

SEMINOLE COUNTY

REVIEW OF FACILITIES MAINTENANCE DIVISION

REPORT NO. 121808

DECEMBER 2008

Prepared by:
Internal Audit Division
Clerk of the Circuit Court



MARYANNE MORSE
Clerk of the Circuit Court
Seminole County

December 18, 2008

The Honorable Bob Dallari
Chairman
The Board of County Commissioners
Seminole County, Florida
1101 East First Street
Sanford, FL 32771

Dear Mr. Chairman:

I am very pleased to present you with the attached review of the Facilities Maintenance Division.

The review found conditions that warrant management's attention. These conditions and management's corrective action plans are included in the report that follows. We believe the corrective action plans are responsive to the conditions noted.

I would like to personally thank the men and women of the Facilities Maintenance Division for their assistance throughout the course of this review. Their assistance was deeply appreciated. With warmest personal regards, I am

Most cordially,

Maryanne Morse
Clerk of the Circuit Court
Seminole County

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TABLE OF CONTENTS

Transmittal letter

Introduction

Purpose	1
Background.....	1
Scope of Work	1
Overall Evaluation.....	2

Findings and Recommendations

1. Costs were not always assigned to the proper business unit.	
Audit Recommendation	3
Management Response	3
2. No formal inspection or management reports are produced.	
Audit Recommendation.....	4
Management Response	4
3. No standard labor hours have been established for preventive, routine or recurring types of maintenance duties.	
Audit Recommendation	4
Management Response	4

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**Seminole County
Administrative Services Department**

**Review of
Facilities Maintenance Division**

The Internal Audit Division of the Office of the Clerk of the Circuit Court has completed a review of the Facilities Maintenance Division's Administrative Services Department.

Purpose

The purpose of the review was to determine if the administrative controls over the authorization and completion of facilities maintenance work orders are adequate and operating as intended in compliance with applicable contracts and other Seminole County policies and procedures.

Background

The Facilities Maintenance Division is responsible for the operation and maintenance of 627 buildings, totaling 1,933,000 square feet, and grounds for the county. The division employs 31 maintenance technicians, managers and office staff. Work orders issued during the review period totaled 23,485.

The maintenance and repair of county facilities is managed through a computer based work order system. This system allows management to track time, allocate labor and material costs, and assign contractor charges to the individual work orders for efficient management of repair and maintenance operations. The division managed repair and maintenance expenses of \$2,075,000.00 for fiscal year 2007 (\$255,000.00 under budget) and \$1,133,000.00 YTD through June 2008 (Projected estimated annualized cost of \$1,524,000.00) in general repair and maintenance costs.

SCOPE

The scope of this review included the work orders and supporting documentation for the period from October 2006 to June 2008. All source documents related to these work orders were subject to review.

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The procedures included:

- Review of processes used to ensure compliance with established policies and procedures;
- Review of internal controls to ensure that all charges to work orders for payments to contractors are in accordance with established terms of contracts and authorized expenditures;
- Review of invoices for accuracy, completeness, and timeliness; and,
- Review of reports or other documentation of management oversight in administrating outstanding work orders.

This audit was performed by Lewis Dundas and Bill Carroll.

Overall Evaluation

Based on the results of the test work performed and inquiries made of facilities management personnel, operational and accounting controls are adequate to manage facilities maintenance projects, labor costs, and expenses.

However, the following are areas requiring management's attention:

- Costs were not always assigned to the proper business unit;
- No formal inspection or management reports are produced; and,
- No standard labor hours have been established for preventive, routine or recurring types of maintenance duties.

FINDING NO. 1

Costs were not always assigned to the proper business unit.

Prior to fiscal year 2008, the Facilities Maintenance Division's business unit number was 010560 and was used to account for all expenses. For fiscal year 2008 the business unit number was changed to 010599.

During 2008, expenses for professional services, contracted services, repairs and maintenance, operating supplies and other charges were primarily charged to the new business unit number (010599). At the same time, personal services, professional services, utilities, operating supplies, other charges and capital outlay expenses were charged to the old business unit (010560).

Because all of the Facilities Maintenance Division's expenses charged to the same business unit number, budget control, management oversight, and financial reporting was compromised.

Audit Recommendation

1. Facilities Maintenance Division and the appropriate County Finance Department personnel should be advised to use the correct business unit number for all future division expenses and payroll.
2. Proper summary journal entries should be posted to transfer the fiscal year 2008 expenses to the correct business unit.

Management Response

This issue was discovered and corrected earlier this year. In August 2008, Facilities management was notified of the incorrect charge to business unit 010560 in the amount of \$9,879.60. Upon discovery of this error, Facilities management worked in conjunction with the County Finance Department to transfer the funds to the correct business unit (010599).

FINDING NO. 2

No formal inspection or management reports are produced.

Inspection and/or management reports serve to document that a member of management inspected some of the work performed by subordinates or by the contractors. Management asserts due to budgeting constraints and only spot inspections are performed.

Performing and documenting regular inspections taking place ensures that resources are being utilized efficiently.

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Audit Recommendation

1. Implement a formal inspection procedure that prioritizes jobs of sufficient value to be inspected to assure that county funds are utilized efficiently. The procedures should include a concise written report of the inspection evaluation.
2. Implement procedures to store management reports electronically, to document management oversight and provide for an audit trail.

Management Response

Facilities management utilizes a variety of management reports that speak to open work orders, aging, task analysis and technician analysis. Facilities management is currently in the process of developing formal inspection procedures that will include inspection reports through our work order management system. Field inspections will be conducted for ten percent of all work orders by team leaders with the findings reported in a formal document that will be reviewed by the maintenance program manager or designee. All records will be kept in a central/shared location which will allow for third party verification.

FINDING NO. 3

No standard labor hours have been established for preventive, routine or recurring types of maintenance duties.

The work order system tracks the days from when a work order is opened until the date it is entered as complete. It also tracks the hours that technicians take completing the work order tasks. Without setting standard time frames for completing normal maintenance duties, the ability to objectively evaluate labor efficiency is limited.

Audit Recommendation

Create a list of tasks that are performed in the normal course of business and develop standard labor hour budgets for each. This will allow management to better focus supervisory efforts and evaluate employee performance in completing work orders efficiently. Implementation of this procedure will allow refinement of the standard hours assigned to tasks and improve work order control.

Management Response

Division management is working to compile internal standards for repetitive tasks; this is a challenge due to so much of the equipment serviced throughout the county being dissimilar.

Some of the labor standard tasks that Facilities management shall amass will include but are not limited to:

- Circuit tracing
- Fluorescent ballast replacement
- Installation of urinal flush kit
- Paper towel dispenser installation
- Receptacle installation and replacement
- Repair of desk drawer

Upon implementation of these standards, ten percent of all work orders will be reviewed by the maintenance program manager or designee to insure tasks are completed in compliance with established baselines. Facilities Maintenance Division has set an internal deadline to have these internal maintenance task labor hour standards in place by March 31, 2009. All reports/records will be kept in a shared location which will allow for third party verification.