CITY OF
FORT LAUDERDALE

City Auditor's Office

Memorandum No: 17/18-06

Date: April 11, 2018

To: Honorable Mayor and Commissioners

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

Re: Summary of Follow-Up Audit

Since fiscal year 2015-16, the City's Auditor Office (CAO) has implemented a continuous auditing approach for following up on prior audit findings. Under this audit method, the CAO will be able to work with the departments as they update and implement their agreed upon recommendations. In coordination with the Budget Office (BO), who maintains an Audit Compliance Tracking System (ACTS), it has been agreed that the City departments will inform the CAO when they have updated the ACTS with their supporting documentation to close a finding or observation.

The CAO will review any of the supporting documentation attached in the system. If the corrective actions taken by the department comply with the agreed upon recommendations stated in the findings or if an alternative method has been used and agreed upon, CAO staff will consider the finding(s) to be closed. Upon the City Auditor's final review, CAO staff will then communicate the closure of the finding(s) to the BO. The BO coordinator will close the item within the ACTS and will continue to follow up with departments to provide supporting documentation and to inform the CAO of updates to the ACTS.

In the process of clearing findings, CAO staff visited individual departments, interviewed management personnel and performed tests, on a more frequent basis, to evaluate the adequacy of management's implementation of the audit recommendations. In this process, we have closed or resolved 190 audit findings. The attached schedule (**Exhibit A**) recaps 21 that are still open as of December 31, 2017.

As we complete new audits, the new audit findings and observations will be added into the ACTS. The Departments are responsible to update the current status of the findings in the ACTS. Furthermore, the Departments are to provide proper notice to CAO staff that corrective actions have been undertaken to address certain audit findings.

We would like to thank the departments that have taken a proactive approach to implement the agreed upon corrective actions. Additionally, we will continue to work with the departments to resolve prior findings accumulated over several years and to ensure compliance with the City's policies and procedures.

cc: Lee R. Feldman, City Manager
Alain E. Boileau, Interim City Attorney
Jeff Modarelli, City Clerk

CITY OF FORT LAUDERDALE

STATUS OF OPEN AUDIT FINDINGS

(Single Audit, Financial Audit, and City Commission Audit)

As of December 31, 2017

WE BUILD COMMUNITY

All-America City

CITY OF FORT LAUDERDALE

OPEN AUDIT FINDINGS STATUS REPORT

The quarterly Status of Open Audit Finding Report is compiled by the City Manager's Office Budget/CIP and Grants Division based upon updates provided by departmental staff. This report provides the status of open audit findings from the external auditors and the City Commission Auditor's Office each quarter.

The External Auditor findings from the Single Audit and Financial Audit can only be closed once per year when the City's External Auditors conduct their review for the annual Comprehensive Annual Financial Report (CAFR).

The majority of the open audit findings are from the Commission Auditor's Office from prior year audits that were issued but not closed. The City Auditor has adopted a continuous audit approach utilizing the City's Audit Compliance Tracking System (ACTS) and quarterly report process. As departments implement the corrective action plans and upload supporting information and documentation into the ACTS system, they are required to notify the Commission Auditor that they believe a finding has been resolved. The Auditor's Office will continuously review these responses throughout the year and will notify the System Administrator in the Budget/CIP and Grants Division to close findings that have been cleared.

Department staff is required to review and update the status of each of their open findings on a quarterly basis. Following the update, a report is compiled and distributed to the City Manager and the Community Building Leadership Team. This report is presented to the Audit Advisory Board on a quarterly basis.

STATUS OF OPEN AUDIT FINDINGS
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CITY AUDITOR'S OFFICE FINDINGS

Community Redevelopment Agency

Operational Audit of the City of Fort Lauderdale CRA - Observation 3

Issue No:	335			
Date of Finding:	10/28/2016			
Final Date of Completion	09/30/2017			
		Name	Title	Department
Responsible Person 1	martinv	Vanessa Martin	Business Manager	Community Redevelopment Agency
Responsible Person 2				
Correction Plan Status:	Partially Implemented	Finding Type:	Deficiency	
Next Milestone	Finalize property purchases			
Milestone Date of Completion	09/30/2018			
Department:	Community Redevelopment Agency			
Audit Initiator	Commission Audit			
Title:	Operational Audit of the City of Fort Lauderdale CRA - Observation 3			

Issue / Observation

Condition
In the past three years the North West Progresso (NWP) Community Redevelopment Agency (CRA) did not meet their established benchmarks as it applies to the disposal of properties.

Criteria
The 2013 5-Year Program “Strategic Objectives, Goals and Measurements” states:
Strategically redevelop all vacant, underutilized sites to be compatible with the overall vision of the CRA.
Agency goal – Dispose of 20% of city-owned and CRA owned properties within the NWP CRA each year.
Measure – success to be measured by the number of properties disposed of with CRA Board or City Commission approval.

Cause
There was a lack of monitoring, measurement, and corrective action of the aforementioned goal.

Impact
Holding onto property without a plan for timely redevelopment is not in furtherance of the NWP CRA goals of fostering economic development. Additionally, TIF revenue for the CRA is lost as long as the property stays off the tax roll.

Recommendation:

The CRA Executive Director should require CRA management to develop an action plan to assure benchmarks are being met.

Correction Plan:

Staff agrees with the City Auditor's opinion that holding onto property without a plan for timely redevelopment is not a goal of the CRA. As a result, staff believes that the best way to ensure that the properties are on the tax role is via a competitive process. The competitive process should require that all respondents to the Request for Proposal (RFP) to present a project that would be consistent with the vision of the CRA and is the highest and best use for the property.

In order to ensure success, the CRA will need to secure City-owned lots (that are within the NWPF CRA) and establish a process that would be consistent with the goals of redevelopment and the CRA Plan. Staff has completed the appraisals on the City-owned lots that are within the NWPF CRA and will schedule an item for City Commission discussion in November or December 2016. At that time, staff will request that certain City-owned lots be donated to the CRA, in furtherance of redevelopment.

Lastly, staff has begun visioning discussions with the CRA Advisory Board. The discussions are centered on the types of industries and businesses to attract to the CRA and the best locations in the CRA for those businesses. Through these discussions, staff will develop a marketing plan that will address our planned use for each CRA-owned and City-owned lot and identify the types of businesses and developers which to target our marketing.

Current Status:

As of September 30, 2017 (FY17) over 55 properties were purchased and deeds were recorded.

Review of the Proposed Budget for Fiscal Year 2017/2018 Observation 1

Issue No:	401			
Date of Finding:	08/25/2017			
Final Date of Completion	09/30/2018			
		Name	Title	Department
Responsible Person 1	martinv	Vanessa Martin	Business Manager	Community Redevelopment Agency
Responsible Person 2				
Correction Plan Status:	Not Implemented		Finding Type:	Observation
Next Milestone	Hire CPA			
Milestone Date of Completion	06/01/2018			
Department:	Community Redevelopment Agency			
Audit Initiator	Commission Audit			
Title:	Review of the Proposed Budget for Fiscal Year 2017/2018 Observation 1			

Issue / Observation

The CRA hired a third party Real Estate Appraiser, Harry Newstreet, to verify the CRA tax rolls as accurate. In an email from him:
“The steps taken included a review of the enabling resolutions and ordinances, a review of applicable maps and section sheets and a spot check of the rolls as provided by your office.“

Recommendation:

His review did not ascertain whether all new construction completed during the year, based upon certificates of occupancy, were included on the appropriate tax roll with credit to the CRA.

Correction Plan:

Management Response – Management agrees. The Community Redevelopment Agency (CRA) will engage the services of a Certified Public Accountant for a full review of CRA properties on the tax roll each year to ensure that new properties are appropriately classified as CRA properties in lieu of the more limited scope of review performed for the 2017 tax roll.

Current Status:

The Community Redevelopment Agency (CRA) will solicit services of a CPA firm prior to June 1, 2018 to review tax rolls for Central Beach, North West CRA and Central City CRA.

Finance

Review of Temporary Staffing within the Department of Sustainable Development (DSD) #15/16-02 - Ob 1

Issue No:	285			
Date of Finding:	10/26/2015			
Final Date of Completion	09/30/2018			
		Name	Title	Department
Responsible Person 1	aharrison	Ashley Harrison	Management Analyst	Finance
Responsible Person 2				
Correction Plan Status:	Partially Implemented	Finding Type:	Deficiency	
Next Milestone	Draft Policy and Procedures			
Milestone Date of Completion	09/30/2018			
Department:	Finance			
Audit Initiator	Commission Audit			
Title:	Review of Temporary Staffing within the Department of Sustainable Development (DSD) #15/16-02 - Ob 1			

Issue / Observation

Condition:
No written policies or procedures exist for the procurement of temporary services.

Criteria:
Under the COSO framework, Control Activities, Principle 12: The organization deploys control activities through policies that establish what is expected and procedures that put policies into action. Points of focus:
58. Establishes policies and procedure to support deployment of management's directives.
59. Establishes responsibilities and accountability for executing policies and procedures.
60. Performs in a timely manner.
61. Takes corrective action.

Cause:
Written policies or procedures have not been developed for managing temporary services.

Impact:
Lacking effective oversight, DSD took it upon themselves to create their own method of operating, leading to inappropriate position classification and excessive rates of pay.

Recommendation:

The City Auditor's Office (CAO) recommends that the City Manager assign responsibility for the development of policies and procedures applicable to the procurement of temporary services, and training to develop additional awareness for adhering to contract terms.

Correction Plan:

Management agrees with this recommendation. Management believes that outside agency temporary services should be used in very narrow and prescribed circumstances. Management would prefer that the majority of temporary assignments be filled by the use of a City administered temporary assignment. The Finance and Human Resources Departments will collaborate in developing organizational policies to be followed when it is deemed necessary and appropriate to engage an external temporary services provider. The estimated time frame to complete this objective is 90 days.

Current Status:

The drafted policy is in the final phase of management review.

Operational Audit of the City of Fort Lauderdale Cemetery System - Finding 8

Issue No:	316			
Date of Finding:	06/29/2016			
Final Date of Completion	09/30/2018			
		Name	Title	Department
Responsible Person 1	aharrison	Ashley Harrison	Management Analyst	Finance
Responsible Person 2				
Correction Plan Status:	Partially Implemented	Finding Type:	Deficiency	
Next Milestone	Develop a system of internal controls			
Milestone Date of Completion	09/30/2018			
Department:	Finance			
Audit Initiator	Commission Audit			
Title:	Operational Audit of the City of Fort Lauderdale Cemetery System - Finding 8			

Issue / Observation

Condition

Florida Statutes and the Cemetery System's Investment Policy require internal control procedures for the Trust Fund. Neither the Finance nor the Parks Departments were able to provide the internal control procedures for the CAO's review.

Criteria

Section 218.415 (13) of Florida Statutes states: "Internal Controls. – The investment policy shall provide for a system of internal controls and operational procedures. The unit of local government's officials responsible for making investment decisions or chief financial officer shall establish a system of internal controls which shall be in writing and made a part of the governmental entity's operational procedures. The investment policy shall provide for review of such controls by independent auditors as part of any financial audit periodically required of the unit of local government. The internal controls should be designed to prevent losses of funds which might arise from fraud, employee error, and misrepresentation by

Recommendation:

The City Manager should require that the Finance Department establish a system of internal controls and related procedures for the Trust Fund as stated in Florida Statue 218.415; Subsection 13, and the Cemetery Perpetual Care Trust Fund Investment Policies; Section XII, Internal Controls; Subsection A.

Correction Plan:

Management concurs with the finding and recommendation.

The Finance Department will lead the efforts of developing a system of internal controls and related procedures for the Trust Fund.

Current Status:

Finance is currently in the process of developing a system of internal controls and related procedures for the Trust Fund.

Human Resources

Report #09/10-01 Audit of the Human Resources Department Finding 8 - Job Descriptions

Issue No:	94			
Date of Finding:	12/29/2009			
Final Date of Completion	06/29/2018			
		Name	Title	Department
Responsible Person 1	adorsett	Averill Dorsett	Director of Human Resources	Human Resources
Responsible Person 2	kdavis	Keela Black Davis	Administrative Assistant II	Human Resources
Correction Plan Status:	Partially Implemented		Finding Type:	Deficiency
Next Milestone	Complete the Classification and Compensation Study			
Milestone Date of Completion	06/29/2018			
Department:	Human Resources			
Audit Initiator	Commission Audit			
Title:	Report #09/10-01 Audit of the Human Resources Department Finding 8 - Job Descriptions			

Issue / Observation

Condition:
The City Auditors Office (CAO) found during the examination of employee job descriptions that Human Resources Department (HRD) is not actively reviewing and revising job descriptions to accurately reflect actual job functions. Of the 10 job descriptions reviewed, 8 (80%) had not been updated in the past 7 years. Moreover, 6 out of 10 (60%) had not been updated in more than 18 years. Additionally, CAO found that few job descriptions properly describe the essential functions of the position.

Criteria:
Under the Committee of Sponsoring Organizations (COSO) framework Internal or Control Environment component 1.2 "Commitment to competence" the analysis of required skills and job descriptions are a standard element of the internal control system. Accurate and up to date job descriptions are necessary to provide prospective and existing employees with a correct depiction of their duties and functions. Job descriptions should include those essential functions.

Recommendation:

The City Manager should require the Director of HRD to initiate a project to review job descriptions to assure they accurately reflect the actual position as well as include a correct statement of essential job functions. Additionally, the CAO recommends that the Director of HRD institute a new policy whereby all job descriptions will be reviewed and updated by department directors and recruitment staff before a new personnel requisition is issued.

Correction Plan:

The City has approximately 550 job classifications. Due to staffing restrictions, HRD is not equipped to take on the task of updating all the job descriptions as one project. HRD is currently updating the job descriptions when a requisition for new personnel is received and when a request for reclassification of a position is made. The revisions that are being made include separating the examples of duties into "essential job duties" and "additional job duties". They will also include the physical requirements of the job and working conditions. As time permits, HRD staff will continue to revise the job descriptions as part of an ongoing long-term project.

Current Status:

The Classification and Compensation Study was awarded to Segal Waters Consulting in August of 2016. The Study will address many classification and compensation updates and will include rewriting all of the Citys job descriptions. The new job descriptions will reflect the recommendations stated above to be more reflective of the essential functions of each classification. It is our current practice to review the job descriptions with the hiring departments director and make required changes prior to recruiting for a vacancy, and we will continue to do so. The Classification and Compensation Study has a current timeline that projects a completion date of June 2018.

Report #09/10-01 Audit of the Human Resources Department Finding 9 - Succession Planning

Issue No:	95			
Date of Finding:	12/29/2009			
Final Date of Completion	06/29/2018			
		Name	Title	Department
Responsible Person 1	adorsett	Averill Dorsett	Director of Human Resources	Human Resources
Responsible Person 2	kdavis	Keela Black Davis	Administrative Assistant II	Human Resources
Correction Plan Status:	Partially Implemented		Finding Type:	Deficiency
Next Milestone	Complete Classification and Compensation Study			
Milestone Date of Completion	06/29/2018			
Department:	Human Resources			
Audit Initiator	Commission Audit			
Title:	Report #09/10-01 Audit of the Human Resources Department Finding 9 - Succession Planning			

Issue / Observation

Condition:
The City does not actively engage in employee succession planning and mentoring for key functions/positions throughout the City and many such positions lack written policies and detailed procedures. Under the Committee of Sponsoring Organizations (COSO) framework Internal Control Environment component 1.2 "Commitment to Competence", succession planning is a standard element of the internal control environment. It helps to ensure a smooth transition, minimize disruption and mitigate costs resulting from the loss of institutional knowledge when long-term employees leave the organization.

Cause:
Management has not mandated succession planning and the development of standard operating procedures for all departments.

Impact:
Without formal succession planning and mentoring, the City risks decreased efficiency, effectiveness and quality of service delivery as new employees attempt to gain sufficient knowledge to perform the key aspects of their jobs.

Recommendation:

The City Manager should instruct all department directors to develop a comprehensive employee succession/mentoring plan for key functions/positions within their respective departments. Moreover, a significant component of a successful employee succession/mentoring plan is a having a regularly updated set of written policies and procedures for each of these key functions/positions. This recommendation is further emphasized in Finding 1.

Correction Plan:

Succession planning in its truest sense may be difficult to accomplish in the public sector given Personnel Rules, seniority considerations among bargaining units, etc; however, the human resources department (HRD) will continue to work with City departments on workforce planning and identification of key skills that must be maintained within the department.

One of HRD's future initiatives is to develop a comprehensive succession planning program. However other foundational components are required before implementation, such as: the development of Citywide Values and Competencies aligned with career ladders. Once these components are in place, HRD can develop a robust succession planning program.

Current Status: The Classification and Compensation Study was awarded to Segal Waters Consulting in August of 2016. The Study will address many classification and compensation updates and will include rewriting all of the City job descriptions. The new job descriptions will reflect the recommendations stated above to be more reflective of the essential functions of each classification. It is our current practice to review the job descriptions with the hiring department director and make required changes prior to recruiting for a vacancy, and we will continue to do so. The Classification and Compensation Study has a current timeline that projects a completion date of June 2018.

Report #09/10-01 Audit of the Human Resources Department Auditor Comment 3 - Training

Issue No:	100			
Date of Finding:	12/29/2009			
Final Date of Completion	03/30/2018			
		Name	Title	Department
Responsible Person 1	adorsett	Averill Dorsett	Director of Human Resources	Human Resources
Responsible Person 2	kdavis	Keela Black Davis	Administrative Assistant II	Human Resources
Correction Plan Status:	Partially Implemented		Finding Type:	Deficiency
Next Milestone	Customer Satisfaction Survey			
Milestone Date of Completion	03/30/2018			
Department:	Human Resources			
Audit Initiator	Commission Audit			
Title:	Report #09/10-01 Audit of the Human Resources Department Auditor Comment 3 - Training			

Issue / Observation

Condition:
The City Auditors Office's (CAO's) review of the Human Resources Department's (HRD's) efforts to meet stakeholder needs and expectations revealed that they are not proactively seeking input from either internal or external customers to gauge user satisfaction with the quality and effectiveness of the services HRD provides. Furthermore, HRD staff is not currently receiving customer service training, which is of paramount importance for a department that primarily exists to provide services to other departments within the government.

Criteria:
Under the Committee of Sponsoring Organizations (COSO) framework Information and Communication component 4.1 "Mechanisms that support information flow inside the organization", internal survey processes and component 4.2 "Mechanisms that support information flow outside the organization", external surveys are a standard element of the internal control system.

Recommendation:

The City Manager should require the Director of HRD to:
1. Develop and conduct an annual survey of job applicants and City employees to inquire about their level of satisfaction with the array of services provided by HRD. The survey results should be analyzed and used as a planning tool to promote and prioritize service delivery improvements.
2. Provide HRD staff with annual customer service training to ensure that staff responds to service requests with a customer focused approach.

Correction Plan:

HRD will explore the possibility of conducting an annual customer service survey. Staff will receive customer service training budget permitting.

Current Status:

Human Resources reviewed customer satisfaction surveys currently offered by other departments and drafted a customer satisfaction survey tailored to Human Resources functions. The survey is under review and Human Resources intends to launch the survey in the first quarter of calendar year 2018 upon approval.

Report #10/11-01 Audit of Controlled Substances of the Fire Rescue Department Observation 3

Issue No:	115			
Date of Finding:	10/15/2010			
Final Date of Completion	03/30/2018			
		Name	Title	Department
Responsible Person 1	adorsett	Averill Dorsett	Director of Human Resources	Human Resources
Responsible Person 2	kdavis	Keela Black Davis	Administrative Assistant II	Human Resources
Correction Plan Status:	Partially Implemented		Finding Type:	Deficiency
Next Milestone	Policy Standards Manual Review			
Milestone Date of Completion	03/30/2018			
Department:	Human Resources			
Audit Initiator	Commission Audit			
Title:	Report #10/11-01 Audit of Controlled Substances of the Fire Rescue Department Observation 3			

Issue / Observation

Condition
The City Auditors Office (CAO) found that new employee drivers licenses and driving history requirements, per the policy standard manual (PSM) 6.16.1.1, do not account for the number of citations issued to potential City drivers.

Criteria:
Under the Committee of Sponsoring Organizations (COSO) framework Internal or Control Environment component 1.2 "Commitment to competence", analysis of skills required and job descriptions are fundamental elements of an effective internal control environment.

Recommendation:

The CAO recommends that the City Manager require the Director of Human Resources to revise the PSM regarding driver history and licensing requirements to include language regarding the number of traffic citations received/issued to potential City drivers as exists with current employee drivers.

Correction Plan:

The Fire-Rescue Department (FRD) checks the status of each firefighters once a year and does a 7 year history for tickets and validity. The state has changed their policy and now charges for ticket history. To adapt to this, the FRD checks twice a year to see if FRD employees posess a current license (this is at no charge vs. $5 per license for a 7 year history).

Current Status:

The Human Resources (HR) staff has made recommendations for the Policy Standards Manual (PSM) revisions that are currently under review by the HR Director. Once the revisions are approved the PSM will go before the City Manager's Office for review and approval prior to implementation.

Report #09/10-01 Audit of the Human Resources Department Auditor Comment 9

Issue No:	237			
Date of Finding:	12/29/2009			
Final Date of Completion	09/28/2018			
		Name	Title	Department
Responsible Person 1	adorsett	Averill Dorsett	Director of Human Resources	Human Resources
Responsible Person 2	kdavis	Keela Black Davis	Administrative Assistant II	Human Resources
Correction Plan Status:	Partially Implemented		Finding Type:	Deficiency
Next Milestone	Policy and Standards Manual			
Milestone Date of Completion	03/30/2018			
Department:	Human Resources			
Audit Initiator	Commission Audit			
Title:	Report #09/10-01 Audit of the Human Resources Department Auditor Comment 9			

Issue / Observation

Condition

The City Auditor's Office (CAO) found that Human Resources Department (HRD) does not publish a comprehensive employee handbook. Instead, HRD relies on the combined information contained in the specific union contracts, the policy standard manual (PSM), and the Personnel Rules. These combined documents serve to provide information on many of the topics typically covered in the sample of employee handbooks reviewed by the CAO as well as best practice literature. However, the CAO noted that it was difficult and time consuming to research specific items from among the various sources, which collectively substitute for a traditional employee handbook. This is not a user-friendly method and can leave staff confused and without complete and accurate information.

Recommendation:

The City Manager should require the Director of HRD to:

1. Create and publish an employee handbook and/or,
2. Create a matrix by employee-type and include hyperlinks on the HRD website that would serve to centralize and guide both union and non-union employees to pertinent information pertaining to the City's various policies and procedures as well as other important employee information.

Correction Plan:

Employee handbooks typically contain various policies, including standards of conduct, such as workplace violence, discrimination, anti harassment, and benefits. While the City does not have one official document entitled "Employee Handbook", the previously described information can be found in the City's Personnel Rules, Policy and Standards Manual, Pay Plan Ordinance and the various collective bargaining agreements. The compilation of such information into one document would require a significant outlay of staff resources. Additionally, because an employee handbook is often the focus of employment related litigation, any compilation or drafting of a citywide employment manual would require the involvement of the City Attorney's office and/or outside counsel for constant review and updating. In light of the above, HRD does not agree with the CAO's recommendation.

REBUTTAL

The CAO feels strongly that employee handbooks are such an important resource as to be almost universal in their use. We are unaware of any organization of our size that fails to have a comprehensive handbook to educate and inform employees of their rights, benefits and obligations. While the production of such a resource may be time consuming and detailed, the benefits to the employees far outweighs the cost to the City.

Current Status:

The creation of an Employee Handbook has been temporarily delayed due to a recent initiative led by the Structural Innovation Division to update and revise the City's Policy and Standards Manual - (PSM). The Human Resources Department is also recommending to the Civil Service Board, and ultimately the City Commission, substantial changes to the Personnel Rules. Once the revisions have been approved, the PSM and Personnel Rules will be user-friendly and accessible to employees, which should correct the initial concerns raised in this finding. To resolve concerns that employees may be unaware of the rules and regulations governing their positions, the Human Resources Department has links available on its website and has continued to advertise, through various trainings, the availability of this information is on the Citys intranet Lauderlink.

Review of Temporary Staffing within the Department of Sustainable Development (DSD) #15/16-02 Fin 5

Issue No:	294			
Date of Finding:	10/26/2015			
Final Date of Completion	09/28/2018			
		Name	Title	Department
Responsible Person 1	adorsett	Averill Dorsett	Director of Human Resources	Human Resources
Responsible Person 2	kdavis	Keela Black Davis	Administrative Assistant II	Human Resources
Correction Plan Status:	Partially Implemented		Finding Type:	Deficiency
Next Milestone	Develop Curriculum for Ethics Training			
Milestone Date of Completion	03/30/2018			
Department:	Human Resources			
Audit Initiator	Commission Audit			
Title:	Review of Temporary Staffing within the Department of Sustainable Development (DSD) #15/16-02 Fin 5			

Issue / Observation

DSD's agenda item, CAM 15-1040 dated August 18, 2015 (See Exhibit C), seeking ratification of the overspending and increased budget for additional temporary staffing, provided misleading information regarding the reasons for the overspending.

Recommendation:

The City Auditor's Office (CAO) recommends that the City Manager require senior management to:

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- Ensure that accurate and complete information is provided to the City Commission.
- Hold staff accountable for misrepresentation and perpetuation of problems.
- Conduct ethics training to focus on adherence to the City's core values
- Work to change the culture to promote "results with integrity".

Correction Plan:

Management agrees with this recommendation. Human Resources (HR) has been tasked with developing ethics training for all City employees commencing this fiscal year with a one-time mandatory training session and continuing in the future as part of annual compliance training sessions; the training will include a discussion of transparency in information dissemination. However, it should be noted that the CAM approval process is a collaborative process, which includes many different levels of review. This particular CAM had not been fully reviewed by all necessary parties. Upon review it was determined that additional critical information was missing. The CAM was pulled from the review process prior to being submitted to the Commission. Additionally, it was DSD and Procurement staff which initially identified the potential overspending issue, and brought it to management's attention. The projected time frame from commencement to completion of the one-time mandatory training of employees is the first 120 to 180 days of 2016.

Current Status:

Human Resources in conjunction with the Office of Professional Standards and Attorney's Office will develop the curriculum for Ethics Training. This may require assistance from an outside source for implementation. The rollout will be in FY2018.

Review of Temporary Staffing within the Department of Sustainable Development (DSD) #15/16-02 Fin 1

Issue No:	298			
Date of Finding:	10/26/2015			
Final Date of Completion	06/29/2018			
		Name	Title	Department
Responsible Person 1	adorsett	Averill Dorsett	Director of Human Resources	Human Resources
Responsible Person 2	kdavis	Keela Black Davis	Administrative Assistant II	Human Resources
Correction Plan Status:	Partially Implemented		Finding Type:	Deficiency
Next Milestone	Study			
Milestone Date of Completion	06/29/2018			
Department:	Human Resources			
Audit Initiator	Commission Audit			

Title: Review of Temporary Staffing within the Department of Sustainable Development (DSD) #15/16-02 Fin 1

Issue / Observation The official position classification system is being undermined by DSD through the use of "working titles".

Recommendation: The City Auditor's Office (CAO) recommends that the City Manager require the DSD Director to utilize approved titles only. If the creation of a new position is deemed necessary after a desk audit by Human Resources, an ordinance change establishing the position must be enacted.

Correction Plan: Management agrees with this recommendation. The use of working titles is being minimized to the extent possible across the City organization, and is no longer used by DSD. Additionally, a selection has recently been made for the vacant Classification and Compensation Manager in the Human Resources Department. One of the first priorities for this new manager is to facilitate the process for the hiring of a professional firm to conduct a comprehensive classification study of job titles, job responsibilities and classifications throughout the organization. This study will assist in identifying and aligning job titles to work being performed.

Current Status: The Classification and Compensation Study was awarded to Segal Waters Consulting in August of 2016. The Study will address many classification and compensation updates and will include rewriting all the City's job descriptions. The new job descriptions will reflect the recommendations stated above to be more reflective of the essential functions of each classification. It is our current practice to review the job descriptions with the hiring department director and make required changes prior to recruiting for a vacancy, and we will continue to do so. The Classification and Compensation Study has a current timeline that projects a completion date of June 2018.

Parks and Recreation

Operational Audit of the City of Fort Lauderdale Cemetery System - Finding 4

Issue No:	309			
Date of Finding:	06/29/2016			
Final Date of Completion	09/30/2018			
		Name	Title	Department
Responsible Person 1	sspates	Stacy Spates	Administrative Assistant II	Parks & Recreation
Responsible Person 2	sdaley	Stacey Daley	Administrative Assistant II	Parks & Recreation
Correction Plan Status:	Partially Implemented		Finding Type: Deficiency	
Next Milestone	Report			
Milestone Date of Completion	11/01/2017			
Department:	Parks & Recreation			
Audit Initiator	Commission Audit			
Title:	Operational Audit of the City of Fort Lauderdale Cemetery System - Finding 4			

Issue / Observation

Condition

The Finance Department did not properly account for the total revenues and expenditures of the Trust Fund in accordance with generally accepted accounting principles (GAAP). The management fees to Carriage were netted against the revenue due to the City from the sale of plots, crypts, niches, internments, entombments, inurnments, and merchandise.
In addition, Carriage failed to remit to the Trust Fund 19% of the revenue from finance charges and from sales of second rights and double depth plots.

Auditor's Note:

For example, Carriage contributes 19% of net sales of each lot or plot and mausoleum crypt to the Trust Fund. The net sale here does not include revenue from finance charges and sales of second rights or double depth. Based on the City Auditor's Office (CAO) understanding of City Ordinance – Section 10-47, 19% should come from gross sales, including revenue from finance charges and sales of second rights and double depth.

Recommendation:

The City Manager should require the Finance Department to review applicable accounting standards and to account for all the money Carriage collected for the sales of plots, crypts, niches, internments, entombments, inurnments, merchandise, as well as amounts paid to Carriage for all services rendered by the company. Those revenues and expenditures should be included in the Comprehensive Annual Financial Report (CAFR).

The City Manager should require the Finance and Parks Departments to obtain accounts receivable information from Carriage in order to provide effective monitoring of the collections and related contribution to the Trust Fund.

In addition, the Finance and Parks Departments should work with Carriage to recover the amount not collected for the Trust Fund since the renewal of the last contract. The Parks Department should enhance its monitoring procedure to ensure that the Trust Fund receives all the money required under Section 10-47 of the City's Code of Ordinances.

Correction Plan:

Management concurs with the finding and recommendation related to the City receiving revenue from finance charges and obtaining accounts receivable information from Carriage.

(1) “Carriage failed to remit to the Trust Fund 19% of the revenue from finance charges and from sales of second rights and double depth plots.” Staff will work with Carriage Services to ensure that the City received 19% on all revenue. Estimated date of implementation is December 1, 2016.

(2) “The City Manager should require the Finance and Parks Departments to obtain accounts receivable information from Carriage in order to provide effective monitoring of the collections and related contribution to the Trust Fund.”
The Parks and Recreation Department will work with the Finance Department to obtain accounts receivable information from Carriage Services in order to provide effective monitoring of the collections and related contribution to the Trust Fund. Estimated date of implementation is August 30, 2016.

Current Status:

As of December 21, 2017, the external auditor discussed the financial impact of not following established rules and procedures. The Commission requested a plan to address these financial issues in dealing with the lost revenue and recovering the funds. The plan will be presented to Commission at its second meeting in January 2018.

Operational Audit of the City of Fort Lauderdale Cemetery System - Finding 6

Issue No:	313			
Date of Finding:	06/29/2016			
Final Date of Completion	09/30/2018			
		Name	Title	Department
Responsible Person 1	sspates	Stacy Spates	Administrative Assistant II	Parks & Recreation
Responsible Person 2	sdaley	Stacey Daley	Administrative Assistant II	Parks & Recreation
Correction Plan Status:	Partially Implemented		Finding Type:	Deficiency
Next Milestone	Present Updated Cemetery Rules and Regulations to Commission			
Milestone Date of Completion	01/31/2018			
Department:	Parks & Recreation			
Audit Initiator	Commission Audit			
Title:	Operational Audit of the City of Fort Lauderdale Cemetery System - Finding 6			

Issue / Observation

Condition
CAO noted two large sales of more than six grave spaces to an individual or an entity. Two of thirty contracts were signed with the purchase of six grave sites or more. One purchaser paid for twelve grave spaces utilizing a City resident discount, and another paid the full price for ten graves spaces.

Criteria
Sec. 6-2. Of City's Cemetery Rules & Regulations (page 16) states that "an individual or entity may purchase no more than six (6) internment rights and internment services".

Cause
Carriage is not following the City's Cemetery Rules and Regulations.

Impact
By not enforcing the purchase limit rules, the plots could be sold out sooner than anticipated. In addition, residents and entities of Fort Lauderdale could purchase plots at a 25% discount and possibly resell them at a higher amount.

Recommendation:

The City Manager should require that the Parks Department monitor the sales contracts to ensure that Carriage adheres to the City's Cemetery Rules and Regulations and put in place a system of accountability to prevent the sale of more than six plots in the future.

Correction Plan: Management concurs with the finding and recommendation.

Under Section II of the City's Cemetery Rules and Regulation, Private Family Estates are defined as a multi-space structure, either wholly or partially aboveground, located in designated areas only, and used solely for the entombment of the owner and others designated by the owner. Private Family Estates enable the City to have the ability to market the cemeteries as premiere properties since these estate sites are offered at other competitor cemeteries. A contract for the sale of a private family estate is subject to approval by the Cemetery Board of Trustees.

Due to Private Family Estates not being defined by ordinance, staff will propose an amendment of the Rules and Regulations, exempting Private Family Estates from Sec. 6-2. The proposed amendment to the Rules and Regulations will be brought before the Cemetery Board of Trustees and the City Commission for approval. Estimated date of implementation is October 1, 2016.

Additionally, the Cemetery Liaison will continue to conduct a monthly audit of all sales contracts to ensure that Carriage adheres to the City's Cemetery Rules and Regulations.

Current Status: At the City Commission Conference Meeting on November 21, 2017, the Commission requested that the Cemetery Board come back to the Commission at a future meeting with updated Cemetery Rules and Regulations. The Amendments to the Rules and Regulations will address Private Family Estates. The Cemetery Board will discuss this item at its meeting in January 2018.

Operational Audit of the City of Fort Lauderdale Cemetery System - Finding 7

Issue No:	314			
Date of Finding:	06/29/2016			
Final Date of Completion	09/30/2018			
		Name	Title	Department
Responsible Person 1	sspates	Stacy Spates	Administrative Assistant II	Parks & Recreation
Responsible Person 2	sdaley	Stacey Daley	Administrative Assistant II	Parks & Recreation
Correction Plan Status:	Partially Implemented	Finding Type:	Deficiency	
Next Milestone	Present Updated Cemetery Rules and Regulations to Commission			
Milestone Date of Completion	01/31/2018			
Department:	Parks & Recreation			
Audit Initiator	Commission Audit			
Title:	Operational Audit of the City of Fort Lauderdale Cemetery System - Finding 7			

Issue / Observation

Condition
The Cemetery Board improperly determined that 19% of the total amount received from the sale of each lot or plot, crypts, and niches belongs to the corpus of the Trust Fund.
Note: The Trust Fund has built up to more than $25 million.

Criteria

(1): Code of Ordinance Sec. 10-47. Municipal Cemetery System Fund.
(a) Perpetual care trust. There shall be a perpetual care trust comprised of the following income sources and authorized expenditures:
(1) Income. There shall be set aside and deposited in the perpetual care trust:
a. Nineteen (19) percent of the total amount received from the sale of each lot or plot, columbarium niche and mausoleum crypt; and
b. For each memorial, monument, marker or bench sold or installed or both in the cemetery system, twenty cents ($.20) per square inch of the top surface of bronze markers and the top surface of the base of stone monuments.
(2) Expenditure. The income of the perpetual care trust shall be used only for the following purp

Recommendation:

The City Manager should revise and update the Cemetery Rules and Regulations and related Investment Policy to accurately represent the intent of the City Ordinance or change the City Ordinance to accurately reflect the Rules and Regulations and related Investment Policy.

Auditor Note:

The City Ordinance was adopted in 1986, amended and updated in 2004. The Rules and Regulations and Investment Policy were adopted in 1990, amended and updated in 2004.

Correction Plan:

Management concurs in principle with the finding and recommendation. Staff will bring the investment policy and the Cemetery Rules and Regulations to Cemetery Board of Trustees for further discussion and determine the need to accurately define the corpus consistently throughout all documents. Management will proceed with bringing this issue to the City Commission as a conference item.

Current Status:

At the City Commission Conference Meeting on November 21, 2017, the Commission requested that the Cemetery Board come back to them at a future meeting with updated Cemetery Rules and Regulations. The Cemetery Board will discuss this item at its meeting in January 2018.

The Investment Policy will also be reviewed in the future. The Cemetery Board will work with the Department of Finance and SunTrust for guidance.

Operational Audit of the City of Fort Lauderdale Cemetery System - Finding 9

Issue No:	317			
Date of Finding:	06/29/2016			
Final Date of Completion	09/30/2018			
		Name	Title	Department
Responsible Person 1	sspates	Stacy Spates	Administrative Assistant II	Parks & Recreation
Responsible Person 2	sdaley	Stacey Daley	Administrative Assistant II	Parks & Recreation
Correction Plan Status:	Partially Implemented		Finding Type:	Deficiency
Next Milestone	Finalize Standard Operating Procedures			
Milestone Date of Completion	03/31/2018			
Department:	Parks & Recreation			
Audit Initiator	Commission Audit			
Title:	Operational Audit of the City of Fort Lauderdale Cemetery System - Finding 9			

Issue / Observation

Condition

In regard to SOPs and training, the CAO noted the following:
1. The Parks Department has not established SOPs for effective and consistent monitoring of contracts between the City and Carriage.
2. The Cemetery Liaison does not have the required eight hours of investment training.
3. The members of the Cemetery Board have not received investment training for the purpose of overseeing public fund investments.

Criteria

Section 218.415 (14) of Florida Statutes requires continuing education for government officials and states “The investment policy shall provide for the continuing education of the unit of local government’s officials responsible for making investment decisions or chief financial officer. Such officials must annually complete 8 hours of continuing education in subjects or courses of study related to investment practices and products.”

Recommendation:

The City Manager should require that the Parks Department develop SOPs and related training manuals for the operation of the Cemetery System. In addition, the Cemetery Liaison and Cemetery Board members must receive the required eight (8) hours of public fund investment training related to investment practices and products.

Correction Plan:

Management concurs with the finding and recommendation.

The Parks and Recreation Department will develop standard operating procedures (SOP) and related training manuals for the continuity of operations of the Cemetery System. Estimated date of implementation is August 1, 2017.

As stated in the Investment Policy, the Cemetery Board of Trustees is designated as trustor of the Perpetual Care Trust Fund and is responsible for administering the investment program. The Cemetery Board of Trustees should consider training in public fund investments. Estimated date of implementation is August 10, 2017.

Current Status:

As of December 21, 2017, the development of the Standard Operation Procedures (SOP) is close to final draft form. The final draft of the SOP's were dependent upon the conclusions from the Agreed-Upon Procedures Report.

The Cemetery Liaison is working with SunTrust to provide the required eight (8) hours of public fund investment training by March of 2018.

Operational Audit of the City of Fort Lauderdale Cemetery System - Observation 4

Issue No:	318			
Date of Finding:	06/29/2016			
Final Date of Completion	09/30/2018			
		Name	Title	Department
Responsible Person 1	sspates	Stacy Spates	Administrative Assistant II	Parks & Recreation
Responsible Person 2	sdaley	Stacey Daley	Administrative Assistant II	Parks & Recreation
Correction Plan Status:	Partially Implemented		Finding Type:	Deficiency
Next Milestone	Evaluation of Request for Proposals by Committee			
Milestone Date of Completion	02/28/2018			
Department:	Parks & Recreation			
Audit Initiator	Commission Audit			
Title:	Operational Audit of the City of Fort Lauderdale Cemetery System - Observation 4			

Issue / Observation

Condition

Regarding a long term study of the adequacy of the Trust Fund for perpetual maintenance and of the Trust Fund's investment strategy, we noted the following:

• The Trust Fund balance for the period ending 9/30/2014 is approximate $25 million, which seems excessive considering the lack of maintenance and the visual appearance of the cemeteries. The current repair and maintenance costs are approximately $500,000 annually and there is no analysis to review the appropriate level of the corpus.

• SunTrust's quarterly investment statement does not describe the investment styles of the funds in the portfolio.

• The Trust Fund investment portfolio managed by SunTrust underperformed vs. policy benchmarks, blended benchmarks or S&P 500 in every period and in each category from year-to-date or from inception-to-date for the period ending June 30, 2015.

• The City has not conducted a study to evaluate the adequacy of the Trust Fund.

• The Parks Department has not conducted a study

Recommendation:

The City Manager should consider hiring an independent consultant with knowledge of cemetery operations to conduct a study for the best long-term course of action concerning the management of the Trust Fund and the desired level of funds needed to provide for perpetual care.

The City Manager and Parks Department should request that SunTrust provide full descriptions for each investment in their quarterly portfolio presentation.

Finally, the City Manager should consider retaining an independent consultant to conduct a review of the current investment strategy. More specifically, the review should compare the current active strategy with a passive investment strategy to determine whether a passive investment strategy with lower fees can better meet the goals and objectives of the Trust Fund.

Auditor Note: A Request for Proposal (RFP) was issued for a comprehensive cemetery master plan; however it has been placed on hold at the direction of the Cemetery Board of Trustees.

Correction Plan:

Management concurs with the recommendation and will proceed as directed by the City Manager. Staff will place this item on the Cemetery Board of Trustees agenda for further consideration.

Current Status:

As of December 21, 2017, the Cemetery Master Plan RFP closed on November 9, 2017. A total of three proposals were received. A RFP Evaluation Committee will meet to review and rank the proposals.

Operational Audit of the City of Fort Lauderdale Cemetery System - Finding 10

Issue No:	319			
Date of Finding:	06/29/2016			
Final Date of Completion	09/30/2018			
		Name	Title	Department
Responsible Person 1	sspates	Stacy Spates	Administrative Assistant II	Parks & Recreation
Responsible Person 2	sdaley	Stacey Daley	Administrative Assistant II	Parks & Recreation
Correction Plan Status:	Partially Implemented		Finding Type:	Deficiency
Next Milestone	Management Review Request for Proposal			
Milestone Date of Completion	12/31/2017			
Department:	Parks & Recreation			
Audit Initiator	Commission Audit			
Title:	Operational Audit of the City of Fort Lauderdale Cemetery System - Finding 10			

Issue / Observation

Condition

The RFP and contract for cemetery management did not include a requirement for a "Standards for Attestation Engagement (SSAE) 16 Report - Reporting on Controls at a Service Organization".

Criteria

All outsourced functions that delegate the processing of financial information, utilize personally identifiable information or contain healthcare details covered by HIPPA, are required to have an SSAE 16 report.
SSAE 16, System and Organization Controls (SOC) 1 - Report on controls at a service organization relevant to a user entity's internal control over financial reporting. A type 1 report focuses on a description of a service organization's system and on the suitability of the design of its controls to achieve the related control objectives included in the description, as of a specified date. A type 2 report contains the same opinions as a type 1 report with the addition of an opinion on the operating effectiveness of the controls to achieve the related control objecti

Recommendation:

The City Manager should amend the current contract to include a requirement for an SSAE 16 - "Reporting on Controls at a Service Organization" SOC 1, type 2 report.

Correction Plan:

Management concurs with the finding and recommendation. The Parks and Recreation Department will address this recommendation in the next RFP for Cemetery Management Services requiring the future contractor to provide the SSAE 16 - "Reporting on Controls at a Service Organization" SOC 1, type 2 report. Estimated date of implementation is December 31, 2017.

Current Status:

As of December 21, 2017, this finding will be addressed in the next Request for Proposal (RFP) for Cemetery Management Services requiring the future contractor to provide the SSAE 16 - Reporting on Controls at a Service Organization SOC 1, type 2 report.

The Cemetery Management Services RFP is completed and under evaluation by Management.

Carriage Services contract expires September 30, 2018.

Operational Audit of the City of Fort Lauderdale Cemetery System - Finding 11

Issue No:	320			
Date of Finding:	06/29/2016			
Final Date of Completion	09/30/2018			
		Name	Title	Department
Responsible Person 1	sspates	Stacy Spates	Administrative Assistant II	Parks & Recreation
Responsible Person 2	sdaley	Stacey Daley	Administrative Assistant II	Parks & Recreation
Correction Plan Status:	Partially Implemented		Finding Type: Deficiency	
Next Milestone	Develop a plan to address financial issues			
Milestone Date of Completion	01/31/2018			
Department:	Parks & Recreation			
Audit Initiator	Commission Audit			
Title:	Operational Audit of the City of Fort Lauderdale Cemetery System - Finding 11			

Issue / Observation

Condition

The Parks Department does not maintain document control of the “Cemetery Interment Rights Purchase/Security Agreement” forms known as the “contract”.

Carriage orders blank contracts from a print shop with sequential document numbers, and then assigns a limited number (normally ten copies at a time) of blank contracts to several of their sales agents. However, there is no inventory of the pre-numbered forms, with a log indicating what numbers are assigned to which salesperson, a record of voided forms, and a list of completed forms to permit a reconciliation and accounting of all contracts.

Criteria

Under the COSO framework, Control Activities, Principle 10: The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels. Reconciliations, physical safeguarding and access control, and proper form design are fundamental elements of effective internal control.

Recommendation:

The City Manager should require the Parks Department to maintain contracts in proper sequential order, accounting for any missing sequence contract number, and investigate any missing contract documents.

Correction Plan:

Management concurs in principle with the finding and recommendation.

The Cemetery Liaison reviews all contracts on a monthly basis to ensure compliance. The Liaison can obtain access to Carriage's information system to account for any missing sequence contract numbers. Estimated date of implementation is May 31, 2017.

Current Status:

As of December 21, 2017, the Agreed-Upon Procedures Audit conducted by the external auditor was presented to the Commission at its meeting on November 21, 2017. Commission requested the City Auditor, City Manager and City Attorney develop a plan to address financial issues and come back to the Commission with recommendations at the second meeting in January 2018.

Operational Audit of the City of Fort Lauderdale Cemetery System - Finding 12

Issue No:	321			
Date of Finding:	06/29/2016			
Final Date of Completion	09/30/2018			
		Name	Title	Department
Responsible Person 1	sspates	Stacy Spates	Administrative Assistant II	Parks & Recreation
Responsible Person 2	sdaley	Stacey Daley	Administrative Assistant II	Parks & Recreation
Correction Plan Status:	Partially Implemented		Finding Type:	Deficiency
Next Milestone	Develop a Digital Cemetery Map System			
Milestone Date of Completion	09/30/2018			
Department:	Parks & Recreation			
Audit Initiator	Commission Audit			
Title:	Operational Audit of the City of Fort Lauderdale Cemetery System - Finding 12			

Issue / Observation

Condition

The Parks Department does not maintain proper plot inventory records.

Criteria

Under the Committee of Sponsoring Organizations (of the Treadway Commission COSO) framework, Control Activities, Principle 10: The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels. Reconciliations, physical safeguarding and access control, and annual inventories are fundamental elements of effective internal control.

Cause

Some of the causes include:
• The Parks Department has not performed land/plot inventory for many years.
• There seems to be a lack of understanding in the performance of job duties.
• There is a lack of formal training and Standard Operating Procedures (SOPs).
• There is a lack of internal controls over the accountability of plots.

Recommendation:

The City Manager should require the Parks Department to maintain accurate plot inventory records, including beginning plot inventory, plots available for sale, plots sold during the year, and ending inventory.

Furthermore, the City Manager should consider requiring that the future contract include a provision that digital cemetery map systems be implemented in all city cemeteries.

Correction Plan:

Management concurs with the finding and recommendation. The Parks and Recreation Department shall require the future contract include a provision for digital cemetery map systems. Estimated date of implementation is December 30, 2017.

Current Status:

As of December 21, 2017, the Cemetery contractor provides a monthly interment report to the Cemetery Board. The future contract will include a provision that digital cemetery maps systems be implemented.

Department of Sustainable Development

Report #10/11-06 Audit of the Code Enforcement Lien Process Finding 2

Issue No:	108			
Date of Finding:	10/24/2011			
Final Date of Completion	10/31/2018			
		Name	Title	Department
Responsible Person 1	abattle	Alfred Battle	Deputy Director Sustainable Development	Sustainable Development
Responsible Person 2	schess	Sherrilynn Chess	Business Manager	Sustainable Development
Correction Plan Status:	Partially Implemented		Finding Type:	Deficiency
Next Milestone	Timelines			
Milestone Date of Completion	10/31/2018			
Department:	Sustainable Development			
Audit Initiator	Commission Audit			
Title:	Report #10/11-06 Audit of the Code Enforcement Lien Process Finding 2			

Issue / Observation

Condition
The City of Fort Lauderdale is not reporting code liens in accordance with generally accepted accounting principles (GAAP), specifically Governmental Accounting Standards Board (GASB) 33.
Auditor Note: The City Auditor's Office (CAO) has communicated the potential financial reporting issue to the external auditor for their consideration.

Criteria
GASB Statement No. 33 establishes accounting and financial reporting standards for imposed nonexchange revenue transactions – governments are required to recognize assets from imposed nonexchange revenue transactions in the period when an enforceable legal claim to the assets arises or when the resources are received, whichever occurs first.

Recommendation:

The CAO recommends that the City Manager require the following:
1. The Director of the Building Department work in conjunction with the Finance Director to determine the total outstanding code lien receivables owed to the City.
2. The Director of the Building Department develop a policy to communicate to the Finance Department when liens are established, the amounts that are accruing, and payments received.
3. The Director of the Building Department develop a policy for the City Commission's consideration to set the minimum acceptable level for code lien settlements to allow the Finance Department to determine the net collectible receivable to be recorded in the financial statements, in accordance with GASB 33.

Correction Plan:

1) Management concurs. The Director will work with the Finance Department and Information Technology (IT) to enhance the current Community Plus software to provide the ability to determine the total outstanding code liens and fines owed to the City at any given time. If the current software is not capable of such enhancement, a replacement product will be sought.
2) Management concurs. The Director will develop a policy to communicate to the Finance Department when liens are established, the amounts that are accruing, and payments received. The current software enhancement should include the ability to communicate and share this information with Finance. If that is not possible, an alternate software product should be sought as stated above.
3) Management concurs. The Director will develop a policy and will make recommendations to the City Commission for setting minimum acceptable levels for Code lien settlements to allow the Finance Department to determine the net collectible receivable.

Current Status: The payment portal of Accela will be customized to support payments being posted to their respective account versus the current method of posting miscellaneous receipts. The Accela project is in execution phase, on schedule, and on budget. The expected completion is October/November 2018.

Report #10/11-06 Audit of the Code Enforcement Lien Process Finding 3

Issue No:	109			
Date of Finding:	10/24/2011			
Final Date of Completion	10/31/2018			
		Name	Title	Department
Responsible Person 1	abattle	Alfred Battle	Deputy Director Sustainable Development	Sustainable Development
Responsible Person 2	schess	Sherrilynn Chess	Business Manager	Sustainable Development
Correction Plan Status:	Partially Implemented		Finding Type:	Deficiency
Next Milestone	Timelines			
Milestone Date of Completion	10/31/2018			
Department:	Sustainable Development			
Audit Initiator	Commission Audit			
Title:	Report #10/11-06 Audit of the Code Enforcement Lien Process Finding 3			

Issue / Observation

Condition
The current management information system, "Community Plus", does not appear to meet Code Enforcement's needs. For example, a complete listing of all outstanding code liens and their associated values cannot be produced.
See also City Auditor's Office (CAO) Report #07/08-10, "Audit of the Code Enforcement Division", Condition/Cause, "Community Plus has the ability to generate custom reports however, Code Enforcement Division (CED) staff rarely use this functionality due to the lack of practical guidance materials. CED management personnel were given training on how to use Community Plus to generate custom reports but were not provided
with a desk reference manual with step-by-step screenshots."
Auditor Note: The Information Technology Department (IT) provided the CAO with a "Code Enforcement Fine Report" listing all outstanding liens and associated value on 10/3/2011. The report indicated 2,802 outstanding liens, with a fine and lien value of $153,430,449.

Recommendation:

The CAO recommends that the City Manager require the Director of the Building Department to work in cooperation with Finance, Information Technology, and the software service provider to evaluate Code Enforcement's management information needs and implement a system capable of meeting those requirements.
Auditor Note: See also CAO Report #07/08-10 p.9, "Audit of the Code Enforcement Division", Management Response, "Generally reports directly available through Community Plus are not sufficient to meet division needs as they lack essential data."

Correction Plan:

Management concurs. The Director will work in cooperation with Finance, Information Technology, and the software service provider to evaluate Code Enforcement's management information needs and implement a system capable of meeting those requirements, including reports with essential data sufficient to meet division needs.

Current Status:

The payment portal of Accela will be customized to support payments being posted to their respective account versus the current method of posting miscellaneous receipts. The Accela project is in execution phase, on schedule, and on budget. The expected completion is October/November 2018.