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Review of Riverwalk South Regional  
Park Project

**Report of Audit 08/09-XX-04**

**April 24, 2009**



Office of Management and Budget

Internal Audit

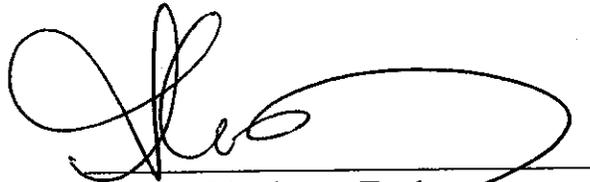
**MEMORANDUM NO. 09-37**

**DATE:** April 23, 2009

**TO:** Public Works Director/Albert Carbon  
Director of Grants and Legislative Affairs/Kathleen Gunn  
Director of Finance/Michael E. Kinneer

**SUBJECT:** *Review of Riverwalk South Regional Park Project*

Enclosed is the "subject" Final Report of Audit.

A handwritten signature in black ink, appearing to read 'Shonda Singleton-Taylor', written over a horizontal line.

Shonda Singleton-Taylor  
Acting Director, Office of Management and Budget

Attachment - Final Report of Audit No. 08/09-XX-04

c: City Commission  
City Manager/George Gretsas  
Assistant City Manager/Ted Lawson  
Assistant City Manager/Allyson C. Love  
Assistant City Manager/ David Hebert

SST/am

## REPORT OF AUDIT NO. 08/09-XX-04

**DATE:** November 18, 2008

**TO:** Public Works Director/Albert Carbon  
Director of Grants and Legislative Affairs/Kathleen Gunn  
Director of Finance/Michael E. Kinneer

**FROM:** Assistant Internal Audit Director/Renée C. Foley

**BY:** Financial Management Analyst/Aaron Strain

**SUBJECT:** *Review of Riverwalk South Regional Park Project*

### **BACKGROUND**

The City of Fort Lauderdale (City) was awarded a Broward County (County) Challenge Grant in the amount of \$1,000,000, pursuant to the 2000 Broward County Safe Parks and Land Preservation Bond Program, for the completion of the final phase of the Riverwalk South Regional Park Project to include a linear park and public right-of-way<sup>1</sup> along the south bank of the New River between SE 1<sup>st</sup> Avenue and SE 3<sup>rd</sup> Avenue. The City agreed to provide matching funds of \$1,000,000. The original agreement for grant period July 3, 2003 through July 2, 2006 allowed for two permissible one-year extensions. The City Commission approved Amendments 1 and 2 that extended project completion through to July 2, 2008. An Engineering and Architectural Services Contract was executed between the City and MBR Construction, Inc. (Contractor) on November 7, 2006 for construction of this project.

The Public Works Department was responsible for the overall administration and management for the City's compliance with the requirements of the terms and conditions in the grant agreement and overall management of the public construction project.

### **SCOPE**

As part of the grant agreement between the City and County, the City's Internal Audit Division is required to determine whether the revenues and amounts

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<sup>1</sup> The linear park and public right-of-way to include a brick paved pedestrian walkway, directional signs, and water taxi stops. Ancillary improvements to include decorative light poles, bicycle racks, shelters, benches, trees, shrubs, sod, and irrigation system. Infrastructure improvements to include seawalls, utilities such as electrical systems, fire suppression systems, sewer and telephone, and water dockside service cabinets.

## **REPORT OF AUDIT NO. 08/09-XX-04**

received from the County were expended in accordance with the agreement and to determine compliance with the various requirements. To this end, we provided the County with a Special Report together with Financial Statement for the grant (**Exhibit**). Our overall objective was to evaluate the effectiveness and adequacy of the City's internal control systems and procedures used for the project. We also performed a limited review to determine compliance with the terms and conditions of the construction contracts/agreements. We discussed policy and procedures, documented processes, performed physical examinations, reviewed documentation/transactions and performed analytical procedures for the period of July 2003 through November 2008. Judgmental sampling methods were used in reviewing transactions and documentation. The review was completed in accordance with generally accepted government auditing standards.

### **OVERALL EVALUATION**

Improvement in management's oversight of the grant agreement and construction contract is needed by the City to validate compliance of the terms and conditions. The City did not construct shelters as required in the grant agreement and no written evidence was provided that this exclusion was agreed to/approved by the County. Management oversight was inadequate in providing Small Disadvantaged Business Enterprise (SDBE) reports to the County on a quarterly basis as required. The City did not progressively bill the County at the 25%, 50%, and 75% project completion stages. Payments were issued to the Contractor without all required approvals. The Contractor was not in full compliance with contract insurance requirements. Quarterly Project Status Reports (PSRs) required by the County were submitted incomplete and lacking criteria. The City did not always maintain a copy of all required documentation submitted to the County for records retention and audit purposes. The recording in the Official Records of Broward County did not occur upon project completion. Furthermore, required/pertinent data was not entered in the Grants Management and Tracking System (GMTS).

### **FINDING 1**

*The City did not construct shelters as required and no written evidence was provided that this exclusion was agreed to/approved by the County.*

## REPORT OF AUDIT NO. 08/09-XX-04

*Grant Agreement, Article 2 Scope of Services, Section 2.1 states “Contractor shall perform all services identified in this Agreement, the Bond Program Guidelines attached hereto as Exhibit “A,”<sup>2</sup> the Project Description, Project Timetable/Schedule, and Project Cost/Budget attached hereto as Exhibit “B,”<sup>3</sup>.... Section 2.2 states “The Contract Administrator may approve changes to the Scope of Services, Project Description, unit of services, and changes within the categories of expenditures listed in Exhibit “B,” ....”*

Our physical walkthrough revealed shelters were not constructed at the project site. There was no evidence provided to ascertain the cost of the shelters, since on the project cost budget equipment and furniture included bicycle racks, shelters, benches, etc., but did not specify the individual cost for each of the project elements.

According to the Assistant City Engineer, shelters were not built as a result of limited funds and also stated a cost estimate of 50% or \$15,000 for the shelters that was not supported with backup documentation. Furthermore, no written evidence was provided to support this modification was agreed to/approved by the County.

Enforcement of provision to request and receive written approval from the Grantor for changes to the scope of services, etc., prior to modifications to agreed project elements will maintain compliance with grant agreement requirements.

### **RECOMMENDATION 1**

***The Public Works Director should require the Grant Administrator to request and receive the necessary written approval(s) from the Grantor prior to any changes to scope of services.***

### **MANAGEMENT COMMENT**

***Management concurred with the finding and recommendation and stated:***  
“Will notify and obtain written approval from the grantor (Broward County) prior to making any changes in the scope of services. In the future, a clearly delineated process will be established between Public Works and the grant-receiving department as to the roles and responsibilities between the grant administrator and the field crews doing the work so that grant compliance is maintained. Management will work with the Director of Grants and Legislative Affairs to

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<sup>2</sup> Exhibit “A,” Section II. Scope of Project states “...Ancillary improvements to include decorative light poles, bicycle racks, shelters ...”

<sup>3</sup> Project/Cost Budget listed \$30,000 for Equipment and Furniture (bicycle racks, shelters, benches, etc.).

**REPORT OF AUDIT NO. 08/09-XX-04**

formalize this process by June 1, 2009.” Estimated completion date **June 1, 2009.**

**FINDING 2**

***The City did not obtain participation performance reports from all Contractors, failed to meet individual SDBE participation goals, and did not submit SDBE quarterly reports to the County.***

*Grant Agreement, Section 9.3.3 states, “This Agreement has the following SDBE numerical goals:*

*Minority Business Enterprise*

- *Construction Services* 15%
  - *A/E-Professional Services* 10%
- (Participating Categories include African American, Asian/Native American, Hispanic, Women)  
The total assigned SDBE goals for this Agreement is: 25%.”*

*Section 9.3.4 states, “CONTRACTOR understands that each minority and women-owned firm utilized on the Project to meet Project goals must be certified by the Broward County Division of Equal Employment & Small Business Opportunity.” Section 9.3.5 states, “... CONTRACTOR agrees to furnish quarterly reports ... for SDBE participation commencing with the end of the first quarter of this Agreement.” EXHIBIT “B,” PROJECT COST/BUDGET “...Total Cost...\$2,000,000 ....”*

Our review of the compliance with requirements for Minority/Women-owned Business Enterprises (M/WBE) participation goals and the submission of SDBE quarterly reports to the County revealed the City did not obtain M/WBE reports from Contractors, Keith and Schnars and Precision Engineering, and of those received from MBR, several contained discrepancies.

Contractor	No. of Progress Draws/Invoice	No. of M/WBE Reports Received	No. of M/WBE Reports w/Errors
MBR Construction	11	11	3
Keith & Schnars	8	0	N/A <sup>4</sup>
Precision Engineering	1	0	N/A <sup>5</sup>

Furthermore, although the City exceeded its participation goal for construction services and overall total, it was deficient on the architectural/engineering (A/E) professional services participation requirement as follows.

<sup>4</sup> Participation performance reports received after project completion; therefore, not applicable for testing.

<sup>5</sup> Participation performance reports not received; therefore, not applicable for testing.

## REPORT OF AUDIT NO. 08/09-XX-04

Category of Services	Project Participation/ SDBE Goal %	Project Participation Value <sup>6</sup>	Actual Participation Values	Participation Exceeds/ (Deficient)
Construction	15%	\$300,000.00	\$524,478.52	224,478.52
A/E Professional	10%	\$200,000.00	\$163,730.54	(\$36,269.46)
Totals	25%	\$500,000.00	\$688,209.06	\$188,209.06

There was also no evidence of quarterly reports submitted to the County.

The contracts for Keith and Schnars and Precision Engineering did not contain a provision for submitting M/WBE participation performance reports; thus, no reports were received. The City did not have a system in place to follow-up on discrepancies for reports it did receive, properly track and monitor individual M/WBE project categories goals and provide quarterly reports to the County detailing same.

Inclusion and enforcement of requirements in contracts with all Contractors who perform services for a grant project, establishing a system to track and monitor reports received by Contractors, and submission of quarterly reports to the Grantor will allow for SDBE compliance, encourage M/WBE participation, and help to secure funding on future grants.

### RECOMMENDATIONS AND MANAGEMENT COMMENTS

The *Public Works Director* should instruct the *Grant Administrator* to:

**Recommendation 2.** *Provide the SDBE reporting package to the Construction Manager to append to each contract involving SDBE compliance requirements and confirm that grant requirements are included in any bid documentation where applicable.*

**Management Comment.** *Management concurred with the finding and recommendation and stated: “The Grant Administrator will Provide the SDBE reporting package to the Construction Manager to append to each contract involving SDBE compliance requirements and confirm that grant requirements are included in any bid documentation where applicable by June 1, 2009.” Estimated completion date June 1, 2009.*

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<sup>6</sup> Based on project participation percentage multiplied by \$2,000,000 (\$1,000,000 grant/\$1,000,000 match) grant agreement project cost.

## REPORT OF AUDIT NO. 08/09-XX-04

**Recommendation 3.** *Enforce the SDBE reporting requirements from the commencement of the project in order to comply with submission of quarterly reports to the Grantor, as well as track and monitor that established SDBE goals have been met. In the event of SDBE noncompliance by the Contractor, immediate notification to the Construction Manager is required together with follow-up till resolution in order to ensure timely compliance.*

**Management Comment.** *Management concurred with the finding and recommendation and stated: “SDBE reporting requirements are not required as part of the standard contract language, and we will immediately work to ensure timely compliance in future, including withholding payment from contractors, if necessary.” This item is closed.*

**Recommendation 4.** *Once provided with SDBE reporting package (Recommendation 2), incorporate grant terms and conditions into the bid documentation/project specifications for construction projects in order to provide a clear understanding to the potential bidder of the required responsibilities.*

**Management Comment.** *Management concurred with the finding and recommendation and stated: “These terms have been incorporated into the contract documents (see Division 00 of General Requirements of Contract Documents).” This item is closed.*

**Recommendation 5.** *Verify SDBE compliance has been met by the Contractor prior to issuance of any payments. In the event of SDBE noncompliance, Contractor should be notified in writing via the Rejection and Return of Periodic Payment Estimate Request form, be given a due date/deadline to submit delinquent SDBE report(s), and follow-up performed till resolution occurs. Upon resolution, reports must be expeditiously forwarded to the Grant Administrator.*

**Management Comment.** *Management concurred with the finding and recommendation and stated: “Elements of this recommendation have already been undertaken in the contract documents and Construction Manager will work to ensure 100% compliance on future applicable contracts.” This item is closed.*

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### FINDING 3

***The City did not progressively invoice the County at the 25%, 50%, and 75% project completion stages as allowed in the grant agreement and failed to submit the final invoice to the County timely.***

*Grant Agreement, Article 4.3 Method of Billing and Payment, Section 4.3.1 “Contractor may submit an invoice(s) for payment on this Project after the Project has been completed in each of four (4) segments as follows: Twenty-five Percent (25%) of the total County payment set forth in Section 4.1 above after completion of Twenty-five (25%), Fifty Percent (50%), Seventy-five Percent (75%) and One Hundred Percent (100%) of the Project’s development, minus the retainage amount described in Section 4.4 below.... The final invoice should be received no later than sixty (60) days after the project’s development is completed.”*

Our review of the invoice submitted to Broward County revealed the City requested one reimbursement of \$1,000,000 opposed to progressively billing at the various stages of completion permitted by the Grant agreement. Furthermore, the request for reimbursement to the County was signed March 20, 2008, 96 days after, as opposed to within 60 days of project completion (December 14, 2007).

The City did not have a system in place to progressively invoice at various stages of completion and submit final invoice in a timely manner.

By invoicing the County progressively and timely, the City could maximize its investment earnings potential and meet compliance with Grantor.

### RECOMMENDATION 6

***The Public Works Director should require the Grant Administrator to track and monitor the project’s completion status in order to invoice the County in a timely manner and to fully maximize the City’s investment/earnings potential.***

### MANAGEMENT COMMENT

***Management concurred with the finding and recommendation and stated: “In the case when Public Works is the primary department that applies for and receives the grant, management concurs. See Management comments in Recommendation 1.” This item is closed.***

## REPORT OF AUDIT NO. 08/09-XX-04

### FINDING 4

***Internal controls of the Engineering and Project Management Division were inadequate to detect whether required approvals were obtained prior to issuance of payments to the Contractor MBR Construction.***

*The following positions are required to sign/approve the Contractor's Progress Draw/Periodic Estimate of Partial Payment and City's Estimate for Payment.*

- *Contractor Representative*
- *Consulting Architect or Engineer*
- *Engineering Inspector*
- *Supervising Inspector*
- *Project Engineer/Architect*
- *Construction Manager*
- *Project Manager*
- *City Engineer (Estimate for Payment)*

Our review of support documentation for 7 of 11 (64%) partial payments<sup>7</sup> for the period February 2007 to June 2008 revealed missing authorizations although payments were issued to the Contractor (**Schedule**).

The Construction Manager did not track and monitor Contractor's progress draws to validate all required reviews/signature approvals had been obtained prior to issuance of payment.

Properly documented verifications/authorizations reduce the risk of paying the Contractor for substandard/incomplete work that could result in liability issues and the need for corrective actions; thus, creating additional cost to the City.

### RECOMMENDATION 7

***The City Engineer should require the Construction Manager to conduct a final review of the Contractor's progress draws and validate required signature authorizations are evidenced.***

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<sup>7</sup> \$1,859,475 of \$3,081,559 partial payments had missing authorizations.

**REPORT OF AUDIT NO. 08/09-XX-04**

**MANAGEMENT COMMENT**

***Management concurred with the finding and recommendation and stated:*** “All required signatures to be reviewed for completeness by the proper authorities prior to the issuance of payments to the contractor for the following signatures: Engineering Inspector, Supervising Inspector, Construction Manager, Project Engineer/Architect and Project Manager. A memo will be placed in the project’s payment file stating the name and position of the alternate signatures authorized to sign for each of the above signatures when necessary, effective June 1, 2009.”  
**Estimated completion day June 1, 2009.**

**FINDING 5**

***Internal controls were not adequate to obtain all insurance certificates and review for listing the City as additional insured.***

<b>Insurance Requirements per MBR’s Contract</b>	<b>Condition Found</b>
I <u>PUBLIC LIABILITY</u> Provide Owner’s, Contractor’s Protective Liability Insurance for the benefit of the city with combined single limits of \$1,000,000 per occurrence.	City not named as additional insured
II <u>WORKER’S COMPENSATION</u> Provide Workers Compensation and Employer’s Liability insurance for the benefit of Contractor’s work force.	
IV <u>AUTOMOBILE LIABILITY</u> Covering all owned, hired and non-owned automobile equipment. Limits: Bodily Injury \$100,000 each person \$300,000 each occurrence Property Damage \$50,000 each occurrence.	No Certificate of Insurance was received/obtained
VI <u>CERTIFICATES OF INSURANCE</u> Before commencing performance of this contractor, the Contractor shall furnish the City of Fort Lauderdale a duplicate policy of certificate of Insurance for the required insurance as specified above, which shall contain the following: D) Duplicate Policy or Certificates of Insurance stating that the interests of the City are included as an <u>additional named insured, and specifying the project/ location.</u>	See Condition Found for I and II above

## REPORT OF AUDIT NO. 08/09-XX-04

No effective tracking and monitoring system was in place to ensure all certificates of insurance were obtained from the Contractor and reviewed for compliance with the terms and conditions of the contract.

Enforcement of insurance requirements will limit the City's liability exposure and provide assurance that the City's assets are protected.

### **RECOMMENDATIONS AND MANAGEMENT COMMENTS**

The *Assistant Public Works Director* should require the *Office Supervisor* to:

**Recommendation 8.** *Forward copies of signed contract and insurance certificates received by Contractors to Risk Management for compliance review and follow-up with Contractor on any deficient items identified by same.*

**Management Comment.** *Management concurred with the finding and recommendation and stated:* "In the Public Works Department's current procedure, the contract, the insurance certificate and the surety bond are forwarded to Risk Management for approval. Risk Management informs the Office Supervisor if the certificate does not meet the City's requirements. The Office Supervisor will then notify the contractor and request a new certificate.

If approved, a copy of the contract, insurance certificate and the memo approving the documents are placed in each contract and in the tickler file. The expiration dates are listed in a spreadsheet and all renewals are recorded upon receipt.

After Risk Management reviews the surety bond and insurance certificates, a second review is performed by the City Attorney's office. The contracts will not go forward if the insurance certificate, surety bond, and execution of the contracts do not meet the City's requirement.

While the current procedure includes the step identified in Recommendation 8, the new procedure will be put in place immediately. We would like to note that since Risk Management and the City Attorney's office approved the insurance certificates and contracts, there is evidence the certificates were in place at the time of execution of the contracts.

An immediate modification to our existing procedure will be that upon approval of the insurance certificates and the renewals, the Office Supervisor will scan and

## REPORT OF AUDIT NO. 08/09-XX-04

save the certificates electronically (in addition to placing a hard copy in each contract, and the project file).

All renewal certificates will be entered into the Insurance spreadsheet, and the Office Supervisor will no longer override the previous date. The information will be entered on a new line for a complete history of all expiration dates.” **This item is closed.**

The *Director of Finance* should require the *Risk Manager* to:

**Recommendation 9.** *Perform a thorough review of all contractual requirements comparing same to Insurance Certificates received from Contractor and forwarded by Office Supervisor, noting all discrepancies in writing, and reporting deficient and/or items not applicable to a specific project to the Office Supervisor for follow-up.*

**Management Comment.** *Management concurred with the finding and recommendation and stated:* “See Management comments in Recommendation 8. Once received, the Risk Manager will review the Insurance Certificates to ensure compliance with all contractual requirements and will further report any deficiencies in insurance coverage to the Office Supervisor. Risk Management will confirm that the City is correctly listed as an additional insured (not an additional names insured) on all general liability policies; however, the City cannot be named as an additional insured on a worker’s compensation policy or an automobile policy (liability follows the owner and potentially the driver).” **This item is closed.**

### **FINDING 6**

***Quarterly Project Status Reports (PSRs) were not submitted for each calendar period. Furthermore, PSRs that were submitted to the Grantor were incomplete and lacked required criteria.***

*Grant Agreement, Exhibit “A” - Grant Program Guidelines, III.A Required Documentation for Services Rendered: “Contractor shall submit to the Contract Administrator signed quarterly Project status reports on a calendar basis summarizing work accomplished, problems encountered, percentage of completion, and other appropriate information. Photographs shall be submitted when appropriate to reflect work accomplished....”*

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Our review of quarterly PSRs from grant commencement through construction completion revealed the City submitted only 6 PSRs to the County with the following exceptions.

		Quantity of Exceptions				
Qtrly PSRs Required	Qtrly PSRs Submitted	Qtrly PSRs Not Submitted	% of Completion Section Left Blank	Problems Encountered Section Left Blank	Unsigned PSRs	PSRs w/o Photos
18	6	12	3	5	6	6

PSRs were submitted to the County via e-mail as opposed to completing the PSR form. Thus, they were not signed and required information was not provided to the County. Although quarterly PSR reports can be sent via e-mail, when no reimbursement request is made, utilization of quarterly PSR forms could have prevented required information being incomplete.

PSR forms that are completed/signed readily communicate to the Grantor assurance that the project is on schedule, any problems encountered, and corrective action taken.

**RECOMMENDATION 10**

*The Public Works Director should require the Grant Administrator to utilize the quarterly PSR form (Sample), who should not sign off until all information required has been recorded/completed prior to submission to the Grantor.*

**MANAGEMENT COMMENT**

*Management concurred with the finding and recommendation and stated: “In the case when Public Works is the primary department that applies for and receives the grant, management concurs. See Management comments in Recommendation 1.” This item is closed.*

**FINDING 7**

*The City did not maintain a copy of all required documentation submitted to the County upon project completion; thus, could not evidence compliance without contacting Grantor.*

## REPORT OF AUDIT NO. 08/09-XX-04

*Grant Agreement, Exhibit "A" Grant Program Guidelines - III.C states, "Upon Project completion, CONTRACTOR shall also submit a site plan (as-built), list of construction facilities and improvements, and colored photographs reflecting the work accomplished."*

*Grant Agreement, Article 9.2 Audit Right and Retention of Records states, "... Contractor shall preserve and make available, at reasonable times for examination and audit by County, all financial records, supporting documents, statistical records, and any other documents pertinent to this Agreement for the required retention period of the Florida Public Records Act (Chapter 119, Fla. Stat.), if applicable, or, if the Florida Public Records Act is not applicable, for a minimum period of three (3) years after termination of this Agreement..."*

Our review to determine whether the City submitted to the County a set of site plans (as-built), list of construction facilities and improvements, and colored photographs of work accomplished upon completion of project revealed these items were referenced in a transmittal letter dated April 3, 2008; however, copies of required documentation actually sent was not maintained in the Engineering project folder.

Management had to contact the County to ascertain whether information sent met compliance since copies had not been maintained, which the County confirmed the documents listed in the transmittal letter had been received.

Enforcement of requirement to maintain copies of all documentation submitted to the Grantor will provide a record for retention and audit purposes that the City met compliance requirements.

### **RECOMMENDATION 11**

***The Public Works Director should require the Grant Administrator to retain a copy of grant documentation for the required retention period after termination of grant agreement as required for records retention and audit purposes.***

### **MANAGEMENT COMMENT**

**Management concurred with the finding and recommendation and stated:** "In the case when Public Works is the primary department that applies for and receives the grant, management concurs. See Management comments in Recommendation 1." **This item is closed.**

## REPORT OF AUDIT NO. 08/09-XX-04

### FINDING 8

***The City did not timely record the dedication of the project in the Official Records for Broward County, Florida.***

*Grant Agreement, Article 2 Section 2.4 states, "Contractor agrees that the Project, when completed, shall be dedicated for public recreational uses for use by residents and non residents. The dedication shall be incorporated in a resolution adopted by Contractor's governing body, shall extend for a minimum of Twenty-five (25) years and shall be recorded in the Official Records for Broward County, Florida, pursuant to Section 28.222, Florida Statutes...."*

Although the City recorded the dedication of the project in the Official Records for Broward County, Florida, it occurred during the audit (11/7/08) as opposed to upon project completion (12/14/07).

Recordation of project dedication in the official records occurred as a result of Internal Audit's inquiry to ascertain whether/when item was accomplished.

Establishment of internal controls to track and monitor recordation of dedication occurs upon completion of project will achieve compliance with grant agreement requirement.

### RECOMMENDATION 12

***The Public Works Director should require the Grant Administrator to enter all action item requirements and due dates from future grant agreements in the GMTS in order to track and monitor through to meeting compliance, including but not limited to recording dedication of the project upon project completion.***

### MANAGEMENT COMMENT

***Management concurred with the finding and recommendation and stated: "In the case when Public Works is the primary department that applies for and receives the grant, management concurs. See Management comments in Recommendation 1." This item is closed.***

## REPORT OF AUDIT NO. 08/09-XX-04

### FINDING 9

*Required data was not entered in the GMTS for the grant project, including recording whether there was an Internal Audit requirement and due date, match requirement, etc.*

Although the GMTS was operational in November 2007 at which time data and grant documents (2003-2008) from each department were scheduled to be in the system by the end of January 2008, all pertinent data including but not limited to the following was not entered.

- Match
- Match Source
- Internal Audit Requirement
- Audit Due Date

Former/current Grant Administrator only entered limited information in the GMTS. The Assistant to the City Manager followed-up on incomplete/data not entered in GMTS. However, the Public Works Director responded that going back would be very time consuming with little benefit.

GMTS provides a valuable tool for management planning, tracking and monitoring compliance of the City's grants, as well as for audit and retention purposes, when all data is entered/updated in the system.

### RECOMMENDATIONS AND MANAGEMENT COMMENTS

The *Public Works Director* should require the *Grant Administrator* to:

**Recommendation 13.** *In the future, review and enter all missing/incomplete grant project data/documentation by due dates established by the Grants Office.*

**Management Comment.** *Management concurred with the finding and recommendation and stated: "In the case when Public Works is the primary department that applies for and receives the grant, management concurs. See Management comments in Recommendation 1." This item is closed.*

The *Director of Grants and Legislative Affairs* should:

## REPORT OF AUDIT NO. 08/09-XX-04

**Recommendation 14.** *Provide a monthly report to the Department Directors of the City Departments with grant project data/documentation not entered/incomplete in GMTS and follow-up until resolution on outstanding data/documentation with Department Directors.*

**Management Comment.** *Management concurred with the finding and recommendation and stated: “Management concurs with the recommendation. The practice will begin June 1, 2009.” Estimated completion date June 1, 2009.*

### **EVALUATION OF MANAGEMENT COMMENTS**

Management comments provided and actions taken and/or planned are considered responsive to the recommendations.



November 14, 2008

rec'd 11-14-08  
L. Frank

Hand Delivered

Bob Harbin, Director  
Broward County Parks and Recreation Division  
950 NW 38<sup>th</sup> Street  
Oakland Park, Florida 33309

**Subject:** Special Report – Development and Construction of Riverwalk South  
Regional Park Project No. RWK-P-001

Dear Mr. Harbin:

The Internal Audit Division 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 **Riverwalk South Regional Park Project** as detailed in the accompanying exhibit of revenues and expenditures for the period ending September 30, 2008. The management of the Parks and Recreation Department is responsible for the City's compliance with those requirements. Our responsibility is to determine whether the revenues 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 generally complied with the provisions of the agreement and the revenues and amounts due from Broward County were expended in accordance with the agreement. However, we did note the following.

- Shelters were not constructed at the project site (Exhibit A, Section II and Exhibit B). Furthermore, no written evidence was provided to support this modification was agreed to/approved by the County (Article 2, Sections 2.1-2.2 and Article 9, Section 9.9).

Mr. Bob Harbin

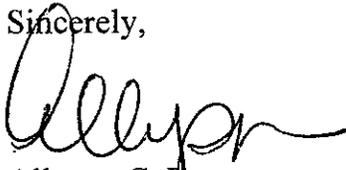
Page 2

11/14/08

- Quarterly reports of Small Disadvantaged Business Enterprise (SDBE) participation were not submitted to the County (Article 9, Section 9.3.5).

With respect to the items not tested, nothing came to our attention that caused us to believe the Parks and Recreation Department had not complied in all material respects with those provisions. We also determined that there were no funds, including interest earned on such funds, are due back to the County.

Sincerely,



Allyson C. Dove

Director, Office of Management and Budget

ACL/RF/ads/09-02/ROA No. 08/09-XX-02

Enclosure – Exhibit

- c: George Gretsas, City Manager  
Kathleen Gunn, Assistant City Manager  
Stephen Scott, Assistant City Manager  
David Hebert, Assistant City Manager  
Harry Stewart, City Attorney  
Phil Thornburg, Parks and Recreation Director  
Albert Carbon, Public Works Director  
Michael Kinneer, Director of Finance  
Lynda Flynn, City Treasurer  
Dawn Johnson, Treasury Accountant II

City of Fort Lauderdale  
 Riverwalk South Regional Park Broward County Project No. RWK-P-001  
 Statement of Revenues and Expenditures  
 For the Period Ending 09/30/08

	<i>Broward County Contract</i>	<i>Required City's Match *</i>	<i>Additional City Funds *</i>	<i>Total Program</i>
<b>REVENUES:</b>	<b>P10754.129</b>			
<u><i>Intergovernmental</i></u>				
Broward County	\$1,000,000.00			\$1,000,000.00
FIND-Cultural and Recreation Grant			\$922,500.00	922,500.00
Capital Improvement Project		\$777,772.00	390,368.00	1,168,140.00
Stormwater Fund		185,386.00	31,516.00	216,902.00
Water and Sewer Revenue Bond		36,842.00	202,575.00	239,417.00
<b>Total Revenues</b>	<u>\$1,000,000.00</u>	<u>\$1,000,000.00</u>	<u>\$1,546,959.00</u>	<u>\$3,546,959.00</u>
<b>EXPENDITURES:</b>				
Construction	\$987,292.00	\$1,000,000.00	\$1,099,423.00	\$3,086,715.00
Design/Engineering Fees	9,860.00		403,614.00	413,474.00
Testing Services	225.00		9,538.00	9,763.00
Permit Costs	1,354.00		456.00	1,810.00
Admininstration	1,268.00		39,782.00	41,050.00
<b>Total Expenditures</b>	<u>\$999,999.00</u>	<u>\$1,000,000.00</u>	<u>\$1,552,813.00</u>	<u>\$3,552,812.00</u>
<b>Excess of Revenues Over - (Under) Expenditures</b>				<u><u>(\$5,853.00)</u></u>

\* Notes:

City Match and Additional Funding Sources:

	<u>Index Code</u>	<u>Amount</u>
Capital Improvement Project	P10754.331	\$1,168,140.00
Stormwater Fund	P10754.470	216,902.00
Water and Sewer Revenue Bond	P10754.482	239,417.00
FIND-Cultural and Recreation Grant	P10754.129A	922,500.00
<b>Total</b>		<u><u>\$2,546,959.00</u></u>

REVIEW OF RIVERWALK SOUTH REGIONAL PARK PROJECT  
 VERIFICATION OF CONTRACTOR'S PERIODIC ESTIMATES FOR PARTIAL PAYMENT AND  
 CITY'S ESTIMATES FOR PAYMENT AUTHORIZATION

Schedule

Periodic Estimates for Partial Payment (PEPPs)/Estimates for Payments (EFPs) No.													
Title	1	2	3	4	5	6	7	8	9	10	11	Totals	
Contractor Representative												0	0
Consulting Architect/Engineer												2	0
Engineering Inspector												1	0
Supervising Inspector												3	0
Project Engineer/Architect												2	0
Construction Manager												1	1
Project Manager												0	0
City Engineer (Estimate for Payment)												0	0
<i>Total</i>												9	1
<b>Total PEPPs with Exceptions</b>			X		X	X	X		X	X	X	7	
<b>Legend:</b>													
PEPPs	Periodic Estimates of Partial Payments												
EFPs	Estimates for Payment												
	Missing Signature												
	Signature Line Removed												
X	PEPPs/EFPs with missing signature(s)												

BROWARD COUNTY

**QUARTERLY PROJECT STATUS REPORT**

Agency:

Date of Report:

Project Number:

Project Name:

Report Covers Period:

- January 1 through March 31
- April 1 through June 30
- July 1 through September 30
- October 1 through December 31

Project Elements                      Work Accomplished                      %Completed

\*In this section please also indicate if project is progressing on time. If project is delayed please indicate the length of delay to completion.

Problems Encountered:

CITY OF FORT LAUDERDALE

By \_\_\_\_\_

\_\_\_\_\_  
(insert title)