



A Report
to the
**Board of
Supervisors**

*Maricopa County
Internal Audit
Department*

Ross L. Tate
County Auditor

Environmental Services

*Review of Selected Areas within
the Maricopa County Environmental
Services Department*

September ■ 2007

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The **County Auditor** is appointed by the Board of Supervisors. The mission of the Internal Audit Department is to provide objective, accurate, and meaningful information about County operations so the Board of Supervisors can make informed decisions to better serve County citizens.

The mission of Maricopa County is to provide regional leadership and fiscally responsible, necessary public services so that residents can enjoy living in a healthy and safe community.

Audit Team Members

Richard Chard, Deputy County Auditor

Christina Black, Audit Supervisor

Toni Sage, IT Audit Supervisor

Cathleen L. Galassi, Audit Supervisor

Susan Adams, Senior IT Auditor

Derek Barber, Staff Auditor

Scott Jarrett, Staff Auditor

Ryan Bodnar, Staff Auditor

KPMG LLP

Copies of the Internal Auditor's reports are available by request.
Please contact us at:

Maricopa County Internal Audit
301 W. Jefferson, Suite 660 ♦ Phoenix, AZ 85003 ♦ (602) 506-1585

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Maricopa County

Internal Audit Department

301 West Jefferson St
Suite 660
Phx, AZ 85003-2148
Phone: 602-506-1585
Fax: 602-506-8957
www.maricopa.gov

September 19, 2007

Fulton Brock, Chairman, Board of Supervisors
Don Stapley, Supervisor, District II
Andrew Kunasek, Supervisor, District III
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We reviewed the Maricopa County Environmental Services Department (ESD) in accordance with the annual audit plan approved by the Board of Supervisors. A risk assessment process determined the specific areas to review.

Our review found that ESD management developed effective procedures to ensure new mandates are implemented and communicated to responsible personnel. In addition, ESD works with the County's Board of Health to update the County's Health Code to reflect these changes.

Highlights of this report include the following:

- Vector Control operations do not comply with some prescribed requirements.
- Inspection intervals at food establishments and other permitted facilities are not always timely, and complaint inspections are not uniformly conducted.
- Controls and procedures over revenue and cash are not always effective.
- Information technology staff duties are not segregated, user access is not sufficiently restricted, and data center equipment lacks physical security.

This report contains an executive summary, specific information on the areas reviewed, and ESD's response to our recommendations. We reviewed this information with the Director, and, appreciate the excellent cooperation provided by management and staff. If you have any questions or wish to discuss the information presented in this report, please contact Richard Chard at 506-7539.

Sincerely,

A handwritten signature in cursive script that reads "Ross L. Tate".

Ross L. Tate
County Auditor

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Executive Summary

Vector Control (Page 9)

Environmental Services does not comply with certain federal regulations, state statutes and codes, and County policies governing hazardous chemical storage, pesticide application, operating licenses, and technician training. Non-compliance with regulatory guidance could expose the County staff members and residents to safety hazards and an increase in West Nile Virus-carrying mosquitoes' activities, and the County to waste, misuse, or theft of pesticides. Management should follow regulatory guidance and strengthen controls in these areas.

Foodborne Illness Complaints (Page 13)

The Environmental Services Department addresses all foodborne illness complaints within one business day of complaint receipt. However, inspectors do not consistently upgrade complaint inspections to Foodborne Illness investigations or follow required reporting instructions. Inspections or investigations not sufficiently carried out may contribute to health risks and evoke public criticism. Management should develop written policies and procedures to guide decisions about conditions that merit investigations, and review inspection and investigation reports to ensure required documentation is present.

Inspection Frequencies (Page 15)

Environmental Services does not consistently meet inspection frequencies required by State Delegation Agreements. Inspectors did not consistently conduct inspections timely or prior to permit issuance. This could compromise the County's ability to fulfill its strategic priority to protect the community's public health at food establishments and other permitted facilities. Management should consider cross-training inspectors to different programs, and work with County management to reassess available resources.

Clean Water Act Compliance (Page 17)

Environmental Services has worked to implement requirements of the Clean Water Act and the federal National Pollutant Discharge Elimination System (NPDES). However, management states that significantly more resources are necessary for regulatory compliance and monitoring. Should state and federal agencies determine a lack of compliance with the intent of the Act, lack of compliance could result in exposing the County to legal liabilities and fines up to \$25,000 per day per violation. Management should continue to work with the State Legislature and County management to develop the Stormwater Management Program and document plans for full compliance.

Revenues and Cash Receipts (Page 20)

Environmental Services staff does consistently assess correct permit fees and pursue revenue collection. However, our review of cash receipts procedures identified some inadequate safeguards over cash receipts and system control weaknesses. These issues could potentially result in uncollected revenues, and increase the risk of fraud, loss, and theft of cash receipts.

Management should strengthen controls over fee assessment, revenue collection, cash handling activities, and cash receipts safeguarding.

Property and Records (Page 24)

Environmental Services stores furniture, and archives public records in a facility not owned or leased by the County. Lack of a lease agreement could expose the County to financial and legal liabilities in the event of personal injury or theft of assets. Management should secure unprotected assets and ensure all space used is either owned or leased by the County.

Vehicle Usage (Page 25)

Environmental Services has not developed adequate procedures for controlling use of County-owned vehicles. Our review found nine employees with expired Vehicle Use Permits, and three employees taking a County vehicle home overnight without proper approval during the past year. These control weaknesses could expose the County to financial risk and misuse of County resources. Management should strengthen controls over these areas.

Segregation of Duties (Page 27)

Information technology system developers have the ability to both make program changes and move those changes to production. Furthermore, developers perform help desk functions and quality assurance testing. This could result in unauthorized or incorrect changes being implemented into the production environment. Such changes may result in system unavailability, loss of data, or incorrect transaction processing, and thus could jeopardize system and data integrity. Management should implement procedures to ensure adequate segregation of information technology duties.

System Access (Page 28)

Environmental Services has not established procedures for controlling user access within its Vector Control Maintenance System (VCMS). Furthermore, Environmental Services does not have adequate password management controls over its food handler database. Inadequate system access controls may result in unauthorized entry or use of Environmental Services' systems or data. Management should strengthen access controls over its system and database.

Data Center Operations (Page 30)

Environmental Services does not have adequate physical security over its data center and telecommunications closets. This may result in unauthorized access to systems and information, and could compromise data integrity or usability. Furthermore, on-site and off-site backup tape storage procedures needs strengthening to minimize service interruption in the event of a disaster or other condition leading to a loss of data. Management should strengthen controls over the physical security of its data center, telecommunications closets, and backup tapes.

IT Governance (Page 32)

Environmental Services appears to have adequate controls over its information technology governance. However, project controls related to the point-of-sale system maintenance and interfaces need strengthening. Management should establish formal procedures to perform system maintenance.

Performance Measures (Page 34)

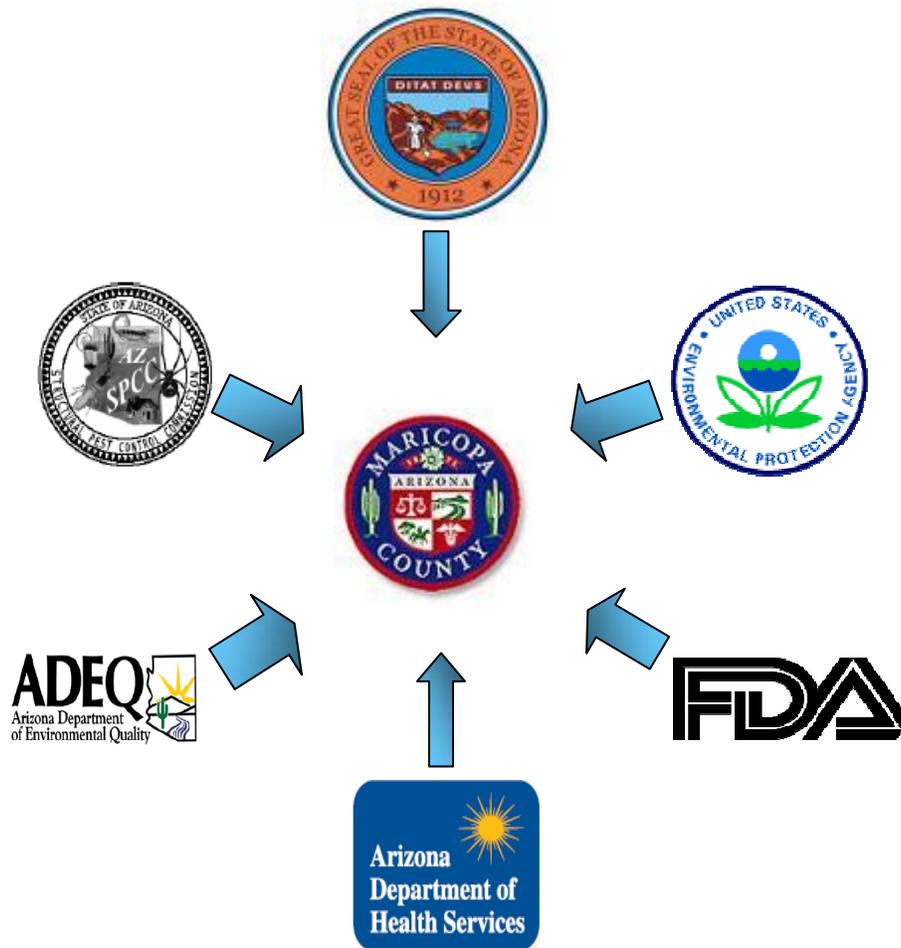
We reviewed six key performance measures and concluded that the Environmental Services Department accurately reported the results. We rated two of the six as “Certified” and four as “Certified with Qualifications” due to issues in obtaining data, which may hinder management’s ability to make informed operational decisions. Management should develop procedures to obtain data used for calculations from a dependable source for those measures certified with qualifications.

Introduction

Background

The Environmental Services Department (ESD) serves to promote the health and safety of Maricopa County residents in a variety of ways. ESD issues operating permits and performs regulatory compliance inspections of facilities such as restaurants, swimming pools and water treatment plants. ESD's Air Quality Division became an independent department in November 2004 and, accordingly, is not covered in this report.

ESD operations are heavily mandated and regulated by federal and state laws, as well as the Maricopa County Health Code (MCHC) and other County policies. Our review found that ESD management has developed effective procedures to ensure new mandates are identified, implemented, and communicated to employees. ESD works with the County Board of Health (BOH) to update the County health code to reflect these mandates.



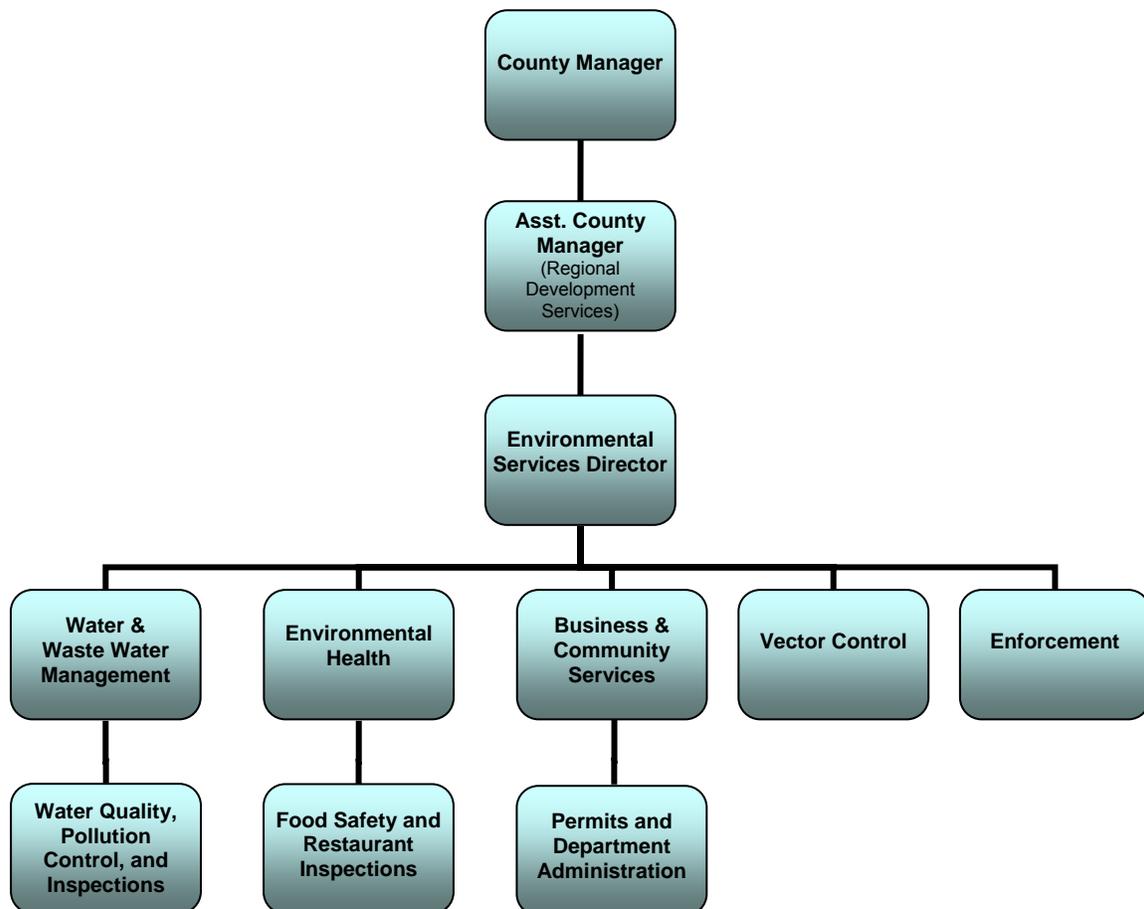
ESD operates under tightly regulated mandates from several governing bodies

Mission, Goals, and Performance Measures

ESD's mission is to provide effective environmental management to the people of Maricopa County so that residents may enjoy living in a healthy and safe community. In its strategic plan, ESD cites specific goals to be completed by the end of fiscal year 2009 (FY09). Among these goals, the department plans to automate many of their customer-related services (such as online credit card payments), reduce paperwork, and complete a department-wide needs assessment. In addition to the goals cited, ESD sets citizen-oriented goals, which include raising environmental awareness and regulatory compliance, increasing operational efficiency, and increasing the department's capability of meeting the demands of the rising County population.

Organizational Structure

ESD is comprised of five divisions, each contributing to the mission.



ESD's Environmental Health, and Water and Waste Water Management Divisions' authority to permit and inspect facilities is primarily derived from the Maricopa County Health Code, which is approved, reviewed, and updated by the County Board of Health and the Board of Supervisors. Their inspection authority is further supported by ESD's delegation agreements with the Arizona Department of Environmental Quality (ADEQ) and the Arizona Department of Health Services (ADHS). Both agreements hold ESD responsible for inspections, investigations, complaint

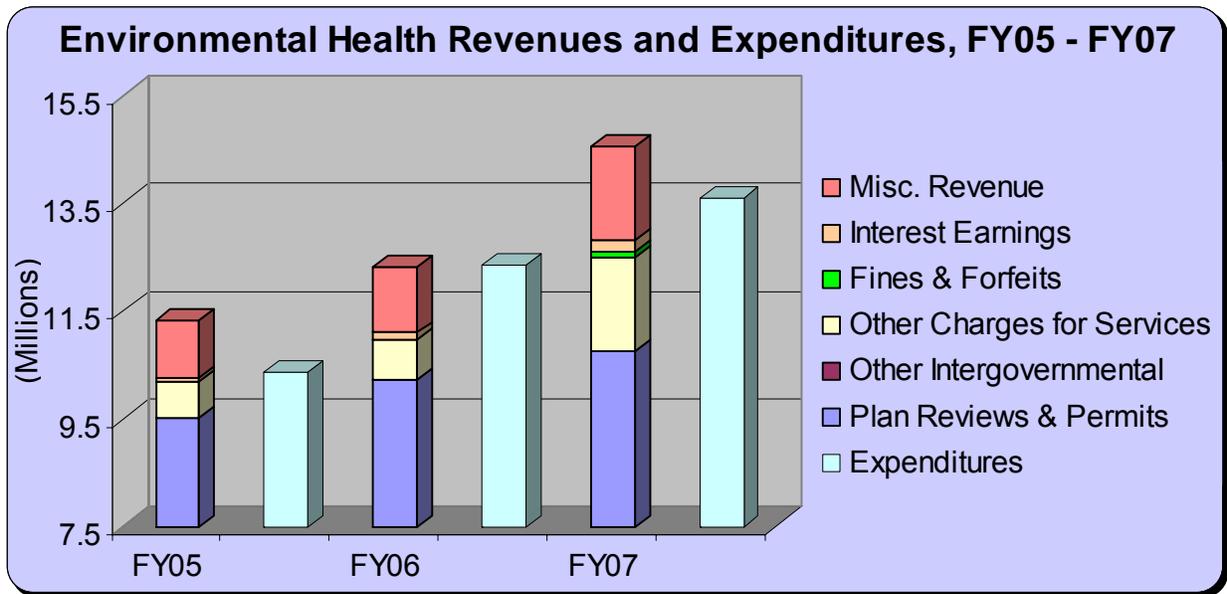
responses, and enforcement actions of facilities that pose an environmental or public health risk to the County and its citizens.

ESD’s Environmental Health, and Water and Waste Water Management, the Vector Control Division also serves an increasingly important role in public health and safety. From 2003 through 2006, the West Nile Virus claimed the lives of 33 citizens in Arizona, and infected more than 600 citizens, according to the Centers for Disease Control. Vector Control monitors the West Nile Virus and mosquito populations through the mosquito traps placed by its staff members around Maricopa County. Staff members also respond to citizen complaints related to environmental nuisances that may contribute to the mosquito or other vector populations.

In addition to new disease threats, management reports that the growth in County population since 2000 has increased operational demands on ESD staff and management. Management stated that because of the County’s population growth and unpredictable environmental behavior, the number of authorized staff is currently 300, an increase of nearly 100 employees since FY06.

Operating Budget

Revenue estimates for FY08 amount to nearly \$19.5 million for the Environmental Health, and Water and Waste Water Management Divisions. Because the Vector Control Division does not generate revenue, the General Fund primarily covers those operational costs. Otherwise, ESD is self-funded, as explained in the following chart for Environmental Health. Sources of revenue include permit and plan review fees, other charges for services, and miscellaneous revenue.



Licenses and permits revenue increased by more than 13% since FY05, from \$9.51 million in FY05 to \$10.76 million in FY07

Permit and plan review fees are ESD’s primary revenue. Miscellaneous revenue, another source of revenue showing healthy increases since FY05, is primarily composed of fees from Food Service Handler cards. At the beginning of FY07, ESD management implemented the first

comprehensive fee increase since 1995. According to ESD management, the new fee schedule is intended to generate additional revenue to fund staff positions needed to meet operational goals.

Projected expenditures for FY08, excluding Vector Control's expenditures, are budgeted for \$18.7 million.

Information Technology

ESD's Information Technology (IT) group manages the following business systems:

- Environmental Management System – supports plan review, permitting, compliance, enforcement, billing, citizen complaints, program management, and management reporting
- Remote Inspection System – records inspection results
- Vector Control Management System – records information relating to mosquito fogging, rodent control, and dirty swimming pools
- Food Handlers System – manages the food handler licenses issued by ESD
- Point-of-Sale System – provides an electronic cashiering function

Scope and Methodology

The objectives of this audit were to determine if ESD effectively and accurately:

- Manages environmental factors related to Vector Control and Foodborne Illness
- Complies with required inspection frequencies at food establishments and other permitted facilities
- Monitors and manages compliance with National Pollutant Discharge Elimination System (NPDES) permit regulations
- Assesses, collects, and posts fees; and, safeguards cash receipts
- Secures County assets and records
- Monitors the validity of Vehicle Use Permits and overnight vehicle usage for ESD personnel
- Identifies and implements new legislation applicable to department operations
- Controls IT governance access, and hardware security
- Reports key performance measures as part of the County's Managing for Results (MfR) initiatives

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Department Reported Accomplishments

Maricopa County Environmental Services Department provided the following information for inclusion in this report.

Showcase in Excellence Award

Maricopa County Environmental Services Department designed and implemented a vector control mosquito abatement plan to combat West Nile virus. Following the department's mission of protecting public health, Vector Control changed their process from being complaint driven to a comprehensive surveillance based program to eradicate mosquito populations, and help reduce the risks of West Nile virus in Maricopa County.

NACo

The department received four 2006 National Association of Counties (NACo) Achievement Awards for their model programs listed below. These programs streamline County government and increased services to citizens.

The *Cultural Competence for Hispanic/Chinese Specialty Foods* program was developed to allow Environmental Health Specialists (health inspectors) the ability to provide Spanish-speaking operators, who have difficulty reading English, their inspection reports in Spanish. This program is a perfect example of how Maricopa County bridges communication gaps to serve the public.

The *Intergovernmental Mobile Food Compliance Sweeps* program united agencies, from the police department to immigrations, to efficiently address a wide range of regulatory issues (food safety, neighborhood trash, public urination, illegal food sales, and occasionally, drug sales) and deter illegal vendors from operating on the street. Since program inception, 25% fewer citizen complaints are received and 20% less illegal food peddlers are documented. This program exemplifies the team approach to protect Maricopa County residents from foodborne illness and crime.

The *Construction Standard for Drinking Water Distribution Lines* program addresses residential development water contamination risks. This program emphasizes how countywide potable waterline standards can be defined to provide optimal public health and environmental protection.

The *West Nile Virus Fight the Bite '05 Campaign* received a NACo and the Showcase in Excellence Award. Refer to the text above under Showcase in Excellence Award for additional information.

Combined Charitable Campaign

Our 2006 combined charitable campaign exceeded the goal to surpass our 2005 figures. In 2006, we increased our participation by 50% and collected \$6,300 more than the prior year. Over 80% of Environmental Services personnel contributed to the 2006 campaign.

Official Provider Partner

In May 2007, we received a formal congratulatory certificate from Arizona Governor, Janet Napolitano, for becoming an Official Provider Partner. The department provided the State of Arizona with ongoing accurate contact information so thousands of Arizonans can continue connecting to accurate health, human services and emergency resources.

Issue 1 Vector Control

Summary

Environmental Services does not comply with certain federal regulations, state statutes and codes, and County policies governing hazardous chemical storage, pesticide application, operating licenses, and technician training. Non-compliance with regulatory guidance could expose the County staff members and residents to safety hazards and an increase in West Nile Virus-carrying mosquitoes' activities, and the County to waste, misuse, or theft of pesticides. Management should follow regulatory guidance and strengthen controls in these areas.

Background

Environmental Services (ESD) Vector Control Division controls and abates vectors to protect the public from potentially fatal diseases. Vectors are rodents, flies, mosquitoes or other animals and insects (pests) capable of transporting infectious diseases. Vector Control technicians use pesticides that interrupt insect and other pest breeding habitats, and exterminate adult mosquitoes. The technicians apply mosquito larvicides and adulticides within residential communities, parks, public streets, and other areas identified as mosquito breeding habitats.

Pesticide Storage

ESD's pesticide storage does not comply with Arizona State Structural Pest Control Commission (SPCC) rules. SPCC regulations require hazardous chemicals be secured in a controlled-access location. We found 500 gallons of an adulticide, Kontrol 30 + 30, used for fogging mosquitoes, stored behind a gate that locks. However, during normal operating hours, staff members leave the gate unlocked for easy access to pesticides by technicians. SPCC also requires easily accessible first-aid kits be kept immediately adjacent to stored chemicals. We found no easily accessible first-aid kits.

We inspected a vehicle used for mosquito abatement and found that on-board pesticides were unsecured and that no first aid-kit was available. Unsecured pesticides may lead to a public safety hazard and are susceptible to loss or theft. Additionally, the lack of properly equipped first-aid kits limits the effectiveness of personnel responding in the event of an emergency.

Hazardous Chemicals Inventory

ESD does not conduct and maintain an accurate, current inventory of chemicals stored on-site as required by federal Occupational Safety and Health Administration (OSHA) standards and County policy. OSHA requires the identification of all hazardous chemicals stored at a place of work and advises the employer to maintain an accurate inventory. County policy states that departments are responsible for maintaining current Material Safety Data Sheets (MSDS) and inventories of all hazardous chemicals located onsite. Departments are to update MSDS and inventories semi-annually and provide copies to the County's Safety Office.

Compared with actual inventories, we found Vector Control chemical records understated by approximately \$160,000. Without an accurate inventory, Vector Control cannot appropriately

safeguard or account for hazardous materials. ESD stored over \$500,000 of chemicals onsite and in pesticide application vehicles in locations vulnerable to misuse and theft. We conducted a physical inventory on April 27, 2007, of eight different pesticides. We determined that:

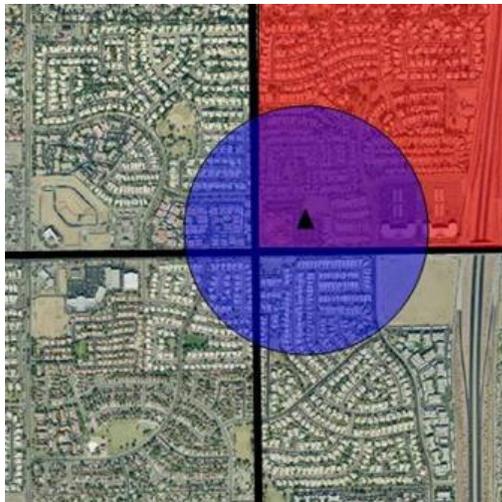
- Two chemicals had no usage and inventory was accurate
- Six chemicals did not agree to inventory sign-out and purchasing records (shown in the following table)
- Four out of the six chemicals’ beginning inventory were not accurate

Pesticide	ESD Inventory Records	IA Inventory Count	Inventory Variance (Over/Under)	Variance Cost
# 1 Mosquito Fogging (gal)	882	1,375	493	\$ 69,020
# 2 Mosquito Larvicide (bags)	571	870	299	\$ 85,968
# 3 Mosquito Larvicide (cases)	45	33	(12)	\$ (5,519)
# 4 Mosquito Larvicide (bags)	0	40	40	\$ 8,741
# 5 Mosquito Larvicide (bags)*	(15)	14	29	\$ 1,974
# 6 Rodenticide (containers)	0	43	43	Not on Record
Total Understatement				\$ 160,184

(* ESD records indicate pesticide usage exceeded inventory on hand.)

Fogging Operations

Vector Control complies with the County’s fogging treatment criteria, which specifies that mosquitoes be sprayed in a one square mile area with positively confirmed mosquito trap locations. We noted that Vector Control uses one-square-mile grid lines found in the *Phoenix Metropolitan Street Atlas* for designating fogging areas and notifying the public instead of



fogging a one-mile radius of the trap site . As indicated in the illustration to the left, Vector Control’s fogging may not cover the mile surrounding the trap when the trap is not located at the center of the street map grid. Management reports that fogging in other than currently defined major square-mile grids is not practical.

<u>Legend</u>	
▲	Trap Location
■	1 sq. mile actually fogged
●	1 sq. mile radius around positive trap

The graphic illustrates the difference between grid fogging and one square-mile radius fogging of a positive mosquito find

Vector Control’s fogging operations typically occur at night to avoid citizen exposure. We observed that technicians perform several tasks while driving through residential neighborhoods, including holding a flashlight, reviewing a map book, and controlling the fogging pump operation. The technician performing these tasks in addition to driving could increase the risk of an accident and injury to the employee and citizens.

From August 2006 through April 2007, we also determined Vector Control used over 20 cases of a mosquito larvicide labeled “best if used by 06/05.” As of April 2007, there were 33 cases still in inventory and available for use. Use of these chemicals may decrease the effectiveness in controlling larvicide activities and mosquito populations.



Between August 2006 and April 2007, ESD used over 20 cases of a chemical after the suggested used by date

State Commission Requirements

The SPCC requires Vector Control to obtain a business license, a qualifying party license, and an applicator license for each technician. We found that Vector control does not comply with any of these licensing requirements. Management did not establish procedures to obtain the required technician licenses.

In addition, ESD trains Vector Control technicians on-the-job, but does not maintain required records. If ESD retains the required training documentation, SPCC limits an entity’s liability in the event of significant technician error.

For the period of September 2004 through April 2007, five of the 27 active technicians were not licensed timely. In addition, a review of mosquito abatement activities documentation from August 2006 through April 2007 identified four out of five unlicensed technicians who applied chemicals on eight of ten days tested. SPCC levies fines for noncompliance with technician licensing. For the period reviewed, Vector Control could potentially incur fines up to \$100 per month, per violation for a total of \$3,400.

Potential SPCC Fines for Vector Control Noncompliance		
# of Technicians	# of Months Not Licensed	Minimum Fine
2	6	\$1,200
2	7	1,400
1	8	800
5		\$3,400

Recommendations

ESD management should:

- A.** Conduct a physical inventory count to update records and maintain current inventory counts per County policy.
- B.** Develop procedures and provide equipment that reduces the number of tasks technicians must perform while driving.
- C.** Develop procedures to comply with the State’s SPCC regulations regarding pesticide storage requirements, licensing, and documenting personnel training.

Issue 2 Foodborne Illness Complaints

Summary

The Environmental Services Department addresses all foodborne illness complaints within one business day of complaint receipt. However, inspectors do not consistently upgrade complaint inspections to Foodborne Illness investigations or follow required reporting instructions. Inspections or investigations not sufficiently carried out may contribute to health risks and evoke public criticism. Management should develop written policies and procedures to guide decisions about conditions that merit investigations, and review inspection and investigation reports to ensure required documentation is present.

Background

Foodborne illness (FBI) inspections and investigations may be triggered by citizen complaints that are consistent with known foodborne illnesses, or by Public Health notifications of ill food-service workers.

ESD operates a citizen complaint line to receive and process complaints of suspected foodborne illnesses and other Maricopa County Health Code (MCHC) violations. ESD staff members contact citizens within 24 hours of complaint receipt. If the reports are consistent with known foodborne illnesses, a complaint inspection's instructions to upgrade to an FBI investigation, if necessary, or an immediate FBI investigation is ordered.

ESD has a delegation agreement with the Arizona Department of Health Services (ADHS) requiring ESD to investigate FBI illness complaints and take appropriate enforcement action as necessary. The Program Coordinator of ADHS Food Safety and Environmental Services Coordinator commended Maricopa County's efforts in carrying out the FBI program prescribed by the delegation agreement.

ADHS does not require specific investigation procedures. However, commonly used publications serve as guides detailing *how* to conduct an FBI investigation, though they do not specify *when* to conduct one. In establishing criteria for our review, we compared ESD's FBI program to six other counties (Pima County, AZ; Clark County, NV; San Diego County, CA; Multnomah County, OR; Salt Lake County, UT; and Harris County, TX) and found:

- Half of the counties surveyed did not upgrade a complaint inspection to an FBI investigation based on one citizen complaint. However, ESD standards encourage upgrading.
- All counties cited industry standard publications as their guides in establishing their FBI programs. However, none of these publications have been officially promulgated by a governing body.

Complaint Inspections

At the time of our review, ESD did not have a policy that mandated Environmental Health Specialists to perform an FBI investigation if critical violations were found that could have contributed to a reported foodborne illness. ESD management is currently in the process of testing a new policy that would standardize the complaint inspection process and encourage an increase in FBI investigations. Currently, management provides instructions to inspectors on each complaint inspection and FBI investigation. However, the inspection and investigation documentation does not consistently show that inspectors followed those instructions.

We reviewed 36 citizen complaints and found several discrepancies. As a result, we requested more examples of inspections that required upgrades to FBI investigations. ESD staff provided an additional four complaints, the oldest dating back to March 2005.

Of the 40 complaints we reviewed:

- 5 (13%) were not upgraded to investigations even though the corresponding Complaint Inspection Reports showed that critical violations were found which were contributing factors to reported foodborne illnesses
- 2 (5%) were lacking required narrative report statements; investigation and inspection instructions were not followed

The risk of missing a critical violation is increased when inspections are conducted haphazardly, which may contribute to a potential health risk to the general population. In addition, undocumented inspection or investigation instructions provided to inspectors create the perception that instructions are not followed.

Recommendations

ESD management should:

- A.** Develop written policies and procedures to ensure Environmental Health Specialists uniformly upgrade inspections to FBI investigations when critical violations contribute to known foodborne illnesses.
- B.** Ensure staff members document all investigation and complaint inspection results according to management instructions.

Issue 3 Inspection Frequencies

Summary

Environmental Services does not consistently meet inspection frequencies required by State Delegation Agreements. Inspectors did not consistently conduct inspections timely or prior to permit issuance. This could compromise the County’s ability to fulfill its strategic priority to protect the community’s public health at food establishments and other permitted facilities. Management should consider cross-training inspectors to different programs, and work with County management to reassess available resources.

Background

ESD inspects facilities such as restaurants, grocery stores, supervised care homes, school cafeterias, septic systems, wells, subdivision waterlines, and refuse and medical waste haulers to ensure each facility complies with Maricopa County Health Code (MCHC) regulations. ESD’s authority to perform inspections derives from delegation agreements with the Arizona Department of Health Services (ADHS) and the Arizona Department of Environmental Quality (ADEQ). Each agreement defines required inspection frequencies. Internally developed standard operating procedures, however, require more frequent inspections than the delegation agreements require. The delegation agreement frequencies were used as the criteria for our work. To review this information in more detail, see the appendix on page 39.

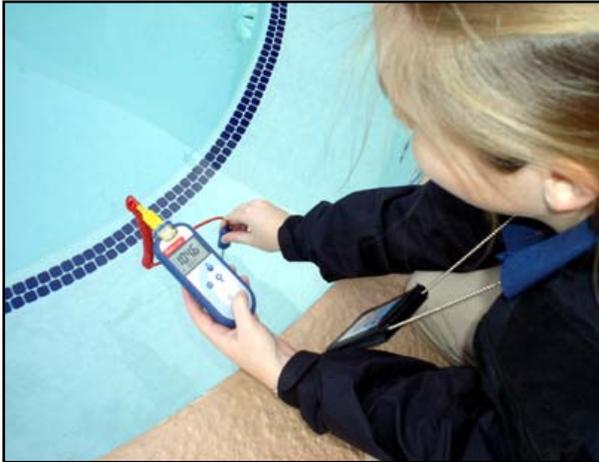
Inspection Frequency Requirements

We selected a statistical sample of 264 permits out of a total population of 44,491 from six of seven permit categories for which Environmental Services is required to perform routine inspections. We did not test permits from the “rolling” category due to its small size (less than ¼ of 1% of all permits). Our sample included permits with activity (new permits, renewals, and delinquent payments) during the period between May 1, 2005 and May 15, 2007. The following table details the six programs tested within the two divisions and their corresponding inspection frequency compliance.

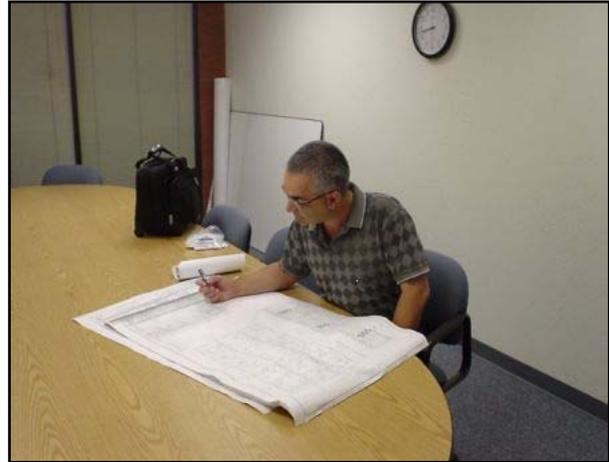
Environmental Health Division FY 2005 and FY 2007	
Programs	% Meeting Required Inspection Frequency
General (includes most food establishments)	97.1%
Mobile Food	14.3%
Swimming Pools	100.0%
Temporary or Certificate (issued for local events)	77.1%
Trailer, Chemical Toilet, and Vending Machines	100.0%
Water and Waste Water Management Division	
Water (includes wells and public water plants)	100.0%

(Sample results extrapolated to all permits within each category.)

ESD management attributes the failure to inspect at required frequencies to a lack of available resources, including staff. Management stated that resources are not currently allocated in the programs where needed. Management also reported difficulties in filling vacant positions due to salary concerns. In addition, current inspectors inspect only within certain programs; they cannot inspect all permitted facilities. Management expects a recent increase in permit and plan review fees to fund current and future demands for inspectors.



An ESD pool inspector tests pool-water quality



Construction plan reviews are a normal part of daily operations at ESD

By not meeting required inspection frequencies, permitted facilities such as restaurants may relax their food handling standards, resulting in more foodborne illness cases within Maricopa County. In addition, the County is failing to meet its strategic priority to protect the community's public health at facilities such as food establishments and water treatment plants. This may also create negative public attention to the County.

Recommendations

ESD management should:

- A.** Work with County management to allocate positions and funds to the programs not meeting inspection requirements, and to evaluate inspector and engineer salary ranges.
- B.** Develop a cross-training program to allow a team of inspectors to conduct routine inspections in other divisions and programs.

Issue 4 Clean Water Act Compliance

Summary

Environmental Services has worked to implement requirements of the Clean Water Act and the federal National Pollutant Discharge Elimination System (NPDES). However, management states that significantly more resources are necessary for regulatory compliance and monitoring. Should state and federal agencies determine a lack of compliance with the intent of the Act, lack of compliance could result in exposing the County to legal liabilities and fines up to \$25,000 per day per violation. Management should continue to work with the State Legislature and County management to develop the Stormwater Management Program and document plans for full compliance.

Background

Currently, ESD reports that the County may not comply with the Clean Water Act's NPDES requirements. With Arizona's arid climate and long intervals between rainfalls, pollutants such as oil, battery acid, and detergents may concentrate in areas where stormwater runoff collects. When rain does fall, runoff may transport concentrated pollutants to public and United States (US) waterways such as the Salt and Agua Fria Rivers.



Stormwater Outlet from an unincorporated area in Maricopa County

In 1990, the federal Environmental Protection Agency (EPA) amended the Clean Water Act to include NPDES regulations. The regulations initially targeted governments that operated larger flood control conveyances, drainage ditches, and storm sewers. EPA required these governments to have a NPDES permit to discharge stormwater into public waterways.

In 2003, EPA extended the legislation to include operators of urbanized regions, such as those found in the unincorporated areas of Maricopa County. The extension required the County to review jurisdictional construction plans to ensure compliance with NPDES regulations, and to follow up with site inspections during construction to ensure approved plans are carried out, among many other things.

Federal Clean Water Act Standards

Under the Clean Water Act, NPDES regulations require the County to develop and implement a number of programs to maintain and monitor stormwater systems, as well as to monitor citizen and business-based stormwater pollution.

Federal rules require the County to implement the six Minimum Control Measures described in the table below in good faith. Our review found that the County does not have five of the six programs in place to comply with the measures.

Environmental Services' Status with Six Minimum Control Measures Required by NPDES Mandates	
Legend: ✓ = Program in place ● = No program in place	
1. Public Education and Outreach on Stormwater Impacts	✓
2. Public Involvement/Participation	●
3. Illicit Discharge Detection and Elimination	●
4. Construction Site Runoff Control	●
5. Post-Construction Stormwater Management in New Development and Redevelopment	●
6. Pollution Prevention/Good Housekeeping for Municipal Operations	●

According to management, ESD is waiting for its *individual* NPDES permit to be approved by the Arizona Department of Environmental Quality (ADEQ). ESD would then be able to determine compliance requirements and establish appropriate monitoring procedures.

NPDES Permit Application

In 2003, the County applied for an *individual* NPDES permit; however, ADEQ has not yet issued the permit. ADEQ cited a lack of available resources in their department to complete the County's application review. Obtaining an *individual* permit would allow the County to review only a percentage of all construction permits, resulting in lower operational costs by performing statistically significant sampling. This approach was selected instead of applying for a *general* permit through ADEQ that would require the County to review all construction plans for permit compliance.

ESD management estimates an additional 100 new personnel might be necessary to comply with all required mandates should they be required to obtain a *general* permit. ESD currently employs one person to carry out and coordinate this program with other County departments.

ESD management and the Office of Management and Budget are aware of the current compliance level of this program.

To compare the County's compliance status with other similar governments, we benchmarked five Western counties (Pima County, AZ; Clark County, NV; San Diego, CA; San Bernardino, CA; and Salt Lake County, UT) and found the following:

- All five counties have NPDES *general* permits and have implemented required programs
- All five counties have been audited by the EPA and been cited with program deficiencies
- None of the counties surveyed were fined as a result of the reported deficiencies

Compliance Risks

The lack of a NPDES permit has the potential to expose the County to fines and fees for discharging polluted stormwater into public water bodies. Under current guidelines, storm water with acceptable pollutant limits can be discharged to other water bodies if the discharging entity has a NPDES permit. The EPA conducts NPDES compliance audits, which could result in fines from \$2,500 to \$25,000 per day per violation, and a court order for immediate compliance with Clean Water Act mandates at the County's expense. Arizona statutes empower ADEQ to conduct NPDES compliance audits and assess fines and penalties.

The lack of a water-quality monitoring program in unincorporated areas of the County also has the potential to expose the public and US water bodies to possible contamination, increasing the potential health risks to citizens.

EPA assessed penalties on other governments. In May 2006, EPA fined the City of Dallas \$3.5 million dollars, including a civil penalty of \$800,000, for failing to adequately implement, fund, and staff the City's stormwater management program. The sanction required Dallas to construct two wetlands for polluted discharges, and to have at least 36 people working in the program.

EPA also conducted a local program evaluation for NPDES permit compliance in Pima County, the City of Tucson, and the Town of Marana in May 2006. The evaluation found several program deficiencies committed by each entity; however, EPA assessed no fines at that time.

Recommendation

ESD management should document plans for full compliance and continue to work with County management and the State Legislature in developing the Storm Water Management Program.

Issue 5 Revenues and Cash Receipts

Summary

Environmental Services staff does consistently assess correct permit fees and pursue revenue collection. However, our review of cash receipts procedures identified some inadequate safeguards over cash receipts and system control weaknesses. These issues could potentially result in uncollected revenues, and increase the risk of fraud, loss, and theft of cash receipts. Management should strengthen controls over fee assessment, revenue collection, cash handling activities, and cash receipts safeguarding.

Fee Assessment

In July 2006, ESD and the County Board of Health (BOH) introduced the first increase to the permit fee schedule since 1995 to the Maricopa County Health Code (MCHC). According to management, the new fee schedule will generate more revenue to fund additional positions in an effort to meet the increasing inspection and plan review demands.

Our review found that ESD did not apply the new fee schedule uniformly in July 2006. Further, the receipt system and the fee database are not linked, requiring two manual entries per transaction and increasing the likelihood of input error.

We selected a statistical sample of 382 permits from a total population of 60,924. Our sample included permit application and plan review fees assessed between May 1, 2005, and May 15, 2007. Our sample revealed 11 exceptions with incorrect charges, amounting to a net undercharge of \$1,917. Extrapolating our sample results to all ESD permits results in an estimated undercharge of over \$318,000, as shown below.

FY 2005 to FY 2007	Amount	Number of Permits
Total Permits	\$15,859,491	60,924
Overcharged	18,789	478
Undercharged	318,943	1,276
Total Errors	\$337,732	1,754

The incorrect application of permit fees potentially resulted in over \$300,000 in lost revenue over the last three fiscal years.

Fee Waiver

According to MCHC, non-profit entities in need of permits and plan reviews can receive fee waivers through ESD if they demonstrate a financial hardship to the BOH. We compared 107 permits to a list of approved fee waivers and found the following exceptions:

- ESD failed to waive the fees for eight applicants, which the BOH had previously approved
- ESD waived the fees for 14 applicants, which the BOH had previously denied
- BOH granted eight permit fee waivers, but ESD voided the fees in the Environmental Management System (EMS) rather than waiving them

At the time of our audit, seven ESD employees (a cashier, four administrative clerks who handle cash receipts, an administrative assistant in the Environmental Health Program and the Business Services Office Manager) have authorization to waive permit fees in EMS without supervisory approval. Such weak controls expose ESD to accounting misclassifications and theft.

Revenue Collection

Although required by County policy, ESD does not have an uncollectible accounts receivable policy that requires debts to be collected or written-off. We reviewed ESD's Outstanding Revenues Report for the period between July 1, 2005 and May 15, 2007. We found outstanding revenue of over \$4,900 from FY06 and over \$195,000 from FY07 (of which \$143,610 became due after March 31, 2007). The composition of the uncollected fees from the period reviewed included permit fees, plan review fees, certificate and temporary permit fees, and delinquent fees.

MCHC precludes ESD from issuing a permit prior to receipt of payment from the applicant. We tested ten percent of all accounts with outstanding revenue (103 of 1,032 accounts). Our analysis revealed that ESD issued 59 permits (57 %) prior to collecting payment. In an effort to reduce outstanding revenue from permit fees, management implemented a new permit revocation policy effective January 1, 2007, for non-payment. Despite the new revocation policy, we noted that ESD is still allowing businesses to operate with outstanding debts incurred prior to January 1, 2007.

Safeguards and Controls

The American Institute of Certified Public Accountants recommends the following controls over cash receipts:

- Cash collection, receipts, deposit preparation, and recording should be adequately segregated
- Incoming checks should be restrictively endorsed when received
- Cash receipts should be controlled by cash register, pre-numbered receipts, or other equivalent means if made over the counter
- Cash receipts should be deposited in a timely manner; any cash not yet deposited should be adequately secured
- Cash receipts should be balanced to cash collections on a daily basis
- Physical safeguards should be in place surrounding cash funds

We reviewed ESD’s cash handling policies and procedures and found that they do not provide adequate safeguarding of cash receipts. Internal cash handling procedures do not require:

- Deposits to be kept in a locked safe
- Change funds to be counted daily
- Separate log-ins for each cashier
- Timely reconciliation of cash receipting systems to fee systems

Daily, ESD collects approximately \$50,000 in cash and checks from the Business Services Office (BSO) and four regional service offices. The fees arise from issuance of permits, Food Service Worker cards, plan review fees and other miscellaneous charges. We conducted a review of the cash handling procedures at BSO, the Northern Regional Office (NRO) and the Western Regional Office (WRO). We found that ESD’s cash handling procedures were not sufficient to safeguard against fraud, loss, and theft.

We also noted ESD was operating with unauthorized change funds of \$50 at each of the four regional offices. Maricopa County Administrative Policy 2500 requires departments to notify the Department of Finance (DOF) of newly established change funds. After we alerted ESD management of the deficiency, management requested and received DOF authorization for the change funds.

Cash Receipts

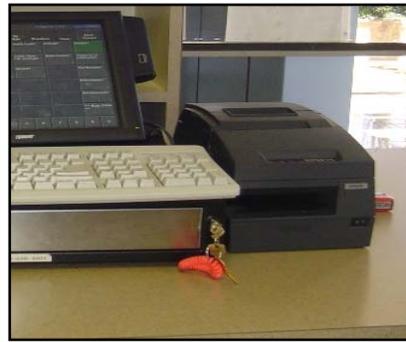
We reviewed cash receipts procedures and conducted cash counts at the BSO, NRO, and WRO, noting several discrepancies. During the morning cash count at the WRO, staff did not re-verify the \$50 change fund. Additionally, the ESD Cashier Manual states that the staff should keep the morning deposit bag in a desk drawer next to the cash terminal after preparation. During our cash count, we noted that staff placed the deposit bags in desk drawers with no locking mechanism while awaiting deposit pick-up. The following table describes additional deficiencies.

<u>Location</u>	<u>Deficiency Noted</u>
BSO	<ul style="list-style-type: none"> • Mail-in checks are not logged or restrictively endorsed upon receipt • Cash receipts from Food Service Worker classes offered off-site are not reconciled to a class roster
NRO & WRO	<ul style="list-style-type: none"> • Cashiers verified their own cash at the end of the day • A database of all Food Service Worker cards issued exists, but is not used due to difficulties in searching for information. Employees only issue duplicate cards at time of original purchase. A new system currently is being implemented to correct this. • No control exists to prevent a \$3 duplicate Food Service Worker card from being issued when the customer should be charged for a new \$16 card

All Locations

- Blank Food Service Worker cards are not periodically inventoried
- The point-of-sale terminal is not linked to the fee system, forcing the cashier to manually input data twice for each transaction
- Register keys are left in the cash registers during business hours
- The point-of-sale terminals do not record register access when the “No Sale” button is used to open the terminal
- The point-of-sale terminals at NRO, WRO, and BSO use the same passwords

Our review of the reconciliation process for the BSO showed that the cash receipting system is not reconciled to the fee system on a daily basis. While certain fees and refund transactions will not allow the systems to reconcile 100 percent, a categorical reconciliation can be performed.



Register keys are kept in cash registers at all locations during normal operating hours

By not adequately safeguarding cash receipts, ESD is exposing approximately \$50,000 in daily cash receipts to an increased risk of theft, fraud, and abuse.

Recommendations

ESD management should:

- A. Ensure new fee schedules are correctly applied when implemented, and limit permit fee waiver authority in EMS to supervisors who do not handle permit applications.
- B. Develop a link between the fee system and the receipt system so that fees are automatically calculated based upon the permit type.
- C. Develop and implement an uncollectible accounts receivable and collections policy, and attempt to collect balances that have not been recently billed.
- D. Update procedures to address reconciling, voiding transactions, safeguarding cash receipts, and requiring separate logins and passwords to track cashiers’ cash handling activities.
- E. Link the fee system, the receipt system, and the food service card system to reduce input errors and redesign the Food Service Worker database to enable queries.

Issue 6 Property and Records

Summary

Environmental Services stores furniture, and archives public records in a facility not owned or leased by the County. Lack of a lease agreement could expose the County to financial and legal liabilities in the event of personal injury or theft of assets. Management should secure unprotected assets and ensure all space used is either owned or leased by the County.

Assets and Public Records Unprotected

County policy requires lease agreements and lease amendments to be completed through the County's Real Estate Division. Our review found that ESD did not follow County policy and currently stores paper records, plan reviews, furniture, and miscellaneous equipment in a vacated building adjacent to their central offices without an approved lease agreement. ESD acquired the space from the owner of ESD's central offices because of space limitations in their current facility.



Equipment and records stored in the non-leased facility

County assets stored in the building have no legal or physical protection and could be lost if ESD loses access to the space. Additionally, ESD exposes the County to legal and financial risks in the event of a personal injury occurring on the premises.

Recommendations

ESD management should:

- A. Work with the Real Estate Division to obtain a lease agreement with the owner of the vacated building or cease use of the building.
- B. Secure unprotected assets immediately.

Issue 7 Vehicle Usage

Summary

Environmental Services has not developed adequate procedures for controlling use of County-owned vehicles. Our review found nine employees with expired Vehicle Use Permits, and three employees taking a County vehicle home overnight without proper approval during the past year. These control weaknesses could expose the County to financial risk and misuse of County resources. Management should strengthen controls over these areas.

Overnight County Vehicle Usage

ESD has not submitted a list of employees eligible to use County vehicles overnight and the supporting justification to the County Manager as required by County policy. Furthermore, the Department of Risk Management provided a list of ten employees with overnight use designation on their Vehicle Use Permits, but ESD management has only authorized two employees to take a vehicle home overnight.

We reviewed vehicle usage logs between January 2006 and April 2007 from the Water and Waste Water Management Division, the Environmental Health Division, and the Director’s Office to determine if vehicles were appropriately checked out overnight. We found that employees taking vehicles home were not always authorized to do so. The following table details our findings:

Overnight Usage: Vehicle Checkout Logs	
Water & Waste Water Management	<ul style="list-style-type: none"> • 24 out of 270 (9%) log entries show that a vehicle was checked out overnight by 7 different employees who were not on either Risk Management’s list or ESD’ list of eligible employees • 2 of the 7 employees stated they took a County vehicle home overnight in the past year without formal authorization
Director’s Office	<ul style="list-style-type: none"> • Records prior to January 2007 have been discarded • One entry shows a vehicle was checked out overnight by an ineligible employee
Environmental Health	The vehicle checkout logs do not require a check-in date. We were unable to verify overnight usage with available information.

The County’s record retention schedule also requires logs (including vehicle checkout logs) to be kept for one year after the last entry date. By not adhering to record retention schedules and the County’s Overnight Vehicle Usage policy, ESD exposes the County to waste and abuse.

Vehicle Use Permits

County policies require employees using their personal vehicle or a County-owned vehicle to have a valid Arizona driver license and a valid Vehicle Use Permit. ESD has not established a

formal process to ensure all employees who need one have a valid Vehicle Use Permit. ESD recently centralized the responsibility of monitoring Vehicle Use Permit expiration dates to their Human Resource (HR) division. At the time of our review, the HR division had not yet adopted a process to meet this responsibility. Our review also found nine active employees whose cards had expired at the time of our evaluation. In the event of an accident, ESD exposes the County and employees to increased financial risk due to drivers who lack the required credentials.

Recommendations

ESD management should:

- A.** Develop and maintain a listing of employees with overnight vehicle use designation to better control the overnight use of County vehicles.
- B.** Submit annually, a list of ESD employees with overnight permits to the County Manager with corresponding justifications, as required.
- C.** Review Risk Management's Vehicle Use Permit list, submit additions, corrections, and deletions, and establish a process to review permits on a regular basis.
- D.** Create a standard, department-wide vehicle checkout log and procedures to control overnight County vehicle usage; maintain the logs according to the County's record retention schedule.

Issue 8 IT Segregation of Duties

Summary

Information technology system developers have the ability to both make program changes and move those changes to production. Furthermore, developers perform help desk functions and quality assurance testing. This could result in unauthorized or incorrect changes being implemented into the production environment. Such changes may result in system unavailability, loss of data, or incorrect transaction processing, and thus could jeopardize system and data integrity. Management should implement procedures to ensure adequate segregation of information technology duties.

Information Technology Segregation of Duties

Internal Audit uses the IT Governance Institute's Control Objectives for Information and Related Technology (COBIT) as a framework for IT best practice. Segregation of duties is a basic control that prevents or detects errors and irregularities by assigning responsibility for initiating and recording transactions and custody of assets to separate individuals. Proper segregation of duties is designed so that no single person is in a position to introduce fraudulent or malicious code without detection.

ESD's system developers have the ability to both make program changes and move those changes to production. Furthermore, developers perform help desk functions and quality assurance testing. This could result in unauthorized or incorrect changes being implemented into the production environment that may go undetected. Unauthorized or incorrect changes could result in system unavailability, loss of data, or incorrect transaction processing, and may jeopardize system and data integrity. At a minimum, ESD should put in place controls to compensate for the lack of segregation of duties over application changes. Formal code reviews, for example, could detect incorrect or unauthorized changes.

Recommendation

ESD management should implement procedures for segregating development, help desk, quality assurance testing, and code migration functions.

Issue 9 System Access

Summary

Environmental Services has not established procedures for controlling user access within its Vector Control Maintenance System (VCMS). Furthermore, Environmental Services does not have adequate password management controls over its food handler database. Inadequate system access controls may result in unauthorized entry or use of Environmental Services' systems or data. Management should strengthen access controls over its system and database.

Vector Control System Access

IT system access controls refer to policies, procedures, organizational structure, and electronic access controls designed to restrict access to computer software and data files. System access controls should provide reasonable assurance that computer resources are protected against unauthorized modification, disclosure of information, loss, or destruction of systems or data.

ESD has not established policies and procedures for:

- Controlling user access to sensitive functions
- Granting user access based on job responsibilities
- Handling database issues within VCMS

If user access is not appropriately controlled, data could be changed or deleted. Administrative access allows for complete control over the system. At ESD, administrative access is not appropriately restricted. Because of this, the structure of the database and the integrity of the data may be compromised. ESD should grant access rights to delete records or perform database administration to a limited number of staff. Staff should have the correct qualifications and knowledge to perform such functions. Problem management and error resolution procedures should be established so that issues are resolved in a timely manner.

Password Weaknesses

Passwords are a system access control used to authenticate a computer user to a computer system. Passwords should be designed to restrict legitimate users to the specific systems, programs, and files they need, and to prevent others, such as hackers, from entering the system. Passwords are also used to identify the person responsible for a transaction, creating accountability for that transaction. Strong password controls, such as minimum length, periodic change, and encryption of password files, help reduce the potential for guessing or copying a user's password and using that password to access the system.

ESD does not have adequate password management controls over its food handler's database. We found that users share names and passwords. ESD has not encrypted user name and password lists. Sharing passwords defeats their purpose, and precludes user accountability for transactions performed in the system. Sharing passwords may result in unauthorized or incorrect changes to the food handler's license data.

Needed improvements may include moving the food handler data to a different database that allows the department to enforce stronger password controls. Stronger controls would include requiring each user to use their own user ID and password.

Recommendations

ESD management should:

- A. Implement policies and procedures for controlling VCMS access based upon job duties.
- B. Strengthen password controls over the food handler's database.

Issue 10 Data Center Operations

Summary

Environmental Services does not have adequate physical security over its data center and telecommunications closets. This may result in unauthorized access to systems and information, and could compromise data integrity or usability. Furthermore, on-site and off-site backup tape storage procedures needs strengthening to minimize service interruption in the event of a disaster or other condition leading to a loss of data. Management should strengthen controls over the physical security of its data center, telecommunications closets, and backup tapes.

Physical Access

Physical access controls restrict access to computer resources. Restrictions protect assets from accidental or intentional loss resulting from:

- Unauthorized entry
- Damage or theft to equipment or documents
- Copying, viewing, or altering sensitive information
- Abuse of data processing resources

ESD's data center and telecommunications closets contain over \$1 million of computer equipment. These locations are at risk for unauthorized intrusion. The data center doors, with large glass windows and lightweight hardware, could be easily breached. Staff members generally leave the telecommunications closets unlocked. In addition, a mechanism for tracking access to the data center has not been implemented. Tracking logs should be maintained and reviewed on a regular basis to detect any unauthorized access attempts. Formal policies should be established over physical security to communicate and enforce the need for securing telecommunications and IT equipment.

ESD does not have policies and procedures in place for securing laptop computers. During the past few years, ESD has had seven laptops stolen, five from the Eastern Regional Office. While no known critical information was on the stolen laptops, if laptops are not properly secured, there is a risk of loss of sensitive data and the financial loss of computer equipment.

Backup and Recovery

To ensure that business activities, including IT operations, are not interrupted in the event of a disaster; secondary storage media are used to store programs and associated data for backup purposes. Controls over the backup process and off-site storage rotation and location are important to ensure the uninterrupted operation of the business in the event of disaster. Unauthorized access to this information could impact IT's ability to provide continuous computing services. Access could result in lost or unauthorized changes to data.

ESD stored on-site backup tapes, which contain incremental daily backup data (retained on-site for a week), in an open area rather than in a secure, locked cabinet. ESD's off-site storage location has a locked safe. However, we noted that the safe is small and can easily be carried away.

Furthermore, ESD does not have formal procedures for performing test restorations from its backup tapes to ensure systems can be restored in the event of a disaster or other condition that causes a loss of data. Regular testing should be performed and documented with any issues with the tapes being investigated and resolved.

Recommendations

ESD management should:

- A.** Strengthen physical security to the data center and the telecommunications closets.
- B.** Implement formal policies and procedures for securing laptops, including safeguarding laptops, reporting theft, and consequences for failure to comply with policies.
- C.** Secure on-site backup tapes and the off-site storage safe.
- D.** Implement formal policies and procedures requiring the testing of data to ensure complete and accurate recoverability from backup tapes.

Issue 11 IT Governance

Summary

Environmental Services appears to have adequate controls over its information technology governance. However, project controls related to the point-of-sale system maintenance and interfaces need strengthening. Management should establish formal procedures to perform system maintenance.

IT Governance Controls

IT governance includes defining organizational structures, processes, leadership, roles, and responsibilities to ensure that enterprise IT investments are aligned and delivered in accordance with enterprise strategies and objectives. ESD has adequate IT governance. Management has established an IT Steering Committee to oversee its IT functions. Business managers established department priorities, which are developed into a yearly IT work plan. In addition, Environmental Services performs regular risk assessments and establishes an IT Strategic Plan that is updated each year.



Point-of-Sale and Guard Card terminal at Central Regional Office

IT Project Controls

All IT projects should have an established project management framework, including project prioritization, resource assignment, and formal testing. IT projects should also have clearly defined employee roles and responsibilities to ensure projects are properly managed and

maintained. Appropriate IT project controls help to reduce the risks of unexpected costs, improve user involvement, and improve the quality of the overall project.

Appropriate governance was evident during the ESD transition of its database platform, implemented in order to benefit from greater efficiencies and to eliminate licensing issues. The project was completed in February 2007, and included application and data conversion testing and verifications to ensure the conversion was complete and accurate.

However, ESD's point-of-sale (POS) system was purchased in 2006 for use with fee collection, but ESD has not formally assigned staff resources to perform POS system maintenance and system administrative functions. No formal plan is in place for updating fees within POS in the future. Furthermore, the interface from the POS application to the Environmental Management System (EMS) application has not been implemented as documented in the business plan. Currently, POS users must enter fee collection transactions in both the POS and EMS systems. This leads to a high risk of data entry error and the potential for theft.

Failure to formally assign system maintenance functions to appropriate individuals could result in compromised system availability and functionality. Further, failure to interface systems appropriately causes inefficiencies as the data is manually entered. Manual data entry could also result in data entry errors and incorrect payment application to customer accounts.

Recommendations

ESD management should:

- A.** Define and assign POS system maintenance functions to an appropriate employee within the Business Services group. Further, define procedures for updating fees and implement prior to the 2008 fee update deadline.
- B.** Develop the POS to EMS interface.

Issue 12 Performance Measures

Summary

We reviewed six key performance measures and concluded that the Environmental Services Department accurately reported the results. We rated two of the six as “Certified” and four as “Certified with Qualifications” due to issues in obtaining data, which may hinder management’s ability to make informed operational decisions. Management should develop procedures to obtain data used for calculations from a dependable source for those measures certified with qualifications.

Maricopa County Environmental Services Department Performance Measures Summary Table	Certified	Certified with Qualifications	Not Certified
1. % of required applications processed		✓	
2. % of finalized enforcement actions completed within 7 days		✓	
3. Average score of food inspections		✓	
4. % of food establishments inspected with critical violations		✓	
5. % change of vector borne incidences from previous year	✓		
6. % of engineering permits issued within established timeframe	✓		

County Policy Requirements

Maricopa County Board of Supervisors Policy B6001 (4.D Evaluating Results) requires the Internal Audit Department to review County departments’ strategic plans and performance measures. The policy also requires that a report of the results be issued.

As part of this certification process, we reviewed six of the Maricopa County ESD key measures. The following information defines the results categories that are used in the certification process.

Definitions

Certified: The reported performance measurement is accurate (+/-5%) and adequate procedures are in place for collecting/reporting performance data.

Certified with Qualifications: The reported performance measurement is accurate (+/-5%) but adequate procedures are not in place for collecting and reporting performance data.

Not Certified:

- 1) Actual performance is not within five percent of reported performance and/or the error rate of tested documents is greater than five percent.
- 2) Actual performance measurement data could not be verified due to inadequate procedures or insufficient documentation. This rating is used when there is a deviation from the department’s definition, preventing the auditor from accurately determining the performance measure result.
- 3) Actual performance measurement data was accurately calculated but not consistently posted to the public database.

Review Results

Key Measure #1: % of required applications processed

Results: **Certified with Qualifications**

Measure #1	FY05	FY06	Qtr 1	Qtr 2	Qtr 3	Qtr 4	FY07
Reported	100%	98.9%	Data not yet available				
Actual	100%	98.9%					

The measure is accurate and written procedures are in place for the collection and reporting of data. The database from which these statistics are drawn is in a state of transition from serving both the Air Quality Department and ESD to serving just ESD. This transition has strained ESD’s ability to re-produce data per our request. This is the reason for the “Qualification” rating.

Key Measure #2: % of finalized enforcement actions completed within 7 days

Results: **Certified With Qualifications**

Measure #2	FY05	FY06	Qtr 1	Qtr 2	Qtr 3	Qtr 4	FY07
Reported		67%	57%				
Actual		67%	57%				

The measure is accurate and written procedures are in place for the collection and reporting of data. The database from which these statistics are drawn is in a state of transition from servicing both the Air Quality Department and ESD to serving just ESD. This transition has strained ESD’s ability to re-produce data per our request. This is the reason for the “Qualification” rating.

Key Measure #3: Average score of food inspections

Results: **Certified with Qualifications**

Measure #3	FY05	FY06	Qtr 1	Qtr 2	Qtr 3	Qtr 4	FY07
Reported	9.8	10.7	“Data not available at this time”				
Actual	9.8	10.7					

The measure is accurate and written procedures are in place for the collection and reporting of data. The database from which these statistics are drawn is in a state of transition from servicing both the Air Quality Department and ESD to serving just ESD. This transition has strained the ability of Environmental Services to re-produce data per our request. This is the reason for the “Qualification” rating.

Key Measure #4: % of food establishments inspected with critical violations

Results: **Certified with Qualifications**

Measure #4	FY05	FY06	Qtr 1	Qtr 2	Qtr 3	Qtr 4	FY07
Reported	58.7%	61.9%	"Data not available at this time"				
Actual	58.7%	61.9%					

The measure is accurate and written procedures are in place for the collection and reporting of data. The database from which these statistics are drawn is in a state of transition from servicing both the Air Quality Department and ESD to serving just ESD. This transition has strained ESD's ability to re-produce data per our request. This is the reason for the "Qualification" rating.

Key Measure #5: % change of vector borne incidences from previous year

Results: **Certified**

Measure #5	FY05	FY06	Qtr 1	Qtr 2	Qtr 3	Qtr 4	FY07
Reported	-10.2%	-57.7%	25%				
Actual	-10.2%	-57.7%	25%				

This measure has written procedures for the collection and reporting of data. Replication of the first quarter FY07 data produced the same number as the one reported in the public report on the County's Website. We therefore rated it "Certified."

Key Measure #6: % of engineering permits issued within established timeframe

Results: **Certified**

Measure #6	FY05	FY06	Qtr 1	Qtr 2	Qtr 3	Qtr 4	FY07
Reported	78.1%	74.8%	71.75%				
Actual	Not Reviewed	74.8%	71.75%				

The data is accurate and written procedures are in place for the collection and reporting of data.

Recommendation

ESD management should develop a plan with IT for requesting and producing data used in calculations of performance results from a dependable source.

Appendix - Inspection Requirements

Water and Waste Water Management		
Inspection Type	Required Inspection Frequency	
	ADEQ	SOP*
Drinking Water	Every 3 years	Every 3 years

* ESD Req: Internally developed requirements and goals

Environmental Health		
Inspection Type	Required Inspection Frequency	
	ADHS	SOP*
Class 1 (misc. food)	<2	1
Class 2 (limited food, food peddler)	2	2
Class 3 (E&D, retail, pushcart)	2	3
Class 4 (extensive food, mobile food)	2	4
Class 5 (special food)	2	4
School (cafeteria - Class 4)	2	4
School Grounds	1	1
Swimming Pool (semi-public)**	1	1
Swimming Pool (public)**	3	3
Public Accommodations	1	1
Trailer Coach Parks	1	1
Pet Groomer	0	1

* Standard Operating Procedure SOP: Based upon the Environmental Health Division's Standard Operating Procedures and goals

** Swimming Pools: ADHS requires monthly inspections when open for all pools; SOP requires at opening and monthly for public

Department Response

**AUDIT RESPONSE
ENVIRONMENTAL SERVICES DEPARTMENT
AUGUST 31, 2007**

Issue #1 Vector Control:

The Vector Control Division does not fully comply with federal regulations, state statutes, and County policy governing hazardous chemical storage, pesticide application, operating licenses, and technician training.

Response: Concur.

Recommendation A: Conduct a physical inventory count to update records and maintain current inventory counts per County policy.

Response: Concur. ESD and the County Safety Office conduct annual inventory counts and maintain current Material Safety Data Sheets on all chemicals. ESD will conduct a comprehensive physical inventory count and review current inventory methods to determine the accuracy. ESD is investigating software programs that will automatically track chemical usage in the field to further improve inventory accuracy.

Target Completion Date: 1/31/08

Benefits/Costs: Increased control over accuracy and accountability.

Recommendation B: Use an updated mapping system to accurately conduct vector-exterminating activities.

Response: Do Not Concur. ESD is following the current County fogging treatment criteria described in the attached policy adopted by the Board of Supervisors which has proven to be very effective over the last three seasons. There is no known evidence to support this recommendation and if implemented it may even reduce program effectiveness and efficiency.

Target Completion Date: NA

Benefits/Costs: None

Recommendation C: Develop procedures and provide equipment that reduces the number of tasks technicians must perform while driving.

Response: Concur. ESD is researching new technology that would be installed in the fogging vehicles that would map routes for technicians and help them navigate via an audible commands or dashboard light notification system. This system would eliminate the need to look at a map book and manage a flash light during fogging activities.

Target Completion Date: 6/30/08

Benefits/Costs: Improved process efficiency, effectiveness and citizen and employee safety. The total estimated cost of implementation is: \$750.00 (price/unit) X 29 (units) = \$21,750.

Recommendation D: Develop procedures to comply with the State's SPCC regulations regarding licensing, documenting personnel training, and pesticide storage requirements.

Response: Concur. ESD will activate their qualifying party license and submit the Business License application to the SPCC. The Vector Control program currently has an individual with a Qualifying Party license. The SPCC just recently made changes to their rules to include "political subdivisions". This rule was implemented in April of 2007 with no input from or notification of stakeholders.

ESD will also ensure that all applicator licensing timeframes are followed; although 14 of the 16 employees found in the audit sample to be out of compliance with licensing timeframes were not actually required to be licensed at all or the timeframes did not exist at the time of hire.

ESD stores all pesticides in a controlled-access County facility that is fenced and kept locked after normal business hours. ESD also has two mobile chemical storage units that are kept locked at all times. ESD will ensure that pesticide storage areas are kept locked when not in use and that first aid kits are readily available at each storage location.

Target Completion Date: 1/31/08

Benefits/Costs: None.

Benefits/Costs: Limit County liability and improve employee safety.

Issue #2 Foodborne Illness Complaints :

Inspectors do not consistently upgrade complaint inspections to Foodborne Illness investigations or follow required reporting instructions.

Response: Partially concur. The current ESD divisional SOP guiding investigation of foodborne illness complaints goes above and beyond all known national standards and best practices regarding conducting foodborne illness complaint responses. It does allow each EHS to make a professional determination of whether or not to upgrade to a full FBI investigation based on the likeliness that any violations observed might have contributed to the reported illness. Very few jurisdictions conduct site visits for a single/individual complaint of an undiagnosed illness. ESD is setting a high national standard with respect to handling these foodborne illness complaints.

Recommendation A: Develop written policies and procedures to ensure Environmental Health Specialists uniformly upgrade inspections to FBI investigations when critical violations contribute to known foodborne illnesses.

Response: Do not concur. However, ESD has modified the FBI policy to address the noted inconsistencies in upgrading complaint investigations to a FBI. The new SOP requires all foodborne illness complaints assigned for investigation to be addressed by performing a full foodborne illness investigation (see attachment) and requires them to be performed by experienced supervisory level EHS. The proposed new policy is being piloted and will be finalized and implemented when the desired goal of ensuring

consistency in investigational procedures can be attained with a reasonable time investment.

Target Completion Date: 1/31/08

Benefits/Costs: This change may help to reduce after-the-fact, perceived investigation process inconsistencies. This change will require a significant increase in time and costs attributable to the additional documentation required to prepare a FBI report.

Recommendation B: Ensure staff members document all investigation and complaint inspection results according to management instructions.

Response: Concur. ESD will create a FBI response team consisting of a senior EHS from each regional office and/or program area significantly reducing the number of individuals conducting FBI investigations. Senior EHS's possess advanced knowledge of foodborne illness pathogens, disease investigation techniques and investigative report writing which is expected to improve the quality and consistency FBI related documentation. The FBI Program Coordinator will also be able to work more closely with this select group of individuals to ensure that documentation requirements acceptable. As a final check, all final reports will go through a final review process to ensure that all requested investigational instructions have been addressed and documentation provided.

Target Completion Date: 1/31/08

Benefits/Costs: Improve perceptions that instructions are being followed appropriately.

Issue #3 Inspection Frequencies:

Environmental Services does not consistently meet inspection frequencies required by State Delegation Agreements. Inspectors did not always conduct inspections timely or prior to permit issuance.

Response: Partially concur. ESD does not concur with several of the audit findings that appear to be incorrect such as some of the data reported in the table on page 15 and in the appendix on page 39. However, the department does recognize existing opportunity to more effectively utilize human resources to more effectively meet inspection demand.

Recommendation A: Work with County management to allocate positions and funds to the programs not meeting inspection requirements, and to evaluate inspector and engineer salary ranges.

Response: Partially concur. ESD will work to maximize existing human resources to address inspection backlogs and is pursuing a management study that will analyze workload indicators for all programs to determine appropriate staffing levels. Engineers do not conduct inspections and the inspector salaries have been raised by approximately 19% since May of 2006. We do not expect any additional salary increases for inspector market range series in the near future.

Target Completion Date: 6/30/08

Benefits/Costs: Minimize inspection backlog.

Recommendation B: Develop a cross-training program to allow a team of inspectors from different divisions to conduct routine inspections in additional divisions and programs.

Response: Concur. ESD is working on creating additional opportunities for inspectors to cross over from one division and program to another. The department will be assembling a Job Shadowing program where staff will have the opportunity to learn about other positions of interest.

Target Completion Date: 6/30/08

Benefits/Costs: More efficient use of human resources to meet inspection demand.

Issue #4 Clean Water Act Compliance:

Environmental Services has worked to implement requirements of the Clean Water Act and the federal National Pollutant Discharge Elimination System (NPDES). However, ESD management states that significantly more resources are necessary for regulatory compliance and monitoring.

Response: Concur

Recommendation : ESD management should document plans for full compliance and continue to work with County Management and the State Legislature in developing the Storm Water Management Program.

Response: Concur. ESD prepared a program implementation plan based on the permit request submitted to the State in 2003. ESD also requested funds to implement the Storm Water Program through County budgeting process for 2007-2008 funding year. Despite the request, funding remains unchanged at one FTE which allows the department to continue compliance with one of six required program activities. State legislative changes are required to implement regulatory items three through six and to levy a fee for service. In 2007, ESD requested County support for State legislation for the 2007 State legislative session with no success. ESD is working with County management, County Attorney and Legislative Liaison to obtain support for legislation for the 2008 State legislative session. The department will continue to develop and maintain its Storm Water Management Program with available resources.

ESD is also obtaining a legal opinion from County Counsel before preparing to set aside funds to pay fines rather than comply with a federal law. ESD met with the County Manager's staff and Office of Management and Budget on 6/27/07 and received agreement that ESD management would request a legal opinion from the County Attorney.

Target Completion Date: Ongoing

Benefits/Costs: Increase public and environmental health protection and minimize financial risk to the County.

Issue #5 Revenues and Cash Receipts:

Environmental Services staff does not adequately assess permit fees and pursue revenue collection. In addition, our review of cash receipts procedures identified inadequate safeguards over cash receipts and system control weaknesses. These issues resulted in approximately \$500,000 in uncollected revenues, and increased the risk of fraud, loss, and theft of cash receipts.

Fee Assessment

Response: Do not concur. ESD permit fees have not increased since 1995; however this department has managed fee increases each year for other services provided. The FY07 fee schedule was to be in effect on July 21, 2006 and the following procedures were followed on the eve of July 20, 2006:

1. All invoicing subject to FY06 fee assessments were generated.
 - a. Renewals for permits due to expire before June 30, 2006.
 - b. New permit applications received to date.
 - c. Plans submitted to date.
2. Software to align department data and processes with new fee structure was executed.
3. Reference data to support the FY07 fee schedule was loaded and FY06 fees were set to invalid.

The electronic data management system used by the department to create an invoice operates against a reference table of fees to ensure any charge generated reflects the most current fee schedule. An examination of 303,597 flat rate permit invoice records substantiates this effort (Attachment A). Only 35 occurrences could be found where the charge date of the invoice does not reflect the fee schedule in effect. An examination of 33,778 flat rate plan identified only 30 (Attachment B). Manual intervention was required to adjust those fees and reflect instances where services were not presented to the Business Office prior to a new fee schedule going into effect and/or permits were closed in error, missed their renewal billing cycle and later re-opened under a new fee schedule. All invoices are created using the Departments electronic data management system to ensure the correct fee schedule is applied (Attachment C and D).

The reference table of fees is provided to the POS Terminal vendor, who programs registers to ensure keys for a service reflect the fee schedule in effect. POS Terminals maintain current and previous fee schedules in order to accurately process returned invoices at the fee schedule they were created under. The cash receipt system and the electronic data management system is not currently linked and this necessitates the transcription of cash receipts. Errors are possible, but not with regards to assessed fees for a service since both systems generate invoice amounts based on loaded fee schedules.

Invoices can only be created using the electronic data management system and that ensures all fees are applied uniformly. A review of budgeted projections and actual

revenue corroborate the uniform assessment of fees and that the extrapolation for lost revenue is unsubstantiated.

Fee Waiver

Response: Concur. ESD processes Fee Waiver requests manually and recognizes that there is opportunity to benefit from updated, uniform procedures.

Terminated employees are not able to waive permit fees since access to any application requires NT Authentication (i.e., network access). Network access is terminated immediately when notification is received on an employee being terminated.

Only the Business Office Manager and Supervisor are authorized to waive fees and it is enforced procedurally rather than programmatically.

Revenue Collection

Response: Do not concur. The outstanding revenue amount of \$195,000.00 represents approximately 1% of the department's annual revenue. The uncollectible amounts which make up the largest part of this 1% outstanding revenue are most often businesses that are no longer operating or permits that have stalled or stopped their plan review or permit process. Businesses that are operating but have not paid their permit fees are readily identified. The time required to provide due process for moving a permitted operation from delinquency status to revocation represents the rest of the 1% outstanding revenue.

The MCHC does preclude the department from issuing a permit prior to fees being paid. When a permit is issued an expiration date is established one year from the date of issuance. In the month prior to a permit expiration date a renewal invoice is mailed. Failure to pay the renewal fee means the permit is operating without a valid permit and is subject to enforcement. The enforcement procedures may include permit revocation. The permit remains issued until closed, or revoked. The permit must maintain an issued status in the system to ensure health inspections continue to be performed.

A delinquent fee policy is in final draft form awaiting approval. ESD is working with the Department of Finance to establish procedures for the referral of delinquent accounts. The delinquent revenue report as of 7/31/2007 shows only \$3,260.00 fees outstanding.

Safeguards and Controls/Cash Receipts

Response: Partially concur. ESD does not agree with will create a department policy to address all of the safeguard and control, and cash receipt findings and pursue IT solutions where possible such as for the reconciliation of POS Terminal payments to Service fees.

Recommendation A: Ensure new fee schedules are correctly applied when implemented, and limit permit fee waiver authority to supervisors who do not handle permit applications.

Response: Concur.

Target Completion Date: Completed.

Benefits/Costs: Ensure that the department collects all revenue due and that customers are charged the appropriate fees for service.

Recommendation B: Develop a link between the fee system and the receipt system so that fees are automatically calculated based on permit type.

Response: Concur.

Target Completion Date: Fees automatically calculate based on permit type both in the department's electronic data management system and the point of sale system. A link between the two is in progress with a goal of completion date of July 2008.

Benefits/Costs: Improve accuracy and minimize the chance of errors.

Recommendation C: Develop and implement an uncollectible accounts receivable and collections policy, and attempt to collect balances that have not been recently billed.

Response: Concur.

Target Completion Date: 12/31/07

Benefits/Costs: Maximize revenue collection.

Recommendation D: Update procedures to address reconciling, voiding transactions, safeguarding cash receipts, and requiring separate logins and passwords to track cashiers' cash handling activities.

Response: Concur. Deposit procedures have been updated already and policies regarding the other issues will be updated and/or created as needed. ESD is also investigating opportunities to utilize technological solutions.

Target Completion Date: 12/31/07

Benefits/Costs: Reduce the risk of fraud, theft and abuse.

Recommendation E: Link the fee system, the receipt system, and the food service card system to reduce input errors and redesign the Food Service Worker database to enable queries.

Response: Concur. ESD is investigating software systems that would allow the Food Service Worker fee and receipt systems to be linked. The redesign of the food service worker SQL database was implemented June 8th, 2007 and resolved the difficulty searching for information.

Target Completion Date: 3/31/08

Benefits/Costs: Increased efficiency and accuracy of cards issued. Enhance customer service by not making them take the exam again and have them pay \$16.00 for a copy.

Issue #6 Property and Records:

Environmental Services stores furniture, and archives public records in a facility not owned or leased by the County. Lack of a lease agreement exposes the County to financial and legal liabilities in the event of personal injury or theft of assets.

Response: Concur

Recommendation A: Work with the Real Estate Division to obtain a lease agreement with the owner of the vacated building or cease use of the building.

Response: Concur. ESD will cease use of this facility as soon as possible.

Target Completion Date: 12/31/07

Benefits/Costs: Reduce potential legal and/or financial risk.

Recommendation B: Secure unprotected assets immediately.

Response: Concur. ESD will have County surplus remove all assets as soon as possible.

Target Completion Date: 9/30/07

Benefits/Costs: Reduce potential legal and/or financial risk.

Issue #7 Vehicle Usage:

Environmental Services has not developed adequate procedures for controlling use of County-owned vehicles. Our review found nine employees with expired Vehicle Use Permits, and three employees taking a County vehicle home overnight without proper approval during the past year.

Response: Concur. ESD is developing a comprehensive program, policy and procedures for vehicle maintenance and use.

Recommendation A: Develop and maintain a listing of employees with overnight vehicle use designation to better control the overnight use of County vehicles.

Response: Concur. ESD does not currently have any employees with overnight use designation.

Target Completion Date: Completed

Benefits/Costs: Maximize employer benefits of operating County of County-owned vehicles.

Recommendation B: Submit, annually, a list of ESD employees with overnight permits to the County Manager with corresponding justifications, as required.

Response: Concur.

Target Completion Date: Completed.

Benefits/Costs: Maximize employer benefits of operating County of County-owned vehicles.

Recommendation C: Review Risk Management's Vehicle Use Permit lists, submit additions, corrections, and deletions, and establish a process to review permits on a regular basis.

Response: Concur.

Target Completion Date: 9/30/07

Benefits/Costs: Reduce financial risk to the County.

Recommendation D: Create a standard, department-wide vehicle checkout log and procedures to control overnight County vehicle usage; maintain the logs according to the County's record retention schedule.

Response: Concur.

Target Completion Date: 10/31/07

Benefits/Costs: Maximize employer benefits of operating County of County-owned vehicles.

Issue #8 IT Segregation of Duties:

Information technology system developers have the ability to both make program changes and move those changes to production. Furthermore, developers perform help desk functions and quality assurance testing.

Response: Concur.

Recommendation: ESD management should implement procedures for segregating development, help desk, quality assurance testing, and code migration functions.

Response: Concur. With the formation of the RDSA, additional resources should allow for the implementation of procedures to segregate development, help desk, quality assurance testing, and code migration functions.

Target Completion Date: 12/31/07

Benefits/Costs: Increased control over accuracy and accountability.

Issue #9 System Access:

Environmental Services has not established procedures for controlling user access within its Vector Control Maintenance System (VCMS). Furthermore, Environmental

Services does not have adequate password management controls over its food handler database.

Response: Concur.

Recommendation A: Implement policies and procedures for controlling VCMS access based upon job duties.

Response: Concur. ESD will develop controls to address VCMS user access.

Target Completion Date: 10/31/07

Benefits/Costs: Improve database management and security.

Recommendation B: Strengthen password controls over the food handler's database.

Response: Concur. Food Handler's multiple MS Access Databases have been migrated into a single MS SQL database. Access to the database is now contingent on NT Authentication and permissions are limited to Read Only. Update access is granted only through EPISuite software. All personnel in the Food Handler Program now have individual logins and secure passwords.

Target Completion Date: Completed

Benefits/Costs: Improve database management and security.

Issue #10 Data Center Operations:

Environmental Services does not have adequate physical security over its data center and telecommunications closets. This may result in unauthorized access to systems and information, and could compromise data integrity or usability. Furthermore, on-site and off-site backup tape storage procedures needs strengthening to minimize service interruption in the event of a disaster or other condition leading to a loss of data.

Response: Concur.

Recommendation A: Strengthen physical security to the data center and the telecommunications closets.

Response: Concur. The door to the Data Center is scheduled to be replaced. It will be constructed of metal and have the ability to withstand an attempt of forced entry.

Target Completion Date: 10/31/07

Benefits/Costs: Enhance the physical security of data and equipment.

Recommendation B: Implement formal policies and procedures for securing laptops, including safeguarding laptops, reporting theft, and consequences for failure to comply with policies.

Response: Concur. A policy has been adopted to secure laptops: Loss Prevention - Management of County Field Equipment Policy. This policy covers safeguarding, theft and consequences for failure to comply with the policy.

Target Completion Date: Completed.

Benefits/Costs: Enhance the physical security of data and equipment.

Recommendation C: Secure on-site backup tapes and the off-site storage safe.

Response: Concur. On-site backup tapes are now locked in a cabinet within Suite 720. The safe located at 3101 E. Shea Blvd. will be replaced ensuring a more secure environment for the off-site backup media.

Target Completion Date: 12/31/07

Benefits/Costs: Enhance the physical security of data and equipment.

Recommendation D: Implement formal policies and procedures requiring the testing of data to ensure complete and accurate recoverability from backup tapes.

Response: Concur. With the formation of the RDSA, additional resources should allow for the implementation of procedures to support the regular testing of backup media and ensure recoverability.

Target Completion Date: 12/31/07

Benefits/Costs: Enhance the physical security of data and equipment.

Issue #11 IT Governance:

However, project controls related to the point-of-sale system maintenance and interfaces need strengthening.

Response: Concur.

Recommendation A: Define and assign POS system maintenance functions to an appropriate employee within the Business Services group. Further, define procedures for updating fees and implement prior to the 2008 fee update deadline.

Response: Concur. ESD will develop a SOP to cover POS system maintenance functions including coordinating efforts between IT Services and Business Services when implementing fee updates.

Target Completion Date: 12/31/07

Benefits/Costs: Reduce potential for data entry error and theft.

Recommendation B: Develop the POS to EMS interface.

Response: Concur. Per the ESD Business Services Work plan for 2007-08:

By September 2007, complete work on the exportation of electronic cash transactions from multiple POS (Point of Sale) registers to a single SQL relational database that will warehouse transaction until their importation into the Department's centralized database.

By October 2007, provide for the transmittal and processing of electronic cash transactions into department's centralized database for greater efficiency in the financial management and reporting of business operations.

Target Completion Date: 10/31/07

Benefits/Costs: Provide the ability to automatically reconcile the fee and cash receipt systems.

Issue #12 Performance Measures:

We reviewed six key performance measures and concluded that Environmental Services Department accurately reported the results. We rated two of the six as "Certified" and four as "Certified with Qualifications" due to issues in obtaining data, which may hinder management's ability to make informed operational decisions.

Response: Concur.

Recommendation: ESD management should develop a plan with IT for requesting and producing data used in calculations of performance results from a dependable source.

Response: Concur. ESD met with the RDSA IT Director and requested immediate assistance with maximizing the use of the current data management system to capture all data used in the calculation of performance result data. ESD is also ensuring that performance data and calculations are captured in the new Accela Automation data management system that the department will migrate to over the next 24 months.

Target Completion Date: 6/30/09

Benefits/Costs: Improve the timeliness accuracy and usefulness of performance measure data and results.

Attachment A

Permit Invoices Not Aligned with Fee Schedule Effective Date

FEE CAT	FEE TYPE	PERMIT	INVOICE AMOUNT	INVOICE DATE
	WASTEWATER ON-SITE WASTEWATER TREATMENT ABANDONED ON-SITE			
PERMIT	SYSTEM INSPECTION	064733	100	09/18/06
PERMIT	SWIMMING POOLS WADING	P17721	150	08/15/06
PERMIT	SWIMMING POOLS BATHING	P02844	200	10/12/06
PERMIT	GENERAL E&D SENIOR FOOD SERVICE	SG10702	260	10/20/98
PERMIT	GENERAL E&D SENIOR FOOD SERVICE	SG49075	260	03/08/04
PERMIT	MOBILE FOOD PUSH CART	081105	105	01/31/07
PERMIT	MOBILE FOOD PUSH CART	ES037803	105	08/25/06
PERMIT	MOBILE FOOD PUSH CART	082060	150	07/03/07
PERMIT	MOBILE FOOD MOBILE FOOD UNIT	082057	280	07/11/07
PERMIT	MOBILE FOOD MOBILE FOOD UNIT	082043	280	07/11/07
	WASTEWATER ON-SITE WASTEWATER TREATMENT PERMIT APPLICATION			
PERMIT	WATER WATER PUBLIC/NONCOMMUNITY 25 - 1,000 USERS	062458	300	09/18/06
PERMIT	WASTEWATER ON-SITE WASTEWATER TREATMENT SITE INSPECTION	07303	1890	07/19/06
PERMIT	WASTEWATER ON-SITE WASTEWATER TREATMENT SITE INSPECTION	033740	100	07/22/03
PERMIT	WASTEWATER ON-SITE WASTEWATER TREATMENT SITE INSPECTION	033722	100	07/21/03
PERMIT	WASTEWATER ON-SITE WASTEWATER TREATMENT SITE INSPECTION	062983	325	05/22/06
PERMIT	WASTEWATER ON-SITE WASTEWATER TREATMENT SITE INSPECTION	033410	0	08/21/03
PERMIT	WASTEWATER ON-SITE WASTEWATER TREATMENT SITE INSPECTION	033738	0	07/22/03
PERMIT	WASTEWATER ON-SITE WASTEWATER TREATMENT SITE INSPECTION	033866	100	07/28/03
PERMIT	WASTEWATER ON-SITE WASTEWATER TREATMENT SITE INSPECTION	062716	0	05/09/06
PERMIT	WASTEWATER ON-SITE WASTEWATER TREATMENT SITE INSPECTION	024298	100	08/21/03
PERMIT	WASTEWATER ON-SITE WASTEWATER TREATMENT SITE INSPECTION	033723	100	07/21/03
PERMIT	WASTEWATER ON-SITE WASTEWATER TREATMENT SITE INSPECTION	033725	100	07/21/03
PERMIT	WASTEWATER ON-SITE WASTEWATER TREATMENT SITE INSPECTION	062477	125	08/15/06
PERMIT	WASTEWATER ON-SITE WASTEWATER TREATMENT SITE INSPECTION	032711	100	08/21/03
PERMIT	WASTEWATER ON-SITE WASTEWATER TREATMENT SITE INSPECTION	064062	125	10/17/06
PERMIT	WASTEWATER ON-SITE WASTEWATER TREATMENT SITE INSPECTION	031676	100	08/21/03

PERMIT	WASTEWATER ON-SITE WASTEWATER TREATMENT SITE INSPECTION	061860	325	03/31/06
PERMIT	WASTEWATER ON-SITE WASTEWATER TREATMENT SITE INSPECTION	025622	100	08/21/03
PERMIT	WASTEWATER ON-SITE WASTEWATER TREATMENT SITE INSPECTION	032209	100	08/21/03
PERMIT	WASTEWATER ON-SITE WASTEWATER TREATMENT SITE INSPECTION	063462	325	06/15/06
PERMIT	WASTEWATER ON-SITE WASTEWATER TREATMENT SITE INSPECTION	033724	100	07/21/03
PERMIT	WASTEWATER ON-SITE WASTEWATER TREATMENT SITE INSPECTION	063463	325	06/15/06
PERMIT	WASTEWATER ON-SITE WASTEWATER TREATMENT SITE INSPECTION	033322	100	08/21/03
PERMIT	WASTEWATER ON-SITE WASTEWATER TREATMENT SITE INSPECTION	033767	100	07/23/03
PERMIT	WASTEWATER ON-SITE WASTEWATER TREATMENT SITE INSPECTION	033739	100	07/22/03

Attachment B

Plans Not Aligned with Fee Schedule Effective Date

FEE CAT PLA	FEE TYPE	PERMI T	INVOIC E AMOUN T	INVOIC E DATE
N	FOOD & HEALTH OTHER MINOR REVIEW	SG18890	150	08/14/06
N	WATER,WASTE & WASTEWATER WASTEWATER WATER BOOSTER STATION	37023	350	07/27/06
N	SWIMMING POOL POOL REMODEL SIMPLE	P17837	30	12/07/06
N	SWIMMING POOL POOL REMODEL SIMPLE	P20395	30	12/07/06
N	SWIMMING POOL POOL REMODEL SIMPLE	P20184	30	12/07/06
N	SWIMMING POOL POOL REMODEL SIMPLE	P20697	30	12/21/06
N	SWIMMING POOL POOL REMODEL SIMPLE	P21308	0	12/07/06
N	SWIMMING POOL POOL REMODEL SIMPLE	P22227	30	01/04/07
N	WATER,WASTE & WASTEWATER DRINKING WATER NEW SOURCE APPROVAL WATER QUALITY REVIEW AND REPORT	07695	300	09/01/06
N	WATER,WASTE & WASTEWATER DRINKING WATER WATER SYSTEM SITE SAMPLING: COMMUNITY	07695	250	09/06/06
N	WATER,WASTE & WASTEWATER DRINKING WATER WATER SYSTEM SITE SAMPLING: COMMUNITY	07150	250	09/06/06
N	WATER,WASTE & WASTEWATER PLAN REVIEW SERVICES SEWER LIFT STATION	034028	150	08/01/03
N	WATER,WASTE & WASTEWATER PLAN REVIEW SERVICES SEWER LIFT STATION	034003	150	07/31/03
N	WATER,WASTE & WASTEWATER PLAN REVIEW SERVICES WATER STORAGE TANK	034010	120	07/31/03
N	WATER,WASTE & WASTEWATER PLAN REVIEW SERVICES WATER STATION - BOOSTER	034017	340	07/31/03
N	WATER,WASTE & WASTEWATER PLAN REVIEW SERVICES WATER STATION - BOOSTER	034014	340	07/31/03
N	WATER,WASTE & WASTEWATER PLAN REVIEW SERVICES WATER STATION - BOOSTER	034120	340	08/07/03
N	WATER,WASTE & WASTEWATER PLAN REVIEW SERVICES WATER STATION - BOOSTER	034009	150	07/31/03

PLA N	WATER,WASTE & WASTEWATER PLAN REVIEW SERVICES WATER STATION - BOOSTER	034119	340	08/07/0 3
PLA N	WATER,WASTE & WASTEWATER PLAN REVIEW SERVICES WATER STATION - BOOSTER	034016	340	07/31/0 3
PLA N	WATER,WASTE & WASTEWATER PLAN REVIEW SERVICES WATER STATION - BOOSTER	033975	150	07/31/0 3
PLA N	WATER,WASTE & WASTEWATER PLAN REVIEW SERVICES WATER STATION - BOOSTER	034008	340	07/31/0 3
PLA N	WATER,WASTE & WASTEWATER PLAN REVIEW SERVICES WATER STATION - BOOSTER	034013	340	07/31/0 3
PLA N	WATER,WASTE & WASTEWATER PLAN REVIEW SERVICES WATER STATION - BOOSTER	034308	0	08/20/0 3
PLA N	WATER,WASTE & WASTEWATER PLAN REVIEW SERVICES WATER STATION - BOOSTER	034015	340	07/31/0 3
PLA N	WATER,WASTE & WASTEWATER WASTEWATER WATER STORAGE TANK	37023	350	07/27/0 6
PLA N	SWIMMING POOL CONSTRUCTION PLAN SUBMITTAL 2001 - 9999 SQ FT	P17691	795	12/07/0 6
PLA N	WATER,WASTE & WASTEWATER PLAN REVIEW SERVICES WELL SITE REVIEW AND APPROVAL	033973	120	07/31/0 3
PLA N	WATER,WASTE & WASTEWATER PLAN REVIEW SERVICES WELL SITE REVIEW AND APPROVAL	034025	120	08/01/0 3
PLA N	WATER,WASTE & WASTEWATER PLAN REVIEW SERVICES WELL SITE REVIEW AND APPROVAL	033974	120	07/31/0 3

Attachment C

Sample Invoice Screen for Permit Renewals

Issued permits are targeted for renewal based on their expiration date. Permits which meet the required category, type and expiration date range are returned, along with the current fee schedule amount appropriate the permit.

The screenshot shows a software interface for permit renewals. At the top, there is a menu bar with 'File', 'Maintenance', 'Reports', 'Window', and 'Help'. Below the menu is a toolbar with various icons. The main area is divided into several sections:

- Search Criteria:** A form with dropdown menus for 'Permit Category' (set to 'GENERAL'), 'Expiration Date' (set to '9/30/07'), 'Permit Type' (set to 'BAKERY'), and 'Permit Subtype'. There is also a 'Permit ID' field.
- Results:** A table with 46 rows. The columns are 'Permit Id', 'Business Name', 'Business Address', and 'Permit'. The first few rows are: SG02351 FOOD CITY #12 BAKERY, SG11113 BASHAS #51 BAKERY, SG11533 BASHAS #50 BAKERY, SG22930 ICING ON THE CAKE 23 W BASELINE RD STE #1 BAKERY, SG23224 AJS FINE FOODS #63 BAKERY, SG23270 BASHAS #66 BAKERY, SG26353 ALBERTSON'S #969 BAKERY, SG03486 SAFEWAY STORE #247 BAKERY, SG02489 SAFEWAY STORE #2054 BAKERY, SG11324 SAFEWAY STORE #174 BAKERY, SG15989 FRY'S FOOD STORE #122 BAKERY, SG16140 FRY'S FOOD STORE #128 BAKERY, SG18249 FRY'S FOOD STORE #121 BAKERY, SG18348 FRY'S FOOD STORE #127 BAKERY, SG18498 FRY'S FOOD STORE #123 BAKERY, SG19050 COSTCO WHOLESALE #427 BAKERY, SG19136 FRY'S FOOD STORE #124 BAKERY.
- Fee Amount:** A column on the right side of the table showing a fee amount of 275.0000 for each row.
- Controls:** A row of buttons at the bottom: 'Select All', 'Labels', 'Create', 'Print', 'Search', and 'Close'.

Text overlays on the right side of the screenshot provide additional information:

- Search Criteria:** Bakery Permit due to expire 9/30/07.
- Results:** 46 permits along with system generated FY08 assessed fee amounts.
- Controls:** Select all rows or any subset of. Print displayed rows. Create selected rows. No way to adjust fee amount.

Attachment D

Sample Receipt Screen(s) for a Permit's Invoices

Environmental Management System - Susan DeSarno - MISSOURI SERVER 2005 - ENVIRONMENTAL PRODUCTION DATABASE - [Permit Maintenance]

File Maintenance Reports Window Help

Permit No: GENERAL Permit ID: 8008121 Permit Search

Business Name: DAIRY QUEEN #1 3542 Address: 10263 N SCOTTSDALE RD

Owner Name: ARNOLD & SUSAN ZYGUTIS

Billing Date	Balance Due	Charge Amount	Charge Date	App ID	VOL	WAVE	Description	Amount
08/02/94	0.00	390.00	08/02/94	8438				
08/09/96	0.00	520.00	08/09/96	25399				
07/20/98	0.00	520.00	07/20/98	73328				
07/21/00	0.00	520.00	07/21/00	122048				
07/20/02	0.00	520.00	07/20/02	178773				
07/20/04	0.00	520.00	07/20/04	255789				
07/28/06	0.00	390.00	07/28/06	343217				

Fee Description:
 Category: PERMIT SubType: E&D 10+ SEATING
 Type: GENERAL SubType2: CLASS 3

PERMITS

Applied Balance	0.00
Amount Received	0.00000
Receipt ID	
Amount Applied	
Check Number	
Received Amount	

Buttons: Refund Add Apply

Current FY08 Fee for General, E&D, 10+, Class 3

Business Name: DAIRY QUEEN #1 3542 Address: 10263 N SCOTTSDALE RD

Owner Name: ARNOLD & SUSAN ZYGUTIS

Billing Date	Balance Due	Charge Amount	Charge Date	App ID	VOL	WAVE	Description	Amount
07/28/07	520.00	520.00	07/28/07	383823				
08/02/94	0.00	520.00	08/02/94	8438				
08/09/96	0.00	520.00	08/09/96	25399				
07/20/98	0.00	520.00	07/20/98	73328				
07/21/00	0.00	520.00	07/21/00	122048				
07/20/02	0.00	520.00	07/20/02	178773				
07/20/04	0.00	520.00	07/20/04	255789				

Fee Description:
 Category: PERMIT SubType: E&D 10+ SEATING
 Type: GENERAL SubType2: CLASS 3

PERMITS

Applied Balance	520.00
Amount Received	08/30/08
Receipt ID	2638940740
Amount Applied	390.00
Check Number	15081
Received Amount	390.00

Buttons: Refund Add Apply

FY07 Fee for General, E&D, 10+, Class 3

Permit No: GENERAL Permit ID: 8008121 Permit Search

Business Name: DAIRY QUEEN #1 3542 Address: 10263 N SCOTTSDALE RD

Owner Name: ARNOLD & SUSAN ZYGUTIS

Billing Date	Balance Due	Charge Amount	Charge Date	App ID	VOL	WAVE	Description	Amount
07/28/07	520.00	520.00	07/28/07	383823				
08/02/94	0.00	520.00	08/02/94	8439				
08/09/96	0.00	520.00	08/09/96	25399				
07/20/98	0.00	520.00	07/20/98	73328				
07/21/00	0.00	520.00	07/21/00	122048				
07/20/02	0.00	520.00	07/20/02	178773				
07/28/06	0.00	390.00	07/28/06	343217				

Fee Description:
 Category: PERMIT SubType: E&D 10+ SEATING
 Type: GENERAL SubType2: CLASS 3

PERMITS

Applied Balance	520.00
Amount Received	08/30/04
Receipt ID	E8019703
Amount Applied	520.00
Check Number	13755
Received Amount	520.00

Buttons: Refund Add Apply

FY06 Fee for General, E&D, 10 +

Note that no class attribute was applicable for permits before FY06.

Approved By:

John A Power
Department Head/Elected Official

9/14/07
Date

DL
Chief Officer

9.17.07
Date

DR Smith
County Administrative Officer

9/18/07
Date