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HIGHLIGHTS

Highlights of City Auditor Report #1514

WHY THIS AUDIT WAS CONDUCTED

This audit was conducted in response to a request by the Director of Planning, Land Management, and Community Enhancement. The Director cited the Agency's reorganization in 2011 and wanted to know the implications of the reorganization on the Agency's internal controls over revenues and expenditures.

The objective of our audit was to determine the extent to which the Agency's internal controls reasonably ensured that Agency collections were safeguarded from loss and revenue and expenditure transactions were authorized, accurately and completely recorded, and documented. The scope of the audit included the Agency's internal controls in effect during the period October 1, 2012, through December 31, 2014.

WHAT WE CONCLUDED

Overall, we found that, with respect to the processing of revenue and expenditure transactions, the Agency's internal controls were adequate, considering the nature of the Agency's organization and the complexity of its operations. Our audit identified both control strengths and opportunities for improvements.

Control strengths were evident in many areas including:

- The Agency has adopted a statement of mission and vision, policies and procedures for several major areas of operation, and a plan of organization.
- Management and staff follow the City's policies and procedures governing ethical behavior.
- Appropriate accounting and human resource system provisions are made available through the City.
- An annual audit of the Agency's financial statements is conducted.
- Competitive procurement processes have been established.
- Controls over the authorization of and the payment for goods and services have been established.

In addition to the strengths summarized above, our audit identified opportunities for improvement in the Agency's controls. Those improvements are related in many instances to the need to (1) update or establish policies and procedures and guidelines, (2) better safeguard and account for the revenues and donations collected and processed by the Agency, or (3) enhance the Agency's administration of certain cost-control related aspects of its contract with the general engineering consultant (GEC).

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August 7, 2015

AUDIT OF BLUEPRINT 2000 REVENUE AND EXPENDITURE CONTROLS

Overall, we found that with respect to the processing of revenues and expenditure transactions, the internal controls of the Blueprint 2000 Intergovernmental Agency (Agency) were adequate. Both control strengths and opportunities for improvements were identified.

WHAT WE RECOMMENDED

To facilitate improvements in the Agency's internal controls, we made the following recommendations:

- The Agency should adopt an internal control policy.
- Existing agency policies and procedures should be clarified and updated.
- Agency, general engineering consultant, and subconsultant staff and Citizens Advisory Committee members should be provided a copy of the Blueprint 2000 Ethics Policy and with related training.
- Written policies, procedures, or guidelines should be adopted in the areas of information security, revenue processing, and invoice pre-audit.
- The Agency should adopt procedures requiring periodic reconciliations of the financial information in its construction management application with related PeopleSoft Financials accounts.
- Controls over revenues should be strengthened.
- The Agency should adopt policies and procedures to guide the review, negotiation, and approval of annual letters of authorization (LOAs). The LOAs govern the scope of work performed by the GEC, as well as the amount of compensation paid to the GEC.
- The Agency Director should review and approve in advance the rates of compensation paid to all subconsultants.
- The amounts paid by the Agency to the GEC are to be based in part upon the actual costs incurred by the GEC and subconsultants. To verify that the invoiced costs represent actual costs, the Agency should consider obtaining an independent audit of applicable GEC cost records.
- The Agency should resume the completion of semi-annual performance evaluations of the GEC.
- Formal goals, objectives, and performance measures should be adopted.
- Consideration should be given to resuming performance audits.
- Proposed lease agreements should be submitted for management approval.
- Annual reviews of the Agency's real estate should be performed to identify the existence of surplus property.

We would like to thank Agency staff and staff in City departments, including the City Treasurer-Clerk's Office, Department of Management and Administration (DMA) Procurement Services, DMA Accounting Services, and Human Resources, for their assistance during this audit.

Audit of Blueprint 2000 Revenue and Expenditure Controls



Report #1514
August 7, 2015



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Audit of Blueprint 2000 Revenue and Expenditure Controls



T. Bert Fletcher, CPA, CGMA
City Auditor

Report #1514

August 7, 2015

Executive Summary

Overall, we found that with respect to the processing of revenue and expenditure transactions, the internal controls of the Blueprint 2000 Intergovernmental Agency (Agency) were adequate, considering the nature of the Agency's organization and the complexity of its operations. Opportunities for improvements were identified and have been provided for management consideration.

The objective of our audit was to determine the extent to which the Agency's internal controls reasonably ensured that Agency collections were safeguarded from loss and revenue and expenditure transactions were authorized, accurately and completely recorded, and documented.

On October 27, 2000, the County and the City executed an Interlocal Agreement creating the Blueprint 2000 Intergovernmental Agency. The Agency is headed by a Board consisting of the respective members of the Board of County Commissioners and the City Commission.

The objective of our audit was to determine the extent to which the Agency's internal controls reasonably ensured that revenue and expenditure transactions were: (1) properly authorized and executed in accordance with governing laws, rules, policies, and procedures; (2) timely processed and accurately and completely recorded in the Agency's accounting records in the correct accounts; and (3) supported by appropriate documentation. As a part of evaluating the Agency's internal controls, we considered the extent to which the Agency safeguarded from loss the amounts collected at the Agency (Blueprint-processed collections).

On October 27, 2000, the Leon County Commission and the City of Tallahassee Commission executed an Interlocal Agreement creating the Blueprint 2000 Intergovernmental Agency (Agency). The Agreement provides that the Intergovernmental Agency is formed to undertake the acquisition, financing, planning, constructing, managing, operating, servicing, utilizing, owning, and exchanging of Blueprint 2000 projects identified in the Agreement and to receive and expend the Dedicated Sales Surtax. The Dedicated Sales Surtax is defined as 80 percent of the one percent local government infrastructure sales surtax.

Organizationally, the Agency is headed by a Board consisting of the respective members of the Leon County Board of County Commissioners

and the City of Tallahassee Commission. Pursuant to the Agreement, the Intergovernmental Management Committee (IMC), consisting of the City Manager and County Administrator, is responsible for the overall management of the Agency. Further, the Agreement provides that a Staff Director is to be appointed jointly by the County Administrator and the City Manager. The Agreement also creates the Citizens Advisory Committee (CAC), whose responsibilities include the review of work plans, financial audits, and performance audits and making recommendations to the Blueprint 2000 Intergovernmental Agency.

The efforts of the Agency's 11 employees were leveraged through City and County support and through the employment of a general engineering consultant.

The Agency utilizes an unusual organizational structure. It, as an organization, employs only 11 permanent employees. However, the efforts of those employees are leveraged through the utilization of City and County support, and through the employment of a general engineering consulting (GEC) firm (Michael Baker, Jr., Inc.), which, together with a team of subconsultants, was responsible for providing general engineering and project planning and management services.

An August 2011 reorganization resulted in the Director of P.L.A.C.E. assuming the responsibilities of Agency Staff Director and the establishment of the position of Blueprint Manager.

An Agency reorganization was brought about by an Interlocal Agreement in August 2011. The August 2011 Agreement creates the position of the Director of Planning, Land Management, and Community Enhancement (P.L.A.C.E.) and provides that the Director of P.L.A.C.E. is responsible for the duties of the Director of the Blueprint Agency, as well as for the operations of the Tallahassee-Leon County Planning Department. Other contemporaneous Agency organizational changes included the establishment of the position of Blueprint Manager and the elimination of the positions of Blueprint Staff Director and Capital Programs/Finance Manager.

This audit was conducted in response to a request by the Director of P.L.A.C.E.

This audit was conducted in response to a request by the Director of P.L.A.C.E. The Director cited the Agency's reorganization in 2011 and wanted to know the implications of the reorganization on the Agency's internal controls over revenues and expenditures.

For fiscal years 2012 through 2014, Agency revenues totaled approximately \$136 million. While all revenue amounts received were ultimately to be deposited in City-maintained bank accounts and accounted for in records maintained by the City, two primary approaches

For the fiscal years 2012 through 2014, Agency revenues totaled approximately \$136 million. Approximately \$96 million represented City-processed collections, and approximately \$40 million represented Blueprint-processed revenues.

Expenditures during the three-year period ended September 30, 2014, totaled \$116 million, most relating directly to Agency projects.

Overall, we found that, with respect to the processing of revenue and expenditure transactions, the Agency's internal controls were adequate.

Control strengths relating to Agency revenues and expenditures were evident in many areas.

The Agency has adopted a statement of mission and vision, policies and procedures for several major areas of operation, and a plan of organization.

were used to process Agency revenues. For purposes of discussion in this audit report, we have referred to these processes as City-processed revenues (e.g., the one percent infrastructure sales surtax collections which were processed entirely by the City), and Blueprint-processed collections (e.g., federal and state grant proceeds which were processed, at least in part, by Agency staff). Of the \$136 million in revenues reported during the audit period, approximately \$96 million represented City-processed collections, and approximately \$40 million represented Blueprint-processed revenues. In addition to those revenues, the Agency also collected, in trust, donations (cash and checks) for Friends of Our Parks (FOOP), a not-for-profit organization established to benefit the parks and recreational facilities of the City.

Agency expenditures for fiscal years 2012 through 2014, as shown in the City's PeopleSoft Financials accounting records, totaled approximately \$116 million, excluding amounts paid for debt service. Most of the expenditures related directly to Agency construction and engineering-related activities.

Overall, we found that, with respect to the processing of revenue and expenditure transactions, the Agency's internal controls were adequate, considering the nature of the Agency's organization and the complexity of its operations. Our audit identified both control strengths and opportunities for improvements, summarized as follows:

Control Strengths

Control strengths of note included:

- The Agency has adopted a statement of mission and vision, policies and procedures defining management and staff responsibilities for several major operational areas, and a plan of organization, including position descriptions.
- Management and staff follow the City's policies and procedures governing ethical behavior.

Appropriate accounting and human resource system provisions were made available through the City.

- The Agency has adopted and effectively implemented written policies to govern the administration of grants, including grant authorization and grantor invoicing.
- Appropriate accounting, procurement, and human resource system provisions were made available through the City.
- Those responsible for coding and recording transactions were sufficiently knowledgeable of the Agency’s operations.

An annual audit of the Agency’s financial statements is conducted.

- An annual audit of the Agency’s financial statements and the Agency’s compliance with federal and state award requirements is conducted.

Competitive procurement processes had been established.

- Appropriate competitive procurement processes had been established and were supported by City staff and systems.
- Written contracts, with legal review thereof prior to signature, were required. The contracts made provision for contractor monitoring, where applicable.

Controls over the authorization of and the payment for goods and services had been established.

- Duties relating to purchase requisitions, purchase orders, and invoice payment were appropriately segregated and supported by City staff.
- Claims for payment were to be supported by detailed invoices and related documentation.
- The responsibility for authorizing and approving capital-related expenditures had been assigned to appropriate and knowledgeable officials. Complete documentation of the expenditures was a requirement.

Opportunities for Improvement

Opportunities for improvement in the Agency’s controls were identified.

In addition to the strengths summarized above, our audit identified opportunities for improvement in the Agency’s controls. Those

improvements are related in many instances to the need to (1) update or establish policies and procedures and guidelines, (2) better safeguard and account for the revenues and donations collected and processed by the Agency, or (3) enhance the Agency’s administration of certain cost-control related aspects of its contract with the GEC. Recommendations for improvements include:

Policies, Procedures, and Guidelines:

The Agency should adopt an internal control policy.

Agency policies and procedures should be clarified and updated.

Agency, GEC, and subconsultant staff and CAC members should be provided a copy of the Blueprint 2000 Ethics Policy and with related training.

Written policies, procedures, or guidelines should be adopted in the areas of information security, revenue processing, and invoice pre-audit.

- The Agency should consider developing its own internal control policy, or formally adopt the City’s internal control policy.
- The Agency should determine those City or County policies and procedures which are to apply to the Agency’s operations and communicate that information to all employees and consultant and subconsultant staff.
- Some of the Agency’s policies and procedures, adopted in the early 2000’s, are now out-of-date and should be updated.
- Although current Agency management and staff have participated in the City’s ethics training, they had not been provided a copy of the Blueprint 2000 Ethics Policy or received related training. The Blueprint 2000 Ethics Policy should be provided to all management and staff and posted on the Agency’s website. Also, staff of the Agency, applicable personnel of the GEC and the subconsultants, and members of the CAC should receive training in the application of the policy.
- The Agency should adopt written information technology security policies and procedures.
- Written policies and procedures relating to the handling of Blueprint-processed collections should be developed and communicated to applicable managers and staff.
- Written invoice pre-audit procedures or guidelines should be developed and implemented to address, among other matters, roles and responsibilities for verifying that the receipt of conforming goods and services is documented, the charges are allowable and authorized, the account codes are appropriate, and the invoice footings,

extensions, and discounts are mathematically correct. As described further on pages 26 through 28 of this report, our audit identified invoice processing errors indicating that additional guidance would be helpful.

The Agency should adopt procedures requiring periodic reconciliations of Primavera Expedition data and related PeopleSoft Financials accounts.

- To ensure the accuracy and completeness of its records, the Agency should adopt procedures requiring periodic reconciliations of Primavera Expedition data and related PeopleSoft Financials accounts. The Agency-maintained Primavera Expedition application was used by the Agency, GEC, and contractor staff for project management and contractor invoicing. The City-maintained Peoplesoft Financials application was used by the Agency for financial accounting purposes.

Control Activities - Blueprint-Processed Collections:

A listing of mail collections should be prepared daily.

- A listing of the amounts received through the mail should be prepared daily by the person opening the mail. That list should then be compared to the day's deposit details by a person not involved in the collection and deposit of collections.

Checks should be restrictively endorsed.

- Checks should be restrictively endorsed immediately upon receipt.

Prenumbered receipts should be consistently used and accounted for.

- Prenumbered receipts should be consistently used and periodically accounted for.

Transfer receipts should be used.

- Receipts should be executed when collections are transferred among employees and when donations are transferred between the Agency and FOOP.

Collections should be better secured.

- Collections should be secured in a locked cabinet or other secured location and access thereto should be restricted to authorized staff.

The Agency should consider authorizing electronic transfer of state grant payments.

- For grant reimbursements, the Agency should consider authorizing the state to make electronic payments.

Donations should be transferred to FOOP on at least a weekly basis.

- Donations should be transferred to FOOP no less frequently than on a weekly basis.

Agency records should be reconciled to the information shown in the records of state grantors.

- The relatively small number of administrative staff contributed to an inability to appropriately segregate incompatible duties. As a compensating control, the Agency should place increased emphasis

on management's monitoring of fiscal controls and periodically reconcile the information shown in Agency records to the information shown in the records of state grantors.

Periodically, management should trace through the applicable control points, the amounts collected.

- Periodically, to assess the effectiveness of controls, management should trace through the applicable control points, the amounts collected and deposited (that is, trace selected collections shown on listings of mail collections and prenumbered receipts to transfer receipts, CORE receipts, and, as applicable, deposit records).

GEC Contract Administration:

- The scope of the work performed by the GEC for planned and in-progress projects and the compensation paid to the GEC are controlled through annual letters of authorization (LOAs) approved by the Agency's Director. The Agency should adopt policies and procedures to guide the review, negotiation, and approval of the LOAs. Those policies and procedures should facilitate a demonstration of the Agency's determination that the proposed work is necessary and that the proposed pricing is reasonable and competitive.
- Upon approval by the Agency, the GEC may utilize the services of subconsultants to accomplish specific tasks within LOAs. The Agency Director should review and approve in advance the rates paid to all subconsultants. The review and approval should be documented and include the evidence relied upon that demonstrates that the rates approved are reasonable and competitive.
- The amounts paid by the Agency to the GEC, as compensation for GEC services and as reimbursements of subconsultant charges, are to be based in part upon the actual costs incurred by the GEC. To verify that the invoiced costs represent actual costs, the Agency should consider obtaining an independent audit of applicable GEC cost records.
- The Agency should resume the completion of semi-annual performance evaluations of the GEC.

Opportunities to better ensure and demonstrate the economy and effectiveness of the GEC contractual relationship were identified.

Other Matters:

As a part of our tests of the Agency's revenue and expenditure controls and related transactions, we became aware of the following other matters which are presented below for management consideration and action:

Formal goals, objectives, and performance measures should be adopted.

- The Agency should adopt formal goals, objectives, and performance measures and related reporting requirements.

The conduct of performance audits should be resumed and the audits should focus on high risk areas identified by the IMC.

- The Interlocal Agreement empowers the IMC to require an annual financial statement audit and an annual performance audit of the Agency. While annual audits of the Agency's financial statements have been completed, performance audits were discontinued beginning with fiscal year 2009. The IMC should consider resuming the conduct of periodic performance audits. To assist in identifying areas to be audited, the IMC should also consider conducting risk assessments of the Agency to identify high risk areas.

Proposed lease agreements should be submitted for management approval.

- Agency management should submit for approval of the IMC all proposed lease agreements.

Annual reviews of the Agency's real estate should be performed to identify the existence of surplus property.

- The Agency's Real Estate Manager indicated that to his knowledge an annual review of real estate had not been recently performed. The purpose of the review is to determine whether any Agency-owned parcels may be surplus to the needs of the Blueprint program. We recommend that the annual reviews of real estate be performed as required by Blueprint Policy No. 107.

We would like to thank Agency staff and staff in City departments, including the City Treasurer-Clerk's Office, Department of Management and Administration (DMA) Procurement Services, DMA Accounting Services, and Human Resources, for their assistance during this audit.

Audit of Blueprint 2000 Revenue and Expenditure Controls



T. Bert Fletcher, CPA, CGMA
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Report #1514

August 7, 2015

Scope, Objectives, and Methodology

The objective of our audit was to determine the extent to which the Agency's internal controls reasonably ensured that Agency collections were safeguarded from loss and revenue and expenditure transactions were authorized, accurately and completely recorded, and documented.

The scope of our audit focused on the controls employed at the Agency by Agency employees.

This audit was conducted in response to a request by the Director of P.L.A.C.E. The Director cited the Agency's reorganization in 2011 and wanted to know the implications of the reorganization on the Agency's internal controls over revenues and expenditures.

The objective of our audit was to determine the extent to which the Agency's internal controls reasonably ensured that revenue and expenditure transactions were: (1) properly authorized and executed in accordance with governing laws, rules, policies, and procedures; (2) timely processed and accurately and completely recorded in the Agency's accounting records in the correct accounts; and (3) supported by appropriate documentation. As a part of evaluating the Agency's internal controls, we considered the extent to which the Agency safeguarded from loss the amounts collected at the Agency (Blueprint-processed collections). In conducting our audit, we applied the definition and approach to internal control described in ***Internal Control-Integrated Framework***, published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The scope of our audit included the Agency's internal controls in effect during the period October 1, 2012, through December 31, 2014, and included tests of revenue, expenditure, and disbursement transactions selected from fiscal years 2011, 2012, 2013, and 2014. The scope of our audit focused on the controls employed at the Agency by Agency employees and did not include an evaluation of the controls of supporting organizations, such as the City of Tallahassee (As explained further below, the City provided to the Agency legal, treasury, accounting, procurement, and human resources services support.) or the Agency's contracted general engineering consultant, Michael Baker, Jr.,

We obtained an understanding of the laws, rules, Interlocal Agreement, and bylaws governing the resources and operations of the Agency.

We also obtained an understanding of the Agency's control environment and an understanding of the control-related policies and procedures relevant to the scope of the audit.

We conducted this audit in accordance with the International Standards for the Professional Practice of Internal Auditing and Generally Accepted Government Auditing Standards.

Inc. (subsequently referred to in this report as the General Engineering Consultant or GEC).

To address our audit objectives, we obtained an understanding of the laws, rules, Interlocal Agreement, and bylaws governing the resources and operations of the Agency. We also read the Project and Definitions Report, *Blueprint 2000 and Beyond...(Definitions Report)*, prepared by the Economic and Environmental Consensus Committee of Tallahassee-Leon County Florida. That report, dated February 7, 2000, promotes the holistic planning approach subsequently adopted by the Agency and identifies recommended projects.

As a part of our audit, we also obtained an understanding of the Agency's organizational structure and control environment and an understanding of the control-related policies and procedures relevant to the processing of the major Agency revenues and the disbursement of Agency resources. In addition to obtaining that understanding, we also tested selected transactions to measure the effectiveness of the controls, as implemented.

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 that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

On October 27, 2000, the Leon County and City of Tallahassee Commissions executed an Interlocal Agreement creating the Blueprint 2000 Intergovernmental Agency (Agency). The Agreement, in Part 1, Section 1, provides that the Intergovernmental Agency is formed to undertake the acquisition, financing, planning, constructing, managing, operating, servicing, utilizing, owning, and exchanging of the Blueprint 2000 projects identified in the Agreement and to receive and expend the Dedicated Sales Surtax. The Dedicated Sales Surtax is defined as 80

On October 27, 2000, the County and the City executed an Interlocal Agreement creating the Blueprint 2000 Intergovernmental Agency (Agency).

percent of the one percent local government infrastructure sales surtax, originally scheduled to expire on November 30, 2004, but continued until December 31, 2019, by virtue of the referendum of the Leon County electorate on November 7, 2000. (Note: Pursuant to vote on November 4, 2014, of the Leon County electorate, the one percent local government infrastructure sales surtax was extended to December 31, 2039.)

Organization

The Agency is headed by a Board consisting of the respective members of the Board of County Commissioners and City Commission and functions under the direction of an Intergovernmental Management Committee consisting of the City Manager and County Administrator.

The Agency’s Board consists of the respective members of the Leon County Board of County Commissioners and the City of Tallahassee Commission. The Agency functions under the direction of the Intergovernmental Management Committee (IMC), consisting of the City Manager and County Administrator. Pursuant to Part V of the Agreement, the powers of the IMC include the authority to:

- Monitor Agency operations.
- Provide for an annual financial audit conducted by an independent certified public accounting (CPA) firm, and an annual performance audit conducted by “a firm qualified to perform such audits.”
- Recommend the approval of an operating budget.
- Recommend approval of long-term and short-term work plans.
- Recommend the issuance of Requests for Proposals.
- Approve purchases, contracts, and change orders in accordance with the approved Agency Procurement Policy.

A Staff Director appointed jointly by the County Administrator and the City Manager is to develop policies and procedures for review and approval by the County Administrator and the City Manager.

The Agreement, in Part V, Section 2, provides that a Staff Director (Director) is to be appointed jointly by the County Administrator and the City Manager. The Director is to develop policies and procedures which shall be reviewed and approved by the County Administrator and the City Manager. The Agreement further provides that the Director

and staff shall have the option of being either City or County employees for the purposes of employee benefit administration. Agency personnel and payroll records are maintained by the City.

A Citizens Advisory Committee is established by the Interlocal Agreement.

Part V of the Agreement also creates the Citizens Advisory Committee (CAC), whose responsibilities include the review of work plans, financial audits, and performance audits and making recommendations to the Blueprint 2000 Intergovernmental Agency.

An August 2011 reorganization resulted in the Director of P.L.A.C.E. assuming the responsibilities of Agency Staff Director and the establishment of the position of Blueprint Manager.

Agency reorganization was brought about by an Interlocal Agreement in August 2011. The August 2011 Agreement creates the position of Director of Planning, Land Management, and Community Enhancement (P.L.A.C.E.) and provides that the Director of P.L.A.C.E. is responsible for the duties of the Director of the Blueprint Agency, as well as for the operations of the Tallahassee-Leon County Planning Department. Other contemporaneous Agency organizational changes included the establishment of the position of Blueprint Manager and the elimination of the positions of Blueprint Staff Director and Capital Programs/Finance Manager.

To supplement a small staff, the Agency relies on City support and employs a general engineering consultant and subconsultants.

An organizational chart for the Agency is included in this report as Appendix B. As shown by the chart, the Agency utilizes an unusual organizational structure. It, as an organization, employs only 11 permanent employees. However, the efforts of those employees were leveraged through the utilization of City resources for legal, treasury, accounting, procurement, and human resources services support, and through the employment of a general engineering consulting firm (Michael Baker, Jr., Inc.), which is responsible for providing general engineering and project planning and management services.

General Engineering Consultant

On September 23, 2002, the Agency's Board authorized the commencement of the hiring process for the GEC.

On September 23, 2002, the Agency's Board authorized the commencement of the hiring process for the General Engineering Consultant (GEC). According to the description in the related Board meeting agenda item, the GEC was to augment the technical expertise of the Agency's small staff. The cited advantages for this type of approach were that it:

- Allows maximum flexibility to quickly develop scopes of services for multiple projects.
- Affords the Agency the resources of several engineering disciplines on an as-needed basis.
- Allows for the quick expansion of resources when needed to address increases in the level of activity within the Blueprint program.
- Allows the Agency to commence work on multiple projects concurrently and thus quickly complete designs. By quickly completing the designs, the Agency can more quickly identify and purchase right-of-way, thereby avoiding the increases in right-of-way costs that occur when property values increase over time.

LPA Group (now known as Michael Baker, Jr., Inc.) functions as the Agency's GEC. The GEC was paid a total of approximately \$7.4 million during the period October 1, 2011, through September 30, 2014.

Following the use of a competitive selection process, LPA Group (now known as Michael Baker, Jr., Inc.) was selected as the Agency's GEC, and on May 19, 2003, the Agency authorized the IMC to negotiate and award a contract to the selected GEC. The resulting five-year consulting contract was executed on December 30, 2003 (Contract No. 597). The contract has subsequently been renewed for a five-year term and then two one-year terms, with the most recent one-year term ending in February 2016. (The contract may now be renewed annually through the duration of the sales tax extension ending in 2019.) The Agency's GEC was paid a total of approximately \$7.2 million during the period October 1, 2011, through September 30, 2014.

Key provisions of the contract include:

- The GEC is to provide to and perform for the Agency such services as may be set forth in one or more letters of authorization (LOA). The Agency and the GEC are to negotiate and establish compensation for each LOA. The LOAs function in a manner similar to a purchase order in that they specify the work (tasks and subtasks) authorized for particular projects, estimates of the direct salary costs associated with that work, the multipliers to be used to

The GEC is to provide the Agency such services as may be set forth in one or more letters of authorization (LOAs).

A total of 14 LOAs had been executed in amounts totaling \$32.7 million.

calculate the amount of compensation paid (the multipliers are described further in a succeeding bullet), and the maximum amount of compensation authorized for the LOA. A total of 14 LOAs had been executed under the contract since inception in 2003 through FY 2014, with the amounts totaling \$32,736,521.

- Services assigned to subconsultants must be approved in advance by the Agency and delineated in the applicable LOA. In the event that services of a subconsultant are authorized, the GEC is to obtain a schedule of rates, and the Agency is to review and must approve any rates, including overhead, to be paid to the subconsultant by the GEC. Each LOA is to also specify any proposed subconsultants. As an example, subconsultants who were approved for work under amended LOA No. 1 during FY 2014 were:
 - Jacobs Engineering, Inc. (Prime Subconsultant).
 - Moore Bass Consulting (Stormwater and Landscaping).
 - Pope Environmental, Inc. (Environmental).
 - Beck Consulting Services, Inc. (Government Relations).
 - Quest Corporation of America (Public Involvement).
 - THC Right of Way Services, Inc. (Right-of-Way).
 - Uzzell Advertising (Public Relations and Web Services).
 - Greenman Pederson, Inc. (Survey and Mapping).
 - Allen Nobles & Associates (Survey and Mapping).
- For work performed under approved LOAs, the contract provides that GEC compensation will include: (1) reimbursement for direct salary and wages on the basis of actual hours worked and actual

Each LOA is to specify any proposed subconsultants. In the event that services are authorized, the Agency is to review and must approve any subconsultant rates.

The Agency is to reimburse the GEC for all reasonable, allocable, and allowable costs. More specifically, the GEC is to be compensated for direct salary and wages on the basis of actual hourly rates. Compensation is to also include the application of an administrative overhead and fringe benefits rate, a facilities capital cost of money rate, and an operating margin rate.

Semi-annually the GEC is to receive a written evaluation of its performance.

All records of the GEC and the subconsultants required for a proper audit of project costs are to be maintained and made available upon request of the Agency.

Under the contract, the GEC, its employees, and the subconsultants are to be bound by specified standards of conduct.

direct salaries paid; (2) reimbursement of the administrative overhead and fringe benefits paid, computed using the approved overhead and fringe benefits multiplier (percentage) applied to actual chargeable salaries and wages; (3) an amount to cover the GEC's cost of capital, computed using the approved capital cost of money multiplier applied to chargeable salaries and wages; (4) an amount to provide a profit calculated by applying the approved operating margin multiplier to the sum of actual salaries and wages and administrative overhead and fringe benefits; and (5) reimbursement of the actual allowable out-of-pocket costs incurred, including those amounts paid to subconsultants. To be allowable the out-of-pocket costs must be supported by invoices, cancelled checks, or other such evidence of the payment and propriety of the expenses.

- Semi-annually the GEC is to receive a written evaluation of its performance. The evaluation is to be conducted by a committee consisting of the Director of Blueprint 2000 and not less than two Agency personnel designated by the Director. The Committee's report is to go to the IMC for review and approval. Alternatively, the IMC may prepare its own report. Based on action taken by IMC, the GEC may either receive a performance bonus or be required to pay liquidated costs to the Agency.
- Records of costs incurred in relation to the provision of services under the contract, including without limitation all project records, all supporting documents and records of the GEC and all subconsultants, and all other records of the GEC and subconsultants considered necessary by the Agency for a proper audit of project costs, are to be maintained and made available upon request of the Agency at all times during the period of the contract. Copies of these documents and records are to be furnished to the Agency upon request.
- The GEC agreed that it and its employees shall be bound by standards of conduct provided in applicable Florida Statutes and

administrative rules of the Department of Business and Professional Regulation, the City of Tallahassee Ethics Policy, and the Blueprint 2000 Ethics Policy. The contract also requires that the GEC include similar provisions in any subcontract executed in connection with work performed pursuant to the contract.

Agency Revenues and Expenditures

Agency revenues included the Agency's share of the one percent infrastructure sales surtax, federal and state grants, investment earnings, local government grants and contributions, rental revenues, and donations received through Friends of Our Parks.

Agency revenues included the Agency share of the one percent infrastructure sales surtax, federal and state grants, investment earnings, local government grants and contributions, rental revenues, and donations received through Friends of Our Parks (FOOP), a not-for-profit organization established for the benefit of the City's parks and recreational facilities. All revenues received are to be deposited in bank accounts maintained by the City and are to be recorded in accounting records maintained for the Agency by the City.

Two primary approaches were used to process Agency revenues. For purposes of discussion in this audit report, we have referred to these processes as City-processed revenues and Blueprint-processed collections.

While all revenue amounts received were ultimately to be deposited in City-maintained bank accounts and accounted for in records maintained by the City, two primary approaches were used to process Agency collections. For purposes of discussion in this audit report, we have referred to these processes as City-processed revenues and Blueprint-processed collections. Table 1 provides a summary of revenues received during fiscal years 2012, 2013, and 2014. The table also indicates for each revenue account the particular approach used to process the amounts received. Succeeding paragraphs provide additional descriptions of each of the revenue processing approaches.

**Table 1
Summary of Revenues
Fiscal Years 2012, 2013, and 2014**

Account Description	FY 2012	FY 2013	FY 2014	Total	Percentage of Total Revenues
City-Processed Revenues:					
Sales Tax	\$28,233,375	\$29,523,405	\$30,736,031	\$88,492,811	64.97
City - Transportation Projects	261,992	593,869	424,812	1,280,673	0.94
Contribution from Other Government	220,000	553,300	220,000	993,300	0.73
Administrative Fees		54,702	164,463	219,165	0.16
Investment Earnings	2,359,823	1,261,259	907,212	4,528,294	3.32
Total City-Processed Revenues	\$31,075,190	\$31,986,535	\$32,452,518	\$95,514,243	70.12
Blueprint-Processed Revenues:					
CDBG Disaster Recovery Grant	\$3,664,631	\$1,655,374	\$	\$5,320,005	3.91
Federal Highway Administration - ARRA Grant	5,995,946	316,493	40,669	6,353,108	4.66
Florida Department of Environmental Protection Grant	206,940	185,580	23,800	416,320	0.31
NFWMD Grant	247,746	52,254		300,000	0.22
Florida Department of Transportation Grant	421,447	16,981,622	6,834,245	24,237,314	17.79
Leon County Transportation Projects		500,000		500,000	0.37
Tourist Development Council Contributions	443,677	819,889	263,038	1,526,604	1.12
Rental of Land and Buildings		46,357	6,823	53,180	0.04
Donations	200,000	389,213	207,603	796,816	0.58
Total Blueprint-Processed Revenues	\$11,180,387	\$20,946,782	\$7,376,178	\$39,503,347	29.00
Other Miscellaneous Revenue	817,848	321,464	56,868	1,196,180	0.88
Total Revenues	\$43,073,425	\$53,254,781	\$39,885,564	\$136,213,770	100.00

Source: City of Tallahassee accounting records.

City-Processed Revenues:

City-processed revenues included the Agency's share of the one percent infrastructure sales surtax which exceeded \$28 million annually.

As shown by Table 1, the Agency's primary source of revenue has been the Agency's share of the one percent infrastructure sales surtax, and related revenues have exceeded \$28 million during each of the last three fiscal years. The surtax, authorized by Section 212.055, Florida Statutes, and approved by local referendum, is collected by businesses and remitted along with other sales taxes to the Florida Department of Revenue, which is responsible for remitting the tax to the applicable governmental entity.

The surtax amounts were electronically remitted direct to the applicable City-maintained account.

The tax amounts remitted to the Agency were electronically remitted direct to the applicable City of Tallahassee pooled bank account, and through the processes employed by the City's Revenue Office, recorded in CORE (the City's automated revenue and receipts processing system) and then through automated processes recorded into the applicable Agency general ledger revenue account.

Through the use of the electronic remittance option provided by the state, the Agency ensured the timely deposit of the surtax revenues.

Under the City's cash management and investment programs, the Agency's investment earnings have ranged from approximately \$2.3 million during fiscal year 2012 to \$900,000 in fiscal year 2014.

Blueprint-processed revenues ranged from approximately \$7.3 million in fiscal year 2014 to \$20.9 million in fiscal year 2013.

The Agency also collected, in trust, donations that were to be transferred to Friends of Our Parks (FOOP), a not-for-profit organization established to benefit the parks and recreational facilities of the City.

Through the use of the direct deposit remittance option provided by the State of Florida, Blueprint was able to ensure the timely deposit of the surtax revenues and avoid the additional processing steps and related costs and risks of error associated with the receipt of paper warrants, as described further below under the heading Blueprint-Processed Collections.

The other significant City-processed revenue of the Agency was investment earnings. The Agency participated in the City's cash management and investment programs, and as shown by Table 1, investment earnings during the last three fiscal years have ranged from approximately \$2.3 million during fiscal year 2012 to approximately \$900,000 in fiscal year 2014. Transactions related to the Agency's investments and the earnings thereon were subject to the City's related processes and internal controls, which were not included within the scope of our audit of the Agency.

Blueprint-Processed Collections:

As shown by Table 1, Blueprint-processed revenues ranged from approximately \$7.3 million in fiscal year 2014 to \$20.9 million in fiscal year 2013. The major revenue types consisted of grants and contributions provided by the state and other local governments.

In addition to revenues, the Agency also collected, in trust, donations (cash and checks) for Friends of Our Parks (FOOP), a not-for-profit organization established to benefit the parks and recreational facilities of the City. The cash and checks collected by the Agency for FOOP were designated by each donor for use in the purchase of specific Cascades Park (an Agency project) amenities, such as fountains, trees, brick pavers, and benches. Subsequent to the installation of the amenities by the Agency, the Agency invoiced FOOP in an amount equal to the total of the amounts donated for the installed amenities. These FOOP payments to the Agency are reported as Agency revenues. FOOP payments to the Agency (revenues), as reported to us by FOOP for the period May 2012 through April 2014, totaled approximately \$223,000.

Expenditures and Disbursements:

Expenditures for the fiscal years 2012, 2013, and 2014, as shown in the Agency’s accounting records (maintained by the City) and as adjusted to exclude amounts paid for debt service, are summarized below in Table 2. As shown by the table, most of the expenditures related directly to Agency construction and engineering related activities.

Table 2
Summary of Expenditures
Fiscal Years 2012, 2013, and 2014

Account Description	FY 2012	FY 2013	FY 2014	Totals	Percentage of Expenditures
Construction Services	\$8,538,761	\$26,290,517	\$24,905,031	\$59,734,309	51.64
Unclassified Contractual Services	8,172,117	6,368,487	4,076,751	18,617,355	16.10
Engineering Services	2,015,301	3,589,597	2,306,818	7,911,716	6.84
Contract Engineering Services	6,720,994	708,310	333,059	7,762,363	6.71
Right-of-Way (ROW) Acquisition	1,702,633	5,472,721	327,282	7,502,636	6.49
Unclassified Charges	4,750,453	1,826,633	853,184	7,430,270	6.42
Salaries and Benefits	861,489	1,102,075	1,081,914	3,045,478	2.63
Unclassified Contractual Services - ROW	687,157	99,559	243,113	1,029,829	0.89
Unclassified Supplies	188,922	345,589	390,584	925,095	0.80
Rent Expense- Building & Office	103,000	106,090	109,290	318,380	0.28
Unclassified Professional Fees	27,924	114,021	51,708	193,653	0.17
Other	308,492	379,669	509,010	1,197,171	1.04
Totals	\$34,077,243	\$46,403,268	\$35,187,744	\$115,668,255	100.00

Source: City of Tallahassee Accounting Records.

**Internal Control –
 Revenues and
 Expenditures**

As indicated under the Scope, Objectives, and Methodology heading of this report, in evaluating the Agency’s internal controls for revenues and expenditures, we applied the definition and approach to internal control described in *Internal Control-Integrated Framework*, published by COSO. COSO defines internal control as a process - effected by an entity’s board of directors, management, and other personnel - designed to provide reasonable assurance regarding the achievement of objectives in the following categories: (a) reliability of financial reporting, (b) effectiveness and efficiency of operations (incorporates the safeguarding of assets against loss), and (c)

compliance with applicable laws and regulations. The COSO internal control framework consists of five interrelated components, described as follows:

*In evaluating the Agency's internal controls for revenues and expenditures, we applied the definition and approach to internal control described in the COSO publication, **Internal Control-Integrated Framework**.*

- **Control environment** sets the tone of an organization, influencing the control consciousness of its people. It is the foundation for all other components of internal control, providing discipline and structure.
- **Risk assessment** is the entity's identification and analysis of relevant risks to achievement of its objectives, forming a basis for determining how risks should be managed.
- **Control activities** are the policies and procedures that help ensure that management directives are carried out.
- **Information and communication systems** support the identification, capture, and exchange of information in a form and time frame that enable people to carry out their responsibilities.
- **Monitoring** is a process that assesses the quality of internal control performance over time. Monitoring involves management obtaining information concerning how well controls are being executed and how well they are working.

Overall, we found that, with respect to the processing of revenue and expenditure transactions, the Agency's internal controls were adequate. Both control strengths and opportunities for improvements were identified.

We utilized the above-described internal control definition and framework to structure our audit of the Agency's internal controls. The results of our review are described in detail below. Overall, we found that, with respect to the processing of revenue and expenditure transactions, the Agency's internal controls were adequate, considering the nature of the Agency's organization and the complexity of its operations.

Control Strengths

Control strengths of note included:

The Agency has adopted a statement of mission and vision, policies and procedures defining management and staff responsibilities for several major operational areas, and a plan of organization, including position descriptions.

Management and staff follow the City's policies and procedures governing ethical behavior.

The Agency has adopted and effectively implemented written policies to govern the administration of grants, including grant authorization and grantor invoicing.

- The Agency has adopted a statement of mission and vision, which is shown on the Agency's website.
- Policies and procedures for several major areas of operation define the lines of authority and responsibility for many Agency activities, including procurement, budgeting, and leveraging. The policies and procedures establish Agency, IMC, management, and staff responsibilities, and require or facilitate additional levels of oversight and Agency involvement in high-dollar or high-risk transactions.
- Position descriptions, which include minimum qualifications and specified assigned duties, have been established.
- Based on our audit tests, there have been regular written evaluations of employee job performance.
- The Blueprint Manager indicated that Agency management and staff follow the City's policies and procedures governing ethical behavior and that management and staff had participated in the ethics training courses provided to City employees.
- The Agency has adopted and effectively implemented written policies to govern the authorization of grants.
- Procedures provided for the preparation of grantor invoices by persons familiar with the terms and conditions of grants and contracts.
- The accounting system and human resources system are administered by the City and related reports are made available to the Agency.

Appropriate accounting and human resource system provisions were made available through the City and those responsible for coding and recording transactions were sufficiently knowledgeable of the Agency's operations.

An annual audit of the Agency's financial statements and the Agency's compliance with federal and state award requirements is conducted.

Appropriate competitive procurement processes had been established and were supported by City staff and systems.

Written contracts, with legal review thereof prior to signature, were required. The contracts made provision for contractor monitoring, where applicable.

- Fund, general ledger, and project accounting codes were established for revenues and expenditures and allow a demonstration that moneys were used in accordance with authorizing contracts and laws.
- Those individuals responsible for coding and recording revenue and expenditure transactions were sufficiently knowledgeable of the Agency's operations, including the requirements pertinent to the expenditure of grant moneys, sales surtax moneys, and investment earnings.
- An annual audit of the Agency's financial statements and the Agency's compliance with federal and state award requirements is conducted, with the results reported to the Agency's Board.
- Procurement duties and control responsibilities have been effectively communicated. The Agency utilizes the City's procurement processes, including its system and staff. The City's procurement processes are documented in a Procurement Manual and City Policy No. 242. Also, the Agency has adopted a procurement policy, which clearly defines the expenditure authority of the Board, the IMC, and Agency management.
- Procurement procedures require competitive procurement and explanations of record when competitive procurement procedures are not followed.
- The City's Procurement Office was responsible for reviewing and approving purchase orders.
- Contracts for services in excess of \$50,000 are to be in writing, and Agency legal counsel is to review the contracts prior to signature.
- Contracts provided for monitoring of the performance of contractors.

Duties relating to purchase requisitions, purchase orders, and invoice payment were appropriately segregated and supported by City staff. Claims for payment were to be supported by detailed invoices and related documentation.

The responsibility for authorizing and approving capital-related expenditures had been assigned to appropriate and knowledgeable officials. Complete documentation of the expenditures was a requirement.

- Duties relating to the processing of purchase requisitions and purchase orders were properly segregated. The employees responsible for initiating purchase requisitions were not also responsible for approving purchase orders. Requisitions were initiated by Agency staff and approved by the Blueprint Manager, while the related purchase orders were issued by the City’s Procurement Office.
- An automated three-way match of Agency purchase orders, receiving reports, and the vendor invoices was administered by City Accounts Payable staff.
- Claims for payment are to be supported by detailed invoices and other documentation.
- The Director or the Blueprint Manager reviews and approves all invoice packages prepared in support of requests for payment.
- Monthly, the Director or the Blueprint Manager reviews reconciled Purchasing Card statements and the related invoices.
- With respect to capital project-related expenditures and disbursements:
 - The responsibility for authorizing capital expenditures was assigned to appropriate officials.
 - Construction contracts were to be competitively awarded, as required by Section 255.20, Florida Statutes.
 - Retainage and liquidated damage contract clauses were included in construction contracts.
 - Those individuals, who were responsible for reviewing and approving construction work progress, were sufficiently knowledgeable to make the necessary determinations and judgments.

- Contractor invoices were to contain the details and support necessary to the effective pre-audit of the invoices.
- Contractor invoices were to be reviewed and approved by the Agency's GEC. Also, the invoices were to be reviewed and approved by the Blueprint Manager. Evidence of approval consisted of the approval signatures and dates of the signatures of the GEC and the Blueprint Manager.

Opportunities for Improvement

Our audit identified opportunities for improvement in the Agency's controls and recommendations were provided to facilitate those improvements.

The opportunities for improvement in the Agency's controls are related in many instances to the need to (1) update or establish policies and procedures and guidelines, (2) better safeguard and account for the revenues and donations collected and processed by the Agency, or (3) enhance the Agency's administration of certain cost-control related aspects of its contract with the GEC. In the immediately succeeding sections of this report, we have provided a summary of our observations in these areas.

Policies, Procedures, and Guidelines:

Policies, procedures, and guidelines are to be used internally to communicate to employees organizational objectives, including those relating to internal control, and their specific roles and responsibilities in achieving the objectives. Our audit disclosed the following instances in which policies and procedures either had not been adopted or required update or clarification:

The Agency should adopt its own internal control policy, or formally adopt the City's internal control policy.

- The Agency had not adopted its own internal control policy, or made it clear that the City's internal control policy (City Administrative Procedure No. 630) is to be followed. Agency management has advised us verbally that the Agency follows the City's internal control policy. However, the Agency's adoption of the City's policy has not been memorialized in writing and communicated to staff and GEC and subconsultant staff. The

Agency should consider developing its own internal control policy, or formally adopt the City's internal control policy.

Clarifications as to which City or County policies and procedures have been adopted by the Agency would be helpful.

- Upon inquiry, we were advised that the Agency follows its own policies and procedures in some areas, while in others it follows City policies and procedures. For example, with respect to travel, we were advised that the Agency follows the City's travel policy. We found that the extent to which City policies and procedures had been adopted for use could be clarified, as there was little written, specific direction as to which City policies and procedures were to be followed and which did not apply. The Agency should determine those City or County policies and procedures which are to apply to the Agency's operations and communicate that information to all employees and consultant and subconsultant staff.

Policies and procedures should be updated to reflect changes in organization and a more current consideration of risks.

- Some of the Agency's policies and procedures, adopted in the early 2000's, have not been updated to reflect changes in the Agency's organization, such as those brought about by the Agency's employment of its own legal counsel and the 2011 reorganization described under the **Organization** subheading of this report. As a result, some of the policies and procedures are now out of date. For example, some of the Agency's policies and procedures, in describing the duties of legal counsel, continue to make reference to the City Attorney's Office, rather than to the Agency's legal counsel. Also, the policies and procedures in some instances refer to the authority and duties assigned to the Blueprint Staff Director and the Capital Programs/Finance Manager, positions which were eliminated by the 2011 reorganization, and do not address the authority and duties of the Blueprint Manager position. The Agency should update its existing policies and procedures to reflect the Agency's current organizational structure. The Agency should also update the policies and procedures as needed to address a current assessment of financial and operational risks.
- The Blueprint Manager indicated that Agency management and staff followed the City's policies and procedures governing ethical behavior, and we noted that the Agency's management and staff

Although current Agency management and staff have participated in the City's ethics training, they had not been provided a copy of the Blueprint 2000 Ethics Policy or received related training.

Written policies and procedures should be adopted for information technology resource security.

Written policies and procedures had not been adopted to govern the handling of Blueprint-processed collections.

The Agency should adopt invoice preaudit procedures or guidelines. Our tests disclosed several processing errors and record omissions.

had participated in the ethics training courses provided to City employees. However, we also noted that in February 2004, the Agency Board adopted a Blueprint 2000 Ethics Policy. Current staff and management have not been provided a copy of the policy and received related training. Although the impact of this risk may be mitigated to an extent by the ethics training provided to management and staff through the City, the Agency should review the 2004 Ethics Policy and update it as needed. We recommend that the updated policy be provided to management, staff, and CAC members and be posted on the Agency's website. Agency, GEC, and subconsultant staff and CAC members should receive training in the application of the policy.

- We identified some areas in which additional procedural guidance may be helpful in managing risks. Specifically, the Agency had not adopted policies and procedures to govern security for the Agency's information technology resources. The Agency's information technology resources included a server, other equipment, and software applications, including those used for email, word-processing, and spreadsheets. The Agency also utilized the Primavera Expedition application. The Primavera Expedition application was used by the Agency, GEC, and contractor staff for project management and contractor invoicing. The Agency should adopt written information technology security policies and procedures.
- Written policies and procedures had not been adopted to govern the handling of Blueprint-processed collections. (Other control observations relating to the processing of collections are discussed below in the Control Activities-Blueprint-Processed Collections section of this report.) Such policies and procedures should be developed and provided to applicable managers and staff.
- The Agency had not adopted written invoice pre-audit procedures or guidelines for the preaudit of invoices. The Agency should adopt procedures addressing, among other matters, roles and responsibilities for verifying that the receipt of conforming goods and services is documented, the charges are allowable and

authorized, the account codes are appropriate, and the invoice footings, extensions, and discounts are mathematically correct. Our tests of 39 voucher charges totaling \$24,778,464 disclosed several processing errors and record omissions. Specifically:

- For one of the six GEC invoices tested, the amount paid of \$196,440 included a duplicate payment of \$20,460. The duplicate payment related to right-of-way (ROW) services that were provided in August 2012 and invoiced and paid in both September 2012 and May 2013. Upon inquiry by the City Auditor's Office, the Agency obtained a credit for the duplicate payment.
- For five of the six GEC invoices tested, one or more of the attached subconsultant invoices did not include a receiving report or completed receiving stamp evidencing GEC or Agency staff receipt and approval of the invoiced subconsultant services.
- For three of the six GEC invoices tested, the supporting documentation did not include for some subconsultants, the required daily or weekly time record information needed to verify the amounts charged.
- In one instance, \$66 was paid as reimbursement to the GEC for lunch for four on Administrative Assistant's Day. The authority for such an expenditure, made from sales surtax funding, was unclear. In response to inquiry, the Agency agreed that the charge was improper and indicated that no other such reimbursements have been paid to the GEC.
- For the payments tested, amounts were charged to the correct project, except in one instance. In this instance, \$10,395 of the total payment amount of \$221,567 to the GEC, was charged to LOA 1, Administration, rather than to LOA 2 (Project 3747, Cascades Park). Management's explanation was the

appropriate account (LOA 2) did not have a remaining balance sufficient to cover the charge. The Agency's contract with the GEC describes the process to be followed should the amendment of an LOA be needed. Timely consideration of such an amendment would have better ensured that the charges incurred did not exceed the amount authorized by the Agency.

- General ledger expenditure account classifications could have been more descriptive in several instances. For example, for four tested transactions, the expenditures were classified as "unclassified contractual services," but should have been classified as "construction services." In another instance, an expenditure was classified as "engineering services," but should have been classified as "construction services."
- In one instance, a contractor was overpaid in the amount of \$2,242. In this case, the supporting worksheet ("continuation sheet") total (for work completed that period) was incorrect. Based on the auditor's calculation, the supporting worksheet column total was \$1,060,541. The total incorrectly shown by the continuation sheet and used in calculating the amount due was \$1,062,783, for a difference of \$2,242.
- Section 218.74, Florida Statutes, requires that construction service invoices be stamped to show the date received. The contractor invoices tested were not date-stamped to indicate the date of receipt. As a consequence, it was not possible to determine with accuracy the number of days between invoice receipt and payment. We were able to estimate the timeliness of some payments by comparing the date the contractor executed the contract pay request and the date of payment. Using this approach, we identified 3 of the 32 applicable payments had not been made timely, with the days late ranging from 2 to 14 days late. Section 218.735, Florida Statutes, requires that payment be made within 25 days of receipt.

The Agency should adopt procedures requiring periodic reconciliations of Primavera Expedition data and related PeopleSoft Financials accounts.

- The Agency's Primavera Expedition data and related PeopleSoft Financials accounts were not reconciled to ensure the accuracy and completeness of records. The Agency should adopt procedures requiring periodic reconciliations of Primavera Expedition data and related PeopleSoft Financials accounts.

Control Activities-Blueprint-Processed Collections:

Control objectives relevant to the Agency's revenues and other collections include the provision of assurance that the amounts received have been appropriately authorized by law and the Agency (Blueprint Board), all amounts due and received have been timely and accurately deposited and recorded in a fund and account established to ensure resources are used in accordance with all applicable legal and budgetary requirements, and the amounts received are appropriately safeguarded.

As noted above, written policies and procedures had not been adopted to govern the handling of Blueprint-processed collections. Our audit disclosed the following additional instances in which the Agency's controls over the processing of collections could be improved:

A daily listing of mail collections was not prepared for subsequent comparison to the amounts ultimately deposited.

- The Agency's Administrative Specialist had been assigned the responsibility to open the mail each day. Contrary to good internal control practices, the Administrative Specialist had not been directed to prepare a listing of the amounts received upon the opening of the mail, and no such listing was prepared. Amounts received through the mail included, for example, state warrants relating to grant payments and amounts donated to FOOP for the purchase of Cascades Park amenities. When prepared, a listing of the amounts received can be compared to the amounts deposited to ensure that all amounts received were deposited. We recommend that a listing containing each of the amounts received through the mail be prepared by the person opening the mail. The listing should be then compared to the day's deposit details by a person not involved in the collection and deposit of collections.

Checks were not restrictively endorsed.

- Checks were not restrictively endorsed. (Following our discussions on this matter, a restrictive endorsement stamp was obtained by the Agency.)
- As indicated above, the Agency collected donations (cash and checks) that were to be subsequently delivered to FOOP. For any cash collections received from walk-in donors, prenumbered receipts were to be issued. We requested all receipt books available or used during the period October 1, 2011, through February 28, 2014. We were provided with receipt books indicating that 11 receipts had been used during that period in connection with collections totaling \$1,940. With respect to the use and accountability of the prenumbered receipts, we found:
 - A periodic reconciliation of the prenumbered receipt forms available for use during the period to those used and unused as of the end of the period had not been performed.
 - The original of two voided receipts had not been retained.
 - In at least one instance, a prenumbered receipt had not been issued for a cash donation. The amount of the donation totaled \$100. Also, prenumbered receipts were not issued upon the delivery of the monthly lease payments collected pursuant to the lease agreement referenced on page 37 of this report.
 - The record (yellow) copies (Agency copies) for three prenumbered receipts were blank indicating that the receipts had not been issued; however, the original copies (customer copies) of the receipts had been removed from receipt book and could not be provided for auditor review.

Prenumbered receipts were not issued for all amounts received from those delivering payments to the Agency's administrative offices and were not periodically accounted for to ensure that all receipted collections had been deposited.

To help ensure accountability of Agency collections, prenumbered receipts should be issued for all amounts received from those delivering payments to the Agency's administrative offices. Also, for all voided receipts and receipts not issued, the original receipts should be retained in the Agency's records. A periodic reconciliation of the prenumbered receipt forms available for use during the period, to those used and unused as of the end of the

period, should also be prepared by staff not involved in the processing of collections.

Transfer receipts were not executed upon the transfer of collections between Agency and subconsultant staff and between Agency and FOOP staff. Such receipts facilitate the establishment of responsibility for shortages should they occur.

- Amounts received by the Agency's Administrative Specialist, except for the amounts relating to donations, were to be transferred to the Agency's Administrative Supervisor, who was responsible for delivering the amounts collected to the City's Revenue Office for deposit. Amounts relating to donations were to be transferred by the Agency's Administrative Specialist to a subconsultant's staff person who was responsible for the maintenance of the Agency's records of the FOOP donations received and transferred. Upon the transfer of collections, no transfer form was executed by the Administrative Specialist to document the transfer of custodial responsibility to the subconsultant's staff person for the donations received or for the transfer of custodial responsibility to the Administrative Supervisor for all of the other amounts received. In addition, while a receipt was received to evidence the transfer of collections from the Administrative Supervisor to the City's Revenue Office, a receipt was in most instances not executed when the donations accepted by the Agency were delivered by the Administrative Supervisor to FOOP. (Note: The absence of receipts evidencing the transfer of donations from the Agency to FOOP precluded the Agency's demonstration of record that all donations collected for FOOP had been delivered to FOOP. Our audit tests identified a total of nine donations shown as collected in Agency records that could not be located in the FOOP records provided for our review. These donations ranged in amount from \$100 to \$400 and totaled \$1,500.)

We recommend that transfer receipts be executed upon the transfer of collections. Such receipts facilitate the establishment of responsibility for errors should they occur. We also recommend that the Agency consult with FOOP in an effort to determine the disposition of the \$1,500 in donations that could not be traced to the provided FOOP records.

- The amounts collected were not always adequately secured. Checks received from grantors were kept in an unlocked cash box

Checks and cash received from grantors and from donors for deposit with FOOP were not always adequately secured.

By receiving state grant payments electronically, the Agency could receive the amounts due more quickly and potentially increase its investment earnings, further reduce the risk of loss, and save staff time.

Donations were not timely transferred to FOOP. We suggest that donations be transferred to FOOP no less frequently than on a weekly basis.

The relatively small size of the Agency's administrative staff contributed to instances in which duties and responsibilities had not been appropriately segregated.

inside an unlocked desk drawer. Checks and cash received from donors for deposit with FOOP were kept in an unlocked filing cabinet. We recommend that collections be secured in a locked cabinet or other secured location and that access thereto be restricted to authorized staff.

- Based on our tests, checks received from state grantors were timely delivered by the Agency to the City Revenue Office for deposit, usually on the same or the following day after receipt by the Agency. We did note, however, that often there existed as much as a five-day lapse between the date of the state warrant and the date of transfer to the Revenue Office. The state offers the option of having state payments made electronically to the Agency rather than by paper warrant. By exercising this option, the Agency could receive the amounts due more quickly, potentially increase its investment earnings, further reduce the risk of loss, and reduce the amount of staff time used in processing the collections. We recommend that the Agency consider authorizing the state to make electronic payments.
- Donations collected by the Agency were not always timely transferred to FOOP. Our audit tests disclosed that the time elapsing between the dates of donor checks (as determined from the copies of some donor checks) and the dates of transfers to FOOP in a few cases exceeded seven months. We suggest that donations be transferred to FOOP no less frequently than on a weekly basis.
- As indicated in the **Background** section of this report, the Agency operated with an administrative staff consisting of the Blueprint Manager and ten other Agency employees. Two of these employees had been assigned most of the duties relating to the processing of collections. The relatively small size of the administrative staff contributed to the following instances in which duties and responsibilities had not been appropriately segregated in accordance with sound internal control practices:
 - The Administrative Supervisor was responsible for preparing and sending to grantors invoices requesting payment of

amounts earned under grant contracts. The Administrative Supervisor also had custodial responsibilities for the grantor payments as the Supervisor was responsible for delivering to the City Revenue Office the grant checks provided by the grantors.

- After grant invoices were prepared, they were to be recorded by the Administrative Supervisor in a grant invoice log (an Excel spreadsheet) showing, among other details, the amount of the invoice and the grantor from whom the invoiced amount was due. Both the Administrative Specialist and the Administrative Supervisor had access to the spreadsheet, and the ability to add or delete information, as well as access to each day's collections, which may contain grant checks.
- As indicated above, donations made for Cascades Park amenities were accepted by the Agency for subsequent transfer to FOOP. The amounts received (checks and some cash) and all related records (copies of checks, donation forms, and copies of donation forms) were provided to a subconsultant's employee. The subconsultant's employee placed, in files in the employee's office, the moneys and records provided, and periodically updated Excel worksheets to show the name of the donor, the amount donated, the purpose of the donation (for example, tree, bench, commemorative brick, etc.), and in some cases the date of the donation. The amounts collected were periodically transferred to the Administrative Supervisor who was responsible for delivering to FOOP the amounts collected and a copy of the worksheet. The Excel worksheet was not restricted as to access and the Administrative Supervisor could update the worksheet. As a consequence, both the subconsultant's employee and the Administrative Supervisor had custodial responsibilities for the collections, as well as access to the related records.

To the extent possible, duties should be appropriately segregated. Absent the ability to appropriately segregate duties because of the limited number of staff, the Agency should implement

compensating controls, such as, for example, assigning management or staff not involved in the collection and remittance of Agency revenues and other collections, the responsibility for monitoring the Agency's collection processes. Compensating controls may also include the conduct of reconciliations of the information shown in Agency records to the information shown in the records of grantors (for state grants information is available on-line).

The procedures in place did not facilitate management's review (monitoring) of the effectiveness of the controls used in connection with the Agency's processing of collections.

- The procedures in place did not facilitate management's review of the effectiveness of the controls used in connection with the Agency's processing of collections. Periodically, to assess the effectiveness of controls, the amounts shown as collected should be traced through control points from records of initial receipt to evidence of deposit (that is, trace selected collections shown on listings of mail collections and prenumbered receipts to transfer receipts, CORE receipts, and, as applicable, deposit records).

GEC Contract Administration:

As indicated in the **Background** section of this report, the Agency's GEC had been paid a total of approximately \$7.2 million during the period October 1, 2011, through September 30, 2014. Our review of the procedures and processes used by the Agency to administer the GEC contract disclosed the following opportunities for improvement:

Opportunities to better ensure and demonstrate the economy and effectiveness of the GEC contractual relationship were identified.

The Agency should adopt policies and procedures to guide the review, negotiation, and approval of the scope of work and the rates shown in GEC LOA proposals.

- The scope of the work performed by the GEC for planned and in-progress projects and the compensation paid to the GEC are controlled through annual letters of authorization (LOAs) approved by the Agency's Director. The LOAs function in a manner similar to a purchase order in that they specify the work (tasks and subtasks) authorized for particular projects, estimates of the direct salary costs associated with that work, the multipliers (percentages to be applied to actual direct salary costs to cover GEC fringe benefits and overhead and the GEC's cost of capital and to provide for profit) that are to be used to calculate the amount of compensation paid, and the maximum amount of compensation authorized for the LOA. The Blueprint Manager has advised us

that the GEC provided to him the annual proposed LOAs and that he reviewed them prior to their approval. However, the Agency did not have documentation of the review and negotiation of the LOAs and their terms. Such documentation should facilitate a demonstration of the Agency's determination that the proposed work is necessary and that the proposed pricing is reasonable and competitive. The documentation may include, for example, a comparison of Agency-prepared estimates of the costs of the work required under each proposed LOA to the estimates provided by the GEC. We recommend the Agency adopt policies and procedures to guide the review, negotiation, and approval of the LOAs. To assist with the review of the proposals, consideration should be given to creating a committee chaired by the Blueprint Director and consisting of the Blueprint Manager and staff from the Leon County and the City public works departments.

The Agency Director should review and approve in advance the rates paid to all subconsultants. The review and approval should be documented and include the evidence relied upon that demonstrates the rates approved are competitive.

- Upon approval by the Agency, the GEC may utilize the services of subconsultants to accomplish specific tasks within LOAs. The GEC is responsible for paying the subconsultants for work performed and includes in GEC invoices submitted to the Agency claims for the reimbursement of subconsultant charges. For those services for which the usage of a subconsultant has been approved, the GEC is to obtain and provide to the Agency a schedule of rates, and the Agency is to review and approve the rates, as appropriate. The GEC's use of several subconsultants has been approved by the Agency; however, for subconsultants other than the prime subconsultant, documentation was not available to demonstrate that the rates paid had been reviewed and approved by the Agency. We recommend the Agency Director review and approve in advance the rates paid to all subconsultants. The review and approval should be documented and include the evidence relied upon that demonstrates the rates approved are competitive.
- The amounts paid by the Agency to the GEC, as compensation for GEC services and as reimbursements of subconsultant charges, are to be based in part upon the actual costs incurred by the GEC, and the GEC contract authorizes the Agency to audit the records of the GEC to substantiate the actual GEC and subconsultant costs shown

The fees authorized by the GEC contract are based, in part, upon the actual costs incurred by the GEC. As authorized by the contract, the Agency should consider obtaining an independent audit of applicable GEC cost records.

in invoices. To date, no such audit has been done. As authorized by the contract, the Agency should consider obtaining an independent audit of applicable GEC cost records.

- The GEC contract requires that the GEC receive a semi-annual evaluation of its performance conducted by a committee consisting of the Blueprint Director and not less than two Agency personnel designated by the Director. The evaluations, among other purposes, are to serve as a basis for determining, if any, the amount of bonus due to, or liquidated damages due from, the GEC. We were advised that the evaluations had been discontinued during the recent economic recession because the Agency had determined that no bonuses would be paid, notwithstanding the level of performance. The Agency should resume the completion of the semi-annual performance evaluations of the GEC. The evaluations provide a means for monitoring the performance of the GEC and can be used to address performance achievements and deficiencies and facilitate decisions regarding future contracting actions, such as GEC contract extensions and renewals.

The GEC contract requires that the GEC receive a semi-annual evaluation of its performance. We found that the evaluations had been discontinued. The Agency should resume the completion of the semi-annual performance evaluations of the GEC.

Other Matters

As a part of our tests of revenue and expenditure controls and related transactions, we became aware of other matters which are presented below for management consideration and action.

Performance Measures:

While the Agency has adopted a statement of mission and vision, it has not as yet adopted formal goals, objectives, and performance measures. The establishment of formal goals and objectives would assist the Agency in making both short and long-term decisions. Performance measures would assist the Agency by providing a measure of the degree of success in reaching goals and objectives and thereby identify areas where a change in strategy may be appropriate.

Absent performance measures, the Agency may lack the information needed to demonstrate the efficiency, effectiveness, and public benefit provided by operations. We recommend that the Agency adopt formal

While the Agency has adopted a statement of mission and vision, it has not as yet adopted formal goals, objectives, and performance measures.

goals, objectives, and performance measures and related reporting requirements.

Performance Audits:

The Interlocal Agreement empowers the IMC to require an annual financial statement audit and an annual performance audit of the Agency. While annual audits of the Agency's financial statements have been completed, performance audits were discontinued beginning with fiscal year 2009.

While annual audits of the Agency's financial statements have been completed, performance audits were discontinued beginning with fiscal year 2009.

The performance audits, if appropriately scoped, could provide information useful to the Board and management in meeting their responsibilities relating to oversight and monitoring. Major operational areas that could periodically be the subject of performance audits include, but are not limited to, construction management processes, GEC performance, contract change order management, land acquisition and real estate management, capital program budgets, revenue processing, and information technology security. The IMC should consider the development of a financial and operational risk assessment of the Agency. The risk assessment could be used to assist the IMC in identifying high risk areas for audit.

Real Estate Lease:

Blueprint Policy No. 107 provides that the Agency's property may be leased to other entities and requires that, for contracts under which the total annual lease payments are less than \$100,000, the lease contracts be authorized by the IMC. We were made aware of one Agency-owned property, which had been leased pursuant to agreements covering the period February 1, 2013, through December 31, 2014, and pursuant to which the monthly rental payments due totaled \$2,400 (\$28,800 on annual basis).

Agency staff have to date been unable to provide documentation showing that IMC approval of a rental contract had been requested or provided. Agency management should submit for approval of the IMC all proposed lease agreements.

Agency staff have to date been unable to provide documentation showing that IMC approval of these contracts had been requested or provided. Agency management should submit for approval of the IMC all proposed lease agreements.

Annual Review of Real Estate:

An annual review of real estate for the existence of surplus property had not been recently performed.

Section 107.12 of Blueprint's Real Estate Policy requires that annually the Capital Programs/Finance Manager (a position abolished as part of a reorganization in 2011), with input from the Director of Blueprint and the Real Estate Manager, review all real estate owned by the Agency and determine whether any parcels might be considered surplus property. Under the policy, property is not to be considered surplus unless there is no potential future use of the property within the Blueprint 2000 Program. If potential surplus properties are identified, a written report is to be submitted to the IMC recommending the property be declared surplus.

The Agency's Real Estate Manager indicated that to his knowledge an annual review of real estate had not been recently performed. Absent the review, property that may be surplus to the needs of the Agency may not be identified and considered for disposal. Based on our audit, it appeared as though the Agency may have been holding some property that is surplus to the needs of the Blueprint program. As indicated under the preceding subheading of this report, the Agency had entered into agreements covering the period February 1, 2013, through December 31, 2014, and providing for the rental of one Agency-owned property. In conversations with Agency staff, there is currently no identified future use of this property within the Blueprint 2000 Program. We recommend that the annual reviews of real estate be performed as required by Blueprint Policy No. 107.

Conclusion

The objective of our audit was to determine the extent to which the Agency's internal controls reasonably ensured that revenue and expenditure transactions were: (1) properly authorized and executed in accordance with governing laws, rules, policies, and procedures; (2) timely processed and accurately and completely recorded in the Agency's accounting records in the correct accounts; and (3) supported by appropriate documentation. As a part of evaluating the Agency's internal controls, we considered the extent to which the Agency

Overall, we found that, with respect to the processing of revenue and expenditure transactions, the Agency's internal controls were adequate, considering the nature of the Agency's organization and the complexity of its operations. Our audit identified both control strengths and opportunities for improvements.

safeguarded from loss the amounts collected at the Agency (Blueprint-processed collections).

Overall, we found that, with respect to the processing of revenue and expenditure transactions, the Agency's internal controls were adequate, considering the nature of the Agency's organization and the complexity of its operations. Our audit identified both control strengths and opportunities for improvements, all of which are discussed in detail on pages 21 through 36 of this report. Also, as a part of our tests of revenue and expenditure controls and related transactions, we became aware of other matters which are discussed in the preceding section of this report. Appendix A provides Management's Action Plan to address the opportunities for improvement and the related recommendations.

We would like to thank Agency staff and staff in City departments, including the City Treasurer-Clerk's Office, DMA Procurement Services, DMA Accounting Services, and Human Resources, for their assistance during this audit.

Director's Response

The City Auditor's Office has completed the audit of Blueprint 2000's Revenue and Expenditure Controls and I am pleased that the audit has concluded that the department's internal controls were, generally, adequate considering the nature of the Agency's unique organization and the complexity of our operations. We appreciate the Auditor's recommendations on future improvements and control enhancements to better safeguard the Blueprint operations. Staff will assess the feasibility of the recommended enhancements and implement them, as appropriate, over the next two years.

I would like to thank the Auditor's Office for assisting Blueprint with ensuring that our citizen's sales tax dollars are appropriately recorded and accounted for as a result of the reorganization of the Department since June of 2011.

APPENDICES

- APPENDIX A Management's Action Plan
- APPENDIX B Blueprint 2000 Program Organization

Appendix A Management's Action Plan		
Action Steps	Responsible Employee	Target Date
A. Objective:	<i>Update or establish policies and procedures and guidelines.</i>	
1) The Agency will consider developing its own internal control policy, or formally adopt the City's internal control policy.	Debra Schiro to Provide Information on City Policy for Wayne Tedder and Charles Hargraves to Consider	February 2016
2) The Agency will determine those City or County policies and procedures which are to apply to the Agency's operations and communicate that information to all employees and consultant and subconsultant staff.	Debra Schiro to Review City/County Policies and Summarize for Wayne Tedder and Charles Hargraves to Consider Policies Applicable to BP	December 2015
3) a. The Agency will update its existing policies and procedures to reflect the Agency's current organizational structure. b. The Agency will also update the policies and procedures as needed to address the results of a current assessment of financial and operational risks.	Debra Schiro Charles Hargraves	February 2016 June 2016
4) The Blueprint 2000 Ethics Policy will be provided to management, staff, and CAC members and be posted on the Agency's website. Agency in-house, GEC, and sub-consultant staff and CAC members will also be provided the opportunity for training in the application of the policy.	Shelonda Meeks Autumn Calder and Debra Schiro	August 2015 1st Ethics Training August 2015
5) The Agency will consider adopting written information technology security policies and procedures.	Charles Hargraves	October 2016
6) The Agency will adopt procedures addressing, among other matters, roles and responsibilities for verifying that the receipt of conforming goods and services is documented, the charges are allowable and authorized, the account codes are appropriate, and the invoice footings, extensions, and discounts are mathematically correct.	Charles Hargraves and Junious Brown with input from Gary Phillips	October 2015

Action Steps	Responsible Employee	Target Date
7) The Agency will consider adopting procedures requiring periodic reconciliations of Primavera Expedition data and related PeopleSoft Financials accounts.	Charles Hargraves to Respond to Auditor	August 2015
B. Objective: <i>Enhance the safeguarding of and the accounting for the revenues and donations collected and processed by the Agency.</i>		
1) The Agency will consider authorizing state grantors to make grant payments electronically.	Shelonda Meeks to Research and Provide Information to Wayne Tedder and Charles Hargraves	September 2015
2) Policies and procedures governing the collection of revenues by staff at the Agency’s administrative offices will be developed and communicated in writing to applicable managers and staff.	Shelonda Meeks	February 2016
3) A daily listing containing each of the amounts received through the mail will be prepared by the person opening the mail. The listing will then be compared to the day’s (week’s) deposit details by a person not involved in the collection and deposit of collections.	Shelonda Meeks	August 2015
4) Checks will be restrictively endorsed.	Shelonda Meeks	August 2015
5) Prenumbered receipts will be issued for all amounts received from those delivering payments to the Agency’s administrative offices. Also, for all voided receipts and receipts not issued, the original receipts will be retained in the Agency’s records. A periodic reconciliation of the prenumbered receipt forms available for use during the period, to those used and unused as of the end of the period, will also be prepared by staff not involved in the processing of collections.	Shelonda Meeks	August 2015
6) Transfer receipts will be executed upon the transfer of collections.	Shelonda Meeks	August 2015
7) The Agency will consult with the City Parks, Recreation and Neighborhood Affairs department in an effort to determine the disposition of the \$1,500 in donations that could not be traced to the FOOP records provided to the auditors.	Autumn Calder and Shelonda Meeks	December 2015
8) Collections will be secured in a locked cabinet or other secured location and access thereto will be restricted to authorized staff.	Shelonda Meeks	August 2015

Action Steps	Responsible Employee	Target Date
9) Donations will be transferred to FOOP no less frequently than on a weekly basis.	Shelonda Meeks	August 2015
10) To the extent possible, duties will be appropriately segregated. Absent the ability to appropriately segregate duties, the Agency will consider implementing compensating controls.	Charles Hargraves	December 2015
11) Periodically, to assess the effectiveness of controls, the amounts shown as collected will be traced through to-be-established control points (listings of collections, transfer receipts, and CORE receipts).	Charles Hargraves and Shelonda Meeks to Discuss Process	December 2015
C. Objective:	<i>Enhance the Agency's administration of certain cost-control related aspects of its contract with the GEC.</i>	
1) The Agency will adopt policies and procedures to guide the review, negotiation, and approval of annual LOAs. To assist with the review of the proposals, consideration will be given to creating a committee chaired by the Blueprint Director and consisting of the Blueprint Manager and staff from the Leon County and the City public works departments.	Charles Hargraves and Wayne Tedder	June 2016
2) The Agency Director will review and approve in advance the rates paid to all subconsultants. The review and approval will be documented and include the evidence relied upon that demonstrates the rates approved are competitive.	Charles Hargraves and Wayne Tedder to Discuss Process	December 2015
3) The Agency will consider obtaining an independent audit of applicable GEC cost records.	Charles Hargraves and Wayne Tedder	February 2016
4) The Agency will resume the completion of the semi-annual performance evaluations of the GEC.	Charles Hargraves and Wayne Tedder	February 2016
D. Objective:	<i>Enhance accountability and oversight for Agency operations and assets.</i>	
1) The Agency will consider adopting formal goals, objectives, and performance measures and related reporting requirements.	Charles Hargraves and Wayne Tedder	June 2016
2) The Agency Director and Blueprint Manager will develop a financial and operational risk assessment of the Agency. The risk assessment will be provided to the IMC for use in considering areas of operation that may benefit from the conduct of a performance audit.	Charles Hargraves and Wayne Tedder	June 2016

Action Steps	Responsible Employee	Target Date
3) Agency management will submit for approval of the IMC all proposed lease agreements.	Shelonda Meeks and Debra Schiro (Create Routing Slip for Review to Include IMC)	August 2015
4) Annual reviews of real estate will be performed as required by Blueprint Policy No. 107. Designate position of person/persons to perform this task in Real Estate Policy.	Debra Schiro and Charles Hargraves Designation will be included in updated Policies	February 2016

APPENDIX B Blueprint 2000 Program Organization

