



John A. Carey
Inspector General

OFFICE OF INSPECTOR GENERAL
PALM BEACH COUNTY



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“Enhancing Public Trust in Government”

Audit Report

2021-A-0002

**Interlocal Agreement for Law
Enforcement Services between Palm
Beach County and the City of Boynton
Beach**

December 21, 2020

Insight – Oversight – Foresight



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AUDIT REPORT 2021-A-0002

DATE ISSUED: DECEMBER 21, 2020



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INTERLOCAL AGREEMENT FOR LAW ENFORCEMENT SERVICES

SUMMARY

WHAT WE DID

We conducted an audit of the Interlocal Agreements for Law Enforcement Services between Palm Beach County (County) and the City of Boynton Beach (City) which provided for increased law enforcement presence in the County's waterways as one means to provide greater manatee protection. This audit was performed as part of the Office of Inspector General, Palm Beach County (OIG) 2020 Annual Audit Plan.

Our audit focused on review of the City's reimbursement requests under the Interlocal Agreements in effect from November 1, 2013 through March 31, 2019 (the Interlocal Agreements relevant to the audit period will be known collectively as "Agreement").

WHAT WE FOUND

We found that the City and County have generally adequate controls over the Agreement reimbursement requests. However, we found the City and County lacked adequate review and oversight to

detect when required supporting documentation was missing from the reimbursement requests and, as a result, not all reimbursement requests complied with the Agreement.

Agreement Documentation

We tested the 29 City reimbursement requests submitted to the County from November 1, 2013 – March 31, 2019 and found that 15 of 29 (52%) monthly reimbursement requests did not include official payroll records to support the hours worked by City officers, as required by the Agreement.¹

The County approved payments for the reimbursement requests that did not have the Agreement required supporting documentation.²

WHAT WE RECOMMEND

Our report contains one (1) finding and one (1) recommendation. Implementation of the recommendation will help the City ensure compliance with Agreement requirements.

¹ During the audit, the City provided our office with the missing official payroll records to support the hours worked by City officers. We verified that the payroll records adequately supported the hours worked by City officers.

² We did not make a recommendation to the County for this issue because it is the same issue that was noted in OIG Audit Report 2019-A-0011 addressed by Recommendation #9. The County accepted and implemented that recommendation.

The City is taking corrective action to implement the recommendation.

We have included the City's management response as Attachment 1.

BACKGROUND



City of Boynton Beach

The City was initially incorporated as the Town of Boynton in 1920. The name “Boynton Beach” was first used by a community that broke off from the Town of Boynton in 1931 and later changed its name to Ocean Ridge. The Town of Boynton became the Town of Boynton Beach in 1941.

The Town of Boynton Beach became the City of Boynton Beach and was established under Ch. 24398, Laws of Florida 1947. The City has a commission/manager form of government. The City Commission consists of four (4) members elected from each of the four (4) election districts within the City, and a Mayor who is elected by a citywide vote. The Mayor and City Commission are responsible for the government of the City and elected to three-year terms. The Mayor is considered the official head of the City for ceremonial purposes and for civil processes. The City Commission appoints a City Manager, who serves as the City’s Chief Executive Officer and directs the business of the City.

The City is the third largest municipality in Palm Beach County, with an estimated population of 77,696 residents as of 2020.



County’s Environmental Resources Management

The County’s Environmental Resources Management Department (ERM) administers a range of environmental programs designed to protect, preserve, and enhance the County’s natural resources, both on land and water.

ERM is charged with monitoring the agreements with local law enforcement partners to assist with manatee protection, boater education and safety, and speed zone enforcement during manatee season.

Agreement Background

On August 21, 2007, the Board of County Commissioners approved a Manatee Protection Plan (program) that provides for increased law enforcement presence in the County’s waterways, as one means to provide greater manatee protection.

On December 18, 2007, the Board of County Commissioners approved Resolution 2007-2277 with a standard form Interlocal Agreement with law enforcement agencies for an increased law enforcement presence in the estuarine waters of the County during manatee season which begins annually November 15 and ends the following March 31.

The standard form Interlocal Agreement was later amended on August 19, 2014 through Resolution 2014-1193.

The County and the City entered into successive versions of the Interlocal Agreement on August 16, 2011, September 16, 2014, and July 18, 2018. The City agreed to provide marine law enforcement services within the geographical area over which it has jurisdiction to enforce the law.

The County agreed to reimburse the City for law enforcement services at a specified rate per hour per officer for on-water enforcement activity and approved court proceedings, which included the cost of salaries, fringe benefits, and all other services and expenses incurred by the City in the fulfillment of the agreements. Hours worked by officers under the Interlocal Agreement are special duty assignments and separate of their regular work shifts.

The Agreement provided that the total amount paid by the County to the City could not exceed a total amount set annually by the County by October 1st of each year, as defined in an award letter. The City was awarded up to a total amount of \$137,346.50 for additional on-water law enforcement services under the Agreement for the period audited, and the County reimbursed the City for a total amount of \$137,286.50.

Award year	Amount Awarded	Amount Distributed
2013-2014	\$17,000.00	\$16,975.00
2014-2015	\$19,160.00	\$19,160.00
2015-2016	\$22,610.00	\$22,610.00
2016-2017	\$30,310.00	\$30,275.00
2017-2018	\$26,856.50	\$26,856.50
2018-2019	\$21,410.00	\$21,410.00
Total	\$137,346.50	\$137,286.50

The City was required by the Agreement to provide with its reimbursement requests to the County, documentation of warnings and citations issued to violators by the City. The chart below lists the number of citations and warnings issued by City officers while performing the law enforcement services under the Agreement for the period audited.

Award Year	Number of Citations Issued	Number of Warnings Issued	Total Citations and Warnings Issued
2013-2014	14	35	49
2014-2015	26	45	71
2015-2016	27	50	77
2016-2017	42	74	116
2017-2018	44	84	128
2018-2019	32	80	112
Total	185	368	553

The Fiscal Year (FY) 2020 Annual Audit Plan had multiple entities selected for Contracts/Agreements. The OIG selected the City for audit because the City had a high number of hours on the water compared to other Manatee program participants. Hours on the water are the basis for reimbursement under the Agreement, which indicates that the City received higher funding under the program than other Manatee program participants. Additionally, the City³ had not previously been audited by the OIG Audit Division.

OBJECTIVES, SCOPE, AND METHODOLOGY

The overall objectives of the audit were to determine whether:

- The program was operating as intended;
- There were adequate controls for the program including over receipt and distribution of funds;
- Expenditures were eligible for reimbursement under the Agreement; and
- The program was managed according to regulations and requirements.

The audit scope included reimbursement requests and supporting documentation from November 1, 2013 (FY 2014) through March 31, 2019 (FY 2019).

The audit methodology included but was not limited to:

- Completion of data reliability and integrity assessment of related computer systems;
- Review of policies, procedures, and related requirements;
- Performance of process walk-throughs and review of internal controls;
- Interview of appropriate personnel;
- Review of records, reports, contracts, and agreements; and
- Performance of detailed testing of selected transactions.

As part of the audit, we completed a data reliability and integrity assessment for the computer systems used by the City for scheduling overtime, timekeeping, and payroll processing. We determined that the computer-processed data contained in the Computer Aided Dispatch (CAD)⁴ computer system was sufficiently reliable for purposes of the audit. The system used for scheduling overtime and timekeeping, Telestaff, had exceptions,⁵ but the data was sufficiently reliable when traced back to the original source documentation for the purposes of the audit. The payroll system, Superion, had an

³ The OIG previously audited the South Central Regional Wastewater Treatment and Disposal Board, which was established by the cities of Boynton Beach and Delray Beach in 1974 as a special district for the treatment and disposal of wastewater.

⁴ CAD is the dispatch computer system for recording police activities including going in and out of service.

⁵ The exceptions were based on the Telestaff documentation the City used to support payment requests, not the information in the computer system.

exception,⁶ but the data was sufficiently reliable when traced back to the original source documentation for the purposes of the audit.

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.

⁶ The exception was based on an opportunity for improvement of the security controls over the City's information technology systems that the external auditor noted in their management letter dated April 26, 2019 for the audit of the City's FY 2018 financial statements, and not the information in the computer system.

FINDINGS AND RECOMMENDATIONS**Finding (1): The City's reimbursement requests did not always include payroll documentation as required by the Agreement.**

The agreements dated August 16, 2011 and September 16, 2014, stated,

4) Responsibility of Contractor

...

- E. The Contractor shall submit invoices for payment to the County on a monthly basis. Invoices shall include a reference to this Agreement, identify the amount due and payable to the Contractor, and include records sufficient to substantiate the costs incurred. Invoices shall be in sufficient detail for pre-audit and post-audit review. The Contractor shall provide the following information with the invoice: Standard Marine Enforcement Monthly Report Form (form to be provided by the County); documentation of warnings and citations issued to violators by the Contractor; and monthly payroll documentation for hours worked by any officer who performs services under the terms of this Agreement.

The agreement dated July 18, 2018 mirrored most of the language in the 2011 and 2014 agreements, with some renumbering and modifications, to include Exhibit B Payment Request and Exhibit C Marine Services Contract Standard Marine Enforcement Daily Report Form. The 2018 agreement states as follows:

4) Responsibility of Contractor

...

- E. The Contractor shall submit invoices for payment to the County on a monthly basis. Invoices shall include a reference to this Agreement, identify the amount due and payable to the Contractor, and include records sufficient to substantiate the costs incurred. Invoices shall be in sufficient detail for pre-audit and post-audit review (Exhibit B). The Contractor shall provide the following information with the invoice: Standard Marine Enforcement Daily Report Form (Exhibit C); documentation of warnings and citations issued to violators by the Contractor; and monthly payroll documentation for hours worked by any officer who performs services under the terms of this Agreement.

We tested all City reimbursement requests submitted to the County from November 1, 2013 through March 31, 2019 to determine whether the requests were accurate, adequately supported, and in compliance with the terms of the Agreement.

We noted that 15 of 29 (52%) monthly reimbursement requests included scheduling details but did not include official payroll records to support the hours worked by City officers, as required by the Agreement.⁷

It appears the City did not have a review and oversight process in place to ensure that the reimbursement requests and supporting documentation submitted to the County were in compliance with the Agreement. The City's Police Department Grants Manager prepared the reimbursement request, compiled the support for hours worked, and submitted the request to the County.

Additionally, it appears the ERM personnel reviewing the City's reimbursement requests and supporting documentation during the first two years of the program were not aware that the scheduling details provided as support for hours worked were not official payroll records.⁸ Following the initial two years of the program, ERM did not detect the missing documentation during its review of the City's submissions for payment for six (6) of 20 reimbursement requests that lacked official payroll records.⁹ ERM informed us that they cross-referenced the hours billed to the scheduling details and times noted on citations and warnings to confirm time worked was substantiated, but did not request that official payroll records be submitted, as required by the Agreement.

A lack of adequate review and oversight increases the risk for errors and non-compliance with the Agreement. In this case, the records supported the hours reported for reimbursement under the Agreement.

Recommendation:

- 1) The City implement a review and oversight process to ensure that all supporting documentation, including but not limited to monthly payroll documentation for hours worked by City officers, is included with reimbursement requests submitted to the County, as required by the Agreement.**

Management Response:

- 1) The City will take adequate measures for a more thorough review of the reimbursement requests in regards to the supporting documentation. Going forward, the reimbursement requests will be reviewed by a secondary reviewer to ensure that all paperwork required for submittal is attached. This measure should reduce the room for mistakes in the future.**

ACKNOWLEDGEMENT

⁷ The City provided the official payroll records to support the hours worked by City officers upon request during the audit. We verified the payroll records adequately supported the hours worked by City officers.

⁸ The City submitted nine (9) reimbursement requests for payment during the first two years of the program that we audited.

⁹ We did not make a recommendation to the County to ensure proper review of reimbursement requests and support because it is the same issue that was noted in OIG Audit Report 2019-A-0011 addressed by Recommendation #9. The County accepted and implemented that recommendation.

The Inspector General's audit staff would like to extend our appreciation to the Palm Beach County Environment Resources Management's staff and the City of Boynton Beach's staff for their assistance and support in the completion of this audit.

This report is available on the OIG website at: <http://www.pbcgov.com/OIG>. Please address inquiries regarding this report to the Director of Audit by email at inspector@pbcgov.org or by telephone at (561) 233-2350.

ATTACHMENT

Attachment 1 - City of Boynton Beach's Management Response

ATTACHMENT 1 – CITY OF BOYNTON BEACH'S MANGEMENT RESPONSE

The City of Boynton Beach

Financial Services
100 E Ocean Ave
P. O. Box 310
Boynton Beach, Florida 33425
Telephone: (561) 742-6310

December 15, 2020

Re: Interlocal Agreement for Law Enforcement Services between Palm Beach County and the City of Boynton Beach (aka Manatee Program) Audit Report 2021-A-0002

Recommendation 1:

In reference to Recommendation 1 in your Audit Report, the City of Boynton Beach will take adequate measures for a more thorough review of the reimbursement requests in regards to the supporting documentation. Going forward, the reimbursement requests will be reviewed by a secondary reviewer to ensure that all paperwork required for submittal is attached. This measure should reduce the room for mistakes in the future.

Sincerely,

A handwritten signature in blue ink that reads "Lori LaVerriere".

Lori LaVerriere
City Manager