



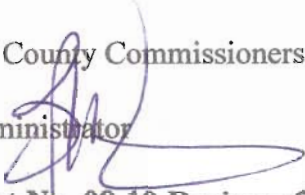
BERTHA W. HENRY, County Administrator

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MEMORANDUM

DATE: November 4, 2008

TO: Broward County Board of County Commissioners

FROM: Bertha Henry, County Administrator 

SUBJECT: **Response to Audit Report No. 08-10 Review of Invoice Processing Controls - Wackenhut's Security Services Contract, Dated September 22, 2008**

This memorandum is in response to Audit Report No. 08-10, Review of Invoice Processing Controls – Wackenhut’s Security Services Contract, dated September 22, 2008.

We want to express our thanks to the County Auditor and his staff for the fruitful discussions at the September 22, 2008 exit interview and the resultant revisions that have been included in the final report. Our responses to the specific recommendations in the Audit Report are presented below:

Audit Recommendation 1: Develop and implement procedures to ensure future invoices for security services are appropriately reviewed to include:

- **validation of hours reported on the security logs and comparison to billed hours**

Management Response: Staff concurs that the sign-in and sign-out sheets must be reviewed and validated. Prior to the audit, county agencies required guards to sign-in and sign-out using the Wackenhut Sign-in Register. However, the audit identified that the registers were not consistently used to confirm hours billed on the invoice before authorizing payment. In addition to the registers, some locations have since implemented an electronic time keeping system or radio/telephone call-in log to document the hours worked. In the belief that it is not cost effective to place a tick mark and/or reviewer’s initials after each invoice line item to evidence that the hours billed on the invoices match the hours on the security logs, each agency will work with the County Auditor’s Office to develop and implement operating procedures for review and effective verification of all hours billed on the invoice, to implement this recommendation by November 30th.

Broward County Board of County Commissioners

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- **comparison of rates to the contract**

Management Response: Staff concurs with the recommendation. Additional procedures will be developed and implemented to ensure that the rates billed agree to the level of guard required by the position (even if a higher level guard is assigned to a lower level post.)

- **verification of qualifications of guards and site supervisors**

Management Response: Staff concurs with the recommendation. A system is currently being implemented that will allow verification of the qualifications of each Wackenhut and sub-contractor employee invoiced under the contract. A checklist is now attached to the master agreement in the AMS Advantage system instructing all users of the contract to use a centrally accessible webpage to verify what level each guard is qualified for. The checklist also reminds the user to review overtime charges for compliance with the contract terms and provisions.

- **substantiation of overtime charges**

Management Response: Staff concurs with the recommendation. Prior to approving an invoice, users will be referred to a checklist in AMS Advantage that instructs them to verify that overtime charges to be paid are to be reviewed for compliance with the contract terms and provisions.

Audit Recommendation 2: Review all previous charges for Class III guards and site supervisors to ensure the personnel provided met the requirement of the billed classification and recover any resulting overpayment by December 31, 2008.

Management Response: Staff concurs with the recommendation. A review of all previous charges for Class III guards and site supervisors will be performed to ensure personnel met the requirement of the billed classification and recover any resulting overpayment by December 31, 2008.

Audit Recommendation 3: Take steps to ensure overtime charges are reviewed for compliance with the contract provisions prior to payment.

Management Response: Staff concurs with the recommendation. A checklist has been attached to the master agreement in the AMS Advantage system instructing all users of the contract to review overtime charges for compliance with the contract terms and provisions.

Audit Recommendation 4: Review Wackenhut's payroll documentation substantiating overtime charges paid by the Libraries Division and recover any overpayment by December 31, 2008.

Management Response: Staff concurs with the recommendation. The Libraries Division is currently reviewing Wackenhut's payroll documentation substantiating overtime charges. Any overpayments will be recovered by December 31, 2008.

Audit Recommendation 5: We recommend the Board of County Commissioners direct the County Administrator, with the assistance of the County Attorney to draft an amendment to the Living Wage Ordinance deleting the requirement for an examination by the contract administrator of payroll information within sixty days of receipt.

Management Response: Staff concurs with the recommendation. This recommendation was incorporated in the amendments to the Living Wage Ordinance approved by the Board on October 7, 2008

Audit Recommendation 6: We recommend the Board of County Commissioners direct the County Administrator, with the assistance of the County Attorney, to develop and implement procedures to provide guidance in the application of the Broward County Living Wage Ordinance.

Management Response: Staff concurs with this recommendation. The Purchasing Division with the assistance of the County Attorney and applicable agencies will develop and implement procedures necessary to ensure compliance with the ordinance; specific procedures developed will clarify how to determine the employer's health benefit cost, how to handle employer contributions toward such costs and how to handle instances where the employer's health benefit cost is less than the amount required.

BWH/db/ds

- cc: Evan Lukic, County Auditor
Jeff Newton, County Attorney
Brenda Billingsley, Director of Purchasing
Robert Cannon, Director of Libraries
Scott Campbell, Director of Facilities Maintenance
Jihad El Eid, Director of Traffic Engineering
Leighton Elliott, Director of Highway & Bridge Maintenance
Alan Garcia, Director of Water & Wastewater Services
Kent George, Director of Aviation
Bob Harbin, Director of Parks & Recreation
Paul Jaquith, Director of Broward Addiction Recovery Center
Chris Walton, Director of Transportation