



MIAMIBEACH

BUDGET AND PERFORMANCE IMPROVEMENT
Internal Audit Division

INTERNAL AUDIT REPORT

To: Jorge M. Gonzalez, City Manager
VIA: Kathie G. Brooks, Budget and Performance Improvement Director
From: James J. Sutter, Internal Auditor

Date: March 31, 2008
Audit: Rapid Carting, Corp.
Period: May 2005 to January 2008

This report is the result of a scheduled audit of the Roll-Off Fee Returns for Rapid Carting Services Corp., (Rapid Carting).

INTRODUCTION

A roll-off is defined as a container with a minimum capacity of ten cubic yards designed to be transported by a motorized vehicle. They are typically used for the purpose of removing construction debris, which include rock, metal and other materials used in connection with a construction project or for the removal of large quantities of trash and bulky waste.

Approximately thirty companies currently possess business tax receipt to operate roll-offs within the City's boundaries. In return, they are required to abide by the terms outlined in the City Code. This includes the remittance of franchise fees equaling 16% of Miami Beach gross receipts to the City's Finance Department by the end of the subsequent month, filing various reports, maintaining sufficient insurance, etc.

Rapid Carting's majority line of business is to provide waste services and the rentals of roll off containers. Since April 2005, Rapid Carting has been registered with the City to perform roll off services and has paid the City's annual business tax.

OVERALL OPINION

Based upon the examination of both Rapid Carting's and City's records, we have confirmed that the company has not performed any roll off services within the City. Therefore monthly reports were not required during this period. Rapid Carting has complied with the provisions of the City Code's during the audit period.

PURPOSE

The purpose of this audit is to determine whether all roll-off waste contractor billings were correct, and whether all City revenues were correctly calculated, received timely and accurately recorded by the

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City, and the contractor was in compliance with designated sections of the City Code and related Ordinances.

FINDINGS

Rapid Carting has paid the City's annual business tax since April 2005 and the tax has been currently renewed for \$545. During this time the company has not filed any monthly roll off franchise returns due to not performing any roll off business with the City. Per inquiry from the company's owner, the business tax has been renewed with the anticipation of conducting business within the City.

Operational procedures and internal control used for the delivery of roll off containers, scheduling pick-ups, processing invoices, collecting of payments and terminating of accounts were evaluated to ensure that all revenues were being reported on the company's records. We then reviewed the company's master vendor listing records and tested a sample of invoices for the location of roll-off services provided by the company. From our review, we could not find any services with addresses in the City of Miami Beach for roll offs. Furthermore, a review of the City's Permit Plus system did not reveal any roll off permits issued by the Sanitation department or violations issued by Code Enforcement.

We verified that Rapid Carting have obtained the required business tax receipt to operate roll off in the City of Miami Beach during the audit period. We received the required insurance certificate from Rapid Carting and had Risk Management approved the insurance certificate naming the City as additional lien holder.

In conclusion, Rapid Carting records and documents showed that they had no roll off container services in the City of Miami Beach during the audit period. We will continue to monitor gross receipts returns for compliance.

JJS:CD

Audit performed by Carmin Dufour

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cc: Robert Middaugh Jr., Assistant City Manager
Fred Beckmann, Public Works Director
Alberto Zamora, Sanitation Director
Patricia Walker, Chief Financial Officer
Rolando Cuellar, Rapid Carting, Corp. (Owner)