

AUDITS

1. Greater Bethel A.M.E. Church: Review of FY 2006-07 General Fund HIV/AIDS Awareness Program Contract (July 10, 2009)

Major Findings/Conclusions:

- Greater Bethel had difficulty complying with the requirement for submission of monthly/interim Progress Reports. These contracts already allowed Greater Bethel the flexibility to file for reimbursement monthly or quarterly. We suggested that contract language allow the same flexibility in timing for interim Progress Reports and that the Reimbursement Requests and Progress Reports be tied together, thereby potentially reducing the administrative burden on the Greater Bethel yet increasing incentive for Progress Report submission.



Corrective actions taken by County Manager:

- Revised general fund contract language was under consideration per our suggestions for improvement.

Significant findings which have not been fully addressed by the County Manager:

- None; Greater Bethel voluntarily withdrew from participation in these grants.

2. Review of People’s Transportation Plan (PTP) Surtax Revenue (December 3, 2009)

Major Findings/Conclusions:

- Surtax collections, interest earned, Sunshine Loan, and revenue bonds on accrual basis through September 30, 2008 were \$1,492,222,338.

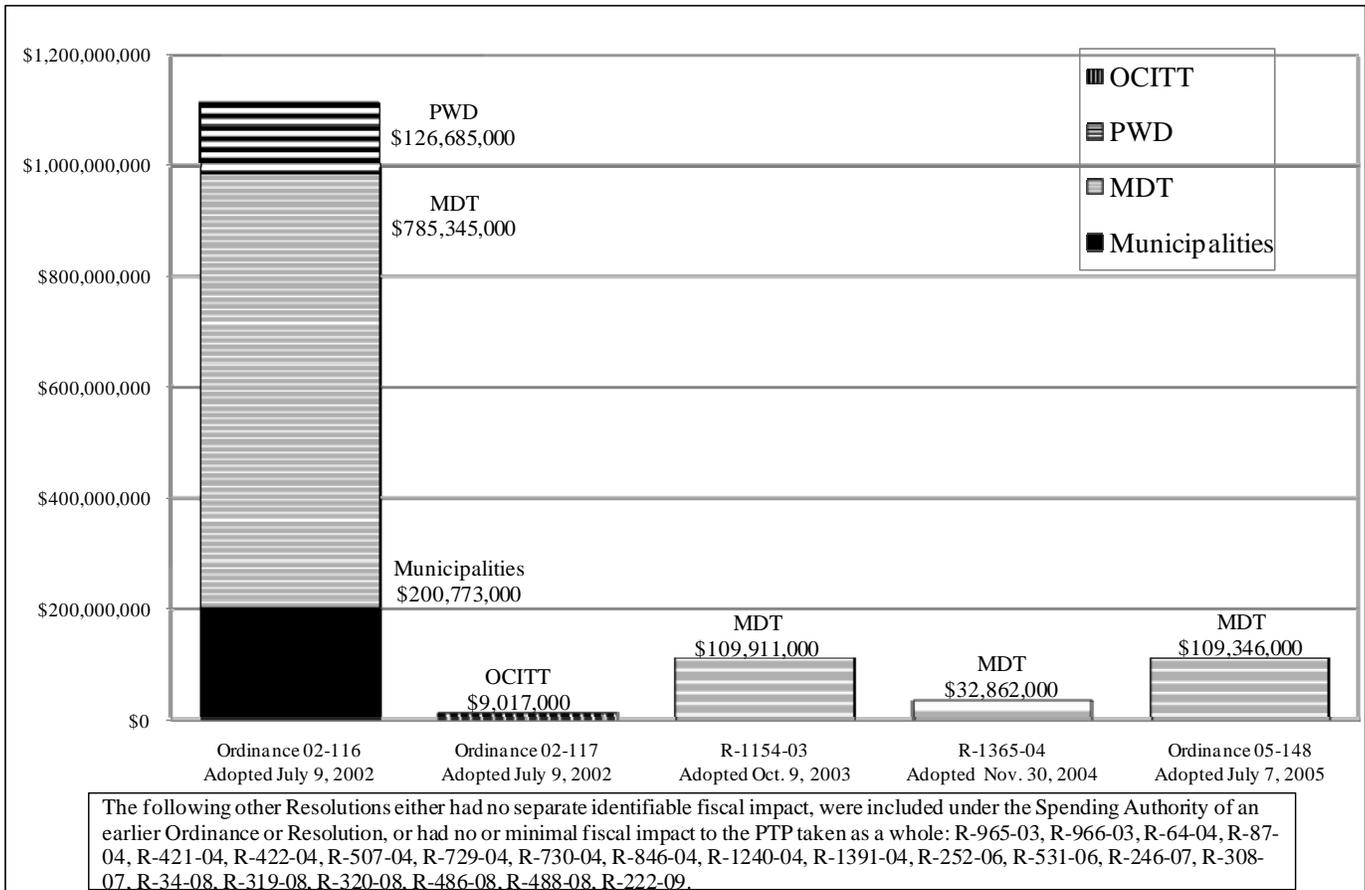
<u>PTP Funds from all Sources on Accrual Basis through September 30, 2008</u>	
Surtax Collections	\$1,003,863,177
Interest Earned on Surtax Collections	16,713,161
Interest on Loan for Existing Services to MDT	4,506,000
Sunshine Loan on 2004 to MDT	97,140,000
Series 2006 Surtax Revenue Bonds to MDT and PWD	180,000,000
Series 2008 Surtax Revenue Bonds to MDT and PWD	<u>190,000,000</u>
Total PTP Sources	<u>\$1,492,222,338</u>

- Funds allocated and transferred to departments and municipalities on accrual basis through September 30, 2008 were \$1,431,889,360.

PTP Transfers from all Sources on Accrual Basis through September 30, 2008

Municipalities	\$200,772,646
Miami-Dade Transit	1,073,858,265
Public Works Department	145,144,282
Office of Public Transportation Management	2,771,460
Office of the Citizens' Independent Transportation Trust	9,017,008
Communications Department	<u>325,699</u>
Total PTP Transfers	<u>\$1,431,889,360</u>

- Surtax proceeds collected for the six years ended September 30, 2008 and the related funding sources acquired as a result of the PTP were expended in accordance with PTP legislation.



- During our audit, we noted that MDT had a cash deficit every year, from FY 2000-01 through FY 2007-08, and incurred a series of advances and/or loans, including a loan from PTP funds totaling \$109.4 million as of September 30, 2008.

FOLLOW-UP (Resolution of Prior Year Findings and Recommendations)

1. Review of Boards and Councils (March 31, 2006, and follow-up reports November 20, 2006, July 13 & 19, 2007).

Major Findings:

- Finding 2. OCA's review disclosed that 47 of the 98 boards either did not have performance measures or had weak measures in place.

Corrective actions taken by County Manager:

- As had been done in the previous year, the County Manager issued a Sunset Review of Boards memorandum to remind department directors of responsibilities for 2009 sunset reviews of boards and set a January 9, 2009 deadline for submission of reports to OSBM. A standard line on the sunset review form asks for description of the performance measures that the Board used to determine its own effectiveness. (Pertains to Finding 2 and to Findings 4-6 that were previously resolved as reported in OCA's FY 2007-08 Annual Report.)
- OSBM indicated that, although they currently do not have a formal performance measurement assistance program for boards and councils, they assist them when requested. (Pertains to Finding 2.)

Significant findings which have not been fully addressed by the County Manager:

None.

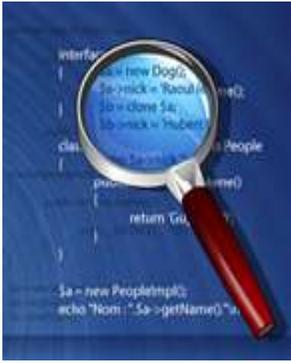
2. Audit of Park and Recreation Department's Internal Control Procedures for Cash (May 21, 2007).

Major Findings: Accounts Receivable and Revenues

- Finding 1. Billings of internal customers (other departments of the County) and external customers were not cleared within 90 days.
- Finding 2. Dockage fees were sometimes uncollectible.
- Finding 4. Adopt accrual basis accounting for contract-related accounts receivable and revenue.
- Finding 5. Insufficient documentation existed to independently verify amounts due to MDPR from contracts with park location/facility operators.

Corrective actions taken by County Manager:

- OCA verified that MDPR is using interagency agreements with an index code provided for to obtain compensation from most internal customers. They also revised policies to use Central Finance Collections when they do not expect to receive payment and are not receiving any cooperation from the customer. MDPR was not able to adopt electronic check processing with the Recreation Management Software (RMS) as they had previously indicated because they determined it was not cost effective to do so. (Pertains to Finding 1).



- OCA verified that MDPR added language of a possible lien to the bottom of annual marina customers' statements. MDPR is currently working with ETSD to find ways of collecting contingency fees from marina patrons. (Pertains to Finding 2).
- MDPR determined that they will not be able to implement this recommendation because of loss of a contract payment and reporting position. (Pertains to Finding 4).
- OCA verified that receipt of back-up documentation when payments due are based on a percentage of sales. The contracts do not require the park location facility operator to provide backup information; however, when the contracts are renewed or renegotiated, MDPR will introduce a clause to require providing proper back up documentation. (Pertains to Finding 5).

Significant findings which have not been fully addressed by the County Manager:

- None.

3. Review of Job Incentive Program Compliance (February 7, 2007)

Major Findings:

- EZ Program
 - Finding EZ-1. Application through Approval Process. There was a lengthy cycle time, one-to-two years and sometimes more, to process applications for the EZ Program.
 - Finding EZ-2. Documentation. OCED requested driving licenses to support employee residence in EZs and did not request other confirmation, such as copies of utility bills or rental receipts.
 - Finding EZ-3. Records and Reports. OCED stored most information on the EZ program in hard copy format, and applications stored electronically did not include the proposed or actual investment by each applicant.
- QTI Program
 - Finding QTI-1. Reports. A total of 33 projects had been approved through FY 2004-05, creating an estimated 5,168 direct jobs with an estimated average pay of \$31,805 per job per year; total estimated investment for approved projects was \$279.5 million. Information provided by the Office of Governor, Office of Trade, Tourism, and Economic Development (OTTED) indicated that 3,108 actual jobs had been created as of October 4, 2005. Information obtained from the State did not match the records maintained by the County. OTTED advised that we would be unable to verify the actual average wages per job created due to confidentiality clauses in §288.1067, Florida Statutes.
- TJIF Program
 - Finding TJIF-1. Reports. The report maintained by OSBM to monitor payments and budgets did not provide information on the overall impact of the program. Specifically, the report did not identify projects executed, investments made, jobs created and claims filed.

Corrective actions taken by County Manager:

- OCA observed that since expiration of the tax abatement program on June 30, 2005, no new applications have been received. (Pertains to Finding EZ-1.)
- OCED observed that OCED randomly checked alternative documentation confirming employees' residency in addition to driver's licenses. The alternative documentation reviewed was noted in site monitoring reports and maintained in their records. (Pertains to Finding EZ-2.)
- OCA observed a spreadsheet created by OCED & PA to track and update the status of tax abatement applications. The number of companies on the Pending Tax Abatement Applications List reduced from 33 to 15. (Pertains to Finding EZ-3.)
- OCED indicated that updated reports, which will provide objective evaluation of the programs including claims filed and pending approval, will be issued in March 2010. (Pertains to Finding QTI-1 and TJIF-1)

Significant findings which have not been fully addressed by the County Manager:

- None.

NON-AUDIT SERVICES

1. Updated Audit Policies and Procedures (Audit P&P)

- Major revisions to Government Auditing Standards, which are promulgated by the Comptroller General of the United States, were published in January and July 2007, necessitating updating of OCA Audit Policies and Procedures (P&P). Revised OCA Audit P&P and updates for other OCA activities were incorporated into the April 30, 2009 Revision of the OCA Policies and Procedures Manual, which is available to the public on the OCA website at <http://www.miamidade.gov/auditor/policy.asp>.
- The 47-page Audit P&P parallels the Association of Local Government Auditors (ALGA) Peer Review Guide 2008 Revision that incorporated the 2007 revisions to Government Auditing Standards. Major sections of the Audit P&P include addressing the following:
 - Quality Control System (QCS) – Ethical Principles of Government Auditing, Independence, Continuing Professional Education and Quality Control and Assurance
 - Audit Standards – Fieldwork Standards and Reporting Standards for Financial Audits, Attestation Engagements, and Performance Audits.
 - Audit Procedures – Audit Working Papers, Risk Analyses, Preparing for Entrance and Exit Conferences, Follow-up, and Audit Termination Prior to Issuance of Final Report.
- Prior to the ALGA Peer Review, all recently completed and ongoing Audit Staff project files were reviewed in detail and updated, if appropriate, to ensure that the projects remained in compliance with the revised requirements of Government Auditing Standards.

2. External Quality Review (Peer Review)

- OCA is required by Section 2-476 of the Code of Miami-Dade County to “the extent required by the annual work program, perform...audits in accordance with Government Auditing Standards.” During the week of May 18, 2009, a peer review team from the Association of Local Government Auditors (ALGA) found the Office of the Commission Auditor (OCA) to be in full compliance with Government Auditing Standards. This was OCA’s first external peer review.



- ALGA’s report, “External Quality Control Review of the Office of the Commission Auditor, Miami-Dade Board of County Commissioners,” including OCA’s response letter to the peer review team, are available to the public on the OCA website at <http://www.miamidade.gov/auditor/peer.asp>. The report consisted of three components:
 - The opinion letter expressed “reasonable assurance of compliance with Government Auditing Standards.” (This is ALGA’s standard “full compliance” letter, verbatim.)
 - The companion letter (a.k.a. management letter) complimented OCA in several areas and offered suggestions to further enhance OCA’s audits and attestation engagements.
 - Among noteworthy comments, the letter specifically commented that “OCA is committed to developing a top auditing organization and is very receptive to improving its processes to ensure compliance with Government Auditing Standards.”
 - OCA’s response letter indicated concurrence with the ALGA report and willingness to implement the peer review’s recommendations.
- In accordance with generally accepted government auditing standards (GAGAS), as a result of completion of the peer review, OCA is eligible to use an unmodified GAGAS compliance statement in its audit and attestation engagement reports. Continued compliance with GAGAS will require that OCA’s next peer review occur in approximately three (3) years.

3. Review of Independent Contractor’s Analysis of Inmate Health Care

- The National Commission on Correctional Health Care (NCCHC) report commended MDCR for their continuous Quality Improvement Program.
- Of the 67 standards evaluated by NCCHC, compliance was reported as:
 - Full compliance: 18 standards (27%)
 - Partial compliance: 36 standards (54%)
 - Non-compliance: 13 standards (19%)

- Correctional Health Services (CHS), the service of the Jackson Health System/Public Health Trust that provides the inmate health care for MDCR facilities, developed a 58-point action plan to achieve compliance. In a report dated July 8, 2008, CHS indicated 18 (31%) of the actions had already been implemented. In a May 6, 2009 action plan update, CHS indicated that the plan had been consolidated into a 54-point plan and that:
 - 43 (80%) of the actions had been implemented;
 - 2 (4%) were ongoing; and
 - 5 (9%) were pending.
 - 4 (Status was not specified in the May 6, 2009 update.)



4. Audit Staff Input to Budget Process

Opportunities for Savings and/or Revenue Enhancements

- For the third consecutive year, a significant component of OCA Audit Staff’s input to the annual budget process included a series of brainstorming sessions leading to development of analyses of various “Opportunities for Savings and/or Revenue Enhancements.”
- Audit Staff’s analyses published to the BCC in the FY 2009-10 budget development cycle included the following:
 - Slot Machine Revenue for Miami-Dade County—Estimated that slot machine operations at certain pari-mutuel facilities in Miami-Dade County will generate approximately \$1.034 million in unbudgeted revenue in FY 2009-10.
 - Cat Licensing—Estimated that licensing of cats in Miami-Dade County could, if enacted, generate approximately \$1 million in FY 2009-10 (if fully implemented by April 1, 2010) and \$1.8 million-\$2.5 million gross per full fiscal year, thereafter.
 - Increasing the User Access Program (UAP) Fee to 3%—Estimated that increasing the UAP to 3% could generate approximately \$2.4 million in FY 2009-10 and \$4.8 million in subsequent FYs.
 - 4-Day Work Week—Estimated that adoption of 4-day work weeks would generate approximately \$1.15 million in annual savings in utility and security costs.
 - Take-Home Vehicles—Estimated that elimination of the 3,310 take-home County vehicles could save approximately \$1.6 million-\$4.4 million per year.
 - Cellular Phones & AirCards—Estimated that approximately \$3 million of the County’s approximately \$3.9 million annual cellular phone costs could be saved if cellular phone distribution was limited to 230 senior County officials and executives. Estimated that even if 50% of the other existing cellular phones were determined to be essential for services in the field, as much as \$1.5 million might be saved. Estimated annual AirCard costs to be approximately \$1.7 million.
 - Departure Incentive Program (DIP) Summary—Summarized the history, eligibility requirements, and benefits of the DIP program from its creation in 1995 to June 2009. As of the September 30, 2008 financial statement, the County’s remaining, long-term liability for DIP was estimated at \$2.8 million. Ninety Eight (98) recipients remained in DIP as of June 29, 2009 with an average payment of approximately \$8,500 per year per recipient and the last payment to an existing recipient scheduled for 2021.



- Impact of County Millage Options for Hypothetical Properties—Estimated impacts of various millage proposals on hypothetical properties of various values in selected municipalities and in UMSA.
- Community Based Organizations (CBOs)—Identified \$7.156 million in funding for food, shelter, after school care, clothing, transportation and elderly services in the contracted scope of services and budgets of 408 FY 2008-09 CBO grants that were reviewed by a combined team of OCA Audit and Budget Staff. Approximately \$2.797 million in additional funding went to other categories of expenses, such as salary, fringe and other operational costs.

ON-GOING PROJECTS

1. Audit of Animal Services Department Internal Controls for Proprietary Revenue

- *Status: Fieldwork is completed; project is in report writing phase.*

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

- *Status: Audit was split into competitive and non-competitive procurement processes. The Non-Competitive aspect of the project is comprised of Sole Source and Bid Waiver, is in the report writing phase. The Competitive aspect of the project is comprised of Change Orders, Debarment and Suspension Procedures and Selection Committees. Fieldwork is completed; project is in report writing phase.*

3. Review of Vendor Payment Processes Including Prompt Payment Compliance with CSBE Program Requirements

- *Status: Fieldwork is completed; project is in report writing phase.*

4. Audit of Implementation of Light Vehicle Reductions and Internal Controls

- *Status: Fieldwork is completed; project is in report writing phase.*

5. General Services Administration Pricing Best Practices Review (GSA) - Conduct a best practices review of pricing policies and practices for products and services of similar governmental organizations and compare with policies and practices of GSA

- *Status: Fieldwork in progress.*

6. Feasibility of Consolidating Certain Functions in the Police Department and Corrections and Rehabilitations Department

- *Status: Initial fieldwork was completed; follow-up and updates continue for inclusion in report that is in report writing phase.*

7. Review of Community Action Agency Operations (CAA) – Review alignment of CAA programs with legislative intent and compliance with the fiscal and legislative policies of the BCC.

- *Status: Fieldwork in progress.*

8. Review of Manager’s Exercise of Authority Delegated Pursuant to Section 2-8.1 of the Code of Miami-Dade County

- *Status: Fieldwork in progress.*

9. Oversight of the Performing Arts Center Trust (PACT) – (BCC – Ordinance No. 07-83). Grant of \$4.1 million in operational subsidies and any prospective funding was conditioned upon the PACT’s agreement to County Manager and Commission Auditor oversight.

- *Status: Fieldwork in progress; project continues until otherwise directed by the BCC. (Non-audit service)*

10. Beacon Council Use of Eight Percent of the Business Tax Previously Used by the Metro-Miami Action Plan (BCC –Resolution No. R-552-09)

- *Status: Met twice with Beacon Council officials, and a report received from Beacon Council on 12/10/09 is under review. An OCA report will be separately submitted to the BCC; project continues until otherwise directed by the BCC. (Non-audit service)*