



Inspector General Insights

Background: On Thursday, November 14, 2019, the Collier County Board, Minutes and Records department relayed that Scripps NP Operations, LLC d/b/a Naples Daily News would not run certain requested legal ads, with time-specific deadlines for publication. Naples Daily News suspended the Collier County Zoning account due to non-payment, putting the required publication deadlines in jeopardy.

The vendor had recently become Desk Spinco, Inc., the parent company of Scripps NP Operations, LLC d/b/a Naples Daily News.

Objective: The purpose of this review was to determine the cause of the delays in payment to the Naples Daily News, establish when the situation was escalated, and assess how the situation could be resolved.

Scope: Our initial review focused primarily on analyzing the Fiscal Year 2019 payments. In researching the reasons for delay, we selected invoices posted for payment 30 calendar days or more after the date received.

Observations: Several factors caused delays in payment to the Naples Daily News:

- Inconsistency between BCC-approved pricing and amounts charged
 - o There were differences between the contract amount and the new “rate card” amount, and the rate card quoted rates both per line and per inch.
- New invoicing format lacks sufficient detail for auditing
 - o The new billing system displays a lack of detail of ad size, description, purchase order, department, etc. to support accurate audits by Accounts Payable staff.
- Inappropriate Contract Monitor assigned
 - o According to the Procurement Policy, the primary user is typically assigned to function as the Contract Administrator. For this contract, the primary user was the Growth Management Division.
 - o The existing Contract Administrator/Manager of the legal advertising agreement was the Procurement department. This compromises the segregation of duties intended for the Procurement function, as they provide the review and approval of department submissions prior to proceeding with a purchase of goods or services.
- Lack of timely vendor maintenance
 - o The vendor provided a corrected W-9 form in June 2019; ultimately, the vendor master file was not updated from Scripps to Desk Spinco until November 2019.

Recommendations & Actions:

1. Make the correct pricing part of the contract supporting documentation, and ensure that all future contracts contain the correct pricing schedule. The newly executed contract reflects the acceptance and implementation of our recommendation, so as of March 2020, the pricing should no longer be a cause for delayed invoices.
2. Provide more backup in support of the invoices presented for audit purposes. This issue was resolved by the invoicing “packets” that the vendor is now providing upon billing.
3. Consistent with the Procurement Manual, assign the primary user department, Growth Management, as the Contract Administrator. The newly executed Executive Summary approved by the Board on 2/25/2020, item 16.E.3 reflects the implementation of this recommendation.
4. Procurement needs greater visibility to processing delays and work-in-process items, which could be facilitated by consistent use of a workflow system. Procurement had been using an internally-created Microsoft Access-based system, and they have been planning to convert to Cobblestone, a more sophisticated procurement management system.

Conclusion: We discussed our findings with management on December 23, 2019, and we re-evaluated the implementation of the recommendations and results from March 1, 2020 through the balance of the fiscal year, September 30, 2020.

Total # Transactions	Amounts Audited or Reviewed	Questioned Costs	Taxpayer Savings	# Observations / Recommendations
71	\$ 94,132.33	N/A	N/A	4