



Internal Audit Assessment of Vendor Contract with Waste Pro of Florida Inc.

September 24, 2025

Pembroke Pines Commissioners

The Honorable Mayor and Members of the City Commission
City of Pembroke Pines, FL

We have performed the procedures enumerated in Assessment Procedures of this report, which were agreed to by the Commission of the City of Pembroke Pines (City) pursuant to our contract dated January 2, 2025, solely to assist you with respect to completing a portion of the City's internal audit plan as of and for the 2025 plan year ended September 30, 2025, which includes the internal audit of the Waste Pro of Florida, Inc. vendor contract assessment.

The engagement was performed in accordance with consulting standards established by the American Institute of Certified Public Accountants (AICPA). Our services were provided in accordance with Global Internal Audit Standards established by the Institute of Internal Auditors. We were not engaged to, and did not, conduct a financial statement audit or an examination, the objective of which would be the expression of an opinion on the financial statements or any elements, accounts, or items thereof as part of this engagement. Accordingly, we do not express such an opinion.

Our engagement did not include a detailed examination of all transactions and was not designed, and cannot be relied upon, to discover all errors, irregularities, or illegal acts, including fraud or defalcations, that may exist. Had we performed additional procedures, other findings of significance may have been reported to you. The sufficiency of the procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described in the Appendix of this report for the purpose for which this report has been requested or for any other purpose.

This report summarizes the scope of the engagement, the procedures performed and the results of our procedures.

Our report is intended for use only by the City management and solely for reporting findings with respect to the procedures performed by us. This report is not intended to be, and should not be, used by anyone other than these specified parties unless express written consent is obtained from **Forvis Mazars, LLP**.

Forvis Mazars, LLP

September 24, 2025

Internal Audit Vendor Assessment of Waste Pro of Florida

Objective and Scope

Objective: Forvis Mazars assessed the vendor's contract compliance related to billing and payment processing, and management of customer complaints.

Scope: Our scope included assessing the current state of contract compliance in the following vendor area(s):



Billing & Payment Process

The City oversees the collection of customer payments for solid waste services and is responsible for remitting payments to Waste Pro of Florida. Each week, an accountant prepares and verifies the vendor payment documentation, using a payment report generated by the City's Technology Services team as the primary reference. The payment to Waste Pro is determined by deducting the applicable administrative and franchise fees from the total customer payments, with the remaining balance paid to the vendor. To ensure accuracy, all documentation is reviewed and approved by the Accounting Supervisor in the Finance Department before the check payment request (CPR) form, which includes the calculated payment to Waste Pro, is sent to the Accounts Payable Division for processing.



Customer Complaints & Service Program

Under the agreement between the City and Waste Pro of Florida, the vendor is required to respond within 24 hours to customer complaints. All complaints must be recorded electronically and remain available for review by the City's Contract Administrator at any time.

Internal Audit Assessment of Waste Pro

Background

- The current contract term between the City of Pembroke Pines and Waste Pro of Florida, Inc. is from September 2022 through September 2028.
- The first amendment, signed in February 2022, introduced a blue cart program for commingled waste collection. The second amendment, finalized in September 2023, updated the designated disposal facilities, clarified how disposal fee adjustments are applied, and reinforced contractual safeguards.
- City Ordinances 94.10 (*Agreement with Private Collector*), 94.16 (*Collection of Charges and Rates*), and 94.17 (*Collection and Billing of Customers*) were read as part of our procedures.
- Pursuant to the City's waste disposal and collection agreements, waste service rates and overall billing are evaluated and adjusted annually based on Consumer Price Index (CPI) provisions defined in the contracts, with the most recent information available on the City's website.
- The City manages billings on a weekly basis, coordinated with the waste collection services provided by Waste Pro.
- Residential customers receive a consolidated bill that includes water, sewer, and waste disposal charges.
- **Observations** are defined as potential opportunities for Pembroke Pines to adopt industry best practices, improve operational efficiency, or mitigate risks that could impact the city's ability to achieve its goals.

Customer Complaints and Timely Resolutions

Observation #1 – Vendor System Not Updated Timely to Reflect Resolution of Customer Complaints

Pursuant to Section 3.22 of the contractual agreement between the City and Waste Pro of Florida, the Contractor is required to establish a comprehensive customer service program aimed at minimizing recurring customer complaints and service requests. To ensure timely resolution, the Contractor must maintain a dedicated office staff responsible for receiving, documenting, and addressing all complaints. Additionally, as outlined in Section 3.21.2 of the contract, in the event of a missed collection reported by a customer to the City, the City shall notify the Contractor via e-mail, and the Contractor would be obligated to complete the collection within 24 hours of notification, or during the next scheduled work shift, whichever occurs first.

Waste Pro utilizes the TracEZ system to manage and monitor customer complaints. TracEZ is a common online waste collection platform used by municipalities to facilitate the tracking and resolution of citizen service requests related to solid waste management.

An analysis conducted by Forvis Mazars of the TracEZ Incident Report, covering the period from July 2024 through June 2025, suggested that approximately 41% of customer complaints regarding missed residential collections appeared to remain unresolved beyond the required 24-hour timeframe. However, upon further inquiry with the City and Waste Pro, Forvis Mazars learned that Waste Pro has historically experienced challenges with inputting timely updates into the TracEZ system. Waste Pro has indicated that these matters are generally resolved in a timely fashion; however, the administrative staff responsible for entering complaint resolutions into the TracEZ system often delays updating the records once an issue is closed. As a result, the system reports may reflect that complaints were not resolved within the required timeframe, even when they were. Due to this deficiency in the reporting process, Forvis Mazars could not validate the actual timeliness of complaint resolution, and the City cannot effectively monitor vendor performance in this area utilizing the current report because Waste Pro's administrative staff is challenged in updating the system to reflect when a situation has actually been resolved.

This was captured in the Contract Performance Report Card, for the quarter ending June 2025, where the City scored Waste Pro a rating of 5 out of a maximum 10 points for complaint resolution and 10 out of a maximum of 15 points for service accuracy.

Recommendation: We recommend that the City work with the vendor to establish a remediation plan to fix the deficient processes related to the TracEZ system process for complaint resolution and closure. The City should continue to monitor the report to verify that Waste Pro has corrected its internal processes to support accountability, service, and quality improvements.

Customer Complaints and Timely Resolutions

Observation #1 (continued) – Vendor System Not Updated Timely to Reflect Resolution of Customer Complaints

Management Response:

Management concurs with the observation. While Waste Pro asserts that customer complaints are generally resolved within the required timeframe, delays in updating the TracEZ system prevent the City from validating compliance and monitoring vendor performance effectively.

To address this deficiency, the City has directed Waste Pro to implement corrective measures to ensure complaint closures are updated in TracEZ in real time or on the same day of resolution. Waste Pro has indicated that it has reinforced internal procedures, including assigning a coordinator to reconcile field completion logs against TracEZ entries daily. In addition, the City will require a remediation plan from the vendor, which will include:

- Defined milestones for process improvements in TracEZ data entry.
- Weekly review meetings with City staff to confirm the accuracy of entries.
- Ongoing monitoring of performance reports to verify timely resolution and closure of complaints.

It should also be noted that the City already monitors all waste collection trucks in real time through the 3rd Eye GPS platform, which confirms route completion and highlights issues such as road closures or construction in different areas. While this tool provides the City with a strong level of operational visibility, accurate and timely data entry in TracEZ remains necessary to demonstrate compliance with contractual requirements and to ensure accountability.

Customer Complaints and Timely Resolutions

Observation # 1– Vendor System Not Updated Timely to Reflect Resolution of Customer Complaints

Management Response (continued) :

Additionally, in reviewing the complaint log, it has been noted that some entries appear to reflect missed collections for residents in other jurisdictions or other situations that are not valid complaints. Waste Pro has advised that it will begin adding clarifying notes within TracEZ to indicate when a complaint is valid or not, and when and how it was resolved. These annotations are expected to make the review process more accurate and transparent for both the City and external reviewers.

For further context, the City currently services over 39,000 accounts, with each account receiving collection twice per week, resulting in over 4,000,000 collections per year. During the audit period of July 2024 through June 2025, the TracEZ report reflected 181 total complaints. This equates to approximately 0.004525% of total collections. Moreover, this figure does not account for complaints that were later determined to be invalid, meaning the actual rate of valid complaints is even lower.

The City will continue to closely monitor the vendor's reporting practices and service performance and will adjust oversight measures as needed to ensure contractual compliance and improved accountability.

Billing and Payment Process

Customer Billing and Vendor Payments are Processed by the City Per Contract Terms and Ordinances

The contract between the City and Waste Pro of Florida stipulates that, while the vendor provides waste services, all customer billing and payment collections are managed by the City of Pembroke Pines consistent with the provisions of City Ordinance 94.17. Administrative and franchise fees are deducted from customer payments before the City remits the residual amount to Waste Pro of Florida for waste removal and sanitation services.

To verify this process, Forvis Mazars conducted a recalculation of payments across selected billing periods and confirmed that the City's procedures are consistent with the practices described by City staff.

Appendix

Appendix A: Assessment Procedures

Below are procedures performed prior to this presentation:

- Reviewed the contract to identify testing relevant to Waste Pro of Florida for waste-related services.
- Obtained existing documentation, procedures for the in-scope areas, and assessed the process and control environment.
- Conducted walkthroughs with process owners and key stakeholders.
- Obtained or observed support for each process within the vendor areas.
- Identified potential gaps and opportunities for improvement as observations.

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mazars**

Contact

Forvis Mazars

Dan O’Keefe CPA, CFE, MBA

Commission Auditor

P: 800.683.5401

Dan.okeefe@us.forvismazars.com

Christie L. Clements, CIA, CISA, CRMA

Managing Director | Internal Audit

National Industry Leader: Nonprofit, Education, Public Sector

P: 317.363.6718

Christie.Clements@us.forvismazars.com

Eddy Castaneda, CPA, CFE, MBA

Senior Manager

P: 800.683.5401

Eddy.castaneda@us.forvismazars.com

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