



MIAMIBEACH

BUDGET AND PERFORMANCE IMPROVEMENT
Internal Audit Division

INTERNAL AUDIT REPORT

TO: Jimmy L. Morales, City Manager
VIA John Woodruff, Budget and Performance Improvement Director 
FROM: James J. Sutter, Internal Auditor 
DATE: February 11, 2014
AUDIT: Jewish Community Services of South Florida, Inc.
PERIOD: October 1, 2011 through September 30, 2012

This report is the result of a regularly scheduled audit of the non-profit Jewish Community Services of South Florida, Inc.'s compliance with tested provisions in their annually signed grant agreements in effect between October 1, 2010 and April 30, 2013 covering the receipt and expenditure of City Commission approved general fund monies, in particular those relating to the Senior Meals Program. Testing did not include Community Development Block Grant monies also given annually by the City of Miami Beach other than to confirm that different expenditures were submitted for reimbursement. These funds are tested in a separate audit.

INTRODUCTION

Jewish Family Service (JFS) established in the 1920's is Miami-Dade County's first Jewish Social Service agency, providing various social services, such as vocational and social rehabilitation, mental health services, specialized service to the elderly, meal services, and financial assistance and refugee settlement. Jewish Vocational Service was established in 1958 with the goal of providing meals and supportive service to those with disabilities in addition to providing employment. The Senior Meals Program was one of the first programs to meet the nutritional needs of approximately 650 homebound clients on an annual basis. In 1987 the Community Council for Jewish Elderly was established to help the elderly maintain their health and dignity.

In 2000, the three above agencies were merged to form Jewish Community Services of South Florida (JCS) becoming the largest and most influential social service agencies in the state of Florida, serving almost 25,000 people annually.

For its various programs, JCS derives its principal revenue and support from government grants, contracts and allocation from the Greater Miami Jewish Federation, Inc. which also includes a United Way allocation and program services. This City grant is to supplement their Administrative costs for the Elderly Meals Program which is for providing home delivered meals to elderly residents of the City of Miami Beach. For the fiscal year ending June 30, 2013, the agency served 202 home bound clients that lived in the City of Miami Beach and 198 congregate clients who attended two meal sites for a total of 400 unduplicated Miami Beach clients throughout the year.

The following table compares the amount of citywide general fund monies awarded by the City Commission with those eligible amounts actually expended and reimbursed during the audit period:

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	FY 20010/11	FY 2011-12	FY 2012/13	Total
Grants Awarded	\$46,930	\$46,930	\$46,930	\$140,790
Grants Received *	\$46,930	\$46,930	\$46,930	\$140,790

* The 2012/13 grant funds received represent those amounts received subsequent to our audit period up to September 30, 2013.

Once the general fund monies have been awarded by the City Commission and the grant agreement signed, the current process requires the grantee to submit a budget to the City's Grant Administrator or his/her designee for approval detailing how the grant monies received are to be spent. No monies are to be disbursed until the budget is approved. Any subsequent changes must be reported in writing and approved by the Grant Administrator or any monies issued may need to be repaid or future funding may be jeopardized at the City's discretion.

The grantee must prepare an invoice and deliver it to the City's Finance Department requesting payment of the grant monies by the end of the fiscal year (September 30th) or the monies will be forfeited. The grantee is required to submit copies of their proof of payments (canceled checks, credit card statements, bank statements, etc.) attached to the invoice before payment will be made. All invoices and proof of payments submitted must be complete and agree to the budget previously approved by the City.

Beginning in fiscal year 2011/12, the City has begun incorporating performance measures into the grant agreements that tie to key intended outcomes (goals/strategic priorities) in the City's Strategic Plan. As a result, Jewish Community Services selected one key intended outcome (Improve the lives of elderly residents) to provide and track corresponding performance measures beginning in the 2012/13 fiscal year.

OVERALL OPINION

Our review of Jewish Community Services' records and the City's grant administrator's files revealed that the grant agreement's expenditures in general were adequately documented, correctly computed, and properly assessed in compliance with the City's grant agreement. Improvements have been suggested and action is being taken for the timely submission of grant reimbursement packages and the collection of performance measures.

PURPOSE

To determine whether the grantee's revenues and expenses related to the City and other grants were properly accounted for, documented and reported.

SCOPE

1. Confirm that the internal control process and segregation of duties implemented are adequate.

2. Confirm that the grantee's actual expenditures occurred during the designated fiscal year and were in agreement with the annual budget submitted to the Grant Administrator and approved by both parties.
3. Confirm that the grantee properly submitted an invoice and supporting documentation (canceled check, credit card statement, wire transfer, etc.) by the end of the fiscal year to the Grant Administrator.
5. Confirm that all grant revenues received from the City were deposited intact, properly documented and correctly recorded.
6. Confirm that the grantee has made the necessary payments to the City and is current with all taxes and licenses.

FINDINGS, RECOMMENDATIONS AND MANAGEMENT RESPONSES

1. Finding: *Submission of Reimbursement Packages.*
During the audit period, Jewish Community Services (JCS) submitted their reimbursement packages every six months. It was noted that due to the late submission of the final invoices for fiscal year 2009/10, a total of \$7,821.70 was paid in subsequent fiscal year 2010/11.

Recommendation(s):

JCS should submit their reimbursement packages at least quarterly and timely according to the terms in the grant agreement. This will enable the Grant Administrator to review the package and submit to the City's Finance Department prior to the closing of the City's books.

Management Response:

Effective for the current fiscal year, JCS has agreed to submit monthly reimbursement packages to ensure the timely draw of funds.

2. Finding: *Performance Measures*
In fiscal year 2011/12, the City began moving toward incorporating performance measures into grant agreements. JCS has elected one key intended outcome to report, however, it was noted that no information had been sent to the Grant Administrator. Internal Audit requested the information and JCS sent it immediately. Therefore, it appears that the collection of data is taking place.

Recommendation(s):

JCS should continue to track these agreed upon performance measures and ensure that it is reported in a timely manner at the end of each fiscal year to the Grant Administrator.

Management Response:

Key intended outcomes and parameters for performance measures are established in City agreements and will be reviewed by the Grant Administrator upon submittal by the agency.

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EXIT CONFERENCE

The draft audit report was initially sent to the City's Grant Administrator for review and solicitation of management responses. Responses were received shortly thereafter and incorporated in a revised draft which was then sent to Jewish Community Services for their review. All parties were in agreement with the contents of this report.

JS:LR
(Audit performed by Laura Franco-Rubines)

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cc: Kathie G. Brooks, Assistant City Manager
Maria Ruiz, Director of Housing and Community Development
Ela E. Goldfarb, Vice President - JCS - Senior Adult Division