

Neil Kelly  
Clerk of the Circuit and County Courts  
Lake County, Florida

# Audit of MV Transportation Contract

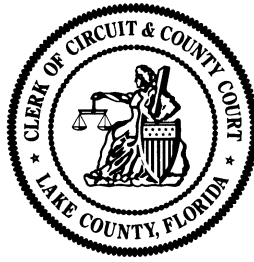
## Internal Audit Division Audit Report

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**Report No. BCC-109**  
**June 14, 2013**

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June 14, 2013

Board of County Commissioners

We have conducted an audit of the MV Transportation contract managed by the Public Transportation Division of the Community Services Department of the Lake County Board of County Commissioners, as scheduled per our Annual Audit Plan. Management's response is included as Appendix A. Our comments on management's response are included in Appendix B.

We appreciate the cooperation and assistance provided by the Community Services Department, MV Transportation, Inc. and other County entities contacted during the course of this internal audit.

Respectfully Submitted,

**Bob Melton**

Bob Melton, CPA, CIA, CFE  
Director of Internal Audit

BM/ag

cc: Honorable Neil Kelly, Clerk of Circuit & County Court  
David Heath, County Manager  
Dorothy Keedy, Community Services Department Director  
Kenneth Harley, Public Transportation Division Manager

**Neil Kelly**

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# EXECUTIVE SUMMARY

We have conducted an audit of the MV Transportation contract managed by the Public Transportation Division, as scheduled per our Annual Audit Plan. Our objectives were to determine whether internal controls over receipts and disbursements are adequate and that monies have been accounted for properly; determine compliance with related laws, regulations, contracts and policies; and, to identify areas for improvement in efficiency and effectiveness of operations.

Management routinely manipulates completed trip data to maximize revenues from funding sources. When trips are scheduled, the system assigns the funding source for the trip based on the code assigned by staff. However, after the close of the month, Division staff orders the Contractor to change some of the funding sources. For example, for the month of May 2012, the funding sources of 4,308 out of 11,416 trips, nearly 38 percent were altered. For this month, the total funding billed was \$210,510.

Contractor fueling practices are not in compliance with established procedures, are inefficient, preclude proper analysis of usage and appear to be abusive. Some odometer readings on the billing are obviously erroneous, with some showing a reading in millions of miles. In addition, drivers may be sharing their personal identification number (PIN) and/or the vehicle's fuel card.

We noted drivers signing receipts that were not assigned to the PIN. The timing of fuel purchases is not in accordance with the expected procedure. The Contractor's standard procedure requires each driver fuel their vehicle at the end of the day, ensuring that the vehicle is full for the next scheduled run. We reviewed fuel transactions and found that 39% of those sampled occurred more than an hour after the end of a scheduled run and 43% were in violation of the standard procedure occurring at some time other than the end of the day. In addition, the quantity of fuel locations utilized by the Contractor's drivers appears to be excessive, unnecessary, and possibly a result of poor planning. We noted that 105 different merchants were used for fuel purchases during a three month period reviewed.

Personnel and client confidential information is not securely maintained. We found documents stored in a bathroom at the Contractor's office. We also found documents commingled with trash in the public dumpster. We observed that the Contractor's employees commingle all of their trash; they do not segregate refuse that contains confidential information. No shredding policy is in place. The Contractor has a responsibility to protect the personal and confidential information of its employees and clients.

Pre-payment of public transit services is excessive. The Contractor is paid for paratransit services before they are provided. For the year ended September 30, 2012 we determined there was \$189,183 in net over-estimated payments for paratransit services. This requirement in effect results

in the County advancing funds for the Contractor's operations the following month. With this procedure the County is allowing the Contractor to use County funds to finance their operations. This situation is compounded by the fact that the County is routinely paying more than the average monthly expenses based on number of trips.

During our review of paratransit services (scheduled individual trips for the transportation disadvantaged), we found that sufficient controls are not in place to ensure effective services. For example, client applications are not current, eligibility determinations are not consistently applied, a Medicaid Handbook is not distributed, the no-show policy is not enforced, Medicaid trips are misclassified, and no-shows are not verified. During a 12-month period, there were 8,483 scheduled trips, more than 4% of the total scheduled, were classified as a no-show. The waste of County resources as a result of no-shows manifests in many ways including staff time spent answering calls, changing system information and notifying the driver while in route, as well as fuel used, time spent driving and County vehicle wear and tear. Also, this calculation does not take into account the no-shows that resulted in a return trip cancellation. Enforcement of the no-show policy could reduce these numbers significantly and prevent further waste of County resources.

During our review of the County's fixed route observations, we found that the buses are not timely in accordance with the published schedules. In fact, out of 89 recorded times we determined that they were late 68% of the time. The County measures its on-time performance based on a standard of 15 minutes or less after the scheduled time. Using this standard, only 2 of 25 times recorded on a particular day would be considered late and the County would report a 92% on-time performance rate compared to our 20%. We find that a 15 minute standard is questionable considering the routes are only one hour long and that a 25% difference from the arrival or departure time is excessive. If management desires a goal of 92% of their buses arriving within 15 minutes of the scheduled time, that is what they should state rather than defining "on-time" as up to 15 minutes early or late.

We also noted concerns with cash controls, controls over bus passes, complaint reporting, performance management, advertising revenues, and driver practices. Our report contains a total of 48 recommendations for improvement.

# INTRODUCTION

## Scope and Methodology

We have conducted an audit of the MV Transportation contract managed by the Public Transportation Division, as scheduled per our Annual Audit Plan. Our objectives were to:

1. Determine whether internal controls over receipts and disbursements are adequate and that monies have been accounted for properly.
2. Determine compliance with related laws, regulations, contracts and policies.
3. Identify areas for improvement in efficiency and effectiveness of operations.

To determine whether internal controls over receipts and disbursements are adequate and monies have been accounted for properly we reviewed the processes in place for fixed route fares collected, bus pass sales and paratransit co-payments collected. We also selected samples of transactions relating to receipts and disbursements.

To determine compliance, we reviewed applicable contract provisions, laws, and policies. We interviewed management and MV Transportation personnel, sampled transactions relating to compliance, and inspected documents.

To identify areas where efficiency and effectiveness could be improved, we observed operations and processes, interviewed management and Contractor personnel, and inspected relevant documents.

Our audit included such tests of records and other auditing procedures as we considered necessary in the circumstances. The audit period was October 1, 2011 through September 30, 2012. However, transactions and processes reviewed were not limited by the audit period.

## Overall Conclusion

Except for needed improvements in internal controls as noted in this report, controls over receipts and disbursements are adequate and monies have been accounted for properly. We conclude that MV Transportation is in compliance with related laws, regulations, contracts, and policies. We have identified areas relating to efficiency and effectiveness that can be improved. Opportunities for improvement are included in this report.

# Background

Florida's transportation disadvantaged program was created in 1979 with the enactment of Florida Statute Chapter 427. When it was reenacted in 1989, the Florida Commission for the Transportation Disadvantaged was created, improving the participation of local entities in the planning and delivery of transportation services through community transportation coordinators (CTC).

In January 2001, the Lake County Board of County Commissioners became the County's CTC. The Board contracted with LifeStream Behavioral Center for the management of transportation disadvantaged services provided in Lake County. Then, in May 2005, the Board entered into an agreement with MV Transportation, Inc. to be the County's public transportation provider. MV Transportation continues to serve as the transportation provider for Lake County.

According to the website, MV Transportation operates the County's fixed routes, ADA complimentary service and paratransit services for the Transportation Disadvantaged Program. Under the Transportation Disadvantaged Program, trips are prioritized based on medical, nutritional, employment and educational categories. Services are offered to local citizens and visitors throughout Lake County.

Lake County Connection is a state-funded program providing low-cost paratransit services to persons who qualify as "transportation disadvantaged," as defined by state statutes. Paratransit services are primarily intended for mobility-impaired, mentally-impaired and senior citizens. It is for individuals who do not have access to any other means of transportation, including fixed route bus services. Lake County Connection does transport out of the County, but only for authorized medical purposes.

The County began the fixed-route transportation services, LakeXpress, in May 2007. The fixed-route services consist of four bus routes. Route 1 runs every hour from The Villages to Eustis. Route 4 runs every two hours from Umatilla to Zellwood. Routes 2 and 3 are circulator routes in the cities of Leesburg and Mount Dora.

The system was designed to make travel throughout Lake County more manageable by including activity centers in the fixed routes. According to the Transportation Service Plan 2009-2012, "Major travel generators in Lake County include activity centers such as hospitals, schools, shopping centers, employment centers and central business districts."



The transportation program is funded through state grants, paratransit rider co-payments, fixed route rider fares collected, bus pass sales, and an annual general fund subsidy. According to the Adopted Budget Book for fiscal year 2012, the general fund subsidy was \$693,240 and the total operating budget was estimated to total \$9,478,145.



MV Transportation is compensated for being the County's transportation provider on a monthly basis in accordance with the contractual agreement, plus a cost-of-living adjustment. For fiscal year 2012, the following was paid to the Contractor:

<b>Contractor Service Provided</b>	<b>County Payment</b>
Paratransit Trips	\$2,529,595.04
Stretcher Trips	\$15,697.74
Paisley Route	\$6,409.20
Fixed Route 1	\$538,845.88
Fixed Route 2	\$130,956.34
Fixed Route 3	\$142,447.89
Fixed Route 4	<u>\$132,329.12</u>
<b>Total FY 2012 Cost</b>	<b><u>\$3,496,281.21</u></b>

# OPPORTUNITIES FOR IMPROVEMENT

Our audit disclosed certain policies, procedures, and practices that could be improved. Our audit was neither designed nor intended to be a detailed study of every relevant system, procedure or transaction. Accordingly, the Opportunities for Improvement presented in this report may not be all-inclusive of areas where improvement may be needed.

## **1. Management Should Cease Routinely Changing Original Determination of Trip Funding Sources.**

Management routinely manipulates completed trip data to maximize revenues from funding sources. When trips are scheduled, the system assigns the funding source for the trip based on the code assigned by staff. However, after the close of the month, Division staff orders the Contractor to change some of the funding sources. For example, for the month of May 2012, the funding sources for 4,308 out of 11,416 trips, nearly 38% were altered. For this month, the total funding billed was \$210,510.

Division staff stated that the default code assigned is normally the funding source that the client will use the most. At the end of the month, Division staff decides how to report the trips which will result in maximum funding from certain agencies. They then order the Contractor to change the funding source to coincide with their calculations.

A significant amount of the Contractor's time is used to perform this code manipulation process. Additionally, since co-payments are partially based on the funding source, the amount of co-payments collected from clients at the time of a trip is likely incorrect because the co-payment amount varies by funding source.

County employees and their representatives have a fiduciary duty to ensure that ethical practices and proper appearances are upheld. Records should not be altered after the fact. Instead, they should be ensuring that the accuracy of the funding source assigned to a trip is properly coded when scheduled.

### **We Recommend Management:**

- A. Discontinue the practice of routinely changing funding sources of completed trips.
- B. Develop a process to ensure the appropriate funding source is used when the trip is scheduled.

## 2. Controls Over Fuel Usage Should Be Improved.

Contractor fueling practices are not in compliance with established procedures, are inefficient, preclude proper analysis of usage and appear to be abusive. We noted the following concerns:

- A. During our analysis of fuel card transactions, we found numerous instances that indicate misuse of fuel cards and possible misappropriation of fuel. Below is a monthly billing for one fuel card:

Line Number	Date (mm-dd)	Time	Driver (PIN)	Odometer	Gallons	Cost
		Previous Odometer		199,273		
1	03-29	20:11	A	199,508	45.066	186.98
2	03-30	20:11	A	199,745	45.764	189.87
3	04-02	20:18	B	1,998,565	24.825	103.00
4	04-06	20:11	A	2,000,963	45.032	186.84
5	04-10	20:22	C	200,350	50.873	211.07
6	04-11	20:38	D	200,603	50.435	209.25
7	04-12	20:06	A	200,718	23.604	97.93
8	04-13	20:08	E	200,954	47.421	196.75
9	04-16	20:29	F	201,207	51.826	215.03
10	04-18	06:10	G	2,012,613	12.921	53.61
11	04-18	19:31	H	2,014,902	42.936	178.14
12	04-19	19:19	I	1,471,422	44.952	186.51
13	04-19	19:19	I	201,721	44.882	186.22
14	04-20	19:14	I	201,953	49.819	206.70
15	04-23	20:27	J	202,190	49.169	204.00
16	04-24	20:22	A	202,248	47.432	196.80
17	04-25	20:12	K	148,452	55.130	228.73
18	04-25	20:12	A	202,666	45.952	190.65
19	04-26	19:59	L	202,913	46.944	194.77
20	04-27	20:00	L	203,159	51.027	211.71
21	04-28	20:18	M	203,425	22.486	93.29

Some of the issues identified in the example billing are:

1. Odometer readings on the billing are obviously erroneous. For example, lines 3, 4, 10, 11 and 12 all show mileage to be in the millions. It could be rationalized that drivers entered tenths, however, that cannot be said for line 12 which appears to be more likely an entry for another vehicle. Line 17 also appears to be for another vehicle. The County Fuel Card Procedure

requires that fuel card users, "Enter accurate vehicle odometer readings – must be within 500 miles of previous." The Contractor is in violation of this provision.

2. A review of the date and time of the monthly fuel transactions also indicate that drivers may be sharing their personal identification number (PIN) and/or the vehicle's fuel card.

For example, lines 12 and 13 occurred on the same date and time and were authorized by the same driver PIN. Note, the number of gallons in both transactions appear to be in-line with the other fill-ups (nearly 45 gallons each) and have an inconsistent odometer entry. A further review of the fuel receipts revealed that the transactions occurred at different numbered fuel pumps and the second receipt was signed by a driver not assigned to the PIN.

Another instance indicating PIN sharing on this billing occurred in line 11. At first glance, this transaction only stands out due to the inconsistent odometer reading. However, the fuel receipt for this transaction is signed by a driver not assigned to the PIN. The difference here is that another transaction at the same time did not occur.

An example of fuel card sharing is demonstrated by reviewing lines 17 and 18. These transactions also occurred on the same date and time and have an inconsistent odometer entry, but the driver PIN is different. The fuel receipts showed that the transactions also occurred at different pumps and were signed by the drivers assigned to the PINs.

As a result, three additional provisions of the County procedure may have been violated. The procedure states:

"The Authorized Fuel Card user shall:

- Use only the card assigned to each specific county vehicle.
- Use only their preauthorized Personal Identification Number (PIN).
- Never share PIN with others or use another employees PIN."

The Contractor is not ensuring that its drivers are following the County's Fuel Card Procedure. Errors and irregularities to this degree prevent an accurate tracking of vehicle odometer readings, thus precluding management's ability to calculate the vehicle's miles per gallon. The sharing of PINs and fuel cards is an unacceptable practice, a complete disregard for the established procedure, a misuse of County assets, and an indicator of the potential misappropriation of fuel.

- B. Instances were discovered where more than one type of fuel was purchased using the same card. For example, in a billing for another card, all of the transactions were for purchases of unleaded fuel; however, the last entry was for diesel fuel and the odometer entries went from 111,218 to 140,476. This indicates that potentially a second vehicle was fueled.

- C. Current odometer readings of the vehicle being driven are entered when making a purchase for a fuel can. This practice also skews the population of readings making it difficult to quickly calculate trends for the vehicle without first scanning for and removing these entries.
- D. Some fuel purchases were made on a pre-paid basis rather than using the card at the pump. This practice results in two transactions; the first is a pre-payment authorization amount and the second is a credit. In one example, the card was initially charged \$100.00 and then a credit was given for \$21.27. This practice does not facilitate accurate odometer tracking and also violates the County's Fuel Card Procedure which states, "Do not prepay inside the store." This practice also enhances the risk that inappropriate items may be charged.
- E. Two fuel cards exist that are not assigned to a specific person or vehicle. Normally, fuel cards are assigned to a vehicle so that fuel usage by vehicle can be tracked. In one month reviewed, 17 fuel purchases were made using these cards; we noted the following:
  - 14 different PINs, including drivers and supervisors, were used to authorize the 17 transactions.
  - Skewed odometer readings and more than one fuel type indicate that multiple vehicles were fueled.

There are no logs maintained to identify who is using the card or why. The use of a generic fuel cards instead of the one assigned to the specific vehicle precludes effective fuel controls and management's ability to track fuel usage.

- F. The timing of fuel purchases is not in accordance with the expected procedure. The Contractor's standard procedure requires each driver fuel their vehicle at the end of the day, ensuring that the vehicle is full for the next scheduled run. We reviewed fuel transactions and found that 39% of those sampled occurred more than an hour after the end of a scheduled run and 43% were in violation of the standard procedure occurring at some time other than the end of the day. For example, for one scheduled run, we noted the first pick-up time was at 6:15am locally and a fuel transaction occurring for the same vehicle was at 7:33am. The timing of this fuel transaction compared to that of its first pick-up time and location indicates that the vehicle may not have been filled-up at the end of the previous shift.

We found that transaction data cannot always be associated with a scheduled run and data analysis can be difficult and unreliable when the practices in place that create the data are not consistently applied.

- G. A formal, documented review of fueling trends is not performed. Trend analysis of transactional data conducted on a regular basis can help management detect opportunities, errors, irregularities and fraud. Tasks involved with such an analysis can include an identification of fueling trends, calculation of vehicle miles per gallon, and a review for unusual items, amounts or fueling times. Management should monitor the program's fuel activity to ensure that inefficiencies, abuses and opportunities are detected in a timely manner.

- H. Proprietary information is being provided to the Contractor by the County. Every month, County staff disseminates the entire monthly fuel billings and related transaction detail electronically to each responsible County Division contact, as well as the Contractor. As a result, the Contractor receives billing information related to other County operations such as the divisions for fleet maintenance, communications and fire rescue, for no business purpose. Information being provided includes vehicles, odometer readings, fueling locations, amounts purchased, driver names, and times of purchase. This information is proprietary and could potentially be misused by an unscrupulous person. County staff should create and send separate files to the Contractor.

**We Recommend Management:**

- A. 1. Instruct the Contractor to re-communicate and enforce the County Fuel Card Procedure to its staff. The Contractor should be required to ensure that drivers carefully enter the correct odometer reading when purchasing fuel.
2. Ensure that each authorized fuel card user is assigned a PIN and that each County vehicle is equipped with its own assigned fuel card. Management should require that the Contractor ensure that each fuel card is only used to make purchases for the vehicle it is assigned to and to enforce the prohibition against sharing PINs. The Contractor should be required to develop a process to review fuel card billings and receipts for signs of abuse and misappropriation.
- B. Instruct the Contractor to re-communicate and enforce the County Fuel Card Procedure to its staff.
- C. Consider directing the Contractor to have its drivers enter a pre-determined number instead of the odometer reading when making a fuel can purchase, if this practice is allowed to continue.
- D. Require the Contractor ensure that its drivers cease pre-payment of fuel purchases and only pay at the pump.
- E. Discourage the use of generic, or unassigned, fuel cards unless necessary. The Contractor should be required to maintain a log for each of the unassigned fuel cards to track their use.
- F. Require that the Contractor ensure that its drivers fuel their vehicle at the end of the day, or shift.
- G. Develop a formal process to perform a trend analysis of monthly fuel transactions and investigate any unusual items.
- H. Ensure that files and reports sent to the Contractor contain only information related to contractual operations. Management should cease the practice of sending the Contractor fuel transactional data of other County divisions.

### 3. The Number of Fueling Locations Should Be Reduced.

Usage of a large number of fuel locations precludes adequate fueling controls. The quantity of fuel locations utilized by the Contractor's drivers appears to be excessive, unnecessary, and possibly a result of poor planning. In fact, out of 4,233 transactions reviewed, 105 different merchants were used; the majority of which were located primarily in each of 8 cities; more than half of them were in the City of Leesburg.

The following table identifies the fuel location with the highest number of transactions in each of the most frequently used county cities during a 3-month period.

Merchant Address	City	Location Uses/City Total
999 E Highway 50	Clermont	31 / 91
2850 E Bay Street	Eustis	238 / 282
622 E Broad Street	Groveland	171 / 176
324 N US Highway 441	Lady Lake	64 / 81
1347 North Blvd	Leesburg	1,125 / 2,511
101 E Washington Street	Minneola	112 / 120
20005 US Highway 441	Mount Dora	56 / 100
439 S Duncan Drive	Tavares	529 / 770
793 S Central Avenue	Umatilla	30 / 32

Nearly 60% of the transactions occurred in the City of Leesburg, with 44% of the transactions in the City of Leesburg being at a single location. We plotted the highest 7 out of the 23 Leesburg fuel locations and found that the furthest one from the Contractor's offices was 3.2 miles. The most frequently used location was only 0.5 miles away. This demonstrates that fueling the vehicles is not a part of a planned process.

If fueling stops were included as a part of planning a scheduled run, the Contractor could specify which merchant locations should be used. This could facilitate the development of contracts with specified service stations that could include discounts as well as specification of the terms of use. This would lead to tighter controls over fueling practices, including a reduced risk that the fuel card will be misused or that controls will be overridden at the point of purchase. It could also provide an opportunity to potentially save money on fueling costs.

#### We Recommend Management:

- A. Consider contracting with specified service stations in each region and requiring their use except in justifiable extenuating circumstances.

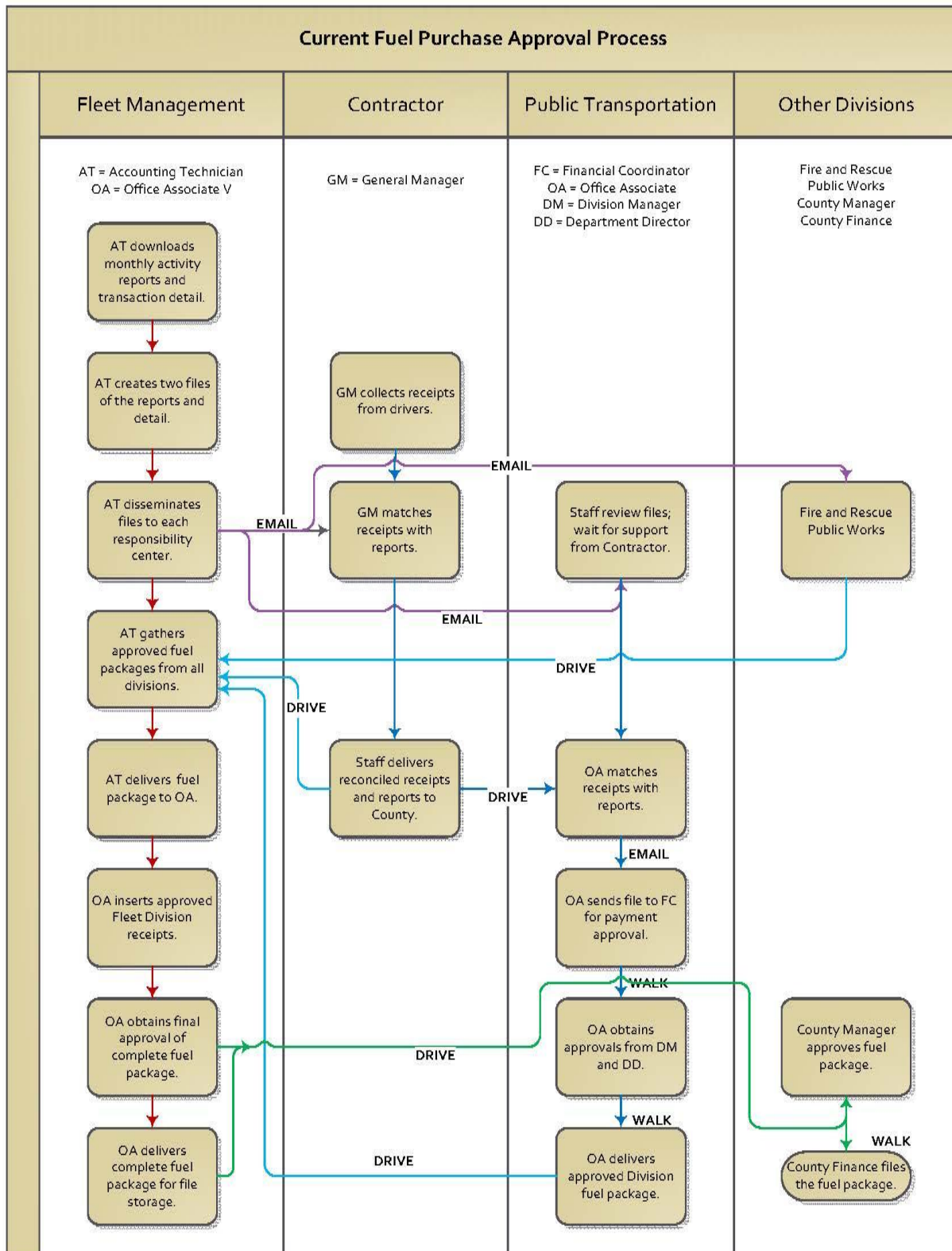
- B. Consider requiring the Contractor to include fueling stops in its scheduled runs as applicable.

#### **4. The Process for Approving Fuel Purchases Should Be Streamlined.**

The process of obtaining approvals for the monthly fuel billings is convoluted and inefficient. County, Division and Contractor staffs are all involved in the transportation of paperwork, including approval sheets, billings, transaction detail and receipts for each transaction. The physical documents are driven back and forth by different persons and between various locations in Leesburg, Groveland and Tavares to gather approvals before finally delivering them to Finance for payment and storage.

We prepared the following flowchart to demonstrate the current process:





Many of the steps and methods in this process cause unnecessary expense to the County and are avoidable. For example, it is not necessary to drive the physical documents around the county for

approvals when they can be transmitted electronically. Physically transporting the documents is a waste of County resources, including time, salaries, fuel and vehicle wear. Also, it is not necessary for so many individuals to be involved in the process or for documents to be provided to those who do not have a use for them. The cost of the approval process should not outweigh the benefits.

**We Recommend** management streamline the process for approving fuel purchases to eliminate unnecessary tasks, time and expenses incurred.

## 5. Records Containing Personal Information Should Be Protected.

The Contractor does not have adequate controls in place to protect, secure, or dispose of program files and documents. Inadequate data safeguards could potentially result in HIPAA noncompliance. We noted the following concerns:

- A. Personnel and client confidential information is not securely maintained. During our observations, we discovered that information stored in file cabinets is not kept locked. Files and documents are located in areas accessible to persons who should not have access and some documents are not stored in files or cabinets.

We found documents stored in a bathroom at the Contractor's office:



Image 1



Image 2

Image 1 shows a stack of paperwork next to the toilet including County vehicle reports; identifying information could be seen clearly on the top page. Image 2 is a picture of a variety of items piled into what used to be a shower stall; some of the items included a Lake Xpress route map, a Halloween bucket, boxes of strewn papers and a stack of reservation files.

We also found documents commingled with trash in the public dumpster:



Image 3



Image 4

Image 3 illustrates the location of the dumpster in relation to the public road. It is easily accessible by anyone walking or driving by. Image 4 shows that the dumpster is left open and only a few feet from an employee break area.



Image 5



Image 6

Image 5 is a picture of the inside of the dumpster. Some of the refuse is bagged, but much of the Contractor's trash appears to be thrown in without a bag, including reports from the County's Route Match system, used bus transfers, Contractor correspondence and personal trash. Image 6 is a close-up of the left bottom half of Image 5; it is a Route Match report listing service and revenue miles by funding source code. In addition, we learned that the Contractor shares the dumpster and parking lot with another business.

- B. A shredding policy is not in place. We observed that the Contractor's employees commingle all of their trash; they do not segregate refuse that contains confidential information. The result is shown in images 5 and 6. A shredding policy is necessary to ensure all documents containing confidential information are shredded.

- C. The Contractor's system administrator does not know how to restrict user access based on information that is needed. When a user identification is created, access to all areas of Route Match is given, including the ability to change data. We observed that the system administrator did not know how to assign read-only access to a particular user. System users should only be given access based on their job duties. A person who has no responsibility to update or change client personal data should not have the ability to do so. Also, the client data screen contains sensitive confidential data including the client's address, social security number and medical information that only persons with a specific need to know should have access.

Inadequate data safeguards create opportunities for unauthorized persons to have access to protected information. The *Standards for Privacy of Individually Identifiable Health Information* (Privacy Rule), issued to implement the requirement of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), provide standards for individuals and organizations to follow to assure that individuals' health information is properly protected.

Violations of the Privacy Rule include civil and criminal penalties. A document entitled *A Summary of the HIPAA Privacy Rule*, provided by the Department of Health and Human Services (HHS), includes the following penalties:

"Civil Money Penalties. HHS may impose civil money penalties on a covered entity of \$100 per failure to comply with a Privacy Rule requirement. That penalty may not exceed \$25,000 per year for multiple violations of the identical Privacy Rule requirement in a calendar year.

Criminal Penalties. A person who knowingly obtains or discloses individually identifiable health information in violation of HIPAA faces a fine of \$50,000 and up to one-year imprisonment. The criminal penalties increase to \$100,000 and up to five years imprisonment if the wrongful conduct involves false pretenses, and to \$250,000 and up to ten years imprisonment if the wrongful conduct involves the intent to sell, transfer, or use individually identifiable health information for commercial advantage, personal gain, or malicious harm. Criminal sanctions will be enforced by the Department of Justice."

The document describes the administrative requirements of the law including 'Data Safeguards':

"A covered entity must maintain reasonable and appropriate administrative, technical, and physical safeguards to prevent intentional or unintentional use or disclosure of protected health information in violation of the Privacy Rule and to limit its incidental use and disclosure pursuant to otherwise permitted or required use or disclosure. For example, such safeguards might include shredding documents containing protected health information before discarding them, securing medical records with lock and key or pass code, and limiting access to keys or pass codes."

The pictures and examples shown above illustrate that the Contractor does not have the proper controls in place to prevent the potential disclosure of “individually identifiable health information” as required by HIPAA and the Privacy Rule. The Contractor has a responsibility to protect the personal and confidential information of its employees and clients.

**We Recommend Management:**

- A. Require the Contractor to ensure that all confidential information is kept locked and physically accessible to only those persons who have a need to know.
- B. Require the Contractor develop and implement a shredding policy, identifying what types of information should be shredded.
- C. Determine the extent that user access can be restricted. Management should ensure that access for all users is identified, reviewed for necessity, and established according to needs.

## **6. Pre-payment of Public Transit Services Is Excessive.**

The Contractor is paid for paratransit services before they are provided. The current process of billing a month in advance is ineffective.

Each month the Contractor invoices the County for the next month’s estimated trips, providing the number of actual trips for the previous month. Upon receipt, Division staff calculates the over or under payment for the previous month, instructs the Contractor to create the corresponding credit or debit invoice for the “true-up” and then adjusts the payment for the current estimated billing.

To determine whether this methodology was practical, we reviewed a sample of invoices paid to the Contractor from October 2011 to September 2012. The following table compares the estimated number of trips per the agreement to the actual number of trips provided and shows the corresponding over or under payment:



Invoice Month	Actual Trips	Estimated Trips	Amount Under (Over) Estimated	Percent of Deviated Trips
October	12,942	13,083	\$(2,447.76)	-1.08%
November	12,820	13,083	\$(4,565.68)	-2.01%
December	12,714	13,083	\$(6,405.84)	-2.82%
January	12,893	13,083	\$(3,298.40)	-1.45%
February	12,852	13,083	\$(4,010.16)	-1.77%
March	14,157	13,083	\$18,644.64	8.21%
April	12,828	13,083	\$(4,426.80)	-1.95%
May	11,402	13,083	\$(29,182.16)	-12.85%
June	10,521	13,083	\$(44,476.32)	-19.58%
July	10,422	13,083	\$(46,194.96)	-20.34%
August	11,649	13,083	\$(24,894.24)	-10.96%
September	10,514	13,083	\$(37,925.51)	-19.64%
			<u><b>\$(189,183.19)</b></u>	

Our review of the invoices paid revealed \$189,183 in net over-estimated payments for paratransit services. The Contractor only achieved the estimated goal of 13,083 trips once in the 12-month period and deviated from that number by more than 20% in July 2012. This illustrates that the Contractor billings are not based on estimates that closely reflect what the actual costs will be.

The prepayment procedure currently used is specified in the County's contract with the Contractor. This requirement in effect results in the County advancing funds for the Contractor's operations the following month. With this procedure the County is allowing the Contractor to use County funds to finance their operations. This situation is compounded by the fact that the County is routinely paying more than the average monthly expenses based on number of trips.

**We Recommend** management change future contractual agreements to require that the service provider invoice the County only for actual services provided.

## 7. Practices Relating to Paratransit Services Should Be Reviewed and Improved.

During our review of paratransit services (scheduled individual trips for the transportation disadvantaged), we found that sufficient controls are not in place to ensure effective services. For example, client applications are not current, eligibility determinations are not consistently applied, a published Medicaid Handbook does not exist, the no-show policy is not enforced, Medicaid trips are misclassified, and no-shows are not verified. These issues affect many aspects of the transit program

including compliance, reporting and allocation of County resources. The following is a description of our concerns:

- A. A process does not exist to ensure that client applications on file are current. We noted that 25 out of 50, or 50% of the client files sampled did not contain a valid application. In six of the instances, the Contractor could not locate the client file and, therefore, the applications could not be reviewed and may not exist. In addition, the Contractor does not periodically review whether clients receiving services funded by Medicaid are still approved by Medicaid.

Client applications should be up-to-date and reflect current funding eligibility determinations. Instead, transportation services are being provided to individuals that may not be qualified to receive services. County resources such as fuel could be wasted and eligible clients could be delayed in obtaining transportation services. Additionally, reporting to funding agencies could be false if it is based on invalid or inaccurate applications.

- B. Eligibility determinations for paratransit services are not consistently applied. During our audit, we noted determinations that were not supported by the client file. In fact, many of the applications we reviewed did not indicate the approved funding source, and some of the trips reviewed were approved for a funding source other than what was approved in the application. We also noted apparent confusion among the various parties involved in making determinations in that Contractor management did not understand why County management used some of the funding sources. In addition, the Contractor's staff did not reference a formal list of criteria or written procedures when approving applications during the time period covered in our sample.

Procedures should be written to ensure consistent application of eligibility guidelines. Without clearly established guidelines, Contractor staff could be approving applications using different sets of criteria, inaccurate determinations could be made, and clients could be determined eligible under the wrong funding source.

- C. Paratransit clients are not adequately informed of program policies and procedures. The Contractor does not provide a Rider's Guide to clients unless they specifically request a copy. Although the *ADA Rider's Guide* and the *Lake Connection Rider's Guide* are available on the County's website, a guide is not available for Medicaid beneficiaries.

In fact, the County has not issued a "Medicaid Beneficiary Transportation Services Handbook" as required by the agency agreement. Specifically, the Subcontracted Transportation Provider (STP) Agreement for the Medicaid Non-Emergency Transportation (NET) Program states that, "Within seven (7) Calendar Days following the STP's determination of a Medicaid Beneficiary's eligibility to receive Transportation Services, the STP shall mail each Medicaid Beneficiary a copy of its Medicaid Beneficiary Transportation Services Handbook." A template for this document is provided by the agency, but a completed handbook is not mailed to beneficiaries nor is it available on the County website.

A complete guide or handbook should be provided to each client once they are approved for program services to ensure that they are aware of the program's policies and procedures. This could prevent potential misunderstandings and unintentional violations and ensures that even clients who do not have access to the internet will be informed. In addition, a handbook should be available for all services provided. Management should comply with all of the requirements of Medicaid agreement, including the development of a handbook for Medicaid beneficiaries.

- D. Disciplinary action is not taken against client no-shows as required. The *ADA Rider's Guide* and the *Lake Connection Rider's Guide* both outline the no-show policy but it is not enforced.

According to the guides:

"If a vehicle arrives to pick up a passenger and he or she is not there or does not board the vehicle by the scheduled time, the passenger will be considered a no-show."

"Multiple no-shows will result in a suspension of the client's transportation service. The steps leading up to a suspension of service are as follows:

- The first no-show is recorded in the client's file and a door hanger is placed on his or her door.
- A second no-show within 90 days of the first no-show will result in a letter being sent to the passenger stating that their next no-show will result in a 30-day suspension.
- A third no-show within 90 days of the first no-show will result in a 30-day suspension.
- A fourth no-show within 90 days of the first no-show will result in a 60-day suspension."

"If a driver is unable to find a client within five minutes of arriving, or if a client does not cancel a trip within at least two hours before the scheduled pick up time, he or she will be considered a no-show."

The guides also state that, "Repeat no-show offenders may be assessed a no-show fee."

As noted in the first step above, the driver is required to leave a door hanger at the pick-up location; however, we learned that the door hanger is only one-ply, a copy is not retained, and nothing is recorded in the client file. The second step states that a letter will be sent; however, the Contractor does not issue written warnings. The third and fourth steps state that a suspension will occur; however, we were informed that suspensions do not occur and verbal counseling occasionally occurs but is not documented. In addition, although the guides warn that fees may be assessed, this does not occur either.

As a result, clients are not held accountable for disregarding or violating the policy. Repeat offenders may continue to violate the policy intentionally, knowing that there are no true consequences. Also, County resources such as fuel may be wasted when drivers are scheduled to



pick-up repeat offenders. Seats on the vehicles should be reserved for clients that are compliant with the program's rules. This lack of enforcement demonstrates that a valid policy does not exist. In addition, the Contractor does not even monitor the frequency of client no-shows.

To determine the significance of this issue and the volume of no shows and cancellations, we compared the counts from October 2011 through September 2012, as shown in the following table:

Month	No-Shows	Cancellations	Total Passengers	Total Scheduled Passengers	Percent of No-Shows	Percent of Cancellations
<b>October</b>	644	2,410	14,997	18,051	3.57%	13.35%
<b>November</b>	640	2,387	14,637	17,664	3.55%	13.22%
<b>December</b>	654	2,557	14,497	17,708	3.62%	14.17%
<b>January</b>	703	2,687	14,602	17,992	3.89%	14.89%
<b>February</b>	767	2,493	15,111	18,371	4.25%	13.81%
<b>March</b>	796	2,576	16,039	19,411	4.41%	14.27%
<b>April</b>	857	2,164	14,475	17,496	4.75%	11.99%
<b>May</b>	761	2,344	12,779	15,884	4.22%	12.99%
<b>June</b>	628	1,538	12,016	14,182	3.48%	8.52%
<b>July</b>	674	2,110	11,894	14,678	3.73%	11.69%
<b>August</b>	752	1,177	13,725	15,654	4.17%	6.52%
<b>September</b>	<u>607</u>	<u>974</u>	<u>12,346</u>	<u>13,927</u>	<u>3.36%</u>	<u>5.40%</u>
	<b><u>8,483</u></b>	<b><u>25,417</u></b>	<b><u>167,118</u></b>	<b><u>201,018</u></b>	<b><u>4.22%</u></b>	<b><u>12.64%</u></b>

During this 12-month period, there were 8,483 scheduled trips, more than 4% of the total scheduled, classified as a no-show. The waste of County resources as a result of no-shows manifests in many ways including: 1) staff time spent answering calls, changing system information and notifying the driver while in route, and 2) fuel used, time spent driving and County vehicle wear and tear. Also, this calculation does not take into account the no-shows that resulted in a return trip cancellation. Enforcement of the no-show policy could reduce these numbers significantly and prevent further waste of County resources.

- E. Trips are not classified as a no-show as prescribed in Medicaid guidance. The practice used by the Contractor when classifying a no-show is the "2-hour" rule identified above in the *ADA Rider's Guide* and the *Lake Connection Rider's Guide*, which are not intended to be guides for Medicaid beneficiaries.

The Subcontracted Transportation Provider (STP) Agreement for the Medicaid Non-Emergency Transportation (NET) Program states that:

"If a Medicaid Beneficiary fails to provide notice of cancellation to the STP or a Transportation Provider at least twenty-four (24) in advance of a scheduled Trip, or the Medicaid Beneficiary is not available, or has decided he/she does not require Transportation Services, then the STP shall classify the Medicaid Beneficiary as a No Show. The STP shall provide the Commission a monthly report listing its No Show Medicaid Beneficiaries."

The Contractor's current method of classifying Medicaid no-shows is not compliant with the agency agreement. As a result, the number of no-shows in the Route Match system is understated and the number of cancellations is overstated. This also leads to the possibility that the monthly report submitted by the County to the Commission is based on inaccurate quantities.

- F. A process does not exist to confirm that no-shows reported by the driver are valid. When a no-show occurs, the driver typically either writes on his or her manifest the words "no show," puts a checkmark in a box labeled "no show" or does both. On the following day, when the actual trip detail is input into Route Match, the Verifier simply inputs the notes from the driver manifest; this is the difference between a "no show" and a "verified no show" in the system. In reality, these no-shows are not verified.

Because drivers collect a co-payment from the clients, it is possible that a driver could transport the clients, keep the co-payments, and identify them as no-shows. Any unreported trips could also reduce the amount of funding received from other sources. Management should obtain reasonable assurance that the quantity of no-shows reported is accurate. This assurance could be obtained by selecting a sample of no-shows periodically and contacting the client for verification.

#### **We Recommend Management:**

- A. Instruct the Contractor to periodically review the expiration dates of applications and initiate a re-certification process for those that will expire within a specified timeframe. Management should also require the Contractor to periodically verify the approval status of Medicaid clients with the agency.
- B. Require the Contractor to retain an application for all clients, including complete documentation of the client's approved determinations and expiration dates. Management should provide the Contractor an eligibility checklist to reference when approving applications and to include in the client file.
- C. Prepare a Medicaid Beneficiary Transportation Services Handbook. Management should instruct the Contractor to mail all clients upon notification of approval of services, a copy of the appropriate guide or handbook.
- D. Require the Contractor to enforce the no-show policy and monitor the frequency of client no-shows. All efforts to enforce the policy should be logged and documented in the client file. Management should review the policy and ensure that it is stated in accordance with intentions.

- E. Require the Contractor to classify the no-shows of Medicaid beneficiaries in the Route Match system in accordance with the Medicaid agreement.
- F. Develop a process to periodically verify the validity of no-shows with randomly selected clients.

## 8. Fixed Route Scheduling Needs Improvement.

During our review of the County's fixed route observations, we found that the buses are not timely in accordance with the published schedules. In fact, out of 89 recorded times we determined that they were late 68% of the time. Additionally, round-trip travel is not offered to all stops, litter control is not managed at others and many designated bus stops are not marked with signage. The following illustrates our concerns:

- A. The fixed route buses are not timely. Specifically, the published times in the bus schedules do not correspond to the actual arrival times. We observed the fixed route bus operations as a passenger for several days. During those observations, we noticed that there was a pattern of how late a bus was at certain points in the route, that buses seemed to consistently run early at other points and that they consistently park to catch up to their schedule, also at certain points. We recorded and analyzed these time differences and found that 41 out of 63 recorded times, or 65%, were late more than three minutes from the published schedule.

The tables below illustrate the variations in arrival times that occurred on a given trip, one for an eastbound trip and the other for a westbound trip noting the same designated bus stops from a different day.

Route 1 East Bus Stop	Scheduled Time	Arrival Time	Early Or Late
2	7:27	7:35	0:08
3	7:37	7:45	0:08
4	8:00	7:49	0:11
5	8:07	8:09	0:02
6	8:20	8:20	0:00
7	8:29	8:38	0:09
8	8:34	8:44	0:10

Route 1 West Bus Stop	Scheduled Time	Arrival Time	Early Or Late
8	17:03	17:10	0:07
7	17:10	17:14	0:04
6	17:24	17:21	0:03
5	17:48	17:40	0:08
4	18:00	17:54	0:06
3	18:04	18:08	0:04
2	18:11	18:22	0:11

Designated bus stop #4 is a transfer station; three of the bus routes meet at this point on the hour. We noticed that the buses typically arrive early to this stop, apparently waiting for each other so that passengers can transfer between buses. As a result of having to wait, sometimes all of the buses also leave this stop late. Designated bus stop #6 is located at a shopping mall; this stop appears to be used as holding area, either for the buses to catch up to the schedule or for the

driver to take a break. On the eastbound trip, the bus arrived on time but did not leave until 8:32am, 12 minutes late. On the westbound trip, the bus was only three minutes early, but did not leave until 17:30pm, 6 minutes late.

During our audit fieldwork, the County changed the published schedules. Therefore, we extended our observations after the schedule change, recording the actual arrival and departure times for the designated bus stops along the routes we travelled. When combined with the previous data collected, we found that the occurrence rate had increased, 61 out of 89 recorded times, or 68% were late more than three minutes from the published schedules.

Below are all of the times we recorded using the revised schedules:

Route (R) Bus Stop (S)	Scheduled Time	Arrival Time	Early or Late
R1 S9	12:37	12:45	0:08
R1 S10	12:48	12:54	0:06
R1 S11	12:53	13:00	0:07
R1 S12	13:14	13:16	0:02
R1 S11	13:38	13:37	0:01
R1 S10	13:43	13:52	0:09
R1 S9	13:53	14:02	0:09
R1 S8	14:03	14:10	0:07
R1 S7	14:07	14:17	0:10
R1 S6	14:25	14:25	0:00
R1 S5	14:35	14:40	0:05
R1 S4 (transferred)	15:00	14:51	0:09
R2 S1	15:00	15:05	0:05
R2 S2	15:09	15:15	0:06
R2 S3	15:15	15:22	0:07
R2 S4	15:22	15:29	0:07
R2 S5	15:29	15:36	0:07
R2 S6	15:41	15:48	0:07
R2 S7	15:45	15:51	0:06
R2 S8 (transferred)	16:00	15:58	0:02
R1 S4	16:00	16:08	0:08
R1 S5	16:07	16:14	0:07
R1 S6	16:25	16:38	0:13
R1 S7	16:33	16:48	0:15
R1 S8	N/A	N/A	N/A
R1 S9	16:37	16:52	0:15

On this day, 20 out of 25 recorded arrival times, or 80%, were more than three minutes late.

The County measures its on-time performance based on a standard of 15 minutes or less after the scheduled time. Using this standard, only 2 of the 25 recorded times would be considered late and the County would report a 92% on-time performance rate compared to our 20%. We find that a 15 minute standard is questionable considering the routes are only one hour long and that a 25% difference from the arrival or departure time is excessive.

It is important that bus arrivals and departures be as close to the published schedules as possible. A late bus could cause passengers to be late to their destination such as work or doctor appointments. It also would force passengers to have to wait longer periods of time along bus routes, some without shelter or in bad weather. An early bus could cause a potential rider to miss the bus even though he or she had arrived on-time to board; this too would cause the person to be late in arriving at their destination because he or she would be forced to catch the next scheduled bus which would be at least an hour away.

- B. Bus routes do not facilitate round-trip travel at all designated bus stops. When the published bus schedules were revised during our audit fieldwork, two of the previously designated bus stops were eliminated in only one direction. Currently, the Route 1 bus no longer stops at the Lake County Agricultural Center on the eastbound trip and the Route 4 bus no longer stops at the Umatilla Health Department on the southbound trip.

Passengers and County employees that are travelling eastbound on the bus to the Agricultural Center now have to either: 1) continue riding until it completes its route and arrives there on the westbound trip, adding an extra 1.5 hours to their commute, or 2) exit the bus at the Lake County Administration Building, cross the street, wait 16 minutes and transfer to the next scheduled westbound bus. Likewise, passengers travelling southbound to the Umatilla Health Department have to either ride the bus the entire 2-hour route or not ride the bus at all. Management should design its bus routes to ensure that passengers can travel to and from each bus stop location.

- C. The Florida Litter Law is not enforced at bus stops. During our fixed route observations, we noticed that some of the bus stops are littered with trash and cigarette filters. We also observed many drivers and passengers extinguishing their cigarettes on the ground, as well as discarding other types of litter. The following pictures illustrate what we found:



Image 5



Image 6

Image 5 is a picture of a bus stop located along Route 1 that is utilized as a transfer station to other bus routes. As a result, it can be crowded with riders. This bus stop does have one trash receptacle but we noticed that it was overflowing for a week. Image 6 is another bus stop along Route 1 located at a shopping mall. We noticed that this stop was frequently used as a holding stop for the bus to get back on schedule. While passengers are waiting, there is nowhere for them to deposit their refuse.

Subsection (4) of Florida Statute 403.413, also known as the Florida Litter Law, states that, “Unless otherwise authorized by law or permit, it is unlawful for any person to dump litter in any manner or amount.” The statute further states that, “Any person who dumps litter in violation of subsection (4) in an amount not exceeding 15 pounds in weight or 27 cubic feet in volume and not for commercial purposes is guilty of a noncriminal infraction, punishable by civil penalty of \$100...”

The buses that use these stops are clearly identified as Lake Xpress. Therefore, the condition of the bus stops is a reflection on the County. Management should discourage drivers and passengers from littering by ensuring that sufficient trash receptacles and cigarette extinguishers are provided for use at bus stops, paying particular attention to holding and transfer stops. Management should further discourage littering by installing signage at these stops citing the Florida Litter law.

- D. Scheduled bus stops are not clearly marked along the route. In fact, not all designated bus stops are marked with a Lake Xpress (LX) sign and many of the existing signs are faded and difficult to read. The published bus schedules clearly indicate on the front flap to look for the LX “sign along the route for designated bus stops.” However, during our observations, we noted the following with respect to the signage along Route 1:

Designated Stop #	Eastbound Signage?	Westbound Signage?
1	Yes	Yes
2	No	No
3	No	No
4	Yes	Yes
5	No	No
6	No	No
7	No	No
8	Does not stop	Yes

This illustration shows that out of 15 scheduled stops, only five of them had an LX sign.

Without the proper signage at the designated stops, it is difficult for a potential rider to determine whether the bus is timely in accordance with the schedule. Management should ensure that Lake Xpress signs exist at all scheduled stops; this could include determining whether it is feasible to utilize the signs at unscheduled locations to limit the cost to the County. The signs should be easy to read; therefore, management should discard or replace signs when they become faded and no longer readable.

#### **We Recommend Management:**

- A. Perform an extensive comparison of actual to scheduled bus stop times and re-evaluate the accuracy of the published schedules. Based on the results of the study, management should either re-publish the schedules with the correct times or require the Contractor to ensure that its drivers adhere to the schedules.
- B. Develop bus routes and schedules which facilitate round-trip travel to and from each bus stop.
- C. Provide adequate trash receptacles and cigarette extinguishers at designated bus stops. Management should also install signage at scheduled bus stops citing the Florida Litter Law.
- D. Ensure that Lake Xpress signage exists at all designated stops. Also, management should replace signs when they become faded and no longer readable.

## **9. Bus Driver Practices Should Be Improved.**

We noted the following concerns regarding bus driver practices:

- A. Tipping is not actively discouraged on public transportation vehicles. Signage does not exist on any of the fixed route or paratransit vehicles prohibiting the offering or acceptance of tips. We

reviewed Contractor documents, such as the employee handbook, training guides, and standard operating procedures, and found no written evidence that the acceptance of tips is prohibited. The *Lake Connection Rider's Guide* does include in the Fares section, "Drivers do not accept tips. Please notify Lake County Connection if any driver asks for or accepts a tip." However, as discussed in Improvement Number 7.C., the guide is only provided to riders upon request, and it is only applicable to paratransit services.

The Board of County Commissioner's Code of Ethics, a part of the Employment Policies Manual, states that pursuant to Florida Statute Section 112.313, "No employee may solicit or accept a gift from any person or entity (or agent or lobbyist of such person or entity) doing business with or regulated by the County..."

Inappropriate situations are likely to occur if sufficient preventative controls are not in place. Drivers could be tempted to accept tips since unknowing riders may be more likely to offer them. Management should clearly communicate the policy. Signage should be affixed in all public transportation vehicles, making riders aware of a "no-tipping" policy. It should also be communicated on the Lake Xpress website where it is easy to find, such as in the FAQ or Fares area.

- B. Many bus drivers do not announce scheduled bus stops as required. During our fixed route observations, we noted only one bus driver announced approaching scheduled stops to passengers.

As a result, the County is not in compliance with the legal requirements for the transportation services for individuals with disabilities. Specifically, the Code of Federal Regulations, 49 CFR 37.167, states that on fixed route systems, "The entity shall announce (stops) at least at transfer points with other fixed routes, other major intersections and destination points, and intervals along a route sufficient to permit individuals with visual impairments or other disabilities to be oriented to their location."

Any passenger that cannot see where the bus is in the route may not know when to signal the driver to stop, and, therefore, may miss his or her stop. Management should ensure Contractor compliance with the regulation.

- C. Bus drivers do not consistently display their name to riders. Although the majority of drivers we observed wore an identification badge, the printed name is too small to see when passengers are boarding and cannot be seen when they are seated. A few of the drivers displayed a name placard, although most did not and many of the buses did not have a slot to insert a placard.

It is a common practice in customer service to display the names of representatives through the use of name plates or identification badges. In the contractual agreement, the section entitled Driver Standards and Duties states that, "While on duty, driver shall wear a name tag and picture identification visible at all times." Also, the County has published a mystery rider form to be used by passengers to evaluate a bus trip; the form requests the driver's name.



It is important that riders are able to easily identify the bus drivers, particularly in the event of an emergency or accident. Passengers also have a need to know the name of the driver when filling in a mystery rider form, writing a compliment or reporting a complaint. This could be accomplished by requiring that all drivers display a name placard in plain view of all seats.

**We Recommend Management:**

- A. Develop a written "no tipping" policy. Management should include signage promoting the policy on all public transportation vehicles and address the "no tipping" policy on the Lake Xpress website.
- B. Require the Contractor to ensure that its bus drivers announce scheduled stops and transfer stations upon arrival.
- C. Install a slot on each vehicle for the placement of a driver name placard. Management should require the Contractor to provide each driver a name placard to be displayed while on duty.

## **10. Controls Over Cash Receipts Need Improvement.**

Monies collected by the Contractor for both fixed route and paratransit operations are primarily cash; therefore, effective controls over cash are necessary to ensure that monies are protected from theft. Likewise, the manner in which related data is gathered and stored is critical to ensure that the results of operations are accurately stated. During our review of controls over cash receipts, we noted the following concerns:

- A. Cash collected from the fixed route fareboxes is not deposited timely. The Contractor's procedure for Farebox Handling provides that the monies are collected from the fareboxes at the end of the day and locked up, the monies are to be counted by 10:00am the following morning and then deposited on the second day. We reviewed the deposit records for two months and found that, when applying a two-day standard, 13 out of 44 deposits, or 29%, were not made timely.

We then determined that, in accordance with the Farebox Handling procedure, deposits could reasonably be made the within one day since the monies will have been counted by 10:00am. Using a one-day standard, we found 36 out of 44 deposits, or 82%, were not made timely.

Cash management best practices provide that cash collections should be deposited as close to the collection date as possible. Deposits should be made intact daily. The risk that monies collected will be lost or stolen increases when deposits are not made in a timely manner.

- B. Paratransit co-payments collected are not verified. Nothing is in place to account for the actual amount of co-payments received at the time of collection and an adequate process is not in place to verify collections after the fact.

The County's paratransit vehicles are not equipped with a farebox, like the fixed route buses are. Instead, drivers are instructed to personally collect the co-payments from passengers and keep them. There is no process in place that can verify the actual amount of monies collected. Drivers simply write down whether the money was collected or not. Contractor management then makes a determination as to whether a collection should have been made or not and then adds the amount to the driver's gross salary.

Drivers should not personally keep cash that is collected. Management should install something on the vehicles that passengers can deposit their co-payments into. Also, adequate cash controls require that cash received is verified on an on-going basis. Without the proper controls in place, co-payments collected may be inaccurate; drivers could be collecting and reporting amounts that do not match.

- C. Complete revenue information is not readily available. In addition to fares collected and passes sold by the Contractor, passes are also sold at three other locations. As a part of our audit, we requested that management provide us with the revenue data related to all sources; however, management did not have a report available identifying all of those for bus pass sales. It took 20 business days and several reminders for management to provide us with the requested information. Management should ensure that revenue reported from all sources is complete and readily available.
- D. Monies collected from bus pass sales on the bus are commingled with fares. They are a part of the total amount reported for fares collected for that bus on that day. The Contractor also reports the amount of bus pass sales for a given day separately from the fares reported, but this information does not specify the associated bus route that the monies were collected on. Therefore, the reported information does not show which bus route sold how much in bus pass sales.

As a result, sources of revenue reported for each bus route are not separately identifiable. This prevents management from being able to effectively analyze sales data reported. For example, it is not possible to determine on which route the most bus pass sales occur because the information is not tracked; likewise, it is not possible to determine the true amount of fares collected on a particular route because bus pass sales amounts may be included. Management should require that fixed route farebox monies and bus pass sales be tracked and reported separately for each route.

- E. Fixed route operational data is tracked manually even though system software is available. Management instructs the Contractor to record and report fixed route information in spreadsheets including statistics and other data critical to assessing the efficiency of operations such as platform hours and miles, passenger counts, fares collected, and passes sold. The spreadsheets contain numerous cells with formulas and calculations that are not protected from being altered.

Manually tracked information typically has a higher risk of being inaccurate and limited usefulness for analysis and identification of trends than data maintained in a formal system. The Route Match system currently being used to manage the paratransit operations has the capability to track fixed route operations as well, but it is not being utilized as intended. We also understand that the use of electronic fareboxes in the fixed route buses would simplify the transfer of information into Route Match; however in the meantime, we suggest that management explore how it can manage all of its operational data, regardless of source, related to both fixed route and paratransit operations in the Route Match system.

- F. The number of passengers reported is unreliable. Currently, as a passenger boards a fixed route bus, the driver records a tally mark on his or her daily time record and writes the total in the margin at the end of the day. To illustrate, the following image is a clip from a driver's time record:

Sch Time	Act Time	Mileage					
Last Stop	10:00	1600	199943.5				
Rt gar							
Sign Out	10:00	1600	199944.5				
Grove St	County Admin	Citizens Blvd	Wal-mart	Spanish Springs		Amb psg	WC Psg
		6:00	6:04	6:20			
		600	605	626		12	3
		OTP		OTP			
Grove St	County Admin	Citizens Blvd	Wal-mart	Spanish Springs		Amb psg	WC Psg
8:24	8:59	10:00					
826	859	1000				14	1
		OTP		OTP		6	0
Sch Time	Act Time	Mileage					
Last Stop	16:00	1600	173519.3				
Rt gar							
Sign Out	16:00	1600	173519.3				
Grove St	County Admin	Citizens Blvd	Wal-mart	Spanish Springs		Amb psg	WC Psg
		11:00	11:04	11:20			
		1142	1107	1126		13	0
		OTP		OTP		20	3

Tally marks

Number of passengers  
-9 ambulatory  
-0 wheelchair

The Contractor manually calculates the total number of passengers from all of the time records for each day and includes the information in the monthly fixed route spreadsheet previously discussed. Management then includes this information in its monthly reporting to funding agencies.

Drivers must shift their focus away from their surroundings and customer service. Manually recorded counts are subject to being inaccurate; therefore, management's agency reports are also likely to be inaccurate. We suggest that management install doorway sensors in the fixed route vehicles so that the number of passengers boarding and exiting the buses can be electronically counted.

**We Recommend Management:**

- A. Require the Contractor implement a process to review the timeliness of deposits and enforce established standards and procedures.
- B. Install a locked fixture in the paratransit vehicles for depositing cash payments. Management should require the Contractor to verify that co-payments collected are accurate.
- C. Ensure that revenue reporting is complete and readily available.
- D. Require the Contractor to track and report fixed route farebox monies and bus pass sales separately for each route.
- E. Maintain fixed route operational data in the Route Match system.
- F. Install operating passenger counters in each fixed route vehicle.

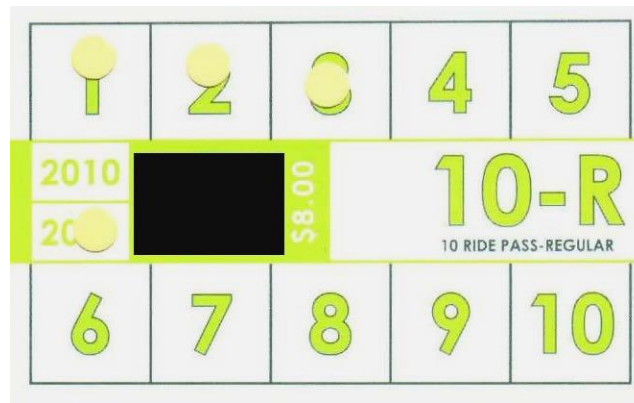
**11. Security and Accountability of Bus Pass Inventories Should Be Established.**

Adequate controls are not in place to prevent misappropriation of bus pass inventories. During our review of bus passes, we noted the following concerns:

- A. Inventories for the bus passes are not securely stored. The passes are kept in a metal storage cabinet, located inside the Contractor's office. The handle on the cabinet is lockable but during our fieldwork we observed that it was left unlocked; sometimes the office was left unlocked and unattended, as well.

Good business practices require that proper controls and procedures be put in place to protect assets from theft. Bus pass inventories are physically unsecured, making them easily accessible and vulnerable to misappropriation. Unsold bus passes should be kept locked at all times. We suggest that only the custodian and an alternate, known to the County, have access to it.

- B. Bus passes are not accounted for properly. They are not sequentially numbered, and therefore, not separately identifiable. Currently, the number of passes is counted before giving them to the morning driver and then again at the end of the day; the difference is counted as what was sold for the day. During our fixed route observations, we purchased a 10-ride pass and noticed that the driver uses a standard hole-punch to mark the year and a number for each use, as illustrated in the picture below. Also as previously mentioned, the inventory is not securely stored at all times.



It is management's responsibility to ensure that its assets are not vulnerable to misappropriation. Because the passes are not pre-numbered sequentially and a periodic reconciliation is not possible, there is no way for management to know for certain whether passes have been stolen or simply miscounted. Also, there is nothing unique about the shape of the punch applied to the passes; it is standard and easily accessible anywhere office supplies are sold. If the passes were numbered and then stolen, management may be able to determine the source of the theft when the pass re-enters the system. Management should purchase bus passes that are sequentially numbered and implement a process to periodically reconcile the beginning and ending inventories to ensure that theft is not occurring.

- C. The process for re-ordering bus pass inventories and transfer slips is inadequate. When supplies get low, the Contractor contacts the division, asks them to place an order, and then waits for the goods to arrive. We learned that there have been instances when the Contractor has run out of transfer slips to distribute because they were not replenished by the division timely. Under these circumstances, Contractor issued copies of a transfer slip to riders until the order arrived; one instance lasted at least two weeks.

The back of a pass or transfer clearly states, "Copying or other reproduction of LakeXpress passes is prohibited." If copies of passes or transfer slips are issued, this tells riders that it is okay to copy them. Also, since the originals are not sequentially numbered, there is no way to know whether the replications in circulation were made by the Contractor or not. Management should determine what an appropriate re-order quantity is and ensure that an order is placed when inventories reach that point. Also, a copy of a pass or transfer slip should not be used.

- D. Bus passes purchased on board a bus is not always done in a safe manner. Upon boarding a bus, we asked the driver if we could purchase a 10-day pass; the driver agreed and performed the transaction immediately while parked in a busy traffic lane. While the bus was stopped in the road performing the transaction, nearby drivers had to stop their vehicle as well or were forced to drive around the bus. Transactions for bus pass sales by drivers should not be done in a traffic lane. We suggest that the drivers be instructed to pull-over out of traffic or process the transaction at transfer station.

**We Recommend Management:**

- A. Require the Contractor to keep unsold bus passes locked at all times.
- B. Ensure that the bus pass inventories purchased are pre-numbered sequentially and accounted for. Management should periodically reconcile the passes comparing what is on hand to what should be on hand, holding all custodians accountable for discrepancies.
- C. Ensure that bus pass inventories are re-ordered in a timely manner. Never copy a pass and issue/sell it.
- D. Require the Contractor to refrain from processing bus pass sales in a traffic lane. Drivers should be instructed to either pull-over out of traffic or process the transaction at transfer station.

**12. Advertising Revenues Should Be Maximized.**

Management is not taking advantage of all opportunities to raise revenues for the program. We noted the following concerns specific to potential advertising revenues:

- A. Advertising space on public transit vehicles is not utilized effectively. We rode the bus 20 times, observing numerous other buses along the way. During that time, we found that none of the buses we travelled in utilized the interior overhead placards for advertizing anything other than bus rates and rules. We also found that many of the buses have little or no advertising on the exterior of the buses even though a contract exists for the sale of advertising on the vehicles. We further learned that some of the existing advertising on buses has expired and is no longer being paid for.

The following picture is an example of two buses, holding at a transfer station; notice that neither has advertising on the side or back of the vehicle:



Advertising opportunities should be maximized to result in the greatest benefit to the County. Potential revenues are lost by not taking advantage of them. Management should utilize the inside of the buses as a potential source of advertising revenue and be more aggressive its pursuit to sell advertising for the outside of the buses.

- B. Management is not enforcing the public transit advertising contract. An agreement is in effect for *Revenue Sharing Transit Advertising*, specifying the services to be provided for the placement and removal of advertising on the buses. The terms of the agreement are not being met and management does not allocate any resources to monitoring the performance of the contract.

Non-performance of the contract has resulted in either no advertising or expired advertising that should have been removed. The County is missing advertising revenue opportunities and local businesses are missing opportunities to advertise. County contracts with vendors should be monitored to ensure satisfactory performance without exception.

Since the completion of our audit work, we learned that the County terminated the advertising contract that was in effect and executed a new contract with a different vendor in an effort to remedy these issues. We encourage management to put a process in place to monitor the performance of the new advertising agreement and, in the event of non-performance, ensure that action is taken to enforce its provisions.

- C. The rates for advertising on the public transit buses may not be competitive. In fact, the advertising rates published on the Lake Xpress website are significantly lower than those on other transit authority websites.

We searched the websites of other area transit authorities and prepared the following table comparing the monthly rates for various services offered:

Transit System Name	Full Wrap Cost	Lower Side Panel Cost (full side)	Back Wrap Cost	Interior Placard Cost
Lake Xpress (Lake County)	\$1,000	\$250	\$450	Not for Rent
Regional Transit Authority (City of Gainesville)	\$2,500	\$650	Not Listed	\$21.60 (4 weeks, 25 min.)
Pinellas Suncoast Transit Authority (Pinellas County)	\$3,500	\$1,000	\$1,000	\$10.00 (1 month, 50 min.)

One of the transit authorities reviewed also offers advertising rates on its bus schedules and website. In addition, it offers discounts depending on the number of advertisements or length of time of the advertisement.

In addition, the revenue sharing percentage received by the County does not maximize County revenue. Under the prior contract, the County only received 20% of the revenues charged by the advertising agency. Under the new contract, the percentage is down to 15%. Although both of these contracts were competitively bid, efforts should be made to obtain more competition among bidders for future contracts.

Advertising rates should reasonably approximate market rates to ensure that the County is maximizing its earnings potential. Revenues could be lost due to inadequate rates. Management should assess whether its current rates are sufficient, as well as, consider whether offering advertising on the Lake Xpress website could be another source of advertising revenue.

**We Recommend Management:**

- A. Rent the space inside and outside of the public transit vehicles to generate advertising revenues.
- B. Monitor the advertising contract to ensure performance. In the event of non-performance, we recommend management enforce the contract with the vendor.
- C. Review the advertising rates offered and ensure that they are in-line with the services and coverage provided. For future contracts, efforts should be made to increase competition in the bid process.

### **13. A Comprehensive Performance Management System Should Be Developed.**

Management does not regularly use performance measures to ensure cost efficient services are provided. Examples of measures not used or analyzed include passenger load per segment or route, waiting times, complaint rates by driver or route, customer demographics, cost efficiency, etc.

Also, many of the tools that may be needed to ensure that the data gathered is reliable are not utilized by management. For example, management collects data to measure its on-time performance rate, but the data gathered is manually recorded by drivers and later input into spreadsheets. This method of collecting the information is unreliable and could be more reliable if a GPS tracking device transmitted the information to management instead. But even this is not possible because management does not maintain its fixed route operational data in a formal system; it is also maintained in spreadsheets.

As a result, the risk of not deploying resources in the most cost effective manner is increased. When management does not analyze information such as ridership and load factors, there is no assurance that existing routes are cost justified. Also, increased analysis would assist management in targeting the functions and areas which have the most need. Considering the County spent approximately \$3.5



million last fiscal year with the Contractor, it is essential that transportation resources be deployed in the most cost effective manner possible.

**We Recommend** management establish formal performance goals and measures, calculating the achievement of those goals periodically, on a monthly or quarterly basis. Any trends or unusual results should be investigated.

## **14. Employee Time Records Should Be Approved by the Supervisor.**

Employee time records are not properly approved. The Contractor does not require that a manager review and approve the time records submitted by its drivers. Each day, drivers complete a daily time record which serves as the employee's timesheet, noting start/end times and breaks taken, as well as a summary of the days' activities, such as fuel purchases and co-payments collected from customers. A process is in place to review and record the driver notes but the employee's supervisor does not approve or sign-off on the time record. Payroll is input and processed based on the times recorded on the time records. Although the employee who processes the payroll is a supervisor, the drivers do not report to her.

Since the employees are paid an hourly rate and time records are not reviewed by the employee's supervisor, management cannot be certain that employees have recorded actual start and end times. Increases in the cost to operate the public transportation contract are likely reflected in the contractual rates, thereby passing the cost on to the County and ultimately to its taxpayers.

It is a common practice in all types of organizations to require that a supervisor sign-off on the timesheets of his/her direct reports. In addition, an indication of supervisory approval should be made on the time record.

**We Recommend** management require driver time records be reviewed and approved by the employee's direct supervisor.

## **15. The Complaint Tracking Process Should Be Enhanced.**

The tracking of public transportation complaints is inadequate. Details of complaints are not tracked and analyzed for trends or patterns.

The contractual agreement states that, "The CONTRACTOR shall submit a monthly detailed complaint report which includes date, time, nature of complaint (i.e. late pickup, late delivery, driver conduct, etc. and resolution/corrective measures)."

The Contractor does submit a monthly report, one for fixed route and one for paratransit services, but they are not detailed and do not include the resolution or corrective measures. A spreadsheet for

each service type is sent to division staff including an assigned identification number, the date of the complaint and the nature of the complaint. Following is an example of one of the reports submitted for the Lake County Connection, paratransit services:

ID	DATE	Service	Type
61201C	6/1/2012	Connection	Discourteous
61202C	6/1/2012	Connection	No Show
61203C	6/4/2012	Connection	Ride Time
61205C	6/6/2012	Connection	Client Error
61206C	6/7/2012	Connection	Commendation
61207C	6/7/2012	Connection	Discourteous
61208C	6/11/2012	Connection	Commendation
61209C	6/12/2012	Connection	Commendation
61212C	6/14/2012	Connection	Discourteous
61215C	6/15/2012	Connection	Late
61216C	6/18/2012	Connection	CSR Error
61217C	6/19/2012	Connection	Early
61218C	6/19/2012	Connection	Discourteous
61220C	6/19/2012	Connection	Late
61221C	6/21/2012	Connection	Commendation
61222C	6/21/2012	Connection	Late
61223C	6/21/2012	Connection	Client Error
61224C	6/22/2012	Connection	Driver Error
61225C	6/22/2012	Connection	Ride Time
61227C	6/28/2012	Connection	CSR Error

0	ADA
3	Late
1	No Show
2	Ride Time
4	Discourteous
1	Early
0	Fare Dispute
0	Securement
0	Mechanical
0	Mis-Information
0	By Pass
0	Off Route
0	Other
0	Unsafe
2	Client Error
2	CSR Error
0	Dispatch Error
1	Driver Error
0	Scheduling Error
16	
4	Commendation

Critical information relating to specific complaints is not documented in a manner that allows management a means to effectively analyze what is reported. For example, complaints cannot be tracked by driver, customer, route, time or vehicle. Without this level of detail, management cannot determine whether further action needs to be taken.

**We Recommend** management require the Contractor to include details specific to each complaint in its monthly reports. Management should review the details, identify trends and investigate unusual patterns.

## 16. Bus Washing Requirements Should Be Reviewed and Performed.

The contractual agreement does not reflect current bus washing practices. In fact, two contracts exist that require washing services to be provided for the public transit vehicles and neither of them reflect current practices or expectations.

The *Agreement for Provision of Public Transit Services*, Contract No. 05-011, does not reflect the actual responsibilities of the parties with regard to washing the vehicles. The Scope of Work section of the Agreement, II. states:

“Contractor shall wash vehicle exteriors at least once per week, in all seasons. Contractor shall sweep and clean-up vehicle interiors each day and be thoroughly cleaned once per week... Washing of the TD vehicles may be completed at the County maintenance facility using County-provided water, hoses, and consumable supplies.”

We learned that the Contractor does not wash vehicles and that the County has no plans to install a wash system at County maintenance facility.

The contract further states in the *Second Supplemental Agreement*:

“County agrees to pay, upon receipt of an appropriate invoice, the sum of \$30 per bus, for the Contractor to complete the required bus wash services for the transit buses until such a time the County provides a wash system at the County maintenance facility.”

We reviewed Contractor invoices for a 13-month period and found that the County was billed once for eight washes.

We subsequently found that a second agreement for *Car Wash Services*, Contract No. 07-0840, was modified to add washing the fleet of 89 public transit vehicles. The modification states that all of the vehicle types should be washed biweekly/monthly, except for the fixed route buses which are to be washed weekly. The current practice utilizes this contract, however, not in accordance with the frequency of washes required. We expanded our review of invoices to include those related to this agreement for the same 13-month period and found that, in total, the County only paid for 351 washes totaling \$14,000.95. Even if all of the vehicles were washed only once a month, that would not amount to four months of services.

Regardless of the intentions of management, it should be made clear which party is responsible for providing the wash services. Only one party should be named. In addition, the prevailing agreement should reflect what management has determined is the expected practice. Changes to agreements should be made in writing.

**We Recommend** management review its decision regarding bus washing practices. Management should ensure that contractual agreements accurately reflect its expectations and any changes to provisions are made in the form of a modification.

# APPENDICES

## **Appendix A – Management’s Response**



May 21, 2013

Alice Garner, CPA  
Internal Audit Division  
Clerk of Circuit the Court  
P.O. Box 7800  
Tavares, FL 32778

Re: Departmental Response to Internal Audit of MV Transportation Contract

Dear Ms. Garner:

Attached is the Department of Community Services' response to the Audit Report for the audit of the MV Transportation Contract. The attachment is a summary of items from the Audit Report, the status of work on those items, and a brief explanation of each issue. Of the forty-eight (48) items contained in the report, action to resolve 90% of them are in process or will be initiated as a result of the Audit Report. The remaining five (5) items are acknowledged but the Department is unable to take action on them due to operational or financial issues associated with them.

Thank you for working with the Department staff and allowing us the opportunity to provide additional information. If you should have any further comments or questions, please don't hesitate to contact me.

Sincerely,

*Dorothy A. Keedy*  
Dorothy A. Keedy, AICP  
Director

Attachment

cc: Bob Melton, Director of Internal Audit  
David Heath, County Manager  
Bill Veatch, Deputy County Manager  
Ken Harley, Manager, Public Transportation Division

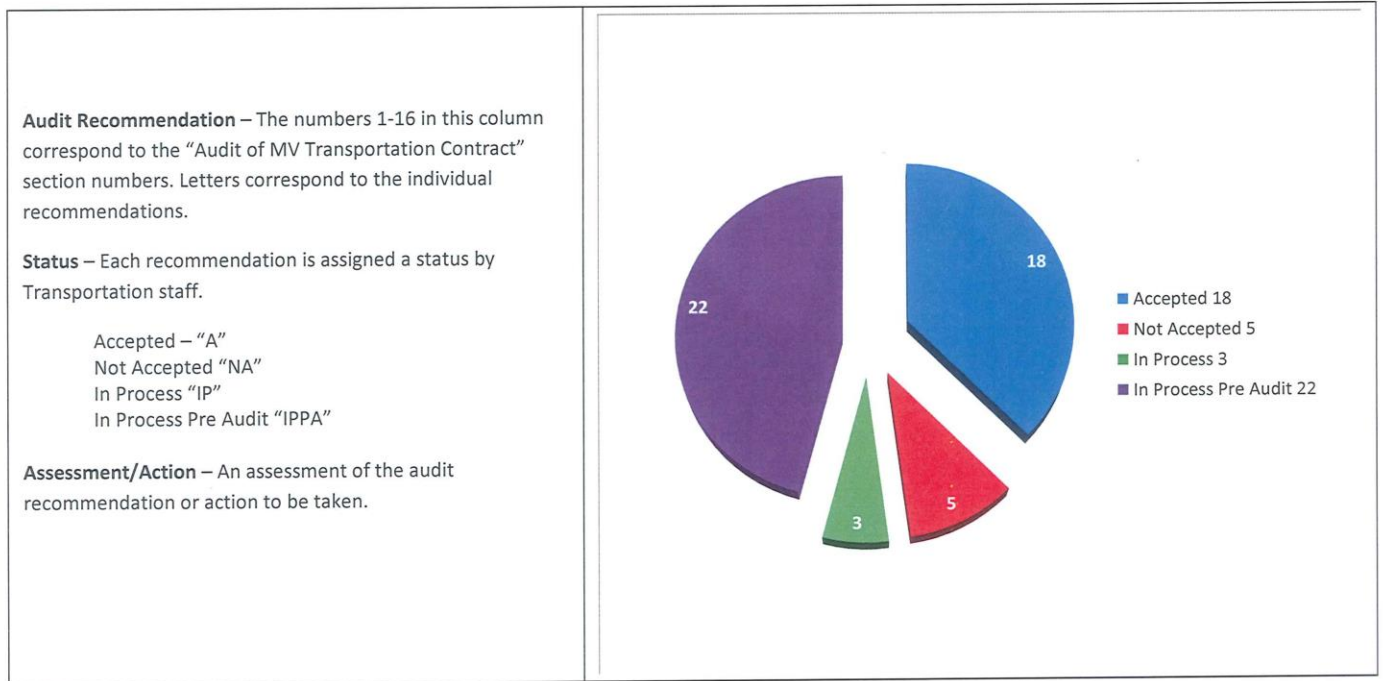
DEPARTMENT OF COMMUNITY SERVICES  
P.O. BOX 7800 • 315 W. MAIN ST., SUITE 520, TAVARES, FL 32778 • P 352.742.6589 • F 352.742.6505  
Board of County Commissioners • [www.lakecountyfl.gov](http://www.lakecountyfl.gov)

TIMOTHY I. SULLIVAN <i>District 1</i>	SEAN M. PARKS, AICP, CPA <i>District 2</i>	JIMMY CONNER <i>District 3</i>	LESLIE CAMPIONE <i>District 4</i>	WELTON G. CADWELL <i>District 5</i>
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# **Lake County Public Transportation Audit Response Department of Community Services**

May 2013

## Of the 48 recommendations ~ 43 or 90% are accepted or in process



Audit Recommendation	Status	Assessment/Action
1-A. Discontinue the practice of changing funding sources of completed trips.	NA	This is an industry standard and necessary to budget trips in an effort to prevent denying life-sustaining trips at the end of the fiscal year. Complying with the auditor's request could potentially cause the funds to be exhausted within the first 9-10 months of the fiscal year and would require an increased subsidy from the General Fund, force the clients to find alternative transportation, or go without treatment that could save their lives. Please see attached emails from FDOT & CTD showing that this practice is permissible and accepted and a summary of responses from other Community Transportation Coordinators. (See attachments A, B, C)
1-B. Develop a process to ensure the appropriate funding source is used when the trip is scheduled.	NA	This is an industry standard and necessary to budget trips in an effort to prevent denying life-sustaining trips at the end of the fiscal year. Complying with the auditor's request could potentially cause the funds to be exhausted within the first 9-10 months of the fiscal year and would require an increased subsidy from the General Fund, force the clients to find alternative transportation, or go without treatment that could save their lives. Please see attached emails from FDOT & CTD showing that this practice is permissible and accepted and a summary of responses from other Community Transportation Coordinators. (See attachments A, B, C)
2-A. 1. Instruct the Contractor to re-communicate and enforce the County Fuel Card Procedure to its staff. The Contractor should be required to ensure that drivers carefully enter the correct odometer reading when purchasing fuel.	IPPA	On-going pre audit. Staff has been addressing this issue with the contractor well in advance of the audit. The existing contract has no liquidated damages provision to address this issue and staff has assured that liquidated damages regarding this issue are addressed in the new contract.



Audit Recommendation	Status	Assessment/Action
<p><b>2-A.2.</b> Ensure that each authorized fuel card user is assigned a PIN and that each County vehicle is equipped with its own assigned fuel card. Management should require that the Contractor ensure that each fuel card is only used to make purchases for the vehicle it is assigned to and to enforce the prohibition against sharing PINs. The Contractor should be required to develop a process to review fuel card billings and receipts for signs of abuse and misappropriation.</p>	IPPA	<p>On-going pre audit. This is an issue that staff has been addressing and has been working with Fleet, Finance and the County Manager's office to address to ensure that fuel is not being misappropriated or pilfered.</p> <p>Fleet assigns a fuel card to each vehicle and a pin number. They also provide MV Management with two other cards that may be used when a vehicle card malfunctions.</p> <p>Staff consistently reiterates to MV that the PINs cannot be shared. Staff will ensure that this issue is addressed in the liquidated damages of the new contract.</p> <p>Staff would welcome the Auditor's assistance in establishing protocol that needs to be used by the Contractor to review fuel card billings and receipts for signs of abuse and misappropriation so that language may be added in the new contract.</p>
<p><b>2-B.</b> Instruct the Contractor to re-communicate and enforce the County Fuel Card Procedure to its staff.</p>	A	<p>Staff has provided a letter to the contractor re-communicating the County's fuel policy as well as directing them to communicate it with their staff.</p>
<p><b>2-C.</b> Consider directing the Contractor to have its drivers enter a pre-determined number instead of the odometer reading when making a fuel can purchase.</p>	A	<p>This appears to be an isolated incident where MV made one fuel can purchase when a vehicle ran out of gas rather than calling Fleet and being charged a road call.</p> <p>To eliminate the potential for the theft of fuel, staff will direct MV not to purchase fuel without written approval from the County and then under those circumstances, the driver must enter a pre-determined number instead of the odometer reading.</p>
<p><b>2-D.</b> Require the Contractor ensure that its drivers cease pre-payment of fuel purchases and only pay at the pump.</p>	A	<p>MV will be instructed to follow this procedure.</p>

Audit Recommendation	Status	Assessment/Action
2-E. Discourage the use of generic, or unassigned, fuel cards unless necessary. The Contractor should be required to maintain a log for each of the unassigned fuel cards to track their use.	IPPA	Ongoing pre audit. The County has already implemented this requirement.
2-F. Require that the Contractor ensure that its drivers fuel their vehicle at the end of the day.	IPPA	Ongoing pre audit. County will reiterate this procedure.
2-G. Develop a formal process to perform a trend analysis of monthly fuel transactions and investigate any unusual items.	IP	Ongoing pre audit. A formal review of the fueling trends does exist. Staff looks at fuel consumption, lost receipts, the vehicle mileage that is reported, vehicles that appear to use excessive amounts of fuel, trip volumes, comparisons from the prior year and excessive billings. Often times the odometer readings are incorrect and as a result we have added language in the proposed contract to address that issue. Doing more detailed analysis has been problematic and that is one of the reasons staff recommended the liquidated damages provisions regarding the odometer readings.
2-H. Ensure that files and reports sent to the Contractor contain only information related to contractual operations. Management should cease the practice of sending the Contractor fuel transactional data of other County divisions.	IP	Staff will relay this information to Fleet to determine how they can ensure that MV only receives data relative to transit operations.
3-A. Consider contracting with specified service stations in each region and requiring their use except in justifiable extenuating circumstances.	IP	Fuel is currently purchased off the State's fuel card system with Wright Express. There is a 1.45% rebate given after the taxes are taken out. We will explore this issue with Procurement to determine if it is possible.
3-B. Consider requiring the Contractor to include fueling stops in its scheduled runs as applicable.	NA	The System Safety Program Plan discourages buses from being fueled when passengers are on board. It is the industry standard to fuel vehicles at the end of the shift.

Audit Recommendation	Status	Assessment/Action
4. We Recommend management streamline the process for approving fuel purchases to eliminate unnecessary tasks, time and expenses incurred.	A	Staff has been working with Fleet, Finance, the Clerk's Office and the Auditor to address this concern. We would welcome the Auditor's assistance to provide the protocol that should be followed.
5-A. Require the Contractor to ensure that all confidential information is kept locked and physically accessible to only those persons who have a need to know.	IPPA	Ongoing pre audit. County will reiterate this procedure and will make on-going unannounced inspections to ensure the records are properly secured.
5-B. Require the Contractor develop and implement a shredding policy, identifying what types of information should be shredded.	A	Staff is seeking direction from the County Attorney's Office on this issue.
5-C. Determine the extent that user access can be restricted. Management should ensure that access for all users is identified, reviewed for necessity, and established according to needs.	IPPA	Ongoing. The Scope of Services which was issued for the new operator has the following language: "The County shall have full access to all settings and parameters. The Contractor shall have limited access to key system settings and parameters as determined by the County."
6. We Recommend management change future contractual agreements to require that the service provider invoice the County only for actual services provided.	A	This provision was negotiated in the current contract. The new contract will require the service provider invoice the County only for actual services provided.
7-A. Instruct the Contractor to periodically review the expiration dates of applications and initiate a re-certification process for those that will expire within a specified timeframe. Management should also require the Contractor to periodically verify the approval status of Medicaid clients with the agency.	IPPA	Ongoing pre audit. Samples of MV client records are reviewed annually at a minimum by County, MPO staff, and CTD staff. ACHA maintains a secured website with updated eligibility of all clients. MV periodically verifies the approval status of Medicaid clients with ACHA.



Audit Recommendation	Status	Assessment/Action
<p><b>7-B.</b> Require the Contractor to retain an application for all clients, including complete documentation of the client's approved determinations and expiration dates. Management should provide the Contractor an eligibility checklist to reference when approving applications and to include in the client file.</p>	IPPA	<p>Ongoing pre audit relative to application retention. The Route Match scheduling system contains the expiration date for each client application which shows the approval and expiration date. Route Match does show in the system when an application is about to expire by turning yellow and turns red when it has expired.</p> <p>Staff has provided the Contractor with an eligibility checklist to reference when approving applications.</p>
<p><b>7-C.</b> Prepare a Medicaid Beneficiary Transportation Services Handbook. Management should instruct the Contractor to mail all clients upon notification of approval of services, a copy of the appropriate guide or handbook.</p>	IPPA	<p>Ongoing prior to the Audit. The Medicaid Beneficiary Handbook had been developed but it has not been printed. We are working with Information Outreach to get it reformatted and printed.</p> <p>MV has been instructed to mail all clients upon notification of approval of services a copy of the handbook.</p>
<p><b>7-D.</b> Require the Contractor to enforce the no-show policy and monitor the frequency of client no-shows. All efforts to enforce the policy should be logged and documented in the client file. Management should review the policy and ensure that it is stated in accordance with intentions.</p>	IPPA	<p>Ongoing prior to the Audit. The no show process was discussed with the contractor prior to the audit. County staff has reviewed the policy. The policy is now being enforced.</p>
<p><b>7-E.</b> Require the Contractor to classify the no-shows of Medicaid beneficiaries in the Route Match system in accordance with the Medicaid agreement.</p>	A	<p>Staff has directed MV to capture the no-shows of Medicaid beneficiaries in the Route Match system in accordance with the Medicaid agreement.</p> <p>Staff will monitor this information on a monthly basis to ensure that it is properly being reported.</p>
<p><b>7-F.</b> Develop a process to periodically verify the validity of no shows with randomly selected clients.</p>	A	<p>The no show letter sent to clients by MV will be revised to ask clients to call the County first if they do not agree with the no show letter. We will also seek a volunteer who will be tasked to call randomly selected clients to verify their no-shows. We will also use the automatic vehicle locator information to verify if the driver was actually at the client's home.</p>

Audit Recommendation	Status	Assessment/Action
<p><b>8-A.</b> Perform an extensive comparison of actual to scheduled bus stop times and re-evaluate the accuracy of the published schedules. Based on the results of the study, management should either re-publish the schedules with the correct times or require the Contractor to ensure that its drivers adhere to the schedules.</p>	IPPA	<p>When the "ADA Paratransit Operating Policies" were approved by the BCC on 4/1/08, a 15 minute wait period for those clients using the ADA service was included in those policies. Given the financial limitations and length of the routes in Lake County, this timeframe was also applied to the fixed route system and has been utilized by the County and the Lake-Sumter MPO in determining OTP of LakeXpress.</p> <p>The Route Match software will provide additional information relative to measuring the on time performance (OTP) of various time points. Schedules will be adjusted as appropriate and financially feasible. The contractor has been required to maintain schedules with a minimum of a 92% on-time performance (OTP). When all the technology on the buses are fully functioning we will be able to better monitor OTP. Also we have a volunteer that will be in the field to better report the OTP of the various routes.</p> <p>Under the new agreement it will require that two supervisors be on duty in the mornings and afternoons at all times that LX operates. With the mandatory two supervisors it will ensure that both sides of the County are covered and that the supervisors are there to assist when a driver gets behind schedule as well as when a bus breaks down and adversely impact service as well.</p>
<p><b>8-B.</b> Develop bus routes and schedules which facilitate round-trip travel to and from each bus stop.</p>	NA	<p>There is a partnership between the Lake-Sumter Metropolitan Planning Agency (LSMPO) and the Board of County Commissioners (BCC) for the planning and delivery of transit services. The BCC is the funding entity as a result of being the designated recipient of federal funds. The County receives limited federal and state funds for the operation of LakeXpress services and currently no local dollars are used to support this service. In order to develop bus routes which facilitate round-trip travel it would require an increase in local funding.</p>

Audit Recommendation	Status	Assessment/Action
<p><b>8-C.</b> Provide adequate trash receptacles and cigarette extinguishers at designated bus stops. Management should also install signage at scheduled bus stops citing the Florida Litter Law.</p>	IPPA	<p>Ongoing prior to the audit. Trash receptacles are available at all the bus shelters, and will be added at key bus stops when the installation starts.</p> <p>The County has an agreement with Mark Cook Builders for the required maintenance of the shelters which does include litter control. The two locations cited in the audit are shelters that are maintained by entities other than the County. The receptacle at Citizen's Blvd. is maintained by the City of Leesburg and the one at Lake Square Mall is maintained by the mall.</p> <p>Information about littering will be added to the bus schedules, and ways to add it to the stops and shelters will be considered.</p>
<p><b>8-D.</b> Ensure that LakeXpress signage exists at all scheduled stops. Also, management should replace signs when they become faded and no longer readable.</p>	IPPA	<p>Ongoing prior to the audit. The BCC adopted an ADA Transition Plan for the installation of ADA compliant bus stops. As this plan is implemented based on Federal Transit Administration (FTA) funds becoming available, signage will be placed at scheduled stops.</p> <p>The most severely faded bus stop signs have been replaced and we are implementing a sign replacement program which will establish a schedule when signs will be replaced.</p>
<p><b>9-A.</b> Develop a written "no tipping" policy. Management should include signage promoting the policy on all public transportation vehicles and address the "no tipping" policy on the LakeXpress website.</p>	A	<p>A no tipping policy will be developed and made available where appropriate. This issue is addressed in the Rider's Guide for the Transportation Disadvantaged Program.</p>
<p><b>9-B.</b> Require the Contractor to ensure that its bus drivers announce scheduled stops and transfer stations upon arrival.</p>	IPPA	<p>Ongoing prior to the audit. This has been an issue that the Contractor has been advised of on numerous occasions. The new agreement has liquidated damages provisions for failure of the driver to do so.</p> <p>In addition, an automatic voice announcement system was installed prior to the audit and should be fully functioning before this summer.</p>



Audit Recommendation	Status	Assessment/Action
9-C. Install a slot on each vehicle for the placement of a driver name placard. Management should require the Contractor to provide each driver a name placard to be displayed while on duty.	IPPA	Ongoing prior to the audit. Slots were installed prior to the audit. Weekly routine inspections will be done to verify that the driver's name placard is being displayed.
10-A. Require the Contractor implement a process to review the timeliness of deposits and enforce established standards and procedures.	A	The County will require the Contractor to implement a process to review the timeliness of deposits and will monitor the process via weekly reports and periodic on site monitoring.
10-B. Install a locked fixture in the paratransit vehicles for depositing cash payments. Management should require the Contractor to verify that co-payments collected are accurate.	A	The requirement that the contractor verify copayments was in place prior to the audit and is ongoing. Staff will investigate feasibility of installing a locking fixture in paratransit vehicles.
10-C. Ensure that revenue reporting is complete and readily available.	A	Although revenue reporting was an ongoing process prior to the audit, the procedures will be reviewed and updated as appropriate.
10-D. Require the Contractor to track and report fixed route farebox monies and bus pass sales separately for each route.	A	The County will instruct the contractor to follow this procedure.
10-E. Fixed route operational data should be maintained in the Route Match system.	IPPA	Ongoing prior to the audit. The Route Match software is not yet able to track fixed route data. We are working toward being able to do so. This will also require the purchase of additional ITS equipment.
10-F. Install operating passenger counters in each fixed route vehicle.	IPPA	Ongoing prior to the audit. The hardware was installed prior to the audit. The software should be operational by this summer.
11-A. Require the Contractor to keep unsold bus passes locked at all times.	A	The county will instruct the contractor to follow this procedure.

Audit Recommendation	Status	Assessment/Action
<b>11-B.</b> Ensure that the bus pass inventories purchased are pre-numbered sequentially and accounted for. Management should periodically reconcile the passes comparing what is on hand to what should be on hand, holding all custodians accountable for discrepancies.	A	<p>New bus passes will be pre-numbered sequentially.</p> <p>Management does periodically reconcile the passes comparing what is on hand to what should be on hand, holding all custodians accountable for discrepancies.</p>
<b>11-C.</b> Ensure that bus pass inventories are re-ordered in a timely manner. Never copy a pass and issue/sell it.	A	<p>Ongoing prior to the audit. Bus passes are normally ordered in a timely manner.</p> <p>It appears that the Contractor ran out of transfers and instead made copies to use on a short-term basis. The transfers have no monetary value associated with them like the normal bus passes.</p> <p>This recommended procedure will be followed.</p>
<b>11-D.</b> Require the Contractor to refrain from processing bus pass sales in a traffic lane. Drivers should be instructed to either pull-over out of traffic or process the transaction at transfer station.	NA	<p>The contractor is responsible for the safe operation of vehicles. The procedure as outlined by the auditor would create an unsafe operation and cause schedule delays. (Drivers pulling back into traffic).</p> <p>When the electronic fare boxes are added to the fleet in FY 14-15 it will address this concern.</p>
<b>12-A.</b> Rent the space inside and outside of the public transit vehicles to generate advertising revenues.	IPPA	<p>A new advertising company was in place prior to the audit.</p>



Audit Recommendation	Status	Assessment/Action
<p><b>12-B.</b> Monitor the advertising contract to ensure performance. In the event of non-performance, we recommend management enforce the contract with the vendor.</p>	IPPA	<p>County staff and the County Attorney's Office did everything possible to get Martin Mency to be more responsible and responsive and finally the County terminated the contract.</p> <p>Prior to terminating the contract the County went out to bid on two other occasions prior to selecting Graphic Designs as the bus advertising company. With Graphic Designs we are confident that we will be taking advantage of every opportunity to maximize revenues under this program.</p> <p>Also, please take consideration that many of the cities along the routes do not allow shelter advertising which could impact revenues.</p>
<p><b>12-C.</b> Review the advertising rates offered and ensure that they are in-line with the services and coverage provided. For future contracts, efforts should be made to increase competition in the bid process.</p>	IPPA	<p>Please be mindful that the market will be determining the rates that can be charged rather than what other transit agencies are being paid.</p>
<p><b>13.</b> We recommend management establish formal performance goals and measures, calculating the achievement of those goals periodically, on a monthly or quarterly basis. Any trends or unusual results should be investigated.</p>	IPPA	<p>Ongoing prior to the audit. Performance measures and other goals as identified by the auditor have been in place since the inception of fixed route in 2007.</p>
<p><b>14.</b> We recommend management require driver time records be reviewed and approved by the employee's direct supervisor.</p>	A	<p>The contractor is paid by the trip for paratransit trips and by the hour for fixed route. (Fixed route hours are predetermined by County staff). The County is not directly involved in the contractor's management of drivers, but will share this with comment with MV.</p>

Audit Recommendation	Status	Assessment/Action
15. We recommend management require the Contractor to include details specific to each complaint in its monthly reports. Management should review the details, identify trends and investigate unusual patterns.	A	This practice has been initiated by the County.
16. We Recommend management review its decision regarding bus washing practices. Management should ensure that contractual agreements accurately reflect its expectations and any changes to provisions are made in the form of a modification.	IPPA	The County pays for the washing of the buses whether it is done by the contractor or by using the bus washing contract under agreement with the County. Currently, we use the County's contractor for fixed route bus washing.  This is addressed in the new contract.

**Lake County Public Transportation**  
Responses from other Agencies

Date	Time	Agency	Contact	Telephone	Software
3/14/2013	3:55 p.m.	Citrus County Board of County Commissioners	Janet Huntsman	(352) 527-7630	Route Match
Route Match defaults to each client's default funding source, and it is changed after verification					
Provides 260-300 trips per day					
Prioritize and provide medical and nutritional, but will provide recreational and other trips if they have the driver and/or time					
Bill FDOT 5311 grant quarterly					
Utilize CTD, FDOT 5311, and Medicaid					
FDOT 5311 grant funds are exhausted in the 4th quarter					

Date	Time	Agency	Contact	Telephone	Software
3/14/2013	4:03 p.m.	Vo-Tran (Volusia County)	Jim Dorsten	(386) 756-7496	Trapeze
Trapeze defaults to each client's default funding source					
Stated that he is unable to know the bill code beforehand, because "we are human"; therefore, bill codes are changed afterwards					
Bills FDOT 5311 grant quarterly					
FDOT 5311 funds are exhausted in the 4th quarter					
Transportation Disadvantaged trips that do not have available grant funds are subsidized by local funds at the end of the fiscal year					

Date	Time	Agency	Contact	Telephone	Software
4/1/2013	1:47 p.m.	Levy County Transit	Anna Wild	(352) 486-3485	Route Match
When booking the trip, funding will be assigned depending on trip purpose or category					
May be required to change after the fact due to inability to verify the funding and/or eligibility in advance; gave Medicaid as an example since they are not able to verify the funding until the end of the month or beginning of the next month					
Bills CTD, Medicaid, FDOT 5311 monthly					
Although they try to project the number of trips on a monthly basis; there are instances where the agency will have to "eat" the trip once grant funding is exhausted					

Attachment A

**Green, Linda**

**From:** Craig, Robert L. <Robert.Craig@dot.state.fl.us>  
**Sent:** Thursday, April 04, 2013 8:20 AM  
**To:** Likely, Brenda  
**Cc:** Harley, Ken  
**Subject:** RE: Lake County's Billing Process

Brenda,

Per our conversation yesterday, the process Lake County is currently using is fine. I recommend that you work with MV and the auditors to formalize this process.

Let me know if you need anything else.

Robert Craig  
 Area 2 Project Manager  
 Florida Commission for the Transportation Disadvantaged  
 605 Suwannee Street, MS 49  
 Tallahassee, FL 32399-0450  
[robert.craig@dot.state.fl.us](mailto:robert.craig@dot.state.fl.us)  
 Direct Line (850) 410-5713  
 Toll Free (800) 983-2435  
 TTY (850) 410-5708  
 Florida Relay System Dial 711 (Florida Only)  
 FAX (850) 410-5752



Don't forget to donate a \$1 or more to the Transportation Disadvantaged Trust Fund next time you renew your motor vehicle tag!

Ayude a alguien conseguir transporte! No olvide donar \$1 para el fondo de Transporte del Desventajado (Transportation Disadvantaged Trust Fund) la próxima vez que usted renueve su placa del vehículo.

**From:** Likely, Brenda [mailto:[BLikely@lakecountyfl.gov](mailto:BLikely@lakecountyfl.gov)]  
**Sent:** Wednesday, April 03, 2013 10:13 AM  
**To:** Craig, Robert L.  
**Subject:** Lake County's Billing Process

Good day,  
 Currently, Lake County utilizes RouteMatch software, which assigns a default funding source to each client (i.e. CTD, FDOT 5311, Medicaid, etc.) once a trip is booked. After the trip occurs, the funding source may be changed from the default funding source either during the verification process or prior to the trips being billed to the Commission for Transportation Disadvantaged (CTD). Lake County is not aware of its contractor, MV Transportation, using a bill code for a client that is not eligible for Transportation Disadvantaged services. It is an internal process that we use, along with other agencies throughout the state, to ensure that we bill your agency for a trip that is eligible for CTD and to ensure that we stay within our annual budget. As an agency, do you have any concerns with Lake County changing the funding source from the default that the software assigns to correct funding source prior to it being billed to your agency?

I appreciate your assistance, and you may contact me if you have any questions.

Thanks-

**Brenda L. Likely, Financial Coordinator**

Lake County Board of County Commissioners

Department of Community Services

P. O. Box 7800

Tavares, FL 32778

(352) 742-6578/Voice

(352) 742-6582/Fax

[bllikely@lakecountyfl.gov](mailto:bllikely@lakecountyfl.gov)

**Green, Linda**

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**From:** Santiago, Jo <Jo.Santiago@dot.state.fl.us>  
**Sent:** Wednesday, April 03, 2013 10:50 AM  
**To:** Likely, Brenda  
**Subject:** RE: Lake County's Billing Process

Good morning Brenda,

We do not have a problem with making the correction to bill the right trip. We understand that route match has the one default trip and depending on the type of trip the person takes the default may not apply. Thanks.

Jo Santiago  
Transit Analyst  
Florida Department of Transportation  
Orlando Urban Office  
133 S. Semoran Blvd.  
Orlando, FL 32807  
407-482-7875  
[Jo.Santiago@dot.state.fl.us](mailto:Jo.Santiago@dot.state.fl.us)



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**From:** Likely, Brenda [<mailto:BLikely@lakecountyfl.gov>]  
**Sent:** Wednesday, April 03, 2013 10:15 AM  
**To:** Santiago, Jo  
**Subject:** Lake County's Billing Process

Good day,  
Currently, Lake County utilizes RouteMatch software, which assigns a default funding source to each client (i.e. CTD, FDOT 5311, Medicaid, etc.) once a trip is booked. After the trip occurs, the funding source may be changed from the default funding source either during the verification process or prior to the trips being billed to the Florida Department of Transportation (FDOT-5311). Lake County is not aware of its contractor, MV Transportation, using a bill code for a client that is not eligible for the FDOT 5311 Program. It is an internal process that we use, along with other agencies throughout the state, to ensure that we bill your agency for a trip that is eligible for FDOT 5311 and to ensure that we stay within our annual budget. As an agency, do you have any concerns with Lake County changing the funding source from the default that the software assigns to correct funding source prior to it being billed to your agency?

I appreciate your assistance, and you may contact me if you have any questions.

Thanks-

**Brenda L. Likely, Financial Coordinator**  
Lake County Board of County Commissioners  
Department of Community Services  
P. O. Box 7800



## MV Transportation Contract

Tavares, FL 32778

(352) 742-6578/Voice

(352) 742-6582/Fax

[bliley@lakecountyfl.gov](mailto:bliley@lakecountyfl.gov)

# Appendix B – Auditor’s Comment On Management’s Response

Auditor’s Comments are provided whenever management’s responses to our recommendations are misleading, untrue, or need further clarification. Our comments on the management’s responses to each applicable opportunity for improvement are provided below.

1A,1B. Management is attempting to label their manipulation process as a “correction,” implying correction of an error. We do not expect that anyone would have a problem with correcting an error in a billing. However, manipulation up to a month after the trip occurred in order to juggle funding is not a “correction.”

To determine whether management’s statement that this is an industry standard is true, we contacted other Community Transportation Coordinators throughout Florida, servicing 10 counties, to identify the timing of when the entity makes an assessment and assignment of a given trip’s funding source. We found that all of the coordinators made a determination at the time the trip is scheduled and most also perform a verification of the assigned funding source prior to billing. Only one agreed that they used a process similar to Lake County in which changes are later made in consideration of how future funding can be maximized. In the one instance where they seemed to follow a process similar to Lake County, the rationale was expressed as “I know it sounds under-handed but Medicaid is never enough” and that it is done in an effort to “maximize TD services.” The other entities that we contacted did not use a process similar to Lake County. In Hillsborough County, for example, they use the same scheduling software as Lake County, but have a policy that requires all reservations to be coded correctly at the time of the reservation, as suggested by our recommendation. We also contacted the Florida Department of Transportation, Office of Inspector General, to gain an objective perspective from an authority not involved in the operations. The staff commented that because the practice involves finances, the issue appears to be a “reportable condition” and that “some sort of system needs to be put in place to accurately allocate sources on time.” Therefore, we conclude that the practice does not appear to be an industry standard.

To demonstrate that this re-coding of assigned funding sources is not simply a verification process to correct errors, we reviewed the volume of changes made to the system for two months. We identified the following:



Re-coded Trips	
ADA to FDOT	1,635
ADA to TD	71
Medicaid to FDOT	2,093
Medicaid to TD	2
TD to FDOT	487
Other Changes	20
	<b>4,308</b>

Unchanged Trips	
FDOT	550
Medicaid	1,201
Medicaid Waiver	24
TD	2,317
Other	3,016
	<b>7,108</b>

The tables illustrate that management changed the funding source at the end of the month on almost 38% of the trips. Only 12% of the FDOT billed trips were coded as such at the time the individual trips were scheduled. Also, because 64% of the trips originally coded to Medicaid funding were changed to FDOT funding, the amount of the co-payment collected from the client was also incorrect. The effect of coding any trip originally to Medicaid also extends to how a no-show should be determined, reported and enforced. As a result, we conclude that the current practice is not a verification process; it is a manipulation of the system data and sources of funding.

- 2.C. Several instances were found indicating that the Contractor is making small fuel purchases, such as would be made to put in a fuel can. We reviewed the fuel transactions for three consecutive months, including a focus on purchases where the transaction date is the same and the time is within a few minutes. In one of the instances, two purchases were made within eight minutes of each other on the same day, at the same gas station, using the same driver pin number and the same pump, having the same odometer reading, but one of them is for less than three gallons. The fuel policy states, "Authorized fuel card users shall not fill any auxiliary containers or any other vehicle – county vehicles only." After further review, we found that four other fuel cards were used in this manner. Therefore, we conclude that is not an isolated incident.
- 8.A. Management, through its policies, allows fixed route buses to be up to 15 minutes late to be considered "on-time." Thus, its performance goal of having a 92% "on-time" performance is actually 92% not more than 15 minutes late. From a rider's perspective, a bus would not be considered "on time" if it is 15 minutes before or after the time published in the schedule. Many fixed route bus riders are waiting for their ride outside in the weather. The effect is expecting a rider to arrive 15 minutes early and possibly wait for 30 minutes. Also, the published schedules do not notify passengers that this should be expected. If management desires a goal of 92% of their buses arriving within 15 minutes of the scheduled time, that is what they should state.
- 8.B. During our audit, management stated that the bus stops were eliminated in an effort to correct untimeliness of the buses. In fact, when we asked whether it was due to funding issues, they replied that it was a problem with the buses not meeting as scheduled at the Ardice Avenue transfer station in the City of Eustis. The bus stops were eliminated in the process of

developing new bus schedules, during the course of our audit. Previously, the stops had been included.

- 11.D. Bus passes purchased in a busy traffic lane create an unsafe driving hazard and delay for the surrounding vehicles. We also recommend processing bus pass purchases safely at the transfer stations when possible.

While many of management's responses imply that their assessment/action was done prior to the start of our audit, the corresponding finding and recommendation would not have been included in this report if the issue was resolved before our audit began.