



M E M O R A N D U M
BOARD OF COUNTY COMMISSIONERS
OFFICE OF THE COMMISSION AUDITOR

TO: Honorable Chairman Joe A. Martinez and
Members, Board of County Commissioners

DATE: January 20, 2005

FROM: Charles Anderson, CPA
Commission Auditor

A handwritten signature in black ink, appearing to read "Charles Anderson", is written over the printed name.

SUBJECT: FY 2004-05 Proposed
Work Plan (Substitute)

Pursuant to your January 4th memorandum, the attached FY 2004-05 Proposed Work Plan has been reorganized to reflect the new Board of County Commissioners Committee structure.



Miami-Dade County Board of County Commissioners
Office of the Commission Auditor

**PROPOSED WORK PLAN
FY 2004-05**

January 20, 2005

Charles Anderson, CPA
Commission Auditor

Board of County Commissioners
Office of the Commission Auditor
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**Miami-Dade County Board of County Commissioners
Office of the Commission Auditor
Proposed Work Plan
FY 2004-05**

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EXECUTIVE SUMMARY

Mission Statement

Provide high quality, independent audits, budgetary, legislative and other analyses, and other assessments to assist Board of County Commissioners' decision-making by helping to ensure governmental accountability and the best use of public resources.

Commission Auditor Duties

On September 10, 2002, Miami-Dade County voters approved an amendment to the Home Rule Charter to create the Office of the Commission Auditor (OCA). Ordinance No. 03-2, approved on January 23, 2003, sets forth the duties of the office (see Attachment). The OCA's broad responsibilities encompass: audits; management and legislative analyses; program evaluations; review of proposed budgets and revenue forecasts; fiscal analyses of County policies, services and contracts; and, if requested by the Commission, preparation of a budget. The OCA duties include reporting to the Board of County Commissioners (Commission) regarding the fiscal operations of County departments, as well as whether the fiscal and legislative policy directions of the Commission are being efficiently and effectively implemented. The organization and administration of the OCA will be sufficiently independent to ensure that no interference or influence external to the office could adversely affect the independence and objectivity of the Commission Auditor. The Commission Auditor shall report solely to and receive direction from the Commission.

Ordinance No. 03-2 requires the Commission Auditor to submit a Work Plan for each fiscal year for approval by the Commission. The approved Work Plan may be amended by a majority vote of the members present to meet circumstances and address concerns of the Commission. The Commission Auditor will, without amendment to the Work Plan, respond to requests for assistance from individual members of the Commission provided the response requires a relatively minor effort that can be accomplished without disruption to the approved Work Plan.

Matters regarding fraud, abuse or illegality will be referred to the Office of the Inspector General for follow-up.

The Commission Auditor is also required to submit an annual report to the Commission within 60 days following the close of the fiscal year detailing audits completed, major findings, corrective actions taken by the County Manager, and significant findings which have not been fully addressed by the County Manager.

The Commission Auditor will, to the extent required by the annual Work Plan, conduct the following types of audits in accordance with Government Auditing Standards and, when appropriate and necessary and depending on the type of audit being conducted, the exacting ethical and professional standards promulgated by the Institute of Internal Auditors (IIA), by the American Institute of Certified Public Accountants (AICPA), by

the Information Systems Audit and Control Association (ISACA) and by the Government Accounting Office (GAO):

- Financial and Compliance Audits – to determine whether financial operations are being properly conducted, whether the financial reports of the audited department, agency or entity are presented fairly, and whether the agency, department or entity has complied with the applicable requirements and regulations;
- Economy and Efficiency Audits – to determine whether an agency, department or entity is managing or utilizing its resources in an economical and efficient manner, and the causes of any inefficiencies or uneconomical practices;
- Program Results Audits – to determine whether desired results or benefits are being achieved; whether the objectives established by the Commission are being met, and whether the agency, department or entity has considered alternatives that might yield desired results at a lower cost;
- Special Studies – to evaluate program effectiveness or efficiency under specific circumstances or when directed by the Commission;
- Follow-up Reports – to determine the extent to which the original recommendations were implemented and whether the implemented recommendations resulted in the desired improvements;
- Contract Audits – to audit any contract entered into by the County or using County funds; and
- Memoranda – to inform about pending legislation, issues and proposals coming before the Commission and provide independent assessments including, but not limited to, a fiscal impact analysis of all ordinances and resolutions on the Commission agenda.

To the extent provided for in the annual Work Plan, the Commission Auditor is charged with the following responsibilities on behalf of the Commission:

- To determine the extent to which legislative policies are being faithfully, efficiently and effectively implemented by the County Manager and County personnel;
- To determine whether County programs are achieving their desired objectives;
- To review both the administrative control and executive control systems as established by the County Manager and departmental personnel, and to determine whether such controls systems are adequate and effective in accomplishing their objectives;

- To perform the various audits previously described;
- To provide information to the Commission whenever required regarding any subject relating to the affairs of the County;
- To offer input throughout the budgetary process;
- To review the reasonableness of all revenue estimates included in the Mayor's and Manager's proposed budgets;
- To review all departmental budgets and perform an analysis of the Manager's and Mayor's proposed budgets and make recommendations to the Commission regarding adjustments to the proposed budgets;
- To prepare a budget for the County if requested by the Commission; and
- To make periodic reports to the Commission which shall include, but not be limited to, the following:
 - To determine whether departments, agencies and entities of the County have complied with the fiscal and legislative policies of the Commission;
 - To provide information on proposals that could adversely affect the County including, but not limited to, the County's credit rating;
 - To report matters and make recommendations concerning the effectiveness and efficiency of programs and the operation;
 - To be empowered to take exception to improper expenditures incurred by any County department, agency or entity.

The work of the OCA is not intended to duplicate that of the County's internal auditor, Inspector General or Clerk of the Circuit and County Courts although audits or investigations may from time to time address issues arising from the same function or activity. The County's internal auditor and the Office of the Inspector General are tasked by Ordinance No. 03-2 to fully comply with the OCA.

The proposed list of assignments for the fiscal year is an optimistic plan for the OCA. Estimating the length and scope of an audit or review is not easy as it depends on what we uncover as the assignment progresses and on the availability of OCA resources. A number of the assignments are as a direct result of concerns raised during my discussions with Commissioners and other issues that have come to my attention since my appointment. The list includes a mix of audits, reviews, assessments and special projects that address a range of concerns, which are consistent with the Commission Auditor's areas of responsibility.

The OCA's ability to accomplish the tasks set forth in this Proposed Work Plan will depend on being able to successfully fill vacant positions. Anticipating that, during the course of the fiscal year, the OCA's workload will increase due to additional requests from the Commission, we have limited the number of assignments to what we can realistically accomplish.

The Proposed Work Plan for FY 2004-05 is submitted pursuant to the work program requirements stipulated in Section 8 of Ordinance No. 03-2. It has been reorganized to reflect the new committee structure pursuant to Chairman Joe A. Martinez's memorandum of January 4th. The committees include: Community Empowerment and Economic Revitalization; Community Outreach, Safety and Healthcare Administration; Infrastructure and Land Use; Intergovernmental, Recreation and Cultural Affairs; Internal Management and Fiscal Responsibility; and Regional Transportation. The Audit Staff will also be responsible for budget-related work as outlined below.

I want to thank the Commission for its valuable input during the planning process for the Proposed Work Plan.

**PROPOSED WORK PLAN
FY 2004-05**

Audit Work Plan

Community Empowerment and Economic Revitalization Committee

1. Audit of Prompt Payment Compliance with CSBE Program Requirements

Background

In recent years, the Commission has adopted several legislative revisions to the Community Small Business Enterprise (CSBE) Program (Sec. 10-33.02 of the Code.) One of the Commission's frequently expressed concerns has been the impact that slow payments have on small contractors, including the impact of slow payment for change orders.

Work to Be Accomplished

We will audit compliance with prompt payment provisions of Sec. 10-33.02 of the Code and of the implementing Administrative Order (A.O. 3-22.)

2. Review of Job Incentives Programs Compliance

Background

The County participates in two of the State of Florida's job incentives programs: the Enterprise Zone (EZ) Program and the Qualified Target Industry (QTI) Program. A third program, the Targeted Jobs Incentive Fund (TJIF) Program was created by County ordinance in July 2000. Each of these programs requires the creation of a minimum number of jobs as criteria for participation.

The purpose of the EZ Program is to stimulate economic development in designated economically depressed areas of Miami-Dade County where structural and housing conditions are blighted and deteriorated, and where unemployment and poverty are prevalent. New or expanded businesses within the EZ can get up to 100 percent exemption on property taxes and tangible personal property taxes.

The purpose of the QTI Program is to attract, retain and provide favorable conditions for the growth of target industries that will provide high quality employment for residents of the County and enhance the County's economic foundations. The program provides incentives to businesses located in, or relocating to, Miami-Dade County provided the business is a target industry business that has been approved by the state to be eligible for incentives.

The existing TJIF program is similar to the QTI program and provides cash incentives to qualifying companies in selected industries that create above average paying jobs. A company's capital investment must generate sufficient incremental tax revenue to the County to fund the incentives.

Work To Be Accomplished

We will review the existing jobs incentive programs to determine if the County is receiving full economic benefits from its investment, including but not limited to whether: the jobs created are being maintained; the jobs are being given to existing Miami-Dade County residents; and if the wages are being paid at the level reported.

Community Outreach, Safety and Healthcare Administration Committee

1. Feasibility Study of Consolidating Certain Functions of the Police Department and Corrections and Rehabilitation Department

Background

Two recent reports have been provided to the Commission relating to the merger of these two departments. The July 8, 2003 report stated, "reunifying Police Department and the Corrections and Rehabilitation Department would bring the County in line with most of its counterparts and, in doing so, would save taxpayer dollars by realizing certain synergies between the two departments." The County Manager recommended the reunification of the two departments should be explored. Pursuant to a request from the County Manager, the Office of Strategic Management's Performance Improvement Division conducted an analysis and issued a report on June 30, 2004, recommending the two departments "be sustained as separate departments, each retaining fully independent administrative functions."

Work To Be Accomplished

We will assess the reasonableness and suitability of, at minimum, consolidating certain functions, which will promote efficiency by eliminating duplication and generate savings that could be redirected to front line services or other critical public safety issues. Such functions may include training, internal affairs, personnel and fleet. Our review will include, but not be limited to, analyses of both departments, reviews of organizations in other jurisdictions, interviews and meetings with County staff, communications with other law enforcement experts, and review of existing County studies and studies in professional and academic literature. Our report will include recommendations on the reasonableness of centralizing one or more of these functions and the potential impacts on services and the County's budget.

2. Review of Boards and Councils

Background

Concerns have been raised whether some Boards are achieving the purposes for which they were created.

Work To Be Accomplished

We will conduct a review of each Board and report to the Commission on the following: frequency of meetings; number of members, number of vacancies; goals and measures; annual funding and funding source; accomplishments and achievement of objectives. Where indicated by our findings, we will seek to assist Boards by recommending outcome-based performance measure improvements and/or other process/organizational improvements to help Boards better achieve the intent of the Commission.

3. Review of Certain HIV/AIDS Community-Based Organizations Expenditures

Background

At the second budget hearing on September 23rd, three HIV/AIDS community-based organizations were allocated a total of \$1.3 million, pursuant to Chairperson Barbara Carey-Shuler's proposal in the memorandum, "Proposed Budget FY 2004-05." The organizations include the Haitian American Foundation, MOVERS (Minorities Overcoming the Virus through Education, Responsibility and Spirituality, Inc.) and Union Positiva, Inc.

Work To Be Accomplished

As required by the Commission, we will conduct quarterly reviews to ensure the ethical and appropriate use of funds allocated to the three HIV/AIDS community-based organizations referenced above.

4. Review of Juvenile Assessment Center Travel

Background

Concerns have been raised about appropriateness of the Juvenile Assessment Center travel expenditures.

Work To Be Accomplished

We will conduct a review of Juvenile Assessment Center travel, including comparison of expenditures with budgets.

5. Review of Juvenile Services Consolidation

Background

The Manager has recommended the transfer of the Division of Prevention Services and the Juvenile TASC (Treatment Alternatives for Safer Communities) Program from the Department of Human Services to the Juvenile Assessment Center thereby creating a Juvenile Services Department.

Work to Be Accomplished

We will conduct a review of the Manager's recommendation and provide the Commission with an analysis which includes the feasibility of considering other options.

Infrastructure and Land Use Committee

1. Study of Permitting Process

Work To Be Accomplished

Conduct a study and assessment of the permitting process including a review of processes in other jurisdictions. We will document potential cost savings, if any, and recommend improvements.

Intergovernmental, Recreation and Cultural Affairs Committee

1. Audit of Park and Recreation Department's Internal Control Procedures for Cash

Work To Be Accomplished

We will examine the department's cash collection internal controls and procedures to ascertain if they are sufficient to ensure all revenues are collected and that these controls are sufficient to properly account for all revenues.

2. Feasibility Study of Hosting Events at Park Facilities

Work To Be Accomplished

Determine the feasibility of the County hosting events at parks and using the proceeds to support park operations.

Internal Management and Fiscal Responsibility Committee

1. Assessment of Employee Relations Department Technology Requirements

Background

The current timekeeping system requires each department, on a biweekly basis, to complete payroll attendance record forms, manually documenting the hours for each employee. The forms are forwarded to the Employee Relations Department (ERD) where payroll clerks post the hours to the payroll system, including leave usage. Leave requests are also manually prepared and processed.

Pursuant to a Commissioner's request, a report on personnel vacancies was provided to the Commission for the second budget hearing on September 23, 2004. As the information was not available through ERD and OCA had limited staff, the Office of Strategic Business Management (OSBM) coordinated collection of the data from each department. The accumulation and verification of data from over 60 departments and offices required many hours of effort.

Incorporating technology for many human resources functions, particularly those that are labor intensive, can: make an entity more efficient and effective; reduce the time required to hire new employees; process payroll in a more accurate and timely manner; reduce duplicative documentation; improve checks and balances and internal controls; improve the accessibility to and maintenance of records; and improve the ability to provide information and reports on a timely basis. Improved technology may reasonably be expected to result in economies and increased effectiveness for Miami-Dade County's \$6 billion budget and 30,000 employees. Having information available on a timely basis will provide the Commission and management with the ability to make better-informed decisions, especially during budget and policy deliberations.

Work to Be Accomplished

Our assessment will include, but not be limited to, assessing ERD's existing systems and researching available systems and the experiences of other jurisdictions. We will document potential cost savings that could be realized as a result of implementing recommended technological improvements.

2. Assessment of General Services Administration's (GSA) Construction Management and Renovation Services Division

Background

Concerns have been raised regarding the level of service, the reasonableness of fees charged, and the period of time required to complete work.

Work To Be Accomplished

We will assess the effectiveness and efficiency of GSA's Construction Management and Renovation Services Division as it relates to providing support services to its customers, i.e., County departments. Our work will include, but not be limited to, analyses of the existing work order system, cost estimates (labor, materials, overhead, etc.), estimated costs versus actual costs, estimated completion dates versus actual completion dates, and reasons for delays. We will recommend improvements and report the financial impact, if any, of our recommendations.

3. Audit of Purchasing Card Program

Background

In July 2000, the Commission approved Resolution R-701-00, implementing a pilot Purchasing Card Program (PCP). In July 2002, the Commission approved continuation of the PCP through Resolution R-719-02, thereby making it available to all County departments; and Ordinance 02-122 authorizing use of the PCP for petty cash purchases. Also in 2002, the Board approved Resolution R-753-03 approving an administrative order authorizing the County Manager to set forth procedures to implement the PCP.

The purpose of PCPs is to streamline the procurement, payment and travel process and provide a more efficient, cost-effective method of purchasing and paying for small dollar transactions through the use of a credit card.

The PCP has never been audited.

Work to Be Accomplished

The objective of this audit is to determine if internal controls for purchasing card administration are reasonable and if controls are in place to reasonably prevent purchasing card misuse and abuse.

4. Review of Joint Venture Agreements for County Office Space

Background

The Commission has approved a number of agreements relating to the construction of County office space near Metrorail stations. The most recently completed facility is the Martin Luther King (MLK) Office Building. Others which have been completed or are underway include Brownsville, Coconut Grove, Northside, Overtown I, Overtown II, South Miami, and Okeechobee.

Several months ago, concerns were raised regarding the expenditure of funds for the MLK Office Building and that Commission approval was not sought prior to these funds being spent.

Work to Be Accomplished

We will review the agreements for the construction of office buildings near the above Metrorail stations and provide the Commission with a comparison report. We will also comment on whether the agreements are in the best interest of the County and the amount of funds required to be spent by the County in constructing each facility.

5. Review of Procurement Processes, Including Change Orders, Sole Source Contracts, Debarment and Suspension Procedures, and Selection Committees

Work to Be Accomplished

We will review each of the above components to determine if the County is procuring goods and services in accordance with policies and procedures and best business practices. We will report deficiencies, if any, and recommend improvements.

6. Review of User Access Program (UAP) Compliance

Background

The UAP, as included in the County Manager's "Information for First Budget Hearing" memorandum for FY 2003-04, dated September 3, 2003, and incorporated in the Budget, requires that two percent be deducted from all vendor invoices for newly established contracts as well as negotiated modifications of existing contracts, including renewals. The Finance Department is to administer the UAP for County agencies' purchases. Agencies outside the County government wishing to access DPM established contracts are required to deduct two percent from all applicable vendor invoices and remit 75 percent of that

rebate to the County while retaining 25 percent of the rebate to offset their costs for administering the invoice deductions.

Work To Be Accomplished

We will evaluate the UAP to determine if the County is receiving full economic benefit from the program, including whether municipalities and other entities accessing County contracts are remitting the County its share of the rebate; and whether the rebate is be applied appropriately on goods and services purchased by the County. As appropriate, we will make recommendations as to how the program can be improved to maximize revenues to the County.

Regional Transportation Committee

1. Review of People's Transportation Plan (PTP) Surtax Revenue

Work To Be Accomplished

We will review all People's Transportation Plan (PTP) dollars allocated and the alignment of the allocations with the intended purposes of the PTP. The review will delineate the amount of PTP proceeds allocated by department and the amount spent as of a certain period. We will provide an assessment of accomplishments during the first two years of the program, including capital and operating costs and maintenance of effort issues.

Miscellaneous Requests for Assistance

The Commission Auditor will respond to oral requests for assistance from individual members of the Commission provided the response requires a relatively minor effort that can be accomplished without disruption to the approved Work Plan.

Budget Work Plan

1. Review all departmental budgets; attend departmental budget hearings and as necessary, meet with departments to obtain additional information; meet with the County Manager's Office, Office of Strategic Business Management and departmental staff on an ongoing basis during the budget development process to address budget-related issues and offer input.
2. Provide information to the Commission whenever requested regarding any subject relating to the affairs of the County.
3. Assist the Commission in compiling its FY 2005-06 budget priorities.
4. Review the recommendations in the Mayor's FY 2005-06 Budget Message and provide a report to the Commission.
5. Review and analyze the recommendations in the Manager's FY 2005-06 Proposed Budget and make recommendations regarding adjustments, including but not limited to, revenues, expenditures and organizational changes.
6. Provide the Commission with a report on recommended adjustments and the status on the implementation of FY 2004-05 recommendations; meet with each Commissioner to discuss report; and conduct follow-up as requested by the Commission.
7. Provide the Commission with periodic reports on whether departments, agencies and entities of the County have complied with the fiscal and legislative policies of the Board of County Commissioners.
8. Review Commission Agenda items to ensure that the Commission has complete information on items, which may have a fiscal impact on the County's budget.
9. Provide the Commission with information on proposals, which may adversely affect the County.
10. Provide assistance to the Audit and Legislative Staffs as needed.
11. Prepare a budget for the County if requested by the Commission.
12. Monitor the County's budget, as necessary and take exception to improper specific expenditures incurred by any County department, agency or entity.
13. Perform special budgetary, financial and taxation analysis and provide policy assistance to the Commission as required.

Legislative Work Plan

1. Determine the extent to which the County Manager and County personnel are faithfully, efficiently and effectively implementing legislative policies of the Commission.
2. Provide legislative research and analytical analyses to support regular Commission, Committee, and Sub-committee meetings, as well as workshops or special meetings of the Commission, to include:
3. Review each agenda to verify the accuracy, reasonableness, and completeness of the information presented, as well as to evaluate the merits and impacts of the proposed transactions and/or legislation;
4. Determine the extent to which proposed legislation is consistent with current policy and the proposed legislation's implications relative to future policy.
5. Review and analyze proposed policy recommendations put forth by the Commission and the County Manager.
6. Conduct research and provide reports upon the request of the Commission or a Commissioner.
7. Transmit relevant and timely information to the Commission on appropriate topics of legislative interest, such as State and Federal regulations that affect Miami-Dade County and policies in other jurisdictions.
8. Monitor and track legislation from origination [e.g. ensure that the item is on the appropriate agenda(s)] to implementation [e.g. ensure that the item is actually executed by the County Manager].

Annual Report – FY 2003-04

The following outlines the major accomplishments of the OCA since its establishment in July 2004.

1. Report—*Evaluation of the County Manager’s Proposal to Restructure Team Metro* (September 17, 2004)

The County Manager’s September 7th Information for First Budget Hearing memorandum recommended that the Commission approve the separation of Team Metro code enforcement activities and outreach activities by creating a new Neighborhood Code Compliance Office. The OCA was asked to provide input on the recommendation, i.e., the pros and cons.

A survey was conducted of the code enforcement and community / neighborhood services of the 20 most populous counties in the U.S. (Miami-Dade County is the 8th most populous county in the U.S.) Supplemental surveys were also conducted of other communities. Professional and academic literature was reviewed. On the basis of the above, pros and cons of segregating the two functions were reported to the Commission.

2. Report—*GOB Program Issuance Costs and Financing Strategy* (September 20, 2004)

This report addressed concerns raised at the July 20th General Obligation Bond (GOB) Commission Workshop regarding issuance costs which represented more than 5 percent of the total GOB program. Our review of this matter revealed that issuance costs included both the cost of issuing bonds and commercial paper.

3. Report—*Budget Highlights* (September 22, 2004)

This report provided the Commission with tabulated data and explanations pertaining to the County Manager’s FY 2004-05 proposed budget. Attachments highlighted Commission departmental budget increase proposals, general fund departments with proposed funding source reductions, FY 2003-04 projected revenue and expenditures comparisons, and departmental personnel vacancies summaries. This summarized data was followed by more detailed information in separately conveyed reports. [See below listed separate reports on departmental budgets and expenditures and on personnel vacancies.]

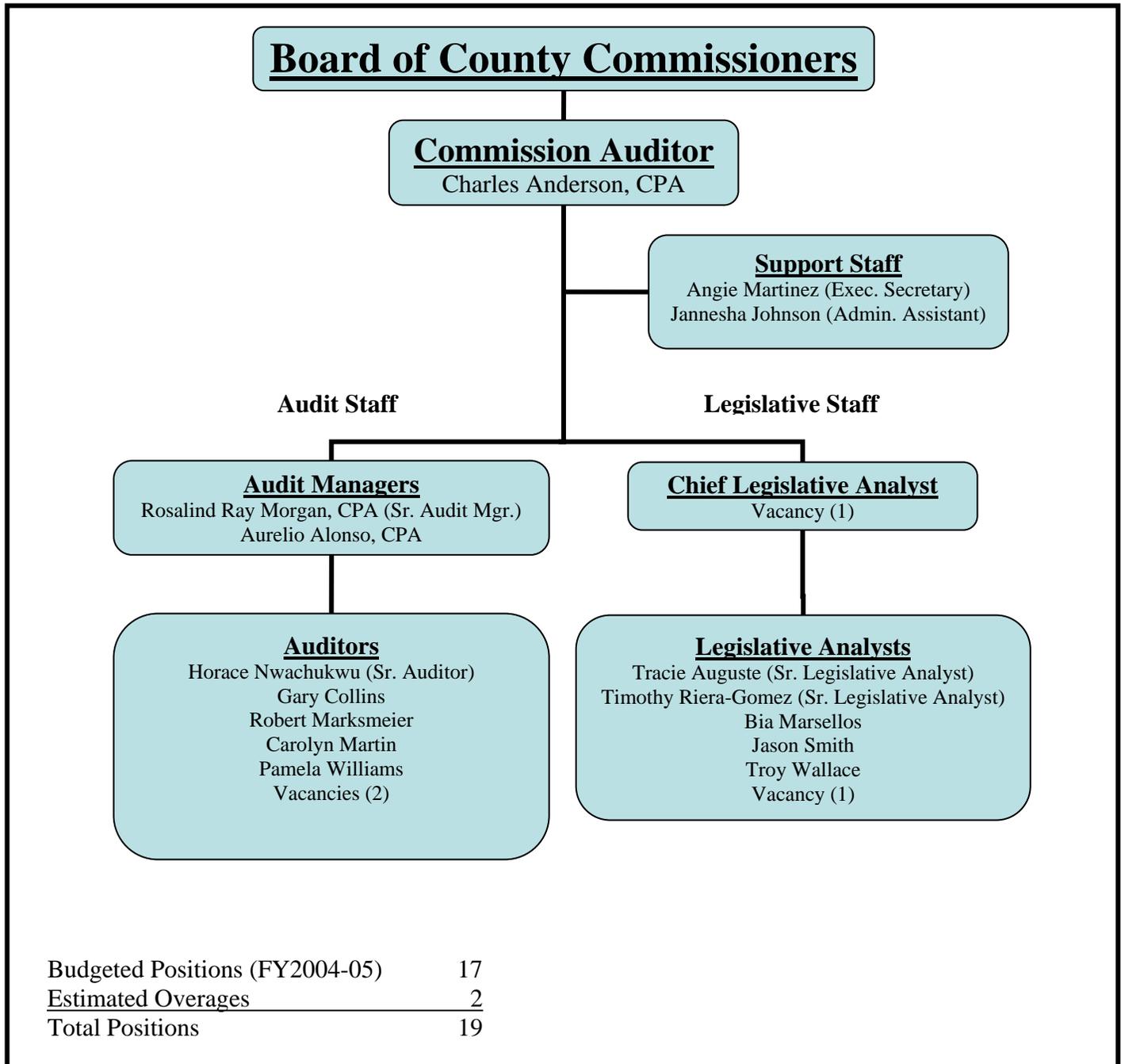
4. Report—*Departmental Budget and Expenditures* (September 23, 2004)

This report provided the Commission with information on each department including FY 2002-03 actual expenditures, FY 2003-04 budget and projections, and FY 2004-05 proposed budget.

5. Report—*Departmental Personnel Vacancies as of August 24, 2004*
(September 23, 2004)

This report provided the Commission information on each vacant position within a department, including but not limited to, position title, date of vacancy, funding and funding source. Due to OCA staff limitations, OSBM coordinated the collection and verification of the data from each department.

Office of the Commission Auditor Organizational Chart FY2004-05



Approved _____ Mayor
Veto _____
Override, _____

Amended
Agenda Item No. 4(B)
1-23-03

ORDINANCE NO. 03-2

ORDINANCE CREATING OFFICE OF COMMISSION AUDITOR; PROVIDING FOR MINIMUM QUALIFICATIONS, APPOINTMENT, REMOVAL, TERM OF OFFICE, FUNCTIONS, SCOPE OF AUTHORITY, POWERS AND ACCESS TO INFORMATION; PROVIDING SEVERABILITY, INCLUSION IN THE CODE, AND AN EFFECTIVE DATE

WHEREAS, the Miami-Dade County Board of County Commissioners is the legislative body charged with establishing policy for County staff to implement and carry out; and

WHEREAS, the County Commission would best be served by objective, independent, professional analysis of policies and services to assist the Commission in decision-making, to ensure governmental accountability, and to recommend the best use of public resources; and

WHEREAS, the County Commission is in need of an independent audit staff to report to the Commission regarding the fiscal operations of all county departments, as well as whether the policies and mandates of the Commission are being effectively carried out; and

WHEREAS, on September 10, 2002, the voters of Miami-Dade County approved a ballot question to amend the Miami-Dade County Home Rule Charter to create the Office of the Commission Auditor;

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA:

Section 1. **Created and Established.** There is hereby created the Office of the Commission Auditor. The organization and administration of the Office of Commission Auditor shall be sufficiently independent to assure that no interference or influence external to the office

shall adversely affect the independence and objectivity of the Commission Auditor. The Office of the Commission Auditor shall be provided a discrete budget and staffing allowance. The Commission Auditor shall head the Office of the Commission Auditor and shall have the power to appoint, employ, and remove such assistants, employees and personnel as deemed necessary for the efficient and effective administration of the affairs of the office. The Commission Auditor shall report solely to and receive direction from the Board of County Commissioners ("Commission"). The Commission shall determine the appropriate salary and benefits package for the Commission Auditor.

Section 2. **Appointment.** The Commission Auditor shall be appointed by a majority vote of the entire Commission utilizing the selection process described in Section 3.

Section 3. **Auditor selection process.** The selection process shall be open and competitive and shall include, at a minimum, the following:

1. Establishment of an Ad Hoc Auditor Screening Committee ("Auditor Screening Committee"), appointed by the Commission and responsible for the screening and preliminary interviewing of candidates. The Auditor Screening Committee shall be composed of five members appointed by the Commission and selected as follows:

a. Two members, preferably certified public accountants, from either a private sector accounting firm or other governmental agency with experience in accounting and financial management operations.

b. Two members from either private sector or non-profit organizations with executive experience and a background in program evaluation; and

c. One member who is not an elected official.

2. The Miami-Dade County Employee Relations Department shall advertise the availability of the position of Commission Auditor and shall provide the Auditor Screening Committee with a list of qualified candidates.

3. The Auditor Screening Committee shall screen, interview and evaluate applicants for the position of Commission Auditor, and propose a slate of the top five candidates for the Commission's consideration. The Auditor Screening Committee shall be staffed by the Employee Relations Department.

4. The Commission shall interview and select the Commission Auditor from the slate presented by the Auditor Screening Committee.

Section 4. **Minimum Qualifications.** The Commission Auditor shall possess a State of Florida Certified Public Accountant license, and have at least five years of progressive managerial experience in the field of government accounting, auditing and program evaluation.

Section 5. **Term of office.** The Commission Auditor may be removed from office by a vote of at least two-thirds of the entire Commission. The Commission Auditor shall maintain an active State of Florida Certified Public Accountant license while serving in this position.

Section 6. **Types of audits.** The Office of the Commission Auditor shall, to the extent required by the annual work program, perform, among others, the following types of audits in accordance with Government Auditing Standards:

1. **Financial and compliance audits** - to determine whether financial operations are being properly conducted, whether the financial reports of the audited department, agency or entity are presented fairly, and whether the agency, department or entity has complied with the applicable requirements and regulations;

2. **Economy and efficiency audits** - to determine whether an agency, department or entity is managing or utilizing its resources in an economical and efficient manner, and the causes of any inefficiencies or uneconomical practices;

3. **Program results audits** - to determine whether the desired results or benefits are being achieved, whether the objectives established by the Commission are being met, and whether the agency, department or entity has considered alternatives that might yield desired results at a lower cost;

4. **Special studies** – which are informally conducted audits used to evaluate program effectiveness or efficiency under specific circumstances or when directed by the Commission;

5. **Follow-up reports** - to determine the extent to which the original recommendations were implemented and whether the implemented recommendations resulted in the desired improvements;

6. **Contract Audits** – to audit any contract entered into by the County or using County funds; and

7. **Memoranda**, - to inform about pending legislation, issues and proposals coming before the Commission and provide independent assessments including, but not limited to, a fiscal impact analysis of all ordinances and resolutions on the Commission agenda.

Section 7. **Scope of Authority.** The Commission Auditor shall, to the extent provided for in the annual work program, perform the following functions and be charged with the following responsibilities on behalf of the Commission:

1. To determine the extent to which legislative policies are being faithfully, efficiently and effectively implemented by the County Manager and County personnel;

2. To determine whether County programs are achieving their desired objectives;
3. To review both the administrative control and executive control systems as established by the County Manager and departmental personnel, and to determine whether such control systems are adequate and effective in accomplishing their objectives;
4. To perform audits provided for in Section 6;
5. To give information to the Commission whenever required regarding any subject relating to the affairs of the County;
6. To offer input throughout the budgetary process;
7. To review the reasonableness of all revenue estimates included in the Mayor's and Manager's proposed budgets;
8. To review all departmental budgets and perform an analysis of the Manager's and Mayor's proposed budgets and make recommendations to the Commission regarding adjustments to the proposed budgets;
9. To prepare a budget for the County if requested by the Commission;
10. To make periodic reports to the Commission which shall include, but not be limited to, the following:
 - a. To determine whether departments, agencies and entities of the County have complied with the fiscal and legislative policies of the Commission;
 - b. To provide information on proposals that could adversely affect the County including, but not limited to, the County's credit rating;
 - c. To report matters and make recommendations concerning the effectiveness and efficiency of programs and the operation of the County;

d. To be empowered to take exception to improper specific expenditures incurred by any County department, agency or entity; and

11. The Commission Auditor shall serve as a voting member of any competitive selection committee convened for the purpose of recommending an external auditor to the County Manager. The Commission Auditor shall also be apprised by the County Manager of the activities of the external auditor and may monitor the conduct of, and responses to, external financial statement audits, and the resolution of audit findings. The Commission Auditor shall also work toward the elimination of duplicative audit work through cooperation with state, federal and external auditors, and the Clerk of the Circuit and County Courts when the Clerk is performing as auditor under Article V, Section 16 of the Florida Constitution and general laws of the State of Florida.

Section 8. **Work program.**

1. At the beginning of each fiscal year, the Commission Auditor shall submit a one-year work program to the Commission for approval.

2. The Commission may by majority vote of members present move to amend the approved annual work program to meet circumstances as they may arise. However, the Commission shall not direct the Commission Auditor to terminate an audit in progress except upon a two-thirds vote of members present.

3. The Commission Auditor shall respond to oral requests for assistance from individual members of the Commission if the response requires a relatively minor effort that can be accomplished without disruption to the approved work program.

4. If the Commission Auditor determines that there is serious concern regarding fraud, abuse or illegality, the Commission Auditor shall refer the matter to the Office of the Inspector General.

5. A final draft of each audit report shall be forwarded to the audited County agency, department or entity and the chief executive officer or department director for review and comment regarding the contents of the audit before it is released. The agency, department or entity shall respond in writing and specify agreement with the audit findings and recommendations or reasons for disagreement with findings and/or recommendations, plans for implementing solutions to issues identified in the report and a timetable to complete such activities. The response must be forwarded to the Commission Auditor within 30 days. The Commission Auditor shall consider the response and, at a minimum, include the response in the report. If no response is received, the Commission Auditor shall note that fact in the transmittal letter and release the audit report.

Section 9. **Annual Report.** The Commission Auditor shall submit an annual report to the Commission within 60 days after the close of the fiscal year. The annual report shall indicate audits completed, major findings, corrective actions taken by the County Manager, and significant findings which have not been fully addressed by the County Manager.

Section 10. **Relationship to internal auditor, Inspector General and Clerk of Courts.** The Office of the Commission Auditor is not intended to duplicate the work of the County's internal auditor, Inspector General or Clerk of the Circuit and County Courts, although audits or investigations may from time to time address issues arising from the same function or activity. The County's internal auditor and the Office of the Inspector General shall fully cooperate with the Commission Auditor.

Section 11. **Access to information.** The Commission Auditor shall have access to all books and records of all departments, boards, agencies, and other entities of the County. The Commission Auditor may require the appearance of any officer, agent or employee of any department, board, agency or other entity for the purpose of examining that person under oath or affirmation. All contracts with outside contractors and subcontractors shall provide for access by the Commission Auditor to all financial and performance related records, property, and equipment purchased in whole or in part with governmental funds. The Commission Auditor shall have the power to summon any person to be examined under oath or affirmation. The Commission Auditor, or an assistant, may administer an oath or affirmation. The Commission Auditor may issue necessary process, including a subpoena or subpoena duces tecum, to compel attendance or the production of documents or other things. Prior to issuing a subpoena, the Commission Auditor shall notify the State Attorney and the U.S. Attorney for the Southern District of Florida. The Commission Auditor shall not interfere with any ongoing investigation of the State Attorney or the U.S. Attorney for the Southern District of Florida where the State Attorney or the U.S. Attorney for the Southern District of Florida has explicitly notified the Commission Auditor in writing that the Commission Auditor's investigation is interfering with an ongoing criminal investigation.

Section 12. If any section, subsection, sentence, clause or provision of this ordinance is held invalid, the remainder of this ordinance shall not be affected by such invalidity.

Section 13. It is the intention of the Board of County Commissioners, and it is hereby ordained that the provisions of this ordinance, including any sunset provision, shall become and be made a part of the Code of Miami-Dade County, Florida. The sections of this ordinance may

be renumbered or relettered to accomplish such intention, and the word "ordinance" may be changed to "section," "article," or other appropriate word.

Section 14. This ordinance shall become effective ten (10) days after the date of enactment unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

PASSED AND ADOPTED: JAN 23 2003

Approved by County Attorney as
to form and legal sufficiency:

RA6

Prepared by:

GS

Gerald Sanchez

Sponsored by Commissioner Jimmy L. Morales,
Commissioner Natacha Seijas,
Commissioner Sally A. Heyman,
Commissioner Rebeca Sosa and
Sen. Javier D. Souto