



MIAMIBEACH

BUDGET AND PERFORMANCE IMPROVEMENT
Internal Audit Division

INTERNAL AUDIT REPORT

TO: Kathie G. Brooks, Interim City Manager
FROM: James J. Sutter, Internal Auditor

DATE: September 11, 2012
AUDIT: Tripple Waste, Inc. (Tripple Waste)
PERIOD: September 2009 to July 2012

This report is the result of a scheduled audit of the Roll-off Fee Returns for Tripple Waste Service, Inc.

INTRODUCTION

A Roll-off is defined as a container with a minimum capacity of ten cubic yards designed to be transported by a motorized vehicle. They are typically used for the purpose of removing construction debris, which include rock, metal and other materials used in connection with a construction project or for the removal of large quantities of trash and bulky waste.

Approximately thirty companies currently possess business tax receipt to operate Roll-offs within the City's boundaries. In return, they are required to abide by the terms outlined in the City Code. This includes the remittance of franchise fees calculated by using the applicable percentage of Miami Beach gross receipts. Reports are to be submitted to the City's Finance Department by the end of the subsequent month. Effective October 2008 the Roll-off franchise fee was increased from 16% to 18%.

Tripple Waste has been operating in the City of Miami Beach since December 2007. Their line of business is the rental of roll-off containers.

Background

Previously, Internal Audit conducted an audit of Tripple Waste for period of December 2007 to August 2009. Our audit report dated September 24, 2009 produced an audit assessment of \$11,874.15. This assessment was attributed to under reporting of Roll-off revenues. Tripple Waste has paid the total amount of the audit assessment.

OVERALL OPINION

Tripple Waste has not fully complied with the City Codes as it relates to reporting requirements for Roll-off contractors. As a result, a number of gross receipts were miscalculated and the franchise fees were not paid to the City. The following items were noted during the audit:

- Gross receipts in the amount of \$1,216.41 were not reported. Therefore, Tripple Waste owes the City \$218.95 in franchise fees. (including interest and late filing charges)

PURPOSE

The purpose of this audit is to determine whether all Roll-off waste contractor billings were correct, and whether all City revenues were correctly calculated, received timely and accurately recorded by the City, and the contractor was in compliance with designated sections of the City Code and related Ordinances.

SCOPE

1. Review waste contractor's books and records to confirm that their billings were correct; their gross receipts were correctly calculated and support the monthly franchise fee submitted to the City.
2. Confirm that the private waste contractor timely sent the City the required reports in adherence with the terms listed in the City Code.
3. Confirm that the private waste contractor is timely sending the required Monthly Report of Gross Receipts along with their remittance to the City.
4. Confirm that the private waste contractor timely obtained their required annual business tax receipt.
5. Confirm that the private waste contractor timely submitted their annual Certified Public Accountant (CPA) Statements of Gross Receipts to the City (If applicable).
6. Confirm that the private waste contractor has obtained the required insurance in adherence with Section 90-196 of the City Code.
7. Confirm that all monthly Roll-off Fee Return and were timely and correctly recorded in the City's Financial System.

FINDINGS, RECOMMENDATIONS AND MANAGEMENT RESPONSE

1. Finding – *Unreported Gross Receipts*
City Code Section 90 - 221 defines gross receipts as "*the entire amount of the fees collected by the licensee, exclusive of taxes as provided by law, whether wholly or partially collected, within the city, for solid waste removal and disposal*". Therefore, all monies collected by the Roll-off waste contractor from Miami Beach service addresses, including dump fees, fuel surcharges, dry run and overload should be included in reported gross receipts.

Out of 39 months audited gross receipts, Tripple Waste incurred gross receipts in 15 months totaling to \$11,953.70 within the City of Miami Beach and paid franchise fees to the City. Additional gross receipts in the amount of \$1,216.41 were found within 6 out of those 15 reported months due to miscalculation on the monthly Roll-off Fee Returns. Therefore, the amount of \$218.95 in franchise fees was not remitted and they were out of compliance with the City Code.

The following table summarizes audited gross receipts and the amount due from Tripple Waste for our audit period:

Internal Audit Report
Tripple Waste, Inc.
September 11, 2012

	2009 (Sept-Dec.)	2010 (Jan-Dec.)	2011 (Jan-Dec.)	2012 (Jan-Jul.)	TOTAL
Audited Gross Receipts	\$5,859.00	\$3,977.28	\$2,226.83	\$1,107.00	\$13,170.11
Less Report Gross Receipt	(5,167.49)	(3,684.62)	(\$1,994.59)	(1,107.00)	(11,953.70)
Unreported Revenues	691.51	292.66	232.24	0.00	1,216.41
Roll-off fees due	124.47	52.68	41.80	0.00	218.95
Total Due	\$124.47	\$52.68	\$41.80	\$0.00	\$218.95

Recommendation(s)

Tripple Waste should remit the amount of \$218.95. All subsequent roll-off fees return should be filed in a timely manner and remit any franchise tax due.

EXIT CONFERENCE

We had a meeting on 09/10/12 with Tripple Waste. They concurred with our finding and immediately remitted payment for our assessment.

JJS: CD

Audit performed by Carmin Dufour

F:\obpi\AUD\DOC011-12\REPORTS - FINAL\TRIPPLE WASTE.doc

cc: Fred Beckmann, Public Works Director
Alberto Zamora, Sanitation Director
Patricia Walker, Chief Financial Officer
Sandra Gosine, (President of Tripple Waste Services, Inc.)