

INTERNAL AUDIT REPORT

**Review of U.S. Security Associates Inc. Invoices Pertaining
to Bid 27-013T - Security Guard Services
For the Period from July 1, 2009 through December 31, 2012**

December 2012



**BROWARD COUNTY
PUBLIC SCHOOLS**

The Nation's Sixth Largest School District.

To be presented to the:

**Audit Committee
On January 24, 2013**

**The School Board of Broward County, Florida
On February 20, 2013**



The School Board of Broward County, Florida

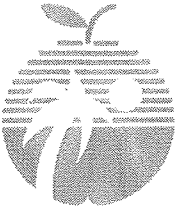
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Office of the Chief Auditor
Patrick Reilly, Chief Auditor
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Superintendent of Schools

January 16, 2013

Members of the School Board of Broward County, Florida
Members of the School Board Audit Committee
Robert W. Runcie, Superintendent of Schools

Ladies and Gentlemen:

At the request of the Superintendent and in accordance with our Audit Plan, we performed an audit of the final vendor pay request in the amount of \$64,334.52 for U.S. Security Associates, Inc. (Bid 27-013T Security Guard Services). The primary objectives of the audit were to (1) determine whether the final pay request in the amount of \$64,334.52* was the correct amount due to U.S. Security Associates, Inc., in accordance with the contract terms and conditions and (2) analyze the vendor payment process, to ascertain whether contract terms and internal controls were adhered to and (3) report recommendations to the administration, if needed. *Note: The amount of the pay request was re-submitted by the vendor and reflected a revised amount of \$66,931.48.

It is the opinion of the Chief Auditor that the Security Guard Services Contract (Bid 27-013T - Security Guard Services) was not properly managed by District Administration. In the process of reviewing the final pay request and prior years' paid invoices, we identified several areas of non-compliance with Contract 27-013T and inadequate internal control procedures related to golf cart usage, hours and rates billed for security services, and late fees billed.

Based upon the review of the final pay request and paid invoices for the period from July 1, 2009 through August 23, 2012, there was a net amount of approximately \$86,460.18 (see Exhibit A) that the District should seek reimbursement for from U.S. Security Associates, Inc. We met with representatives from U.S. Security Associates, Inc. and presented our results and conclusions.

We would like to thank all District personnel for their cooperation during this review.

This report will be presented to the Audit Committee at its January 24, 2013 meeting and to the School Board at its February 20, 2013 Regular School Board meeting.

Sincerely,

Patrick Reilly, CPA
Chief Auditor
Office of the Chief Auditor

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SECTION I
EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

At the request of the Superintendent, Mr. Robert Runcie, and in accordance with the Audit Plan, the Office of the Chief Auditor performed an audit of the final vendor pay request in the amount of \$64,334.52 for U.S. Security Associates, Inc. (Bid 27-013T - Security Guard Services). The primary objectives of the audit were to:

- determine whether the final pay request in the amount of \$64,334.52 was the correct amount due to U.S. Security Associates, Inc., in accordance with the contract terms and conditions and
- analyze the vendor payment process, to ascertain whether contract terms and internal controls were adhered to; report recommendations to the administration, if needed.

Scope and Methodology

Our audit was conducted in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. The above said standards require that we plan and perform the audit to afford a reasonable basis for our judgments and conclusions regarding the function under audit. An audit includes assessments of applicable controls and compliance with the requirements of laws, rules and regulations when necessary to satisfy the audit objectives.

It is our responsibility to perform the review under generally accepted auditing standards and Government Auditing Standards, as well as report on recommendations to improve operations, strengthen internal controls and ensure compliance with the requirements of laws, rules and regulations in matters selected for review. It is administration's responsibility to implement recommendations, to maintain an internal control environment conducive to the safeguarding of District assets and to preserve the District's resources, as well as comply with applicable laws, regulations and School Board policies.

The procedures used to satisfy our objectives in this review included:

- a review of Contract 27-013T – Security Guard Services
- interviewing involved parties associated with Bid 27-013T - Security Guard Services
- a review of prior years' open and paid invoices
- a review of disbursement information in SAP system
- a review of time sheets, email correspondence and other documentation between the School Board and U.S. Security Associates, Inc.
- verifying payments made to date and reviewing final pay request
- performing other auditing procedures, as deemed necessary.

Opinion, Summary of Results and Recommendations

It is the opinion of the Chief Auditor that the Security Guard Services Contract (Bid 27-013T - Security Guard Services) was not properly managed by District Administrators. In the process of reviewing the final pay request and prior years' paid invoices, we identified the following non-compliance with contract terms and inadequate internal control procedures:

- Non-compliance with Contract 27-013T, in which costs for the use of a golf cart was based on the total time worked by a security guard, rather than actual time the golf cart was used.
- Non-compliance with Contract 27-013T, in which security guards worked more than 12 hours in a 24 hour period.
- Non-compliance with Contract 27-013T, in which multiple guards cumulatively worked more than 12 hours per day on scheduled weekdays or worked more than 24 hours on scheduled weekends or holidays.
- Non-compliance with Contract 27-013T, in which the vendor charged the District for late fees at an annual rate of 18% when the contract does not contain any clause or terms for late fees.
- Non-compliance with Contract 27-013T, in which the District was billed for guard services at time and one-half rates on days disallowed per contract.
- Non-compliance with Contract 27-013T, in which security guard personnel did not log in and log off in a manner so as to provide an acceptable time record and all time records were not kept at a specified location at the sites.

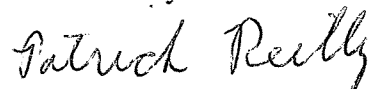
Based upon the review of the final pay request and paid invoices for the period from July 1, 2009 through August 23, 2012, there was a net amount of approximately \$86,460.18 (see Exhibit A) that the District should seek reimbursement for from U.S. Security Associates, Inc.

Other Recommendations

We recommend that District Administration strengthen internal controls over the invoice verification process, vendor payment process and contract management. Stronger contract monitoring and compliance procedures will help safeguard District assets.

We would like to thank all District personnel who assisted in the completion of this report.

Submitted by:



Patrick Reilly

SECTION II

FINDINGS

FINDING #1

Objective

To determine whether the final pay request in the amount of \$64,334.52 was the correct amount due to U.S. Security Associates, Inc. in accordance with contract terms and conditions (Bid 27-013T - Security Guard Services).

To analyze the vendor payment process to ascertain whether contract terms and internal controls were followed.

Condition

Review of the final pay request received by District management in October 2012 in the amount of \$64,334.52 was compared to the final pay request obtained from U.S. Security Associates, Inc. on November 6, 2012 in the amount of \$66,931.48. We identified that nine additional invoices totaling \$2,596.96 were included in the vendor's pay request that were not on the District's final pay request document. The invoices submitted were for expenses related to the use of golf carts, security guard services, late fees, and other invoices for security services that did not contain any supporting documentation. There was a total of 129 invoices on the U.S. Security Associates Inc. pay request. Below is a breakdown of the 129 invoices:

- a. There were 50 invoices for the use of golf carts totaling \$14,292.00. As noted in Finding #4, golf carts were being charged at a rate of \$1.00 per hour, based on the total number of security guard hours billed at each location, rather than on the actual time vehicle was used. This charge was not in compliance with the contract terms.
- b. There were 16 invoices for security guard services totaling \$40,476.53. As noted in Finding #2, the vendor submitted invoices for security guards who worked in excess of 12 hours in a 24 hour period. We noted 10 instances totaling 102 hours with a cost of \$1,171.98 that represented excessive hours by individual security guards that were billed. Also, as noted in Finding #3, the vendor submitted invoices for security guard services where multiple guards cumulatively worked more than 12 hours per day on scheduled weekdays or worked more than 24 hours on scheduled weekend days or holidays. We noted four instances representing 391.5 hours at a cost of \$4,498.64 that were excessive hours billed. All 16 invoices lacked time sheets supporting hours worked. There were four invoices that were dated three months after the contract expired in the amount of \$1,798.18.
- c. There were 58 invoices for late fees totaling \$11,736.95. The interest rate applied was at an annual rate of 18 percent. The contract did not contain any clause related to late fees.

- d. There were five invoices for security guard services totaling \$426 that contained hourly rates that were not in accordance with fees outlined in the contract. In addition, there was no supporting documentation for services billed and all invoices were dated after the contract expired.

Criteria

- a. Contract 27-013T - Security Guard Services, Section 4, Special Conditions 8 states “. . . the charges allowed for the use of motorized vehicles is not added to the hourly rate of the employees, but billed on the invoice as a separate line item and is to be based on the actual time the vehicle was used, not the total time worked by the employee.”
- b. Contract 27-013T - Security Guard Services, Section 6, Bid Specifications 4, Scheduling D states “No security personnel will provide more than 12 hours of service in a 24 hour period. This limitation may be waived by the site representative in emergency situations which are beyond the control of both the awardee(s) and SBBC, e.g. weather conditions preventing the next shift from getting to the facility. A waiver must be obtained for each occurrence. Awardee(s) must keep a log of date, time and the SBBC representative authorizing the shift extension.” In addition, Contract 27-013T - Security Guard Services, Section 5 outlines the location and hours of coverage for security guard services. The weekdays require 12 hours daily of security guard services that typically begin at 6 p.m. and end at 6 a.m. On weekends and holidays, the contract requires 24 hours of security guard services. Overtime rates are paid at one and one-half times the hourly rate for six legal holidays listed in the contract.
- c. Contract 27-013T - Security Guard Services, does not contain any clause related to late fees.
- d. Contract 27-013T - Security Guard Services, Section 6(3) (A) and (B) requires that all security guard personnel will be logged on and off duty in a manner so as to provide a time record acceptable to SBBC. All time records are to be kept at specified locations at sites.

Impact

Inadequate District management, oversight and involvement over the security guard services contract can result in the improper verification of invoices and a significant breakdown of internal control over vendor payments that can result in overbilled costs.

Recommendation

Based on our review of the final pay request in the amount of \$66,931.48, we recommend the following:

- a. We recommend, regarding the 50 invoices for the use of golf carts totaling \$14,292.00, there should be a negotiated settlement in order to arrive at a fair and equitable amount, since the vendor is not entitled to \$1.00 per hour for use of golf carts based on total hours worked.
- b. We recommend, regarding the 16 invoices for security guard services totaling \$40,476.53, that an amount of \$33,007.43 is billable to the District. Our analysis of those invoices identified that \$7,468.80 should be disallowed due to non-compliance with contract terms and billings after the contract expired. In addition, all of the sixteen invoices lacked time sheets supporting hours worked and several invoices were dated three months after the contract expired.
- c. We recommend, regarding the 58 invoices for late fees totaling \$11,736.95, that no payment be made to the vendor, based upon the fact that the contract does not contain any clause related to late fees.
- d. We recommend, regarding the five invoices for security guard services totaling \$426.00, that no payment be made to the vendor, due to the fact that there were no fees outlined in the contract for the amounts presented on the invoices, invoices were billed after the contract expired, and there was no supporting documentation.

After review of the final pay request, we determined that approximately \$42,583.37 represents billable invoice amounts (see Exhibit A). Our audit scope was expanded to include prior years' invoices paid for the period from July 1, 2009 through August 23, 2012, due to the findings noted during the review of the final pay request. Our office has identified approximately \$129,043.55 (see Exhibit A) of reimbursable costs paid by the District after reviewing invoices for the additional period reviewed.

As a result of our review, we recommend that the District seek a reimbursement of approximately \$86,460.18 in overpaid costs associated with Security Guard Service Contract 27-013T.

Administrative Response – See Page 20

FINDING #2

Objective

To determine whether the final pay request in the amount of \$64,334.52 was the correct amount due to U.S. Security Associates, Inc. in accordance with contract terms and conditions (Bid 27-013T - Security Guard Services).

To analyze the vendor payment process to ascertain whether contract terms and internal controls were followed.

Condition

Based upon our review of the final pay request, we expanded our audit scope to include invoice payments made during the period from July 1, 2009 through August 23, 2012. Review of paid invoices for security guard services revealed that the vendor submitted invoices for security guards who worked in excess of 12 hours in a 24 hour period. We noted 217 instances representing 1,917.5 hours at a cost of \$22,210.39 were excessive hours by individual security guards that were paid (see Exhibit B). Per discussion with District staff, there were several instances where security guards were found sleeping while on duty.

Criteria

Contract 27-013T - Security Guard Services, Section 6, Bid Specifications 4, Scheduling D states "No security personnel will provide more than 12 hours of service in a 24 hour period. This limitation may be waived by the site representative in emergency situations which are beyond the control of both the awardee(s) and SBBC, e.g. weather conditions preventing the next shift from getting to the facility. A waiver must be obtained for each occurrence. Awardee(s) must keep a log of date, time and the SBBC representative authorizing the shift extension." This restriction on excessive hours worked per day by a security guard was identified in our internal audit report dated April 2004 and resulted in the addition of the 12 hour limit to Contract 27-013T.

Impact

Inadequate District management, oversight and involvement over the security guard services contract can result in the improper verification of invoices and a significant breakdown of internal control over vendor payments that can result in overbilled costs.

Recommendation

The District should request a reimbursement from the vendor in the amount of \$22,210.39 for 1,917.5 hours of excessive hours by individual security guards that were paid.

Administrative Response – See Page 20

FINDING #3

Objective

To determine whether the final pay request in the amount of \$64,334.52 was the correct amount due to U.S. Security Associates, Inc. in accordance with contract terms and conditions (Bid 27-013T - Security Guard Services).

To analyze the vendor payment process to ascertain whether contract terms and internal controls were followed.

Condition

Based upon our review of the final pay request, we expanded our audit scope to include invoice payments made during the period from July 1, 2009 through August 23, 2012. Review of paid invoices for security guard services revealed that the vendor submitted invoices for security guard services where multiple guards cumulatively worked more than 12 hours per day on scheduled weekdays and worked more than 24 hours on scheduled weekend days or holidays. We noted 421 instances representing 9,047.01 hours at a cost of \$103,958.68 where excessive hours were billed (see Exhibit C).

Criteria

Contract 27-013T - Security Guard Services, Section 5 outlines the location and hours of coverage for security guard services. The weekday schedule requires 12 hours daily of security guard services that typically begin at 6 p.m. and end at 6 a.m. On weekends and holidays, the contract requires 24 hours of security guard services. Overtime rates are paid at one and one-half times the hourly rate for six legal holidays listed in the contract.

Impact

Inadequate District management, oversight and involvement over the security guard services contract can result in the improper verification of invoices and a significant breakdown of internal control over vendor payments that can result in overbilled costs.

Recommendation

The District should request a reimbursement from the vendor in the amount of \$103,958.68 for 9,047.01 hours for excessive hours paid beyond the allowable contract terms for weekday and weekend security guard services (see Exhibit C).

Administrative Response – See Page 20

FINDING #4

Objective

To determine whether the final pay request in the amount of \$64,334.52 was the correct amount due to U.S. Security Associates, Inc. in accordance with contract terms and conditions (Bid 27-013T - Security Guard Services).

To analyze the vendor payment process to ascertain whether contract terms and internal controls were followed.

Condition

Based upon our review of the final pay request, we expanded our audit scope to include invoice payments made during the period from July 1, 2009 through August 23, 2012. Review of paid invoices for security guard services revealed that the vendor incorrectly billed the District for the use of golf carts (\$1.00 per hour) based upon the total number of security guard hours billed at each location. We noted 39 instances representing 8,256 hours at a cost of \$8,256 where excessive charges for golf carts were billed (see Exhibit D).

Criteria

Contract 27-013T - Security Guard Services, Section 4, Special Conditions 8 states “. . . the charges allowed for the use of motorized vehicles is not added to the hourly rate of the employees, but billed on the invoice as a separate line item and is to be based on the actual time the vehicle was used, not the total time worked by the employee.

Impact

Lack of adherence to contract terms and improper review of vendor invoices pertaining to incorrect billing for the use of vendor golf carts can result in overbilled costs to the District.

Recommendation

The District should negotiate a reimbursement amount with the vendor for excessive billing for golf cart usage by the security guards, based upon the contract terms and the \$8,256 paid by the District. For example, a portion of each 60 minutes, such as 20 minutes could be negotiated as idle time for the golf cart each hour. This would represent a 33% adjustment on the \$8,256 amount paid. The result would reflect a \$2,724.48 reimbursable amount due to the District.

Administrative Response – See Page 20

FINDING #5

Objective

To determine whether the final pay request in the amount of \$64,334.52 was the correct amount due to U.S. Security Associates, Inc. in accordance with contract terms and conditions (Bid 27-013T - Security Guard Services).

To analyze the vendor payment process to ascertain whether contract terms and internal controls were followed.

Condition

Based upon our review of the final pay request, we expanded our audit scope to include invoice payments made during the period from July 1, 2009 through August 23, 2012. Review of paid invoices for security guard services revealed that the vendor submitted invoices for hours billed at overtime rates (\$17.24 per hour) on days other than one of the six legal holidays identified in the contract. In addition, hours were billed at overtime rates for hours in excess of allowable hours per day. We noted three instances representing 29 hours at a cost of \$150 where incorrect hourly rates were billed (see Exhibit E).

Criteria

Contract 27-013T - Security Guard Services, Section 6 (A) Bid Specification Overtime Rates states "Overtime rates will be paid (time and one-half) for the following legal holidays; New Year's Eve and New Year's Day; Memorial Day; Independence Day; Labor Day; Thanksgiving Day; Christmas Eve and Christmas Day.

Impact

Lack of adherence to contract terms and improper review of invoices pertaining to allowable dates overtime rates are permissible per contract terms can result in overcharges to the District.

Recommendation

The District should request a reimbursement of \$150 from the vendor for incorrectly billed hours at overtime rates that were paid by the District.

Administrative Response – See Page 20

FINDING #6

Objective

To determine whether the final pay request in the amount of \$64,334.52 was the correct amount due to U.S. Security Associates, Inc. in accordance with contract terms and conditions (Bid 27-013T - Security Guard Services).

To analyze the vendor payment process to ascertain whether contract terms and internal controls were followed.

Condition

Based upon our review of the final pay request, we expanded our audit scope to include invoice payments made during the period from July 1, 2009 through August 23, 2012. During subsequent testing of paid invoices for the period from July 1, 2009 through August 23, 2012, we identified a significant number of internal control weaknesses and non-compliance with contract terms as follows:

1. The Security Guard Services Contract (27-013T - Security Guard Services) expired on March 31, 2012 and services continued using the expired contract.
2. As required by contract, all time records were not kept at specified locations at each site.
3. As required by contract, all security guard personnel did not log on and off duty in order to provide a time record for the District.
4. Vendor invoices were routinely paid without a sign-in register sheet identifying the employees working at a site. In some instances, the same individual signed the sign-in register sheet for all security guards listed (see Exhibit F).
5. Vendor sign-in register sheets were routinely not signed by the vendor's Facility Supervisor to approve hours worked (see Exhibit F).
6. Several vendor invoices contained a statement on the cover page stating "End user has refused to approve the invoice. Service was performed." These invoices were paid with the note "Approved for payment only by District Administrators." (See Exhibit G.)
7. Per discussion with a Supplies and Logistics Administrator, in the past, the former SIU Administrator would receive all vendor invoices for all locations and would sign them

without verification from the locations. The current Broward District Schools Police Department (formerly SIU) Administrator has changed the process. The invoices were provided to the using locations in order to verify that the services were provided. Once the user location approved the invoices, they would be paid by Broward District Schools Police Department. In most cases, the using locations did not want to verify the invoices and, as such, did not get them paid. This situation resulted in a failure in the process of verifying work performed and compliance with prompt payment requirements.

8. Vendor payments reviewed identified instances where hours worked by guards were less than the scheduled hours, (i.e. 12 hour schedule); however, the hours were made up on the following day, which resulted in exceeding the maximum allowable number of hours on that day. For another invoice, the District was billed for 26 hours for one day and in another instance, guards worked only 22 hours when 24 hours were required.
9. Request from each location disclosed that each location did not maintain all back-up documentation for vendor payments. Vendor payment documentation was only available through the Financial Reporting/Accounts Payable Department.

Criteria

Contract 27-013T - Security Guard Services, Section 4 (5) states “the term of bid shall be for approximately three years, and may, by mutual agreement between SBBC and the awardee upon final School Board approval, be extended for two additional one year periods and if needed, 90 days beyond the expiration date of the final renewal period. The contract was cancelled on April 16, 2012 by email verification.

Section 6(30 (A) and (B) requires that all security guard personnel be logged on and off duty in a manner so as to provide a time record acceptable to SBBC. All time records are to be kept at specified locations at sites.

Florida Statutes 287.057(15) states “For each contractual services contract, the agency shall designate an employee to function as contract manager who shall be responsible for enforcing performance of the contract terms and conditions and serve as liaison with the contractor. The agency shall establish procedures to ensure that contractual services have been rendered in accordance with the contract terms prior to processing the invoice for payment.”

Impact

Obtaining a Supervisor’s approval implies that the Supervisor has reviewed, verified and validated that the invoices are appropriate, accurate; and in compliance with contract terms.

Routinely, supervisors should review supporting documentation, question unusual items and make sure that necessary information is present to justify payment before they approve/sign. The breakdown of the invoice verification process is a significant internal control over vendor payments and safeguarding of assets.

Recommendation

We recommend that the District take steps to improve internal control procedures over the vendor payment process in order to ensure that vendor invoices reflect that services were provided, supported by proper documentation (i.e. time sheets and time logs), vendor invoices are reviewed and verified for accuracy, approved and signed by appropriate administrative staff before payment. Stronger contract monitoring and compliance procedures will help to safeguard District assets.

Administrative Response – See Page 20

SECTION III

EXHIBITS

REVIEW OF U. S. SECURITY ASSOCIATES, INC.							
INVOICES RECEIVED FROM MANAGEMENT FOR THE PERIOD							
JULY 1, 2009 THROUGH AUGUST 23, 2012							
FINDING #2							
Security Guards working more than 12 hours in a 24 hour period							
See Section 6 Bid Specifications, 4 Scheduling, D							
				<u>Number of</u>	<u>Amount</u>	<u>Number of</u>	<u>Number of</u>
				<u>Hours</u>	<u>Paid</u>	<u>Instances</u>	<u>Invoices</u>
South Area Bus Facility				563.5	\$6,474.67	74	70
South West Bus Lot				1,058	12,317.40	55	55
North Area Satellite				18.75	226.97	18	14
North Area Bus Facility				15	172.35	11	9
West Central Bus Facility				45.75	525.66	25	18
Twin Lakes Bus Facility				20.5	235.55	16	13
District Maintenance Facility				4	45.96	1	1
KCW Building				4	45.96	1	1
Rock Island Annex				188	2,165.87	16	16
Total				<u>1917.5</u>	<u>\$22,210.39</u>	<u>217</u>	<u>197</u>

REVIEW OF U. S. SECURITY ASSOCIATES, INC.

INVOICES RECEIVED FROM MANAGEMENT FOR THE PERIOD

JULY 1, 2009 THROUGH AUGUST 23, 2012

FINDING #3

Multiple Security Guards cumulatively working more than 12 hours per day or more than 24 hours on weekend days and holidays per terms outlined in contract

				<u>Number of Hours</u>	<u>Amount Paid</u>	<u>Number of Instances</u>	<u>Number of Invoices</u>
<u>South Area Bus Facility</u>				136	\$1,562.64	13	6
<u>South West Bus Lot</u>				6,110	70,203.90	31	30
<u>North Area Satellite</u>				117	1,352.95	14	8
<u>North Area Bus Facility</u>				955.51	10,978.70	96	74
<u>West Central Bus Facility</u>				1,317.50	15,138.10	212	53
<u>Twin Lakes Bus Facility</u>				359	4,124.91	46	21
<u>KCW Building</u>				4	45.96	1	1
<u>North Area Maintenance</u>				<u>48</u>	<u>551.52</u>	<u>8</u>	<u>4</u>
Total				<u>9,047.01</u>	<u>\$103,958.68</u>	<u>421</u>	<u>197</u>

REVIEW OF U. S. SECURITY ASSOCIATES, INC.							
INVOICES RECEIVED FROM MANAGEMENT FOR THE PERIOD							
JULY 1, 2009 THROUGH AUGUST 23, 2012							
FINDING #4							
Use of Golf Carts - Incorrectly billed per contract terms							
				Number of	Amount	Number of	Number of
				<u>Hours</u>	<u>Paid</u>	<u>Instances</u>	<u>Invoices</u>
North Area Satellite				4,968	\$4,968.00	23	23
North Area Bus Facility				3,276	3,276.00	15	15
Twin Lakes Bus Facility				12	12.00	1	1
Total				<u>8,256</u>	<u>\$8,256.00</u>	<u>39</u>	<u>39</u>

REVIEW OF U. S. SECURITY ASSOCIATES, INC.							
INVOICES RECEIVED FROM MANAGEMENT FOR THE PERIOD							
JULY 1, 2009 THROUGH AUGUST 23, 2012							
FINDING #5							
Holiday rate - Incorrectly billed per contract terms							
				Number of	Amount	Number of	Number of
				Hours	Paid	Instances	Invoices
North Area Satellite				12	\$69.00	1	1
North Area Bus Facility				5	69.00	1	1
Twin Lakes Bus Facility				12	12.00	1	1
Total				<u>29</u>	<u>\$150.00</u>	<u>3</u>	<u>3</u>

INVOICE

U.S. SECURITY ASSOCIATES, INC.
 200 Mansell Court 5th Floor*Roswell, GA 30076
 (770) 625-1400

- Advance Security
- Airborne Security
- Atlantic Security
- D.B. Kelly Associates
- Employers Security Company (ESCO)
- Healthcare USA
- Premier Residential Security

PLEASE REMIT TO:
 U.S. SECURITY ASSOCIATES, INC.
 P.O. BOX 931703
 ATLANTA, GEORGIA 31193

INVOICE TO:161/1050-000
CAROLYN BROWNLEE-FULLER
SCHOOL BD OF BROWARD CTY
ATTN: CAROLYN BROWNLEE
3831 NW 10TH AVE
OAKLAND PARK FL 33309-0000

SERVICES AT:
SBBC
TWIN LAKES BUS FACILITY
3895 NW 10 AVENUE
FT LAUDERDALE FL 33351-0000
ORDER# OB09532A11

7512005194

161-1050-000	551138	2/02/12	1/20/12 THRU 2/02/12	ORDER# OB09532A11	NET 30 DAYS			
DATE	CODE	DESCRIPTION	TYPE	HOURS	HRS/QTY	RATE	CHARGE	
	30-00	SECURITY OFFICER	REG	216.00	216.00	11.49	2,481.84	
							INVOICE TOTAL	2,481.84

** SEE ATTACHED HOURS DETAIL REPORT **

NOV 27 2012

NOV 27 2012

End user has refused to approve the invoice. Service was performed.

Date Goods/Services Received _____

Received by _____

Approval [Signature] Date 4/12/12

APPROVED FOR PAYMENT PURPOSES ONLY [Signature]

IMPORTANT: PLEASE DETACH AND RETURN THIS PORTION WITH YOUR PAYMENT.

SBBC
ATTN: CAROLYN BROWNLEE
3831 NW 10TH AVE
OAKLAND PARK FL 33309-0000

161/1050

551138

2481.84

AMOUNT PAID \$ _____

REMIT TO:
 U.S. SECURITY ASSOCIATES, INC.
 P.O. BOX 931703
 ATLANTA, GEORGIA 31193

paid

SECTION IV

FULL TEXT OF ADMINISTRATIVE RESPONSES

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

**GRACIE M. DIAZ
CHIEF HUMAN RESOURCES OFFICER
HUMAN RESOURCES**

Telephone: 754-321-1840

Facsimile: 754-321-2704

January 14, 2013

TO: Patrick Reilly, Chief Auditor
FROM: David Golt, Chief of Police *DG*
VIA: Gracie Diaz, Chief Human Resources Officer *GD*
SUBJECT: US SECURITY - AUDIT REPORT RESPONSE

We appreciate the Office of the Chief Auditor reviewing the invoices and pertinent documents related to the contract with US Securities. Shortly after I was hired to direct the Special Investigative Unit, now the Broward District Schools Police Department, I recognized that the process for handling the payments and verification of work performed by the contracted security services was compromised.

The process for approving payment for the invoices had been centralized, and all payments were authorized by the previous Executive Director of the Special Investigative Unit. This process lacked fidelity because there was no mechanism for the Executive Director to ensure the work had been completed; therefore, approving the invoices could result in errors.

I brought this to your attention, as well as to the attention of the Purchasing Department. With the Purchasing Department's assistance, I was able to decentralize the payments and have each responsible department head assume the role of verifying that the services were provided and to approve the invoices for payment.

While this process improved accountability, it is apparent based on your review that there needed to be more internal controls. The contract with U.S. Securities has expired, and the District chose not to contract for outside security services.

We agree and support your recommendations in the audit report and, should the District determine at a future date to contract security services again, the following will be implemented:

- Each department head using the services must be responsible for their own budget for monitoring and payment purposes.
- Each department head will be provided a copy of the contract and receive a briefing of the contract to ensure that they understand the hours, services, and charges that may be billed.
- Each department will keep a detailed timesheet signed by the security guard that is dated with the hours worked.
- Periodic unannounced inspections must take place at each site during the late/early hours and weekends to ensure the guards are providing services.
- Assign a site liaison that would have regular contact with the Broward District Schools Police Department.
- Standardize all processes and forms that each site would use for documentation.
- Consider a security guard coordinator with sole responsibility for managing the contract, working with the security service provider, overseeing adherence of the services, documentation of services, and monitoring security staff.

GMD/DG:cr