



Follow-up Review of County-Owned Real Estate

Office of the County Auditor

Follow-up Report

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June 7, 2021



OFFICE OF THE COUNTY AUDITOR

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Honorable Mayor and Board of County Commissioners:

We have conducted a Follow-up Review of our Audit of County Owned Real Estate (Report No. 20-05). The objective of our review was to determine the implementation status of our previous recommendations.

We conclude that of the five recommendations in the original report, we determined that four recommendations were implemented, and one was partially implemented. We commend management for implementing our recommendations. The status of each of our recommendations is presented in this follow-up report.

We conducted this review in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the review to obtain sufficient and appropriate evidence to provide a reasonable basis for our findings and conclusions based on our review objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We appreciate the cooperation and assistance provided by the Real Property Section throughout our review process.

Respectfully submitted,

A handwritten signature in blue ink that reads "Bob Melton".

Bob Melton
County Auditor

cc: Bertha Henry, County Administrator
Andrew Meyers, County Attorney
Monica Cepero, Deputy County Administrator
Lary Mahoney, Director, Real Estate Development
Trevor Fisher, Acting Director, Public Works
Scott Campbell, Director, Facilities Management
Kevin Kelleher, Assistant County Administrator

Broward County Board of County Commissioners

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IMPLEMENTATION STATUS SUMMARY

REC. NO.	PREVIOUS RECOMMENDATION	IMPLEMENTED	PARTIALLY IMPLEMENTED	NOT IMPLEMENTED
1.	We recommend management enhance their system in order to maintain an accurate list of all County owned property and to provide a proper change report to allow for timely review of properties that have been added by the Property Appraisers Office.	✓		
2A.	We recommend management implement procedures to ensure the business use of property owned is periodically evaluated and those properties that should be recommended for disposal are done so timely.	✓		
2B.	We recommend management evaluate staffing levels and business needs to ensure objectives are met and functions are performed efficiently.	✓		
3.	We recommend management prepare and provide an annual report of idle and unused property to the Board in accordance with the Administrative Code.	✓		
4.	We recommend management periodically review and update the Handbook to ensure it reflects current policies and procedures, including systems used and policies and procedures for the handling of vacant property, right of ways, and submerged lands.		✓	

INTRODUCTION

Scope and Methodology

The County Auditor's Office conducts audits of Broward County's entities, programs, activities, and contractors to provide the Board of County Commissioners, Broward County's residents, County management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

We have conducted a follow-up review of our Audit of County Owned Real Estate (Report No. 20-05). The objective of our review was to determine the implementation status of our previous recommendations.

We conducted this review in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the review to obtain sufficient and appropriate evidence to provide a reasonable basis for our findings and conclusions based on our review objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our review objectives.

Our follow-up review included such tests of records and other auditing procedures, as we considered necessary in the circumstances. The follow-up testing was performed for the period January 1, 2019 through March 31, 2021. However, transactions, processes, and situations reviewed were not limited by the audit period.

Overall Conclusion

We conclude that of the five recommendations in the report, we determined that four recommendations were implemented, and one recommendation was partially implemented. We commend management for implementing our recommendations. The status of each of our recommendations is presented in this follow-up report.

OPPORTUNITIES FOR IMPROVEMENT

This section reports actions taken by management on the Opportunities for Improvement in our previous review. The issues and recommendations herein are those of the original review, followed by the status of the recommendations.

1. The Systems Used to Monitor County Owned Property Needed Improvement.

Real Property did not have an independent accurate list of County properties. It relied on lists generated from the Broward County Property Appraiser database. The Property Appraiser's Office could assign the County as owner on vacant parcels and rights-of-way, but Real Property could not readily identify changes that occurred. According to management, in order to continually monitor property inventory, Real Property relied on a weekly system change report, which provided changes made to the property inventory such as newly acquired or disposed properties. This report was intended to direct staff's attention to any changes so that they could be readily assessed. However, the report did not clearly identify these changes – it was cumulative, not in date order, and included only folio numbers without details of the type of changes that occurred. Therefore, it was difficult to review for changes that would require immediate attention.

We recommended management enhance their system in order to maintain an accurate list of all County owned property and to provide a proper change report to allow for timely review of properties that have been added by the Property Appraisers Office.

Implementation Status: Implemented.

2. Business Use Should be Evaluated and Vacant Property Disposed of Timely.

We identified three properties that appeared to not have a reasonable business use for the County and have not been disposed of timely.

- Two vacant parcels out of 40 (5%) properties reviewed did not have a business use and should be disposed. These properties were owned from approximately five to ten years. On June 4, 2019, Management presented these two properties to the Board for approval for transfer to the City of Pompano Beach.
- One of two (50%) submerged lands reviewed represented a finger canal off the New River; however, it was unclear why the County owned the canal when other neighboring canals were not owned by the County. This inconsistency in ownership of these canals brought into

question if consideration should be given to conveying the property. Ownership of waterways should be evaluated to prevent unnecessary costs such as requested property improvements and potential liabilities. This property had been owned for 54 years.

According to staff, there were a substantial number of properties that required an evaluation of business use or disposal. Each property must be reviewed, and a determination made, individually, which would require additional resources.

We recommended management:

- A. Implement procedures to ensure the business use of property owned is periodically evaluated and those properties that should be recommended for disposal are done so timely.
- B. Evaluate staffing levels and business needs to ensure objectives are met and functions are performed efficiently.

Implementation Status:

- A. Implemented.**
- B. Implemented.**

3. Real Property Should Provide an Annual Report of Idle and Unused Property to the Board as Required by the Broward County Administrative Code.

According to Real Property staff, a report of idle and unused property was not completed or provided to the Board. The Broward County Administrative Code, Chapter 6, Part V, requires Real Property to, "provide to the Board in June of each calendar year a report of all idle and unused properties either owned or leased by Broward County, including escheated properties and those properties which have been declared surplus by the Board."

We recommended management prepare and provide an annual report of idle and unused property to the Board in accordance with the Administrative Code.

Implementation Status: Implemented.

4. Standard Operating Procedures Needed to be Updated.

The Real Property Handbook (Standard Operating Procedures) had not been updated since 2010 and was incomplete. The handbook did not provide for the handling of vacant property, right of

ways, or submerged lands. We also noted certain sections listed in the table of contents that were blank within the document. These sections were titled Electronic Database Management, Real Property Administration, and an Appendix for Statutes, Codes, and Forms.

We recommended management periodically review and update the Handbook to ensure it reflects current policies and procedures, including systems used and policies and procedures for the handling of vacant property, right of ways, and submerged lands.

Implementation Status: Partially Implemented. Management has significantly updated the Handbook but has not yet included specific procedures regarding systems used. Management has indicated that it is still implementing an electronic database system (AiM system) and once the system implementation and data conversion that is currently underway is completed will implement the appropriate procedures.