



Memorandum

Memo No: 18/19-09

Date: August 20, 2019

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, 2019.

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 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.

8/20/2019

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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:

- Procurement Card (P-Card) Operational Audit
- Interim Status Report #2 - Parking Garage, Las Olas Boulevard Corridor Improvements and Aquatic Center Renovation Projects-Carr, Riggs & Ingram (CRI)
- Preliminary Review of the Lockhart Stadium Unsolicited Proposals
- Review of the Segal Waters Class and Compensation Consulting Study "City of Fort Lauderdale, FL 2018 Total Compensation Survey Results - General Employees"
- Annual Report to Bondholders for the Fiscal Year Ended September 30, 2018
- Community Redevelopment Agency Annual Report for the Fiscal Year Ended September 30, 2018
- Police Headquarters cost comparison analysis
- Review of the proposed Skanska change order #2 - Las Olas Blvd Corridor Improvements Project-draft
- Fire Station #46 and #54 Construction Audit – in progress
- Police Evidence Room Operation Audit – in progress
- FY 2020 Budget Review – in progress
- Monitoring of open audit findings from previous audits - ongoing

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:

- ERP (Infor-Lawson) Implementation Monitoring – in progress
- Discovered the data breach of employee's personally identifiable information
- Performed financial review of the two largest HOPWA sub-recipients, Broward Regional Health Planning Council and Broward House
- Review of Building Fee Study 2018
- Consulted on the GERS COLA review
- Evaluated the CRA forgivable loan to Jack and Jill Children's Center

- Consulted on Cemetery System operational reorganization
- Consulted on costing of police and fire salary increase/75th percentile
- Ongoing monitoring of PCI vulnerability assessment

D. Attendance at Meetings:

- Attended Budget Advisory Board meetings
- Attended Audit Advisory Board meetings
- Attended Investment Committee meetings
- Attended collective bargaining 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 Federal Court Facilities Task Force meetings

Professional Development/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
- Finalist for a seat on the Governmental Accounting Standards Board

Prepared by: John Herbst

Charter Officer: John Herbst