, District 4  
Tony Anderson, District 5



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August 24, 2022

Lisa Norman  
MGT Consulting Group  
516 North Adams Street  
Tallahassee, FL 32301

Dear Ms. Norman,

This letter is in response to the MGT Consulting Performance Audit related to the Walton County Transportation System Discretionary Sales Surtax dated August 26, 2022. According to the audit report, "with the exception of the findings discussed in the report and based upon the work performed, the Department that expends sales surtax funds has sufficient policies and procedures in place, supported by appropriate documentation, reports, monitoring tools, and personnel to address the statutory criteria defined in Section 212.055(11), Florida Statutes."

Under Florida state law, Walton County's Board of County Commissioners are responsible for administration of the surtax funds, if the referendum passes. The referendum provides for the collection and distribution of the sales surtax proceeds that will be used to improve transportation facilities and services in the incorporated and unincorporated areas of Walton County as permitted by Florida Statute 212.055(1). Because of the importance of this referendum, Walton County has responded to each individual recommendation provided by the auditors in the final audit report.

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

**Subtask 1.1 – Partially Met**

**Auditor Recommendation** – MGT recommends that County management establish reports that include planned and actual start and completion dates to monitor program performance for all projects, both in-house and outsourced. Additionally, County management should consider using work orders on a task-by-task basis, rather than blanket work orders by type of work to more effectively track the utilization of staff, materials, and availability of equipment.

**Walton County Management Response** – Walton County concurs with the recommendation that planned start and completion dates be implemented to monitor program performance and planned vs. actual start and completion dates.

## MANAGEMENT'S RESPONSE

Walton County currently uses work orders in several ways to track Public Works activities. Work orders associated with general roadway maintenance are left open to capture continuing costs since Public Works considers routine maintenance as ongoing rather than having a specific completion date. Walton County staff will work with the County's software vendor to determine if the work order system can be better utilized to track ongoing maintenance on a fiscal year basis while still accumulating total maintenance costs for a particular road.

Work orders associated with capital construction are opened when the project commences, and a separate work order is opened for each project. These work orders are closed when the project is complete, and staff will modify the existing process to include planned and actual start and completion dates for these projects.

### **Subtask 1.2 – Did Not Meet**

**Auditor Recommendation** - MGT recommends County management develop policies and procedures for the periodic evaluation of County programs, including the establishment of criteria to assess program performance and cost.

**Walton County Management Response** – Walton County concurs with this recommendation and will develop procedures for overall program evaluation. The current work order system was implemented in October 2019 and our current use of the system has limitations in the capabilities of incorporating schedule planning and more robust work order/project management related to program performance and cost. Staff will work with our current software vendor to determine what functionality is available in the current software and will also look at other governmental agencies to determine what has been successful in other cities and counties.

### **Subtask 1.5 – Did Not Meet**

**Auditor Recommendation** – County management should consider implementing processes and systems that will allow for more precise, real-time evaluation of projects. The County should also review the fatality data to determine if the fatalities occurred on County facilities, and, if so, whether they could be related to safety or road quality issues.

**Walton County Management Response** – Walton County concurs with the recommendation to consider implementing processes and systems that will allow for more precise, real-time evaluation of projects and performance data on day-to-day activities. Staff will work with our current software vendor and will reach out to other governmental agencies to determine what has been successful in other cities and counties.

County staff does review the fatality data to determine if there are safety or road quality issues. Further, County Public Works staff also researches comments and complaints from the public regarding issues on individual roads in an effort to be proactive and make improvements or changes as needed prior to fatalities occurring. We do agree that processes should be put into place to track these efforts by the County since these are currently on a case-by-case basis and staff will look at other governmental agencies to determine what processes are being successfully implemented to effectively track these efforts.

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### Subtask 1.6 - Partially Met

**Auditor Recommendation** – MGT recommends that Public Works Department management implement policies and procedures to ensure that projects are completed timely or contract terms are enforced when contractors fail to meet contractual deadlines.

**Walton County Management Response** – Walton County concurs with this recommendation and will work to develop written procedures for this process. Although Public Works has procedures in place to monitor projects, staff will work to strengthen these to ensure projects are completed well and on time.

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

#### Subtask 2.2 – Did Not Meet

**Auditor Recommendation** - As discussed in Research Subtask 1.1, MGT recommends that County management develop appropriate reports and systems to accurately track project progress and staff utilization for work orders. The County should review current staffing and utilization levels to evaluate whether staffing is appropriate. If staffing is determined to be an issue with regards to completing the program workload, County management should consider additional methods for recruiting staff and conducting a compensation study to ensure that Public Works salaries are not a barrier to recruitment.

**Walton County Management Response** – Walton County concurs with this recommendation and will work with our current software vendor to improve reporting capabilities for work orders. Further, on August 23, 2022, the Board of County Commissioners approved for the County to obtain a County-wide compensation study to ensure salaries are not a barrier to employee recruitment.

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

#### Subtask 3.1 – Did Not Meet

**Auditor Recommendation** - MGT recommends that County management ensure that periodic evaluations of the feasibility of alternative methods of providing services are conducted. Policies and procedures should be developed to identify the frequency with which evaluations should be conducted, the factors to be considered, and the documentation to be maintained.

**Walton County Management Response** – Walton County concurs with this recommendation. While staff does complete these evaluations on a case-by-case basis, no formal process is in place. Staff will work to develop written procedures for this process.

#### Subtask 3.2 and 3.3 – Did Not Meet

**Auditor Recommendation** - MGT recommends that County management develop policies and procedures for assessing contracted services to document that services provided by the contractors are effective and that

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cost savings are achieved. The policies and procedures should include the factors to be included in the assessment and the documentation that should be maintained.

**Walton County Management Response** – Walton County concurs with this recommendation. In March of 2022, the Board of County Commissioners adopted formal performance evaluation review forms for engineers and contractors providing services for Walton County. Staff believes this evaluation process will meet the requirements of this subtask for future services.

### **Subtask 3.4 – Did Not Meet**

**Auditor Recommendation** - County management should consider the possible opportunity of using the design-build contracting method as a potential alternative to reduce project costs and delays, particularly on its largest and most complex capital improvement projects. Additionally, MGT recommends County management establish a method for evaluating the possible use of design-build, particularly as it sees growing demands on its transportation network and the potential for an increased number and complexity of capital improvement projects in the future.

**Walton County Management Response** – Walton County concurs with this recommendation. Staff is working to develop a formal method for evaluating the use of design-build.

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

### **Subtask 4.1, 4.2, and 4.3 – Did Not Meet**

**Auditor Recommendation** – (4.1) MGT recommends that County management continue their efforts to develop a strategic plan. As part of those efforts, Public Works Department management should establish goals and objectives which are clearly stated, measurable, and achievable within budget. Further, once goals and objectives are established, County management should ensure that appropriate policies and procedures are developed to support program goals and objectives. (4.2) MGT recommends that County management establish measures that will assess program progress towards meeting its stated goals and objectives, once those goals and objectives are established. (4.3) Once goals and objectives are established, County management should ensure that appropriate policies and procedures are developed to support program goals and objectives.

**Walton County Management Response** – Walton County concurs with this recommendation and is working with the Institute of Senior Professionals to develop a strategic plan for the County. Currently, goals and objectives for the Division are submitted as part of the annual budget process. As a part of the development of a County-wide strategic plan, overall goals and objectives for the Public Works Division will be formally developed to support both County-wide and Public Works program goals and objectives. As a part of this process, policies and procedures can then be developed to support those goals and objectives, and measures toward meeting goals can be established.

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

#### **Subtask 5.1 – Partially Met**

**Auditor Recommendation** - MGT recommends that the County publish additional financial and non-financial information for transportation projects, including information such as budgeted and actual to-date costs and planned and actual start and end dates.

**Walton County Management Response** – Walton County concurs with this recommendation and staff will work with our current software vendor to determine what functionality is available in the current software to publish additional financial and non-financial project information.

#### **Subtask 5.2 – Did Not Meet, 5.3 and 5.4 – Partially Met**

**Auditor Recommendation** – (5.2) MGT recommends that County management ensure that the review of documents, reports, and requests made publicly available be appropriately documented. (5.3) MGT recommends that the County publish additional financial and non-financial information for transportation projects, including information such as budgeted and actual to-date costs and planned and actual start and end dates. MGT recommends that the County publish additional financial and non-financial information for transportation projects, including information such as budgeted and actual to-date costs and planned and actual start and end dates. (5.4) MGT recommends that Public Works Department management implement a process to ensure the accuracy of non-financial information related to transportation services.

**Walton County Management Response** – Walton County concurs with this recommendation and will develop and implement a written process of evaluating information made available to the public. This process will include standardized procedures for publishing additional financial and non-financial information for transportation projects, as well as a process for verifying the accuracy of information provided.

#### **Subtask 5.5 – Did Not Meet**

**Auditor Recommendation** – County management should establish written procedures formalizing the process for correcting public data.

**Walton County Management Response** – Walton County concurs with the recommendation and, although the County has informal processes for correcting erroneous information that is publicly disseminated, will develop written procedures that codify the process for correcting data.

### **Research Task 6: Compliance of the Program with Appropriate Laws, Rules, and Policies**

#### **Subtask 6.2 – Partially Met**

**Auditor Recommendation** – MGT recommends that County management ensure that compliance is fully documented in County records including appropriate approvals for procurements and the reason for not assessing liquidated damages when contract terms are not met.

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**Walton County Management Response** – Walton County concurs with this recommendation and, although the Public Works department has informal processes to review these instances with the County Attorney on a case-by-case basis, staff will work to strengthen procedures to formally document the reason when liquidated damages are not assessed.

### **Subtask 6.4 – Partially Met**

**Auditor Recommendation** – MGT recommends the County Attorney obtain authorization from the Florida Department of Revenue or other appropriate governing body before utilizing surtax funds for debt service.

**Walton County Management Response** – At the August 23, 2022, Board of County Commissioners meeting, the Board approved an Ordinance amending the Ordinance Levying a One-Cent Sales Tax. This amended Ordinance includes language providing for the utilization of surtax funds for debt service. Staff believes this subtask to now be met.

We appreciate the work performed by the MGT Audit Team and would like to thank the Team for their hard work and professionalism in performing the audit in such a timely manner. The recommended changes in our operations and administration of Public Works projects will improve our performance and allow for better reporting of information to Walton County's citizens.

Sincerely,



Melissa Thomason  
Chief Financial Officer  
Walton County Board of County Commissioners