



PAT FRANK
Clerk of the Circuit Court
13th Judicial Circuit

COUNTY AUDIT

HILLSBOROUGH COUNTY, FLORIDA

DAZSER-TPA CORPORATION

JANITORIAL SERVICES CONTRACT

REPORT # 272

DECEMBER 3, 2014



December 3, 2014

The Honorable Sandra L. Murman, Chairman
The Honorable Kevin Beckner
The Honorable Victor D. Crist
The Honorable Ken Hagan
The Honorable Al Higginbotham
The Honorable Lesley "Les" Miller
The Honorable Stacy White

Dear Chairman Murman and Commissioners:

The Audit Team performed an audit of the Dazser-TPA Corporation janitorial services Contract Audit Report # 272, dated December 3, 2014.

The purpose of this Report is to furnish management independent, objective analysis, recommendations, counsel, and information concerning the activities reviewed. It is not an appraisal or rating of management.

Although the Audit Team exercised due professional care in the performance of this audit, this should not be construed to mean that unreported noncompliance or irregularities do not exist. The deterrence of fraud and/or employee abuse is the responsibility of management. Audit procedures alone, even when carried out with professional care, do not guarantee that fraud or abuse will be detected.

The Audit Team appreciates the cooperation and professional courtesies extended to the auditors by the Director and personnel of Facilities Management Services Department during this audit.

Sincerely,

Peggy Caskey, CIA, CISA, CFE
Director of County Audit

CC: Mike Merrill, County Administrator
Greg Horwedel, Deputy County Administrator
Tom Fass, Assistant County Administrator, Asset Mgmt. & Knowledge Commons
Josh Bellotti, Director, Real Estate and Facilities Services
Bruce Dangremond, Performance Mgmt, Business and Support Services

TABLE OF CONTENTS

EXECUTIVE SUMMARY 1

 BACKGROUND INFORMATION 1

 OBJECTIVE 2

 SCOPE 2

 OVERALL EVALUATION 2

 OPINION 3

 AUDITED BY 3

AUDIT COMMENT & RECOMMENDATION 4

EXECUTIVE SUMMARY

BACKGROUND INFORMATION

The Real Estate and Facilities Services Department's mission is, "to provide comprehensive County government real estate and facilities services in a professional and cost effective manner for the benefit of the citizens of Hillsborough County."

The Real Estate and Facilities Services Department manages:

- facilities by providing planning, design, construction, operation, maintenance, and energy management of Hillsborough County-owned facilities;
- lease administration of facilities;
- the County's real property by providing land acquisition services for County departments and agencies; and
- the County's Public Art Program and County parking facilities.

As a function of facilities maintenance, the Real Estate and Facilities Services Department manages its janitorial services contract with Dazser-TPA Corporation. The Board of County Commissioners approved the original contract, BOCC Document #08-0566, on April 2, 2008. The original contract was for a two year period, with the option of renewals, and was not to exceed \$6,194,254.

The contract was an agreement between the Board of County Commissioners and Dazser-TPA Corporation to provide janitorial services at various County facilities. The agreement is a service contract based on the task and frequency of work performed.

During its lifetime, the service contract incurred 12 modifications and 14 change orders. The Audit Team reviewed the Real Estate and Facilities Services Department's contract management activities and control environment for the most current option renewal, which was effective from June 1, 2012, to May 31, 2014, for \$2,911,660. Since then, the Board of County Commissioners modified and extended the current contract with Dazser-TPA Corporation through November 31, 2014. Per management, the Real Estate and Facilities Services Department's contract management activities and control environment did not change.

OBJECTIVE

The objective of the audit was to determine whether or not the Real Estate and Facilities Services Department adequately manages its janitorial services contract with Dazser-TPA Corporation.

SCOPE

The audit was conducted in accordance with the *Generally Accepted Government Auditing Standards* and the *International Standards for the Professional Practice of Internal Auditing*. These Standards require that County Audit plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the audit comments and conclusions based on the audit objectives. County Audit believes that the evidence obtained provides a reasonable basis for the audit comments and conclusions based on the audit objectives.

The scope of work was for the six month period ending March 31, 2014. The Audit Team performed testing to determine whether or not:

- work requests were carried out;
- work performance was satisfactory;
- invoices were accurate; and
- invoice payments were approved by the appropriate level of management.

OVERALL EVALUATION

The Real Estate and Facilities Services personnel were responsive to the Audit Team's inquiries and provided data and other information in a prompt and courteous manner. The Department has knowledgeable and dedicated employees.

The audit results indicate that the Real Estate and Facilities Services Department has adequate controls in place to ensure that Dazser-TPA Corporation performs its janitorial services work in accordance with the contract requirements.

AUDIT COMMENT	CONCLUSION OF OBJECTIVE	PAGE
1	The Real Estate and Facilities Services Department's contract management control environment for Dazser-TPA Corporation's janitorial services appears to be well designed and effective.	4

OPINION

No material concerns were identified. The control environment is well designed and effective. The control environment provides a reasonable level of assurance that the County's work requests are carried out; work performance is satisfactory; invoices are accurate; and invoice payments are approved by the appropriate level of management.

Other minor concerns not included in this Report were communicated to management and/or corrected during fieldwork.

The exit conference was held on October 31, 2014.

AUDITED BY

Peggy Caskey, CIA, CISA, CFE, Director of County Audit
Mark Kolman, CIA, CISA, CPA, CFE, Audit Manager
Lovonia Scott, CGAP, Auditor II

AUDIT COMMENT & RECOMMENDATION

AUDIT COMMENT 1

The Real Estate and Facilities Services Department's contract management control environment for Dazser – TPA Corporation janitorial services appears to be well designed and effective.

The objective was to determine whether or not the Real Estate and Facilities Services Department adequately manages its janitorial services contract with Dazser – TPA Corporation. Adequately managing the contract includes, but is not limited to ensuring that: work requests are carried out; work performance is satisfactory; invoices are accurate; and invoice payment is approved by the appropriate level of management.

Design of the Control Environment

The Real Estate and Facilities Services Department designed a workflow that provides a reasonable level of assurance that key contract deliverables are achieved. Compliance is achieved by the following controls:

Contract Deliverable	Control
Work Requests	Task schedules and custodial sign-in sheets
Work Performance	Physical inspection
Invoice Accuracy	Review of invoice and supporting documentation
Invoice Payment Approval	Management responsibility

Effectiveness of the Controls

The Audit Team identified the full population of payments made during the six month period ending March 31, 2014. The population consisted of 13 payments totaling \$1,113,088. From this population, the Audit Team selected a sample of five payments totaling \$1,043,953. The sample was drilled down further by choosing one invoice from each of those payments and one County facility from each of those invoices.

To determine whether or not the control environment was effective (working as designed), the Audit Team interviewed key Real Estate and Facilities Services Department personnel and traced each sample item through the workflow. The Audit Team examined:

- Task schedules (Showing the County facility and services to be rendered.)
- Custodial sign-in sheets (Showing Dazser janitorial staff members' arrival and departure times at a County facility.)
- Inspection Reports (Completed by a Real Estate and Facilities Services Department employee and a Dazser representative showing that the work was inspected and deemed satisfactory.)
- Invoice packets (Documentation showing that the invoice was reviewed and any inaccurate charges were adjusted.)
- Invoice payment approvals (Approved by the appropriate level of management.)

No material concerns were identified during the walk through. The supporting documentation was well maintained and readily available upon request. The contract management controls were effective.

RECOMMENDATION

The audit test results did not identify any material concerns that require management's corrective action.