



Palm Beach County Clerk & Comptroller Division of Inspector General Inspector General Charter

SHARON R. BOCK

Clerk & Comptroller
Palm Beach County

MISSION AND SCOPE OF WORK

The mission of the Division of Inspector General (Division) is to provide independent, objective auditing and investigative services designed to add value, improve the Clerk & Comptroller operations and preserve public trust. The Division utilizes a systematic, disciplined approach to evaluate the effectiveness of governance, risk management and control processes. The Division will conduct investigations of suspected fraud, waste, abuse as well as ethical misconduct, coordinating with law enforcement and other investigative bodies as warranted. The intent is to promote awareness of the potential for fraud, waste, abuse and ethical misconduct, and to provide guidelines and assign responsibility for the development of adequate internal controls and systems. The Division strives to educate citizens and policymakers regarding the operation of their government and assists the Clerk & Comptroller in the administration of their constitutional duties.

The scope of the Division of Inspector General's authority includes any operation under the direction of the Clerk & Comptroller. The Attorney General, in opinion No. 86-38, stated that "Until legislatively or judicially determined otherwise, the clerk of circuit court as ex-officio county auditor is not authorized to perform post-audit functions on the records of other constitutional officers." Therefore, scope of authority does not include other constitutional officers.

The scope of the Division of Inspector General work includes the following two general areas:

A. Audit Services:

1. Review the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information.
2. Review the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on operations and reports. Determine whether the organization is in compliance.
3. Review the means of safeguarding assets and, as appropriate, verify the existence of such assets.
4. Appraise the economy, efficiency and effectiveness with which resources are employed and management's operational control not strictly within the scope of financial statements.
5. Review operations or programs to ascertain whether the results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.
6. Monitor and evaluate governance and risk management processes.

B. Public Integrity Unit:

1. Has the primary responsibility for investigation of all suspected inappropriate activity.
2. If the investigation substantiates that a fraudulent act has occurred, the Division of Inspector General will notify the Clerk & Comptroller or other officials as appropriate.
3. If the substantiated fraudulent act has criminal implications, the Division will consult with law enforcement agencies as necessary to assist in the preparation and presentation of criminal findings in a court of law.

AUTHORITY AND ACCOUNTABILITY

By authority of the Constitution of the State of Florida, Article VIII, Section 1(d), "...the Clerk of Circuit Court (Clerk) shall be ex officio clerk of the board of county commissioners, auditor, recorder and custodian of all county funds." The Constitution of the State of Florida, Article V, Section 16, also specifies that the Clerk of the Circuit Court shall have these duties quoted above. Pursuant to the legal authority and responsibility cited above, the Clerk & Comptroller has established the Division of Inspector General to fulfill the responsibilities of the office as they relate to auditing and investigative functions.

The Inspector General / Chief Audit Executive (IG/CAE), in the discharge of his/her duties, is authorized by the Clerk & Comptroller to engage in the following specific functions:

- a) Audit, evaluate, investigate and inspect the activities, records and individuals with contracts, procurements, grants, agreements, and other financial arrangements.
- b) Conduct civil and administrative investigations.
- c) Audit the economy, efficiency and effectiveness of operations and functions and conduct reviews of performance measurement systems.
- d) Review the reliability and validity of the information provided by performance measures and standards.
- e) Provide information and evidence that relates to criminal acts to the appropriate law enforcement officials.
- f) Initiate reviews and audits as deemed appropriate, including guardianship cases.
- g) Receive and investigate complaints and maintain a hotline concerning alleged fraud, waste, abuse and ethics violations.
- h) Engage in prevention activities, including but not limited to: review of legislation; review of rules, regulations, policies, procedures and transactions; training and fraud education and awareness.
- i) Refer matters for further civil, criminal and administrative action to appropriate administrative and prosecutorial agencies.

- j) Conduct joint investigations and projects with other oversight or law enforcement agencies.
- k) Recommend remedial actions to overcome or correct operating or maintenance deficiencies and inefficiencies identified, and monitor implementation of recommendations made.
- l) Issue public reports.
- m) Establish policies and procedures to guide functions and processes conducted by the Division.
- n) Maintain information regarding the cost of investigations and cooperate with appropriate administrative and prosecutorial agencies in recouping such costs from nongovernmental entities involved in willful misconduct.
- o) Do all things necessary to carry out the functions set forth in this section.
- p) Have unrestricted access to all functions, records, property and personnel.

The IG/CAE and staff of the Division are not authorized to:

- Perform any direct operational duties for the Clerk’s Office.
- Initiate or approve accounting transactions external to the Division.
- Direct the activities of any Clerk’s Office employee not employed by the Division, except to the extent such employees have been assigned to or otherwise assist the Division.

INDEPENDENCE

To provide for the independence of the Division activity, its professional staff report to the Inspector General / Chief Audit Executive, who reports functionally and administratively to the Clerk & Comptroller. Since the Clerk & Comptroller is elected, and thus responsible to the citizens and taxpayers of Palm Beach County, the Clerk is independent. The Division has no direct responsibility to or authority over, any area subject to its audit, review and investigation. Accordingly, the Division will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair judgment. Therefore, the Division is organizationally independent from those areas which it will be auditing, reviewing and investigating. The IG/CAE has the authority and responsibility to conduct audits and investigations of all agencies funded by the Clerk and to issue reports thereon. Furthermore, professional standards emphasize the necessity for independence of investigators from those being investigated, both organizationally and personally, and not only in fact but also in appearance, in order to assure objectivity by the investigator.

RESPONSIBILITY

The IG/CAE and staff of the Division of Inspector General have the authority and responsibility to:

- Develop a flexible audit plan using an appropriate risk-based methodology, including any risks or control concerns identified by management, and submit that plan to the Clerk for review and approval.

- Implement the annual audit plan, as approved, including, as appropriate, any special tasks or projects requested by the Clerk.
- Perform audits/investigations and report significant risk exposures (including fraud risks), control issues and governance issues.
- Maintain a professional audit/investigative staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this Charter. The IG/CAE should hold at appointment, or be required to obtain within a time certain after appointment, certification as a Certified Inspector General.
- Issue periodic reports to management summarizing the results of activities.
- Establish a quality assurance program by which the IG/CAE assures the operations of activities.
- Keep the Clerk informed of emerging trends and successful practices in auditing and investigations.
- Establish and maintain a fraud, waste, abuse and ethics hotline.
- Conduct investigations of issues raised from hotline submissions, input from employees, and any fraud indicators identified while performing all audits.
- Work in conjunction with other audit and investigative bodies within Palm Beach County when appropriate to conduct joint audits and investigations.
- Investigate suspected instances of fraud.
- Consider the scope of work of the external auditors and regulators, as appropriate, for the purpose of providing optimal audit coverage to the organization at a reasonable overall cost.

STANDARDS OF AUDIT PRACTICE

Audits, investigations, inspections and reviews conducted by the Division will conform to the professional standards mentioned below insofar as they do not conflict with statute, regulation, executive order or other policy of this office. The Division will adhere to its policies and procedures manual.

The Division will adhere to The Institute of Internal Auditors' (IIA) mandatory guidance including the Definition of Internal Auditing, the Code of Ethics, and the *International Standards for the Professional Practice of Internal Auditing* (Red Book Standards) for audit activity.

The Division will adhere to the generally accepted principles and quality standards developed by the Association of Inspectors General (Green Book Standards) for investigation activity.


 Clerk & Comptroller, Palm Beach County

5-13-13
 Date


 Inspector General / Chief Audit Executive

5/13/13
 Date