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# **Office of Inspector General**

## **Annual Report for the Year Ending 2021**

## **March 2022**

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## Background

By authority of the Constitution of the State of Florida, Article VIII, Section 1. (d), the Clerk of the Circuit Court shall be “ex-officio clerk of the Board of County Commissioners (BCC), auditor, recorder, and custodian of all county funds.” This includes the determination of the legality of payments, whether past, present or future.

In support of that role, the **mission** of the Office of Inspector General is to improve the effectiveness of internal controls, and preserve the public trust by providing independent, objective audits, reviews and investigations designed to add value and improve Collier County government.



## Independence

The Office of the Inspector General is a separate Division of the Collier County Clerk and Comptroller's office. To provide for the independence of the Division, the Inspector General reports functionally and administratively to the Elected Clerk & Comptroller, and all staff are sworn deputy clerks. As an independently elected official, the Clerk & Comptroller is directly responsible to the citizens and taxpayers of Collier County. The Division has no direct responsibility or authority over any area subject to its audit, review and investigation. Therefore, the Division is organizationally independent from those areas within the Clerk & Comptroller's office.

## Structure

The Office of Inspector General is subdivided into an **Audit Services Unit** (encompassing internal auditing and consulting), and a **Public Integrity Unit** (which performs investigations, contract oversight, and guardianship audit and investigation activities).

Our **Audit Services Unit** continually assesses the risks throughout the BCC and Clerk entities (the overall Risk Universe), and they prioritize the review and testing of processes and controls. The results of any OIG activities can impact and feed into our overall Risk Universe, which is continually updated. This risk assessment is the basis for our Annual Risk Assessment and Work Plan, which is produced each spring in preparation for the upcoming budget process.

The work of our **Public Integrity Unit** is in response to complaints, guardianship filings and contractual or program activities of the BCC and Clerk entities.

These two units, and their processes, are detailed below in the following chart. Although the origins of each these functions are quite different, we proceed along a similar process flow to accomplish our mission in a comprehensive, consistent manner.

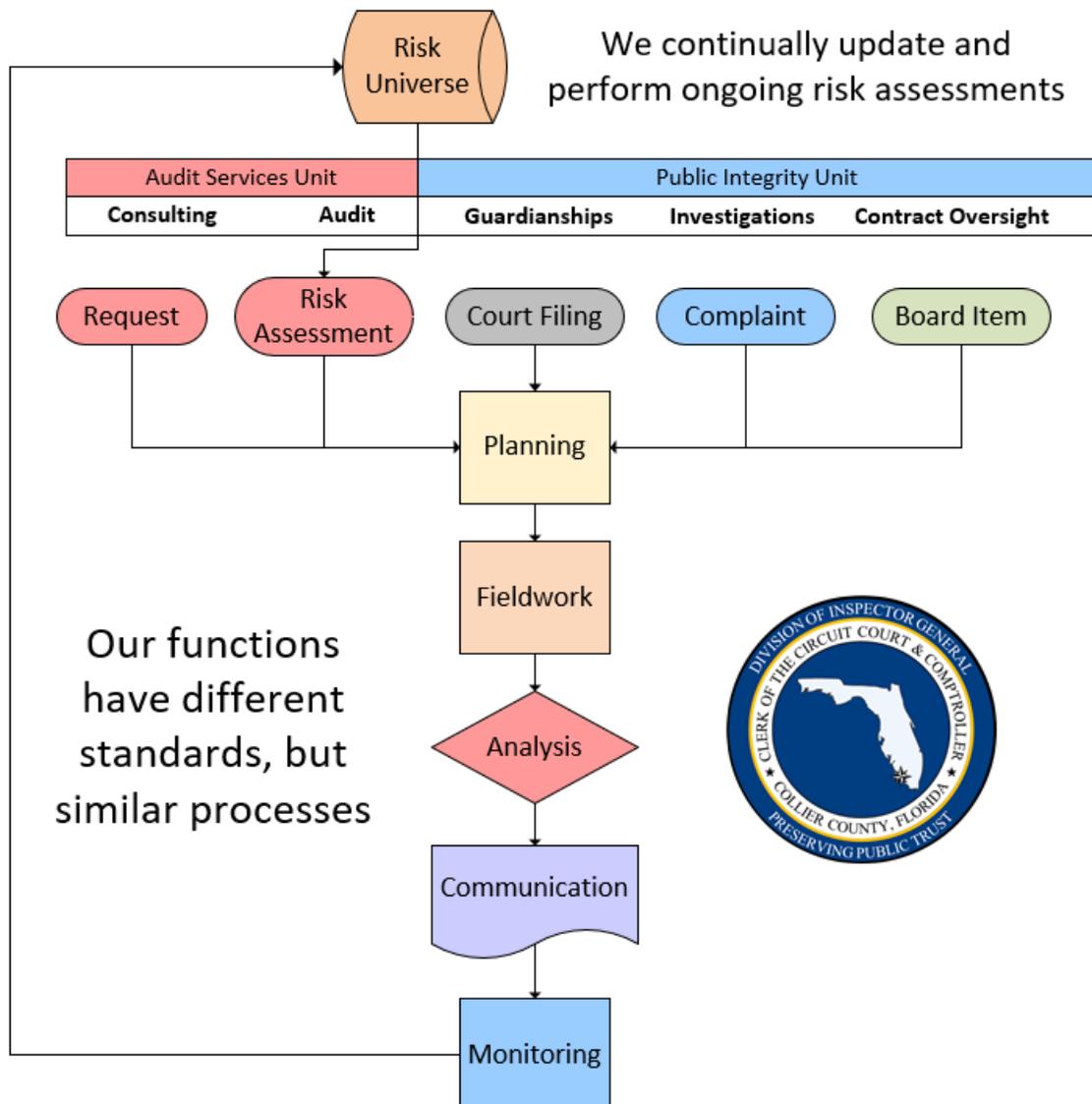
## Audit Services Unit

**Audits** performed provide an independent appraisal of the risk of our operations, and whether desired results and objectives are achieved in accordance with prescribed laws, regulations and policies and procedures. In the last year, we have transitioned much of our audit work from traditional sampling methods to data analytics, which is specifically addressed by the Institute of Internal Auditors (IIA) in Standard 1220.A2. This methodology allows us to have a comprehensive view of the entire population being tested.

The IG recognizes that an overall strategy and annual plan are critical to meet the goals, objectives, and mission of the office. Annually, projects are selected and prioritized using a dynamic risk-based approach.

Risk factors include:

- Budgeted dollar volume and related variances
- Complexity and sensitivity of departmental operations
- Economic factors such as the amount of financial impact, volume of transactions, number of personnel, generation of revenue, and the alignment of responsibility
- Changes in organization, management, key personnel, and information systems
- Environmental factors such as controls, regulations, and public perception



We have created a Risk Universe in our audit software, which addresses the level of risk and applicable controls associated with each entity and process. The risk universe is always evolving and being updated, and it forms the basis for our annual plan. The Annual Risk Assessment and Work Plan describes each engagement scheduled, including the objectives and the scope. Engagements may be initiated based on management's request, prior audit history, or the annual risk assessment.



The annual risk assessment is composed of a review of risks at the office, department, and process levels. This involves considering all applicable financial, operational, technological, compliance, and strategic risks (e.g. the risk universe, or the individual components to be assessed with a resulting plan for risk mitigation).

Due to turnover in BCC Senior Management in 2021, we postponed a survey of the board, management and other stakeholders. We plan to supplement our risk assessment with the work of the BCC Budget and Internal Controls teams, to increase our efficiency and achieve a combined level of assurance.

Some of the 2021 impacts of our Audit initiatives are:

- AutoAudit Software – We developed our Risk Universe within AutoAudit, for the processes, controls and assessed risks for the following areas:
  - Benefits - Benefits to Administration
  - Budget – Strategize to Implement
  - Capital – Project Planning to Completion
  - Cash Management – Cash to Cash Management
  - Contract Administration – Contract to Completion
  - Disbursements – Procurement to Payment
  - Financial Reporting – Record to Report
  - Fixed Assets – Acquire to Retire
  - Grants – Funds to Administration
  - Human Resources – Recruiting to Service
  - Investments – Cash to Investment Management
  - Information Technology – Information to Protection
  - Payroll – Employment to Payment
  - Policies and Procedures – Monitor to Compliance
  - Revenue – Order Placement to Payment

- Additional Training and Certification in Audit –
  - All deputy clerks who participate in audits have taken or passed parts of the Certified Internal Auditor (CIA) exam.
  - Three of our deputy clerks obtained certification as Certified IDEA Data Analysts (CIDA) in our data analytics software, IDEA.
  - Two auditors completed the training and testing to become Certified Agile Audit Professionals (CAAP).
  - Our Senior Auditor was certified as a Certified Inspector General Auditor in August 2021.

We provide **consulting** services as agreed upon by management, to provide insight and awareness of best practices and internal controls. Upon request, the Clerk's or BCC's management has the option to utilize our services to assist with process and control reviews, system implementation reviews, advice, training and other non-audit services.

## Public Integrity Unit

### Guardianships

The **Guardianship Section** conducts varying levels of assessments, audits and financial investigations of Guardianship proceedings. This program supplements the Clerk of the Circuit Court's oversight role over the assets of the County's most vulnerable residents: elderly, minor children and incapacitated individuals who are served by Florida Guardianship Law. There are approximately 700 open guardianship cases in Collier County, overseen by a deputy clerk who functions as our Senior Guardianship Auditor.

Two staff are members of the Florida State Guardianship Association, and we added a part-time guardianship consultant in 2021. The consultant brings extensive experience in our ShowCase court case processing software, Florida Statutes and recording guidelines. Her priorities are:

- Review for compliance with statutes, policies, procedures and best practices
- Map recommended processes and procedures
- Assist with implementing efficiencies that could be gained through further automation.

The OIG supported Clerk Crystal K. Kinzel in her service on a special statewide task force, charged with developing legislative recommendations to improve the statewide guardianship system. This legislation was passed, and we are awaiting additional data reporting requirements from that bill.

We supplemented our training and certification in Guardianship when our Senior Guardianship Auditor became certified as a Certified Inspector General Investigator (CIGI) in August 2021. This certification gives him additional tools to enhance his oversight of the finances of our wards. He can now function as a backup for our Senior Investigator, who is also a CIGI. Both our Senior Guardianship Auditor and our Senior Investigator are now fully qualified to participate in guardianship investigative activities via the Florida Clerk's Statewide Investigative Alliance.



## Contract Oversight

The **Contract Oversight Section** conducts varying levels of assessments, inspections and evaluations of our public contracts, grants, programs and procurements. This section supports the overall mission of the OIG through the real-time monitoring of selected County contracting and program activities, and through contemporaneous feedback to County stakeholders. Our contract oversight is meant to support transparency and accountability in the County's expenditure of monies, and to help detect and prevent fraud, waste, and abuse of public resources.

The Contract Oversight section is led by a deputy clerk who functions as our Senior Inspector. He has over 30 years of experience in Florida governmental finance, and a Master's Degree in Public Administration. We joined the Association of Inspectors General in July 2019, and our staff has had additional training in the AIG standards for inspections, evaluations and reviews in association with this transition.

We enhanced our training and certification in Contract Oversight when the Inspector General certified as a Certified Inspector General Inspector / Evaluator in August 2021. This AIG training for inspection and oversight professionals included procurement and contract training specific to Florida.

## Investigations

The **Investigations Section** conducts administrative investigations into BCC and Clerk affairs as necessary. The objective is to determine whether allegations of fraud, waste, abuse and ethical misconduct can be substantiated. Projects that uncover administrative wrongdoing typically identify violations of law, policy or regulations. They also identify the individuals responsible for the violations and make recommendations for action.

The investigation disposition falls into one of three categories:

1. Substantiated: There is sufficient evidence to justify a reasonable conclusion that the allegation is true.
2. Unsubstantiated: There is insufficient evidence to either prove or disprove the allegation.
3. Unfounded: The allegation proved to be false or there is no credible evidence to support the allegation.

Equally important to the investigative process is the identification of:

- Internal control weaknesses
- Contracting irregularities
- Other issues that place County government at risk for liability, fraud, waste, and abuse.

Therefore, the investigative reports frequently make specific recommendations to:

- Correct the identified deficiencies
- Provide guidance on the applicable laws and regulations
- Suggest employee training where appropriate.

When investigative findings suggest signs of criminal conduct, they are presented to the appropriate law enforcement authorities for further action. The OIG referred three cases to Law Enforcement in 2021.

Some of the 2021 impacts of the Investigations initiatives are:

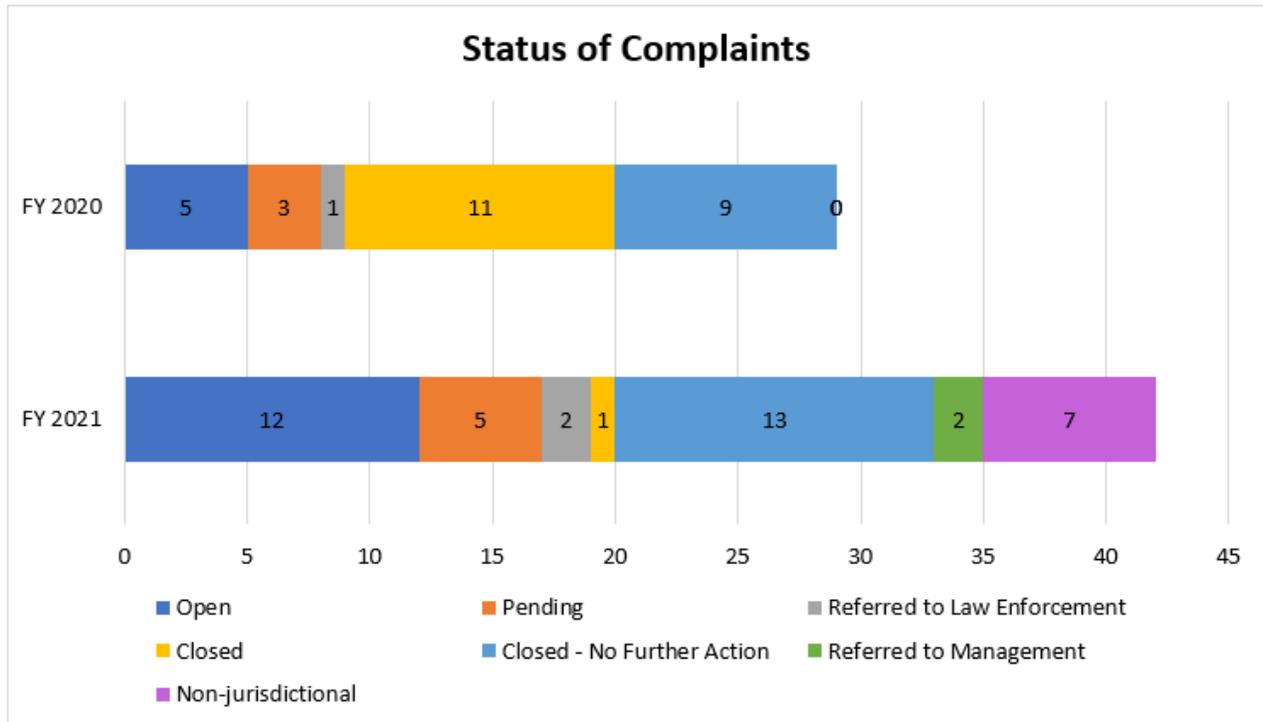
- Additional Training and Certification in Investigations –
  - The Inspector General became a Certified Fraud Examiner in 2021.
  - Our Senior Guardianship Auditor was certified as a Certified Inspector General Investigator (CIGI) in August 2021. He supplements the investigations performed by our Senior Investigator, a CIGI, and applies investigative techniques to his guardianship reviews.
- Professional Guidance –
  - Our Office of Inspector General was accepted into the FDLE Commission for Accreditation (CFA) program in April 2020. We obtained a one-year extension to complete the program, due to COVID-related Association of Inspectors General (AIG) training shut-downs for 18 months, delaying training for our staff.

The Fraud Hotline administered by our Investigations section, promotes honesty and efficiency in government, and enhances the public's trust in government.

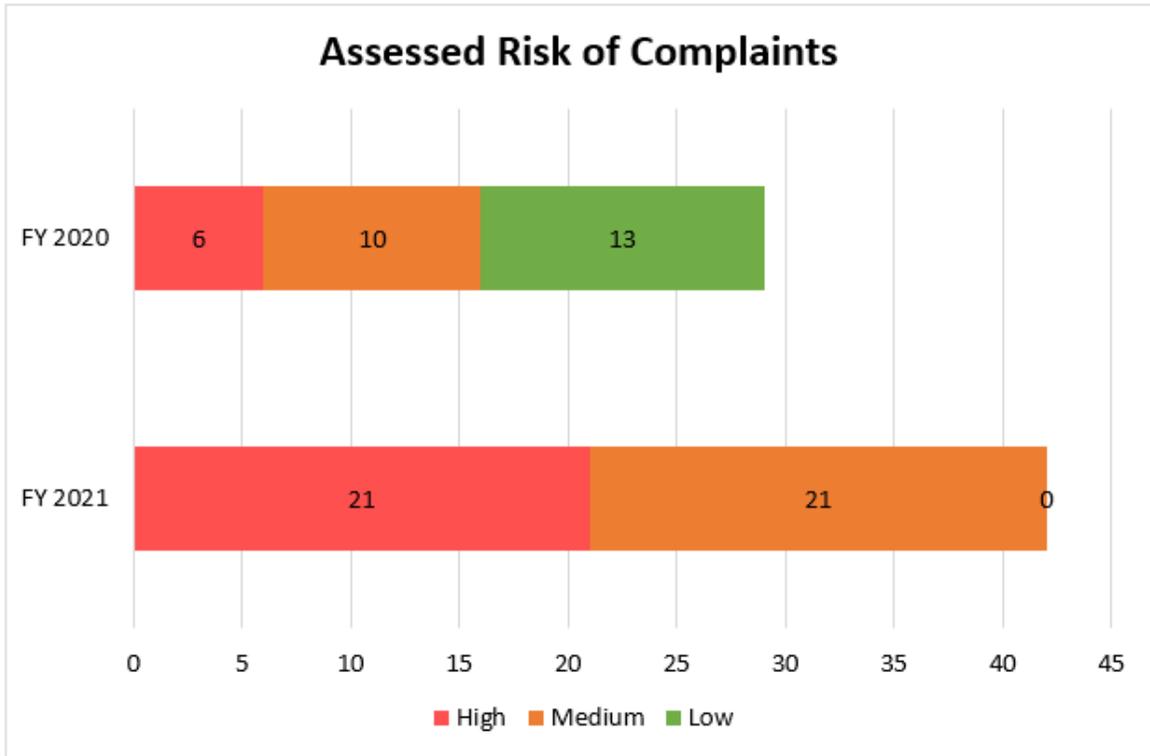
We have both a local Fraud Hotline, and a 24/7 English/Spanish toll-free hotline managed by an independent third-party reporting agency, for employees who require more confidentiality. Management, deputy clerks, employees and the public are urged to report, anonymously if desired, any suspected instance of fraud, waste, abuse or ethical misconduct. Reports can be made via phone, email, mail or in person.



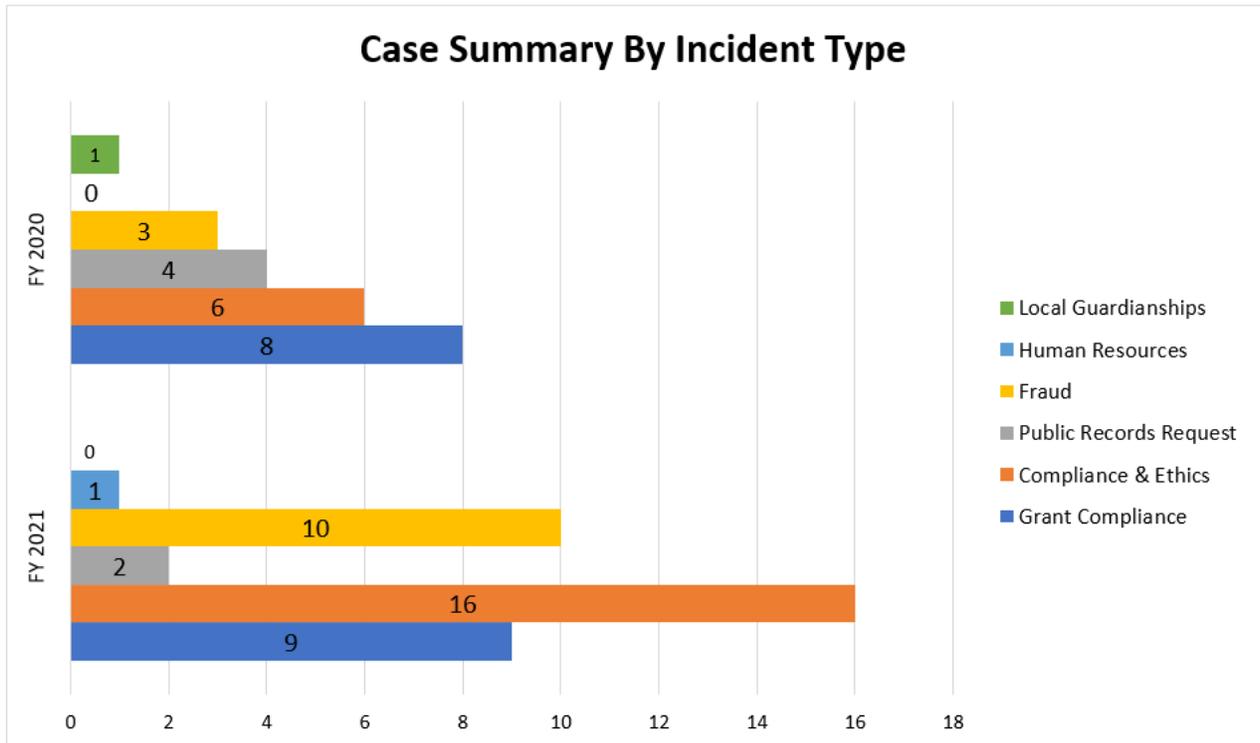
The following chart from our Case Management System shows the status of 42 complaints for fiscal year 2021 and the 29 complaints received in 2020:



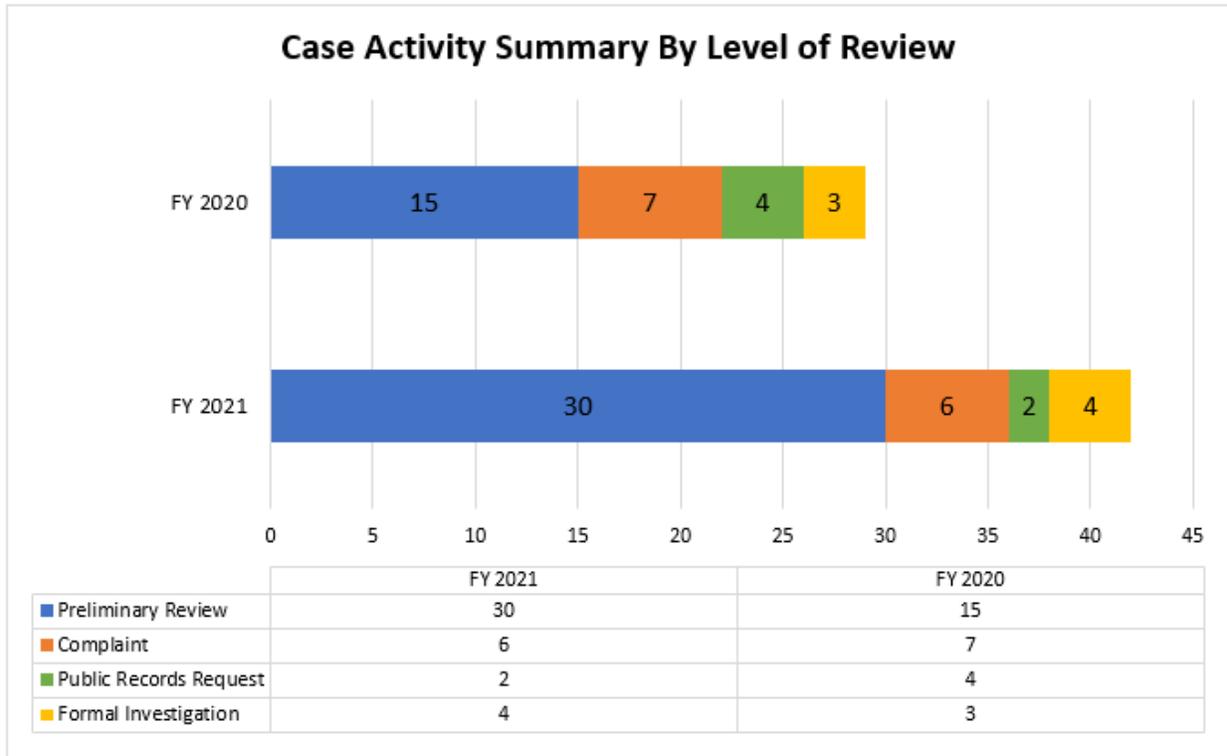
One case from 2020 remains open with the State Attorney's Office (SAO), and two cases referred to the SAO appears to be going to trial in 2022. A fraud case perpetrated against a resident was referred to the Collier County Sheriff's Office in 2021, and has been closed without prosecution.



Our hotline activity by type of case, is summarized below. This does not include complaints which were disregarded as being out of our scope.



Each case is subject to a different level of review. If the complaint appears to have merit, it is subject to a preliminary review, after which it may progress to a formal investigation.



## Quality Assurance

Each of the sections of the OIG has a different set of governing standards and best practices, many of which are subject to peer or accreditation review. Our reasons for adhering to these standards include:

Allows us to measure our **standards** of performance against **best practices**

Ensures a comprehensive, professionally reviewed set of **written policies and procedures**

Holds auditors, inspectors and investigators **accountable**

Helps us **identify** information needed to support or refute complaints

## Personnel

We formally began the process for accreditation in April 2020, yet we did not anticipate that COVID would dictate shutting down training by the Association of Inspectors General (AIG) for 18 months, delaying training for our staff. At the first available AIG training offered in 2021, we had three staff certified as a Certified Inspector General Auditor (CIGA), Certified Inspector General Inspector/Evaluator (CIGIE) and Certified Inspector General Inspector (CIGI).

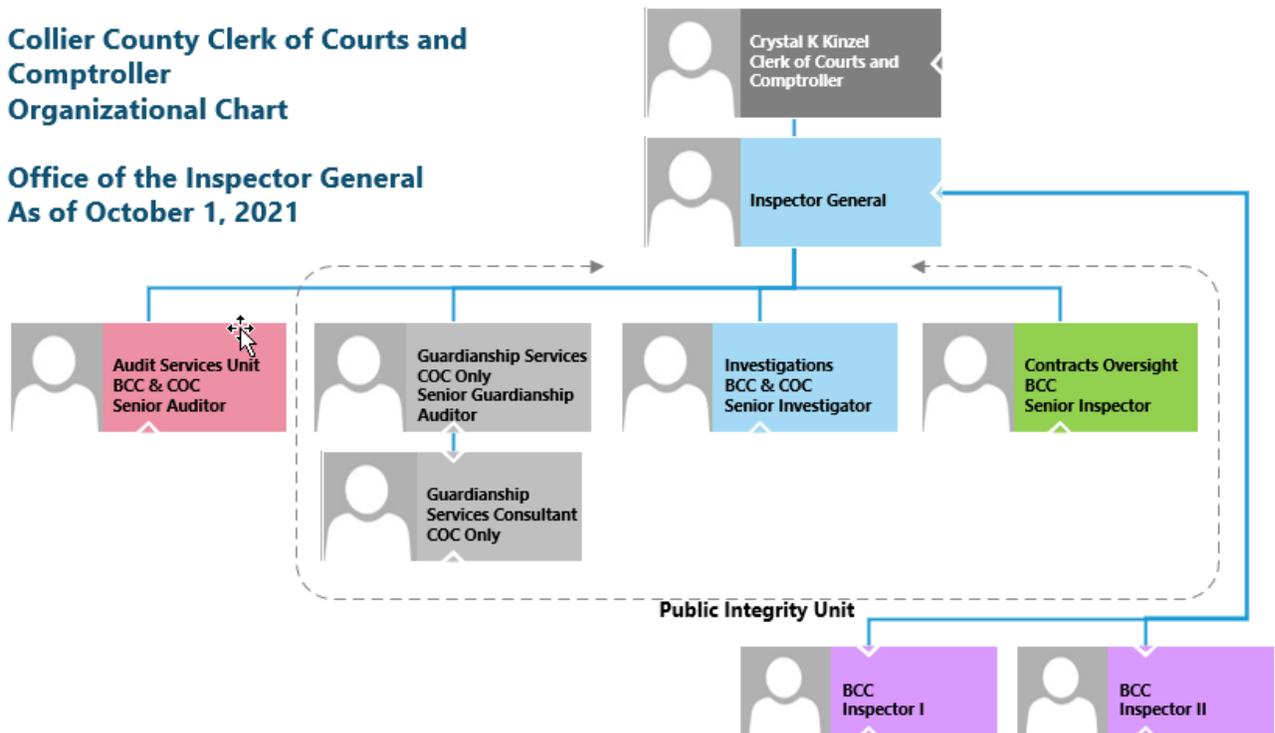
The Office of Inspector General deputy clerks are highly qualified and experienced professional auditors, investigators and inspectors with various certifications and degrees, including but not limited to:

- Audit
  - Certified Internal Auditor
  - Certified Inspector General Auditor
  - Certified IDEA Data Analyst
  - Certified Agile Audit Professional
  - BS – Accounting
  
- Contract Oversight
  - Certified Inspector General Inspector/Evaluator
  - Master’s in Public Administration
  
- Investigations / Fraud
  - Certified Inspector General Investigator
  - Certified Fraud Examiner
  - Health Care Anti-Fraud Associate
  - BA in Criminal Justice/Political Science
  
- Overall
  - Certified Inspector General
  - Certified Management Accountant
  - Certified Financial Manager
  - Certificate in Actuarial Science
  - BS - Mathematics
  - BS - Finance
  - BS - Business Management
  - BA - Economics/Political Science
  - MBA – Finance

Internal Audit / Office of Inspector General				
Position Count Analysis – Actual / Budgeted				
Director Level	FY 2019	FY 2020	FY 2021	FY 2022
Director of Internal Audit	1			
Inspector General		1	1	1
Senior Staff				
Senior Internal Auditor	2	3		
Senior Inspector			1	1
Senior Investigator			1	1
Senior Guardianship Auditor			1	1
Senior Auditor			1	1
Level II				
Internal Auditor II	2	2		
Inspector II			1	1
Level I				
Internal Auditor I	1	1		
Inspector I			1	1
Contracted Internal Auditor	.4	.4		
Contracted Inspector			.4	.4
<b>Total</b>	<b>6.4</b>	<b>7.4</b>	<b>7.4</b>	<b>7.4</b>

**Collier County Clerk of Courts and  
Comptroller  
Organizational Chart**

**Office of the Inspector General  
As of October 1, 2021**



In 2021, we relocated the Office of Inspector General (OIG) to provide for appropriate confidentiality, security and co-location with Guardianship Auditors. This has allowed us to streamline our operations, and to facilitate cross-trained staff to provide backup for all functions.

## Summary of 2021 Performance

In 2020, we experienced some staffing fluctuations as shown in the preceding Position Count Analysis. Rather than audit generalists, we restructured to have an experienced Senior staff member be responsible for their assigned section, software and related set of standards. We began updating all our policies and procedures to be consistent and compliant with the standards of the related governing bodies.

The past two years were marked by a reprioritization of projects to accommodate unplanned audits, and the analytics and monitoring of Collier County's \$67 million allocation of Coronavirus Aid, Relief, Economic Security (CARES) Act funds, Emergency Rental Assistance Payments (ERAP), and the related disbursements. Our Investigations staff also provided additional insight into to irregularities observed, and prosecution of irregularities in these grant applications.

The Contract Oversight function includes a review of all upcoming Board of County Commissioner (BCC) agenda items, to preclude any compliance issues prior to BCC action, and ensure that the Clerk can legally pay the expenditures authorized by the Board.



In 2021, we prepared 22 detailed agenda review background discussions for the Clerk. This included a comprehensive contract oversight review of all change orders and after-the-fact notifications of procurement irregularities, for a total of 166 transactions which totaled \$1,475,981.12.

Our Contract Oversight function also extends to any grants received by the County, such as FEMA or CARES grants, which are essentially a contract with the granting agency. The County receives funding from the State Housing Initiative Partnership (SHIP) program, and the County is statutorily required to have an Affordable Housing Advisory Committee (AHAC). The AHAC generally meets on the first Monday of each month, in order to advise the BCC on housing strategies to incentivize the production of affordable housing. The AHAC is required to review implementation of previously adopted incentive strategies and submit a report to the BCC annually. We regularly attend these meetings to review compliance with the statutory requirement, which provides assurance to the Clerk, as she pays these grant remittances.

On an ongoing basis in 2021, the OIG:

- Attended all Sales Tax Oversight Committee meetings, and reviewed these agendas
- Initiated or attended meetings regarding new processes or grant programs
- Attended meetings with Clerk's AP staff, BCC Procurement staff, department staff and/or vendors regarding procure-to-pay issues
- Attended meetings regarding operating systems, such as changes, upgrades, and proposed new implementations
- Reviewed changes to the Pay plan
- Monitored Human Resources and Payroll issues
- Monitored open items from prior audits.

**Audit**



**Evaluate**



**Investigate**



The Division prepares written summary reports for our website, detailing the results of audits, reviews, inspections and investigations performed.

- For audits and contract oversight engagements, these posted reports are the only official reports on the engagements. Tests of internal controls may contain sensitive information that could compromise operations.
- We prepare public summaries of select closed investigative reviews or formal investigations. To comply with the investigation standards of the Association of Inspectors General and the FDLE Commission for Accreditation, we also prepare Investigative Reports, Referrals to Law Enforcement, and Referrals to Management, which may contain private or sensitive information.
- Guardianship Audits are for private, not public, funds. No specific audit results or confidential information will be disclosed to those who are not a party to the case.

Certain reports or reviews will not be posted, or will be posted in a limited fashion, if they contain privileged, confidential or legally protected information, or details which may compromise data security or internal controls.

We include the following statistics in our published reports:

Total # Transactions: This is the total number of transactions reviewed in our examination.

Questioned Costs:

These can include the following:

- Costs incurred pursuant to a potential violation of a provision of law, regulation, contract, grant, cooperative agreement, or other document governing the expenditure.
- Costs which are not supported by adequate documentation.
- Expenditures of funds for which the intended purpose is unnecessary or unreasonable in amount.
- Costs which are non-compliant with policy.
- Costs which are indicative of potential fraud, waste or abuse.
- Costs which do not comply with the stated public purpose of the expenditure.
- Costs which may be recoverable, to be pursued by management (or as directed by the courts in guardianships).

Taxpayer Savings: These indicate the dollars that the entity did not or would not have to spend, and/or the projected increase in revenue over the next year if the recommendations are implemented. This may also reflect assets now available to be used for their intended public purpose.

Findings/Recommendations: These are issues of non-compliance or action items in our report.

**Collier County Clerk of the Circuit Court & Comptroller**  
**Division of Inspector General**



Results Table for Audits, Reviews and Investigations as Indicated

Reports	Description	Total Transactions	Total Amount of Transactions	Questioned Costs	Taxpayer Savings	Findings or Recommendations
<a href="#">2021.28</a>	Administrative Report Items Reviewed Per Annual Report	166	\$1,475,981.12	N/A	N/A	N/A
<a href="#">2021.27</a>	Florida Highway Safety and Motor Vehicles (FL HSMV) Data Exchange	612	N/A	N/A	N/A	5
<a href="#">2021.26</a>	Area Median Income (AMI) Analysis	3	N/A	N/A	N/A	1
<a href="#">2021.25</a>	Termination Pay of Deputy County Manager	9	\$68,143.99	\$29,946.34	N/A	1
<a href="#">2021.24</a>	Clerk's Information Security Policy Assessment	1	N/A	N/A	N/A	N/A
<a href="#">2021.23</a>	Review of the Use of \$20 Million in Bond Proceeds	4	\$20,000,000.00	\$3,145,000.00	N/A	2
<a href="#">2021.22</a>	Potential Use of a Debarred Vendor	4	\$437,272.25	\$31,500.00	N/A	3
<a href="#">2021.21</a>	First Bank CID Incentive Program Payments	2	\$75,899.96	N/A	N/A	N/A
<a href="#">2021.20</a>	Write-Off of Missing Items from County Asset Inventory	181	\$19,369.09	\$11,630.00	\$11,630.00	1
<a href="#">2021.19</a>	FGCU Contract with Naples Accelerator	11	\$240,721.46	\$114,450.66	\$727.20	8
<a href="#">2021.18</a>	Procurement and Delivery of Sports Complex Food Truck	1	\$184,320.00	\$7,693.00	N/A	4
<a href="#">2021.17</a>	CARES Grant Results of Investigative Reviews	4	\$216,749.99	\$200,000.00	\$180,000.00	2
<a href="#">2021.16</a>	Clerk Appointed to Guardianship Improvement Task Force	704	\$171,792,834.84	N/A	N/A	N/A
<a href="#">2021.15</a>	National Whistleblower Appreciation Day is July 30	42	N/A	N/A	N/A	N/A
<a href="#">2021.14</a>	Arthrex CID Incentive Program Payments	2	\$512,032.77	N/A	N/A	N/A
<a href="#">2021.13</a>	Home Solicitation Sales Permit Applications	20	\$1,425.00	N/A	N/A	N/A
<a href="#">2021.12</a>	Analytic Review for Duplicate Payments	59,980	\$873,049,188.13	\$13,696.12	\$5,788.52	6
<a href="#">2021.11</a>	Update on Collier County's One-Cent Sales Surtax	8	\$27,462,593.00	N/A	N/A	N/A
<a href="#">2021.10</a>	CARES Grant Audit Procedures	1,472	\$16,758,759.04	\$1,622,718.52	\$19,700.00	4
<a href="#">2021.09</a>	Final Payment of Former County Manager	25	\$355,987.09	N/A	N/A	N/A
<a href="#">2021.08</a>	Private Citizen's Complaint Against a Clerk's Employee	2	\$506.00	N/A	N/A	N/A
<a href="#">2021.07</a>	Prepaid Debit Card Fraud Scheme	5	\$1,800.00	\$1,800.00	N/A	N/A
<a href="#">2021.06</a>	Fraud Scheme Using Clerk's Bank Information	1	\$1,500.00	\$1,500.00	N/A	N/A
<a href="#">2021.05</a>	Pelican Bay Elections	6,975	\$10,256.61	N/A	N/A	N/A
<a href="#">2021.04</a>	Mental Health Facility Site Options	5	\$165,956,075.60	N/A	N/A	5
<a href="#">2021.03</a>	Real Property for Disposal	14	\$379,169.00	N/A	N/A	2
<a href="#">2021.02</a>	Analytical Review of Employee and Vendor Relationships	51	\$231,879.50	N/A	N/A	N/A
<a href="#">2021.01</a>	Financial Impact of Park Facilities	2	\$245,443,100.00	N/A	N/A	N/A
<b>TOTALS</b>		<b>70,306</b>	<b>\$1,524,675,564.44</b>	<b>\$5,179,934.64</b>	<b>\$217,845.72</b>	<b>44</b>

A running table of the statistics of our reports since 2019 is included on our website. The number displayed at the far left in that online table, is linked to a copy of the actual reports.

Our communications with Management may take place in any of the following ways, depending on the type of engagement, such as:

- Verbal meetings or discussions
- Interim Management Alerts, memos or emails
- Preliminary reports
- A summary of findings supported by relevant workpapers

Management may provide oral or written responses to our recommendations. These responses include corrective actions to be taken by management and target completion dates by which the actions will be implemented. These responses may also contain privileged, confidential or legally protected information, or details which may compromise data security or internal controls. The OIG follows up on corrective actions indicated in the management responses to monitor successful completion, and we publish an annual report of open findings or recommendations.

## Upcoming Priorities and Plans

In order to improve the effectiveness of internal controls, and preserve the public trust by providing independent, objective audits, reviews and investigations designed to add value and improve Collier County government, we have established the following priorities and action plans for 2022.

### Priorities

- Issue an Annual Report for the Office of Inspector General, detailing the results of our 2021 operations.
- Issue a comprehensive Annual Work Plan, incorporating budgeted dollars, historical results, and other risk factors.
- Ensure audit, inspection, review and investigative processes are performed in compliance with appropriate professional standards and departmental procedures.
- Report results and recommendations, and follow up on management's resolution of corrective actions in a chart to be circulated to management quarterly.
- Develop a best-in-class team of certified professionals that demonstrate superior audit, review and investigative skills.
- Develop a Sharepoint dashboard, detailing the status of engagements, and functioning as a central depository for process information.

## Action Plans

- Develop standardized templates, including reporting checklists in AutoAudit for audit, consulting, inspection and investigative reports.
- Provide high-quality training to employees on auditing, investigations, and inspections procedures, and the related professional standards and processes, including:
  - Two deputy clerks newly certified as Certified Guardianship Investigators (CGI) in 2022.
  - One deputy clerk newly certified as a Certified Internal Auditor (CIA) in 2022.
  - One deputy clerk newly certified as a Certified in Risk Management Assurance (CRMA) in 2022.
  - One deputy clerk newly certified as a Certified Inspector General Auditor (CIGA) in 2022.

## Additional Metrics

Additional items change orders and after-the-fact notifications of procurement irregularities reviewed as described on page 14, which were not published separately in another report:

Total # Transactions	Total Amount of Transactions	Questioned Costs	Taxpayer Savings	Description	Total # Observations
166	\$1,475,981.12	N/A	N/A	Administrative Reports on 2021 BCC Agendas	N/A

