



**CITY OF MIAMI BEACH,
FLORIDA**

**SINGLE AUDIT REPORT IN ACCORDANCE WITH
UNIFORM GUIDANCE AND CHAPTER 10.550 RULES
OF THE AUDITOR GENERAL
For the Year Ended September 30, 2018**

CITY OF MIAMI BEACH, FLORIDA
SINGLE AUDIT REPORT IN ACCORDANCE WITH
UNIFORM GUIDANCE AND CHAPTER 10.550
RULES OF THE AUDITOR GENERAL
For the Year Ended September 30, 2018

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

The Honorable Mayor and City Commissioners
City of Miami Beach, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Miami Beach, Florida (the "City") as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 29, 2019. Our report includes a reference to other auditors who audited the financial statements of the City of Miami Beach Florida Employees' Retirement Plan, as described in our report on the City's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. Our report also includes a reference to other auditors who audited the financial statements of the City Pension Fund for Firefighters and Police Officers, as described in our report on the City's financial statements. The financial statements of the City Pension Fund for Firefighters and Police Officers were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2018-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The City's Response to Findings

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Crowe LLP

Miami, Florida
March 29, 2019

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND STATE FINANCIAL ASSISTANCE PROJECT; REPORT ON INTERNAL CONTROL OVER
COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE REQUIRED BY THE UNIFORM GUIDANCE AND
CHAPTER 10.550 RULES OF THE AUDITOR GENERAL

The Honorable Mayor and City Commissioners
City of Miami Beach, Florida

Report on Compliance for Each Major Federal Program and State Financial Assistance Project

We have audited the City of Miami Beach, Florida's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of the City's major federal programs and state financial assistance projects for the year ended September 30, 2018. The City's major federal programs and state financial assistance projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state financial assistance projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs and state financial assistance projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General. Those standards, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program and state financial assistance project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state financial assistance project. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program and State Financial Assistance Project

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state financial assistance projects for the year ended September 30, 2018.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state financial assistance project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state financial assistance project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program and state financial assistance project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program and state financial assistance project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program and state financial assistance project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Miami Beach, Florida, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 29, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General* and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial

statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

Crowe LLP
Crowe LLP

Miami, Florida
May 16, 2019

CITY OF MIAMI BEACH, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
Year Ended September 30, 2018

Federal Grantor/Pass-Through Entity Program Title	Federal CFDA Number	Grant/Contract Number	Current Year Expenditures	Outstanding Loan Balance	Adjustments to Prior Year Expenditures	Total Current Year Expenditures	Passed through to Subrecipients
FEDERAL GRANTS:							
U.S. Department of Agriculture							
Passed-through the State of Florida Department of Agriculture and Consumer Services:							
Cooperative Forestry Assistance Act - Urban Forestry - Protecting and Restoring Urban Tree Canopy for Stormwater Management							
	10.664	16-DG-11083112-001	\$ 29,247	\$ -	\$ -	\$ 29,247	\$ -
Total U.S. Department of Commerce			29,247	-	-	29,247	-
U.S. Department of Housing and Urban Development							
Direct Programs:							
Community Development Block Grant/ Entitlement Grants	14.218	B-17-MC-12-0014	351,989	-	-	351,989	47,960
Community Development Block Grant/ Entitlement Grants	14.218	B-13-MC-12-0014	-	-	(176,008)	(176,008)	-
Community Development Block Grant/ Entitlement Grants	14.218	B-09-MC-12-0014	-	-	(39,508)	(39,508)	-
Community Development Block Grant/ Entitlement Grants	14.218	B-12-MC-12-0014	39,085	-	(68,908)	(29,823)	-
Community Development Block Grant/ Entitlement Grants	14.218	B-14-MC-12-0014	-	-	(51,725)	(51,725)	-
Community Development Block Grant/ Entitlement Grants	14.218	B-15-MC-12-0014	101,583	-	-	101,583	-
Community Development Block Grant/ Entitlement Grants	14.218	B-16-MC-12-0014	300,816	-	-	300,816	-
Total Community Development Block Grant - Entitlement Grants Cluster			793,473	-	(336,149)	457,324	47,960
Home Investment Partnerships Program	14.239	M-13-MC-12-0212	85,376	-	-	85,376	-
Home Investment Partnerships Program	14.239	M-10-MC-12-0212	-	-	(742,269)	(742,269)	-
Home Investment Partnerships Program	14.239	M-16-MC-12-0212	240,344	-	-	240,344	-
Home Investment Partnerships Program	14.239	M-15-MC-12-0212	5,000	-	-	5,000	-
Home Investment Partnerships Program	14.239	M-17-MC-12-0212	36,582	-	-	36,582	-
Total HOME Investment Partnerships Program			367,302	-	(742,269)	(374,967)	-
Passed-through Miami-Dade County:							
Supportive Housing Program - FY 2017/Continuum of Care - City of Miami Beach Outreach Program							
	14.267	FL0177L4D001710	21,028	-	-	21,028	-
Total Homeless Trust Grants			21,028	-	-	21,028	-
Total U.S. Department of Housing and Urban Development			1,181,803	-	(1,078,418)	103,385	47,960
U.S. Department of Justice							
Direct Programs:							
Edward Byrne Memorial Justice Assistance Grant Program - JAG Program (FY2015) - Miami Beach Electronic Records Improvement Project							
	16.738	2015-DJ-BX-0953	62,874	-	-	62,874	-
Total Edward Byrne Memorial Justice Assistance Grant Program			62,874	-	-	62,874	-

See accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

(Continued)

CITY OF MIAMI BEACH, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
Year Ended September 30, 2018

Federal Grantor/Pass-Through Entity Program Title	Federal CFDA Number	Grant/Contract Number	Current Year Expenditures	Outstanding Loan Balance	Adjustments to Prior Year Expenditures	Total Current Year Expenditures	Passed through to Subrecipients
Passed through the Florida Attorney General:							
VOCA -VICTIMS OF CRIME ACT - 2016/2017	16.575	VOCA-2016-MBPD-00179	\$ 58,803	\$ -	\$ -	\$ 58,803	\$ -
VOCA -VICTIMS OF CRIME ACT - 2017/2018	16.575	VOCA-2017-MBPD-00001	432,935	-	-	432,935	-
			<u>491,738</u>	<u>-</u>	<u>-</u>	<u>491,738</u>	<u>-</u>
Direct Programs:							
Edward Byrne Memorial Competitive Grant Program - City of Miami Beach Smart Policing Initiative for Body-Worn Camera Data-Sharing							
	16.751	2015-WY-BX-0002	132,541	-	-	132,541	-
Federal Equitable Sharing Agreement							
	16.922	FL0130700	117,694	-	-	117,694	-
Total U.S. Department of Justice			<u>804,847</u>	<u>-</u>	<u>-</u>	<u>804,847</u>	<u>-</u>
U.S. Department of Transportation							
Passed through the Florida Department of Environmental Protection:							
Highway Planning and Construction - Recreational Trails Program							
	20.219	T14034/T1434	199,993	-	-	199,993	-
Passed through the Florida Department of Transportation:							
Highway Planning and Construction - Middle Beach Recreational Corridor Phase 2							
	20.205	G0I26	658,173	-	-	658,173	-
Highway Planning and Construction - Safe Routes to School - Fienberg-Fisher K-8 Center							
	20.205	D617-028-B/GOK85	105,390	-	-	105,390	-
Highway Planning and Construction - Safe Routes to School Infrastructure Project - Biscayne Elementary School							
	20.205	D617-030-B/G0K83	232,378	-	-	232,378	-
Highway Planning and Construction - Safe Routes to School Infrastructure Project - North Beach Elementary School & Nautilus Middle							
	20.205	D617-029-B/G0K84	84,309	-	-	84,309	-
Highway Planning and Construction - Beach Walk II Construction (3rd to 5th Streets along Beach)							
	20.205	GO071	734,780	-	-	734,780	-
Passed through the Florida Department of Transportation: Passed through the University of North Florida Training and Services Institute, Inc.:							
Highway Planning and Construction - FDOT - UNF - Pedestrian and Bicycle Safety - 2019							
	20.205	G0Y79/433144-1-8404	812	-	-	812	-
Passed through the Florida Department of Transportation: Passed through the University of South Florida Board of Trustees:							
Highway Planning and Construction - FDOT - USF Pedestrian and Bicycle Safety - 2018							
	20.205	G0O23/433144-1	35,000	-	-	35,000	-
Total Highway Planning and Construction Cluster			<u>2,050,835</u>	<u>-</u>	<u>-</u>	<u>2,050,835</u>	<u>-</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

(Continued)

CITY OF MIAMI BEACH, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
Year Ended September 30, 2018

Federal Grantor/Pass-Through Entity Program Title	Federal CFDA Number	Grant/Contract Number	Current Year Expenditures	Outstanding Loan Balance	Adjustments to Prior Year Expenditures	Total Current Year Expenditures	Passed through to Subrecipients
Passed through the Florida Department of Transportation:							
State and Community Highway Safety Program (NHTSA 402 Funds) - Miami Beach Police Department Motorcycle Safety Campaign	20.600	G0P94	\$ 65,000	\$ -	\$ -	\$ 65,000	\$ -
Total Highway Safety Cluster			65,000	-	-	65,000	-
Total U.S. Department of Transportation			2,115,835	-	-	2,115,835	-
U.S. Department of Homeland Security							
Direct Programs:							
Port Security Grant Program - Counter Terrorism and Security Maritime Capability Upgrade	97.056	EMW-2016-PU-000231-S01	18,079	-	-	18,079	-
Passed through the City of Miami:							
Homeland Security Grant Program - Urban Area Security Initiative 2016	97.067	17-DS-V9-11-23-02-346	96,753	-	-	96,753	-
Total U.S. Department of Homeland Security			114,832	-	-	114,832	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 4,246,564	\$ -	\$ (1,078,418)	\$ 3,168,146	\$ 47,960

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CITY OF MIAMI BEACH, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
Year Ended September 30, 2018

State Project/Pass-Through Entity Program Title	Federal CFDA Number	Grant/Contract Number	Current Year Expenditures	Outstanding Loan Balance	Adjustments to Prior Year Expenditures	Total Current Year Expenditures	Passed through to Subrecipients
State of Florida, Department of Environmental							
Direct Programs:							
Statewide Surface Water Restoration and Wastewater Projects (Clean Water State Revolving Loan Agreement)	37.077	SW131300	\$ 1,765,769	\$ 5,257,069	\$ -	\$ 7,022,838	\$ -
Total State of Florida, Department of Environmental Protection			1,765,769	5,257,069	-	7,022,838	-
State of Florida, Housing Finance Corporation							
Direct Programs:							
State Housing Initiatives Partnership (SHIP) Program	40.901	N/A	325,991	-	-	325,991	-
Total State of Florida, Housing Finance Corporation			325,991	-	-	325,991	-
Florida Department of State							
Direct Programs:							
St. of Fl - Div of Historical Resources - Carl Fisher Club Hous	45.031	18.h.sm.100.052	10,238			10,238	-
28th Street Obelisk Restoration Project	45.032	SC729	58,083	-	-	58,083	-
Total Florida Department of State			68,321	-	-	68,321	-
Florida Department of Transportation							
Direct Programs:							
State Road A1A/Indian Creek Corridor	55.000	AS-343/439228-2-58-01	6,931,228	-	-	6,931,228	-
Public Transit Service Development Program - Middle Beach Trolley	55.012	G0017	285,117	-	-	285,117	-
Total Florida Department of Transportation			7,216,345	-	-	7,216,345	-
Florida Department of Health							
Direct Programs:							
Emergency Medical Services (EMS) Matching Grant	64.003	M5067	56,249	-	-	56,249	-
Total Florida Department of Health			56,249	-	-	56,249	-
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			\$ 9,432,675	\$ 5,257,069	\$ -	\$ 14,689,744	\$ -

See accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

CITY OF MIAMI BEACH, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
September 30, 2018

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the "Schedule") presents the expenditure activity of all federal awards and state financial assistance project of the City of Miami Beach, Florida (the "City") for the year ended September 30, 2018. The City's reporting entity is defined in Note 1 of the City's basic financial statements. All federal awards and state financial assistance project received directly from federal and state agencies, as well as amounts passed through other government agencies are included in the accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance and is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the requirements described in the *Department of Financial Services' State financial assistance projects Compliance Supplement*. Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets or cash flows of the City.

2. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented using the modified accrual basis of accounting for grants which are accounted for in the governmental fund types and on the accrual basis of accounting for grants which are accounted for in the proprietary fund types. Expenditures are recognized following cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

3. NON-CASH AND FEDERAL INSURANCE

There were no non-cash awards or Federal insurance maintained in the current year.

4. LOANS OUTSTANDING

On November 12, 2014, the City of Miami Beach entered into the Clean Water State Revolving Fund Loan Agreement with the State of Florida Department of Environment Protection. The amount of the loan is \$7,500,000 plus \$147,500 of capitalized interest and \$150,000 in loan service fees which amounts to \$7,797,500 to be repaid back to the State. Loan payments commenced on February 15, 2018 and are due semiannually on August 15 and February 15 of each year until all amounts due have been fully paid. The interest rate on this loan is 1.62% per annum. The loan shall be repaid in 40 semiannual loan payments of \$229,001. Loan disbursement from the State to the City will be made for reimbursements of allowable invoiced costs. The loan is secured by the Stormwater fund's pledged revenues and will be repaid with such funds.

The proceeds from the loan are disbursed to the City on a reimbursement basis as eligible expenditures are incurred. The City has repaid \$333,026 of principal as of September 30, 2018. The amount of the loan outstanding at September 30, 2018 is \$6,689,811.

5. NEGATIVE EXPENDITURES

Negative amounts shown on the schedule represent disallowed expenditures relating to the Office of the Inspector General's audit of the City's Housing and Urban Development funds.

CITY MIAMI BEACH, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
September 30, 2018

Section II - Financial Statement Findings

Finding 2018-001

Classification: Significant Deficiency

Criteria or specific requirement: The City should complete a review of all fee changes that are completed in the EnerGov system to ensure accuracy of the fees as approved by ordinance.

Condition: The City did not have a formal procedure to review changes to fees completed in the EnerGov system completed by the senior system analyst in the Building department.

Context: During our testing of Information Technology controls related to the EnerGov system it was determined there are no controls in place related to having an independent review of changes made to fees in the EnerGov system.

Effect: Inaccurate fee changes may result in an improper fee being charged to customers.

Cause: There is no formal written policy to document the review of fee changes completed in EnerGov.

Recommendation: We recommend that a formal written policy be developed which includes a documented independent review of all changes to fees that have been adopted through City ordinance and that there be a quarterly review of EnerGov activity logs for all fee changes.

Views of responsible officials and planned corrective action: At the time of this audit, the Building Department had an informal procedure regarding the changing of fees based on approved City ordinances. The Building Department felt that the procedures in place included sufficient internal checks and balances. The procedures were subsequently formalized into a policy, but the auditors indicated that the policy was not sufficiently adequate for the process.

The City Policy is presently being amended to add an automatic auditing component to any EnerGov programming fee changes. The new policy will provide notification to the IT Department and the Building Department of any changes in the fees made within the EnerGov programming for verification of compliance with City Ordinance. The policy is currently in the review process and should be fully implemented within 60 days.

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

No items noted.

CITY MIAMI BEACH, FLORIDA
SUMMARY OF PRIOR YEAR AUDIT FINDINGS
September 30, 2018

Summary of Prior Year Audit Findings

There were no prior year audit findings

MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

City of Miami Beach, Florida
Management's Corrective Action Plan
For the Fiscal Year Ended September 30, 2018

Audit Finding Number: 2018-001

Contact Person(s): City of Miami Beach Finance Department – Allison Williams, Deputy Finance Director

Corrective Action Planned: The City is working across departments on written policies for fee changes made in EngerGov, the City's permitting system. The policy will include independent review of changes made to fees. In addition, there will be a quarterly review or comparable activity of the EngerGov activity log for fee changes.

Anticipated Completion Date: July 30, 2019.