



Audit of
Records, Taxes and Treasury Division
Auto Tags Section

Office of the County Auditor

Audit Report

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County Auditor

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Report No. 20-15
September 22, 2020



OFFICE OF THE COUNTY AUDITOR

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September 22, 2020

Honorable Mayor and Board of County Commissioners

We have conducted our audit of the Auto Tags Section of the Records, Taxes and Treasury Division. Our audit objectives were to determine whether auto tag licenses are issued, renewed, and enforced in accordance with laws, policies, and best practices and whether all monies are accounted for and handled properly.

We conclude that auto tag licenses are issued, renewed, and enforced in accordance with laws, policies, and best practices and that all monies are accounted for and handled properly. 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 the Auto Tags Section throughout our review process.

Respectfully submitted,

A handwritten signature in blue ink that reads "Bob Melton".

Bob Melton
County Auditor

cc: Bertha Henry, County Administrator
Andrew Meyers, County Attorney
Monica Cepero, Deputy County Administrator
George Tablack, Chief Financial Officer
Tom Kennedy, Director, Records, Taxes and Treasury Division

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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 Auto Tags Section of the Records, Taxes and Treasury Division. Our audit objectives were:

- 1) To determine whether auto tag licenses are issued, renewed, and enforced in accordance with laws, policies, and best practices.
- 2) To determine whether all monies are accounted for and handled properly.
- 3) To identify any additional Opportunities for Improvement.

Our audit also included a limited scope review of the Private Tag Agencies (PTAs). This was limited to a review of County staff oversight of PTA contract requirements. We did not audit the organizational or financial structure of the PTAs or test transactions processed by the PTAs.

To determine whether auto tag licenses are issued, renewed, and enforced according to laws, policies, and best practices, we tested a sample of transactions, performed an inventory count, and reviewed compliance with policies and procedures, and contractual arrangements. Our review included verifying the accuracy of fees charged to the State of Florida, Department of Highway Safety and Motor Vehicles (DMV), fee schedules, as well as whether voided transactions were properly supported and approved. We also performed a review of customer service practices and contract compliance between Auto Tags, PTAs, and the DMV.

To determine whether all monies are accounted for and handled properly, we performed a walk-through of the cash handling procedures, including cash reconciliations to system transaction reports, bank deposit tickets, recording in Peoplesoft, and the submission of collected revenue

to the State of Florida. We conducted tests of transactions to determine propriety and compliance with internal controls. We also interviewed management and staff.

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.

Our audit included such tests of records and other auditing procedures, as we considered necessary in the circumstances. The audit period was October 1, 2018 through December 31, 2019. However, transactions, processes, and situations reviewed were not limited by the audit period.

Overall Conclusion

We conclude that auto tag licenses are issued, renewed, and enforced in accordance with laws, policies, and best practices and that all monies were accounted for and handled properly. Opportunities for Improvement are included in the report.

Background

The Records, Taxes and Treasury Division Auto Tags Section (Auto Tags) (a.k.a. Broward County Tax Collector) acts as an agent of the State of Florida with responsibility for the issuance of motor vehicle, vessel, and mobile home registrations. Additionally, Auto Tags processes renewal transactions as well as the issuance of original registrations, processing of title applications, issuance of special tags, and disabled parking permits.



Outside Signage

Auto Tags is comprised of five key functional areas:

1. Compliance (Agency 1) is responsible for reviewing transaction reports, processing dealership and courier transactions, and overseeing the annual DMV inventory audit.
2. Mail Room (Agency 2) handles transactions for customers that have mailed in their orders.
3. Walk-in (Agency 6) handles transactions for customers in person.
4. Information Center/E-Commerce (Agency 11) provides telephone customer support and processes all internet orders.
5. Warehouse handles inventory of license plates, placards, and stickers. The Warehouse manager oversees inventory and distributes orders to the agencies, including Private Tag Agencies (discussed below), and dealerships. Operations are located in the City of Plantation at 1800 NW 66th Ave, STE 101.



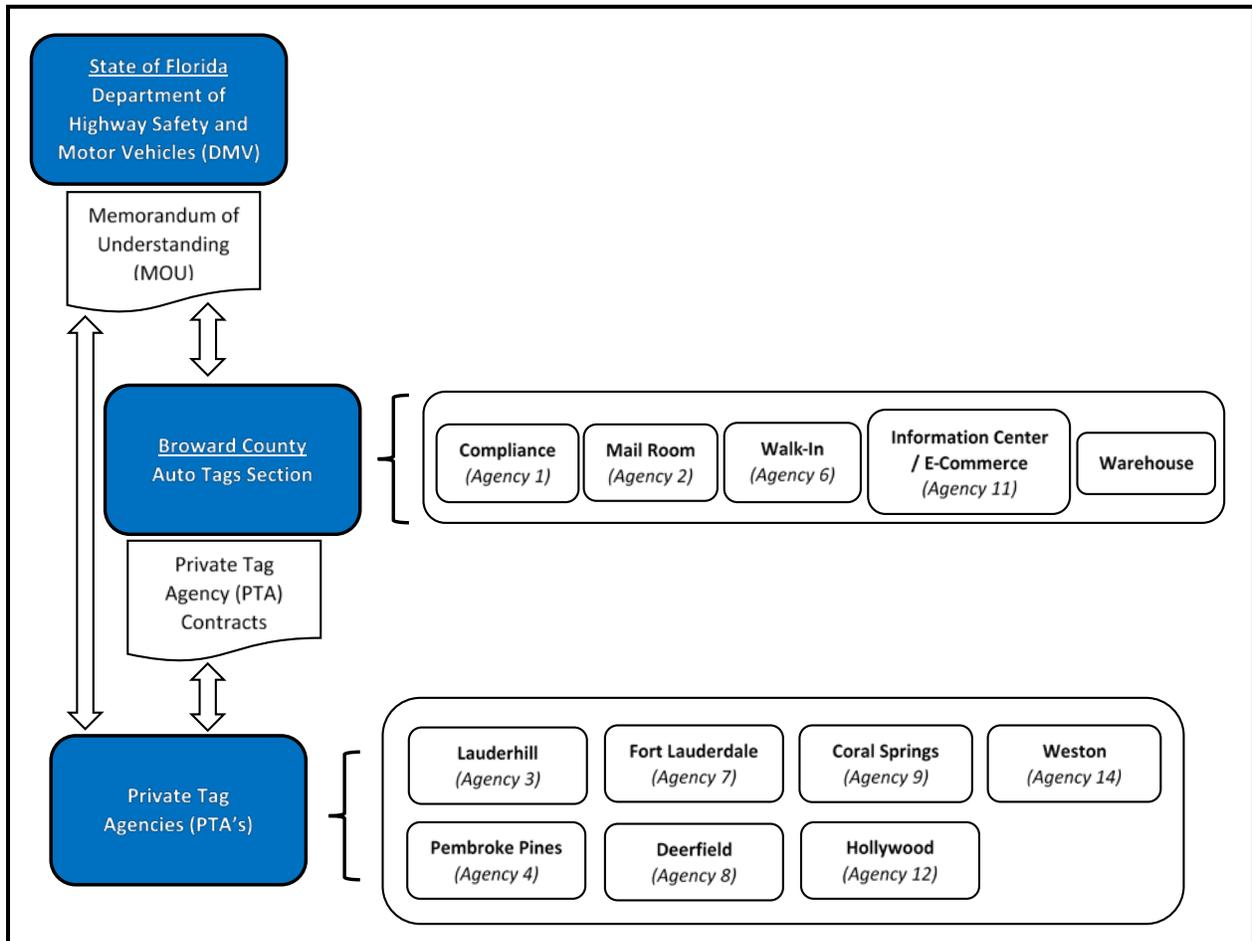
Auto Tags Entrance



Auto Tags Customer Waiting Area

The County Auto Tags Section also contracts with seven Private Tag Agencies (PTAs) located throughout Broward County who also provide the same services in accordance with the DMV rules and regulations. PTAs are authorized, per contract, to charge specified additional fees for their services, which are disclosed at each office location. Auto Tags and each PTA have Memos of Understanding (MOU) with the DMV. Figure 1 depicts the organizational structure and relationships between the DMV, Auto Tags, and PTAs:

Figure 1 – Organizational Structure and Relationship between the State of Florida Department of Highway Safety and Motor Vehicles (DMV), Broward County Auto Tags Section (Auto Tags), and Private Tag Agencies (PTAs)



Source: Prepared by the Office of the County Auditor based on review of MOU, PTA Contracts, and interviews of Auto Tags staff.

Auto Tags and PTAs utilize the State’s “Florida Realtime Vehicle Information System” (FRVIS) to perform transactions. Customers may obtain services:

- by mail,
- in person at the walk-in agency within the Auto Tags office,
- in person at the PTA offices,
- online through the State sponsored website (gorenew.com), or
- online through the County sponsored website (renewexpress.com).

Revenue and Expense

In fiscal year 2019, Auto Tags processed 1,055,972 transactions totaling \$67 million and the PTAs processed 1,287,364 transactions totaling \$93 million. The County retains a fee ranging from \$3.00 to \$4.75 for each transaction processed by Auto Tags and the PTAs. Table 1 shows the total transactions and charges processed by Auto Tags and the PTAs including the fees retained by the County.

**Table 1 – Auto Tags Transactions and Charges
 Fiscal Year 2019**

	Auto Tags Transactions	PTAs Transactions
Remitted to State	\$ 62,785,929	\$ 88,512,722
Retained by County	4,450,347	4,470,948
Total Charges	\$ 67,236,276	\$ 92,983,670
Total Transactions	1,055,972	1,287,364

*Source: Prepared by the Office of the County Auditor
 based on information obtained by management.*

In addition to the total charges shown in Table 1, the PTAs charge and retain an additional fee per transaction, depending on transaction type, in accordance with the contracts between Auto Tags and the PTAs.

This \$8.9 million retained by the County is recorded as revenues for Auto Tags. The revenues are utilized to cover Auto Tags operational expenses. Expenses include salaries, printing, postage, utilities, building and equipment rentals, and various miscellaneous items such as professional data management services and security. Table 2 depicts the revenue (fees retained by County) and expense for fiscal years 2017 through 2019.

Table 2 – Auto Tags Revenue and Expenses

	2017	2018	2019
E-Commerce	\$ 2,170,631	\$ 2,253,123	\$ 2,459,677
Walk-In, Mailroom, Compliance	2,248,394	2,091,430	1,990,670
Sub-Total: County Transactions	\$ 4,419,025	\$ 4,344,553	\$ 4,450,347
PTA Transactions	4,621,105	4,643,797	4,470,948
Total Revenue (fees retained by County)	\$ 9,040,130	\$ 8,988,350	\$ 8,921,295
Personnel Services	2,985,107	2,998,766	3,229,915
Printing, Mailing, & Postage	1,094,609	1,063,170	996,394
Office Rent & Utilities	448,592	469,212	464,825
Other	141,921	190,038	157,315
Total Expense	\$ 4,670,229	\$ 4,721,186	\$ 4,848,449
Excess of Revenue over Expense	\$ 4,369,901	\$ 4,267,164	\$ 4,072,846

Source: Prepared by the Office of the County Auditor based on information obtained by management.

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. County Oversight of Private Tag Agency Contract Compliance and Performance Needs Improvement.

We noted that Auto Tags and the PTAs are not in compliance with the PTA Contracts or MOUs. The Broward County Auto Tags Section (Auto Tags) should improve monitoring of Private Tag Agency (PTA) activities in accordance with the PTA Contracts (contracts between Auto Tags and the PTAs) and MOUs (Memorandums of Understanding between the State of Florida Department of Highway Safety & Motor Vehicles (DMV) and PTAs). Additionally, we noted instances where the PTA contracts and MOUs do not have consistent requirements. Specifically:

A. The PTAs are not in compliance with the following insurance requirements:

- Coral Springs and Lauderhill PTAs both carry crime/employee dishonesty policy limits of \$250,000, which does not meet the minimum contractual requirement of \$500,000, each occurrence.
- Lauderhill, Pembroke Pines, and Deerfield Beach PTAs do not have Broward County as a loss payee on their crime policies as required by the PTA Contracts. Instead, the DMV is listed.
- None of the PTAs list the DMV as obligee on their surety bonds as required by the MOUs. Instead, the County is listed.

The PTA Contracts require the PTAs to submit their insurance policies to Auto Tags. Table 3 shows the minimum insurance coverage required:

Table 3 – Private Tag Agency Contract Insurance Requirements

Policy Type	PTA Contract Required
General Liability - Each Occurrence	\$1,000,000
General Liability - Aggregate	\$2,000,000
Worker's Compensation - Each Accident	Statutory Limits
Employer's Liability - Each Accident	\$100,000
Crime/Fidelity or Employee Dishonesty - Each Occurrence	\$500,000
Certificate Holder - All Policies	Broward County

Source: Prepared by the Office of the County Auditor from PTA Contracts.

In addition, the MOUs require each PTA to obtain a surety bond in the amount of \$250,000 with the DMV listed as obligee. Auto Tags is not obtaining copies of PTA insurance policies to ensure minimum contract requirements are met.

- B. The DMV was not notified of a user access change to the State’s “Florida Realtime Vehicle Information System” (FRVIS) within 24 hours per MOU requirements. Our sampling included two PTA employees that resigned during the testing period and the DMV was not timely notified for one of the two PTA employees. The PTA employee resigned March 11, 2019; however, the FRVIS user access form was not completed until July 26, 2019, approximately 4 months after the employee resigned. The MOUs require the DMV be notified within 24 hours of personnel changes affecting FRVIS system access and the County PTA Policies and Procedures state that PTAs must notify Auto Tags of personnel changes within 5 days.

- C. Auto Tags does not obtain Customer Satisfaction Survey information from the PTAs. The PTA Contracts require Customer Satisfaction Survey information to be remitted on a monthly basis. The contracts state that “CONTRACTOR shall, at its sole cost and expense, print customer satisfaction surveys in compliance with the format supplied by COUNTY. The customer satisfaction surveys shall be located in the customer area of CONTRACTOR's facility and be available for customer use at all times. CONTRACTOR shall accept and retain all customer satisfaction surveys received at the facility and on a monthly basis send the customer satisfaction surveys to Contract Administrator.” Although each PTA is required to submit customer satisfaction surveys on a monthly basis, none were received. According to the PTA Operations Manager, this requirement has not been enforced for many years and the PTAs use online surveys to which the County reserves the right to request a copy of an electronic survey submission, if deemed necessary.

D. We identified the following inconsistencies between the PTA Contracts and MOUs:

- Timeframes for notification of user change notices are inconsistent. The MOU requires notification to the DMV of user access changes within 24 hours. The PTA Contracts require PTAs to comply with the RTT Auto Tags Policies and Procedures, which Section XVI, Personnel and Ownership Records, requires PTAs to submit to the County any changes to personnel within 5 days.
- Auto Tags does not maintain overall responsibility and control for the operation of any State provided computer configurations installed at the PTA offices as required by the MOU. The MOU states “If the Tax Collector chooses to enter into an agreement with a License Plate Agent to perform these services, the Tax Collector agrees to maintain overall responsibility and control for the operation of any Department-provided Computer Configuration installed in the License Plate Agent’s office(s) according to the terms of the MOU with the Department”. However, according to management, this requirement has changed and is no longer applicable as all computer equipment responsibility is handled directly between the PTA and DMV.

These issues could result in uninsured avoidable costs and impede customer service. The County or DMV may not receive compensation for damages incurred as a result of PTA actions, FRVIS user access may not be appropriate resulting in unauthorized transactions, and the County may not be aware of customer service issues at the PTA offices, including inaccurate collection of revenue.

We recommend management:

- A. Require the PTAs to adjust their current insurance coverage in accordance with PTA contracts and MOU requirements.
- B and C. Implement procedures to monitor the PTAs contract compliance with user access change forms and customer satisfaction survey remittances.
- D. Update the PTA Contracts, MOUs, and Policies and Procedures to reflect current practices and ensure requirements are consistent.

Management’s Response: While the County has limited oversight and enforcement over the PTA's compliance with the MOUs with the State, RTT agrees with the Auditor's recommendations and has taken the following actions to improve PTA compliance:

- A. Agree and Completed. RTT has notified the private tag agencies (PTAs) of the non-compliant items listed in the report. New Certificates of Insurance have been obtained from each PTA and submitted to the Risk Management Division for review and approval.
- B. Agree and Completed. RTT has updated the PTA User Procedure Manual to reflect the same user access change timeframe as the State's Florida Realtime Vehicle Information System (FRVIS) to within 24 hours, consistent with the requirements in the Memorandum of Understanding (MOU) between Broward County and the Florida Department of Highway Safety and Motor Vehicles (FDHSMV). The updated requirement has also been communicated to each PTA.
- C. Agree and Completed. RTT has notified each PTA of the requirement to request, compile and submit customer satisfaction survey remittances to the County. The information will be reviewed and retained by the County for PTA customer survey monitoring and remediation activities, as deemed appropriate.
- D. Agree and Completed. RTT has updated the PTA User Procedure Manual to reflect current practices.

2. The Customer Service Program Needs Improvement.

Customer service feedback is not actively solicited or monitored. We identified the following specific concerns:

- A. Customer satisfaction surveys are not readily available to customers. Although Auto Tags utilizes customer satisfaction survey cards, the cards are retained behind desks and are not placed in readily accessible public areas available for customer use. We performed a walk-in observation noting that survey cards were not present in any location including the customer waiting area, reception window, or cashier windows. Customers must request them from one of the available windows. This lack of access likely reduces the level of feedback received. Customers may be unaware of how to provide feedback or intimidated or inconvenienced from requesting a card.
- B. The surveys should be enhanced to solicit more information. Survey cards provide check boxes ranging from “strongly disagree” to “strongly agree” for nine statement categories; however, there is insufficient room to provide comments or describe the nature of the service being pursued. Enhancements could be made to the survey cards to include optional information fields such as the customers’ contact information, type of services obtained, and the name of the employee providing the service. The following examples show completed surveys and how the comments section was used.

Broward County Customer Satisfaction Survey

Broward County Government wants YOUR INPUT on the quality of service you received from the Revenue Collection Division, Auto Tag Agency, during the recent past. Please help us understand any rating of Disagree, Strongly Disagree, Dissatisfied, or Very Dissatisfied by providing an explanation in the comments column.

Your input will help us serve you better! Thank you for your feedback!

Please tell us how you feel.	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Not Applicable	COMMENTS
1. Staff Knowledge - Staff demonstrated thorough knowledge of their business.					✓		SARA Luna is the most professional lady I ever encountered at any of these offices. Very lucky to have help with for you. (Sunrise Office)
2. Courtesy - Service was provided in a professional and courteous manner.					✓		
3. Cooperation - Staff worked with me to meet my need(s) and solve my problem(s).					✓		
4. Procedures - Forms and procedures were easy to understand and use.					✓		
5. Response Time - The product/service was provided in a reasonable amount of time.					✓		
6. Service Quality - The quality of product/service satisfied my needs.					✓		
7. Convenience - The location and hours of operation met my needs.					✓		
8. Website Services - Website information/services met my needs.			✓				
Please tell us how you feel.	Very Dissatisfied	Dissatisfied	Neutral	Satisfied	Very Satisfied	No Opinion	COMMENTS
9. Overall Satisfaction - How would you rate your satisfaction with the service overall?					✓		

RV200734528

Completed Survey Card Example

Broward County Customer Satisfaction Survey

Broward County Government wants YOUR INPUT on the quality of service you received from the Revenue Collection Division, Auto Tag Agency, during the recent past. Please help us understand any rating of Disagree, Strongly Disagree, Dissatisfied, or Very Dissatisfied by providing an explanation in the comments column.

Your input will help us serve you better! Thank you for your feedback!

Please tell us how you feel.	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Not Applicable	COMMENTS
1. Staff Knowledge - Staff demonstrated thorough knowledge of their business.			X				ready at desk ready
2. Courtesy - Service was provided in a professional and courteous manner.			X				lady that did register was very nice
3. Cooperation - Staff worked with me to meet my need(s) and solve my problem(s).			X				
4. Procedures - Forms and procedures were easy to understand and use.					X		
5. Response Time - The product/service was provided in a reasonable amount of time.	X						long wait
6. Service Quality - The quality of product/service satisfied my needs.				X			
7. Convenience - The location and hours of operation met my needs.	X						terrible location could not find not enough notice at court house of new location
8. Website Services - Website information/services met my needs.							COMMENTS
Please tell us how you feel.	Very Dissatisfied	Dissatisfied	Neutral	Satisfied	Very Satisfied	No Opinion	COMMENTS
9. Overall Satisfaction - How would you rate your satisfaction with the service overall?							This is a terrible location -

RV200734528

High pitched alarm ringing the whole time I was here -

Completed Survey Card Example

- C. Completed surveys are not adequately utilized by management. Management does not actively utilize the surveys to track trends, recurring issues, or respond to negative comments. The Operations Manager and Special Projects Manager review the cards, post those with positive comments on a staff bulletin board, and stack them within the Special Project Manager's Office. We selectively reviewed cards within the pile noting that the age of the cards ranged up to approximately 10 years.



Storage of completed survey cards

- D. Auto Tags does not log, track, or monitor other feedback received. Feedback is received directly through telephone or email or forwarded from the State DMV or County. The response process varies depending on how the feedback was received. According to management, a typical method of receiving feedback occurs within the customer service section. Customer service employees are tasked with call taking while processing e-commerce transactions; however, there is no system in place to facilitate the logging of feedback received or guidance in appropriate handling of feedback.

Customer feedback is also available through on-line reviews; however, there is a lack of evidence that these platforms are actively managed or monitored.



Screen shot of on-line reviews

A robust customer service program is important to ensure program efficiency and effectiveness. Good business practices suggest that customer satisfaction surveys should be readily available and that feedback should be logged and monitored for recurring issues, which could assist the office in monitoring for staff training needs, inappropriate activity, and improving customer service. In addition, policies and procedures should be developed to provide guidance and consistency in handling feedback.

Without an adequate customer service program, management may not be aware of customer service issues and could miss opportunities to identify areas for improvement.

We recommend management:

- A. Ensure customer satisfaction surveys are available in public areas.
- B. Consider enhancing the survey cards to include more information such as customers' contact information, type of service obtained, and the employee's name providing the service.
- C. Implement a review and tracking of customer survey cards to identify trends, recurring issues, and responses, as appropriate.

- D. Develop policies and procedures for handling feedback, including logging and response requirements, as well as ongoing monitoring. Procedures should include a review process to ensure feedback timely addressed and if any concerns exist such as staff training needs, inappropriate activity, or customer service improvements. Policies and procedures should also include monthly reporting to upper management.

Management's Response:

- A. Agree. While the auto tag facility is not currently open to in-person contact due to COVID-19, the customer satisfaction surveys have been updated to match the information collected in other RTT sections. The surveys will be made available to customers upon the facility's reopening to in-person customers. In addition, RTT has been working on an electronic version of the survey, which is now available on RTT's main web page and which can be accessed by each business unit's customers, including the Auto Tag Section. For example, the online surveys will be made available via an embedded link in a quick response (QR) code located in the County's auto tag facility lobby, at each PTA location, and on each electronic transaction receipt. Information obtained from the surveys will be compiled for submission into the RTT's quarterly performance measure process and monitored by RTT management for ongoing customer service reviews and improvements.
- B. Agree and Partially Completed. RTT has completed enhancements to the customer satisfaction surveys, as recommended. As stated, RTT began the rollout of an online customer satisfaction survey in August 2020 and anticipates the completion of a Division-wide rollout of the online survey by the end of fiscal year 2020.
- C. Agree in part. RTT consistently reviews and responds to concerns brought about on the customer survey cards. However, with the existence of technology, the Division has now moved away from the use of these customer survey cards and is working on methods to compile information obtained from the online customer satisfaction surveys. The online data can be exported into a useable format and will be monitored for trends and follow-up on issues or concerns. Survey results will be reviewed by RTT management on a quarterly basis, in conjunction with the standard performance measure reporting process.
- D. Agree. While RTT strives to address all customer complaints in a timely fashion, consistent Division-wide procedures to log, respond to, monitor, and report on customer service issues will be developed to improve the handling of such complaints. RTT does not possess or have access to a centralized Customer Relationship Management (CRM) System, so a

method to track this information will need to be developed, as deemed appropriate and with existing resources. RTT anticipates having a method to track and report upon this information Division-wide by the end of calendar year 2020.

3. Surveillance of Cash Handling and Inventory Needs Immediate Enhancement.

We identified the following concerns:

- A. Key management and supervisory personnel do not have surveillance viewing access to cash handling and inventory storage areas. Table 4 lists the level of surveillance viewing access by position, by cash handling, and inventory storage area. As shown in the table, the Operations Manager does not have viewing access to the cashier stations and neither the Operations Manager nor Supervisor have viewing access to the cash operations room or the safe room. These areas contain high volumes of cash handling. There is also no surveillance camera viewable by the Manager or Supervisor in the warehouse where inventory is stored.

Table 4 – Surveillance Access for Cash Handling and Inventory Storage Areas

Area	Operable Camera?	Camera View Access?	
		Operations Manager	Supervisor
Cashier Stations	Yes	No	Yes
Cash Operations Room	Yes	No	No
Safe Room (cashier money boxes and bags)	Yes	No	No
Warehouse	Yes	No	No
Customer service tag inventory room	Yes	Yes	No
Compliance office tag inventory room	Yes	Yes	No

Source: Prepared by the Office of the County Auditor based on information received from management.

Table 5 lists surveillance viewing access for other areas such as customer service, general facility security, other transaction processing areas.

Table 5 - Surveillance Access to Other Areas

Area	Operable Camera?	Camera View Access?	
		Operations Manager	Supervisor
Suite 100			
Entrance door	Yes	Yes	No
Back door	Yes	Yes	No
Lobby	Yes	Yes	No
Mailroom	Yes	Yes	No
Mailroom office	Yes	Yes	No
Main hallway	Yes	Yes	No
Customer service phone room	Yes	Yes	No
Compliance office	Yes	Yes	No
Suite 101			
Entrance door	Yes	No	Yes
Exit door	Yes	No	Yes
Back door	Yes	No	Yes
Lobby	Yes	No	Yes
Reception	Yes	No	Yes
Report room	Yes	No	Yes

Source: Prepared by the Office of the County Auditor based on information received from management.

- B. The surveillance viewing access provided to the manager and supervisor is limited by the equipment and software. The Operations Manager has one small dedicated monitor that displays only one view at a time (out of approximately 10 available views).



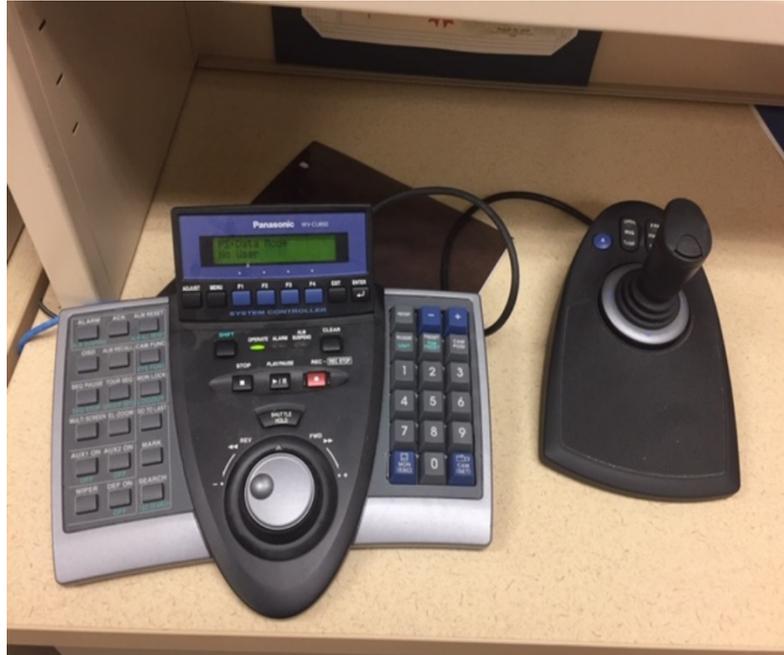
Operations Manager Surveillance Monitor

The supervisor has two dedicated monitors that do display multiple views, but not all cashier stations at one time. The supervisor may view cashier stations 1 through 7 or cashier station 8 through 18 but cannot leave all 18 on display.



Supervisor Surveillance Monitor

Changing displays on the monitors requires logging into the system and selecting the desired displays. Neither the manager nor supervisor could readily change the displays with ease. In addition, the views can only be accessed from the stand-alone unit and dedicated monitors; the views cannot be accessed from their computers. The picture below shows the controls located in each office:



Surveillance monitor controls

- C. The surveillance equipment is not routinely utilized. Based on discussions with the Operations Manager and Supervisor, they do not routinely access the surveillance equipment to change views or to monitor. Cameras are viewed only if a situation warrants. Usage logs indicating the number and times the Manager and Supervisor logged into the system were unavailable.

According to the Operations Manager, Facility Maintenance Division Security maintains access to all cameras within the office, which includes cash operations, the warehouse, and cashiers. Security has access to all views and has the ability to monitor them remotely.

Good business practices suggest management should utilize security cameras to monitor high risk business activities, such as cash and warehouse operations. Assets could be misappropriated and camera footage may not be timely reviewed resulting in delays handling occurrences that may otherwise been resolved quickly.

We recommend management:

- A. Provide adequate operational control and monitoring equipment to facilitate surveillance monitoring.
- B. Ensure that key managerial and supervisory positions have surveillance viewing access to, at a minimum, cash handling and inventory storage areas.
- C. Establish procedures to ensure that key managerial and supervisory personnel routinely access and monitor surveillance cameras.

Management's Response: While it is RTT's overall position that adequate surveillance of cash handling and inventory was in place prior to this audit, RTT agrees with the Auditor's recommendations on ways to improve and enhance the use of the existing surveillance system. Specifically, RTT has responded to each of the recommended enhancements below:

- A. Agree in part. The security and surveillance monitoring equipment at the auto tag location is controlled centrally by the Facilities Management Division (FMD). RTT has met with FMD staff to initiate a review of the security and surveillance monitoring equipment at the auto tag location. It has been determined that, due to the age of the equipment, the system cannot be updated or expanded to enable viewable access for all supervisory staff. However, RTT is working with FMD to enable additional viewing access for those who have existing viewing capabilities. This will include access for the RTT Manager and one RTT Supervisor. The viability of further upgrades or a possible replacement of the system will be explored in conjunction with FMD. Considering any such system upgrade or replacement will require additional funding, the decision to update or replace the security and surveillance system will need to be addressed in the normal budget process with other priorities.
- B. Agree. As indicated, RTT has met with FMD to review the current surveillance viewing access monitoring capabilities for the location. FMD has determined additional access can be granted for the RTT Manager and RTT Supervisor who already have monitors located in their offices, but due to system limitations further expansion is not possible. RTT is awaiting installation of recently received additional monitors and related equipment to improve view access. Updated view access will include monitoring of the cash handling and inventory areas. All agency cash rooms, including the Auto Tag location's cash room, are managed by an Accounting Manager who is physically located in the Governmental Center. The access for the Accounting Manager to view the cash room is being considered separately from the onsite manager and supervisor.

- C. Agree. RTT has adopted internal procedures related to the access and monitoring of the surveillance equipment in RTT that are consistent with other County agencies.

4. Payments Received Through the Mail Should be Deposited Timely

Payments received in mail-in orders are not deposited on a timely basis. According to Management and supporting logs, the processing times of mail-in orders average 3-4 days depending on the day of the week or time of year. Our audit procedures confirmed this. For example, Mondays, holidays, and the first day of the month, are generally much higher in volume. The mailroom stores all mail within bins in a secured room, in date order, placing hand-written notes on each bin with the date received. Supervisors have access to obtain the mail to distribute to staff for processing and are instructed to take the oldest dated mail first. The picture below depicts the secured room:



Incoming mail storage

Payments received through the mail should be separated and processed on a timely basis. The County Administrative Policies and Procedures, Cash Handling and Deposit, states that “Public funds collected by all agencies...are subject to timely depositing by next courier pickup service on schedule or within next business day if collected on a weekend” and further specifies:

- a) “All organizations are required to deposit funds received during the business day no later than 10:30 AM the next business day.”
- b) “Prepare and keep a record of receipts received through the mail for independent subsequent comparison to the deposited receipts.”
- c) “Endorse the checks received immediately upon opening the mail.”

As stated in the policy, “Timely depositing promotes maximum return on funds invested and minimizes the risk of loss from theft”.

We recommend management develop appropriate practices to deposit payments timely.

Management’s Response: Agree in part: There are several factors to consider with mailed vehicle and vessel renewal transactions. First, it should be noted that payments received through the mail are generally by check or money order, made payable to "Broward County", "Broward County Tax Collector" or "Broward County Revenue Collection". In addition to the unlikely possibility of a mailed in cash payment to Broward County, the potential of fraud is limited because if a check or money order is missing, the transaction would not be processed, the individual would not receive the renewal and would notify RTT. Finally, at an average of approximately \$70 per transaction, the size of these transactions is small relative to other payments received by the Division and thus would be of minimal risk as targets for fraud. Overall, mailed transactions represent approximately 20% of overall transaction volume and RTT is not aware of any theft which has occurred related to these transaction types.

Notwithstanding, RTT understands the importance of processing payments as timely as possible and strives to process them as expeditiously as deemed practical. Considering the volume of mail received in the Auto Tag Section at certain times of the month and year, RTT does not have resources available to open all mail received and subsequently process, endorse and deposit all checks "...no later than 10:30 AM on the next business day." RTT Management tracks incoming and pending daily mail volume and processes pending mail in chronological order. Staff resources are allocated to prioritize mail processing as pending mail increases. Even considering this reallocation, there are peak processing times each month in which the next-day deposit requirement cannot be practicably met; however, mail is still processed within 3-5 business days.

Unprocessed incoming mail is stored in a secure location until it can be processed in the order in which it has been received. Once mail has been distributed to staff and opened for processing, valid payments are posted to FRVIS. All checks received with valid payments are endorsed and deposited within the requirements stated in the County Administrative Policies and Procedures (CAPP). It should be noted that this payment processing methodology is consistent with those observed in other Florida counties' Tax Collector offices, and the DHSMV offices. The DHSMV has attempted to expedite the processing of pending mail by immediately opening all received mail and depositing all checks prior to full transaction review and posting. However, this processing methodology was subsequently rolled back due to an excessive number of payment processing errors, refunds and realized practical inefficiencies.

To clarify this situation, RTT has reviewed the relevant sections of Volume 3, Chapter 1, Cash Handling and Deposit, Cash and Revenue Control in the CAPP. RTT has determined revisions are necessary and will be submitted for review and approval. This will include a request for modification to Section 3.1.B of the mentioned CAPP, to include an exception to the "next business day" requirement for the RTT Auto Tag operations. Such exceptions to the next-day deposit requirement are contemplated in Section 3.1.B, in that, "An organization may request an exception from this rule from RTT." The modification, review and approval will be undertaken using the County's standard CAPP process. RTT expects to have this completed and approved by the end of calendar year 2020.