

**CLERK & COMPTROLLER
PALM BEACH COUNTY**

**FINANCIAL SERVICES
MINUTES DEPARTMENT**



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Division of Inspector General

Audit Services Unit

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The Honorable Sharon R. Bock, Esq.
Clerk & Comptroller

We conducted an audit of the Minutes Department within Clerk's Financial Services.

Our objectives were to evaluate the overall effectiveness and efficiency of Minutes Department processes as well as related internal controls and procedures.

Our audit was neither designed nor intended to be a detailed study of every process, procedure, transaction or system in each area. Accordingly, the observations and recommendations included in this report are not all-inclusive.

The audit identified various control weaknesses and opportunities to strengthen the processes and controls within the Minutes Department. Specifically, improvement opportunities were identified involving: recordkeeping and storage practices, access to the record storage room, departmental procedures, management reporting, and maintenance of public meeting records on the Clerk's website.

We appreciated the cooperation of management and staff during the course of this audit.

Respectfully submitted,

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Introduction

Background

The Clerk's Minutes Department is responsible for producing concise and accurate minutes of the official meetings of the Board of County Commissioners (BCC) and other boards and committees within Palm Beach County (PBC).

Minutes clerks attend meetings and record minutes, receive and distribute key documents (e.g., BCC agendas), certify official records, assign resolution and ordinance numbers, provide public access to official records of meeting minutes and video recordings via internal and external on-line websites, and maintain and archive the official minutes and other key records.

The Department is supported by proprietary software licensed from Pictron, which is used to post video to the Clerk's MyMinutes webpage. Also, Pictron is used to create hyperlinks from the video to specific video segments related to agenda items discussed during BCC meetings. The data input to the Pictron application relies on BCC meeting video from Palm Beach County Channel 20.

The Minutes Department attended and recorded minutes at 116 meetings in the fiscal year ending September 30, 2012. The department is led by Judith Crosbie – Supervisor, supported by nine staff. The budget for FY 2012-2013 is \$620,428, with 97% allocated to compensation and benefits.

Scope and Methodology

The Clerk's Audit Services Unit of the Division of Inspector General conducted an audit of the Finance Services Minutes Department, including compliance with key statutory and regulatory requirements.

The audit objectives were to obtain an understanding of the Minutes Department operations and processes, evaluate the overall effectiveness and efficiency of processes

and related internal control environment, and verify compliance with pertinent laws and regulations as well as established policies.

More specifically, the scope included the core Minutes Department processes including receipt and recording of Board of County Commissioner (BCC) agenda items, recording of minutes of Palm Beach County meetings, storage and retention of official and other key documents, and providing access of key documents to the public and other customers. The scope also included physical and logical security of the key documents.

In order to meet these objectives and perform the audit, we conducted interviews, reviewed departmental procedures and processes, reviewed staffing and workload information, identified pertinent laws and regulations, evaluated the facilities supporting the areas, performed a risk assessment of the areas under review, and evaluated the adequacy of the internal control environment to mitigate the risks identified. Limited testing of internal controls was performed. We performed other procedures that were deemed necessary under the circumstances.

Conclusion

The Clerk's Audit Services Unit identified control weaknesses and opportunities to strengthen the processes and controls within the Minutes Department.

Recordkeeping and storage practices could be strengthened to enhance effectiveness and prevent any potential loss of historical records in the event of a disaster. Accessibility to the Minutes Department record storage room should be improved by securing access immediately after work hours. Minutes procedures require update to ensure compliance with laws and regulations as well as management directives. Opportunities exist to enhance management reporting to ensure information is accurate and reliable. Finally, opportunities exist to enhance efficiencies in receiving and posting public meeting records to the Clerk's website.

Review Team:

Alan Bray, Deputy Inspector General & Audit Manager
Charles Mansen, Audit Project Administrator

Observations and Recommendations

The audit was neither designed nor intended to be a detailed study of every relevant system, procedures or transaction. Accordingly, the observations and recommendations presented in this report may not be all-inclusive of areas where improvement may be needed.

1. Inventory recordkeeping and storage practices require strengthening.

The Minutes Department uses various recordkeeping and storage practices, which could be strengthened to enhance effectiveness and prevent any potential loss of historical records in the event of a disaster.

The Florida Administrative Code (FAC) requires certain record documentation and maintenance practices to be implemented to protect original, electronic and microfilm records. In addition, the Florida Department of State - Division of Library and Information Services (FDS DLIS) has recommended best practices for maintaining an inventory of public records.

The following observations were noted:

- a) Inventory records of the physical, electronic, and microfilm public records require strengthening. The department has a subject file index of public records for 1909 through 1990. Beginning October 1, 2005, the department maintains a repository of all meetings and supporting public record documents in a shared S:\ drive. Destruction lists were prepared over the years documenting records removed and destroyed. A hardcopy inventory listing was provided to us for records beginning October 5, 2010 to current. The Clerk's Micrographics Department also maintains a listing of original Minutes Department microfilm rolls stored at an offsite location.
 - Best practices by FDS DLIS indicate that the agency should maintain an inventory of records and related retention schedules. At a minimum, the inventory should identify and describe each record series. Each records series should include: title,

description, inclusive dates, volume, retention period, and indication whether it is a vital record.

- b) The Clerk's Micrographics department performs periodic inspections of original microfilm inventory to identify and correct deteriorating microfilm records, including original Minutes Department microfilm rolls. However, Minutes has not implemented periodic testing of electronic records stored on the department's shared drive. FAC states that each agency shall:
- annually read a statistical sample of all electronic media containing permanent or long-term records to identify any loss of information and correct the cause of data loss (FAC 1B-26.003(11)(b)).
 - test all permanent or long-term electronic records at least every ten years and verify that the media are free of permanent errors, though more frequent testing (every five years) is recommended (FAC 1B-26.003(11)(c)).

Recommendations:

- A. Develop a more robust inventory recordkeeping system, using best practices as defined by FDS DLIS or other appropriate sources, for physical (e.g., hardcopy books and microfilm) and electronic records stored by Minutes.
- B. Establish periodic inspections of electronic records as recommended by the FAC.

Management Responses:

- A. Management believes that the current system is adequate. Physical (e.g. hardcopy books and microfilm) records from 1909 to 1990 have detailed index books. Minutes acts as an index for all official records. All minutes from 1985 to present are stored in GREP which is a searchable database and is an index for all physical and electronic records from 1985 to present. Our inventory system complies with the majority of the Florida Department of State - Division of Library and Information Services (FDS DLIS) best practices and Florida Administrative Code. The additional benefits derived from developing a "more robust inventory recordkeeping system" would not outweigh the costs.

Target Completion Date: N/A

- B. Management concurs with the recommendation and will work with IT to develop a procedure and schedule for inspections.

Target Completion Date: 7/15/13

2. Access controls to official records require improvement.

Accessibility to the department's record storage room should be improved.

The review disclosed that 92 Clerk & Comptroller and other employees, which include a small number outside of the Finance organization, have access via badge reader to the main Finance entries on the second floor. The Minutes Department records storage room is located in this second floor area. The double doors leading into the records storage room remained unlocked after work hours. Management stated that Security staff closed and locked these doors around 9:00 PM nightly.

Recommendation:

- A. Enhance safeguard controls over physical access to Minutes records, with a focus on more thoroughly securing access to the record storage room immediately after work hours.

Management Response:

- A. Management believes that the access controls to Minutes records are adequate. It is important to note that the permanent copies of official records are not stored in the records storage room. Permanent copies of official records are stored on either microfilm or in electronic form, with the microfilm records stored off-site with Iron Mountain. Electronic records are backed-up nightly to an encrypted file system and the back-ups are replicated to a site in Tallahassee. Also, security does shut and lock the double doors to the records storage room nightly around 9PM; however, management will begin shutting and locking the doors to the records storage room at the end of each business day.

Target Completion Date: Completed

3. Written procedures require update.

Minutes procedures require update to ensure compliance with laws and regulations as well as management directives. Best practices in internal controls indicate that written procedures help ensure accuracy and consistency in the quality of work.

Various procedures were outdated and did not reflect changes in related policies and practices. Procedures did not consistently include the relevant references to Florida Statutes (FS), FAC, and County policies and procedures manuals (PPMs). For example:

- Document Clerk procedures have not been revised by the Minutes Department since 2003, with old exhibits of Board of County Commissioners (BCC) Rules of Procedure dating back to 2002 and County PPMs dating back to 1988. The referenced BCC Rules of Procedure was last updated in May 2011 and the County PPMs were updated between 2007 and 2012, which were not reflected in the Minutes procedures.
- Minutes Clerk procedures have not been revised since 2005 and 2006, including one procedure with a Quick Reference Card that listed personnel as key contacts who were previously terminated and an outdated abbreviation list.
- Certain laws and regulations (FS and FAC) may be applicable to Minutes operations but were not referenced in the procedures. Such requirements include protection of public records (F.S. 119.07(2)(b)), public access to public records (F.S. 119.01), notification to BCC of intent to destroy records (F.S. 28.31), security of electronic records (FAC 1B-26.003), and recordkeeping of public records.

Recommendation:

- A. Update written procedures to address the observations noted above, reflect current practices, and ensure inclusion of key references to laws, regulations and County PPMs.

Management Response:

- A. Management concurs with the recommendation. While we believe that the current procedures are adequate and do not believe that they are invalidated because they may contain older exhibits, management was in the process of updating them before the audit and will complete the updates and include current exhibits, PPMs and applicable statutes.

Target Completion Date: 1/15/14

4. Opportunities exist to enhance management reporting.

Opportunities exist to enhance management reporting to ensure information is accurate and reliable.

Daily activity logs are manually prepared by clerks to record the various tasks performed such as clerking meetings, editing and proofing minutes, and linking minutes to video recordings and electronic official records. The daily activity logs are used by the Minutes Supervisor to update the Meeting Minutes and Records log and the Minutes Produced report. These management reports were used for internal reporting purposes only and were not reviewed or required by anyone beyond the supervisor.

Inconsistencies were identified between the data and statistics included in the management reports when compared to the underlying activity logs. For example, the following observations were noted.

- The Meeting Minutes and Records log indicated that the February 9, 2012 Investment Policy meeting minutes were both completed and approved on May 10, 2012, while the supporting handwritten clerk activity log indicated the meeting minutes were completed on February 24, 2012 and approved on May 10, 2012. Similar date errors were noted in two other cases.
- The total number of FY2011 meeting minutes pages produced was reported as 2,777 pages on the Minutes Produced report and 3,332 pages on the Meeting Minutes and Records log.

Recommendation:

- A. Ensure accuracy of management reports to enable proper trend analysis of department activities and related productivity. Consider recording activity initially into Excel or other electronic reporting to minimize the risk of errors.

Management Response:

- A. Daily activity logs are accurate. In the example above, the clerk did complete the minutes on February 24, 2012. The minutes are not final until approved by the respective board or committee at a public meeting. The Investment Policy Committee

meets quarterly and approved the minutes at their May 10, 2012 meeting. Management agrees that converting the daily activity log into Excel or another electronic report would minimize the risk of errors in the Meeting Minutes and Records log. The Minutes Produced report gives the total number of pages of final approved minutes only while the Meeting Minutes and Records log totals the number of pages of final approved minutes and any additional pages, such as verbatim notes of a particular item, which were produced in conjunction with but not included in the final approved minutes. Management will convert daily activity logs into Excel or other electronic reporting.

Target Completion Date: 12/1/13

5. Opportunities exist to enhance the posting of public records to the Clerk's website.

Opportunities exist to enhance efficiencies in receiving and posting public meeting records to the Clerk's website.

Hyperlinks from BCC Official Final Meeting Minutes posted on the Clerk & Comptroller's MyMinutes webpage to BCC meeting documents are linked to draft documents located on PBC webservers. The MyMinutes webpage did not disclaim or disclose that the hyperlinks were to draft documents, potentially resulting in public misperception. According to Minutes staff, Clerk IT Department support is required to enable secure public access to electronic public records of BCC meeting minutes and supporting agenda item documents. Also, inefficiencies exist as Minutes staff must make copies of official records for customers not able to retrieve the documents online.

Recommendation:

- A. Enhance public access to meeting minutes and supporting records by implementing hyperlinks to documents maintained on a secure Clerk webserver. If this is not feasible, ensure that a disclaimer is provided that the documents are draft documents and not final approved.

Management Response:

- A. Management concurs with adding a disclaimer. Final signed documents are not posted online to prevent copies being presented as originals. We can add a disclaimer directing the public to contact the Minutes Department to obtain copies of final signed documents.

Target Completion Date: Completed