

MIAMI BEACH

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: July 22, 2014
AUDIT: Tripple S. Waste Services, Inc. (Tripple Waste)
PERIOD: August 2012 to October 2013

This report is the result of a scheduled audit of the Roll-off Fee Returns for Tripple Waste Services, Inc.

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 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.

Tripple Waste has been operating in the City of Miami Beach since December 2007. Their line of business is the rental of roll-off.

BACKGROUND

Previously, Internal Audit conducted an audit of Tripple Waste for period of September 2009 to July 2012. Our audit dated September 11, 2012 produced an audit assessment of \$218.95. This assessment was attributed to under reporting of Roll-off revenues. Tripple Waste has paid the total amount of the audit assessment.

This audit was schedule as a result of our division's monitoring of monthly franchise fees filings according to Sec. 90-278. This account had not been recently filing returns. Historically the lack of non-filing of franchise returns has led to the discovery of not reporting revenues to the City. Therefore, we scheduled our audit to confirm whether this account is in compliance.

OVERALL OPINION

Out of fifteen months audited gross receipts, Tripple Waste filed to the City of Miami Beach three months of gross receipts totaling to \$1,004.30. A review of Tripple Waste record showed that Tripple Waste did not have any transactions within the City of Miami Beach for the remaining twelve months. For this reason, there have been no further payments made to the City. The owner has commented that it is not cost effective to service accounts in Miami Beach. Therefore, they chose not to renew their business tax receipt for FY2013-2014.

The following gross receipts were reported and fees paid during the audit period:

	Aug.-Dec. 2012	Jan-Oct. 2013	Total
Audited / Reported Gross Receipts	\$665.30	\$339.00	\$1,004.30
Roll-off Fees (Paid)	\$119.75	\$61.02	\$180.77

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 Returns were timely and correctly recorded in the City's Financial System.

FINDINGS, RECOMMENDATIONS AND MANAGEMENT RESPONSE

The auditee complied with the City of Miami Beach regulations and filed all applicable returns to the City. Therefore, no additional fees are due. Based on our audit, we confirmed that the company did not charge and collect any fees within the City for the thirteen months they reported zero returns. Hence, the company chose not to do any further business within the City. Effective immediately, this final audit will closed this account in the City of Miami Beach.

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Tripple S. Waste Services, Inc.
July 22, 2014

EXIT CONFERENCE

Audit findings were e-mailed on July 14, 2014 to Tripple Waste. We confirmed their agreement to our findings on July 15, 2014.

JJS: CD
Audit performed by Carmin Dufour

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cc: Eric Carpenter, Public Works Director
Alberto Zamora, Sanitation Director
Patricia Walker, Chief Financial Officer
Sandra Gosine, (President of Tripple S. Waste Services, Inc.)