

TO: Juvenile Welfare Board Members

FROM: James E. Mills, Executive Director 
Lisa A. Sahulka, Director of Programs & Finance 

Requested Action

The Board is requested to allocate up to \$42,500 to KPMG Peat Marwick to conduct a performance audit of the Juvenile Welfare Board.

OPTIONS

1. Allocate up to \$42,500 to KPMG Peat Marwick to conduct a performance audit of the Juvenile Welfare Board.
2. Release a Request for Proposal for up to \$42,500 to conduct a performance audit of the Juvenile Welfare Board.
3. Deny the Request
4. Take any action the Board deems appropriate.

RECOMMENDED ACTION

Allocate up to \$42,500 to KPMG Peat Marwick to conduct a performance audit of the Juvenile Welfare Board.

SOURCE OF JWB FUNDS

The Board budgeted \$42,500 in FY 99-00 for a performance audit.

FISCAL IMPACT

The \$42,500 in the Non-Operating Budget for the performance audit will be decreased based on the final cost of the audit.

NARRATIVE

During the 1993-94 fiscal year, Representative R.Z. Safley submitted proposed legislation to the Pinellas Legislative Delegation to amend the Special Acts of the Pinellas Suncoast Transit Authority and the JWB to require a performance audit on designated time schedules. The Board offered to conduct a performance audit rather than be mandated via our Special Act. The Delegation concurred. In March of 1995, the Board approved sole sourcing the contract to KPMG Peat Marwick, based on the auditor's knowledge vis-a-vis completion of the financial audit. The final performance audit was presented to the Board on September 17, 1995.

Staff is again recommending KPMG Peat Marwick conduct the performance audit. The firm will be completing its seventh financial audit of JWB and is familiar with the organization. It has managed 15 local government performance audits and 2300 nationally.

SCOPE OF WORK

Focus – Measure the efficiency and the effectiveness of the JWB.

1. Conduct entrance conference, obtain detailed background information, distribute Job Activity Questionnaires on confidential basis.
2. Conduct individual interviews with management, staff, board members, provider agencies, and other selected non-JWB individuals/organizations that interact with JWB.
3. Assess management practices
 - Work plan development
 - Priority setting
 - Monitoring and control
 - Coordination
 - Internal and external communications
4. Assess organizational structure
 - Levels of management and supervisory personnel
 - Centralized/decentralized responsibilities
 - Work load distribution
 - Flexibility to deal with change
 - Formal and informal communications.
5. Assess operational efficiency and effectiveness
 - Benchmarking to similar organizations
 - Awarding, monitoring, and evaluation of provider agencies receiving grants
 - Criteria used to measure outcomes
 - Capabilities to identify, research, and initiate new programs to serve the community.
 - Use of technology
6. Assess staffing resources
 - Staffing levels and qualifications
 - Matching of staff skills to assigned tasks and responsibilities
 - Training programs for management, staff and provider agencies – adequacy and relevancy.
7. Assess compliance with laws and regulations
8. Review preliminary findings and recommendations with management and Board liaison.
9. Assess progress towards FY 94-95 recommendations.

DELIVERABLE

Prepare a final report including implementation plan of prioritized actions recommended for implementation, action steps needed, responsibilities, resource requirements, and time frame.

TIME TABLE

February, 2000

- Present purpose of the Performance Audit and Request for Action to the Board
- Auditor meets with Board Chairperson
- Auditor develops engagement letter

March, 2000

- Auditor develops work plan
- Auditor presents to senior staff/Board Chairperson
- Auditor presents list of needed documents and key personnel
- JWB staff gathers documents. KPMG arranges appointments with key personnel to interview.

April 2000

- Entrance Interview with JWB Executive Committee (meets with KPMG Peat Marwick's Performance Team)
- Auditor initiates work plan: Research and Interviews
- Auditor provides weekly status report to Director of Programs and Finance.

May – August 2000

- Work plan continues

September 2000

- Exit interview with JWB Executive Committee
- Presentation of the Performance Audit Report to the Board
- Discussion of Report by the Board
- Forward Report to Pinellas Legislative Delegation.