



# CITY OF ORLANDO

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## Office of Audit Services and Management Support

### MEMORANDUM

To: Frank Billingsley, Economic Development Director

From: Beryl H. Davis, CPA, CGFM, Director  
Office of Audit Services and Management Support

Re: Follow-Up of Audit of Community Redevelopment Agency Tax Increment  
Revenue and Downtown Development Board One Mill Tax Revenue (Report No.  
06-16)

Date: July 26, 2006

Attached is a summary of the status of recommendations as determined from our follow-up review of Audit of Community Redevelopment Agency Tax Increment Revenue and Downtown Development Board One Mill Tax Revenue (*Report No. 05-24*), issued September 26, 2005. Our review procedures consisted of staff inquiries and a review of the status of the recommendations provided by management of the responsible agencies. Our follow-up was made in accordance with generally accepted government auditing standards, except that we did not perform substantial tests of evidence supporting the replies from the officials responsible for resolving audit findings and recommendations.

**Two of the five recommendations in the original report were implemented and three others are partially implemented.** The recommendations that are partially implemented regard the CRA and DDB districts' boundaries, which have recently been verified by City Survey staff. CRA staff stated that boundary and associated parcel exceptions will be discussed with Orange County within the current fiscal year, when a suitable date can be set. **We encourage City officials to quickly notify Orange County about errors in the current database and request timely corrections of those errors to ensure the accurate calculation of taxes.**

Mona Mellon, Audit Program Manager, performed this follow-up review.

We wish to thank the officials and personnel of the Economic Development Department for their cooperation and response to the follow-up request.

BHD/am

#### Attachment

c: Honorable Buddy Dyer, Mayor  
Cheryl J. Henry, Chief of Staff  
Byron W. Brooks, Chief Administrative Officer  
Rebecca W. Sutton, Chief Financial Officer  
Jody Litchford, Interim City Attorney  
Richard Howard, City Engineer  
Conrad Cross, Chief Information Officer  
Joyce Sellen, CRA/DDB Project Manager

**REPLY AND IMPLEMENTATION SUMMARY  
FOLLOW-UP OF AUDIT OF CRA AND DDB REVENUE**

#	RECOMMENDATION	RESPONSE	CURRENT STATUS	IMPLEMENTATION DATE	AUDITEE COMMENTS
1.	The CRA and DDB staff should provide the necessary documentation for the appropriate Orange County and OCPA officials to verify and make the necessary parcel coding changes, determine if prior years' payments should be corrected, and ensure the correcting payments occur.	Concur	Partially Implemented	<u>July 2006</u> , Verified CRA/DDB boundaries. <u>3<sup>rd</sup> &amp; 4<sup>th</sup> Quarters 2006</u> , Prepare documentation and meet with Orange County/OCPA	Completion of survey verification of boundaries was 1 <sup>st</sup> step. Revised CRA/DDB boundary maps have been prepared. Other necessary documentation will be prepared in anticipation of the Orange County/OCPA meetings.
2.	The DDB/CRA Executive Director, working with the Management, Budget and Accounting Director, should establish Policies and Procedures about the method for payment of the tax increment revenues from the City and DDB to the CRA, until this is legislatively determined.	Concur	Partially Implemented	October 2006	Met with Management, Budget & Accounting Director plus obtained copy of Attorney General Opinion, which will be the basis of the procedure establishing the method for calculating TIF. A procedure will be written and sent to appropriate persons.
3.	The CRA staff should assemble and maintain in its offices all significant CRA documents.	Concur	Implemented	November 2005	
4.	The CRA and DDB staff should ensure that GIS staff and OCPA have the official legal descriptions and amendments so that properties are properly designated to the respective areas.	Concur	Partially Implemented	<u>July 2006</u> , Survey Division provided GIS the revised boundaries and GIS revised the map boundaries. <u>4<sup>th</sup> Quarter</u> , Anticipate coordinating with OCPA	City Survey Division has plotted the CRA/DDB boundaries to verify boundaries and provide accurate basis for determining if properties are properly designated. Meeting will be set up with Orange County & OCPA.
5.	The CRA and DDB staff should review GIS-produced maps and boundaries for agreement with the OCPA database and the adopted legal descriptions of the CRA and DDB districts.	Concur	Implemented	July 2006	