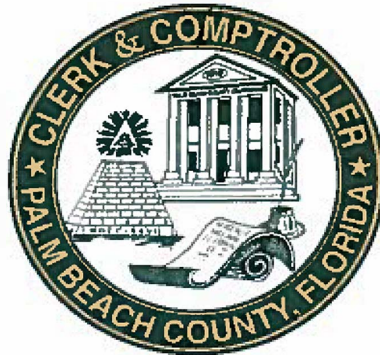


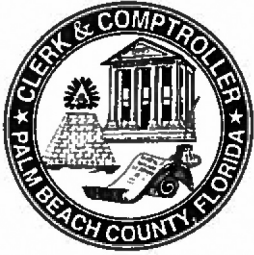
**DIVISION OF
INSPECTOR GENERAL
CLERK & COMPTROLLER
PALM BEACH COUNTY**



SHARON R. BOCK
Clerk & Comptroller
Palm Beach County

ANNUAL REPORT

**For the Fiscal Year Ended
September 30, 2015**



SHARON R. BOCK
Clerk & Comptroller
Palm Beach County

January 22, 2016

The Honorable Sharon R. Bock, Esq.
Clerk & Comptroller
Palm Beach County

On behalf of the Division of Inspector General, I am pleased to present our 2014-2015 Annual Report. This report summarizes the objectives and accomplishments of the Division of Inspector General for the fiscal year ended September 30, 2015.

I would like to extend my appreciation to the entire Clerk & Comptroller team for their assistance and cooperation throughout this past year.

We will continue to promote accountability and integrity within the Clerk & Comptroller office. We look forward to continuing to assist the organization to operate as efficiently and effectively as possible.

Finally, I would like acknowledge and congratulate the Inspector General staff for their professional support and accomplishments this past year!

Respectfully submitted,

Roger Trca CPA, CIG, CIA, MBA
Inspector General
Clerk & Comptroller Office
Palm Beach County

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INTRODUCTION

Executive Summary

The mission of the Division of Inspector General of the Clerk & Comptroller's Office of Palm Beach County is to provide independent, objective auditing and investigative services designed to add value, improve the Clerk & Comptroller operations and preserve public trust. The Division includes the Audit Services & Public Integrity Units.

The fiscal year ending September 30, 2015 was a period of continued productivity for the Clerk's Division of Inspector General. The Division issued a total of 20 reports, summarized below, which included audits, investigations, and guardianship reviews. These reports identified \$832,557 in potential revenue recoveries and cost reductions as well as questionable guardianship expenditures and misreported assets impacting the Clerk's Office and citizens.

- The Audit Services Unit (ASU) issued six audit reports, with 54 recommendations.
- The Public Integrity Unit (PIU) handled 22 tips received from our Ethics Hotline and a variety of other sources, which resulted in completing five investigative reports.
- The PIU Guardianship Section handled 157 fraud hotline tips and investigated claims of fraud, waste and financial mismanagement involving the County's most vulnerable residents: the elderly, minor children and incapacitated individuals in guardianships. We issued nine guardianship audit reports and responded to ten informational requests from the judiciary.
- We referred 24 cases to other Clerk's Office departments and various law enforcement agencies.

Our office is accredited by the Commission for Florida Law Enforcement Accreditation, Inc., which demonstrates our team's level of professionalism and commitment to continuing compliance with investigative standards and processes. Furthermore, our Audit Services Unit adheres to the professional audit standards promulgated by the Institute of Internal Auditors.

Background

The Clerk & Comptroller is an elected constitutional officer who derives her authority and responsibilities from constitutional and statutory provisions.

The Constitution of the State of Florida, Article VIII, Section 1.(d), provides for the election of certain County Officers including a Clerk of the Circuit Court (Clerk). The latter part of this section specifies that, ". . . the clerk of the circuit court shall be ex officio clerk of the board of county commissioners, auditor, recorder and custodian of all county funds." Section 16, Article V, State Constitution, also specifies that the Clerk shall have the duties quoted above. One of the Clerk's responsibilities enumerated in law is to act in the capacity of Auditor.

According to the legal authority and responsibility cited above, the Clerk established the Audit Services Division as an independent unit in 2005 to fulfill the responsibilities of the office as they relate to auditing functions.

In 2009, the office expanded its roles and responsibilities. The Clerk & Comptroller's Audit Charter was revised to add a Public Integrity Unit (PIU). The PIU and Audit Services then joined to form the Division of Inspector General (IG). The PIU conducts investigations into Clerk & Comptroller affairs and for that purpose makes inquiries as necessary, compels the production of books and papers, and implements appropriate investigative techniques.

To provide for the independence of the Division, the Inspector General reports functionally and administratively to the Clerk & Comptroller. As an independent elected official, the Clerk & Comptroller is directly responsible to the citizens and taxpayers of Palm Beach County. The Division has no direct responsibility or authority over any area subject to its audit, review and investigation. Therefore, the Division is organizationally independent from those areas within the Clerk & Comptroller's Office. Employees in the Division report to the Inspector General.

Staffing, Organization and Training

The Clerk's Division of Inspector General is comprised of four staff including:

- ✦ Roger Trca CPA, CIG, CIA, MBA - Inspector General
- ✦ Michael Bodle CIGA, CIGI, CFE, CIA, MBA - Senior Internal Auditor
- ✦ Charles Mansen CIGA, CIGI, CIA, CFE, BS – Senior Internal Auditor
- ✦ Anthony Palmieri CIA, CCSA, JD – Senior Internal Auditor

The Division is subdivided into the following units:

- Audit Services Unit (ASU)
- Public Integrity Unit (PIU), which includes the:
 - Investigations Section
 - Guardianships Section

The Division conducts audits, reviews, investigations and other projects. In fulfilling our responsibilities, we comply with the following auditing and investigating standards:

- *International Standards for the Professional Practice of Internal Auditing* of The Institute of Internal Auditors (IIA).
- *Principles and Standards for Offices of Inspector General* of The Association of Inspectors General (AIG).

These standards collectively prescribe how our audits and investigations are performed.

Professional Certifications

Staff members of the Clerk's Division of Inspector General hold the following professional certifications:

- ❖ Certified Inspector General (1);
- ❖ Certified Inspector General Auditor (2);
- ❖ Certified Inspector General Investigator (2);
- ❖ Certified Public Accountant (1);
- ❖ Certified Fraud Examiner (2);
- ❖ Certified Internal Auditor (4); and,
- ❖ Certification in Control Self-Assessment (1).

Professional Development & Training

The Clerk's Division of Inspector General recognizes that the quality and effectiveness of its work products are dependent upon a professionally trained staff. To this end, the Division allocates a portion of its resources to ensure continuing professional education as a key requirement of the aforementioned standards. The Division devoted 3% of its time in FY 2014-2015 to staff training, which included activities sponsored by:

- The Institute of Internal Auditors, Inc.;
- The Association of Inspectors General;
- The Association of Certified Fraud Examiners; and,
- The Association of Local Government Auditors.

Training is vital to our function as it keeps us abreast professionally and current on auditing techniques, accounting and reporting practices, risk assessment, internal controls, information technology, investigative techniques, ethics, legislative changes, managerial effectiveness, and best practices.

Professional Organization Affiliations

Staff members of the Clerk's Division of Inspector General are affiliated with the following professional organizations:

- The Association of Inspectors General;
- Florida Chapter of The Association of Inspectors General;
- The Institute of Internal Auditors, Inc.;
- Palm Beach County Chapter of Internal Auditors, Inc.;
- The Association of Certified Fraud Examiners;
- Association of Local Government Auditors;
- The Florida Institute of Certified Public Accountants; and,
- Various national, state and Palm Beach County Guardianship Associations.

Division's Adherence to Professional Standards

In February 2011, our office became the second Clerk's Office in the state of Florida to be awarded status as an Accredited Office of Inspector General by the Commission for Florida Law Enforcement Accreditation (CFA). Being an accredited agency signifies that our work product meets or exceeds the highest professional standards promulgated for Offices of Inspector General. The benefits of accreditation include improved agency transparency, enhanced consistency and quality of investigations, well-defined procedures, improved accountability, and statewide recognition that our office has achieved its accreditation status. Having an accredited IG team within the Clerk's Office provides another layer of protection for the public – ensuring taxpayer dollars are protected.



The CFA requires re-accreditation every three years to ensure ongoing compliance. In February 2014, after a thorough on-site evaluation, the CFA provided official notification of the Division's reaccredited status. Our office was commended for its continued diligence, professionalism, and commitment in maintaining the highest recognition among Florida's law enforcement community.

In accordance with the Institute of Internal Auditors (IIA) standards, an external quality assurance review was successfully completed of our Audit Services Unit in October 2013. The objective of the external review was to assess the Division's compliance with the IIA's *International Standards for the Professional Practice of Internal Auditing* (the Standards). The IIA requires re-evaluation every five years.

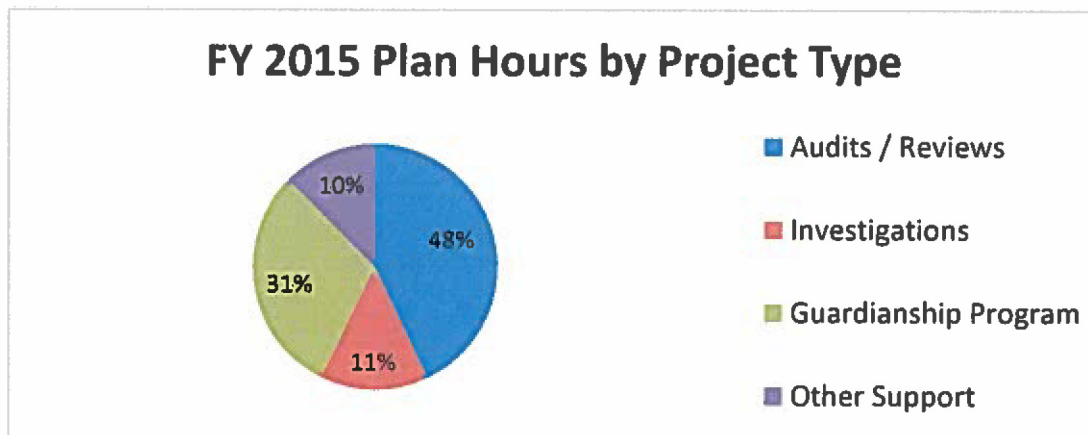


Operations

Audit Selection Process

To ensure the most efficient and effective utilization of resources, it is essential that areas selected for audit be carefully considered. An annual audit plan is prepared by the Division to identify planned audits. Because of the large number of possible areas to audit and limited staff resources to audit them, a strategic risk-based audit selection process is in place. The audit plan is the result of the development of a risk model to assess risks of various operations for the purpose of indicating the need for audit. As a part of the audit selection process, we also solicit input from the Clerk & Comptroller, Clerk's officers and management.

The following graph depicts the types of projects that were performed in FY 2014-2015 using the available hours of the IG staff. As seen in the graph, audits/reviews (48%), investigations (11%) and the guardianship program (31%) collectively accounted for 90% of our non-administrative time utilization.



PERFORMANCE RESULTS

Audits & Reviews

The objective of these projects within the Audit Services Unit (ASU) is to provide auditees with an independent appraisal of whether desired results and objectives are achieved economically, efficiently and in accordance with prescribed laws, regulations, and policies and procedures. Our opportunities for improvement represent our philosophy to work with management to improve the delivery of government service to citizens.

During FY 2014-2015, the Division issued six audit reports with:

- 23 opportunities for improvement containing,
 - 54 recommendations, which identified \$193,478 in potential revenue recoveries, cost savings and avoidance, and other enhancements.

Recommendations are an integral part of our audits and reviews, as this is where an opportunity for change or improvement takes place. Management has proactively committed to implementing the agreed upon actions to address the recommendations provided. We monitor management responses to our recommendations and track the responses to ensure final completion and closure. Of the 54 recommendations issued, all 54 were concurred to by management and were either implemented or in the process of being implemented.

The following chart shows the status of all audits on the Annual Audit Plan for FY 2014-2015. Each audit falls into one of four status categories:

- *Completed* – audit completed and report issued.
- *In Progress* – audit is in-progress and the report will be issued.
- *Risk Reassessed* – As part of our continuous monitoring of the annual audit plan, some scheduled audits may have risk factors re-evaluated, which causes a change in the current year's audit plan.
- *Rescheduled* – audit was rescheduled to a future fiscal year.

AUDIT / REVIEW	STATUS	REPORT ISSUED
Citrus County Guardianship Program Limited-Scope Review	Completed	1/13/15
Financial Reporting Debt Compliance & Administration	Completed	2/13/15
Access Revocation for Separated Employees	Completed	3/20/15
Recording Department Cash Bonds Processing	Completed	8/4/15
West County & Mid County Branch Offices	Completed	9/18/15
Payables Department	Completed	9/30/15
Banner-Showcase System Data Conversion	In Progress	
Payroll - Clerk	Rescheduled	
Foreclosures	Rescheduled	

Investigations

The objective of these projects within the Public Integrity Unit (PIU) is to determine whether allegations of fraud, waste, abuse and ethical misconduct can be substantiated. Projects that uncover administrative wrongdoing typically identify violations of policies or regulations. These investigations also identify the individuals responsible for the violations and we make recommendations for administrative action. Equally important to the investigative process is the identification of internal control weaknesses.

Therefore, the reports frequently make specific recommendations to:

- Correct the identified deficiencies;
- Provide guidance on the applicable laws and regulations; and,
- Strengthen the internal control environment.

When investigative findings are indicative of criminal conduct, they are presented to the appropriate law enforcement authorities for further action.

The investigation disposition falls into one of three categories:

1. *Substantiated:*

- The allegations are validated and there are sufficient case supporting materials to justify a reasonable conclusion that the actions occurred and

there were violations of law, policy, rule or contract. A report is prepared.

2. *Not Substantiated:*

- There are sufficient case supporting materials to justify a reasonable conclusion that the alleged actions did not occur or there were no identified violations of law, policy, rule or contract. A report is generally prepared.

3. *Neither Substantiated nor Refuted:*

- The allegations are not validated and there are insufficient case supporting materials to prove or disprove the allegations. A report may or may not be prepared.

The Ethics Hotline was established to promote honesty and efficiency in government and to uphold the public's trust in our governmental agency. The hotline is managed by an independent third-party reporting agency – Ethical Advocate. Clerk & Comptroller management and employees are urged to immediately report, anonymously if desired, any suspected instance of fraud, waste, abuse or ethical misconduct. Reports may be made in several convenient ways.

- | |
|--|
| <ul style="list-style-type: none">• Online: Create a report at www.mypalmbeachclerk.com. Click on "Employee Information & Ethics Hotline" at the bottom of the page. |
| <ul style="list-style-type: none">• Phone: Dial 1-888-WARN-PBC. |
| <ul style="list-style-type: none">• Walk-In: Government Center, 9th Floor, 301 North Olive Avenue, West Palm Beach, Florida 33401. |

The ethics and fraud reporting program is critical to our efforts to combat fraud, waste, abuse and ethical misconduct. Hotline reports received provide the ability to generate leads from multiple sources. Investigations are initiated upon the receipt of credible information alleging an act of fraud, waste, abuse or ethical misconduct that falls within the Division's jurisdiction.

During FY 2014-2015, the Clerk's Division of Inspector General handled 22 tips involving allegations from a variety of sources. The sources included the Ethics Hotline, citizens, and Clerk management. These tips resulted in the completion of five

investigative reports as well as the referral of 12 cases to various law enforcement agencies and other Clerk departments.

For the five completed investigations, reports were issued with seven recommendations provided to management.

- In one case, the allegation was substantiated.
- In one case, one allegation was substantiated and a second allegation was not substantiated.
- In three cases, the allegations were not substantiated.

Guardianship Program

We continued our efforts to investigate allegations or indications of fraud, waste and financial mismanagement by anyone exploiting the County's most vulnerable residents: elderly, minor children and incapacitated individuals who are served by Florida Guardianship Law. This program supplements the Clerk of the Circuit Court in supporting the Court's oversight process applicable to the protection of wards' assets according to Chapter 744 of the Florida Statutes and the related Administrative Order of the Fifteenth Judicial Circuit (No.: 6.306-12/10). There are more than 2,800 open guardianship cases in Palm Beach County, which control an estimated \$500 million in assets.

The Public Integrity Unit conducts varying levels of assessments and audits of Guardianship activities, which may originate from a variety of sources including but not limited to the: Guardianship Fraud Hotline, Clerk Guardianship auditors, judiciary, and Clerk's IG analyses. An assessment is the initial phase for all requests, reviews, and audits (though Level 1 Audits as described below are handled separately). Upon completion of the assessment, the Clerk's IG may discontinue any further review, prepare a memo to the judiciary, or proceed with a Level 2 or Level 3 audit.

Level 1 Audit:

- A Level 1 audit consists of the Clerk's IG review of the Clerk's Guardianship auditors' desk worksheet review to ensure guardianship reports are prepared timely, completely and accurately. If significant discrepancies or concerns are

identified, the Clerk's IG staff review the documents and determine if a more detailed review (Level 2 or Level 3 audit) is warranted.

Level 2 Audit:

- A Level 2 audit consists of a Clerk's IG examination of the guardianship report and the attempted verification of selected questionable items. Limited inquiries and/or requests for supporting documentation may be necessary to resolve issues.

Level 3 Audit:

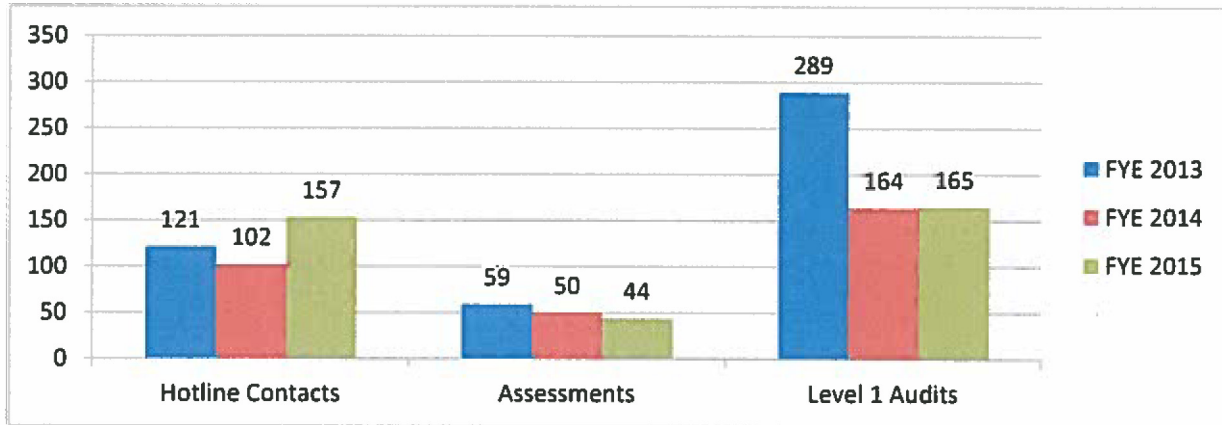
- A Level 3 audit consists of a Clerk's IG comprehensive examination and attempted verification of all significant items pertinent to the guardianship report.

The Clerk's IG PIU Guardianship Section prepares reports for Level 2 and Level 3 audits for the Court but does not issue reports for Level 1 audits. Assessments may result in the issuance of a memo to the Court, depending on the results.

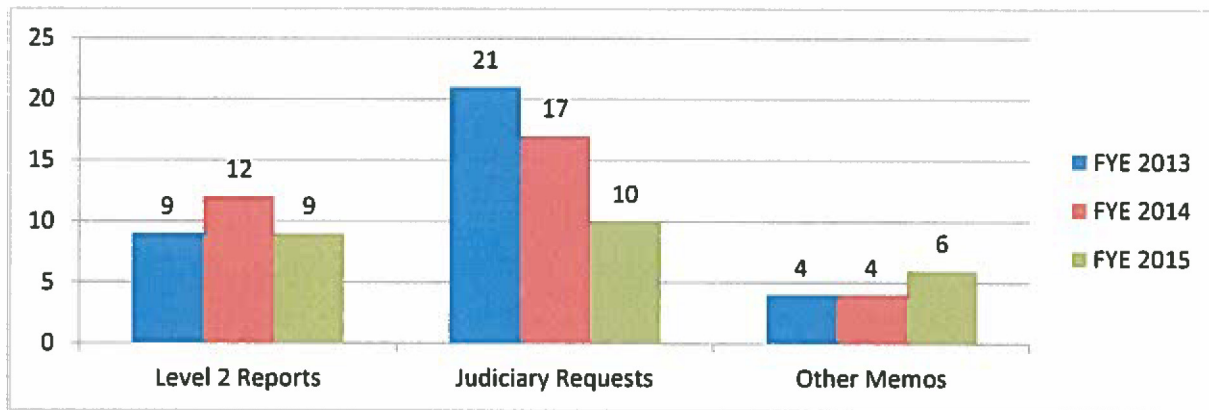
A Guardianship Fraud Hotline is in place to enable anyone suspecting fraud, waste or financial mismanagement of a ward's property and assets to report such concerns, anonymously if desired. Reports may be made in several convenient ways.

• Online: Create a report at www.mypalmbeachclerk.com/fraud . Click on "File a report now" in the middle of the page.
• Phone: Dial 1-561-355-FRAUD
• Email: Send email to " fraud@mypalmbeachclerk.com "
• Mail: 301 North Olive Avenue, 9 th Floor, West Palm Beach, Florida 33401
• Walk-In: Government Center, 9 th Floor, 301 North Olive Avenue, West Palm Beach, Florida 33401

During FY 2014-2015, we received 157 Guardianship Fraud Hotline contacts, of which 83 contacts required further review and investigation, and six were referred to the appropriate agencies (e.g., Palm Beach County Sheriff's Office and Florida Department of Law Enforcement). The number of hotline contacts received this year rose to its highest level since inception. The yield and quality of our hotline program continues to strengthen. In addition, we conducted 44 assessments and 165 Level 1 audits. Trends over the past three fiscal years are presented on the following page.

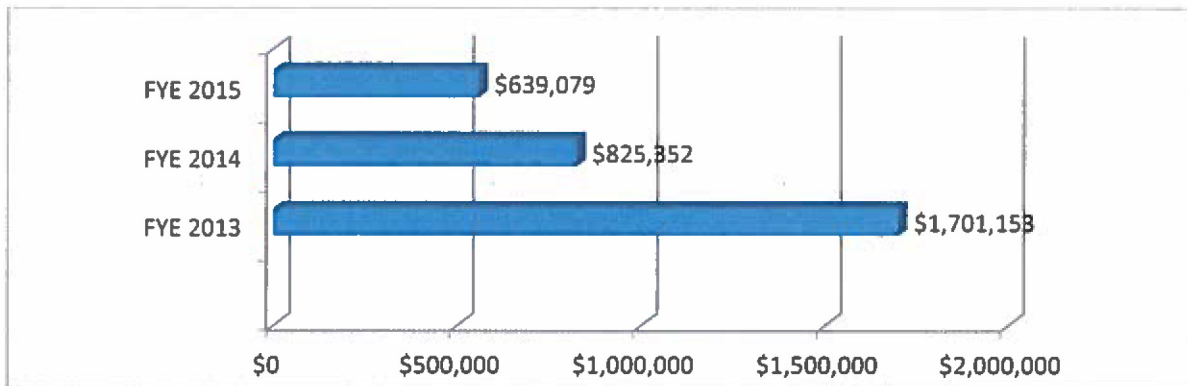


During FY 2014-2015, we released nine Level 2 audit reports, which included 23 recommendations. In addition, we issued ten other memos to the judiciary to provide time-sensitive updates on key issues and to satisfy research assistance requests. We also issued six referral and other memos to law enforcement and other agencies (e.g., Department of Children and Families, Palm Beach County Sheriff’s Office, and Florida Department of Law Enforcement) to provide relevant information on guardianship cases.



These audit reports and memos are not available to the public per Florida Statute and Administrative Order of the Fifteenth Judicial Circuit (No.: 6.306-12/10). The reports are issued to the Court for their review and any actions deemed appropriate.

The guardianship work performed identified unsubstantiated and questionable expenditures as well as misreported assets totaling \$639,079 during Fiscal Year 2014-2015, and a combined total of \$3.2 million over the last three years as detailed below.



Two guardianship cases were referred to local law enforcement for further review of possible criminal charges though no charges were filed. In addition, our office assisted local law enforcement on three other guardianship cases, for which criminal investigations were already in progress.

Education & Awareness

One of our goals is to educate the community and increase public awareness of guardianship fraud, waste, abuse and exploitation. Our team attends meetings and makes presentations to professional organizations and community groups. During the past year, our PIU Guardianship Section has been very proactive in sharing best practices and audit techniques at conferences and training programs hosted by various guardianship associations and related agencies at the national, state and local levels. For example, presentations were provided at the following venues:

- ❖ National Adult Protective Services Association Annual Conference
- ❖ National 2015 Aging in America Conference
- ❖ Southern States Crime Prevention Conference
- ❖ Academy of Florida Elder Law Attorneys 2015 Elder Concert
- ❖ Florida State Guardianship Association Annual Conference
- ❖ Florida Court Clerks and Comptrollers Winter and Summer Conferences and Regional Training Conference
- ❖ Alzheimer's Education Conference
- ❖ South Florida Guardianship Association Meeting

- ❖ Palm Bay Chapter of the Association of Certified Fraud Examiners
- ❖ J. Malcolm Cunningham Bar Association and the Palm Beach County Bar Association Committee on Diversity and Inclusion

The PIU Guardianship Section is committed to disseminating information through a variety of channels to shine the spotlight on guardianship awareness, such as:

- ❖ Coordinating efforts with the Clerk's Communications Department to generate media coverage (e.g., television, newspapers, and magazines). We were guest speakers on two radio programs this past year focusing on guardianship practices and trends.
- ❖ Attending events sponsored by a variety of organizations dedicated to supporting guardianship programs.

Legislation

Since 1989, Florida's Clerks have been directed by state statute (Chapter 744) to audit guardianship reports and advise the court of their audit findings. In 2011, we initiated the current program, tailored after Pinellas County, to perform enhanced audits through an administrative order of the Chief Judge of the Fifteenth Judicial Circuit.

Additional legislation passed in the State of Florida became effective July 1, 2015. The legislation improves the transparency of guardianship court proceedings and protects the due process rights of wards. Our office provided support and subject matter expertise to legislators, legislative committees, organizers, and various other stakeholders. We were privileged to play a role in acting as a consultant and provide public testimony at a Florida Senate committee meeting. The overriding desire is to enhance independent guardianship auditing practices to detect mismanagement or fraudulent use of the ward's assets.

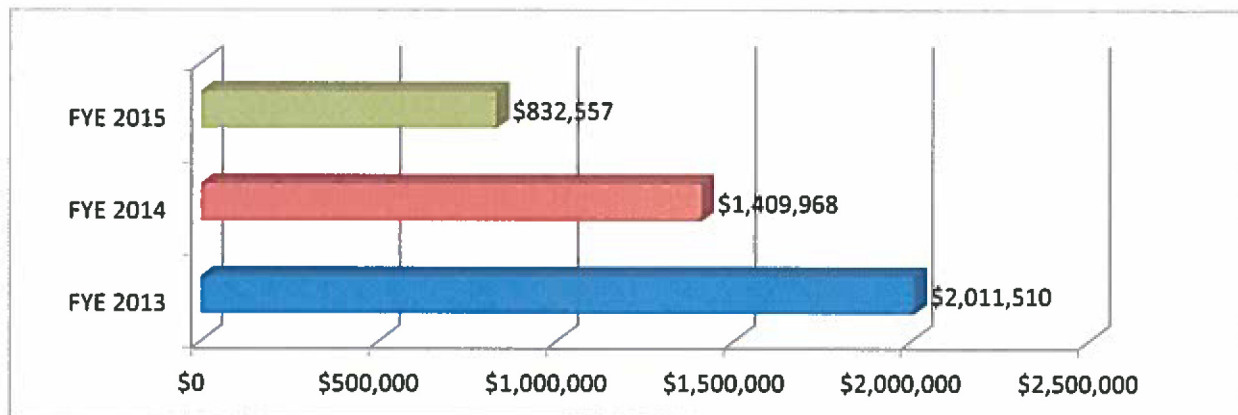
Further guardianship legislation is under consideration in the current session by the Florida House and Senate. The Clerk's Office is continuing to provide testimony, support and subject matter expertise to the subcommittees.

Recoveries and Cost Avoidance

During FY 2014-2015, the audits, investigations, and guardianship reviews identified \$832,557 (as shown in following table) in potential revenue recoveries and cost avoidance to the Clerk’s Office as well as unsubstantiated and questionable expenditures and misreported assets within guardianship audits.

PROJECT	REPORT ISSUED	POTENTIAL CLERK IMPACT	POTENTIAL COUNTY CITIZEN IMPACT	DESCRIPTION
Recording Department Cash Bonds Processing	8/4/15	\$193,478		Incremental registry fee assessments
Guardianships	Various		\$639,079	Unsubstantiated and questionable expenditures and misreported assets
	SUB-TOTAL	\$193,478	\$639,079	
	TOTAL	\$832,557		

Over the past three years, as shown below, the Division of Inspector General has identified a total of \$4.3 million in potential revenue recoveries and cost avoidance to the Clerk’s Office as well as unsubstantiated and questionable expenditures and misreported assets within guardianship audits.



The Division’s importance extends beyond just the financial considerations. The impact of maintaining transparency and preserving public trust in local County government is invaluable. The Division of Inspector General strives to ensure taxpayers get a fair and honest accounting of their money.

Highlights of Audit Findings

The following are highlights of select audits issued by the Clerk's Division of Inspector General during the fiscal year ending September 30, 2015. If you would like to read the entire reports, please visit the Division's website at www.mypalmbeachclerk.com, and click on "Inspector General & Audit".

Financial Reporting Department – Debt Compliance & Administration (Report issued February 13, 2015)

Financial Reporting is responsible for preparing financial statements that comply with state and federal laws and generally accepted accounting principles (GAAP). In addition, the department handles compliance with County bond covenants and loan agreement debt service payments, including invoices, debt service payment schedules, and statements from paying agents, registrars, trustees, and escrow agents. For the fiscal year ending September 30, 2014, Financial Reporting administered payments for principal and interest defined by 86 individual bond covenants or loan agreements with an outstanding principal totaling \$1.2 billion. Debt service expenditures totaled \$93,440,498 in principal and \$44,276,746 in interest payments.

The audit indicated that the Debt Compliance team provided timely and accurate service to its core customers – Palm Beach County and County departments. The team effectively coordinated efforts with various federal agencies, paying agents, registrars, trustees, escrow agents, and other vendors who receive payments related to the requirements of bond covenants, loan agreements, or arbitrage and yield restrictions. Improvement opportunities were identified related to further developing policies and procedures, enhancing management oversight of debt compliance responsibilities, and considering standard work requirements when next renegotiating the Clerk's arbitrage consultant contract.

Access Revocation for Separated Employees (Report issued March 20, 2015)

The core objectives of this audit were to evaluate the processes related to eliminating system access and physical access capabilities for employees who separated from the Clerk's office and to verify such access was removed timely and accurately for a sample of prior employees. Testing was also performed to determine whether revocation of access rights to the Driver and Vehicle Information Database (DAVID) complied with

the Clerk's Memorandum of Understanding (MOU) with the Florida Department of Highway Safety & Motor Vehicles (DHSMV).

We concluded that the processes in place for removing system access for separated employees were generally well designed and effectively implemented. Periodic monitoring of access rights was in place to provide additional assurance that system access was revoked for separated employees. Exceptions were noted in deleting Active Directory accounts for former permanent and temporary employees, volunteers, and contractors. Opportunities exist to strengthen related monitoring practices for these Active Directory accounts to ensure timely deletion.

Our testing disclosed that access rights to DAVID were revoked timely and in full compliance with the Clerk's MOU with the Florida DHSMV.

In regard to physical access to Clerk facilities, we confirmed that separation notifications were transmitted to the County's Electronic Services & Security Division (ESS) and employee access badges were generally deactivated timely. However, there was no feedback or monitoring within the Clerk's office to identify occasional delays when they did occur. Additionally, timely return of access badges of separated employees was not consistently enforced and monitored prior to 2015; completion of the Employment Separation Checklist and submission to Clerk's Human Resources (HR) was made mandatory on January 15, 2015 and was expected to address this issue.

Recording Department – Cash Bonds Processing (Report issued August 4, 2015)

The Recording Department is responsible for bonds deposited in regard to liens or judgments that generally relate to real property disputes. These bonds are referred to as transfer bonds as depositing such bonds (cash or surety) transfers the lien or judgment from the underlying property to the bond. This action allows the property to be transacted (e.g., sale or purchase) without settling the original lien or judgment.

The audit indicated that adequate processes were generally in place to ensure cash bonds for liens or judgments were properly reviewed, processed, recorded, maintained, and disposed. The audit identified differences between the pending cash bond balances reported on Recording's two sets of electronic records and the underlying hardcopy official records as well as differences with the balances reported in the Finance

subsidiary ledger account. Revenue enhancement opportunities were noted by initiating the collection of registry fees on cash bonds received as permitted by Florida Statutes. Review of activity from January 1, 2007 through February 28, 2015 indicated fees of approximately \$193,478 could have been collected. Opportunities were identified to more proactively facilitate disposition of bonds that had been pending for extended periods of time.

West County & Mid-County Branch Offices (Report issued September 18, 2015)

The West County Branch provides nearly a full range of Clerk services to customers (except probate and guardianship services) including initiating and updating civil and criminal cases, processing payments, providing documents and court services to hearings and trials, and various other services. The Mid-County Branch provides a more limited range of services; their principal workload involves handling traffic ticket and other county criminal payments though other services are provided.

The audit disclosed that the two branch office operations were generally effective, efficient and well-controlled. The audit disclosed that documents accepted and related fees collected from customers seeking to record documents into Official Records did not consistently satisfy statutory requirements. Controls over cash recordkeeping and safeguarding required improvement. In addition, other minor improvement opportunities were provided to management.

Payables Department (Report issued September 30, 2015)

The Payables Department core responsibility is to audit the County's requests for disbursement of funds to ascertain and certify that the requests are: in compliance with applicable laws and regulations, within authorized appropriations, limited to a public purpose, and supported by proper evidence of receipt of ordered goods and services. The Department processed over 193,000 invoices and interface transactions totaling over \$1.2 billion in fiscal year ending 2014.

The audit disclosed that the Payables Department generally provided timely and accurate service to its core customers – vendors and Palm Beach County departments. The audit identified control deficiencies in the Discover Palm Beach County, Inc. (Discover PBC)

expense and payment processes, which impacted monitoring practices over advance payments, private partner expenditures, and credit card payments. Reporting tools and existing procedures required strengthening to ensure the department effectively monitored invoice payments for compliance with the Local Government Prompt Payment Act. Revisions were needed to system access and workflow assignments within the Advantage system and other applications to ensure duties were properly segregated and assets were adequately safeguarded. Departmental performance measures and reporting as well as quality assurance testing of key activities required improvement to more effectively evaluate performance levels and identify any training and development gaps. Opportunities existed to enhance various procedures and strengthen related process controls.