

**MEMORANDUM NO. 07-41**

**DATE:** June 14, 2007

**TO:** Cate McCaffrey/Business Enterprises Director

**FROM:** Assistant Internal Audit Director/Renée Foley/5851

**SUBJECT:** *Review of Broward Beautiful GreenSHADE Grant No. G06\_05 for City of Fort Lauderdale project located at Lauderdale Memorial Park and Sunset Memorial Gardens*

On June 8, 2007, Internal Audit provided Broward County with a Special Report together with a financial statement (attached). As part of the grant review to determine whether the revenues were expended in accordance with the agreement and to determine compliance with the various requirements, we evaluated the effectiveness and adequacy of the internal controls and procedures used for the project, which revealed the following conditions.

- The project has been completed; however, the City has not invoiced the County. The amount to be invoiced to the County was incorrect (\$5,370 opposed to \$5,322). Actual expenditure for the purchase of trees totaled \$10,644: \$5,322 is billable to/due from the County and \$5,322 expended to satisfy the match requirement.
- Grant Evaluation/Close-out Report and required attachments have been prepared, but has not been submitted to the County. We noted the following areas that require additions/revisions to the Grant Evaluation Report:
  - “Funding Award \$” and “Date Project ended” were omitted from page one.
  - “Narrative of Project Activities” description of how the Broward Beautiful funds were used is incorrect since it states, “The funds were strictly used in planting trees.” When in fact, the funds were used to *purchase* the trees planted.
  - “Goods and Services Information” concerning in-kind and “Personnel” section is incorrect since labor to plant the trees was *not* performed by the City.
- Schedule of revenues and expenditures provided by Business Enterprises reported the financial condition of the project erroneously, as follows.
  - Both Broward County grant revenues and expenditures were overstated \$48 (\$5,370-5,322) and understated match expenditures \$48 (\$5,274-5,322).
  - The City received \$5,370 in matching funds from Carriage Services and the

Perpetual Care Trust Fund; however, only expended \$5,322 opposed to \$5,274.

- In-kind revenue and expenditure for labor to plant the trees was included; however, was not expended by the City.

### **RECOMMENDATIONS AND MANAGEMENT COMMENTS**

The *Business Enterprises Director* should require the *Grant Administrator/Administrative Assistant II* to:

**Recommendation 1.** *Take the necessary steps to immediately submit an invoice to the County for \$5,322 accompanied by proper documentation in accordance with Article 3.5 of the grant agreement.*

**Management Comment.** *Management concurred with the recommendation and stated: “Staff submitted invoice on May 30, 2007 to the County.” This item is closed.*

**Recommendation 2.** *Revise Grant Evaluation Report to include “Funding Award \$” and “Date Project ended,” correction of “Narrative of Project Activities” description to indicate the Broward Beautiful funds were used to purchase the trees planted, correction to “Goods and Services Information” and “Personnel” section to indicate in-kind labor to plant the trees was not performed by the City.*

**Management Comment.** *Management concurred with the recommendation and stated: “Staff made the corrections prior to the submittal to the County on May 30, 2007.” This item is closed.*

**Recommendation 3.** *Submit the Close-out/Grant Evaluation Report to the County once all revisions in Recommendation 2 have been completed to be accompanied with all required attachments in accordance with Section 3.4 and Exhibit “B” of the grant agreement.*

**Management Comment.** *Management concurred with the recommendation and stated: “Completed on May 30, 2007.” This item is closed.*

**Recommendation 4.** *Submit a request to the Finance Department to return \$48 to the Perpetual Care Trust Fund for match funds not expended.*

**Management Comment.** *Management concurred with the recommendation and stated: “Will request a check for \$48.00 once payment from Broward County has been received.” This item is open.*

**Recommendation 5.** *Perform a thorough review of the schedule of revenues and expenditures for future grant projects for accuracy prior to submission to Treasury and Internal Audit.*

**Management Comment.** *Management concurred with the recommendation and stated: “Should future grants be offered we would submit documents once reviewed.” This item is closed.*

RCF/mr/ROA 06/07-XX-13

c: Jeff Modarelli, Economic Development Director  
Julius Delisio, Business Enterprises Administrative Assistant II (Grant Administrator)

Attachment – Special Report, Report of Audit No. 06/07-XX-11



June 8, 2007

Certified Return Receipt #7004 1350 0000 2885 0087

Sean McSweeney, EPC  
Broward Beautiful Program Manager  
Broward County Environmental Protection Department  
115 S. Andrews Avenue, Room A-240  
Fort Lauderdale, FL 33301

Subject: Special Report – Broward Beautiful GreenSHADE Grant No. G06\_05 for City of Fort Lauderdale project located at Lauderdale Memorial Park and Sunset Memorial Gardens

Dear Mr. McSweeney:

The Internal Audit Office has applied certain audit procedures, as discussed below, to the accounting records of the City of Fort Lauderdale (City) in order to determine compliance with the requirements applicable to the subject **Broward Beautiful GreenSHADE Grant No. 06\_05** as detailed in the accompanying exhibit of revenues and expenditures for the period ending April 30, 2007. The management of the Business Enterprises Department is responsible for the City's compliance with those requirements. Our responsibility is to determine whether the revenues and amounts received from Broward County were expended in accordance with the agreement and to determine compliance with those requirements based on our review.

We conducted our audit in accordance with generally accepted government auditing standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements.

The results of our tests indicate that with respect to the items tested, the City complied in all material respects with the provisions of the agreement and the revenues and amounts received from Broward County were expended in accordance with the agreement. It should be noted that although the project has been completed, the City has not yet invoiced the County for reimbursement (Section 3.5 of the grant agreement). Furthermore, Close-out Report demonstrating compliance with the approved project plans has been prepared, but has not yet been submitted to the County (Section 3.4 of the grant agreement).

Mr. Sean McSweeney

Page 2

6/8/07

With respect to the items not tested, nothing came to our attention that caused us to believe the Public Works Department had not complied in all material respects with those provisions. Additionally, it was determined that there were no funds, including interest earned on such funds, due back to the County.

Sincerely,

Allyson C. Love

Director, Office of Management and Budget

ACL/RF/mr/07-12/ROA 06/07-XX-11

Enclosure – Schedule

c: George Gretsas, City Manager  
Kathleen Gunn, Assistant City Manager  
Stephen Scott, Assistant City Manager  
David Hebert, Assistant City Manager  
Jeff Modarelli, Economic Development Director  
Cate McCaffrey, Business Enterprises Director  
Betty Burrell, Director of Finance  
Dawn Johnson, Treasury Accountant II  
Julius Delisio, Business Enterprises Administrative Assistant II

City of Fort Lauderdale  
 Broward Beautiful GreenSHADE Grant No. 06\_05  
 Statement of Revenues and Expenditures  
 For the Period Ending 4/30/07

	<b><i>Broward County Contract</i></b>	<b><i>Required Match</i></b>	<b><i>Total Program</i></b>
<b>REVENUES:</b>			
Due from Broward County - Broward Beautiful * \$	5,322.00		\$ 5,322.00
Misc. Grant Reimbursement Received		\$ 5,370.00	5,370.00
<b><i>Total Revenues</i></b>	<u>\$ 5,322.00</u>	<u>\$ 5,370.00</u>	<u>\$ 10,692.00</u>
<b>EXPENDITURES:</b>			
Horticultural Supplies	\$ 5,322.00	\$ 5,322.00	\$ 10,644.00
<b><i>Total Expenditures</i></b>	<u>\$ 5,322.00</u>	<u>\$ 5,322.00</u>	<u>\$ 10,644.00</u>
<b><i>Excess of Revenues Over - (Under) Expenditures</i></b>			<b>** \$ <u>48.00</u></b>

Notes:

**Revenue:**

1 Carriage Services Sunset Memorial Gardens Building Fund	\$ 3,549.00
2 Perpetual Care Trust Fund	1,821.00
Misc Grant Reimbursement	<u>\$ 5,370.00</u>

Legend:

- \* Not yet invoiced by City to Broward County.
- \*\* Recommendation to return match revenues not expended to 2.