



Report # 2025-16
Roads & Drainage Contractor Invoices
Audit #2025-07

Department of Inspector General
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Inspector General



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Clerk of the Circuit Court and Comptroller
Polk County, Florida

December 16, 2025

INSPECTOR GENERAL AUDIT REPORT

Report #2025-16: 2025-07 Roads & Drainage Contractor Invoices

The Honorable Board of County Commissioners

We have conducted an audit of 2025-07 Roads & Drainage Contractor Invoices for May 2024 through April 2025.

Our audit objectives were to determine the adequacy of processes and controls over the review of Roads & Drainage contractor payment requests, and the division's compliance with Chapter 218, Part VII Local Government Prompt Payment Act, Florida Statute.

We appreciate the cooperation and assistance provided by the Roads & Drainage 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 Roads and Drainage Division (the Division) is part of the growth and infrastructure service area of the Board of County Commissioners. The Division's focus is on improving transportation mobility by constructing and maintaining roads, intersections, bridges, traffic signals, signs, and striping. These projects are accomplished through the capital improvement program, otherwise known as the community investment program.

Construction bids, depending on the price, are awarded through board approved contracts or by the authority vested in the Procurement Director. Board approved contracts may require construction, engineering, and inspection services from an external professional consultant.

This audit focused on the Division's processes over payment requests for construction services, and their compliance with Chapter 218, Part VII Local Government Prompt Payment Act, Florida Statute (the Act). Section 218.735, Fla. Stat., details the timely payment for purchases of construction services defined as labor, services, and materials in connection with the construction, alteration, repair, demolition, reconstruction, or other improvements to real property.

The Act requires local government to pay contractors within 25 business days of receipt of a payment request that was reviewed and approved by an agent acting on behalf of the local government. Contractors that submit their payment requests directly to the Roads and Drainage project manager must be paid within 20 business days of the receipt. If specific requirements are not met, then written rejection must be provided to the contractor within 20 business days of receipt. Corrected payment requests, reviewed and approved by the project manager, are to be paid within 10 business days.

Scope and Methodology

The scope of our audit included:

- Review of Chapter 218, Part VII Local Government Prompt Payment Act, Fla. Stat.
- Interviews with Roads & Drainage Division personnel
- Interviews with Accounts Payable Division personnel
- Evaluation of procedures, policies and controls over payment requests
- Testing a random sample of payment requests
- Review of relevant awarded contracts and bids
- Review of relevant project correspondence

Our audit objectives were to:

- Determine Road & Drainage's processes and internal controls over the review and approval or rejection of contractor payment requests.
- Determine compliance with the Chapter 218, Part VII Local Government Prompt Payment Act, Florida Statute.

Testing was performed on activities between May 2024 through April 2025, but the transactions and processes reviewed were not limited by the audit period.

Our audit was conducted in accordance with the *Global Internal Audit Standards* of The Institute of Internal Auditors and the *Principles and Standards for Offices of Inspector General* of the Association of Inspectors General. Accordingly, it included such tests of records and other auditing procedures as we considered necessary in the circumstances.

Results

Overall, we found contractor payment requests are thoroughly reviewed by the staff at Roads and Drainage. Payment requests are reviewed and approved by the assigned inspector, project manager, and section manager. The last review at Roads and Drainage is performed by the division fiscal coordinator to ensure that the contracted rate schedule is used in the calculations on the payment request. Questions or concerns are presented to the project manager to communicate to the contractor.

We observed opportunities to improve the Division's compliance with Chapter 218, Part VII Local Government Prompt Payment Act, Florida Statute.

Observation #1 – Contractor payment requests were not date stamped upon receipt.

Roads and Drainage project managers receive over 90% of payment applications and invoices via email. Of the 77 payment applications and invoices reviewed, 55 of them were not date stamped upon receipt by the project manager.

Section 218.735, Fla. Stat. states the local government entity shall identify the agent or employee to which the contractor may submit its payment request or invoice. It further states that the submission of a payment request or invoice to the identified agent or employee commences the time period for payment or rejection of the payment request.

We recommend Roads and Drainage implement procedures for project managers to date stamp the receipt of payment requests.

Management response and action plan:

To enhance invoice tracking and strengthen compliance, management has established a dedicated email address for invoice submissions and implemented a centralized tracking spreadsheet. These measures improve accountability and ensure timely processing.

Person responsible: Gloria Reyes

Target date: December 2025

Observation #2 – Contractor payment requests were not processed timely.

Roads and Drainage's process over payment requests includes review and approval by the assigned inspector, project manager, and section manager prior to forwarding it to the division's administrative services section. Payment requests rejected at any point in the process are returned to the project manager. Project managers notify contractors of the rejection and the corrections required.

Roads and Drainage rejected a final payment application approximately two months after it was received. The corrected payment application was submitted to Accounts Payable approximately two months after it was submitted to the project manager. Accounts Payable rejected the payment application pending original documentation with wet signatures, and a recorded change order.

Section 218.735(2), Fla. Stat. states payment requests and invoices that do not meet contract requirements must be rejected, in writing and specify deficiencies, within twenty business days after it was stamped as received.

We recommend Roads and Drainage implement procedures to monitor the status of payment requests throughout the review and approval process to ensure compliance with the Local Government Prompt Payment Act.

Management response and action plan:

Management acknowledges the two month delay. The employee responsible is no longer employed with the County.

Management acknowledges the findings. Corrective action has been taken, and expectations regarding timely invoice processing have been reiterated to staff.

Person responsible: Doug Gable

Target date: January 2026

Observation #3 – Time sensitive tasks were not followed up with status updates.

The Florida Statute requirement for the timely payment of construction services warrants that project managers follow up on time sensitive tasks.

Roads and Drainage became aware of an incomplete project requisition five months after it was initially requested. This resulted in the completion of the purchase order and submission of the payment request to Accounts Payable after the date it should have been paid.

A project manager provided timely communication to the contractor in June 2024, of a rejected payment request due to a failed inspection. According to the project manager, there was no follow-up correspondence on the status of the correction. The payment request was submitted to Accounts Payable in April 2025, shortly after the inspector orally informed the project manager of the project's passed inspection.

Roads and Drainage requested that a payment request, which had already been received by the project manager, be split between the county and the school board. The contractor requested specific information in order to split the invoice. Approximately seven weeks later, the project manager requested the split invoices be issued to the county.

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We recommend Roads and Drainage staff implement procedures to ensure follow-up correspondence and completion of pending tasks.

Management response and action plan:

Management acknowledges the findings. Corrective action has been taken, and expectations regarding timely invoice processing have been reiterated to staff.

Person responsible: Doug Gable

Target date: January 2026