



March 11, 2021

Contract Audit

Morrow Reardon Wilkinson Miller, LTD Contract Audit

Department of Municipal Development
Parks and Recreation Department

Report No. 21-105



City of Albuquerque - Office of Internal Audit

Morrow Reardon Wilkinson Miller, LTD Contract Audit

Contract Audit

March 11, 2021

Audit #21-105

The Office of Internal Audit (OIA) performed a vendor audit of Morrow Reardon Wilkinson Miller, LTD's (MRWM) compliance with its *On-Call Prototype Median and Interstate Design and Construction P7859* with the Department of Municipal Development (DMD) and its *On-Call Landscape Architectural Services contract P5635* with the Parks and Recreation Department (Parks and Recreation). The audit period addressed fiscal years 2018 through the second quarter of 2021. The audit objective was to determine whether MRWM adhered to contract terms and conditions. Specifically, OIA assessed whether:

- MRWM complied with contract key provisions.
- MRWM accurately charged the DMD and the Parks and Recreation for goods and services and whether departments properly paid the amounts due.
- The departments' monitoring procedures and internal controls over the administration of the MRWM contracts are adequate.
- Contracts awarded to MRWM were competitively awarded in accordance with the City's procurement regulations.

Executive Summary

The audit found that the contracts awarded to MRWM were competitively awarded in accordance with City policies. Additionally, the audit found that MRWM complied with key contract provisions. However, billing errors resulted in overpayments made by the City. In a sample of 37 payments tested from a total of 74 total payments remitted across both contracts during the audit period, OIA identified two invoices billed to Parks and Recreation that were mathematically incorrect, resulting in overpayments totaling \$88.56. Further, the audit found that DMD lacks proper segregation of duties, resulting in invoices that are received, reviewed, and approved by the same Project Manager.

DMD and Parks and Recreation agree with the findings and recommendations made. The response of the department is attached as an appendix. OIA will work with the departments to follow up on the status of the open recommendations made in this report.

Recommendations



DMD should:

- Implement a procedure similar to that used by the Parks and Recreation Department, requiring a non-fiscal dual independent review of vendor invoices.

Parks and Recreation should:

- Seek reimbursement for the overpayments totaling \$88.56.
- Validate future billing rates against the labor qualifications of each employee being billed to ensure the rates are in accordance with the contract's Fee Schedule while also validating that rates are aligned with hours worked, amount invoiced and that mathematical errors are addressed prior to payment.

Morrow Reardon Wilkinson Miller, LTD Contract Audit
Department of Municipal Development
Parks and Recreation Department
March 11, 2021

21-105



City of Albuquerque

Office of Internal Audit

March 11, 2021

Accountability in Government Oversight Committee
P.O. Box 1293
Albuquerque, New Mexico 87103

Audit: Morrow Reardon Wilkinson Miller, LTD Contract Audit
Department of Municipal Development
Parks and Recreation Department
Audit No. 21-105

INTRODUCTION

The Office of Internal Audit (OIA) conducted contract compliance audits of the City of Albuquerque's (City) use of the landscape architecture vendor, Morrow Reardon Wilkinson and Miller, LTD (MRWM). MRWM is a local full-service design firm, which offers landscape planning, complete design and design production, irrigation design, and site observation services during construction. OIA examined the Department of Municipal Development's (DMD) *City of Albuquerque On-Call Landscape Architectural Services, On-Call Prototype Median and Interstate Design and Construction P7859* and the Parks and Recreation Department's (Parks and Recreation) *On-Call Landscape Architectural Consultants for Various Landscape Architectural Design Projects P5635*, contracts. The scope of the audit included payments made under both contracts during fiscal years 2018 through the second quarter of 2021. The audit is included in OIA's work plan for fiscal year 2021. The audit

Morrow Reardon Wilkinson Miller, LTD Contract Audit
Department of Municipal Development
Parks and Recreation Department
March 11, 2021

21-105

objective was to determine whether MRWM adhered to contracts' terms and conditions. Specifically, the audit assessed whether:

- MRWM complied with contract key provisions.
- MRWM accurately charged the DMD and Parks and Recreation for goods and services and whether the departments properly paid the amounts to MRWM.
- The departments' monitoring procedures and internal controls over the administration of the MRWM contract are adequate.
- Contracts awarded to MRWM were competitively awarded in accordance with the City's procurement regulations.

Information pertaining to the audit objectives, scope and methodology can be found in Appendix A.

BACKGROUND

The mission of the City's Capital Implementation Program (CIP), a division of DMD, is to enhance the physical and cultural development of the City by implementing the Albuquerque/Bernalillo County Comprehensive Plan (the plan). The plan allows for funding of projects that enhance improvements to public safety and also rehabilitate the City's aging infrastructure such as roads, drainage systems and water and wastewater network. Additionally, funding allows for improvements to recreational spaces such as the zoo, libraries, museums, athletic facilities, parks and trails.

The plan is primarily funded through the City's General Obligation (GO) Bond Program and the City's Enterprise Fund revenue bonds. Additional funding for the plan is raised through impact fees, Metropolitan Redevelopment/Tax Increment Financing, Community Development Block Grant Funds, Special Taxes, and Gross Receipts Tax Backed Revenue Bonds.

When funding through the plan is made available, departments opting to utilize the professional services of an engineer, architect or landscape architect must procure these services through the CIP's Selection Advisory Committee (SAC). City policies require all departments in need of professional services such as engineering, architecture and

Morrow Reardon Wilkinson Miller, LTD Contract Audit
 Department of Municipal Development
 Parks and Recreation Department
 March 11, 2021

21-105

landscape architecture design to procure these services through the use of the SAC, a subdivision of the CIP. SAC works as a liaison between departments and the professional community to initiate the request for proposal process and evaluate respondents on set merit-based criteria, ultimately referring the highest scoring respondent to the Mayor and City Council for further review.

The *City of Albuquerque On-Call Landscape Architectural Services, On-Call Prototype Median and Interstate Design and Construction, P7859* and the *Landscape Architectural Consultants for Various Landscape Architectural Design Projects for the Department of Parks and Recreation, P5635* are two examples of projects that have been funded and procured through the CIP. In fiscal year 2018, Morrow Reardon Wilkinson Miller, LTD (MRWM) was awarded two contracts with the City through the SAC procurement process.

In 2017, both DMD and Parks and Recreation entered into contracts with MRWM. The table below details key contract terms, including the fee for service that was in effect at the time of the audit review.

Project Title:	
On-Call Landscape Architectural Services, On-Call Prototype Median and Interstate Design and Construction for the Department of Municipal Development	Landscape Architectural Consultants for Various Landscape Architectural Design Projects for the Department of Parks and Recreation
Project Number	
P7859	P5635
Contract Terms:	
9/1/2017 through 9/1/2020	10/16/2017 through 10/16/2022
<i>Not to Exceed:</i>	
\$750,000	\$700,000
Billed to Date:	

Morrow Reardon Wilkinson Miller, LTD Contract Audit
 Department of Municipal Development
 Parks and Recreation Department
 March 11, 2021

21-105

\$336,108.91		\$697,172.70	
Contract Goals:			
Landscape Architect will provide design and construction administration services to the City for landscaping design projects on an on-call as needed basis.		Landscape Architect will provide design services for parks and recreation facilities.	
Basic Hourly Fee Schedule:			
<u>Category</u>	<u>Base Rate</u>	<u>Multiplier¹⁻</u>	<u>Billing Rate</u>
Principal	\$48.40	2.97	\$144.00
Associate Landscape Architect	\$35.35	2.97	\$123.00
Senior Landscape Architect	\$30.00	2.97	\$89.00
Landscape Architect	\$23.50	2.97	\$70.00
Landscape Designer	\$18.30	2.97	\$54.00
Project Administrator	\$20.40	2.97	\$61.00

The DMD *On-Call Prototype Median* project is unique in that it was first initiated by the City in 2004 with MRWM winning the original contract. The *On-Call Prototype Median* contract has since gone up for re-solicitation, with MRWM winning the contract twice in the last ten years. The original contract required MRWM to create landscape design prototypes that through the terms of the contract became the property of the City to use with any future vendor. These landscape design prototypes allow for ease of maintenance while also providing continuity in design and structure throughout the City. Furthermore, the use of the prototypes ensures that plants and shrubs will be drought tolerant and will also assist in the City's water conservation initiative. Neighborhoods receiving the median design are then allowed to choose from the prototypes, selecting among various forms of trees,

1 - The base rate is defined as the landscape vendor employee's regular salary for a 40-hour week divided by 40. The terms of the contracts then allow for a 2.97 multiplier to be applied to this rate resulting in the actual billing rate charged by the vendor.

Morrow Reardon Wilkinson Miller, LTD Contract Audit
Department of Municipal Development
Parks and Recreation Department
March 11, 2021

21-105

shrubby and rock design. In addition to the conceptual design, several additional design elements must be accounted for in each new prototype median design project. These include, irrigation systems, water conservation regulations, utilities and civil engineering design features such as curb height and median length and width, and clear sight angles that are unique to each structure. Under the terms of the contract, MRWM works with the City to ensure that these design elements are met while also acting as the construction administrator for the City thereby helping to procure the services of landscape contractors to complete the actual labor.

At the completion of construction of a particular segment of medians, the landscape contractor enters an extended warranty period with the City in which the landscape contractor will maintain the completed median for two years, overseeing everything from weed control and debris removal to litter services and structural maintenance. MRWM works with the City on a monthly basis to review the warranty work and also to ensure that all plant material is healthy and proper replacements are planted should the need arise.

While pre-designed prototypes are not utilized by MRWM for projects initialized by Parks and Recreation, the overall design process is similar. In addition to the conceptual design MRWM works with Parks and Recreation to ensure that landscaped spaces meet the City's diverse requirements. These again include irrigation systems, water conservation, drought resistant plants, and other site-specific design solutions. In the case of playgrounds, MRWM works with the City to ensure equipment is accessible for all children, easy to maintain and deters vandalism.

The Parks and Recreation projects include an extended warranty period with the City for one year. The warranty for Parks and Recreation projects is solely for plant material and irrigation systems and again allows for proper plant replacement should the need arise. At the completion of the warranty, MRWM is required to conduct an on-site walkthrough with the City to verify the work is complete and meets the scope of the project outline.

FINDINGS

1. WHILE MRWM GENERALLY COMPLIED WITH KEY CONTRACT PROVISIONS CON IT, INCORRECTLY BILLED THE CITY, RESULTING IN OVERPAYMENTS TOTALLING \$88.58.

Morrow Reardon Wilkinson Miller, LTD Contract Audit
Department of Municipal Development
Parks and Recreation Department
March 11, 2021

21-105

The audit found that MRWM complied with key contract provisions; however, billing errors resulted in overpayments made by the City. In a sample of 37 payments tested totaling \$504,816 from a total of 74 total payments totaling \$1,033,287 remitted across both contracts during the fiscal years 2018 and the second quarter of 2021, OIA identified two invoices billed to Parks and Recreation that were mathematically incorrect, resulting in overpayments totaling \$88.56. OIA noted in one instance the vendor incorrectly billed the City for the hours worked. Specifically, it was noted that the Principal Architect line item listed for 27 hours worked was incorrectly billed at 27.5 hours worked. This fee along with the applicable New Mexico Gross Receipt taxes of 7.875 percent resulted in an overpayment of \$77.67. In another instance, the vendor incorrectly billed the City at the fee associated with the rate of an Associate Landscape Architect (billing rate of \$123.00 per hour) rather than that of the listed Senior Landscape Architect (billing rate of \$89.00 per hour). This incorrect fee along with the applicable New Mexico Gross Receipt taxes of 7.875 percent resulted in an overpayment of \$10.89.²

According to Parks and Recreation management, all vendor invoices undergo a dual independent review by the Parks and Recreation Project Manager and Deputy Director. The Parks and Recreation Project Manager and Deputy Director review the invoices for billing accuracy, ensuring that the invoiced work is complete and in line with the previously submitted project work order. The invoices also undergo a dual review by two members of the Parks and Recreation Fiscal Staff who review for mathematical accuracy and ensure project funding is available to fulfil the request. OIA further noted that while both invoices had signature evidence of this review process, in these two instances, the billing errors were not identified.

While OIA noted only two instances of billing errors in the total 37 payments reviewed between the two departments the City's Administrative Instruction NO: 3-4 *Vendor City and Relations and Responsibilities Relating to Vendor Performance*, states that it is the responsibility of Parks and Recreation to monitor the vendor's progress and performance to ensure services conform to the contractual requirements. Additionally, the Administrative Instruction states that the receiving end-user department shall validate

2 - The remaining \$0.02 difference is attributable to rounding.

Morrow Reardon Wilkinson Miller, LTD Contract Audit
Department of Municipal Development
Parks and Recreation Department
March 11, 2021

21-105

that the services being performed on behalf of the City by the vendor have been performed and have been completed in accordance with contractual requirements.

RECOMMENDATIONS:

The Parks and Recreation Department should:

1. Seek reimbursement from Morrow Reardon Wilkinson Miller, LTD for overpayments totaling \$88.56.
 2. Continue the dual independent review process by both the fiscal and non-fiscal Parks and Recreation staff and continue to validate future billing rates against the labor qualifications of each employee being billed to ensure the rates are in accordance with the contract's Fee Schedule while also validating that rates are aligned with hours worked, amount invoiced and that mathematical errors are addressed prior to reimbursement.
2. DMD LACKS PROPER SEGREGATION OF DUTIES, RESULTING IN INVOICES THAT ARE RECEIVED, REVIEWED, AND APPROVED FOR PAYMENT BY THE PROJECT MANAGER OVERSEEING THE CONTRACT.

While the audit did not identify any instances of invoice or contract fraud, invoice approval best practices recommend that a segregation of duties be maintained to ensure invoices are properly verified and approved. OIA tested 18 payments remitted by DMD to MRWM under the contract and found that in each instance the DMD Project Manager, who is also responsible for initiating work orders, solely reviewed and approved the invoices prior to releasing the invoices to CIP Fiscal for payment processing. According to the DMD Project Manager, a separate review by the DMD Supervisor is not currently a DMD requirement for invoice review and approval. The U.S. General Accountability Office's Standards for Internal Control in the Federal Government state that:

Key duties and responsibilities need to be divided or segregated among different people to reduce the risk of error or fraud. This should include separating the responsibilities for authorizing transactions, processing and

Morrow Reardon Wilkinson Miller, LTD Contract Audit
Department of Municipal Development
Parks and Recreation Department
March 11, 2021

21-105

recording them, reviewing the transactions, and handling any related assets.
No one individual should control all key aspects of a transaction or event.

Segregation of duties is critical to effective internal control because it reduces the risk of mistakes and inappropriate actions. Adequate segregation of duties reduces the likelihood that errors, both intentional and unintentional and will remain undetected by providing for separate processing by different individuals at various stages of a transaction and for independent reviews of work performed.

RECOMMENDATION:

3. The Department of Municipal Development should implement a procedure similar to that used by the Parks and Recreation Department, requiring a non-fiscal dual independent review of vendor invoices.

3. THE CITY COMPETITIVELY SOLICITED AND AWARDED MRWM TWO PROFESSIONAL SERVICES CONTRACTS IN FISCAL YEAR 2018.

The audit found that MRWM was awarded two professional services contracts in accordance with the City's contracting policies. OIA obtained copies of the Selection Advisory Committee Evaluation Forms for the *City of Albuquerque Prototype Median and Interstate Design and Construction, P7859* and the *City of Albuquerque Various Landscape Architectural Design Projects, P5635*. OIA noted the City's call for proposals solicited two scored respondents for the DMD *On-Call Prototype Median* contract and three scored respondents for the Parks and Recreation *On-Call Landscape Architectural Services* contract. OIA further noted that in both instances different SAC scoring panelists were used, allowing for further neutrality in the scoring process.

OIA recalculated the SAC evaluation scoring in accordance with the SAC Rules and Regulations for the two contracts included in the audit scope and noted that in all instances the scoring was consistent among both the committee members and the respondents. OIA calculated the standard deviation for each of the six evaluation criteria in addition to the total calculated score to further validate the findings noting that scores that deviated from the standard were ultimately removed from the final calculated score. OIA noted that the SAC process of eliminating the lowest and highest score for each

Morrow Reardon Wilkinson Miller, LTD Contract Audit
Department of Municipal Development
Parks and Recreation Department
March 11, 2021

21-105

respondent in addition to the point deduction system help to further regulate evaluation scoring and allow for a fair and consistent process.

In addition to the scoring practices, OIA examined the negotiated fees associated with the vendor to ensure the process is fair and consistent. OIA noted that the SAC utilizes the State of New Mexico's Architect's Rate Schedule for all landscape architecture professional service contracts to determine if the fee schedule negotiated with the vendor falls within the State's average rates based on the project size, complexity, type and cost. This further ensures that the City is within reasonable allowances and mitigates risk of contract fraud.

CONCLUSION

By implementing the recommendations detailed in this report, the Department of Municipal Development and the Parks and Recreation Department can improve its ability to more effectively administer, manage and monitor the administration of professional services contracts. The Departments' response to the recommendations made are included in APPENDIX B of the report. We greatly appreciate the assistance of the Department of Municipal Development, the Parks and Recreation Department and Morrow Reardon Wilkinson and Miller, LTD staff that participated throughout this audit and made both their staff and requested documents readily available, as well as the involvement and cooperation of the Capital Improvements Program and the Selection Advisory Committee within the Department of Municipal Development.

Morrow Reardon Wilkinson Miller, LTD Contract Audit
Department of Municipal Development
Parks and Recreation Department
March 11, 2021

21-105

PREPARED:

DocuSigned by:

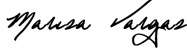


15C18D8E99C84C1...

Sarah Faford-Johnson, Contract Auditor
Office of Internal Audit

REVIEWED:

DocuSigned by:



0F462D006A1E4C8...

Marisa Vargas, Contract Auditor
Office of Internal Audit

APPROVED:

DocuSigned by:



07E2FA5E2FAD4AC...

Nicole Kelley, Acting City Auditor
Office of Internal Audit

APPROVED FOR PUBLICATION:

DocuSigned by:



645A1FA5A6314C3...

Edmund E. Perea, Chairperson, Accountability in
Government Oversight Committee

Morrow Reardon Wilkinson Miller, LTD Contract Audit
Department of Municipal Development
Parks and Recreation Department
March 11, 2021

21-105

APPENDIX A

OBJECTIVES

The audit objective was to determine whether Morrow Reardon Wilkinson Miller, LTD (MRWM) adhered to contract terms and conditions. Specifically, the Office Internal Audit (OIA) assessed whether:

- MRWM complied with the two contract's key provisions.
- MRWM accurately charged the Department of Municipal Development (DMD) and the Parks and Recreation Department (Parks and Recreation) for goods and services and whether the departments properly paid the amounts to MRWM.
- The departments' monitoring procedures and internal controls over the administration of the MRWM contracts are adequate.
- Contracts awarded to MRWM were competitively awarded in accordance with the City's procurement regulations.

SCOPE AND LIMITATIONS

Our audit did not include an examination of all functions and activities outlined in the two MRWM contracts. Our scope was limited to the objectives above and select transactions occurring in fiscal years 2018 through 2021.

Specifically, the scope of the audit did not include the re-calculation of all transactions that have occurred under the two contracts as a judgmental sample was deemed to be appropriate. This report and its conclusions are based on information taken from a sample of financial records, systems, and users and do not represent an examination of all related financial records, systems, and users. The audit report is based on our examination of functions and activities through the completion of fieldwork on January 12, 2021, and does not reflect events after that date.

City management is responsible for establishing and maintaining effective internal control and complying with laws and regulations.

Morrow Reardon Wilkinson Miller, LTD Contract Audit
Department of Municipal Development
Parks and Recreation Department
March 11, 2021

21-105

In performance audits, 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 (1) impairments of effectiveness or efficiency of operations, (2) misstatements in financial or performance information, or (3) noncompliance with applicable laws, regulations, standards, guidelines, and/or best practices. A deficiency in design exists when (a) a control necessary to meet the control objective is missing or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective is not met. In the performance audit requirements, the term significant is comparable to the term material as used in the context of financial statement engagements. A deficiency in operation exists when a properly designed control does not operate as designed, or when the person performing the control does not possess the necessary authority or qualifications to perform the control effectively.

Our consideration of internal control was for the limited purpose described in our audit objectives and was not designed to identify all deficiencies in internal control. Therefore, unidentified deficiencies may exist. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

As part of the performance audit, OIA tested MRWM's compliance with certain key provisions of executed contracts and agreements. In addition, OIA tested DMD and Parks and Recreation's compliance with applicable laws, and regulations in overseeing the administration and execution of the contract compliance.

Noncompliance with these requirements could directly and significantly affect the objectives of our audit. However, opining on compliance with all provisions was not an objective of our performance audit and accordingly, we do not express an opinion.

We conducted this performance audit in accordance with generally accepted government auditing standards for performance audits, as prescribed in *Government Auditing Standards*, issued by the Controller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Morrow Reardon Wilkinson Miller, LTD Contract Audit
Department of Municipal Development
Parks and Recreation Department
March 11, 2021

21-105

METHODOLOGY

Methodologies used to accomplish the audit objectives include but are not limited to the following:

- Interviewed and observed key departmental personnel to gain an understanding of the processes, systems, and data audited;
- Reviewed and analyzed applicable city policies and procedures;
- Reviewed and analyzed the two contracts executed under the audit scope;
- Verified the accuracy and appropriateness of the amounts paid for a sample of 18 payments and related invoices for DMD and 19 payments and related invoices for Parks and Recreation;
- Collected and analyzed proposal respondent scoring evaluation information for the contracts under audit;
- Verified the professional licensure accuracy and professional certification of the vendor employees assigned to the contracts in review;
- Evaluated the results of testing to determine and document if sufficient, appropriate evidence has been obtained to address audit objectives and reduce audit risk to an acceptable level and that evidence is sufficient and appropriate to support findings and conclusion and
- Summarized all findings and provided the auditee with recommendations that will help to strengthen internal control, cost savings, and operating efficiency and effectiveness.

Morrow Reardon Wilkinson Miller, LTD Contract Audit
 Department of Municipal Development
 Parks and Recreation Department
 March 11, 2021

21-105
 APPENDIX B

Recommendations and Responses

For each recommendation, the responsible agency should indicate in the column labeled *Department Response* whether it concurs, does not concur, or partially concurs and provide a brief explanation. If it concurs with the recommendation, it should indicate the expected implementation date and implementation plan. If the responsible agency does not concur or partially concurs, it should provide an explanation and an alternate plan of action to address the identified issue.

Recommendation	Responsible Department	Department Response	OIA Use Only Status Determination*
The Parks and Recreation Department should: 1. Seek reimbursement from Morrow Reardon Wilkinson Miller, LTD for overpayments totaling \$88.56.	The Parks and Recreation Department	<input checked="" type="checkbox"/> Concur <input type="checkbox"/> Do Not Concur <input type="checkbox"/> Partially Concur PRD appreciates the opportunity to provide a response to this audit and we support transparency in government. There was a lot of work that took place in this audit and we want to acknowledge your efforts. Our staff is currently working with MRWM to obtain reimbursement on the miscalculated and over paid amount of \$88. PRD will isolate the issue and create a transaction record that will credit the City rather than creating a check. This would be more appropriate since the project and the contract is still ongoing. What was not surprising is that the audit found no major impropriety; in this case, a review of 37 invoices (50% of the total) found a	<input type="checkbox"/> Open <input checked="" type="checkbox"/> Closed <input type="checkbox"/> Contested

* Status Determination based on audit team's review of the agency's response and proposed corrective action.

Morrow Reardon Wilkinson Miller, LTD Contract Audit
 Department of Municipal Development
 Parks and Recreation Department
 March 11, 2021

21-105
 APPENDIX B

Recommendation	Responsible Department	Department Response	<u>OIA Use Only</u> Status Determination*
		billing error involving about 30 mins of time on a contract with total transactions involving PRD of \$700,000. PRD works and collaborates with multiple City Departments for procurement and contract administration. PRD is pleased that the audit fundamentally confirms that we operation in a sound environment of contract administration. OIA noted that the vendor submitted the requested reimbursement on February 25, 2021. OIA obtained the necessary documentation to verify the credit has been received and applied and as such deems this recommendation closed.	

* Status Determination based on audit team’s review of the agency’s response and proposed corrective action.

Morrow Reardon Wilkinson Miller, LTD Contract Audit
 Department of Municipal Development
 Parks and Recreation Department
 March 11, 2021

21-105
 APPENDIX B

Recommendation	Responsible Department	Department Response	<u>OIA Use Only</u> Status Determination*
<p>The Parks and Recreation Department should:</p> <p>2. Continue the dual independent review process by both the fiscal and non-fiscal Parks and Recreation staff and continue to validate future billing rates against the labor qualifications of each employee being billed to ensure the rates are in accordance with the contract's Fee Schedule while also validating that rates are aligned with hours worked, amount invoiced and that mathematical errors are addressed prior to reimbursement.</p>	<p>The Parks and Recreation Department</p>	<p><input checked="" type="checkbox"/> Concur <input type="checkbox"/> Do Not Concur <input type="checkbox"/> Partially Concur</p> <p>PRD is pleased to know that our department is practicing the preferred manner of reviewing pay applications.</p>	<p><input type="checkbox"/> Open <input checked="" type="checkbox"/> Closed <input type="checkbox"/> Contested</p>
<p>The Department of Municipal Development should:</p> <p>3. The Department of Municipal Development should implement a procedure similar to that used by the Parks and Recreation Department, requiring a non-fiscal dual independent review of vendor invoices.</p>	<p>The Department of Municipal Development</p>	<p><input checked="" type="checkbox"/> Concur <input type="checkbox"/> Do Not Concur <input type="checkbox"/> Partially Concur</p> <p>The Department of Municipal Development agrees with the finding and will implement the changes in March 2021.</p>	<p><input checked="" type="checkbox"/> Open <input type="checkbox"/> Closed <input type="checkbox"/> Contested</p>

* Status Determination based on audit team's review of the agency's response and proposed corrective action.