



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

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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 scope of the Division of Inspector General's authority includes any operation under the direction of the Clerk of the Circuit Court and Comptroller (Clerk). 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 limited to 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.

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 or other officials as appropriate.

3. If the substantiated fraudulent act has criminal implications, the Division will refer the matter to law enforcement agency and, as necessary, assist in the preparation and presentation of criminal findings in a court of law.
4. Has authority to perform investigations of Clerk departments and operations, including guardianships, and for that purpose may administer oaths and compel the production of books, papers, and other materials.

AUTHORITY

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 has established the Division of Inspector General to fulfill the responsibilities of the office as they relate to auditing and investigative functions other than the pre-audit of disbursements from Board of County Commissioners funds. The Finance Division of the Clerk's office performs the pre-audit function.

The Inspector General (IG) of the Division of Inspector General, in the discharge of his/her duties, shall be accountable to the Clerk to:

- a) Conduct audits and investigations of operations of the Clerk's Office, and refer matters that involve criminal acts to the appropriate law enforcement agencies.
- b) Report significant issues related to the processes for controlling the activities of the Clerk's Office, including potential improvements to those processes, and provide information concerning such issues through resolution.
- c) Coordinate with and provide oversight of other control and monitoring functions (risk management, compliance, security, governance, legal, ethics, environmental, external audit).

The Inspector General and staff of the Division of Inspector General are authorized to:

- Have unrestricted access to all functions, records, property, and personnel.
- Allocate resources, set frequencies, select subjects, determine scopes of work, and apply the techniques required to accomplish audit and investigative objectives.
- Obtain the necessary assistance of personnel in units of the Clerk's Office where they perform audits and investigations, as well as other specialized services from within the Clerk's Office.

The Inspector General and staff of the Division of Inspector General 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 Inspector General activity, its personnel report to the Inspector General, who reports functionally and administratively to the Clerk. Since the Clerk is elected, and thus responsible to the citizens and taxpayers of Palm Beach County, the Clerk is considered to be independent. The Division has no direct responsibility to, or authority over, any area subject to its audit, review and investigation. Therefore, the Division is organizationally independent from those areas which it will be auditing, reviewing and investigating. The Inspector General has the authority and responsibility to conduct audits and investigations of all agencies funded by the Clerk and to issue reports thereon.

RESPONSIBILITY

The Inspector General 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 communicate results. Assist management during the course of the year, as appropriate, even though the projects are not on the annual audit plan.
- Maintain a professional audit/investigative staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this Charter. The Inspector General 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 Inspector General assures the quality of Inspector General activities.
- Keep the Clerk informed of emerging trends and successful practices in auditing and investigations.
- Maintain a fraud, waste, abuse and ethics hotline and conduct investigations as indicated in the circumstances.
- Investigate suspected instances of fraud, waste and abuse.
- 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 AND INVESTIGATIVE PRACTICES

The Division of Inspector General will meet or exceed the following standards:

1. *International Standards for the Professional Practice of Internal Auditing (Standards)* of The Institute of Internal Auditors for audit activity. These *Standards* are part of the International Professional Practices Framework. This framework prescribes mandatory

compliance with the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the *Standards*, and the Definition of Internal Auditing.

2. *Principles and Standards for Offices of Inspector General* of the Association of Inspectors General for investigation activity.
3. *The Florida Inspectors General Standards Manual* of the Commission for Florida Law Enforcement Accreditation, Inc. for investigation activity.

While this Charter is not intended to fully reiterate the standards of audit and investigative practices, it is intended to be consistent with applicable standards and should be interpreted in a manner consistent with those standards. Standards not directly incorporated into this Charter shall nonetheless be fully and appropriately applicable to the Division of Inspector General.



Roger Trca
Inspector General



Date



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



Date