Audit of the Interlocal Agreement Between Broward County and Sheriff of Broward County Providing for Seaport Security and Law Enforcement Services

Office of the County Auditor

Audit Report

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March 24, 2022

Honorable Mayor and Board of County Commissioners:

Pursuant to our Annual Audit Plan, we conducted an Audit of the Interlocal Agreement Between Broward County and Sheriff of Broward County Providing for Seaport Security and Law Enforcement Services. The objectives of our audit were to evaluate the reasonableness and appropriateness of payments made to Broward Sheriff's Office (BSO) for security services at Port Everglades, and to determine whether BSO is in compliance with the terms of the interlocal agreement.

Except as noted in our report, we conclude that payments made to BSO for security services at Port Everglades are reasonable and appropriate, and that BSO is in compliance with the general terms of the interlocal agreement. Opportunities for Improvement are included in the report.

We conducted this audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient and 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 our audit objectives.

We appreciate the cooperation and assistance provided by Port Everglades and BSO staff throughout our audit process.

Respectfully submitted,

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INTRODUCTION

Scope and Methodology

The Office of the County Auditor conducts audits of Broward County's entities, programs, activities, and contractors to provide the Board of County Commissioners, Broward County's residents, County management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

We conducted an audit of the Interlocal Agreement between Broward County and Sheriff of Broward County Providing for Seaport Security and Law Enforcement Services (ILA). Our objectives were:

1. To evaluate the reasonableness and appropriateness of payments made to Broward Sheriff's Office (BSO) for security services at Port Everglades (Port).
2. To determine whether BSO complied with the terms of the ILA.
3. To identify whether any Opportunities for Improvement exist.

To evaluate the reasonableness and appropriateness of payments made to BSO for security services at the Port, we tested a sample of invoices submitted for reimbursement, reviewed staffing schedules and quarterly reports prepared by BSO, performed cost-benefit analyses of the security operations center, verified law enforcement services being provided at the Port, and reviewed selected payroll records, retirement and non-retirement cash-out payments, and staffing vacancy credits. We also analyzed the reasonableness of the Facility Security Officer structure at the Port, and interviewed Port employees and staff from BSO.

To determine whether BSO complied with the general terms of the ILA, we reviewed the ILA between BSO and the Port, and reports provided by BSO to Port as required by the ILA. We also reviewed the Facility Security Plan, response time of BSO Deputies assigned at the Port, and BSO's annual budgeting process.

We conducted this audit in accordance with Generally Accepted Government Auditing Standards. 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 our audit objectives.

Our audit included such tests of records and other auditing procedures deemed necessary. The audit period was October 1, 2018, through September 30, 2020; however, transactions, processes, and situations reviewed were not limited by the audit period.

Overall Conclusion

Except as noted in our report, we conclude that payments made to BSO for security services at Port Everglades are reasonable and appropriate, and that BSO is in compliance with the general terms of the ILA. Opportunities for Improvement are included in the report.

Background

Port Everglades Background

Port Everglades (Port) is located in the greater Fort Lauderdale area and spans over 2,190 acres. It is one of the busiest cruise ports in the world with over 3.9 million passengers travelling through during Fiscal Year (FY) 2019. It is a leading container port in Florida and among the most active cargo ports in the United States. Additionally, the Port is South Florida's main seaport for receiving petroleum products including, gasoline and jet fuel.

Broward Sherriff's Office Background

BSO provides full-time law enforcement services to 14 Broward County (County) cities, towns, and unincorporated areas. These services include, but are not limited to, investigations by qualified personnel to investigate crimes and security breaches such as burglary, auto theft, homicide, drug offenses, and assaults. BSO also provides specialized law enforcement response services such as K-9 patrol, emergency response, Driving Under The Influence (DUI) and drug enforcement, marine/dive team, Special Weapons And Tactics Unit (SWAT) team response, etc. In addition, BSO is contracted by the Port and Fort Lauderdale-Hollywood International Airport to provide law enforcement and security services.

Interlocal Agreement Background

BSO has been providing law enforcement services at Port Everglades on behalf of the County since the early 1990's as provided for in the May 6, 1994, Interlocal Agreement Pursuant to Chapter 163, Florida Statutes, Between: City of Hollywood, Florida, City of Fort Lauderdale, Florida, City of Dania, Florida, and Broward County, Florida. That ILA placed responsibility on the County to provide law enforcement and services at Port Everglades, and indicated the County's intent to contract with BSO to perform those services. On September 10, 2015, the County entered into the most recent five-year ILA with BSO for the period of October 1, 2015, through

September 30, 2020, and has been extended through March 31, 2022. During the extension period, the County and BSO continue to follow the terms and conditions of the ILA while negotiations for the new agreement are underway. The ILA requires BSO to provide law enforcement, seaport security, Facility Security Officer, and ancillary services to the Port. The total budgeted amount for the ILA was $86,959,670 for five years. Port Security is the designated day-to-day point of contact with BSO on routine matters pertaining to administration and implementation of the ILA, which includes monitoring BSO's performance, approving invoices, and reimbursement requests.

Facility Security Officer/Security Operations Center/Harbor Patrol

During our audit, we reviewed certain defined aspects of BSO services provided to the Port under this ILA, including Facility Security Officer, Security Operations Center, and Harbor Patrol. The following are the ILA requirements for these services.

Facility Security Officer

Facility Security Officer (FSO) is a position required by federal law that is responsible for the development, implementation, revision, and maintenance of the Facility Security Plan (FSP) at the Port. The FSP outlines protocols to protect the Port Jurisdictional Area (PJA) and is required by the Maritime Transportation Security Act of 2002. The FSO also acts as a liaison with the U.S. Coast Guard, Florida Department of Law Enforcement, Port users, and vessel security officers. Pursuant to the ILA, the FSO may be either a County or a BSO employee. If the appointed FSO is a County employee, the FSO will report to the Port Director. If the appointed FSO is a BSO employee, the FSO will report to BSO's Port Jurisdictional Area Captain (Captain). Upon implementation of the ILA, FSO services were provided by BSO; however, during our audit, the FSO services were transitioned from BSO to the Port Security Manager starting October 2020.

Security Operations Center

BSO currently operates the Security Operations Center (SOC) within the Port that is responsible for monitoring closed-circuit television technology equipment and alarms to provide increased protection to the Port from outside threats, prevent cargo theft, and the importation of illegal contraband, pursuant to Florida State Statutes and the Maritime Transportation Security Act of 2002.



Port Everglades Security Operations Center

The SOC's primary responsibilities include:

A. Monitoring the land perimeters and waterside areas throughout Port via closed circuit television surveillance and alarm activation.
B. Performing required notifications as instructed by the on-duty supervisors regarding unusual occurrences, security breaches, and emergency situations.
C. Maintaining radio communications with BSO Central Dispatch, Bravo, and Delta (Cruise Operations) channels.

BSO staffs the SOC with I.D. Technicians, I.D. Supervisors, and a Sergeant who also supervises two other areas besides the SOC. According to the SOC's responsibilities, the BSO staff does not perform the law enforcement activities and does not have the law enforcement certifications.

Harbor Patrol

As part of its law enforcement services, BSO provides Harbor Patrol services to the Port. These services include patrolling waterways within the PJA, enforcing applicable laws and ordinances, promoting boating safety, and preventing safety or security violations. Currently, Harbor Patrol trained, sworn, Deputy Sheriffs (Deputies) assigned to Port Everglades District provide dedicated waterside law enforcement services.

Payment Structure

According to the ILA, beginning FY 2017, and prior to the start of each subsequent fiscal year, BSO submits proposed annual budgeted amounts to cover expenses, including personnel, operations, and capital asset purchases, to the Port for review and approval. During the budget process, BSO is also required to provide actual costs incurred from the previous two fiscal years and the current fiscal year through April 1st. Following negotiations between both parties, the approved budgeted amount for the fiscal year is paid by the Port to BSO in equal monthly installments. BSO also submits to the Port monthly invoices for expense reimbursements related to additional costs such as additional overtime, cruise terminal security, cruise terminal traffic control, and harbor patrol operating and maintenance costs.

Figure 1 shows the total budgeted amounts and actual payments to BSO for seaport security and law enforcement services from October 1, 2015 through September 30, 2020.

Figure 1
Total Budgeted Amounts and Payments to BSO for FY 2016 through FY 2020

Fiscal Year	Total Budgeted Amounts	Total Payments
2016	$ 16,398,650	$ 16,050,368
2017	16,714,950	16,133,536
2018	17,147,590	16,594,505
2019	17,914,990	17,720,673
2020	18,783,490	16,909,219
Total	**$ 86,959,670**	**$ 83,408,301**

Source: *Prepared by the Office of the County Auditor using information obtained from Adopted Budget Documents for FY 2016 through FY 2020 and Port Finance.*

Monthly Reimbursable Expenditures

As described previously, in addition to the payment of equal monthly installments to BSO for base services, the ILA allows for BSO to be reimbursed for the following expenditures on a monthly basis:

- **Additional Overtime, Operating, or Capital Costs**

  Additional overtime, operating, or capital costs in excess of the original budget.

- **Special Detail Services**
  (Cruise Terminal Security and Cruise Related Traffic Control)

  The Port utilizes BSO Special Detail personnel (on an as needed basis) to aid with cruise terminal security and cruise related traffic control services. BSO submits monthly invoices for Special Detail services at a contracted rate to the Port for reimbursement.

- **Harbor Patrol Operation, Maintenance and Repair Costs**

  BSO submits invoices to the Port for reimbursement of expenses related to the use of port vessels, which are the boats used by BSO for Harbor Patrol services. These expenses include, but are not limited to, fuel, maintenance, insurance, and repairs.

A maximum not-to-exceed amount for reimbursable expenditures was established for the initial year in the ILA and adjusted annually during the budget process for subsequent years.

Vacancy Credit

According to the ILA Article 9, Section 9.6 (b)(1), BSO is required to make all reasonable efforts to provide the Port with full staffing as required by the agreed-upon staffing structure in Exhibit B of the ILA. If such staffing levels are not maintained, the Port is entitled to a credit, which is calculated on a quarterly basis. Alternatively, BSO can temporarily fill any vacancy with either temporary staffing or overtime hours, provided that the vacant position is filled by a BSO employee that possess similar skills, training, and experience to the absent employee. The Port is entitled to a vacancy credit for any vacancy exceeding thirty consecutive calendar days unless the vacant position is filled through temporary staffing.

On a quarterly basis, BSO submits a memorandum containing the amount of 'vacancy credits', if applicable. As advised by the Port, there were no vacancy credits applied for FY 2016 through FY 2019; however, $159,423 was credited to the Port during FY 2020. **Figure 2** shows the vacancy credits by each quarter of FY 2020.

Figure 2
Vacancy Credits for FY 2020 by Quarter

Quarter	Credit Amount
1	$0
2	$0
3	$57,109
4	$102,314
Total	**$159,423**

Source: *Prepared by the Office of the County Auditor with information obtained from Port for FY 2020.*

Budget Reduction for FY 2021

Due to the global COVID-19 pandemic, cruise operations and related traffic at the Port were adversely affected. As requested by the Port, BSO adjusted their staffing levels for FY 2021. As a result, the annual budget for FY 2021 was reduced significantly to $13,989,930, which is approximately $4.8 million less than the annual budget for FY 2020. **Figure 3** provides annual budgeted amounts for FY 2020 and FY 2021 and budget reduction between the two years.

Figure 3
BSO's Annual Budget Reduction from FY 2020 to FY 2021

Fiscal Year	Annual Budgeted Amounts
2020	$18,783,490
2021	13,989,930
Budget Reduction	**$ 4,793,560**

Source: *Prepared by the Office of the County Auditor with information obtained from Adopted Budget Documents for FY 2020 through FY 2021.*

New Seaport Security and Law Enforcement ILA

The current ILA has been extended through March 31, 2022, or until the new ILA is approved by the Broward County Board of County Commissioners.

OPPORTUNITIES FOR IMPROVEMENT

Our audit disclosed certain policies, procedures and practices that could be improved. Our audit was neither designed nor intended to be a detailed study of every relevant system, procedure, or transaction. Accordingly, the Opportunities for Improvement presented in this report may not be all-inclusive of areas where improvement may be needed.

1. Port Everglades Should Retain Facility Security Officer Services Within Port Administration for an Approximate Annual Cost Savings of $500,000.

We identified that the Port could save approximately $500,000 annually by permanently retaining Facility Security Officer (FSO) services within Port Administration rather than contracting that service with BSO.

Prior to FY 2021, Port's FSO services were contracted to BSO. Based on our analysis of payroll data obtained from BSO for FY 2019, we identified that BSO utilized four BSO employees to perform the FSO services. As shown in **Figure 4**, we found that $665,960 in total regular salary and fringe benefits were paid to BSO's employees for FSO services in FY 2019.

Figure 4
Total Regular Salary and Fringe Benefits
Paid to BSO Employees for FSO Services in FY 2019

BSO Employee Title	Regular Salary	Fringe Benefits
FSO	$ 117,286	$ 50,824
Compliance Employee 1	100,178	55,313
Compliance Employee 2	99,074	59,849
Compliance Employee 3	122,370	61,066
Subtotal	**$ 438,908**	**$ 227,052**
Total	**$ 665,960**	

Source: *Prepared by the Office of the County Auditor using information obtained from BSO.*

During our audit, we interviewed three other Ports in the State of Florida and noted that their FSO services were maintained "in-house" and assigned to employees within their respective Public Safety Departments as part of their regular assigned duties. **Figure 5** lists the three Florida Ports interviewed for FSO services.

Figure 5
FSO Services at Three Florida Ports

Florida Port	FSO Services Performed by
Port Tampa	Port Employees
Port Jacksonville	Port Employees
Port Canaveral	Port Employees

Source: *Prepared by the Office of the County Auditor.*

During the fieldwork of our audit, we noted that the FSO services were transferred from BSO to the Port Security Manager, starting October 2020 and were fully transitioned to the Port by the end of December 2020. We were informed that the Port Security Manager currently assumes the FSO services by merging the responsibilities of the FSO to the current roles. However, Port anticipates hiring two additional staff to manage the FSO services in the future. The estimated costs of two additional staff are approximately $160,000 including annual salary and fringe benefits. As a result, Port could save approximately $500,000 annually by permanently retaining the FSO services with Port employees, as shown in **Figure 6**.

Figure 6
Annual Cost Savings if Permanently Retaining FSO Services With Port Employees

FSO Staffing By	Costs
BSO	$ 665,960
Port Employees	160,000
Potential Cost Savings	**$ 505,960**

Source: *Prepared by the Office of the County Auditor using information obtained from the Port Administration, Port Finance, and BSO.*

In addition to significant annual cost savings, a permanent transition of the FSO services under the direct control of the Port, gives Port management a more open and independent flow of communication to address security concerns from all areas.

We recommend management permanently retain the FSO services within Port Administration.

2. Port Should Evaluate the Feasibility of Various Operating Options of the Security Operations Center.

As previously discussed in the Background section, BSO currently operates the Security Operations Center (SOC) and their main responsibilities include monitoring closed circuit television surveillance and alarms, and maintaining radio communications with BSO employees at the Port. According to their responsibilities, the BSO staff at the SOC does not perform the law

enforcement activities and is not required to have the law enforcement certifications. During our review of the ILA, payroll records and operations, we identified some potential costs savings, if Port management replaced BSO SOC staff with the current private security contractor or County employees. Specifically,

A. We identified potential annual cost savings of approximately $432,000 if the current private security contractor is used to staff the SOC positions. During the audit, we analyzed BSO payroll data for SOC assigned positions and noted that payroll costs (including regular salary and fringe benefits) were $1,337,505 for FY 2021**. Figure 7** shows the payroll costs for each of the three SOC positions for FY 2021.

Figure 7
BSO SOC Staffing Payroll Costs by Position for FY 2021

Position	Number of Employees (FTE)	Salary Cost	Benefits Cost	Total Cost
Sergeant	0.33	$ 42,388	$ 23,226	$ 65,614
I.D. Unit Supervisor	3	189,632	100,357	289,989
I.D. Technician I	12	628,875	353,027	981,902
Grand Total		**$ 860,895**	**$ 476,610**	**$1,337,505**

Source: *Prepared by the Office of the County Auditor using payroll information obtained from BSO.*

Currently, Port has an agreement with a private security contractor to provide security services, for which Port pays set hourly rates for personnel, multiplied by the actual number of direct labor hours incurred. As advised by Port management, the training and responsibilities for positions in the current private security contract are not sufficient for the level of services needed to operate the SOC. Therefore, Port obtained an estimate with comparable positions from the current private security contractor, which shows an estimated annual cost of $905,574 to staff the SOC positions at Port.

As a result, there are potential annual cost savings of approximately $432,000 if the private security contractor is used to staff SOC positions, as shown in **Figure 8**. The actual cost savings may vary depending on actual staffing levels, hours worked, and actual billing rates from the private security contractor.

Figure 8
Potential Annual Cost Savings for FY 2021 If Using Private Security Contractor

SOC Staffing By	Costs
BSO	$ 1,337,505
Private Security Contractor	905,574
Potential Cost Savings	**$ 431,931**

Source: *Prepared by the Office of the County Auditor using information obtained by the Port from the current Port private security contractor and BSO.*

B. We also identified potential annual cost savings of approximately $200,000 if County employees are used to staff the SOC positions. To perform the cost analysis, we used payroll costs at medium range salary with fringe benefits of comparable County positions and the same BSO staffing levels for FY 2021. **Figure 9** shows the estimated annual costs of $1,141,113 for operating the SOC in FY 2021, if using County employees.

Figure 9
Estimated SOC Annual Payroll Costs for FY 2021 If Using County Employees

Job Title	Number of Employees (FTE)	Salary Cost	Benefits Cost	Estimated Total Cost
Office Manager	0.33	$ 25,390	$ 8,546	$ 33,936
Administrative Coordinator	3	185,803	69,742	255,545
Call Center Specialist	12	598,249	253,383	851,632
Grand Total				**$ 1,141,113**

Source: *Prepared by the Office of the County Auditor using payroll information obtained from Port Finance Division and Port Security.*

As a result, there are potential annual cost savings of approximately $200,000 when County employees are used to staff SOC positions, as shown in **Figure 10**. The actual cost savings may vary depending on actual staffing levels and salary costs of County employees.

Figure 10
Potential Annual Cost Savings for FY 2021 If Using County Employees

SOC Staffing By	Costs
BSO	$ 1,337,505
County Employees	1,141,113
Potential Cost Savings	**$ 196,392**

Source: *Prepared by the Office of the County Auditor using information obtained from Port Finance Division, Port Security, and BSO.*

In addition to the cost savings identified above, the Port contracting with a private security contractor or using County employees to operate the SOC can provide more flexibility in the operation and use of the SOC building and help achieve desirable unity of command.

We did not identify any specific practice or standard operating procedures that would prohibit a private security contractor or County employees from performing the SOC duties, except for a potential issue relating to radio communications for non-emergency services. Currently, 911-emergency calls are received by BSO's Regional Emergency Services and Communications staff, who directly dispatch the call to BSO Deputies stationed at the Port. For non-emergency services, individuals call a local Port number that is currently routed to the SOC. BSO's SOC personnel then communicates, via radios, to the Deputy in the field for a response. BSO has indicated that a private security contractor operating the SOC will not be allowed to use their radio equipment and channel to communicate non-emergency calls to BSO Deputies. If a private security contractor or County employees are used to operate the SOC, alternatives to ensure the efficient communication of information will need to be addressed. Further, the Port should ensure that the employees working at the SOC possess appropriate skills and training to fulfill their roles and responsibilities.

We recommend management evaluate the feasibility of operating the SOC using BSO versus a private security contractor or County employees. Both quantitative and qualitative operation factors should be considered.

3. BSO Staffing Vacancy Credits Should be Properly Calculated, Sufficiently Supported, and Accurately Remitted to the Port on a Quarterly Basis.

During our audit, we noted that the staffing vacancy credit (vacancy credit) calculation and supporting schedules are not disclosed and provided by BSO to the Port. Through numerous requests during our audit, we finally obtained such information from BSO. However, we identified some significant issues related to the vacancy credits calculation and supporting documentation as follows:

A. The Port and BSO have different understanding as to how vacancy credits should be calculated, which may result in additional vacancy credits owed to the Port. As advised by the Port, their understanding is based on the ILA which states that the County shall be entitled to a vacancy credit for any vacancy exceeding thirty consecutive calendar days, unless the vacant position is filled through temporary staffing. In other words, BSO should not use overtime costs to offset a vacancy credit for any vacancy exceeding thirty consecutive calendar days. Instead, BSO should charge their overtime costs to the overtime budget, which is paid by the Port as part of the monthly installments.

Based on the Port's understanding, we calculated vacancy credits for FY 2020 using the number of vacancy hours by quarter, pay rates by position, and associated fringe benefits provided by BSO. As represented in **Figure 11**, the total vacancy credit for FY 2020 would be $506,040 if the vacant positions were not filled with temporary staffing.

Figure 11
Total Vacancy Credits for FY 2020
if Vacant Positions Were Not Filled with Temporary Staffing

Quarter	Number of Vacant Positions in BSO Vacancy Credit Reports	Number of Vacancy Hours (Vacancies over 30 Days)	Total Vacancy Credits
1	4	2,240	$ 98,798
2	6	2,560	109,666
3	6	3,360	153,878
4	7	3,120	143,698
Total		**11,280**	**$ 506,040**

Source: *Prepared by the Office of the County Auditor using information obtained from BSO.*

However, BSO confirmed that their practice at the Port is to fill vacancies with overtime, which is called vacancy overtime. BSO also consistently uses vacancy overtime to offset

a vacancy credit for any vacancy exceeding thirty consecutive calendar days. As advised by BSO's Budget Director, the overtime budget only includes regular overtime for normal operations, not vacancy overtime. However, both regular and vacancy overtime are charged to the overtime budget. As a result, BSO consistently incurs more overtime than the amounts budgeted. However, BSO does not track actual overtime costs for normal operations versus staffing vacancies.

We reviewed the budgeted and actual overtime for FY 2020 and identified that BSO incurred $81,215 more overtime costs than the budgeted amount. Further, as previously discussed in the Background section, BSO paid the Port vacancy credits totaling $159,423 for FY 2020. If we deducted the extra overtime of $81,215 and received vacancy credits of $159,423 from the total vacancy credits of $506,040, a balance of approximately $265,000 remains as identified in **Figure 12**. This amount is potential additional vacancy credits owed to the Port by BSO for FY 2020.

Figure 12
Potential Additional Vacancy Credits for FY 2020 Owed to the Port by BSO

Total Vacancy Credit	Budgeted Overtime	Actual Overtime	Extra Overtime	Vacancy Credit Less Extra Overtime	Vacancy Credits Already Received	Additional Vacancy Credits Owed
$506,040	$747,530	$828,745	**$81,215**	**$424,825**	**$159,423**	**$265,402**

Source: *Prepared by the Office of the County Auditor using information obtained from BSO.*

B. We also noted that vacancy overtime hours, which are the key information used to calculate vacancy credits by BSO, were not consistently and clearly identified on overtime slips. Further, BSO staff did not sufficiently and accurately track vacancy overtime hours on a quarterly basis.

During our review, BSO provided overtime slips as the supporting documentation for vacancy overtime hours for FY 2020. We reviewed the overtime slips for FY 2020 Quarters 2 and 3 and found the reasons for overtime (including vacancy coverage, staffing shortage, manpower shortage, and backfill) were not consistently and clearly documented. Therefore, we could not readily identify vacancy overtime hours and had to request BSO staff to clarify them on overtime slips. The reasons for overtime should be consistently documented on the overtime slips. In addition, the schedule used by BSO staff to track vacancy overtime hours did not include sufficient information to show how

the total number was calculated on a quarterly basis. Therefore, we were unable to verify vacancy overtime hours for the quarters sampled.

Section 9.6 (b)(1)(iii) of the ILA states, ". . . County shall be entitled to a vacancy credit for any vacancy exceeding thirty (30) consecutive calendar days, unless the vacant position is filled through temporary staffing." Section 9.6 (b)(2) also states, "The Contract Administrator will verify the temporary assignments via each payroll's vacancy report."

Due to lack of unified methodology to calculate vacancy credits, along with inadequate documentation to support the calculation, we were unable to determine the exact amount of vacancy credits owed to the Port by BSO. Further, the Port should require BSO to submit sufficient detail to verify temporary assignments via each payroll's vacancy report as required by the ILA.

We recommend management:

A.1 Work with BSO to determine the accurate amount of vacancy credits owed to the Port and require BSO to remit any additional amounts owed to the Port.

A.2 Work with BSO to develop a mutually agreed upon methodology to track coverages for vacant positions and calculate any vacancy credits owed to the Port.

B.1 Require BSO to submit adequate support to show how vacancy credits are calculated on a quarterly basis.

B.2 On a quarterly basis, review the calculation of vacancy credits with adequate support provided by BSO to ensure that vacancy credits are properly calculated and remitted to the Port.

4. Retirement and Non-Retirement Cash-Out Payments to BSO Employees Should be Appropriately Allocated to Match Their Total Time Worked at Port.

We noted that BSO employees' retirement and non-retirement leave cash-out payments were paid from the Port's budget (as their final district assignment), even if the employees only spent a small portion of their tenure with BSO at the Port. If the percentages of actual time at the Port and other district assignments were appropriately allocated to cash-out payments, the Port would have a significant reduction in such expenditures.

Payments of employees' retirement and non-retirement unused accrued leave balances are charged to the Port's BSO salary budget. As shown in **Figure 13,** we noted 11 BSO employees, who received retirement and non-retirement cash-out payments in excess of $10,000 during the

period of October 2018 to June 2020 (for a total payout amount of $471,495), worked an average of 17% of their total service time with BSO at the Port. In fact, we identified one BSO employee who received a total cash-out payment of $102,970 for accrued leave hours. Of this employee's 46 years of total service with BSO, only one year was spent in assignment to the Port, yet the full cash-out payment amount was paid from the Port's budget.

Figure 13
Cash-Out Payments During the Period October 2018 to June 2020

Employee	Total Cash-Out Payments	Years Employed at BSO	Years at Port	% of Tenure at Port	Non-Retirement Cash-Out Payments	Retirement Cash-Out Payments	Retirement Cash-Out Payments Applicable to Port	Retirement Cash-Out Payments Potentially Overcharged to Port Budget
Employee 01	$ 102,970	45.58	1.24	2.72%	$ 73,381	$ 29,589	$ 805	$ 28,784
Employee 02	69,700	32.53	11.75	36.12%	47,997	21,703	7,839	13,864
Employee 03	58,300	26.69	2.80	10.49%	42,323	15,977	1,676	14,301
Employee 04	54,415	30.10	4.27	14.19%	52,877	1,538	218	1,320
Employee 05	51,603	30.10	6.46	21.46%	50,227	1,376	295	1,081
Employee 06	37,480	30.04	6.65	22.14%	36,871	609	135	474
Employee 07	24,651	18.67	3.32	17.78%	-	24,651	4,383	20,268
Employee 08	22,092	32.76	7.09	21.64%	2,685	19,407	4,200	15,207
Employee 09	19,143	25.98	2.01	7.74%	-	19,143	1,482	17,661
Employee 10	17,811	26.72	3.24	12.13%	215	17,596	2,134	15,462
Employee 11	13,330	24.46	4.89	19.99%	-	13,330	2,665	10,665
Totals	**$ 471,495**			**17% (Avg)**	**$ 306,576**	**$ 164,919**	**$ 25,832**	**$ 139,087**

Source: *Prepared by the Office of the County Auditor using information obtained from BSO.*

Additionally, as shown in **Figure 13**, $164,919 was associated with retirement cash-out payments. If percentages of actual time served at the Port were applied to the retirement portion of these cash-out payments, the Port could have saved $139,087 in costs. As the actual non-retirement leave balances accrued by BSO employees at various districts were unknown, we could not determine the appropriate allocation of non-retirement cash-out payments to the Port. However, it is reasonable to assume additional savings would be realized.

It is common for BSO employees to transfer to different districts within Broward County throughout their tenure. Current practice by BSO is to charge the employee's final assignment district for all cash-out payments. BSO does not allocate the accrued service hours to different districts served by BSO employees during their tenure. As part of BSO's policy, employees can cash-out their accrued sick and annual leave hours at the end of, or during their tenure. This practice can result in the Port paying a significant percentage, or even the entire portion, of the

accrued service hours even if the employee did not serve a major portion of their tenure at the Port.

We recommend management work with the BSO to develop a retirement and non-retirement benefit cash-out payment methodology, which proportionately allocates and charges retirement and non-retirement cash-out payments based on the employee's actual amount of time spent in service at Port Everglades District.

5. Changes in BSO Staffing Schedules and Assignment of Personnel Should be Properly Documented and Approved.

Our review of staffing records, payroll information, and dispatch logs obtained from BSO, revealed scheduling conflicts amongst BSO Deputies working on both Special Detail shifts and regular shifts. Specifically, we identified the practice that allowed BSO Deputies to stop their regular scheduled shift to work on a Special Detail shift. Further, we noted that these adjustments to hours worked were not properly documented on staffing schedules.

We interviewed the Port Captain, who was aware of the practice and informed us that this was internally referred to as "flex time". It generally occurred in two ways:

A. A BSO Deputy can start a regular shift, then 'pause' the shift to go work on a Special Detail shift, and then return hours later, to complete the remainder of time for the regular shift. Depending on the Deputy's regular shift work zone, the missing hours may be filled by overtime hours provided by another Deputy. Due to a lack of supporting documentation available from BSO, we could not determine whether the first BSO Deputy returned to finish the remaining hours of the regular shift.

B. A BSO Deputy can start a shift at normal scheduled time, then stop the regular shift, submit annual leave for the remainder of regular shift, and then work on a Special Detail shift. Depending on the Deputy work zone, overtime may be created to fill in this Deputy's shift for the annual leave hours used.

Additionally, we noted that shift changes made for flex time, and documented on the Deputy's timecards were not consistently updated on the staffing schedule and rosters. Updating staffing schedules and rosters when shift changes occur is important to accurately document when and where a BSO Deputy worked. Further, any overtime incurred due to changes between regular shifts and Special Detail shifts should be documented and approved by the Captain.

After we discussed this issue with the Captain, he issued an email to all Port assigned sergeants and lieutenants on January 18, 2021, notifying them that the practice of "flex time" is no longer

acceptable, and that any Deputy who wants to change their schedule to work on a Special Detail must submit request for leave and this will only be approved as long as it does not cause overtime to be incurred.

We recommend management work with the Port Jurisdictional Captain to identify and implement proper policies and procedures relating to documenting and approving of schedule changes, and to ensure the new "flex time" policy issued on January 18, 2021 is properly followed.

6. Response Times for Service Calls Should be Calculated Using an Enhanced Methodology and Format to Better Represent Performance and Efficiency of BSO Services.

We found that current methodology and reporting format of response times by BSO does not appropriately represent the actual performance and efficiency of local Deputies responding to service calls received at the Port. We also identified an enhanced way of calculating response time, using a 95th percentile calculation methodology that provides a better representation of response time performance.

A. Average Calculation Methodology

Exhibit C of the ILA requires BSO to provide the Port with quarterly reports containing Deputy response times. Further, Section 2.22 of the ILA defines response time as ". . . the amount lapsed time in minutes between when a call or incident notification is received and when the first BSO officer arrives on the scene." Currently, BSO provides the Port with quarterly reports containing a list of the top five service calls by type (i.e., assist other agency, information, service call, traffic stop, traffic, or parking compliant) and Deputy response times associated with each type of service call. Deputy response times reported by BSO are calculated using an 'average' calculation methodology. However, the reporting format for these five types of service calls fails to further separate the response times for different categories of service call received. There are four categories utilized by BSO as follows:

1. 911 Emergency Service Call - Standard "911" emergency calls made by individuals from within the Port Jurisdictional Area.
2. Non-911 Emergency Service Call – Emergency calls made by individuals using BSO's non-emergency number or a Port local number.

3. Field-Initiated – Self-initiated calls by Deputies that are not routed through dispatch. These calls are made internally within BSO Deputies and not by outside individuals to BSO dispatch.

4. Mobile Data Terminal Initiated Call – Self-initiated calls by Deputies using their own computer. These calls are made internally within BSO Deputies and not by outside individuals to BSO dispatch.

Figure 14 shows the comparison of average response times reported by BSO for the top five service calls, and our recalculation of average response times separated by the originating call category for FY 2020 Quarter 1.

Figure 14
Comparison of Average Response Time Reported by BSO and Our Recalculation by Service Call Category for Top Five Service Calls during FY 2020 Quarter 1

Type of Service Call	Average Response Time Reported by BSO	Auditor's Recalculation of Average Response Time by Service Call Category			
		911 Emergency Service Calls	Non-911 Emergency Service Calls	Mobile Data Terminal Initiated Calls	Field-Initiated Calls
76-AOA (Assist Other Agency)	0:01:30	0:06:56	0:11:05	0:00:00	0:00:02
14-Information	0:03:18	0:11:42	0:07:51	0:00:00	0:00:29
68-Police Service Call	0:01:18	0:11:49	0:05:09	0:00:00	0:00:07
10-50 Traffic Stop	0:00:00	0:00:00	0:00:00	0:00:00	0:00:00
73-Traffic/Parking Complaint	0:01:30	0:13:39	0:05:30	0:00:00	0:00:10
Total Number of Calls	**1,685**	**76**	**213**	**44**	**1,352**

Source: *Prepared by the Office of the County Auditor using information obtained from BSO.*

Reporting each category separately is important, as 911 and non-911 emergency service calls have significantly longer physical response time than field initiated and mobile data terminal-initiated calls, where total response time is generally close to zero seconds. Therefore, combining the categories of field initiated and mobile data terminal-initiated calls with 911 and non-911 emergency service calls may artificially drive the average response time down, resulting in misleading information.

B. 95th Percentile Calculation Methodology

During the audit, we also identified an alternative enhanced way to calculate response time using the 95th percentile calculation methodology, which would provide a better specific performance reporting. The 95th percentile calculation methodology provides a better insight and understanding of response time as it represents performance of 95%

of the total service calls, excluding outliers that may skew performance and efficiency. **Figure 15** shows a comparison of response time reported by BSO using the average calculation methodology and our calculation of response time for the same calls, using the 95th percentile calculation methodology. Response times calculated using the 95th percentile calculation methodology is significantly higher than response times reported by BSO using the average calculation methodology.

Figure 15
Comparison of Average Response Time Reported by BSO and Our Calculation Using 95th Percentile Methodology for FY 2020 Quarter 1

Type of Service Call	Average Response Time Reported by BSO	Auditor's Recalculation of Response Time Using 95th Percentile Method
76-AOA (Assist Other Agency)	0:01:30	0:08:47
14-Information	0:03:18	0:16:45
68-Police Service Call	0:01:18	0:07:03
10-50 Traffic Stop	0:00:00	0:00:00
73-Traffic/Parking Complaint	0:01:30	0:08:32
Total Number of Calls	**1,685**	**1,685**

Source: *Prepared by the Office of the County Auditor using information obtained from BSO.*

Response time for services calls should be calculated using an appropriate methodology and accurately presented as an important measure of performance and efficiency of BSO services.

We recommend management consider the enhancements identified above or any other alternative to mutually develop agreed upon methodology/formats with BSO to properly report response times for service calls.

7. BSO Should Comply with Contract Requirements Related to Capital Equipment and Actual Fuel Costs Reporting, and Port Management Should Perform Adequate Oversight to Ensure Contract Compliance.

BSO did not comply with certain requirements of the ILA, and Port management did not perform adequate administration to ensure contract compliance. Specially, we noted the following:

A. BSO does not provide an annual list of capital equipment, and the Port does not properly monitor capital equipment purchased by BSO under the ILA. We found that the Port did not receive any list of capital equipment purchased by BSO under the ILA since the

inception of the agreement. Total expenses recorded by BSO in the 'Capital Outlay' accounts were $412,613 and $376,710, for FY 2019 and FY 2020, respectively.

Section 12.2 of the ILA states that ". . . SHERIFF shall provide COUNTY a list of capital equipment covered by this section, which shall be updated annually . . .." The section also states that all capital equipment purchased by BSO using funds provided by the Port shall become property of the Port (except for boats) upon termination of the ILA.

Without an annually updated list of purchased capital equipment by BSO, the Port is unable to confirm existence or track the inventory of capital equipment purchased by BSO for operations performed at the Port. This may also result in an inability to resolve potential capital equipment ownership issues upon termination of the ILA.

B. BSO does not provide a quarterly report of actual fuel costs incurred, and the Port does not adequately monitor actual fuel usage and costs and potential credits. We identified that BSO does not share data regarding the actual amount of fuel used, the cost of that fuel, the amount budgeted to pay for fuel, and the amount collected to offset costs on a quarterly basis, as required by the ILA. Total budgeted amounts for fuel costs were $189,504 for both FY 2019 and FY 2020.

Section 15.1.b (Vehicle Reimbursement) of the ILA states:

> *"SHERIFF shall directly apply vehicle reimbursement payments made by employees assigned to Port Everglades to offset fuel costs for vehicles assigned to the COUNTY contract. SHERIFF will provide the COUNTY with a quarterly report that includes the actual amount of fuel used, the cost of that fuel, the amount budgeted to pay for fuel, and the amount collected to offset costs. SHERIFF will monitor this data and share same with the COUNTY. SHERIFF will monitor this data and share same with the COUNTY. SHERIFF agrees to credit the COUNTY should the budgeted amount for fuel plus the funds collected from employees exceed the actual cost of the fuel."*

Non-compliance with this section of the ILA resulted in a lack of transparency of actual fuel costs. As a result, we were unable to determine whether fuel cost credits were properly calculated and remitted to the Port as required by the ILA. Further, the Port should adequately monitor actual fuel usage and costs and potential credits on a quarterly basis.

We recommend management:

A.1 Require BSO to provide the Port with a list of capital equipment, updated annually, purchased using the funds under the ILA.

A.2 Develop a process of recording and tracking capital equipment purchased by BSO under the ILA.

B.1 Require BSO to provide the Port with quarterly reports containing required information on actual fuel costs incurred, and remit any fuel credits when the budgeted amount for fuel plus the funds collected from employees exceeds the actual cost of the fuel.

B.2 Monitor actual fuel usage and costs reported by BSO and evaluate whether fuel credits are properly calculated by BSO and remitted to the Port.

8. Future BSO Interlocal Agreements for Seaport Security and Law Enforcement Services Should Include Additional Requirements and Controls to Address Relevant Issues Noted in This Report.

The current ILA has been extended through March 31, 2022, or until the new ILA is approved by the Broward County Board of County Commissioners. Port management is currently negotiating a new ILA with BSO for seaport security and law enforcement services. During our audit, we noted some issues that should be addressed in the new ILA. As such, on December 16, 2020, we issued Advisory Memorandum No. 176, documenting our concerns regarding language in the draft ILA and proposed changes to address noted concerns. The following is a summary of the areas of the concerns included in the Advisory Memorandum (refer to **Appendix A** for the complete copy of Advisory Memo No. 176).

A. Issues that should be addressed in the new ILA, which are discussed in the previous Opportunities for Improvement (OFI) in this report.

1. <u>Vacancy Credits – OFI #3</u>

   As noted in OFI #3, there is a lack of unified methodology to track and calculate vacancy credits and adequate documentation to support the calculation. Therefore, we suggested that Port management should include contract language to develop mutually agreed upon calculation methodology and process for vacancy credits. Additionally, the Port should require BSO to submit all supporting documentation to show how a vacancy credit is calculated.

2. Cash-out Payments - OFI #4

   As noted in OFI #4, Port is currently financially responsible to pay for a Deputy's full retirement and non-retirement accrued service hours regardless of time worked in Port Everglades District. Therefore, we suggested that Port management should include language in the agreement to outline how cash-out payments for retirement and non-retirement cash-out payments to a BSO Deputy are calculated when their time of service is split amongst Port Everglades District and other BSO contracted districts.

3. Response Time – OFI #6

   As noted in OFI #6, the average response time calculated by BSO does not accurately represent performance and efficiency of BSO Deputies responding to different service call categories. Therefore, we suggested that Port management should expand the contract language to develop mutually agreed upon methodology/formats for response times, and consider the alternative of 95th percentile calculation method.

4. Capital Equipment List – OFI #7

   As noted in OFI #7, the Port did not receive any lists of capital equipment from BSO (since the inception of the ILA from October 1, 2015) and does not independently maintain any lists of capital equipment purchased for and by BSO. Therefore, we suggested that Port management should include language in the agreement to develop mutually agreed upon processes and procedures regarding the sale, maintenance, and disposition of capital equipment bought by BSO using funds provided by the Port under this ILA. Further, Port management should develop a process and include Port Finance Division in the process of recording and tracking capital equipment purchased by BSO under the ILA.

B. We also identified additional issues that should be addressed in the new ILA, which are **not** discussed in the previous OFIs in this report.

1. Staffing Records and Schedules

   The current ILA does not include requirements for the submission and review of staffing records and schedules. However, it is important to review staffing records and schedules to ensure that the staffing levels paid for are actually being provided by BSO and meet the security and operational needs of the Port.

Therefore, we suggested that Port management should include language in the ILA to require BSO to submit actual staffing records and provide schedules and shift assignments upon request.

2. Budget Review Process

The current ILA does not include requirements for the submission and review of itemized breakdown of actual costs with supporting documentation. However, strengthening budget controls increases the accuracy of account budget balance at the beginning of each funding cycle.

Therefore, we suggested that Port management should expand the contract language to require BSO to provide an itemized breakdown of actual costs for each account, and if necessary, adequate supporting documentation upon Port's request during the budgetary review process. Further, Port management should develop a budgetary review process and controls to obtain and review BSO's actual expenses with adequate supporting documentation during the current fiscal year when projecting the next fiscal year's budget.

3. Harbor Patrol Training Requirements

We suggested that Port management should explicitly state within the agreement that full-time Deputies permanently assigned to harbor patrol should not be counted as part of 20% requirement to obtain harbor patrol training.

4. Frequency of Refresher Courses

We suggested that Port management should add a timeline for the frequency of "Refresher" courses in the ILA.

5. Reduced Staffing Levels

We suggested that Port management should consider adding language that at no time should there be less than one staff if staffing levels for any shifts are reduced below the required levels. Subsequently, Port management revised the language in the section 7.7 of the new ILA draft, which states that ". . . there are at least a minimum of two Patrol Units on duty at all times patrolling within the boundaries of the PJA and at least one employee at each open checkpoint . . .."

We recommend management implement suggested changes for the new ILA as noted in our Advisory Memo No. 176 issued on December 16, 2020.

Appendix A – ADVISORY NO. 176

BROWARD COUNTY FLORIDA
OFFICE OF THE COUNTY AUDITOR
115 S. Andrews Avenue, Room 520 • Fort Lauderdale, Florida 33301 • 954-357-7590 • FAX 954-357-7592

December 17, 2020 **Advisory No. 176**

To: Jonathan Daniels, Chief Executive Officer/Director
Port Everglades Department

From: Robert Melton, County Auditor

Subject: Review of Draft Interlocal Agreement Between Broward County and Sheriff of Broward County Providing for Seaport Security and Law Enforcement Services

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At the request of Port management, we have reviewed the draft "Interlocal Agreement Between Broward County and Sheriff of Broward County Providing for Seaport Security and Law Enforcement Services" (Interlocal Agreement). The purpose of our review is to evaluate the draft agreement to ensure the provision of quality services and vendor accountability.

We are currently in the process of auditing the current seaport security and law enforcement services agreement with Broward Sheriff's Office (BSO). Once we complete our audit, we will issue a final report identifying any Opportunities for Improvement.

The results of our evaluation of the draft Interlocal Agreement are included in **Attachment 1**.

This is not an audit and, therefore, is not intended to be performed in accordance with Generally Accepted Government Auditing Standards.

I hope you find this information useful, should you have any questions, I can be reached at 954-357-7590.

cc: Glenn Wiltshire, Deputy Port Director, Port Everglades Department

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Review of Draft Interlocal Agreement Between Broward County and Sheriff of Broward County Providing for Seaport Security and Law Enforcement Services
December 17, 2020

Attachment 1: Auditor Review Comments and Suggestions on Draft Interlocal Agreement

Draft Interlocal Agreement Language	Auditor Comments/Suggestions
Article 6, Section (1) of the new Interlocal Agreement states that "The Chief Executive & Port Director shall appoint an FSO for the PJA. The FSO may be either a County or BSO employee. If the appointed FSO is a BSO employee, the FSO will report to the District Chief."	Port management should consider broadening the term, "COUNTY" to "COUNTY Designee". In the event of an unexpected absence of COUNTY or SHERIFF employee with FSO qualifications, this proposed language change can give Port the flexibility of hiring a temporary consultant or agent, while staying compliant with contract terms.
Article 7, Section (4) states, "...BSO shall provide evidence of marine certification of its staff in accordance with the levels specified in **Exhibit "A."** Should this level of certification not be met, BSO will provide a proposed training schedule to the Contract Administrator within thirty (30) calendar days after receipt of notice by the Contract Administrator. All training must be completed within one (1) year. Proof of completed training will be forwarded to the Contract Administrator within fourteen (14) calendar days of the last training session." **Exhibit A, Section (2) (C) (1) (b)** states, "Ensure that at least 20% of Sheriff's personnel permanently assigned to the PJA have harbor patrol training within one (1) year of their respective deployment date to the PJA."	Port management should explicitly state that full-time deputies permanently assigned to harbor patrol should **NOT** be counted as part of 20% requirement to obtain harbor patrol training, as set forth in **Exhibit A, Section 2 (C) (1) (b).** This clarification in contract language ensures that <u>both</u> parties are aware of how the 20% requirement for road deputies should be computed.
Article 7, Section (6) states, "...at least a minimum of two patrol units on duty at all times patrolling within the boundaries of the PJA. BSO agrees to notify Contract Administrator if staffing levels for any shifts are reduced below this required level for a consecutive forty-eight (48) hour period."	The language in **Article 7, Section (6)** stating "...BSO agrees to notify Contract Administrator if staffing levels for any shifts are reduced below this required level for a consecutive forty-eight (48) hour period", Port management should consider adding language that at no time should there be less than one staff.
Article 7, Section (7) (A) (i) states, "Sheriff shall provide County with full staffing as required by this Agreement. County shall be entitled to a credit for any BSO position vacancies that occur during any County fiscal year. A BSO position vacancy occurs when a BSO deputy or BSO employee is absent from work and such absence results in a salary savings to BSO. County's credit shall be calculated using the average budgeted cost of BSO staff at the same position level in the approved budget for the given County fiscal year." **Article 7, Section (7) (C)** states, "BSO shall submit a commander's report every month detailing BSO vacancy days. The report shall be delivered to the Contract	Port management should include the contract language to develop mutually agreed upon calculation methodology and process for vacancy credits. Additionally, Port should require BSO to submit all supporting documentation to show how a vacancy credit is calculated. Inclusion of such language ensures that both parties have the same understanding when or if a dispute in vacancy credit arises.

Review of Draft Interlocal Agreement Between Broward County and Sheriff of Broward County Providing for Seaport Security and Law Enforcement Services
December 17, 2020

Draft Interlocal Agreement Language	Auditor Comments/Suggestions
Administrator within seven (7) calendar days before the end of each month."	
Article 9, Section (2) states, "...BSO shall provide Contract Administrator with a list of capital equipment covered by this section, which list shall be updated annually."	Port management should include the contract language to develop mutually agreed upon process and procedures regarding sale, maintenance, and disposition of capital equipment bought by BSO using funds provided by the Port under this agreement. Also, Port management should develop a process and include Port Finance in the process of recording and tracking capital equipment purchased by BSO under the contract.
ARTICLE 11, states, **"**BSO and Contract Administrator will develop mutually agreed upon reporting formats and reporting periods for seaport security and law enforcement services whereby BSO will routinely report its activities to Contract Administrator."	Port management should expand the contract language to develop mutually agreed upon methodology/formats for "Response Times" and consider requiring BSO to report response times using both Average and 95th Percentile calculation method. Response time for services calls should be accurately presented be used as a measure of BSO's performance.
Article 12, Section (1) (b) states, "...The BSO budget submission will include information on actual costs incurred from the previous two contract years and the current contract year through April 1st." **Exhibit C** requires BSO to submit quarterly "BSO's Year-to-Date Budget versus Actual Cost – Line Item Report, which shall include, but not necessarily be limited to, the budgeted amount, expenditures, encumbrances and remaining balance for each line item within the budget."	Port management should expand the contract language to require BSO to provide an itemized breakdown of actual costs for each account, and if necessary, adequate supporting documentation upon Port's request during the budgetary review process. Also, Port management should develop budgetary review process and controls to obtain and review BSO's actual expenses with adequate supporting documentation during the current fiscal year when projecting the next fiscal year's budget. Strengthening budget controls increases the accuracy of account budget balance at the beginning of each cycle. For example, actual fuel reports can give management insight into BSO's operational activity.
Exhibit A, Section (4) (F) (1) (e) states, "'Refresher' training will aim to ensure that security-related personnel have current knowledge of the FSP including operational procedures in use."	Port management should add a timeline for the frequency of "Refresher" courses in the contract, such as annually. Providing a set timeline for refresher courses and training ensures that BSO and security personnel are actively staying up to date with Port security protocols, regulations, and laws.

Review of Draft Interlocal Agreement Between Broward County and Sheriff of Broward County Providing for Seaport Security and Law Enforcement Services
December 17, 2020

Draft Interlocal Agreement Language	Auditor Comments/Suggestions
No contract provision available for submission of BSO's actual staffing records, bi-weekly schedules, and shift assignments.	Port management should include language in the contract to require BSO to: 1) submit actual monthly staffing records, as part of the monthly invoice package to ensure that the actual staffing meets contract requirements. 2) provide Port Security with bi-weekly schedules and shift assignments upon request. Proposed changes will provide Port management an opportunity to obtain insight into any discrepancies between budgeted vs. scheduled vs. actual staffing of BSO deputies at Port facilities and take proactive or corrective actions, if needed, timely.
No contract provision available for cash-outs	Port management should include the contract language to outline how "cash-outs" for retirement and non-retirement payouts to a BSO deputy are calculated when their time of service is split amongst Port and other contract cities. Appropriately identifying the true cost of cash-out payments made from Port BSO budget will provide for fair and equitable distribution of costs.

Appendix B – Management's Response

MONICA CEPERO, County Administrator
115 S. Andrews Avenue, Room 409 • Fort Lauderdale, Florida 33301 • 954-357-7354 • FAX 954-357-7360

MEMORANDUM

DATE: March 24, 2022

TO: Robert Melton, CPA, CIA, CFE, CIG
County Auditor

FROM: Monica Cepero
County Administrator

RE: **Management Response to County Auditor's Audit of the Interlocal Agreement Between Broward County and Sheriff of Broward County Providing for Seaport Security and Law Enforcement Services**

The Port Everglades Department has reviewed the Office of the County Auditor's Report of the Interlocal Agreement Between Broward County and Sheriff of Broward County Providing for Seaport Security and Law Enforcement Services at Port Everglades and submits the following as Management's Response.

In summary, Management accepts most of the Opportunities for Improvement recommendations and has implemented new procedural enhancements in advance of, and in response to the audit. This audit allowed Management to incorporate several of the Report's recommendations into the recently negotiated new Interlocal Agreement between the County and the Sheriff of Broward County (BSO) for Seaport Security and Law Enforcement Services (ILA). However, the parties could not come to terms on some of the recommendations in the new ILA, and those are noted in the below detailed responses to each of the Auditor's Opportunities for Improvement recommendations.

Opportunity for Improvement 1: Port Everglades should retain facility security officer services within Port Administration.

Auditor Recommendation: *Management permanently retain the FSO services within Port Administration.*

Management Response: ***Management concurs and implemented***. The opportunity to reduce costs by transitioning responsibility for Facility Security Officer (FSO) was identified by Port staff during the FY2021 budget development process. After a transition period, effective December 1, 2020, the Port Everglades Department assumed all FSO responsibilities using existing staff. Since the FSO responsibilities involve more than one position, two additional Port staff positions were requested and approved in the FY2022

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budget to ensure coverage of all non-law enforcement FSO functions previously performed by BSO. Port staff are in the process of filling those new positions. Law enforcement functions previously performed by the BSO personnel assigned to FSO duties have been absorbed into the duties of other BSO personnel. While the Port has assumed all FSO responsibilities, the new ILA still includes language that provides the Port Director the option to request BSO to perform some or all of these services in the future.

Opportunity for Improvement 2: Port Everglades Department should evaluate the feasibility of various operating options of the Security Operations Center (SOC).

Auditor Recommendation: *Port management evaluate the feasibility of operating the SOC by BSO versus a private security contractor or County employees. Both quantitative and qualitative operation factors should be considered.*

Management Response: ***Management concurs.*** Port staff had previously conducted a review of the feasibility of transitioning the Port's Security Operations Center (SOC) to a different staffing model in 2015. However, the transition did not move forward at the time due to concerns of impacting the dispatch functions performed by the BSO staff in the SOC, which were considered a law enforcement function. With full implementation of consolidated dispatch in place, Port staff will again assess the feasibility of implementing either of the two staffing models identified by the County Auditor in this recommendation and include any recommended changes in the FY2023 budget process.

Opportunity for Improvement 3: BSO Staffing Vacancy Credits Should be Properly Calculated, Sufficiently Supported, and Accurately Remitted to the Port on a Quarterly Basis.

Auditor Recommendations:

A.1 *Port Everglades Department work with BSO to determine the accurate amount of vacancy credits owed to the Port and require BSO to remit any additional amounts owed to the Port.*

A.2 *Work with BSO to develop a mutually agreed upon methodology to track coverages for vacant positions and calculate any vacancy credits owed to the Port.*

B.1 *Require BSO to submit adequate support to show how vacancy credits are calculated on a quarterly basis.*

B.2 *On a quarterly basis, review the calculation of vacancy credits with adequate support provided by BSO to ensure that vacancy credits are properly calculated and remitted to the Port.*

March 24, 2022
Robert Melton, County Auditor
Audit of ILA between Broward County and BSO for Seaport Security and Law Enforcement Services

Management Response: **Management concurs**. Prior to the release of this report, Port staff identified the lack of consistent data being provided by BSO to document vacancies and the methodology to calculate the vacancy credit and requested additional information to be provided on a quarterly basis. During this review of the additional information provided by BSO, it was determined that BSO had been calculating the vacancy credit based on processes used for their other contract city agreements, which have different vacancy credit wording than the language in the County/BSO ILA that was originally added to the ILA in 2010 and included in the 2015 ILA. Subsequent to the audit, BSO revised their procedures to provide additional information to support the vacancy credit calculations. The Port will pursue vacancy credits for fiscal year 2021 and forward. In addition, the new ILA has been revised to eliminate the 30-day waiting period included in the current ILA before the Port will begin receiving vacancy credits when there is a salary savings, however BSO can temporarily fill a vacant position using overtime to ensure that minimum staffing levels are met.

Opportunity for Improvement 4: Retirement and Non-Retirement Cash-Out Payments to BSO Employees Should be Appropriately Allocated to Match Their Total Time Worked at Port.

Auditor Recommendation: *Port management work with the BSO to develop a retirement and non-retirement benefit cash-out payment methodology, which proportionately allocates, and charges retirement and non-retirement cash-out payments based on the employee's actual amount of time spent in service at Port Everglades District.*

Management Response: ***Management concurs***. While the Port concurs with this concept of allocating cash payouts, it is not addressed in the new ILA since BSO was unwilling to include language addressing it, indicating that allocating cash-out payments based on the period of assignment at the Port would have significant impacts on all other ILAs with Contract Cities.

Opportunity for Improvement 5: Changes in BSO Staffing schedules and assignment of personnel should be properly documented and approved.

Auditor Recommendation: *Port management work with the Port Jurisdictional Captain to identify and implement proper policies and procedures relating to documenting and approving of schedule changes, and to ensure the new "flex time" policy issued on January 18, 2021 is properly followed.*

Management Response: ***Management concurs in part.*** Port staff will continue to monitor BSO staffing levels to ensure that the language in the ILA is adhered to, specifically the requirement for minimum staffing levels during the various shifts. The new ILA includes language for BSO to provide biweekly work schedules when requested by the Port contract administrator, however scheduling changes for individuals remains the responsibility of the BSO District Chief without requiring approval by the Port.

Opportunity for Improvement 6: Response times for service calls should be calculated using an enhanced methodology and format to better represent performance and efficiency of BSO Services.

Auditor Recommendation: *Port management consider the enhancements identified in the report or any other alternative to mutually develop agreed upon methodology/formats with BSO to properly report response times for service calls.*

Management Response: ***Management concurs and implemented.*** BSO has modified the data being provided in the quarterly report provided to the Port that includes response times using the 95th Percentile Calculation Methodology as identified in the Audit Report. This has also been added to the Reporting Requirements in the new ILA.

Opportunity for Improvement 7: BSO should comply with contract requirements related to capital equipment and actual fuel costs reporting, and Port Management should perform adequate oversight to ensure contract compliance.

Auditor Recommendations:

A.1 *Require BSO to provide the Port with a list of capital equipment, updated annually, purchased using the funds under the ILA.*

A.2 *Develop a process of recording and tracking capital equipment purchased by BSO under the ILA.*

Management Response: ***Management concurs and completed.*** BSO has provided a list of capital equipment purchases for the period from FY2016 to FY2020 using funds provided by the Port, and procedures have been modified for BSO to provide an updated list of capital equipment purchased with Port funds as part of the annual budget submission process.

B.1 *Require BSO to provide the Port with quarterly reports containing required information on actual fuel costs incurred and remit any fuel credits when the budgeted amount for fuel plus the funds collected from employees exceeds the actual cost of the fuel.*

B.2 *Monitor actual fuel usage and costs reported by BSO and evaluate whether fuel credits are properly calculated by BSO and remitted to the Port.*

Management Response: ***Management does not concur***. The language in the current ILA identified in the Audit Report was intended to address situations where BSO was reimbursed by employees for use of issued vehicles for the purposes of commuting to their residences outside the County. That reimbursement policy was discontinued by BSO, and the new ILA does not include the provision. Based on additional information provided by BSO, the funding for fuel included in the annual budget agreed to by the Port

is based on a formula tied to the number of vehicles assigned to the Port out of the entire BSO vehicle fleet and is not intended to reflect actual fuel usage.

Opportunity for Improvement 8: Future BSO Interlocal Agreements for Seaport Security and Law Enforcement Services should include additional requirements and controls to address relevant issues noted in this report.

Auditor Recommendation: *Port management implement suggested changes to the new ILA.*

Management Response: Management concurs. Port staff has attempted to address all of the items identified in the Audit report during negotiations with BSO on the new ILA, and BSO has agreed to a number of changes from the existing ILA language to incorporate those items in the new ILA. However, the parties could not come to terms on the allocation of retirement and non-retirement cash-out payments which as a result, were not addressed in the new ILA.

Thank you for the opportunity to respond and provide Management's comments to the Audit. If the County Auditor modifies substantive elements of the existing draft, please provide us the opportunity to review prior to issuance. Should you have any questions, please contact me.

c: Mayor and Broward County Board of County Commissioners
Jonathan Daniels, Director, Port Everglades Department
Kevin Kelleher, Assistant County Administrator
Andrew Meyers, County Attorney