

# 2019 ANNUAL REPORT

October 1, 2018 to September 30, 2019



## Office of Inspector General PALM BEACH COUNTY

### Insight

Promoting efficiency  
and effectiveness

### Oversight

Holding government  
accountable

### Foresight

Preventing fraud,  
waste, and abuse

*“Enhancing Public Trust in Government”*

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## *Message from the Inspector General*

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Citizens of Palm Beach County:

I am pleased to present the Fiscal Year 2019 (FY2019) Annual Report covering the activities of the Office of Inspector General (OIG) for the period of October 1, 2018 through September 30, 2019. This report highlights our major efforts to promote integrity, efficiency, and overall effectiveness in government over the past year.




Some of our most significant accomplishments in our independent oversight of the County government, the 39 municipalities within Palm Beach County, Solid Waste Authority, and the Children's Services Council include:

- **Guarding our taxpayers' dollars:** We discovered **over \$2 million** in questioned costs and **over \$265 thousand** in potential cost savings to taxpayers in dollars being returned or in future avoidable costs.
- **Promoting integrity in government:** We referred **17 matters to law enforcement or the County or State Commissions on Ethics.**
- **Preventing fraud, waste, and abuse/Providing oversight:** We monitored contract activities, to include the penny sales tax contracts, involving **millions of taxpayers' dollars.**
- **Making government better:** We made **239 recommendations** to management in order to facilitate compliance with laws and regulations, or to be more efficient or effective.

I want to thank the OIG staff for their commitment and professionalism in serving the citizens of Palm Beach County. This report reflects their great work. Additionally, I want to thank the Inspector General Committee for its continued encouragement and insights. Another factor in our success has been the support from leaders in the County and municipal governments, the Solid Waste Authority, and the Children's Services Council. Finally, you, the citizens of Palm Beach County, continue to be the bedrock supporters of our office and mission. Thank you!

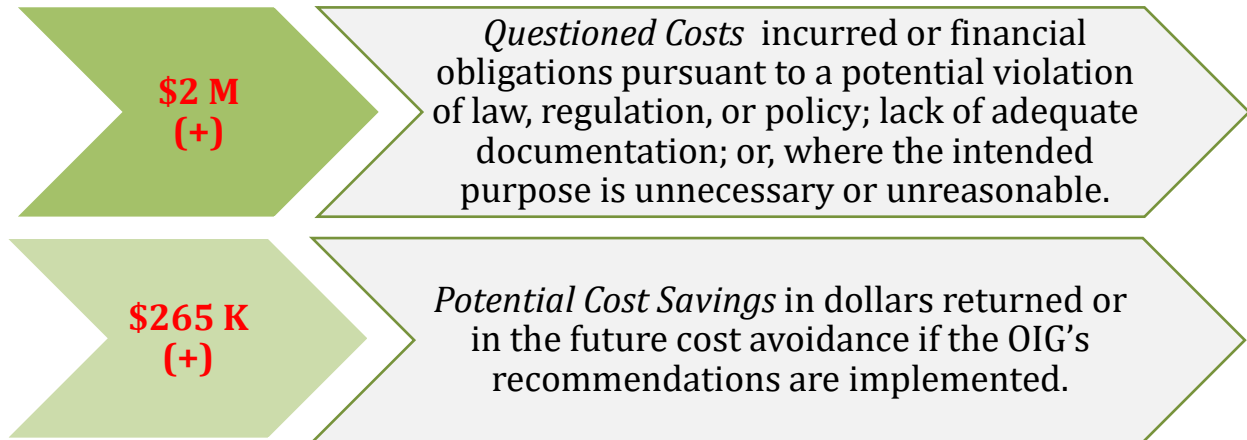
Sincerely,

  
John A. Carey  
Inspector General

***The strength of a democracy is the citizens' trust in government.  
IGs promote that trust through independent oversight.***

## SUMMARY OF OIG FY2019 SUCCESSES

### Guarding Taxpayers' Dollars



### Promoting Integrity in Government



### Making Government Better



**19 Reports with 239 Recommendations**

To improve government operations and to save taxpayer dollars.



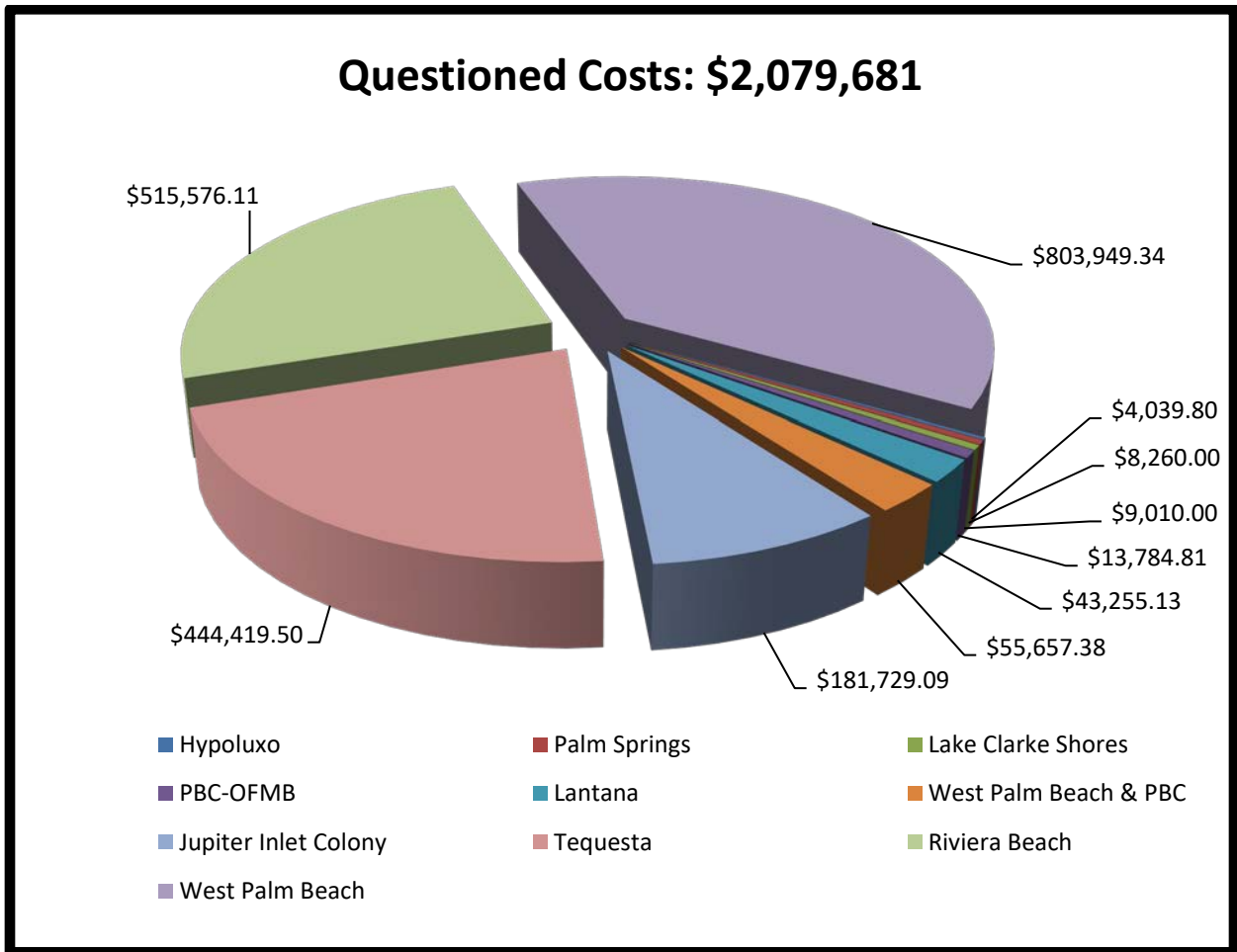
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Responses to citizens' calls and written correspondences voicing concerns, complaints, or requests for assistance.

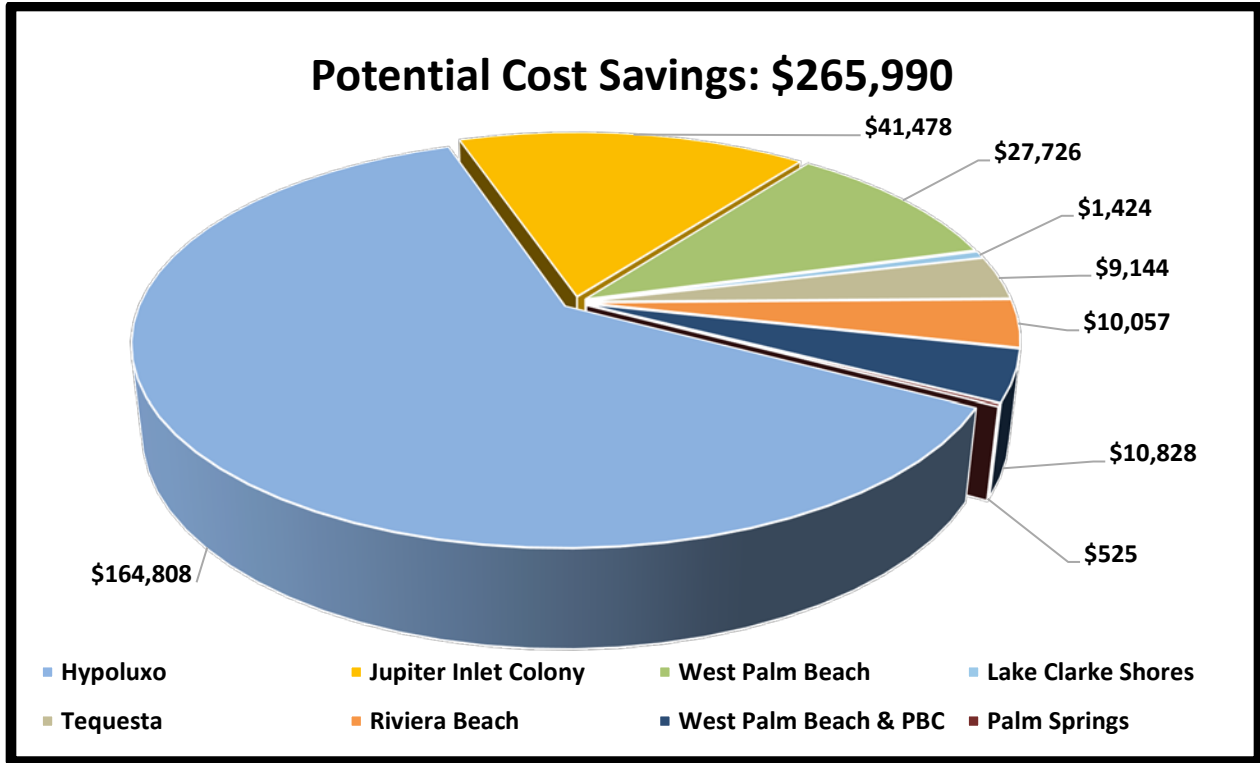
At the end of the day, the OIG provides *“Enhanced Trust in Government.”*

FINANCIAL DISCOVERY BREAKDOWN

Guarding Taxpayers' Dollars



**Questioned Costs** are costs or financial obligations pursuant to an alleged violation of law, regulation, contract, grant, cooperative agreement, other agreement, policy and procedures, or documents governing the expenditure of funds; costs or financial obligations not supported by adequate documentation; and/or the expenditure of funds where the intended purpose is unnecessary or unreasonable. As such, not all questioned costs are indicative of fraud or waste.



**Potential Cost Savings Include:**

- **Identified Costs:** Costs that have the potential of being returned to offset the taxpayers’ burden.
- **Avoidable Costs:** The dollar value for costs that will not have to be incurred, lost funds, and/or an anticipated increase in revenue over three years or the contract period (dollars saved) if the OIG’s recommendations are implemented.

Detail for Potential Cost Savings

Entity	Identified Costs	Avoidable Costs	Total
Hypoluxo	\$0	\$164,808	\$164,808
Jupiter Inlet Colony	\$0	\$41,478	\$41,478
West Palm Beach	\$6,504	\$21,222	\$27,726
Lake Clarke Shores	\$356	\$1,068	\$1,424
Tequesta	\$8,822	\$322	\$9,144
Riviera Beach	\$9,756	\$301	\$10,057
West Palm Beach & PBC	\$10,828	\$0	\$10,828
Palm Springs	\$525	\$0	\$525
<b>Total</b>	<b>\$36,791</b>	<b>\$229,199</b>	<b>\$265,990</b>

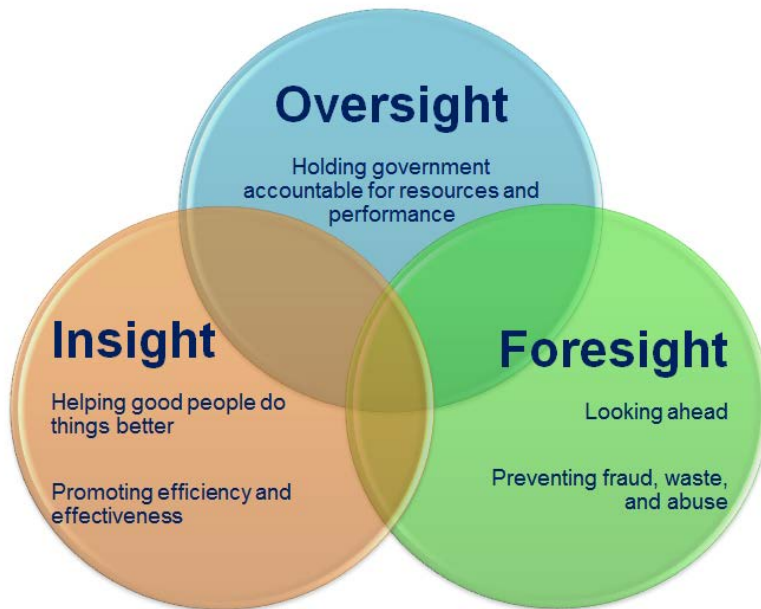
**MISSION, VISION, AND VALUES**

**Mission**  
To provide independent and objective insight, oversight, and foresight in promoting integrity, efficiency, and overall effectiveness in government.  
  
We accomplish our mission through audits, investigations, contract oversight, evaluations and outreach activities.

**Vision**  
To promote positive change throughout local governments and public organizations in Palm Beach County with an inspired and skilled team that strives for continuous improvement.

**Values**

- P** Professionalism – We take pride in our purpose, profession, products, results, and conduct.
- R** Respect – We are respectful of others and recognize their value.
- I** Integrity – We do the right thing, the right way, for the right reason.
- D** Dedication – We are dedicated to our purpose, our work, and the people we serve.
- E** Excellence – We strive for excellence in everything we do.

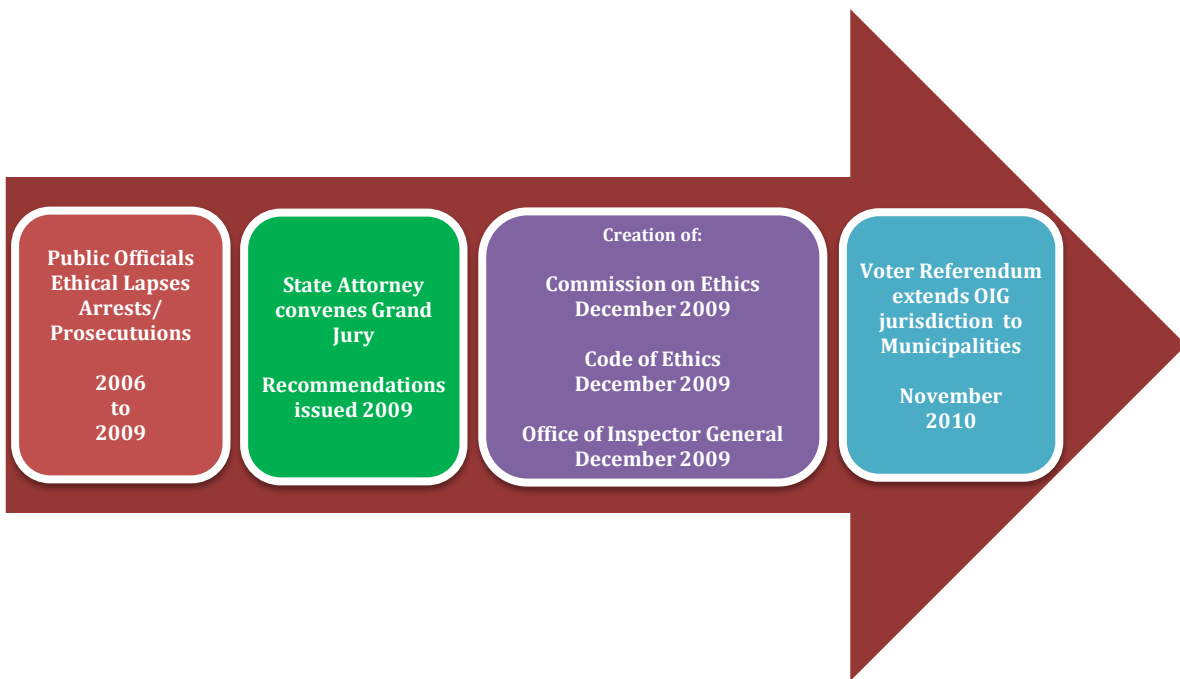


**Our Motto**  
*“Enhancing Public Trust in Government”*

## **HISTORY**

Between 2006 and 2009, a series of federal prosecutions of elected officials from the Palm Beach County (County) Board of County Commissioners (BOCC) and the West Palm Beach City Commission for public corruption led the State Attorney to convene a state grand jury. In early 2009, the grand jury issued its report, which included recommendations to create a County Code of Ethics, Commission on Ethics, and OIG. In response to that report, the County began a comprehensive effort to develop an ethics initiative aimed at promoting public trust in government and establishing a more transparent operating model for its citizens. In December 2009, the BOCC adopted an ordinance that established the OIG to oversee County government. In November 2010, 72% of the voters approved a countywide referendum to amend the County Charter and permanently establish the OIG. A majority of voters in each of the 38 county municipalities that existed at the time approved an expansion of OIG jurisdiction to cover all municipalities within the county.

### **Palm Beach County Ethics Movement**



The IG Committee selected Sheryl G. Steckler as the County’s first IG in June 2010. The OIG enabling legislation, known as the IG Ordinance, was drafted in 2011 by the IG Drafting Committee, which was comprised of representatives from the municipalities, County, Palm Beach County League of Cities, citizens appointed by the County, and the Inspector General. Once completed, the IG Ordinance was unanimously approved by the BOCC with an effective date of June 1, 2011. John A. Carey became the County’s second IG in June 2014.





The OIG can require the production of documents and receive full and unrestricted access to records. The OIG has the power to subpoena witnesses and administer oaths. Additionally, the OIG is “an appropriate local official” for whistleblower reporting and protection. People may also submit anonymous complaints to the OIG.



## County and Municipal Officials and Employees, Contractors, and Others Required Reporting to the OIG

All elected and appointed officials and employees, County and municipal agencies, contractors, their subcontractors and lower tier contractors, and other parties doing business with the County or municipalities and/or receiving County or municipal funds shall fully cooperate with the OIG in the exercise of the OIG’s functions, authority, and powers.

The County administrator and each municipal manager, administrator, or mayor, where the mayor serves as chief executive officer, shall: 1) promptly notify the OIG of possible mismanagement of a contract, fraud, theft, bribery, or other violation of law which appears to fall within the jurisdiction of the OIG; and, 2) coordinate with the OIG to develop reporting procedures for notification to the OIG.

# What to Report

## Required By Ordinance:

- **Fraud**
- **Theft**
- **Contract Mismanagement (> \$5K)**
- **Bribery**
- **Any other violation or conduct that appears to be within the jurisdiction of the OIG**

## **LAWSUIT REGARDING OIG FUNDING**



In December 2009, the BOCC adopted IG Ordinance 2009-049, which gave the OIG oversight over County governmental operations. Thereafter, on **November 2, 2010, 72% of voters in the municipalities in the County approved a countywide referendum amending the County Charter to expand the OIG's jurisdiction to municipal agencies and instrumentalities.** The ballot question posed to voters specified that the OIG would be, “funded by the County Commission and all other governmental entities subject to the authority of the Inspector General.” After the referendum passed, the County adopted Ordinance 2011-009 to implement the will of the voters.

On November 14, 2011, several municipalities filed a Complaint against the County disputing the mechanism for funding the OIG. On March 12, 2015, the trial court entered Final Judgment against the municipalities.

The municipalities appealed the trial court's ruling to the Fourth District Court of Appeal for the State of Florida. On December 21, 2016, the appellate court reversed the lower court's decision. The County declined to appeal the Court's decision to the Florida Supreme Court.

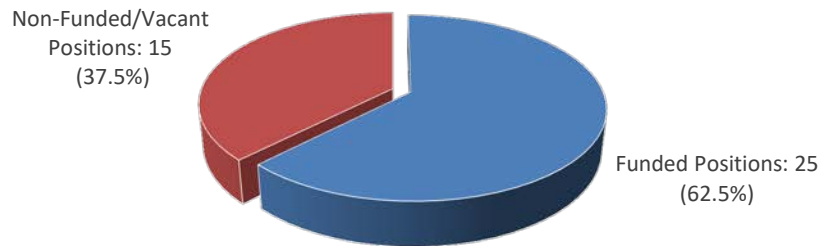
The OIG requested the County begin in FY2018 to fund its 17 unfunded positions. The County denied the OIG's request but asked the municipalities to voluntarily contribute to funding the positions. No municipality offered to fund this void.

**Because of this suit and subsequent related decisions of the BOCC, the OIG has not been fully funded. The County approved funding for two additional OIG positions starting in FY2020, which will bring the OIG staffing level up to 67.5%.**

## **STRUCTURE AND STAFFING OF THE OFFICE OF INSPECTOR GENERAL**

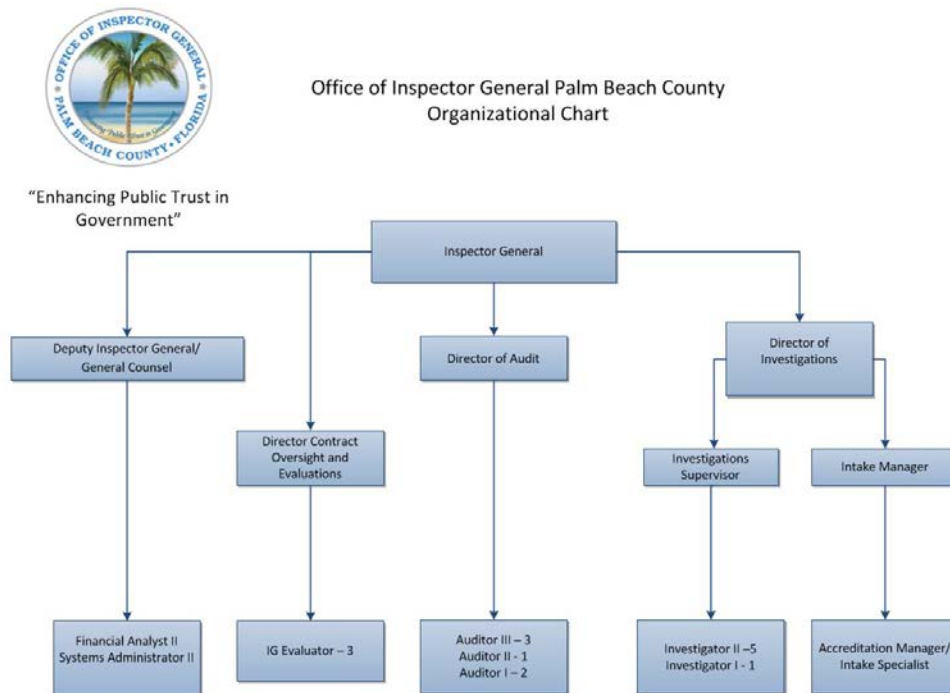
### **The Inspector General Structure**

#### **OIG Personnel Complement 40 Approved Positions**



Due to the lawsuit regarding OIG funding and subsequent BOCC decisions (see page 8), the OIG has never been fully funded. For FY2019, the BOCC funded two additional positions, bringing total funded positions to 25 (62.5%) of the 40 approved positions. The BOCC agreed to fund two additional positions in FY2020, which will bring our staffing level to 67.5%.

The OIG is comprised of a Mission Support Section and three operating divisions: Investigations, Audits, and Contract Oversight and Evaluations.



Revised December 2019

## The OIG Senior Leadership Team



*From left to right: Stuart Robinson, Director of Investigations; Karen Mayer, Director of Contract Oversight and Evaluations; John Carey, Inspector General; Kalinthia Dillard, General Counsel/Deputy Inspector General; Megan Gaillard, Director of Audit*

## Inspector General Staff Qualifications

To ensure success in accomplishing our mission, the OIG hires highly qualified individuals who not only reflect the diversity of the community, but also have the necessary level of skills, abilities, and experience for their respective positions on the OIG team. Staff members bring an array of experiences from the Federal and State IG Communities; the Federal Bureau of Investigation; not-for-profit community based organizations; federal, state, and local government; public accounting firms; and the construction industry.



Staff members have backgrounds in and/or academic degrees or certifications in:

- Accounting
- Auditing
- Forensic Accounting
- Public Administration
- Business Administration
- Financial Analysis
- Grant Administration
- Investigations
- Law
- Law Enforcement
- Strategic Analysis
- Information Technology

## STANDARDS AND ACCREDITATION FOR THE OIG

### Who Watches the Inspector General?

Common questions are “Who inspects the Inspector General?” or “What standards does the OIG follow in its investigations, audits, and reviews?” The Association of Inspectors General (AIG) is a national professional organization comprised of IGs from the federal, state, and local levels of government. The AIG *Principles and Standards for Offices of Inspector General* (Green Book) is one of the main standards we use. It provides guidelines for the overall operations of OIGs, as well as, specific standards for investigations, audits, and other IG related activities. OIG audits are performed in accordance with *Generally Accepted Government Auditing Standards* (*Government Auditing Standards* [Yellow Book], issued by the Comptroller General of the United States). In August 2015 and again in August 2018, the OIG was peer reviewed by the AIG. **The AIG found our office “met all current and relevant standards.”**



### Accreditation by the Commission for Florida Law Enforcement Accreditation

The Commission for Florida Law Enforcement Accreditation (CFA) is the designated accrediting body for law enforcement and OIGs within the State of Florida. Not every State law enforcement agency or OIG obtains or maintains this high standard of accreditation status. The OIG received its initial accreditation from the CFA in February 2012, and was re-accredited in February of 2015 and 2018. **CFA Assessors noted, “It is apparent all members are supportive of the commitment and are driven to provide excellent, professional, and dedicated service to all the components of the OIG.”**



**\$ OFFICE OF INSPECTOR GENERAL FY2019 BUDGET \$**

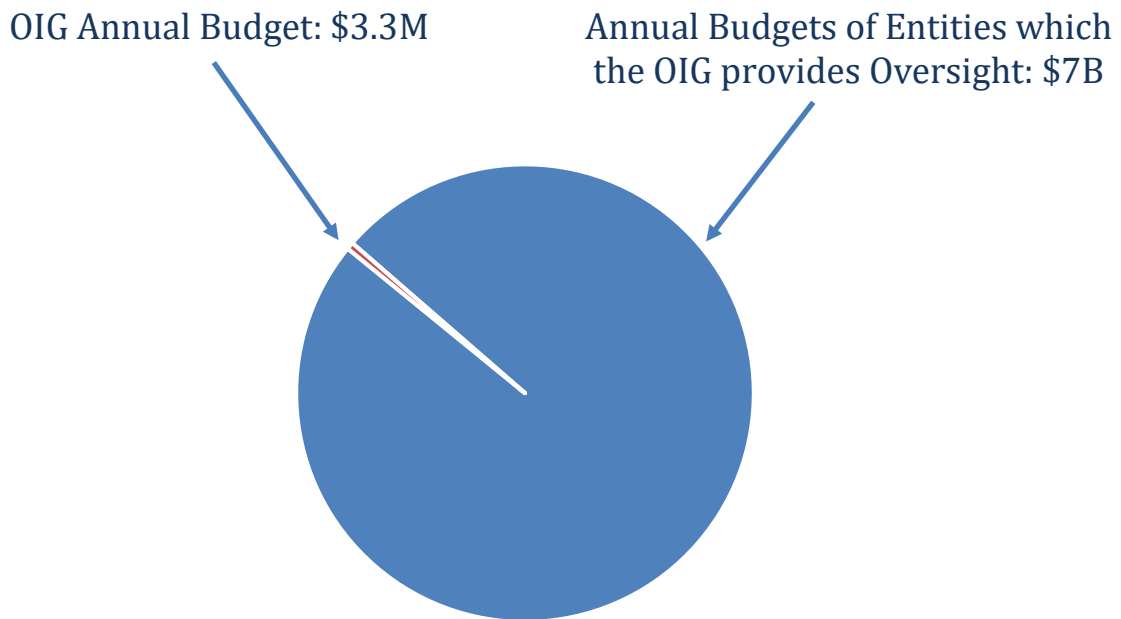
The OIG strives to use taxpayer dollars frugally. In FY2019, the OIG expended \$2.87 million (86%) of its approved \$3.3 million budget. **The financial resources dedicated to the OIG are .04% of the estimated \$7 billion in the annual budgets of the government entities of which the OIG provides independent oversight.**

At a cost of **\$2.87 million** with **25** funded positions, OIG oversight responsibilities included:

- PBC, Municipalities, SWA, and CSC with total annual budgets of approximately **\$7B**
- PBC, Municipalities, SWA, and CSC employees numbering approximately **14,500** people (excluding part-time, seasonal, and contract employees)
- PBC, Municipalities, SWA, and CSC auditable units identified: **1,141**
- Oversight of **billions of dollars** of contracting activities

***“The sheer size of government operations that your office oversees and your office’s jurisdiction and responsibility are unparalleled by any other local government inspectors general office.”***

2015 Association of Inspectors General Peer Review Report on the Palm Beach County OIG

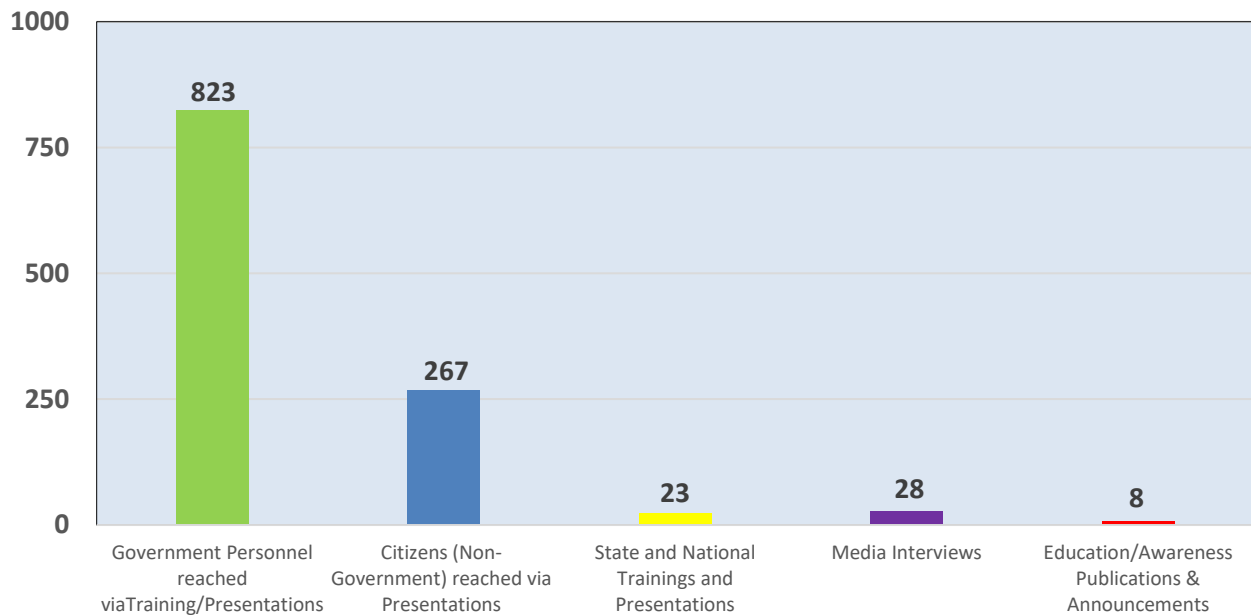


## **OUTREACH, EDUCATION, AND PREVENTION**

Outreach is an important component of OIG operations, and takes place both inside and outside of government. OIG outreach includes education on common trends and best practices; red flags to assist in spotting fraud, waste, and abuse; and ways to contact our office. Our success depends on listening as much as speaking.

### **TRAINING AND OUTREACH**

*An ounce of outreach is worth a pound of enforcement.*



During FY2019, we delivered over 125 speeches/presentations/training sessions to the public, business community, and/or county and municipal governments. Various media outlets contact the OIG on a regular basis. A total of 28 media interviews were conducted with the IG during FY2019, resulting in numerous news articles and televised news features.

### **Social Media**

Citizens can follow us on Facebook, Twitter, YouTube, or through our website and subscribe to receive emailed notices of OIG reports and other items of interest. Our website is continuously updated to include all recent OIG activity. An important feature on the website is a section labeled “Tips, Trends, and Training.” Here, we post briefings and information updates throughout the year along with other helpful information to the public and government employees. Please take the time to visit our website at: <http://www.pbcgov.com/OIG/>.





## Outreach/Coordination in Palm Beach County

Promoting integrity, accountability, and transparency in government is a “team sport” that goes beyond the bounds of the OIG. Accordingly, the IG attends and participates in several local forums, including the Palm Beach County Internal Auditor/Inspector General Forum and the South Florida Inspectors General Council. Other local key partners in promoting integrity in government include the PBC IG Committee, the PBC Commission on Ethics, the PBC Ethics Coalition, and Florida Atlantic University’s LeRoy Collins Public Ethics Academy.

**The Palm Beach County Ethics Partnership**

 <hr/> <p style="text-align: center;"><b>LEROY COLLINS PUBLIC ETHICS ACADEMY</b> College for Design and Social Inquiry Florida Atlantic University</p> <p style="text-align: center;">Ethics Research and Training (561) 297-4049 Email: <a href="mailto:ethics@fau.edu">ethics@fau.edu</a></p>	 <p style="text-align: center;">Hotline: (877) 766-5920 <a href="http://palmbeachcountyethics.com">palmbeachcountyethics.com</a></p>
	 <p style="text-align: center;">Hotline: (877) 283-7068 <a href="http://www.pbcgov.org/oig">www.pbcgov.org/oig</a></p>

## Section A – Overview

During the year, the IG has provided presentations to community businesses and service organizations, and in academic classes and forums on such topics as ethics in government and the role of inspectors general.

Examples of community organizations where the IG has made presentations include:



Our Director of Audit serves on the Board of Directors as the President for the Palm Beach County Institute of Internal Auditors Chapter. She manages the activities of chapter committees and has primary responsibility for educational programs, seminars, and conferences. Additionally, she serves as the Chapter Liaison to help promote and build the chapter connections.

Our Deputy IG/General Counsel is a graduate of Leadership Palm Beach County's flagship Leadership Program "Leadership Engage." **Leadership Palm Beach County (LPBC) was part of a community-wide ethics initiative formed in 2007 to help establish a Culture of Ethics in local government in Palm Beach County.** Each year, LPBC invites the IG to speak to Leadership Engage participants about the history of the OIG and its role in promoting ethics in government. Leadership Engage is a year-long leadership development program that exists to connect and educate Palm Beach County's leaders on the history of the county and to strengthen the participants' leadership skills and commitment to serving the community.



### Special Outreach to Government Managers

The OIG has continued to proactively reach out to government leaders through one-on-one meetings and by providing presentations on lessons learned from OIG projects. Additionally, we published eight *Tips and Trends* reports designed to provide useful lessons from our OIG projects and to highlight recent changes in laws relevant to the entities under our jurisdiction. This type of outreach pays great dividends by both preventing problems and sharing best practices.



## Outreach/Impact Beyond Palm Beach County



The OIG does not stop at the borders of Palm Beach County in promoting integrity, effectiveness, and efficiency in government. Of particular note, the IG is on the executive board of the national Association of Inspectors General. The Association is a non-profit organization which promotes excellence in the inspector general community by



establishing and encouraging adherence to quality standards, sponsoring professional development, and certifying individuals in IG-specific disciplines. The IG is on the Association's Professional Development Board and Training Committee. Additionally, the IG serves on the board of the Florida Chapter of the Association of Inspectors General.

**The OIG hosted the 2019 Association of Inspectors General Annual Training Conference in West Palm Beach from September 25-27, 2019.** This conference is the premier training for OIG professionals, providing information on the newest “tools and techniques of the trade,” legal issues, and OIG best practices. Over 300 OIG professionals, primarily senior OIG leaders, attended from the U.S. and foreign local, state, and federal agencies. We received many comments that the conference content and logistic support provided by our office made this the best conference in recent years.



Our Deputy IG/General Counsel serves on The Florida Bar's Professional Ethics Committee. The Professional Ethics Committee issues formal advisory opinions to guide attorneys admitted to The Florida Bar in interpreting and applying the Ethics Rules governing the practice of law, answers ethics inquiries from members of The Bar concerning their own proposed conduct, and reviews informal advisory opinions issued by The Florida Bar ethics department attorneys. She also serves on the Palm Beach County Bar

Association's Judicial Campaign Practices Committee (JCPC), which works to ensure that campaigns for judicial office are conducted in a manner consistent with the dignity and integrity expected of the legal profession and the judicial system. The JCPC issues advisory opinions in response to written complaints of violations of Canon 7 of Florida's Code of Judicial Conduct.

## **INVESTIGATIONS DIVISION**

**The Investigations Division investigates allegations of fraud, waste, abuse, mismanagement, and misconduct. Additionally, it manages the OIG Hotline program.**

The investigative activity conducted by the Division strictly adheres to the *Principles and Standards for Offices of Inspectors General* (Green Book) as developed by the Association of Inspectors General and the Inspector General Accreditation Standards issued by the Commission for Florida Law Enforcement Accreditation, Inc. These important principles ensure the quality of our investigations.



While OIG investigations are administrative in nature, criminal violations are sometimes discovered during the investigative process. When a determination has been made that the subject of an investigation has potentially committed a criminal violation, those findings are discussed with local, state, or federal law enforcement agencies or are referred directly to the State Attorney's Office or the U.S. Attorney's Office for potential criminal investigation and prosecution.

### **INVESTIGATIONS HIGHLIGHTS**

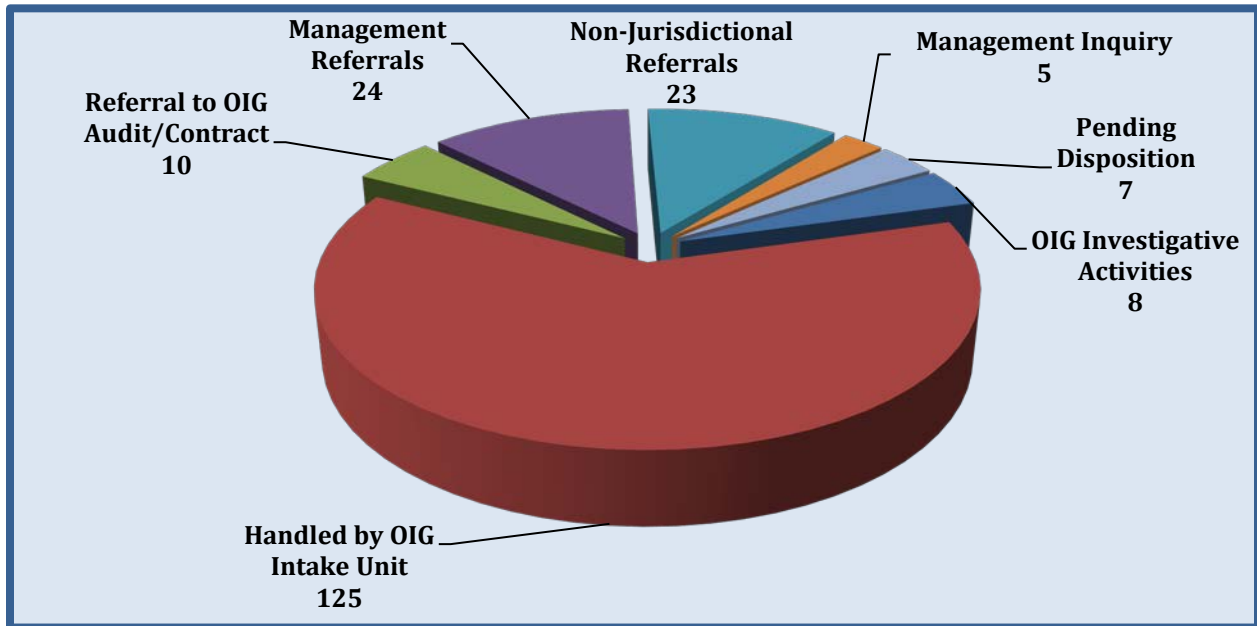
During FY2019, the Investigations Division issued **five** reports and issued **one** *Tips and Trends*. Where allegations were substantiated, we referred administrative or disciplinary actions to county, municipal, and/or contracted entities. Additionally, we referred **seventeen** investigative matters for possible criminal investigation and prosecution, including referrals to the Federal Bureau of Investigation, the State Attorney's Office, the Palm Beach County Sheriff's Office, the Internal Revenue Service Criminal Investigations, and the County and State Commissions on Ethics. These reports and management responses can be found at <http://www.pbcgov.com/oig/archreports.htm>. A brief summary of the recommendations is also contained in Section D Appendix 1 of this report.

**17**

*Referrals to law enforcement or the County or State Commissions on Ethics.*

## CORRESPONDENCES

Correspondences to the OIG include letters and emails that cover a wide variety of areas from comments, suggestions, questions, and complaints. The **202** correspondences received during FY2019 were processed as follows:

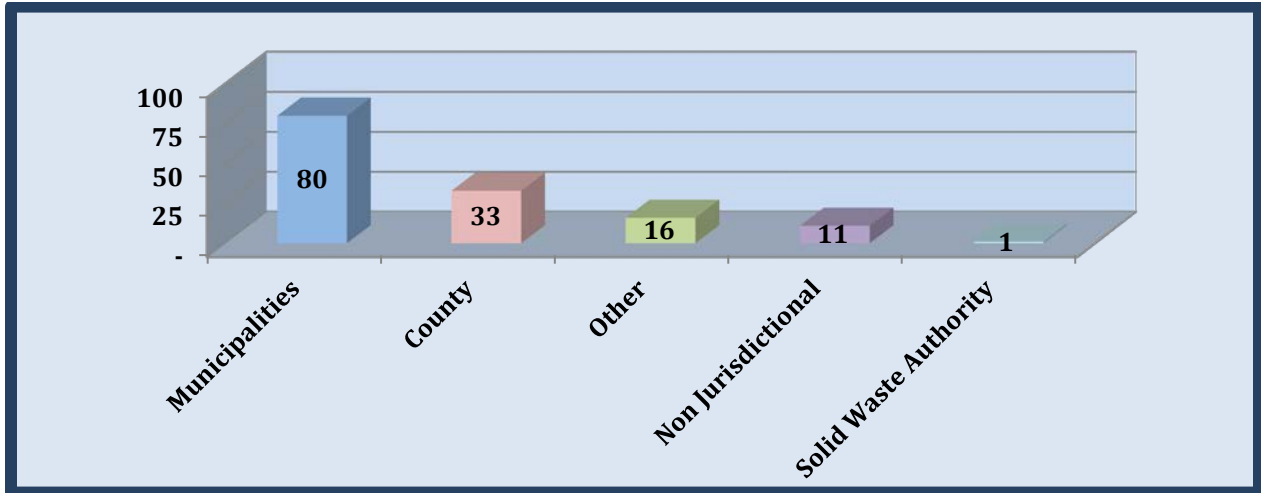


- **Handled by OIG Intake Division (125 or 61.9%):** Correspondences that are handled by the OIG, Information Only, and/or Closed with No Action.
- **Management Referrals (24 or 11.9%):** Correspondences forwarded to respective management for handling. No response to the OIG is required.
- **Non-Jurisdictional Referrals (23 or 11.4%):** Correspondences that do not fall within the jurisdiction of the OIG.<sup>2</sup>
- **OIG Investigative Activities (8 or 4%):** Correspondences that are assigned to the Investigations Division.
- **Referral to OIG Audit or Contract Oversight (10 or 5%):** Correspondences forwarded to OIG Audit and/or Contract Oversight Divisions for further review.
- **Management Inquiries (5 or 2.5%):** Correspondences forwarded to respective management for handling. A response to the OIG is required.
- **Pending Disposition (7 or 3.3%):** Correspondences that have not yet received a disposition.

<sup>2</sup> During FY2019, the OIG received a total of 58 Correspondences related to entities not within the jurisdiction of the OIG.

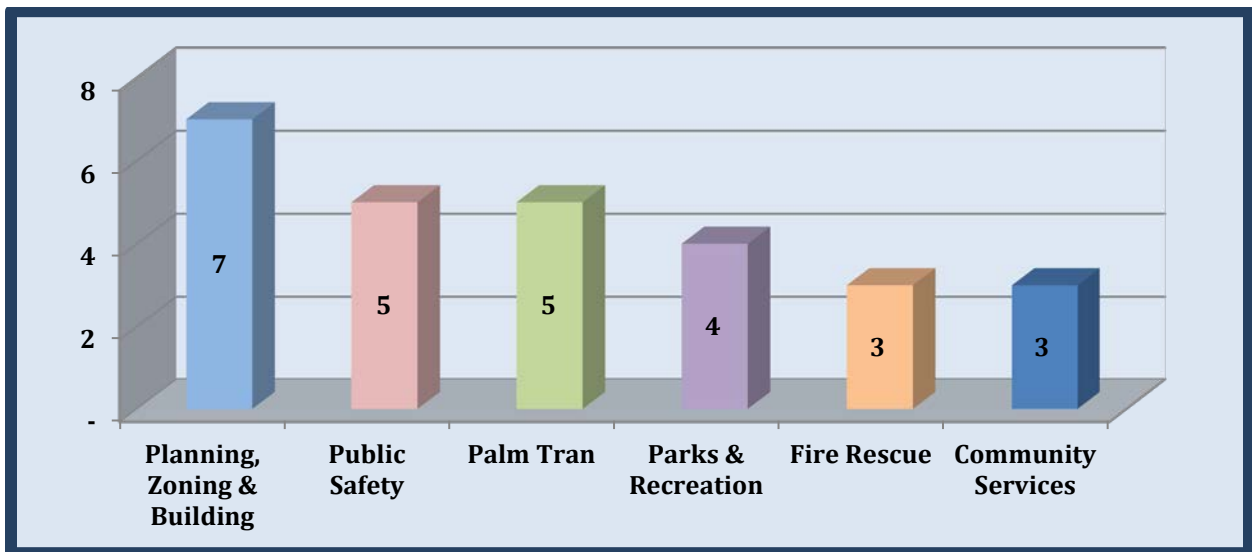
**COMPLAINTS BY ENTITY**

Of the **136** telephone calls and **202** correspondences processed in FY2019, we received **141** complaints. These complaints were related to the following entities<sup>3</sup>:



**COMPLAINTS BY COUNTY DEPARTMENT (TOP 6)**

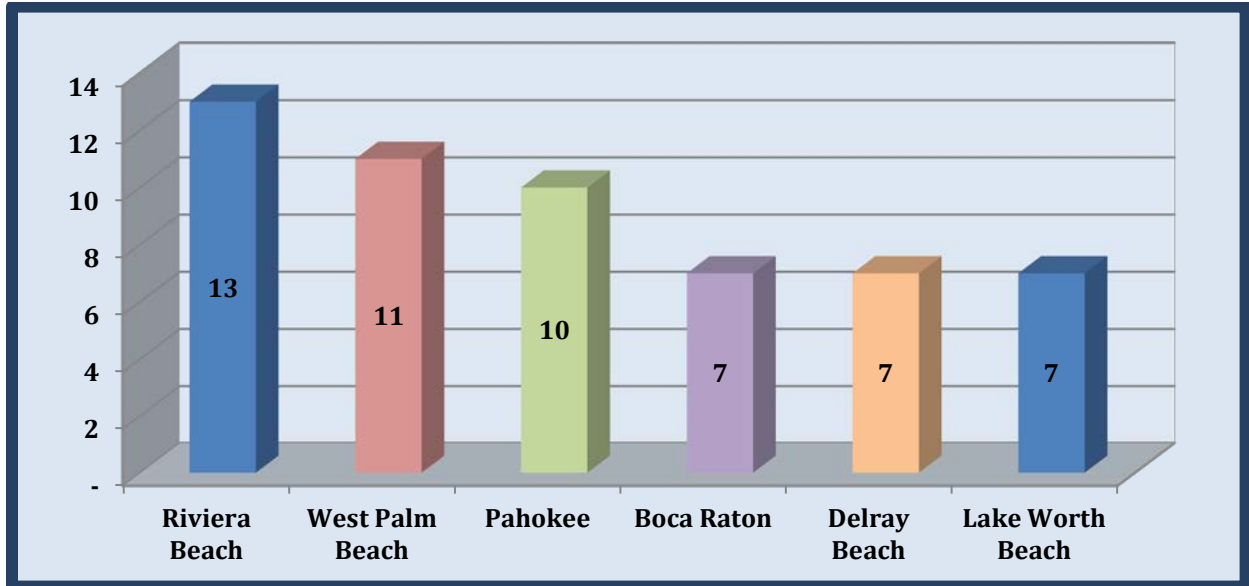
The following is a breakdown of complaints regarding the **Top 6** County Departments.



<sup>3</sup> “Non-Jurisdictional” refers to correspondences concerning government entities not under the jurisdiction of the OIG. “Other” includes correspondences related to other entities such as private organizations, homeowner’s associations, etc.

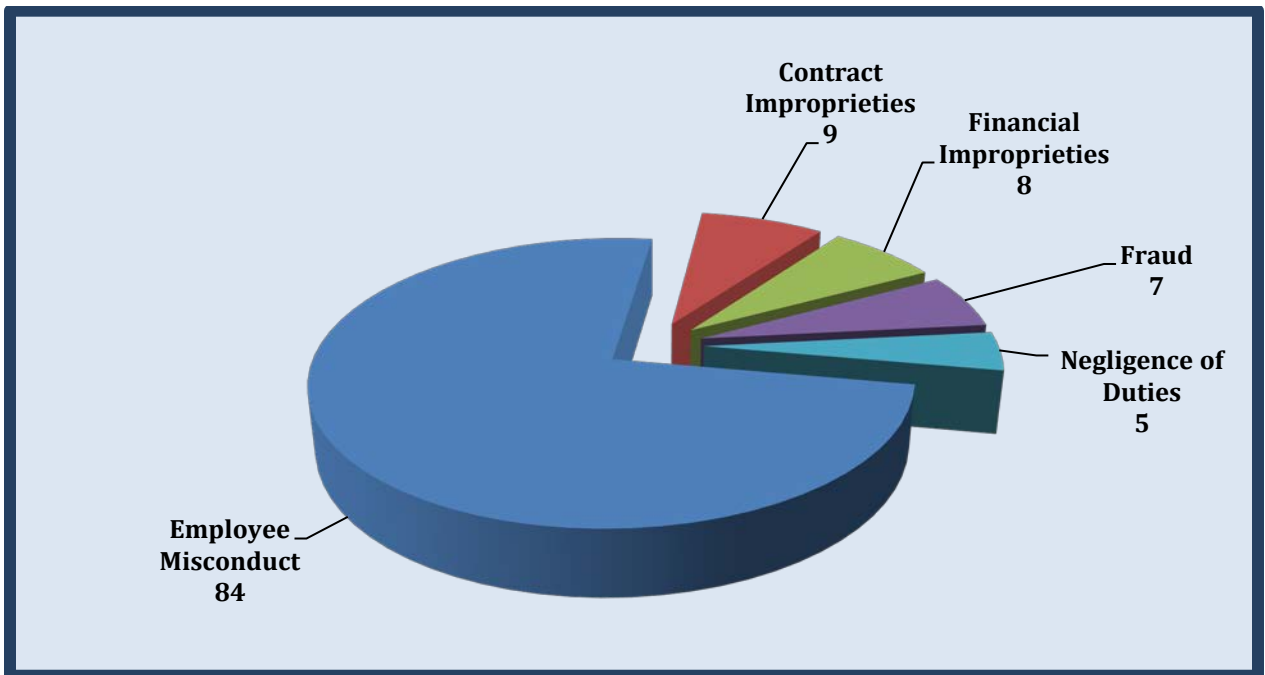
**COMPLAINTS BY MUNICIPALITIES (TOP 6)**

Of the **141** complaints received, **80** involved Municipalities. The following is a breakdown of complaints regarding the **Top 6** Municipalities.



**ALLEGATION TYPES**

Of the **141** complaints, a total of **142** allegations of potential wrongdoing were made. Of those **142** allegations, **113** were identified in the following top five categories:



## INVESTIGATIVE ACTIVITIES

The following are highlights from reports issued in FY2019:

### **Palm Tran – Contractor Maruti Fleet & Management, LLC. – Contract Violations**

The OIG received an initial complaint from Palm Tran, Inc. that Maruti Fleet & Management, LLC., failed to comply with its Palm Tran Connection Paratransit Services contract (a \$35 million, seven year contract), as well as various laws, rules, and standards.



Some of our findings were that:

- Maruti executive management instructed Maruti mechanics to sign inaccurate or falsified maintenance and repair records, and temporarily added parts to vehicles in order to pass inspections, which violated contract requirements.
- Maruti placed in service vehicles needing repair, and deliberately altered and/or disabled Palm Tran paratransit vehicle safety equipment.
- Maruti mechanics installed used parts in Palm Tran Connection vehicles in violation of their contract.

During the investigation Palm Tran cancelled the contract. The OIG referred Maruti to the County for suspension or debarment. Our report was sent to the Florida and U.S. Departments of Transportation for consideration of follow-up actions.

### **Riviera Beach Summer Youth Employment Program – Hiring Practices**



We conducted our investigation based on a complaint that then City of Riviera Beach Council Member Lynne Hubbard improperly participated in the hiring process for the City's 2018 Summer Youth Employment Program (SYEP), in violation of the City's hiring policies and procedures.



We found that:

- Although Ms. Hubbard participated in the hiring process, the allegation that she participated in the hiring process for the SYEP in violation of the City's hiring policies and procedures was not supported. The City did not have a policy prohibiting the involvement of City Council members in City hiring processes. The PBC Commission on Ethics was reviewing for determination of PBC Ethics Code violations.

Our report contained two recommendations which will be implemented by the City to provide guidance to improve the City's employment processes and written policies.



During the course of this investigation (March, 2019), City voters approved amending the City charter to prohibit Council Members from giving orders to the City Manager or employees under the City Manager’s supervision.

**Riviera Beach Outside Employment – Conflicts of Interest**

We conducted our review based on an allegation that Ms. Regina Williams, Legislative Assistant to City of Riviera Beach Councilman Terence Davis, failed to submit an Outside Employment Disclosure Form to the City to determine that such employment did not conflict with her employment with the City.



We found that:

- Ms. Williams did not submit an Outside Employment Disclosure Form to her department for review and approval for a determination that such employment would not present a conflict with her City employment.
- There were discrepancies in Councilman Davis’ campaign reports that may violate the Florida Election Code.

This issue was referred to the County and State Commissions on Ethics and the State of Florida Election Commission. We made five recommendations, all of which were accepted and will be implemented by the City.

**Palm Beach County Youth Services Department – Contract Provider Gulfstream Goodwill Industries, Inc. – False Employment Wage Submissions**

We conducted our investigation based on an initial complaint from the Palm Beach County Youth Services Department. That complaint identified a Youth Services employee, who performed employment services for Youth Services provider Gulfstream Goodwill Industries, Inc. while on County time, and sought and received wages from both Youth Services and Goodwill for the same hours.



We found that:

- The employee improperly performed employment services for Goodwill while on County time, and
- Sought and received wages from both the County and the County provider during the same hours.

## *Section B – Activities*

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Our report was referred to the Palm Beach County Commission on Ethics for a determination of whether the County Code of Ethics was violated and referred to the State Attorney’s Office for a determination of whether the facts arise to a criminal theft under section 812.014, Florida Statutes, (F.S.).

### **City of Pahokee – Holiday Schedule and Bonus Pay – City Ordinance and State Statute Violations**

The OIG conducted our review based on a complaint which identified paid holidays and bonuses given to Pahokee City employees beyond those authorized by City Ordinance and state statute.



We found that:

- From November 2015 through December 2017 Pahokee City Manager Chandler Williamson improperly closed City Hall for full or partial days not specifically authorized by City Ordinance.
- City Manager Williamson inappropriately awarded bonuses to City full-time and part-time employees and interns in December 2016 and December 2017 in violation of section 215.425, F.S.

We made recommendations to assist the City of Pahokee in following City Ordinance and Florida State Statutes in the future.

### **OIG Tips and Trends #2019-0005 – Employee Bonuses: Strict State Law Requirements – June 2019**

We issued this *Tips and Trends* to inform municipalities about Florida laws relating to employee incentive bonuses. Florida Statutes provide that no extra compensation may be made to a county or municipal employee after the employee provides the service for an agreed-upon wage.



Florida law does specify that any policy, ordinance, rule or resolution designed to implement a bonus scheme must base the award on four criteria including employee performance; description of the performance standards and evaluation process by which a bonus will be awarded; notification of all employees of the performance standards before the beginning of the evaluation period; and consideration of all employees for the bonus. We suggested that municipalities review and compare bonus processes with statutory requirements, and that before awarding bonuses, they confer with legal counsel to ensure that ordinances, policies and procedures are consistent with the law.

## **AUDIT DIVISION**

**The Audit Division conducts audits intended to add value by helping management strengthen internal controls; prevent fraud, waste, and abuse; and identify opportunities to operate more efficiently and effectively.**

All audits are performed in accordance with *Government Auditing Standards (Yellow Book)*.

### **AUDIT HIGHLIGHTS**

During FY2019, we issued **eleven** reports with total Questioned Costs of **\$2,079,681** and **\$265,990** in Potential Cost Savings. Collectively, these eleven reports contain **228** recommendations to strengthen internal controls and improve the efficiency and effectiveness of operations. Management has implemented or is in the process of implementing the majority of our recommendations. The reports and management responses can be found at <http://www.pbcgov.com/oig/archreports.htm>. A brief summary of the recommendations is also contained in Section D Appendix 1 of this report.

#### **Audit of Town of Lake Clarke Shores – Cross-Connection Program**



We conducted an audit of the Town of Lake Clarke Shores Water Utility Cross-Connection Program. Our audit focused on verifying the existence of a Cross-Connection Program and reviewing program requirements and controls related to its implementation.

We found that overall internal controls for the Cross-Connection Program are adequate, and if followed consistently, provide reasonable assurance for compliance with applicable laws, rules, and regulations.

We found weaknesses when testing the cross-connection program compliance.

We found that the Town of Lake Clarke Shores:

- Lacked proper approval and adequate documentation for the piggyback agreement;
- Did not bill utility fees in accordance with the Town's Ordinance resulting in a loss of revenue;
- Did not adequately review the invoices prior to approving payments; and
- Did not adequately monitor the Vendor's performance to ensure compliance with the agreement and Florida law.

## Section B – Activities

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As a result of our audit, we identified **\$9,010.00** in Questioned Costs and **\$1,424.00** in Potential Costs Savings.

Our report contained recommendations to assist the Town of Lake Clarke Shores in strengthening internal controls, and help ensure compliance with requirements. The Town of Lake Clark Shores accepted all of the recommendations.

### **Audit of Village of Tequesta – Sidewalks Rehabilitation and Construction Contract**



We conducted an audit of the Village of Tequesta’s Sidewalks Rehabilitation and Construction Contract as a result of a complaint. This audit was based on allegations and focused on the Contract including the procurement to payment process, inspection process, and permit process. We found that three of the four allegations were supported. We found the following weaknesses that need improvement related to the Village of Tequesta:

- Approved and paid the Contractor for some expenditures that were not clearly defined within the scope of the Contract;
- Did not issue permits and collect permit fees prior to commencement of some of the work under the Contract;
- Did not complete inspections for some of the projects under the Contract prior to final payment;
- Did not follow the Florida Prompt Payment Act related to construction services invoices timelines for some of the invoices paid to the Contractor; and
- Did not issue purchase orders for some of the projects as required by the Village’s Purchasing Policy.

As a result of our audit, we identified **\$444,419.50** in Questioned Costs and **\$9,143.74** in Potential Costs Savings.

Our report contained recommendations that will assist the Village in strengthening internal controls and facilitate compliance with the Contract, Village policies, internal processes, and statutory requirements. The Village of Tequesta is implementing all of the recommendations.

### **Audit of City of Riviera Beach – Purchasing Cards and Council Members’ Out-of-State Travel**

We conducted an audit of the City of Riviera Beach’s purchasing card program and Council Members’ out-of-state travel. This audit focused on the purchasing cards and out-of-state travel processes and controls. We found the policies and procedures were generally adequate. We found internal control weaknesses and operational areas that needed improvement related to:



## Section B – Activities

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- Lack of proper approvals, adequate documentation, and documented business purposes for purchasing card purchases;
- Purchasing card purchases of items prohibited by policy or that could not be located;
- Purchasing card purchases exceeded monthly cardholder limits;
- Lack of proper authorization for cardholders and card limits;
- Former employee cardholder accounts not deactivated immediately upon employee separation with the City; and
- Disallowed travel expenditures and improper or insufficient documentation for Council Members' out-of-state travel expenditures.

Additionally, we investigated a complaint regarding an employee's tuition reimbursement requests. We found that the employee's tuition reimbursement requests were inaccurately calculated. There was no documented pre-approval for the employee's request for reimbursements. We found that the allegation was supported.

As a result of our audit, we identified **\$515,576.11** in Questioned Costs and **\$10,057.38** in Potential Costs Savings.

Our report contained recommendations to assist the City in strengthening internal controls and enhance compliance with purchasing card and travel procedures. The City concurred and accepted all of our recommendations.

### **Audit of Town of Jupiter Inlet Colony - Revenue**



We conducted a revenue audit of the Town of Jupiter Inlet Colony. This audit focused on the revenue process and related cash receipt activities.

We found control weakness for the Town's revenue and permitting processes. In most instances, the Town's employees carried out their work using established processes; however, those processes were not documented in writing to ensure consistency in conduct, standards, and expectations. We found the following internal control weaknesses and operational areas that need improvement related to the Town:

- Did not invest in higher yield accounts that would have optimized investment return while prioritizing safety of the principal and liquidity;
- Did not obtain a license or permit through the State of Florida to obtain fuel tax credit or refunds;
- Lacked sufficient controls, review, and oversight for the bank reconciliation and cash receipt reconciliation;
- Did not follow the uniform accounting practices and procedures and misclassified revenue as expenses or payables for FY2016 and FY2017;
- Did not reconcile cash receipts to the permitting computer system and financial computer system records;
- Lacked proper review and oversight for general ledger adjustment entries; and

## Section B – Activities

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- Lacked adequate written policies and procedures for reconciliations, management overrides, processing credit/debit cards, accepting donations, permit cancellations, permit refunds, collection and write-off of accounts receivable, and IT processes.

As a result of our audit, we identified **\$181,729.09** in Questioned Costs and **\$41,478** in Potential Costs Savings.

Our report contained recommendations to assist the Town in strengthening internal controls and help ensure compliance with regulatory requirements. The Town concurred and accepted many of the recommendations.

### **Audit of Palm Beach County Office of Financial Management & Budget - Fixed Assets Management Office Operations**



We conducted an audit of the Palm Beach County Office of Financial Management & Budget's (OFMB) Fixed Asset Management Office (FAMO) operations.

We found that controls were generally adequate with some internal control weaknesses. We found instances of a lack of compliance with policies and procedures and conditions where policies and procedures could be enhanced. We found the following internal control weaknesses and operational areas that need improvement related to PBC OFMB FAMO:

- Did not comply with the facility and inventory security protocols set forth in PBC OFMB FAMO's internal policy and procedures regarding security of the FAMO Facility;
- Did not comply with the PBC's IT Security Policy regarding transferred and separated employees and generic usernames;
- The Advantage and FABS computer systems (i.e. ledger and sub-ledger, respectively) contained conflicting information;
- The Advantage system contained incorrect information for some fixed assets that were transferred to the PBC OFMB FAMO Surplus warehouse;
- Did not endorse checks immediately upon receipt in accordance with PBC OFMB FAMO's internal policy and procedures regarding cash handling;
- Did not implement proper segregation of duties for accessing cash;
- Did not comply with operational and reporting requirements for surplus activities in accordance with PBC policy regarding custody and disposal of surplus assets; and
- Did not enter the fixed asset acquisition into the Advantage system and physically tag fixed assets within 60 days of acquisition, in accordance with the established process.

As a result of our audit, we identified **\$13,784.81** in Questioned Costs.

Our report contained recommendations to assist the PBC OFMB FAMO in strengthening internal controls and to enhance compliance with the existing policies and procedures. PBC OFMB FAMO concurred and accepted all of the recommendations.

**Audit of Village of Golf – Cross Connection Program**



We conducted an audit of the Village of Golf’s Water Utility Cross-Connection Control Program. Our audit focused on verifying the existence of a Cross-Connection Control Program and reviewing program requirements and controls related to its implementation.

We found that overall internal controls for the Village’s program were inadequate and did not provide reasonable assurance for compliance with applicable laws, rules, and regulations. Additionally, we found instances of non-compliance with Program requirements and lack of proper supporting documentation.

We found that that the Village of Golf:

- Did not inspect the commercial (non-residential) backflow devices, as required by the Village’s Resolution;
- Did not obtain or maintain a copy of inspection reports and reports of repairs made to backflow prevention devices for commercial (non-residential) users, as required by the Village’s Resolution;
- Did not obtain or maintain a copy of the inspection reports and tests performed for residential backflow prevention devices during FY2018, as required by Resolution;
- Did not maintain a current master inventory device listing, as required by Rule 62-555.360, Florida Administrative Code; and
- Did not provide documentation to demonstrate that failed backflow prevention devices were re-inspected, as required by Resolution.

Our report contained recommendations to assist the Village in strengthening internal controls and help ensure compliance with regulatory requirements. The Village of Golf is implementing all of the recommendations.

**Audit of Town of Lantana - Capital Assets and IT Inventory Items**

We conducted an audit of the Town of Lantana Capital Assets and Information Technology (IT) Inventory Items. This audit focused on the Town’s processes and controls for capital assets and IT inventory items.



We found that the Town had generally adequate controls, including adequate segregation of duties for the capital asset processes, capital assets annual inventory process, segregation of duties for the IT inventory items acquisition process, and the capital assets disposal process.

We found weaknesses that need improvement regarding: the capital assets acquisition process; compliance with written guidance regarding the purchasing process and capital asset management; and the sufficiency of written guidance for IT inventory assets as follows:

- Definition of an asset requiring capitalization and reporting is less restrictive than the GASB requirements;

## *Section B – Activities*

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- Did not follow its Purchasing Ordinance requirements for capital/fixed asset purchases;
- Did not properly follow GASB and the Capital Assets Management Policy requirements for recording and reporting donated capital assets; and
- Lacked adequate written guidance for tracking and protecting IT inventory items.

As a result of our audit, we identified **\$43,255.13** in Questioned Costs.

Our report contained recommendations that will assist the Town in strengthening internal controls and facilitate compliance with requirements. The Town is implementing all of the recommendations.

### **Audit of Village of Palm Springs – Cross Connection Program**



We conducted an audit of the Village of Palm Spring's Water Utility Cross-Connection Control Program. Our audit focused on verifying the existence of a Cross-Connection Control Program and reviewing program requirements and controls related to its implementation.

We found that overall internal controls for the Village's program were adequate, and if followed consistently, provide reasonable assurance for compliance with applicable laws, rules, and regulations. We found that the Village did not adequately monitor its Program for compliance with applicable legal guidance; that the internal controls were not adequate in regards to monitoring the terms and conditions of the Agreement and inspector certifications; and that there were instances of non-compliance with Program requirements and lack of proper supporting documentation.

We found that that the Village of Palm Springs:

- Did not provide adequate documentation indicating the Vendor complied with all the Vendor's obligations under the Agreement or that the Vendor's inspectors held appropriate licenses/certifications;
- Did not adequately monitor its Cross-Connection Control program for compliance with applicable requirements; and
- Accepted inspections completed by inspectors who were not properly certified, as required by section 633.334, F.S.

As a result of our audit, we identified **\$8,260.00** in Questioned Costs and **\$525.00** in Potential Costs Savings.

Our report contained recommendations to assist the Village in strengthening internal controls and help ensure compliance with regulatory and contractual requirements. The Village is implementing all of the recommendations.



### **Audit of Town of Hypoluxo – Revenue**

We conducted a revenue audit of the Town of Hypoluxo. This audit focused on the revenue process and related cash receipt activities.



We found control weakness for the Town’s revenue and permitting processes. In most instances, the Town’s employees carried out their work using established processes; however, some processes were not documented in writing to ensure consistency in performance, standards, and expectations. We found the following internal control weaknesses and operational areas that needed improvement related to the Town:

- Did not invest in higher yield accounts that would have optimized investment return while prioritizing safety of the principal and liquidity;
- Lacked sufficient controls, review, and oversight for revenue processes;
- Lacked adequate written policies and procedures for revenue and permit processes;
- Lacked sufficient controls, review, and oversight for cash receipt and financial reporting activities;
- Lacked proper review and oversight for General Ledger adjustment entries; and
- Lacked adequate written policies and procedures for recording revenue in the proper account, review and approval of adjustment transactions, and information technology processes.

As a result of our audit, we identified **\$4,039.80** in Questioned Costs and **\$164,808** in Potential Costs Savings.

Our report contained recommendations to assist the Town of Hypoluxo in strengthening internal controls and enhance compliance with requirements. The Town is implementing all of the recommendations

### **Audit of City of West Palm Beach – Travel**

We conducted an audit of the City of West Palm Beach’s travel reimbursements and expenditures. This audit focused on the travel process and controls. We found internal control weaknesses related to:



- Lack of compliance with policies for travel reimbursements and expenditures and the use of City vehicles;
- Lack of adequate documentation for travel reimbursements, travel expenditures, and discretionary fund spending;
- Lack of approval for travel reimbursements and travel expenditures;
- Travel expenditures for a former employee;
- Duplicate travel records in the travel computer system; and
- Transactions were for unnecessary travel expenditures, such as, seat and room upgrades, lost discounts, valet parking instead of self-parking, and booking or late fees.

## *Section B – Activities*

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As a result of our audit, we identified **\$803,949.34** in Questioned Costs and **\$27,725.81** in Potential Costs Savings.

Our report contained recommendations to assist the City in strengthening internal controls and enhance compliance with requirements. The City concurred and accepted all of our recommendations.

### **Audit of Interlocal Agreement for Law Enforcement Services between Palm Beach County and the City of West Palm Beach (aka Manatee Program)**



We conducted an audit of the Interlocal Agreement for Law Enforcement Services between Palm Beach County and the City of West Palm Beach. Our audit focused on review of the Agreement reimbursement requests that occurred from November 1, 2013 through March 31, 2019.

We found control weaknesses for the City of West Palm Beach's review and oversight relating to the reimbursement requests that it presented to Palm Beach County for hours worked. We found control weaknesses related to:

- Lack of adequate review and documentation for reimbursement requests;
- Lack of compliance with the Agreement and the City of West Palm Beach's Standard Operating Procedures;
- City of West Palm Beach Police officers did not comply with the City Procedures for checking in and out when working the Manatee detail;
- Issued citations and warnings did not always contain pertinent information; and
- City of West Palm Beach's Police Department did not maintain records in accordance with the Agreement.

As a result of our audit, we identified **\$55,657.38** in Questioned Costs and **\$10,828.36** in Potential Costs Savings.

Our report contained recommendations to assist the City of West Palm Beach in strengthening internal controls, preventing the overbilling of payroll hours to Palm Beach County; ensure that the City of West Palm Beach officers comply with its policies and procedures; and ensure compliance with the Agreement requirements to provide increased law enforcement presence in Palm Beach County's waterways and provide greater manatee protection.

The City of West Palm Beach refrained from responding due to an ongoing investigation. Palm Beach County concurred and accepted all of our recommendations.

**OIG Tips and Trends #2019-0001 Invest Surplus Funds to Increase Revenue – March 2019**

Our recent audits revealed that some municipalities are losing thousands of dollars in revenue by not investing surplus funds in higher yield investment options. For entities that have surplus funds, the entity may be able to increase its revenue by using higher yield investment accounts, including interest-bearing accounts in qualified public depositories. Florida law allows local government units to invest surplus public funds in accordance with sections 218.415(16)-(17), F.S.



We suggested that entities consider investing surplus funds in the investment options permitted by Florida law in order to increase revenue and consider adopting an investment policy to increase options available for investing surplus funds.

**OIG Tips and Trends #2019-0002 Capital Assets – April 2019**



Our recent audits revealed that some municipalities have increased risk of theft, fraud, waste, misuse, or abuse because they are not continuously documenting, tracking, and monitoring their capital assets. Municipalities may be able to increase control over and better protect their largest assets by improving the documenting, tracking, and monitoring of capital assets.<sup>4</sup>

We suggested that entities ensure capital assets include detailed information, perform annual physical hands-on review, include all departments in the capital asset monitoring process, perform monthly reconciliation of capital asset purchases, perform periodic capital asset impairment review,<sup>5</sup> ensure capital assets are being used in the operations, and provide annual training to employees.

**OIG Tips and Trends #2019-0003 Data Integrity – May 2019**

Our recent audits have revealed that some municipalities lack controls to ensure integrity and protection of information in their computer systems, which increases the risk of inconsistent reporting, a data breach, fraud, waste, and abuse. Municipalities may be able to improve the integrity of their systems' data by implementing appropriate policies and procedures, ensuring physical security, improving user access controls, performing periodic inventories, and testing data backups and recovery procedures.



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<sup>4</sup> Some capital assets may also be considered as “fixed assets.”

<sup>5</sup> Especially after prominent events or changes in circumstances, as required by GASB 42.

We suggested that entities consider following a software development cycle, conduct computer systems validation, implement system audit trails, limit system access, implement backup and recovery procedures, design and implement appropriate policies and procedures, provide user training and maintain training records, protect the physical and logical security of system, establish vendor management programs, and conduct reviews/audits.

**OIG Tips and Trends #2019-0006 Prevent Purchasing Card Misuse – June 2019**



Our recent audits revealed that some municipalities have an increased risk of fraud, waste, misuse, and abuse because they lack an effective purchasing card program that ensures payments are authorized, supported, and allowed. Municipalities may be able to reduce purchasing card payment risks by improving the program design, enhancing written guidance, and monitoring activities of the purchasing card program.

We suggested that entities consider assigning program ownership and oversight, documenting policies and procedures, requiring timely reconciliations by cardholders and supervisors, establishing independent reviews of cardholder transactions, restricting allowable merchant category codes, promptly deactivating cards of former employees, establishing cardholder and transaction limits, establishing a mandatory training program, conducting audits/reviews, evaluating reasons for issuing cards, and utilizing technology that may already be available from their purchasing card provider or selecting a purchasing card provider that will offer technology solutions.

**AUDIT FOLLOW-UP**

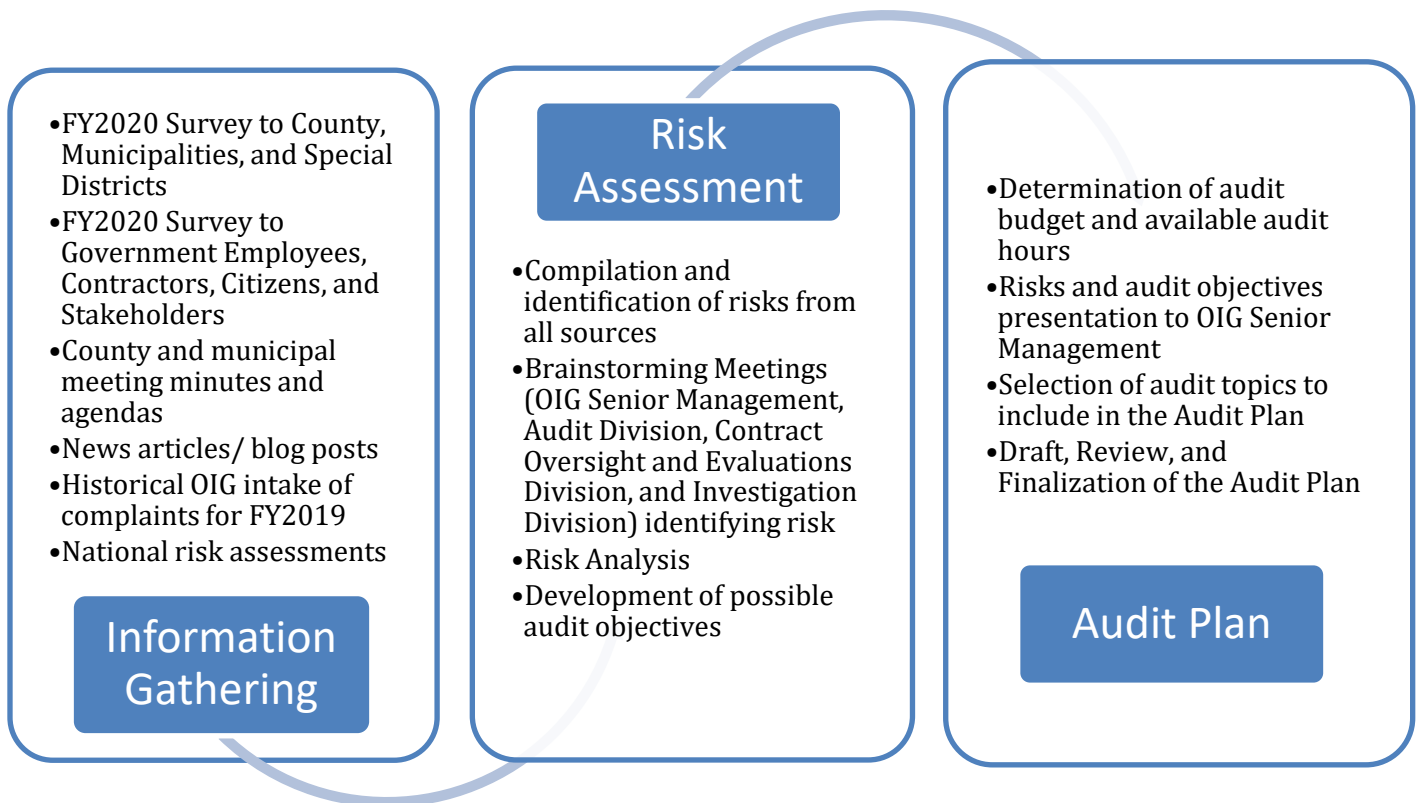
During the year, we continued to perform quarterly follow-up on the status of all pending audit recommendations. We use an Audit Recommendation Tracking Report, which assists us in planning future audit work, as well as, monitoring management’s progress in taking corrective action on our audit findings. Our follow-up process has helped ensure timely corrective action on our audit recommendations. Since the inception of the OIG, of the 721 audit recommendation made, 707 (98%) have been implemented or are pending implementation.



## AUDIT RISK ASSESSMENT AND ANNUAL AUDIT PLAN

Our “audit universe” is comprised of the County, 39 municipalities, and special districts. Our goal is to make the most effective use of our resources focusing on areas of high risk for fraud, waste, and abuse, as well as, areas where costs can be reduced or revenue increased. To this end, we conducted a comprehensive risk assessment in order to best utilize our limited resources in FY2020.

The risk assessment process was conducted using a combination of several methods of research and information gathering in order to create an overview of the risks for entities within the OIG’s jurisdiction. Additional risks were included drawing upon the professional expertise and experience of the OIG staff. Risks were assessed based on their global area of significance and impact. Our FY2020 Annual Audit Plan (Appendix 3) was created using this risk assessment methodology.



**CONTRACT OVERSIGHT AND EVALUATIONS DIVISION**

**The Contract Oversight and Evaluations Division reviews procurement and contracting activities and conducts evaluations and reviews of operations to promote competition, transparency, accountability, integrity, and efficiency.**

The Contract Oversight and Evaluations Division (COED) reviews procurements completed by municipalities, the County, and special districts. This includes, on a selected basis, following a solicitation from when it is issued until award; reviewing the implementation of the contract before the services are completed; and completing a contract administration review after the close out of a contract.

Additionally, the COED can complete evaluations, reviews, or inspections on a wide variety of operational issues and processes for the entities under the jurisdiction of the Office of Inspector General.

All work is completed in accordance with the *Principles and Standards for Offices of Inspectors General* (Green Book), as developed by the Association of Inspectors General.

**CONTRACT OVERSIGHT AND EVALUATIONS HIGHLIGHTS**

During FY2019, the COED issued **three** reports. Collectively, these three reports included **one** recommendation for improvements, which has been accepted by management. The accepted recommendation is pending full implementation. The reports and management responses can be found at <http://www.pbcgov.com/oig/archreports.htm>. A brief summary of this recommendation is also contained in Section D Appendix 1 of this report.

**City of Belle Glade Contract Management Review**

This contract management review process evaluated contract compliance. The City of Belle Glade competitively solicited through its RFP process the Torry Island Observation Tower project. T & S Construction Inc., was awarded the contract to furnish and install the Torry Island Observation Tower. In reviewing the contract, change orders, payment applications, and permit documentation, we found several contract requirements that were not met. The City:



- Did not amend the contract nor issue a change order when the project was completed more than 120 days after the Notice to Proceed was issued.
- Made payment to the contractor without written recommendation by the Engineer or documentation of approval of the final inspection, as prescribed by the contract.

We made one recommendation to the City that written policies and procedures for contract management be established to ensure project managers adhere to contract requirements and avoid non-compliance issues. We also made the suggestion that the City utilize a contract administration plan as an effective tool used in contract management recognized by the National Institute of Governmental Purchasing.

**Palm Beach County Engineering & Public Works – Annual Pathway Contract**

We conducted a contract administration review of Palm Beach County’s Annual Pathway and Minor Construction Contract which is used for the construction and resurfacing of pathways and parking areas, construction of speed humps, traffic separators, miscellaneous concrete work, and other minor construction projects.

The intent of the review was to determine work order compliance with contract specifications, to verify contract deliverables, and to make recommendations and suggestions to help improve the County’s contract administration process. Additionally, this review provided oversight of some of the County’s One-Penny Sales Surtax funded projects.



We found that the County Departments using the Annual Pathway and Minor Construction Contract were:

- Complying with the requirements of the agreement, and
- Properly utilizing contract administration tools and techniques in managing projects.

Therefore, we had no recommendations.

**Palm Beach County ISS Contract Administration Review**

We conducted a contract administration review of Palm Beach County’s Cabling Installation and Repair Services Contract. The contract was used for installation, integration, maintenance and support services for Voice Services Systems, the Enterprise Network systems, and general low voltage cabling systems.



We reviewed the approved contract, delivery orders, invoices, work logs, and supplier invoices for material. The review focused on a comparison between the contract requirements and the administration of selected work and delivery orders to determine contract compliance.

We found that Information Systems Services (ISS) is complying with the requirements of the contract.

Although we found no issues or concerns with the administration of the contract, we suggested that implementation may be enhanced by formalizing the scheduling process in a written procedure so that in the event of staff changes, operations are unaffected. We also suggested development of a written procedure for ISS to document its approval of increases to the original cost estimate for enterprise projects.

**OTHER CONTRACT OVERSIGHT and EVALUATIONS ACTIVITIES & OUTREACH**

Procurement personnel working for the entities within OIG jurisdiction have articulated that OIG presence helps to ensure the integrity of the selection process and assists them in facilitating more efficient and equitable selections. During FY2019, we proactively observed **96** procurement/contracting related activities. These activities included selection committee meetings, contract review committee meetings, pre-construction meetings, construction site visits, and meetings with municipal officials.

The specific type and number of meetings attended is as follows:

• County Selection Committees	13
• County Contract Review Committees	30
• County Meetings	13
• Municipal Selection Committees	22
• Municipal Meetings	6
• Other Covered Entities – Selection Committees	8
• Other Covered Entities – Meetings	4
<b>TOTAL</b>	<b>96</b>



## *Section B – Activities*

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In terms of outreach completed by COED staff during the above-referenced meetings, the number of people in attendance is as follows:

• County Selection Committees	327
• County Contract Review Committees	289
• County Meetings	181
• Municipal Selection Committees	387
• Municipal Meetings	137
• Other Covered Entities – Selection Committees	130
• Other Covered Entities – Meetings	232
<b>TOTAL</b>	<b>1,683</b>

In the course of these meetings, COED staff is routinely asked to provide guidance to County and municipal staff in an effort to enhance efficiencies. This guidance has resulted in policy and procedure changes by the County and municipalities on how to score and rate proposals, refinement of determinations of responsiveness reviews, and developing evaluation criteria.

Occasionally, COED staff identifies issues with either a solicitation document or selection process and advises County or municipal staff of the error so corrections can be made as soon as possible in the solicitation process. Some examples of corrections include identifying errors or omissions in solicitation documents before the solicitation ends so that the entity can issue an amendment with corrections prior to the solicitation closing date; a scoring sheet not being signed by the selection committee member; miscalculation of selection committee scores; or engaging in activities that do not comply with statutory requirements.

The COED serves as a resource for sharing information between the municipalities. The COED has shared information, as well as provided references to resource materials provided by organizations such as the National Institute of Governmental Purchasing.

### **ADDITIONAL AREAS WHERE CONTRACT OVERSIGHT AND EVALUATIONS ACTIVITIES ADD VALUE**



The COED engages in an array of oversight activities that promote an open and competitive business environment and enhance public confidence that contracts are being awarded equitably and economically. The following highlights the division's positive impact:

#### **OIG Tips and Trends #2019-0004 - Avoid Mismanagement of Public Funds In Contracting – June 2019**

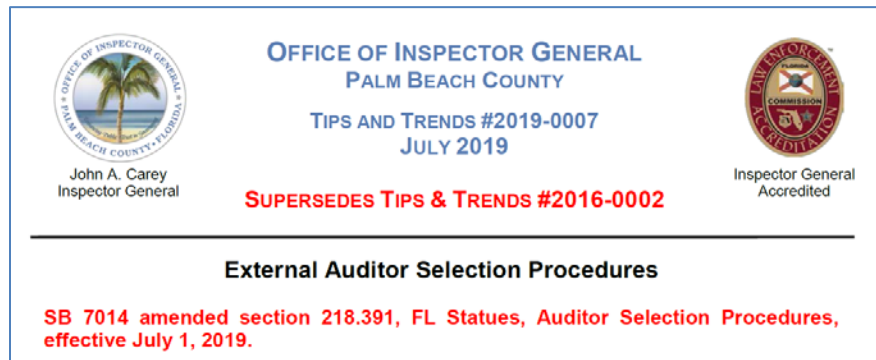
This *Tips and Trends* provided information about contract administration, the elements of effective contract administration, and contract administration deficiencies we found through our contract administration reviews.

## Section B – Activities

We suggested training staff on the elements of effective contract administration, utilizing contract administration plans, and monitoring contract compliance to reduce the risk of procurement fraud, waste, and abuse and help to identify contract fraud indicators.

### **OIG Tips and Trends #2019-0007 External Auditor Selection Procedures – July 2019**

The Florida Legislature made changes to the laws that govern external audits completed by municipalities, the county, and special districts that were effective July 1, 2019. This *Tips and Trends* superseded *Tips and Trends* #2016-0002 and outlined the audit requirements and highlighted the changes to section 218.391, F.S. These changes included:



- The auditor selection committee for a county must, at a minimum, consist of each of the county officers elected pursuant to the county charter or the State Constitution or their respective designees and one member of the board of county commissioners or its designee.
- The auditor selection committee for a municipality or special district must consist of at least three members, one of which must be a member of the governing body and serve as the chair of the committee.
- An employee, a chief executive officer, or a chief financial officer of the county, municipality, or special district may not serve as a member of the auditor selection committee, except in an advisory capacity.
- If the entity fails to select the auditor in accordance with the requirements the statute, the entity must again perform the auditor selection process in accordance with this section to select an auditor to conduct audits for subsequent fiscal years.

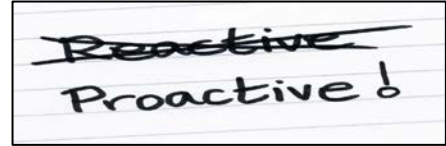
### **OIG Tips and Trends #2019-0008 New Transportation & Engineering Requirements Impacting Local Governments – August 2019**

The Florida Legislature enacted two laws effective July 1, 2019 and October 1, 2019. These laws may impact local governments' construction bidding and engineering practices. The following suggestions were made:

- Review the roadway specifications used for aggregates and asphalt for compliance with FDOT specifications.
- Review procurement language for the prohibition against vendors performing both design and construction services on the same project.
- Review state licensing changes for engineers and engineering firms.

**Other Proactive/Preventative COED Activities**

The COED has also issued specific guidance to the County and/or the municipalities in the following areas:



**External Auditors** – We provided assistance to three municipalities regarding the selection of external auditors in accordance with the Auditor Selection Procedures in sections 218.39 and 218.391, F.S. In one solicitation, COED noted that the evaluation criteria were not developed or approved by an appointed external audit selection committee. The RFP was canceled and resolicited using proper procedures. The other two municipalities sought information regarding external auditor procedures.

As a result of these issues and inquiries, COED published *Tips and Trends* 2019-0007, External Auditor Selection, to update and emphasize the changes to sections 218.39 and 218.391, F.S.

**Consultants Competitive Negotiation Act (CCNA)** – COED provided assistance to five municipalities regarding section 287.055-CCNA, F.S. In three municipal solicitations, COED noted that the selection committee’s scoring did not comply with the requirements of section 287.055, F.S. and the solicitation. All three solicitations were corrected before the awards were finalized. Two local municipalities asked questions regarding CCNA procedures. The first question concerned CCNA oral presentations.

The second municipality asked for information and examples on roofing projects. COED suggested referencing section 287.055, F.S. about the hiring of a professional design consultant. COED was also able to provide a current RFQ sample from another municipality for similar work, and a link to the SE Florida NIGP Chapter for further guidance on best practices or to research additional information.

**Procurement Training** – Assisted a municipality by providing links to electronic resources on best procurement practices including the NIGP and OIG websites. The COED Director further recommended the NIGP online contract administration course for personnel on a particular project. Additionally, we discussed with another municipality the importance of offering staff training in the area of government procurement with emphasis on the adherence to the established purchasing policy.

**Competitive Solicitations** – COED found no procurement documentation to support the award of multiple contracts, and their subsequent approval by the governing body, without first being competitively solicited as required by ordinance and purchasing policy. A letter was sent to the municipality’s management regarding the oversight.

**Cooperative Purchases** – We provided assistance to a municipality’s purchasing office trying to obtain information regarding Cooperative Purchases (Piggybacking), with an emphasis on national buying organizations. COED conducted research utilizing NIGP, the Professional Association for Cooperative Procurement Association, OIG, and other procurement resources to provide information to the municipality.

**Selection Committee Scoring** – COED previously worked with a public entity regarding continuous mathematical errors in selection committee scoring. The entity implemented new committee procedures to re-check scores and a process to train selection committees. But, on a recent solicitation, COED noticed a lapse in their new scoring practices, which went uncorrected after it was discovered. The correction was made after COED informed the Purchasing Department of the errors. In this situation, the OIG was able to support staff who were trying to follow the correct procedures, but were not getting compliance from their fellow staff.

**Solid Waste Collection and Recycling Services** – We provided assistance to a municipality’s internal auditor who was trying to obtain information regarding solid waste collection services, and if the service was outsourced to a contract vendor, or performed by municipal employees. Using years of collected records and OIG Contract Activities, the COED Director was able to compile an updated listing of the 39 municipalities with the requested information.

**Cone of Silence** – We discussed with a municipality the public issues they had surrounding a high dollar amount solicitation. The municipality determined that the best course of action was to apply the Cone-of-Silence restrictions beginning with the public workshops, which were conducted prior to the release of the formal solicitation.



"An ounce of prevention  
is worth a pound of cure."  
Benjamin Franklin

## **OUTLOOK AND THE WAY AHEAD**

Our OIG Strategic Plan looking out to 2022 sets out the following goals:

- Promote integrity, accountability, and transparency in government while improving the efficiency and effectiveness of operations.
- Promote sound government procurement practices.
- Expand and improve communications and engagement between the OIG, government officials and employees, and the public.
- Achieve organizational excellence in carrying out the mission of the OIG.



Our vision is to **promote positive change** throughout local governments and public organizations in Palm Beach County with an **inspired** and **skilled team** that strives for **continuous improvement**.

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In FY2020 we will:

- Continue to center audit and contract oversight and evaluations activities on risk/opportunity assessment models to ensure we are focusing on the major risks.
- Prioritize the investigations that maximize our resources and our ability to expose waste, fraud, and mismanagement.
- Focus our outreach and training programs on proactively sharing lessons learned, best practices, activities to avoid, and red flags that may indicate fraud, waste, or mismanagement with those to whom we provide our OIG services.

Appendix 1 – FY2019 Recommendations

**INVESTIGATIVE ACTIVITIES COMPLETED  
(October 1, 2018-September 30, 2019)**

**Date**

**1/29/2019**

**Report Number**

**2017-0009**

**City of Riviera Beach Outside Employment**

**Recommendations:**

1. Ms. Williams complete the City’s Outside Employment Disclosure form if she is still engaged in outside employment, as required by City Policy.

*Implemented*

2. If Ms. Williams submits a current Outside Employment form, her department director should review the form and determine whether the outside employment presents a conflict with her employment with the City.

*Implemented*

3. The City determine whether Ms. Williams’s violation of the Outside Employment Policy warrants disciplinary action.

*Implemented*

4. The City consider revising its Outside Employment Policy to require department directors to acknowledge in writing the evaluation of outside employment requests and to note the basis for the determination that such outside employment conflicts or does not conflict with the employee’s employment with the City.

*Implemented*

5. The City train all City department directors and employees, including appointed employees, general employees, and public safety personnel regarding the obligations and penalties set forth in the City’s Outside Employment Policy. The acknowledgment of this training should be documented.

*Implemented*

*Section D – Appendices*

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**5/06/2019**  
**Report Number**  
**2018-0004**

**City of Pahokee Holiday Schedule and Bonus**

**Recommendations:**

1. If the City wishes to develop an employee bonus program, that the City Commission should approve a policy, rule, or resolution that complies with the requirements of section 215.425, F.S.

*Pending Implementation*

2. The City closes City Hall only on those dates permitted by its City Ordinance.

*Pending Implementation*

3. The City Commission approves at its budget meeting the two additional City Hall closure days as permitted under its City Ordinance.

*Pending Implementation*

**9/24/2019**  
**Report Number**  
**2018-0008**

**Riviera Beach Summer Youth Employment Program**

**Recommendations:**

1. Update the City's written policies related to hiring to include guidance on the following:
  - a. Methodology for selecting/shortlisting applicants for interviews,
  - b. Define the level of background check necessary for employment,
  - c. Standardize the process for conducting interviews, to include specifying the composition of interview panels and requiring uniform interview questions and evaluation tools, and
  - d. Outlining the procedure for documenting the hiring process.

*Pending Implementation*

2. Update the City's written policies related to the City's hiring to require management to document that all applicable background checks have been completed prior to candidates commencing employment with the City.

*Pending Implementation*

**AUDIT REPORTS COMPLETED  
(October 1, 2018 – September 30, 2019)**

**Date**

10/18/2018

**Report Number**

2019-A-0001

**Town of Lake Clarke Shores – Water Utility Cross-Connection Program Audit**

**Recommendations:**

1. Town Management present the Agreement to the Town Council for ratification or rejection.

*Pending Implementation*

2. The Town amend the Agreement to include the required exhibits.

*Pending Implementation*

3. The Town comply with the requirements specified or amend in Resolution No. 12-05 when procuring commodities or services using the piggy-back option.

*Implemented*

4. The Town consider collecting the \$356 in lost revenue from customers.

*Pending Implementation*

5. The Town bill all water users in the Town required to install backflow prevention devices \$50 for the annual test and \$35 for each retest, as necessary, as provided in the Town's Ordinance.

*Pending Implementation*

6. The Town review and evaluate its actual costs and revenue associated with managing the cross-connection program to determine if changes are needed to reduce any losses to the Town.

*Pending Implementation*

7. The Town enhance its review process to ensure that only invoices for services authorized in the written Agreement are paid.

*Implemented*

8. The Town enhance its invoice review process to ensure that services reflected in invoices were actually received and that the Town pays rates prescribed in its written agreements.

*Pending Implementation*



## *Section D – Appendices*

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9. The Town obtain and review all supporting documentation for invoices prior to authorizing payments.

*Pending Implementation*

10. The Town monitor the Agreement to ensure the Vendor complies with the Agreement requirements, specifically for bidding of subcontractors and verifying the subcontractors have the required certifications to work on the devices.

*Pending Implementation*

11. The Town require the Vendor to have a qualified subcontractor retest the five fire protection devices.

*Pending Implementation*

12. The Town create and maintain a detailed listing of all devices including residential devices to comply with FAC requirements.

*Implemented*

13. The Town assess the residential devices to determine if the devices require inspections.

*Implemented*

14. The Town require the Vendor to update its database to include the additional 10 devices that are not included in the database.

*Implemented*

15. The Town require the Vendor to provide an inspection report for the testable device that is missing an inspection report. If the report cannot be provided, then the Town should require the Vendor to complete a new inspection for that testable device.

*Implemented*

16. The Town monitor the Vendor's input of information as presented in the inspection reports to ensure that the Vendor's system is an accurate listing, including all testable devices.

*Pending Implementation*

17. The Town revise written guidance to be consistent throughout all written documents related to the cross-connection control program.

*Implemented*

*Section D – Appendices*

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18. Staff be trained on the revised written guidance.

*Implemented*

19. The Town develop and implement written IT policies and procedures to ensure consistency of operations that provide guidance, at a minimum, for how to:

- a. assign and remove user rights and a reasonable time for completion,
- b. authorize user access,
- c. limit system access requiring unique user IDs and passwords,
- d. provide for user change management (new and terminated employees), and
- e. provide guidance to employees.

*Pending Implementation*

**11/19/2018**  
**Report Number**  
**2019-A-0002**

**Village of Tequesta – Sidewalks Rehabilitation and Construction Contract Audit**  
**Recommendations:**

1. The Village amend or rebid the Contract to include construction services, such as, asphalt removal with replacement of concrete, paver removal with replacement of concrete, demolition, or stucco repair. Additionally, the Village could consider piggybacking its contract off another entity that contains the services.

*Implemented*

2. The Village recoup \$3,803.88 in permit fees reimbursed to the Contractor in error.

*Implemented*

3. The Village enhance its review process for monitoring contract performance and invoicing against contract terms.

*Implemented*

4. The Village provide additional training to staff on Contract requirements.

*Implemented*

5. The Village collect the balance of the permit fees that are still owed by the Contractor in the amount of \$108.71.

*Implemented*

## *Section D – Appendices*

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6. The Village review the surcharge amounts paid to the State of Florida and provide additional payment to the State of Florida for any surcharges owed, after additional permit fees are collected.

*Implemented*

7. The Village update policies and procedures to provide additional guidance to staff and to ensure the proper project valuation is used when calculating and billing permit fees.

*Implemented*

8. The Village create and implement a system of tracking and monitoring for the future projects and permit fees that will be owed by the Contractor under the master permit.

*Implemented*

9. Village staff completing work should develop and implement a review process to ensure that all projects have proper permits prior to the commencement of work.

*Implemented*

10. The Village should include the final permit inspection as part of the invoice review and approval process.

*Implemented*

11. The Village should include review of contract requirements as part of the invoice review and approval process.

*Implemented*

12. Inspections should be completed with a certificate of completion issued prior to final payment.

*Implemented*

13. The Contract should be amended to require the final inspection prior to final payment for work completed.

*Implemented*

14. The Village update its Purchasing Policy to comply with the Prompt Payment Act requirements for payment of construction services.

*Implemented*

*Section D – Appendices*

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15. The Village implement a process for date stamping invoices when received and pay or reject the construction service invoices within the timelines, as required by the Prompt Payment Act.

*Implemented*

16. The Village pay the Contractor the \$161 calculated for the interest charge.

*Implemented*

17. The Village comply with the Resolution 29-17 Purchasing Policy requirements.

*Implemented*

18. The Village provide additional training to staff on Resolution 29-17 Purchasing Policy requirements.

*Implemented*

19. The Village update written guidance related to permits, permit fees, and invoice payments to be consistent throughout all written documentation and follow the Florida Statutes.

*Implemented*

20. Staff should be provided additional training on the revised written guidance.

*Implemented*

21. The Village enter permit inspections into the computer system at the time of occurrence or document the inspection manually outside of the system (until they are able to be entered into the computer system with the documentation retained) to ensure the accuracy of the inspection dates.

*Implemented*

**1/17/2019  
Report Number  
2019-A-0003**

**City of Riviera Beach – Purchasing Cards and Council Members’ Out-of-State Travel Audit  
Recommendations:**

1. The City consider seeking reimbursement from vendors for potential duplicate payments and sales tax improperly paid.

*Pending Implementation*

2. The City develop and implement a process for Department Directors to review and resolve monthly cardholder statements/reconciliations for duplicate payments, purchases of prohibited items, proper supporting

## *Section D – Appendices*

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documentation, statement of business purpose, and improper payment of sales tax.

*Implemented*

3. The City review the policy requirements related to prohibited items and determine whether the City wants to enforce the current policy or revise the policy to reflect actual operations.

*Implemented*

4. The City develop and implement an independent oversight process for all Council Members, including the Mayor, for purchasing card purchases to ensure compliance with all policy requirements.

*Implemented*

5. The City implement a process for the Finance Department or the Purchasing Department to review and resolve monthly cardholder statements/reconciliations with approvals by the appropriate Department Director or designated self-approver.

*Pending Implementation*

6. The City use the purchasing card system (BMO Spend Dynamics) to prevent purchases from vendors with certain merchant category codes related to prohibited items in the policy and produce reports of purchase transactions for monitoring and review. This would increase the efficiency and effectiveness of the monitoring and review process.

*Implemented*

7. The IT Department develop and implement a process to track equipment and electronics that are purchased.

*Pending Implementation*

8. The IT Department develop and implement a process for disposal of items that includes having documented approval of the disposal and the date the item is disposed.

*Pending Implementation*

9. The City develop and implement an independent oversight process for all Council members and Mayor purchasing card purchases to ensure compliance with all policy requirements and disposals are properly documented.

*Pending Implementation*

## *Section D – Appendices*

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10. The City update the Purchasing Card Policy and Procedures to provide guidance on when the notification of an employee's separation should be provided to the Purchasing Card Program Administrator, when the Purchasing Card Program Administrator must deactivate the cardholder's account after receiving that notification, and review of cardholder transactions that occur after the separation date, if any.

*Implemented*

11. The City review all purchasing card statements for purchasing cards used by former employees for potential use after employee separation dates and determine if transactions were appropriate.

*Implemented*

12. The City should immediately deactivate purchasing cards when an employee's employment with the City ends.

*Implemented*

13. The City provide training to cardholders and Department/Division Managers regarding their responsibilities with respect to purchasing cards upon separating employment with the City.

*Implemented*

14. The City develop and implement a process to routinely monitor cardholder spending compared to monthly credit limits.

*Pending Implementation*

15. The City document the action taken when credit limits are exceeded and not authorized in accordance with the Purchasing Card Policy and Procedures.

*Pending Implementation*

16. The City work with the institution issuing the purchasing cards to determine if it can establish the transactional and monthly limits on each purchasing card to prevent monthly purchasing card limits from being exceeded.

*Implemented*

17. The City determine if the four (4) overages identified in our audit were properly authorized in accordance with the Purchasing Card Policy and Procedures and document the action taken if the overages were not properly authorized.

*Pending Implementation*

## *Section D – Appendices*

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18. The City provide training to current cardholders, Department Directors, Department Purchasing Card Coordinators, and any new cardholders prior to the issuance of a purchasing card regarding their responsibilities with respect to spending limits.

*Implemented*

19. The Purchasing Card Administrator develop and implement a process to ensure only authorized cardholders (i.e. cardholders with a completed and properly approved Purchasing Card Request form) with a signed Cardholder Agreement form and policy on file are issued a purchasing card.

*Implemented*

20. The Purchasing Card Administrator should review the cardholder files to ensure that the files contain a properly signed and approved Purchasing Card Request/Credit Limit Increase form, Cardholder Agreement, and acknowledgement of policy requirements. If the documents are not in the cardholder file, the Purchasing Card Administrator should ensure that they are obtained or cancel the purchasing card.

*Pending Implementation*

21. The City remove Administrator privileges from unauthorized employees.

*Implemented*

22. The Purchasing Card Administrator develop and implement a process, when purchasing cards are issued, to ensure the credit limits for cardholders are established in accordance with the properly completed and approved Purchasing Card Request/Credit Limit Increase form.

*Implemented*

23. The Purchasing Card Administrator develop and implement a process to ensure credit limits are only increased for cardholders with a properly completed and approved Purchasing Card Request/Credit Limit Increase form.

*Implemented*

24. The City develop and implement a process for ensuring temporary credit limit increases are reversed accurately and in a timely manner.

*Implemented*

25. The City review all cardholder accounts to determine if the current credit limits are authorized and accurate for all users and adjust if necessary.

*Implemented*

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26. Revise the City's Purchasing Card Policy and Procedures to:
- a. Include Council Members and the Mayor as "Persons Affected" by the policy.
  - b. Update the designated Purchasing Card Administrators roles and remove individual names from the Policy.
  - c. Include guidance for receipts that are not legible.
  - d. Include guidance for the purchase of office supplies using the most economical method practical.
  - e. Include guidance for protecting sensitive cardholder data, including but not limited to the primary account number, expiration date, and card verification code.

*Implemented*

27. The City use contracts that are in place, when possible, to obtain the best prices for purchases.

*Pending Implementation*

28. The City implement written guidance for user access to the City's computer systems that establishes at a minimum: requirements for employee terminations/transfers and limitation on individuals provided administrative and privileged system access.

*Pending Implementation*

29. Develop and implement an independent oversight process for all Council Members and Mayor's travel expenditures to ensure compliance with all policy requirements.

*Pending Implementation*

30. The Finance Department provide the Council Members and Mayor training and/or guidance for purchasing card transaction coding to assist with proper coding of expenditures.

*Pending Implementation*

31. The Finance Department review purchasing card transactions for the proper general ledger account coding prior to posting the transactions to the general ledger.

*Pending Implementation*

32. The City develop and implement policies and procedures for union and non-union employee tuition reimbursement that establishes criteria for determining and documenting (1) what education/training is eligible for reimbursement, (2) who is responsible for evaluating/approving eligibility



## Section D – Appendices

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requiring written pre and post approval, and (3) administrative requirements for processing the tuition reimbursement that are consistent with existing purchasing and accounts payable policies.

*Pending Implementation*

33. The City consider obtaining repayment of the inadequately supported tuition reimbursement totaling \$2,286.87.

*Pending Implementation*

34. The City ensure Tuition Reimbursement Requests are properly reviewed for accuracy and appropriate supporting documentation prior to disbursement of the funds.

*Pending Implementation*

**2/19/2019**  
**Report Number**  
**2019-A-0004**

### **Town of Jupiter Inlet Colony – Revenue Audit**

#### **Recommendations:**

1. The Town consider investing excess funds in a higher yield interest bearing account at a qualified public depository or utilizing one of the other investment options available under section 218.415(17), F.S.

*Pending Implementation*

2. The Town complete the application for either a fuel license or permit to be eligible to receive a refund or credit for fuel purchased by the Town for use in motor vehicles used by the Town.

*Pending Implementation*

3. The Town submit returns to obtain the fuel credit or refund either monthly or quarterly.

*Pending Implementation*

4. The Town designate and train an employee for completing the returns.

*Pending Implementation*

5. The Town update its chart of accounts to be in compliance with the statutory requirements.

*Pending Implementation*

6. The Town develop and implement policies and procedures to provide guidance for chart of account selections.

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### *Pending Implementation*

7. The Town record/post revenue transactions in the proper revenue account based on the Uniform Accounting System Chart of Accounts.

### *Pending Implementation*

8. The Town implement a review process and comply with the requirements for annual financial reporting and audits for municipalities, as required in Florida Statutes.

### *Pending Implementation*

9. The Town perform and document reconciliations between the cash receipt book, permit computer system, and financial computer system by an independent individual.

### *Pending Implementation*

10. The Town develop and implement policies and procedures for the reconciliation process between the cash receipts, permit computer system, and financial computer system.

### *Pending Implementation*

11. The Town develop and implement written guidance for permit fee receipting, recording, and refunding.

### *Pending Implementation*

12. The Town provide staff training for reconciliations and permit fee processing.

### *Pending Implementation*

13. The Town's accounting policies and procedures be updated to reflect actual operations.

### *Pending Implementation*

14. The preparer and reviewer should sign and date reconciliation reports when reconciliations are completed to evidence completion.

### *Pending Implementation*

15. The Town complete periodic reviews of policies and procedures to ensure the accuracy and updates for operational changes.

### *Pending Implementation*

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16. The Town comply with the deposit and bank account reconciliation procedures.

*Pending Implementation*

17. The Town provide training to staff for the revised written guidance for the bank reconciliation process.

*Pending Implementation*

18. The Town update its accounting policies and procedures to clearly define and document financial procedures that ensure all aspects of the revenue and cash receipting process have proper reconciliation and review.

*Pending Implementation*

19. The Town provide training to staff for the revised financial procedures for the revenue and permitting processes.

*Pending Implementation*

20. The Town's staff should endorse checks "for deposit only to the Town" immediately upon receipt.

*Pending Implementation*

21. The Town consider revising its policy to require that deposits are completed more frequently to minimize the risk of theft.

*Pending Implementation*

22. The Town develop and implement policies and procedures for changing access/codes upon an employee's separation of employment.

*Pending Implementation*

23. The Town provide training to staff for the implemented or revised guidance for safeguarding cash and checks.

*Pending Implementation*

24. The Town develop and implement policies and procedures for adjustment transactions including voids and reversals.

*Pending Implementation*

25. The Town review the four (4) voided transactions and determine if a refund is owed to the Town's customers.

*Pending Implementation*

## *Section D – Appendices*

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26. The Town provide training to staff for adjustment transactions.

*Pending Implementation*

27. The Town establish policies and procedures for the collection and write-off of unpaid permit fees.

*Pending Implementation*

28. The Town consider establishing an allowance for doubtful accounts.

*Pending Implementation*

29. The Town monitor unpaid permit fees and provide routine notice and follow-up for customer account balances that are aging.

*Pending Implementation*

30. The Town provide training to staff for collection and write-off of unpaid permit fees.

*Pending Implementation*

31. The Town update its written guidance to be in compliance with applicable Florida law and consistent throughout all written documents for permits, surcharges, and licensing.

*Pending Implementation*

32. The Town should periodically review its written guidance to ensure consistency across all requirements.

*Pending Implementation*

33. The Town provide staff training for the revised written guidance for permit, surcharges, and licensing processes.

*Pending Implementation*

34. The Town develop and implement written IT policies and procedures to ensure consistency of operations that provide guidance, at a minimum, for how to:

- a. Assign and remove user rights and a reasonable time for completion,
- b. Authorize user access,
- c. Limit system access requiring unique user IDs and passwords,
- d. Provide for user change management (new and separated employees),
- e. Provide guidance to employees.; and

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- f. The Town require each computer system user to have a unique user ID and password that are kept confidential, and obtain additional user licenses, as needed.

*Pending Implementation*

- 35. The Town provide training to staff for the IT policies and procedures.

*Pending Implementation*

**3/27/2019  
Report Number  
2019-A-0005**

**Palm Beach County Office of Financial Management and Budget Fixed Asset Management Office Operations Audit Recommendations:**

- 1. Train staff on the required security protocols.

*Pending Implementation*

- 2. FAMO develop and implement an annual security awareness-training program.

*Pending Implementation*

- 3. FAMO require staff to complete a form acknowledging receipt of training and understanding of the security protocol.

*Pending Implementation*

- 4. FAMO comply with required time period for recording and processing incoming inventory items into the FABS system.

*Pending Implementation*

- 5. Assess, within a reasonable time, the suitability of inventory to ensure that only suitable surplus assets are held in inventory for sale through the Thrift Store.

*Pending Implementation*

- 6. FAMO develop and implement a process to monitor the age of assets in the Surplus inventory and dispose of items accordingly.

*Pending Implementation*

- 7. Provide training to staff for proper disposal of items.

*Pending Implementation*

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8. FAMO staff ensure checks are endorsed immediately upon receipt.

*Pending Implementation*

9. FAMO establish and implement a timeline(s) to properly document asset tagging, processing of assets in the computer system, and maintaining records for the completion of the process.

*Pending Implementation*

10. OFMB and ISS review the computer system and determine if the physical date of the asset being tagged can be documented in the computer system.

*Implemented*

11. FAMO provide training to staff for timeliness and proper completion of the asset tagging process.

*Pending Implementation*

12. FAMO maintain the master asset tagging log (excel spreadsheet) in read-only for general access to limit the risk of unauthorized edits and/or errors.

*Pending Implementation*

13. FAMO develop and implement procedures for individual retail sale items in FABS and continue to ensure all transactions entered into the FABS system are reviewed for accuracy.

*Pending Implementation*

14. FAMO follow its security protocols.

*Pending Implementation*

15. FAMO revise policies to include dual responsibilities for accessing safes and secured locations.

*Pending Implementation*

16. FAMO document and maintain the records for individuals accessing the safe and/or the keys to secured locations to include the names of the individuals accessing the safe, the reason for access, and the signature of a witness.

*Pending Implementation*

17. ISS remove the three (3) FoxPro user accounts for transferred and separated employees.

*Pending Implementation*

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18. ISS restrict access to the Administrator user account in the FoxPro system to the responsible database administrators in ISS.

*Pending Implementation*

19. OFMB enhance controls to ensure that a request is made to ISS for the elimination of access authorizations for all former employees.

*Pending Implementation*

20. ISS develop and implement a process to ensure the removal of generic user accounts and user accounts for transferred and separated employees in the FABS and FoxPro systems.

*Pending Implementation*

21. FAMO resolve the discrepancy between Advantage and FABS for the six (6) fixed assets that could not be confirmed for existence.

*Pending Implementation*

22. FAMO ensure that fixed asset disposals, transfers out of the Surplus warehouse, and transfers to the Surplus warehouse are properly recorded in the Advantage system.

*Pending Implementation*

**6/26/2019  
Report Number  
2019-A-0006**

### **Village of Golf – Water Utility Cross-Connection Program Audit**

#### **Recommendations:**

1. The Village ensure all residential and commercial backflow prevention devices have been inspected and require inspection reports, as needed.

*Pending Implementation*

2. The Village obtain and maintain copies of all inspection reports and repairs made to backflow prevention devices.

*Pending Implementation*

3. The Village create and maintain a current master inventory device listing of all residential and commercial (non-residential) backflow prevention devices.

*Pending Implementation*

4. The Village require the Homeowner’s Association and the building owners to use the Village inspection forms and submit them to the Village within seven (7) days of completion.

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*Pending Implementation*

5. The Village maintain a current master listing of all air-gaps and inspect the air-gaps.

*Pending Implementation*

6. The Village ensure all backflow prevention devices that fail the annual inspection be repaired and re-tested.

*Pending Implementation*

7. The Village implement a monitoring program to ensure backflow prevention devices that fail the annual inspection are repaired and retested within 30 days.

*Pending Implementation*

**7/1/2019**  
**Report Number**  
**2019-A-0007**

**Town of Lantana – Capital Assets and IT Inventory Items Audit**

**Recommendations:**

1. The Town update the Capital Asset Management Policy definition to be consistent with the GASB requirements.

*Pending Implementation*

2. The Town train staff on the updated Capital Asset Management Policy.

*Pending Implementation*

3. The Town review financial records and purchases to determine if asset purchases should have been recorded as capital assets, and then make the necessary adjustments, as needed.

*Implemented*

4. The Town update or comply with the Ordinance requirements for capital/fixed asset acquisitions, specifically for obtaining quotes and purchase orders prior to acquisition.

*Pending Implementation*

5. The Town train staff on the Ordinance requirements for capital/fixed asset acquisitions.

*Pending Implementation*



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6. The Town comply with the GASB requirements and obtain proper documentation, at the time of acquisition, to support the fair value of a donated capital asset.

*Pending Implementation*

7. The Town comply with the Capital Asset Management Policy and provide the Finance Department written notification when a donated capital asset is accepted.

*Pending Implementation*

8. The Town train staff on the requirements for proper documentation of the fair market value of donated assets and the required written notifications.

*Pending Implementation*

9. The Town develop and implement policies and procedures to track IT inventory items including hardware and software, as well as, lost and stolen IT inventory items.

*Pending Implementation*

10. The Town enhance and finalize its IT inventory asset list to include hardware and software with the following minimum components:
  - a. Location
  - b. Security/Risk Classification
  - c. Designated Custodian
  - d. Description

*Implemented*

11. The Town perform and document the periodic physical inventory of IT items to ensure the list is current and accurate.

*Implemented*

12. The Town train staff on implemented policies and procedures for IT inventory items.

*Pending Implementation*

**7/15/2019  
Report Number  
2019-A-0008**

**Village of Palm Springs – Water Utility Cross-Connection Program Audit  
Recommendations:**

1. The Village recoup the costs of \$525 for work that was not completed by certified subconsultants.

*Pending Implementation*

*Section D – Appendices*

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2. The Village have a qualified Fire Protection Systems inspector re-inspect the 53 fire protection devices that were not completed by certified subconsultants.

*Pending Implementation*

3. The Village obtain missing inspection reports and retain them in accordance with the legal requirements.

*Pending Implementation*

4. The Village ensure that the failed backflow prevention devices are re-inspected.

*Pending Implementation*

5. The Village review all re-inspections to ensure that issues were properly resolved.

*Pending Implementation*

6. The Village create a monitoring process to ensure that all devices on the master device listing were inspected with a “pass” inspection report.

*Pending Implementation*

7. The Village review all subconsultants for proper certifications, as required by Florida Statute.

*Pending Implementation*

8. The Village implement a monitoring process to monitor the Agreement requirements to ensure the Vendor complies with the Agreement requirements, specifically for bidding of subconsultants and verifying the subconsultants have the required insurance to work on the devices.

*Pending Implementation*

**8/29/2019**  
**Report Number**  
**2019-A-0009**

**Town of Hypoluxo – Revenue Audit**

**Recommendations:**

1. The Town consider investing excess funds in higher yield interest bearing accounts at a qualified public depository or utilizing one of the other investment options available under Resolution 08-354.

*Pending Implementation*

## *Section D – Appendices*

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2. The Town update its general ledger chart of accounts to be in compliance with statutory requirements.

*Pending Implementation*

3. The Town develop and implement policies and procedures to provide guidance for Chart of Account selections.

*Pending Implementation*

4. The Town record/post revenue transactions in the proper revenue account based on the UAS Chart of Accounts.

*Pending Implementation*

5. The Town revise its Internal Control process to require that checks are endorsed immediately upon receipt.

*Pending Implementation*

6. The Town comply with its Internal Control process by completing deposits weekly.

*Pending Implementation*

7. The Town should ensure that all cash receipts have a corresponding deposit slip and general ledger entry.

*Pending Implementation*

8. The Town revise its Internal Control process to require that deposits and bank reconciliations be supported by bank validated deposit slips.

*Pending Implementation*

9. The Mayor review, sign, and date reconciliation reports when reconciliations are completed to evidence authorization.

*Pending Implementation*

10. The Town Council review and approve reconciliation reports and financial documents/statements at monthly meetings, as described by the Town's Internal Control Memo.

*Pending Implementation*

11. The Town develop and implement policies for the review and approval of credits, refunds, and overpayments.

*Pending Implementation*

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12. The Town update the Internal Control process to implement documented review and approval procedures for adjustment transactions including, but not limited to: journal entries, voids, and reversals.

*Pending Implementation*

13. The Town review the eleven (11) voided transactions and determine if a refund is owed to the Town's customers.

*Pending Implementation*

14. The Town provide training to staff for adjustment transactions.

*Pending Implementation*

15. The Town assess the surcharges for the proper rate for all of the permit fees associated with enforcement of the Florida Building Code, in accordance with the Florida Statutes.

*Pending Implementation*

16. The Town implement additional review and oversight processes as needed to ensure revenue transactions are adequately documented in the general ledger, adequately supported, and properly posted in the Revenue System (IMS) and the general ledger (QuickBooks).

*Pending Implementation*

17. The Town provide staff training on the additional review and oversight processes.

*Pending Implementation*

18. The Town require supporting documentation for estimated costs.

*Pending Implementation*

19. The Town collect permit fees at the time the permit application is filed in accordance with the Town's Internal Control Memo.

*Pending Implementation*

20. The Town consider configuring the revenue system to automatically calculate the permit fees and surcharges.

*Pending Implementation*

21. The Town assess the surcharges on the permit application and in the revenue and financial systems using the proper permit fee names, in accordance with the Florida Statutes.

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*Pending Implementation*

22. The Town update its written guidance to be in compliance with applicable Florida law and consistent throughout all written documents for permits and surcharges.

*Pending Implementation*

23. The Town periodically review its written guidance to ensure consistency across all requirements.

*Pending Implementation*

24. The Town provide staff training for the revised written guidance and processes.

*Pending Implementation*

25. The Town develop and implement written IT policies and procedures to ensure consistency of operations that provide guidance, at a minimum, for how to:
  - a. Assign and remove user rights and a reasonable time for completion,
  - b. Authorize user access,
  - c. Limit system access requiring unique user IDs and passwords, and
  - d. Provide for user change management (new and separated employees).

*Implemented*

26. The Town provide training to staff for the IT policies and procedures, as needed.

*Pending Implementation*

**9/9/2019**  
**Report Number**  
**2019-A-0010**

**City of West Palm Beach – Travel Audit**

**Recommendations:**

1. The City consider recouping the \$135.59 incorrectly paid for tips and gratuity from the travelers.

*Pending Implementation*

2. The City review the \$242.52 in potentially improper charges and consider seeking reimbursement from the travelers or vendors, as applicable.

*Pending Implementation*

## *Section D – Appendices*

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3. The City consider obtaining reimbursement for the \$5,113.21 incorrectly paid for Florida sales tax from the vendors.

*Pending Implementation*

4. The City consider obtaining reimbursement for the \$353.45 incorrectly paid for double-booked lodging, late fees, and booking fees from the vendors.

*Pending Implementation*

5. The City review the policy requirements related to purchasing card prohibited uses and determine whether the City wants to revise the policy to reflect actual operations processes.

*Pending Implementation*

6. The City provide training on the current or revised Purchasing Card Policy to all purchasing card holders and approvers.

*Pending Implementation*

7. The City enhance the review and oversight process to ensure that travel expenditures are sufficiently documented, necessary, comply with policy, and exclude Florida sales Tax.

*Pending Implementation*

8. The City revise the Travel Policy to prohibit unnecessary upgrades, such as, valet parking when self-parking is available and requiring that the conference training or event agenda and event detail for meals included in the registration be included in the supporting documentation for the travel expense report.

*Pending Implementation*

9. The City consider recouping \$406.47 of incorrectly reimbursed per diems / incidental expenses to the travelers.

*Pending Implementation*

10. The City consider obtaining reimbursement for the \$84.56 incorrectly paid for Florida sales tax to vendors.

*Pending Implementation*

11. The City enhance the review and oversight process to ensure that travel expenditures comply with policy, exclude Florida sales Tax, and Form 118s are submitted to Finance within ten (10) business days of returning from travel.

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*Pending Implementation*

12. The City provide training to City officials and employees (travelers) on the Travel Policy requirements including any revisions to the Travel Policy.

*Pending Implementation*

13. The City provide training to reviewers on the Travel Policy requirements including review and oversight responsibilities and any revisions to the Travel Policy.

*Pending Implementation*

14. The City develop and implement a review and oversight process to ensure that expenditures from the City Commission District Accounts have adequate documentation to support the expenditure.

*Pending Implementation*

15. The City consider recouping \$168.01 that was incorrectly reimbursed to travelers that received a car allowance.

*Pending Implementation*

16. The City develop and implement a process to ensure travelers that receive a car allowance are not reimbursed for mileage within 100 miles of their official headquarters in accordance with the Travel Policy.

*Pending Implementation*

17. The City revise the Travel Policy to clarify how reimbursement for mileage should be calculated when car allowances are received by travelers to be clear on how the requirement should be applied.

*Pending Implementation*

18. The City provide staff training on the Travel Policy, amended effective October 1, 2018.

*Pending Implementation*

19. The City develop and implement a process to ensure that prepaid travel expenses for former employees are cancelled and refunded or transferred to another City employee upon employment separation.

*Pending Implementation*

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20. The City locate the ethics training acknowledgment forms for the two Commissioners or ensure the City receives copies of the forms for training completed and include the forms in the Human Resource files.

*Pending Implementation*

21. The City develop and implement a process to ensure that City officials submit the required ethics training acknowledgment form, as required by the City's Ethics Training Policy.

*Pending Implementation*

22. The City review and resolve the duplicate transactions identified in the system.

*Pending Implementation*

23. The City develop and implement a process to prevent or identify and resolve duplicate travel records in the travel computer system.

*Pending Implementation*

24. The City provide training to City officials and employees on the use of the travel computer system prior to travel and use of the computer system.

*Pending Implementation*

25. The City locate the Motor Vehicle Policy effective prior to December 31, 2018 or seek advice and assistance from its legal department on how to resolve.

*Pending Implementation*

26. The City implement a process for retention of policies and procedures documents to comply with statutory requirements.

*Pending Implementation*

27. The City retain all directives, policies, and procedures that are superseded for at least two years to comply with statutory requirements.

*Pending Implementation*

28. The City obtain valid Florida driver's licenses for the four (4) employees that used vehicles without a current Florida driver's license in their personnel file and update those personnel files.

*Pending Implementation*



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29. The City review all personnel files for employees that use City vehicles and ensure that a copy of the valid Florida driver’s license is in the personnel file.

*Pending Implementation*

30. The City develop a process including policies and procedures to ensure that employees authorized to operate a motor vehicle have a current Florida driver’s license maintained in their personnel file.

*Pending Implementation*

31. The City provide staff who are authorized to operate a City vehicle training on the Motor Vehicle Policy requirements.

*Pending Implementation*

**9/18/2019  
Report Number  
2019-A-0011**

**City of West Palm Beach – Interlocal Agreement for Law Enforcement Services between Palm Beach County and the City of West Palm Beach (Manatee Program) Audit**

**Recommendations:**

1. The City reimburse the County \$10,609.61.

*Pending Implementation*

2. The City provide training to officers to ensure they understand the requirements in the Procedure for call ins to dispatch at the start and end of assignments so that the CAD system accurately reflects the hours worked.

*Pending Implementation*

3. The City implement a check and balance to ensure that the radio call ins to dispatch at the assignment start and end times, recorded in the CAD system, match the payroll records prior to approving the payroll for submission to the County for payment for this Agreement.

*Pending Implementation*

4. The City reimburse the County \$218.75.

*Pending Implementation*

5. The City implement a review and oversight process to ensure that all documentation supporting the invoice, including hours worked, is accurate prior to submitting the invoice to the County for reimbursement.

*Pending Implementation*

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6. The City implement a review and oversight process to ensure that all supporting documentation, including but not limited to documentation of warnings and citations and monthly payroll documentation for hours worked by City officers, is included with the invoice submitted to the County for reimbursement, as required by the Agreement.

*Pending Implementation*

7. The City provide training to City staff and officers to ensure that all invoice supporting documentation reporting hours worked (i.e. trip sheets and payroll records) is consistent and accurate.

*Pending Implementation*

8. The City provide training to City staff and officers to ensure that all required supporting documentation is included with the monthly invoice submitted to the County for reimbursement, as required by the Agreement.

*Pending Implementation*

9. County ERM continue to ensure proper review of the reimbursement requests and only make payments for submissions that are in compliance with the Agreement.

*Pending Implementation*

10. The City implement procedures to ensure that warnings and citations are completed with all pertinent information.

*Pending Implementation*

11. The City train officers on the implemented procedures for issuing warnings and citations.

*Pending Implementation*

12. The City retain records as required by the Agreement.

*Pending Implementation*

13. The City provide training to City Police Department employees on record retention requirements and disposal requirements.

*Pending Implementation*

**CONTRACT OVERSIGHT AND EVALUATIONS REPORTS COMPLETED  
(October 1, 2018 – September 30, 2019)**

**3/28/2019**      **City of Belle Glade – Torry Island Observation Tower Contract Management Review**

**Report Number**  
**CA-2019-0021**

**Recommendations:**

1. Implement written policies and procedures for contract management that include ensuring that contract and/or project managers adhere to the contract requirements.

*Implemented.*

**6/17/2019**      **Palm Beach County, Engineering and Public Works – Annual Pathways & Minor Construction Contract – Contract Administration Review**

**Report Number**  
**CA-2019-0020**

**Recommendations:**

*None.*

**9/30/2019**      **Palm Beach County, Information Systems Services – Installation & Repair of Cabling Systems – Contract Administration Review**

**Report Number**  
**CA-2019-0050**

**Recommendations:**

*None.*

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### Appendix 2 – Prior Years’ Significant Open Recommendations

The OIG has issued hundreds of recommendations since its creation in 2010 with an overall 95% of these having been accepted or pending implementation by management. This high acceptance/implementation rate reflects well upon the OIG staff working with management to develop realistic and achievable recommendations that make good business sense to improve government operations. The IG Ordinance requires the IG to report on *significant* recommendations described in previous annual reports for which corrective action has not been completed. The following lists these significant recommendations.

**2/20/2018**      **City of Boynton Beach – Contract Monitoring Follow Up**

**Report Number**

**CA-2017-0100**

**Recommendations:**

1. Implement a thorough citywide contract monitoring policy/procedure and provide staff training.

*Pending implementation*

2. Address in a policy and/or procedure a uniform method by which contract files shall be maintained.

*Implemented*

3. Develop and implement a contract monitoring risk assessment tool.

*Pending implementation*

**Date**

**6/4/2018**

**Report Number**

**2018-A-0009**

**Town of Mangonia Park – Water Utility Cross-Connection Program Audit**

**Recommendations:**

5. Ensure all required water customers have proper inspections/certificates for devices under the cross-connection program including backflow prevention devices.

*Pending Implementation*

6. Develop and implement a monitoring program, including management review for the cross-connection program.

*Pending Implementation*

**9/25/2018**      **Town of Gulf Stream – Contract Monitoring Follow Up**  
**Report Number**  
**CA-2018-0041**    **Recommendations:**

1. Implement written policies and procedures for contract monitoring that include adequate training of staff assigned contract management responsibilities and establish clear delineation of contract monitoring duties.

*Pending Implementation*

2. Develop and implement a risk assessment tool and process for contract monitoring.

*Pending Implementation*

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*Appendix 3 – FY2020 Audit Plan at a Glance*

<b>Carryover Audits</b>	
<b>Audit</b>	<b>Objectives</b>
<b>Revenue – Town of Haverhill</b>	<ul style="list-style-type: none"> <li>• Are controls in place and adequate for revenue and/or cash intake/receipt activities?</li> <li>• Are revenues recorded appropriately and accurately in compliance with financial requirements?</li> <li>• Are cash receipts accurately and timely recorded?</li> <li>• Is the Town making efficient use of the revenue through investments?</li> </ul>
<b>Travel – City of Belle Glade</b>	<ul style="list-style-type: none"> <li>• Address issues raised in a complaint regarding travel expenditures.</li> <li>• Are internal controls adequate for travel programs and activities?</li> <li>• Are the control procedures adequate to ensure that expenditures are for appropriate activities?</li> <li>• Are reimbursement requests properly reviewed and have proper approval?</li> <li>• Are travel expenditures properly documented and approved to prevent and detect fraud, waste, and abuse?</li> <li>• Are reimbursement requests submitted in compliance with policies and procedures?</li> </ul>
<b>Travel – City of Lake Worth Beach</b>	<ul style="list-style-type: none"> <li>• Address issues raised in a complaint regarding travel expenditures.</li> <li>• Are internal controls adequate for travel programs and activities?</li> <li>• Are the control procedures adequate to ensure that expenditures are for appropriate activities?</li> <li>• Are reimbursement requests properly reviewed and have proper approval?</li> <li>• Are travel expenditures properly documented and approved to prevent and detect fraud, waste, and abuse?</li> <li>• Are reimbursement requests submitted in compliance with policies and procedures?</li> </ul>
<b>Accounts Payable / Cash Disbursements – City of Delray Beach</b>	<ul style="list-style-type: none"> <li>• Are controls adequate for accounts payable expenditures and cash disbursements?</li> <li>• Are control procedures adequate to ensure that expenditures / cash disbursements are in compliance with requirements, allocated to appropriate activities, and properly reviewed and approved prior to payment?</li> <li>• Are purchases and invoices properly documented and approved to avoid possible fraud, waste, and abuse?</li> </ul>

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<p><b>Accounts Payable / Cash Disbursements – City of Boca Raton</b></p>	<ul style="list-style-type: none"> <li>• Are controls adequate for accounts payable expenditures and cash disbursements?</li> <li>• Are control procedures adequate to ensure that expenditures / cash disbursements are in compliance with requirements, allocated to appropriate activities, and properly reviewed and approved prior to payment?</li> <li>• Are purchases and invoices properly documented and approved to avoid possible fraud, waste, and abuse?</li> </ul>
<p><b>Payroll - Palm Beach County Fire Rescue</b></p>	<ul style="list-style-type: none"> <li>• Are controls adequate for the payroll process?</li> <li>• Is payroll information properly secured, accurate, and reliable?</li> <li>• Are payroll operations in compliance with regulatory requirements, policies, and procedures?</li> </ul>
<p><b>Employment Separation Process – City of Riviera Beach</b></p>	<ul style="list-style-type: none"> <li>• Are controls in place and adequate to appropriately govern the employment separation process?</li> <li>• Are employment separations properly and accurately processed and adequately documented?</li> </ul>
<p><b>Palm Beach County – Office of Financial Management and Budget – Public Service Tax</b></p>	<ul style="list-style-type: none"> <li>• Address the management concern regarding payments under the Palm Beach County Public Service Tax Ordinance 17-225.</li> <li>• Were recommendations from the FY2014 Public Service Tax Vendor Audits properly implemented?</li> </ul>
<p><b>Planned Audits</b></p>	
<p><b>Audit</b></p>	<p><b>Possible Objectives</b></p>
<p><b>Multiple Entities – Revenue / Cash Intake</b></p>	<ul style="list-style-type: none"> <li>• Are received revenues recorded accurately and appropriately in compliance with financial requirements?</li> <li>• Are cash receipts recorded accurately with timely deposits?</li> <li>• Are there adequate controls for the receipt of revenue and/or cash intake activities?</li> </ul>
<p><b>Multiple Entities – Contracts / Agreements</b></p>	<ul style="list-style-type: none"> <li>• Are controls adequate to effectively manage contracts and related activities?</li> <li>• Are control procedures adequate to ensure that contracts are competitively procured, when required, and for appropriate activities?</li> <li>• Are invoices properly reviewed and approved prior to payment?</li> <li>• Are purchases and invoices properly documented and approved to avoid possible fraud, waste, and abuse?</li> <li>• Are vendor contracts effectively managed?</li> <li>• Were agreed upon deliverables received?</li> </ul>
<p><b>Multiple Entities – User Licensing</b></p>	<ul style="list-style-type: none"> <li>• Are controls adequate for software and user licensing management?</li> <li>• Are control procedures adequate to ensure the effectiveness for compliance with software licensing obligations?</li> </ul>

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<b>Multiple Entities – Accounts Payable / Cash Disbursements</b>	<ul style="list-style-type: none"><li>• Are controls adequate for accounts payable expenditures and cash disbursements?</li><li>• Are control procedures adequate to ensure that expenditures / cash disbursements are in compliance with requirements, allocated to appropriate activities, and invoices are properly reviewed and approved prior to payment?</li><li>• Are purchases and invoices properly documented and approved to avoid possible fraud, waste, and abuse?</li></ul>
<b>Multiple Entities – Payroll</b>	<ul style="list-style-type: none"><li>• Are controls adequate for the payroll process?</li><li>• Is payroll information properly secured, accurate, and reliable?</li><li>• Are payroll operations in compliance with regulatory requirements, policies, and procedures?</li></ul>

*\*IG / Management Request audits are not included due to their nature. These audits will be added to the audit plan as the requests occur.*



**THE MANY WAYS TO REPORT FRAUD TO THE OFFICE OF INSPECTOR GENERAL**



**REPORT FRAUD CONFIDENTIALLY BY CALLING FIRST**

Palm Beach County  
**Office of Inspector General**  
100 Australian Avenue  
West Palm Beach, FL 33406  
TEL: (561) 233-2350  
FAX: (561) 233-2370  
HOTLINE: (877) 283-7068  
Email: [Inspector@pbcgov.org](mailto:Inspector@pbcgov.org)  
Website: [www.pbcgov.com/OIG](http://www.pbcgov.com/OIG)

*A copy of this report has been made available for public inspection at the Office of the Inspector General, at County and municipal libraries, and is posted on the Office of Inspector General, Palm Beach County website.*