



MIAMIBEACH

BUDGET AND PERFORMANCE IMPROVEMENT
Internal Audit Division

INTERNAL AUDIT REPORT

To: Kathie G. Brooks, Interim City Manager
From: James J. Sutter, Internal Auditor

Date: March 26, 2013
Audit: Double Waste Services, Inc.
Period: October 2009 to December 2012

This report is the result of a scheduled audit of the Roll-Off Fee Returns for Double Waste Services, 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 thirty companies currently possess business tax receipt demonstrating that they operate roll-offs within the City's boundaries. 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.

BACKGROUND

Previously, Internal Audit conducted an audit of Double Waste for period of June 2008 to September 2009. Our audit report dated November 16, 2009 produced an audit assessment of \$3,980.72 which was subsequently paid. This assessment was attributed to Double Waste not reporting gross receipts to the City of Miami Beach.

OVERALL OPINION

A review of the company's invoices showed that franchise fees were charged and collected throughout the audit period. The following table summarizes the audited gross receipts from roll-off services:

	2009 Sept-Dec.	2010 Jan-Dec.	2011 Jan-Dec.	2012 Jan-Feb.	TOTAL
Audited Receipts	\$700.00	\$6,000.00	\$0.00	\$2,059.32	\$8,759.32
Roll-Off Fees Due (18%)	\$126.00	\$1,080.00	\$0.00	\$370.68	\$1,576.68

Double Waste has generally complied with the provisions of the City Code's during the audit period. However, 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

1. Finding – Required Reporting
Double Waste did not submit the following documents in accordance with the listed City Code sections during the audit period:
 - a. 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

Internal Audit Report
Double Waste, Inc.
March 26, 2013

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 or construction dumpster.

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 e-mailed on March 20, 2013 to Double Waste Services, Inc. We confirmed their agreement to our finding on March 25, 2013.

JJS: CD

Audit performed by Carmin Dufour

F:\obpi\AUD\DOC012-13\ FINAL REPORT FOR DOUBLE WASTE .doc

cc: Jay Fink, Assist. Assistant Director of Public Works
Alberto Zamora, Sanitation Director
Patricia Walker, Chief Financial Officer
Fransy Rivero, (Owner of Double Waste Services, Inc.)