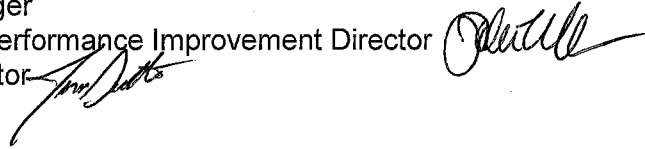


MIAMIBEACH

BUDGET AND PERFORMANCE IMPROVEMENT
Internal Audit Division

INTERNAL AUDIT REPORT

TO: Jimmy L. Morales, City Manager
VIA: John Woodruff, Budget and Performance Improvement Director
FROM: James J. Sutter, Internal Auditor



DATE: May 12, 2015
AUDIT: Double Waste Services, Inc.
PERIOD: January 2013 to February 2015

This report is the result of a scheduled audit of the Roll-Off Fee Returns for Double Waste Service, Inc., (Double Waste).

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 twenty two 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 calculated by using the applicable percentage of Miami Beach gross receipts. Reports are to be submitted to the City's Finance Department by the end of the subsequent month.

Double Waste has been operating in the City of Miami Beach since June 2008. Their line of business is the rental of roll off containers.

BACKGROUND

Previously, Internal Audit conducted an audit of Double Waste for period of October 2009 to December 2012. Our audit report dated March 26, 2013 produced no assessment.

OVERALL OPINION

A review of the company's invoices showed that franchise fees were charged and collected throughout the audit period. Double Waste records showed that franchise fees were remitted timely to the City of Miami Beach. The following gross receipts were reported and fees paid during the audit period:

	2013 Jan-Dec.	2014 Jan-Dec.	2015 Jan-Feb.	TOTAL
Audited Receipts	\$5,750.00	\$9,345.00	2,595.00	\$17,690.00
Roll-Off Fees Due (18%)	\$1,035.00	\$1,682.10	467.10	\$3,184.20

Double Waste has not complied with the City Codes as it relates to reporting requirements for Roll-off contractors. Double Waste has not filed list of accounts upon renewal. A listing of accounts was provided during the audit.

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

SCOPE

1. Review waste contractor's books and records to confirm that their billings were correct; their gross receipts were correctly calculated and support the monthly franchise fee submitted to the City.
2. Confirm that the private waste contractor timely sent the City the required reports in adherence with the terms listed in the City Code.
3. Confirm that the private waste contractor is timely sending the required Monthly Report of Gross Receipts along with their remittance to the City.
4. Confirm that the private waste contractor timely obtained their required annual business tax receipt.
5. Confirm that the private waste contractor timely submitted their annual Certified Public Accountant (CPA) Statements of Gross Receipts to the City (If applicable).
6. Confirm that the private waste contractor has obtained the required insurance in adherence with Section 90-196 of the City Code.
7. Confirm that all monthly Roll-off Fee Return and were timely and correctly recorded in the City's Financial System.

FINDINGS, RECOMMENDATIONS AND MANAGEMENT RESPONSES

Finding – Required Reporting

Double Waste did not submit the following documents in accordance with the listed City Code sections during the audit period:

Section 90-278 (3) states" *The licensed Roll-off waste contractor shall provide the city manager and the sanitation director with a current list of the names and addresses of each account, upon initial application and upon application for renewal of its business license, the frequency of service, the permit number and capacity of each Roll-off container or construction dumpster as per account and the address serviced by each Roll-off container or construction dumpster.*" Double Waste has not provided the City Manager and the Sanitation Director with a current list of names and addresses of each account, upon the initial application and upon application for renewal of its business license, the frequency of service, the permit number and capacity of each Roll-off container. However, a listing of customer names was provided during the audit.

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Recommendation(s)

Going forward, Double Waste must comply with the designated sections of the City Codes by submitting reports to the City Manager and Sanitation Director listing of accounts on an annual basis.

EXIT CONFERENCE

Audit findings were emailed on May 12, 2015 to Double Waste Services, Inc. We confirmed their agreement to our finding.

JJS: CD

Audit performed by Carmin Dufour

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cc: Eric Carpenter, Director of Public Works
Alberto Zamora, Sanitation Director
Patricia Walker, Chief Financial Officer
Francy Rivero, (Owner for Double Waste Services, Inc.)