



# CITY OF TAMPA

Pam Iorio, Mayor

Internal Audit Department

Wayne Boytim, Acting Internal Audit Director

February 10, 2005

Honorable Pam Iorio  
Mayor, City of Tampa  
1 City Hall Plaza  
Tampa, Florida

RE: Public Art Program, Audit 05-25

Dear Mayor Iorio:

Attached is the Internal Audit Department's report on the Public Art Program.

The Arts and Cultural Affairs Director has already taken positive actions in response to our recommendations. We thank the management and staff of the Public Art Program for their cooperation and assistance during this audit.

Sincerely,

Wayne Boytim  
Acting Internal Audit Director

cc: Santiago Corrada, Neighborhood Services Administrator  
Wendy Ceccherelli, Arts and Cultural Affairs Director  
Gregory K. Spearman, Purchasing Director  
Robin Nigh, Public Art Administrator

**DEPARTMENT OF  
ARTS AND CULTURAL AFFAIRS  
PUBLIC ART PROGRAM  
AUDIT 05-25  
JANUARY 26, 2005**

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Auditor

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**INTRODUCTION**

The mission of the Tampa Public Art Program is to promote the involvement of artists in projects throughout the city, to enhance the physical environment and celebrate Tampa's unique character and identity.

Chapter 4 of the City of Tampa Code establishes the policy for the City's Public Art Program and authorizes the Public Art Fund. Specifically, one (1) percent of the construction cost of a municipal building project as bid, contracted and accepted by the city shall be deposited into the Fund (not to exceed \$200,000 for any single municipal project). The Fund shall be used solely for the selection, commissioning, acquisition, installation, maintenance, administration and insurance of the works of arts or in relation thereto. Unexpended monies in this fund may be used for works of art at existing public properties and facilities as deemed appropriate by the Public Art Committee established under the same chapter.

**STATISTICS**

**Public Art Fund**

	<b><u>FY 2003</u></b>	<b><u>FY 2004</u></b>
Beginning Fund Balance	\$488,896	\$562,262
Plus: Revenues	387,146	130,734
Less: Expenditures	<u>313,780</u>	<u>66,884</u>
Ending Fund Balance	<u>\$562,262</u>	<u>\$626,112</u>

Source: Financial Management Information System (FAMIS)

**STATEMENT OF OBJECTIVES**

This audit was conducted in accordance with the Internal Audit Department's FY05 Audit Agenda. The objectives of this audit were to ensure:

1. Compliance with Chapter 4 of the City of Tampa Code, which mandates not less than 1% of the construction cost of a municipal building project as bid, contracted and accepted by the City to be deposited into the Public Art Fund for the purchase of artwork;
2. The City maintains an inventory of its public art collection; and
3. The City's public art collection is insured.

## **STATEMENT OF SCOPE**

The audit period covered activity of the public art program that occurred from October 1, 2002 to September 30, 2004. Source documentation was obtained from the Public Art Program and Department of Public Works. Original records as well as copies were used as evidence and verified through physical examination.

## **STATEMENT OF METHODOLOGY**

Judgmental sampling was used to improve the overall efficiency of the audit.

To achieve the audit's objectives, reliance was placed on computer-processed data contained in the Microsoft Access database maintained by the Public Art Program. A limited review of general and application controls consisting of interviews of applicable personnel and a review of user access capabilities was conducted and found to be adequate. Sufficient tests of the data were also performed. Based on these tests, the data that is maintained in the Microsoft Access database was deemed sufficiently reliable to be used in meeting the audit objectives.

## **STATEMENT OF AUDITING STANDARDS**

We conducted our audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to afford a reasonable basis for our judgments and conclusions regarding the organization, program, activity or function under audit. An audit also includes assessments of applicable internal controls and compliance with requirements of laws and regulations when necessary to satisfy the audit objectives. We believe that our audit provides a reasonable basis for our conclusions.

## **AUDIT CONCLUSIONS**

Based upon the test work performed and the audit findings noted below, we conclude that:

1. One percent of the construction cost of municipal building projects as bid, contracted and accepted by the City were deposited into the Public Art Fund; however, improvement is needed in linking funds transferred to the qualifying project;
2. The City maintains an inventory of its public art collection. However, it was incomplete and was not reconciled to the City's fixed asset system FAACS; and
3. The City's public art collection was insured.

While the findings discussed below may not, individually or in the aggregate, significantly impair the operations of the Public Art Program, they do present risks that can be more effectively controlled. Before we completed our audit, Public Art Program personnel implemented some of the Internal Audit Department's recommendations.

## **EXEMPTION FROM CITY'S STANDARD COMPETITIVE BID PROCESS**

Section 8.01 of the City's Purchasing Manual states that all requests for procurement of Professional Services through the Purchasing Department will be processed through the Request for Proposal (RFP) process, unless otherwise specifically found to be the exception to the RFP process. Specifically, purchases which by their innate or other unique nature, circumstances or market conditions are found to be exempt from the full RFP process if in the City's best interest. The final determination of all such decisions rest with the Director of Purchasing or the Mayor. Based on a document obtained from the Purchasing Department, the selection of artists or purchase of artwork is exempt from the City Purchasing Department's competitive bid process. However, the exemption note was not on City letterhead or dated.

## **RECOMMENDATION 1**

The Public Art Program's exemption from the Purchasing Department's competitive bid process should be formally documented.

## **AUDITEE RESPONSE – Purchasing Department**

The Public Art Program's exemption from the Purchasing Department's competitive bid process does not require formal documentation from Purchasing. Per Ordinance 88-60 as amended by Ordinance 89-07, the purchase of Public Art is handled by a Public Arts Committee appointed by the Mayor. However, Purchasing will continue to provide any administrative support as required by the Committee in the acquisition of Public Art.

This does not preclude the Purchasing Department from administering an RFP process for Public Art when requested by the Committee or in the event an RFP process is deemed to be in the best interest of the City.

## **PUBLIC ART FUND**

For fiscal years 2003 and 2004, \$100,000 was appropriated in the Utility Tax Fund, respectively, for the Public Art Program. When a project qualifies for public art funding, 1% of the construction cost is transferred from the Utility Tax Fund to the Public Art Fund. Any remaining funds of the \$100,000 are transferred to the Public Art Fund at the end of the fiscal year. Our test work disclosed an instance where funds totaling \$26,834 for a qualifying project were not transferred upon execution of the construction contract on June 24, 2004. Although the remaining balance of appropriated funds at the end of the fiscal year of \$41,805 was transferred and it exceeded the \$26,834 that should have been transferred, the funds transferred were not linked to the qualifying project.

## **RECOMMENDATION 2**

A procedure should be established to verify that funds for projects qualifying for public art funding are transferred to the Public Art Fund in a timely manner upon execution of the construction contract. This should ensure the funds transferred are linked to the qualifying project.

## **AUDITEE RESPONSE**

Public Art Committee and staff will work with the Department of Public Works, and the Budget Department to develop a procedure to verify that funds for projects that qualify for Public Art are transferred to the Public Art Trust in a timely manner upon execution of the construction contract. We will request that DPW add us (cc) to their project start-up sheets.

Staff will coordinate with Budget to train our new OSSIII employee on transfers into and out of the Public Art Trust Fund, and on accessing City monthly financial reports. Better access to financial information will result in better accuracy and timeliness.

Staff is also exploring revisions to the public art ordinance to include procedures to transfer funds into the Public Art Trust upon adoption of the Capital Improvement Program (CIP). This change would streamline the transfer process, resulting in a reduction of paperwork, more efficient use of staff and Council time, and more certainty in planning and budgeting for public art projects.

## **PUBLIC ART INVENTORY**

The Public Art Program Administrator maintains an inventory of the City's public art collection in a Microsoft Access database. The database was not periodically reconciled to FAACS, the City's fixed asset system. Proper internal controls require that the database and FAACS be reconciled to ensure the accuracy of the public art recorded in each system.

The inventory schedule for the Public Art Portable Collection was incomplete. It was represented during our review that 52 photographs taken by the 2003 Photographer Laureate were not listed in the inventory.

### **RECOMMENDATION 3**

A procedure should be established to reconcile the two systems on a periodic basis.

### **AUDITEE RESPONSE**

Differences between the two inventory systems have now been reconciled, and we will soon complete the revised numbering system on our outdoor art commissions where this had been a problem in the past.

### **RECOMMENDATION 4**

All public art work purchased by, loaned to or donated to the City should be recorded in the inventory schedule and when appropriate, FAACS.

### **AUDITEE RESPONSE**

This recommendation has been implemented, and our database system will be further developed so that every new artwork is included. Our final invoice payment will now be the trigger for adding new artwork to the inventory.

## **PUBLIC ART COMMITTEE AND ART SELECTION COMMITTEE**

Sec. 4-29(b)(5) of the City of Tampa Code states that minutes shall be kept of all meetings, including the vote of each member upon each action by the committee (i.e., public art committee). Each public art project has an Art Selection Committee that selects the artist for the project. A member from the Public Art Committee (PAC) serves on the Art Selection Committee. The Public Art Program guidelines require that the PAC confirm the artist selected by the Art Selection Committee. Our test work disclosed that although the status of Art Selection Committee projects were discussed by the PAC representative, the PAC minutes did not adequately document the PAC's confirmation of the artist selected.

The Public Art Program guidelines also require that minutes be prepared for each Art Selection Committee meeting. However, we found that in some instances there were no minutes of the Art Selection Committee meetings or only brief hand-written notes were prepared. These notes may not make clear to an individual who did not attend the meeting of what transpired. Additionally, there is a risk that the rationale for decisions could not be fully supported or explained if it were ever questioned.

### **RECOMMENDATION 5**

The PAC's confirmation of the Art Selection Committee's artist selection should be adequately documented in the PAC minutes.

### **AUDITEE RESPONSE**

PAC actions on art selection are now being recorded in the minutes.

### **RECOMMENDATION 6**

Minutes of the Art Selection Committee meetings should be prepared.

### **AUDITEE RESPONSE**

This recommendation has already been put into practice with the addition of a staff position of program assistant.

## **POLICIES AND PROCEDURES**

An outside consultant developed guidelines for the Public Art Program in June 2000. Although most of the program guidelines have been implemented, others were not implemented or modified. Consequently, activities related to the administration of the public art program may not be performed in accordance with management expectations. Written policies and procedures should reflect current procedures.

## **RECOMMENDATION 7**

The Public Art Program Guidelines should be updated and kept current with any future changes in procedures.

## **AUDITEE RESPONSE**

An initial revision of the Program guidelines has been completed by staff and is scheduled for review by the department director and PAC.

## **CONFLICT OF INTEREST STATEMENTS**

Artists from whom the Public Art Program purchases artwork are selected by an Art Selection Committee through a Request for Proposals or qualifications process. The Public Art Program guidelines require conflict of interest statements to be provided to all members of the committee. However, it was represented that verbal representations of conflict of interests are obtained versus a signed conflict of interest statement. Thus, there is a risk that possible conflict of interests may not be adequately disclosed.

## **RECOMMENDATION 8**

A written conflict of interest statement should be developed. All committee members should sign the statement to indicate they will disclose any interest or relationship that could warrant a conflict of interest.

## **AUDITEE RESPONSE**

This recommendation has already been drafted, approved by the Legal Department, and implemented with written statements on file in the public art office.