

AUDIT REPORT TRACKING SYSTEM (ARTS)

SECTION I: SUMMARY INFORMATION			
Audit Title:	Leasing City-Owned Property	Audit Release Date:	04/22/2015
Department:	General Services	Last Report Date:	First ARTS Report
Department Director:	Earnest Rouse	This Report Date:	1/13/2017
Contact Person/Phone:	Vanessa Williams 513-3428	Expected Presentation Date:	02/15/2017
SECTION II: RECORD OF IMPLEMENTED RECOMMENDATIONS			
1. Not Implemented		8. Implemented July 1, 2015	
2. Implemented June 1, 2015		9. Implemented May 1, 2015	
3. Implemented June 1, 2015		10. Implemented May 1, 2015	
4. Implemented June 1, 2015		11. Implemented May 1, 2015	
5. Implemented June 1, 2015		12. Implemented May 1, 2015	
6. Implemented June 1, 2015		13. Implemented July 1, 2015	
7. Not Implemented			
SECTION III: SUMMARY OF IMPLEMENTATION EFFORTS			
Recommendation 1: The director of general services should develop a policy for council consideration for subsidized leases that includes, at a minimum:			
Prior to award:			
<ul style="list-style-type: none"> • determining the value of the benefit provided by the requesting organization and deciding if that qualifies it for some level of subsidy; • evaluating financial viability of the organization; • calculating the value of the lease subsidy; • obtaining council authorization for the subsidy; 			
On a continuing basis:			
<ul style="list-style-type: none"> • reporting the amount of subsidies to the council annually; and • reviewing subsidized organizations periodically to determine whether the organization continues performing services of benefit agreed to at the time of lease approval. 			
<i>Status of Recommendation: Not Implemented</i>			
General Services staff is taking the leasing program in a different direction and disposing of property that does not perform at market rate.			
Recommendation 2: The director of general services should issue written leasing procedures that include all aspects of the leasing function.			
<i>Status of Recommendation: Implemented June 1, 2015</i>			
General Services staff created Standard Operating Procedures for leasing and mapped the processes.			
Recommendation 3: The director of general services should determine the best method for obtaining technical expertise for evaluating whether antenna sites are viable for leasing.			
<i>Status of Recommendation: Implemented June 1, 2015</i>			
The director of general services identified a Police staff expert who has the technical expertise to assist in the evaluation process of city owned antennas to confirm the equipment will not cause issue or harm to city-owned equipment.			
Recommendation 4: The director of general services should ensure lease payments are recorded in the proper accounts timely.			
<i>Status of Recommendation: Implemented June 1, 2015</i>			
General Services staff is using People Soft to enter lease payments and is no longer using the ARCHIBUS system. This way they are able to ensure the payments are entered in a timely manner.			

Recommendation 5: The director of general services should ensure lease expiration dates in the lease database are accurate.
<i>Status of Recommendation: Implemented June 1, 2015</i>
General Services staff updated all lease expiration dates in the database.
Recommendation 6: The director of general services should ensure the property location field in the lease database contains the lease address/location.
<i>Status of Recommendation: Implemented June 1, 2015</i>
General services staff updated the property location fields in the address/location.
Recommendation 7: The director of general services should add an “insurance required/not required” field to the lease database.
<i>Status of Recommendation: Not Implemented</i>
It was determined that it would cost too much money to program changes to the database.
Recommendation 8: The director of general services should utilize the options tab in the lease database for automated notifications of cancellations deadlines and CPI increases.
<i>Status of Recommendation: Implemented July 1, 2015</i>
General services staff updated the database for automatic cancellations and CPI adjustments.
Recommendation 9: The director of general services should ensure staff follows the requirements in the Manual of Instruction 2-27 regarding the collection of past due rent.
<i>Status of Recommendation: Implemented May 1, 2015</i>
General Services staff is assisting with the collection of past due rents and following the Manual of Instruction 2-27.
Recommendation 10: The director of general services should apply lease payments to the oldest debt first.
<i>Status of Recommendation: Implemented May 1, 2015</i>
General Services staff is using PeopleSoft financial software and applying payments to the oldest debt first.
Recommendation 11: The director of general services should ensure CPI calculations are accurate and for lessees overcharged by the city, credit their accounts for the amount overcharged.
<i>Status of Recommendation: Implemented May 1, 2015</i>
General Services staff confirmed all CPI calculations and made corrections where needed.
Recommendation 12: When required, the director of general services should obtain council authorization and provide required notification to council before entering into a lease.
<i>Status of Recommendation: Implemented May 1, 2015</i>
General Services staff obtained an approved ordinance for the lease that was not authorized by council and since the audit every lease that required notification to council has been addressed.
Recommendation 13: The director of general services should direct staff to obtain current insurance certificates from lessees.
<i>Status of Recommendation: Implemented July 1, 2015</i>
General Services staff updated all insurance certificates in the database system.
SECTION IV: ADDITIONAL OUTCOMES
Regarding Recommendation 1: Since the department has changed the focus to disposing lease properties that do not meet market rate rent criteria, the department is saving money instead of spending money on maintenance and improvements.