



# Angelina “Angel” Colonnese

Clerk of the Circuit Court & Comptroller of Manatee County

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## MEMORANDUM

To: Angelina “Angel” Colonnese, Clerk of the Circuit Court and Comptroller

From: Lori Stephens, Inspector General *Lori Stephens*

Date: November 17, 2023

Subject: Employee/Vendor Address Match Audit

The Division of Inspector General has completed an audit to identify employees of Manatee County (County), and the Clerk of the Circuit Court’s (Clerk’s Office) Finance Department, with the same address as County vendors. Any matches identified could potentially be a fraudulent vendor or a vendor where a conflict of interest exists.

The audit used Computer Assisted Audit Techniques (CAATs) to test for matching addresses using Galvanize (ACL) audit software. This audit was performed in accordance with generally accepted government auditing standards (GAGAS), issued by the Comptroller General of the United States, and the *International Standards for the Professional Practice of Internal Auditing*, issued by the Institute of Internal Auditors. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

### **Background**

ONESolution is the financial management system used by the County and the Clerk’s Office to process financial transactions and store information related to vendors and employees. The data from ONESolution can be downloaded in electronic format for CAAT analysis. The Division of Inspector General utilizes the proprietary software ACL to extract and query 100% of the data, whereas traditional audits typically test only a sample of the data. The ONESolution data files are loaded into ACL, and the program generates a list of employees who have the same address as a County vendor.

### **Objective**

The objective of this audit was to determine whether any County employees and/or Clerk’s Office Finance Department employees share a common address with County vendors, and if so, whether there is evidence of a fraudulent vendor or conflict of interest.

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Clerk of the Circuit Court • Clerk of the Board of County Commissioners • County Comptroller • County Auditor • County Recorder

## **Scope**

The scope of the audit included any vendor paid, and any employee of the County and relevant Clerk's Office Finance Department divisions, during the period March 1, 2020, through April 30, 2023.

*Expenditures of several other entities, including the Supervisor of Elections (SOE), Planning Commission, SeaPort Manatee (Port), and Sarasota/Manatee Metropolitan Planning Organization (MPO), are also processed by the Clerk's Office Finance Department through ONESolution, utilizing the same vendor database. Therefore, any employees of those entities whose payroll was also processed through ONESolution were included in the County employee testing population.*

## **Methodology**

The methodology used consisted of obtaining records of all vendors paid, and all individuals employed with the County and Clerk's Office Finance Department, during the audit period. ACL software was used to compare the records and identify any address matches for further investigation and review. Interviews were conducted with appropriate management and staff, as necessary.

## **Results**

Using ACL, we analyzed the records of 4,724 County and Clerk's Office employees, and 9,507 paid vendors, in order to identify possible circumstances in which an employee's address matched the address of a vendor. Our testing identified 648 instances where an employee's address was an exact match to a paid vendor's address. These instances were further examined by reviewing transaction documentation, vendor information, payroll records, Human Resources records, and real property records to determine whether a fraudulent vendor or conflict of interest existed.

Of the 648 employee/vendor address matches, 646 were deemed to be appropriate for various reasons which included, but were not limited to, utility rebates; insurance claims; employees that have a relative (vendor) who was contracted for unrelated services by another County department; and employees who share a common address with a vendor, such as an apartment complex or mobile home park. The remaining two (2) matches appear to be a potential conflict of interest.

## **Potential Conflict of Interest**

### ***SeaPort Manatee Employee***

Based on a review of supporting documentation and interviews conducted with relevant management, it was determined that a Port employee within the Business Administration and Finance Department (Business Admin/Finance) appeared to have conducted business with their own agency (Port). In December 2020, the employee sold a used treadmill to the Port for \$500. Payment for the purchase was approved in December 2020 by the Port's Senior Director of Business Admin/Finance. In January 2021, a check payable to the employee for \$500 was processed. It appears that the employee/vendor relationship may have violated the following section of the Manatee County Port Authority Personnel Policy Section X. Code of Ethics for Officers and Employees:

- 1.f. No employee shall transact, or solicit to transact any business in his or her official capacity with any business entity of which the employee, or his or her spouse or child is an officer, director, agent, or member, or in which the employee or his/her spouse or child owns a financial interest, or otherwise has any material interest therein. Nor shall an employee, acting in a private capacity, transact or solicit to transact any business with the Port, or with any of its subdivisions or agencies.*

### **Public Safety Employee**

Based on a review of supporting documentation and interviews conducted with relevant management, it was determined that a County employee within the Public Safety Department (Public Safety) appeared to have conducted business with their own agency (County). In January 2021, the employee sold a wooden flag display to Public Safety for \$100. Payment for the purchase was approved in January 2021 by a Public Safety Fiscal Analyst. In March 2021, a check payable to the employee for \$100 was processed. It appears that the employee/vendor relationship may have violated the following section of the Manatee County Personnel Policy Section X. Code of Ethics for Officers and Employees:

- 1.f. No County officer or employee shall transact, or solicit to transact any business in his or her official capacity with any business entity of which the officer or employee, or his or her spouse or child is an officer, director, agent, or member, or in which the officer or employee or his/her spouse or child owns a financial interest, or otherwise has any material interest therein. Nor shall a County Officer or employee, acting in a private capacity, transact or solicit to transact any business with the County, or with any of its subdivisions or agencies.*

Florida Statute §112.313(3), Doing Business with One's Agency, also prohibits a public officer or employee from acting in a private capacity, by renting, leasing, or selling any realty, goods, or services to the officer's or employee's own agency. However, §112.313 (12) provides for an exemption from violation when the total amount of the transaction in the aggregate does not exceed \$500 per calendar year. While both of these transactions fall under the exemption amount, failing to evaluate all purchases for potential conflicts of interest increases the risk that conflicts of interest prohibited by §112.313(3) could occur and not be detected.

### **ONESolution Vendor Number Type Access Restrictions**

During the prior audit conducted in 2020, testing identified instances where multiple employees, from different departments, were able to select an incorrect/restricted vendor number type in ONESolution when processing payment to a vendor. The incorrect vendor numbers selected were for Accounts Receivable and Utility refund types (B and T, respectively), rather than Accounts Payable vendor types (V, L). The employees should not have had access to these other vendor types. It appears this occurred because of changes that were made when the County upgraded the finance system from the Integrated Financial Accounting System (IFAS) to ONESolution in September 2017. The original security in place for IFAS restricted users from selecting certain vendor types based on the division codes assigned to the vendors; however, this security protocol was not migrated during the software implementation/upgrade to ONESolution. To address this issue, the Clerk's Office Technology Services Department

(Clerk's IT) planned to re-implement the vendor division code restrictions during an anticipated upgrade of ONESolution to Finance Enterprise, but because this upgrade has not yet occurred, the restrictions are still not in place.

Proper data access restrictions help reduce the risk of fraud and error by limiting employees' access to only the vendor types that are necessary to perform their functions within the accounts payable process. The B and T vendor types were also tested in this audit and, although the restrictions are still not in place, all payments made using these vendor types were deemed to be appropriate. In addition, Clerk's IT has determined that it is not necessary to wait for the finance system upgrade, and is planning to move forward with implementing the vendor division code restrictions in ONESolution.

### **Recommendations and Corrective Actions**

Based on the results of testing, the following recommendations are provided to management, along with corrective actions, some of which are already being implemented:

1. Port and Public Safety fiscal management were made aware of the potential conflicts identified and planned to communicate the issue to staff, ensuring this type of conflict would not occur again.
2. County and Port Administration should consider requiring that all staff receive periodic ethics training, to include conflicts of interest.
3. Clerk's IT will implement the necessary ONESolution vendor division code restrictions. The anticipated completion date is September 1, 2024.

The Division of Inspector General would like to thank the Clerk's Office, SeaPort Manatee, and County staff, for their cooperation throughout the audit and the assistance provided. If you have any questions, please contact me at extension 4170.

LJS/BJW/LP

cc: Board of County Commissioners/Port Authority  
Charlie Bishop, County Administrator  
Andrew Butterfield, Chief of Staff  
Bryan Parnell, Deputy County Administrator  
Courtney De Pol, Deputy County Administrator  
Evan Pilachowski, Deputy County Administrator  
Jodie Fiske, Director, Public Safety Department  
William Clague, County Attorney  
Sheila McLean, Chief Financial Officer, Financial Management Department  
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Kim Wilder, Finance Director, Clerk of Circuit Court & Comptroller  
Jeff Taylor, Technology Services Director, Clerk of Circuit Court & Comptroller