

**City of Tampa
Internal Audit Department
Audit Program Guide
Impact Fees, 03-30**

Budget Hours	Audit Procedures	Done By	W/P Ref.												
<i>Background</i>															
	<p>Chapter 25 of the City’s Code of Ordinances details the imposition of transportation impact fees including a formula for their computation. Furthermore, it establishes six separate transportation impact fee districts, how funds are to be used, the availability and granting of credits and the parameters for refunding of fees paid.</p> <p>Credits can only be issued for approved roadway improvements or approved right-of-way dedications. The amount of credit is determined by formula as promulgated in the City’s Code of Ordinances. The Transportation Division of DPW plays in an integral role in reviewing and approving the credit amount submitted by developers. The Division also maintains a detail analysis and account of credits issued and used by a developer.</p> <p>The Construction Services Center is responsible for the collection of transportation impact fees prior to the issuance of a certificate of occupancy. The Revenue and Finance Department enters impact fee revenues and expenditures into the City’s Financial System (FAMIS). Each transportation impact fee district is accounted for separately in FAMIS.</p>														
<i>Statistics</i>															
	<p><u>Statistics</u></p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;"><u>FY02</u></th> <th style="text-align: center;"><u>FY01</u></th> <th style="text-align: center;"><u>FY00</u></th> </tr> </thead> <tbody> <tr> <td>Revenues</td> <td style="text-align: right;">\$4,848,746</td> <td style="text-align: right;">\$7,063,918</td> <td style="text-align: right;">\$5,517,750</td> </tr> <tr> <td>Expenditures</td> <td style="text-align: right;">\$1,546,122</td> <td style="text-align: right;">\$3,844,559</td> <td style="text-align: right;">\$4,216,676</td> </tr> </tbody> </table> <p>Source: Transportation Impact Fee revenues and expenditures were obtained from the City’s Financial System.</p>		<u>FY02</u>	<u>FY01</u>	<u>FY00</u>	Revenues	\$4,848,746	\$7,063,918	\$5,517,750	Expenditures	\$1,546,122	\$3,844,559	\$4,216,676		
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<i>Planning the Audit</i>			
	<ol style="list-style-type: none"> 1. Print Quality Control Package and process Auditor Assignment and Independence Statement page. 2. Prepare and send an entrance letter to applicable personnel in the area under review. 3. Prepare a planning program and include a time budget for the preliminary survey work. 4. Conduct an in-house review of the following: <ol style="list-style-type: none"> a) Financial Data b) Internal Policy & Procedures Manuals c) Applicable Rules, Laws and Regulations, and d) Prior internal audit reports and management comments 5. Schedule and hold an entrance conference with the Auditee. Obtain the name of the departmental contact person and secure a place from which to conduct the fieldwork portion of the audit. 6. Begin Preliminary Survey by interviewing the appropriate personnel in the Auditee Department. Document the interviews with narratives in the work file. 7. Review and document Internal Control System. (Include control points, such as the location within the system of approvals, authorizations, segregation of duties, supervision, reconciliations, computer-generated error and edit listings, exception reports, etc.) 8. After gaining an understanding of various functions, conduct transaction walk-throughs. Revise documentation. 9. Prepare a survey memo listing the strengths and weaknesses of the system. Discuss the areas of greatest risk and exposure to the City. Also, include suggested audit objectives and test procedures. Discuss with Audit Supervisor and the Deputy Director. 10. Prepare the audit program and include a time budget and estimated completion date. Index the preliminary survey file and turn in for review. The Planning Checklist page of the Quality Control Package should be completed by the Audit Supervisor. 11. Clear review notes and revise the audit program, if 		

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	necessary.		
<i>Audit Scope</i>			
	Based on the work performed during the preliminary survey and the assessment of risk, the audit period will cover the operations of Transportation Impact Fees from October 1, 2000 to September 30, 2002.		
<i>Audit Objectives</i>			
	<ol style="list-style-type: none"> 1. Determine if transportation impact fees were assessed and calculated correctly. 2. Determine if revenue and expenditures of transportation impact fees are being recorded accurately and timely in the City's Financial System. 3. Determine if credits issued for transportation impact fees were reflective of value received and approved in accordance with City Ordinance. 4. Determine if the basis of transportation impact fee refunds was calculated properly and documented appropriately. 		
<i>Objective 1: Determine if transportation impact fees were assessed and calculated correctly.</i>			
	<ol style="list-style-type: none"> 1. Obtain a listing of construction projects for the audit period and determine if impact fees were assessed in accordance with the City Ordinance. 2. Calculate a sample size and selection using a confidence level of 90%, an expected error rate of 5% and a desired precision of +/- 5%. 3. Determine if the impact fees were assessed and calculated correctly for each project by recalculating the fees paid. 4. Discuss any audit findings with the Audit Supervisor, Deputy Director and Audit Director. After receiving their approval discuss audit findings with Auditee management. 5. Summarize and conclude. 		
<i>Objective 2: Determine if transportation impact fees were recorded accurately and timely in the City's financial system.</i>			
	6. Utilizing the projects selected in Objective 1, trace and agree transportation impact fee revenues to FAMIS.		

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	<p>7. Ascertain if revenues were booked in a timely manner.</p> <p>8. Ascertain if expenditures relating to capital projects were accurately accounted for and booked on a timely basis.</p> <p>9. Ascertain if expenditures for capital projects were consistent with the guidelines in the City Ordinance.</p> <p>10. Discuss any audit findings with the Audit Supervisor, Deputy Director and Audit Director. After receiving their approval discuss audit findings with Auditee management.</p> <p>11. Summarize and conclude.</p>		
<p><i>Objective 3: Determine if credits issued for transportation impact fees were reflective of valued received and approved in accordance with City Ordinance.</i></p>			
	<p>12. Utilizing the projects selected in Objective 1, determine if impact fee credits were issued for roadway improvements and/or right-of-way dedications.</p> <p>13. On a judgmental basis, select a number of credits issued for testing. If the projects selected in Objective 1 do not contain 10 credits, select, on a judgmental basis, additional construction projects with credit for testing.</p> <p>14. Ascertain if the value of the credits issued were determined in a manner consistent with the City's Ordinance.</p> <p>15. Determine if the credits were approved and accounted for consistent with the City's Ordinance.</p> <p>16. Discuss any audit findings with the Audit Supervisor, Deputy Director and Audit Director. After receiving their approval discuss audit findings with Auditee management.</p> <p>17. Summarize and conclude.</p>		
<p><i>Objective 4: Determine if the basis of transportation impact fee refunds was calculated properly and documented appropriately.</i></p>			
	<p>18. On a judgmental basis, select a number of refunds for testing.</p> <p>19. Ascertain if the refund amount was calculated correctly, approval was appropriate and properly documented.</p> <p>20. Discuss any audit findings with the Audit Supervisor, Deputy Director and Audit Director. After receiving their</p>		

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	<p>approval discuss audit findings with Auditee management.</p> <p>21. Summarize and conclude.</p>		
<i>Audit Wrap Up</i>			
	<p>22. Complete and index working papers.</p> <p>23. Prepare a preliminary draft of the audit report.</p> <p>24. Clear review notes.</p> <p>25. Forward draft to auditee and request responses within 10 working days.</p> <p>26. Incorporate auditee responses into the final audit report.</p> <p>27. If requested, schedule and hold exit conference.</p> <p>28. Quality Control Checklist of the Quality Control Package to be completed by the Deputy Director.</p> <p>29. Present the audit report to the Mayor.</p>		