

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

M E M O R A N D U M

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

FROM: Charles Anderson
Commission Auditor

A handwritten signature in black ink, appearing to read "Charles Anderson".

DATE: May 10, 2011

SUBJECT: Commission Auditor's Work Plan; CY 2011

The Commission Auditor's Calendar Year (CY) 2011 Work Plan is submitted in accordance with Sec. 2-478 of the Code. Brief status updates are included for on-going audit projects. Additional details of prior fiscal year accomplishments were separately published in the Commission Auditor's FY 2009-10 Annual Report, dated January 11, 2011 which is available online at http://www.miamidade.gov/auditor/annual_report.asp.

New projects recommended for approval:

1. *Audit of Internal Controls for the Protection of Electronically Stored Personal and Health Information.* OCA's Audit of Community Action Agency's (CAA) Operations identified control weaknesses in the protection of its information assets. This audit will provide reasonable assurance of internal controls for the protection of electronically stored personal and health information.
2. *Audit of Debt Collection Processes.* In a memo dated July 30, 2010, titled Report on County Debt Collection Process, the County Manager indicated that "Each department has the discretion to determine when and how to manage initial collection efforts and when to request support from Finance Department's Credit and Collections Section (CCS) or outside collection agencies. This audit will provide reasonable assurance of the efficiency and effectiveness of these debt collection processes within the County.
3. *Audit of Accountability for Computer Equipment Purchased During FY 2008-09 and 2009-10.* Personal computer expenditures were \$2.7 million in FY 2008-09 and \$1.3 million in FY 2009-10. This audit will test accountability for computers purchased during FY 2008-09 and 2009-10 and disposition of the equipment that was replaced.

4. *Audit of User Access Program (UAP) Exemptions.* This audit will provide reasonable assurance of compliance with UAP exemptions, including Federal funding exemptions.
5. *Audit of Non-Governmental Entities' Compliance with Lease Agreements for Use of County-Owned Properties.* In October 2009, GSA reported that more than 50 County-owned properties were leased to non-governmental entities. This audit will provide reasonable assurance that the properties are being used in accordance with lease agreements.

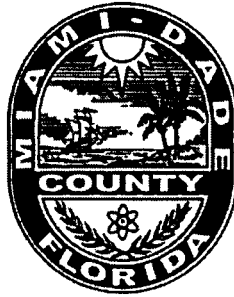
Audit projects included pursuant to legislative requirements:

1. *Staff Support to the Performance and Efficiency Commission.* Required by Ordinance No. 10-43 adopted July 8, 2010. Project continues until charge is completed or until otherwise directed by BCC.
2. *Staff Support to the Hospital Governance Taskforce.* Required by Resolution No. R-30-11 adopted January 20, 2011. Project continues until charge is completed or until otherwise directed by BCC.
3. *Review Agenda Items with Fiscal Impact.* Required by Resolution No. R-530-10, adopted May 4, 2010. Project continues until otherwise directed by the BCC.
4. *Beacon Council.* Required by Resolution No. R-552-09 adopted May 5, 2009. Project continues until otherwise directed by the BCC.
5. *Review of the Manager's Exercise of Authority Delegated Pursuant to Section 2-8.1 of the Code of Miami-Dade County.* Required by Ord. No. 09-12, adopted March 3, 2009. Project continues until otherwise directed by the BCC.
6. *Oversight Review of the Performing Arts Center Trust.* Required by Ordinance No. 07-83, adopted June 26, 2007. Project continues until otherwise directed by BCC.

Audit projects recommended for modification or termination:

None

Attachment: CY 2011 Commission Auditor's Work Plan



MIAMI-DADE COUNTY BOARD OF COUNTY COMMISSIONERS

OFFICE OF THE COMMISSION AUDITOR

**COMMISSION AUDITOR'S CALENDAR YEAR
(CY) 2011 WORK PLAN**

May 10, 2011

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Commission Auditor**

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**Miami-Dade Board of County Commissioners
Commission Auditor’s CY 2011 Work Plan**

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COMMISSION AUDITOR'S CY 2011 WORKPLAN

Introduction

Mission Statement: Provide high quality, independent audits, budgetary, legislative and other analyses and assessments to assist Board of County Commissioners' decision-making by helping to ensure governmental accountability and the best use of public resources.

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.

OCA began CY 2011 with 28 of its 31 positions filled. In the previous year, OCA provided 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.

OCA's planned areas of emphasis for CY 2011 are:

- Auditing – Complete ongoing projects to further demonstrate our commitment to provision of value-added services.
- Budgeting – Provide proactive, prospective budgeting information and analyses to the BCC.
- Legislative – Provide more targeted analyses and special project support to best assist the BCC.

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AUDIT WORK PLAN

Proposed Audit Project(s)

1. *Audit of Internal Controls for the Protection of Electronically Stored Personal and Health Information*
 - Provide reasonable assurance of internal controls for the protection of electronically stored personal and health information.
2. *Audit of Debt Collection Processes*
 - Provide reasonable assurance of the efficiency and effectiveness of the debt collection processes within the County.
3. *Audit of Accountability for Computer Equipment Purchased During FY 2008-09 and 2009-10*
 - Test accountability for computers purchased during FY 2008-09 and 2009-10 and disposition of the equipment that were replaced.
4. *Audit of User Access Program Exemptions*
 - Examine the User Access Program to provide reasonable assurance of compliance with exemption requirements, including Federal funding exemptions.
5. *Audit of Non-Governmental Entities' Compliance with Lease Agreements for Use of County-Owned Properties*
 - Review a sample of County leases with non-governmental entities and provide reasonable assurance that the properties are being used in accordance with lease agreements.

Audit Projects in Progress from Previous Work Plan

1. *Review of Procurement Processes, including Change Orders, Sole Source Contracts, Debarment and Suspension Procedures, and Selection Committees*
 - Review the above components, related studies, and reports to determine if the County is procuring goods and services in accordance with policies and procedures and best practices.
Status: Fieldwork is completed; project is in report writing phase.
2. *General Services Administration Pricing Best Practices Review (GSA)*
 - Conduct a best practices review of pricing policies for products and services of similar governmental organizations and compare with the policies and practices of GSA.
Status: Fieldwork is completed; project is in report writing phase.
3. *Feasibility of Consolidating Certain Functions in the Police Department and Corrections and Rehabilitations Department*
 - Assess reasonableness of consolidating certain functions to promote efficiency by eliminating duplication and to generate savings that could be redirected to front line services or other critical public safety issues
Status: Exit conference conducted; follow-up and updates continue for inclusion in final draft report.

4. *Audit of CSBE Participation and Utilization in a Sample of County Contracts*
 - Determine CSBE participation and utilization in compliance with Code of Miami-Dade County.
Status: Fieldwork in progress.
5. *Audit of County's CBO Grant Management Process*
 - Review the County's Community-Based Organization's (CBO's) grants management process for efficiency, effectiveness, and coordination of grant proposals.
Status: Fieldwork in progress.
6. *Review of Manager's Exercise of Authority Delegated Pursuant to Section 2-8.1 of the Code of Miami-Dade County*
 - Review and periodic reporting of the Manager's exercise of authority delegated in Section 2-8.1, entitled "Contracts and purchases generally." This includes review of the exercise of Expedited Purchasing Program (EPP) authorities in accordance with Ord. No. 09-12, adopted March 3, 2009.
Status: Fieldwork is completed; project is in report writing phase.
7. *Report/Audit of Various County Departments/Offices/Agencies*
 - These are audits of various County department/offices/agencies with an initial focus on entities funded by General Funds. The goal is to provide objective analysis 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.
 - a. Medical Examiner Department
Status: Fieldwork is completed; project is in report writing phase.
 - b. Department of Cultural Affairs
Status: Fieldwork in progress.

Non-Audit Services

1. *Beacon Council*
 - Resolution No. R-552-09, adopted May 5, 2009, directed OCA to prepare quarterly reports to the Board of County Commissioners on The Beacon Council's use of the eight percent (8%) of the business tax previously used by the Metro-Miami Action Plan Trust (MMAP).
Status: OCA and Beacon Council are working on a format for reporting the uses of the eight percent (8%) of local business tax revenues.
2. *Staff Support to the Performance and Efficiency Commission (PEC)*
 - The PEC was established to obtain private and public sectors input 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: Fieldwork in progress; project continues until otherwise directed by the BCC.

3. *Oversight of the Performing Arts Center Trust (PACT) – (BCC – Ordinance No. 07-83)*
 - Grant of \$4.1 million in operational subsidies and any prospective funding was conditioned upon the PACT’s agreement to County Manager and Commission Auditor oversight.
Status: Fieldwork in progress; project continues until otherwise directed by the BCC.
4. *Staff Support to the Hospital Governance Taskforce*
 - The HGT was established 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. OCA is assigned to provide primary staff support to the Miami-Dade County Hospital Governance Taskforce (HGT).
Status: Fieldwork in progress; project continues until otherwise directed by the BCC.

Major Audit Projects Closed During Prior Year

1. Audit of Implementation of Light Vehicle Reductions and Internal Controls
 - *Report issued on April 19, 2010.*
2. Review of Vendor Payment Processes Including Prompt Payment Compliance With CSBE Program Requirements
 - *Report issued on June 30, 2010.*
3. Beacon Council Use of 8% of the Business Tax For the Quarters Ended September 30, 2009 and December 31, 2009
 - *Report issued on July 19, 2010.*
4. Review of Community Action Agency Operations (CAA)
 - *Report issued on January 21, 2011.*
5. Miami-Dade County Debt Obligations
 - *Report issued on January 31, 2011.*
6. Auditors’ Budget Assignments
 - *Multiple reports included in Commission Auditor’s budget reports, July-September 2010.*

Project(s) Recommended for Modification or Termination

None.

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BUDGET WORK PLAN

1. *Track all agenda items with fiscal impacts for the required financial budgetary analysis*
 - Assist the Committees and the BCC with enforcement of the budget ordinance by analyzing the spending and/or revenue effects of specific legislative proposals.
 - Ensure the agenda items with fiscal impacts include the nature of the commitment, a detailed statement regarding funding source(s) necessary for the item; and an analysis of the fiscal impact said commitment will have on current and future annual County budgets (Monthly).
2. *Review the reasonableness of all revenue estimates included in the Mayor's proposed budget*
 - Review information on economic and revenue conferences sponsored by the State of Florida Economic Demographic Research Department for the latest revenue updates (October-December) and (June-August).
 - Analyze State of Florida revenue distributed to the counties for local trends and the potential of future adjustments to revenue streams (Monthly).
 - Develop revenue assumptions and analyze historical data for utilization at the County Revenue Estimating Conferences (as necessary between December-July).
 - Attend and participate in the Social and Economic Development Council meetings (Monthly).
 - Liaise with County economist to discuss economic issues as needed.
 - Conduct an in-depth review and analysis of the proposed budget revenue (July-September).
3. *Offer input throughout the budgetary process*
 - Review departmental business plans and performance indicators of future goals and objectives to analyze their alignment with BCC goals and objectives (February-April).
 - Review departmental budget submission drafts, attend departmental resource allocation hearings and discuss issues of concern as required (February-April).
 - Discuss/meet with the OSBM and departmental personnel to obtain an understanding of major issues as needed (Ongoing).
 - Review State of Florida and Federal Government budgetary issues and their impact on the County budget, offering insights to the BCC as needed (Ongoing).
4. *Analyze the Mayor's proposed budget and make recommendations to the BCC regarding adjustments*
 - Conduct in-depth review and analysis of the proposed budget (July-September).
 - Develop budgetary reports, by Committee and by Department-on: activities cost, staffing changes, overall revenue and expenditure direction, reorganizations, selected line item review, and span-of-control analysis (July-August).
 - Prepare a separate budget for the BCC and all departments and divisions that report to the Board (August).
 - Develop first and second budget hearing recommendations for BCC (September).

5. *Provide periodic reports to the BCC which shall include, but not be limited to the following:*
 - Develop written correspondence, as necessary and/or requested, for various budgetary issues during the year.
 - Review BCC Committee agendas for budgetary concerns within legislative items and coordinate with the OCA Legislative Staff (Monthly).
 - Provide assistance to the Audit and Legislative staffs as requested.

6. *Monitor budget performance*
 - Review, analyze and make recommendations to the BCC regarding all budget amendments proposed by the County Manager.
 - Monitor the County's budget as necessary and take exception to improper specific expenditures incurred by any County department, agency or entity.
 - Review intradepartmental budget amendments for compliance with Ordinance No. 07-45 and report to the BCC.
 - Review interdepartmental budget transfers for compliance with Ordinance No. 07-168 and report to the BCC.
 - Evaluate the County Administration quarterly budget report to the BCC, comparing the report to existing County budget and financial systems, and issue reports on budget performance, as appropriate.
 - Examine the County Administration five-year financial plan for accuracy in budgetary assumptions utilizing historical data and future funding trends (December-January).

7. *Perform special budgetary, financial and taxation analyses and provide policy assistance to the BCC as required*
 - Arrange for site visits to each Department to enhance understanding its mission, business plan, strategic initiatives, and performance measures (November-December).
 - Analyze specific policy and program issues related to the budget and perform studies or program evaluations at the request of the Chair or BCC.
 - Provide special reports as requested.

LEGISLATIVE WORK PLAN

1. 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.
2. Review each agenda to evaluate the reasonableness and completeness of the information presented, as well as to evaluate the merits and impacts of the proposed transactions and/or legislation.
3. 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.
4. Pursuant to BCC directive or Commissioner request, OCA will conduct research and provide reports which shall include (where appropriate): best practices and comparative analysis.
5. Prepare and conduct briefings related to legislative agendas upon the request of the BCC or a Commissioner.
6. Determine the extent to which proposed legislation is consistent with current policy and the proposed legislation's implications relative to future policy.
7. Review and analyze proposed policy recommendations put forth by the BCC and the Mayor.
8. Provide BCC with memoranda containing independent assessment of pending legislation, issues and proposals coming before the BCC.

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MISCELLANEOUS REQUESTS FOR ASSISTANCE

Respond to oral 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.