



## CLERK & COMPTROLLER IS LOGICAL AND COST-EFFECTIVE CHOICE TO PROVIDE NECESSARY OVERSIGHT OF GOVERNMENT ACTIVITIES

### SUMMARY

#### **Establishing a New Entity for Regulation is Cost-Prohibitive**

There is no question that there exists a need for increased regulation of government activities through enhanced oversight and controls that will minimize opportunities for manipulation and abuse. At the same time, there must be a balance between the added benefit of increased regulation and its cost. Establishing a new entity to institutionalize such regulation is cost-prohibitive when considering the staffing, infrastructure and other administrative overhead (HR, payroll, budget, etc.) necessary to make it a success. While local government is struggling to maintain core services for the public, the Clerk & Comptroller, as the existing county auditor, already has a fully funded Audit Services Department and does not require additional expenditures to assume these responsibilities.

#### **Clerk Easily Assumes Inspector General Responsibilities**

The independently elected Clerk & Comptroller of Palm Beach County is well-positioned and prepared to effectively assume county inspector general responsibilities without additional costs to taxpayers. Those responsibilities include verifying compliance with laws, regulations and policies; evaluating documentation of expenses; identifying risks and assessing internal controls; and detecting and deterring fraud, waste and abuse. Most importantly, it is the clerk's autonomy from other elected or appointed government officials that allows the office to be free and independent of their influence. In addition, the Clerk & Comptroller, as the existing county auditor, is prepared to assume the inspector general responsibilities immediately.

#### **Justice Partnerships Exist to Handle Criminal Matters**

Florida law does not grant subpoena powers to state agency inspectors general because the potential for an abuse of power exists when one entity has the ability to both audit *and* compel the production of personal documents and the appearance of witnesses who may face criminal penalties. The Miami-Dade inspector general has the power to subpoena witnesses and documents, however this is unnecessary and unlike any other Florida jurisdiction. When state agency inspectors general have grounds to believe a law has been violated, the matter is referred to the Department of Law Enforcement or other law enforcement agency for further investigation.

The Clerk & Comptroller does not have subpoena powers. Instead, the clerk, using her partnerships with other constitutional officers, refers violations of the law to the State Attorney or Sheriff. The existence of three separate constitutional entities in Palm Beach County—Clerk (auditor), Sheriff (investigator) and State Attorney (prosecutor)—allows for the necessary checks and balances to prevent the concentration of too much power in the hands of one official.

#### **Responsibilities Assigned Through Changes to County Charter**

The formal assignment of inspector general responsibilities to the clerk can be accomplished through the approval of an amendment to the county charter by Palm Beach County voters in the general election of 2010. Components of such a charter change should include:

- Establishing the Clerk & Comptroller as the independent auditor for county government,
- Officially naming the office "Clerk & Comptroller of Palm Beach County," and
- Establishing the county's current internal auditor as a management auditor and maintaining its direct reporting to the Board of County Commissioners.

Charter changes for consideration in 2012 or 2014 may include expanding the Clerk & Comptroller's independent auditor responsibilities beyond county government to include constitutional officers and special districts.

## **OVERVIEW**

Throughout Palm Beach County's 100-year history, the Clerk & Comptroller has served as the county's independent accountant, treasurer and auditor of taxpayer dollars, as well as clerk of the circuit court, county recorder and clerk of the Board of County Commissioners. The following is an overview of the clerk's readiness to assume oversight responsibilities.

### **Constitution Designates Clerk as Independent Auditor**

The Florida Constitution designates the clerk of the circuit court as the independently elected county auditor. As such, the clerk is charged with oversight and audit responsibilities while being accountable only to the voters, thus earning the elected clerk of court the nickname of county "watchdog." Because the clerk is an independent arm of county government, the office is able to ensure unbiased oversight, accounting and auditing of county funds. This unique, constitutionally created audit function acts as the final check and balance on county expenditures and finance functions.

### **Office's Accomplishments Signify Fiscal Focus and Responsible Stewardship**

Over the past five years, the Clerk & Comptroller has significantly strengthened office's comptroller function and county government transparency:

- Modified the clerk of circuit court title to "Clerk & Comptroller" to more accurately reflect the duties of the office and increase transparency for the public;
- Developed an Audit Services Department with eight highly qualified audit professionals who hold numerous certifications, including: Certified Public Accountant, Certified Internal Auditor, Certified Fraud Examiner, Certified Financial Services Auditor and Certified Government Auditing Professional;
- Identified an estimated \$20 million in questionable costs, lost revenue and potential losses and damages;
- Conducted high profile audits of county Convention & Visitors Bureau, Convention Center and Debt Issuance Process;
- Conducted internal audits of county government, including payroll, timekeeping and overtime expenses;
- Conducted internal audits of county government policies and procedures, identifying policy gaps, irregularities and potential for ethical misconduct;
- Published audits on the Clerk & Comptroller Web site;
- Conducted requested financial and performance audits for the courts and other constitutional officers;
- Created financial analyses and trend reports required for effective decision-making;
- Published financial reports on county finances, investments and debt;
- Protected \$70 million of taxpayer dollars by removing funds from the state investment pool prior to the loss of principal;
- Reduced the clerk's county-funded budget by 18.9% over the past three years; and
- Implemented technology to provide online access to valuable public services.

### **Clerk's Audit Function is a Deterrent to Fraud, Waste, Abuse and Ethical Misconduct**

While the Palm Beach County Board of County Commissioners has legislative authority and authorizes the spending of tax dollars, they do not pay the county's bills. The independently elected Clerk & Comptroller holds the checkbook, paying bills only after ensuring that the spending is legal, within the budget and serves a public purpose. The existence of this review and assessment acts as a deterrent to fraud, waste and abuse in county spending, as well ethical misconduct.

### **Clerk's Confidential Ethics Hotline Provides Employees a Safe Mechanism for Reporting Issues**

The clerk's Ethics Hotline is available for employees of the office to report instances of fraud, waste, abuse and ethical misconduct, thereby expanding the ability of our auditors to identify and address known areas of concern within the office and other government agencies.

### **Conclusion**

It is not necessary to create a new bureaucracy to administer inspector general duties in Palm Beach County. The Clerk & Comptroller has the funding, infrastructure and constitutional authority to carry out these responsibilities in a manner that ensures transparency, accountability and protection of taxpayer dollars.