

Final Audit Follow-Up

As of May 31, 2015



T. Bert Fletcher, CPA, CGMA
City Auditor

Audit of the Tallahassee Community Redevelopment Agency

(Report #1425 issued August 22, 2014)

Report #1510

June 17, 2015

Summary

The Tallahassee Community Redevelopment Agency (CRA) has completed 12 of the 14 action plan steps established to address issues identified in audit report #1425, Audit of the Tallahassee Community Redevelopment Agency, which were due for completion as of March 31, 2015. Because of the CRA's efforts and the nature of the remaining action plan steps, responsibility for ensuring completion of those remaining steps has been turned over to CRA management.

In audit report #1425, we reported the Tallahassee Community Redevelopment Agency (CRA) complied with the requirements in Chapter 163, Florida Statutes (Redevelopment Act), relating to tax increment financing and, except for two areas, the provisions relating to the content and establishment of redevelopment plans. We reported the CRA received the appropriate share of property tax revenues resulting from incremental increases in property values (tax increment financing, or TIF) and that projections of TIF revenues for future years were accurately calculated and reasonable. Overall, statutory reporting requirements were fulfilled. For the most part transactions, events, and activities were proper; appropriate; in compliance with controlling laws, rules, regulations, and good business practices; and properly recorded and supported. Although not formally measured, we also noted that performance of CRA programs was reported to the CRA Board.

The audit identified areas for improvement and enhancement. The CRA needed to establish a process to clearly demonstrate compliance with the Redevelopment Act regarding timely use and commitment of the tax increment financing. Also, two areas were identified in the district redevelopment plans for which revisions were needed to achieve full compliance with the Redevelopment Act. Additionally, internal controls needed to be strengthened relating to: (1) monitoring and enforcement of contractual requirements; (2) classifying expenditures properly; (3) preparing and/or retaining documentation to support and substantiate transactions, events, and activities; (4) ensuring payments are correct and in proper amounts and in accordance with controlling contractual terms and policies and procedures; and (5) properly and accurately recording property acquisitions. Furthermore, CRA management needed to develop and use specific performance measures/indicators to better assess and report the success of CRA activities and programs.

Fifteen action plan steps were developed to address the identified issues. Fourteen of those 15 steps were due for completion no later than March 31, 2015. This follow-up shows that, as of May 31, 2015, 12 of those 14 steps had been completed or resolved. Actions completed pertaining to those 12 steps included:

- Corrected the legal description of the Downtown District's boundary for a scrivener's error (*one action plan step*).
- Improved the records and process to ensure TIF funds remaining at fiscal yearend are used or committed in a timely manner as

required by state statute (*two action plan steps*).

- Enhanced controls relating to general expenditures and related transactions, events, and activities (*seven action plan steps*).
- Developed specific performance measures to periodically assess and report on the success of CRA programs and activities (*one action plan step*).
- Enhanced the CRA Annual Report to include properties acquired and owned by the CRA (*one action plan step*).

In regard to the other two action plan steps, responsibility for ensuring their completion has been turned over to CRA management. Both of those steps pertain to making further enhancements to the CRA Annual Report. Further detail on the status of each of the 14 action plan steps is included in **Table 1** of this report.

Similarly, responsibility for ensuring completion of one additional action plan step, which was not due for completion as of the date of this follow-up engagement, has also been turned over to CRA management. That step pertains to formally amending the Greater Frenchtown/Southside Redevelopment Plan to include language contained in a governing state statute. (Our initial audit showed that the CRA had complied with the applicable statutory provision, although the applicable language was not included in the redevelopment plan.)

We appreciate the cooperation and assistance provided by staff in the CRA and the City's Property Management Division and Accounting Services Section during this follow-up engagement.

Scope, Objectives, and Methodology

We conducted this audit follow-up in accordance with the International Standards for the Professional Practice of Internal Auditing and

Generally Accepted Government Auditing Standards. Those standards require we plan and perform the audit follow-up to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit follow-up objectives.

Report #1425

The scope of report #1425 included selected financial and other activities within the two CRA districts during the period October 1, 2008, through August 31, 2013. The two districts are the Greater Frenchtown/Southside District and the Downtown District. As part of the audit we reviewed the CRA's purchases of properties within the two redevelopment districts; identified, analyzed, and tested activity within selected CRA projects; and provided historical information and maps for the two districts and related projects.

The audit objectives were to:

- Assess the CRA's compliance with selected requirements in Chapter 163, Part III, Florida Statutes, also known as the Community Redevelopment Act of 1969.
- Determine whether selected CRA transactions, events, and activities were proper and appropriate; in compliance with applicable laws, rules, policies, and good business practices; and properly recorded and supported.
- Evaluate the effectiveness of performance measures used to assess and report the successes of the CRA.

Report #1510

This is our first and final follow-up on action plan steps identified in audit report #1425. The purpose of this follow-up is to report on the progress and status of efforts as of May 31, 2015, to complete action plan steps due for completion as of March 31, 2015. To determine

the status of the action plan steps, we interviewed staff, made observations, and reviewed relevant documentation.

Background

Overview. The “Community Redevelopment Act of 1969” authorizes counties and municipalities to create a redevelopment agency for the purpose of addressing slum or blighted areas or a shortage of affordable housing. “Tax increment financing” is a common and effective method for funding such redevelopment. Under that method, incremental taxes assessed and collected on properties located within the defined areas are designated for redevelopment purposes in those areas. As the area is redeveloped, those taxes should increase as the property values increase, thereby providing continuing and additional funding as the area redevelops.

The City established the Tallahassee CRA in 1998 to create a framework for the redevelopment and enhancement of selected areas within the City’s urban district. The City has two distinct community redevelopment areas, also known as districts: (1) the Greater Frenchtown/Southside District established in June 2000 and (2) the Downtown District established in June 2004. One governing body, the CRA Board, has been established to direct and oversee the CRA operations of both areas (districts). The nine-member CRA Board is comprised of the five members of the City Commission (Mayor and four commissioners) and four of the seven Leon County Commissioners. While there is only one governing board, each of the two districts was established separately through resolution and ordinance. Each district also has its own redevelopment plan, advisory committee, tax increment financing methodology, and operating funds.

Prior to fiscal year 2014, CRA staff was managed through the City’s Economic and Community Development Department. Since fiscal year 2014, the CRA executive director reports directly to the City Manager through the

Assistant City Manager for Development and Transportation Services.

Projects and Activities. Redevelopment Act provisions allow CRA funds to be expended for activities described in a district’s approved redevelopment plan. To execute its plans, the CRA Board adopts for each district an annual budget that includes estimated revenues, appropriations for specific programs, administrative expenditures, and amounts reserved for future programs. Program examples as noted in the original audit report (#1425) included the Affordable Housing Program, Land Acquisition and Development Program, Commercial Façade Improvement Grant Program, Retail Incentive Loan Program, Commercial Painting Program, and Promotional/Special Events Program.

For programs such as these, projects are selected through an application process and to be selected, a project must satisfy criteria that have been approved by the CRA Board. CRA staff review project applications and based on the use of the established criteria either recommend approval or denial. The selection criteria differ among the programs. However, some criteria common to several of the programs include: (a) the project must be within the boundary of a redevelopment area and be consistent with the goals and objectives of the redevelopment plan; (b) the applicant must agree to maintain the improvements for at least five years or longer (not applicable to special events/promotions); (c) all work must be performed by a licensed contractor, as applicable; (d) the property being improved must be free from any judgment liens, and all mortgage and tax obligations must be current, as applicable.

Decisions regarding project approval or denial are to be made either by the CRA Board or the executive director, depending on the proposed funding amount (i.e., CRA Board approval is required for the relatively larger projects).

Previous Conditions and Current Status

In audit report #1425, we noted that the CRA (and the City and Leon County, as applicable) complied with the Redevelopment Act provisions related to tax increment financing and, except for two areas, the provisions related to the content and establishment of the redevelopment plans for each district. The CRA received the appropriate share of property tax revenues resulting from incremental increases in property values (tax increment financing) for FYs 2002 through 2013 in accordance with the Redevelopment Act. Projections of the share and amount of property tax revenues to be received during the maximum authorized remaining lives of the districts were calculated accurately and in accordance with management assumptions, which included estimates of the future valuations of newly constructed properties and an average annual two percent growth in taxable values. Overall, the CRA's annual reports and the City's Comprehensive Annual Financial Report (CAFR) fulfilled the reporting requirements in the Redevelopment Act. Furthermore, our audit showed, for the most part, transactions, events, and activities of the CRA were proper and appropriate and in compliance with controlling laws, rules, regulations, and good business practices, and were properly recorded and supported. Additionally, although not formally measured, performance of CRA programs, to an extent, has been reported to the CRA Board.

However, areas for improvement and enhancement were identified. Specifically, the CRA needed to establish a process to clearly demonstrate compliance with the Redevelopment Act regarding timely use and commitment of the tax increment financing (i.e., property tax receipts received by the CRA). Also, two areas were identified in the district redevelopment plans for which revisions were needed to achieve full compliance with the Redevelopment Act. Additionally, internal controls needed to be strengthened relating to: (1) monitoring and enforcement of contractual requirements; (2) classifying expenditures properly; (3) preparing and/or retaining documentation to support and substantiate transactions, events, and activities; (4) ensuring payments are correct and in proper amounts and in accordance with controlling contractual terms and policies and procedures; and (5) properly and accurately recording property acquisitions. Furthermore, CRA management needed to develop and use specific performance measures/indicators to better assess and report the success of CRA activities and programs.

Fifteen action plan steps were developed to address the identified issues. Fourteen of those 15 steps were due for completion no later than March 31, 2015. As shown below in **Table 1**, as of May 31, 2015, 12 of those 14 steps had been completed or resolved. In regard to the other two action plan steps, responsibility for ensuring their completion has been turned over to CRA management. Further detail on the status of each of the 14 action plan steps is included in **Table 1** that follows.

**Table 1
Action Plan Steps from Audit Report #1425
Due as of March 31, 2015, and Current Status as of May 31, 2015**

Action Plan Steps Due as of March 31, 2015	Current Status as of May 31, 2015
Ensure compliance with the Redevelopment Act requirements related to the content in the Districts' Redevelopment Plans.	
<ul style="list-style-type: none"> Clarify the boundaries of the Downtown District to correct the discrepancy between the boundary map and the legal description. <u>Specific Action:</u> The boundary as reflected on Downtown District maps matches the map as shown in the Finding of Necessity for the Downtown District Community Redevelopment Area and in Resolution 02-R-43, which established the boundaries of the Downtown District. The existing boundary legal description discrepancy will be corrected as a scrivener error. 	<ul style="list-style-type: none"> ✓ The legal description was corrected for the scrivener's error through a resolution adopted by the City Commission on December 10, 2014. This action step is completed.
Ensure compliance with the Redevelopment Act requirements related to the timely use and commitment of the Districts' tax increment financing (TIF).	
<ul style="list-style-type: none"> Appropriate at fiscal yearend uncommitted TIF moneys remaining in the trust fund at fiscal yearend to specific projects that are intended to be completed within three fiscal years. <u>Specific Action:</u> Based on the audit findings, starting at the end of FY 2014, any uncommitted yearend tax increment funds (including funds in the existing Land Acquisition, Development and Related Program) will be committed to specific projects that will be completed within three years. 	<ul style="list-style-type: none"> ✓ The CRA provided records demonstrating that uncommitted tax increment financing funds remaining at the end of fiscal year (FY) 2014 had been identified, accounted for through the PeopleSoft Financial System, and committed (appropriated) as part of the FY 2015 budget to specific projects intended to be completed within three years. This action step is completed.
<ul style="list-style-type: none"> Improve the system and/or process to track and document whether TIF moneys remaining in the trust fund at fiscal yearend are used or committed in a timely manner as provided by Section 163.387(7), Florida Statutes. <u>Specific Action:</u> Staff is working with Accounting Services to improve the tracking of tax increment funds, to ensure they are spent or committed in accordance with Section 163.387(7). 	<ul style="list-style-type: none"> ✓ The CRA, with the assistance of Accounting Services, established a process whereby each district's fiscal year tax increment financing (TIF) funds are tracked separately through "master projects" (e.g., FY 2014 Downtown District TIF Master Project). Those master projects (records) are established within the PeopleSoft Financial System and reflect, for each district: (1) TIF funds received for the specific fiscal year, (2) TIF funds transferred from the master project to specific projects that had been appropriated through the CRA budget process, and (3) return of any unused TIF funds

	<p>that had been previously transferred to specific appropriated projects. The balances in those master projects at the end of a fiscal year, representing remaining uncommitted TIF funds for that year, are identified and appropriated at the beginning of the subsequent fiscal year (as part of the budget process) to specific projects for that subsequent fiscal year. The projects to which those remaining TIF funds are appropriated represent projects that are intended to be completed within the three-year period allowed by state statute. Furthermore, each fiscal year’s projects are funded using the “first-in, first-out (FIFO)” concept, where any remaining unused TIF funds from the previous fiscal year are first used to fund specific projects for the subsequent year before TIF funds for that subsequent year are used. That FIFO process inherently helps ensure that TIF funds are timely committed to and used for approved projects in accordance with the intent of governing state statutes. Applicable CRA administrative and project staff are using the revised process and records to monitor timely use of TIF funds. This action step is completed.</p>
<p>Improve controls related to general expenditures and related transactions, events, and activities.</p>	
<ul style="list-style-type: none"> • Enhance processes related to monitoring and enforcement of contractual requirements to ensure post-project deliverables, such as insurance and annual reports, where applicable, are adequately and properly provided in accordance with contract terms and conditions. <u>Specific Action:</u> The CRA is in the process of reorganizing to help ensure the more efficient use of staff resources. As part of the reorganization, the CRA is creating a new position that, among other duties, will monitor agreements for pre- and post-project completion requirements. This new position is expected to be filled by December 31, 2014. 	<ul style="list-style-type: none"> ✓ As was indicated to be done in the action plan step, a program planner (new position) was hired effective April 18, 2015. CRA management indicated a main responsibility of that program planner position is to monitor CRA agreements to ensure contractual requirements are met. CRA management also indicated other CRA staff had already commenced a review of existing contractual requirements for monitoring and oversight purposes at the time of the original audit and were already addressing several of the issues identified in that audit. In addition, our review of selected activity occurring subsequent to the original audit showed that CRA monitoring and oversight efforts have been appropriate. Specifically, our follow-up testing showed required post-event reports and evidence of required insurance coverages were properly and timely obtained and retained in appropriate files. This action step is completed.

<ul style="list-style-type: none"> Implement improvements to ensure expenditures are properly classified to the correct expenditure account and fund. <u>Specific Action:</u> Staff has developed enhanced payment and classification procedures to include charging all programmatic expenses against a project fund. These changes are beginning immediately, but the addition of a new project management position to the CRA staff will also assist in this effort. This new position is expected to be filled by December 31, 2014. 	<ul style="list-style-type: none"> ✓ CRA management indicated this action was being addressed when CRA staff assumed full responsibility for classifying expenditures effective October 1, 2013, when the CRA became a stand-alone department. In addition, as was indicated in the action plan step, a program planner (new position) was hired effective April 18, 2015, to help ensure proper classification of expenditures. Our follow-up analyses and tests showed that expenditures incurred subsequent to the original audit have been properly classified to the correct account and fund. This action step is completed.
<ul style="list-style-type: none"> Enhance procedures to ensure expenditures and other transactions, events, and activities are properly documented and executed in accordance with applicable policies and procedures and good business practices. <u>Specific Action:</u> Staff has already implemented improved control procedures to address the issues described in the audit. Many of the control/procedure issues noted in the audit were addressed when an administrative assistant position was added to the CRA in August 2011 and assumed day-to-day oversight of the various CRA financial transactions. The addition of a project management position to the CRA staff by December 31, 2014, will further enhance internal budget control procedures. 	<ul style="list-style-type: none"> ✓ As was indicated to be done in the action plan step, a program planner (new position) was hired by the CRA effective April 18, 2015. Our follow-up analyses and tests showed that applicable activity (expenditures and disbursements) subsequent to the original audit has been properly documented and executed in accordance with applicable policies and procedures and good business practices. This action step is completed.
<ul style="list-style-type: none"> Implement controls to either stop hand-delivering payments or obtain written receipts from recipients upon delivery. <u>Specific Action:</u> The CRA now requires financial assistance recipients wishing to pick-up the payments to do so directly from the City Treasurer-Clerk’s Asset Liability Division. 	<ul style="list-style-type: none"> ✓ The CRA no longer obtains physical custody of checks generated by the City Treasurer-Clerk’s Asset Liability Division and no longer hand-delivers checks to the respective grantees and program recipients. Such checks are now mailed directly to the grantee/program recipient by the City Treasurer-Clerk’s Asset Liability Division (or picked up by the grantee/program recipient directly from the Asset Liability Division). This revised process eliminates the concern addressed in the original audit regarding the same CRA staff having custody of checks that were generated based on that staff’s actions (i.e., segregation of incompatible duties concern). This action step is completed.
<ul style="list-style-type: none"> Implement controls to strengthen the procurement of services and goods and payment 	<ul style="list-style-type: none"> ✓ CRA management indicated this action was being addressed when CRA staff assumed full

<p>of travel expenditures to ensure CRA funds are spent prudently.</p> <p><u>Specific Action:</u> Staff has already strengthened purchasing and payment control procedures to address the issues described in the audit. Many of these issues noted in the audit were addressed when an administrative assistant position was added to the CRA in August 2011 and assumed day-to-day oversight of the various CRA financial transactions. The addition of a project management position to the CRA staff by December 31, 2014, will further enhance internal budget control procedures.</p>	<p>responsibility for expenditures effective October 1, 2013, when the CRA became a stand-alone department. In addition, as was indicated in the action plan step, a program planner (new position) was hired effective April 18, 2015, to help ensure proper procurement and payment of expenditures. Our follow-up analyses and tests showed that the procurement of goods and services and payment of travel expenditures were prudent and proper. This action step is completed.</p>
<ul style="list-style-type: none"> • Property Management Division to work with Accounting Services to process adjustments to record the correct cost of the Soul Gardens property in the City's financial records. <p><u>Specific Action:</u> A revised Land Cost Memo for The Soul Gardens was sent to Accounting Services on July 30, 2014, to reflect the corrected purchase price of \$273,790 and to have it recorded as a "CRA-owned" property instead of "City-owned."</p>	<ul style="list-style-type: none"> ✓ On July 30, 2014, the Property Management Division sent a memorandum to Accounting Services to have the purchase price adjusted to the correct amount (\$273,790) and to have the property recorded as an asset of the CRA. At the time of our follow-up inquiry in April 2015, Accounting Services had not processed those requested adjustments. In response to our follow-up inquiry, the requested correcting adjustments were made. This action step is completed. <p><u>Auditor Comment:</u> The delay by Accounting Services in processing the requested correcting adjustments was indicative of ongoing concerns regarding proper accounting of fixed assets as expressed in several prior audit reports issued by the City Auditor's Office and also by the City's external auditors in their audit of the City's financial statements. We acknowledge that enhancements by Accounting Services have recently been made in regard to fixed asset accounting and that additional enhancements are planned. We recommend those enhancements be made and the proper emphasis placed on fixed asset accountability.</p>
<ul style="list-style-type: none"> • Property Management Division to provide the appropriate information to Accounting Services in order to properly record CRA property purchases in the City's PeopleSoft Financial system as owned by the CRA. <p><u>Specific Action:</u> Effective immediately, Property Management has revised the Land Cost</p>	<ul style="list-style-type: none"> ✓ The Property Management Division revised its process such that the standard memoranda used to notify Accounting Services of property purchases now indicates whether acquired property is "City-owned" or "CRA-owned." That revised memorandum has been used to ensure additional properties acquired by the CRA subsequent to the original audit are

<p>Memo format provided to Accounting Services following the purchase of a property to include a field that indicates whether the acquired property is “City-owned” or “CRA-owned.” This will help ensure the property ownership is properly recorded on the asset inventory.</p>	<p>properly recorded in the accounting records as CRA-owned assets. Furthermore, the one CRA-owned property noted in the original audit report as not recorded as an asset of the CRA has now been properly recorded. This action step is completed.</p>
<p>Assess and report the level of CRA program successes.</p>	
<ul style="list-style-type: none"> • Develop and define appropriate performance measures to periodically assess and report on the levels of success for the CRA programs and activities. <p><u>Specific Action:</u> Staff will prepare and implement a series of performance measures for evaluating CRA programs and activities by the end of the calendar year.</p>	<ul style="list-style-type: none"> ✓ The CRA developed performance measures to be used to periodically assess and report on the levels of success for CRA programs and activities. Those performance measures were presented to and approved by the CRA Board on April 21, 2015. This action step is completed.
<p>Enhance the usefulness of the CRA Annual Reports.</p>	
<ul style="list-style-type: none"> • Include information on compliance with the timely use requirement in the CRA Annual Report. <p><u>Specific Action:</u> This will be done starting with the FY 2014 Annual Report in March 2015.</p>	<ul style="list-style-type: none"> ❖ CRA management indicated that due to an unintentional oversight by CRA staff, information on compliance with the timely use requirement was not included in the CRA FY 2014 Annual Report issued on March 12, 2015. CRA management indicated that information will be included in subsequent CRA Annual Reports. As noted previously within this report table, the CRA has completed action steps to ensure timely use of TIF funds as prescribed by applicable state statute, and has also developed records to monitor timely use of TIF funds. Accordingly, responsibility for ensuring information on timely use of TIF funds is reported in subsequent CRA Annual Reports is turned over to management.
<ul style="list-style-type: none"> • List the properties that are owned by the CRA in the CRA Annual Report. <p><u>Specific Action:</u> This was done starting with the FY 2013 Annual Report in March 2014.</p>	<ul style="list-style-type: none"> ✓ The properties acquired and owned by the CRA are now included in the CRA Annual Report. This action step is completed.
<ul style="list-style-type: none"> • Provide the status of CRA’s defined performance measures in the CRA’s Annual Report. <p><u>Specific Action:</u> Performance measures will be included in the CRA Annual Report starting with the FY 2014 CRA Annual Report in March 2015.</p>	<ul style="list-style-type: none"> ❖ As noted above, the CRA developed formal performance measures to be used to periodically assess and report on the levels of success for CRA programs and activities. Those performance measures were presented to and approved by the CRA Board on April 21, 2015, subsequent to the issuance of the fiscal year (FY) 2014 Annual Report on March 12, 2015. Accordingly, determination and reporting of

	<p>those performance measures will be done for the subsequent fiscal year (FY 2015) and included in the CRA Annual Report prepared for that year. Responsibility for ensuring the performance measures are reported in subsequent CRA Annual Reports is turned over to management.</p>
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Table Legend:

- Issue to be addressed from the original audit.
- ✓ Issue addressed and action step completed.
- ❖ Responsibility for ensuring completion of action step turned over to management.

Remaining Step - Not Due for Completion. The Action Plan developed to address issues and recommendations made in our initial audit (report #1425) included one action plan step that provides for the CRA to amend the Greater Frenchtown/Southside Community Redevelopment Plan. Specifically, that plan is to be amended to include a provision that addresses a statutory requirement that the CRA “provide for the retention of controls and the establishment of any restrictions or covenants running with land sold or leased for private use for such periods of time and under such conditions as the governing body deems necessary to effectuate the purposes of this part.” As indicated in our initial audit report, management asserted and our audit confirmed that, notwithstanding the required provision was not included in the existing redevelopment plan, the CRA had properly required that contracts for land/property sales or leases include appropriate terms mandating the establishment of covenants ensuring the land/property be used for the intended purpose for predetermined periods. As indicated by management’s action plan, the CRA intends to formally amend the plan to include this requirement by June 30, 2015. Because (1) all other significant action plan steps have been successfully completed by the CRA and (2) our initial audit showed the statutory requirement had been properly followed by the CRA even though the plan does not address that requirement, responsibility for ensuring completion of this remaining action plan step (formal amendment of the redevelopment plan) is being turned over to management. Accordingly, we will not conduct a subsequent follow-up engagement to address the

status of this action plan step. We do, however, recommend management complete the planned action as intended.

Conclusion

Fifteen action plan steps were developed by the CRA to resolve issues and address recommendations made in our initial audit. Of those 15 steps, 14 were due for completion as of March 31, 2015. Table 1 above shows 12 of those 14 action plan steps have been completed as of May 31, 2015. Responsibility for ensuring completion of the two remaining action plan steps (including additional information in subsequent CRA Annual Reports) has been turned over to management.

Similarly, responsibility for ensuring completion of the one action plan step not yet due for completion (i.e., formally amending a redevelopment plan for a statutory provision by June 30, 2015) is also turned over to management. As previously stated within this report, the CRA was determined to be in compliance with the applicable statutory provision although the provision was not formally addressed in the applicable redevelopment plan.

Accordingly, this is our first and only follow-up engagement for our Audit on the Tallahassee Community Redevelopment Agency.

We appreciate the cooperation and assistance provided by staff in the CRA and the City’s Property Management Division and Accounting Services Section during this follow-up engagement.

Appointed Official's Response

City Manager:

The City Auditor's Office has completed their audit of the Tallahassee Community Redevelopment Agency (CRA). I am very pleased that CRA, Accounting Services and Property Management staff were able to implement or address the Auditor's recommendations within the first audit follow-up period. The audit results indicate that the CRA continues to provide valuable redevelopment services for the Greater Frenchtown/Southside and Downtown redevelopment districts. The completion and implementation of the audit action items will enhance the efficient operation of the CRA and provide enhanced performance measurement and tracking. I would like to thank the City Auditor's Office for their thorough audit of the CRA; and CRA, Accounting Services and Property Management staff for their cooperation and timely follow-up on the audit action steps.

Copies of this final audit follow-up #1510 or audit report #1425 may be obtained from the City Auditor's website (<http://www.talgov.com/auditing/auditing-auditreports.aspx>) or via request by telephone (850 / 891-8397), by FAX (850 / 891-0912), by mail or in person (Office of the City Auditor, 300 S. Adams Street, Mail Box A-22, Tallahassee, FL 32301-1731), or by e-mail (auditors@talgov.com).

Audit follow-up conducted by:
T. Bert Fletcher, CPA, CGMA, City Auditor