



**BOARD OF COUNTY COMMISSIONERS
OFFICE OF THE COMMISSION AUDITOR**

M E M O R A N D U M

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

FROM: Charles Anderson, CPA
Commission Auditor

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

DATE: September 8, 2011

SUBJECT: Budget Compliance Study – Medical Examiner Department

We have concluded our Budget Compliance Study of the Medical Examiner Department and submit this final report, which contains observations, recommendations, and management responses. Management concurred with all our observations.

We thank the staff of the Medical Examiner Department for their cooperation and input throughout the study. Please let me know if you need any more information.

c: Honorable Carlos A Gimenez, Mayor
Chip Iglesias, Deputy Mayor
R. A. Cuevas, Jr., County Attorney
Chris Mazzella, Inspector General
Cathy Jackson, Director, Audit and Management Services
Dr. Bruce A. Hyma, Chief Medical Examiner



MIAMI-DADE COUNTY BOARD OF COUNTY COMMISSIONERS
OFFICE OF THE COMMISSION AUDITOR

BUDGET COMPLIANCE STUDY
MEDICAL EXAMINER DEPARTMENT

Project Number 10-16000

September 8, 2011

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Commission Auditor

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TABLE OF CONTENTS

I.	Objective and Scope	1
II.	Methodology	1
III.	Background	2
IV.	Summary Results	4
V.	Findings and Recommendations	4
	Finding 1. Lack of Adequate Procedures for Safeguarding Assets	4
	Management Response	6
VI.	Best Practices and Achieved Efficiencies	6

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I. Objective and Scope

As part of the 2010 Supplement to the Commission Auditor's Work Plan approved by the Miami-Dade County Board of County Commissioners (BCC), the Office of the Commission Auditor (OCA) conducted a Budget Compliance study of the Medical Examiner Department (ME).

The objectives of the study were to:

1. Compare departmental budgets with year-to-date revenues and expenses to determine whether expenditures are being monitored and controlled against departmental budget authorizations, and whether the department is operating within its budget.
2. Analyze specific areas of concern arising out of OCA risk assessment of County departments to determine whether measures are in place to safeguard County assets and the effectiveness of these measures.

The study covered the period October 1, 2009 through September 30, 2010 (FY 2009-10).

II. Methodology

This study consisted principally of inquiries to personnel and analytical procedures applied to financial and programmatic data. It was substantially less detailed in scope than an audit in accordance with generally accepted auditing standards, the objective of which is that we plan and perform the review to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our objectives.

To satisfy the first objective, we:

- a. Compared departmental budgeted revenues and expenses with year-to-date actual and projected year-end revenues and expenses,
- b. Analyzed over and under variances to identify potential areas of concern, and
- c. Used the information obtained from a & b, to identify areas where efficiencies can be achieved with a view of adapting best practices to improve program performance and operation, reduce cost and facilitate decision making.

We reviewed the Resourcing For Result Online (RFRO) package for the Department, the Adopted Budget Book narrative, the Adopted Budget Ordinance for the Department for the FY 2009-10, and the Department's business plan to gain an understanding of the budgetary issues facing the ME.

We also reviewed actual revenues and expenses for correct and timely posting and correction of errors.

Using information obtained from the County's Financial Accounting Management Information Systems (FAMIS), OCA prepared an analytical review of the Budget to Actual

Variances as of June 30, 2010. Our analysis was performed using third quarter numbers, and as such, it involved the use of estimates, approximations, and our review of departmental end-of-year projections. It was not intended to provide exact variance figures but to allow us to focus on the areas where material differences may exist.

We further reviewed the Period 14 fiscal year-end trial balance of the ME to determine that trends identified during our analytical review of the Budget to Actual Variances as of June 30, 2010 were still in place as of September 30, 2010, and to ascertain the ME stayed within budget for the entire year.

1. To satisfy the second objective, we reviewed eight different areas of concern in regards to county assets. The areas reviewed were:
 - a. Inventory certification, procedures, and capital items inventory of furniture and equipment with locations and periodic physical inventory verification records,
 - b. Purchasing cards with names of authorized users with billing records,
 - c. Telephone numbers and user names and invoices for one month,
 - d. List of bad debts written off or to be written off and documentation of collection efforts,
 - e. Inventory of laptop computers with user names and locations,
 - f. Account receivables with aging schedules and collection efforts,
 - g. Operating supplies inventory with periodic physical inventory verification records.

From the ME organization chart, OCA reviewed span of control and current staffing salaries and levels to identify, if any, opportunities to improve efficiencies.

III. Background

The ME provides statutorily mandated professional death investigation services for the citizens of Miami-Dade County. Pursuant to Florida Statute, Chapter 406, the department annually investigates approximately 11,000 deaths. Approximately 3,200 bodies are transported to the department for proper certification and investigation. Of this number, approximately 2,400 bodies have an autopsy as part of the investigation process. The Toxicology Laboratory performs over 40,000 analyses annually.

The ME directs the County's Public Interment Program and serves as the project manager for contractual Driving Under the Influence (DUI) laboratory services. The Public Interment Program provides low-cost disposition for abandoned, unclaimed human remains and for deceased members of indigent families.

The DUI Laboratory services are contracted locally as required by the State Attorney and the County's 30-plus police agencies for enforcement of DUI laws. This contract requires department supervision of off-sight forensic human performance drug testing of DUI offenders, toxicological interpretation and court testimony.

Below is a table of the organizational outline of the Medical Examiner Department.

Table 1
Medical Examiner Department Organizational Outline

<u>Divisions</u>	<u>Current Staffing</u>
<u>Office of the Chief Medical Examiner</u>	
Administration	4
Business Office	4
Computer Services	2
<u>Death Investigation</u>	
Pathology	9
Toxicology	12
Morgue	9
Photography	3
Investigations	12
Evidence Collection	14
Training	0
Records	2
<u>Public Interment Program</u>	1
<u>Special Services</u>	0
<u>Total</u>	<u>72¹</u>

County ordinances require that departments be accountable for their budgets and must operate efficiently and within budget. Sec. 2-1796 of the County Code, *Managerial Accountability and Performance*, outlines a number of budget provisions that departments must comply with:

“(c) Managers and staff shall not allow the expenditures for any line item (as specified in Section 2-1795(b)) for their department or agency to exceed the total amount appropriated for such line item by the approved budgets providing revenues to that department or agency, as same may be administratively amended in accordance with subsection (d) below.

“(d) The County Manager or his or her designee shall have the authority to make intradepartmental budget amendments that reallocate appropriations amongst a department's line item appropriations in each fund provided such reallocations do not cumulatively exceed ten percent of that fund's total

¹ Of the 72 employees, 2 are part-time.

appropriations to the department and, further provided that that fund's total appropriations to the department may not be changed. The County Manager shall report such reallocations to the County Commission at the last Commission meeting in July. Reallocations amongst a fund's line item appropriations for expenditures in excess of ten percent of that fund's total appropriations to a department, or which reallocate line item appropriations from personnel services to any other line item, or which cause an increase in a fund's total appropriations to a department must be approved by the County Commission.

(e) Any department director, executive director or individual with the responsibility of budget development and monitoring who anticipates or has reason to believe that the annual budget of a department or agency may exceed the sum appropriated in the approved budget shall immediately provide written notification to the Budget Director. If verified, this information would then be forwarded by the County Manager to the Mayor, the County Commission, and Clerk of the Board.”

IV. Summary Results

- ME was able to provide satisfactory explanations, reconciliations and supporting documentation to demonstrate the department is operating within its budget.
- Review of the capital inventory revealed a lack of procedures within the ME for safeguarding assets.

V. Findings and Recommendations

Finding 1. Lack of adequate procedures for safeguarding assets

The ME was able to provide us with satisfactory and adequate supporting and reconciling documents in all areas reviewed except an instance of lack of adequate procedures for safeguarding furniture and equipment.

Effective inventory control is important to the operations of an organization, and best practices for inventory control require consistent compliance with adequate procedures for safeguarding assets. Management is required to design and implement internal controls over the safeguarding of assets to provide reasonable assurance that unauthorized acquisition, use, or disposition of assets will be prevented or timely detected and corrected.

These internal controls consist of policies and procedures that include, but are not limited to, assigning custodianship responsibilities for assets, compliance with General Services Administration's (GSA) inventory requirements, maintenance of accurate and reliable inventory records, conducting a periodic inventory of assets, immediately investigating and reporting missing assets to the appropriate authorities and disposing of surplus assets in accordance with County requirements.

Chapter 274 of the Florida Statutes, the Rules of the Auditor General of Florida, and Miami-Dade County Administrative Order 8-2 requires the completion of an annual inventory to maintain accountability for assigned capital equipment. Capital Equipment is defined as non-consumable tangible property with a life of at least one year, a purchase price of at least \$1,000.00, not fixed in place and not an integral part of a structure, facility, or another piece of equipment. The GSA maintains, through the Fixed Assets & Division Operations of GSA Materials Management, a listing of the County's capital equipment. The Fixed Asset System (FAS) is a database management system utilized to capture and assign accountability for those assets meeting the designated criteria.

We reviewed the FAS Inventory Control Report provided to ME by GSA, inquired as to the inventory reconciliation procedures effected, and sampled the existence and location of a number of items

The FAS Inventory Control Report showed surplus furniture reported by the ME to Miami-Dade Police Department (MDPD) as missing. Upon inquiry, the inventory control clerk claimed that the surplus furniture was picked up by GSA's Materials Management Division while GSA Materials Management Division personnel told OCA that they did not pick up said items from the ME. The ME did not have the Property Action Form (PAF) required by GSA to evidence the pickup of surplus or obsolete assets.

The inventory control clerk also stated that inventory reconciliation consisted of the Division Directors verifying the existence of assets within their respective divisions; however, when requested, the ME did not have documentation to support the statement. There were no internal documents signed by the directors of each ME division or other delegated persons at the year end certifying the existence of furniture and equipment within their divisions.

Lack of auditable property trail could result in the occurrence of innocent errors or intentional misuse or abuse of capital inventory assets.

Recommendation

Establish and implement policies and procedures to protect and safeguard County assets including furniture and equipment.

Management Response

The Medical Examiner Department concurs with the findings of the report, but since this report was written the following has transpired:

- 1. Our capital inventory control officer retired.*
- 2. Our new procurement/human resource officer (AO3) began in November 2010 and has been trained by DPM in County procedures regarding these issues and back-up staff has been assigned to also assist with these duties. The department complies with capital inventory reconciliation procedures.*
- 3. The DUI Laboratory contract expired and was renegotiated with University of Miami and moved to MDPD Contract Management as of June 2011.*
- 4. The department lost one employee from the Business Office, one from Toxicology and one from the Morgue as a result of budget reductions, resignation, and promotion, respectively.*

VI. Best practices and achieved efficiencies

In FY 2009-10, rebidding of the cremation contract and modifying departmental procedures reduced the cost associated with the Public Internment Program from \$700 per case to \$265 per case resulting in estimated annualized savings of \$390,000 on 900 cases.