



**AUDIT FOLLOW-UP**

AFU-0001-2003

Snohomish County  
Performance Audit Division

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# 2003 Audit Follow-up Report

Issued to:

**PERFORMANCE AUDIT COMMITTEE**

March 6, 2003

Issued By:

**Performance Audit Division**



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**Snohomish County**

**Date:** March 6, 2003  
**To:** Performance Audit Committee  
**Cc:** Peter Hahn and Janelle Sgrignoli  
**From:** Martin T. Standel  
**Subject:** Audit Follow-up (AFU-0001-2003)

**Auditor's Office**  
*Performance Audit Division*

**Bob Terwilliger**  
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This report presents the results of our audit follow-up review (AFU-0001-2003) of two audits for Snohomish County Departments for 2002. Snohomish County Performance Audit Committee Policy (Policy 1.0) requires the Performance Audit Division to perform a follow-up review on all audit recommendations.

A formal written response request was made from the appropriate Department or Division management regarding their actions or proposed actions for each recommendation made in their report. The written response was reviewed for each recommendation only for adequacy.

The assessment of the Department/Division written response is for the following two eligible audits:

- Human Services Program Review (HumanServices-0001-2002)
- Public Works Contracts – Road Change Orders (IDO06-0001-2000)

All formal written responses are adequate and no further action is deemed necessary

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## *I. Introduction*

Snohomish County Performance Audit Policy (Policy 1.0) requires the Performance Audit Division is to perform follow-up reviews on all report recommendations. Policy 1.0 states:

In accordance with Government Auditing Standards 6.12 and 6.13 (1994 Revision), the Performance Auditor will perform follow-up reviews on all report recommendations issued. This follow-up will be conducted no sooner than 6 months or no later than 1 year after the final report issue date. Follow-up reports will be formal, submitted to the Performance Audit Committee, and will contain information on the status (action or inaction) of each recommendation made and reasons why implementation has not occurred.

Government Auditing Standards, page 68, (1994 Revision state in: **Chapter 6 – Field Work Standards for Performance Audits**

### **Audit Follow-up**

**6.12** Auditors should follow-up on significant findings and recommendations from previous audits that could affect the audit objectives. They should do this to determine whether timely and appropriate corrective actions have been taken by auditee officials. The audit report should disclose the status of uncorrected significant findings and recommendations from prior audits that affect the audit objectives.

**6.13** Much of the benefit from audit work is not in the findings reported or the recommendations made, but in their effective resolution. Auditee management is responsible for resolving audit findings and recommendations, and having a process to track their status can help it fulfill this responsibility. If management does not have such a process, auditors may wish to establish their own. Continued attention to significant findings and recommendations can help auditors assure that the benefits of their work are realized.”

Standards for the Professional Practice of Internal Auditing, pages 65 – 68, from The Institute of Internal Auditors (IIA) states:

**“Standard – 440 Following-up** – Internal Auditors should follow-up to ascertain that appropriate actions is taken on reported audit findings.

Internal auditors should determine that corrective action was taken and is achieving the desired results, or that senior management or the board has assumed the risk of not taking corrective action on reported findings”.

## ***II. Background***

During 2002, the Performance Audit Division issued two audits reports, which are eligible for an audit follow-up. These reports are:

- Human Services Program Review (HumanServcies-0001-2002) was issued July 5, 2002
- Public Works Contracts – Road Change Orders (IDO06-0001-2000) was issued February 7, 2002

These two audits contained 4 individual recommendations, two for each Department. Attachment 1 is the Department of Human Services formal written response, Attachment 2 is the Public Works Department formal written response, and Attachment 3 identifies the four recommendations along with recommendations from all previous audits issued by the Performance Audit Division.

## ***III. Findings***

The main purpose for “follow-up audits” is to provide department/divisional management with feedback and if necessary additional actions which can be taken. The Performance Auditor role is to review ongoing operations for efficiencies and/or compliance with applicable criteria or laws; to assess department’s procedures; and make appropriate recommendations, which may enhance operations or efficiencies.

The auditor’s role in follow-up audits, essentially classified as desk audits, is to compile written responses from effected Department/Division management, assess whether the written responses, by recommendation, are adequate or not adequate, and relay those findings to the Performance Audit Committee.

It is the department/ divisional management’s responsibility to decide if any appropriate action should be taken in response to reported audit findings. It is also their responsibility to assume the risk by not correcting a reported condition because of cost or other considerations.

For this report, all written responses appeared to be adequate and no further action is deemed necessary. Finally, it is important to note that the assessment does not imply we audited their response, but only reviewed those responses for adequacy.

# ATTACHMENT 1

**Snohomish County Memorandum**  
**HUMAN SERVICES**  
**Administrative Services Division**

2722 Colby Avenue, Suite 104  
MS 305 Everett, WA 98201  
OFFICE (425) 388-7200  
FAX (425) 259-1444

**TO:** Martin Standel  
Performance Auditor

**FROM:** Janelle Sgrignoli  
Director

**DATE:** February 27, 2003

**SUBJECT: UPDATE ON HUMAN SERVICES PROGRAM REVIEW  
(HUMAN SERVICES 0001-2002)**

I received your memorandum requesting a status report on the 2 recommendations included in the Human Services Program Review (Human Services 0001-2002) that was prepared by you last July.

#### Response to Recommendation #1 – Grant Writer

We received approximately \$50,000 in county general revenues in our 2003 budget to help pay for the cost of a grant writer position. The county's intent of this position is to look for new funding for Human Services and other parts of the Law and Justice system within the county. We have established the position as a Human Services Specialist II classification. We are also researching the feasibility of using a grant-writing agency instead of hiring a new employee. I have been working with the Executive's office on this research and have provided them with my recommendation.

#### Response to Recommendation #2: Data Integrity

The department has a history of maintaining excellent financial records, due in part to the check and balances contained in the current grants management system.

## ATTACHMENT 1

During the months since the audit, our analysis indicates that although there are some duplicate entries, the complexities, uniqueness, and tracking requirements of the department's numerous grants prohibit the ability to eliminate the duplicate entry.

In addition, we also continue to rely on our internal worksheets to track extraneous and non-financial detail required by our grantors that cannot be reported in the County's financial system. Prior successful audits and grantor monitoring results of this Department are strong evidence that the minimal staff time involved with maintaining the checks and balance system has proven to be an effective and efficient tool in reducing the risk of audit findings and questioned costs.

We will continue to monitor advances in technology and should the situation change we will explore these opportunities to enhance the process. Given the success of our current system and the research that has been done which does not indicate a measurable benefit sufficient of warranting a change, we will continue with our current financial management systems.

We appreciate the recommendations the auditor made and the degree of close attention applied to our procedures. Please call me at ext. 7204 if you have any questions.

Cc Bob Terwilliger, Auditor  
Carolyn Ableman, Deputy Auditor  
Susan Neely, Executive Director



## ATTACHMENT 2

**Date:** February 28, 2003

**To:** Martin T. Standel, Performance Auditor  
**Via:** Peter Hahn, Director of Public Works

**From:** Stephen D. Hansen, Construction Manager

**Subject:** Public Works Contracts – Road Change Orders (IDO6-0001-2000)  
Written Response to Recommendations

**cc:** Bob Terwilliger, Carolyn Ableman, Patrick Dugan

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On February 7, 2002, Public Works Contracts – Road Change Orders (IDO6-0001-2000) performance audit report was completed and several recommendations were made.

The Performance Audit Committee requested that Public Works respond in writing relative to implementation of the recommendations during the past year.

The following recommendations were made in the subject audit report based on observations during audit fieldwork and analysis.

### **A. CHANGE ORDER NUMBERING**

During fieldwork it was noted that in project documentation for 35<sup>th</sup> Avenue SE, change order numbers on two changes didn't correspond to background information regarding contractor delay settlement payments. This made contract review difficult and if the documentation was needed for a subsequent legal review of that settlement payment, the error might cause the County risk.

**Recommendation No. 1.** To reduce County risk of possible litigation, we recommend contract administrators ensure contract documentation numbers are correct and match supporting documents; particularly for those that deal with contractor settlement payments.

### **PW Response to Recommendation No. 1:**

The background information attached to the County's copy of each change order is reviewed during its development and approval process by up to five individuals. This potential mistake has been shared with these individuals and has become part of the review process. The risk of mis-numbered background information supplementing

## ATTACHMENT 2

change orders occurs because of the dynamic aspect of change orders being sequentially numbered as approved on each contract, and not necessarily numbered as written and negotiated. The additional review has caught and corrected one mis-numbering occurrence. We feel this more careful review process has been successful.

### **B. FORM USAGE**

In the project documentation for the Airport Road HOV, a Public Works Project Resource Modification (five-part) form was used four times to document material overrun changes on the contract. While the form could be used as background to support a change order, it did not provide the more complete information and justification of a formal change order and led to questions during contract review.

**Recommendation No. 2.** To improve contract documentation procedures, we recommend papers (forms, documents) that don't clearly provide contract change justification not be added to contract documentation unless they are attachments to more "formal" contract documents.

### **PW Response to Recommendation No. 2:**

The Resource Modification (five-part) form is no longer used in the change order process. Contract purchase order increases for bid item overruns are only implemented through use of a change order. This process requires more back-up information and justification documentation, and follows the more rigorous approval process.

## Attachment 3 – List of Prior Audit Recommendations

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**Attachment 3 – List of Prior Audit Recommendations**

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## Attachment 3 – List of Prior Audit Recommendations

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### Human Services Program Review: July 5, 2002

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During the course of our review and evaluation of Human Services, we found their staff to be professional, courteous, willing to provide all data requested and extremely flexible in offering their valuable time and resources. We wish to express our gratitude and thanks to Director Janelle Sgrignoli and her staff. We would specifically like to express our thanks to Diane Bonne, Deputy Director, Mike Fulcher and Peter Van Mieghem, Fiscal Compliance Officers. Lastly, we express our thanks to Jim Teverbaugh, Mike Manley, and Marty Bishop Division Administrators.

Overall, our compliance review based on our testing of their support documentation and review of their policies and procedures finds Human Services to be in full compliance with their own internal and outside-established criteria requirements. Human Services appears to have an excellent working relationship with their outside funding agencies as demonstrated by Human Services continued compliance to these agencies audit reporting requirements.

Our review has identified two recommendations that Human Services may wish to explore. These recommendations may have the capacity to increase program funding or enhance data integrity.

#### **Grant Writer**

The Human Services Department primary mission is to provide needed services to low-income individuals and families within Snohomish County. The recent downturn in the economy is not only placing existing funding in jeopardy, but at the same time increasing the number of low-income individuals and families seeking services. The levels of existing funding are not sufficient to meet all the basic needs of Snohomish County's citizens.

The County may be missing significant opportunities to enhance services due to Human Services inability to perform the required extensive research and application writing to secure new or additional grant funding. Part of this "funding loss" is replaced by County General Funds. Due to the nature of the County's budget process and because grant funds are by nature categorical, Snohomish County has not provided the investment necessary to enhance the County's ability to maximize its grant funding revenues.

A grant writer position will provide the dedicated resources that are not currently available in Human Services to seek and apply for all available funding sources. Increased funding by granting agencies has the effect of enhancing quality of life for Snohomish County citizens and with the added possible benefit of reducing future general fund needs.

**Recommendation 1:** We recommend Human Services, in collaboration with County Management, explore the opportunities derived by investing in a grant writer position.

**Benefits:** Using conservative estimates, investing in a grant writer position should at a minimum return two to three times it's cost.



## Attachment 3 – List of Prior Audit Recommendations

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### Human Services Program Review: July 5, 2002 - Continued

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#### **Data Integrity**

The Human Services Department maintains a complex shadow financial system due to current limitations of the County's financial system to provide the information required and the necessity to monitor a high number of individual grants. Each separate funding agency requires varying detailed information for grant reimbursement. (Grant types include, but are not limited to, cost reimbursements and fee for services).

Human Services acts as the master servicer between the funding agencies and the third party contractors hired by the County. In that role, Human Services processes the invoices submitted from third parties performing various contractual services authorized by the Department. Human Services must monitor these invoices to assure compliance by the third party contractor, to track Human Services authorized direct overhead expenses, and to assure that total grant compliance requirements are met. In turn, the Department must consolidate and bill the granting agency, and enter a consolidated total into the County's financial system.

The services provided under these third party contracts can vary significantly depending on the type of program and funding agency reporting requirements. These data collection, compliance monitoring and consolidation requirements lie beyond the current level of detail that can be tracked within the County's financial system. Therefore, Human Services maintains a series of shadow spreadsheets, which monitor and allow for the inputting of consolidated data into the existing County system.

In the past, the County's Finance Department has tried to assess and develop better tracking or tools to import this data. System limitations have denied the Financial Department's efforts in assisting Human Services. These system limitations in the most part may have been eliminated with the addition of Oracle to the County's financial system.

**Recommendation 2:** We recommend Human Services in collaboration with the Finance Department, evaluate the possibility and cost effectiveness of uploading summary information from their internal grant tracking worksheets into the County financial system to eliminate the need for duplicate entry.



## Attachment 3 – List of Prior Audit Recommendations

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### Public Works Contract - Road Change Orders: February 7, 2002

The following recommendations are based on observations during audit fieldwork and analysis.

#### **A. CHANGE ORDER NUMBERING**

During fieldwork we noted in project documentation for 35<sup>th</sup> Avenue SE, change order numbers on two changes didn't correspond to background information regarding contractor delay settlement payments. This made contract review difficult and if the documentation was needed for a subsequent legal review of that settlement payment, the error might cause the County risk.

**Recommendation No. 1.** To reduce County risk of possible litigation, we recommend contract administrators ensure contract documentation numbers are correct and match supporting documents; particularly for those that deal with contractor settlement payments.

#### **B. FORM USAGE**

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**Recommendation No. 2.** To improve contract documentation procedures, we recommend papers (forms, documents) that don't clearly provide contract change justification not be added to contract documentation unless they are attachments to more "formal" contract documents.



## Attachment 3 – List of Prior Audit Recommendations

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### Police Felony Filings: May 1, 2001

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Our recommendations concern two major areas. The first deals with data collection parameters for the County's proposed Integrated Law & Justice Database currently under discussion. A second recommendation deals with management tools, related criteria, and their effective use.

#### **A. DATA COLLECTION**

Each Department within the County's Law & Justice function collects specific data needed for their individual management and reporting requirements. Unfortunately, all Law & Justice data needed by County Departments are not maintained in a single database. This results in management being unable to fully identify and analyze all elements necessary for more efficient operations, and costs savings for the County and its citizens.

With proper security and design, integrated databases can store data needed by all users. With Law & Justice privacy requirements, certain information would require unique identifiers for individual Department input and control, but much of the input could be shared. In such a system, any Department could input, store, access and analyze its own key data using their unique security identifier, but unsecured data input would be available to all Law & Justice agencies, and joint, unsecured data could be input one time and all would benefit. Importantly, greater available joint data (now held in individual databases) would allow Departments an opportunity to access, correlate, and analyze it for operational efficiencies, and data input costs could be reduced.

**Recommendation 1:** We recommend, with proper security procedures, the proposed Law & Justice integrated system be designed to track all data elements deemed appropriate by Department management.

#### **B. MANAGEMENT TOOLS**

When managing, understanding of and motivating support to achieve critical work requirements is crucial to success. A primary motivating tool is setting goals and measuring group performance against them. When people work in groups, there are two distinct and critical issues involved. The first issue is the task and problems associated with getting the job done, and the second is the group dynamics process. It is management's challenge to enhance the group's worth and morale through goal setting and measurement of critical work requirements, and then improving them. Setting critical work requirement goals and determining criteria for successful goal accomplishment may require significant management time, but are necessary for organizational improvements. Without goals and criteria, there is limited organizational direction, motivation, and advancement.

Such information should allow management within the Prosecutor's Office to better understand their own processes and used to measure the Departments progress in achieving their goals.



## Attachment 3 – List of Prior Audit Recommendations

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<b>Police Felony Filings: May 1, 2001 - Continued</b>
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**Recommendation 2:** We recommend the Prosecutor's Office consider developing management goals and criteria guidelines for caseload management after the information addressed in Recommendation 1 above becomes available.



## Attachment 3 – List of Prior Audit Recommendations

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### Telecommunications: May 1, 2001

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Overall Telephone Services performs their assigned tasks efficiently and professionally. However, through better dissemination of current telephone procedures and use policy, the County could have saved \$20 thousand dollars over the year of our review. Our recommendations include communication policies and procedures, departmental management controls, and IS expanded communication with our primary telecommunications provider (Verizon).

**Recommendation 1:** In order to limit excess charges for telephone credit card improper use, we recommend Telephone Services develop and provide current procedures to all telephone calling card holders. At a minimum, those procedures should include explicit directions regarding proper access.

**Recommendation 2:** We recommend Telephone Services develop training materials for Human Resources to be given to new Snohomish County employees regarding proper telephone equipment use.

Training materials should at least include areas where unnecessary costs can be eliminated such as using the Internet to look up numbers or addresses, and proper use of operators and director assistance.

**Recommendation 3:** We recommend Telephone Services periodically (routinely as needed) ask Verizon's assistance to specifically reduce the costs of equipment lines not being used, unnecessary telecommunication features (800 lines, etc), best available discounts, and etc.

In addition, we request Telephone Services review Public Work's single-line, monthly Internet charge.

**Recommendations 4:** We recommend Telephone Services consider periodic distribution of departmental telephone bills to all County Department managers.



## Attachment 3 – List of Prior Audit Recommendations

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### Public Works Overtime: March 29, 2001

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The following recommendations are based on PW management suggestions and observations during fieldwork and analysis. If implemented, the recommendations might save or avoid approximately \$129,500 - \$234,000 per year in additional overtime and salary and benefit costs.

#### **A. OVERTIME POLICY**

While some Public Works department managers provided overtime guidance, Public Works overall or its Divisions (other than Solid Waste), have not provided specific written overtime policy of when overtime should be used. Traditionally, increased management control or “interest” in an area reduces costs from 5 – 10 percent which could mean a yearly reduction of \$74,500 - \$149,000 of PW’s controllable overtime (\$1,494.865).

**Recommendation No 1.** We recommend Public Works provide each employee formal, written departmental overtime policy spelling out when overtime should be used and approval authority.

#### **B. MANAGEMENT COORDINATION**

Discussions with division managers clarified their individual concern for overtime control and varied methods they used for that control. While managers at all levels noted discussing overtime issues and controls routinely in staff and division meetings, several managers suggested increased manager coordination and cooperation might improve overtime controls and work flow understanding. Unique division overtime tools generally did not “crossflow” to other Public Works managers to help “spur” other overtime control ideas. While some unique control tools are not applicable to other divisions, improvements in overtime control are important since delays in one division (planning, permitting, repair, and etc.) often drives overtime in others, and better controls can lead to reduced overtime costs.

**Recommendation No 2.** We recommend Public Works managers formally meet as required (biyearly, quarterly, etc.) to discuss overtime impacts within and between divisions, and share overtime controls methods (policies, procedures, reports, etc.) and workload plans that drive overtime.

#### **C. OVERTIME CATEGORIES & REPORTING**

During audit fieldwork, it was discovered overtime was generally controlled as a single overtime category. Emergency work is generally captured under specific job codes and some overtime related to that can be analyzed. However, while holiday and weekend overtime (Solid Waste), mandatory work preparation overtime (lead responsibilities in Road Maintenance), and job completion overtime (Fleet Management and Public Works general requirements) could be unique overtime reporting categories, they and others are not clearly delineated and easily analyzed using Public Work’s financial system. This makes it difficult for Public Works managers to analyze what type of overtime staff is performing, determine if it is required, and even better control it.



## Attachment 3 – List of Prior Audit Recommendations

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### Public Works Overtime: March 29, 2001 - Continued

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Further, several managers noted that even if they had varied overtime categories, the existing report generation software of the SFG financial system make it difficult to produce overtime control reports. They noted developing the reports was time consuming and the process was not as flexible as wanted.

**Recommendation No 3.** We recommend Public Works more thoroughly categorize and capture types of overtime (holiday, emergency, training, etc.) so data can be subsequently analyzed to aid overtime control.

**Recommendation No 4.** We recommend Public Works coordinate with DIS to expedite the SFG financial system report generation software replacement in Public Works and plan for the required personnel training necessary to operate it.

### D. OVERTIME DUE TO MANPOWER SHORTAGES

In Fleet Management (FM) and Solid Waste overtime is significant. While managers noted much of that overtime is based on the “nature of the job,” some they felt was due to FTE shortages based on authorized personnel and personnel hiring challenges. FM asked for increased FTE in 2000 of two mechanics, but one was approved. Further, the manager noted difficulties in hiring replacement mechanics tended to “drive” overtime by existing staff to meet job requirements. Fleet Management’s 2000 overtime was \$105,035.

Of the \$105,035 overtime cost in 2000, \$34,977 was the premium pay portion (the “half” of time and a half paid for overtime) spent. The remaining \$70,058 appears to be enough money to pay for an additional full-time employee’s salary and benefits, and the \$34,977 in premium pay might be able to be saved. Additional overtime analysis and anticipated work demands may indicate another approved FTE might be less expensive than the overtime hours now used.

Solid Waste’s (SW) overtime for 1999 showed that seven percent of it was required for training purposes. Management noted overtime had to be used for training since there were not enough FTE to effectively fill the required shifts on regular time while personnel were trained. There was a similar situation in 2000 and the overtime expenditure was \$470,642, or 146 percent of the \$352,586 budgeted. The County increased SW’s FTE for 2001 by 10.5 FTE and those personnel should reduce SW overtime expenditures.

**Recommendation No 5.** If work and overtime analysis demonstrates overtime cost or avoidance savings will pay for another FTE, we recommend Fleet Management submit a request for an additional FTE authorization.



## Attachment 3 – List of Prior Audit Recommendations

### Public Works Overtime: March 29, 2001 - Continued

#### E. HIRING PRACTICES

While performing this overtime review, several managers noted they could save money, without increasing overtime, if they could leave full time employee (FTE) positions vacant until they are needed. For instance, Roads Maintenance expends tremendous overtime and hires a large number of temporary employees to meet the summer construction schedule, but in “wet” weather, evolving environmental concerns are limiting when and where certain work can be done. The manager noted a less critical FTE position(s) might be able to be left vacant until better weather and work demands drove requirements to fill the position(s).

Road Maintenance road worker 2 full time employees at step 5 earn \$18.30 an hour. (The pay scale is from levels 1 – 6.) Hence, if a road worker 2, step 5, left RM after the primary construction season, the County could save approximately \$3,800 in salary and benefits each month that position was not filled until needed. With RM’s yearly personnel turnover rates, an estimated \$20,000 - \$50,000 yearly might be saved. Some savings might also be possible in Solid Waste.

Solid Waste managers noted summer yard and construction waste increases the amount of garbage they must handle for several months, but other times of the year there is generally less. Here managers noted allowing them more discretion on when to fill FTE positions might also save monies.

Currently, managers stated if they request FTE positions be left vacant for any period, they feel they will lose those positions (use or lose syndrome). We realize the difficulty in balancing the demand and availability of staff and the uncertainty of turnover rates. However, with the cyclic nature of PW job requirements, FTE are critical during periods of high workload demand.

**Recommendation No 6.** We recommend Public Works be given the authority to hire authorized FTE personnel when best needed to fill their work demands and not lose those positions if they suggest a hiring delay.



## Attachment 3 – List of Prior Audit Recommendations

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### Sheriff's Office Overtime: October 17, 2000

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Our recommendations fall within the areas of communication, information data collection, improved management internal control process, and deputy scheduling. To fully implement these recommendations, the Department's may need to reallocate resources to better manage, collect and disseminate information.

We recommend the Department improve its understanding of staffing levels or needs by precinct and watch. This understanding needs to consider deputy training, vacation, and sick time needs. We recommend the Sheriff's Office establish and articulate Department overtime standards and criteria. In that regard, we recommend they be more consistent and explicit as to what criterion is acceptable and not acceptable. We recommend the Department explore all avenues, which improves internal and external communication, and which minimizes overtime use. We recommend they consider reevaluating their current resources allocation between Commissioned Officers and support staff so better management tools and reporting might be provided. Lastly we recommend the Department review internal controls and management reporting so they have reasonable assurances that overtime funds are expended efficiently and consistently with Department/County policies.

#### **A. SCHEDULING PROCESS**

Expenditures for overtime in the Snohomish County's Sheriffs Office between 1996 - 2000 are projected to increase over 196 percent. Our review indicates that while there are several primary causes for this growth, including the facts high incidences of overtime are essential to "police work" and largely necessary, they do not necessarily explain completely the causes for overtime's growth rate.

Over the past years, the Sheriff's commissioned and non-commissioned staff has expanded to meet increasing service needs requested by the County's growing unincorporated population. However, the combinations of increased population, density and calls for service have grown even more dramatically.

In 1996, the Sheriff's Office had a total of 245 FTE's of which 175 were Commissioned Officers. The Adopted 2000 budget identifies 303 FTE's of which 225 are Commissioned Officers. This represents a 24 percent growth in total FTE's.

In 1996, calls for service were 171,644, and our projection for 2000 is 245,391. This represents a growth of 43 percent.

In 1996, unincorporated population stood at 272,310, and our projection for 2000 is 298,677. This represents a growth of 10 percent.

There are more people living in a decreasing unincorporated area causing population density to increase. Over the same period, the County's total population has grown from 538,100, to a 2000 projection of 598,907. This represents a growth of 11 percent.



## Attachment 3 – List of Prior Audit Recommendations

### Sheriff's Office Overtime: October 17, 2000 - Continued

Our analysis and the Department's own records show overtime hours required to meet minimum patrol staffing will range between a minimum of 7 percent (4,507 hours) and a maximum of 23 percent (14,808 hours). This translates to an FTE shortage of 3 - 8 patrol deputies. The cost to support this staffing shortage when associated only to overtime premium (amount over straight time) would range between \$54,000 - \$177,000 per year.

While the Department has begun to develop several new and additional approaches to manage their overtime, the Department currently lacks detailed overtime budgets, detailed management reporting and an analytical process to estimate overtime usage and its subsequent comparison to actuals.

The Corona Model, which shows resource requirements for specific input service goals, does not provide adequate information to determine how limited resources should be allocated. In addition, improvements are needed in the overtime authorization process. Absent of controls, and the inability to schedule for maximum efficiency impairs management's control process.

**Recommendation 1:** We recommend the Department consider establishing a formal scheduling process using resources and skills necessary to provide management the tools necessary to meet service demands with minimal overtime needs. At a minimum, this unit should have the tools necessary to identify actual service goal outputs to compare against the Corona's agreed upon input drivers.

**Recommendation 2:** We recommend patrol deputy FTE count be increased to minimize the premium overtime pay attributed to manpower shortages if, after the addition of the 5 FTE approved in the adopted 2000 budget, manpower shortages still exist. (Consideration should include training and equipment costs).

### **B. OVERTIME STANDARDS AND CRITERIA**

The Fair Labor Standards Act (FLSA) governs when, where and how overtime must be paid. As stated in 29C.F.R. , §785.11 – “Employees who, with the knowledge or acquiescence of their employer, continue to work after their shift is over, albeit voluntarily, are engaged in compensable working time. The reason for the work is immaterial; as long as the employer “suffers or permits” employees to work on its behalf, proper compensation must be paid.”

However, FLSA also states in 29C.F.R. , §785.13 **Duty of Management** “In all such cases it is the duty of management to exercise its control and see that the work is not performed if it does not want it performed. It cannot sit back and accept the benefits without compensating for them. The mere promulgation of a rule against such work is not enough. Management has the power to enforce the rule and must make every effort to do so”.



## Attachment 3 – List of Prior Audit Recommendations

### Sheriff's Office Overtime: October 17, 2000 - Continued

We project that for 2000, the Sheriff's Office will incur overtime expense of over \$2.3 million. We developed the **broad categories** of discretionary and non-discretionary. Using the discretionary category only, we project savings of between 5 and 20 percent if more formalized overtime standards and criteria are developed and articulated.

Savings in Discretionary Overtime:	5%	10%	15%	20%
Potential Savings	\$67,473	\$134,945	\$202,418	\$269,891

**Recommendation 3:** We recommend the Sheriff's Office develop formalized standards and criteria pertaining to overtime usage and to articulate standards more explicit and consistently as to what is appropriate and inappropriate overtime use.

### C. COMMUNICATIONS INTERNAL AND EXTERNAL

Our review divided overtime into two broad, discretionary and non-discretionary categories; discretionary was 57 percent and non-discretionary was 43 percent. Exclusive of manpower shortages, court time is the largest component within the non-discretionary category. Better communication between the courts and the department may result in reduction of court time by the deputies. The Department also tries to schedule training to best fit the needs of the Department and its deputies. However, improved polices and confirmation follow-up may also reduce overtime.

We project that improved communications with the courts and Corrections, and better internal scheduling with confirmation should result in savings of non-discretionary overtime between 5 and 10 percent.

Savings in Non-Discretionary Overtime:	5%	6%	8%	10%
Potential Savings	\$50,243	\$60,292	\$80,389	\$100,487

**Recommendation 4:** We recommend effort and resources be allocated to design, improve and implement better communication processes between the Sheriff's Office, Courts, and Corrections, along with better internal scheduling and confirmation processes; all with the intent to minimize overtime needs.

**Recommendation 5:** We recommend the Sheriff's Office enter in discussion with the Finance Department to formally breakout Holiday costs from the overtime cost category. This will allow a truer picture of actual overtime costs associated with providing police services.



## Attachment 3 – List of Prior Audit Recommendations

### Sheriff's Office Overtime: October 17, 2000 - Continued

#### **D. RESOURCE ALLOCATION - COMMISSIONED & SUPPORT**

Staffing levels within the support functions appear to be disproportionately low considering the growth in Commissioned Officers. Commissioned Officers have been added at a ratio of 6 to 1.

Since 1996, the Sheriff's Office will have added 50 Commissioned Officers and only 8 support staff. However, the ratio of support staff to Commissioned Officers will increase from 2.5 in 1996 to 2.9 during 2000 with the addition of three personnel.

Performance measurements and criteria encourage accountability by providing information regarding resource use. These measurements are most effective when they are useful, relevant, and current. A more representative overview of department efficiency should include such a group of related measurements. Performance measurements as they relate to management, generally translate to increased internal reporting and allow management to implement better internal controls.

**Recommendation 6:** We recommend the Department review their support staff function requirements and staffing needs in light of an expanding Commissioned Officer base and consider increasing resources to better serve management's increased information needs.

#### **E. INTERNAL CONTROLS AND MANAGEMENT REPORTING**

We also performed a standard internal control test for employee and supervisor signatures on employee overtime request forms. We used statistical sampling to test 1998 – 1999 forms and scheduled out 100 percent of forms from January 2000. Based on our sample (1998 – 1999), we projected "Additional Compensation Requests" were not signed by a first-level supervisor 19 percent of the time. However, 93 percent were signed at a higher level and our scheduling out of January 2000 forms showed a not-signed rate of 11 percent. The form as it currently exists, has space for the employee and three levels of supervisors to sign.

**Recommendation 7:** We recommend the number of Signature Approval lines be reduced from the current four to two. The only lines needed are one for the Employee and another for the employee's Manager/Supervisor to approve.



## Attachment 3 – List of Prior Audit Recommendations

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### SFG - Integrated Financial Management System Review: April 27, 2000

#### Overall Status of System Implementation

1. Expedite project completion; move quickly toward decisions to secure an acceptable RDBMS software so custom or ad hoc reporting can be achieved, and complete those components which require that software to function.

#### Status of Contract Compliance/Issues and Problems

2. The County should continue to pursue actions deemed necessary to fulfill the contract requirements specified to make the System complete and then formally accept the SFG Integrated Financial Management System to bring closure to the contract.

#### Implementation Progress and Issues

3. Develop or enhance SFG training programs to ensure users and their designated backups are well trained and help prepare them for future system advances including when a new RDBMS component is secured and becomes operational. Continue to periodically survey users to determine where training is needed and better respond to user needs.

4. Continue to address the internal control issues identified by the State Auditor in management letters and findings reports.

5. For large-scale, countywide, computer-based project implementation, assign a dedicated, experienced, and formally trained DIS project manager as standard policy and practice.

6. Address project management shortcomings as identified by Colin Bottem and his Committee in his report to the County Council in response to Budget Item 8. Consider revising the appropriate County Code which addresses these issues (SCC) 2.350.030, to reflect new policies and practices relative to project management, and finalize a statement of authority and responsibility for the Department of Information Services relative to the management of computer networks, systems, development activities and implementation activities.

7. Decisions on all future major planned projects, involving computer systems or not, should be supported by a comprehensive cost/benefit analysis covering all traditional areas such as technical feasibility, and all costs whether they be contractor or internal costs. Furthermore, such feasibility studies should include an assessment of risks the County faces if the project is pursued and/or implemented; contain alternatives and risk abatement plans; and all should be included in final recommendations to the Council.

8. The County should authorize development of a formal Project Management policy, practice, and procedures manual. This manual should assist future project managers and staff assigned in performing prescribed tasks according to a pre-approved process.



## Attachment 3 – List of Prior Audit Recommendations

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### SFG - Integrated Financial Management System Review: April 27, 2000 – Cont.

#### A. Additional Support

9. Ensure system training is on going and comprehensive, and training budgets are adequate for trainers and users to achieve this.

10. If not already done, DIS should formalize and document their current, formal user response process; this process should contain a timeframe for responses and a method to keep concerned parties updated regarding final problem resolution.

**Note:** We recognize DIS established an end-user response process that appears acceptable. DIS management is actively involved in dispute resolution between the County and SFG and takes an active role in attempting to resolve user concerns. SFG does have a Web page it weekly updates with technical information and there is a Northwest SFG User Group, which convenes to assist in solving problems

#### B. Other Issues: Not related to specific project objectives

11. Consider developing a formal “systems newsletter,” or some similar communication vehicle to keep county employees, system administrators, and system managers even better informed. Focus on positive accomplishments and future plans for improvements, additional training, enhancements, etc.



## Attachment 3 – List of Prior Audit Recommendations

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### Case Management Division Operations Review: April 27, 2000

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#### **Cross Training:**

**Recommendation CT1** – Recommend you continue the existing, effective specialized training program and consider process improvements as they become available.

**Recommendation CT2** – CMD management standardize how docketing guides are organized and regularly updated.

#### **Communication - Internal:**

**Recommendation CI1** – The CMD manager should continue current communication efforts and foster this attitude with leads and supervisors.

**Recommendation CI2** – Since CMD employees expressed interest in internal problem solving, management might support their additional involvement in division process improvement since this could lead to innovations that would further increase productivity and improve morale.

#### **Communication - External:**

**Recommendation CE1** – Consider staff use a “log” sheet to track their communications efforts, noting problems resolved, ongoing concerns that need to be elevated to division leadership, and communication successes and failures. This log would provide staff a personal communication journal, and might provide staff insight and greater ownership of their communication efforts.

**Recommendation CE2a** – The “Lead-to-Lead” emphasis to solve problems might be delegated to a more direct “Staff-to-Staff” process. This could improve worker interaction between departments and resolve some problems more quickly.

**Recommendation CE2b** – All Clerk personnel should become more exposed to the complexities of other Clerk division tasks and the workers who perform them. (NOTE: This suggestion was recommended in the CSA with comments like “meet more regularly between departments,” “better understand other departments’ jobs, and “resolve barriers to teamwork.” Further, individual interviews with personnel in and across divisions revealed a need for better understanding of one another’s jobs, with several people quoting “people need to walk a mile in my shoes.” Several individuals noted a tendency to “point fingers” since people tended to think their division’s responsibilities were the most difficult and others’ problems were simply the fact “they didn’t understand.”)

**Recommendation CE3a** – The Clerk should consider more frequent use of the “management-by-walking-around” (MBWA) leadership approach. This approach would add emphasis to the existing “open door policy” by creating additional opportunities to communicate with staff more directly.



## Attachment 3 – List of Prior Audit Recommendations

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### Case Management Division Operations Review: April 27, 2000 - Continued

**Recommendation CE3b** – The Clerk should reemphasize to all managers the importance of timely feedback to staff problems. (NOTE: This does not mean staff are always going to get answers they like, nor will all problems be resolved quickly, but personnel might get more timely response/status regarding their concerns including those needing resolution at higher levels.)

#### Performance Standards:

**Recommendation PS1** – When procedure manuals are updated, ensure specific State and local Superior Court rules and Clerk’s Office time and performance standards are included.

**Recommendation PS2** – We recommend CMD management continue its work with other Clerk divisions and agencies with whom CMD interfaces regularly to routinely track any CMD errors and report them. (NOTE: CMD management can facilitate this ongoing effort by continuing to discuss with division and/or agency managers what their concerns are regarding CMD performance, and develop “tracking sheets” and procedures to help insure feedback is provided.)

#### Technical Support:

**Recommendation TS1a** – Recommend the Clerk’s office train, or utilize an already technically competent person in each division to perform minor, miscellaneous DIS support. This might include the requirement of getting technical “permissions” through DIS to load software, as well as practical training on changing printer cartridges, etc.

**Recommendation TS1b** – Recommend the Clerk’s office request that existing DIS support personnel provide more formal responses regarding job/technical problem status. Suggest responses be communicated initially in writing or email, and the responses note the estimated time necessary to resolve problems. Recommend updates be provided if exigencies preclude task completion.

#### Paperwork Improvement:

**Recommendation PI1** – CMD management continue their metrics efforts.

**Recommendation PI2** – We recommend the Prosecutor’s office discontinue the use of poor quality paper and fix or replace printers. We recommend they repair all damaged legal documents they create until the problems are resolved.

**Recommendation PI3a** – We recommend the Clerk’s office support staff-to-staff division meetings between CMD and Court Operations/Customer Service where staff can discuss and attempt to resolve document concerns. (NOTES: Recommend initial meetings be conducted between managers to establish criteria and direction for staff-to-staff meetings. This also supports CMD staff requests for improved communication among Clerk divisions.)



## Attachment 3 – List of Prior Audit Recommendations

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<b>Case Management Division Operations Review: April 27, 2000 - Continued</b>
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**Recommendation PI3b** – Consider a review of Court Operations and Customer Service training to determine if current training meets requirements. (NOTE: Document errors may come from many sources, new employees, training deficiencies, workload demands, misunderstanding by the CMD document recipient, etc.)



## Attachment 3 – List of Prior Audit Recommendations

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### Corrections Overtime: April 27, 2000

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**Recommendation No. 1:** We recommend Corrections consider establishing a new formalized scheduling process, and expand current data gathering techniques. Correction managers could better manage the workload and Corrections staffing by collecting and analyzing more information. Through the use of a formal scheduling process, Corrections could expand their ability to monitor and measure staffing needs, patterns and requirements.

**Recommendation No. 2:** We recommend County and Corrections management in partnership review the workload needs for the Corrections Department. Then through the use of additional Corrections staffing and overtime data, they could improve scheduling practices and implement more cost-effective staff and overtime scheduling changes.

**Recommendation No. 3:** We recommend Corrections in conjunction with Local Union No. 763 continue their dialog and relationship that allows maximum overtime flexibility regarding the length of overtime performed.

**Recommendation No. 4:** We recommend Corrections in conjunction with Local Union No. 763 continue their dialog to modify Article V. 5.4.4 regarding overtime and extra work to allow more equal distribution of required overtime hours among all Corrections staff.

**Recommendation No. 5:** We recommend Corrections continue and expand the hiring of part-time Corrections Officers for their own Department, and continue discussion with the union to foster this process.

**Recommendation No. 6:** We recommend additional Corrections Officers be hired, in addition to the 11 slated for 2000. While our baseline staffing model suggests this number should approximate 10 additional FTE's, we feel the department should verify our analysis prior to any action using data from the expanded scheduling process.

**Recommendation No. 7:** We recommend employees and supervisors fill out completely and sign timesheets and Overtime/Extra Pay Authorizations. Our review showed that up to 39 percent of employees and 5 percent of supervisors did not sign employee timesheets. Our review also showed on several occasions, overtime forms were not filled out or signed by the supervisor.



## Attachment 3 – List of Prior Audit Recommendations

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### Law & Justice Survey: June 30, 1999

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**Consideration 1:** Snohomish County should develop an understanding of and commitment to a more coordinated and planned approach to the management of the Law & Justice System.

**Consideration 1-A:** Design and implement a Law & Justice System Management Information System that addresses key process management issues that are both systems-wide and within each L&J organization.

**Consideration 1-B:** Reconsider the merits of “integrating information systems”. Consider the use of “data warehousing” as an alternative.

**Consideration 1-C:** Plan future applied technology projects within the context of a long range strategic planning process.

**Consideration 1-D:** Provide support to departmental initiatives designed to improve resource utilization that have been advanced by the department or requested by L&J organization managers.

**Consideration 1-E:** Consider the feasibility of implementing ideas supported by the analyses presented in the following report section.

Each specific consideration for future action is followed by a summary of the preliminary analysis of each issue. Managers in the L&J departments advanced most of these ideas. However, the analysis was provided by the Performance Auditor's staff. The new L&J advisory committee, if implemented, should address those issues that would impact two or more L&J departments. For those ideas only impacting one department, the manager of that department should either advance the idea or determine it is not feasible.

1. The Sheriff's office should work closely with the committee that is implementing the CAPS pilot information system. By providing better and more timely information to the Sheriff on the scheduling of court appearances by deputies, overtime resulting from this activity can be reduced. We understand the CAPS system has the capability to provide improved resource scheduling of all parties involved in court matters.

The Sheriff's Office overtime budget is in excess of \$1.4 million annually and is growing at a faster rate than any other part of the department's budget. Overtime dollars are one and half time base dollars for each hour claimed. If 10 percent of the office's overtime budget results from court appearances (which result in excessive lost or non-productive time), scheduling improvements could result in annual savings approaching \$140,000.

2. The group responsible for assigned counsel services should work in conjunction with the courts to consider changing their service fee approach to be similar to that currently being utilized by King County.



## Attachment 3 – List of Prior Audit Recommendations

### Law & Justice Survey: June 30, 1999 - Continued

Presently, Assigned Counsel is under the supervision of Corrections. Assigned Counsel is responsible for Indigent Defense Services, which are defined under RCW 10.101.

RCW 10.101.020 – “Determination of indigency – Provisional appointment – Promissory note”. RCW 10.101.020(5) states, “All persons determined to be indigent and able to contribute shall be required to execute a promissory note at the time counsel is appointed.” The RCW further states, “The person shall be informed whether payment shall be made in the form of a lump sum payment or periodic payments.”

Snohomish County Assigned Counsel’s budget for indigent defense totaled over \$2.5 million last year. The department interviewed over 11,000 individuals and provided assistance to all that were eligible. Total collections per RCW 10.101.020(5) during the same period totaled only \$45,000.

To adhere to the spirit of RCW 10.101, this fee would be waived if individual income/assets were below the federal poverty guidelines. If the fee structure is similar to the one in effect in King County and if forty percent of the individuals interviewed were required to pay \$20, total revenue received would be about \$90,000, or twice the current collection. King County has had great success with no known legal challenges

3. Consideration should be given to changing the organizational placement of the Assigned Counsel function. RCW 10.101.040 in part states, under Selection of Defense Attorneys, “City attorneys, county prosecutors, and law enforcement officers shall not select the attorneys who will provide indigent defense services.” At present, this service is under the management of the Corrections division, which is a law enforcement body. Aside from this issue, we believe communications and coordination could be improved since managing this function is a distraction to the main Corrections’ mission.

4. The District Court should consider a job classification, which provides a premium for new court administrative personnel who speak a second language with the proficiency to serve as interpreters for those who require such services. This would not replace the need for “certified” interpreters, but would provide improved communications capabilities during day-to-day operations and, on occasion, in a formal court-supporting role. This approach could apply for both superior and district courts.

Snohomish County is one of the fastest growing state counties. It is estimated for the foreseeable future, the county will be adding 12,000 new residents each year. To put that number in perspective, that is adding a new City of Everett every 7 years.

As more individuals move into the county to take advantage of its economy and quality of life, the county’s diversity is changing. Along with the many benefits of increased diversity, comes the challenge of serving citizens whose second language is English.



## Attachment 3 – List of Prior Audit Recommendations

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### Law & Justice Survey: June 30, 1999 - Continued

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One of the fastest growing budget items for the District Court is the cost for interpreters. This cost has grown from zero a few years ago to a cost approaching \$75,000 annually.

5. Consideration should be given to adding a job classification to the district court to address the need for a “floater” type position that could move between court locations to provide routine administrative support services when workloads shift. This should reduce the overall staffing cost and provide the court administrator with more flexibility in dealing with this issue.

The District Court is currently being consolidated to increase its efficiency and where possible, reduce or eliminate redundancy. Over the past several years, the District Court was the only L&J organization that actually saw a staff reduction. This was the result of improved technologies along with efficient administration. However, the court has faced the situation where workloads and staffing were out of balance.

This added position classification would allow more flexibility to move staff to respond to workload shifts between court locations. Savings would not come from an elimination of current staff, but having a more flexible staffing structure may reduce the need to hire additional staff in the future. Each new position, which could be avoided, would result in a net savings of \$30,000 annually.

6. The district court should work with the Sheriff’s office to determine how to improve the current process of updating databases when outstanding warrants are paid. We understand the present time lag between payment and recording provides a potential for unwarranted arrests.

The District Court is the first point of contact for most citizens when they receive a warrant for an outstanding ticket. Payments to the District Court to clear these outstanding warrants are not immediately entered into the state computer system and cleared. In fact, it is possible for an individual to pay their fine, get stopped on their way home and the warrant would still be listed as outstanding. The current process involves forwarding the information to the Sheriff’s Office so that their administrative staff inputs the data into the database. This input process can take from several days to weeks based on their workload.

7. The Corrections Department, working with the executive’s office, should develop new strategies and policies regarding overtime management to address both the cost issues and the additional stress on staff resulting from mandatory overtime.

The capacity of Snohomish County Correction facilities currently is at 659. This is made up of 477 at the main jail, 60 at the jail annex, 72 at special detention and 50 at the fairgrounds. Current daily population for the past several months has ranged from a high of 824 to a low of 655, with the average daily population standing around 700. This has required an average population of around 65 inmates to be housed outside the county at an annual cost of over \$1.4 million.



## Attachment 3 – List of Prior Audit Recommendations

### Law & Justice Survey: June 30, 1999 - Continued

The nature of jail operations requires, at present, a specific number or ratio of Correction Officers to inmates, 24 hours, seven days a week. This mandated staffing requirement resulted in increased mandatory overtime for the past several years. Levels of overtime have been increasing at a rate faster than projected in the annual budget. Last year's overtime was in excess of \$824,000.

Overtime is paid at one and half times the regular salary base. Last year's overtime budget was equal to 23 fulltime employees including their benefits. We recommend the cost implication of reducing overtime due to staff shortages be reevaluated. Consideration should be given to future growth requirements such as the new regional justice center under review. We estimate cost savings would be greater than \$250,000 annually based on current overtime trends. In addition to the cost savings, there are also the benefits associated with improved moral as a result of not having mandatory 16-hour days, and improved health and safety of the officers.

8. All parties concerned, working through the committee concept, should address the issue of jail crowding and increased trends in length of stay. Consideration should be given to improved ways to manage inmate processing through the system to include improved communications, improved transportation, and alternatives to incarceration. King County's approach and experience in this area over the past several years should be studied, as well as other research.

The average length of stay by inmates at Snohomish County Corrections Facilities has increased each year. The reasons for this are many and extremely complex, and range from legislative mandates to administrative inefficiencies. Whatever the reason, the average length of stay increased over 20 percent since 1992. During this same period, the average length of stay in King County increased by over 28 percent.

An example of an administrative measure that can help is to increase the use of e-mail or fax machines at all locations which issue court orders to speed up the timely release of inmates vs. waiting for historical information channels.

If the Corrections Department reduced the average length of stay to the 1992 levels, that alone would free up over 100 beds per day. This in turn would allow the county to house all current inmates in our own facilities, thus saving the cost to house them elsewhere. Based on an average population housed outside of 65, the County would save over \$1.4 million annually.

Over the next several years it will take to plan, design and build the new regional justice center, savings could be in excess of \$9.5 million dollars. That amount would equal 20 percent of the new jail construction costs.



## Attachment 3 – List of Prior Audit Recommendations

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### Law & Justice Survey: June 30, 1999 - Continued

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9. Consideration should be given to the establishment of procedures to offload non-emergency calls from the 911 system to reduce incidents of potential resource shortages, deal with true emergencies and reduce costs.

Snohomish County through its service provider, SNOPAC, received over 400,000 calls last year. This does not take into consideration calls received by SNOCOM, the City of Marysville, and the State Patrol. Calls to 911 increased from 1 per 4 in population to one call for each 1.5 in population, on average. As call volume increased, so has the percentage and number of non-emergency calls.

While this may not reduce staffing levels, the cost of an information operator is less than the cost of 911-trained computer technician. Although this would save county the cost difference between the pay scales, more importantly, this should reduce the number of cases where true emergency calls may be delayed because of the increasing volume of non-emergency ones.

10. All L&J organization's should work together to address the issue of duplicate data entry into systems that support the management of all aspects of the law & justice system. This will require a concerted task force approach while considering research from neighboring counties that actively addressed this issue over the past several years. (Actively involve the Department of Information Services in this effort.)

Our review and discussions with other counties, points to conclusions that true integrated systems throughout L&J are impractical, and not necessary. However, the county needs to establish some system interfaces with all of the L&J system owners ranging from county organizations to state and federal agencies.

The county should consider hybrid systems and/or a database warehouse approach to data management. Multnomah County in Oregon and King County support these concepts. Cost benefits associated with such approaches would be a reduction in future position growth involved in managing the paper flow and data entry into the existing systems.

11. The county should consider the establishment of a reserve fund to handle the future purchase of computers and other technology to support all L&J departments. This would improve the planning and budgeting for these valuable resources, and also provide for uninterrupted service to those who depend upon these increasingly critical resources.

Years ago, when the county needed a new patrol or other county vehicle, funds would be transferred from the current budget. In essence, the county was on a current cash basis when it came to purchasing these capital items.



## Attachment 3 – List of Prior Audit Recommendations

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### Law & Justice Survey: June 30, 1999 - Continued

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As experience was gained and a fuller understanding of the costs and maintenance associated with county vehicles, the county developed reserve funds for purchase, replacement and repair. The county is now facing these same issues with computer technology. Starting with a few PC's several years ago, we entered a world where each individual is or will be connected to a network and have access to PC's or terminals. The costs linked to this world are large, and growing. Maintenance and replacement will continue to grow at rates which far outstrip the needs and capability built into the current budget process.

Due to the significant costs involved, we recommend reserve fund rates be developed. Over a period of three to five years, the county needs to be in the position of replacing and updating its technology as currently is done with vehicles.

**Consideration 1-F:** Expand Participation in Efforts by L&J Agencies to work together on management issues of common concern.

**Consideration 1-G:** Develop cost of service measures which are meaningful to each organization.

**Consideration 2:** "Barriers" - Snohomish County should initiate a formal education program with goals of advancing public understanding of all aspects of law & justice administration.

**Consideration 2-A:** Establish a coordinated and intensive organizational approach to the management of law & justice system issues.

**Consideration 2-B:** A new Law & Justice Policy Committee should address county policies that constrain the achievement of wanted and needed changes.

**Consideration 2-C:** The Law & Justice Policy Committee should work with the County Executive to develop and make available clear statements on each year's county supported legislative initiatives.

**Consideration 2-D:** A Law & Justice Resource Management Committee should address the issues of resource constraints in all areas.

**Consideration 3:** A strategic plan should be developed to address all key law & justice management issues. Create a committee structure within the Law & Justice Council to lead this planning effort.

**Consideration 3-A:** As a first priority, near-term planning efforts should identify budget initiatives for the fiscal year 2000 which represent system-wide L&J programs. The new committee must support these programs.



## Attachment 3 – List of Prior Audit Recommendations

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### Law & Justice Survey: June 30, 1999 - Continued

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**Consideration 3-B:** Develop a Revised Capital Improvement Program for Law & Justice agencies to deal with system-wide issues.

**Consideration 4-A:** Through a collaborative effort, the County Executive, County Council, and managers of the nine Law & Justice organizations should decide on a management process for:

Strategic planning (long range planning for all L&J needs); would work closely with the L&J Council;

Coordination of issues requiring joint decision-making;

Communication of L&J agency consideration for future actions to the executive and/or council for actions in support of their needs; and

Working relationships consistent with good management practices.

**Consideration 4-B:** Models for similar system-wide management processes that have been established by other municipalities such as Multnomah County, Oregon and King County, Washington should be considered when developing alternative decision making models.

**Consideration 4-C:** Develop a clear statement of vision for the new management process.

**Consideration 4-D:** Establish small working groups to address specific tasks identified by the Law & Justice Committee.

**Consideration 4-E:** Seek active participation and/or input from other experts in the community either for technical or stakeholder input.

**Consideration 4-F:** Employ strong project management principals to each project or task that is addressed within work groups, task force efforts, or sub-committees.

**Consideration 4-G:** Formally commit resources toward the means of selecting a group or team management process.

**Consideration 4-H:** Consideration should be given to the option of hiring temporary staff to provide technical support.



## Attachment 3 – List of Prior Audit Recommendations

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### Real Estate/Property Transaction System (REPT): April 16, 1999

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**Recommendation 1:** We recommend that each department on an annual basis reconcile their books to Facilities Management’s master list. Those differences, if identified, should be reviewed and corrected within the department and at Facilities Management.

**Recommendation 2:** We recommend that the county develop and implement a central file system, which would contain a complete history for each specific property. The file system should have a unique identifier and be accessible through the county information systems.

**Recommendation 3:** We recommend that the county establish a property option purchase fund, which can be used to secure the ability to buy a specific property, and allow time for due diligence and or time necessary for council/executive approvals. This will allow the county to have first refusal and ample time for due diligence.

**Recommendation 4:** We recommend that Facilities Management take a more active role in assisting, reviewing and ensuring that each department is adhering to standard property acquisitions. These standard procedures should include file organization, checklists and reporting requirements to Property Management.

**Recommendation 5:** We recommend that the Snohomish County Executive and Council amend this county code (SCC 2.50.140) to include purchases so as to maintain the fairness doctrine and to assure Snohomish County citizens that county employees, appointed or elected officials do not use county information to benefit themselves financially. The county should prohibit the purchase or sale of any goods and or real property from its employees, appointed or elected officials.

**Recommendation Parks 1, Airport 1, PDS 1, and PW 1:** We recommend that files containing property transactions be organized along the lines of the departments acquisition checklist. The first page of the file could show the checklist with signed dates indicating completion of that requirement.

**Recommendation PDS 2:** We recommend that the “Delegation Signature Authority” for the Director of PDS and or the Director’s Deputy be revised to include the ability to approve these short plat easements/road dedications as long as they do not conflict with SCC 13.70.010(2).



## Attachment 3 – List of Prior Audit Recommendations

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### Department of Emergency Management: September 30, 1998

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**Recommendations:** It is our recommendation that the Department of Emergency Management implement formal written policies and procedures to correct the following weakness within their internal control systems. Implement formal written policies and procedures pertaining to:

#### **Credit Card Use:**

- Credit card use should be limited to departmental business use only and at those times when normal procedures for purchases can not be met due to an emergency or in situations of major inconvenience. Credit cards should not be used to purchase capital equipment such as computers and or operating supplies such as work gloves. At no time should their use be for personal expenditures.
- Credit cards should not be used to purchase airline tickets except in an emergency or in situations of major inconvenience. At no time, should credit cards be used to purchase airline tickets for normal planned travel occurrences.
- The department should consider establishing on going relationships with vendors and travel agencies to purchase supplies and meet travel needs. These purchases should be paid by means of vouchers upon receipt of invoices from the vendor or travel agent.
- Authorization limits: The department should develop expenditure authorization levels for its staff, assistant director, and director. This is a basic requirement to assure adequate authority and internal controls.

#### **Reimbursable and allowable expenses for meetings, conferences and conventions:**

- Establish uniform policy and procedures for clearly defined allowable expenses. Also delineate what is not allowable as reimbursable to staff and managers.
- When any staff employee, the assistant director, or the director attends a breakfast, lunch or dinner meeting, the receipt for the related expenditure must identify who attended, for what purpose and why the department paid for the expenditure.
- Develop policies on authority and circumstances for use of departmental funds to pay for lodging and food for business meetings, conferences, and conventions. When authorized to stay overnight, staff and managers should be instructed to always request government rates.

#### **Policies on cellular and vehicle use:**

- Develop specific policies for vehicle use. Determine under what circumstance a vehicle can be used when staff, the assistant director, or the director is not on weekend call Duty.



## Attachment 3 – List of Prior Audit Recommendations

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### Department of Emergency Management: September 30, 1998 - Continued

- Develop policies on cellular telephone use. Since these units are attached to the department's vehicles, personal use should be limited to situations that are consistent with good judgment.

#### **Other major purchases:**

- We recommend that purchases of computers and equipment be billed directly to the department and paid by voucher process.