

PALM BEACH COUNTY
BOARD of COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY

Meeting Date: April 21, 2026 [X] Consent [] Regular
[] Public Hearing

Department:
Submitted By: County Internal Auditor's Office

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to receive and file: The Final Audit Report Issued March 3, 2026 as follows:

- 1. Report #2026-01 Emergency Ordinance – DEI Compliance audit

Summary: The Palm Beach County Code (The Code of Laws and Ordinances Relating to Palm Beach County Government), requires the County Internal Auditor to submit copies of final audit reports to the Board of County Commissioners (BCC) and the Internal Audit Committee. The final report has been reviewed at the March 18, 2026, Internal Audit Committee meeting and is now being submitted to the BCC in accordance with the requirements of the Palm Beach County Code. Countywide (DB)

Background and Justification: Palm Beach County Code Section 2-463(e)(3) requires the County Internal Auditor to submit copies of final audit reports to both the BCC and the Internal Audit Committee. In addition, Palm Beach County Code Section 2-463(f) requires the submission of these reports. The Internal Audit Committee formally reviewed the report at its meeting on March 18, 2026. This report is therefore being submitted to the BCC as required by the Palm Beach County Code.

Attachments:

- 1. Final Audit Report -Emergency Ordinance 2025-014 Compliance

Recommended by: DDZ 3-13-2026
County Internal Auditor Date

Recommended by: N/A
County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2026	2027	2028	2029	2030
Capital Expenditures					
Operating Costs					
External Revenues					
Program Income (County)					
In-Kind Match (County)					
NET FISCAL IMPACT	None	None			
# ADDITIONAL FTE					
POSITIONS (Cumulative)					

Is Item Included In Current Budget? Yes _____ No X
 Does this item include the use of state funds? Yes _____ No X
 Does this item include the use of federal funds? Yes _____ No X
 Budget Account No.: Fund _____ Agency _____ Org. _____ Object _____
 Program Number _____ Revenue Source _____

B. Recommended Sources of Funds/Summary of Fiscal Impact:

No fiscal impact

A. Department Fiscal Review:

III. REVIEW COMMENTS:

A. OFMB Fiscal and/or Contract Administration Comments:

Asbell 3/16/25
 Budget/OFMB QA 3/16
 APP 3/16

Frankie Jacobs 3-17-26
 Contract Administration 263.17.26

B. Legal Sufficiency:

[Signature] 3/18/26
 Assistant County Attorney

C. Other Department Review:

 Department Director

This summary is not to be used as a basis for payment.



Office of the County Internal Auditor
Audit Report
Report #2026-01

COUNTYWIDE
EMERGENCY ORDINANCE 2025-014 (DEI)
COMPLIANCE AUDIT

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**COUNTYWIDE EMERGENCY ORDINANCE 2025-014 (DEI)
COMPLIANCE AUDIT
REPORT # 2026-01**

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AUDIT OBJECTIVES AND CONCLUSIONS

Objective

We performed this audit to determine:

Did the County Administrator implement adequate process controls to ensure compliance with Emergency Ordinance 2025-014 during the period from June 3, 2025, through October 31, 2025?

Conclusion

The County Administrator did implement adequate process controls to ensure compliance with Emergency Ordinance 2025-014 during the period from June 3, 2025, through October 31, 2025.

In addition, we noted an issue of minor nature that we determined did not rise to the level of audit finding but is reportable to management for their attention and possible action. We provided two suggestions for improvement, which relate to ordinance communications.

AUDIT FINDINGS

There are no audit findings or recommendations for this engagement.

OPERATIONAL STRENGTHS

We confirmed that multiple levels of review and oversight were in place to support compliance with Emergency Ordinance 2025-014. These controls included countywide communication of ordinance requirements, coordination with departments involved in contracting and hiring, and established review processes within the Office of Financial Management and Budget and the County Attorney's Office.

Specifically, contract and related documentation (including task orders and work orders) were subject to sequential review by departmental staff, OFMB contract personnel, and legal counsel prior to approval. These reviews helped verify that required ordinance-related language was applied appropriately and that noncompliant provisions were removed.

We also confirmed that Human Resources suspended targeted hiring practices, that board and committee application forms were updated to remove race and gender references, and that applicable Policies and

Procedures Memoranda (PPM) disclaimers were posted on both the County intranet and public website. Together, these measures supported consistent implementation, ongoing oversight, and timely identification of potential compliance issues.

MANAGEMENT AND AUDIT RESPONSIBILITIES

Management is responsible for establishing and maintaining effective internal controls to help ensure that appropriate goals and objectives are met; resources are used effectively, efficiently, and economically, and are safeguarded; laws and regulations are followed; and management and financial information is reliable and properly reported and retained.

Internal Audit is responsible for using professional judgment in establishing the scope and methodology of our work, determining the tests and procedures to perform, conducting the work, and reporting the results.

We conducted this performance audit in accordance with generally accepted government auditing standards. These 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

This audit review was directed by the Palm Beach County (PBC) Board of County Commissioners (BCC) on August 19, 2025. The Board directed Internal Audit to evaluate the County's compliance with Emergency Ordinance 2025-014 (approved by the BCC on June 3, 2025), as noncompliance could place the County at risk of losing significant federal funding. For purposes of this audit, 'process controls' refer to County Administration's communication, guidance, review, and monitoring activities used to implement the Emergency Ordinance, including issuing countywide direction, coordinating with affected departments, reviewing contract documentation, and verifying compliance through multiple levels of oversight.

The Emergency Ordinance 2025-014 stipulates the suspension of:

1. Enforcement of the race and/or gender-conscious portions of chapter 2, article III, division 2, Part C of the Palm Beach County Code and Policies and Procedures Manual CW-O-043 "Equal Business Opportunity Program."

2. Written justifications for hiring positions identified to have underrepresentation pursuant to any Equal Employment Opportunity/Affirmative Action Plan.
3. Reporting and identifying the race and gender makeup of Palm Beach County boards and committees.
4. Utilization of references to "gender identity or expression" or similar terms in County ordinances, resolutions, programs, and policies.
5. Any other ordinance, program, policy, and/or practice presumptively considered to be a DEI and/or DEIA program. Notwithstanding any provision of this Ordinance to the contrary, nothing in this Ordinance shall be construed as repealing or suspending any policy or program required by federal law.

County contracts and procurement funded by State and Federal were not subject to the County's Equal Business Opportunity (EBO) Ordinance. This local ordinance only pertained to contracts and procurement funded by non-federal and non-state sources.

There are six Palm Beach County departments that primarily handle contracting activities that were subject to the Equal Business Opportunity (EBO) Ordinance. These included the five construction-related departments: Environmental Resources Management (ERM), Facilities Development and Operations (FDO), Water Utilities Department (WUD), Airports, and Engineering and Public Works (EPW), as well as the Purchasing Department, which procures goods and services on behalf of other departments.

Under the Equal Business Opportunity (EBO) framework, a Goal Setting Committee (GSC) was responsible for establishing Affirmative Procurement Initiatives (APIs) for Small Business Enterprise (SBE) participation for applicable contracts. Since the enactment of Emergency Ordinance 2025-014, the GSC's role has been limited to setting API goals for general SBEs only, thereby eliminating race and gender-conscious goals.

The Emergency Ordinance suspended race and gender-conscious orders enacted in the County's existing EBO Ordinance. As a result, the EBO Ordinance was not reauthorized before it sunset on December 31, 2025, and was replaced by the Small Business Development (SBD) Ordinance approved by the BCC on December 2, 2025. The recently enacted SBD Ordinance removes references to race and gender to reflect the County's transition from emergency compliance measures to a permanent policy framework.

AUDIT SCOPE AND METHODOLOGY – GENERAL

Scope

The audit covered the period June 3 through October 31, 2025. Fieldwork was conducted in November and December 2025.

Methodology

We reviewed internal controls over implementation of the ordinance, which included:

- Identification of written and non-written direction implemented to address Emergency Ordinance compliance once it was approved.
- Meeting with key personnel and management to verify knowledge of instructions provided by County Administration related to Emergency Ordinance compliance.
- Identification of processes put in place by County Administration, as well as Human Resources, Office of Financial Management and Budget, and the County Attorney's Office, to support implementing the Emergency Ordinance.
- The selection of samples to test contract compliance impacted by the Emergency Ordinance.
- The request for support documentation for compliance evaluation.

Sample testing was performed to obtain evidence that controls were implemented and operating as designed and was not intended to re-perform departmental processes or evaluate every transaction.

Management Comment

In responding to a draft of this report, County Administration acknowledged receipt and review of the final draft audit report and concurred that it fairly reflects the processes implemented during the audit period. County Administration further indicated it will continue to work to remain in compliance with the applicable ordinance and reinforce awareness of related requirements.

As this audit did not include findings or recommendations, no further evaluation or corrective action is required.

David J. Zamora

David Zamora, CIA, CRMA, CFE, CGAP, CFI
County Internal Auditor
February 19, 2026



February 28, 2026

David J. Zamora, CIA, CRMA, CFE, CGAP, CFI
County Internal Auditor
Office of the County Internal Auditor

Re: Final Draft Audit Report #2026-01 – Countywide Emergency Ordinance 2025-014 (DEI) Compliance Audit

Dear Mr. Zamora:

Thank you for your February 19, 2026 correspondence and for providing the final draft of Audit Report #2026-01 regarding the Countywide Emergency Ordinance 2025-014 (DEI) Compliance Audit.

We appreciate the thoroughness and professionalism demonstrated by you and your team throughout this engagement. County Administration acknowledges receipt and review of the final draft report and concurs that it fairly reflects the processes implemented during the audit period.

County Administration will continue to work diligently to remain in compliance with the existing ordinance, as we have done throughout the review period. We will also continue to reinforce awareness of applicable requirements and ensure that new employees within impacted departments are appropriately educated on existing County policies and procedures in this area.

Thank you again for your cooperation and collaboration during this audit process. We appreciate the partnership of the Office of the County Internal Auditor and its continued commitment to accountability and sound governance.

Sincerely,

A handwritten signature in black ink, appearing to read "Todd J. Bonlarron". The signature is fluid and cursive, with a long horizontal stroke at the end.

Todd J. Bonlarron
Chief Deputy County Administrator
Palm Beach County

cc: Joseph Abruzzo, County Administrator

**Palm Beach County
Board of County Commissioners**

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Board of County
Commissioners**

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