



CITY OF CORAL GABLES, FLORIDA

**Internal Audit of Citywide Tree Trimming Services
April 2025**

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EXECUTIVE SUMMARY

Overview

Crowe LLP (“Crowe” or “we”) performed internal audit procedures related to the City of Coral Gables’ (the “City”) tree trimming services under the Superior Landscaping & Lawn Services, Inc. (the “Supplier”) contract. The objective of the audit was to review and document policies related to the City’s tree trimming services, test accuracy of amounts invoiced to the City, and test that the Supplier maintains the required licenses.

Summary of Results

The following is a summary of our observations as a result of our procedures. We listed the opportunities for improvement and corresponding risk rating below.

Process	Observation #	Opportunity for Improvement	Risk Rating**
Agreements	1	The City should ensure all pricing arrangements between the City and the Supplier are in writing.	High Risk
Invoicing	2	The City should establish a standardized procedure to ensure all information on the invoice is correct before payment.	Moderate Risk
Cartegraph Information Update	3	The City should ensure changes made to original amounts reported in Cartegraph are documented.	Moderate Risk

**For explanation of *Risk Rating* determination, refer to page 6.

INTRODUCTION

Public Works Background

The City of Coral Gables' Public Works Department operates the Solid Waste, Greenspace Management, Transportation, Right-of-Way and Enforcement, Utilities, Capital Improvements, Engineering, Central Administrative, and Fleet Management divisions for the residents of Coral Gables, Florida.

The Greenspace Management division is responsible for the management of the City's urban forest, public green areas, and parks. The division enlists contracted services to maintain the City's numerous trees in the public right of way, and green spaces in parks, road medians, and right of way areas.

On March 1, 2020, the City entered into an agreement with the Supplier to provide the goods and services detailed in Invitation For Bid (IFB) No. 2019-042 for Citywide Tree Trimming Services as summarized below:

IFB Section 2 – Specifications/Scope of Work. The Supplier shall provide Citywide Tree Trimming Services, with the necessary personnel, equipment, and tools to provide the services outlined in IFB Section 2 – Specifications/Scope of Work. The Supplier shall perform all maintenance of trees and selected shrubbery, vines and brush in the public rights-of-way, parks, parking lots and around public buildings as specified in the agreement.

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Objective and Scope

The objective of the procedures performed was to evaluate and test the design and effectiveness of selected internal controls and processes implemented. In summary, this internal audit evaluated the following:

- Determine if the Supplier is adhering to the requirements of the agreement.
- Determine if the City's policies and procedures are being properly followed and are in accordance with the agreement.
- Determine areas where improvements can be made in the process.

The detailed procedures performed can be found starting on page 7 of the report.

Although our testing was performed in some areas without exception, we can provide no assurance that exceptions would have been detected had procedures been changed or expanded.

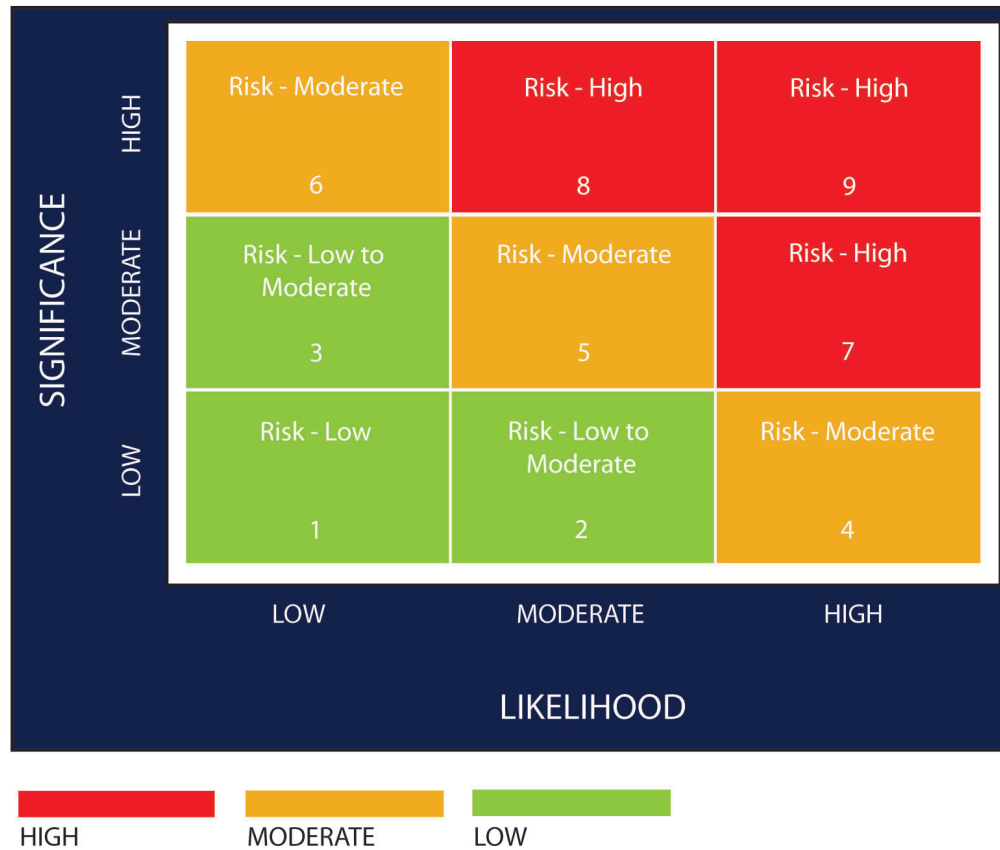
It should also be recognized that internal controls are designed to provide reasonable, but not absolute, assurance that errors and irregularities will not occur, and that procedures are performed in accordance with management's intentions. There are inherent limitations that should be recognized considering the potential effectiveness of any system of internal controls. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes on judgment, carelessness, and other factors.

Internal control procedures can be circumvented intentionally by management with respect to the execution and recording of transactions, or with respect to the estimates and judgments requirement in processing of data. Controls may become ineffective due to newly identified business or technology exposures. Further, the projection of any evaluation of internal control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, and that the degree of compliance with procedures may deteriorate.

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Risk Management

Risks are evaluated based on its “significance” to management’s strategy and its “likelihood” to occur. This will result in a risk profile of the highest risks to the organization as presented below:



Procedures Performed

PROCEDURES PERFORMED	RESULTS
1) Obtain and document policies and procedures related to the citywide tree trimming services.	Crowe obtained the City's latest standard operating procedures (SOPs) to gain an understanding of the policies and procedures in place related to the Citywide tree trimming services.
2) Read the contract with Superior Landscaping and Lawn Services (the Supplier) to gain an understanding of the work to be performed for the City related to citywide tree trimming services.	<p>Crowe obtained the Invitation for Bid (IFB) and agreement between the City and the Supplier and through review of these documents as well as interviews with the City, gained an understanding of the work to be performed for the City related to citywide tree trimming services.</p> <p>Crowe notes there are pricing arrangements between the City and the Supplier that are not in writing.</p> <p>Refer to opportunity for improvement 1.</p>
3) Obtain and read the extension renewal and updated price listing, if any.	Crowe obtained and read the extension renewal. Crowe notes there has been no updates to the pricing list from the original agreement.
4) For expenditures paid to the Supplier, select 18 invoices between the period of October 1, 2022 through September 2023 and obtain the City work order and supplier invoice and recalculate the services based on the current price listing.	<p>Crowe selected 18 total invoices, obtained the City's work order and the Supplier's invoice for each selection, and tested to see if the correct prices were used and that the total amount invoiced to the City was calculated correctly.</p> <p>Crowe notes opportunities for improvement related to the invoices and invoicing process.</p> <p>Refer to opportunity for improvement 2 and 3.</p>
5) Request updated copies of the licenses and/or certifications required under the contract from the Supplier.	Crowe obtained copies of the licenses and certifications required by the contract from the Supplier.

Observations and Recommendations

1. OPPORTUNITY FOR IMPROVEMENT – Agreements: High Risk

During our testing of invoices, it was noted that there were price differences between what was invoiced to the City versus the price listing for services, specifically for services related to tree removal and stump grinding. Of the 18 invoices consisting of 370 total tasks, 24 of the 370 tasks reflect these price differences. Upon inquiry with the City, it was discovered that there is an arrangement between the City and the Supplier for additional charges for the use of equipment for these services. However, there is not an agreement in writing to support the arrangement for the additional charges.

Recommendation: We recommend that all agreements be in writing and go through the City’s review and approval process. Written agreements provide a clear and detailed record of the terms and conditions, are more legally enforceable, and help aid the City in case of disputes.

Management Response/Action Plan: Rates for specialized equipment required to perform and complete large log removal were not incorporated in the 2020 IFB No. 2019-042. The city determined these services to be necessary during the contract period requiring occasional additional services.

During the performance of the audit, the City issued a Request for Proposal, RFP 2024-033, and awarded a new tree maintenance contract to a different vendor. This contract took effect on February 25, 2025. Consistent with the recommendation above, language was added to the new contract for the rates of services and specialized equipment required to perform and complete large log removal that was not included in the 2020 IFB No. 2019-042.

2. OPPORTUNITY FOR IMPROVEMENT – Invoicing: Moderate Risk

The invoices sent to the City by the Supplier are accompanied by the Master Tree Task Report (“MTTR”) from Cartegraph, which contains data such as task ID, activity, asset type, date, asset ID, address, service provided, crew used, hours, and cost. Items in the “activity” column labeled as “Gov QA Request” have an associated work order number, which can be used to trace the task to the originating request by the City’s residents. In addition, there are other items in the activity column that are communicated to the Supplier through other means, such as e-mail and emergency phone calls, that do not go through a Gov QA request.

During our testing of invoices, it was discovered that the information in the MTTR may not be accurate as the information is entered into Cartegraph by the Supplier and may be mislabeled. The lack of detailed information on the MTTR makes it difficult to determine the activity associated with the Task ID and that the correct amount is being invoiced for work performed that has been initiated by the City.

Observations and Recommendations

Recommendation: We recommend that the City establish a standardized procedure to require the supplier to include the specific activity description for each task ID on the MTTR in order to help the City verify the work completed by the Supplier. Requiring the Supplier to include the detail necessary for the City to properly review and approve invoices will facilitate accuracy of the amounts invoiced to the City before payment. In addition, we recommend that the City establish a standardized procedure to track the progress of the task, including documenting the City's review to validate that the work was performed by the Supplier.

Management Response/Action Plan: The City requires the vendor to enter specific tree maintenance activity on the Cartegraph Master Tree Task Report (MTTR) daily as work is completed. The report includes task ID, activity, asset type, date, asset ID, address, service provided, crew used, hours, and cost. Greenspace staff generates a report of the work orders from Cartegraph and performs site inspections to validate work that was performed by the vendor. The MTTR report is used to reconcile the invoices to ensure that payment is not made for work tasks that are not entered into Cartegraph by the vendor. The old request system "Gov QA" has been replaced with the 'Salesforce 311' system for more efficient tracking of public and emergency requests. Since the implementation of 311 in 2024, emails and phone calls are no longer a method of communicating requests to the vendor, as all requests from the public, and work progress are tracked through the 311 system.

3. OPPORTUNITY FOR IMPROVEMENT – Cartegraph Information Update: Moderate Risk

Per the IFB section 2.13.3, the Supplier is responsible for updating the City's tree inventory in the City's database, Cartegraph. The information in the MTTR, which accompanies the invoice sent to the City, pulls information from Cartegraph. The City reviews this information as part of the invoice review process before making a payment.

During our testing of 267 task ID's, we noted nine task ID's that were paid by the City where the cost per the MTTR did not agree to the cost shown in Cartegraph. Because our testing occurred subsequent to the City's review, we could not determine if the amounts in Cartegraph were updated after the City's review of the invoices.

Recommendation: We recommend that any changes to the original amounts reported in Cartegraph be documented to assist with maintaining a proper audit trail.

Management Response/Action Plan: In February of 2024, the City hired a new part-time administrative assistant to work directly under the Urban Forester in Greenspace Management. This position is responsible for verifying that each work task entered in Cartegraph by the vendor is reflected in detail and matches the amounts on invoices at time of inspection and maintaining a proper audit trail. Previously, inspection notes by City staff were maintained on paper and not in Cartegraph. Since December 2023, the City and contractor notes of inspection are being recorded in Cartegraph. Cartegraph track changes to records in order to maintain a proper audit trail. Additionally, the City's Innovation and Technology department is in the process of employing an A.I. consultant who will be updating the City's tree inventory to show the accurate location of all existing trees in Cartegraph, in an effort to ensure a seamless process for work order creation and invoicing.