



City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

MEMORANDUM

COMMITTEE OF THE WHOLE

TO: Mayor Matti Herrera Bower and Members of the City Commission
FROM: Kathie G. Brooks, Interim City Manager
DATE: January 16, 2013
SUBJECT: COMMITTEE OF THE WHOLE – AUDIT COMMITTEE

BACKGROUND

The "Committee Of The Whole" serves as the City's audit committee to review the following items:

- The External Auditors' reports.
Internal Audit's annual risk areas / plan.
Annual Review of Internal Audit findings and status.

Typically, the Committee reviews the status of the City's audits in the spring; however since the external auditor reports are not usually finalized until July, these reports are typically discussed around this time along with a discussion of the City's Internal Audit's annual risk areas / plan.

1. External Auditor's Reports for FY 2010/11 (Previously distributed via LTC on July 13, 2012)

The City's External Auditors are responsible for issuing an opinion after conducting an audit of the City's financial statements in accordance with Generally Accepted Auditing Standards and the standards applicable to financial audits contained in the Governmental Auditing Standards.

The City contracts an external independent audit firm of licensed certified public accountants to prepare and issue an auditor's opinion after conducting an audit of the City Comprehensive Annual Financial Report (CAFR) in accordance with Generally Accepted Auditing Standards and the standards applicable to financial audits contained in the Governmental Auditing Standards, issue by the Comptroller General of the United States. The current firm under contract is McGladrey & Pullen, LLP.

The audit is conducted and an opinion expressed on the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining funds information of the City except for the retirement and pension funds which are audited by other auditors. Florida State Statues requires this annual audit. The external auditors also perform a Single Audit separate from the CAFR audit to satisfy the audit requirements imposed by the Single Audit Act and the U.S. Office of Management and Budget (OMB), Circular A-133 and the Florida Single Audit Act, and Florida Rules of the Auditor General, Section 10.550.

The external auditors issue a separate management letter, which addresses any

Agenda Item R9C
Date 1-16-13

recommendations to improve financial management, accounting procedures, and internal control. Their report on internal controls included any reportable condition and material weaknesses in the system of which they became aware as a result of obtaining an understanding of the City's internal controls and performance of tests of internal controls. The report of compliance addresses any material errors, fraud, violation of compliance requirement and other responsibility imposed by state and federal statutes and regulations which they may be aware. For the past several years, the external auditor's management letters contained no reportable conditions and/or material weakness only minor recommendations to improve financial management, accounting procedures and internal controls.

Further, the external auditors issue separate opinions on the Miami Beach Redevelopment Agency, (RDA), the Parking Service Fund, the Miami Beach Convention Center and Jackie Gleason Theater, the Visitor and Convention Authority (VCA), City of Miami Beach Safe Neighborhood Parks Bonds Projects, the City of Miami Beach Building Bond Communities Bond Projects, and the City's Children Trust Fund.

Annually, a Letter to Commission is sent to satisfy the auditors' required communication with management. Information forwarded with this letter included their Management Letter, the Single Audit Report, the City's Comprehensive Annual Financial Report and the auditors required communication with management. Attached as Exhibit 1 is LTC 180-2012 dated July 13, 2012 containing the required reports for communication with the City Commission.

## **2. Internal Auditor's Reports**

The City's Internal Audit Division, a component of the Office of Budget and Performance Improvement, is responsible for ensuring:

- Compliance with Resort Tax Ordinances by auditing Miami Beach businesses;
- Compliance with City policies and procedures and financial integrity and sufficiency of internal controls by Departments and Not-for-Profits;
- Supporting and special projects assisting other City areas; and
- Integrity of performance measures reported Citywide.

The Division is comprised of nine full time staff including four auditors, four field agents and 30% of an office associate (net of time allocated to other divisions within the department, Grants, Budget and Organizational Development). Three field agents are responsible for auditing business required to file resort taxes and one field agent is responsible for sanitation audits of franchise haulers and roll-off operators and administrative functions of the City's Cleanliness Assessment program. Additionally, the Internal Auditor, Assistant Internal Auditor, and the office associate also provide support for the resort tax function, resulting in the equivalent of 2.8 full time employees (FTE's) for the internal audits other than Parking and Sanitation.

### Resort Tax Audits

The majority of resources in the Division are dedicated to auditing the Miami Beach businesses required to report and remit resort taxes. This effort is supported by approximately half of the positions in the Division as well as by outside contract auditors. Resort tax generated for the fiscal year 2011/12 was \$54,071,219.

Scheduled audits are based upon the type of business, actual resort tax receipts received, and the frequency of the last audit. There are approximately 1,830 businesses registered to collect resort taxes. Our goal is to audit the 763 businesses consisting of hotels, restaurants, nightclubs, and bars at least once every four to five years, approximately 153

per year. New accounts are to be audited soon after they are opened. The remaining 1,067 accounts representing apartments having less risk are audited much less frequently. The total combined goal is 250 audits per year.

In fiscal year 2011/12 the Division completed 210 resort tax audits (84% of our total goal) of which 121 were hotels, restaurants, nightclubs, and bars. Total audits completed fell short due to the contracted audit firms only performing 68 out of the 100 audits targeted for completion. The 210 audits resulted in additional tax assessments of \$278,579. This represented 0.63% of the total resort tax reported for these 210 entities over the multi-tax year audited and approximately 0.52% of the total resort tax generated for fiscal year 2011/12. More importantly, the audits serve as a deterrent to ensure compliance with the City's resort tax ordinances.

#### Internal Audits

Scheduled audits are those areas targeted by the Internal Audit Division based on a risk assessment approach. Audits are classified as to high, medium or low risk. Higher assigned risk areas are subject to more frequent audits, and lower risk areas are often less frequent. The Parking Department is considered particularly high risk due to the considerable revenues received and the manner of collection and therefore has resources dedicated for ongoing audits. The review of waste franchise contractors and roll-off haulers for compliance with the City's sanitation ordinance also has been made a priority over the past several years. In addition, inputs for audits in other Departments are obtained from Directors and the City Manager. In general, our internal audit goals are as follows:

- Audit 90% of the high risk areas approximately once every five years
- Audit 75% of the medium risk areas approximately once every seven years
- Audit 60% of the low risk areas approximately once every ten years.

However, special circumstances are taken into account which may lengthen or shorten the period. In addition, unplanned projects may impact the schedule in any given year. Annually required audits include those mandated by City Code and State Agreements, as well as providing assistance to the City's external auditors.

At previous Finance and City Wide Projects Committee meetings, the Committee recommended that the administration present a report annually on the status of Department and Not-For-Profit Internal Audits within the City. Attached is our Status of Audit Areas through Fiscal Year 2011/12 (Exhibit 1). Audits completed in 2012 are shown in bold.

Overall, twenty-one Department and Not-For-Profit audit areas were completed during fiscal year 2011/12. That represents 70% completed out of thirty audit areas initially targeted for the year. Out of the audit areas completed, three audits were added during the year. In addition, a significant amount of time was dedicated in the analysis of code and fire cases resulting from the April arrests of seven city employees as part of a criminal investigation. Other areas including additional time were the supervision of resort tax audits and coordinating responses to audits of FEMA hurricane grants. The remaining twelve audits were carried forwarded to next fiscal year. Seventeen of the audits were accomplished by the staff of 2.8 FTEs in addition to four continuous monitoring audits in parking and sanitation by two of the staff. Attached is Summary of Internal Audit Activities (Exhibit 2) for the past fiscal year.

The Finance and Citywide Projects Committee suggested that Committee members have the opportunity to review the Internal Audit Reports on-line. Reports are listed on-line on the City's website at <http://web.miamibeachfl.gov/obpi/scroll.aspx?id=36612>.

Fiscal Year 2012/13 Risk Assessment Areas /Audit Plan

Areas highlighted on the Status of Audit Areas report represent those areas considered for audits based upon the projected frequency. These highlighted areas are a primary source in developing the annual audit plan. However, the comments provided also indicate reasons why areas may not be audited within the projected frequency.

KGB:JJS 

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## **Exhibit 1 – LTC 180-2012**



# MIAMI BEACH

OFFICE OF THE CITY MANAGER  
NO. LTC # **180-2012**

## LETTER TO COMMISSION

TO: Mayor Matti Herrera Bower and  
Members of the City Commission

FROM: Kathie G. Brooks, Interim City Manager

DATE: July 13, 2012

RECEIVED  
2012 JUL 13 PM 3:18  
CITY CLERK'S OFFICE

SUBJECT: **External Auditor's (McGladrey & Pullen) Annual Audit Report on the City of Miami Beach (the City) for the period ended September 30, 2011**

Attached for your information is the external auditor's report on the City for the fiscal year ended September 30, 2011. This package includes the following:

- A. The Report to the Mayor and Members of the City Commission, discussing the Auditor's required communications to the Mayor and City Commission, summary of recorded audit adjustments, accounting estimates and, recently issued governmental accounting standards.

The Report also includes the following:

- Exhibit A - Certain written communications between management and the Auditors – Representation letter;
  - Exhibit B - McGladrey & Pullen's Independent auditor's report on compliance with requirements applicable to each major federal program and state project and on internal controls over compliance in accordance with OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General of the State of Florida* and Schedule of Expenditures on Federal Awards and State Financial Assistance; and
  - Exhibit B - McGladrey & Pullen's management letter, in accordance with the *Rules of the Auditor General of the State of Florida*, to the Mayor and Members of the City Commission.
- B. The City's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2011.

If you have any questions or need additional information please contact Patricia Walker at 305-673-7574

KGB:PDW:aw

## **Exhibit 2 – Audit Areas**

**CITY OF MIAMI BEACH  
INTERNAL AUDIT DEPARTMENT  
Audit Areas  
Fiscal Year Ended 9/30/12**

Areas highlighted are considered for audit based on projected frequency. Comments provided indicate reasons why area may not be audited within the projected frequency.

<u>Department - Audit Area</u>	<u>Last Audit</u>	<u>Risk Type</u>	<u>Comments</u>
<b>Mayor and City Commission</b>			
Operations		L	
<b>Administrative Support Services</b>			
<b>City Manager Office</b>			
Operations		L	
Communications		L	
<b>Budget &amp; Performance Improvement</b>			
Management & Budget		L	Annual budget has been presented to GFOA and earned their Distinguish Budget Award, and audited by external auditors.
Grants Management		L	Grants are included in the City's single audit by the City's external auditors.
<b>Finance</b>			
Cashier Functions - Central Cashier	2012	H	
Cashier Functions - Other areas Building, Police, Parking)	2012	M	
City Payment Processing	2009	H	
Fixed Assets	2009	H	
Interfund Transfers (includes management fees for Convention Center, Parking, Sanitation, Storm, Sewer, Internal Service, Resort Tax)		M	City's external auditors review the internal controls of these financial areas annually within the scope of their comprehensive financial audit of the city. While this does not constitute a detailed internal audit, the controls are being reviewed. The City has a consultant study underway to update the basis of determination for management fees.
Intergovernmental Rev ( S/Tax, Gas Tax Motor Fuel)		M	
Miscellaneous Revenues to include the following: Road Impact Fee reimbursement, Beach Access,		L	
Accumulated Leave Liability	2011	L	
Business Tax Receipts / Certificate of Use	2008	M	
Communication Service Tax	2009	M	Previously Franchise Cable & Utility Tax - Telephone
Franchise Fees & Utility Taxes - Electric	2009	M	
Franchise Fees & Utility Taxes - Gas	2009	M	
Utility Taxes - Gas, Other Companies (Added)		M	
Investments	2012	M	
Lien Letter Fees		L	
Payroll Processing	2008	H	
Resort Tax Operations	1995	L	Audits of resort tax business are under the internal audit function. Daily contact with this Finance section keeps Audit Division informed.
Storm Water Fee Billing	2011	M	
Water and Sewer Billings	2011	H	
<b>Procurement</b>			
Operations	2011	H	Various contract and procurement policies are reviewed and comments under areas of user departments.

**CITY OF MIAMI BEACH  
INTERNAL AUDIT DEPARTMENT  
Audit Areas  
Fiscal Year Ended 9/30/12**

Areas highlighted are considered for audit based on projected frequency. Comments provided indicate reasons why area may not be audited within the projected frequency.

Department - Audit Area	Last Audit	Risk Type	Comments
Public Auctions / Sale of Surplus Property	2010	M	

**Information Technology**

Operations (Applications, Support, Communications Services)	Annually	M	Each year, external auditor reviews internal controls over IT functions in their annual audit.
IT Security (contract) recommended	Annually	H	
City Cellular Phone Charges Overages		L	

**Human Resources**

Operations includes Labor Relations		L	
Review of Benefits Formulas	2005	M	
Pension Time Purchased by Leave Hours	2008	L	
Health, Dental and Life Insurance	2010	L	

**Risk Management**

Workers Compensation	<b>2012</b>	M	Review performed by Outside Consultant
General Liability Insurance	<b>2012</b>	L	Review performed by Outside Consultant

**City Clerk**

Operations, Record Retention / Public Requests	2011	L	
Special Masters	2010	H	
Election Invoices	2008	L	

**Central Services**

Inventory	2003	L	
Operations / Billings for Department Services	2009	L	

**City Attorney**

Operations		L	
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**Economic Dev. & Cultural Events**

**Economic Development**

<b>Economic Development</b>			
Anchor Shop Retail / Garages	2010	L	
RDA - Administrative & Operations		L	

**Asset Management**

Beachfront Concession (Boucher Brothers)	2011	L	
City Leases, Historic City Hall, 777 Building, etc.	2010	M	
Colony Theater Restaurant Agreement	2008	L	
Ballet Valet Company Lease Agreement	2010	L	
Vending Machines	1993	M	
Corporate Sponsorship Concession Agreement		M	
Penrods Pier Park	2009	L	
Miami Beach Marina	2010	L	
South Pointe Restaurant (Smith & Wollensky)	2009	L	
State Beachfront Management Agreement	<b>2012</b>	L	Required Annually by State Agreement
Market Places Concession Agreement	2005	L	

**Building**

**CITY OF MIAMI BEACH  
INTERNAL AUDIT DEPARTMENT  
Audit Areas  
Fiscal Year Ended 9/30/12**

Areas highlighted are considered for audit based on projected frequency. Comments provided indicate reasons why area may not be audited within the projected frequency.

Department - Audit Area	Last Audit	Risk Type	Comments
Operations	2009	H	Outside Consultant completed an organizational review and operations analysis of the Building Department in 2009.
Master Building Permit Fee	2008	H	
Other Building Fees - Electrical, Plumbing, Mechanical, Training, Elevator Inspections, Recertification, Demolition, Building Code Violations, Expired Permits, Certificate of Completion / Occupancy	2009	H	Building Development Process Fee Study completed in 2009. Procurement of new permitting system in 2009.

**Planning**

Operations	2011	L	
Plans Review, Application Fees / Permitting	1996	H	Building Development Process Fee Study completed in 2009. In 2012, Crowe Horwath reviewing Permitting and Concurrency
Concurrency Fees	2011	H	
Parking Impact fees	2010	L	

**Tourism & Cultural Development**

Special Events	2011	L	
Byron Carlyle	2011	L	
Bass Museum Operation	1989	L	Expenditure audit, minimum risk. Analysis of revenues and operations was done in 2003 for Friends of the Bass Audit
Cultural Arts Council	2012	L	Required Annually by City Code
Convention Center Management Contract / Revenues - Rents & leases, Concessions, Telephones, Electrical, Services	2008	M	Close-out audit of SMG contract
Convention Center Food & Beverage/Centerplate	2009	M	
Convention Development Tax	2008	L	County audit completed in 2008.

**Operations**

**Code Compliance**

Code Enforcement Violations and Operations / Inspection process, Complaints	2012	H	Review Code and Fire violations by Internal Audit. Crowe Horwath is performing operational review of this area for 2013.
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**Community Services**

Community Services	2004	L	
Homeless Outreach Services	2004	L	

**Housing & Community Development**

CDBG grants	2011	M	Department is reviewed periodically by the State of Florida and HUD.
Home Investment Partnerships (HOME Entitlement)	2011	M	
State Housing Initiatives Part (SHIP) Programs	2011	M	

**Parks and Recreation**

Golf Management Agreement Miami Beach Golf	2010	M	
Golf Management Agreement Normandy Shores	2010	M	

**CITY OF MIAMI BEACH**  
**INTERNAL AUDIT DEPARTMENT**  
 Audit Areas  
 Fiscal Year Ended 9/30/12

Areas highlighted are considered for audit based on projected frequency. Comments provided indicate reasons why area may not be audited within the projected frequency.

Department - Audit Area	Last Audit	Risk Type	Comments
Greenspace Management		L	
Landscaping Agreements	2010	M	
Park Expenditures Payments		H	
Overtime (Parks & Recreation)	2010	M	
Recreation fees / Cashier functions	2010	M	
Tennis Centers Agreement	2010	M	

**Public Works**

Administration / Engineering		L	
Bus Shelter / Lincoln Road Directories	2009	M	
DECO Bike Concession Agmt		M	
Environmental Resource Management		L	Area considered minimum risk.
Inventory (Public Works)	2012	M	
Inventory Processing	2009	M	
Operations - Sewer	2011	M	
Operations - Storm Water	2011	M	
Operations - Streets, Street Lights		L	
Operations - Water	2011	M	
Overtime (Public Works)	2010	M	
Permit Fees - News Racks	2012	L	
Permit Fees - Work in Right of Way	2011	H	
Permit Fees - Sidewalk	2012	L	
Purchasing - Public Works	2009	M	
Transportation Management	2002	L	
Water & Sewer Impact Fees	2011	M	

**Sanitation**

Operations	1999	L	Worked with department management on hurricane debris and roll-offs last four years, no problems noted.
Waste Franchise Fees	2009	M	
Sanitation Fee Residential Billing	2011	M	
Sanitation Impact Fees (Construction & Commercial Billings)	2011	M	
Fines & Forthwiths (Sanitation)	2011	L	
Roll-Off Franchise Fees	2012	H	Continuous audits. Completed 8 audits in 2012.

**Property Management**

Maintenance Agreements	2008	M	
ID City Access cards		L	
Internal Service Charge Billings (Including CAM)	2010	M	
Inventory (Property Management)	2009	L	

**Capital Improvement Projects**

Financial Controls & Operations		H	
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**Parking**

Attended Parking Lots Monitoring	2012	H	Completed 4 reviews during the year.
Boat Show Parking	2012	M	Now performed annually thru quarterly attended lot review.
Cashiers & Attendants Agreement (Parking)	2012	M	As of 8/2009 audit required annually.
Coin Room (Monitoring) Meter Collection	2012	H	Completed 4 reviews of coin room during the year.
County Court Fines (Parking)		L	
Meter Collection Agreement	2009	M	

**CITY OF MIAMI BEACH**  
**INTERNAL AUDIT DEPARTMENT**  
 Audit Areas  
 Fiscal Year Ended 9/30/12

Areas highlighted are considered for audit based on projected frequency. Comments provided indicate reasons why area may not be audited within the projected frequency.

Department - Audit Area	Last Audit	Risk Type	Comments
Parking Debit Card/In Car Meters	2010	M	
Parking Enforcement Reviews (Meters)	2012	H	Continuously monitored throughout year. 24 separate reviews performed.
Parking Permits (Non-Revenue)	2011	L	
Parking Permits (Revenue)	2012	M	
Space Rentals - Meters	2008	M	
Space Rentals - Parking Garages	2009	M	
Towing Agreements Compliance	2012	H	Performed by outside Firm
Towing Fees - Parking Department	2009	L	
Valet Parking Agreement (Art Basel)	2012	M	

**Fleet Management**

Fuel distribution	2009	M	
Inventory & Processing	2010	L	
Operations / Internal Service Charges Billings	2011	L	
Vehicle Purchases	2007	L	

**Public Safety**

**Police**

County Court Fines - Traffic	2012	L	Follow-up audit preformed 10/2003, no exceptions were noted.
False Alarm/Registration		L	Internal Audit assisted police in reviewing new procedures for false alarm. Police in process of obtaining new software for operations
Forfeited Funds - Federal	2006	L	
Forfeited Funds - State	2011	L	
Off Duty Account (Police)	2009	M	
Official Authorized Funds - Criminal Investigation Unit (CIU)	2007	L	
Official Authorized Funds - Strategic Investigation Unit (SIU)	2007	L	
Operations - (Patrol, Criminal Investigation, Support Services & Technical Services)		L	
Overtime (Police)	2009	H	
Property Evidence Unit (Police)	2009	M	
Towing Fees (Police)	2009	L	

**Fire**

Annual Fire Inspection Fees / Process / Special Events		H	Building Development Process Fee Study completed in 2009. Procurement of new permitting system in 2009. In addition, Crowe Horwath is performing operational review of this area for 2013.
Fire Plan Review / Fire Prevention Permitting		H	Building Development Process Fee Study completed in 2009. Procurement of new permitting system in 2009. Crowe Horwath is performing operational review of this area for 2013.
Fire Rescue Fees	2008	M	
Ocean Rescue Operations		L	
Off Duty Account (Fire)	2008	M	

**CITY OF MIAMI BEACH  
INTERNAL AUDIT DEPARTMENT  
Audit Areas  
Fiscal Year Ended 9/30/12**

Areas highlighted are considered for audit based on projected frequency. Comments provided indicate reasons why area may not be audited within the projected frequency.

Department - Audit Area	Last Audit	Risk Type	Comments
Operations (Suppression, Rescue, Support Services, )		L	
Overtime - (Fire including Ocean Rescue)	2010	M	

**Citywide Projects**

Capital Projects - Non-CIP, (Public Works & Property Management, Parks, RDA, Convention Center, etc)		H	
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**Non-Profit Organizations**

**CDBG funding source:**

American Veteran News		L	CDBG funding reviewed by City Econ Dev. Periodically reviewed by Federal HUD. Areas reviewed by external auditors through the Single Audit Report under OMB Circular A-133.
ASPIRA of South Florida		L	
Food for Life Network		L	
HIV Education law Project (HELP)		L	
HOPE, INC		L	
Little Havana Activities and Nutrition Center		L	
Miami Beach Adult Community Education Center		L	
Miami Beach Community Development Corp	2009	L	
Montessori Academy at St. John's		L	
Prime Time Seniors		L	
RAIN Parents Inc.		L	
Shelbourne House		L	
Unidad of Miami Beach, Inc.		L	

**General fund funding source:**

Douglas Garden Community Mental Health Center	2012	L	General fund for 2013 is \$21,660.
Jewish Vocational Services -Hot Meals		L	General fund for 2013 is \$46,930
Latin Chamber of Commerce	2006	L	General fund for 2013 is \$18,000.
MDPL- 10th St Auditorium	2012	L	General fund for 2013 is \$22,500.
Miami Beach Botanical Gardens	2011	L	General fund for 2013 is \$137,228.
Miami Beach Chamber of Commerce	2008	L	General fund for 2013 is \$36,000.
Sanford L. Ziff Jewish Museum		L	General fund for 2013 is \$49,500
Sister Cities		L	General fund for 2013 is \$13,680.
South Beach Greater Miami Hispanic Chamber	2008	L	General fund for 2013 is \$18,000.

**Both general fund and CDBG funding source:**

Boys and Girls Club	2010	L	General Fund for 2013 is \$16,606.
Miami Beach Community Health Center		L	General Fund for 2013 is \$21,660.
North Beach Development Corp	2008	L	General Fund for 2013 is \$18,000.

**Other funding sources:**

Friends of the Bass	2008	L	
Police Athletic League	2009	L	

## **Exhibit 3 – Summary of Internal Audit Activities**

## Summary of Internal Audit Activities for Fiscal Year 2011/12

### Internal Audits - Available On Line

County Court Fines – Traffic Ticket  
Cultural Arts Council 9/2011  
Douglas Gardens Community Health Center Inc.  
First Class Parking, LLC Valet Parking Operational Audit - Art Basel 2011  
Imperial Parking Agreement for Cashiers Attendants and Supervisors –Year 3  
Miami Design Preservation League Grant  
State Beachfront Management Agreement FY 2011  
Towing Compliance Audit – Tremont \*  
Towing Compliance Audit – Beach Towing\*  
News Rack Permit Fee Revenues  
Sidewalk Café Permit Fee Revenues  
City Non-Pension Investment Revenue  
Central Cashier's Office Operational Audit  
Revenue Municipal Parking Permits  
Public Works Department's Warehouse Inventory  
Selected Departments' Cashiering Function Audit

### Analysis - Available On Line

Analysis of Code Compliance and Fire Prevention Complaints and Cases

\* - Represents those audits performed by outside firm.

For fiscal year 2011/12 internal audits to date included the following recommendations:

- Additional safeguards over inventory processing and safeguarding for areas of Public Works;
- Revisions to update several departmental procedures and improve controls over segregation of duties for Central Cashier Offices and miscellaneous cash receipts;
- Changes in procedures to comply to reporting requirements of approved grant funds distributed by the Cultural Arts Council;
- Improve internal control processes for processing traffic citations, revenue parking permits, beach concession fees, and upland fees;
- Improve process, enforcement and verification of charges for News Rack and Sidewalk Café Permits;
- Strengthen oversight of compliance to the Investment Advisor agreement and Towing Permits;
- Verification of compliance to the revenue sharing provision of the Parking Agreement to provide cashiers and attendants;
- Improvement of internal controls over Code and Fire enforcement by strengthening oversight, complaint and case processes, segregation of duties between processing and approval of billing and adjustments to fines;
- Confirmation of funds forwarded to Miami Design Preservation League and Douglas Gardens Community Health Center to be used for proper agency purpose, verification of performance measures, and recommendations for improvement in internal controls;
- Verification of performance of valet parking operations and attended lots, and compliance with Parking Department procedures for Revenue Parking Permits.

### Parking Monitoring Reviews

In the Parking area, the Division completed twenty-four meter, four attended lot cash operations and four coin room reviews during the past fiscal year. While our parking meter reviews identified an improvement in enforcement over the previous fiscal year, areas of enforcement still fell short of desired benchmarks. Operational procedures for attended lots were found to comply with the city's guidelines. In addition, coin room operations were functioning in accordance the city's procedures.

### Sanitation Audits

In FY 2006/07 our part time position was expanded to a fulltime position dedicated to monitoring and auditing waste haulers. This effort led to the issuance of eight audit reports in fiscal year 2011/12 resulted in \$55,001 of audit assessments

### Other Support

Additional support was directed to performing non-audit activities.

- Assistance was provided for Cleanliness Assessment Program
  - Uploading Blackberry units for assessment
  - Reviewing Assessment results for completeness.
- Hurricane related grant monitoring responsibilities for the past fiscal year included:
  - Assisting FEMA and the State with their ongoing closeout for Hurricane Wilma 2005.
  - Preparation of Quarterly Reports to FEMA (still ongoing for Hurricane Wilma projects).
  - Monitoring each open project for completion and requested reimbursement.
  - Responding to the Office of Inspector General's audit of FEMA funding received for Hurricanes Katrina and Wilma.

Additional monies recovered during the past fiscal year for these claims amounted to \$1,004,270 for Hurricane Wilma. Additional funds are pending for one completed project.