



**Council Auditor's Office 2011/12 Annual Report
Special Report #723
Executive Summary**

Authority

The position of the Council Auditor is established by Section 5.10 of the Charter of the Consolidated Government of the City of Jacksonville. The Council Auditor is appointed by the City Council and is the Director of the Council Auditor's Office, a department of the legislative branch of the consolidated government. The Council Auditor is responsible for conducting a continuous internal audit of the fiscal operations of the consolidated government and all independent agencies. Audits are selected based on risk factors, reported problems in an area, or at the request of City Council. The Council Auditor's Office conducts legislative review and performs other forms of research as Council Committees, the Council President or individual Council Members may request. The office is also tasked with developing specifications to be included in the request for proposal (RFP) for outside audit services and assisting in the selection of an outside audit firm for the City's annual independent audit.

Annual Expenditures

	FY 10/11 Expenditures	FY 11/12 Estimated Expenditures
Salaries	\$ 1,335,558	\$ 1,386,271
Pension	175,411	228,598
Other Employee Benefits	138,999	147,237
Internal Service Charges	79,402	57,770
Other Operating Expense	25,525	26,578
Total	\$ 1,754,895	\$ 1,846,455

Our Product

Audit

We issued seven performance audit reports and one attestation. In total, we identified 56 Audit Findings, 32 Internal Control Weaknesses, and 24 Opportunities for Improvement in our reports aimed at improving the City's operations and protecting the City's assets. These performance audits identified \$53,258 in increased revenues, \$459,882 in reduced costs, \$4,695,450 in more efficient and effective uses of public funds, and \$1,958,676 which was not properly reflected on the City's Annual Financial Reports due to the filing of misleading documentation. Additionally, the staff assisted the external auditors on the audits of the City and JEA.

Legislation

We reviewed approximately 580 pieces of legislation. Additionally, the staff is responsible for reviewing the proposed budget for the City and its Independent Authorities.

Special Projects

We issued ten special reports and conducted numerous other special projects throughout the year. We also reviewed the submission of audits for City Grant recipients.



Council Auditor's Office

Annual Report FY 2011/12

October 17, 2012

Special Report #723

ANNUAL REPORT

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OFFICE OF THE COUNCIL AUDITOR
Suite 200, St. James Building



October 17, 2012

Special Report #723

Honorable Members of the City Council
Jacksonville, Florida

The annual report of the City Council Auditor's Office of Jacksonville, Florida for the fiscal year ended September 30, 2012 is presented for your review. This report provides a description of the mission and goals of the Council Auditor's Office and an explanation as to the types of work performed.

Another productive year resulted in the issuance of 18 reports, in addition to many special projects and numerous hours reviewing legislation and attending meetings of City Council and its committees. A summary of the reports, along with highlights of significant legislation, is included. The Council Auditor's Office also provided staff time to assist in the audits of the City and JEA.

In addition to issuing reports, performing special projects and reviewing legislation, more than 5,800 staff hours were spent from July through September 2012 reviewing the proposed 2012/2013 budgets for the City and its Independent Authorities, preparing handouts with recommendations, and researching numerous questions for Council Members.

MISSION AND GOALS

Charter Authority of the City Council Auditor

The position of the Council Auditor is established by Section 5.10 of the Charter of the Consolidated Government of the City of Jacksonville. The Council Auditor is appointed by the City Council and is the Director of the Council Auditor's Office, a department of the legislative branch of the consolidated government. The Council Auditor is responsible for conducting a continuous internal audit of the fiscal operations of the consolidated government and all independent agencies. Audits are selected based on risk factors, reported problems in an area, or at the request of City Council. The Council Auditor's Office conducts legislative review and performs other forms of research as Council Committees, the Council President or individual Council Members may request. The office is also tasked with developing specifications to be included in the request for proposal (RFP) for outside audit services and assisting in the selection of an outside audit firm for the City's annual independent audit.

Our Mission

The mission of the Council Auditor's Office is to improve the accountability and effectiveness of local government by actively providing independent and informative services to the City Council and the citizens of Jacksonville. The City Council, Mayor, Independent Agencies and the public need timely, objective, and accurate information regarding the efficiency and effectiveness of the operations of the City and its Independent Agencies. We seek to accomplish our mission by evaluating department and program performance.

Statement of Values

- We expect excellence in the services we provide: excellence achieved through motivated personnel upon whose abilities, initiative, and creativity we depend.
- We are committed to sustaining a work environment that provides opportunities for personal growth, and supports innovation and change as essential to achieving our vision in a rapidly changing world.
- We expect the development of new ideas and enhancements in our ability to perform and work effectively at all levels of the organization.
- We value our relationships with others.
- We demonstrate integrity and honesty in all facets of our work.

OUR WORK PRODUCTS

Our office performs three essential functions: audits, special projects, and legislative review. These three areas combine to allow us to provide the best value we can to the citizens of Duval County.

Audit Function

Overview

The audit function of the office conducts performance audits in accordance with Generally Accepted Governmental Auditing Standards (GAGAS), attestations in accordance with the American Institute of Certified Public Accounts (AICPA) and/or GAGAS, and assists the external auditors with the City's Comprehensive Annual Financial Report (CAFR) and JEA's Annual Financial Report. Audit work accounted for over 11,500 hours (or 32%) of the overall time of our office. The standards that we utilize require due professional care in conducting audits, professionally qualified staff, independence, adequate supervision and planning of audit work, reporting of audit results, and periodic review of the office by outside professionals. This enhances the quality of our work product which enables the user agency to place greater reliance on our work.

We select areas to audit based on several factors. We consider areas that provide services to the government and community that may have potential for improvement in the areas of economy and efficiency. Areas at risk for the misuse of assets or resources are more likely to be selected for audit. We also consider areas with a high volume of complaints or concerns identified by the City Council, Mayor, and management. The length of time since the last audit is also considered. Appropriate staff is assigned to the audit based on individual staff qualifications and the number

of staff needed to conduct the audit. See Exhibit A for a listing of the reports and Exhibit B for a brief summary of the reports.

Performance Audits

A performance audit is an engagement that provides findings or conclusions based on an evaluation of sufficient, appropriate evidence against criteria.¹ This type of auditing may also include steps to determine if the City is in compliance with contracts, laws, regulations and procedures. The benefit of audit work is not always quantifiable. Performance audits result in recommendations that will improve resource utilization, reduce the risk of loss or abuse of assets, increase productivity, and correct wasteful practices. Audit recommendations can improve services to the public by making programs more effective and efficient.

Results

We issued seven performance audits during FY 2011/12. These seven reports identified 32 internal control weaknesses, 56 findings, and 24 opportunities for improvement. These performance audits identified \$53,258 in increased revenues, \$459,882 in reduced costs, \$4,695,450 in more efficient and effective uses of public funds, and \$1,958,676 which was not properly reflected on the City's Annual Financial Reports due to the filing of misleading documentation.

Attestations

Attestation engagements can cover a broad range of financial or nonfinancial objectives about the subject matter or assertion depending on the users' needs. GAGAS incorporates by reference the AICPA's Statements on Standards for Attestation Engagements (SSAE). The AICPA's standards recognize attestation engagements that result in an examination, a review, or an agreed-upon procedures report on a subject matter or on an assertion about a subject matter that is the responsibility of another party.²

Results

We issued one attestation during FY 2011/12 which was required by Florida Statutes.

External Auditors

The Council Auditor's Office is tasked with engaging an outside audit firm to perform the City's annual independent audit. Pursuant to Section 102.116 of the Jacksonville Municipal Code, the Council Auditor's Office establishes the specifications to be included in the request for proposal (RFP) for the City's independent audit, assists in the ranking and selection of an outside audit firm and negotiates the formal fee and contract terms.

The Council Auditor's Office also provides staff to assist in the audit work performed on both the City and JEA's annual financial audits. Three of our staff members provided a total of 600 hours to assist McGladrey & Pullen, LLP with the annual financial statement audit and the

¹ Comptroller General of the United States, *Government Auditing Standards* (Washington, DC: U.S. Government Printing Office, 2012), p.17.

² Comptroller General of the United States, *Government Auditing Standards* (Washington, DC: U.S. Government Printing Office, 2012), p.16.

preparation of the Management Letter. In addition, two of our staff members provided a total of 160 hours to assist Ernst & Young, LLP with the financial audit of JEA.

Results

By providing this assistance, we reduced the cost of the contracts by approximately \$90,000 and provided staff valuable information and training for future audit work.

Special Project Function

The special project function releases special reports, which are typically in response to a request by a Council Member or involve a project substantially less in scope than an audit conducted in accordance with GAGAS. This area accounts for over 4,300 hours (or 12%) of the overall time of our office. See exhibit A for a listing of reports and Exhibit B for a summary of the reports.

Special Reports

The Council Auditor's Office performs other reviews to fulfill the City Charter and Ordinance Code requirements of providing the City Council with reports of financial analysis and information pertaining to the operations of the City and its Independent Agencies. As a part of this effort, the Council Auditor compiles and reviews quarterly financial reports from the City and its Independent Agencies and presents reports thereon. The majority of our special project work products are not summarized in formal numbered reports.

Results

We issued ten numbered special reports in FY 2011/12. Three of the reviews resulted in six findings, five internal control weaknesses and five opportunities for improvement. The remaining reports were prepared to provide information to City Council and the citizens of Jacksonville regarding the City's financial position and our office's work.

Special Projects

The Council Auditor's Office performs many special projects that do not result in a report. These are typically small requests initiated by a Council Member or the Council Auditor. The nature of these projects typically relates to the gathering of information which also assists the office with gaining an understanding of all City operations and properly compiling a risk assessment of the City.

Follow-up Reviews

The Council Auditor's Office conducts follow-up reviews to determine the progress made in addressing findings and recommendations identified in previously issued audit reports. These reviews are performed periodically and are substantially less in scope than an audit conducted in accordance with GAGAS.

City Grants

Per Chapter 118.201 and 118.202 of the Jacksonville Municipal Code, the Council Auditor's Office is tasked with overseeing the proper submission of annual audits and financial reports by agencies which receive City of Jacksonville grant funding. In addition to assuring that the audits and financial reports are submitted by the appropriate deadlines, the Council Auditor's Office

also reviews the audits and confirms that City funding is properly disclosed in each report. Per Chapter 118.504, the Council Auditor's Office has the authority to remove entitlement of grant funding from an agency that does not follow the provisions of Chapter 118. In practice, the Council Auditor's Office has maintained a "non-compliance list," which includes all agencies that have committed infractions which have not yet been resolved. The Council Auditor's Office may reinstate entitlement upon the correction of most infractions by the agency.

Results

During FY 2011/12, twelve organizations were added to the non-compliance list. All but one organization was removed once reporting requirements were fulfilled. In addition, one organization was removed from the non-compliance list after repaying the City funds owed from prior year contracts. Payments were withheld for non-compliant organizations until these organizations demonstrated compliance with the requirements of Municipal Code Chapter 118.

Legislative Function

Overview

The legislative review function provides an examination of legislation for all of the Council Committees, with the exception of the Land Use and Zoning Committee, and attends all City Council meetings. It is the role of this team to provide transparency and accountability to each piece of legislation that is reviewed. The legislative review function accounts for over 12,500 hours (or 34%) of the overall time of our office, which includes over 5,800 hours related to the annual budget. The following more specifically describes the scope of work performed by each group.

Legislation Review

The legislative review function is performed by staff members in order to provide Council Members with information regarding areas of potential improvement, full disclosure of financial impacts, errors requiring correction and other possible outcomes of pending legislation to assist Council Committees in their decision-making process. Some of the general categories of legislation reviewed are capital project approval and appropriation, grant contracts and appropriations of funds, lease agreements, fair share assessments, and redevelopment agreements. Refer to Exhibit C for a summary of significant legislation.

Results

The legislative review process provides City Council Members with information and research that adds to the resources available for their decision making process. During FY 2011/12, we reviewed approximately 580 pieces of legislation.

Budget Review

The Council Auditor's Office is also responsible for reviewing the proposed budgets for the City and its Independent Authorities. This review entails an extensive analysis of revenue and expenditures on a line item basis, along with statistical calculations and a review of material changes in funding for expenditures. Our staff interacts with the Budget Office, City Departments and Independent Authorities to complete our analysis and obtain answers to

questions regarding budget requests. Approximately 5,800 staff hours were spent from July through September 2012 reviewing the 2012/2013 budget proposals. A report is prepared annually outlining the Mayor's and Independent Agencies' proposed budgets and City Council actions regarding those budgets.

Results

Based on our review of the Mayor's Proposed Budget, we brought several concerns to the attention of the Council, including the following:

- *The funding for the Sheriff's Office assumed Departmental lapses of \$16,706,795 in total without identifying how the lapses would be met.*
- *We noted errors in the calculation of the County Sales Tax and State shared revenue of \$5,241,209 and the amount of debt principal of \$1,071,000.*
- *We noted issues with budgeting \$1,000,000 in Private Contributions for the Parks and Recreation Department.*
- *We brought up the problem of budgeting revenue for Plant Renewal in the Public Works Department when there was no funding in the Department for Plant Renewal.*

Assistance to Special and Ad Hoc Committees

The Council Auditor's staff attends special committee meetings to provide background information and aid committee members in their review and deliberations on tasks assigned to the committee. Staff participated in meetings associated with the Better Jacksonville Plan, the Duval County Tourist Development Council, the Taxation, Revenue, and Utilization of Expenditures (TRUE) Commission, as well as various special committees noted below.

The Audit Subcommittee of the City Council Finance Committee was created to study City government performance and to review audits and reports about City finances and operations. The subcommittee meets on an as needed basis to receive information from the Council Auditor and the City's independent auditor. This provides the opportunity for the subcommittee to discuss the reports and ask questions of Council Auditor's staff and the agency staff addressed in the report.

We attended the St. Johns River Ferry Commission meetings where we answered questions and provided guidance related to establishing a budget, making deposits, recording revenues, and paying the contractor. We also reviewed the contractor's cash handling and balancing procedures at the request of the Commission.

Council Auditor reports are forwarded to the TRUE Commission for their review. Council Auditor staff attend the TRUE Commission meetings to answer questions regarding each report released. The TRUE Commission provides recommendations and feedback to the Council President at their discretion.

The Special Committee on Privatization created in August of 2011 was charged with discussing and exploring the privatization of certain City services. The committee was to perform an analysis and provide its findings and recommendations to the Council.

The Courthouse Oversight Special Committee was created to ensure oversight of all expenditures, change orders, and efficiencies that might be found during the courthouse construction process.

OFFICE OPERATIONS

Our Structure

Our office is structured in the most effective method for internal audit independence in that we report directly to the City Council. Given the unique nature of functions our office performs, our office is recognized as a model organization and from time to time we are contacted by other jurisdictions who want to better understand our operation.

Staffing

As part of the original FY 2011/2012 budget, the office was authorized to fill 18 full-time positions. Ordinance 2012-81-E authorized an additional position, increasing the number of full-time positions to 19. Positions include the Council Auditor, an Assistant Council Auditor, 16 auditors and one administrative assistant. (Refer to Exhibit D) All auditors have degrees in accounting, including several with graduate degrees. The audit staff members are Certified Public Accountants (CPAs) or in the process of preparing for or taking the CPA exam. Audit staff members are encouraged to obtain a CPA license.

Expenditures

The Council Auditor's Office had expenditures of approximately \$1.85 million in fiscal year 2011/12, as detailed below.

Annual Expenditures

	FY 10/11 Expenditures	FY 11/12 Estimated Expenditures*
Salaries	\$ 1,335,558	\$ 1,386,271
Pension	175,411	228,598
Other Employee Benefits	138,999	147,237
Internal Service Charges	79,402	57,770
Other Operating Expense	25,525	26,578
Total	\$ 1,754,895	\$ 1,846,455

**Please note that the amounts for FY 2011/12 are pending the final close out of the City's Annual Financial Audit.*

PROFESSIONAL DEVELOPMENT

Summary

The work of the Council Auditor's Office requires professionals with high standards of integrity, independence, and conduct. Principles are established as a guide for development and improvement of the employee's professionalism. The Council Auditor's Office emphasizes

professional development to improve our skills, effectiveness and efficiency. The office provides required continuing education, encourages professional certification, and supports staff involvement in professional associations.

Continuing Education

Government Auditing Standards require that our staff complete at least 80 hours of continuing education every two years, including 24 hours in subjects directly related to the government environment or government auditing. Those auditors who are CPAs must also complete the 80 hours every two years to retain their active status as Florida CPAs. The professional staff is in compliance with these provisions.

Professional Associations

The Council Auditor and other staff members are members of organizations such as the Association of Local Government Auditors, the Florida Government Finance Officers Association, and the Government Finance Officers Association. Some staff members are also members of the American Institute of Certified Public Accountants and the Institute of Internal Auditors.

Quality Assurance

In compliance with Government Auditing Standards, the Council Auditor's Office undergoes an external quality control review once every three years by an organization not affiliated with the Council Auditor's Office. We participate in the peer review program of the Association of Local Government Auditors through which our office had a peer review and was found to be in compliance with the Government Auditing Standards in March 2012. This peer review covered our work audits performed in accordance with Governmental Auditing Standards between January 1, 2009, and December 31, 2011.

We appreciate the strong support given to us by the City Council and the cooperation extended to us by the Mayor and the Administration. We look forward to continuing to work on finding ways to improve our City and its Independent Agencies.

Respectfully submitted,

Kirk A. Sherman, CPA
Council Auditor

EXHIBIT A

*All reports are public record and are available to the public in our office or on our web site at
www.coj.net/City-Council/Council-Auditor.aspx*

REPORTS RELEASED IN FISCAL YEAR 2011/2012

Performance Audits

Report No. 705	Housing and Neighborhoods Department Bank Accounts Audit	November 2011
Report No. 706	Procedures Surrounding City Imprest Accounts	November 2011
Report No. 711	Jacksonville Economic Development Commission Audit	December 2011
Report No. 715	Recreation and Community Services Bank Accounts Audit	May 2012
Report No. 718	Jacksonville Sheriff's Office Aviation Audit	July 2012
Report No. 720	Duval County Property Appraiser Audit	September 2012
Report No. 721	Oceanfront Parks Revenue Audit	September 2012

Attestations

Report No. 712	Report on Statement of County Funded Court-Related Functions – FY 10/11	January 2012
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Special Reports

Report No. 704	City Council Revenue Review	October 2011
Report No. 707	Council Auditor's Annual Report	December 2011
Report No. 708	Budget Summary for FY 11/12	December 2011
Report No. 709	Independent Agency Quarterly Summary for the Twelve Months Ended September 30, 2011	December 2011
Report No. 710	City of Jacksonville General Government Quarterly Summary for the Twelve Months Ended September 30, 2011	December 2011
Report No. 713	Quarterly Summary for the Three Months Ended December 31, 2011	February 2012
Report No. 714	Quarterly Summary for the Six Months Ended March 31, 2012	May 2012
Report No. 716	Jacksonville Sunshine Law Compliance Review	May 2012
Report No. 717	Audit Follow-up Report – 2011	July 2012
Report No. 719	Quarterly Summary of the Nine Months Ended June 30, 2012	August 2012

EXHIBIT B

SUMMARY OF REPORTS

Performance Audits

Housing and Neighborhoods Department Bank Accounts Audit

Report #705 – November 2011

This audit was part of a series of audits being conducted on imprest accounts located throughout the City. The Housing and Neighbors Department had one imprest checking account with an authorized balance of \$2,500 as well as several other bank accounts utilized as collateral and interest subsidies to assist individuals in obtaining low-income financing.

Significant Issues

- For all accounts utilized as collateral, the account balance could have either been reduced or the account could have been completely closed.
- Account authorization forms with the Bank and City were not updated regularly.
- Disbursements from the imprest account were not authorized properly with two signatures prior to disbursement.

Procedures Surrounding City Imprest Accounts

Report #706 – November 2011

Within the Finance Department, the Treasury Division and the Accounting Division are involved with the monitoring of imprest accounts which are utilized to assist with the purchase of low priced items needed immediately and when it is not cost effective to issue a normal check.

Significant Issues

Overall, it appears there was a structure in place to enable the imprest accounts to operate in a controlled environment; however, improvements could have been made to ensure a more secure environment. Specifically we noted:

- Treasury was not monitoring accounts to determine if the need for the account remained.
- The Standard Procedures Manual for Imprest/Petty Cash Funds needed updating.

Jacksonville Economic Development Commission Audit

Report #711 – December 2011

JEDC serves as the economic development agency for the City of Jacksonville, implementing policies that encourage sustainable job growth, raising personal incomes and creating a broader tax base for the community.

Significant Issues

Based on our audit, it appears that JEDC had been lacking in its administration and oversight of economic incentive agreements, as well as operations at Cecil Commerce Center. For example, we found:

- Compliance with reporting, JSEB involvement, and jobs creation requirements were not adequately enforced. The data provided in jobs and JSEB reports by incentive recipients was not verified, and some incentive payments were calculated in an inaccurate manner (\$355,190 was returned to the City as result of the audit).

- Multimillion dollar contracts were awarded by City Procurement after minimal advertising.
- Adequate supporting documentation was not received for large invoices and receivables.
- At Cecil Commerce Center, the maintenance contractor overcharged JEDC in multiple billings. Also, JEDC failed to seek reimbursement of \$54,000 for utilities from a tenant and allowed the Post Office to occupy a building without a signed lease for approximately ten years.

Recreation and Community Services Bank Accounts Audit

Report #715 – May 2012

The former Recreation and Community Services Department maintained five imprest checking accounts utilized for the following four divisions: Office of Special Events; Military Affairs, Veterans and Disabled Services; Behavior and Human Services; Adult Services.

Significant Issues

The major issues noted were with the account maintained by the Office of Special Events. Specifically we found:

- Special Events filed misleading documentation and operated the imprest account as a checking account, rather than an imprest account. The misleading documentation resulted in \$1,958,676 in expenditures (and revenue) not being properly reflected on the City's Annual Financial Report between October 1, 2006 and April 6, 2011.
- The City's Municipal Code was not followed regarding financial reporting deadlines and obtaining required approvals from the Office of General Counsel and the City's Chief Financial Officer prior to entering into contracts.
- Special Events made payments to family members of an employee.

Jacksonville Sheriff's Office Aviation Audit

Report #718 – July 2012

The Jacksonville Sheriff's Office Aviation Unit consists of eight aircraft; four helicopters and four fixed-winged aircraft. The helicopters are used primarily for patrol operations and ground support. The fixed-wing aircraft are used primarily for prisoner transport and occasionally for the transportation of JSO personnel.

Significant Issues

Based on the work performed, it appears that the Jacksonville Sheriff's Office was compliant with the objectives of our audit; however, we did have findings. For example:

- There were weak accounting controls for fuel on hand.
- The Jacksonville Aviation Unit and Corrections Fugitive Unit were not including overtime in their travel estimates.
- The Corrections Fugitive Unit was not including all known charges in its travel estimates.

Duval County Property Appraiser Audit

Report #720 – September 2012

The Duval County Property Appraiser's Office (PAO) is a constitutional officer within the City of Jacksonville. The PAO is responsible for assessing all real and personal property within Duval County. Reviewing and approving the PAO's annual tax roll is the responsibility of the Florida Department of Revenue.

Significant Issues

Based on our audit, the major issues noted include the following:

- Audits of Tangible Personal Property (TPP) returns were not conducted on a routine basis.
- Some zoning changes were not reflected on the 2010 tax roll.
- On some permits issued to property owners for property improvements, physical inspections were not performed and any associated value changes were not reflected on the 2010 tax roll.
- 9.7 percent of properties found on the 2010 tax roll had not been inspected by the PAO within the statutorily required 5 years.
- Written policies and procedures did not exist or were inadequate in many areas.

Oceanfront Parks Revenue Audit

Report #721 – September 2012

Hanna and Huguenot Parks conduct a cash intensive operation that collects approximately \$1,500,000 each year through entrance fees, camping site rentals, facility/shelter rentals, the sale of annual passes and early bird booklets, and vendor services contracts.

Significant Issues

Based on our audit, the major issues noted included the following:

- Credit card numbers provided by customers were not being properly encrypted.
- Record keeping was incomplete and resulted in revenue being unaccounted for.
- Multiple violations of the City's Standard Operating Procedures on Cash Receipts.

Attestations

Report on Statement of County Funded Court-Related Functions – FY 10/11

Report #712 – January 2012

This attestation involves the City's compliance with Sections 29.008 and 29.0085 of the Florida Statutes, which detail the City's funding of court-related functions that are County requirements pursuant to State Law. The reports are prepared by the City's Accounting Division and certified by our office before being sent to the State.

Special Reports

City Council Revenue Review

Report #704 – October 2011

This report was a review of the cash handling procedures and controls of the City Council. The Legislative Services Division receives most City Council revenues with the exception of those received by the Value Adjustment Board and occasional fees related to the issuance of bonds that are received by the Council Auditor's Office. This review was exclusive to the Legislative Services Division.

Council Auditor's Office Annual Report

Report #707 – December 2011

This report provides a summary of the activities and accomplishments of the Council Auditor's Office during fiscal year ended September 30, 2011.

Budget Summary for FY 2011/12

Report #708 – December 2011

The Budget Summary Report details the major points of the City Council approved budget. It details the major changes that occurred from the Mayor's Proposed Budget to the approved budget and includes suggestions to create a better process for the following year.

Jacksonville Sunshine Law Compliance Review

Report #716 – May 2012

This report is a requirement of the Ordinance Code that states we must perform an annual review and report on Council notices, meeting locations, and minutes to determine whether the City Council is in compliance with the Jacksonville Sunshine Law Compliance Act.

Audit Follow-Up Report - 2011

Report #717 – July 2012

This report is a follow-up review to determine the progress made in addressing findings and recommendations identified in previous issued audit reports. These reviews are performed periodically and are substantially less in scope than an audit conducted in accordance with Government Auditing Standards.

Quarterly Summaries

Reports #709 (December 2011), #710 (December 2011), #713 (February 2012), #714 (May 2012) & #719 (August 2012)

The City and Independent Agencies are required to submit to the Council Auditor's Office quarterly financial statements by specified dates. The Council Auditor's Office is tasked with compiling the information and submitting a report to the City Council. The purpose of these reports is to identify budget problems as early as possible to allow for corrective action.

EXHIBIT C

LEGISLATION REQUIRING SIGNIFICANT REVIEW IN FISCAL YEAR **2011/2012**

- **2011-662:** An ordinance authorizing an economic development agreement with JPMorgan Chase to support expansion of operations. Authorizes incentives up to \$1.25M for the creation of 250 jobs. This bill was withdrawn.
- **2011-692:** An ordinance appropriating \$1.7M for purchase of 288 acres of environmentally sensitive land at Thomas Creek Battlefield.
- **2011-700:** An ordinance amending the redevelopment agreement with Metropolitan Parking Solutions to extend the City's purchase option for the three downtown garages to 12/31/13 as well as to reduce developer's annual return from 8% to 6.75%.
- **2011-732:** An ordinance authorizing the Reorganization of executive branch departments within the City government.
- **2012-24:** Resolution regarding the collective bargaining impasse between the City and the Fraternal Order of Police for fiscal year 2009/10. This bill was withdrawn.
- **2012-85:** An ordinance appropriating \$142,509 to fund the Office of Ethics, Compliance & Oversight.
- **2012-101:** An ordinance approving the second amendment to the Fair Share Contract with Signature Land, Inc. for improvement of Duval Road between Main Street & Airport Center Drive.
- **2012-212:** An ordinance repealing the JEDC and establishing the Office of Economic Development (OED).
- **2012-235:** An ordinance creating Municipal Code Chapter 93 to establish the St. Johns River (Mayport) Ferry Commission.
- **2012-270:** An ordinance authorizing an amended redevelopment agreement and other agreements between the City, Hallmark Partners, Inc. and 200 Riverside Avenue, LLP for the completion of various public improvements. Authorizing a REV grant not to exceed \$4,905,980.
- **2012-284:** An ordinance relating to the Unified Courthouse Program, providing for State Attorney advice and counsel and urging prompt completion of the Unified Courthouse Program including Old Federal Courthouse.
- **2012-299:** An ordinance appropriating \$750,000 from Unified Courthouse Program to fund purchase of furniture for the seventh floor hearing rooms in new courthouse.
- **2012-364:** An ordinance creating the Downtown Investment Authority (DIA) to serve as the community redevelopment agency for downtown.
- **2012-373:** An ordinance adjusting downward the general fund & tax increment district revenue budgets by \$4,257,967.
- **2012-449:** An ordinance authorizing the Sheriff to utilize traffic infraction detectors (Red Light Cameras) to issue notices of violations and traffic citations.
- **2012-450:** An ordinance appropriating \$10,500,375 from fiscal year 2011/12 projected savings to make available as source for Sheriff's 2012/13 budget. This allowed the City Council to increase the Sheriff's 2012/13 budget by same amount.
- **2012-494:** An ordinance appropriating \$2,716,289 from Risk Management to increase case reserve expense in workers compensation for the remainder of the FY 2011/12.

EXHIBIT D

CITY COUNCIL AUDITOR'S OFFICE STAFF

Staff members as of September 30, 2012:

Kirk A. Sherman, CPA, Council Auditor
Janice Billy, CPA, Assistant Council Auditor
Kyle Billy, CPA, Principal Auditor
Kim Taylor, CPA, Principal Auditor

Kelly Beckstead
Chedly Broche
Robert Campbell
Sonia Carroll, CPA
Thomas Carter, CPA
Sean Costigan, CPA
Elena Korsakova, CPA
Carmen Martin, CPA
Kaneshia Middlebrooks
Brian Parks, CPA
Phillip Peterson, CPA
Heather Reber, CPA
Trista Straits, CPA
Aaron A. Wilkins

Administrative Assistant
Mary Fletcher