

MANATEE COUNTY CLERK OF THE CIRCUIT COURT

INTERNAL AUDIT DEPARTMENT

PUBLIC SAFETY DEPARTMENT MARINE RESCUE DIVISION

AUDIT REPORT

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**A U D I T   R E P O R T**

A financial, compliance, and operational audit of Manatee County's Public Safety Marine Rescue Division was conducted by the Internal Audit Department for the audit period October 1, 1998 through June 30, 1999. The audit was performed in accordance with *Generally Accepted Governmental Auditing Standards*, issued by the Comptroller General of the United States; and the *Standards for the Professional Practice of Internal Auditing*, issued by the Institute of Internal Auditors.

**BACKGROUND:**

The Public Safety Marine Rescue Division is responsible for providing personnel and equipment to ensure the safety of persons using County beaches year round. The Division ensures coverage and safety of almost three miles of waterfront surrounding Anna Maria Island, including the intra-coastal waterway and deep gulf-to-bay channel. The Division also responds to land and waterborne emergencies in adjacent areas. The Division provides for training staff in water rescue techniques and for maintaining certifications in Cardiopulmonary Resuscitation (CPR) and as Emergency Medical Technicians (EMTs).

**PURPOSE/OBJECTIVE:**

The main audit objectives included, but were not limited to, the following:

- To verify accuracy of financial data and reports processed by the Public Safety Marine Rescue Division.
  
- To verify an adequate system of internal control exists to safeguard assets, maintain the integrity of reports on operations, and provide adequate evaluation of the Public Safety Marine Rescue Division's objectives and responsibilities.
  
- To verify compliance with significant laws and regulations, including Florida Statutes, federal regulations, ordinances, resolutions, policies, and signed agreements or contracts related to the Public Safety Marine Rescue Division.
  
- To evaluate operational efficiency and effectiveness.

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**SCOPE:**

The financial audit scope consisted of a review of accounts, financial transactions, and reports of the Public Safety Marine Rescue Division for the period October 1, 1998 through June 30, 1999.

The compliance audit scope consisted of a review of compliance to the policies and procedures, Florida Statutes, federal regulations, ordinances, resolutions, contracts, administrative orders and agreements related to the Public Safety Marine Rescue Division for the period October 1, 1998 through June 30, 1999.

The operational audit scope consisted of a review of the Public Safety Marine Rescue Division's internal controls and the effectiveness and efficiency of the operations during the audit period October 1, 1998 through June 30, 1999. Management controls were also reviewed to identify significant weaknesses that may have contributed to deficient performance.

**METHODOLOGY:**

Internal control evaluations were accomplished by flow charting key operations, discussions with management and staff, observations, and analytical and substantive testing of individual internal controls. Risk analysis was used to establish priorities of audit objectives.

**IRREGULARITIES, ABUSE, OR ILLEGAL ACTS:**

No indications of irregularities, abuse, or illegal acts were discovered during the audit that could affect the Public Safety Marine Rescue Division for the audit period ending June 30, 1999.

### **TEST OF COMPLIANCE:**

Internal Audit tested compliance with certain laws and regulations, obtained an understanding of internal controls, and assessed control risk. Tests performed appeared to provide sufficient evidence that support an opinion on compliance and internal controls.

Except as noted in our audit report, tested items were in compliance with significant laws, regulations, and internal controls that included Florida Statutes, ordinances, resolutions, personnel policies, administrative orders, and other policies established by the Public Safety Marine Rescue Division and other applicable laws and regulations.

### **STATEMENT ON INTERNAL CONTROL STRUCTURE:**

In planning and performing our audit of the Public Safety Marine Rescue Division for the period ending June 30, 1999, we considered its internal control structure in order to determine our auditing procedures for the purpose of our report on the Public Safety Marine Rescue Division. As a result, we noted in the audit report significant matters involving the internal control structure and its operations that we considered reportable conditions under standards established by the U.S. General Accounting Office, *Government Auditing Standards*. Reportable conditions involve matters relating to significant deficiencies in the design or operation of the internal control structure, that in our judgment, could adversely affect the organization's ability to record, process, summarize and report on data consistent with management's intentions.

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Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions, as defined above. In addition, because of the inherent limitations in any internal control structure, significant deficiencies in the design or operation of the internal control structure may exist and not be detected. We believe the conditions identified in our audit report constitute reportable conditions as previously defined.

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### **MANAGEMENT TEAM AND MANAGEMENT ACTION PLAN:**

A new reporting format has been implemented in this report. A Management Action Plan will be used for each Area of Improvement reported. Management Action Plans are corrective actions with implementation dates developed in cooperation with the Department's Management Team and the Internal Audit Department. The Management Team includes the Director of Public Safety and the Marine Rescue Division manager.

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### **MANAGEMENT SUMMARY:**

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The Internal Audit Department performed a financial, compliance and operational audit of the Marine Rescue Division. The following describes the testwork performed with the corresponding conclusions.

The **financial component of the audit** consisted of verifying the retention of work schedules, determining whether compensation for hours worked were accurate, reviewing the reasonableness of overtime hours paid, and verifying the existence of competition for purchases under \$500. The audit revealed the following:

- The Marine Rescue Division was not aware of record retention requirements on work schedules and as a result had not been maintaining them. The Management Team through its Management Action Plan intends to strengthen the controls over work schedule retention by establishing policies and procedures that comply with record retention requirements.

**(See Area for Improvement #1 on page 8.)**

- The Marine Rescue Division's work schedule requires employees to work more than the standard eight-hour workday and on all holidays. As a result, certain standards included in the Manatee County Personnel Policy, Rules and Procedures Manual apply in the calculation of employees' pay. Several inconsistencies were noted in the pay calculations when certain circumstances were involved; such as shift differential, holiday hours paid but not work, and overtime paid for participation in the Body Removal and Mental Health Transport team. The Management Team through its Management Action Plan will train supervisors in the proper rules for the calculation of compensation, retroactively compensate for shift differential miscalculations, and seek approval from the Board of County Commissioners for payments of overtime for Body Removal and Mental Health Transport activities.

**(See Area for Improvement #2 on page 8.)**

- Payment of overtime hours has always been a part of the Marine Rescue Division's operations. A review of overtime hours paid indicated that payments made in the current fiscal year were approximately 15% less than in the prior two years and Public Safety's Management continues to closely monitor overtime charges. The majority of the overtime hours paid to Marine Rescue employees resulted from holidays and staff shortages. Based on the audit procedures performed, overtime hours paid appear reasonable.

- The majority of purchases made by the Marine Rescue Division are Central Stores purchases, replacement equipment in excess of \$500, and ATV repairs for which quotations are not practical. It was noted, however, that for the remaining purchases under \$500, quotations were not obtained. With the implementation of IFAS, the new finance system, documentation of competitive quotations can be completed using the computer. The Management Team through its Management Action Plan has provided training to their employees and supervisors on the use of IFAS for small purchases. Controls have also been implemented to ensure quotations are documented in IFAS prior to supervisor approval. **(See Area for Improvement #3 on page 9.)**

The **compliance component of the audit** consisted of compliance with Ordinances 82-19, 99-03, 98-03, and an inter-local agreement between Manatee County and the City of Bradenton Beach. The audit revealed the following:

- Ordinance 82-19 establishes standards for conduct in public parks and contains sections that are applicable for Marine Rescue Division's enforcement. Marine Rescue tracks the number of code violations and preventative measures that personnel have performed during the day. Based on the audit procedures performed, the Marine Rescue Division appears to be adequately enforcing Ordinance 82-19.
- Ordinance 99-03 was adopted for the purpose of promoting safe boating and other water related activities in Manatee County. Marine Rescue confirmed that division personnel are enforcing the water vessel restrictions in the County Ordinance and regulating the water vessels operations in the beach and swimming areas to protect the beach patrons. Additionally, daily logs document the number of incidents when Marine Rescue personnel make contact with watercraft in the regulated areas. Based on the audit procedures performed, the Marine Rescue Division appears to be in compliance with their responsibilities under Ordinance 99-03.
- Ordinance 98-33 prohibits entering upon, diving from or swimming under erosion control groins and designates Marine Rescue personnel as code enforcement officers with the right to issue citations to violators. It appears however, the Ordinance can not be implemented until the Judicial Circuit issues an Administrative Order authorizing the Clerk of the Circuit Court to collect and disburse non-criminal code enforcement fines. The Marine Rescue Division plans to establish the required policies and procedures for the adequate enforcement of the Ordinance.

**(See Area for Improvement #5 on page 10.)**

- The Manatee County Board of County Commissioners signed an agreement with the City of Bradenton Beach providing for additional law enforcement officers at the beaches for a fee. As part of this agreement, Marine Rescue would be responsible for providing All Terrain Vehicles (ATVs) for first available use by the officers assigned to patrol the public beach and to pay for major maintenance on these vehicles. In addition, the City is

responsible for providing storage and regular maintenance to the vehicles and submitting periodic reports. Based on the audit procedures performed, it appears the Marine Rescue Division is fulfilling the provisions in the inter-local agreement.

The **operational component of the audit** consisted of determining whether the Marine Rescue Division has established training standards for lifeguard personnel and verifying the county equipment is properly accounted for and safeguarded. The audit revealed the following:

- The Marine Rescue Division has established specific training standards for their personnel, however, the requirements listed on the Human Resources Department's job descriptions have not been updated to agree with management's intended training and educational requirements. The Management Team through its Management Action Plan has updated the job descriptions and has submitted the revisions to the Department of Human Resources for implementation.

**(See Area for Improvement #4 on page 10.)**

Florida Statute 401.435 requires all first responder agencies to have taken as a minimum, the U.S. Department of Transportation Emergency Medical Services: First Responder Training Course. Since the majority of the Marine Rescue personnel are certified Emergency Medical Technicians (EMTs) this requirement only applies to non-EMTs. Division files indicated that two out of the three non-EMTs had not taken the course. The Management Team through its Management Action Plan will update their job description to include the additional training for non-EMTs in compliance with Florida Statute.

**(See Area for Improvement #4 on page 10.)**

Marine Rescue employees are issued identification cards that contain a statement that training is provided under United States Lifeguard Association (USLA) guidelines. The USLA has not extended certification to Manatee County for meeting its training requirements. The Management

Team through its Management Action Plan will remove the USLA reference and reissue cards to all Marine Rescue employees.

**(See Area for Improvement #4 on page 10.)**

- The Marine Rescue Division uses equipment as part of their daily operations. Based on the audit procedures performed, it appears that equipment recorded as county fixed assets exists and is properly accounted for.

Based on the audit performed, it appears the Marine Rescue Division's overall operations appear to be meeting the needs of Manatee County residents and visitors who enjoy the County's beaches. Marine Rescue appears to be staffed by highly trained and dedicated individuals whose priority is water safety as well as assisting Public Safety Emergency Medical Services as first responders to incidents occurring on the island. The audit identified several areas where improvements can be made; although reportable, these areas are considered relatively minor in relation to the overall operations of the Marine Rescue Division. We commend the Marine Rescue Division for its excellent operations and the valuable services provided to Manatee County.

We appreciate the efforts of Marine Rescue Division's management in timely addressing the issues raised during the audit and aggressively seeking solutions to these matters. We believe through the implementation of the Management Action Plans included in this report, controls will be strengthened, improving accountability over the Marine Rescue operations.

**AUDIT REPORT AUTHORIZATION:**

This audit report has been reviewed and authorized by:

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Richard J. Orienti, CIA, CFE

Director of Internal Audit

R. B. "Chips" Shore

Clerk of the Circuit Court and Comptroller

**AREA FOR IMPROVEMENT**

**#1**.....

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**Subject: Retention of Work Schedules**

The Manatee County Personnel Policy, Rules and Procedures Manual requires Department Directors to be responsible for maintaining a record of work schedules for non-exempt employees and for those pre-designated scheduled extra hours assigned to exempt non-managerial employees. The Marine Rescue Division prepares work schedules for personnel for their operations. Additionally, Marine Rescue personnel participate in the Body Removal and Mental Health Transport team. Another Division under the Public Safety Department is responsible for developing this team’s work schedule. Neither of these work schedules has been retained.

**Management Action Plan:**

- Policies and procedures will be established to provide all divisions under the Public Safety Department with guidance regarding the retention of work schedules as required by record retention requirements. Policies and procedures will be implemented by September 30, 1999.

**AREA FOR IMPROVEMENT #2**

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**Subject: Accurate Compensation and Timecard Completion**

The Manatee County Personnel Policy, Rules and Procedures Manual sets the standards for employee compensation. A review of the Marine Rescue Division's timecards noted inconsistencies in the application of these standards. As noted in Area of Improvement #1, work schedules are not retained, and therefore the effect of these inconsistencies could not be determined. Examples of the inconsistencies included the following:

1. Shift differential – During daylight savings time, Marine Rescue Division employees appeared to be entitled to compensation at the second shift differential pay for working four hours in the second shift (3:00 p.m. to 7:00 p.m.). Marine Rescue employees were not being compensated at the higher second shift differential rate.
2. Holiday hours paid but not worked – Marine Rescue employees' timecards inconsistently included holiday hours paid, but not worked as part of the calculation of their overtime pay.
3. Suspensions without pay documentation – The Marine Rescue employees' timecards reflected employees' suspensions without pay, but the documentation of the suspensions was not reflected in their official personnel files.
4. Marine Rescue employees are receiving overtime compensation for participating in the Body Removal and Mental Health Transport team regardless of the number of hours worked. Team members are scheduled on standby until services are requested. The hours recorded on the timecards do not reflect whether team members are on standby or active duty. The personnel policy does not allow for overtime pay for standby hours. Supervisory review of the employees' timecards can not be performed accurately and effectively without separately recording the hours worked on the timecards.

**Management Action Plan:**

- The Marine Rescue employees will be compensated retroactively at the higher second shift differential rate effective April 4, 1999. The additional compensation will be processed by September 30, 1999.

- The Human Resources Department will be contacted to schedule a training program with the Marine Rescue Division's supervisors regarding their responsibility under the Manatee County Personnel Policies, Rules and Procedures Manual. The training program will be held by October 31, 1999.
  
- The Board of County Commissioners will be requested to authorize an overtime compensation rate for all participants in the Body Removal and Mental Health Transport team. This item will be presented to the Board of County Commissioners by September 30, 1999.

### **AREA FOR IMPROVEMENT #3**

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#### **Subject: Competitive Bidding Documentation on Purchases**

The Manatee County Procurement Code requires that competitive bids be obtained on small purchases less than \$500. The Marine Rescue Division has neither performed nor documented competitive bidding for these small purchases. The new finance system, IFAS, currently allows for documentation of competition to be completed using the computer.

#### **Management Action Plan:**

- An employee retreat was held subsequent to this audit testwork regarding the use of IFAS for all small purchases and the competitive bid requirements under the Manatee County Procurement Code. At this retreat, a decision was made that purchases will not be

approved unless IFAS is used for documenting competition. Implementation has been in effect since May 1999.

#### **AREA FOR IMPROVEMENT #4**

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##### **Subject: Compliance with Job Description and Training standards**

Job descriptions do not accurately reflect management's intended training and educational requirements. Some requirements included in the job descriptions are not enforced while management imposes other requirements not included in the job descriptions.

Florida Statute 401.435 requires a lifeguard agency to adopt a first responder training course as a minimum standard for first responder training. Two out of the three non-EMT certified lifeguards on staff have not taken the United States Department of Transportation Emergency Medical Services: First Responder Training Course as required. It should be noted that the majority of the Marine Rescue personnel are certified EMTs whose training exceeds the State's minimum requirement.

Marine Rescue personnel are issued photo identification cards that state in-house training is provided following United States Lifeguard Association (USLA) guidelines. The USLA has a system to review an agency's training program and extends national certification to those agencies whose training and standards fall within the recommended guidelines of the USLA at either the minimum or advance level. Manatee County has neither obtained nor applied for USLA certification.

##### **Management Action Plan:**

- Job descriptions have been updated to reflect management's intended training and education requirements and are pending implementation from the Human Resources Department.

- Job descriptions will be updated by November 30, 1999 to include the additional training for non-EMTs in compliance with Florida Statute.
  
- The photo identification cards will be changed to remove the reference to USLA guidelines. Subsequent research will be performed to determine if the Division will pursue the adoption of the USLA certification. The re-issuance of photo identification cards will be completed by January 2000.

#### **AREA FOR IMPROVEMENT #5**

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#### **Subject: Compliance with Ordinance 98-33**

Ordinance 98-33 prohibits entering upon, diving from or swimming under erosion control groins and designates Marine Rescue personnel as code enforcement officers with the right to issue citations to violators. Before the Ordinance can be effectively implemented, the Judicial Circuit must issue an Administrative Order authorizing the Clerk of the Circuit Court to collect and disburse non-criminal code enforcement fines. Upon issuance of the Administrative Order, the Marine Rescue Division will establish policies and procedures to implement the Ordinance. These policies and procedures are needed to establish the methods used to identify and report the list of names of Marine Rescue personnel who will serve as code enforcement officers and will provide guidance to staff.

#### **Management Action Plan:**

- Policies and procedures will be established as required by the Ordinance. Implementation will be completed by December 31, 1999.