

# Office of the Internal Auditor

## Advisory Memorandum

February 2023

Omnibus





## Advisory Memorandum

### Background

Annually, Citizens Management goes through an extensive budgeting process and presents an overall Operating Budget to the Board for approval. In addition, detailed divisional proposed contractual third-party vendor expenses are presented to the Board for approval through various consent and action items for transparency and to meet legislative purchasing requirements. These items are already included in Citizens' overall Operating Budget. An omnibus is a single document that packages together several measures into one that is accepted in a single vote by a legislative body. Since 2009, Citizens has used an Omnibus to package together technology infrastructure, software, and professional and staff augmentation purchases of \$100,000 or greater into a single action item to request contracting approval from the Board. The action item includes existing Citizens-procured contracts and certain state-term contracts, and alternate contract sources approved by the State of Florida Department of Management Services to support Citizens' business needs.

Using the Omnibus package for Board approval for technology, infrastructure, software, and professional and staff augmentation purchases is crucial within the information technology space for various considerations. Volume is one consideration for this approach. Without this one item, Citizens would take upwards of forty separate action items for Board approval. Transparency is another consideration for this approach. While Citizens seeks Board approval for purchases above \$100,000, the Omnibus allows transparency to aggregate spending under these contracts by including spend under individual procurements that are below the \$100,000 threshold for Board approval. Finally, urgent and critical needs are another consideration for this approach. While Citizens maintains a thorough and robust planning and budgeting process, unplanned support, maintenance, or professional services are sometimes necessary to ensure business continuity and operations within the organization. The Omnibus provides the necessary Board authority for Citizens staff to move forward with critical technology purchases timely and efficiently using the approved contracts and spend.

### Objectives and Scope

Management requested Internal Audit to review and provide advice on the enhanced omnibus approval and monitoring process, including assessing compliance with Florida state laws, rules, and regulations and reviewing specific definitions in the revised process document.

### Results

We found that the Citizens' IT Omnibus, used to request Board approval for purchases of technology, infrastructure, software, and professional and staff augmentation purchases, is in alignment with applicable state laws, rules, and regulations. Management is encouraged to consider the following suggestions:

- Clarify the "Continuity of Service" definition to ensure transparency around re-procurement is not required as the Board has previously approved the contract.
- Consider adding the approved existing contracts and anticipated contract vehicles to the Line-Item Summary that is presented to the Board to align spending to specific contracts.



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- Currently, at the Board's request in 2020 and beginning with the 2021 Omnibus, the Omnibus is presented to the Board using a two-part approach in September and December. As Citizens' operating budget is not completed until October of each year, management should consider requesting Board approval to present only one Omnibus for approval at the December BOG meeting to improve efficiency and comprehensive transparency. Presenting one Omnibus in December will also allow Enterprise Operations management additional time to forecast the Information Technology needs of the organization more accurately.

Management is in support of and will incorporate adjustments consistent with the first two suggestions contained in the Advisory Memorandum. Additionally, in alignment with the third suggestion, management will seek Citizens Board of Governors' direction on returning to a single Omnibus approach.

We want to thank management and staff for their cooperation and professional courtesy throughout this audit.



## Distribution

Addressee(s) Stephen Guth, VP, Enterprise Operations

### **Business Leaders:**

Tim Cerio, President/CEO/Executive Director  
Kelly Booten, Chief Operating Officer  
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