

COUNTY AUDIT DEPARTMENT

REPORT # 376

QUARTERLY BOCC FOLLOW- UP REPORT

FEBRUARY 5, 2020



Pat Frank INTEGRITY. TRANSPARENCY. ACCOUNTABILITY.

CLERK OF COURT & COMPTROLLER • HILLSBOROUGH COUNTY, FLORIDA



February 5, 2020

The Honorable Lesley “Les” Miller, Jr., Chairman
The Honorable Ken Hagan
The Honorable Pat Kemp
The Honorable Sandra L. Murman
The Honorable Kimberly Overman
The Honorable Mariella Smith
The Honorable Stacy R. White

Dear Chairman Miller and Commissioners:

The County Audit Department operates in compliance with the standards set forth in the International Professional Practices Framework as well as Government Auditing Standards. These standards require that County Audit communicate the results of audit engagements to the appropriate parties and monitor the action taken by management in response to any audit recommendation.

Attached is the quarterly report on the status of all management corrective action plans as of the end of the first quarter of fiscal year 2020. Addressing open recommendations will enhance the Board of County Commissioners’ overall operations and mitigate risks to the organization. For the quarter ended December 31, 2019, the County Audit Department monitored management action for eight (8) recommendations. Two recommendations were implemented and tracking has been closed. The remaining six will carry forward to the second quarter of fiscal year 2020. *See Attachment 1*

I appreciate this opportunity to be of service to the Board of County Commissioners. I am happy to address any questions that you may have or furnish additional information if desired.

Sincerely,

Heidi Pinner, CIA, CISA, CFE, CRMA
Senior Director, County Audit

CC: Mike Merrill, County Administrator
Greg Horwedel, Deputy County Administrator
Bonnie Wise, Deputy County Administrator/Chief Financial Administrator
Lucia Garsys, Deputy County Administrator, Development & Infrastructure
George Cassady, Assistant County Administrator, Public Utilities
Adam Gormly, Director, Development Services
Kimberly Byer, Director, Public Utilities
Cheryl Howell, Director, Affordable Housing Services
Debbie Benavidez, Director, Enterprise Solutions & Quality Assurance
Pat Frank, Clerk of Court & Comptroller
Dan Klein, Chief Executive Officer, Clerk
Rick Van Arsdall, Chief Operating Officer, Board Services

ATTACHMENT 1

STATUS OF AUDIT RECOMMENDATIONS as of January 31, 2020

Report # Project Name	Recommendation Title	Recommendation State	Entity	Estimated Implementation Date	Actual Implementation Date	Recommendation Close Date
360 9-1-1 Agency - Address Data	To ensure that the address data utilized by the various systems and agencies throughout Hillsborough County remains consistent and reliable, management should 1) Investigate the inconsistencies identified by the Audit Team and determine if any corrections to the data are needed in either the 9-1-1 database or GIS; 2) Determine the root cause of such inconsistencies and implement mitigating controls to address any underlying issues; and 3) Implement holistic validation or monitoring controls to routinely compare data between the 9-1-1 database and the County GIS system.	Past Due - Started but not completed	911 Agency	3/1/2019		
365 Covanta Agreement - Energy Recovery Services	To improve controls related to invoice processing, management should consider including complete and accurate supporting documentation with invoice files when recalculating and verifying invoice payments to Covanta; including evidence of all reviews and approvals on all Covanta invoices, prior to being paid; and ensuring credits for the sale of ferrous and non-ferrous metals are provided to the County from Covanta within 30 days of receipt by Covanta, as agreed upon in the Covanta contract.	Pending	Public Utilities	6/30/2020		
365 Covanta Agreement - Energy Recovery Services	To improve monitoring of the performance guarantees, management should consider compiling the various updates, amendments and revisions for the Agreement into a single, consolidated document that details the existing contract terms and conditions to ensure there is clarity for the existing contract relationship; and researching the requirement for the Process Residue Quality guarantee and determining whether or not to modify the contract to remove the guarantee or require the contractor to include and track it on the annual Covanta performance guarantee summary report.	Pending	Public Utilities	6/30/2020		
369 Affordable Housing Grant Accounting	To ensure that loans are being properly amortized and recorded, management should: 1) Implement new processes and controls to ensure contract documents are prepared with accuracy and that the amortization data in Excel matches the contract terms. 2) Consider reviewing all the other contracts listed in Excel spreadsheets against the Official Records documents for accuracy. 3) Record any necessary adjusting journal entries to ensure the amortization and receivable amounts in the general ledger are complete and accurate. 4) For multi-family property loans, determine if the entity has been profitable and whether or not payments are owed to the County. 5) Consider implementing contract management software that can automate the tracking and calculation of loan receivables.	Closed	Affordable Housing	10/1/2019	12/18/2019	1/28/2020
372 Warranty Bond Release Process	Coordinate the release of all outstanding expired warranty bonds back to the corresponding developer by partnering with Board Records and County Finance.	Pending	Development Services	10/15/2020		
372 Warranty Bond Release Process	Create a formal policy for the complete process of warranty bonds, including all roles and responsibilities as well as the steps to be followed by each of the departments involved in the process.	Pending	Development Services	5/1/2020		
372 Warranty Bond Release Process	Establish a centralized system or repository of warranty bond information that is accessible to all those involved in the warranty inspection process prior to warranty bond expiration.	Pending	Development Services	5/1/2020		
372 Warranty Bond Release Process	Ensure that adequate resources are available to create redundancy for the processes of recording, tracking, and managing warranty bonds and their respective expiration dates.	Closed	Development Services	12/31/2019	1/2/2020	1/3/2020