

Final Audit Follow-Up

As of December 31, 2013



T. Bert Fletcher, CPA, CGMA
City Auditor

Red Light Camera Program

(Report #1220 issued September 28, 2012)

Report #1411

February 10, 2014

Summary

Public Works and the Tallahassee Police Department (TPD) have completed each of the six remaining action plan steps established to address issues identified in our audit of the City's red light camera program (report #1220). Accordingly, all 18 action plan steps established for that audit are now completed and/or resolved.

In audit report #1220 we reported the red light camera program (program) had reduced the number of red light violations at intersections where cameras had been installed. We concluded that (1) adequate controls were in place to ensure notices of violations are not issued in error, (2) program revenues were sufficient to cover program costs, (3) overall the City and Affiliated Computer Services (ACS) were complying with contract terms, and (4) the program was operated in accordance with applicable state statutes.

Areas were identified for which improvements and enhancements were needed. Management developed an action plan with 18 steps to address those areas. In our previous follow-up report issued July 31, 2013 (report #1323), we reported that 12 of those 18 action plan steps had been completed and/or resolved. During our current follow-up engagement, we determined the remaining six action plan steps have now also been completed. Those six action plan steps and management's actions included:

- Accumulating, summarizing, and reporting personnel costs of applicable departments associated with the red light camera program (*four action plan steps*).

- Analyzing activity and determining successes of the red light camera program and reporting the results to the City Commission (*two action plan steps*).

Management's report on the red light program was submitted to and accepted by the City Commission on December 11, 2013. The City Commission referred the report to the City Quality of Life Target Issue Committee for further evaluation.

Based on our follow-up procedures, adjustments are to be made to the initial report submitted to and accepted by the City Commission. Those adjustments will improve the accuracy of certain reported information provided to the Quality of Life Target Issue Committee.

We appreciate the cooperation and assistance provided by Public Works and TPD during this follow-up engagement.

Scope, Objectives, and Methodology

We conducted this audit follow-up in accordance with the International Standards for the Professional Practice of Internal Auditing and Generally Accepted Government Auditing Standards. Those standards require we plan and perform the audit follow-up to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit follow-up objectives.

Original Report #1220

The scope of report #1220 included a review of the red light camera program as it relates to the enforcement of traffic signals at certain intersections within the City. The objectives of the audit were to answer the following questions:

- What is the red light camera program (program)?
- Has the safety of the public increased since the implementation of the program?
- What are the laws relative to the program, and has the City complied with those laws?
- What are the revenues and expenses of the program since the program's inception?
- How are program revenues collected?
- Have the City and the red light camera system vendor complied with the terms of the contract for the program?

Specific audit procedures were designed and conducted to meet the stated audit objectives.

Report #1411

This is our second and final follow-up on action plan steps identified in audit report #1220. The purpose of this follow-up is to report on the progress and status of efforts to complete the action plan steps that had not been completed or resolved as of the period covered by our initial follow-up engagement (report #1323, covering the period ending March 31, 2013). Each of those remaining action plan steps was due for completion by October 1, 2013. To determine the status of the action plan steps, we interviewed staff and reviewed relevant documentation as applicable.

Background

The City's red light camera program is operated pursuant to relevant laws and ordinances, including Chapter 316.0083, Florida Statutes ("Mark Wandall Traffic Safety Program") and City Ordinance 09-O-22AA "Intersection Safety Using Red Light Cameras." The City officially launched the program in August 2010 at two

intersections. Over the following six months cameras were installed at an additional four intersections. In March 2012 a seventh intersection was added. A total of 19 red light cameras are now installed at those seven intersections.

The City's red light camera system works by anticipating or predicting when a vehicle will run a red light. In general, the system makes this prediction by detecting the vehicle's speed when approaching an intersection when the traffic signal is yellow or red. When the vehicle exceeds a pre-set speed, the system predicts the vehicle will not stop for the traffic signal and photographs the vehicle as well as records the vehicle's actions on video. This system is not foolproof in that the vehicle may still stop prior to entering the intersection. Therefore, photographs and videos are reviewed by staff of the City's contractor and TPD officers prior to issuance of a violation notice.

Through the competitive solicitation process, the City hired a vendor, Affiliated Computer Services (ACS), to implement and administer significant parts of the City's red light camera program. ACS installed the cameras and related equipment at applicable intersections, receives and reviews the photographs and video of potential offenders, identifies key information pertaining to the applicable vehicles (make, model, registered owner, etc.), and forwards potential violations to TPD for their review. Designated TPD officers review the information and either confirm instances as violations or determine the items are not violations.

For confirmed violations, ACS generates and mails the violation notice to the registered vehicle owner. The standard violation fee is \$158. The fees are paid to ACS. On a daily basis, ACS remits the collected funds to the City with a listing of the associated paid violations. The City remits the State share (\$83) of each collected fee to the State Department of Revenue.

Under current statutory provisions, the registered vehicle owner has 60 days to pay the violation or request a hearing by a local hearing officer. (Statutory revisions effective July 1, 2013,

changed the original 30-day payment period to 60 days and provided the registered vehicle owner the opportunity for a hearing.) If the registered vehicle owner does not pay within the allowed 60-day period and does not request an administrative hearing, the incident escalates from a violation to a uniform traffic citation (UTC). After a second review (photograph and video) to reconfirm the incident by TPD, the UTC is mailed by ACS through certified mail to the registered vehicle owner. The UTC fine is \$271. When paid, the registered vehicle owner pays that fee directly to the Clerk of Courts for Leon County. The Clerk of Court remits the City's share of those funds (\$75 under current law) to the City. The remainder of that collected UTC fine is distributed by the Clerk of Courts in accordance with applicable State laws. If not paid and not successfully appealed, the UTC fine is forwarded by the Clerk of Courts to a collection agency and the Florida Department of Motor Vehicles suspends the driver's license of the vehicle's registered owner and places a notation in the State system to prevent the owner from renewing the vehicle's license plate.

Pursuant to the statutory revisions effective July 1, 2013, if the registered owner requests a hearing within the allowed 60-day period, the City's hearing officer (one of two contracted attorneys) takes testimony from applicable parties and reviews the photographic or electronic images and makes a determination whether to uphold or dismiss the violation. If the violation is upheld, the registered owner is required to pay the \$158 violation fee and an administrative fee of \$42. Those fees are paid to ACS and subsequently remitted to the City.

Each time a red light camera takes a photograph of a potential violation it is known as an actuation. At the time of the initial audit, there had been approximately 252,000 actuations. Those actuations included ones reviewed by ACS and forwarded to TPD for further review and confirmation as a violation (or determination not a violation) and those reviewed by ACS and not forwarded to TPD based on ACS review and determination that there was no verifiable violation. Out of the 252,000 actuations,

approximately 51,000 were forwarded by ACS to TPD for review as potential violations. Of those 51,000 actuations, TPD determined 31,734 were violations. Of the 31,734 violations, the registered owners of the applicable vehicles paid the fine in 22,934 instances. Another 6,487 of those 31,734 violations were not paid by the registered vehicle owners and were changed to a UTC and referred to the Leon County Clerk of Courts for prosecution and collection as explained above. The remaining 2,313 violations were not paid or changed to a UTC for various reasons.

For the 21-month period addressed in the initial audit, net collections for the City totaled \$692,726 (i.e., gross collections less amounts remitted to and/or retained by the State, payments to ACS for their services, and City personnel expenses). As reported in the initial audit, the City's net collections represented 15% of all red light camera revenues of \$4,585,258 for that period. The majority of those revenues (53.2%) were ultimately received by the State of Florida and another 26.9% was paid to ACS for their services.

Previous Conditions and Current Status

In audit report #1220 we concluded that the red light camera program had reduced the number of red light violations at intersections where cameras were installed, and that this decrease in those violations increased the safety of those intersections. We also concluded:

- Adequate controls were in place to ensure notices of violations are not issued in error.
- Program revenues cover the program costs.
- The City and ACS are complying with contract terms.
- The program is operated in accordance with applicable state statutes.

Our audit identified several issues for which corrective action plans were developed. Those issues centered on the following areas:

1. Personnel expenses were not consistently identified and tracked for all aspects of the program.

2. Oversight of the red light camera program would be improved with periodic reporting to the City Commission.
3. Several instances were noted where potential violations that should have been approved as actual violations were not so approved.
4. A large percentage of the potential violations that must be reviewed by officers relate to instances where the vehicle is making a right turn on red, which as a general rule, are not approved.
5. The program does not have a mechanism in place that provides for the City to become aware of instances where cameras are malfunctioning.
6. The efficiency of the payment process would be improved by not requiring departments to

complete a check request when payments have already been approved through the PeopleSoft Financials System requisition/purchase order process.

We provided recommendations to City management related to those identified issues. City management developed an action plan to implement those recommendations. Applicable departments included Public Works, TPD, and the Treasurer-Clerk's Asset/Liability Division. Management's Action Plan consisted of 18 action plan steps, with each of those steps being due by October 1, 2013. Of those 18 steps, 12 were reported as completed or otherwise resolved in our initial follow-up report covering the period through March 31, 2013 (report #1323). As shown in Table 1 that follows, the remaining six action plan steps have subsequently been addressed and completed/resolved.

**Table 1
Action Plan Steps from Audit Report #1220
Due as of October 1, 2013, and Current Status as of December 31, 2013**

Action Plan Steps Due as of October 1, 2013	Current Status as of December 31, 2013
Track all costs associated with the red light camera program.	
<ul style="list-style-type: none"> • Develop a method for non-reserve officers and administrative personnel to use to allow them to track their time devoted to the red light camera program. 	<ul style="list-style-type: none"> ✓ Completed in a prior period.
<ul style="list-style-type: none"> • TPD will require personnel involved in the red light camera program to track their time devoted to the program. 	<ul style="list-style-type: none"> ✓ Completed in a prior period.
<ul style="list-style-type: none"> • TPD will periodically accumulate and summarize all the time and personnel costs devoted to the red light camera program by TPD employees. 	<ul style="list-style-type: none"> ✓ TPD accumulated and summarized time and personnel costs devoted to the red light camera program by applicable employees. Those efforts showed total costs of \$119,044 from the program's inception in July 2010 through FY 2013. Accordingly, this step is considered completed.
<ul style="list-style-type: none"> • The information relating to TPD personnel time and costs will be communicated to City staff responsible for the periodic reporting on the red light camera program to the City Commission. 	<ul style="list-style-type: none"> ✓ TPD personnel costs were considered in the determination of net program revenues as included in the report submitted to the City Commission on December 11, 2013. As reported below for another action plan step, the report to be presented to the City Quality of Life Target Issue Committee will also consider this cost information (as updated and revised). Accordingly, this step is considered resolved.

<ul style="list-style-type: none"> Public Works will develop a method for its employees to track their time devoted to the red light camera program. 	<ul style="list-style-type: none"> ✓ Completed in a prior period.
<ul style="list-style-type: none"> Public Works will require its employees to track the time they devote to the red light camera program using the method developed in the previous action plan step. 	<ul style="list-style-type: none"> ✓ Completed in a prior period.
<ul style="list-style-type: none"> Public Works will periodically accumulate and summarize all the time and personnel costs devoted to the red light camera program by Public Works employees. 	<ul style="list-style-type: none"> ✓ Public Works accumulated and summarized time and personnel costs devoted to the red light camera program by applicable Public Works employees. Those efforts showed total costs of \$16,977 for the 13-month period October 2012 through November 2013. Accordingly, this step is considered completed.
<ul style="list-style-type: none"> The information relating to Public Works personnel time and costs will be communicated to City staff responsible for the periodic reporting on the red light camera program to the City Commission. 	<ul style="list-style-type: none"> ✓ As reported below for the following action plan step, the report to be presented to the City Quality of Life Target Issue Committee will include this cost information. Accordingly, this step is considered resolved.
<p>Improve oversight of the red light camera program.</p>	
<ul style="list-style-type: none"> Annually report the activity of the red light program to the City Commission. 	<ul style="list-style-type: none"> ✓ On December 11, 2013, City management provided the City Commission an update and status report on the red light camera program. The report and presentation provided a history of the program and current status of the program. Information presented included, but was not limited to, the number of cameras installed and applicable intersections, changes to the program due to recent statutory revisions (e.g., the new appeal process), impact of the program on safety and vehicle crashes (and related statistics), and number of violations issued and resulting net revenues. Key points made within the report included: (1) the declining number of violations demonstrates the effectiveness of the program and, (2) while rear end crashes at applicable intersections increased, there has been a decrease in the more serious right-angle crashes. Furthermore, the report shows program revenues have been sufficient to cover program costs. The City Commission accepted and referred the report to the City Quality of Life Target Issue Committee for evaluation. Accordingly, this step is considered completed. <p><u>Audit Comment:</u> Our analysis and review of data included in the report presented to the City Commission showed the estimate of program revenue received by the City since inception of the program was understated (i.e., by approximately \$292,000). Public Works indicated they</p>

	<p>researched this matter based on our audit inquiry and determined the understatement occurred due to an improper coding of program revenues for FY 2013. Public Works staff indicated the report presented to the Quality of Life Target Issue Committee would be corrected for this error. Public Works staff also indicated in response to our inquiry that the report would be revised, as appropriate, to reflect complete and accurate information relative to the cost of City personnel (TPD and/or Public Works staff) working on the program. In January 2014, Public Works provided documentation showing they obtained updated and complete information as to the cost of City personnel working on the program. That updated and complete information reduced the initially reported cost by \$8,043. We recommend the report presented to the Quality of Life Target Issue Committee be revised, as planned, for the corrected and complete information.</p>
<ul style="list-style-type: none"> • TPD will prepare a portion of the periodic presentation to the City Commission relating to the success of the program in achieving its goal of increasing public safety. Included in this portion of the presentation will be an analysis of the number of violations by intersection and camera as well as TPD’s assessment as to whether the continued use of a red light camera at each location is justified. 	<ul style="list-style-type: none"> ✓ The report on the red light camera program presented to the City Commission on December 11, 2013, included a description of the program’s impact on public safety. Specifically, the report noted while rear-end accidents were up 56 percent at red light camera intersections, the more serious right-angle crashes were down 35 percent at those red light camera intersections. The report explained that the Federal Highway Administration indicates it is common for rear-end crashes to increase with the use of red light cameras; and those rear-end crashes tend to be less severe than the right-angle crashes which tend to occur when someone runs a red light. While the report did not provide an analysis of the number of violations by intersection and camera, it did provide cumulative information showing the overall number of red light camera violations has declined since the program was initially implemented. The report explained that, currently, there are no plans to expand the red light camera program. Accordingly, this step is considered completed.
<p>Improve accuracy of the review process for red light violations.</p>	
<ul style="list-style-type: none"> • TPD management will review and evaluate the process used by TPD officers when reviewing potential red light camera violations. 	<ul style="list-style-type: none"> ✓ Completed in a prior period.
<ul style="list-style-type: none"> • Changes will (or will not) be made to the violation review process as deemed appropriate by TPD management. 	<ul style="list-style-type: none"> ✓ Completed in a prior period.

Decrease the number of right turn on red potential violations that must be reviewed by TPD officers.	
<ul style="list-style-type: none"> Public Works (as the City’s liaison with ACS) and TPD will work together to identify the intersections where right turn on red violations are most prevalent. 	<ul style="list-style-type: none"> ✓ Completed in a prior period.
<ul style="list-style-type: none"> Once the intersections are identified, Public Works (as the City’s liaison with ACS) and TPD will consider options for reducing the number of right turn on red violations that must be reviewed by officers. 	<ul style="list-style-type: none"> ✓ Completed in a prior period.
<ul style="list-style-type: none"> Public Works will work with ACS to implement the option deemed best for reducing the number of right turn on red violations that must be reviewed by officers. 	<ul style="list-style-type: none"> ✓ Completed (resolved) in a prior period.
Ensure the City is made aware of malfunctioning cameras so that notice to ACS can be made in accordance with the contract for the red light camera system and ACS can be held to the terms of the contract for system malfunction response times as specified in the contract.	
<ul style="list-style-type: none"> Public Works will work with ACS to develop a method whereby ACS notifies the City (Public Works and TPD) of instances where the red light camera system is not functioning as intended. 	<ul style="list-style-type: none"> ✓ Completed in a prior period.
<ul style="list-style-type: none"> Public Works will notify ACS of the need to repair the red light camera system in accordance with the terms of the contract to help ensure system downtime is kept to a minimum. 	<ul style="list-style-type: none"> ✓ Completed in a prior period.
Improve the efficiency of making payment to vendors by wire transfer of funds.	
<ul style="list-style-type: none"> The Asset/Liability Division will no longer require City departments to complete a check request for wire transfers when the payment was approved and processed through the PeopleSoft requisition/purchase order process. 	<ul style="list-style-type: none"> ✓ Completed in a prior period.

Table Legend:

- Issue to be addressed from the original audit.
- ✓ Issue addressed and completed or otherwise resolved.

Conclusion

Table 1 above shows the remaining six action plan steps established to address issues identified in our initial audit (report #1220) have been completed/resolved. As a result, all 18 action plan steps established to address issues in that initial audit have now been completed.

Steps completed during the period covered by this follow-up engagement pertained to:

- Accumulating, summarizing, and reporting personnel costs of applicable departments associated with the red light camera program (*four action plan steps*).
- Analyzing activity and determining successes of the red light camera program and reporting the results to the City Commission (*two action plan steps*).

We appreciate the cooperation and assistance provided by Public Works and TPD during this follow-up engagement.

Appointed Official's Response

City Manager:

I would like to thank the Auditor's Office for the professional audit and interim reports of the Red Light Camera Program. I appreciate the diligent follow-up by the Public Works and Police Departments in completing all of the action steps identified in the initial audit. The completion of these action steps has improved operations and enhanced the program overall.

Copies of this final audit follow-up #1411 or audit report #1220 may be obtained from the City Auditor's website (<http://talgov.com/auditing>) or via request by telephone (850 / 891-8397), by FAX (850 / 891-0912), by mail or in person (Office of the City Auditor, 300 S. Adams Street, Mail Box A-22, Tallahassee, FL 32301-1731), or by e-mail (auditors@talgov.com).

Audit follow-up conducted by:
 T. Bert Fletcher, CPA, CGMA, City Auditor

