Exhibit 1

Follow-up Review of Audit of the Accounts Payable Section Pre-Audit Function

Office of the County Auditor

Follow-up Review

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County Auditor

Review Conducted by:
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Report No. 25-26
September 24, 2025

September 24, 2025

Honorable Mayor and Board of County Commissioners

We conducted a Follow-up Review of our Audit of the Accounts Payable Section Pre Audit Function (Report No. 24-08) dated January 25, 2024. The objective of our review was to determine the implementation status of our previous recommendations.

We conclude that of the 18 recommendations in the original report, 12 recommendations were implemented, five recommendations were partially implemented, and one recommendation was not implemented. The status of each of our recommendations is presented in this follow-up report.

Please be advised that the information presented herein is not considered an audit in accordance with Generally Accepted Governmental Auditing Standards. Had we conducted an audit, we may have identified additional findings and concerns.

We appreciate the cooperation and assistance provided by the Accounting Division throughout our review process.

Respectfully submitted,

Bob Melton
County Auditor

cc: Monica Cepero, County Administrator
        Andrew Meyers, County Attorney
        Kevin Kelleher, Deputy County Administrator
        Stephen Farmer, Deputy Chief Financial Officer
        William O'Reilly, Director, Accounting Division

Broward County Board of County Commissioners

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IMPLEMENTATION STATUS SUMMARY

Implementation Status of Previous Recommendations from the Audit of the Accounts Payable Section Pre-Audit Function

Rec. No.	PREVIOUS RECOMMENDATION	IMPLEMENTED	PARTIALLY IMPLEMENTED	NOT IMPLEMENTED	NOT APPLICABLE
1	We recommended management enhance the Pre-Audit function to review payment requests for public purpose and compliance with contract terms.			✓	
2	We recommended management implement a transaction-based risk assessment identifying high-risk transactions needing additional review and appropriate resource allocation.		✓		
3.A	We recommended management remediate incompatible vendor table and payment processing functions and continue to review security user access roles, approval levels, and possible role conflicts on a periodic basis.	✓			
3.B	We recommended management assign Level 1 and Level 2 agency-level voucher approval roles to unique individuals (i.e., no one person holds both Level 1 and Level 2 roles). If it is determined that two levels are not needed for certain transactions, i. Peoplesoft should be updated to require only one level of approval under those circumstances and such circumstances should be defined within established policies and procedures, and	✓			

Rec. No.	PREVIOUS RECOMMENDATION	IMPLEMENTED	PARTIALLY IMPLEMENTED	NOT IMPLEMENTED	NOT APPLICABLE
	ii. Alternatively, if Peoplesoft cannot be modified to only require one level of approval, then assigning these unique roles to the same individual should be in accordance with an established set of policies and procures identifying the need and circumstances for such assignment.				
4	We recommended management enhance performance measures to more adequately address and measure the thoroughness of the review process and the identification of exceptions.		✓		
5	We recommended management pursue enhancements to help streamline the matching process, such as programming the PeopleSoft system to send automatic notifications to the agency personnel that are responsible for entering a receiver or any other missing applicable information.	✓			
6.A	We recommended management ensure the County Administrative Policies and Procedures (CAPP) Accounting Accounts Payable Manual be reviewed and updated on a biennial basis.		✓		
6.B-E	We recommended management update the CAPP Accounting Accounts Payable Manual to include Table of Contents, Workflow Process Chart, Participant Responsibilities, and Vendor Masterfile Maintenance Responsibilities Sections.		✓		
6.F	We recommended management update the CAPP Accounting Accounts Payable Manual to include or reference various value-added procedure documents currently existing and established by the Accounting Division.		✓		

Rec. No.	PREVIOUS RECOMMENDATION	IMPLEMENTED	PARTIALLY IMPLEMENTED	NOT IMPLEMENTED	NOT APPLICABLE
7	We recommended management perform complete follow-up within 30 days of all identified exceptions from monthly P-Card Pre-Audits until resolution or reasonably justified closure.	✓			
8	We recommended management enhance policies and procedures to identify and elaborate on areas of focus and standards of review when performing Pre-Audit of P-Card transactions.	✓			
9	We recommended management enhance policies and procedures to include specific analytical reviews to be performed to identify exceptions such as transaction splitting and suspicious usage of vendors.	✓			
10.A.1	We recommended management update policies and procedures to include preparer signoff and completion date on Pre-Audit reports.	✓			
10.A.2	We recommended management update policies and procedures to specify time frames for completion of Pre-Audit reports and tracking of timely completion.	✓			
10.B	We recommended management update policies and procedures to include reviewer signoff and date on Pre-Audit reports.	✓			
10.C	We recommended management develop monthly and quarterly reports that fully describe the result of the Pre-Audits including summary counts of all identified exceptions, narrative and/or appropriate analysis of the summary counts, and distribution to appropriate levels of management.	✓			

Rec. No.	PREVIOUS RECOMMENDATION	IMPLEMENTED	PARTIALLY IMPLEMENTED	NOT IMPLEMENTED	NOT APPLICABLE
10.D	We recommended management implement exception tracking and trending analysis to identify recurring issues in need of corrective actions.	✓			
11	We recommended management evaluate the feasibility of updating transactions in Peoplesoft with supporting documentation received after month end.	✓			

INTRODUCTION

Scope and Methodology

The Office of the County Auditor conducts audits of Broward County's entities, programs, activities, and contractors to provide the Board of County Commissioners, Broward County's residents, County management, and other stakeholders with unbiased, timely and relevant information for use in promoting government accountability and stewardship and improving government operations.

We conducted a follow-up review of our Audit of the Accounts Payable Section Pre Audit Function (Report No. 24-08). The objective of our review was to determine the implementation status of previous recommendations.

Please be advised that the information presented herein is not considered an audit in accordance with Generally Accepted Governmental Auditing Standards. Had we conducted an audit, we may have identified additional findings and concerns.

Our follow-up review included such tests of records and other auditing procedures, as we considered necessary in the circumstances. The review period was April 1, 2025, through August 20, 2025. However, transactions, processes, and situations reviewed were not limited by the review period.

Overall Conclusion

We conclude that of the 18 recommendations in the original report, 12 recommendations were implemented, five recommendations were partially implemented, and one recommendation was not implemented. The status of each of our recommendations is presented in this follow-up report.

OPPORTUNITIES FOR IMPROVEMENT

This section reports actions taken by management on the Opportunities for Improvement in our previous review. The issues and recommendations herein are those of the original review, followed by the status of the recommendations.

1. Additional Review of Payment Requests Needed to be Performed.

During our prior audit, we noted the Accounts Payable Section (AP) did not formally review payment requests to ensure public purpose or compliance with contract terms but, instead, relied on the requesting agency's approvals.

We recommended management enhance the Pre-Audit function to review payment requests for public purpose and compliance with contract terms.

Implementation Status: Not Implemented. Management continues to rely on the requesting agency's approvals for "encumbered" purchases that have associated purchase orders, which reflects procurement approval and establishment of public purpose and agency approval of invoices. Management performs additional review of "non-encumbered" transactions which have not gone through the procurement process. Management has evaluated the additional review suggested by this recommendation which requires a substantial increase in staffing levels. It is management's position that a substantial increase in staff is not necessary and the processes and systems in place provide adequate controls.

2. Risk Assessments Needed to be Used to Identify Higher Risk Transactions and Allocate Resources for Additional Review of Those Transactions.

During our prior audit, we noted that AP did not perform a transaction-based risk assessment. A risk assessment identifying high-risk transactions could help ensure that those transactions are given greater importance during the review and approval process. Such high-risk transactions may include those associated with new vendors, payment requests with a history of needed corrections, and/or transactions that are more complex.

We recommended management implement a transaction-based risk assessment identifying high-risk transactions needing additional review and appropriate resource allocation.

Implementation Status: Partially Implemented. While management does not utilize a transaction-based risk assessment identifying high-risk transactions which may need additional review and resources, it does utilize additional risk-based review processes for payments that include multiple approvers in the department making the purchase and the Accounting Division for all payments and special processing for payments that are of high dollar value or involve a project.

3. Internal Controls Needed to be Further Strengthened by Adjustments to User Access Roles.

During our prior audit, we noted the following instances of role conflicts to be resolved:

A. We identified one employee, Employee A, with system access rights to the vendor table who also had access to one of the vouchering functions that could lead to vendor payment. Specifically, Employee A's primary role was vendor table management; however, Employee A also had system access to one of the payment processing functions which was incompatible with Employee A's primary role of vendor table management.

B. Employees were assigned as both Level 1 and Level 2 approvers. We identified 91 employees from 76 agencies that were assigned as both Level 1 and Level 2 agency level voucher approvers. This means that once AP prepares a voucher, only one individual at the agency is needed to approve the voucher even though Peoplesoft requires two agency level roles (Level 1 and Level 2) to approve the voucher. We found a lack of established rules or other guidance specifying when an employee can be assigned as both a Level 1 and Level 2 agency level voucher approver.

We recommended management:

A. Remediate incompatible vendor table and payment processing functions and continue to review security user access roles, approval levels and possible role conflicts on a periodic basis.

B. Assign Level 1 and Level 2 agency level voucher approval roles to unique individuals (i.e., no one person holds both Level 1 and Level 2 roles). If it is determined that two levels are not needed for certain transactions,

    i. Peoplesoft should be updated to require only one level of approval under those circumstances and such circumstances should be defined within established policies and procedures, and

ii. Alternatively, if Peoplesoft cannot be modified to only require one level of approval, then assigning these unique roles to the same individual should be in accordance with an established set of policies and procures identifying the need and circumstances for such assignment.

Implementation Status:

A. **Implemented.**

B. **Implemented.**

4. Pre-Audit Performance Measures Needed to be Enhanced to Encourage Thorough Transaction Review.

During our prior audit, we noted that performance measures in place did not adequately incentivize identification of issues such as improper payments. AP maintained a robust set of internal performance measures to track efficiency and productivity measures. These consisted of a number of daily and weekly metrics including the number of transactions processed by employees, outstanding items to be processed, and a variety of other key measures. Although the efficiency and productivity measures were important items to track, additional measures were needed to more adequately address and measure the thoroughness of the review process and the identification of exceptions.

We recommended management enhance performance measures to more adequately address and measure the thoroughness of the review process and the identification of exceptions.

Implementation Status: Partially Implemented. Management has begun the process of identifying new pre-audit quality measures, but due to vacancies and turnover have been unable to fully implement. Management has recently hired and onboarded an Accounts Payable Manager, who will be responsible for fully implementing the recommendation.

5. Automated Notifications Needed to be Used to Address Outstanding Transactions.

During our prior audit, we noted that AP staff diligently monitored transactions for missing elements required for approval and follow-up with agency personnel to ensure timely processing of payment requests; however, these follow-ups were performed through manual communications rather than automated system notifications.

We recommended management pursue enhancements to help streamline the matching process such as programming the PeopleSoft system to send automatic notifications to the agency personnel that are responsible for entering a receiver or any other missing applicable information.

Implementation Status: Implemented.

6. Accounts Payable Policies and Procedures Needed to be Enhanced.

During our prior audit, based on examination of the County Administrative Policies and Procedures (CAPP) Accounting Accounts Payable Manual dated 5/23/2018, we identified the following enhancements that needed to be added:

A. The CAPP Accounting Accounts Payable Manual was last updated on 5/23/2018 and should have been updated at least biennially. Section 2.3 "Approval Dates" required the manual to be reviewed and approved on at least a biennial basis.

B. A Table of Contents with a summary of the categories contained within and their respective page numbers needed to be added.

C. Workflow process chart sections illustrating the various processes involved from the identification of a procurement related need to payment initiation after receipt and processing of source documents was needed to help clarify the content within and facilitate a better understanding of the processes for users.

D. A Participant Responsibilities section with an explanation of the various participant's responsibilities such as the Purchasing and Accounting divisions, banking and card issuing intermediaries, and the various contract administrators, coordinators, and pre-audit staff was needed to help ensure that responsibilities and accountability were clearly communicated and established.

E. Vendor Masterfile maintenance responsibilities, which included adding and editing authorized vendors and payees in the system, needed to be included.

F. Various value-added procedure documents currently existing and established by the Accounting Division needed to be included or referenced with the appropriate sections of the manual.

We recommended management:

A.   Ensure the CAPP Accounting Accounts Payable Manual be reviewed and updated on a biennial basis.

B – E. Update the CAPP Accounting Accounts Payable Manual to include Table of Contents, Workflow Process Chart, Participant Responsibilities, and Vendor Masterfile Maintenance Responsibilities Sections.

F.   Update the CAPP Accounting Accounts Payable Manual to include or reference various value-added procedure documents currently existing and established by the Accounting Division.

Implementation Status:

A.   **Partially Implemented.** Management has initiated review and updates to the CAPP Accounting Accounts Payable Manual on a biennial basis.

B – E. **Partially Implemented.** Management has initiated review and development of an internal Accounting Accounts Payable Manual to include Table of Contents, Workflow Process Chart, Participant Responsibilities, and Vendor Masterfile Maintenance Responsibilities Sections.

F.   **Partially Implemented.** Management has initiated review and development of an internal Accounting Accounts Payable Manual to include or reference various value-added procedure documents currently existing and established by the Accounting Division.

7. Purchasing Card Transaction Exceptions Identified by AP Staff Needed to be Followed-up on and Resolved.

During our prior audit, we noted the Accounts Payable Purchasing Card (P-Card) Pre-Audit function did not adequately follow-up and resolve identified exceptions. During the twenty-two-month period of February 2021 through November 2022, staff flagged 1,067 P-Card transactions as having some form of exception but did not adequately follow-up and resolve the identified exceptions. Specifically, the Pre-Audit function reviewed 77,105 P-Card transactions, identified no exceptions for 74,307 (96%) of the transactions, and flagged the remaining 2,798 transactions as having some form of exception of which 1,731 (62%) were followed-up and resolved and 1,067 (38%) were left unresolved.

We recommended management perform complete follow-up within 30 days of all identified exceptions from monthly P-Card Pre-Audits until resolution or reasonably justified closure.

Implementation Status: Implemented.

8. Additional Review was Needed to Identify Exceptions.

During our prior audit, we noted 10 out of 30 judgmentally selected transactions that were not properly identified as exceptions during the monthly P-Card Pre-Audits. All ten lacked adequate documentation to demonstrate the public purpose or justification for the transactions. Six of the ten contained other issues as well that would warrant being flagged as exceptions. These issues included lack of an itemized invoice, payment of sales tax, and lack of travel authorization or expense report reference number.

We recommended management enhance policies and procedures to identify and elaborate on areas of focus and standards of review when performing Pre-Audit of P-Card transactions.

Implementation Status: Implemented.

9. Analytical Testing Procedures were Needed.

During our prior audit, we noted the P-Card Pre-Audit function did not employ analytical review procedures. Analytical procedures include grouping and reviewing transaction data in a manner that facilitates pattern and trend recognition to identify anomalies and exceptions.

We recommended management enhance policies and procedures to include specific analytical reviews to be performed to identify exceptions such as transaction splitting and suspicious usage of vendors.

Implementation Status: Implemented.

10. P-Card Pre-Audit Reports Needed Additional Oversight and Monitoring.

During our prior audit, we noted P-Card Pre-Audit Reports reflected the results of review of thousands of P-Card transactions totaling millions of dollars. Additional oversight and monitoring of these results were needed. Specifically,

A. Monthly p-card pre-audits were not completed in a timely manner or tracked for timely completion.

B. P-Card Pre-Audit reports lacked evidence of supervisory review. The reports did not reflect signoffs or other notations that they were reviewed by a secondary party.

C. P-Card Pre-Audit results were not adequately presented and distributed.

D. Exceptions were not adequately tracked over time, analyzed for trends, or used to achieve corrective actions.

We recommended management:

A1. Update policies and procedures to include preparer signoff and completion date on Pre-Audit reports.

A2. Update policies and procedures to specify time frames for completion of Pre-Audit reports and tracking of timely completion.

B. Update policies and procedures to include reviewer signoff and date on Pre-Audit reports.

C. Develop monthly and quarterly reports that fully describe the result of the Pre-Audits including summary counts of all identified exceptions, narrative and/or appropriate analysis of the summary counts, and distribution to appropriate levels of management.

D. Implement exception tracking and trending analysis to identify recurring issues in need of corrective actions.

Implementation Status:

A1. **Implemented.**

A2. **Implemented.**

B. **Implemented.**

C. **Implemented.**

D. **Implemented.**

11. Information Obtained to Resolve Transaction Exceptions Needed to be Included in the Financial Reporting System.

During our prior audit, we noted information obtained to resolve identified exceptions was not updated within the Peoplesoft financial reporting system. The information received was stored in electronic folders.

We recommended management evaluate the feasibility of updating transactions within Peoplesoft with supporting documentation received after month end.

Implementation Status: Implemented.