

Office of the Commission Auditor

FY 2009-10 ANNUAL REPORT




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

MEMORANDUM

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

FROM: Charles Anderson
Commission Auditor 

DATE: January 11, 2011

SUBJECT: Commission Auditor's FY 2009-10 Annual Report

The Fiscal Year 09-10 Annual Report for the Office of the Commission Auditor (OCA) is submitted in accordance with Sec. 2-479 of the Code. The report summarizes the accomplishments of the office, to include audits completed, follow-ups and other miscellaneous activities. During the year, the OCA continued to provide the highest quality professional services by:

- Successfully implementing the Directives Database Tracking System to monitor the process of completion of board directives and providing quarterly reports to the Board of County Commissioners (BCC);
- Providing professional staff support to the Performance and Efficiency Commission created by the BCC in April 2010;
- Providing detailed financial costs and budgetary impacts analysis for items with a fiscal impact as per Resolution R-530-10;
- 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 93 BCC and Committee agendas;
- Providing analytical budgetary reports and approximately 110 responses during the FY 10-11 budget cycle; 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 Board, our efforts have assisted their decision-making by helping to ensure governmental accountability and transparency.

We look forward to continuing our work with the Board in meeting the challenges facing Miami-Dade County.

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Memorandum

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Miami-Dade County
FY 2009-10 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, and other assessments to assist the BCC's decision-making by helping to ensure governmental accountability and the best use of public resources.

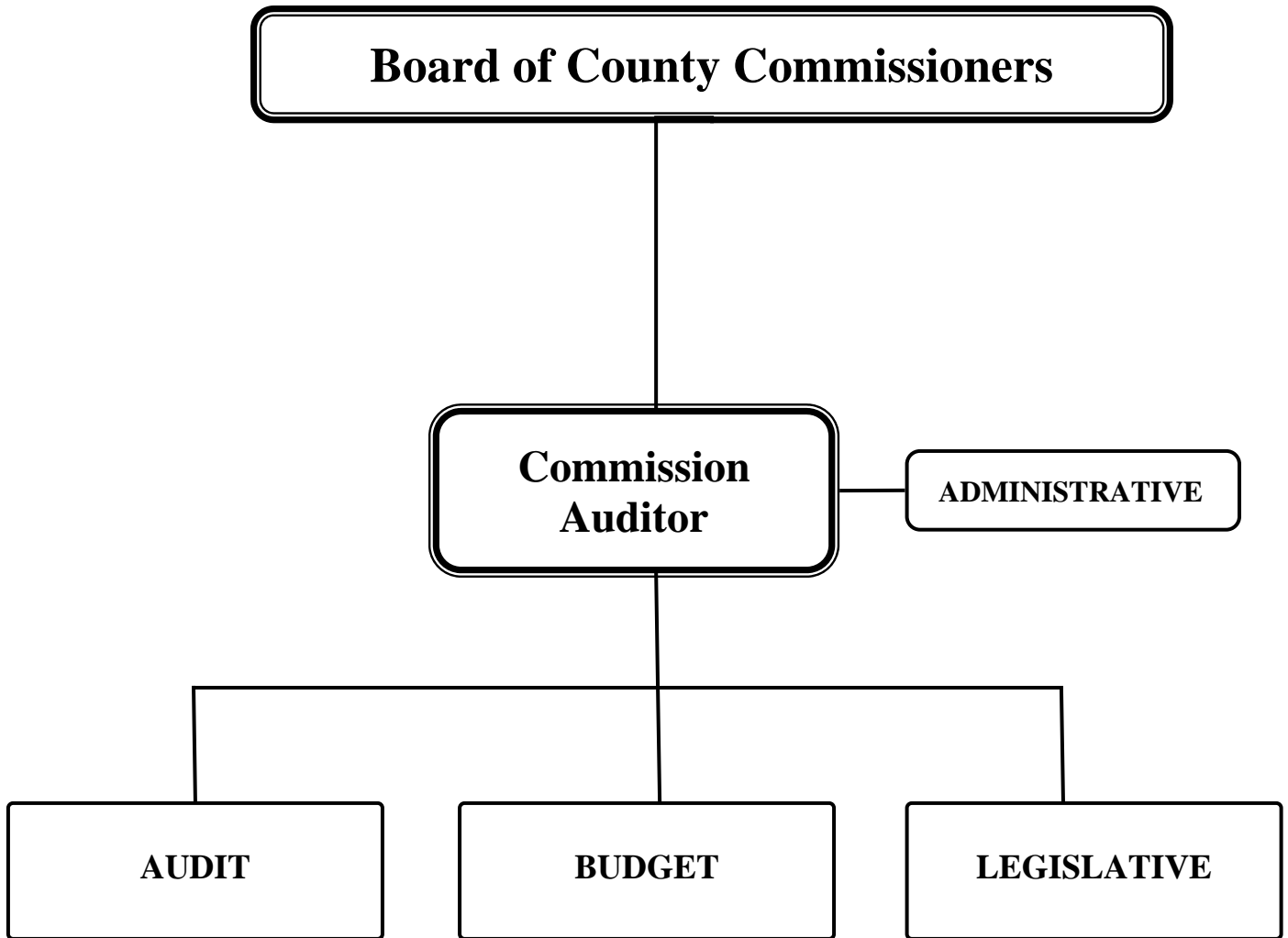


OBJECTIVES

The objectives of the OCA are:

1. To review the reasonableness of all revenue estimates included in the Mayor and County Manager'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 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 County Manager and County personnel and provide periodic reports to the BCC as needed.
8. To prepare and conduct briefings related to legislative agendas upon the request of the BCC or a commissioner.
9. To review the proposed budget and revenue forecast.
10. To recommend fiscal analyses to County policies, services and contracts; if requested by the commission.

TABLE OF ORGANIZATION



	FY08-09 <u>(10/1/08)</u>	FY09-10 <u>(10/1/09)</u>	FY10-11 <u>(10/1/10)</u>
Budgeted Positions	32	32	31
Vacancies	<u>2</u>	<u>2</u>	<u>2</u>
Staff Onboard	30	30	29

Charles Anderson, CPA – Commission Auditor

Mr. Anderson holds a Bachelor of Science degree in Accounting from the Florida Agricultural and Mechanical University. He is both a Certified Public Accountant (CPA) and a Certified Inspector General. Mr. Anderson began working with Miami-Dade County in 2004 as the Commission Auditor for the Board of County Commissioners. He had been an Inspector General with the State of Florida for ten (10) years. Prior to that, Mr. Anderson spent seven years as a Senior Auditor for the City of Tallahassee. Mr. Anderson is affiliated with the Institute of Internal Auditors, the Association of the Inspectors General, and the National Association of Black Accountants, of which he was the past President of the Tallahassee Chapter.

Gary Collins, CIA - Audit Manager

Mr. Collins holds a Bachelor of Science degree from Charter Oak State College and a Master of Public Administration degree from Florida International University (FIU). He is a Certified Internal Auditor (CIA). Mr. Collins is affiliated with the Institute of Internal Auditors (IIA) and the Association of Local Government Auditors (ALGA). Mr. Collins began working with the County as a Legislative Analyst in 2001 while he was concurrently pursuing postgraduate studies at FIU. In 2004, he became an Associate Auditor for the newly formed Office of the Commission Auditor. He became Senior Auditor in 2005 and Audit Manager in 2006. Before joining the County, Gary spent more than 30 years on active duty in the U.S. Coast Guard, where he received numerous awards for achievements in a wide variety of operational and administrative positions and retired with the rank of Lieutenant Commander.

Ines Beecher – Acting Budget Manager

Ms. Beecher holds a Bachelor of Science from the University of Florida, a Masters Degree in Public Administration from Florida International University, and a Public Budgeting and Financial Management graduate program certificate also from FIU. Twenty seven years ago she began working with the County as a part-time Management Intern; then progressive promotions thru the departments of MDT (Productivity/Budget Analyst), MDPD (Resource Management Commander), and Public Works (Assistant Director for Administration), before joining OCA as Budget Coordinator and current Acting Budget Manager. Ms. Beecher is a 29 year member of the American Society for Public Administration (ASPA); served four times as President, a former Board Member of the Southeastern Public Administration (SECoPA); and a current Member of the National ASPA Financial Committee.

Haralambia “Bia” Marsellos – Acting Legislative Chief

Ms. Marsellos holds a Bachelor of Arts degree in English and Political Science from the University of Miami and has completed coursework at the Nova Southeastern University School of Law. Her professional career includes extensive knowledge in project management, legislative research and policy analyses. She holds a State of Florida Certified Roofing Contractor’s License and has extensive knowledge of construction project management in the private sector. Ms. Marsellos began working with the Office of the Commission Auditor in 2004 and was subsequently promoted to Senior Legislative Analyst in 2006 and Legislative Supervisor in 2008, before being appointed to Acting Legislative Chief.

Together with a team of certified public accountants, certified internal auditors, experienced budget and legislative analysts, the OCA performs budgetary reviews, program evaluations, and legislative/policy analyses that impact the residents of Miami-Dade County.

AUDITS

1. 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.

<u>PTP Transfers from all Sources on Accrual Basis through September 30, 2008</u>	
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.

The bar chart in Figure 1 on the next page illustrates Surtax expenditures through September 30, 2008 by department and by 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.

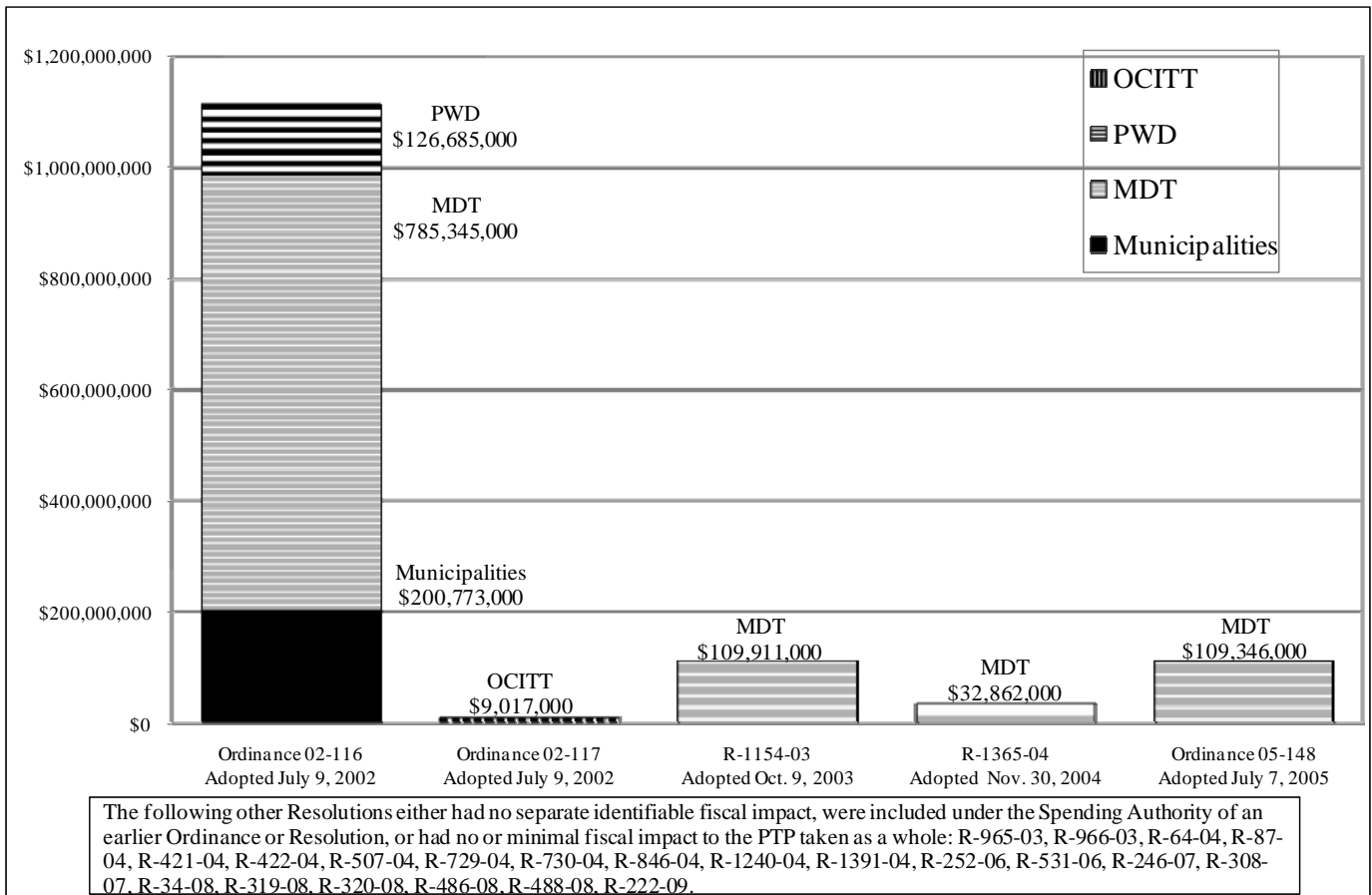


Fig. 1. People's Transportation Plan Surtax Spending by Ordinance and Resolution - Amount Spent from the Legislation's Adoption Date through September 30, 2008

Corrective actions taken by County Manager:

None were required.

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

None.

2. Audit of Implementation of Light Vehicle Reductions and Internal Controls (April 19, 2010; follow-up and closure September 30, 2010)

Major Findings/Conclusions:

Finding 2.1. Twelve large user departments directed in the Manager's Policy Memo to reduce Take-home Vehicles by a total of 379 had reduced by only 4.

Finding 2.2. As of the conclusion of OCA fieldwork, 11 of the 29 departments that had Take-home Vehicles had not complied with the directive to submit re-Justification reports to GSA within 60 days of the County Manager’s directive.

Finding 3.1. Fleet Inventory data received from 15 departments did not match with those maintained by GSA Fleet Management Division.

Finding 3.2. There was an unexplained cash difference of \$9,800 in one vehicle auction sales remittance report from Material Management Division to Fleet Management Division.

Results of Five-year Plan for Gasoline Consumption Reduction: For our review of this objective, we relied upon and did not audit GSA’s gasoline consumption data.

Based on our review of GSA gasoline consumption reports for the five-year period, FY 2003-04 through 2007 -08, we observed that the “ultimate goal” of 20% reduction in total gasoline consumption in five years as established in Resolution No. R-969-03 was not achieved. However, the directed 3% to 5% average annual reduction in gasoline consumption over the five years subsequent to the adoption of R-969-03:

- Was substantially achieved if only Light Fleet passenger vehicles, excluding police patrol vehicles, were considered (see Figure 2 below); and
- Was not achieved if all Light Vehicles or the total Light Fleet were considered (see Figure 3 on the next page).

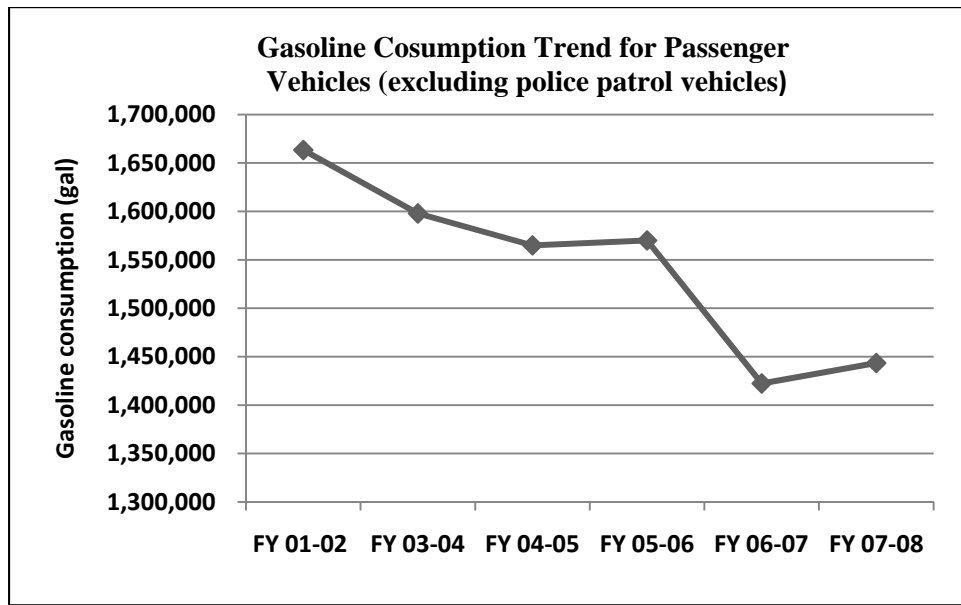


Fig. 2. Gasoline Consumption Trend for Passenger Vehicles

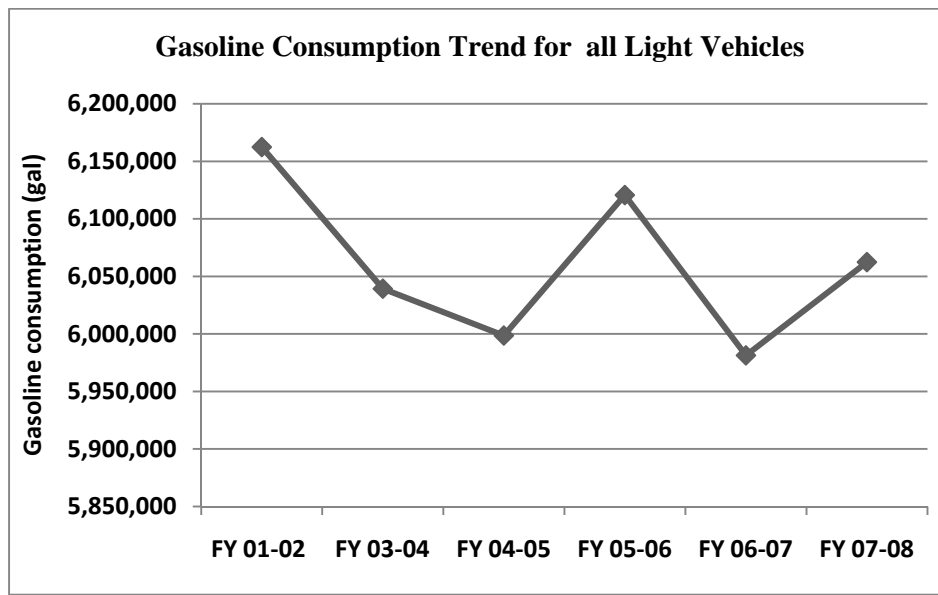


Fig. 3. Gasoline Consumption Trend for all Light Vehicles

Corrective actions taken by County Manager:

GSA concurred with the findings and recommendations cited in our report, and most corrective actions were reported as “actions taken” in the audit report. Additional follow-up information is provided below.

On September 29, 2010, a judgment of acquittal was issued in the case of a former GSA employee who had been charged with two felonies following GSA inquiries and MDPD investigations into the unexplained cash difference that we had noted during the audit (Finding 3.2).

Follow-up determined that the GSA Fleet Reporting Portal online database of 24-Hour Vehicle Assignments by Department, which does not include Miami-Dade Police Department (MDPD) and Miami-Dade Fire Rescue, indicated that take-home vehicle assignments had decreased from 584 on May 6, 2009 to 529 on September 30, 2010. Also, follow-up determined that none of the 21 vehicles assigned to MDPD Court Service Bureau were assigned as take-home (24-hour assignment) vehicles.

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

None

3. Review of Vendor Payment Processes Including Prompt Payment Compliance With CSBE Program Requirements (June 30, 2010)

Major Findings:

Payments to Community Small Business Enterprises (CSBEs):

Finding CSBE-1. Late Payments to CSBEs. OCA's review of 250 sampled invoices submitted to GSA, PWD, and MDAD from FY 2003-04 through FY 2007-08 showed that 144 (58%) payments to CSBEs were not made within the required 14 days.

Finding CSBE-2. Inconsistent Use of Unique Identifier on Invoices. We observed that County departments did not consistently place a unique [CSBE] identifier on invoices.

Finding CSBE-3. Insufficient Oversight of Complete Payment Process. There was insufficient CSBE-specific oversight to ensure that the invoice approval and payment processes are completed within the required 14 days.

Payments to Small Business Vendors:

Finding VP-1. Late Payments to Small Business Vendors. Payments for 32% of sampled small business vendor invoices were not made within the required 30 day period from receipt of proper invoice.

Finding VP-2. Inability to Determine Proper Invoice Date. In the sampled invoices, we observed inconsistent signature and date stamp processes that made it difficult to identify proper receipt and approval dates for the invoices.

Finding VP-3. Inability to Recognize Small Business Vendor Invoices. There were no unique identifiers to distinguish between invoices submitted by small business vendors from all other invoices submitted to the County in order to better enable staff to determine the need for expedited payment.

Finding VP-4. Lost Invoices. When small business vendor invoices are lost, the County does not make provisions to pay the invoice as quickly as possible to reduce time lost.



Corrective actions taken by County Manager:

Finance:

- Sent an email on June 4, 2010 to the accounts payable liaisons to remind them of the requirement to clearly stamp all CSBE vendor invoices as CSBE, SBE vendor invoices as SBE, and of the need to separate them from the rest of the department's invoices so they can be readily identified and payment can be expedited. (Findings CSBE-1, CSBE-2, VP-1, & VP-3)

- Indicated that Procedure 606 in the County’s Procedures Manual “Processing Payments for Purchases” is being updated to remind departments of the requirement to readily identify CSBE invoices with a CSBE stamp, and the need to segregate CSBE invoices when submitting them to the Accounts Payable Section. (Findings CSBE-2 & CSBE-3)
- Indicated that, for approximately the past three years, they have been sending Department Directors and their Assistant County Manager a quarterly update on the timeliness of their vendor payments. This assisted departments to identify problem areas and improve processing. (Finding VP-1)

SBD:

- In a February 11, 2003 memorandum, reminded all capital departments of their responsibility under the prompt payment provision. CSBE stamps were purchased and distributed and departments were advised to stamp all payment requisitions from CSBE



firms or where CSBE subcontractors were utilized with the letters “CSBE” as a flag to expedite payment processing. (Findings CSBE-1 & 2)

- Indicated that, within 30 days, they would remind County departments, including the Public Health Trust, of the responsibility and the requirement to procure self-inked “SBE” stamps. (Finding VP-1)

- Indicated that they will remind County departments, including the Public Health Trust, of the responsibility and the requirement to procure self-inked “SBE” stamps. (Finding VP-3)

MDAD:

- During the fieldwork phase of this audit, established changes to departmental policies and procedures to increase compliance with Section 10-33.02 of the Code and A.O. No. 3-22. For example, integrated the payment process through the use of PeopleSoft. (Finding CSBE-3)
- Implemented an invoice management system for the Capital Improvement Program that is more transparent than PeopleSoft, and makes scanned copies of invoices available during the approval process. Additionally, a targeted follow-up process to expedite the processing of slow-moving invoices was developed. (Finding CSBE-3)
- Communicated the importance of compliance with Sections 10-33.02, 2-8.1.1.1.1 and 2-8.1.4 of the Code and A.O. No. 3-19 to all employees responsible for invoice payment processing and identifiers will be added in PeopleSoft to clearly identify CSBE vendors. (Findings CSBE-1 & VP-1)
- Indicated that they ordered rubber stamps, which will be distributed to those responsible for receiving invoices from CSBEs, and that they have also flagged small business invoices within SharePoint (construction invoices) to clearly identify them throughout the approval process. (CSBE-2 & VP-3)
- Indicated that they would communicate in writing the importance of compliance with Sections 2-8.1.1.1.1 and 2-8.1.4 of the Code and A.O. No. 3-19 with all employees responsible to assure timely payments to small business vendors. (Finding VP-1)

- Indicated that they will notify employees responsible for authorizing invoices in writing of the requirements of A.O. No. 3-19 with respect to date stamping each invoice (both initial invoices and re-submitted invoices) at point of receipt and notification of improper invoices to vendors within 10 days of receipt. They will also use the date of first approval as the first documented date of record on the rare occasion an invoice is inadvertently not stamped. (Finding VP-2)

GSA:

- Indicated will provide training to staff processing CSBE invoices and the training will reinforce the importance of paying CSBE prime contractors timely. In addition, the department will revise current processing methods to include appropriate tracking measures and automate the process to monitor the receipt-to-payment cycle. (Findings CSBE-1, CSBE-3 and VP-1)
- Indicated that they will continue to stamp all CSBE invoices received to facilitate timely processing. Additionally, CSBEs will be encouraged to clearly identify their CSBE status on all invoices. (Finding CSBE-2)
- Indicated that they will provide SBE invoice training that will reinforce the importance of paying SBE invoices timely. GSA will also revise current processing methods to include appropriate tracking mechanisms. The department estimated that it will complete these corrections by December 2010. (Finding VP-1)
- Indicated that upon notification of a lost invoice, GSA will contact the vendor to request a duplicate invoice. Upon receipt, GSA staff will stamp ‘Researched Not Paid’ and acquire necessary signatures for forwarding to Finance Department. (Finding VP-4)

PWD:

- During the fieldwork phase of this audit, established changes to departmental policies and procedures to increase compliance with Section 10-33.02 of the Code and AO No. 3-22. For example, PWD has the invoices submitted directly to the Accounts Payable section. (Finding CSBE-3)
- Indicated that they implemented time frames and deadlines for every procedural step within the Department and division, communicate with CSBE contractors to ensure receipt of missing or incomplete documents, conduct meetings with CSBE contractors, as needed, to provide assistance in the completion of the payment requisition, and in conjunction with the Office of Capital Improvements implemented a pilot program in which prime contractors can submit subcontractors’ payrolls in arrears, when at least 50% of the required payrolls have been received by the Department. The prime contractor must be 100% in compliance before the next payment is submitted. (Finding CSBE-1)
- Indicated that they implemented a watermark that states “CSBE” on payment requisitions. (Finding CSBE-2)
- Implemented several procedures, such as centralized receipt of all CSBE invoices to provide proper accountability and eliminate inefficiencies, stamping of all invoices showing the date they were received, tracking all payment processes for CSBEs with a spreadsheet log from the time of receipt until the payment is rendered to the contractor, and conversion of the spreadsheet log into a module within the PWD database system to provide for automatic updates, alerts, and reminders to staff involved in the process. (Finding CSBE-3)

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

TBD; follow-up is in progress.



NON-AUDIT SERVICES

1. Analysis of Jackson South Community Hospital Income Statement.
2. Fact Finding Relating to the May 3, 2010 Miami-Herald Article, “Highly Paid Firm Doing Same Work as Jackson Workers.”
3. Quarterly Reports on Beacon Council’s Use of the Eight Percent (8%) of Local Business Tax Previously Used by the MMAP.

Resolution R-552-09 directed OCA to “prepare quarterly reports to the Board of County Commissioners on The Beacon Council’s use of the eight per cent [8%] of the business tax previously used by the Metro-Miami Action Plan Trust” (MMAP). [MMAP was subsequently renamed the Miami-Dade Economic Advocacy Trust by Ordinance 09-70.]

- On July 19, 2010, OCA reported on the quarters ended September 30 and December 31, 2009 relying upon data provided by The Beacon Council, but OCA and The Beacon Council disagreed on whether the data adequately documented the uses of the 8%.
- Negotiations remain in progress to establish agreed upon procedures.
- Project continues until otherwise directed by the BCC.

ON-GOING PROJECTS

1. Review of Procurement Processes, including Change Orders, Sole Source Contracts, Debarment and Suspension Procedures, and Selection Committees
 - *Status: Fieldwork is completed; project is in report writing phase.*
2. General Services Administration Pricing Best Practices Review
 - *Status: Fieldwork is completed; project is in report writing phase.*

ON-GOING PROJECTS (cont'd)

3. Feasibility of Consolidating Certain Functions in the Police Department and Corrections and Rehabilitations Department
 - *Status: Fieldwork and updates are completed; project is in report writing phase.*
4. Review of Community Action Agency Operations
 - *Status: Final draft was issued December 6, 2010 for CAA management review and comment. Anticipate issuing audit report in early January 2011.*
5. Review of Manager's Exercise of Authority Delegated Pursuant to Section 2-8.1 of the Code of Miami-Dade County
 - *Status: Fieldwork is completed; project is in report writing phase.*
6. Audit of CSBE Participation and Utilization in a Sample of County Contracts
 - *Status: Planning for entrance conference; project is in planning phase.*
7. Audit of the County's CBO Grant Management Process
 - *Status: Planning for entrance conference; project is in planning phase.*
8. Audits of various County departments/offices/agencies
 - *Status: Fieldwork is in progress; initial focus is on entities funded by General Funds. A series of departmental budget compliance pilot studies began with two smaller departments to test project feasibility and utility. Studies are incrementally expanding into larger departments.*
9. Oversight of the Performing Arts Center Trust (PACT)
 - *Status: Monitoring of continues; project continues until otherwise directed by the BCC. (Non-audit service)*
10. Quarterly Reports on Beacon Council's Use of the Eight Percent (8%) of Local Business Tax Previously Used by the MMAP
 - *Status: See previous page for more detail; project continues until otherwise directed by the BCC. (Non-audit service)*



ANALYSES/REPORTS

- Legislative Analyses for BCC Meeting Agendas (Various dates). OCA Legislative Staff published legislative analyses in support of Commissioner’s consideration of agenda items for 32 BCC meetings, to include special meetings and budget conference committee meetings, and 61 BCC Committee meetings and workshops.
- 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.
 1. Sexual Offender Residency Ordinances. Provided a list of municipalities that have adopted Sexual Offender residency Ordinances (November 4, 2009).
 2. Wage Theft Report. Examined national data and trends pertaining to wage theft. (December 14, 2009).
 3. Wackenhut Report. Examined transmittal letters from staff to the BCC; an audit report and final audit report conducted by Audit and Management Services Department (AMS) relating to MDT Security Services Contract; policy recommendations from the County Manager to the Mayor; Wackenhut’s legislative history; and Wackenhut preliminary response and final response pertaining to AMS’s Audit Report. (February 26, 2010).
 4. Temporary Health professional Contract. (March 2, 2010).
 5. Corrections Department Research. Procurement items related to the Corrections Department 2008-2010. (April 6, 2010).
 6. Survey of Salaries for Elected County Constitutional Officers (whether they follow State formula). Survey pertaining to the salaries for elected county commissioners in chartered and non-chartered counties.
 7. Survey of Restrictions on Outside Employment and Term Limits for Elected Officials. (April 27, 2010).
 8. Board of County Commissioner review. Review of the BCC’s related items. (May, 25, 2010).
 9. Survey of Public Hospitals. (June 7, 2010).
 10. Survey of twenty (20) jurisdictions and how they are dealing with budget shortfalls. (August 5, 2010).
 11. CDBG Entitlement Cities: Researched Entitlement Cities that review CDBG funds and how they structure the handling of these funds. (August 12, 2010).
 12. Bicycle Review. Identified and surveyed jurisdictions which have bicycle registration fees and ascertained the fiscal impact of such fees in Miami-Dade County. (August 12, 2010).
 13. Bargaining Units Agreement Analysis/Matrix. (August 12, 2010).



ANALYSES/REPORTS (cont'd)

14. Health and public safety reasons for cat licensing. Research regarding the budget process. (August 20, 2010).
15. Public Health Trust (PHT) Research Legislation. (August 20, 2010).
16. National survey of top 15 counties / cellular phone allowance and cellular phone issuance. The survey answers how other counties manage cellular phone allowances and/or issue cellular phones by employee classification across the nation. (August 20, 2010).
17. Public Health Survey. Survey of public hospitals in Florida that receive county general fund support similar to that of Miami-Dade's Jackson Memorial Hospital. (August 24, 2010).
18. University of Miami/Jackson Operating Agreement and Other Operating Agreements around the Nation. (September 20, 2010).

OTHER

Completed Section 4 – Legislative Section of the OCA *Revised* Policies and Procedures Manual.



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 Board those items which do not include the required information. OCA Budget staff completed fiscal impact statements as follows:

For Board of County Commissioners: (12 completed)

- Coordination of Disadvantaged Services agreements (June 3, 2010) - funding breakdown provided.
- Grant funding agreement from the State for transportation disadvantaged (June 3, 2010) - funding breakdown provided for grant match required.
- Special Election for Board of County Commissioners to have authority to abolish municipality with 20 or fewer electors (June 3, 2010) - cost of election provided.
- Special Election-Franchise Agreement (June 3, 2010) - cost of election provided.
- Cooperative Agreement with AARP Foundation for Senior Community Service employment Program (June 3, 2010) - program cost questioned on the item.
- Public Health Trust and University of Miami agreement regarding prepayment of lease agreement (June 15, 2010) - budget discussion on the lease cost.
- Selection of Affordable Housing Developers for Northside Station and Caribbean Boulevard (July 8, 2010) - breakdown of budgeted allocations for the two projects were provided.
- Lease Agreement with Westrec Equities, Inc. (July 8, 2010) - noted minimum guarantee item conflict between memorandum and report.
- Agreement with South Florida Workforce to participate in the Florida Back to Work Program (July 8, 2010) - explained cost and potential savings to County.
- Implementing Order 7-33 rates for Fire Rescue Off-Duty Services (July 8, 2010) - noted difference in CPI utilization between the Department and those provided by the U.S. Bureau of Labor Statistics.
- 2010 Update to the Domestic Violence Oversight Board Plan (July 8, 2010) - provided breakdown of revenues and expenses for the lodge and staff.
- Memorandum of Agreement with City of Miami Gardens for landscaping on NW 183 Street from NW 27-47 Avenue through FDOT funding (September 10, 2010) - provided project balance in FDOT agreement.

For BCC Committees: (22 completed)

- Airport and Seaport Committee: 1
- Budget, Planning and Sustainability Committee: 9
- Government Operations Committee: 3
- Housing and Community Development Committee: 2
- Recreation, Cultural and Tourism Committee: 2
- Transit, Infrastructure and Roads Committee: 5



PUBLISHED BUDGET REPORTS

- FY 08-09 Year End Budget Amendments (January 12, 2010).
- FY 08-09 Year End Supplemental Budget (January 12, 2010).
- Pay Exceptions/Other Pay Items (January 27, 2010) - Report on the amounts paid in pay exceptions, overtime, and money adjustments for FY 08-09.
- Analysis of Employee Payroll Reductions (February 2, 2010) - Report to Commissioner Sorenson on the impact of payroll reductions and projected savings.
- Review-Salary Ranges and Employee Counts Breakdown (March 4, 2010) - Summary chart provided on salary ranges and employee counts.
- FY 09-10 GF Breakdown by BCC Committees and Strategic Areas (March 9, 2010) – Report to assist each BCC Committee in its priorities discussion.
- Elderly Meals (May 10, 2010) - Report on alternative methods for funding elderly meals.
- FY 09-10 Mid-Year Supplemental Budget Report (May 11, 2010).
- FY 09-10 Mid-Year Budget Amendment Report (May 11, 2010).
- Revenue Estimating Conference Report (May 28, 2010) - Report detailing reviewed selected revenue streams with OSBM and Finance, and discussed adjustments where needed.



- FY 10-11 Resource Allocation Meetings - Summary (July 1, 2010).
- Millage Data (July 19, 2010).
- Ten Year Expenditure Review (August 12, 2010) - Series of charts that review ten years of operating expenditures.
- FY 10-11 Proposed Resource Allocation and Multi-Year Capital Plan-Executive Overview (August 19, 2010) - Series of executive overview charts to include debt to operating revenue, resource allocation, etc.
- FY 10-11 Board of County Commissioners Budget Priorities Comparison (August 20, 2010) – Table with the specific budget priorities of each Committee with applicable references from the FY 10-11 Proposed Budget.
- FY 10-11 Proposed Budget Summaries-All Departmental (August 20, 2010) - Binder containing revenue and expenditure analyses for each department.

PUBLISHED BUDGET REPORTS (cont'd)

- FY 10-11 Proposed Budget General Fund Revenues (August 24, 2010) - Report on general fund revenue, cash carryover, and the administrative reimbursement fee.
- FY 10-11 Proposed Budget General Fund Support for Operating Expenditures (August 24, 2010) - Table comparing changes in General Fund support from FY 09-10 Adopted Budget to FY 10-11 Proposed Budget.
- Bargaining Agreements (August 24, 2010) - Report summary of collective bargaining agreements' estimated costs for FY 10-11.
- FY 10-11 Emergency Contingency Reserve (August 24, 2010).
- FY 10-11 Budget Workshop Preliminary Recommendations (August 25, 2010).
- FY 10-11 Span of Control Analysis (September 13, 2010) - Report indicating supervisor to employee ratio to assist in identifying potential opportunities for restructuring positions to increase resources for direct services.
- Florida Retirement System (FRS) Renewed Members (September 13, 2010) - List of rehired retired employees in Miami-Dade County.
- FY 10-11 Wage Distribution (September 13, 2010) - Table providing estimated FY 10-11 wage scale for full time employees by bargaining unit with the exception of the Clerk of Courts and the South Florida Workforce Investment Board .
- FY 10-11 BCC/Non-Mayoral Budget Recommendations (September 15, 2010).
- FY 10-11 Proposed Budget Position Vacancies (September 23, 2010).

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**COMMISSION INQUIRIES**

- Responded in writing to 110 requests from commissioners pertaining to various issues and budget items.



**FY 10-11 PROPOSED BUDGET MEETINGS/DISCUSSIONS**

The Board of County Commissioners requested that the Office of the Commission Auditor develop an alternative budget to the Mayor's FY 10-11 proposed budget for the BCC and all departments/divisions that report to the BCC. Meetings and/or discussions were undertaken with the offices and departments listed below:

- Office of the Chair and Sections reporting to the Chair
- Office of Intergovernmental Affairs
- 13 District Offices
- County Attorney's Office
- Office of the Inspector General
- Commission on Ethics and the Public Trust

A report was issued and, thereafter, discussed at the Budget workshop. The Commission on Ethics and Public Trust was able to revise their reductions at the workshop. Subsequently, the OSBM Director confirmed that additional assistance would be provided to the Office of the Inspector General, if needed, for the costs of background checks on advisory boards. Additionally, the first budget hearing memorandum contained an increased adjustment in the Mayor's proposed budget for the County Attorney's Office.





### **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 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.
- Because OCA Auditors are involved in planning, directing, or reporting on GAGAS assignments, they also need at least 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.

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# 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 Management in the development of the proposed budget;
  - Timeline and process requirements for OCA's budget review, analysis 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. 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.

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**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

|        |                                                    |
|--------|----------------------------------------------------|
| AARP   | American Association for Retired People            |
| ALGA   | Association of Local Government Auditors           |
| AMS    | Audit & Management Services Department             |
| AO     | Administrative Order                               |
| ASPA   | American Society of Public Administration          |
| BBC    | Building Better Communities Bond Program           |
| BCC    | Board of County Commissioners                      |
| CAA    | Community Action Agency                            |
| CBO    | Community Based Organizations                      |
| CIA    | Certified Internal Auditor                         |
| CIGP   | County Incentive Grant Program                     |
| CPA    | Certified Public Accountant                        |
| CPE    | Continuing Professional Education                  |
| CPI    | Consumer Price Index                               |
| CSBE   | Community Small Business Enterprises               |
| EPA    | Environmental Protection Act                       |
| EPP    | Expedited Purchasing Program                       |
| FDOT   | Florida Department of Transportation               |
| FIU    | Florida International University                   |
| FRS    | Florida Retirement System                          |
| FY     | Fiscal Year                                        |
| GAGAS  | Generally Accepted Government Accounting Standards |
| GOB    | General Obligation Bond                            |
| GSA    | General Services Administration                    |
| IIA    | Institute of Internal Auditors                     |
| OCA    | Office of the Commission Auditor                   |
| OSBM   | Office of Strategic Business Management            |
| MDPD   | Miami-Dade Police Department                       |
| MDAD   | Miami-Dade Aviation Department                     |
| MDT    | Miami-Dade Transit                                 |
| MMAP   | Metro-Miami Action Plan                            |
| PACT   | Performing Arts Center Trust                       |
| PHT    | Public Health Trust                                |
| PTP    | People's Transportation Plan                       |
| PWD    | Public Works Department                            |
| R- ### | Resolution #                                       |
| SBD    | Small Business Development                         |
| SBE    | Small Business Enterprise                          |
| TBD    | To be determined                                   |
| VP     | Small Business Vendor Payment                      |

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