



Memorandum

Memo No: 19/20-09

Date: August 11, 2020

To: Honorable Mayor and Commissioners

From: John Herbst, CPA, CGFO, CGMA
City Auditor

Re: City Auditor Annual Performance Review and Merit Adjustment

Recommendation

It is recommended that the City Commission approve a resolution providing for a merit salary increase for John Herbst, City Auditor, effective August 1, 2020.

Background

The City has employed John Herbst as City Auditor since August 1, 2006. The Employment Agreement between the City of Fort Lauderdale and the City Auditor allows for the City Commission to grant merit increases to the City Auditor to the extent that the City may determine that it is desirable to do so, on the basis of an annual performance review.

The unique challenges resulting from COVID 19 has affected our office, as it has all of the departments throughout the City. We made provisions for our audit and administrative staff to work remotely, re-evaluated our audit workplan and attempted to complete the projects that were already under way. The inability to engage in person with staff from other departments made this a difficult process, as much of the work product we need to review is only available in manual form and the ability to interact with our audit clients in-person forms the basis of much of our work. We held numerous brainstorming sessions to identify areas of higher risk specifically attributable to COVID 19. As an example, we undertook increased monitoring of P-card purchases to minimize the likelihood of fraudulent purchases while procurement and payables staff were working remotely.

The City Auditor's Office continues its mission of providing independent and objective assurance and consulting activities that are guided by a philosophy of adding value to improve the operations of the City of Fort Lauderdale. We have completed a number of reviews and other projects on behalf of the City Commission and the City Manager. In addition, we reviewed all of the major financial reports prepared by City staff for accuracy and completeness prior to their distribution to regulatory bodies, bondholders and the general public. And finally, many hours were spent serving as a consultant to management by attending meetings and participating in workgroups on a variety

of topics. I believe those activities add significant value by allowing us to assist management in addressing its risk assessment and internal control responsibilities in a prospective, rather than reactive manner.

I am pleased to report that the City Auditor's Office is a peer-reviewed organization and thanks to the hard work and professionalism of my outstanding staff, we maintain an internal quality control system over the City Auditor's Office that is suitably designed and operating effectively to provide reasonable assurance of compliance with Government Auditing Standards for audits and attestation engagements.

In addition, the City Auditor's Office staff continues to excel in the area of individual professional development. Our Office has three Certified Public Accountants, two Certified Internal Auditors, and all audit staff has met or exceeded their mandatory continuing professional education (CPE) requirements of 40 hours per year.

Outlined below is a list of audits, reviews and analyses, internal reviews, internal consulting and other activities completed or undertaken by my office during the past year.

A. Audits, Reviews and Analyses:

- IT General Controls Security Review
- Proposed FY 2021 Budget Review
- Semi-annual monitoring of open audit findings from previous audits
- Interim Status Report #3 - Parking Garage, Las Olas Boulevard Corridor Improvements and Aquatic Center Renovation Projects-Carr, Riggs & Ingram (CRI)
- Ongoing monitoring of P-card purchases during COVID 19 remote work status
- Annual Report to Bondholders for the Fiscal Year Ended September 30, 2019
- Community Redevelopment Agency Annual Report for the Fiscal Year Ended September 30, 2019
- Review of the proposed revisions to the Fort Lauderdale Aquatic Center project
- Fire Station #46 and #54 Construction Audit – draft audit report
- Police Evidence Room Operation Audit – draft audit report

B. Internal Reviews:

- Review all City business/financial CAMs before Commission meetings
- Review of CRA Annual Audited Financial Report
- Review of Comprehensive Annual Financial Report “CAFR”
- Review of Popular Annual Financial Report “PAFR”

C. Internal Consulting:

- Observation of collective bargaining sessions with the police and fire unions
- ERP (Infor-Lawson) Implementation Monitoring
- Evaluation of overall financial impact of COVID 19 on FY 2019 budget to assess the potential yearend shortfall
- Review of Franchise Fee and Utility Service Tax reductions from COVID 19
- Suntex/Las Olas Marina parking garage agreement discussions
- Review of Fee Study for Development Services Provided by DSD / Engineering

D. Attendance at Meetings:

- Attended Budget Advisory Board meetings
- Attended Audit Advisory Board meetings
- Attended Investment Committee meetings
- Attended General Employees Retirement System Board meetings
- Attended Police & Fire Pension Board meetings
- Attended Revenue Estimating Committee meetings
- Attended City Manager's FL2 Status Update meetings
- Attended Federal Court Facilities Task Force meetings

Community Involvement:

- Performing Arts Center Authority-Finance Committee Member
- Broward County Housing Authority-Audit Committee Chair
- Community Foundation of Broward County-Investment and Audit Committee Member

Prepared by: John Herbst

Charter Officer: John Herbst