



Public Works Mowing Contracts Audit - #864

Executive Summary

Why CAO Did This Review

Pursuant to Section 5.10 of the Charter of the City of Jacksonville and Chapter 102 of the Municipal Code, we conducted an audit of the City's mowing contracts administered by the Mowing and Landscape Maintenance Division (the Mowing Division), a division of the Public Works Department.

Chapter 32 of the Municipal Code established the Mowing Division and requires it to perform and supervise all mowing for the City (excluding the mowing of sports fields, which is the responsibility of the Parks, Recreation and Community Services Department). The Mowing Division is responsible for the landscape maintenance of public sites (e.g., buildings, rights-of-way, parks), as well as maintenance related to the enforcement of the Municipal Code on safety and cleanliness of private property (i.e., nuisance abatement), weed control, and irrigation maintenance (e.g., stormwater retention ponds). The Mowing Division is also responsible for executing a service agreement with the Florida Department of Transportation (FDOT) to perform mowing and landscape maintenance of FDOT rights-of-way.

The above services are performed by contractors and the non-nuisance mowing contracts were the focus of our audit.

What CAO Found

Although there were internal control weaknesses and other findings noted below, which initially brought into question the accuracy of payments made for the City's non-nuisance mowing contracts managed by the Public Works Department, it appears payments were accurately calculated in accordance with the contracts. Additionally, we found that the invoices were not being paid by the Public Works Department in a timely manner. Specific items noted included:

- Important data for determining payments to contractors was not always being input into the Mowing Database. This included mow schedules, actual mowing dates, and re-inspection information.
- Change orders were not always being processed in timely manner to add parcels to contracts.
- Various issues with the proposed mowing schedule and timing of actual mowing, which could have resulted in liquidated damages.
- Inspections by Mowing Division personnel were not performed in a timely manner and there was not a documented policy in place related to frequency of inspections.

What CAO Recommends

To address the issues noted above, the Mowing and Landscape Division should:

- Make sure the Mowing Database has a complete record of the mowing schedules, actual mow dates, and inspection/re-inspection information to help ensure that mowing contractors are properly paid in a timely manner for work performed.
- Process change orders in a timely manner to add parcels to the mowing database.
- Ensure the mowing schedules and actual mowings are occurring in a manner consistent with the provisions of the mowing contracts.
- Ensure that all inspections occur in a timely manner and adopt a policy related to the frequency of inspections.



Council Auditor's Office

Public Works Mowing Contracts Audit

September 8, 2021

Report #864

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EXECUTIVE SUMMARY

AUDIT REPORT #864

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



September 8, 2021

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Honorable Members of the City Council
City of Jacksonville

INTRODUCTION

Pursuant to Section 5.10 of the Charter of the City of Jacksonville and Chapter 102 of the Municipal Code, we conducted an audit of the City's mowing contracts administered by the Mowing and Landscape Maintenance Division (the Mowing Division), a division of the Public Works Department. Chapter 32 of the Municipal Code established the Mowing Division and requires it to perform and supervise all mowing for the City (excluding the mowing of sports fields, which is the responsibility of the Parks, Recreation and Community Services Department).

The Mowing Division is responsible for the landscape maintenance of public sites (e.g., buildings, rights-of-way, parks), as well as maintenance related to the enforcement of the Municipal Code on safety and cleanliness of private property (i.e., nuisance abatement), weed control, and irrigation maintenance (e.g., stormwater retention ponds). The Mowing Division is also responsible for executing a service agreement with the Florida Department of Transportation (FDOT) to perform mowing and landscape maintenance of FDOT rights-of-way.

The above services are awarded through a competitive bidding procurement process to the mowing contractors. Before each service type is awarded, a request for proposal is created and publicized by the City containing standard and service-specific contractual terms that must be accepted by the successful bidding firm. Then, the firms submit their agreement to the terms and a cost proposal. Once received, each cost proposal is reviewed by the City's Competitive Sealed Proposal Evaluation Committee and the contract is awarded to the successful firm (i.e., the mowing contractor).

In fiscal year 2019/20, within the Mowing Division's budget, there was approximately \$10 million in contractual services for mowing services. The Mowing Division oversees the mowing contractors' work by employing inspectors. These inspectors drive to the sites serviced by contractors and assess whether the work is acceptable per the standards of the relevant mowing contract. Each service site is tracked in the mowing database. The contractors update this database when a site is serviced by adding the date of service. Then, the Mowing Division's inspectors will inspect the sites marked as serviced and add an inspection date and grade (i.e., pass or fail) to the database. If a site fails the inspection, the inspector notifies the contractor of the site's location and reason for failing the inspection. The contractor must then correct the issue and the inspector will re-inspect the site to determine if the work is acceptable.

Every month, the contractors send an invoice to the Mowing Division for the services performed in the prior month along with documentation supporting the amount invoiced. This documentation includes a calculation of each line item of the invoice and a list of sites serviced with the dates visited and the relevant units (e.g., acres mowed). The Mowing Division's Contract Manager reviews the invoice while filling out the contract payment checklist.

STATEMENT OF OBJECTIVE

To determine if payments for the City's non-nuisance mowing contracts managed by the Public Works Department were accurate and timely in accordance with the contracts.

STATEMENT OF SCOPE AND METHODOLOGY

Our population included all payments made to the mowing contractors for non-nuisance mowing services rendered within the audit period of October 1, 2019, through September 30, 2020. This would include landscape maintenance (e.g., buildings, rights-of-way, parks), weed control, and irrigation maintenance (e.g., stormwater retention ponds) on public parcels including those maintained by the City pursuant to agreements with Florida Department of Transportation (FDOT).

During the preliminary phase of the audit, we obtained a complete list of contracts executed by the Mowing Division and determined which contracts were for mowing services. For the eight mowing contracts identified, we read and obtained an understanding of all requirements. We then performed interviews with the Mowing Division staff to obtain an understanding of the processes related to mowing services. Once this was completed, we decided to limit the audit scope to the non-nuisance mowing contracts to manage the size of our audit because the nuisance abatement contract followed a separate set of processes from the other seven service types and would require separate testing. The exclusion of the nuisance abatement contract left us with seven contracts to test. These seven contracts were related to eight different types of parcels (e.g., County-wide mowing parcels, North Parks, South Parks, Stormwater Ponds). Each type of parcel has a scheduled number of mowings per year. In total, there were 4,102 parcels/groups of parcels included in the mowing database with anywhere from 8 to 24 scheduled mow dates.

In addition to interviews with the Mowing Division staff, we observed relevant processes and reviewed the relevant information system controls to analyze the Mowing Division's overall risk related to paying contractors.

For the detail testing phase of the audit, we tested the entire population of payments totaling \$8.5 million to determine whether payments to contractors were calculated accurately and paid timely. To do this, we obtained all documentation related to the payments from the Mowing Division and the Accounting Division. For each payment, we:

- Verified proper approval.
- Verified contractually required detail was included in the submittal from the contractor.
- Recalculated for mathematical accuracy (i.e., units mowed equaled units paid and units mowed multiplied by unit price equaled the total amount paid).

- Confirmed the unit price paid agreed with the applicable contractual rate.
- Tied each property listed in the invoice to the applicable contract.
- Determined whether the invoice was received and paid in a timely manner.

We also performed analytical procedures on data from the mowing database to identify any potential issues. Specifically, we performed the following procedures:

- Reviewed the Mowing Division's mowing schedule and compared it to the schedule in the mowing contracts.
- Reviewed the timeliness of actual mowing services and calculated potential liquidated damages incurred by the contractors for not mowing on time as specified in the contracts.
- Reviewed the timeliness of the Mowing Division's inspections of mowing services performed.
- Compared properties listed in the database with the Property Appraiser's list of City-owned properties to identify any not owned by the City.
- Reviewed the data for any unusual relationships (e.g., properties identified as active in the database not being mowed at all or properties identified as inactive being mowed).

Unless specifically stated otherwise, based on our selection methods and testing of transactions and records, we believe that it is reasonable to project our results to the population and ultimately draw our conclusions on those results. Additionally, for proper context we have presented information concerning the value and/or size of the items selected for testing compared to the overall population and the value and/or size of the exceptions found in comparison to the items selected for testing.

REPORT FORMAT

Our report is structured to identify Internal Control Weaknesses, Audit Findings, and Opportunities for Improvement as they relate to our audit objective(s). Internal control is a process implemented by management to provide reasonable assurance that they achieve their objectives in relation to the effectiveness and efficiency of operations and compliance with applicable laws and regulations. An Internal Control Weakness is therefore defined as either a defect in the design or operation of the internal controls or is an area in which there are currently no internal controls in place to ensure that management's objectives are met. An Audit Finding is an instance where management has established internal controls and procedures, but responsible parties are not operating in compliance with the established controls and procedures. An Opportunity for Improvement is a suggestion that we believe could enhance operations.

STATEMENT OF AUDITING STANDARDS

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

AUDITEE RESPONSES

Responses from the auditee have been inserted after the respective finding and recommendation. We received these responses from Steven D. Long, Director of Public Works, in a memorandum dated December 13, 2022.

AUDIT CONCLUSION

Although there were internal control weaknesses and other findings noted below, which initially brought into question the accuracy of payments made for the City's non-nuisance mowing contracts managed by the Public Works Department, it appears payments were accurately calculated in accordance with the contracts. Additionally, we found that the invoices were not being paid by the Public Works Department in a timely manner.

AUDIT OBJECTIVE

To determine if payments for the City's non-nuisance mowing contracts managed by the Public Works Department were accurate and timely in accordance with the contracts.

Finding 1 *Issues with Support and Accuracy*

Overall, we found several issues with the support for payments. These issues ranged from parcels not being marked as mowed in the database to not being in the database at all even though there was an invoice and payment associated with the parcel. The mowing database was supposed to include a schedule of when all parcels were to be mowed. This schedule was based on the proposals from the mowing contractor based on the contract specifications. The mowing contractors were to enter when the parcels were mowed on a daily basis. This information is then used by inspectors to identify parcels to inspect to ensure the parcel was mowed and then ultimately as the basis to verify the amount to pay the mowing contractor. Without this information in the database, the Mowing Division had to rely on cut sheets from the mowing contractor for the basis of when to perform inspections and as support for the amount to pay the mowing contractor.

For 113 out of 158 (72%) invoices, using the data from the mowing database and support originally provided by the Mowing Division, our initial recalculations did not agree with the invoiced amounts and showed a net overpayment of \$661,264.57 (out of \$8,476,090.65 for the 158 invoices). Based on reviewing additional support (e.g., daily cut sheets that were not originally included in support) and by looking at whether the amounts charged were consistent with scheduled mowing (indicates parcel may not have been properly marked as mowed in the database), it appears that most, if not all, of the \$661,264.57 was not an actual overpayment. Instead, the discrepancies were likely caused by the delays it took to get parcels added to (and other changes reflected in) the mowing database, which were delays between the City and the vendor that created the database. Additionally, mowing contractors did not appear to always mark every parcel that was mowed. Given the number of parcels that may make up some rights-

of-way and parks this does make sense that it could occur; however, the contract requires the actual mow date to be input by the contractor into the mowing database, and this is information that should be reviewed by Mowing when approving payments.

Additionally, we found issues where the invoices and support submitted did not always tie due to mathematical inaccuracies, differences in mowing frequencies, missing support for a parcel type, and instances where the support provided was not legible. The backup for some invoices was data exported from the Mowing database into a spreadsheet format. In other cases, we discovered that there were certain mowing contractors that did not submit any backup with their invoices. For these mowing contractors, we were told by the Mowing Division that they complete their own review using the data in the Mowing database. However, this review is not documented and is not in compliance with the current contract terms.

Recommendation to Finding 1

We recommend that the Mowing Division implement procedures to perform their own documented review of invoices for mathematical accuracy and support of the amount to be paid before being processed for payment. As part of this, the Mowing Division should enforce the requirement that mowing contractors input mow dates into the database. Having a centralized mowing database, where everything is properly entered in a timely manner, facilitates timely inspections, which in turn ensures accurate payments are made. The Mowing Division may consider in future contracts not requiring other information be submitted with the invoice submitted to the Mowing Division since that information should be duplicative of the database information.

Lastly, the Mowing Division should be reviewing the database weekly to ensure parcels are being properly mowed in a timely manner, and, if not, appropriate penalties should be assessed.

Mowing Division Response to Finding 1

Agree Disagree Partially Agree

PWML has been utilizing Cartegraph in the billing process for the better part of a year. The contractor can only bill for Tasks that have been completed in Cartegraph. No “Completion Tasks” means that the work is not completed. A report is then generated from Cartegraph for the contractor to submit with his invoice based on the completed acres. That report is then matched with the Contract Managers report for accuracy. These procedures will be documented as recommended.

Weekly monitoring is a valid point, but with the amount of inspections processed weekly it would be a daunting task with the staff we currently have. However, we will inquire of our database vendor, if financially feasible, to ascertain whether a report can be generated automatically each week that will list parcels that weren’t mowed that will allow for us to monitor contractor compliance. We will also consider in future contracts to remove any requirements for contractors to submit invoice support that the Division is able to obtain itself from Cartegraph.

Finding 2 *Issues with Approval of Invoices*

To process a payment to a mowing contractor, the contract payment checklist was to be completed and submitted to the Accounting Division along with the mowing contractor’s invoice. The checklist served as a control to ensure the City employee requesting the payment had performed their due diligence (i.e., reviewed the mowing contractor’s invoice for accuracy and confirmed deliverance of goods and services compliant with the terms of the contract). The checklist also served as a form of approval of the invoice for payment by an appropriate person within the Mowing Division.

During detail testing of invoices for mowing contracts, we noted that 47 out of 181 (26%) invoices had no contract payment checklist. Of those 47 invoices, 32 invoices did not have approval from the contract manager:

1. 28 out of 47 (60%) invoices had no evidence of being approved.
2. 4 out of 47 (9%) invoices had evidence of approval, but the invoice was approved by someone other than the Mowing Division Contract Manager or the Chief.

Recommendation to Finding 2

Although it may no longer be required by the Accounting Division, we recommend that the Mowing Division train staff to ensure that the contract payment checklist is properly completed for each payment.

Mowing Division Response to Finding 2

Agree Disagree Partially Agree

Our Contract Administrator as well as the Contract managers have been trained on the contract payment checklist. The checklist will be properly completed as recommended. Also, as stated in the response to Finding 1, we will inquire of our database vendor, if financially feasible, to ascertain whether a report can be generated automatically each week that will list parcels that weren’t mowed that will allow for us to monitor contractor compliance.

Finding 3 *Issues with Tying Active Parcels to a Contract or City-Owned Property*

We noted issues with active parcels not tying to a contract or verified City-owned property. Specifically, we noted the following:

1. For 13 out of 72 invoices within scope that had parcels listed with invoice support, at least one parcel on the list of parcels worked could not be tied to a contract. We checked the change orders provided to us by the Contract Manager and could not find one adding the parcel(s).
2. In the Mowing Division’s database, 31 out of 219 active parcels not owned by the City had actual mow dates recorded in the database after the date of disposal by the City.

The mowing contracts require a change order to add or delete work sites. Without a change order, the City could potentially pay mowing contractors for mowing properties that the City should not be paying for.

Recommendation to Finding 3

We recommend that the Mowing Division create written procedures to ensure all parcel changes are properly addressed through change orders and that they are timely updated in the mowing database. Additionally, there should be a test periodically to compare parcels in the database to city parcels per the Property Appraiser. This can help ensure the City is only paying for the mowing of parcels that it should.

Mowing Division Response to Finding 3

Agree Disagree Partially Agree

We will create written procedures to ensure all parcel changes are properly addressed and updated timely in the mowing database. We will inquire of our database vendor, if financially feasible, on their ability to do a test with the database against the Property Appraiser database to ensure correctness of Parcel data.

Finding 4 *Issues with Timeliness of Invoices and Payment*

We noted several issues related to the timeliness of invoices and payments. During our test of invoices, we noted that out of 181 invoices:

1. 125 (or 69%) did not have evidence of when the invoice was received (e.g., no date stamp on invoice). Florida Statute section 218.74 requires local governments to mark invoices as received.
2. 28 (15%) had a payment that was more than 45 days past the receipt of the invoice (or invoice date if invoice was not stamped received). Florida Statute section 218.74 requires local governments to pay invoices within 45 days of receipt for these types of services.

Recommendation to Finding 4

We recommend that the Mowing Division implement procedures to ensure invoices are marked with the date of receipt and are processed in a timely manner to comply with the Florida Statutes.

Mowing Division Response to Finding 4

Agree Disagree Partially Agree

The Mowing Division is in the process of implementing an email invoice box in which all vendors will send their invoices. The email will show the date and time of the invoice delivery down to the second. We will also process all contractor invoice submissions within two weeks of receipt. This will help ensure payment in a timely manner.

Finding 5 *Issues with the Proposed Mowing Schedule*

During our analytical testing of the Mowing Division’s database, we noted several issues with the proposed mowing schedule not agreeing to the contract terms. Specifically, we noted:

1. For 1,999 out of 31,340 (6.4%) scheduled mows, the mow was scheduled late per the applicable mowing contract(s) by more than 5 days. We noted 1,561 (5.0%) late scheduled mows were late by 6 to 10 days and 438 (1.4%) late scheduled mows were late by more than 10 days.
2. For 1 out of 8 (12.5%) parcel types, the Contract Manager said that the parcel type was created to add cycles of mowing for certain parcels that were originally only mowed as part of blight operations. We asked for documentation that authorized the addition of these parcels (i.e., a change order). The Contract Manager informed us that there was no documentation adding these parcels.
3. For 2 out of 8 (25.0%) parcel types, the database had proposed mow dates for more cycles during the year than was expected based on the contract (e.g., a parcel type was designated per the contract for 21 cycles of mowing but was scheduled for 24).
4. For 2 out of 8 (25.0%) parcel types, the database had proposed mow dates for fewer cycles during the year than was expected based on the contract (e.g., parcel type was designated per the contract for 21 cycles of mowing but was scheduled for 18).

While these findings do not mean that the contractors were paid improperly based on the work performed, if the mowing schedule in the database does not align with the terms of the contracts, then it is unlikely the mowing contractors’ performance will meet the City’s expectations.

Recommendation to Finding 5

We recommend that the Mowing Division implement procedures to ensure the mowing schedule in the database complies with the schedule as stated in the contracts. Additionally, if there are more cycles that are being funded, then proper change orders and procurement procedures should be followed to add the parcels to the contract to ensure that budget is not exceeded and that contract terms are followed.

Mowing Division Response to Finding 5

Agree Disagree Partially Agree

We will implement written procedures to ensure that the scheduled mow dates in the database comply with the contracts. We will also consult with the Procurement Division to ensure that all change orders are properly documented in accordance with the contracts and Procurement Code.

Finding 6 *Issues Related to Actual Mow Dates in the Database*

During our analytical testing of the Mowing Division’s database, we noted several issues related to actual mowing data in the database. Specifically:

1. We calculated potential liquidated damages of over \$150,000 owed to the City based on the number of days late the mowing occurred per the mowing database. Many, if not all, may possibly be explained due to severe rain times or storms that disrupted the schedule; however, these explanations were not documented.
2. We found several issues with the actual mowing frequency for parcel types compared to the contracts.
 - a. For 7 out of 8 (88%) parcel types, based on the mowing frequency stated in the contract, parcels were not mowed enough times during fiscal year 2019/20.
 - b. For 1 out of 8 (13%) parcel types, per the Contract Manager, these parcels should be mowed 8 times during the year. (These parcels could not be tied to a contract, so we tested based on the Contract Manager’s stated frequency.) However, most parcels were mowed 7 times per the mowing database.

Recommendation to Finding 6

We recommend that the Mowing Division establish a documented process to evaluate and determine whether to assess liquidated damages as part of the review of invoices for payment. Also, as recommended previously, all mow dates need to be entered by the mowing contractor so that inspections can be done to ensure parcels are being mowed as scheduled and to help ensure the proper amount is paid.

Mowing Division Response to Finding 6

Agree Disagree Partially Agree

The weather can play a large role in affecting when parcels are actually mowed. While the contract does allow for assessing damages, we do give contractors a grace period if certain issues arise, such as weather conditions. In addition, the 2019/20 mowing frequency was heavily affected by the start of the COVID-19 pandemic. However, the Mowing Division will document a process to evaluate whether liquidated damages should be assessed on an invoice. Also, the Division will re-iterate to the mowing contractors that all mow dates must be entered within 24 hours of mowing completion.

Finding 7 *Active Parcels with No Mow Dates in the Database*

During our analytical testing of the Mowing Division’s database, we extracted all parcels labeled as active with no actual mow dates during the audit scope (115 parcels). We then researched them to find a reason for the parcel not being mowed and, if there was one, determined if we agreed with the reason. We noted the following:

1. For 8 out of 115 (7%) parcels, the Mowing Division could not explain why the parcel had no actual mow dates recorded.

2. For 10 out of 115 (9%) parcels, the Mowing Division provided an explanation for why the parcels were not mowed (e.g., the parcel was deleted and no longer needed to be mowed). However, there was no documentation available supporting the explanation.
3. For 8 out of 115 (7%) parcels, the Mowing Division explained that these parcels were made inactive and moved elsewhere in the database. However, we were not provided any matching record.
4. For 14 out of 115 (12%) parcels, the Mowing Division explained that the parcel only had bed maintenance and was moved to the bed maintenance section of the database. However, we checked the bed maintenance section and still did not find actual mow dates.

We also extracted a sample of parcels labeled as inactive with no actual mow dates during the audit scope to see if we could find any parcels owned by the City. From that test, we found 1 out of 25 (4%) parcels were owned by the City and did not have any actual mow dates recorded in the database. The Mowing Division’s Contract Manager provided an explanation (e.g., the parcel was added to another parcel in the database), but there was no documentation available.

Best practices are to maintain an accurate list of parcels in the database, document all changes made (e.g., make parcels no longer mowed inactive), and review on a regular basis (e.g., every month during review of the invoice) the mowing data for active parcels to ensure all parcels are mowed. The Mowing Division should then follow-up with mowing contractors when any anomalies are found (e.g., no mow dates for parcels that need mowing). Without these practices in place, there is a higher risk that inaccuracies in the invoices and issues with mowing frequency will go undetected.

Recommendation to Finding 7

We recommend that the Mowing Division implement procedures to regularly review the active parcels in the database to ensure actual mow dates are entered.

We further recommend that the Mowing Division implement procedures to ensure the list of active parcels in the database is accurate. This would also include tests to verify parcels sold or purchased by the City are being removed or added from the active parcels in the database and contract in a timely manner.

Mowing Division Response to Finding 7

Agree Disagree Partially Agree

The database has been modified for ease of actual mow date entry by configuring the database for bulk entry by the contractor. The Division will implement written procedures to ensure that actual mow dates are entered into the database. We will also create written procedures to ensure all parcel changes are properly addressed and updated timely in the mowing database.

Finding 8 *Inspections were Not Always Performed in a Timely Manner*

For 3,935 out of 14,412 (27%) inspection dates, the inspection was performed more than seven days after the actual mow date (i.e., not timely per the mowing contracts). We noted:

- 1,267 out of 3,935 (32%) late inspections were performed between 8 and 10 days after mowing.
- 1,622 out of 3,935 (41%) late inspections were performed between 11 and 20 days after mowing.
- 1,046 out of 3,935 (27%) late inspections were performed more than 20 days after mowing.

Inspections are meant to confirm the mowing contractors performed their work in compliance with the contracts. Inspections performed in an untimely manner are less effective at finding issues due to the nature of the work being inspected (i.e., grass grows back). Therefore, the City is incurring costs for less effective inspections.

Recommendation to Finding 8

We recommend that the Mowing Division comply with the contracts and only inspect parcels mowed within seven days of the mow date. This process would be assisted by the Mowing Division enforcing the mowing contractors to input the parcels as they are mowed.

Mowing Division Response to Finding 8

Agree Disagree Partially Agree

The Mowing Division will implement a policy stating that inspectors are not to issue any pass/fail designations on parcels more than seven days after the mow date.

Finding 9 *Several Issues with Invoice Submittal*

Several issues were found with items contractually required to be included in invoices. For 139 out of 181 (77%) invoices, contractually required details were missing from the invoice documentation. Missing required details included:

1. real estate numbers,
2. street addresses,
3. the units of measure,
4. unit cost,
5. extended totals,
6. date of service, and
7. blanket purchase order numbers.

Also, the mowing contracts require disposal and landfill costs be invoiced separately from mowing costs. For 16 out of 181 (9%) invoices, the invoice had both mowing and debris disposal costs included.

Recommendation to Finding 9

We recommend that the Mowing Division enforce the contractual requirements of invoice submittal and not process an invoice for payment until the mowing contractor complies with the contractual requirements. If some of this information is not needed, then the Mowing Division should consider removing the requirements from future contracts. Note, if this is done, the Mowing Division would need to ensure there is a process in place to retain documentation that supports each payment.

Mowing Division Response to Finding 9

Agree Disagree Partially Agree

The Division will enforce compliance with the contracts and require contractors to include all information as listed in the contracts and to separate disposal and landfill costs. We will also consider in future contracts the removal of requirements regarding any information that we deem unnecessary in relation to our invoice review.

Finding 10 *Issues with Supporting Documentation for Waste Disposal at Landfills*

The mowing contractor can be reimbursed for disposal costs at City landfills for debris and other waste removed from sites on which work is performed per the City contract. To be reimbursed, the mowing contracts require the mowing contractor to submit an invoice for the disposal (separate from the invoice for mowing services) along with the receipts for disposal showing the weight and cost. Also required is a notarized certification that the invoice is only for waste collected from work approved under the applicable mowing contract.

We found that one of the Mowing Division’s mowing contractors did not submit waste disposal receipts from City-owned landfills to support the amounts invoiced to the Mowing Division. We also found that none of the mowing contractors requesting reimbursement for waste disposal submitted the notarized certifications.

Recommendation to Finding 10

We recommend that the Mowing Division require the mowing contractor to submit copies of the actual receipts and required notarized certifications that the debris and other waste was only collected from work approved under the applicable contract before the Mowing Division approves an invoice for payment.

Mowing Division Response to Finding 10

Agree Disagree Partially Agree

We will require all contractors to submit actual receipts and notarized certifications for any landfill and disposal costs related to the mowing contracts before payment is made.

Internal Control Weakness 1 *Issues Noted Related to Re-inspection Process*

We found several issues related to re-inspections and how the Mowing Division addressed these situations. Specific issues notes included:

- While the mowing database keeps track of the inspection grade entered by an inspector, if the parcel was failed, and subsequently passed upon re-inspection, the Mowing Division had to request the vendor responsible for maintaining the database to change the inspection grade from “fail” to “pass.” This created a situation where the inspectors had an incentive to not fail a parcel in the database to avoid this process.
- The Mowing Division did not regularly retain documentation of communications to mowing contractors when inspectors found defects in the work performed. We extracted from the mowing database every property that had at least one re-inspection (101 re-inspections). We did this since a re-inspection would occur after written notice was sent of defective work. We then selected a sample of 32 re-inspections and requested the Mowing Division’s communication of defects. Out of 32 re-inspections, there was no written notification of defects for 30 re-inspections, or 94%. The mowing contracts with the mowing contractors requires the Mowing Division to provide written notification if work is unacceptable. Without written notification, defects may go uncorrected.
- For 135 out of 236 failed inspections, or 57%, there was not a re-inspection date entered into the mowing database (indicating the work performed was not compliant with the standards in the applicable contract and no re-inspection was performed to confirm the defects had been remedied).
- There were no charges for re-inspections being assessed although the mowing contracts allowed the Mowing Division to impose a \$25 re-inspection fee each time a work site is visited to conduct a re-inspection of previously rejected work. In fiscal year 2019/20, there were at least 101 re-inspections and none of the re-inspections had a charge even though the Mowing Division could impose a \$25 re-inspection fee. Due to reasons noted above, the number of re-inspections is most likely understated because not all inspectors failed parcels in the system due to the difficulty in getting a failed inspection changed to passed once the parcel had been corrected (e.g., mowed).

Recommendation to Internal Control Weakness 1

We recommend that the Mowing Division institute written procedures that ensure:

- all failed inspections are clearly documented in the database.
- all communications to the mowing contractors about unacceptable work be maintained in an organized manner.
- all failed inspections are followed up on in a timely manner to ensure the issues were corrected.
- the Mowing Division assess the re-inspection fee as stated in the mowing contracts or at least have a clear process as to when they will assess re-inspection fees to ensure all contractors are treated consistently and equitably.

Mowing Division Response to Internal Control Weakness 1

Agree Disagree Partially Agree

The Mowing Division will institute all written procedures as recommended above.

Internal Control Weakness 2 *Various Deficiencies in the Mowing Division's Database*

We found several deficiencies in the Mowing Division's database for tracking mowing and inspections of parcels. During our audit, the Mowing Division transitioned to a new database. We only performed limited procedures on the new mowing database because it was not used during the audit scope. If we were able to confirm the issue was addressed in the new mowing database, we have noted it next to the issue.

1. Input controls for parcel size were non-existent (e.g., parcel could be input as a size larger than Duval County).
2. Password requirements were insufficient. There were not specific password rules.
3. Mowing contractors could enter a proposed mow date into the mowing database after the actual mow date was entered. This could allow the mowing contractor to appear compliant with the mowing schedule when in fact they were not. [We tested for this ability in the new mowing database and found the mowing contractor could not edit the proposed mow date at all.]
4. The Mowing Division's inspectors could change the actual mow dates entered by mowing contractors, which like the item above, could bring a contractor into or out of compliance and could impact the penalties calculated for the contractors. [We tested for this ability in the new mowing database and found the inspectors could not edit the actual mow dates.]
5. The administrator of the database could see every user's password.
6. The mowing database did not have an audit log. [We asked about an audit log in the new database. The vendor responsible for creating the database said that while the new mowing database does not have an audit log, each task in the database notates the user and time when the task is entered and last modified.]

The above deficiencies create an increased potential of intentional or unintentional manipulation of data in the mowing database that could undermine contract requirements. This could lead to inaccurate payments to the mowing contractors.

Recommendation to Internal Control Weakness 2

We recommend that the Mowing Division work with the vendor who created the database to address the unresolved items.

Mowing Division Response to Internal Control Weakness 2

Agree Disagree Partially Agree

We will consult with our database vendor to remedy all unaddressed issues noted above, if financially feasible.

Internal Control Weakness 3 *Issues with User Access Rights to the Mowing Database*

During our review of user access rights for the mowing database, we identified issues with 29 out of 76 users reviewed:

1. 28 of the 76 (37%) users had unneeded access to the database (23 should have been terminated and 5 were given access by mistake).
2. For 1 user designated as an inspector, they were given administrative access because of their unique responsibilities in the Mowing Division. However, they could carry out their duties with another user role specifically created for the user. Administrative access gives a user the ability to create new users and edit parcel information for all City-mowed properties. Therefore, the administrative access was not needed.

In addition, one user had two usernames with the same user role. There is a heightened risk that, upon termination, this person may still have access to the database (i.e., only one of the usernames gets deleted by an administrator and the other one is forgotten).

Recommendation to Internal Control Weakness 3

We recommend that the Mowing Division implement a documented process to periodically (e.g., quarterly) review access rights to prevent unauthorized access and permissions in the mowing database.

Mowing Division Response to Internal Control Weakness 3

Agree Disagree Partially Agree

Our database vendor has agreed to send the mowing database access list to us on a quarterly basis. We will review this list and ensure that only appropriate individuals have access and that any permissions are correct.

Internal Control Weakness 4 *Standard Operating Procedures (SOPs) Not Updated*

During our review of the Mowing Division’s procedures, we found that the procedures still reference older financial and procurement systems. Also, the procedures for inspectors did not reference duties for certain City property types. Without updated SOPs, certain processes within the Mowing Division may not be performed as intended by management.

Recommendation to Internal Control Weakness 4

We recommend that all the Mowing Division’s SOPs be updated.

Mowing Division Response to Internal Control Weakness 4

Agree Disagree Partially Agree

The Mowing Division’s SOP's will be updated as recommended.

Internal Control Weakness 5 *Lack of Policy Related to Frequency of Inspections*

The Mowing Division did not have written policies and procedures in place regarding when and how often parcels should be inspected to ensure each type of parcel is inspected on a regular basis. To illustrate the issue, we found that the Mowing Division did not inspect 871 out of 3,062 parcels, or 28%, in the three-month period between July and September 2020 based on data input into the mowing database. This included no parcels in the LaVilla area (65 parcels) and a majority of the tax-reverted properties (248 out of 428 parcels) not being inspected during that period.

Given that July, August, and September are in the summer, when mowing occurs most frequently, inspections are a significant control for reducing the risk that mowing contractors will not mow as often as required by the mowing contracts.

Recommendation to Internal Control Weakness 5

We recommend that the Mowing Division create written policies and procedures that indicate when and how often a parcel should be inspected to ensure that parcels of each type are inspected on a regular basis.

Mowing Division Response to Internal Control Weakness 5

Agree Disagree Partially Agree

The three-month period between July and September 2020 was during the height of the COVID-19 pandemic which affected all of our operations, including inspections. The Mowing Division will create written policies and procedures for inspections as recommended.

We appreciate the assistance and cooperation we received from the Mowing Division throughout the course of this audit.

Respectfully submitted,

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