



Inspector General Insights

Background: In June 2020, a vendor (who preferred to remain anonymous) communicated a concern about payment delays. The vendor questioned whether the delays were on the part of the Board of County Commissioner (BCC) departments, the Clerk's Finance department, or the primary vendor, for those jobs in which he was a subcontractor.

Objective: Our review was to determine if the vendor had been paid in compliance with the Prompt Payment Act, and to provide any recommendations to expedite invoice processing for the vendor.

Scope: We did an analysis of approximately 40 invoices submitted by the subcontractor in the last two years. Both the number of invoices and the amounts included in the following table are rounded to preserve anonymity.

Observations:

What's Working:

- ✓ The vendor was paid timely per Florida statute in all cases.
- ✓ The average days to pay the vendor was 26.97 days over the last two years.

Delays Encountered:

- Three invoices were rejected and resubmitted as follows:
 - A billing error on a task was discovered, and the vendor resubmitted a replacement invoice within a week.
 - Another billing error required correction and support, which was provided.
 - The vendor originally submitted a billing prior to the Notice-To-Proceed date and required support, which was provided.
- The Clerk's target payment date is 30 days, although the statutory prompt payment date is 45 days from receipt of a proper invoice. Nine invoices took over 30 days to pay, and some had multiple issues (meaning the total noted below will exceed nine):
 - An invoice was delayed for six days while waiting for the vendor to provide current insurance information.
 - Two invoices were delayed due to additional volume at fiscal year-end.
 - Five invoices were delayed while waiting for approvals of the invoice within the department, or a modification to a Purchase Order.
 - Six of the nine delayed invoices went on the agenda for approval by the BCC prior to payment, as the purchase orders were not previously approved by the BCC. In one case, the vendor waited from 10/17/2019 – 11/12/2019 because of the Board schedule.

Recommendations & Actions: Some ways the vendor could improve the processing times are:

- The vendor should provide supporting invoices with each billing or promptly discuss alternate means of satisfying this requirement with the Clerk's Finance.
- The vendor may want to make a calendar notation within a month of the expiration date of his insurance, so he remembers to provide a current copy to Procurement.

Additionally, the BCC should consider regularly submitting a Purchase Order List for approval on the Board agenda. This would expedite the processing of recurring invoices on larger Purchase Orders which have not been approved by the Board.

- Almost ten invoices against a purchase order of over \$75,000 were delayed until the individual invoices were formally approved by the Board at their meeting.
- The BCC's procurement policy establishes an amount of fifty thousand dollars (\$50,000.00) as the County's threshold for formal competitive purchases. Although the vendor's general contract for services was originally approved by the BCC many years prior, the contract was not project-specific. Therefore, the BCC had not been informed about the scope of the current work on this project for over \$50,000.00. The Clerk's policy is to ask for the BCC's approval of such invoices prior to payment.
- Had the original purchase order been presented to the Board and approved when issued, these subsequent invoices could have been processed without having to be presented to the Board individually for approval after they were audited.

Conclusion: All invoices were paid in compliance with the Prompt Payment Act.

Total # Transactions	Amounts Audited or Reviewed	Questioned Costs	Taxpayer Savings	Recommendations
40	\$ 400,000.00	N/A	N/A	3