



Memorandum

Memo No: 17/18-13

Date: August 9, 2018

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 three percent (3%) merit salary increase for John Herbst, City Auditor, effective August 1, 2018.

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 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 audits 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 we have just completed our most recent peer review and thanks to the hard work and professionalism of my outstanding staff, we have again received acknowledgment that the internal quality control system over the City Auditor's Office was suitably designed and operating effectively to provide reasonable assurance of compliance with Government Auditing Standards for audits and attestation engagements during the reviewed period.

8/21/2018

CAM 18-0843

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, one Certified Internal Auditor, 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:

- Interim Status Report- Construction Audit of the Las Olas Garage, Las Olas Boulevard Corridor Improvements and Aquatic Center Renovation Projects
- Community Development Districts Discussion Paper
- Municipal Public Service Tax Audit Report (by SNJ Muniservices)
- Audits of Solid Waste Franchise Hauler Fee Compliance (by Morgenstern, Phifer and Messina)
- Review of the WAVE Streetcar Funding Commitments and Related Expenditures
- Summary of Follow-Up Audits/Review of Open Findings and Observations as of December 31, 2017
- Compliance Audit of the Design Phase of the Aquatic Complex Developer's Agreement with Recreational Design & Construction, Inc.
- Reviewed the Community Redevelopment Agency Annual Report for the Fiscal Year Ended September 30, 2017
- Reviewed the City of Fort Lauderdale's Annual Report to Bondholders
- Analysis of Bahia Mar Redevelopment Revenue Projections
- Review of the Proposed Fiscal Year 2018/2019 Budget (in process)
- Construction Audit of Fire Station 46 (in process)
- Audit of P-Card Program (in process)

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" (audit)
- Review of Popular Annual Financial Report "PAFR"

C. Internal Consulting:

- Conducted an inventory of Cemetery Systems operating inventory
- Conducted a review of billing from outside counsel for HIPPA compliance
- Consulted on the CRA Business Incentive Program award to Rechter Holdings
- Observed the Sewer Design and Implementation Program Manager Meeting

- Consulted on Cemetery Financial Audit (by Anthony Brunson, P.A)
- Ongoing monitoring of PCI vulnerability assessment

D. Attendance at Meetings:

- Attended Budget Advisory Board meetings
- Attended Audit Advisory Board meetings
- Attended Charter Review Board meetings
- Attended Infrastructure Task Force meeting
- 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 City Manager's ISO 9001 Status Update meetings
- Attended Federal Court Facilities Task Force meetings

Professional Development/Community Involvement:

- Performing Arts Center Authority-Finance Committee Member
- Broward County School Board-Audit 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