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**Follow-up Audit of  
Orange County Security  
Guard Services**

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**Phil Diamond, CPA  
County Comptroller  
Orange County, Florida**

[www.occompt.com](http://www.occompt.com)



Report No. 516  
March 2025

## County Audit Division

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Wendy Kittleson, CPA, CISA, CIA  
*Assistant Comptroller*

Lisa Fuller, CISA, CIA, CGAP  
*Director*

Erin Boley, CPA, CIA  
*Deputy Director*

## Audit Team

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Treshania Hutton  
*Senior Auditor*

Malica Williams  
*Senior Auditor*

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#### Mission

The mission of the Orange County Comptroller's Office is to serve the citizens of Orange County and our customers by providing responsive, ethical, effective, and efficient protection and management of public funds, assets, and documents, as specified in the Florida Constitution and Florida Statutes.

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The vision of the Orange County Comptroller's Office is to be recognized as a highly competent, cohesive team leading the quest for continuing excellence in the effective safeguarding and ethical management of public funds, assets, and documents.



## OFFICE OF THE COMPTROLLER

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**ORANGE  
COUNTY  
FLORIDA**

**PHIL DIAMOND, CPA**  
County Comptroller  
County Audit Division  
Post Office Box 38  
Orlando, FL 32802  
Telephone: (407) 836-5775  
Web page: [www.occompt.com](http://www.occompt.com)

March 13, 2025

Jerry L. Demings, County Mayor  
and  
Board of County Commissioners

We have performed a follow-up audit of Orange County Security Guard Services (Report No. 474). The original audit, issued in February 2019, reviewed the period from July 2016 through December 2017. To test the status of the previous recommendations, we reviewed the period from May 2022 through April 2023.

We conducted this 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.

This report summarizes the current status of the previous recommendations, including implementation status and remaining recommended work. Additionally, a new recommendation was identified as part of this review. The response from the Facilities Management Division's Manager follows the new recommendation.

We appreciate the cooperation of Facilities Management Division personnel during the audit.

  
Phil Diamond, CPA  
County Comptroller

c: Byron Brooks, County Administrator  
Carla Bell Johnson, Deputy County Administrator  
Anne Kulikowski, Director, Administrative Services Department  
Richard Steiger, Manager, Facilities Management Division

# ORANGE COUNTY SECURITY GUARD SERVICES FOLLOW-UP AUDIT

Audit Period  
May 2022 – April 2023

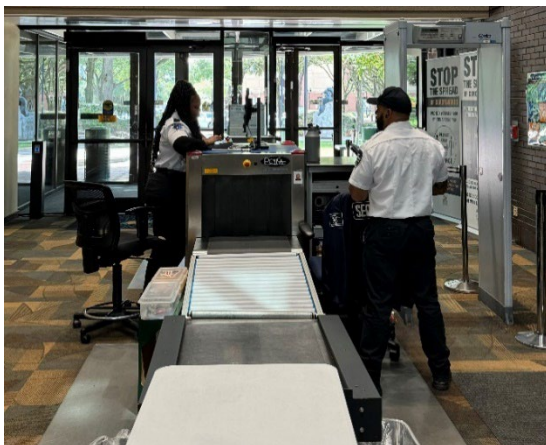
We conducted a follow-up audit of our February 2019 Audit of Orange County Security Guard Services (Report No. 474). The prior audit report can be viewed at <https://www.occompt.com/186/Audits-Investigations>.

There were five recommendations in the previous report. The statuses of those recommendations are summarized in the graph below. We also identified an additional concern that was not identified in the original audit. That issue involves the lack of staffing at certain guard stations. Although additional work remains, we commend the Facilities Management Division (Facilities) on the improvements implemented since the prior audit.

## RECOMMENDATION STATUS



## BACKGROUND



Facilities maintains 5.8 million square feet of space and more than 400 buildings, including, but not limited to: office buildings, courthouses, correctional facilities, gyms, museums, parks, community centers, warehouses, and highway maintenance facilities. The County contracts with Allied Universal Security Services, Systems and Solutions, LLP (Allied) to provide private security guard services at numerous Orange County buildings including the courthouse and administration building.



Allied provides armed guards, unarmed guards and security screening services. Security guards perform a vital role in protecting Orange County facilities, employees and the public from harm. They maintain a high-visibility presence to deter illegal and inappropriate actions, identify dangerous or deadly objects, and watch for signs of suspicious behavior.

### **Contract History**

The Allied contract (Contract) was signed on February 28, 2019, for approximately \$5.2 million. Its initial term was April 1, 2020, through March 31, 2021, with the option to renew for six additional one-year terms. The Contract has been amended 12 times during the last five years. It expires on March 31, 2025. The total Contract amount with amendments is now over \$9.1 million.

Allied provides security guard services at the following Orange County locations (Sites) under the Contract:

- Orange County Courthouse Complex
- Orange County Administration Center
- Regional History Center
- Juvenile Justice Center
- Apopka, Ocoee and Winter Park Courthouses
- Internal Operations Centers
- Medical Clinic
- Barnett Park Administration Building
- Work Release Center
- Community and Family Services Buildings
- Various Community Centers



# PRIOR RECOMMENDATIONS

## Recommendation 1

Facilities should implement procedures to ensure Allied is testing screening personnel as required by the Contract. In addition, Facilities should consider whether additional independent testing should be performed.



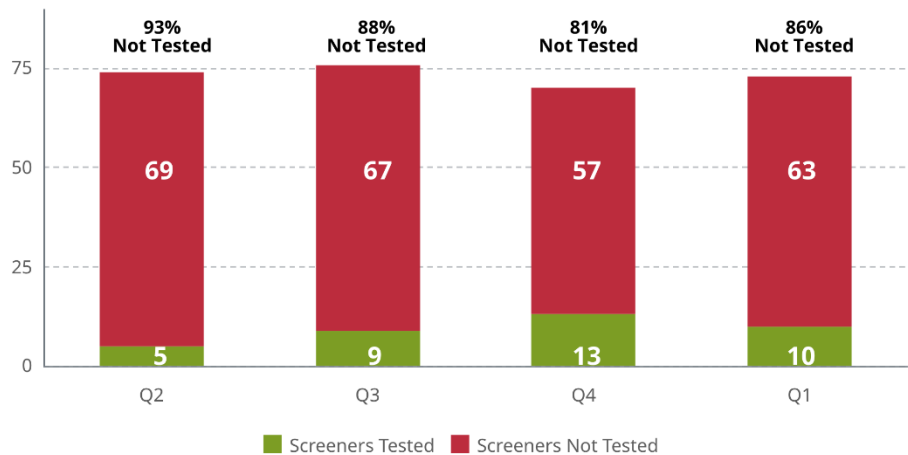
**NOT  
IMPLEMENTED**

Security screening tests involve authorized personnel attempting to enter the secured facility with dangerous and deadly items. According to the Contract, “the effectiveness of X-ray operators and other screening personnel (screening security guards) shall be tested quarterly.”

During the prior audit period, no quarterly testing was performed. Although Allied improved performance during the follow-up audit period, the majority of screening security guards (screeners) were still not being tested.

To test the implementation status, we reviewed all screener tests performed during the one-year audit period. Although 40 screening tests were conducted during this time, Allied only tested 26 different screeners because some guards were tested in multiple quarters.

## Quarterly Screener Testing



Facilities Management stated the contractually required screener testing is not being performed due to time constraints, staff availability and the volume of traffic. Management also stated that equipment and contractual changes are being evaluated to determine other feasible solutions for screener testing.

After reviewing the test results, we found that 35% (9 of 26) of the screeners failed to identify dangerous items. Specifically, the screeners failed to identify:

- A revolver frame
- An expandable baton
- Chinese throwing stars
- A rubber training gun
- “Contraband”

The image shows three items: a Chinese Throwing Star (a five-pointed star with circular holes), a Revolver Frame (a metal handgun frame), and an Expandable Baton (a long, thin baton with a curved end).

If these items had breached security at any of the sites, serious harm or death could have resulted. Based on the critical nature of these screenings for public safety and the number of failures, it appears this is a critical function that is not being performed as required in the Contract.

**WHAT REMAINS TO BE DONE**

Facilities should:

- Develop procedures to ensure Allied complies with the contractual requirement for screener testing;
- Review the current screener testing requirements to identify the appropriate level of testing that should be completed; and,
- Monitor quarterly testing and results to determine whether independent testing or training is required.

**Recommendation 2**

**Facilities should implement procedures to obtain evidence that security guards have received the required training prior to working at County facilities and annually as contractually required thereafter.**


A blue circular logo with three white dots inside, and the text "PARTIALLY IMPLEMENTED" in blue capital letters below it.

Prior to post assignment, all newly hired security guards are required to successfully complete the following initial trainings:

- Orange County Specific Training
- Basic Training






	<ul style="list-style-type: none"> <li>• On-The-Job Training by shadowing trained guards</li> </ul> <p>In addition, all screeners must complete screening training prior to performing any screening functions and at least annually thereafter.</p> <p>We analyzed a sample of 14 of the 70 security guards hired during the testing period. Facilities provided training sign-in sheets to support that all 14 security guards completed the Orange County Specific, Basic, and On-The-Job trainings. Additionally, 13 of the 14 security guards completed the initial screener training. The security guard that did not complete the initial screener training did not work as a screener during the testing period.</p> <p>To verify that annual screener training was completed in a timely manner, we reviewed a sample of 15 of the 72 screeners who had worked on the Contract for over 365 days. Neither Facilities nor Allied could provide any evidence to support that the screeners completed the annual refresher training.</p> <p>As noted in the previous recommendation, 35% of the screeners failed to identify dangerous items during the quarterly testing. This could be due to not receiving annual refresher training.</p>
<p><b>WHAT REMAINS TO BE DONE</b></p>	<p>Facilities should work with Allied to develop procedures to ensure that all screeners receive annual refresher training.</p>
<p><b>Recommendation 3</b></p>	<p><b>Facilities should develop and implement procedures to identify and notify Allied of security guards who worked more than 16 hours in a 24-hour period or more than 24 hours in a 48-hour period.</b></p>
<p> <b>FULLY IMPLEMENTED</b></p>	<p>In response to our previous recommendation, Facilities modified the Contract stating “No security guard assigned under this Contract should work more than twelve (12) continuous hours on a shift, unless approved by the County or on an as-needed basis for hold-overs.”</p> <p>We reviewed invoices for 100 security guards who worked at 14 locations during two weeks in the audit period. The invoices detailed</p>





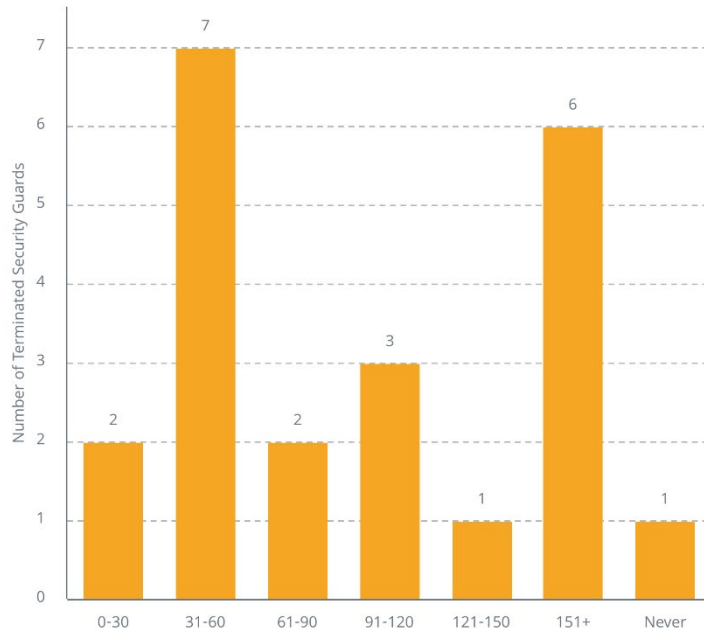
	<p>security guards' shift start times, end times, and total hours.<sup>1</sup> We identified seven security guards who worked more than 12 continuous hours in one shift without prior approval from Facilities.</p> <p>Although Facilities significantly improved the number of security guards working excess hours from 103 in the previous audit to seven, the security guards still worked excessive hours that could impact the guards' ability to provide satisfactory services. Additionally, working excessive hours could have negative consequences on the health of the security guards, including higher stress levels and increased fatigue.</p>
<p><b>WHAT REMAINS TO BE DONE</b></p>	<p>No further action required.</p>
<p><b>Recommendation 4</b></p>	<p><b>Facilities should work with Allied to develop and implement procedures to promptly notify the County of all terminations.</b></p>
<p> <b>NOT IMPLEMENTED</b></p>	<p>In response to the prior recommendation, Allied began submitting a monthly roster of all security guards working under the Contract to Facilities. The roster identifies any changes from the previous roster, and Allied is required to provide an updated roster within 24 hours of any security guard's termination.</p> <p>During the audit period, 88 security guards terminated employment. We reviewed a sample of 22 terminated guards<sup>2</sup> and found that no updated rosters were sent to Facilities within 24 hours. Allied's delays ranged from 10 to 414 days. One guard was terminated in March 2023 — Facilities was never notified.</p>



<sup>1</sup> The review did not include hours worked under other contracts with the County or with other entities.  
<sup>2</sup> Audit randomly selected 20% (18) of the 88 guards terminated during the testing period. Audit judgmentally selected an additional four guards who were issued badges and were noted as "Background Failed" on the monthly roster for a total of 22 guards.



Number of Days Between Termination Date and Updated Monthly Roster Submission



We also reviewed the most recent roster submitted by Allied and identified three guards had incorrect termination dates, and 20 had missing badge numbers.

These issues were compounded because Facilities often did not submit timely badge deactivation requests to the County's IT Department (ISS). We found that:

- Deactivation requests were never submitted for 12 guards. These badges remained active for 109 to 457 days after Facilities was notified of the termination; and,
- Two guards' badge deactivation requests were submitted 63 and 114 days after Facilities received notices of termination.

**WHAT REMAINS TO BE DONE**

Facilities should:

- A) Work with Allied to develop a more effective method for notification of terminated security guards; and,
- B) Submit timely badge deactivation requests to ISS.



<p><b>Recommendation 5</b></p>	<p><b>Facilities should ensure Allied provides relevant licensing information prior to any security guard working on Orange County property. In addition, the Contract should be amended to require Allied to periodically provide a roster of active security guards, including license number(s) and expiration date(s).</b></p>
<p></p>	<p>All security guards working at any county facility must have an active Class “D” security officer license. Additionally, armed security guards must have an active Class “G” firearm license. Each license status should be monitored to ensure no guard works without the required licenses.</p> <p>The Contract was amended in response to the prior recommendation, as follows: “The Contractor shall submit a monthly roster of all security guards assigned to work on County property. Security guards with licenses due to expire within the next thirty (30) days shall be clearly identified on the roster. Orange County will perform random checks for accuracy.”</p> <p>The additional Contract language would allow Facilities to identify and track security guards’ license renewals quickly. However, Facilities identified that there were numerous issues with the monthly rosters provided by Allied. This was confirmed through review of the April monthly roster. We noted four guards that were not included on the roster despite working at Sites during the audit period. We also identified the following errors:</p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div>



# Monthly Roster License Errors

## Class "D" License

- Three guards did not have license numbers listed
- One guard had an incorrect license number listed
- Seven guards did not have license expiration dates listed

## Class "G" License

- Four guards did not have license numbers listed
- Three guards had incorrect license expiration dates listed
- Seven guards did not have license expiration dates listed

Due to the issues with the monthly roster, Facilities began independently verifying each guard's license information upon hire instead of relying on the information provided by Allied.

To confirm that security guards had active licenses, we reviewed a sample of security guard licenses. We found that all newly hired guards tested had an active license before starting work. However, we identified two security guards with an active Class "D" license who worked at a post requiring armed coverage despite not having an active Class "G" license. According to Facilities, Allied assigns unarmed guards as needed when an armed guard is not available.

## WHAT REMAINS TO BE DONE

Facilities should:

- A) Consider amending the Contract to internally track and regularly monitor guards' licensing status to ensure that all security guards have the appropriate license(s) when manning any post;
- B) Work with Allied to develop an effective tool for reporting accurate information necessary to evaluate contract compliance for each guard; and,
- C) Evaluate all posts that currently require armed guards to determine whether armed guards are necessary.



## NEW RECOMMENDATION

**New Recommendation**

**Sites should never be left unmanned.**



We compared the hours worked by Allied staff and subcontractors to the contractually required hours for a two-week sample period. We discovered that the following sites had zero coverage during the entire two-week period:

- East Orange Community Center
- Holden Heights Community Center
- John Bridges Community Center
- Pine Hills Community Center
- Youth and Family Services

According to the Contract, “The Facilities Management Division serves as the administrator of this contract, however, other County department or agencies utilizing this contract shall serve as field administrators for their respective department/agency.” These sites were listed in the Site orders received from Facilities at the time of our audit. Facilities stated these unmanned locations were the field administrator’s responsibility. However, the field administrator did not notify Facilities that these locations were unmanned. As a result of multiple departments monitoring this Contract, the locations did not have any guards onsite as required. If the guards are no longer needed, the Contract should have been amended.

**WHAT SHOULD BE DONE**

Due to the complexity in monitoring guards assigned to other field administrators, Facilities should not allow field administrators to monitor performance. If Facilities is unable to monitor other departments, a separate contract should be negotiated for security guard services.



## AUDIT SCOPE, PERIOD, AND OBJECTIVES

The scope was limited to Facilities' monitoring of security guard services provided by Allied related to the recommendations from the prior audit (Report No. 474). The audit period was from May 2022 through April 2023.

The audit's objective was to determine the implementation status of the previous recommendations from our Orange County Security Guard Services Audit.

## METHODOLOGY

To determine whether the prior recommendations were implemented, we performed the following testing:

- Reviewed screener testing records and results sent to Facilities to identify screening security guards that were not tested quarterly as required by the Contract.
- Reviewed training records to determine whether initial and annual trainings for a sample of guards were completed as required by the Contract.
- Identified security guards working with less than eight consecutive hours rest between shifts for a sample of weeks.
- Identified security guards who worked more than 12 continuous hours at any location without prior approval for a sample of weeks.
- Compared guard staffing to Contract requirements to identify unmanned locations for a sample of weeks.
- Calculated the number of days between security guard terminations and roster notifications to Facilities for a sample of guards to ensure notifications occurred within 24 hours.
- Assessed whether ISS was timely notified of badge deactivations.
- Reviewed the monthly security guard roster for completeness and accuracy.
- Reviewed licensing information on the Florida Department of Agriculture and Consumer Services (FDACS) website to determine whether a sample of security guards had active licenses for their post assignments. The sample selected included:
  - All security guards assigned to armed posts during our audit period;
  - 20% of the unarmed security guards who worked during the audit period; and,
  - 20% of the security guards hired during the audit period.



# APPENDIX – MANAGEMENT RESPONSE



## FACILITIES MANAGEMENT DIVISION

Rich Steiger, Manager, FMA

2010 East Michigan Street, Orlando, FL 32806

407-836-7473 FAX 407-836-7477

DATE: February 21, 2025

TO: Wendy Kittleson, CPA, CISA, CIA, Assistant Comptroller  
Orange County Comptroller's Office

TRHOUGH: Anne Kulikowski, Director *AK*  
Administrative Services Department

FROM: Rich Steiger, Manager  
Facilities Management Division *Rich Steiger*

SUBJECT: Facilities Management Security Guard Follow Up Audit Response

**Background:** In February 2019, the Comptroller's Office conducted an audit of Security Guard Contract Y13-118. The testing audit period was from July 2016 – through December 2017. The Comptroller's Office made five (5) recommendations related to the security guard services provided in audit report no. 474.

**Follow Up Audit:** The Comptroller's Office conducted a follow up audit of Security Guard Contract Y19-1105 from May 2022 through April 2023 to test the status of the five (5) recommendations previously provided in audit report no. 474. The Facilities Management Division worked closely with the audit staff to provide information and records in support of the follow-up audit.

This memo will list the five (5) recommendations, with the division's response to the findings with **concur or do not occur**.

The memo will also provide a response to a new recommendation resulting from the audit findings.

1. **Facilities should implement procedures to ensure Allied is testing screening personnel as required by the Contract. In addition, Facilities should consider whether additional independent testing should be performed.**

**Findings: Not Implemented**

**FM Response: Concur**

**Response:** The Facilities Management Division (Division) acknowledges the audit recommendations that the Division should:

1. Develop procedures to ensure Allied complies with the contractual requirement for screener testing.





2. Review the current screener testing requirements to identify the appropriate level of testing that should be completed.
3. Monitor quarterly testing and results to determine whether independent testing or training is required.

The Division notes that it has expended a great deal of time and effort towards enforcing this specific contractual requirement but acknowledges that progress towards achieving this goal has been sporadic. Adequate procedures were in place, but those procedures could not overcome the overriding reasons behind the ultimate failure to make significant progress towards this goal. These were:

1. The contractor's significant and sustained resistance towards fulfilling the contractual specification. In general, the contractor continuously resisted providing the staffing resources necessary to comply with the specification.
2. The Division's recent determination that the existing contractual language severely limited its options regarding forcing the contractor to comply. Specifically, the amount of liquidated damages that could be applied was dwarfed by the cost to the contractor of complying with the specification.

The Division's efforts included:

1. Issuance of a Notice to Cure - issued in December 2021, which specifically called out the lack of a legitimate in-house testing program as one of its focal points. This Notice required that the contractor submit a plan on how it intended to comply with the contract.
2. Sustained engagement in evaluating the contractor's proposed plan, in which most of the elements involved suggested alternatives to physical testing.
3. Consideration towards reducing the contractually required number of physical tests. It should be noted here that the contractor was made fully aware that no reductions in the number of physical tests would be considered until the contractor made a legitimate and sustained attempt to comply with the contractual requirement. The contractor never made a visible effort to reach this bar. In lieu of making that attempt, the contractor continuously pushed options that did not involve any labor costs for the contractor, in contrast to conducting physical tests.

Divisional efforts pertaining to the in-house testing program continued in-force throughout the defined audit period and continue today.

Of specific note is that the contractor self-limited its testing program by refusing to permit any staff other than the Licensed Security Guard Instructor (LSGI) to conduct the in-house testing. Although the Division clarified that the contract did not mandate this, the contractor maintained this course. As this position is already heavily tasked with contractually mandated training concerns, this artificially limited the contractor's available physical testing opportunities.

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This self-limiting situation was made worse by the contractor's refusal to properly staff the contractually defined supervisory layer. These supervisory positions were the obvious alternative to using only the LSGI to conduct the tests. Although the contractor committed to hiring the contract's first supervisor following the issuing of the Notice to Cure, that hire didn't occur until August 2023, nearly two years after the Notice to Cure was issued and well after the audit timeframe had closed.

From that point forward, the multiple positions in this layer were filled only intermittently, generally for a few months at a time with never more than two supervisors staffed simultaneously. Not until a high-level meeting, held in September 2024 between County Administration and senior contractor executives, did the contractor finally commit to staffing the supervisory layer with five supervisors, the level that was advertised in the contractor's response to the Y19-1105 RFP. The contractor's recruitment efforts towards filling those positions are currently in progress.

The Division reiterates that the current contract's language severely restricts any efforts to force compliance on the contractor. It is also well understood that attempting to revise the current wording to something that would be effective would be futile, as the changes needed would have a detrimental impact on the contractor's bottom line. Thus, the administrative changes needed to satisfactorily resolve this issue will need to take place in the next contract. The Division has already taken the initial steps towards generating the next contract's RFP.

On a positive note, the contractor has recently ramped up their in-house testing activity. Over the last four months, the contractor has averaged approximately seven (7) tests per month, a significant improvement over past performance. While still far short of what might be deemed potentially acceptable, it does demonstrate that the contractor is likely beginning to understand how their historical testing program performance has negatively impacted their image.

Additionally, the Division has taken the following steps, or is in the process of doing so:

1. Amended the current contract language to:
  - a. Clarify that quarterly testing is separate from contractual training requirements. This was done to ensure that it was clear that the LSGI does not have a contractually driven role in testing.
  - b. Remove nearly all Divisionally driven restrictions pertaining to permissible testing days.
2. Continuing consideration of alternatives to physical testing.
3. Continuing consideration towards reducing the number of required physical tests, while again noting that the contractor must make a legitimate and sustained effort towards complying with the current contractual requirements before any quantity reductions are contractually pursued.

Regarding the recommendation that the Division monitors quarterly testing and results, the Division already does this. Completed tests are reviewed remotely via recorded video, so as not to pre-alert the security guards being tested. Failed tests lead to collaborative discussions between the Division representative responsible

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for the site, the contractor, and Orange County Sheriff's Office (OCSO) personnel that witnessed the test.

These discussions culminate in an analysis of whether changes to screening procedures are necessary or whether the training program satisfactorily covers the reason for failure. Regardless of the results of this discussion, any security guard that fails a test must complete the contractually required remedial training and testing before being returned to a screening line.

Separately, the County believes that independent testing conducted by the OCSO is the best and most realistic measure of the screening guard capabilities. There is no intent on the part of the Division to conduct additional independent testing, at additional cost to the taxpayer, as a substitute for the contractor's failure to fulfill the contract's in-house testing requirements. The Division believes that the next contract's revised language will satisfactorily resolve the issue of the contractor's resistance to meeting the contract specifications.

2. **Facilities should implement procedures to obtain evidence that security guards have received the required training prior to working at County facilities and annually as contractually required thereafter.**

**Findings: Partially Implemented**  
**FM Response: Concur**

**Response:** We acknowledge the audit recommendation that screeners receive the required annual refresher training. As an overall statement, the Division notes that internal staffing challenges, during the first few years of this contract, prevented simultaneous tackling of the previous audit's recommendations. Efforts needed to be focused toward one or two items at a time. The Division notes that as its staffing situation has improved over time, so too has its ability to confront the contractor's lack of performance in key areas.

The initial priority was to ensure that all contractor employees had completed the requisite training to be placed on a post and that the required documentation had been provided as required. Simultaneously, the Division focused on getting the contractor to provide useful and workable Monthly Rosters. These efforts continued well into the second year of the contract, at which point, the contractor's in-house screener testing program became the primary point of focus. Additionally, a Notice to Cure was issued in December of 2021, with the contractor's failure to properly test their screening personnel being a focal point of that Notice to Cure.

Annual refresher (recurrent) training was deemed to be a lower priority whose time would come once satisfactory progress was being made toward resolving these higher priority issues. Unfortunately, until very recently, progress towards the contractor instituting a legitimate in-house testing program was largely stalled, as discussed previously in the Division's response to Recommendation No. 1.

An attempt was made to initiate the annual recurrent screener training program in March of 2023, but only a single training event occurred. The contractor's Licensed Security Guard Instructor (LSGI) had been terminated in February of 2023, with the

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termination rumored to be because of the LSGI's failure to properly implement the recurrent training program.

The single training event that occurred in March 2023 involved the use of a proposed new LSGI, who subsequently failed to satisfactorily complete the contract's background check prerequisites, preventing him from being onboarded. Continued staffing challenges on the part of the AUS management team prevented restarting the program until the contractor's management team was again fully staffed with all required contractor management team positions in July of 2024.

It should be noted that the annual refresher training program has recently been re-initiated. Approximately 75% of screening personnel that were overdue for this training have since been brought into compliance with this contract specification. The Facilities Management Division continues to track the progress of this program and expects to reach full compliance with this specification prior to January 2025.

Regarding the recommendation that the Division retain documentation for all completed training, the Division has done so and will continue to do so for the duration of this contract.

**3. Facilities should develop and implement procedures to identify and notify Allied of security guards that worked more than 16 hours in a 24-hour period or more than 24 hours in a 48-hour period.**

**Findings: Fully Implemented**  
**FM Response: Concur**

**Response:** We acknowledge the audit recommendation that Facilities should periodically review invoices and time sheets to identify security guards working more than twelve continuous hours without prior approval.

The Division notes that the contract language specifically allows for the exceeding of the maximum twelve consecutive working hours specification as follows: "No security guard assigned under this Contract should work more than twelve (12) continuous hours on a shift, unless approved by the County or on an as-needed basis for holdovers." Of note here is that the contract proactively and specifically permits exceeding the twelve continuous hours limit for instances involving holdovers. Of the seven instances identified by the audit team, all were holdovers (unscheduled occurrences involving late running court proceedings, late running events, and late arriving reliefs) and so weren't contractual violations.

Additionally, the Division notes that the average time exceeded during the 7 instances cited was 25 minutes (minimum of 5 minutes, maximum of 60 minutes). All were relatively short in duration, as would be expected for a holdover. Given this situation, the Division feels strongly that none could realistically be interpreted as being a legitimate security concern.

The Division acknowledges that it has room for improvement towards ensuring proper communication protocols between the contractor and the Division are followed when a holdover occurs.

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**4. Facilities should work with Allied to develop and implement procedures to promptly notify the County of all terminations.**

**Findings: Not Implemented**

**FM Response: Concur**

**Response:** We acknowledge the audit recommendations that we work with Allied to develop a more effective method for notification of terminated security guards and, subsequently, to submit more timely badge deactivation requests to ISS. The Division notes that it had an adequate plan in place for the duration of this contract but acknowledges that the early execution of that plan left much to be desired. Specifically, it was not recognized by the cognizant supervisor that the employee entrusted to execute the plan was not following the instructions previously provided regarding specific action steps required on receipt of each Monthly Roster.

The action steps required as each Monthly Roster is received have now been formalized and distributed to the appropriate team members. Additionally, the Special Services District Building Security Coordinator (a new position, first filled in March of 2024) has been specifically tasked with direct oversight of this issue to ensure execution and appropriate documentation is completed.

Additionally, the Division has already amended the contract to:

1. Clarify that the notification requirement applies to any guard's removal from the contract in lieu of only applying to terminations.
2. Replace the requirement to submit an updated Monthly Roster each time a guard is terminated with the requirement to provide written notification only within 24 hours of any guard's removal from the contract.

The Division also intends to further amend the contract to require the Monthly Roster to specifically identify guards removed for cause, to create a permanent record of those guards who cannot be brought back onto the contract later. It should be noted that unless previously removed from the contract for cause, the Division would consider any guard that meets the current training and eligibility prerequisites for a given billed post to be billable, even if erroneously left off the Monthly Roster. The Division has separate tools that it uses to track billing eligibility requirements for individual guards.

It must be noted that the Division's required actions will always be limited by the information provided by the contractor. The Division has no access to the contractor's personnel records and so must generally assume that the information provided via written communication from the contractor is correct. For those instances where the Division is provided with verifiable information that the contractor failed to comply with the notification requirements, the Division will take the appropriate administrative actions permitted by contract.

**5. Facilities should ensure Allied provides relevant licensing information prior to any security guard working on Orange County property. In addition, the**

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**Contract should be amended to require Allied to periodically provide a roster of active security guards, including license number(s) and expiration date(s).**

**Findings: Partially Implemented**

**FM Response: Concur**

**Response:** The Division acknowledges that it failed to recognize that some guards that appeared on invoices during the audit window weren't listed on the Monthly Rosters provided, having previously acknowledged weaknesses in the execution of the protocols it had put in place. This was another case of the protocol that had been put in place not being properly followed. Training has been held with the invoice reviewer's replacement to ensure that invoice review protocols are properly followed in the future.

With regard to one of the guards, this was actually the Assistant Project Manager (APM), who, by contract, must hold a "G" license. This managerial position is contractually bound to fill posts that the contractor cannot otherwise fill and is non-billable, even when filling a post. The Division has subsequently learned that although both held "G" licenses, AUS never actually armed their Project Manager (PM) or APM. So, since the APM was never armed, this person allowed their "G" license certification to lapse, a condition which went undetected by the Division.

The Division has clarified to the contractor that the expectation is that those that are contractually required to hold "G" licenses will be armed and will carry a firearm when filling an armed post. The contractor has agreed to comply with this expectation in the future, for all non-billable operational positions (PM, APM and Supervisor). Additionally, the Division has implemented an additional spot-check of "G" licenses only, to better monitor the status of that license. The Division is now aware that unless specific requirements have been met prior to the one-year point of the anticipated license duration, the State of Florida will automatically suspend that license. This spot-check is specifically intended to monitor that occurrence.

The second guard was an unarmed guard (never armed by the contractor) who was filling in for what would have otherwise been an open post. The contractor had and continues to have difficulty in hiring and retaining guards with "G" licenses, a condition common in this type of business. Consequently, the Division had previously authorized the contractor to substitute unarmed guards on posts designated as armed provided the contractor felt comfortable that the security of the replacement guard was not compromised. The Division strongly believes that this solution was and remains preferable to having an unstaffed post.

The Division further acknowledges that this second guard was billed for and the contractor paid at the incorrect rate (billed as an armed guard despite not being armed). Extensive analysis strongly supports the conclusion that this was a simple billing error on the part of the contractor, coupled with the Division's representative not properly reviewing the invoice. The proper invoice review protocols were in place and this error should have been identified during invoice review. Training has been held with the original reviewer's replacement to ensure that this type of error doesn't occur in the future.

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Regarding the Monthly Roster errors, the Division believes that, by using alternative tools that it had developed, it did meet the root concern related to the Monthly Roster requirement. No deficiencies related to unlicensed guards being on post were identified. It agrees that monitoring of guard license status should be brought completely in-house, with only minimal input required from the contractor. Consequently, the contract will be amended to remove the requirement for the contractor to include license expiration dates on the Monthly Roster and the Division will continue to use and further develop its self-generated tools. As a step towards providing greater clarity regarding armed guards, the future amendment will also include the requirement for the contractor to provide, as part of the contractually required Monthly Reports, a complete listing of each guard on the Roster that has currently been issued a weapon by AUS.

To ensure that the contractor fulfills its responsibility towards tracking the license status of its own guards, the Division will also require the contractor to provide a monthly listing of its guards that have licenses due to expire in the next 30 days. The accuracy of this list will be monitored by comparing the contractor provided list with the Division's own records.

With regard to the accuracy of license numbers, the Division will continue to require that license types and numbers be provided on the Monthly Roster, but solely to serve the purpose of communicating to the Division which licenses are being utilized by each guard. The fact that errors may be present in the provided license information will be inconsequential and will not be reviewed or require correction, as the Division will have accurate data held and controlled separately. Monthly licensing spot-checks will continue, with the data source for those checks being the Division's own internal records.

The Division will also evaluate all current armed guard posts to determine whether they should be armed. If the decision is that they should be armed, the Division will separately determine if unarmed substitutes are acceptable on each of those posts, with the contract being amended to include this information, again with the caveat that it would be the contractor's responsibility to make the call as to whether or not an unarmed guard's safety would be compromised.

#### **New Recommendation No. 6**

**Response:** We acknowledge the audit recommendation that all posts should be continuously staffed, and we agree that maintaining consistent coverage is a priority. However, it's important to address some challenges that impacted our ability to meet this expectation during the audit period and continue experience today. The Division does not have the necessary resources, and specifically the necessary staff to monitor for and enforce contractual compliance for other users of the security guard contract.

#### **Contextual Challenges During the Audit Period**

The audit took place during a period when businesses nationwide faced significant staffing shortages due to an unprecedented labor market disruption. Security service providers, including our contractor, were not immune to this situation. High turnover

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rates, difficulty recruiting qualified personnel, and widespread shortages in essential services created obstacles that impacted staffing continuity.

Historically, the security industry has experienced high turnover rates that significantly impact the effectiveness of individual security firms. Security guard turnover rates typically range from **100% to 400%** annually, depending on the business model and operational environment. This means security companies may need to **replace their entire workforce** multiple times each year. Based on this information alone, it is clear that it is a substantial and ongoing challenge for a security contractor to always have the necessary trained and qualified employees to enable it to properly staff all required posts.

This was a particularly significant challenge following the COVID pandemic, which is the timeframe under which this audit took place. Turnover rates skyrocketed as businesses necessarily competed to hire qualified personnel to staff their vacant positions. Many able-bodied citizens were slow to return to the workforce, contributing to the problem. No contractor was immune to this situation, including this contractor. Consequently, the ability to staff certain positions, especially those that required a specific skill set or those that were less desirable, understandably suffered.

#### **Monitoring of Security Personnel by Field Administrators**

In response to the recommendation that only Division personnel should monitor security guard performance, it's important to consider operational inefficiencies and the logistical challenges this recommendation would entail. The Division is simply not staffed to be field administrators for all departments/divisions who utilize the security guard contract. It struggles to administer the sites under its own purview, at current staffing levels.

Conversely, each user division has personnel that can easily be designated as field administrators as a collateral task, consistent with how the Division must manage its own sites. The field administrator function requires no specialized skill set and only requires the ability to follow the contract specifications and the willingness to hold the contractor accountable if/when the contractor fails to do so. These are the same requirements that apply for any other contract utilized by County employees.

To aid other users, the Division will implement quarterly security guard contract meetings with all users of this contract. The intent of this recurring meeting will be to ensure that monitoring and contractual efforts remain consistent, current problem areas are discussed, and any performance gaps are quickly identified and addressed.

#### **Consideration of a Separate Contract**

Due the current manpower of the division, we agree that separate contracts are needed. The division is in the process of rewriting the current contract with the intent to have separate contracts for the various departments/divisions who require security guard services. The use of separate contracts will require quarterly user meetings to ensure consistency with contract compliance and performance.

#### **Commitment to Continuous Improvement**

We are dedicated to enhancing our oversight processes. The division has monthly performance meetings with the contractor where performance and contract compliance issues are addressed.

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