



Wicomico County, Maryland

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March 31, 2014

Internal Auditor's Report

The County Council and County Executive of Wicomico County, Maryland:

This audit exercise is a follow-up to the Audit of the Wicomico County RedSpeed Traffic Law Enforcement System (report dated June 24, 2013). The purpose of the follow-up was to provide an update analysis of procedures and controls for enforcing the speed limit laws within County school zones via the established speed camera system along with the level of compliance with those procedures and controls.

The Office of the Internal Auditor (IA) conducted the audit with due professional care, and IA planned and performed the audit to obtain reasonable assurance about whether the current RedSpeed traffic enforcement camera system practices remain in compliance with applicable policies, laws, and procedures and whether those policies and procedures are adequate to obtain an acceptable level of control.

The audit revealed the continuance of a proactive system used to manage speed cameras in Wicomico. IA identifies several findings in subsequent sections of this report that bear discussion.

IA extends our appreciation to the Sheriff, Officers, Deputies, and Staff of Wicomico County Sheriff's Office (WCSO) for their timely assistance, cooperation, and candid assessment of their speed camera system.

Respectfully submitted,

J. Stephen Roser, CPA/CIA/CFE
Internal Auditor

Contents

Internal Auditor’s Report	1
Contents	2
Audit Report.....	3
Background	3
Audit Objectives.....	3
Scope of the Audit.....	3
General Highlights and Statistics with Findings and Recommendations.....	3
Fee Structure.....	3
Trending	4
Calibration.....	5
Refunds	5
Conclusion.....	6
Auditor’s Closing Remark.....	6

Audit Report

Background

Please see the original RedSpeed Audit Report (dated June 24, 2013) for extensive background and other useful information concerning the Wicomico County RedSpeed traffic enforcement program.

Audit Objectives

The objectives of the audit were to:

1. Review the findings from the original audit
2. Provide a status update for RedSpeed including trend analysis

Scope of the Audit

The audit period examined on a test basis was August 2012 to January 2014. The Scope was open ended. Observations and Inquiries with appropriate personnel were conducted, as well as examination of various documents (subject to change based on preliminary surveys and interviews) pertaining to the following:

- Review statements and evaluate trending
- Inspect cameras and calibration documentation
- Observe evaluation of citations
- Interview key personnel

General Highlights and Statistics with Findings and Recommendations

Fee Structure

Beginning with the June 2013 Program Statement, RedSpeed changed its fee structure to avoid the appearance of a “bounty system”. That is, RedSpeed redesigned charges to the county based on criteria unrelated to the number of citations issued.

Fee structure prior to June 2013 was as follows:

Citations paid	\$ 13.00
MVA flag release	\$ 10.00
Returned check	\$ 10.00
Expert testimony hours ¹	\$ 100.00

The list below contains the current fee structure based on alternative criteria that began in June 2013:

Customer service	\$ 0.99
Capture and review	\$ 0.99
Payment processing	\$ 5.50
Digital evidence archival	\$ 5.50
MVA flag release	\$ 10.00
Returned check	\$ 10.00
Expert testimony hours	\$ 100.00

¹ Although court representation was provided, RedSpeed did not bill the county for expert testimony during the test period

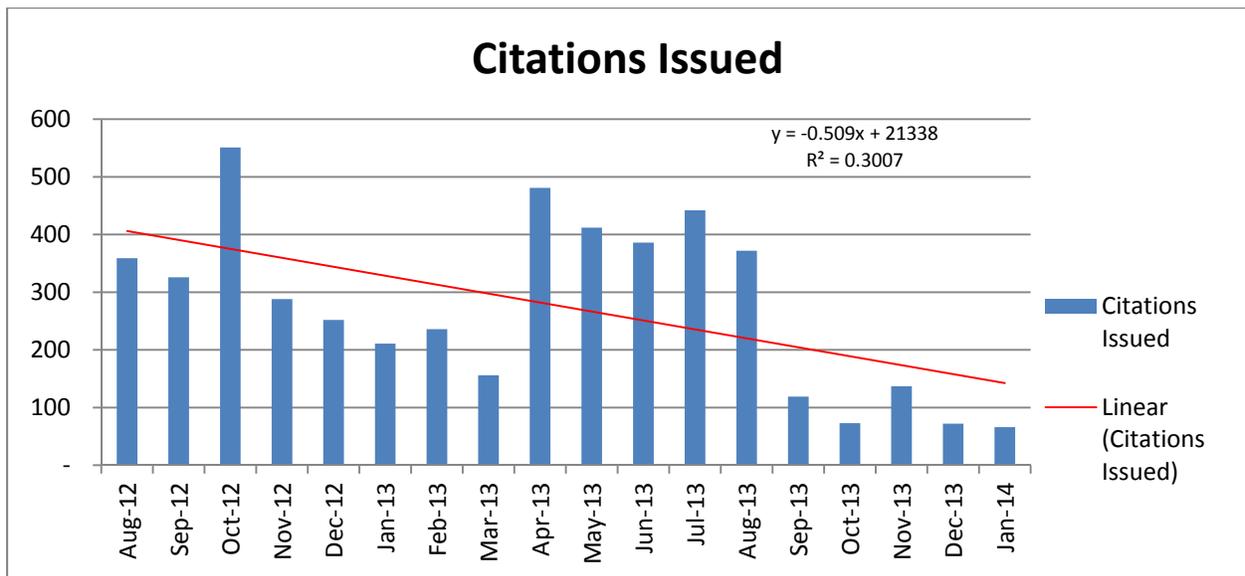
In order to test the new fee structure, IA recalculated the months beginning in June 2013 using the old criteria and compared it to RedSpeed billing based on new criteria. Results are as follows:

	Monthly Fees		Difference
	New System	Old System ²	
June 2013	\$ 3,566	\$ 3,693	\$ (127)
July 2013	\$ 4,205	\$ 4,348	\$ (143)
August 2013	\$ 4,502	\$ 4,763	\$ (261)
September 2013	\$ 3,229	\$ 3,572	\$ (343)
October 2013	\$ 1,941	\$ 2,113	\$ (172)
November 2013	\$ 1,290	\$ 1,293	\$ (3)
December 2013	\$ 1,233	\$ 1,294	\$ (61)
January 2014	\$ 966	\$ 1,038	\$ (72)
Total Difference (advantage WC)			\$ (1,182)

Comparison revealed a savings to the county of nearly \$1,200 over the period June 2013 to January 2014 based on new billing criteria.

Trending

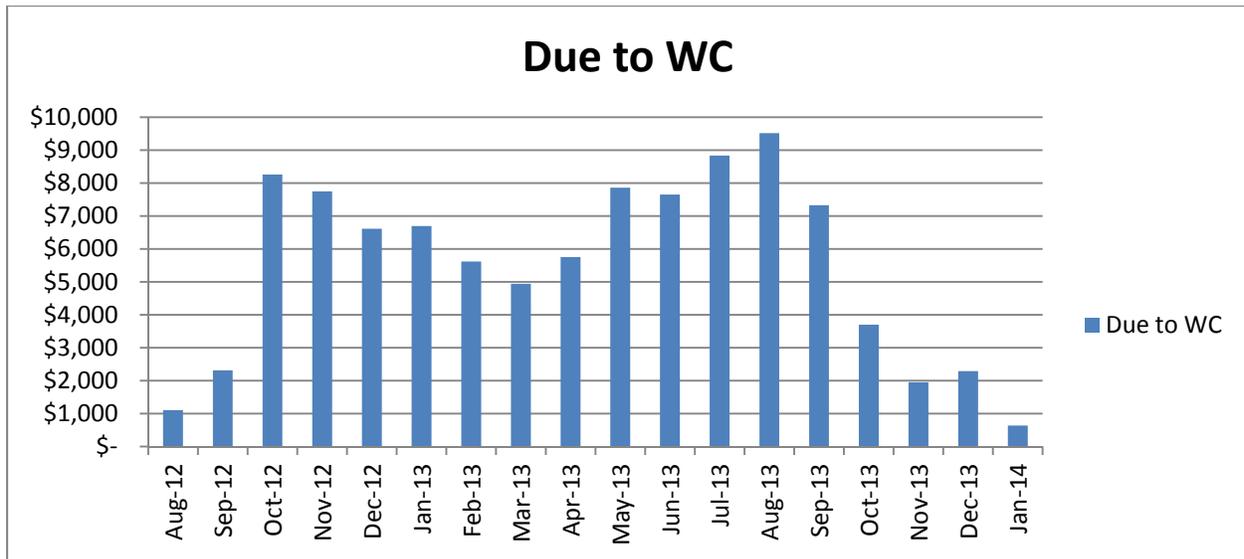
The June 2013 audit trend analysis showed a decline in citations issued along with resulting revenue to the county. IA graphed the citations issued over the complete test period including the data from the 2013 audit. Results are as follows:



The chart shows a continuing decline in overall citations issued. We can see a marked increase in the number of citations issued during the spring and summer of 2013. IA recommends management inquiry to determine the possible cause of the increase. Additionally, we plan a follow-up to determine if the increase repeats in the spring and summer of 2014.

² IA calculated based on old formula applied to RedSpeed statement information

Paid citations for the same period are as follows:



Calibration

IA received copies of certifications of calibration and certificates of accuracy for both county units performed in May and December 2013. R & R Radar, Inc. of Atco N.J. performed the outside testing. IA tested a unit located at Pemberton Elementary School on March 7, 2014 with hand-held radar. All IA test comparisons were within 1mph. Additionally, IA obtained evidence Sheriff’s Office School Resource Officers perform drive-by testing randomly.

Refunds

The January 2014 Program Statement from RedSpeed charged 37 refunds issued from November 11 to November 15, 2013. IA inquired as to the source and reasons for the refunds. IA obtained a copy of an email from the WCSO to RedSpeed (dated January 15, 2014) authorizing the refunds containing the following language:

Recently, the Wicomico County Sheriff’s Office has received several complaints regarding the speed camera located on Morris St near Salisbury Middle School. Specifically, the week of November 11-15, 2013 was in question. Through REDSPEED USA, we requested a review of both maintenance and calibration records for the entire month of November. In reviewing these records, we were unable to discover an increase in the number of citations issued for this particular week or any errors in the operation of the equipment. Both the maintenance and calibration records supplied by REDSPEED USA reflect the equipment was working properly. However, as a precautionary measure, with due consideration being given to the evolving program, coupled with the citizens’ complaints regarding the citations issued for the week of November 11-15, 2013; Sheriff Lewis requested a full refund or reimbursement of monies to those persons receiving citations for this particular week, and their cases be dismissed. This would ONLY apply for November 11-15, 2013 at the Morris St. location. Subsequently, the vendor, REDSPEED USA will be issuing thirty-four (34) refunds at a cost of \$40.00 each totaling \$1360.00.

Additionally, according to the WCSO, RedSpeed actually refunded all violations issued the week of 11/11/13 – 11/15/13 for both locations (Salisbury Middle School at Morris St and for Northwestern Elementary on Rt. 313). This subsequently brought the total to thirty-seven refunded violations in January.

Conclusion

Based on evidence gathered, and interviews performed pursuant to the RedSpeed Process Audit follow-up, IA is of the opinion that Internal Control for the Wicomico County speed camera program as contracted and described remains at a satisfactory³ level for Wicomico County.

Auditor's Closing Remark

The Wicomico County Office of the Internal Auditor would like to, again, thank management and staff from Wicomico County Sheriff's Office and RedSpeed for their timely cooperation and assistance during the audit.

³ For the purposes of this audit, IA uses a three-tier grading system recommended by the International Professional Practices Framework (IPPF) as expressed by the IPPF Practice Guide issued March 2009. The three tiers are Inadequate System of Internal Control, Adequate System of Internal Control, and Satisfactory System of Internal Control. Satisfactory findings indicate that overall controls are satisfactory, although some enhancements may be recommended. It is the highest rating on the scale.