



April 15, 2021

**Certified Mail**

Mike Carroll  
Solid Waste Division  
1028 Woods Avenue  
Orlando, FL, 32805

RE: Roll-Off Audit of Solid Waste Division (Report No. 21-07R)

Dear Mr. Carroll:

We have completed the franchise fee audit of Solid Waste Division for the period May 1, 2017 to April 30, 2020.

**AUDIT STANDARDS**

This performance audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing. 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.

**OBJECTIVE**

The objective of Audit Services in performing this audit was to determine that the roll-off pull fee revenue was remitted to the City in the proper amounts and in accordance with the franchise agreement, City ordinances, state statutes and other governing regulations.

**SCOPE AND METHODOLOGY**

Our audit was for the period May 1, 2017 through April 30, 2020. The scope of our review consisted of verifying:

- Customer accounts within the City limits were properly coded to identify revenue due to the City.

- The proper number of City-related roll-off pulls was correctly reported to the City, and the correct fee of \$25 per roll-off pull was remitted to the City.
- Copies of service agreements/contracts of all customers in the City have been provided to and approved by the Solid Waste Division Manager.

## **AUDIT FINDINGS**

### **Jurisdiction Review**

No issues found.

### **Service Agreement Violations**

Service agreement violations arise when such contracts are not submitted to and approved by the Division Manager prior to or within twenty-one (21) days of the placement of the container for collection for new and existing customers they service within the City limits. For each container placed for collection without a contract having been submitted to and approved by the Division Manager within the allotted time, a fifty-dollar (\$50) inspection and administration fee shall be paid by the Franchisee to the City.

ASMS reviewed the service agreements list on file with the Solid Waste Division and compared this list to customers on their monthly Franchise Fee Statements for the following selected four (4) months: July 2017, January 2019, December 2019 and January 2020. SWD had 86 roll-offs with no service agreements on file and 583 expired roll-off service agreements. There were a total of 669 service agreement violations. These violations are assessed with a penalty, in accordance with Section 1, Item 2(c) of the franchise agreement, of \$50 per violation. The total amount due as a result of your service agreement violations is **\$33,450**. We have attached copies of the service agreement violation spreadsheet for your records. (See Schedule I)

### **Recordkeeping Issues**

We reviewed service agreements, work orders, dump tickets and the customer list to determine whether the monthly pull reporting was accurate. Our review revealed several recordkeeping issues that we believe could have had a significant impact on the monthly pull reporting. They are as follows:

- Customer list was not properly updated.
- There were 6 roll-offs with no customer signatures on their service agreements. These agreements were also expired, therefore, they were included in the audit finding above. The service agreements were: 275-03 Federal Express and 929-07 Royal Isle.
- There were a total of 86 roll-offs with no service agreements.

## **RECOMMENDATION**

We recommend that Solid Waste Division implement an automated system to facilitate proper documentation and record storage to reduce errors and provide details for all

roll-off transactions (i.e. service agreements, work orders and dump ticket tracking and storage). We should note that this recommendation is a repeat of one made in our prior audit in 2017.

We recommend that management implement an improved practice to keep all service agreements current.

### **VIEWS OF FINDINGS FROM THE RESPONSIBLE OFFICIALS**

These findings have been presented to the auditee who had the opportunity to review the documentation used to arrive at our conclusions.

### **OVERALL CONCLUSION**

Total fees due to the City of Orlando's Solid Waste Division as a result of this audit are **\$33,450**. *We request that you respond to this letter with your payment within 10 days.* Please send your payment to:

Clare Rumprik, Accounting Section Manager  
City of Orlando  
400 South Orange Avenue  
P.O. Box 4990  
Orlando, FL 32802-4990

If you have any questions regarding this report, please contact Leslie Guthrie at (407) 246-3088.

Sincerely,



George McGowan  
Director, Audit Services and Management Support

#### Attachments

cc: Richard Howard, Public Works Director  
Jim Hunt, Deputy Public Works Director  
F.J Flynn, Deputy Chief Administrative Officer  
Jody Litchford, Deputy City Attorney