



Report #2026-08
Real estate services
Audit #2025-18

Department of Inspector General
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Polk County, Florida

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Clerk of the Circuit Court and Comptroller
Polk County, Florida

June 2, 2026

INSPECTOR GENERAL AUDIT REPORT

Report #2026-08: Real estate services (Audit #2025-18)

The Honorable Board of County Commissioners

We have conducted an audit of Real Estate Services transactions from November 1, 2023, through October 31, 2025.

Our audit objectives were to evaluate the adequacy of processes and controls exercised over acquisitions, dispositions, and leases, and to ensure compliance with applicable Florida Statutes, County ordinances, and Division policies and procedures.

We appreciate the cooperation and assistance provided by the Real Estate Services Division during the course of our audit.

We hope you find this report useful in ensuring that Polk County government provides the best possible services to our residents.

Respectfully submitted,

Lita McHugh, CPA, CIG, CIGI
Inspector General

Approved:

Stacy M. Butterfield, CPA
Clerk of the Circuit Court and County Comptroller

Background

The Real Estate Services Division (the Division) is responsible for the acquisition, disposition, and leasing of land and facilities to support the needs of the county's growing population. Its activities play a critical role in enabling the county to deliver adequate infrastructure, essential public services, and environmental preservation.

As population growth increases the demand for public services, the county must acquire additional property for the construction of government centers, fire stations, and other civic facilities. The division also oversees the leasing of warehouse and office space necessary for continuity of services.

Real Estate Services' primary functions include:

- The acquisition of real estate in response to budgeted and initiated Community Investment Program (CIP) projects.
- The development of documentation related to eminent domain litigation resulting from unsuccessful negotiations with the property owners.
- The management of lands obtained through escheatment, a process in which ownership transfers to the county when property taxes remain unpaid.
- The disposal of surplus land consisting of road project remnants, donated property, and land acquired through escheatment.
- The management of county leases to ensure review and renewal of lease terms and conditions.

Real Estate Services is also responsible for processing petitions to vacate right of way and easements, petitions for a street lighting taxing district, and maintains an inventory of all county interest in real estate.

Scope and Methodology

The scope of our audit included:

- Review of chapter 73, Fla. Stat
- Review of sections 125.31, 125.35, and 125.38, Fla. Stat.
- Review of section 197.592, Fla. Stat.
- Review of section 95.36, and 95.361, Fla. Stat.
- Review of Real Estate Services policies and procedures
- Review of Procurement Procedures Manual – August 1, 2025

- Review of GS1-SL General Records Schedule for State and Local Government Agencies
- Interviews with Real Estate Services Division personnel
- Review of documentation relevant to a sample of acquisitions, dispositions, and leases.
- Review of documentation of ownership and use of county land inventory.
- Review of fixed asset information for county land inventory.

Our audit objectives were to:

- Determine if transaction documentation is complete and properly maintained.
- Determine whether acquisitions, dispositions, and leases are authorized, appropriately valued, finalized timely, and accurately recorded.
- Determine if acquisition, disposition, and lease transactions comply with applicable laws, regulations, and policies and procedures.

Testing was performed on activities from November 1, 2023, through October 31, 2025, but the transactions and processes reviewed were not limited by the audit period.

We conducted this audit in accordance with the *Global Internal Audit Standards* of 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.

Results

Overall, Real Estate Services operational processes comply with applicable laws, regulations, and policies and procedures. Review of sampled transactions confirmed that each was properly authorized, processed timely, and accurately recorded in the official property ownership records with the Polk County Clerk of the Circuit Court and Comptroller.

Transaction files contained supporting documentation, including appraisal reports, abstracts of title, and records of negotiated terms. The disposition of surplus land, whether through public or private bid, was conducted in accordance with BoCC Procurement procedures. Leases were actively monitored to ensure timely processing of renewals.

Our audit made an observation described below that may be an opportunity to improve the reporting of county land inventory.

Observation #1: County land inventory is not reconciled to fixed asset records.

Real Estate Services collaborates with the Property Appraiser's Office to conduct an annual reconciliation of county owned real estate. However, a comparable reconciliation is not conducted with the Fixed Assets section.

Recommendation #1:

We recommend Real Estate Services, in conjunction with the Fixed Assets section, establish and implement a process to perform a periodic reconciliation of county land inventory with fixed asset records.

Management response and action plan:

Agree with the recommendations. Real Estate Services (RES) will meet with Fixed Assets section (FAS) within 30 days of the Audit Report date (AR) to discuss, review and coordinate a process to implement for the reconciliation of county owned lands and former dispositions. Within 5 months of AR, RES will complete reconciliation with FAS of disposed county real property to greatest reasonable extent. Within 12 months of AR, RES will complete reconciliation with FAS of county owned real property. Thereafter, RES will reconcile the county owned land inventory with FAS by April 1 of each year.

Person responsible: Real Estate Services Director

Target date: June 30, 2027