



Board of County Commissioners
County Internal Auditor's Office

**SAFE & SOUND HILLSBOROUGH INTER-LOCAL AGREEMENT
FINANCIAL COMPLIANCE AUDIT**

Report # IA-18-01
February 01, 2018



TO: Commissioner Victor Crist
Commissioner Ken Hagan
Commissioner Al Higginbotham
Commissioner Pat Kemp
Commissioner Lesley "Les" Miller Jr.
Commissioner Sandra Murman
Commissioner Stacy White

FROM: Peggy Caskey, County Internal Auditor

DATE: February 01, 2018

SUBJECT: Safe & Sound Hillsborough Inter-local Agreement
Financial Compliance Audit Report #IA-18-01

The Audit Team performed a financial compliance audit of the Safe & Sound Hillsborough Inter-local Agreement.

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

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

I appreciate the cooperation and professional courtesies extended to the Audit Team. Safe & Sound Hillsborough and Corporation to Develop Communities of Tampa gave the Audit Team full, free, and unrestricted access to all applicable activities, records, property, and personnel necessary to accomplish the stated objective of this audit engagement. Personnel also provided necessary assistance for the Audit Team to effectively perform the audit in an efficient manner.

Sincerely,

Peggy Caskey, CIA, CISA, CFE
County Internal Auditor

CC: Chip Fletcher, County Attorney
Mike Merrill, County Administrator
Brandon Wagner, Operations & Legislative Affairs Officer

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EXECUTIVE SUMMARY

There is a reasonable level of assurance that the Board of County Commission's FY 2017 cash balance transfer and contribution were handled in compliance with the Safe & Sound Inter-local Agreement, effective November 9, 2016, through September 30, 2019, Section 8, Expenses and Collaborative.

The Audit Team's analysis did not disclose any material concerns.

BACKGROUND INFORMATION

The Hillsborough County Community Violence Prevention Collaborative was created in the summer of 2013 as an initiative to transform the way local policymakers address violence. This initiative shifts policy from public safety to a public health model and aligns community and professional stakeholders to develop a comprehensive prevention and intervention approach. Through this initiative, a comprehensive strategic plan was developed, along with a branding of the implementation phase entitled, Safe & Sound Hillsborough.

In September 2014, the Board of County Commission approved a five-year pilot project to implement Safe & Sound Hillsborough. On an annual basis, the Board of County Commission provides funding as shown in the table below.

Board of County Commission Funding

FY 2015 Contribution	FY 2016 Contribution	FY 2017 Contribution	FY 2018 Commitment	FY 2019 Commitment
\$233,558	\$242,900	\$252,616	\$262,721	\$273,230

At the Safe & Sound Hillsborough's inception, the Board of County Commission's organization was designated as the fiscal agent to manage funds and approve expenditures. In November 2016, these fiscal agent responsibilities were transferred to Corporation to Develop Communities of Tampa.

OBJECTIVE

Provide a reasonable level of assurance that the Board of County Commission's FY 2017 cash balance transfer and contribution were handled in compliance with the Safe & Sound Inter-local Agreement, effective November 9, 2016, through September 30, 2019, Section 8, Expenses and Collaborative.

APPROACH

The audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*. These Standards require that the County Internal Auditor's Office plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the audit comments and conclusions based on the audit objectives. The County Internal Auditor believes that the evidence obtained provides this reasonable basis.

SCOPE

The audit scope was limited to the Board of County Commission's contribution and expenditures related to Safe& Sound Hillsborough financial transactions beginning November 2016 (when fiscal agent responsibilities and the cash balance were transferred from the Board of County Commission) through September 30, 2017.

The Audit Team's scope of work included:

1. validation testing to determine if Corporation to Develop Communities of Tampa has a segregated bank account specifically for Safe & Sound Hillsborough transactions;
2. tracking the Board of County Commission's November 2016 cash balance transfer (of \$339,804.50) to a deposit on the Corporation to Develop Communities of Tampa's segregated Safe & Sound Hillsborough's bank statement;
3. testing a sample of FY 2017 expenditures for compliance with the Safe & Sound Hillsborough Inter-local Agreement, Section 8, Expenses of Collaborative, which requires

the Safe & Sound Hillsborough Finance Committee's approval to release funds to cover incurred expenses other than staff expenses; and

4. performing validation procedures to obtain a reasonable level of assurance that the 2017 fiscal year end Safe & Sound Hillsborough cash balance of \$182,671.58 denoted as Board of County Commission contributions is accurate.

OVERALL EVALUATION

AUDIT COMMENT	CONCLUSION OF OBJECTIVE	PAGE
1	<p>The Audit Team's analysis did not disclose any material concerns.</p> <ul style="list-style-type: none"> During FY 2017, Corporation to Develop Communities of Tampa maintained a bank account segregating Safe & Sound Hillsborough funds from other bank transactions. The November 2016 cash balance transfer (of \$339,804.50) from the Board of County Commission was deposited on December 1, 2016, into Corporation to Develop Communities of Tampa's segregated Safe & Sound Hillsborough bank account. Test results indicate that Corporation to Develop Communities of Tampa expended the Board of County Commission's FY 2017 contribution in compliance with the Safe & Sound Hillsborough Internal-local Agreement, Section 8, Expenses of Collaborative. There is a reasonable level of assurance that the 2017 fiscal year end Safe & Sound Hillsborough cash balance of \$182,671.58 denoted as Board of County Commission contributions is accurate. 	4

OPINION

There is a reasonable level of assurance that the Board of County Commission's FY 2017 cash balance transfer and contribution were handled in compliance with the Safe & Sound Inter-local Agreement, effective November 9, 2016, through September 30, 2019, Section 8, Expenses and Collaborative.

The Audit Team's analysis did not disclose any material concerns. Other minor concerns, that may have been identified and not included in this Report, were communicated to management and/or corrected during fieldwork.

The exit conference was held on January 10, 2018.

AUDITED BY

Peggy Caskey, CIA, CISA, CFE, County Internal Auditor

Melinda Jenzarli, CIA, CISA, CFE, CPA, MBA, Lead Internal Auditor

Ricardo Cepin, CPA, CFE, Senior Internal Auditor

AUDIT COMMENT

1 – PROGRAM FUNDS TRANSFER AND EXPENDITURE TESTING

AUDIT COMMENT

There is a reasonable level of assurance that the Board of County Commission's FY 2017 cash balance transfer and contribution were handled in compliance with the Safe & Sound Inter-local Agreement, effective November 9, 2016, through September 30, 2019, Section 8, Expenses and Collaborative.

DISCUSSION

The Safe & Sound Inter-local Agreement effective November 2016, through September 30, 2019, Section 8, Expenses of Collaborative, states that, "...all releases of funds to cover incurred expenses other than staff expenses will require written approval of the Finance Committee..." Safe & Sound Hillsborough's Executive Director cited that since the Program's inception, the Board of County Commission's cash contributions have only been expended for payroll, fringe benefits, and a 13.5% administrative fee.

Safe & Sound Hillsborough Inter-Local Agreement Funds Cash Balance Since Inception October 2014 through September 2017.					
Fiscal Agent	Transaction Year	FY Beginning Balance	Contributions	Expenditures	FYE Balance
BOCC	FY 15	\$0	\$233,558.00	\$34,991.15	\$198,566.85
BOCC	FY 16	\$198,566.85	\$242,900.00	\$251,916.60	\$189,550.25
<i>In November 2016, the Board of County Commission transferred fiscal agent responsibility to CDC. CDC's Chief Financial Officer and the Board of County Commission's Fiscal Operations Manager reconciled and validated the fund balance. On November 30, 2016, the Board of County Commission, transferred the ending cash balance of \$339,804.50 to CDC. In addition to the Board of County Commission's ending cash balance, the transferred amount included other funding sources' cash balances. Other funding sources' financial information is not shown in this table due to being outside the Audit Team's scope of work.</i>					
CDC	FY 17	\$189,550.25	\$252,616.00	\$259,494.67	\$182,671.58

Source of financial statement dollar amounts listed in the table above: Safe & Sound Hillsborough Inter-local Funds Cash Balance Report dated September 30, 2017.

AUDIT PROCEDURES PERFORMED BY THE AUDIT TEAM

1. The Audit Team performed validation testing to determine if Corporation to Develop Communities of Tampa has a segregated bank account specifically for Safe & Sound Hillsborough transactions.

Audit Procedures disclosed that as of November 2016, Corporation to Develop Communities of Tampa maintained a separate bank account for Safe & Sound Hillsborough. Safe & Sound Hillsborough in its financial records tracked Board of County Commission contributions and expenditures separate from other funding sources.

2. The Audit Team tracked the Board of County Commission's November 2016 total inter-local funds cash balance transfer (of \$339,804.50) to a deposit on the Corporation to Develop Communities of Tampa's segregated Safe & Sound Hillsborough's bank statement.

The Corporation to Develop Communities of Tampa's monthly Safe & Sound Hillsborough segregated bank statement ending December 31, 2016, was reviewed. The review disclosed that the cash balance transfer from the Board of County Commission on

November 30, 2016, in the amount of \$339,804.50 was deposited into the Corporation to Develop Communities of Tampa's segregated Safe & Sound Hillsborough bank account on December 1, 2016, for the full amount of the transfer.

3. **The Audit Team tested a sample of FY 2017 expenditures for compliance with the Safe & Sound Hillsborough Inter-local Agreement, Section 8, Expenses of Collaborative, which requires the Safe & Sound Hillsborough Finance Committee's approval to release funds to cover incurred expenses other than staff expenses.**

The Audit Team randomly selected a sample of 5 of the 11 months in the audit period ending September 30, 2017 (November, January, March, June, and August). The sample included 45% of the months in the fiscal year and \$114,841 or 44% of the Board of County Commission FY 2017 expenditure population. To validate that the Board of County Commission's contributions were expended only for allowable expenses, the Audit Team reviewed staff reimbursement reports, payroll register documentation, Safe & Sound Hillsborough Inter-local Funding Cash Balance Reports, and bank statements. The review disclosed that the full amount of the spending reviewed was for staff expenses. Based upon test results, there is a reasonable level of assurance that during FY 2017, the Board of County Commission's contributions were expended in compliance with the Safe & Sound Hillsborough Inter-local Agreement, Section 8, Expenses of Collaborative.

4. **The Audit Team performed validation procedures to obtain a reasonable level of assurance that the 2017 fiscal year end Safe & Sound Hillsborough cash balance of \$182,671.58 denoted as Board of County Commission contributions is accurate.**

The Audit Team reviewed the financial statement reconciliation prepared on December 8, 2017, by the Corporation to Develop Communities of Tampa's Chief Financial Officer. Audit Procedures disclosed that there is a reasonable level of assurance that the 2017 fiscal year end Safe & Sound Hillsborough cash balance of \$182,671.58 denoted as Board of County Commission contributions is accurate.

RESULTS

The Audit Team's analysis did not disclose any material concerns.