

PARKS AND RECREATION DIVISION

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Winner of the National Gold Medal Award for Excellence in Park and Recreation Management
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MEMORANDUM

TO: Broward County Board of County Commissioners

FROM: Pamela Brangaccio, County Administrator

THRU: Larry Lietzke, Director, Community Services Department *LL*
MTG Michael Geoghegan, Director, Finance and Administrative Services Dept.

FROM: Bob Harbin, Director, Parks and Recreation Division *Bob Harbin / m*
Brenda Billingsley, Director, Purchasing Division *BGB*

DATE: **REVISED August 8, 2007**

RE: Response to Audit Report No. 07-17, dated July 25, 2007

This submittal is in response to Audit Report No. 07-17, Parks and Recreation Division Delegated Purchases Review, dated July 25, 2007.

The Audit assess Parks and Recreation Division's (Parks) compliance with applicable County Designated Purchasing policies and procedures for procurement of goods and services valued at \$3,500 or less and compliance with County policies and procedures for Purchasing Card (P-Card) transactions for procurement of goods valued at \$1,000 or less and for travel related expenses valued at \$2,000 or less.

Finding 1 – Seventy percent of the delegated purchase order transactions reviewed were not compliant with the documentation required of the County's Delegated Purchasing policies and procedures.

Overview of Management Response

The Audit identified 26 Delegated Purchase Orders (PDs) containing 36 instances of non-compliance.

Two-thirds (24), of the identified non-compliant PDs were errors of omission, such as incomplete documentation on the purchase requisitions, requisitions not signed by the requestor, and inadequate vendor response information; including quotation date,

delivery terms, and name of vendor representative providing the price quotation. The other one-third (12), include five purchase orders the County Auditor's Office perceived as transaction splitting when we procured ongoing security services from the Pembroke Pines Police at CB Smith Park for residents displaced by Hurricane Wilma. These purchases from the City of Pembroke Pines for police security provided a reasonable level of security to hurricane homeless individuals that had been relocated to this campground. A formal agreement was quickly prepared between the County and the Federal Emergency Management Agency.

The four identified purchase order using expired price agreements occurred when Park CABs relied upon an e-mail response from a Purchasing Division agent directing continued use of the expired price agreement in question.

Recommendation 1

- 1. Provide immediate remedial training to all Parks Certified Agency Buyers (CABs) and Approvers on both the designated purchasing program policies and procedures and SBDD requirements.**

Management Response to Recommendation 1

As of June 8, 2007, all CABs and Approvers for the Parks and Recreation Division have successfully completed the Purchasing Division's now mandatory remedial training on both the Delegated Purchasing Program policies and procedures and SBDD requirements.

Recommendation 2

- 2. Implement periodic monitoring of Parks delegated Purchasing transactions for compliance with policies and procedures.**

Management Response to Recommendation 2

The Purchasing Division will begin to monitor the Parks and Recreation Division by conducting a CAB audit within three months. After successful completion of that audit, the Parks and Recreation Division will be put on a regular yearly audit schedule to ensure compliance.

Recommendation 3

- 3. Hold CABs and Approvers accountable for compliance with County policies and procedures.**

Management Response to Recommendation 3

Parks and Recreation Division CABs and Approvers have individually and collectively been made fully aware that compliance with all approved County Delegated Purchasing policies and procedures, including P-Cards, are now considered benchmark directive compliance performance measures. Furthermore, any future instances of non-compliance will be subject to the County's progressive disciplinary policies and procedures. On a case by case basis and depending upon the nature of the infraction, that discipline could include a period of suspension and/or termination

Recommendation 4

- 4. Implement purchasing procedures to renew price agreements timely.**

Management Response to Recommendation 4

The Purchasing Division's policy is to have price agreements renewed or replaced within a minimum of 30 days prior to expiration of renewal dates. Internal procedures are in place to monitor this task. Currently, over 52% of the price agreements are replaced or renewed at least 30 days prior to their expiration dates, and we continually work to increase that percentage.

Additionally, the Purchasing Division and the Parks and Recreation Division will work together to develop agreements for emergency and other desired services with local law enforcement agencies having jurisdiction in the same municipality as the County park.

Finding 2

No instances of non-compliance were identified in the sample of P-Card transactions tested.

Recommendation

None

Management Response to Recommendation 2

The Parks and Recreation Division is the largest user of P-Cards (184) in County government.

In FY 2006, the Division's annual P-Card usage exceeded \$1.6 million and is projected for FY 2007 to exceed \$1.7 million.

We appreciate the validation by the County Auditor that our hard work and diligence has resulted in no finding of non-compliance.