

# City of Gainesville

*City Hall  
200 East University Avenue  
Gainesville, Florida 32601*



## **Meeting Agenda**

**November 14, 2011**

**2:00 PM**

**City Hall, Room 16**

## **Audit, Finance and Legislative Committee**

*Mayor Craig Lowe, Chair  
Mayor-Commissioner Pro Tem Thomas Hawkins, Member*

*Persons with disabilities who require assistance to participate in this meeting are requested to notify the Equal Opportunity Department at 334-5051 or call the TDD phone line at 334-2069 at least two business days in advance.*

**CALL TO ORDER - 2:18 PM**

**ROLL CALL**

**ADOPTION OF THE AGENDA**

**APPROVAL OF MINUTES**

[110338.](#)

Audit, Finance and Legislative Committee (AFLC) Minutes (B)

**RECOMMENDATION**

*The Audit, Finance and Legislative Committee approve the minutes of August 30, 2011, as circulated.*

[110338-Minutes of August 30, 2011 meeting - AFLC 11-14-11..pdf](#)

**DISCUSSION ITEMS**

[110469.](#)

Final Amendment to the FY 2010-2011 General Government Financial and Operating Plan (B)

*Explanation: The purpose of this amendment is to accurately reflect and incorporate into the City's FY 2010-2011 General Government budget those transactions and activities that were not anticipated during the budget process.*

*Fiscal Note: All of the recommended changes are funded either by increases in revenue budgets, decreases in expenditure budgets, or decreases in appropriate fund balances.*

**RECOMMENDATION**

*The Audit, Finance and Legislative Committee:*

*(1) Review the proposed amendatory budget resolution; and if acceptable,*

*(2) Recommend that the City Commission adopt the proposed resolution.*

[110469-Resolution - FY11-Final-AMEND-BGT.PDF](#)

[110469-Final Amendment to the FY 2010-2011 General Government Financial .](#)

[110469\\_resolution\\_20111201.pdf](#)

[110469\\_attachment\\_20111201.pdf](#)

[110491.](#)

Review of General Fund Forecasted Revenues and Other Sources of Funds for

the Fiscal Year Ending September 30, 2012 (B)

*Explanation: In accordance with Section 12(a), Budget Reviews, of Commission Resolution 970187 and our Annual Audit Plan, we have completed our review of General Fund revenue estimates as presented by the City Manager in the proposed General Government Budget for the fiscal year ending September 30, 2012.*

*We reviewed the forecasted General Fund Revenues and Other Sources of Funds set forth in the Fiscal Year 2011-2012 Final General Operating and Financial Plan Budget adopted by the City Commission on September 19, 2011. Our objective was to assess whether data, methods and assumptions used by the City Manager in preparing projected General Fund Revenues and Other Sources of Funds in the amount of \$103,074,320 provide a reliable and reasonable basis for the forecast.*

*We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusion based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our conclusion based on our audit objective.*

#### *Conclusion*

*Based on our review, we believe that management's assumptions provide a reliable and reasonable basis for presenting projected Fiscal Year 2011-2012 General Fund Revenues and Other Sources of Funds in the amount of \$103,074,320. However, we projected some revenue sources at a different level than the approved General Fund budget. The total estimated difference is approximately \$274,738 or 0.3% more than budgeted. The differences are reflected in the attached schedule of General Fund Forecasted Revenues and Other Sources of Funds for the Fiscal Year Ending September 30, 2012 and an accompanying Explanation of Differences. Management continues to monitor the City's financial position throughout the fiscal year and makes adjustments as necessary. Monitoring reports are provided to the City Commission through the Audit, Finance and Legislative Committee on a quarterly basis, with any significant changes from budgeted figures discussed in committee.*

#### **RECOMMENDATION**

*The Audit, Finance and Legislative Committee recommend that the City Commission accept the City Auditor's report.*

[110491-Review of General Fund Forecasted Revenues and Other Sources of F](#)

[110473.](#)

Review of Miscellaneous Cash Receipts and Expenses (B)

*Explanation: In accordance with our Annual Audit Plan, the City Auditor's Office has completed a Review of Miscellaneous Cash Receipts and Expenses. The primary objective of our audit was to provide reasonable assurance that cash receipts and expenses were accumulated in compliance with cash handling policies, rules, and procedures. During our review, we interviewed key personnel, analyzed operating data and evaluated management controls.*

*Based on the results of our review, we believe that opportunities exist for the Parks, Recreation and Cultural Affairs Department to strengthen the process of overseeing and accounting for Downtown Festival and Art Show revenues. Our report, which includes a response from the City Manager, is attached for your review. The report provides several recommendations related to improving controls over the process of accounting for and reconciling revenues received.*

*We request that the Committee recommend the City Commission accept our report and the City Manager's response. Also, in accordance with City Commission Resolution 970187, Section 10, Responsibilities for Follow-up on Audits, we request that the Committee recommend the City Commission instruct the City Auditor to conduct a follow-up review on recommendations made and report the results to the Audit, Finance and Legislative Committee.*

**RECOMMENDATION**

*The Audit, Finance and Legislative Committee recommend the City Commission:*

- 1) Accept the City Auditor's report and the response from the City Manager, and*
- 2) Instruct the City Auditor to conduct a follow-up review on recommendations made and report the results to the Audit, Finance and Legislative Committee.*

[110473-Review of Miscellaneous Cash Receipts and Expenses - AFLC 11-14-1](#)

[110472.](#)

Review of GRU Capital Project Contracts (B)

*Explanation: In accordance with our Annual Audit Plan, the City Auditor's Office has completed a Review of GRU Capital Project Contracts. The primary objective of our audit was to evaluate the system of management control over the process for monitoring GRU capital project contracts. During our review, we interviewed key personnel, analyzed operating data and evaluated management controls.*

*Based on the results of our review, we believe that opportunities exist for GRU to strengthen the process of overseeing capital project contracts. Our report, which includes a response from the General Manager, is attached for your review. The report provides two recommendations*

*related to improving the contract management process and reporting on the status of GRU capital projects.*

*We request that the Committee recommend the City Commission accept our report and the General Manager's response. Also, in accordance with City Commission Resolution 970187, Section 10, Responsibilities for Follow-up on Audits, we request that the Committee recommend the City Commission instruct the City Auditor to conduct a follow-up review on recommendations made and report the results to the Audit, Finance and Legislative Committee.*

**RECOMMENDATION**

*The Audit, Finance and Legislative Committee recommend the City Commission:*

- 1) Accept the City Auditor's report and the response from the General Manager for Utilities, and*
- 2) Instruct the City Auditor to conduct a follow-up review on recommendations made and report the results to the Audit, Finance and Legislative Committee.*

[110472-Review of GRU Capital Project Contracts - AFLC 11-14-11.pdf](#)

[110333](#)

Report on the Status of Outstanding Audit Recommendations for  
November 2011 (B)

*Explanation: City Commission Resolution 970187, City Auditor Responsibilities and Administrative Procedures, requires the City Auditor to notify the appropriate Charter Officer of recommendations projected for implementation in the following six months. The responsible department managers prepare a written status report to the appropriate Charter Officer who then provides this information to the City Auditor. The City Auditor's Office verifies that corrective action has been taken and summarizes the results to the Audit, Finance and Legislative Committee.*

*During the past several months, the City Auditor worked with the appropriate Charter Officers in preparing a status report on 29 outstanding audit recommendations. We have reviewed management's feedback on the implementation of outstanding recommendations and prepared the attached status report summarizing the results of our review.*

*We would like to express our thanks to the City Manager, Equal Opportunity Director, General Manager for Utilities and the various departments participating in this review process.*

**RECOMMENDATION**

*The Audit, Finance and Legislative Committee recommend that the City Commission accept the*

*City Auditor's report.*

[110333 - Report on the Status of Outstanding Audit Recommendations for Nove](#)

[110335.](#)

Proposed Fiscal Year 2012 Annual Audit Plan (B)

*Explanation: Resolution 970187, City Auditor Internal Responsibilities and Administrative Procedures, Section 4 (b) requires the City Auditor to submit an Annual Audit Plan to the City Commission for approval. The process of preparing the Annual Audit Plan includes defining auditable units, obtaining input from City Commissioners and Charter Officers, evaluating information gained from previous audits and assessing the relative risks involved in different City programs and operations.*

*Each of the requested projects is weighed against other planned or required projects resulting in Exhibit A, which represents a compilation of proposed audits for the City Auditor's work plan for Fiscal Year 2011. Audits are classified into the following categories:*

*Revenue/Cost Containment Audits  
Operational Audits  
Compliance Audits  
Follow-up Audits  
Other Projects*

*We request that the Committee recommend the City Commission approve our Fiscal Year 2012 Annual Audit Plan by resolution.*

**RECOMMENDATION**      *The Audit, Finance and Legislative Committee submit the City Auditor's Proposed Fiscal Year 2012 Annual Audit Plan to the City Commission for approval by resolution.*

[110335-Proposed Fiscal year 2012 Annual Audit Plan - AFLC 11-14-11.pdf](#)

[110335\\_resolution\\_20111201.pdf](#)

[110489.](#)

Road Maintenance Costs Associated With Providing Residential Solid Waste Collection Services (B)

*Explanation: On August 18, 2011, the City Commission accepted the City Auditor's report related to a Review of Solid Waste Collection Fees and authorized the Audit, Finance and Legislative Committee to retain Issue #3 from the report, regarding Road Maintenance Costs, in committee for further discussion.*

*A copy of the audit report, which includes a response from the City Manager, is submitted as backup for this item. Issue #3 appears on page 8 of the report and includes a recommendation for management to*

*evaluate the methodology established in 1993 to calculate road maintenance costs associated with providing residential solid waste collection services and determine if annual allocations should be changed to reflect current cost factors and inventory of residential streets. Attachment A at the end of the report includes a July 14, 2011 memo to the Mayor discussing the relevant history and provides an updated analysis regarding these costs.*

**RECOMMENDATION**            *The Audit, Finance and Legislative Committee discuss the issue and take appropriate action.*

[110489 - Audit Report Issue #3 - Road Maintenance Costs - AFLC 11-26-12.pdf](#)

[110489 - Attachment A - Memo from Teresa Scott - Solid Waste Funding to Res](#)

[110178-Review of Solid Waste Collection Fees - AFLC 11-14-11.pdf](#)

[Solid Waste Collection 5 YR Revenue Forecast plus Paving.pdf](#)

[110445.](#)

Outside Agencies Using the City Commission Auditorium (B)

*Explanation: This referral was brought forward by Mayor-Commissioner Pro Tem Thomas Hawkins at the October 20, 2011 City Commission Meeting, where it was referred to the Audit, Finance and Legislative Committee.*

**RECOMMENDATION**            *The Audit, Finance and Legislative Committee discuss the question of outside agencies using the City Commission Auditorium. A copy of the current City Commission Meeting Facilities Policy is submitted as backup.*

**Legislative History**

10/20/11      City Commission      Referred to the Audit, Finance and Legislative Committee

[110445 - City Hall-Commission Meeting Room AUTHORIZATION REQUEST P;](#)

[110445-League of Women Voters doc ref City Commission Rqst for Auditorium.](#)

[110445\\_MOD\\_REVISED\\_BACK-UP\\_20111201.pdf](#)

**MEMBER COMMENT**

**CITIZEN COMMENT**

**NEXT MEETING DATE**

**ADJOURNMENT - 3:50 PM**