



Internal Audit Report

Lee County Facilities Services/M.A.R.S Division

Audit Number: 2013.19

Date: June 23, 2014

June 23, 2014

The Honorable Linda Doggett, Lee County Clerk of Court

Re: Audit of Lee County Facilities Services/M.A.R.S.

Dear Ms. Doggett:

The Internal Audit/Inspector General Department conducted an audit of Lee County Facilities Services/Maintenance and Repair Services (MARS) Division. Larry Haut, CGAP, completed this review.

The response to the auditor's conclusions, issues and recommendations are attached to this report. The auditor wishes to thank the Lee County employees for their assistance and cooperation during the review.

This Report will be posted to the Clerk of Courts website www.leeclerk.org under Internal Audit, Audit Reports. The [hyperlink](#) to the report has been sent to the Lee County Board of County Commissioners and appropriate parties.

Sincerely,



Tim Parks, Chief Internal Audit Officer/Inspector General
Internal Audit /Inspector General Department

TJP/SR

Table of Contents
Audit of Lee County
Facilities Services/M.A.R.S.
Division

Table of Contents

<i>Executive Summary</i>	1
<i>Introduction</i>	2
<i>Issues</i>	2
Budget/Expenditures	2
Work Performance and Billing	3
<i>Profile</i>	4
Background	4
Objective	4
Scope	4
<i>Response</i>	5

Audit of Lee County Facilities Services/M.A.R.S.

Executive Summary

There are many dedicated and skilled employees performing important work to maintain and upgrade Lee County Government properties. As of November 2013, the Division had 112 full-time and 4 temporary positions on the payroll.

In ten years (2004-2013) the maintenance area increased from 1.8 million square feet to 5.8 million square feet. The maintenance cost decreased from \$3.54 per square foot to \$2.32 per square foot.

Management is proactive and has instituted programs to increase efficiency and employee performance. Surveys of customers reflected a high level of satisfaction with the work performed by Facilities Services/MARS employees, and their communications with Facilities Management officials.

Some of the identified risks that will affect Facilities Services (Facilities) in the upcoming years include:

- **Staffing:** Facilities is competing with the private sector for a decreasing pool of skilled workers. An increasing number of skilled trades' workers are nearing retirement.
- **Significantly increased County square footage:** The International Facilities Management Organization recommends a ratio of one employee for every 32,000 of square feet. Facilities maintains over 50,000 square feet per employee.
- **Age of county-wide properties:** Facilities maintains close to 6 million square feet. Over 75% of the locations are under 30 years old. It is expected that beginning in 2018, many properties will require major capital work at about the same time.
- **Location of the main MARS operation:** The location at Henderson Avenue is not regionally located. This creates delays when responding to some work requests
- **Equipment:** Many vehicles are older and need repairs, which effects efficiency.

Introduction

The Internal Audit/Inspector General Department conducted an audit of the Lee County Facilities Services/Maintenance and Repair Services (MARS) Division. The scope of the audit is outlined in the Profile Section.

Audit work paper files contain details supporting the findings, conclusions and recommendations in this report.

Issues

Budget/Expenditures

The following is a table of expenditures from Fiscal year 2009 through Fiscal Year 2013.

Expenditures:	2009	2010	2011	2012	2013
Budgeted	\$15,653,258	\$13,328,608	\$11,610,280	\$11,656,489	\$11,743,751
Actual	\$14,587,627	\$12,982,158	\$11,473,915	\$11,705,012	\$11,913,794
Percentage	93.20%	97.40%	98.80%	100.40%	101.50%

Overall, the Division operated within its total budgeted expenditure amounts for the years 2009 thru 2013. However, there are two subcategories that were regularly outside of their budgeted expenditures. Equipment Repair Parts exceeded its budget by an average of 125-percent and Equipment Maintenance exceeded its budget by an average of 145-percent for the five year period.

Repair Parts:	2009	2010	2011	2012	2013
Budgeted	\$340,655	\$476,509	\$474,658	\$499,340	\$445,928
Actual	\$499,786	\$581,280	\$590,790	\$550,011	\$543,601
Percentage	147.00%	120.00%	125.00%	110.00%	122.00%

Maintenance:	2009	2010	2011	2012	2013
Budgeted	\$105,461	\$50,000	\$87,628	\$100,373	\$79,160
Actual	\$150,037	\$145,864	\$93,805	\$68,184	\$87,403
Percentage	142.00%	292.00%	107.00%	68.00%	118.00%

Recommendation:

Analyze reasons for difficulties staying within budget for the noted categories. Consider criteria used to set budgeted amounts and whether other qualified vendors or purchasing protocols may be less costly.

Work Performance and Billing

Facilities Services/MARS provides a significant amount of work for the Sheriff's office. The County bills the Sheriff for materials purchased, but not for labor costs. The County owns the buildings used by the Sheriff. The Sheriff is billed for jobs, such as work on jail doors, which are considered his responsibility. The billing protocols and practices for the corrections/jail facilities jobs are not part of a written agreement or Memorandum of Understanding.

Recommendation:

Consider implementing a written agreement with the Sheriff regarding the billing of work done at the corrections/jail facilities.

There is no written policy or procedure to measure or review the incidents of multiple repairs of the same problem or of reworks.

Recommendation:

Consider instituting a quantifiable performance measurement for multiple repairs and reworks.

The after-hours security guard position at the Henderson Avenue location was eliminated in 2012. Thefts were a problem at the facility. Even when the Guard was there he would occasionally discover open bins on trucks, and items would disappear from the facility.

Recommendation:

Facilities Services/MARS has approximately 12 million dollars budgeted for expenditures. We recommend that management review the potential dangers of leaving large amounts of equipment and other County assets unguarded on non-work days and nights, considering the risk-reward ratio of possibly saving \$70,000.

Profile

Background

The Facilities Management Division of Public Works was established in 1997 to supervise the County's repair and maintenance services under a Memorandum of Understanding (MOU). The Supervisors remained County employees, and the trade's workers became employees of the MARS entity hired by the County.

In 2009, the Facilities Management Division reorganized and moved out of the Public Works Department into a newly formed Internal Services Department. The Division was then designated as the Facilities Services/M.A.R.S. Division.

Objective

The objective of the audit was to determine if the Lee County Facilities Services/M.A.R.S. Division is economically and efficiently managing County resources to maintain and upgrade the County's properties and facilities.

Scope

The scope of the audit included the following:

- Review the Facilities Division- M.A.R.S. mission.
- Analyze the Divisions risk factors.
- Review the Performance Measurement System.
- Review Position Descriptions and job functions.
- Review the economical and efficient use of County resources.
- Verify that assets are properly inventoried and safeguarded.
- Review the budget and financial data.
- Review prior audits and note actions taken.
- Review for compliance with applicable laws, regulations, policies and procedures.

Response

From: Rich Beck
Sent: Monday, June 16, 2014 12:57 PM
To: Lawrence Haut
Cc: Douglas Meurer; Dano, Marco; Dearborn, Beverly; Demuth, Otto; Elwell, Jayne; Rothell, Baxter; Whitmore, John
Subject: Audit response.

Larry, thanks for the work you have done reviewing Facilities Services operations. My staff and I have gone over your suggestions and understand the issues highlighted in the report and will address them where appropriate. Thanks again. Rich

Richard Beck
Facilities Services Division
beckrj@leegov.com
239.533.8822
239.485.8653 FAX

Please note: Florida has a very broad public records law. Most written communications to or from County Employees and officials regarding County business are public records available to the public and media upon request. Your email communication may be subject to public disclosure.

Under Florida law, email addresses are public records. If you do not want your email address released in response to a public records request, do not send electronic mail to this entity. Instead, contact this office by phone or in writing.