



T. Bert Fletcher, CPA, CGMA
City Auditor

HIGHLIGHTS

Highlights of City Auditor Report #1720, a report to the City Commission and City management

WHY THIS AUDIT WAS DONE

Pursuant to Florida law, the City of Tallahassee (City) is responsible for the maintenance of medians and other green spaces located on the City's right-of-way (ROW) and on certain Leon County ROW within the City limits. The City is also responsible for the maintenance of certain state ROW as specified in Memorandums of Agreement between the City and the Florida Department of Transportation (FDOT).

We conducted this audit to determine whether the City was meeting its responsibilities for the maintenance of ROW for which it is statutorily or contractually responsible. Our audit also included an evaluation as to whether the City adhered to City policies and procedures designed to reasonably ensure the economy of operations.

WHAT WE RECOMMENDED

To enhance the ROW maintenance process, we recommended the City consider:

- Developing a comprehensive and up-to-date inventory or map of the ROW for which the City is responsible.
- Developing policies and procedures addressing the criteria to be utilized in determining which ROW locations are selected for recurring, routine maintenance.
- Adopting a ROW ordinance assigning responsibility for maintenance of public ROW, which is not subject to routine scheduled City maintenance, to adjacent property owners.

To improve the City's ability to verify the delivery of contracted maintenance services, we recommended that the City ensure that contractors provide contractually-required descriptions of the location, date, and nature of the services delivered.

To improve controls over the operations management system utilized to record and track ROW maintenance activities performed by City crews and contractors, we recommended that appropriate access and input controls be established.

To view the full report, go to
<http://www.tal.gov.com/transparency/auditing-2017rpts.aspx>

For more information, contact us by e-mail at
auditors@tal.gov.com or by telephone at 850/891-8397.

September 25, 2017

Audit of Right-of-Way Maintenance

The City does not routinely maintain all assigned right-of-way (ROW) and must select the ROW sites which are to be routinely maintained. To enhance this process, we recommended that the City develop a comprehensive list or map of ROW sites, develop criteria that can be used to prioritize the maintenance of those sites, and consider the adoption of a ROW ordinance. We also recommended improvements to Community Beautifications' contractor invoice payment authorization process and to the controls over the applicable operations management system.

WHAT WE CONCLUDED

The City lacks the resources to maintain all assigned ROW and must choose which ROW sites are to be scheduled for recurring, routine maintenance. The City does routinely maintain the contracted state ROW and all the City-owned and County-owned ROW associated with gateway roads and main thoroughfares within the City limits. Unmaintained locations are primarily roads that are in residential areas with low traffic volumes.

Our review of the processes used in establishing the ROW maintenance schedule disclosed that the City does not maintain a comprehensive listing or map of all ROW sites it is responsible for maintaining. Also, the City does not have written policies and procedures describing the criteria to be used in prioritizing the maintenance of ROW sites.

With regard to procurement and the purchase of ROW maintenance services, we found that the City had adhered to City policies and procedures designed to reasonably ensure economic operations. Furthermore, our evaluations of controls in place over small tools and equipment found that the items were properly accounted for on inventory reports and properly safeguarded. However, our audit did disclose:

- Some instances in which City records did not clearly demonstrate that the receipt of the services performed by ROW maintenance contractors had been adequately verified prior to City payments for the services.
- Adequate access controls and input controls had not been established for the operations management system used to record and track ROW maintenance activities performed by City crews and contractors.

We would like to acknowledge and thank the management and staff of the Community Beautification and Waste Management department for their cooperation and assistance during this audit.

Office of the City Auditor

Audit Report



T. Bert Fletcher, CPA, CGMA
City Auditor

Audit of Right-of-Way Maintenance

Report #1720

September 25, 2017

Executive Summary

The City lacks the resources to maintain all assigned right-of-way (ROW) and must choose which ROW sites are to be scheduled for recurring, routine maintenance. To enhance the ROW maintenance process, we recommended that the City develop a comprehensive list or map of ROW sites, develop criteria that can be used to prioritize the maintenance of those sites, and consider the adoption of a ROW ordinance.

We also recommended that the City obtain from ROW maintenance contractors the detail information needed by the City in order to properly authorize payments for services. Further, we identified opportunities to improve the controls over the computer application (Cartegraph) used to manage and track ROW maintenance activities and costs.

Pursuant to Florida law, the City of Tallahassee (City) is responsible for the maintenance of medians and other green spaces located on the City's right-of-way (ROW) and on Leon County (County) ROW within the City limits. The City is also responsible for maintenance of certain state ROW (contracted state ROW) as specified in Memorandums of Agreement (MOAs) between the City and the Florida Department of Transportation (FDOT).

Duties relative to ROW maintenance have been assigned to the Community Beautification division housed in the Community Beautification and Waste Management department (formerly the Urban Beautification and Forestry division, housed in the Public Works department.) Community Beautification

consists of three units: (1) Right-of-Way (ROW); (2) Street Sweeping; and (3) Landscape and Trees (Landscape). Our audit focused on the maintenance and operational activities of the ROW and Landscape units and did not include the stormwater control activities of the Street Sweeping unit.

From October 1, 2013, through September 30, 2016, the expenditures incurred by the City ROW and Landscape units totaled approximately \$11.7 million, \$7.9 million of which relates to personnel expenses and approximately \$3.8 million which relates to other operating expense categories. Significant other operating expenditure categories included such items as charges for contractual services and charges for supplies.

The objectives of our audit were to:

- Determine whether the City is meeting its responsibilities for the maintenance of the ROW for which it is statutorily or contractually responsible.
- Determine whether the City adhered to City policies and procedures designed to reasonably ensure the economy of operations.

ROW Maintenance Schedules

The City lacks the resources to maintain all assigned ROW and must choose which ROW sites are to be scheduled for recurring, routine maintenance. We were advised that the City routinely maintains all the City-owned and County-owned ROW associated with gateway roads and main thoroughfares within the City limits and all of the contracted state ROW. We were further advised that the unmaintained

ROW locations relate primarily to roads that are in residential areas with low traffic volumes. The maintenance of these neighborhood ROW areas may be performed by an adjacent property owner or by City crews, upon the receipt of a citizen's service request. Our audit disclosed improvements that could be made in the policies and procedures and the records used in the scheduling of ROW maintenance activities. Those improvements include:

- Developing a comprehensive and up-to-date inventory or map of the ROW for which the City is responsible.
- Developing procedures addressing the criteria to be utilized in determining which ROW locations are selected for recurring, routine maintenance.
- Adopting a ROW ordinance assigning responsibility for maintenance of public ROW, which is not subject to routine maintenance, to adjacent property owners.

ROW and Landscape Procurement Practices

We found that the City had adhered to City policies and procedures designed to reasonably ensure the procurement of goods and services on an economical basis. However, our audit did disclose some instances in which City records did not clearly demonstrate that the receipt of services performed by contractors had been adequately verified prior to the authorization of City payments for the services. To address this matter, we recommended that the City ensure that contractors provide the contractually-required descriptions of the location, date, and nature of the services delivered so that the information may be used to facilitate the City's verification of the receipt of conforming services.

Cartegraph

Cartegraph is used to record and track ROW maintenance activities performed by City crews and contractors, provide information used in managing ROW operations, and prepare

regulatory reports. As a part of our audit, we obtained an understanding of the controls over Cartegraph as they pertain to system access and data entry. We found that these controls were ineffective and recommend that appropriate access and input controls be established.

We would like to acknowledge and thank the management and staff of the Community Beautification and Waste Management department for their cooperation and assistance during this audit.

Background

Public right-of-way consists of public land through which public highways, footpaths, and bike trails pass. Pursuant to Florida Statutes,¹ the City of Tallahassee (City) is responsible for the maintenance of public ROW, including the medians and other green spaces located on City-owned right-of-way (ROW) and, within the City limits, certain Leon County (County)-owned ROW. The City is also responsible for the maintenance of certain state ROW (contracted state ROW) as specified in Memorandums of Agreement (MOAs) between the City and the Florida Department of Transportation (FDOT).

As discussed more fully below, the City does not routinely schedule maintenance on all of the ROW for which it is responsible. According to City staff, the City routinely schedules maintenance for the contracted state ROW and for all gateway roads and main thoroughfares. The maintenance of all other ROW for which the City is responsible may be performed by an adjacent property owner or by City crews, upon the receipt of a citizen's service request.

ROW Maintenance Activities and Assignments

Primary ROW maintenance activities include mowing, litter removal, sidewalk and curb edging, tree trimming, and landscape maintenance. Mowing and litter removal are performed on a cyclical basis (for example, monthly, biweekly, etc.) while tree trimming

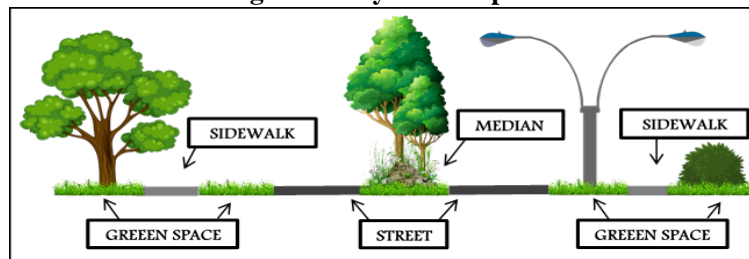
¹ Section 334.0145, Florida Statutes as interpreted by Attorney General Advisory Legal Opinion AGO 2008-49.

and edging are performed upon citizen request. The responsibility for the management of these activities has been assigned to the Community Beautification division, housed in the Community Beautification and Waste Management department (formerly the Urban Beautification and Forestry division, housed in the Public Works department).

Community Beautification consists of three units: (1) Right-of-Way (ROW); (2) Street Sweeping; and (3) Landscape and Trees (Landscape). The ROW unit (with 19

authorized positions) and the Landscape unit (with 34 authorized positions), together with selected contractors, are responsible for the maintenance of green spaces within the ROW which, as illustrated in Figure 1, include the median, the area between the street and the sidewalk, the area that extends beyond the sidewalk and up to adjacent property lines, and any landscaped areas. Landscaped areas consist of medians and green spaces that are populated by materials such as trees, shrubs, flowering plants, water features, or rocks.

Figure 1
Right-of-Way Green Spaces



During fiscal year 2016, ROW which was subject to routine, scheduled mowing totaled approximately 1,100 acres, and ROW which was subject to routine, scheduled litter removal totaled approximately 1,500 acres. Landscaped areas totaled approximately 72 acres in fiscal year 2016.

The primary responsibility of the Street Sweeping unit is to intercept litter and sediment that would otherwise enter the stormwater system. Our review was limited to the maintenance and operational activities of the ROW and Landscaping units and did not include the Street Sweeping unit and related stormwater activities.

The responsibility for the maintenance of City and County ROW that does not include landscaped areas was assigned to City ROW crews who performed mowing and litter removal activities. With respect to City, County, and state ROW which include landscaped areas, mowing and litter removal activities were performed by a contractor, Southland Specialties, Inc., (Southland), under the supervision of the Landscape unit. Southland also performed mowing and litter removal on all

state ROW specified in the MOAs between the City and FDOT. Additionally, the City employed another contractor, Service Keepers, Inc., to mow and remove litter on bike trails throughout the City.

Similar to mowing and litter removal, City crews were responsible for the edging of the curbs and sidewalks adjacent to ROW that does not include landscaped areas. Edging of the curbs and sidewalks on landscaped City and County ROW and all specified state ROW was performed by Southland.

The Landscape unit was responsible for maintaining landscaped areas within the ROW. Staff in the Landscape unit also performed tasks such as the removal of damaged and dead trees on City ROW which posed a threat to the safety of the general public or damage to buildings, vehicles, or other property. The City also used a contractor, Cricket's Tree Service, Inc., to perform this work, as needed.

Table 1 summarizes the assignment of the routinely performed maintenance activities during the period October 1, 2013, through September 30, 2016.

Table 1
ROW Maintenance Activity Assignments
Fiscal Years 2014, 2015, and 2016

ROW Maintenance Activity	ROW Type			
	City and County (Non-Landscaped)	City and County (Landscaped)	Contracted State	Bike Trails
Mowing	City ROW Crew	Southland Specialties	Southland Specialties	Service Keepers
Litter Removal	City ROW Crew	Southland Specialties	Southland Specialties	Service Keepers
Edging	City ROW Crew	Southland Specialties	Southland Specialties	NA
Landscape	NA	City Landscape Crew	City Landscape Crew	NA
Tree Trimming or Removal	City Landscape Crew or Cricket's Tree Service	City Landscape Crew or Cricket's Tree Service	FDOT	City Landscape Crew or Cricket's Tree Service

Should citizens wish to request ROW maintenance service, they may contact the City via the mobile application, Digitally, although management indicated that most service requests were received by telephone call and email. Service requests were to be reviewed by administrative staff who utilize a geographic information system (GIS) to determine if the requested service relates to ROW for which the City is responsible. In some cases, administrative staff are unable to determine ROW ownership through the GIS system and a ROW or Landscape crew or staff member must visit the location to make a determination. If it is determined that the City is responsible, maintenance is scheduled and performed by a City crew.

ROW and Landscape Expenditures

ROW maintenance expenditures were paid with General Fund resources primarily. As shown in Table 2, from October 1, 2013, through September 30, 2016, the expenditures incurred by the City ROW and Landscape units totaled approximately \$11.7 million, \$7.9 million of which relates to personnel expenses and approximately \$3.8 million which relates to other operating expense categories. Significant other operating expenditure categories include such items as charges for contractual services

and charges for supplies. Contractual service expenditures accounted for approximately 25% (approximately \$2.9 million) of the total operating expenses and included payments to vendors, who performed ROW maintenance on behalf of the City, and for temporary laborers used to augment City crews. Expenditures for supplies of approximately \$620,000 relate to payments for materials such as fertilizer, mulch, and trees, as well as small tools and equipment items such as hedge trimmers, chain saws, and blowers.

State Right-of-Way

As noted previously, the City and the FDOT have entered into MOAs pursuant to which the City is compensated for performing specified maintenance activities on specified state ROW. During the period October 1, 2013, through September 30, 2016, the City and FDOT entered into two such MOAs. The first MOA, effective October 3, 2013, through September 30, 2014, required the City to provide mowing, litter removal, edging, and street sweeping on specified state ROW. The second MOA, effective October 1, 2014, through September 30, 2016, required the City to provide mowing and litter removal on specified state ROW. Pursuant to the MOAs, FDOT paid the City compensation totaling approximately

\$1,400,000 during the period October 1, 2013, through September, 30, 2016.

The identifiable costs incurred by the City in providing the services required by the MOAs totaled approximately \$586,000 (i.e., the amount paid to Southland for mowing, litter removal, and edging) during the period October 1, 2013, through September 30, 2016. Costs that could not be identified related to the required street sweeping work performed by the City for the applicable state roads.

The MOAs do not compensate the City for maintaining the landscaped areas on state ROW. Pursuant to agreement with the FDOT, the City, which requested the landscaped areas (i.e., improvements including trees, shrubs, and ground covers), is responsible for the

maintenance of these areas. Cartegraph reports indicated the costs incurred in providing this maintenance during the period October 1, 2013, through September 30, 2016, were estimated to be approximately \$1,330,000.²

Cartegraph

The City utilizes Cartegraph, an operations management system, to record and track the work performed by City crews and related costs for both routine maintenance and citizen’s requests for maintenance services. Maintenance performed by contractors and related costs are also to be entered in Cartegraph upon receipt of contractor invoices. Management extracts the data entered in Cartegraph to generate quarterly performance and regulatory reports.

**Table 2
Right-of-Way and Landscape Operating Expenditures
Fiscal Years 2014, 2015, and 2016**

	FY 2014	FY 2015	FY 2016	Total
Personnel	\$2,549,734	\$2,680,549	\$2,704,374	\$7,934,657
Other Operating Expenditures:				
Contractual Services	1,047,182	1,052,953	809,486	2,909,621
Supplies	157,364	266,094	199,596	623,054
Other	115,400	97,832	68,126	281,358
Total Other Operating	\$1,319,946	\$1,416,879	\$1,077,208	\$3,814,033
Total	\$3,869,680	\$4,097,428	\$3,781,582	\$11,748,690

***Scope, Objectives,
and Methodology***

The scope of this audit included the right-of-way (ROW) maintenance activities of the Community Beautification division during the period October 1, 2013, through September 30, 2016.

The objectives of our audit were:

- Determine whether the City is meeting its responsibilities for the maintenance of the ROW for which it is statutorily or contractually responsible.
- Determine whether the City adhered to City policies and procedures designed to reasonably ensure the economy of operations.

² As indicated under the report subheading Cartegraph controls, we have identified control issues that may impact the reliability of Cartegraph data and reports.

To facilitate the accomplishment of our audit, we:

- Reviewed prior City audits; other local government audits; industry information relevant to the audit topic; related laws, rules, and regulations; and relevant City policies and procedures.
- Reviewed Community Beautification division planning and performance information.
- Scheduled budget to actual expenditures for operating accounts during the audit period.
- Reviewed listings of locations subject to ROW and landscape maintenance.
- Obtained an understanding of Cartegraph security and input controls.
- Reviewed and analyzed Digitally service requests.
- Reviewed the procurement process and related documents for selected purchase orders and contracts for supplies, equipment, and services.
- Reviewed contracts and agreements related to ROW maintenance.
- Reviewed vendor invoices and supporting documentation.
- Reviewed documentation supporting selected purchasing card transactions.
- Performed physical inspections of a selection of small tools and equipment.
- Interviewed appropriate management and staff.

With respect to personnel costs, the City Auditor has recently conducted an audit of Public Works³ Overtime (report #1618). As a part of that audit, we reviewed internal controls over the overtime compensation paid to public works employees, including those of the ROW and

Landscape units. In response to that audit, management has begun the process of implementing enhanced controls relating to overtime authorization and control. Management's progress in implementing those controls is being reviewed in follow-up audits conducted by the City Auditor.

We conducted this audit in accordance with the International Standards for the Professional Practice of Internal Auditing and 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 findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit Results

As discussed below, our audit disclosed improvements that could be made in the policies and procedures and the records used in the scheduling and tracking of ROW maintenance activities. Such improvements would better ensure the City's ability to demonstrate the accomplishment of its ROW maintenance responsibilities. As also discussed below, we found that the City had adhered to City policies and procedures designed to reasonably ensure the procurement of goods and services on an economical basis. However, our audit did disclose some instances in which City records did not clearly demonstrate that the receipt of the services performed by contractors had been adequately verified by the City prior to City payments for the services.

ROW Maintenance Schedules

A primary objective of the Community Beautification division is to maintain ROW for which it is responsible in a manner that allows for the safe transit of vehicles and pedestrians. We

³ Prior to a City reorganization in January 2016, the Urban Forestry and Beautification division was housed in the former Public Works department.

were advised that the City lacks the resources to maintain all assigned ROW and must choose which ROW sites are to be scheduled for recurring, routine maintenance. As indicated in the **Background** section of this report, the City routinely maintains the contracted state ROW and all the City-owned and County-owned ROW associated with gateway roads and main thoroughfares within the City limits. We were advised that the unmaintained locations were primarily roads that are in residential areas with low traffic volumes. As a result of budget reductions, the level of service has been lowered in these neighborhood areas to facilitate more frequent levels of service along gateway roads and main thoroughfares. The maintenance of the neighborhood ROW areas may be performed by an adjacent property owner or by City crews, upon the receipt of a citizen's service request. Community Beautification management indicated that the diversion of City crews in response to requests for service interrupts scheduled routine maintenance, thus further reducing the City's ability to efficiently and effectively achieve its ROW maintenance responsibilities.

Issue No. 1: Our audit included a review of the processes used in establishing the ROW maintenance schedule. Our audit disclosed:

- The City does not maintain a comprehensive listing or map of all ROW sites it is responsible for maintaining. As indicated above, such ROW sites include the ROW for all City-owned streets, the ROW for certain County-owned streets, to the extent they are located within the City limits, and the contracted state ROW. The existence of such a listing or map may better ensure that all assigned ROW is considered when developing a ROW maintenance schedule.
- As the City lacks the resources to maintain all assigned ROW sites, management must determine which sites are to be routinely maintained and how frequently the

maintenance is to be performed. To assist management in making this determination, written policies and procedures describing the criteria to be used in prioritizing the maintenance of ROW sites would be helpful. Such criteria may include, for example, the impact that the lack of recurring, routine maintenance may have on the health and safety of those living, working, and traveling in the area, the number of persons utilizing the ROW, and the importance of aesthetics in the area. We found that the City does not have written policies and procedures describing how the City's maintenance schedule is to be developed.

- In some jurisdictions,⁴ a ROW ordinance has been adopted that assigns responsibility for the maintenance of public ROW to the adjacent property owner rather than to the government. Such ordinances can reduce the number of service requests to which the municipality must respond and thereby facilitate a more efficient and effective utilization of limited resources.

To enhance the ROW maintenance process, we recommend the City consider:

- Developing a comprehensive and up-to-date inventory or map of the ROW for which it is responsible.
- Developing policies and procedures addressing the criteria to be utilized in determining which ROW locations are selected for recurring, routine maintenance.
- Adopting a ROW ordinance assigning responsibility for maintenance of public ROW, which is not subject to routine scheduled City maintenance, to adjacent property owners.

ROW and Landscape Procurement Practices

During the course of this audit, we performed evaluations of internal controls over procurement. We also evaluated controls in place

⁴ The City has determined that several other Florida municipalities have adopted ROW ordinances, including the cities of Orlando, Port Saint Lucie, Cape Coral, and Gainesville.

to safeguard small tools and equipment. The results of our internal control evaluations are discussed in detail below.

Purchasing. City Commission Policy No. 242, Procurement Policy, establishes the competitive thresholds and required method of competition for the procurement of products and services by the City. Furthermore, the City’s Purchasing Manual identifies the procedures that must be followed when procuring goods and services. Generally, competitive quotes must be obtained for purchases over \$1,000 and competitive sealed bids must be utilized to procure goods or services over \$100,000. Additional purchasing requirements address proper advertisement and evaluations of bids and the authorization and awarding of contracts.

Our review of the procurement process for the contracts awarded to Southland Specialties, Service Keepers, and Cricket’s Tree Service found that the City procured and awarded each contract in accordance with applicable City policies and procedures. We also reviewed a sample of P-Card statements and a selection of purchase orders related to maintenance supplies and materials. We found that the City routinely obtained quotes for goods and services over \$1,000 and that purchases were authorized by the appropriate approval authorities. Further, with the exception of the contractor invoices referenced in Issue No. 2 below, we found that for the tested invoices, City records demonstrated that qualifying goods and services were received and that City payments for these goods and services were properly authorized.

Small Tools and Equipment. Small tools and equipment are purchased by maintenance chiefs or foremen and generally paid for with City purchasing cards. Once purchased and recorded in inventory, the tools are assigned to a foreman and/or crew who safeguards the tools by storing them in a secured locker, storage shed, trailer or City vehicle located at the Municipal Services Complex. On a monthly basis, crew leaders and foremen perform an inventory of the small tools and equipment items assigned to their respective crews.

We selected three invoices related to the purchase of 21 small tools and equipment items, including chainsaws, handheld and backpack blowers, pole saws, and hedge trimmers. For each equipment item, we compared serial numbers listed on the invoice to serial numbers on related inventory reports. We also performed physical inspections where we compared the serial numbers on the invoice to that observed on each respective equipment item. We found each equipment item was accounted for on the related inventory report and properly stored in a secured locker, storage shed, trailer, or City vehicle.

Contract Payments. As described in the **Background** section of this report, the City utilized contractors to perform portions of the mowing, litter pickup, sidewalk edging, and tree removal work. Table 3 below identifies the primary contractors employed by the City for ROW maintenance services and the total disbursements made to each during the period October 1, 2013, through September 30, 2016.

**Table 3
City ROW Maintenance Vendors**

Vendor	Service Type	Total
Southland Specialties	Maintenance (Landscaped & State Roads)	\$1,050,402
Cricket's Tree Service	Tree Removal	\$218,568
Service Keepers	Maintenance (Bike Trails)	\$61,414
Total		\$1,330,384

Issue No. 2: As a part of our audit, we tested a selection of City payments to the contractors identified in Table 3. The purpose of our test was to determine the extent to which the payments were supported by invoices and related records showing that conforming goods or services were received and accepted by the City. Our audit found that the City could not always demonstrate that the receipt of contracted services had been adequately verified prior to payment. Specifically:

- Contract No. 2905 (Southland Specialties, Inc.) provisions require that the monthly invoices submitted for payment by the contractor include the specific sites maintained and the dates on which the maintenance occurred. Our review of invoices and inquiries of appropriate staff found that invoices submitted for payment by Southland did not identify the specific locations or dates on which the maintenance activities were performed. Rather the invoices included only a description of the activity performed (for example, mowing and or litter removal), the total number of acres for which the activity was performed, and the invoiced amount for each activity. Absent the specific identification of the locations and dates of service, the City's ability to verify that the required services were received is reduced. We recommend the City take the steps necessary to ensure that contract requirements related to contractor invoices are enforced.
- To allow for City inspection of the work performed and the authorization of payment, Contract No. 3382 requires that the contractor, Service Keepers, provide a weekly, written list of the sites for which maintenance was completed. Additionally, the contractor is to complete, sign, and provide to the City's project manager a monthly maintenance checklist. The monthly checklist is to include the dates that each site was maintained. We reviewed a selection of three invoices and found that neither the weekly lists nor the monthly checklists could be located. Management and staff indicated that while the weekly lists were not provided, the monthly checklists were received and compared to invoices prior to the authorization of payment. However, the monthly checklists were then discarded. We recommend the City take the steps necessary to ensure that contract requirements are enforced and that all records necessary to demonstrate that conforming services have been received and verified are retained in the City's records.

Cartegraph Controls

As stated in the Background section of this report, Cartegraph is used to record and track ROW maintenance activities performed by City crews and contractors, provide information used in managing ROW operations, and prepare regulatory reports. As a part of our audit, we obtained an understanding of the controls in place over Cartegraph as they pertain to system access and data entry.

Issue No. 3: We found opportunities for improving the controls over Cartegraph. More specifically:

- Password controls are not used to restrict system access to authorized staff. Absent such controls, unauthorized parties may access Cartegraph and introduce errors and otherwise intentionally or unintentionally compromise system data. Also, absent the use of passwords, it is not reasonably possible to establish responsibility for entry, adjustment, or deletion of system data.
- There are no written policies or procedures requiring secondary review of the information entered into Cartegraph. Absent such controls, errors in input are not subject to timely detection and correction. Our audit did identify such errors. In our tests of the entry of eight contractor invoices, which collectively totaled \$132,103, we found one invoice in which the invoice amount had been incorrectly entered. In this instance, the cost (invoice amount) recorded in Cartegraph was \$8,327 higher than that shown on the invoice. A secondary review of the Cartegraph entries for this invoice would have likely detected this error in a timely manner.

The reliability of Cartegraph data may be adversely impacted by these control issues. During the course of this audit, management informed us that the City is in the process of implementing a new system, City Works, which will replace Cartegraph.

We recommend that appropriate access and input controls be established for any successor operations management applications.

Conclusion

The City lacks the resources to maintain all assigned right-of-way (ROW) and must choose which ROW sites are to be scheduled for recurring, routine maintenance. To enhance the ROW maintenance process, we recommend that the City develop a comprehensive list or map of ROW sites, develop criteria that can be used to prioritize the maintenance of those sites, and consider the adoption of a ROW ordinance.

With regard to procurement and the purchase of ROW maintenance services, we found that the City had adhered to City policies and procedures designed to reasonably ensure the procurement of goods and services on an economical basis. However, our audit did disclose some instances in which City records did not clearly demonstrate that the City had adequately verified the receipt of contracted services prior to the authorization of City payments for the services. To address this matter, we recommend that the City ensure that contractors provide the contractually-required descriptions of the location, date, and nature of the services delivered so that the information may be used to facilitate the City's inspection and verification of the receipt of conforming services.

Cartegraph is used to record and track ROW maintenance activities performed by City crews and contractors, provide information used in managing ROW operations, and prepare regulatory reports. As a part of our audit, we obtained an understanding of the controls over Cartegraph as they pertain to system access and data entry and found that such controls had not been effectively implemented. We recommend that appropriate access and input controls be established.

Action plan steps to address identified issues were developed in conjunction with management.

Acknowledgements

We would like to acknowledge and thank the management and staff of the Community Beautification and Waste Management department for their cooperation and assistance during this audit.

Appointed Official's Response

City Manager:

I would like to thank the City Auditor and his staff for the professional review of the processes related to right-of-way maintenance. The recommended actions will enhance the management and administration of these efforts. The City has an outstanding right-of-way maintenance program and the addition of new technology and administrative processes will serve to enhance this service. I appreciate the City Auditor and Community Beautification and Waste Management staff for their commitment to ensuring best practices are followed in the administration of right-of-way maintenance.

Appendix A – Management’s Action Plan

Action Steps	Responsible Employee	Target Date
<p>1) Community Beautification will develop a comprehensive and up-to-date inventory or map of the right-of-way for which the City is responsible.</p> <p><i>Community Beautification right-of-way operations are in the process of migrating to Cityworks as an asset and work management tool. The GIS mapping function of this software will allow staff to update any changes made to the right-of-ways.</i></p>	<p>Cris Revell Tim Ferrell Jennifer Magavero</p>	9/2018
<p>2) Community Beautification will develop policies and procedures addressing the criteria to be utilized in determining which right-of-way locations are selected for recurring, routine maintenance.</p> <p><i>Community Beautification will develop standard operating procedures outlining the maintenance cycle intervals for right-of-way sites. These intervals would be contingent on the priority given the right-of-way ordinance</i></p>	<p>Tim Ferrell Cris Revell</p>	6/2019
<p>3) The department will consider developing a right-of-way ordinance for City Commission consideration.</p> <p><i>Development Services and Economic Vitality will be coordinating with Community Beautification to draft an agenda item/ordinance seeking the City Commission’s approval to require residents to maintain their right-of-way.</i></p>	<p>Wayne Tedder Reginald Ofuani Cris Revell</p>	9/2018
<p>4) Community Beautification will enforce contract requirements related to contractor invoicing and reports.</p> <p><i>In July 2017, Community Beautification began requiring their right of way maintenance contractors to submit a listing of those sites maintained and date maintenance was completed. This list is submitted on a monthly basis along with the invoicing. All other aspects of the contract requirements were previously being met by staff and the contractors.</i></p>	<p>Cris Revell Sam Geiger</p>	Complete

<p>5) Community Beautification will establish appropriate access and input controls for any successor operations management applications.</p> <p><i>The current work order system being utilized by Community Beautification, Cartegraph, is being phased out. The new work order system, Cityworks, will have password controls for users.</i></p> <p><i>Community Beautification will be addressing the issue of secondary review by requiring the Chiefs as well as the Operations Manager to review labor and time reports on a biweekly basis.</i></p>	<p>Cris Revell Tim Ferrell Daniel Abbott Sam Geiger</p>	<p>9/2018</p>
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