

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

**Fiscal Year  
2011-2012  
ANNUAL  
REPORT**

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

**MEMORANDUM**

**TO:** Honorable Chairwoman Rebeca Sosa  
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 and title.

**DATE:** February 13, 2013

**SUBJECT: Commission Auditor's Fiscal Year 2011-2012 Annual Report**

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The Fiscal Year (FY) 2011-2012 Annual Report for the Office of the Commission Auditor (OCA) is submitted in accordance with Sec. 2-479 of the Code of Miami-Dade County. During the year, the OCA continued to provide the highest quality professional services by:

- Successfully undergoing its second External Quality Control Review (Peer Review) for the period covering 2008 through 2011, verifying compliance with Government Auditing Standards, thereby becoming eligible to use an unmodified Government Auditing Standards compliance statement in OCA's audit and attestation engagement reports;
- Completing five (5) audit and non-audit service projects, following-up on previously unresolved findings from prior audits, providing audit technical assistance for various projects and inquiries, and continuing work on ongoing audit and non-audit service projects;
- Reviewing approximately 160 Board of County Commissioners (BCC) and Committee agendas;
- Providing analytical budgetary reports and approximately 28 responses for the FY 12-13 budget cycle;
- Providing detailed financial costs and budgetary impacts analyses for items with a fiscal impact as per Resolution R-530-10;
- Providing professional staff support to the Compensation and Benefits Review Ad Hoc Committee, chaired by Commissioner Barbara Jordan;
- Providing Tourism Impact Statements on certain legislative matters before the BCC as per Resolution R-581-11; and
- Responding to formal and informal requests from the BCC on important County matters.

The nature and scope of these accomplishments clearly demonstrate our commitment to value-added services and the dedicated efforts of our talented professionals. Based on feedback received from the BCC, our efforts have assisted their decision-making by helping to ensure governmental accountability and transparency. We look forward to continuing our work with the BCC in meeting the challenges facing Miami-Dade County.

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## Memorandum

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Miami-Dade County  
**Fiscal Year 2011-2012**

**Annual Report  
for the  
Office of the Commission Auditor**

**INTRODUCTION**

Miami-Dade County Home Rule Charter Amendment, adopted by the voters on September 10, 2002, created the Office of the Commission Auditor (OCA). The Charter Amendment: (a) empowered the Board of County Commissioners (BCC) to provide by ordinance for the Commission Auditor's specific functions and responsibilities; and (b) indicated that the Commission Auditor's functions and responsibilities shall include, but not limited to, providing the BCC with independent budgetary, audit, management, revenue forecasting, and fiscal analyses of BCC policies, and County services and contracts. *A list of legislation pertaining to OCA duties is appended as Exhibit 1.*

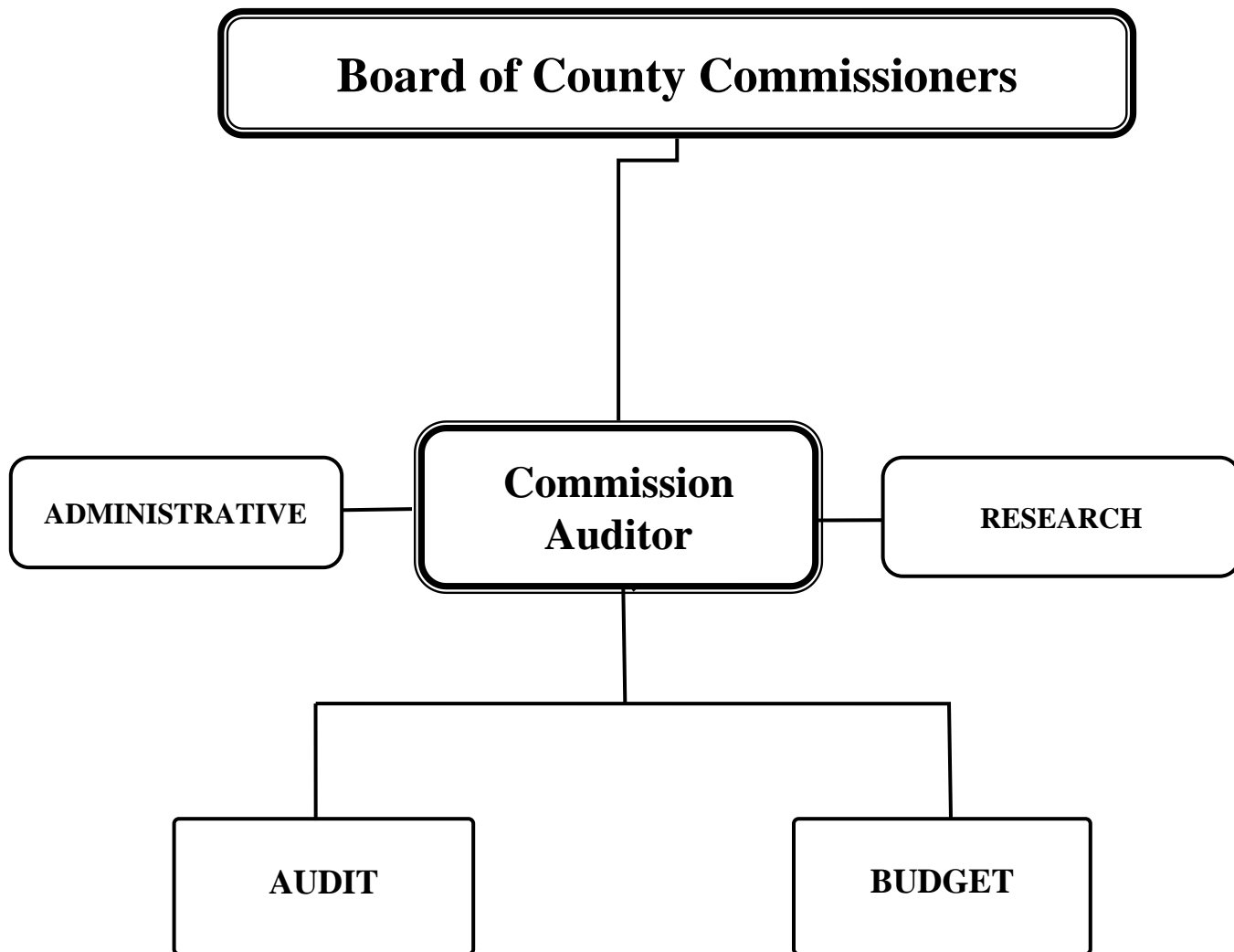
**MISSION STATEMENT**

*To provide high quality, independent audits, budgetary, legislative and other analyses to assist the BCC's decision-making by helping to ensure governmental accountability and the best use of public resources.*

**OBJECTIVES**

The objectives of the OCA are:

1. To review the reasonableness of all revenue estimates included in the Mayor's proposed budget.
2. To review all departmental budgets, perform analyses and make recommendations to the Commission regarding adjustments to the proposed budget.
3. To conduct audits, management and legislative analyses, and program evaluations.
4. To provide legislative research and policy analyses to support regular BCC, Committee, and Sub-committee meetings, as well as workshops or special meetings of the BCC.
5. To review each agenda to evaluate the rationality and completeness of the information presented, as well as to evaluate the merits and impacts of the proposed transactions and/or legislation.
6. Provide the BCC with memoranda containing independent assessment of pending legislation, issues and proposals coming before the BCC.
7. To determine the extent to which legislative policies are being faithfully, efficiently and effectively implemented by the Mayor and County personnel and provide periodic reports to the BCC as needed.
8. To offer input throughout the budgetary process.
9. To determine whether County programs are achieving their described objectives.
10. To determine whether departments, agencies and entities of the County have complied with the fiscal and legislative policies of the Commission.





**Audits**

**1. Budget Compliance Study - Department of Cultural Affairs (CA) - December 21, 2011**

Major Findings/Conclusions

CA was able to provide satisfactory explanations, reconciliations and supporting documentation to demonstrate the Department remained within the parameters of its budget during the year ended September 30, 2010.

Significant findings which have not been fully addressed by Management

None

**2. Budget Compliance Study - Office of Emergency Management (OEM) - February 15, 2012**

Major Findings/Conclusions

Finding 1. OEM did not complete the Annual Inventory of Capital Equipment Certification due on June 30, 2011

A memorandum dated April 21, 2010 regarding annual inventory of capital equipment stated that department directors should submit no later than June 30, 2010, inventory results to the General Services Administration (GSA - currently a part of the Internal Services Department (ISD)). Chapter 274 of the Florida Statutes, the Rules of the Auditor General of Florida, and Miami-Dade County Administrative Order 8-2 require the completion of an annual inventory in order to maintain accountability for assigned capital equipment. OEM did not complete the Annual Inventory of Capital Equipment Certification due on June 30, 2010. The lack of reliable information impairs the County's ability to (1) know the quantity, location, condition, and value of assets it owns, (2) safeguard its assets from physical deterioration, theft, loss, or mismanagement, (3) prevent unnecessary storage and maintenance costs or purchase of assets already on hand, and (4) determine the full costs of County programs that use these assets. The Inventory Certification for the following year was completed on June 29, 2011.

Significant findings which have not been fully addressed by Management

None

**3. Closure Memo- Vendor Payment Process - September 25, 2012**

Major Findings/Conclusions:

Late Payments to Community Small Business Enterprises (CSBEs) and Small Business Vendors.

During OCA's follow-up audit in April 2012, management indicated that several adjustments have been made to address our findings. As of July 2012, ISD's Design and Construction Services Division indicated that new compliance measures were currently in place to enhance invoice processing requirements.

Departments should continue monitoring the implementation of the recommendations stated in their responses. This audit is considered closed and will be available to other internal and external auditors.

**4. Audit of Internal Controls for the Protection of Electronically Stored Personal and Health Information - Public Housing and Community Development - October 11, 2012**

Major Findings/Conclusions:

Department uses wireless local area network (WLAN) (network of computers linked together via wireless technology) implemented with poor security features that can easily compromise confidential and sensitive information.

Access to electronic files/programs containing confidential information of applicants and/or participants was not effectively restricted to only those who should have access.

Unencrypted emails were being used to transmit and share confidential documents.

Cryptographic mechanisms (hidden codes) necessary to better protect confidential information in databases (repositories of electronic records) was not implemented for one critical database used by the department.

Policies and processes for managing computer users' passwords and accounts on department and County computing resources were weak.

Processes for fixing software defects and managing security settings failed to provide effective remediation of flaws and vulnerabilities in the Department's computer systems.

The department did not have written policies or guidelines for secure use, sanitization and destruction of electronic storage media.

Client document files that were closed and due for destruction, were not destroyed.

Department did not have adequate computer and information security training and awareness programs for their employees.

Significant findings which have not been fully addressed by Management

Public Housing and Community Development indicated that the Department is working on implementing recommendations. A follow-up audit will be scheduled to confirm that recommendations have been implemented.

**5. Audit of Internal Controls for the Protection of Electronically Stored Personal and Health Information - Community Action and Human Services - October 11, 2012**

Major Findings/Conclusions:

Department uses wireless local area network (WLAN) (network of computers linked together via wireless technology) implemented with poor security features that can easily compromise confidential and sensitive information.

Communication link between external users and the County internal network for an essential application utilized in the Child Development Bureau was not protected with the appropriate security mechanisms.

Policies for managing computer users' passwords on Department/County computing resources were weak.

Computer access rights for various former and transferred employees were not removed from the Social Services Information System (SSIS) and the Enhanced Field System (EFS) for months/years after the employees had separated or transferred.

Processes for fixing software defects and managing security settings failed to provide effective remediation of flaws and vulnerabilities in computer systems.

There was no policy for secure use of removable storage media, as well as no documentation to provide evidence of secure sanitization or destruction of old electronic storage media.

Policy for secure custody of clients' files/records was violated in two of the Department of Human Services' (DHS) sites we visited.

Department did not have policies or guidelines to ensure that user-developed databases (repositories of electronic records) containing clients' confidential information are protected with appropriate security mechanisms.

Significant findings which have not been fully addressed by Management

Community Action and Human Services indicated that the Department is working on implementing recommendations. A follow-up audit will be scheduled to confirm that recommendations have been implemented.

**NON-AUDIT SERVICES**

**1. Beacon Council - Resolution No. 552-09**

Resolution No. R-552-09, adopted May 5, 2009, directed OCA to prepare quarterly reports to the BCC on the Beacon Council's use of the eight percent (8%) portion of the business tax previously utilized by the Metro-Miami Action Plan Trust (MMAP).

*Status: At the April 2012 Internal Management & Fiscal Responsibility (IMFR) Committee meeting, Commissioners asked the Administration to meet with the Commission Auditor to better understand the issue and facilitate discussions with the Beacon Council. The Administration met with the Commission Auditor and will be presenting the Mayor with options to address this issue.*

**2. Staff Support to the Performance and Efficiency Commission (PEC) – Ordinance No. 10-43**

The PEC was established to obtain input from the private and public sectors on the performance and efficiency of the operations of Miami-Dade County, recommend improvements and monitor implementation of recommended changes. OCA is assigned to provide primary staff support to the PEC.

*Status: Completed.*

**3. Oversight of the Performing Arts Center Trust (PACT) - Ordinance No. 07-83**

A grant of \$4.1 million in operational subsidies and any prospective funding was conditioned upon the PACT's agreement to oversight from the County Manager and Commission Auditor.

Adrienne Arsht Center - July 16, 2012 (*Status Report*) - As part of the requirements of Ordinance No. 07-83 and Resolution R-141-08 approved by the BCC, OCA conducted a review of the Adrienne Arsht Center operated by PACT. As part of our oversight of PACT, OCA has attended PACT Finance Committee Meetings and Board meetings to monitor their progress.

*Status: Project continues until otherwise directed by the BCC.*

**4. Report/Audit of Various County Departments/Offices/Agencies**

These are audits of various County departments/offices/agencies with an initial focus on entities funded by General Funds. The goal is to provide objective analyses so that management and those charged with governance and oversight can use the information to improve program performance and operations, reduce costs, facilitate decision making and contribute to public accountability.

*Status: As needed.*

**5. Review of Unpaid Toll Violations by Miami-Dade County Fleet****Major Findings/Conclusions:**

Reports reviewed for the period September 2008 through February 2012 indicated that the County owed approximately \$637,708, with estimated fines and penalties constituting approximately more than 97% of the above mentioned charges. If the toll violations were paid on time, the estimated amount would be approximately \$20,000.

If current trends continue and projecting a 50% rate of increase, unpaid toll violations and its related late fees will reach more than \$1 million in the current year. Current internal controls regarding payment of toll violations need to be revised to avoid payment of administrative fees, as well as exorbitant late fees.

On June 21, 2012, County Mayor Carlos A. Gimenez issued a memorandum to County department directors requiring that all departments with assigned fleet vehicles must be equipped with a SunPass transponder. In addition, all of ISD's fleet pool vehicles have been equipped with a SunPass transponder.

*Status: The County Attorney started negotiations with the Florida Department of Transportation (FDOT) and the Miami-Dade Expressway Authority (MDX) to settle these charges. A follow-up meeting was held on January 22, 2013 to determine the progress of the negotiations. According to the County Attorney, County Departments continue to violate tolls in spite of the County Mayor's memorandum directing Department Directors to equip all vehicles with a SunPass transponder. Although ISD equipped all pool cars with mini-*

*transponders, other departments continue to accumulate violations. Due to these accumulated violations, the County Attorney has not been able to negotiate a reduction on penalties and fines. As of October 11, 2012, toll violations (including interest and penalties) reached \$1,011,660.*

**ON-GOING PROJECTS**

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

Various parts have been addressed by separate reports. Some portions have been completed or are in progress as separate projects. [Completed: Review of User Access Program (UAP); Audit of Purchasing Card Program; Bid Selection, Selection Committee Process Report, and three reviews of the Expedited Purchasing Pilot Project.] OCA expanded the scope of this audit to include the Review of the Manager's Exercise of Delegated Authority, pursuant to Section 2-8.1 of the Code, due to significant overlap in both projects.

*Status: Draft report completed (excluding previously reported items); exit conference to be scheduled.*

2. General Services Administration Pricing Best Practices Review (Merged with ISD)

*Status: The scope of the project was updated to include the 1<sup>st</sup> quarter of FY 2012-13. Additional field work has been completed to include the revised scope. The project is now in the report writing phase.*

3. Audit of CSBE Participation and Utilization in a Sample of County Contracts

*Status: Scope of the project has been modified to include minority and local business participation. Delays were due to postponement of field visits that were requested by the Marlins Stadium project manager; fieldwork in progress.*

4. Audit of County's CBO Grant Management Process

*Status: Report writing phase.*

5. Audit of Debt Collection Processes

*Status: Draft report completed; exit conference to be scheduled.*

6. Audit of Accountability for Computer Equipment Purchased During FY 2008-09 and 2009-10

*Status: Draft report completed; exit conference is scheduled.*

7. Audit of User Access Program (UAP) Exemptions

*Status: Draft report completed; exit conference to be scheduled.*

8. Audit of Non-Governmental Entities' Compliance with Lease Agreements for Use of County-owned Properties

*Status: Field work phase. Project reassigned internally due to reorganization and staff adjustments.*

9. Review of Miami-Dade County PHT's Indigent Health Care Costs Funded by Surtax and Maintenance of Effort Revenues

*Status: Not started; waiting for external auditor's report, anticipated to be issued in March 2013.*

10. Audit of Miami-Dade Transit (MDT) Warranty Bus Parts

*Status: Field work phase.*

11. Audit of MDT Advertisement Revenue Collection Program

*Status: Entrance conference is scheduled.*

12. Audit of Properties Exempt from Taxation per Florida Statutes

*Status: Field work in progress.*

13. Second External Quality Control Review (Peer Review)

*Status: Completed. (See Exhibit 4)*



**ANALYSES/REPORTS**

- Research/Legislative Analyses for BCC Meeting Agendas (various dates). OCA Research Division published approximately 160 analyses in support of Commissioners' consideration of agenda items.
- Reports in Response to Commissioner(s) Requests for Information (various dates). The Division researched and/or conducted ten (10) special projects, reviews, and surveys during FY 2011-12.

**RESEARCH PROJECTS**

Survey - Salaries, Term Limits and Outside Employment for Elected Officials – *October 2011*

Report - Research the Impact of Gaming on Local Communities – *November, 2011*

Survey - Limousine and Luxury Sedan Research – *November, 2011*

Survey - Absentee/Early Voting - *December, 2011*

MDT Comparison of Contracts for Advertising Programs - *January, 2012*

Survey - Post-Employment Lobbying for Elected Officials - *March, 2012*

Jungle Island Legislative Review - *June, 2012*

Incorporation and Annexation Review - *August, 2012*

CBO Funding Review - *September, 2012*

Charter Review/Legislative Review 2008-2011 - *September, 2012*



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**FISCAL IMPACT STATEMENTS**

Resolution R-530-10, adopted May 2010, directed the Commission Auditor to track all agenda items with a fiscal impact for the required financial budgetary impact analysis, and to identify for the BCC those items which do not include the required information. Selected fiscal impact statements are shown as follows:

- October 3, 2011
  - File # 111965 - Resolution to retroactively authorize an application submitted to the Miami Foundation for Project DoVE (Domestic Violence Education) in the amount of \$20,000 for the Miami-Dade Police Department. DoVE previously operated with General Fund support, and events were staffed by one (1) of four (4) Victim Services Coordinators and a police sergeant. There was no full-time staff assigned to DoVE. The requested grant would enhance the project to provide 24 additional presentations on nights and weekends.
  
- October 17, 2011
  - File # 112074 - Resolution to exercise the option-to-renew periods for certain competitive contracts. This was a proposed \$209,000 landscaping and lawn maintenance service contract at the Port of Miami (POM). OCA questioned why Parks, Recreation and Open Spaces (PROS) did not provide landscaping services. Upon notification by OCA, POM staff worked out an agreement with PROS to provide the service, and POM pulled the item from the agenda.
  
- November 10, 2011
  - File # 112195 - Resolution authorizing execution of an agreement in the amount of \$15,917,956 with B&C Transit, Inc. to provide Metrorail Control Center upgrade services. Upon review, OCA found that the agreement represented only about one-half of the cost of this project. The balance amount (\$15.9 million) was reported to pay for overhead and project administration costs incurred by the County.
  
- December 2, 2011
  - File # 112411- Resolution ratifying a \$1,657,000 agreement with Gillig LLC to purchase four (4) 34-foot low floor diesel transit buses for the cities of Coral Gables, Miami Beach, and the Town of Cutler Bay. OCA provided clarification as to the purpose of these capital purchases and their coordination with Miami-Dade Transit bus services.
  
  - File # 112087 – Resolution authorizing access to a State of Florida contract in the amount of \$3.336 million to obtain mail processing equipment and supplies for County departments. OCA questioned the need of 17 separate departmental requests for mail processing equipment, since mail processing is provided by the Internal Services Department (ISD). In December 2011, ISD said they would conduct a more formal review with the requesting departments to determine if this is an area where economics of scale can be achieved in the future.

- April 13, 2012
  - File # 120716 – Resolution ratifying action in applying, receiving and expending grant funds in the amount of \$500,000 from the U.S. Department of Justice, Office of Violence Against Women. OCA provided a breakdown of the proposed expenses for this grant.
  - File # 120418 – Resolution rejecting all bids received for a Water and Sewer Department (WASD) 42-inch reclaimed water main (Phase 1). This project was to be part of a \$300 million water reclamation program that was approved for cancellation by the South Florida Waste Management Division (SFWMD). WASD explained that the savings from the cancelled project will be reprogrammed for future water and sewer infrastructure improvements.
- April 27, 2012
  - File # 120738 – Ordinance authorizing issuance of not to exceed \$600 million in Florida Transit System Sales Surtax Revenue Bonds. CITT’s financial consultants reviewed and analyzed the 30-year Miami-Dade Transit pro forma assumptions and concluded in their October 2011 report that it appears to be optimistic with regard to key revenue and expenditure assumptions.
  - File # 120807 – Resolution to clean up the landfill on Virginia Key. According to the Office of the Inspector General, \$28 million in Solid Waste System Revenue Bonds (Series 2005), that was earmarked for the landfill cleanup, has been sitting idle for six (6) years earning interest, and since issuance of the bonds, the County has been making interest payments to the bondholders.
- June 4, 2012
  - File # 120738 – Ordinance authorizing issuance of not to exceed \$600 million in Transit System Sales Surtax Revenue Bonds. The serialized debt structure will ensure level debt payments, but may present problems to replace buses after 15 years according to CITT. Also, CITT’s financial consultant reviewed MDT’s pro forma and offered that it appears to be optimistic with regard to key revenue and expenditure assumptions.
  - File # 120964 - Resolution authorizing an option-to-renew contract for purchase of fire rescue apparatus. Due to lack of funding in the past two fiscal years, Miami-Dade Fire and Rescue (MDFR) has postponed fleet replacements in the Fire District.
  - File # 120848 – Resolution authorizing the Homeless Trust (HT) to issue a Request for Application (RFA) for approximately \$4.056 million for service providers of homeless housing and services. OCA pointed out that HT collects an estimated \$17.7 million from Food & Beverage taxes, and this RFA covers only a portion of the revenues received. Approximately \$9 million of these taxes is distributed to the Chapman Partnership for homeless emergency housing.

- July 3, 2012
  - File # 120951 – Resolution authorizing an interlocal agreement not to exceed \$400,000 with the Miami-Dade County Public Schools (MDCPS) Lindsey Hopkins Technical Education Center for inmates' education. OCA verified that the funding source (Inmate Welfare Account) of the Miami-Dade Corrections and Rehabilitation Department has a sufficient fund balance to pay for this agreement.
  - File # 120986/120987 – Resolution authorizing an amendment to two office space leases for Miami-Dade Police Department (MDPD). OCA clarified that in addition to these leases for a total of 28,000 sq. ft., MDPD leases another 170,000 sq. ft. of building space throughout the County.
- July 13, 2012
  - Fifteen (15) proposed Charter Amendment items - OCA pointed out the cost of printing ballots, which is \$0.41 per page. The Elections Department prints between 55% and 65% of ballots, for registered voters on Election Day (not counting absentee ballots). At 60% printing, each Election Day page generated by the ballot questions would cost an additional \$295,200.
- September 14, 2012
  - File # 121670 – Resolution authorizing a waiver of formal bid procedures for \$13.026 million with Motorola Solutions, to obtain ultra high frequency narrow banding services for the Miami-Dade Fire Rescue Department (MDFR). OCA indicated that this expenditure is an unfunded mandate by the Federal Communications Commission that requires MDFR to comply with these narrow banding requirements by January 1, 2013.

## **PUBLISHED BUDGET REPORTS**

- FY 10-11 Year-End Budget Amendments (January 23, 2012)
- FY 10-11 End of year Supplemental Budget (January 23, 2012)
- FY 11-12 Mid-Year Supplemental Budget Report (May 11, 2012)
- Analysis of Pay Exceptions and a review of the value of leave time payouts were provided to the Compensation and Benefits Review Ad Hoc Committee
- Millage Data Analysis (July 13, 2012)
- FY 12-13 Proposed Budget Report, which included the following four reports: Position Adjustments by Department; Proposed New and Increased Fees; Service Impacts; and Re-organizations, Changes in Service Delivery and Funding Changes
- Departmental Budget Report by Line Item (expenditures) pursuant to Ordinance 12-46 for the 25 administrative departments and thirteen mayoral and non-mayoral offices.

**PUBLISHED BUDGET REPORTS** *(cont'd)*

- FY 12-13 BCC/Non-Mayoral Budget Recommendations – OCA reviewed and provided recommendations where appropriate on the entities that report to the BCC including: Office of the Chair and its offices; Agenda Coordination, Office of Intergovernmental Affairs (OIA), Office of Community Advocacy, Office of the Commission Auditor, Commission on Ethics and Public Trust (COE), the County Attorney's Office (CAO), and the Office of the Inspector General (OIG).
- Committee of the Whole Workshops – Reviews included the following: General fund revenues, to include cash carryover and administrative reimbursements; emergency contingency reserve; current wage distribution by bargaining unit; review and comparison of various County budget data, to include 10 year history of Countywide and UMSA population and expenditures per capita; third party leases; health insurance trust fund; position adjustments by Department; and impacted filled positions by Department.

**COMMISSION INQUIRIES**

The Budget Division responded, in writing, to 28 requests from commissioners pertaining to various issues and budget items.

**OTHER STAFF ACTIVITIES**

Staff Support - Compensation and Benefits Review Ad Hoc Committee (CBRAHC) - On April 20, 2012, Chairman Martinez established an ad-hoc committee of the Commission to review the County's Pay Plan in depth to establish creative recommendations for the County Commission to consider in order for our government to become sustainable.

Status: *Project continues until otherwise directed by the BCC.*

Staff Training: OCA Budget Division received refresher and familiarization training on the following:

- Grants Management Process
- Cognos/FAMIS database
- New Active Strategy Web portal
- Resourcing For Results Online (RFRO) budget development web portal
- Automated Budget Development System (ABDS)

**SELECTED INTERNAL REPORTS AND ANALYSES**

- Department Overtime Report
- Analysis of Departments' Quarterly Reports
- Community Based Organization Adjustments
- Health Insurance Trust Fund Analyses
- Non-Departmental Historical Information
- Furniture (Office and Non-Office) Historical Information
- GOB Bond Analyses
- Departmental Budget Crosswalks
- Quarterly Report on: Travel and Registration Fees, Memberships & Publications, Advertising and Overtime
- Merger Analyses on Administrative Functions
- Executive Benefits and Car Allowances Report
- Employee Health Contributions by District Offices
- FY 10-11 and FY 11-12 Executive Merits Reports
- Under-Utilized Vehicles Analyses - Light Vehicles
- Safe Neighborhood Parks Bond Program Analyses
- Utility Gas Taxes
- Collective Bargaining Agreements Matrix
- Citations Review
- Air Rescue Revenue Analyses
- MDPD Vehicle Replacement Analyses



### **Annual Independence and Ethics Statement**

OCA's work products are intended to add value to the BCC's consideration of policies, practices and operations of Miami-Dade County and shall be based on facts, evidence and analysis, without interference or undue influence by outside elements. Independence permits employees to render the impartial and unbiased judgments essential to the proper conduct of audits, analyses, and other non-audit services.

To enable proactively addressing and avoiding potential impairments to independence, each professional OCA staff member is required to complete and sign an Annual Independence and Ethics Statement listing any known impairments to independence. The form is approved by the Commission Auditor and kept in OCA's personnel folders. *A copy of OCA's Annual Independence and Ethics Statement is appended as Exhibit 2.*

### **Tracking of Staff Time**

The OCA is expected to ensure that an appropriate balance is maintained between audit, legislative and other accountability activities. In order to accomplish this objective, the Commission Auditor implemented the Sage Software Timesheet to track and manage the workload within the office. This system can be used for other purposes such as to assist management in evaluating an employees' performance within a particular project and also to provide a database to assist staff in compiling the Annual Report, Work Plan and other strategic planning.

### **Staff Training**

All OCA staff members are encouraged to continue their professional education and to demonstrate their proficiency by obtaining professional certifications.

- OCA auditors perform work under Generally Accepted Government Accounting Standards (GAGAS) and are individually responsible to obtain every two (2) years, at least 24 hours of Continuing Professional Education (CPE) that directly relates to government auditing, the government environment, or the specific or unique environment in which the audited entity operates.
- Since OCA auditors are involved in planning, directing, or reporting on GAGAS assignments, they also need, at a minimum, an additional 56 hours of CPE (for a total of 80 hours of CPE in every 2-year period) that enhances the auditor's professional proficiency to perform audits or attestation engagements.
- Auditors with professional certifications, such as certified public accountants and certified internal auditors, must comply with the CPE requirements of their professional certification, if such certification is a job requirement, is used to justify a pay supplement, and/or is used in the auditor's OCA business cards, nameplates, email or other work products.

# Exhibits

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**Exhibit 1 - Commission Auditor's Duties**

- Ordinance No. 03-2, adopted by the BCC on January 23, 2003, delineated OCA's functions and responsibilities as authorized by the Home Rule Charter Amendment.
  - Provided authority for OCA access to all books and records of all departments, boards, agencies, and other entities of the County;
  - Specified responsibilities for 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 BCC, preparation of a budget;
  - Indicated that the work of 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;
  - Required that matters regarding fraud, abuse or illegality be referred to the Office of the Inspector General for follow-up;
  - Stipulated that the organization and administration of OCA is required to 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.
  - Clarified that Commission Auditor reports solely to and receives direction from the BCC;
  - Required the Commission Auditor to submit a Work Plan for each fiscal year for approval by the BCC;
  - Indicated that the approved Work Plan may be amended by a majority vote of the members present to meet circumstances and address concerns of the BCC; and
  - Directed that the Commission Auditor will, without amendment to the Work Plan, respond to requests for assistance from individual members of the BCC provided the response requires a relatively minor effort that can be accomplished without disruption to the approved Work Plan.
  
- Ordinance No. 03-65, adopted April 8, 2003, directed the County Manager to develop a schedule and apply performance based program review principles in reviewing the programs of each County department and agency, including all trusts and entities falling under the jurisdiction of Miami-Dade County government, at least once every eight years, commencing with the Fiscal Year 2004-2005 Budget Cycle. The ordinance directed that all performance based program reviews be performed in coordination with OCA. [Note: Subsequently superseded by Ordinance No. 05-136, Governing for Results, which does not have the same requirements for OCA.]
  
- FY 2004-05 Adopted Budget, adopted September 23, 2004, instituted requirement for OCA review of certain HIV/AIDS community based organizations' expenditures pursuant to General Fund contracts.
  
- Ordinances No. 05-15 and 07-76, adopted January 20, 2005 and June 26, 2007, respectively, required OCA review and periodic reporting of the Manager's exercise of authority delegated in Section 2-8.1 of the Code, which section is entitled "Contracts and purchases generally."
  
- Ordinance No. 05-26, adopted January 27, 2005, established a twelve-month Expedited Purchasing Program (EPP) pilot project and required the OCA to review, evaluate and periodically report on the operation of the EPP. Ordinances No. 06-15 and 07-49, adopted

January 24, 2006 and March 8, 2007, respectively, each extended the duration of the EPP and retained provisions requiring OCA review and reporting.

- Resolution No. R-195-05, adopted February 1, 2005, directed the Commission Auditor to review, analyze and make a recommendation to the BCC regarding all budget amendments proposed by the County Manager.
- Ordinance No. 07-45, adopted March 6, 2007, required that long and short term financial and capital improvement plans containing estimates be developed utilizing a professional revenue estimating process. Participants include, but are not limited to, the Director of the Office of Strategic Business Management, the Director of the Finance Department, and the Commission Auditor, or their respective designees.
- Resolution No. R-506-07, adopted April 26, 2007, which created a Budget Section within OCA and authorized nine (9) additional positions.
- Ordinance No. 07-83, adopted June 26, 2007, conditioned the County's grant to the Performing Arts Center Trust (PACT) of \$4.1 million in operational subsidies, and any prospective funding, upon the PACT's agreement to County Manager and Commission Auditor oversight.
- Resolution No. R-917-07, adopted July 26, 2007, required OCA observe the County's contract negotiations for the purchase of optical scan voting equipment. This project ended with BCC approval of the contract award on November 6, 2007.
- Ordinance No. 08-08, adopted January 10, 2008, amended Section 2-1795 of the Code, provided:
  - Requirements for OCA's coordination with the Office of Strategic Business Management in the development of the proposed budget;
  - Timeline and process requirements for OCA's budget review, analyses and recommendations;
  - Authority for OCA access to any and all financial, data, and reporting systems of the County and access to all books, records, memoranda and other documents, including both those internally or externally created, of all departments, boards, agencies, and other entities of the County;
  - OCA maintenance of information as confidential and/or exempt from disclosure to the extent required by law; and
  - Direct inquiries by OCA to any officer, agent, or employee of any department, board, agency or other County entity to clarify matters under his or her purview.
- Ordinance No. 08-42, adopted May 6, 2008, extended the term of the Expedited Purchasing Program (EPP) through March 16, 2009 and modified the program description to no longer call it a pilot program. Requirement for Commission Auditor review and evaluation of the EPP remained, although any reference to frequency was removed.
- Ordinance No. 08-86, adopted July 1, 2008, amended Article XLVII of the Code of Miami-Dade County, Florida, relating to Metro-Miami Action Plan Trust. The Trust shall present quarterly financial reports including a current statement of all accounts, to the Commission Auditor and the County Manager.

- Resolution No. 229-09, adopted March 3, 2009, directed Commission Auditor to include with each agenda item placed on the agenda, a copy of legislative analysis for that particular item.
- Resolution No. R-552-09, adopted May 5, 2009, directed the Commission Auditor to prepare quarterly reports to the Board of County Commissioners on the Beacon Council's use of eight percent of the business tax previously used by the Metro-Miami Action Plan Trust.
- Ordinance No. 09-104, adopted November 17, 2009, amended Section 2-1795 of the Code, relating to procedures to be followed in the preparation and adoption of the County's annual budget. This ordinance provided that a Committee of the Whole, rather than the Budget Conference Committee, will meet between August 15<sup>th</sup> and the first budget hearing and between the first and second budget hearings to review and discuss the proposed budget in accordance with the Commission's approved budget priorities and policy objectives and the findings, results, and recommendations of the Commission Auditor.
- Resolution No. R-256-10, adopted March 2, 2010, directed the Commission Auditor to utilize the directives database maintained by the Clerk of the Board to track and follow-up on directives and requests contained therein.
- Resolution No. 258-10, adopted March 2, 2010, directed the County Mayor to include in all award items presented to the Board of County Commissioners for ratification under the County's Stimulus Plan the names of all firms awarded contracts, details describing the solicitation process used to select such firms awarded contracts, details describing the solicitation process awards. The Mayor is further directed to present this information to the Commission Auditor and to the Board of County Commissioners prior to ratification by the Board of County Commissioners.
- Resolution No. R-530-10, adopted May 4, 2010, directed the Commission Auditor to track all agenda items with a fiscal impact for the required financial budgetary impact analysis and to identify for the Board those items which do not include the required information. Any item, other than a Commission sponsored item, without the required information cannot be heard by the Board.
- Ordinance No. 10-36, adopted June 3, 2010, amending Section 2-1795 of the Code of Miami-Dade County, Florida related to procedures to be followed by the Commission Auditor in the preparation and adoption of the County's Annual Budget. This ordinance provided that the Commission Auditor prepare a separate budget for the BCC and all departments and divisions that report to the Board. In addition, the committee amendment provides that the Commission Auditor shall review any mid-year and year-end budget amendments proposed by the Mayor and present his or her recommendations to the Board regarding such proposed amendments.
- Ordinance No. 10-43, adopted July 8, 2010, created the Miami-Dade County Performance and Efficiency Commission. The Office of the Commission Auditor will provide primary staff support to the Commission and its committees to include providing requested information, developing reports and assisting the PEC in drafting the quarterly reports required by this ordinance.

- Ordinance No. 10-46, adopted July 8, 2010, amended Section 2-481 of the Code of Miami-Dade County related to the Commission Auditor's access to information. This ordinance provided that access to information shall be provided to the Commission Auditor within five (5) business days from the date of the Commission Auditor's request; provided, however, if it is not reasonably possible to comply with the Commission Auditor's request within five (5) days, then access to the requested information shall be provided within the limited reasonable time necessary to retrieve the information. The information must be provided in the medium requested if the record is maintained in that medium.
- Ordinance No. 10-85, adopted December 7, 2010, relating to the rules of procedure of the Board of County Commissioners; amending section 2-1 of the Code of Miami-Dade County, Florida, regarding placement of agenda items sponsored by County Mayor upon inclusion of information required by Resolution No. R-530-10; and providing severability, inclusion in the code, and an effective date.
- Resolution R-30-11, adopted January 20, 2011, established the Miami-Dade County Hospital Governance Taskforce to study and report on alternative models for operating the Public Health Trust to ensure it has the governing and financial structure necessary to fulfill its crucial mission. The Office of the Commission Auditor will provide primary staff support to this Taskforce.
- Resolution R-581-11, adopted July 7, 2011, directed the Commission Auditor to provide a Tourism Impact Statement on certain legislative matters before the County Commission; and the Office of Intergovernmental Affairs shall track bills in the Florida Legislature for potential impact on Miami-Dade County tourism.
- Ordinance No. 12-46, adopted July 3, 2012, amended Section 2-1 of the Code of Miami-Dade County, Florida relating to rules of procedure of the Board of County Commissioners that pertain to the Annual Budget; amending Sections 2-1793 through 2-1796 and Sections 2-1798 through 2-1800 of the Code of Miami-Dade County, Florida related to strategic and business planning, the development, review and form of the County's annual line item budget, managerial accountability and performance, performance based program review, reserve funds and the line item budget format; amending resolution No. R-96-05 relating to quarterly reporting of long-term vacant positions.



**Exhibit 2 – OCA Annual Independence & Ethics Statement**

**ANNUAL INDEPENDENCE & ETHICS STATEMENT**

**Name:** \_\_\_\_\_

**Position:** \_\_\_\_\_

*Independence* – The work of the Office of the Commission Auditor (OCA) must be free in fact and appearance from personal, external and organizational impairments to independence. Independence permits the impartial and unbiased assessments that are essential to the conduct of OCA’s mission. OCA is presumed to be free of organizational impairments to independence when analyzing or auditing organizations under the Mayor or external entities. However, impairments to independence can also be personal or external in origin.

We expect OCA staff to maintain independence in the conduct of all assigned work; to be objective, fair, and impartial; and to conduct themselves so that subjects of our analyses and audits, and third parties will see our office in this way. Each staff member must promptly notify the Commission Auditor of any situation that would impair the staff member’s or the office’s independence in their work, or that might lead others to question it. If there is any doubt about whether a situation may be perceived as impairing independence, resolve the question in favor of disclosure.

As to this date, the following are areas in which I may have impairment(s) to independence: (Details may be communicated to the Commission Auditor separately.)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*Ethics* – OCA staff members are to be guided in their work by the ethical principles of: public interest; integrity; objectivity; proper use of government information, resources and position; and professional behavior. OCA staff are also required to comply with applicable provisions of ethics-related laws and policies that apply to employees of the Board of County Commissioners including, but not limited to, the:

- Code of Ethics for Public Officers and Employees (Florida Statutes, Chapter 112, Part III);
- Citizens’ Bill of Rights (Miami-Dade County Home Rule Charter);
- Miami-Dade County Conflict of Interest and Code of Ethics Ordinance, (Code, Section 2-11.1); and
- Protection of Employees Disclosing Specified Information (Code, Section 2-56.28).

*Affirmations* – By my signature below, I affirm that:

I am not aware of any circumstances that might impair my ability to be independent in my work or that might lead others to question it, except as indicated above or on attached pages. I am responsible for compliance with ethic-related laws and policies that apply to employees of the Board of County Commissioners. I will make timely written notification in the event other circumstance(s) arise that might impair or appear to impair independence with respect to my work.

**Signed by:** \_\_\_\_\_  
*Employee*

**Approved by:** \_\_\_\_\_  
*Commission Auditor*

**Date:** \_\_\_\_\_

**Date:** \_\_\_\_\_

### Exhibit 3 – Acronyms

ALGA	Association of Local Government Auditors
AO	Administrative Order
BCC	Board of County Commissioners
CAO	County Attorney’s Office
CITT	Citizens Independent Transportation Trust
COE	Commission on Ethics & Public Trust
CPE	Continuing Professional Education
CSBE	Community Small Business Enterprises
DCA	Department of Cultural Affairs
DoVE	Domestic Violence Education
EPP	Expedited Purchasing Program
FAMIS	Financial & Accounting Management Information System
FY	Fiscal Year
GAGAS	Generally Accepted Government Accounting Standards
GOB	General Obligation Bond
GSA	General Services Administration
HGT	Hospital Governance Taskforce
HT	Homeless Trust
IO	Implementing Order
ISD	Internal Services Department
OCA	Office of the Commission Auditor
OEM	Office of Emergency Management
OIA	Office of Intergovernmental Affairs
OIG	Office of Inspector General
MDC	Miami-Dade County
MDCPS	Miami-Dade County Public Schools
MDFR	Miami-Dade Fire Department
MDPD	Miami-Dade Police Department
MDT	Miami-Dade Transit
MMAP	Metro-Miami Action Plan
PACT	Performing Arts Center Trust
PEC	Performance & Efficiency Commission
POM	Port of Miami
PROS	Parks, Recreation & Open Spaces
R- #	Resolution #
RFA	Request for Application
RER	Regulatory and Economic Resources
SFWMD	South Florida Waste Management District
UAP	User Access Program
UMSA	Unincorporated Municipal Service Area
WASD	Water and Sewer Department
YTD	Year-To-Date

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## External Quality Control Review

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

Conducted in accordance with guidelines of the  
**Association of Local Government Auditors**  
for the period  
October 1, 2008 to September 30, 2011

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## Association of Local Government Auditors

November 1, 2012

Charles Anderson  
Commission Auditor  
Office of the Commission Auditor  
Miami Dade County Board of County Commissioners  
111 NW First Street, Suite 1030  
Miami, Fl. 33128

Dear Mr. Anderson,

We have completed a peer review of the Office of the Commission Auditor, Miami Dade County Board of County Commissioners, for the period October 1, 2008 through September 30, 2011. In conducting our review, we followed the standards and guidelines contained in the *Peer Review Guide* published by the Association of Local Government Auditors (ALGA).

We reviewed the internal quality control system of your audit organization and conducted tests in order to determine if your internal quality control system operated to provide reasonable assurance of compliance with *Government Auditing Standards* issued by the Comptroller General of the United States. Our procedures included:

- Reviewing the audit organization's written policies and procedures.
- Reviewing internal monitoring procedures.
- Reviewing a sample of audit engagements and working papers.
- Reviewing documents related to independence, training, and development of auditing staff.
- Interviewing auditing staff, management, and members of the Audit Committee to assess their understanding of, and compliance with, relevant quality control policies and procedures.

Due to variances in individual performance and judgment, compliance does not imply adherence to standards in every case, but does imply adherence in most situations.

Based on the results of our review, it is our opinion that the Office of the Commission Auditor, Miami Dade County Board of County Commissioners' internal quality control system was suitably designed and operating effectively to provide reasonable assurance of compliance with *Government Auditing Standards* for audits and attestation engagements during the October 1, 2008 through September 31, 2011.



Charles Anderson, Commission Auditor  
November 1, 2012  
Page 2

We have prepared a separate letter offering suggestions to further strengthen your internal quality control system.

Sincerely



Jay Poole  
City Auditor

Chesapeake, Virginia



Joseph Bergeron  
Palm Beach County  
Internal Auditor  
Palm Beach County, Florida



Mark Thompson  
Internal Audit Manager

Orlando Utilities Commission



## Association of Local Government Auditors

November 1, 2012

Charles Anderson  
Commission Auditor  
Office of the Commission Auditor  
Miami Dade County Board of County Commissioners  
111 NW First Street, Suite 1030  
Miami, FL 33128

Dear Mr. Anderson,

We have completed a peer review of the Office of the Commission Auditor, Miami Dade County Board of County Commissioners, for the period October 1, 2008 through September 30, 2011 and issued our report thereon dated November 1, 2012. We are issuing this companion letter to offer certain observations and suggestions stemming from our peer review.

We would like to mention some of the areas in which we believe your office excels:

- The department's staff was highly trained and extensively well qualified. The eight current staff members had a total of seventeen professional designations including four Certified Public Accountants, five Certified Internal Auditors, three Certified Government Audit Professionals, and five other professional designations.
- In response to its 2009 peer review, the department developed an extensive action plan that not only thoroughly analyzed the recommendations and included steps to implement them, but also followed up on action plan steps to ensure they were actually implemented.
- The department undergoes an extensive quality control self assessment process that incorporates the results of the prior peer review and includes workpaper improvement observations, continuing professional education and training observations, audit efficiency recommendations, and follow up on recommendations from prior reviews. The process was also noteworthy in that it included input and comments from all four of the department supervisory auditors.

We offer the following observations and suggestions to enhance your organization's demonstrated adherence to *Government Auditing Standards (GAS)*:

Charles Anderson, Commission Auditor

November 1, 2012

Page 2

- GAS Section 7.06 (2007 GAS), 6.06 (2011 GAS) indicates that auditors must adequately plan and document the work necessary to accomplish the audit objectives. While we noted that four of the five audits we reviewed included an Audit Planning Memorandum which provided this documentation, there was one audit that omitted this document.

We recommend that the Audit Planning Memorandum be included in all audits completed. This action will help ensure that all planning issues relevant to the audit objectives were considered by the auditor.

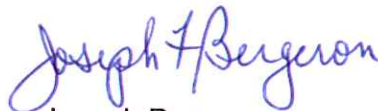
We extend our thanks to you and your staff for the hospitality and cooperation extended to us during our review.

Sincerely



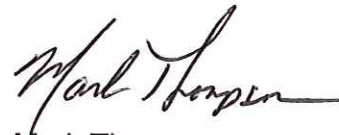
Jay Poole  
City Auditor

Chesapeake, Virginia



Joseph Bergeron  
Palm Beach County  
Internal Auditor

Palm Beach County, Florida



Mark Thompson  
Internal Audit Manager

Orlando Utilities Commission



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

Hon. Joe A. Martinez  
Chairman  
District 11

November 8, 2012

Hon. Audrey M. Edmonson  
Vice Chairwoman  
District 3

Mr. Jay Poole, CPA, CIA, CFE, CGMA  
Mr. Joseph Bergeron, CPA, CIA, CGAP

Hon. Barbara J. Jordan  
District 1

Mr. Mark Thompson, CPA, CISA

Hon. Jean Monestime  
District 2

**RE: PEER REVIEW AND MANAGEMENT LETTER RESPONSE**

Hon. Sally A. Heyman  
District 4

Thank you so kindly for participating in the Association of Local Government Auditors (ALGA) Peer Review of the Miami-Dade County Office of the Commission Auditor. We greatly appreciate your time and the expertise that you brought to this endeavor.

Hon. Bruno A. Barreiro  
District 5

Hon. Rebeca Sosa  
District 6

We are pleased that your review found the Office of the Commission Auditor to be in full compliance with *Government Auditing Standards* (GAS). As the second peer review that this audit organization has undergone, your input throughout the review has proven to be an invaluable, quality enhancing asset for our staff. Your recognition of our staff as highly trained and extensively well qualified is appreciated.

Hon. Xavier L. Suarez  
District 7

Hon. Lynda Bell  
District 8

Hon. Dennis C. Moss  
District 9

Hon. Sen. Javier D. Souto  
District 10

We concur with and will implement your recommendation in the management letter. We appreciate your examples on ways to further strengthen our internal quality control system. As mentioned in your management letter, the department undergoes an extensive quality control self-assessment process to ensure adherence to standards.


Hon. Jose "Pepe" Diaz  
District 12

Hon. Esteban Bovo, Jr.  
District 13

Charles Anderson, CPA  
Commission Auditor

Our entire staff found the peer review to be a valuable and constructive process. We greatly appreciate the professionalism that you displayed and the insights that you shared with us from your experiences.

Thank you so much for participating in our peer review.

  
Charles Anderson, CPA  
Commission Auditor

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