

SECTION II – COMMISSION AUDITOR’S ANNUAL REPORT

FY 2007-08

Accomplishments (Including Audits)

1. Reviews of General Fund HIV/AIDS Awareness Program Contracts

- a. Greater Bethel A.M.E. Church (October 1, 2007)
- b. Minorities Overcoming the Virus through Education, Responsibility, & Spirituality, Inc. (M.O.V.E.R.S) [October 1, 2007 & September 18, 2008]

Major findings.

- OSBM found, and our review confirmed, that M.O.V.E.R.S. had erroneously requested reimbursement for identical invoices from both the General Fund grant and a Ryan White Federal grant. OSBM’s test of a judgmental sample of medical/laboratory expenditures concluded that some items had been double-billed and reimbursed. M.O.V.E.R.S. proposed to repay \$2,802.80 a month for 10 months.
- Both CBOs had difficulty complying with the requirement for submission of monthly/interim Progress Reports. These contracts already allowed CBOs 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 CBOs yet increasing incentive for Progress Report submission.

Corrective actions taken by the 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. Both of M.O.V.E.R.S. and Greater Bethel Church subsequently voluntarily withdrew from participation in these grants.

- #### **2. Report on Proposed Contract to Election Systems & Software, Inc. for the Purchase of Optical Scan Voting Equipment** (November 1, 2007). Pursuant to Resolution R-917-07, OCA observed the series of contract negotiation meetings that commenced August 20, 2007, for the purchase of optical scan voting equipment.

Major findings: The County was able to negotiate improvements in the vendor’s offers for certain items, services and warranties. Nothing came to our attention that suggested the negotiations of this proposed contract did not comply with the directions and intent of Resolution R-917-07.

Corrective actions taken by the County Manager: n/a

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

- #### **3. OCA Work Plan and Annual Report; FY 2007-08** (December 19, 2007). Annual report submitted in accordance with Ordinance 03-2 and approved by the BCC.

SECTION II – COMMISSION AUDITOR’S ANNUAL REPORT

FY 2007-08 (cont’d)

4. **Review of FY 2006-07 Year-End Budget Amendments and Supplemental Budget** (February 4, 2008). Provided Commission Auditor’s review, analysis and recommendations on the County Manager’s proposed changes to the FY 2006-07 budget.
5. **Departmental Resource Allocation Meetings** (February 13 – April 10, 2008). Attended 55 OSBM-sponsored departmental resource allocation meetings at which each department reviewed their respective budget needs and submissions.
6. **Comments on Annual Prompt Payment, Portfolio Performance and Swap Transaction Reports** (February 19, 2008). Provided comments on subject reports from an auditor’s perspective.
7. **Revenue Estimating Conferences** (March 25, April 25 and July 9, 2008). Reviewed selected revenue streams with OSBM and FIN, and discussed adjustments where needed.
8. **Report Regarding Planning and Zoning Department** (April 15, 2008). Provided a 3-part evaluation of the organizational structure of the Planning and Zoning Department and opportunities to realign functions to reduce exposure to market volatility: (1) budgetary evaluation and background information; (2) functions performed by the Department and opportunities to maintain organizational capacity; and (3) results of research into planning and zoning functions of other jurisdictions.
9. **Review of FY 2007-08 Mid-Year Supplemental Budget** (May 12, 2008). Provided Commission Auditor’s review, analysis and recommendations on the County Manager’s proposed mid-year changes to the FY 2007-08 budget.
10. **Review of the Expedited Purchasing Program (EPP): FY 2006-07 Update** (August 12, 2008). Reported on the EPP pilot project, from the program’s original effective date of February 6, 2005 through September 30, 2007. It was an update to our previous EPP reports dated January 23, 2006 and January 29, 2007.

Major findings: As observed in our previous reports, cycle time for most EPP awards continued to be consistently less than the average for non-EPP awards, and cycle time for most EPP awards got shorter as the EPP matured. We noted no exceptions in compliance with the EPP’s enabling legislation or internal controls. We recommended continued diligence in selecting solicitations for processing through the EPP.

Corrective actions taken by the County Manager: DPM took timely action to complete updates to Administrative Order 3-21 and to their internal Procurement Guidelines Manual, which we noted during our initial fieldwork did not reflect changes effected by Ordinance 06-124. (Note: There did not appear to be any lack of awareness in DPM of the changes, just a need to update these policy guidance documents.)

Significant findings which have not been fully addressed by the County Manager: None.

SECTION II – COMMISSION AUDITOR’S ANNUAL REPORT

FY 2007-08 (cont’d)

11. **Report Concerning FY 2008-09 Proposed Resource Allocation and Multi-Year Capital Plan** (August 12, 2008). This report provided various charts analyzing the proposed budget, including: departmental budget summaries to highlight revenue and expense percent variance from current to proposed sources and uses of revenue; chart denoting change in budget from current to proposed and its growth; historical and projected revenues by taxing district chart for comparison purposes; general fund revenue by source chart indicating change in dollars and percent from current to proposed budget; operating expenditures by category chart showcasing main line items with percent change from current to proposed budget; operating expenditures by area chart indicating percent change from current to proposed budget; debt to operating revenue ratio chart indicating the steady increase of debt to operating revenue; County population chart and its effect on revenue and services; BCC budget priorities chart comparing OSBM response to OCA research on the proposed budget.
12. **FY 2008-09 Budget Priority Matrix** (August 28, 2008). Provided a table with the budget priorities of each commissioner.
13. **FY 2008-09 Alternative Budget Recommendations** (August 28, 2008). Provided alternative budget recommendations on requested issues: (1) 4-day workweek energy savings; (2) potential gasoline savings from 4-day workweek; (3) potential savings from elimination of take home vehicles; (4) potential savings of going to electronic documents; (5) percentage of growth (budget and personnel) in the last five years; (6) list of performance measures with five years of data; (7) list of all trusts that receive county funds, basic function and amount in each trust.
14. **Information Pertaining to County Manager’s Budget Briefing** (August 29, 2008). Provided an executive summary on avoided reductions to property tax supported activities as contained in the proposed budget.
15. **FY 2008-09 Major Reorganization Changes** (September 4, 2008). Charted major reorganizational changes in the Manager’s proposed budget.
16. **Span of Control Analysis** (September 12, 2008). Provided span of control analysis to assist in identifying potential opportunities for restructuring positions to increase resources for direct services.
17. **Status Update: Audit of Implementation of Light Vehicle Reductions and Internal Controls** (September 17, 2008). Provided a status update on the progress of this audit; project continues and is in the reporting phase.
18. **Zero-Based Budget Pilot—Team Metro Report** (September 17, 2008). This pilot project demonstrated how zero-based budgeting principles and performance measurement concepts could be used to analyze the budget of a department, in this case Team Metro, which was being disestablished and its retained components being organizationally realigned. The Pilot involved creation of activity-based program budgets that are justified based on program necessity, program placement and organization, and program accountability. A similar project is underway with GSA Fleet and should be completed by the end of December 2008.

SECTION II – COMMISSION AUDITOR’S ANNUAL REPORT

FY 2007-08 (cont’d)

19. **FY 2008-09 Second Budget Hearing – Final Recommendations** (September 18, 2008). Provided information on millage options, opportunities for service enhancement and/or savings, and tabulations of the impacts on departmental budgets if one-percent reductions were made in general funds allocations.
20. **Legislative Analyses for BCC Meeting Agendas** (various dates). Legislative Staff of OCA published legislative analyses in support of Commissioners’ consideration of agenda items for 21 BCC meetings and 74 BCC Committee meetings.
21. **Reports in Response to Commissioner Requests for Information** (various dates). OCA Legislative Staff researched and/or conducted various special projects in support of individual Commissioner’s requests for information.

Resolution of Prior Year 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. Our review disclosed that 47 of the 98 boards either do not have performance measures or have weak measures in place.
- Finding 4. High vacancy rates and failure to achieve quorum. OCA noted that 28 of the 98 Boards identified had vacancy rates of 25% or greater, and 15 of these 28 boards had vacancy rates of 40% or greater, from January through December 2004. A total of 23 of the 98 boards were noted for their low quorum rate of 80% or less.
- Finding 5. Process of appointment. OCA randomly surveyed 17 of the 98 boards that are listed in the Miami-Dade County Board and Appointment System database, and noted that 14 of the 17 boards surveyed did not advertise vacant positions as required by County Code Sec. 2-11.38.1.
- Finding 6. A review of the Miami-Dade County Legislative Information Center, board minutes and interviews with board contact persons showed that seven boards had been inactive or had not met for over 24 months.

Corrective actions taken by the County Manager

- The County Manager’s April 8, 2008, Report on Boards Similar in Nature to the Empowerment Trust, included attachments with broad-based analyses of boards and councils’ memberships, coordinating departments, missions, enabling legislation, funding and employee status. (Pertains to Findings 4 & 6.)
- The County Manager’s October 8, 2008, 2009 Sunset Review of Boards memorandum, reminded 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 Findings, 2, 4-6.)

SECTION II – COMMISSION AUDITOR’S ANNUAL REPORT

FY 2007-08 (cont’d)

- The Clerk of the Board indicated that there are now more open communications between the Clerk’s Office and staff coordinators/liaisons and with commissioners in regards to vacancies. Also, an online application system for board vacancies is anticipated to be ready in 2009. (Pertains to Findings 4-6.)

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

- Assistance with performance measurement (Finding 2, March 31, 2006 report).

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

Review of existing Job Incentive Programs to determine if the County is receiving full economic benefits from its investments, including the Enterprise Zone (EZ), Qualified Target Industry (QTI), and Targeted Job Incentive Funds (TJIF).

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.³
- 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.

³ Consultation with the County Attorney’s Office confirmed OTTED’s confidentiality interpretation

SECTION II – COMMISSION AUDITOR’S ANNUAL REPORT

FY 2007-08 (cont’d)

Corrective actions taken by the County Manager

- OCED reported that, since expiration of the tax abatement program on June 30, 2005, no new applications have been received. (Pertains to Finding EZ-1.)
- OCED reported that they commenced random checking of alternative documentation confirming employees’ residency in addition to driver’s licenses, and the alternative documentation reviewed was noted in site monitoring reports. (Pertains to Finding EZ-2.)
- OCED reported that OCED & PA have created a spreadsheet for tracking and updating 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.)

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

- Follow-up in regard to the reported corrective actions had not yet been completed as of the date of preparation of this Work Plan and Annual Report (Pertains to Findings EZ-1, 2, & 3, QTI-1, and TJIF-1.)

3. 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 the County Manager

- MDPR reported it is using interagency agreements with an index code provided for to obtain compensation from most internal customers. They 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. (Pertains to Finding 1.)
- MDPR reported adding language of a possible lien to the bottom of annual marina customers’ statements. MDPR was not able to implement recurring credit card charges for recurring fees as they had previously indicated. RMS is not yet in use by marinas. (Pertains to Finding 2.)
- MDPR reported that loss of a contract payment and reporting position interfered with plans to accrue revenue as recommended. (Pertains to Finding 4.)
- MDPR reported receipt of back-up documentation when payments due are based on a percentage of sales. (Pertains to Finding 5.)

SECTION II – COMMISSION AUDITOR’S ANNUAL REPORT

FY 2007-08 (cont’d)

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

- Follow-up in regard to the reported corrective actions had not yet been completed as of the date of preparation of this Work Plan and Annual Report (Pertains to Findings 1, 2, 4, & 5.)