



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

M E M O R A N D U M

TO: Honorable Chairman Jean Monestime,
and Members, Board of County Commissioners

FROM: Neil R. Singh, CPA
Acting Commission Auditor

A handwritten signature in blue ink, appearing to be "N. Singh", is written over the name and title of the sender.

DATE: October 27, 2016

SUBJECT: Follow-up Report: Audit of Debt Collection Processes – Miami-Dade County

We issued the final report of the *Audit of Debt Collection Processes – Miami-Dade County* on March 26, 2014 <http://www.miamidade.gov/auditor/library/2014-03-26-audit-debt.pdf>. We submit this follow-up report, which contains the implementation status of our recommendations in the original report.

The Office of the Commission Auditor (OCA) requests that within 90 days, the Directors of Aviation (MDAD), Corrections and Rehabilitation (MDCR), Finance (FIN), Fire Rescue (MDFR), Information Technology (ITD), Internal Services (ISD), Library System (Library), Parks, Recreation and Open Spaces (PROS), Police (MDPD), Port of Miami (POM), Public Housing and Community Development (PHCD), Solid Waste Management (SWM), Regulatory and Economic Resources (RER), Transportation and Public Works (DTPW), and Water and Sewer (WASD), report subsequent actions taken to implement the recommendations on audit findings that are currently pending.

We thank the staff of the departments involved for their cooperation and input throughout the audit follow-up.

Should you have any questions or need additional information, please contact me at (305) 375-4354.

c: Mayor Carlos Gimenez, County Mayor
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Alex Ferro, Chief of Staff, Office of the Mayor
Russell Benford, Deputy Mayor, Office of the Mayor
Alina Hudak, Deputy Mayor/Director, Solid Waste Management Department
Edward Marquez, Deputy Mayor/Director, Finance Department

Jack Osterholt, Deputy Mayor/Director, Regulatory and Economic Resources Department
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Juan J. Perez, Director, Police Department
Juan Kuryla, Director, Port of Miami
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Marcus Saiz, Tax Collector, Finance Department
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MIAMI-DADE COUNTY BOARD OF COUNTY COMMISSIONERS

OFFICE OF THE COMMISSION AUDITOR

AUDIT OF DEBT COLLECTION PROCESSES

FOLLOW-UP

Project Number 11-143371

October 27, 2016

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I. OBJECTIVE AND SCOPE

The policies and procedures of the Office of the Commission Auditor (OCA) require that we perform follow-up activities within one year from the time of a final audit report to assess the implementation status of audit recommendations. The objective of this follow-up audit was to determine whether recommended corrective actions had been effected by departments to address the findings in OCA's final audit report. The scope of the follow-up activities was from April 2015 through December 2015.

II. BACKGROUND

As part of the Calendar Year (CY) 2011 Supplement to the Commission Auditor's Work Plan approved by the Miami-Dade County Board of County Commissioners (BCC), the OCA conducted an *Audit of Debt Collection Processes – Miami-Dade County*. The objective of the audit was to provide reasonable assurance of the efficiency and effectiveness of the debt collection processes within the County. The final audit report was released on March 26, 2014.

The following is the summary of findings in the final audit report:

- Fourteen County departments selected for audit were not in compliance with IO 3-9 because they did not send all of their delinquent accounts receivable (AR) to the Finance Department Credit and Collection Section (FDCCS) as required by IO 3-9. Further, contrary to the requirements of IO 3-9, six departments did not have policies and procedures regarding collection of AR, and one department lacked the age analysis of its AR.
- At the September 1, 2011 BCC meeting, various departments requested AR adjustments (write-offs) totaling \$37,858,233. The BCC asked the Administration to track this debt and provide, within six months, their subsequent collection efforts and the amounts recovered. Except for Animal Services Department (ASD), Port of Miami (POM), Solid Waste Management (SWM), Water and Sewer Department (WASD), MDAD, MDFR, MDPD, PHCD, PROS, and Vizcaya, the departments did not have information on their subsequent collection efforts.
- Capping the revenue generation incentives for the employees of FDCCS reduces the motivation to collect once the ceilings are reached, thus limiting the potentials to maximize collections at the FDCCS.
- Except for Sustainability, Planning & Economic Enhancement (SPEE) (now part of RER) and ASD's citations, which were collected by FDCCS, code enforcement citations were not being actively collected by selected County departments.

OCA's recommendations on the above and the status of implementation of the recommended corrective actions by departments are summarized in the Summary Results on pages two through five. More details on the unresolved findings are provided in the *Implementation Status of the Recommended Corrective Actions (Attachments I through X)* on pages nine through 24.

III. SUMMARY RESULTS

Our follow-up audit revealed that across all departments, finding one and finding four out of four audit findings in the original audit report were partially resolved, finding two was closed because it has become time-bound by the original BCC request, and finding three has not been resolved. Below is the summary of the implementation status of our recommendations in the final audit report.

Finding 1: Non-compliance with IO 3-9.

- 1.1. Fourteen County departments did not send all of their delinquent AR to the FDCCS as required by IO 3-9. These departments were MDAD, MDCR, MDFR, IT, ISD, Library, PROS, MDPD, POM, PHCD, RER, SWM, DTPW, and WASD.
- 1.2. Six County departments did not have departmental policies and procedures regarding collection of AR as required by IO 3-9. These departments were MDCR, MDFR, ISD, PHCD, RER and DTPW.
- 1.3. MDCR did not have an aging of AR as required by IO 3-9.

Recommendations:

- 1.1. We recommend that MDAD, MDCR, MDFR, IT, ISD, Library, PROS, MDPD, POM, PHCD, RER, SWM, DTPW, and WASD send all of their delinquent AR to FDCCS as required by IO 3-9.
- 1.2. We recommend that MDCR, MDFR, ISD, PHCD, RER, and DTPW develop departmental policies and procedures regarding AR collection that reflect IO 3-9.
- 1.3. We recommend that MDCR prepare an aging of AR as required by IO 3-9.

Implementation status: OCA's follow-up audit revealed that while some departments have made progress in remediating the audit findings regarding compliance with IO 3-9 in the collection of AR, others have had no changes since the audit. Six departments out of 14 (ISD, MDPD, POM, SWM, DTPW, and WASD) are now in compliance with IO 3-9. Four departments out of 14 (MDCR, MDFR, PHCD, and RER), although still not fully in compliance, have made changes and improvements since the audit. Thus, OCA's recommendations were partially implemented.

Table I on page three summarizes the status of compliance with IO 3-9 by departments as of December 15, 2015.

More details for departments not in compliance with IO 3-9 are provided in the individual departments' *Implementation Status of the Recommended Corrective Actions (Attachments I through X)* on pages nine through 24.

Table 1
Status of Compliance with IO 3-9 as of December 15, 2015

Miami-Dade County Department	Placements with FDCCS	MOU signed **	Status of Compliance with IO 3-9
Aviation (MDAD)	Yes	No	Not in compliance with IO 3-9.* Seeking exception from IO 3-9.
Corrections & Rehabilitation (MDCR)	No	No	Not in compliance with IO 3-9.* Made major changes since the audit.
Fire Rescue (MDFR)	Yes	Yes	Not in compliance with IO 3-9.* Made major changes since the audit.
Information Technology (IT)	No	No	Not in compliance with IO 3-9.*
Internal Services (ISD)	Yes	Yes	In compliance with IO 3-9.
Library System (Library)	No	No	Not in compliance with IO 3-9.* Seeking exception from IO 3-9.
Parks, Recreation & Open Spaces (PROS)	Yes	Yes	Not in compliance with IO 3-9.*
Police (MDPD)	Yes	Yes	In compliance with IO 3-9.
Port of Miami (POM)	Yes	Yes	In compliance with IO 3-9.
Public Housing & Community Development (PHCD)	Yes	Yes	Not in compliance with IO 3-9.* Made major changes since the audit.
Regulatory and Economic Resources (RER)	Yes	Yes	Not in compliance with IO 3-9.* Made major changes since the audit.
Solid Waste Management (SWM) ¹	Yes	Yes	In compliance with IO 3-9.
Transportation and Public Works (DTPW) ²	Yes	Yes	In compliance with IO 3-9.
Water & Sewer (WASD)	Yes	Yes	In compliance with IO 3-9.

*Department is not sending all delinquent accounts to FDCCS including citations as required by IO 3-9.

**Memorandum of Understanding (MOU).

Finding 2: Departments did not track subsequent collections on amounts adjusted/written off on September 1, 2011 as directed by the BCC.

Except for ASD, MDAD, MDFR, MDPD, PHCD, POM, PROS, SWM, WASD, and Vizcaya, information was not provided on subsequent collections from the AR adjusted/written off amounts at the September 1, 2011 BCC meeting through February 29, 2012.

¹ Formerly Public Works and Waste Management Department (PWWM).

² Formerly Miami-Dade Transit Department (MDT).

Recommendation 2:

We recommend that all departments, including those noted at the September 1, 2011 BCC meeting, keep accurate records of all AR adjusted/written off, and track the subsequent collections and amounts rescued (recovered) of these accounts.

Implementation Status: Finding was considered time-bound by the BCC request, and is considered closed. However, the affected departments should be mindful of the requirement to comply with the recommendation to keep accurate records of all AR adjusted/written off, subsequent collection efforts and the amounts recovered of these accounts.

Finding 3: FDCCS incentives require improvement.

Recommendation 3:

We recommend that the FDCCS Productivity and Revenue Generation Program (revenue generation and gainsharing agreement) provide for increased incentives or be uncapped with no ceiling.

Implementation Status: No changes have been effected in the revenue generation incentives for the FDCCS staff since the final audit report. OCA’s recommendations were not implemented. See *Attachment IX* on page 22.

Finding 4: Code enforcement citations are not being actively collected by departments.

Recommendation 4:

We recommend that all departments send all delinquent citations to FDCCS for collection as required by IO 3-9.

Implementation Status: OCA’s follow-up audit revealed that while some departments have made progress in remediating the audit findings regarding compliance with IO 3-9 in the collection of citations, others have had no changes since the audit. In general, OCA noted an improvement across most departments issuing citations. Departments that issue citations and are *in compliance with IO 3-9* in Table 1 on page 3 (ISD, MDPD, SWM, DTPW, and WASD) are sending their delinquent citations to FDCCS as required by IO 3-9. Departments that issue citations and are *not in compliance with IO 3-9* in Table 1 on page 3 (MDAD, MDFR, PROS, and RER) are sending some, but not all, of their delinquent citations to FDCCS. OCA’s recommendations were partially implemented. See *Attachment X* on page 23.

Utilizing the information from the Clerk of Courts (COC), OCA prepared Table 2 (*Unpaid Citations by Department as of September 2, 2015*) on page five; Exhibit I (*Aging of Unpaid Citations by Penalty Type as of September 2, 2015*) on page seven; and Exhibit II (*Analysis of Changes in the Number and Amounts of Unpaid Citations by Department between August 3, 2013 and September 2, 2015*) on page eight. This table and exhibits revealed the following:

- The total amount of unpaid citations decreased by three percent, from \$492,770,554 to \$480,545,417.

- The total number of unpaid citations increased 11%, from 340,889 to 383,321.
- Total amount of unpaid citations Original Penalty Balance (OPB) increased nine percent, from \$58,255,444 to \$64,208,851.
- Total amount of unpaid citations Accrued Penalties, Costs, Surcharges and Lien Balance (APCSLB) decreased four percent, from \$434,515,110 to \$416,336,566.
- A total of 318,777 out of the 383,321 unpaid citations across all departments with a total amount of \$423,269,551 (88% of the total amount of all unpaid citations in the County) were outstanding for over one year as of September 2, 2015. Whereas, as of August 3, 2013, as shown in the original final audit report, 256,603 of the 340,889 unpaid citations across all departments with a total amount of \$411,078,514 (83% of the total amount of all unpaid citations in the County) were outstanding for over one year.

In summary, although the number of outstanding citations increased, the total dollar amount decreased. There has been an increase in the number and the total amount of citations that were outstanding for over one year in absolute and percentual terms, indicating a deterioration of the aging of unpaid citations. MDFR and RER have, however, improved in the collection of citations since the audit, due in part, to the enhanced collection efforts by working with FDCCS on outstanding citations, and both departments are sending some, but not all, of their delinquent citations to FDCCS as required by IO 3-9.

Table 2
Unpaid Citations by Department as of September 2, 2015

Department	Number of Unpaid Citations	Original Penalty Balance	Accrued Penalties, Costs, Surcharges And Lien Balance	Total Amount Unpaid
Animal Services (ASD)	276,113	\$26,603,097	\$22,439,472	\$49,042,569
Fire Rescue (MDFR)	6,775	\$2,075,405	\$16,159,828	\$18,235,233
Internal Services Department (ISD)	10,074	\$7,743,334	\$98,805	\$7,842,139
Police (MDPD)	31,377	\$2,871,478	\$1,110,395	\$3,981,873
Public Works Solid Waste (SWM)	6,564	\$1,694,827	\$13,616,851	\$15,311,678
Regulatory and Economic Resources (RER)	48,332	\$20,832,866	\$362,606,745	\$383,439,611
Water and Sewer Department (WASD)	1,095	\$420,425	\$175,425	\$595,850
Various (OTHER)	2,991	\$1,967,419	\$129,045	\$2,096,464
Total	383,321	\$64,208,851	\$416,336,566	\$480,545,417

Source: Miami-Dade County - Code Enforcement - County Clerk Division - Aging of Unpaid Citations report CEFB603 Original Penalty Balance as of September 2, 2015, and the Miami-Dade County - Code Enforcement - County Clerk Division - Aging of Unpaid Citations report CEFB604 Unpaid Citations by Penalty Type as of September 2, 2015.

IV. CONCLUSION

OCA acknowledges the actions taken by the departments toward the implementation of the recommended corrective actions. The outstanding issues need to be resolved in order to:

- Provide for efficient financial administration,
- Ensure uniform, consistent efforts to recover receivables,
- Recover enforcement fines levied, administrative hearing and enforcement costs incurred by the departments involved in code enforcement activities, and
- Foster compliance with the ordinances passed by the BCC, as embodied in the Code of Miami-Dade County.

Aging of Unpaid Citations by Penalty Type as of September 2, 2015

ALL DEPTS	< OR = 1 YEAR	> 1 TO 2 YRS	> 2 TO 3 YRS	> 3 TO 4 YRS	> 4 TO 5 YRS	> 5 TO 10 YRS	> 10 YEARS	TOTAL
NUMBER OF CITATIONS	64,544	48,088	53,347	40,014	40,358	92,769	44,201	383,321
ORIGINAL PENALTY BALANCE	\$10,971,665	\$6,119,015	\$7,623,390	\$5,633,656	\$3,876,951	\$10,310,410	\$7,642,582	\$52,177,669
% OF TOTAL ORIGINAL BALANCE	21%	12%	15%	11%	7%	20%	15%	100%
ACCRUED PENALTIES BALANCE	\$35,476,735	\$11,110,702	\$10,458,568	\$6,251,443	\$7,394,904	\$26,772,222	\$18,337,758	\$115,802,332
% OF TOTAL	31%	10%	9%	5%	6%	23%	16%	100%
ADMIN. COST BALANCE	\$14,855	\$16,097	\$16,920	\$9,611	\$11,959	\$59,420	\$88,619	\$217,481
% OF TOTAL	7%	7%	8%	4%	5%	27%	41%	100%
SUR CHARGE BALANCE	\$616,237	\$447,238	\$488,787	\$354,621	\$354,685	\$784,153	\$279,181	\$3,324,902
% OF TOTAL	19%	13%	15%	11%	11%	24%	7%	100%
DEPT. COST BALANCE	\$1,534,865	\$766,451	\$554,779	\$310,498	\$452,924	\$802,873	\$192,403	\$4,614,793
% OF TOTAL	33%	17%	12%	7%	10%	17%	4%	100%
DEPT. SUR CHARGE BALANCE	\$217,393	\$187,818	\$201,456	\$147,733	\$156,523	\$194,019	\$0	\$1,104,942
% OF TOTAL	20%	17%	18%	13%	14%	18%	0%	100%
LIEN BALANCE	\$8,264,757	\$20,977,104	\$37,063,775	\$39,417,091	\$46,329,992	\$112,540,052	\$38,202,649	\$302,795,420
% OF TOTAL	3%	7%	12%	13%	15%	37%	13%	100%
SETTLMNT BALANCE	\$179,359	\$63,680	\$60,348	\$30,402	\$32,723	\$71,713	\$69,653	\$507,878
% OF TOTAL	35%	13%	12%	6%	6%	14%	14%	100%
GRAND TOTAL	\$57,275,866	\$39,688,105	\$56,468,023	\$52,155,055	\$58,610,661	\$151,534,862	\$64,812,845	\$480,545,417

Source: *Miami-Dade County - Code Enforcement - County Clerk Division - Aging of Unpaid Citations* report 527600E Unpaid Citations by Penalty Type as of September 2, 2015.

Note : The amount of \$12,031,182 (which is the difference between the Original Penalty Balance of \$64,208,851 in Table 2 on page five and the Original Penalty Balance of \$52,177,669 on this exhibit) is included as part of the Lien Balance of \$302,795,420 on this exhibit.

Analysis of Changes in the Number and Amounts of Unpaid Citations by Department between August 3, 2013 and September 2, 2015

Department	Number of Unpaid Citations			Original Penalty Balance			Accrued Penalties, Costs, Surcharges and Lien Balance			Total Amount Unpaid		
	Original Audit 8/3/2013	Follow-up Audit 9/2/2015	%	Original Audit 8/3/2013	Follow-up Audit 9/2/2015	%	Original Audit 8/3/2013	Follow-up Audit 9/2/2015	%	Original Audit 8/3/2013	Follow-up Audit 9/2/2015	%
Animal Services (ASD)	233,777	276,113	15%	\$23,533,333	\$26,603,097	12%	\$21,540,633	\$22,439,472	4%	\$45,073,966	\$49,042,569	8%
Fire Rescue (MDFR)	9,906	6,775	-46%	\$3,383,230	\$2,075,405	-63%	\$24,136,055	\$16,159,828	-49%	\$27,519,285	\$18,235,233	-51%
Internal Services Department (ISD)	8,238	10,074	18%	\$6,098,621	\$7,743,334	21%	\$81,982	\$98,805	17%	\$6,180,603	\$7,842,139	21%
Police (MDPD)	27,246	31,377	13%	\$2,537,613	\$2,871,478	12%	\$1,145,235	\$1,110,395	-3%	\$3,682,848	\$3,981,873	8%
Public Works Solid Waste (SWM)	7,539	6,564	-15%	\$1,776,334	\$1,694,827	-5%	\$13,675,710	\$13,616,851	0%	\$15,452,044	\$15,311,678	-1%
Regulatory and Economic Resources (RER)	53,456	48,332	-11%	\$20,807,192	\$20,832,866	0%	\$373,763,930	\$362,606,745	-3%	\$394,571,122	\$383,439,611	-3%
Water and Sewer Department (WASD)	18	1,095	98%	\$5,530	\$420,425	99%	\$61,590	\$175,425	65%	\$67,120	\$595,850	89%
Various (OTHER)	709	2,991	76%	\$113,591	\$1,967,419	94%	\$109,975	\$129,045	15%	\$223,566	\$2,096,464	89%
Total	340,889	383,321	11%	\$58,255,444	\$64,208,851	9%	\$434,515,110	\$416,336,566	-4%	\$492,770,554	\$480,545,417	-3%

Source: The Clerk of Courts report data - comprised of the *Miami-Dade County - Code Enforcement – County Clerk Division - Aging of Unpaid Citations* report CEFB603 Original Penalty Balance as of August 3, 2013; the *Miami-Dade County - Code Enforcement - County Clerk Division - Aging of Unpaid Citations* report CEFB604 Unpaid Citations by Penalty Type as of August 3, 2013; the *Miami-Dade County - Code Enforcement - County Clerk Division - Aging of Unpaid Citations* report CEFB603 Original Penalty Balance as of September 2, 2015; and the *Miami-Dade County - Code Enforcement - County Clerk Division - Aging of Unpaid Citations* report CEFB604 Unpaid Citations by Penalty Type as of September 2, 2015.

Implementation Status of the Recommended Corrective Actions
 Audit of Miami-Dade County Debt Collection Processes – Follow-up
 Aviation Department (MDAD)

Finding 1	Non-compliance with IO 3-9.	
Finding 1.1	MDAD is not in compliance with IO 3-9 since MDAD does not send all of its delinquent AR to FDCCS.	
Finding 4	MDAD is not in compliance with IO 3-9 since MDAD does not send all of its delinquent citations to FDCCS.	
	Recommendation 1.1	We recommend that MDAD send all of its delinquent AR to FDCCS including citations as required by IO 3-9.
	Recommendation 4	We recommend that MDAD send all delinquent citations to FDCCS for collection as required by IO 3-9.
	Follow-up Results	<p>OCA’s review of MDAD’s implementation status of the audit recommendations disclosed the following:</p> <p>MDAD has placements with FDCCS: <u>Yes</u>. MDAD has an MOU signed with FDCCS: <u>No</u>. Status of compliance with IO 3-9: Not in compliance with IO 3-9.</p> <p><u>Comments</u> OCA found that MDAD considers its collection efforts to be effectively performed.</p> <ul style="list-style-type: none"> On 6/2/2015, in speaking on Agenda Item 11A21 at the BCC meeting, the <i>Chief Financial Officer, Miami-Dade Aviation Department (MDAD)</i>, stated the <i>MIA collects about 98-99 % of all of their receivable accounts. She advised they work closely with vendors when they face difficulties. She noted MIA has a large and complex debt collection organization that has been audited by the Commission Auditor as well as the department of Audit and Management Services; and indicated they have good solid procedures in place, which allowed them the flexibility to deal with tenants and vendors and be fair to all parties that utilize the airport.</i>” <p>OCA found, however, different issues contradicting the above statements:</p> <ul style="list-style-type: none"> SIGMA SQUADRON-90, comprised of OMB and Aviation members, performed a Lean Sig Sigma Project to reduce Aviation AR greater than 90 days past due. The Sig Sigma team report dated March 6, 2014 found that \$18.2 million in Aviation AR were greater than 90 days past due.

		<ul style="list-style-type: none"> • On November 5, 2014, in response to Resolution R-970-14, the Mayor informed the BCC, that approximately 28.07 percent, or \$4.376 million, of the total AR adjustments were related to Aviation. Out of the 39 accounts written off, only 16 had been sent to FDCCS for collection as mentioned in the attachment to the memo (<i>OCA was unable to reconcile the numbers provided by the MDAD in the Follow-up Management Response below</i>). • On July 30, 2015, in response to Resolution R-589-12, the Mayor informed the BCC, that out of 71 accounts meeting the criteria for R-589-12, 10 had been referred to FDCCS or Outside Agency, and 61 had not been sent anywhere. <p>In an email to the OCA, the Finance Department stated:</p> <p>“We are in process of submitting for approval a revision to IO 3-9 that will provide Aviation with an exemption from submitting their accounts to FDCCS. Due to the nature of their complex rate structure, varying penalties, and due dates for different types of payments requiring ongoing adjustments to billings; it would be best if these collections are handled by Aviation staff directly.”</p>
	<p>Follow-up Management Response</p>	<p><i>Placement with FDCCS: YES. Of the 40 customers listed as write-offs, 23 were sent to FDCCS prior to being written off. Two of the 12 bankruptcies were also sent to FDCCS prior to entering into bankruptcy; the other bankruptcies were not. Five accounts were not sent to FDCCS due to special circumstances. One account was collected in full prior to write-off, reducing the write-off list to 39.</i></p> <p><i>MOU Signed with FDCCS: NO. A MOU is unnecessary in light of the circumstances.</i></p> <p><i>Status of Compliance with IO 3-9: IO 3-9 is in the process of being amended by County Finance at the direction of the Deputy Mayor/Finance Director and with the concurrence of Audit & Management Services and FDCCS.</i></p> <p><i>On the contrary, 25 of the 39 accounts written off were sent to FDCCS as noted above. They were sent during the period from January 13, 2009 to April 25, 2012, prior to submission for write-off, not after.</i></p> <p><i>The breakdown of the original 40 accounts submitted for write-off is:</i></p>

		<ul style="list-style-type: none"> • 25 (62.5%) were sent to FDCCS for collection prior to submission for write-off (from January 2009 to April 2012). • 10 (25%) were not sent because the firms are in bankruptcy proceedings. • Five (12.5%) were not sent. Three are aggregate receivables from Management Companies, which are responsible for their own collection efforts, one (AA Acquisitions) is a development lease with special contractual conditions for collections, and one (AT&T) was collected in full by the Aviation Department prior to write-off. <p><i>A portion of one of the receivables submitted to FDCCS during the period from 2009-2012 has been collected (\$3,000 of \$45,000). The AT&T receivable, paid in full, was collected through Aviation Department efforts.</i></p> <p><i>Therefore the Aviation Department stands by its original, accurate response</i></p>
	<p>Conclusion</p>	<p>OCA's recommendations were Partially Implemented.</p>

Implementation Status of the Recommended Corrective Actions
 Audit of Miami-Dade County Debt Collection Processes – Follow-up
 Corrections and Rehabilitation Department (MDCR)

Finding 1	Non-compliance with IO 3-9.	
Finding 1.1	MDCR is not in compliance with IO 3-9 since MDCR does not send all of its delinquent AR to FDCCS.	
Finding 1.2	MDCR did not have departmental policies and procedures regarding collection of AR reflecting IO 3-9.	
Finding 1.3	MDCR did not have an aging of AR as required by IO 3-9.	
	Recommendation 1.1	We recommend that MDCR send all of its delinquent AR to FDCCS including citations as required by IO 3-9.
	Recommendation 1.2	We recommend that MDCR develop adequate departmental policies and procedures regarding collection of AR reflecting IO 3-9.
	Recommendation 1.3	We recommend that MDCR prepare an AR aging as required by IO 3-9.
	Follow-up Results	<p>OCA’s review of MDCR’s implementation status of the audit recommendations disclosed the following:</p> <p>MDCR has placements with FDCCS: <u>No</u>. MDCR has an MOU signed with FDCCS: <u>Yes</u>. MDCR has policies and procedures regarding collection of AR reflecting IO 3-9: <u>No</u>. MDCR has an aging of AR as required by IO 3-9: <u>No</u>. Status of compliance with IO 3-9: Not in compliance with IO 3-9.</p> <p><u>Comments</u> OCA found that MDCR has improved on some areas of its compliance with IO 3-9:</p> <ul style="list-style-type: none"> • An MOU was completed between MDCR and FDCCS, which was approved on May 25, 2015 by the Deputy Mayor/Finance Director. <p>OCA found, however, that MDCR has fallen behind in its implementation of IO 3-9:</p> <ul style="list-style-type: none"> • MDCR is still conducting analysis of the uncollected subsistence fees since some of these were recorded in a prior Inmate Accounting System (IAS), and later integrated into the current system, which yielded errors.

		<ul style="list-style-type: none"> • MDCR’s vendor has not completed programming related to the uncollected subsistence fees, and once the vendor completes the programming and MDCR has tested the processes, MDCR will develop applicable policies and procedures. • MDCR continues to review the uncollected subsistence fees, and research still needs to be conducted to determine the owner of some of the outstanding fees.
	<p>Follow-up Management Response</p>	<p><i>Staff from the FDCCS have had several meetings with MDCR staff to determine the best course of action for all involved parties to establish compliance with IO 3-9 related to uncollected subsistence fees. An MOU was completed between MDCR and FDCCS, which was approved on May 25, 2015 by the Deputy Mayor/Finance Director. This MOU will ensure that MDCR provides quarterly data to FDCCS in alignment with IO 3-9. FDCCS must complete an integration with the Miami-Dade Criminal Justice Information System (CJIS) so continual queries can be conducted to determine if the applicable debtor is in custody, so FDCCS can limit their search processes due the inability of the debtor to satisfy their balances due to being in custody. At the same time, MDCR is conducting analysis of the uncollected subsistence fees since some of the debt was captured in a previous Inmate Accounting System (IAS) and later integrated into the system of the current IAS vendor which yielded many errors.</i></p> <p><i>MDCR expects to complete its review and analysis of the historical uncollected subsistence fees and provide the historical data to FDCCS for reporting in Q1 of Fiscal Year 2015-16. MDCR expects to finalize all processes and analysis to begin formal quarterly reporting by Quarter 2 of Fiscal Year 2015-16.</i></p> <p><i>MDCR, in consultation with FDCCS, has developed preliminary guidelines that will provide the specific steps to establish alignment with IO 3-9. Following the most recent meeting with FDCCS, MDCR had to meet with their IAS vendor to provide the guidelines relevant to debt reporting, write-off, etc. This included the parameters of what uncollected subsistence fees are to be reported (active inmate vs. inactive inmate), what the aging reports are to provide, the frequency and processes for writing off uncollected subsistence fees in the IAS at specified frequencies in alignment with best practices, etc. Once the vendor completes the programming and MDCR has tested the processes, MDCR will develop applicable policies and procedures that specify the appropriate steps that will ensure MDCR is in compliance with IO 3-9.</i></p>

		<p><i>MDCR will implement policies and procedures prior to commencing with formal reporting to FDCCS. MDCR expects to implement all policies prior to beginning formal quarterly reporting in Quarter 2 of Fiscal Year 2015-16.</i></p> <p><i>MDCR continues to review the uncollected subsistence fees from Keefe (software) to determine errors associated with uncollected subsistence fees. A great amount of research still needs to be conducted to determine the owner of some of the uncollected subsistence fees as identifiers (Jail #, Criminal Identification Number, Date of Birth, etc.) were not associated with every entry. In turn, manual and automated processes continue to be processed to determine the applicable debtor. In some cases, debt will need to be identified as erroneous since a debtor cannot be determine, which will be written off as erroneous debt in the IAS.</i></p>
	<p>Conclusion</p>	<p>OCA's recommendations were Partially Implemented.</p>

Implementation Status of the Recommended Corrective Actions
 Audit of Miami-Dade County Debt Collection Processes – Follow-up
 Fire Rescue (MDFR)

Finding 1	Non-compliance with IO 3-9.	
Finding 1.1	MDFR is not in compliance with IO 3-9 since MDFR does not send all of its delinquent AR to FDCCS.	
Finding 1.2	MDFR did not have departmental policies and procedures regarding collection of AR reflecting IO 3-9.	
Finding 4	MDFR is not in compliance with IO 3-9 since MDFR does not send all of its delinquent citations to FDCCS.	
	Recommendation 1.1	We recommend that MDFR send all of its delinquent AR to FDCCS including citations as required by IO 3-9.
	Recommendation 1.2	We recommend that MDFR develop adequate departmental policies and procedures regarding collection of AR reflecting IO 3-9.
	Recommendation 4	We recommend that MDFR send all delinquent citations to FDCCS for collection as required by IO 3-9.
	Follow-up Results	<p>OCA’s review of MDFR’s implementation status of the audit recommendations disclosed the following:</p> <p>MDFR has placements with FDCCS: <u>Yes</u>. MDFR has an MOU signed with FDCCS: <u>Yes</u>. MDFR has policies and procedures regarding collection of AR reflecting IO 3-9: <u>No</u>. Status of compliance with IO 3-9: Not in compliance with IO 3-9.</p> <p><u>Comments</u> OCA found that MDFR has fallen behind in its implementation of IO 3-9:</p> <ul style="list-style-type: none"> • MDFR has an MOU with FDCCS that states that MDFR may hold Ground Transportation accounts for up to one year. • MDFR has a draft policy for AR that MDFR expects will be finalized prior to year end.
	Follow-up Management Response	<i>MDFR has a draft policy for AR that will be finalized prior to year end. With the exception of the time element for emergency medical transports which will be held for one year, the policy reflects IO 3-9.</i>
	Conclusion	OCA’s recommendations were Partially Implemented .

Implementation Status of the Recommended Corrective Actions
 Audit of Miami-Dade County Debt Collection Processes – Follow-up
 Information Technology (ITD)

Finding 1	Non-compliance with IO 3-9.	
Finding 1.1	ITD is not in compliance with IO 3-9 since ITD does not send all of its delinquent AR to FDCCS.	
	Recommendation 1.1	We recommend that ITD send all of its delinquent AR to FDCCS including citations as required by IO 3-9.
	Follow-up Results	<p>OCA’s review of ITD’s implementation status of the audit recommendations disclosed the following:</p> <p>ITD has placements with FDCCS: <u>No</u>. ITD has an MOU signed with FDCCS: <u>No</u>. Status of compliance with IO 3-9: Not in compliance with IO 3-9.</p> <p><u>Comments</u> OCA found that ITD has fallen behind in its implementation of IO 3-9.</p>
	Follow-up Management Response	<i>ITD has completed the evaluation of the aging receivables and has identified transactions that will be sent to FDCCS for the current FY 14-15. ITD is currently compiling the requirements from FDCCS and will request additional information to be included in the MOU regarding the management and tracking of collection updates after the AR have been transferred to FDCCS.</i>
	Conclusion	OCA’s recommendations were Not Yet Implemented .

Implementation Status of the Recommended Corrective Actions
 Audit of Miami-Dade County Debt Collection Processes – Follow-up
 Library System (Library)

Finding 1	Non-compliance with IO 3-9.	
Finding 1.1	Library is not in compliance with IO 3-9 since Library does not send all of its delinquent AR to FDCCS.	
	Recommendation 1.1	We recommend that Library send all of its delinquent AR to FDCCS including citations as required by IO 3-9.
	Follow-up Results	<p>OCA’s review of Library’s implementation status of the audit recommendations disclosed the following:</p> <p>Library has placements with FDCCS: <u>No</u>. Library has an MOU signed with FDCCS: <u>No</u>. Status of compliance with IO 3-9: Not in compliance with IO 3-9.</p> <p><u>Comments</u> The Library’s primary focus is to recover materials first. Thus, it engages the Unique Management agency to assist in making sure that Library materials are returned:</p> <ul style="list-style-type: none"> • The Library expects to have a signed contract with Unique Management soon.
	Follow-up Management Response	<i>As an update, the Library Department is in the final stages of renewing our contract with Unique Management, who assists us in the collection of outstanding AR, which in the case of the Library, includes overdue book fines and outstanding materials (books, CDs, etc.) that have not been returned by patrons. This external collection agency specializes in materials recovery services for libraries to assist in making sure that Library materials are returned and that patron accounts are maintained in good standing. The Library’s primary focus continues to be to recover the materials first. It is recognized by the Finance Department that the Library should continue to handle our outstanding AR in this manner. We expect to have a signed contract with Unique Management in the coming weeks, and full re-implementation by October 1, 2015.</i>
	Conclusion	OCA’s recommendations were Not Yet Implemented .

Implementation Status of the Recommended Corrective Actions
 Audit of Miami-Dade County Debt Collection Processes – Follow-up
 Parks, Recreation & Open Spaces (PROS)

Finding 1	Non-compliance with IO 3-9.	
Finding 1.1	PROS is not in compliance with IO 3-9 since PROS does not send all of its delinquent AR to FDCCS.	
Finding 4	PROS is not in compliance with IO 3-9 since PROS does not send all of its delinquent citations to FDCCS.	
	Recommendation 1.1	We recommend that PROS send all of its delinquent AR to FDCCS including citations as required by IO 3-9.
	Recommendation 4	We recommend that PROS send all delinquent citations to FDCCS for collection as required by IO 3-9.
	Follow-up Results	<p>OCA’s review of PROS’s implementation status of the audit recommendations disclosed the following:</p> <p>PROS has placements with FDCCS: <u>Yes</u>. PROS has an MOU signed with FDCCS: <u>Yes</u>. Status of compliance with IO 3-9: Not in compliance with IO 3-9.</p> <p><u>Comments</u> PROS considers its collection efforts to be effectively performed.</p> <ul style="list-style-type: none"> PROS stated that the 90 day requirement, in some cases, imposes a counterproductive deadline, and determines which accounts to send to FDCCS based on its own criteria.
	Follow-up Management Response	<i>PROS endeavors to recover all receivables as effectively as possible. In the vast majority of cases, we forward delinquent AR in compliance with IO 3-9. However, the 90 day requirement, infrequently, imposes a counterproductive deadline, particularly for institutional partners. For example, if a public school, university, local or state government agency, corporate client, or programming partner has an occasional delay, we will review the circumstance on a case-by-case basis. Options may include an agreed upon payment plan. The status of these accounts is included in our quarterly AR report to the Finance Department. Otherwise, it is PROS policy to process delinquent accounts to FDCCS, after the 90 day window, in a timely manner.</i>
	Conclusion	OCA’s recommendations were Partially Implemented .

Implementation Status of the Recommended Corrective Actions
 Audit of Miami-Dade County Debt Collection Processes – Follow-up
 Public Housing and Community Development (PHCD)

Finding 1	Non-compliance with IO 3-9.	
Finding 1.1	PHCD is not in compliance with IO 3-9 since PHCD does not send all of its delinquent AR to FDCCS.	
	Recommendation 1.1	We recommend that PHCD send all of its delinquent AR to FDCCS including citations as required by IO 3-9.
	Follow-up Results	<p>OCA’s review of PHCD’s implementation status of the audit recommendations disclosed the following:</p> <p>PHCD has placements with FDCCS: <u>Yes</u>. PHCD has an MOU signed with FDCCS: <u>Yes</u>. PHCD has policies and procedures regarding collection of AR reflecting IO 3-9: <u>Yes</u>. Status of compliance with IO 3-9: Not in compliance with IO 3-9.</p> <p><u>Comments</u> OCA found that PHCD has fallen behind in its implementation of IO 3-9:</p> <ul style="list-style-type: none"> • PHCD reinstated an MOU with FDCCS in March of 2015. PHCD transferred written-off accounts, and is in the process of transferring all delinquent AR to FDCCS.
	Follow-up Management Response	<i>In March of 2015, PHCD reinstated an MOU with FDCCS. As part of the first phase of implementation, PHCD transferred all written-off AR related to homeownership, rehabilitation, and commercial loans to FDCCS. The subsequent phases of implementation will include 1) transferring of all delinquent AR for homeownership and rehabilitation loans and 2) transferring of all delinquent tenant AR to FDCCS. It was estimated that PHCD would have been in full compliance with IO 3-9 by October 31, 2015.</i>
	Conclusion	OCA’s recommendations were Partially Implemented .

Implementation Status of the Recommended Corrective Actions
 Audit of Miami-Dade County Debt Collection Processes – Follow-up
 Regulatory and Economic Resources (RER)

Finding 1	Non-compliance with IO 3-9.	
Finding 1.1	RER is not in compliance with IO 3-9 since RER does not send all of its delinquent AR to FDCCS.	
Finding 4	RER is not in compliance with IO 3-9 since RER does not send all of its delinquent citations to FDCCS.	
	Recommendation 1.1	We recommend that RER send all of its delinquent AR to FDCCS including citations as required by IO 3-9.
	Recommendation 4	We recommend that RER send all delinquent citations to FDCCS for collection as required by IO 3-9.
	Follow-up Results	<p>OCA’s review of RER’s implementation status of the audit recommendations disclosed the following:</p> <p>RER has placements with FDCCS: <u>Yes</u>. RER has an MOU signed with FDCCS: <u>Yes</u>. RER has policies and procedures regarding collection of AR reflecting IO 3-9: <u>Yes</u>. Status of compliance with IO 3-9: Not in compliance with IO 3-9.</p> <p><u>Comments</u> OCA found that RER has fallen behind in its implementation of IO 3-9:</p> <ul style="list-style-type: none"> • After finalizing the MOU with FDCCS, RER has started to send citation case files to FDDCS for collection. Table 2 on page five indicates that RER still has 48,332 outstanding citations as of September 2, 2015.

	Follow-up Management Response	<p><i>RER still does not have outstanding AR that require forwarding to FDCCS for collection. For an update on RER outstanding debts relating to citation/enforcement processes, please see the update to recommendation 4 on page 23.</i></p> <p><i>RER has enhanced collection efforts by working with FDCCS on outstanding citations. We have an MOU with FDCCS to collect on behalf of all areas of RER that have outstanding citation-related debts. Since finalizing the MOU between Environmental Resources Management (DERM), Construction, Permitting, and Building Code (CPBC), and FDCCS in 2014, the number of cases RER sends annually to FDCCS for collection has increased from several hundred to several thousand. RER continues to review and clean up inaccuracies in the cases showing outstanding debts in the Clerk of Court System (SEFA), and to further enhance collection efforts by FDCCS through systematic improvements. The complete implementation of these enhanced collection efforts will continue into FY 2015-2016.</i></p>
	Conclusion	OCA's recommendations were Partially Implemented.

Implementation Status of the Recommended Corrective Actions
 Audit of Miami-Dade County Debt Collection Processes – Follow-up
 Finance Department (FIN)

Finding 3	FDCCS incentives require improvement.	
	Recommendation 3	We recommend that the FDCCS Productivity and Revenue Generation Program (revenue generation and gainsharing agreement) provide for increased incentives or be uncapped with no ceiling.
	Follow-up Results	No changes have been effected in the revenue generation incentives for the FDCCS staff since the final audit report. <u>Comments</u> The current FDCCS revenue target incentives of the staff members of the FDCCS as provided by the current FDCCS Productivity and Revenue Generation Program (revenue generation and gainsharing agreement) in effect until September 30, 2016, reduce the motivation to collect once the revenue target ceilings are reached, and are not effective in helping collectors to reach their maximum revenue potentials every month.
	Follow-up Management Response	<i>The current MOU is in effect until September 30, 2016, and at that time, it will be evaluated and can be extended by mutual consent of the parties for up to two additional one year periods.</i>
	Conclusion	OCA's recommendations were Not Yet Implemented.

Implementation Status of the Recommended Corrective Actions
 Audit of Miami-Dade County Debt Collection Processes – Follow-up
 Code Enforcement Citations

Finding 4	Code enforcement citations are not being actively collected by departments.	
	Recommendation 4	We recommend that departments issuing code enforcement citations send all delinquent citations to FDCCS as required by IO 3-9.
	Follow-up Results	<p>In general, OCA noted an improvement across most departments issuing citations.</p> <p><u>Comments</u> Departments that issue citations and are <i>in compliance with IO 3-9</i> in Table 1 on page three (ISD, MDPD, SWM, DTPW, and WASD) are sending their delinquent citations to FDCCS as required by IO 3-9. Departments that issue citations and are <i>not in compliance with IO 3-9</i> in Table 1 on page three (MDAD, MDFR, PROS, and RER) are sending some, but not all, of their delinquent citations to FDCCS.</p> <p>Exhibit I on page seven shows that 318,777 citations of the 383,321 unpaid citations across all departments with a total amount of \$423,269,551 or 88% of the total amount of all unpaid citations in the County were outstanding for over one year as of September 2, 2015. Exhibit I on page 28 of our original audit report showed that 256,603 citations of the 340,889 unpaid citations across all departments with a total amount of \$411,078,514 or 83% of the total amount of all unpaid citations in the County were outstanding for over one year as of August 3, 2013. The increase in the number and the total amount of citations that were outstanding for over one year in absolute and percentual terms indicates a deterioration of the aging of unpaid citations.</p> <p>Exhibit II on page eight is an analysis of changes in the number and amounts of unpaid citations by department between August 3, 2013 (<i>original audit</i>) and September 2, 2015 (<i>follow-up audit</i>) using information obtained from the COC. OCA performed this analysis to assess whether improvements had been achieved in the collection of citations as evidenced by the changes in unpaid citations over a period of 25 months. The following highlighted differences are significant in absolute and/or percentual terms, and indicate improvements or declines in the collection of outstanding citations:</p> <ul style="list-style-type: none"> • Total amount of unpaid of citations decreased three percent, from \$492,770,554 to \$480,545,417. • Total number of unpaid citations increased 11%, from 340,889 to 383,321.

		<ul style="list-style-type: none"> ▪ ASD citations increased 15%, from 233,777 to 276,113. ▪ MDFR citations decreased 46%, from 9,906 to 6,775. ▪ ISD citations increased 18%, from 8,238 to 10,074. ▪ MDPD citations increased 13%, from 27,246 to 31,377. ▪ RER citations decreased 11%, from 53,456 to 48,332. • Total amount of unpaid citations Original Penalty Balance (OPB) increased nine percent, from \$58,255,444 to \$64,208,851. <ul style="list-style-type: none"> ▪ ASD unpaid citations OPB increased 12%, from \$23,533,333 to \$26,603,097. ▪ MDFR unpaid citations OPB decreased 63%, from \$3,383,230 to \$2,075,405. • Total amount of unpaid citations Accrued Penalties, Costs, Surcharges and Lien Balance (APCSLB) decreased four percent, from \$434,515,110 to \$416,336,566. <ul style="list-style-type: none"> ▪ MDFR unpaid citations APCSLB decreased 49%, from \$24,136,055 to \$16,159,828. <p>OCA’s analysis indicates that although the number of outstanding citations increased, the total dollar amount decreased. There has been an increase in the number and the total amount of citations that were outstanding for over one year in absolute and percentual terms, indicating a deterioration of the aging of unpaid citations. MDFR and RER have improved in the collection of citations since the audit, due in part, to the enhanced collection efforts by working with FDCCS on outstanding citations, and both are sending some, but not all, of their delinquent citations to FDCCS as required by IO 3-9.</p>
	<p>Conclusion</p>	<p>OCA’s recommendations were Partially Implemented.</p>