

*Office of the
City Auditor*

City of
Gainesville,
Florida

***Gainesville Community Reinvestment Area
Project and Fiscal Management Audit***

June 15, 2022



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TABLE OF CONTENTS

EXECUTIVE SUMMARY 3

INTRODUCTION 4

SCOPE AND METHODOLOGY 4

RESULTS AND CONCLUSION..... 4

GOVERNMENT AUDITING STANDARDS COMPLIANCE..... 5

INTERNAL AUDIT TEAM 5

BACKGROUND..... 6

 GCRA Structure..... 6

 GCRA Governance 9

 Project and Fiscal Management..... 10

 Reporting..... 13

AUDIT ISSUES AND MANAGEMENT ACTION PLANS 14

 ISSUE #1 Project and Fiscal Management..... 14

 ISSUE #2 Policies and Procedures 26

 ISSUE #3 Management and Monitoring of Conflicts of Interest 28

APPENDIX - Examples of Municipal Project Dashboards 32

GCRA Project and Fiscal Management Audit

Executive Summary

What We Did

The objective of this engagement was to review the policies, procedures, and internal controls around Gainesville Community Reinvestment Area (GCRA) project and fiscal management processes. This audit was included in the 2021-22 Audit Plan.

Through inquiry, observation, and substantive testing, we assessed the adequacy of the design and operating effectiveness of controls related to GCRA project and fiscal management processes. Specifically, we:

- Assessed the adequacy of policies and procedures.
- Reviewed alignment of the GCRA 10-year plan with rules, regulations, and policies.
- Reviewed the adequacy of processes to identify and manage potential conflicts of interest.
- Assessed the adequacy and effectiveness of project management internal controls.
- Assessed the effectiveness of internal controls around fiscal management of GCRA funds.
- Reviewed the adequacy of internal controls around the management and application of TIF funds.
- Reviewed the effectiveness of department and project level reporting.

What We Found

The following opportunities for process improvement were identified:

1) Project and Fiscal Management (Moderate Risk)

Project and program milestones and budgets were not consistently established to support strong project management practices.

Diverse and local spending on page 3 of the GCRA FY2020 Annual Report contained inaccuracies.

GCRA project funds were moved between projects and programs with little or no activity during the period reviewed. Total project costs are not forecasted for all projects and programs included in the GCRA 10 Year Reinvestment Plan. Total expenditures to date by project are not tracked, monitored, or reported to stakeholders.

Proposed building descriptions with projected costs of redevelopment were not included in the 10 Year Plan as required.

Unclear project direction led to communication lapses between City units when GCRA-funded projects were moved between management teams.

2) Policies and Procedures (Moderate Risk)

Policies and procedures do not document project management expectations or roles and responsibilities.

3) Conflicts of Interest (Moderate Risk)

Previously recommended process improvements related to managing actual or perceived conflicts of interest were not established.

We would like to thank the City Manager's Office staff, and GCRA management and staff for their professionalism and cooperation during this engagement.

INTRODUCTION

The objective of the GCRA Project and Fiscal Management Audit was to review internal controls around project management activities to ensure effective and efficient operations and transparent management of GCRA funds and reporting. This audit was included in the City Auditor’s Audit Plan. Audit scope and methodology, results and conclusion are summarized below while background discussion begins on page six.

SCOPE AND METHODOLOGY

The scope of this review included an assessment of the design and operating effectiveness of controls related to the GCRA project and fiscal management processes from October 1, 2019, through February 28, 2022. We performed the audit through inquiry, observation, and substantive testing for processes in scope. Specifically, the audit team:

Governance

- Assessed the adequacy of policies and procedures
- Reviewed alignment of the GCRA 10-year plan with rules, regulations, and policies
- Reviewed adequacy of processes to identify and manage potential conflicts of interest

Project Management

- Assessed the adequacy and effectiveness of project management internal controls
- Assessed effectiveness of internal controls around fiscal management of GCRA funds
- Reviewed adequacy of internal controls around the management and application of TIF funds

Reporting

- Reviewed effectiveness of department and project level reporting.

RESULTS AND CONCLUSION

As a result of our review, we identified opportunities for improvement in internal controls around project and fiscal management processes, policies and procedures, and identification and management of conflicts of interest. Three moderate risk observations are listed below:

1. Project and Fiscal Management (Moderate)
2. Policies and Procedures (Moderate)
3. Management and Monitoring of Conflicts of Interest (Moderate)

The audit issue details and management action plans are included within the *Audit Issues and Management Action Plans* section beginning on page 14. Audit issue risk ratings are described below.

- **High Risk:** Key controls do not exist or are not effective, resulting in an impaired control environment. High Risk control weaknesses require immediate corrective action detailed in the management action plan.
- **Moderate Risk:** Adequate control environment exists for most processes. Moderate risk control weaknesses require corrective action detailed in the management action plan.
- **Low Risk:** Satisfactory overall control environment with a small number of low risk control improvement opportunities that do not require corrective action or a management action plan.

We would like to thank the City Manager's Office staff, and GCRA management and staff for their professionalism and cooperation during this engagement.

GOVERNMENT AUDITING STANDARDS COMPLIANCE

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

INTERNAL AUDIT TEAM

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BACKGROUND

On October 1, 2019, the Gainesville Community Redevelopment Area (CRA), a statutory agency, transitioned to the Gainesville Community Reinvestment Area (GCRA), a City of Gainesville (City) department charged with undertaking community redevelopment for the elimination and prevention of the development and spread of slums and blight. The GCRA's mission is "to invest in previously underserved areas of Gainesville, revitalize the urban core, improve the quality of life of our neighbors, and support our local economy – most importantly our small, local, and diverse businesses." Like the CRA, the GCRA achieves its mission by assisting underserved neighbors in Gainesville to attract private investment through community partnerships, competitive economic development incentives, and improved public infrastructure.

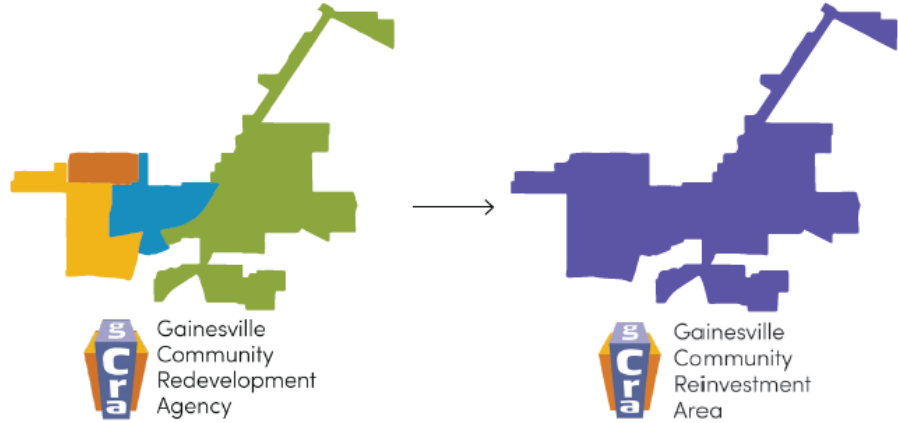
GCRA STRUCTURE

The CRA was established in 1979 by the City in accordance with sections 163.330-163.45 of the Florida Statutes. At that time, the CRA established and operated four discrete redevelopment districts, each having an individual development plan, advisory board, and restricted funding. The CRA was governed by the CRA Advisory Board, which was comprised of the then sitting members of the City Commission. Funding for the four districts were accounted for separately and maintained in four separate funds. The four districts in existence under the CRA included, Fifth Avenue/Pleasant Street, Downtown, College Park/University Heights, and Eastside.

On September 5, 2019, the City partnered with the Alachua County Commission to restructure the CRA to a City department named the GCRA. The GCRA was established by City Ordinance 181001 and is promulgated by an Agreement between the City and County regarding community redevelopment. The GCRA was established to insulate the CRA from uncertainty surrounding the agency's statutory future, and to allow redevelopment dollars to be more evenly distributed across the districts to have access to funding to boost community redevelopment in areas where funding was not sufficient to address need. The maps in Figure 1 display the changes in district boundaries after the transition to the GCRA. The map in figure 2 depicts the boundary of the GCRA district in relation to the City's municipal boundary.

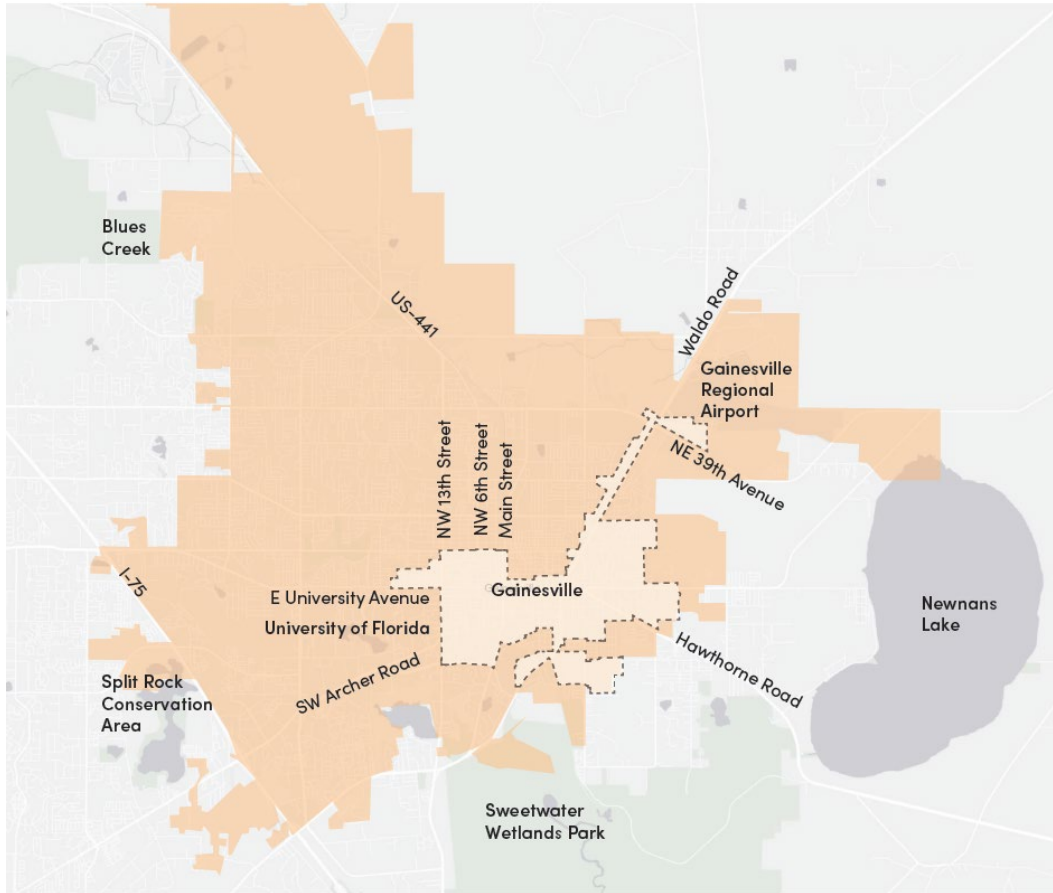
Figure 1 – Consolidation of Four CRA Districts to One GCRA District

- Fifth Avenue / Pleasant Street** – established 1979 / expanded 1989
- Downtown** – established 1981 / expanded in 2001
- College Park / University Heights** – established 1995 / expanded 2005
- Eastside** – established 2001 / expanded 2006 & 2010



Source: GCRA 10 Year Reinvestment Plan

Figure 2 – GCRA District Boundary within the City’s Municipal Boundary



Source: GCRA 10 Year Reinvestment Plan

Additional differences between the historic CRA and the newly formed GCRA include governance structure, district boundaries, funding structure, use of funds, oversight structure, reporting requirements, and department lifespan as the GCRA sunsets on September 30, 2029. See summary of key differences in Figure 3.

Figure 3 – Differences between the CRA and GCRA

Criteria	CRA	GCRA
Governance Structure	Statutory agency governed by Florida Statutes	City department governed by the City of Gainesville Commission and Alachua County Commission
Legislative Governance	Florida Statutes sections 163.330-163.45	City and County Interlocal Agreement regarding Community Redevelopment City Ordinance
Funding Structure	Funded by tax increment funding (TIF) which is based on increases in property tax values	Funded by set contributions from the City of Gainesville and Alachua County
Use of Funds	Restricted to a single CRA district	Restricted to the combined GCRA district
Redevelopment Area (District boundaries)	Encompasses four single districts	Encompasses the combined GCRA district
Oversight and Board Structure	State of Florida CRA Advisory Board (City Commission) Four CRA District Advisory Boards City Manager served as the Executive Director CRA Director	City of Gainesville Commission and Alachua County Commission 9-member GCRA District Advisory Board City Manager Chief Operating Officer GCRA Director
Work Plan	Single CRA district work plans	Overall GCRA District work plan (10 Year Reinvestment Plan)
Entity Lifespan	CRA's in existence on October 1, 2019, terminate on the date provided in the agency's charter or on September 30, 2039, whichever is earlier.	Unless expanded, the department sunsets on September 30, 2029

Notable Accomplishments

The GCRA has been active with notable accomplishments since the transition from a CRA. We highlight a few of the GCRA's accomplishments below:

- The GCRA completed the model home for The Heartwood Neighborhood in 2021. Eleven homebuyers participating in the the Dreams 2 Reality program were under contract and in the permitting phase at the close of our review.
- The GCRA partnered with City Facilities for maintenance and improvements of the Gainesville Technology Entrepreneurship Center (GTEC) building, located in the historic Eastside Redevelopment District, and completed an analysis to reposition the 20-year-old City asset.
- The GCRA relocated its offices from Fifth Avenue to the GTEC building during the height of the pandemic, and subsequently sold the Fifth Avenue property, bringing property tax dollars to the former Fifth Avenue Redevelopment District.

- The GCRA, in coordination with partner departments and agencies, completed the South Main Streetscape project.
- The GCRA Cornerstone project was selected for a City Beautification Award.

GCRA GOVERNANCE

The GCRA team, through its Director, reports to the City Manager and is governed by the City and County Commissions and guided by the GCRA Advisory Board. After becoming a City department, the GCRA developed a [10 Year Reinvestment Plan](#) (Plan) which was published on March 5, 2020. The Plan functions as the project roadmap to the GCRA’s redevelopment activities over the next 10 years as a City department.

The GCRA’s Plan seeks to achieve stakeholders’ objectives by focusing on economic development, community enhancement, and improvements in public spaces and streetscapes. Community Engagement is a large part of the GCRA’s processes to understand the community’s redevelopment desires and focus. The GCRA conducted months of community engagement activities in 2019 and 2020 to aid with the preparation of the Plan. Figure 4 lists the projects to be completed over the next 10 years by the GCRA. The nine sample projects and programs reviewed during this audit are depicted with an asterisk (*).

Figure 4 – GCRA Projects and Programs in the 10 Year Reinvestment Plan

Economic Development	Community Enhancements	Public Space & Streetscape
<ul style="list-style-type: none"> • 8th Avenue & Waldo Improvements * • Cornerstone Campus • Downtown Master Plan • Economic Development Finance Programs * • Former Fire Station No. 1 Redevelopment • Former RTS Site Redevelopment • GTEC Management • Innovation District • Power District Redevelopment * • University/Waldo Mixed Use Development and Job Training Center 	<ul style="list-style-type: none"> • Commercial Facade Grant Program • Community Partnership Grants • District Wide Landscape Maintenance • Greater Duval Neighborhood Improvements • Eastside Food/Mobility Hub • Heartwood Neighborhood * • Historic Heritage Trail * • Midtown Policing • Porters Neighborhood Improvements * • Porters & Pleasant Street Model Block Housing * • Property Acquisitions/Options • Residential Improvement Programs 	<ul style="list-style-type: none"> • 13th Street Corridor Improvements • SE Hawthorne Road Corridor Improvements • SW 2nd Avenue Corridor Improvements * • SW 4th Avenue Corridor Improvements • University Avenue Corridor Improvements • Waldo/Williston Corridor Improvements *

Source: GCRA 10 Year Reinvestment Plan

*Projects and programs reviewed during the audit.

Department policies and procedures are necessary governance controls to guide and manage day-to-day operations, ensuring activities and processes are carried out in a consistent, effective and efficient manner. Policies and procedures should be documented to communicate department purpose, identify key business processes and key roles and responsibilities, and establish oversight and reporting. During our review, we noted GCRA policies and procedures do not include project management expectations, and do not include key roles and responsibilities for managing and monitoring GCRA activities. See issue #2 on page 26 for more details and management’s action plan.

Another important component of strong governance are internal controls that support identification and management of conflicts of interest. Florida Statute 112.311(5) establishes that “no employees shall have

any interest, financial or otherwise, direct or indirect; engage in any business transactions or professional activity; or incur any obligation of any nature, which is in substantial conflict with the proper discharge of his or her duties in the public interest.” At the time that this review commenced, GCRA management had not established a department level process, policy or procedure to identify and manage actual or perceived conflicts of interest between staff who control, manage or influence GCRA projects, and third parties that contract with the City for work related to the GCRA projects. See issue #3 on page 28 for more details and management’s action plan.

PROJECT AND FISCAL MANAGEMENT

Fiscal Management

The GCRA is funded by fixed annual financial contributions from the City and County (see Figure 5) to support activities during the redevelopment period from October 1, 2019 – September 30, 2029, as documented in the City and County Agreement regarding Community Redevelopment.

Figure 5 – Financial Contributions for Community Redevelopment in the GCRA District

Due Date	County Contribution	City Contribution
January 1, 2020	\$ 4,191,460.39	\$ 3,325,657.89
January 1, 2021	\$ 4,091,460.39	\$ 3,325,657.89
January 1, 2022	\$ 3,991,460.39	\$ 3,325,657.89
January 1, 2023	\$ 3,891,460.39	\$ 3,325,657.89
January 1, 2024	\$ 3,791,460.39	\$ 3,325,657.89
January 1, 2025	\$ 3,691,460.39	\$ 3,325,657.89
January 1, 2026	\$ 3,591,460.39	\$ 3,325,657.89
January 1, 2027	\$ 3,491,460.39	\$ 3,325,657.89
January 1, 2028	\$ 3,391,460.39	\$ 3,325,657.89
January 1, 2029	\$ 3,325,657.89	\$ 3,325,657.89

Source: Agreement Between the City of Gainesville and Alachua County regarding Community Redevelopment

Tax increment funds remaining in the district trust funds at the dissolution of the CRA on September 30, 2019 continue to be separately administered, accounted for and expended only to finance, refinance or pay off debt and to carry out community redevelopment within the respective former CRA area within which the trust funds were collected.

Fiscal management is essential to completing projects and programs in the GCRA Plan by the sunset of the GCRA on September 30, 2029. Management is required to plan, direct, and control funds allocated to the GCRA. The GCRA establishes project budgets for two fiscal years; however, projected costs are not forecasted for all projects and programs in the Plan to ensure that funds committed for ten years are sufficient to complete all projects. See issue #1 on page 14 for more details and management’s action plan.

It has been common practice for GCRA project funds to be allocated annually among certain projects in the Plan and moved between projects and programs as management deems necessary. Funds were often

moved to projects with little or no activity during the period reviewed. Total actual and projected costs by project are not tracked consistently.

To reduce risk of overspending, management should establish total actual and projected costs for each project or program in the Plan and allocate funds accordingly. Unallocated funds should be managed in primary accounts until a project manager demonstrates need for additional project funds. When allocated funds are no longer needed in a project, funds should be moved back to the primary account, rather than to other projects without demonstrating need. See issue #1 on page 14 for more details and management’s action plan.

Project Management

The GCRA does not maintain procedures to guide specific project management activities. The Project Management Institute publishes guidance for conducting project management processes in the Project Management Body of Knowledge (PMBOK). Common critical tasks in each stage of the project management process are highlighted in Figure 6 below.

Figure 6 – PMBOK Project Management Processes

Project Initiation	Project Planning	Project Execution	Monitoring and Control	Project Closing
<ul style="list-style-type: none"> • Identify Opportunities • Conduct Feasibility analysis • Assign Project Management Team • Identify Stakeholders • Draft Project Charter 	<ul style="list-style-type: none"> • Establish Schedule • Establish Scope • Establish Costs • Establish Project Milestones • Establish Requirements • Establish Deliverables • Conduct Team Meetings 	<ul style="list-style-type: none"> • Execute Deliverables • Track Resources • Perform Quality Assurance • Communicate with Stakeholders • Resolve Issues • Conduct Team Meetings 	<ul style="list-style-type: none"> • Manage Budget and Track Personnel • Manage and Track Milestones • Communicate with Stakeholders • Conduct Team Meetings 	<ul style="list-style-type: none"> • Execute Team Transition • Issue Final Report • Complete Account Reconciliation and Project Closure

Source: Project Management Institute’s Project Management Body of Knowledge (2021)

City staff lead or support the management of multiple GCRA community redevelopment projects and programs with budgets ranging from thousands to millions of dollars. We reviewed project management practices for a sample of nine projects and programs (depicted in Figure 4) covering five phases in the project management process listed in Figure 6.

Project Initiation

Assigned project managers meet with GCRA leadership to discuss project goals and develop criteria based on those goals. The project manager identifies stakeholders, such as collaborating departments or agencies. Based on information obtained, the project manager drafts a project charter, which is a project management spreadsheet used to detail the scope of a project or program. No issues were identified with this project phase.

Project Planning

In 2020, the GCRA began producing a project timeline (schedule) on a Gantt chart to detail the planned start and completion dates for each project on the Plan. We reviewed timelines for the sampled projects and noted all projects were behind schedule. Not managing project activity to scheduled timelines could adversely impact management's ability to complete all projects in the Plan by the GCRA's expected sunset date of September 30, 2029. See issue #1 on page 14 for more details and management's action plan.

The project manager identifies vendors providing services to help achieve project objectives. Vendors are selected either from pre-existing City contracts or through competitive procurement processes. The GCRA, with assistance from the City Procurement Office, engages vendors to provide services such as master design planning, architecture, site feasibility studies, construction, marketing, and landscaping. Some vendors establish project milestones and deliverables for their portion of the project or program. However, project milestones are not established for the entire project or program. Also, project budgets based on costs are not established for the entire project or program. See issue #1 on page 14 for more details and management's action plan.

Project Execution

Once a project or program is executed, the project manager guides the vendor activities. The project manager communicates with stakeholders that the project has executed and resolves issues. The project manager also performs quality assurance reviews of deliverables through site visits and stakeholder communications. Project charters were created for each of the sampled projects, but not all charters were maintained throughout the project. See issue #1 on page 14 for more details and management's action plan.

Project Monitoring and Control

As a project or program is in progress, GCRA project managers utilize a Team Action Plan (TAP) spreadsheet to track tasks or questions related to projects or programs. Weekly, GCRA management holds individual project management update meetings to discuss project and program progress and provide guidance and assistance for items included on the TAP. We noted that the TAP was not consistently used for each project. Project information included in the project charter was not consistently updated to reflect and track project or program progress or expenditures. See Issue #1 on page 14 for more details and management's action plan.

GCRA-funded projects managed by CAPER, a City division that transitioned to a City office entitled Economic Opportunity and Special Projects Planning in 2022, are tracked in various folders, contributing to difficulties in communication between management teams about project details. Unclear project direction led to communication lapses between City units when GCRA-funded projects were moved between management teams. See Issue #1 on page 14 for more details and management's action plan.

Project Closing

At the end of the project or program, the project manager reconciles accounts, signs off on vendor work, signs off on final reports, issue final reports, and transitions projects requiring continued maintenance to respective City departments. None of the sampled projects or programs were completed during the audit scope period of October 1, 2019 – February 28, 2022. See issue #1 on page 14 for more details and management’s action plan.

REPORTING

In accordance with the City and County Agreement regarding Community Redevelopment, the City holds a joint meeting with the City and County on or before April 1st of each year to present an Annual Work Plan that describes the community redevelopment activity that is planned to be undertaken to expend the GCRA funds. The GCRA has complied with this requirement since the Agreement launched.

The GCRA also provides information to stakeholders through project presentations at public board meetings, and on the GCRA website. Reports provided include the annual report, the 10 Year Reinvestment Plan, the annual work plan, and other ad-hoc status updates. None of the reports reviewed included the project status of all projects, total project budget, or total project expenditures. See issue #1 on page 14 for more details and management’s action plan.

The GCRA does not utilize dashboard reporting for public-facing project status. Some peer redevelopment agencies and City websites utilize dashboards that provide information on current and completed projects. We noted some of the dashboards include the following project key fields: project list, description, status, expenditures, project timelines, and major vendors. The GCRA does not currently have a dashboard that would provide key project and program information, including the key fields mentioned above. Management should consider developing dashboard communications around GCRA-funded projects. See examples of municipal project dashboards in the **Appendix**.

AUDIT ISSUES AND MANAGEMENT ACTION PLANS

ISSUE #1 PROJECT AND FISCAL MANAGEMENT

Risk rating: [Moderate]

Observation

We judgmentally selected a sample of nine projects and programs, led or supported by the GCRA, to review project and fiscal management processes and controls. The projects selected were: 8th Avenue and Waldo Road Improvements (CAPER), Economic Development Finance Programs (GCRA), Power District Redevelopment (CAPER), Heartwood Neighborhood (GCRA), Historic Heritage Trail (GCRA), Porters Neighborhood Improvements (GFR/GCRA), Model Block and Attainable Housing Strategies (Porters and Pleasant Street) (GCRA), Waldo Road and Williston Road Corridor Improvements (GCRA), and SW 2nd Avenue Improvements (GCRA). Of the fiscal and project management areas reviewed (fiscal management, project initiation, project planning, project execution, project monitoring and control, project closing, reporting and communication), we identified opportunities for process improvements in the following areas.

1. Fiscal Management

Fiscal management of GCRA projects and programs requires strengthening to ensure that the GCRA achieves its objectives. Specifically, the areas to be strengthened include budget allocation, project expenditure forecasting, and expenditure monitoring.

Project Expenditure Forecasting

Total project costs are not forecasted for all projects and programs included in the GCRA Reinvestment Plan to ensure overall scheduled funds are available to complete projects and programs. Forecasting project costs is useful to determine required expenditures at the various project stages and to know not only where the project is now but where it is going and what funds will be needed for project completion. Project budget or forecasting should be part of the project management reporting or dashboard.

Budget Allocation

Some GCRA funds were moved between projects to fund projects or programs with little or no activity during the period reviewed. The Historic Heritage Trail project received a reallocation of \$150,000 in fiscal year 2020 and \$795,000 in fiscal year 2021. The budget allocation for the \$150,000 at the beginning of the fiscal year was in anticipation of the start of new activity on the Historic Heritage Trail project, which did not materialize once the vendor's contract was canceled. In 2021, the Budget Office allocated the

\$795,000 to one of three primary spend categories (Economic Development, Community Enhancement, and Public Space and Streetscapes); however, the GCRA requested movement of budget allocations to projects approved for the fiscal year. Economic Development Finance Programs, designated for tax increment funding in the College Park University Heights (CPUH) District, received a reallocation of \$913,245 and \$2,349,088 in fiscal year 2020 to consolidate remaining funds in the CPUH District. This reduces the transparency of the intended and actual use of funds. In addition, Waldo Road & Williston Road Corridor Improvements, and SW 2nd Avenue Improvements, each received an allocation of \$150,000 in FY2020 and 50,000 in FY2021; however, these projects had no expenditures. Subjective movement of funds between projects reduces transparency of project management performance, and bypasses controls that should require management of a project to its forecasted budget. Movement of funds should follow a disciplined approach where funds are moved from the primary account to projects or programs based on documented need and approved budget. Surplus funds from completed or terminated projects should be moved back to primary accounts to be reallocated to other projects based on prioritization and need across all projects.

Expenditure Monitoring

Total expenditures incurred are not available for some projects and programs. GCRA management tracks expenditures on a Gantt chart; however, the report only covers FY2020 and a part of FY2021. The financial management system was changed from Advantage to Workday in FY2021. GCRA staff relied on the Advantage system for historical financial data; however, GCRA staff did not have direct access to some historical data after the Advantage system was retired. Reviewing only 2 years of data does not include expenditures from prior years, therefore, not providing total project expenditures to date. Project charters, used to establish and track a project or program’s name, purpose, assignment, budget, and expenditures, among other specifics, were not utilized by all project managers in a consistent manner.

In Table 1, below, the auditor compared GCRA-reported progress on the nine projects and programs reviewed. All projects sampled were behind schedule. This could adversely impact the GCRA’s ability to complete all projects in the 10-year plan by its expected sunset date of September 30, 2029. Management did not provide milestones or the phases for each project.

Table 1

Projects and Programs Current Status vs. 10 Year Reinvestment Plan						
GCRA PROJECTS & PROGRAMS	Plan Start Date Per GCRA Gantt for Budget 20220315	Plan End Date Per GCRA Gantt for Budget 20220315	Planned Months	Percent Complete Per GCRA Gantt for Budget 20220315	Number of Months Since Planned Start Date	Expected Completion at 3.15.2022 if project Progresses evenly
8th Ave & Waldo Rd Improvements*	10/1/2019	10/31/2023	48	5%	29	60%
Power District Redevelopment*	10/1/2019	10/1/2025	72	5%	29	40%

Economic Development Finance Programs	10/1/2019	10/1/2029	120	18%	29	24%
Heartwood Neighborhood	10/1/2019	10/31/2023	48	42%	29	60%
Historic Heritage Trail	10/1/2019	10/31/2023	48	2%	29	60%
Porters and Pleasant Street Model Block Housing (also known as Model Block & Attainable Housing Strategies)	2/1/2021	6/1/2027	76	10%	13	17%
Porters Neighborhood Improvements*	8/1/2020	10/1/2024	50	0%	19	38%
Waldo Road & Williston Road Corridor Improvements	8/1/2021	10/1/2025	50	0%	7	14%
SW 2nd Avenue Improvements	8/1/2021	10/1/2025	50	0%	7	14%

*Another City Department or Office managed this project during a portion the scope period. During the period reviewed, several projects were handed off to other departments or offices.

2. Project Planning

Project planning does not consistently include establishing key milestones to accompany the project timeline, or overall project budget. Each project tested varied in how planning activities were tracked and monitored. While project timelines were included in a department-wide Gantt chart, not all projects included milestones (critical project completion steps with due dates).

The GCRA and other City departments engage and manage consultants to complete various portions of projects. Some projects reviewed did contain consultant-provided milestones but evidence of GCRA-planned project milestones for the entirety of the projects reviewed was not provided. None of the nine sampled projects included a total project budget. At the end of our review staff had begun the process of creating project forecasting through the end of the GCRA 10 year plan.

3. Project Execution, Monitoring, and Control

Project execution, monitoring, and control are essential to ensure that a project or program is adequately budgeted, progresses on schedule according to timelines and milestones, and work is directly tied to the scope of work. We noted the following project management challenges for the nine projects and programs we reviewed:

The Historic Heritage Trail project was named a CRA-led project in 2009, and has not yet been completed. There were periods of unexplained lapse between 2014 and 2017; however, the renovation of the A. Quinn Jones Museum and property, which is the trailhead for the trail, was underway during this period. The CRA engaged a contractor to provide landscape architecture design services for the Historic Heritage trail project from 2018 to 2020. In 2020, City management went out for the first of several competitive

processes to engage a consultant for this project, however, at the time of this review, none had been selected.

The Porters and Pleasant Street Model Block Housing (also known as Model Block and Attainable Housing Strategies) project became a CRA-led project in 2017, but no homes have been built on the two lots identified for redevelopment. In 2017, a consultant was engaged to assess the lots and recommend a plan for redevelopment. In February 2018, concept drawings of potential home types for both neighborhoods were presented, followed by a period of unexplained lapse between 2018 and 2020. In 2020, the GCRA engaged another consultant to assess the area and create plans for the sites. The GCRA and the consultant completed community engagement in late 2021. Another community engagement is planned for June 2022 to display concept drawings reflecting community engagement results. This will total three instances of community engagement for Porters and Pleasant Street. Community engagement was delayed due to the COVID pandemic and prioritization of the GCRA's Residential Programs. The consultant's recommended plans for redeveloping the Porters and Pleasant Street sites were not yet complete as of 2/28/2022.

The Heartwood Neighborhood project became a CRA-led project (then known as the Kennedy Homes project) in 2008, but is not yet complete. The first competitive bid for the project was issued in 2009, but received no responses. In 2010, the CRA board approved the development approach to encompass a Green/Eco-village concept. Consultants conducted site analyses and worked on the master plan, and the GCRA staff led working groups and hosted community engagement events. The GCRA completed the final master plan and gained CRA Board approval in December 2014. After gaining feedback from the community, the GCRA released home designs for Heartwood in 2016. The infrastructure groundbreaking was held in October 2017, and in 2018, a home builder was selected through a competitive process to build the 34 homes. Infrastructure construction began in early 2018. In July 2018, the CRA board voted to change the development strategy and split the lots into thirds to accommodate the desires of the local community and the City Commission. One-third of the homes were designated for the Dreams2Reality program (a City program for 11 of 34 Heartwood homes to improve affordability by offering up to \$70,000 in assistance toward the purchase of a home), one-third of the homes were to be built by the selected builder, and one-third of the homes were to be open to other builders. Additional floorplans had to be designed to offer more options for the Dreams2Reality homes. In November 2018, the CRA Board approved installing GRUCom conduit infrastructure in Heartwood, where this was not part of the original plan. In February 2019, the new housing plans were approved and funding was identified for the 11 homes in the Dreams2Reality program.

Scherer Construction was selected through sole source selection to construct the model home, the first home in Heartwood, and provide construction management services. In late 2019, the original builder selected to build the homes through competitive process, Modera Homes, withdrew from the project. In April 2020, the City requested qualifications for builders. Three builders were selected and approved by the City Commission in August 2020; however, one builder withdrew from the project in October 2021. On June 30, 2021, the Heartwood lots with homes to be built went on sale to the public. Four buyers executed purchase and sales agreements with the City for the Heartwood lots between August and

September 2021. When the first showcase buyer received a construction bid in mid-September 2021, the bid was higher than the listing price. All original showcase homes buyers eventually dropped out due to the increased builders' prices. Since December 2021, the GCRA increased the listing prices several times to reflect rising construction costs. The GCRA currently has five showcase home lots pending contract and 17 lots available. As of the date of this report, none of the 22 showcase homes have construction contracts. As of April 28, 2022, the 11 Dreams2Reality Homes were under contract and in permitting. The GCRA subsidized unplanned differences in construction costs between the awarded home price for the Dreams2Reality homes and the builder increased costs for construction of those homes.

Economic Development Finance Programs – The Business Relocation Grant and the Job Creation Grant were part of a multi-district program prior to the CRA transitioning to the GCRA. Management placed the project on hold in 2020 to re-evaluate the program. The program was still on hold for review and redevelopment at the time of this review.

The Power District Redevelopment project began as a CRA-led project in 2011, transitioned to CAPER in October 2020 (with Colliers consulting in 2021), and recently transitioned back to the GCRA in March 2022. A master plan was adopted in 2013. A RFQ to engage a development team was issued in April 2016. In 2017, three developers were pre-qualified and issued an ITN. A consultant was selected, but was unable to remain under contract. The project includes a multi-department core team due to project size and complexity. Since inception, management has redeveloped portions of the 17-acre parcel; however, next steps depend upon updating the MOU between General Government and GRU, and identifying funding to complete the project. City leadership direction is needed to move the project forward.

Two capital improvement projects, Waldo and Williston Road Corridor Improvements, and Southwest 2nd Avenue Improvements, were added to the GCRA Reinvestment Plan in 2020. The prior GCRA Manager in charge of capital improvement projects separated from City employment in 2020. The GCRA advertised for and interviewed potential candidates in 2020, but was unable to move forward with hiring until November 2021, at which time the position was filled. Since that time, the GCRA has been working with other departments for community engagement on Southwest 2nd Avenue Improvements, and waiting on direction from the 8th Avenue and Waldo Road project for the Waldo and Williston Road Corridor Improvements. Staff turnover and a lack of project management tools increase the time necessary to manage projects.

4. Project Closing

None of the nine sampled projects or programs were completed during the audit scope period of October 1, 2019 – February 28, 2022.

5. Reporting

The GCRA is required to provide stakeholders with the annual work plan and annual report for each fiscal year. The GCRA also provides stakeholders with ad-hoc updates on the status of the reinvestment plan. GCRA's annual work plans and annual reports are provided by the due date; however, other reports are infrequent and do not provide all information necessary to assess the GCRA's performance. During our

review we noted that a GCRA report included inaccurate data. We also noted that some key project information that would improve transparency is not included in GCRA reporting. Specifically:

Inaccurate Data Found in a GCRA Report

The information included on page 3 of the GCRA FY2020 Annual Report on diverse and local spending contained inaccuracies. Management included payments made under the Gainesville Cares Grant Program in vendor spending. 32 of the 39 small vendors listed in the analysis were actually recipients of the GNV Cares Grant Program, rather than vendors performing work on GCRA projects, resulting in inaccurate analysis of vendor spend demographics in the report. Additionally, some vendors with more than one relevant demographic category were counted more than once resulting in an overstated number of individual vendors analyzed. The GCRA was performing a benefit to the community by providing grant funding during the COVID pandemic; however, the GCRA reporting the funds as vendor spend was not correct.

Some Key Project Information Missing from GCRA Reporting

City of Gainesville Ordinance Section 2-410 entitled “Reinvestment plan” requires that the City Commission adopt a reinvestment plan to guide community redevelopment within the GCRA and include a minimum amount of information. Two pieces of information was not included in the GCRA 10 Year Reinvestment plan, including:

- Visuals and description in general terms of limitations on the type, size, height, number, and proposed use of buildings, and
- A detailed statement of the projected costs of the redevelopment.

Transparency (best practices and dashboard)

Key project management information, such as project timeline, status, and actual expenditures compared to the budget was not frequently provided by GCRA management to the Advisory Board and is not posted on the GCRA's website. Transparency is a critical requirement to achieve public trust in the GCRA. To achieve transparency, timely information relating to plans and performance should be easily accessible by stakeholders. Project dashboards are effective and transparent tools to provide key information to stakeholders. The auditor reviewed the type of information provided in five GCRA reports, and noted opportunities for process improvement in Table 2, below.

Table 2

Elements of GCRA Reports				
Date	Report	Reporting Requirements	Information Provided	Not Included in Report
3/5/2020	GCRA Consolidated 10 Year Reinvestment Plan	Visuals and description in general terms of limitations on size, type, height, number and proposed use of buildings A detailed statement of the projected costs of redevelopment	Location covered, status, project description and next steps	Total projected costs of redevelopment Project milestones
9/15/2020	GCRA Reinvestment Plan Update	None	Original Plan, updated status, funding and GCRA Role	Expenditure to date and Progress in comparison to target
9/24/2020	GCRA FY2020 Modifications and FY2021 Budget	Budget information	Remaining TIF Funds, FY20 Budget and FY21 Budget	FY 2020 Actual Expenditure or Expenditure to Date
3/16/2021	GCRA Roadmap Prioritization	None	GCRA assigned priority, City assigned priority (based on strategic plan) and responsible department	Timeline for Completion
6/15/2021	GCRA 10 Year Reinvestment Roadmap Follow Up	None	Available funding at 5/24/21, proposed FY2022 and FY2023 expenditure, and timeline for completion.	Actual expenditure to date or FY2021 actual YTD

6. Communication

During our review we noted the following communication lapse. In May 2021, the GCRA Advisory Board directed staff to take five of their recommendations for the Power District Redevelopment project to the City Commission for consideration. The GCRA forwarded the motion to CAPER on May 21, 2021 and again on June 1, 2021 because CAPER was managing the Power District Redevelopment project at that time. At the time of this review the items were not yet moved forward to the City Commission, and due to unclear project direction, it was not clear which management team would handle the recommendations. The five recommendations include:

1. Reconsider inclusion of the Rosa Parks Transit Station and the former RTS properties in public service.
2. Consider extending the protections around the McRorie Community Garden.
3. Emphasize smaller scale buildings with opportunities to access recreation.
4. Have city staff engage neighborhoods prior to returning to the City Commission.
5. Include daylighting of the Sweetwater Creek and extending the park down to Depot Park and include the area east of the creek.

Criteria:

Project Management and Fiscal Management

GFOA Best Practices on Capital Project Monitoring

Section 4 of Government Finance Officers Association (GFOA) best practices Capital Project Monitoring and Reporting recommends that finance officials monitor capital project activity regularly. Monitoring should include the following:

- Confirmation that a project plan exists that identifies all required resources and milestone work products and assurance that the project plan is being followed.
- Review expenditure for alignment with the current budget and overall projected cost.
- Review of projected funds to determine if funds will be available to meet the project requirements.

Section 2 of Government Finance Officers Association (GFOA) best practices Capital Project Monitoring and Reporting recommends identifying relevant data for external and internal stakeholder information needs. Finance officials may also be called upon to compile cost and performance data for diverse stakeholders. With this in mind, financial officials responsible for capital monitoring and reporting should:

- Identify key stakeholders involved in capital projects, for example, project oversight staff, project engineers, contractors, finance and budget staff, executive management, bondholders, rating agencies, grantors, elected officials, and constituents.
- Identify the business needs of key participants, including timing status, cost activity, and project scope.
- Establish project milestones, performance measures and reporting criteria based on stakeholder needs and legal and fiduciary requirements.
- Collaborate with participants to determine the content of reports and the preferred reporting tools of various stakeholders, including the depth and frequency of information, established expectations and notable variances. For example, larger entities with a substantial number of similar routine capital projects may consider providing information for routine capital projects at a program level, rather than providing information for each individual project.

Project Management Institute – PMBOK Guide, Seventh Edition

“People drive project delivery. They do so by fulfilling functions necessary for the project to run effectively and efficiently. Functions related to the project can be fulfilled by one person, by a group of people, or combined in defined roles. Coordinating a collective work effort is extremely important to the success of any project...Regardless of how coordination takes place, supportive leadership models and meaningful, continuous engagements between project teams and other stakeholders underpin successful outcomes.”

ISO 21500 Guidance on Project Management

Section 4.3.26 of ISO standard 21500 Project management indicates that the purpose of developing a budget is to distribute the project's budget to the appropriate levels of the work breakdown structure. The assignment of budgets to scheduled work segments provides a time-based plan against which actual performance can be compared. Therefore, maintaining realistic budgets, directly tied to the established scope of work, is essential for each organization responsible for performing project efforts.

Section 4.3.2 Develop project charter – The purpose of a project charter is as follows:

- to formally authorize a project or a new project phase;
- to identify the project manager and the appropriate project manager responsibilities and authorities;
- to document the business needs, project objectives, expected deliverables, and the economic aspects of the project.

The project charter links the project to the strategic objectives of the organization and should identify any appropriate terms of reference, obligations, assumptions and constraints.

Reporting

Reports are reviewed by personnel independent of the preparation process with adequate knowledge of the subject matter to ensure reliability, completeness and accuracy.

GAO Federal Internal Control Standards principle 13 states that management should use quality information to achieve the entity's objectives. Principle 13.04 states that management obtains relevant data from reliable internal and external sources in a timely manner based on the identified information requirements. Relevant data have a logical connection with or bearing upon the identified information requirements. Reliable internal and external sources provide reasonably free data from error and bias and faithfully represent what they purport to represent.

Cause:

Frequent project management changes, the COVID pandemic, transitioning to a City department, staff turnover, market volatility, and senior management directives contributed to projects and programs not being completed. Current staff are working hard to gather information from various sources to progress projects.

Staff rely on significant manual processes for project management as there is no formal project management software in place.

At the time GCRA reported vendor spend statistics, there was no process in place to accurately collect, extract or verify relevant data. The Office of Equity and Inclusion is responsible for the process to ensure relevant data is collected, extracted and verified, then the data should be provided to departments for their analysis and reporting. This process is still under development.

Communication challenges were realized on the management and department level after the CAPER reorganization and the subsequent shifting of projects.

Risk:

The risk of overspending is increased when project costs and budgets are not adequately managed. There is a risk that the GCRA may not be able to complete planned projects in the ten-year plan.

When management does not provide the Board with complete and timely information, the Board could arrive at the wrong conclusion, resulting in incorrect decision making. Public confidence is eroded when agencies do not provide complete and timely information on matters that impact citizens.

Incorrect reporting of local and diverse spending could adversely impact public confidence in the City's level of transparency if there is a public record request for support document relating to GCRA vendor spending.

Recommendation:

The City Manager's Office should enhance internal controls around GCRA project management, specifically:

1. **Governance and Project Management:** Establish a cross-functional approach to project management to ensure staff managing each project have clear direction and understanding of project scope. Governance should include establishing expectations for project manager skillsets and providing the necessary training. Management should establish expectation of collaboration and facilitate the process.
2. **Project Fiscal Management:** Establish a process to move project funds in a strategic and disciplined approach to reduce the risk of overspending. Funds no longer needed for a project should be moved to a central bucket. Funds needed for projects with cost overruns should be allocated from the central bucket based on authorized and demonstrated need and should be reflected in the revised total projected costs for the project receiving the additional funds. Management should forecast total projected funds for all projects in the 10 year plan and ensure fixed revenues from the City and County are sufficient to fund the total projects.
3. **Tools:** Utilize a project management tool to gain efficiencies due to heavily manual processes, improve transparency, and improve outcomes.
4. **Policy and procedures:** Adopt policy and procedures to guide the entire GCRA project management life cycle, including tracking project milestones, budget allocations based on projected costs, movement of funds, and timely and accurate reporting. Ensure key roles and responsibilities are defined, and project management training expectations are established.

Management Action Plan

The City Manager's Office will work with the GCRA to enhance internal controls around GCRA project management, specifically:

1. Governance and Project Management

GCRA will continue to analyze existing projects and scope, review personnel training and provide continuing education/training to personnel to ensure they are successful. GCRA will continue to collaborate with internal and external stakeholders. GCRA will also work to establish a cross-functional approach to project management to ensure that staff managing each project have clear direction and understanding of the project scope. Leadership will establish an expectation of collaboration and facilitate the process.

2. Project Fiscal Management:

The GCRA will continue to refine its methodology in moving project funds in a strategic and disciplined approach to reduce the risk of overspending. The GCRA will work to establish a process of moving funds no longer needed for projects to a central bucket, and all unallocated fund balances should also be shifted to this account for later utilization. Fiscal oversight will occur based on the above as any funds to be moved from the central bucket will have to follow City budgetary policy, which as of this response, has to be approved by the City Commission during Budgetary Amendments presented by the Budget Office. Management should forecast the total projected funds for all projects in the 10-year plan and ensure fixed revenues from the City and County are sufficient to fund the total projects. Projects that are faced with cost overruns, if authorized, should draw from the central bucket, and their revised cost should be reflected in the total projected costs for the project.

3. Tools:

Continue to utilize and improve upon the existing GCRA-produced project management tools and work with the City's Department of Strategy, Planning and Innovation to identify additional Project Management tools.

4. Policy and Procedures:

The GCRA will refine its policy and procedures to guide the entire GCRA project management life cycle, including tracking project milestones, budget allocations based on projected costs, movement of funds, and timely and accurate reporting. The preceding components are expected to be developed more fully once the City has provided guidance on Project Management tools per item #3. The GCRA will

work with leadership to ensure key roles and responsibilities are defined and project management training expectations are established.

Due date: *March 31, 2023*

Responsible Party: *Phil Mann, Interim GCRA Director*

Accountable Party: *Monica Deel, GCRA Manager*

Consulted Parties: *Police Chief Tony Jones, Interim Chief Operating Officer*

Informed Parties: *Cynthia W. Curry, Interim City Manager*

ISSUE #2 POLICIES AND PROCEDURES

Risk rating: [Moderate]

Observation:

The Gainesville Community Reinvestment Area (GCRA) policies and procedures do not document project management expectations, and do not include key roles and responsibilities for managing and monitoring GCRA activities. Department policies and procedures are necessary governance controls to guide and manage day-to-day operations, ensuring activities and processes are carried out in a consistent, effective and efficient manner. Policies, procedures and guidelines should guide staff in planning, executing, controlling, monitoring, closing and reporting approved projects and activities, and provide guidance on fiscal management to reduce the risk of overspending.

Criteria:

Government Finance Officers Association (GFOA) best practices Policies and Procedures Documentation states that “Communication is one of the elements of, and an essential component of, a comprehensive framework of internal control.” One method of communication that is particularly effective for internal controls is the formal documentation of policies and procedures.

Policies and procedures should be documented to communicate department purpose, key process activities, key roles and responsibilities, and oversight and reporting.

Cause:

The requirement to maintain documented project and fiscal management procedures for the Gainesville Community Reinvestment Area was not prioritized. While GCRA procedures exist to guide administrative activities, the procedures do not specifically guide GCRA project and fiscal management processes. Recent disruption in City leadership and GCRA structure had an impact on staff and the function’s new role as a City department.

Risk:

Incomplete procedures increase the risk of potential inefficiencies, waste of resources, risk of error, and difficulties enforcing accountability.

Recommendation:

We recommend management update key policies, procedures and guidelines for managing projects related to the GCRA 10 year plan. The policies/procedures/guidelines should guide overall expectations for managing the GCRA department and projects that receive GCRA funding, define key roles and responsibilities around project management, fiscal management, and reporting. In addition, specific

procedures should guide staff in project prioritization, planning, tracking, monitoring, and closing to ensure staff follow consistent practices.

The duties of the GCRA Director should be updated to include ensuring that policies and procedures are documented, implemented, reviewed and updated periodically. The Director should periodically assess compliance with policy and procedures.

Management Action Plan

GCRA will work with management to develop and document policies, procedures, and guidelines.

- *Examination and updating of GCRA Director duties will be done to ensure policies and procedures are documented, implemented, reviewed, and periodically updated.*
- *Project Management; inclusive but not limited to*
 - *Procedures to guide staff in project prioritization*
 - *Reporting*
 - *Closure of projects*
- *Fiscal Management;*
- *Budget development and implementation;*
- *Administrative oversight.*

Due date: *December 10, 2022*

Responsible Party: *Monica Deel, GCRA Manager*

Accountable Party: *Phil Mann, Interim GCRA Director*

Consulted Parties: *Police Chief Tony Jones, Interim Chief Operating Officer
Roberta Griffith, Executive Chief of Staff*

Informed Parties: *Cynthia W. Curry, Interim City Manager*

ISSUE #3 MANAGEMENT AND MONITORING OF CONFLICTS OF INTEREST

Risk rating: [Moderate]

Observation

We reviewed the status of a 2020 Internal Audit recommendation resulting from a GCRA Conflict of Interest investigation. The recommendation requested GCRA management implement a process to identify and manage actual or perceived conflicts of interest between GCRA staff and third parties they contract with. At the time of this review GCRA management had not established a department level process, policy or procedure to identify and manage actual or perceived conflicts of interest between staff who control, manage or influence GCRA projects, and third parties that contract with the City for work related to the GCRA projects. While the City has added conflict of interest expectations to its code of silence policy and has implemented a Fraud Risk Management Policy, management should establish internal controls to identify and manage actual or perceived conflicts of interest in functional areas with staff who procure or influence decisions with suppliers, contractors, or other service providers.

Criteria:

City of Gainesville Code of Ethical Standards G-2

- Section V. entitled “Solicitation or Acceptance of Items of Value,” states “No employee shall solicit or accept anything of value for personal use, including free or discounted goods, services, prizes, gifts, favors, accommodations, entertainment, discounted loans, promises of future employment or anything else of value, except as provided below. This code must be read as proscribing the appearance of impropriety as well as actual conflicts of interest. No circumvention of this code is permitted by diverting free or discounted goods or services to family or associates of employees in order to avoid direct acceptance of gifts.”
- Section VI. entitled “Contracts with the City” states, “Except for publicly recorded salary and benefits, no employee may receive any additional personal financial benefit (income, goods or service, or increase in equity or other value) from any transaction of the City, including contracts for construction and transactions for the sale or purchase of goods, services or real estate, except those indirect and incidental public benefits and conveniences accruing to all citizens under similar circumstances. (See Section 2-146 of the City of Gainesville Code of Ordinances.)”

Florida Statute Code of Ethics for Public Officers and Employees

Florida Statutes sections 112.311-112.3261 state,

- “112.311(5) – Establishes that no employees shall have any interest, financial or otherwise, direct or indirect; engage in any business transactions or professional activity; or incur any obligation of any nature, which is in substantial conflict with the proper discharge of his or her duties in the public interest.

- 112.313(7)(a) – Establishes that no employee shall have or hold any employment or contractual relationship with any business entity which is subject to the regulation of, or is doing business with, an agency of which he or she is an employee. Nor shall an employee have or hold a contractual relationship that will create a continuing or frequently recurring conflict between his or her private interests and the performance of his or her public duties or that would impede the full and faithful discharge of his or her public duties.
- 112.313(12)(b)3 – Identifies processes and document requirements for any exemptions to 112.31(7) above, specifically, the requirement to file a statement with the Commission on Ethics prior to or at the time of a bid, disclosing the official’s interest, or the interest of the official’s spouse or child, and the nature of the intended business.”

City of Gainesville Procurement Policy: A Policy Prohibiting Lobbying in Competitive Procurement Processes by application of the Cone of Silence

Part I entitled Conflict of Interest states, “It is essential to the proper conduct and operation of government that public officials be independent and impartial and that public office not be used for private gain other than the remuneration provided by law. The public interest, therefore, requires that the law protect against any conflict of interest and establish standards for the conduct of elected officials and government employees in situations where conflicts may exist. When involved in the procurement decision-making process, individuals should review Section 112.313, Florida Statutes and Code of Ethical Standards Policy G-2, both as may be amended.”

City of Gainesville Fraud Risk Management Policy

The Policy states, “Management is responsible for the detection and prevention of fraud, misappropriations, and other irregularities. Each member of the management team will be familiar with the types of improprieties that might occur within their areas of responsibility and be alert for indications of fraud. A Conflict of Interest is a type of corruption fraud that occurs when an elected official or employee’s private interest improperly influences their official conduct or decision-making for private advantage or improperly affects the performance of official duties. The wrongful use of influence to obtain a benefit for the employee or another person, contrary to their duty or the rights of others.”

Cause:

Management deferred to the Annual Reminder issued by Human Resources, where employees are asked to affirm they have reviewed all citywide policies and procedures. While these policies are very important, they do not establish a mechanism for management to identify and manage conflicts of interest within their functions. In addition, on 11/13/2020 Internal Audit recommended to the Assistant City Manager and Human Resources a conflict of interest management process be established within the GCRA department. Specifically,

City Auditor recommends a procedure be established within GCRA for staff to disclose all conflicts of interest. The conflict of interest statement should be updated annually. Procedures

and internal controls must ensure staff with an actual or perceived conflict of interest do not manage or influence business processes or decisions impacting the parties affected by the actual or perceived conflict of interest.

Risk:

Undisclosed and unmanaged potential or actual conflicts of interests increase the risk that corruption will go undetected. Potential conflicts of interest between staff and contractors could result in the contractor influencing staff decision-making by providing gifts or favors, resulting in fraud, waste or abuse.

Recommendation:

Disclosure: Management should establish internal controls to identify and manage actual or perceived conflicts of interest in functional areas with staff who procure or influence decisions with suppliers, contractors, or other service providers.

Monitoring: The conflict of interest disclosure should be updated annually and as needed for impacted staff who make decisions involving third party contractors or service providers. Procedures and internal controls must ensure staff with an actual or perceived conflict of interest do not manage or influence business processes or decisions impacting the parties affected by the actual or perceived conflict of interest. Therefore, when a conflict of interest is identified and disclosed, management must take steps to ensure the conflict is appropriately managed, such as ensuring the staff with a conflict does not have duties with the impacted third party.

Management Action Plan

As part of the audit work, this issue was identified and was partially addressed by the GCRA. First, these issues are specifically addressed by the City's Annual Reminders that all city employees must acknowledge (HR Policy G-6 annual reminders). Additionally, the GCRA had a form specifically created to address this matter for the audit's purposes. Each GCRA employee filled it out, signed, and turned it in to Management. The conflict of interest form will be updated annually based on the City's fiscal year. Management will work to develop steps to ensure any conflicts are appropriately managed and ensure that staff with identified conflicts do not have decision-making powers or duties impacting the third party.

Due date:	<i>October 31, 2022</i>
Responsible Party:	<i>Monica Deel, GCRA Manager</i>
Accountable Party:	<i>Phil Mann, Interim GCRA Director</i>

Consulted Parties: Police Chief Tony Jones, Interim Chief Operating Officer

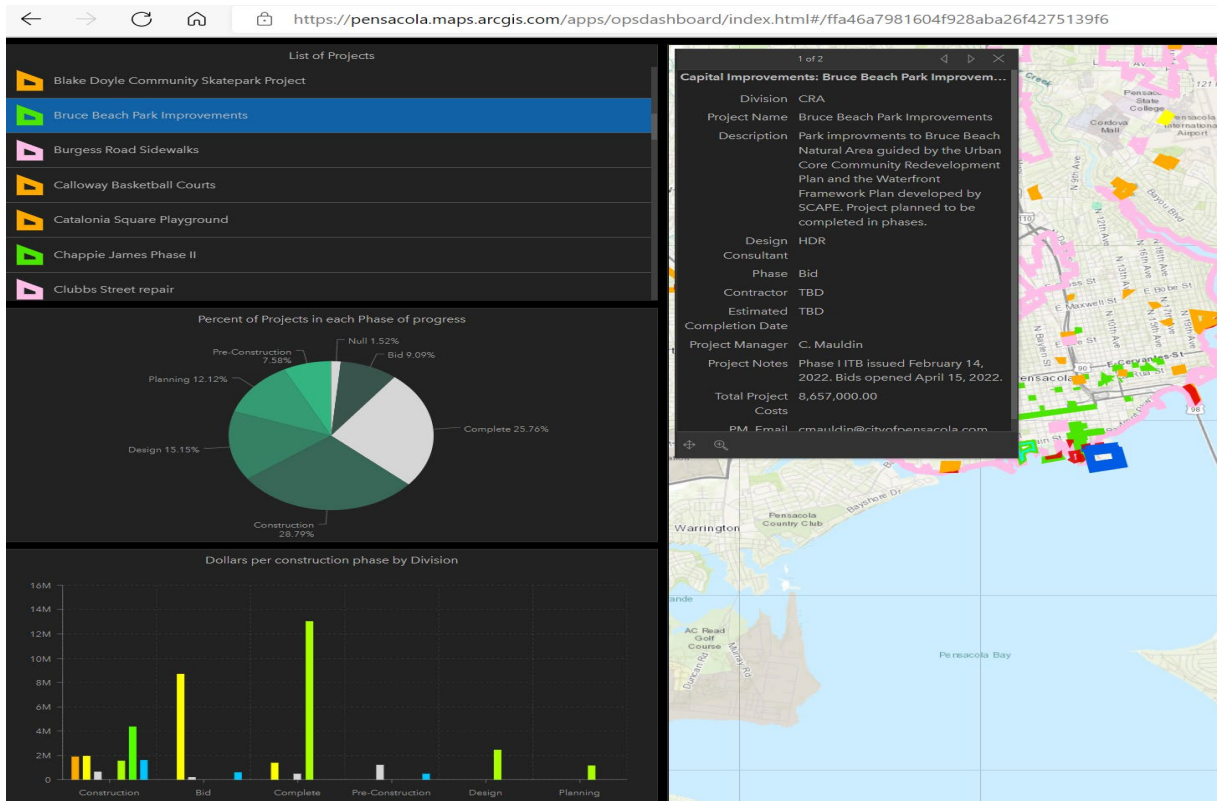
Informed Parties: Cynthia W. Curry, Interim City Manager

APPENDIX - EXAMPLES OF MUNICIPAL PROJECT DASHBOARDS

City of Tampa, FL

The screenshot displays the 'Capital Improvement Program Viewer' interface for the City of Tampa. The dashboard is divided into several sections:

- Filters (Left Panel):**
 - Project Type:** Transportation
 - Project Phase:** Construction
 - Construction Fiscal Year:** 2022
 - Funding Source:** Local Option Gas Tax
 - City Council District:** 5
 - Neighborhood:** No Neighborhood Selected
 - Community Redevelopment Area:** Ybor City 1
 - Ybor City 1:** Includes 'Reset' and 'Deselect all' buttons.
- Active Projects (Top Center):** Shows a traffic signal icon and the number '1'.
- Project List (Center):**
 - 22nd Street and Palm Avenue Signal Upgrade (Transportation)
 - Green Spine Cycle Track, Segment 3B (Transportation)
- Map (Center):** A map of Tampa, FL, with a blue outline highlighting the project area in the Ybor City neighborhood. Labels on the map include Lake Magdalene, Sulphur Springs, Harney, Del Rio, Temple Terrace, Ybor City, West Tampa, Tampa, Hillsborough, Progress Village, Clair-Mel City, Palma Ceia, Westshore, and Greshake.
- Project Details (Right Panel):**
 - 22nd Street and Palm Avenue Signal Upgrade**
 - Project ID:** 1001311
 - Department ID:** TRANS10002
 - Description:** This project provides for replacement and upgrade of the traffic signal at the intersection of 22nd Street and Palm Avenue. The current signal is built to an obsolete standard and has passed its useful life..
 - Rationale:** End of Life Replacement
 - Construction Fiscal Year:** 2022
 - Funding Source:** Local Option Gas Tax
 - Projected Start Date:** February 15, 2022
 - Projected End Date:** July 31, 2022
 - Project Cost:** \$500,000
 - Phase:** A progress bar shows the project is in the 'Construction' phase, with 'Planning', 'Design', and 'Procurement' completed.
 - Status:** Construction in Progress
 - Neighborhood:** Historic Ybor
 - Council District:** 5
 - Community Redevelopment Area (CRA):** Ybor City 1



City of Seattle, WA

Project Name	Cost Status	Schedule Status
12th Ave NE and NE 43rd St Paving	🟢	🟡
15th Ave NE/NE 105th St Bridge Seismic Retrofit	🟢	🟢
15th Ave NW/Leary Way Bridge Seismic Retrofit	🟢	🔴
2021 Sidewalk Package	🟢	🔴
2022 Federal SRTS Package	🟢	🟢
3rd Ave Corridor Improvements - Denny Way Signal	🔴	🔴
8th Ave NW/NW 133rd St Bridge Seismic Retrofit	🟢	🔴
ADA Program - 2020 Legacy Curb Ramps	🟢	🔴
ADA Program - 2021 Legacy Curb Ramps	🟢	🟢
Admiral Way N Bridge Seismic Retrofit	🟢	🔴
Admiral Way S Bridge Seismic Retrofit	🟢	🔴
Arterial Paving - 15th Ave NE	🔴	🔴
Arterial Paving - 15th Ave S/Spokane/Columbian	🟢	🟢
Ballard Multimodal Corridor	🟢	🟢
Center City Gateway and S Michigan St ITS	🟢	🔴
Delridge Way SW - Rapid H Line Improvement	🔴	🟢
East Marginal Way Heavy Haul Corridor Improvements - North Segment	🔴	🔴
Georgetown Flume Off-Leash Area	🟢	🔴
Georgetown South Park Trail	🟢	🔴
Highland Park Way SW and SW Holden St Signal Improvements	🟢	🔴
Kenyon Way S. Sidewalk Project	🟢	🔴
Little Brook Pedestrian Safety Enhancements	🔴	🟡
Madison Street Bus Rapid Transit	🟢	🟢
McGraw St Bridge Seismic Repair	🟢	🔴
Melrose Promenade Crossing Improvements	🟢	🔴
MLK Jr Way S - PBL - S Judkins St to Rainier Ave S	🟢	🔴
NE 43rd St Improvements	🟢	🔴
Northgate Bridge and Cycle Track - Northgate Bridge	🔴	🔴
North Seattle Mobility Package 1	🟢	🔴
Permanent 8th Ave. Protected Bike Lane	🟢	🟡



12th Ave NE and NE 43rd St Paving

Project Website

The project is on budget.

The project is 130 days beyond the construction substantial completion goal date of Mar 2022 due to a delay in procurement of the signal poles for 12th Ave NE/AE 67th St for a pedestrian crossing at the Roosevelt Link Station. The construction substantial completion goal has been revised from its original goal of Aug 2021 due to multiple scope additions increasing the number of days needed to complete the work.

Description:

This project will repave 12th Ave NE from 43rd St to 45th St, and NE 43rd St from 12th Ave NE to Brooklyn Ave NE. This paving will provide sufficient pavement structure to enable buses to utilize NE 43rd Street to connect to the U District Link Station and to layover on 12th Ave NE. The paving will be half-street reconstruction, with full depth concrete paving in the west and north directions of travel and an asphalt mill and overlay in the east and south directions of travel. PBL's will be constructed on Brooklyn Ave NE from 45th St to NE 47th St and on NE 47th St from Brooklyn Ave NE to 12th Ave NE. Metro trolley infrastructure will be included in the project. This project also includes sidewalk widening on the east side of the street for the length of the bus zone and a new pedestrian signalized crossing at NE 47th St.

Cost Estimate

\$5.0 million

Design Completion

January, 2021

Spent

\$4.1 million

Construction Completion

April, 2022

Stage



Funded by
MOVE SEATTLE



[City of Hollywood, FL](#)

PROJECT NAME	PROJECT NUMBER	PROJECT MANAGER	DISTRICT	TOTAL PROJECT COST	PROJECT DESCRIPTION	STATUS UPDATE
Fire Department Equipment Acquisition	DCM-19-001191	Chief Poli	City-wide	\$5,103,937	Replacement of 4 ALS Rescue Units, 2 Engines, 1 Hazmat Truck, 1 Battalion Command Vehicle, Aerial Platform Vehicle.	<p>1) Two (2) Fire Engines: Project Completed</p> <p>2) Four (4) Rescue Units: Two (2) units have been put "In Service". Two (2) additional Rescue units have been ordered and should be delivered in FY22.</p> <p>3) Aerial Platform Vehicle: The aerial platform has been delivered and is in service.</p> <p>4) Battalion Chief Vehicle: Project Completed.</p> <p>5) Hazardous Materials Units: The hazardous materials unit should be delivered in FY22.</p>
Former Armory at Dowdy Sports Field - 2161 Johnson Street	DCM-19-001196	Karyn Sashi	2	\$2,411,274	Renovate building to create an indoor sports facility including basketball/batting cages/soccer goals. ADA compliant restrooms, office space, meeting room, storage area. Exterior landscaping and connect building to Dowdy field.	The architect, Synalovski Romanik Saye, LLC, is working on the design of the renovation. At 30% construction documents, the City, Architect, and CMAR, State Contracting, are working together to get the best product while staying within budget.

[PHOTOS](#)