

SEMINOLE COUNTY
DEPARTMENT OF COUNTY ATTORNEY'S
RIGHT-OF-WAY ACQUISITIONS
FOLLOW-UP AUDIT

NOVEMBER 2000

Prepared by:
Internal Audit Division
Clerk of the Circuit Court

November 3, 2000

The Honorable Carlton Henley,
Chairman
The Board of County Commissioners
Seminole County, Florida
1101 East First Street
Sanford, FL 32771

Dear Mr. Chairman:

I am very pleased to present you with the attached audit of the Seminole County Right-of-Way Acquisitions Department. Management's responses have been incorporated into the final report.

I would like to thank the personnel of the Right-of-Way Acquisitions Department for their cooperation and assistance throughout the course of this audit. Their assistance is greatly appreciated. With warmest personnel regards, I am

Most cordially,

Maryanne Morse
Clerk of the Circuit Court
Seminole County

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**SEMINOLE
COUNTY ATTORNEY'S OFFICE
RIGHT-OF-WAY ACQUISITION SECTION**

**PROPERTY ACQUISITION
FOLLOW-UP AUDIT**

The Internal Audit Division of the Office of the Clerk of the Circuit Court has completed a follow-up audit of the implementation of the findings and recommendations published by the Clerk on March 13, 1997.

Purpose

The purpose of the original review was to determine if the administrative controls over the acquisition of right-of-way property are adequate and operating as intended in accordance with applicable laws, regulations and other Seminole County policies and procedures. The follow-up audit was performed to determine whether management has effectively implemented corrective actions in response to the findings and recommendations published by the Clerk of the Circuit Court on March 13, 1997.

Background

Seminole County has the obligation and responsibility to prepare and enforce comprehensive plans for the development of the County, including the power to expend funds, enter into contractual obligations, purchase, lease, sell or exchange real or personal property.

Section 127.01 of the Florida Statutes and Rule 12B-4.14(15) of the Florida Administrative Code, grant the power to the State of Florida to acquire land from property owners through condemnations, as long as the land is needed for public purpose, and the owner receives full compensation.

The County Attorney's Right-of-Way Acquisition Section is responsible for acquiring property for major road projects through the condemnation powers granted by Florida's eminent domain law. In March 1997, the County Attorney's Office assumed these duties from County Engineering in an effort to increase and strengthen internal control over the program.

The county will offer to buy subject pieces of property at a price based on an appraisal of the property. Owners of the property do not always accept the county's initial offer and sometimes, with legal representation, will submit counteroffers supported by their own appraisals and other documents. Acquisitions that cannot be successfully negotiated are acquired through eminent domain proceedings. The property rights of the individual are protected by the Florida Constitu-

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tion; Chapters 73 and 74 of the Florida Statutes govern eminent domain actions.

The Clerk's Office, in the March 1997 audit, recommended that the county take the following actions:

- Foremost, hire an additional professional to perform a detailed analysis of submitted appraisals;
- Maintain detailed property acquisition files that document and support the Board of County Commissioners decisions to acquire parcels of property; and,
- A series of steps that would provide segregation of duties.

The audit that follows was performed specifically to determine if management has implemented these recommendations:

Scope

The scope of this audit included a review of all right-of-way property acquired by the Board of County Commissioners from January 1998 through March 2000. During that time period, records indicate that the County spent approximately \$14,639,368.35 on property acquisitions.

The audit included:

- Review of the draft of the "Real Property Acquisition Guidelines and Procedures Manual";
- Review of files for the various road projects from January 1998 through March 2000.
- Review of procedures of the award of contract RFP-471-99/BJC, *Business Damage Experts for Eminent Domain & Litigation Support Services*;
- Review of County Finance records; and,
- Any other procedures considered necessary under the circumstances.

Fieldwork began March 23, 2000 and was completed on May 11, 2000.

The audit was performed by Gail A. Joubran.

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Overall Evaluation

It is our opinion that the Seminole County Attorney's office is acquiring property for right-of-way in accordance with applicable laws, regulations and other Seminole County policies and procedures, and is demonstrating a commitment to continue improving the program.

Finding No. 1

The Real Property Acquisition Guidelines and Procedures Manual is in draft form and is incomplete.

Policies and procedures are written instructions prepared by management to document a process and provide a set of rules for employees to follow. The written procedures also are used to train new employees and as a reference guide.

A draft copy was presented to Internal Audit as to the detailed steps for acquiring right-of-way property. We noted that some of the forms and exhibits referenced in the draft were either missing or have been substituted with another version. By not formally publishing its policies and procedures, the County Attorney's Office is, at worse, not disclosing fully to the Board of County Commissioners the processes it will use to acquire Right-of-Way property or, at best, utilizing a process that is subject to misinterpretation or partial interpretation.

Recommendation

Review the existing draft, replace outdated forms, exhibits and processes with those that are in actual or planned use. Submit the manual to the Board of County Commissioners for review and approval.

Management Response

As the acquisition staff has gone about reinventing the process, the draft Acquisition Manual has been revised and updated numerous times as lessons were learned and new approaches developed. Our goal is to have the manual issued by the end of the year. The manual will not require Board adoption. It is intended to be a procedural manual that would be promulgated jointly by the County Manager and County Attorney pursuant to their authority under the Charter.

Finding No. 2

The Parcel Status Checklist (tracking chart) reports are not kept up to date.

The Parcel Status Checklist Report is a management report prepared by the County Attorney's Office to document the status of each parcel of land or property the County is either in the process of acquiring or has already acquired. This report is not only part of the audit trail, it is a tool that can be used by county management to monitor the current status of acquisitions.

Internal Audit was provided a copy of this report to illustrate how the department tracks the various acquisitions. Although the report is well-designed to provide management with specific details, it did not have the latest status of each project. We encourage the department to update the report on a regular basis. By not maintaining the report on a daily basis, the report is not available for management review. Thus, the management report loses its value.

Recommendation

Update the reports more frequently to ensure that the report is readily available to management. We also suggest the department add other pertinent data to the report as needed.

Planned Corrective Action

County Attorney's Office is in the process of making revisions to the checklists. The planned corrective action is in response to the condition noted above.

Management Response

At the time the follow up audit commenced, the development of the tracking sheets was a "work in progress." Tracking sheets have now been developed for all projects and are updated as the events tracked thereon occur.