



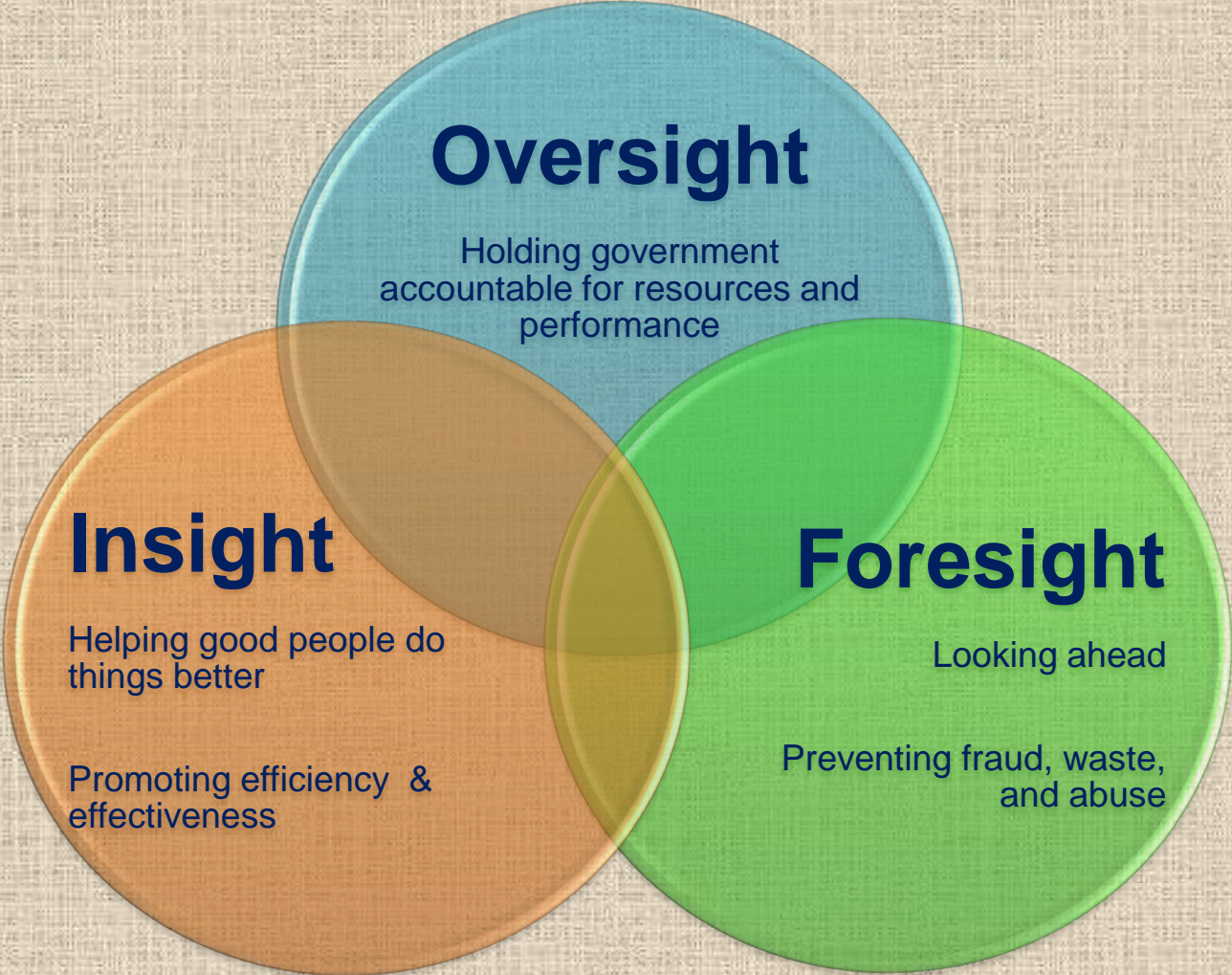
OFFICE OF INSPECTOR GENERAL  
UPDATE AND LESSONS LEARNED  
FROM RECENT PROJECTS

May 2016

**John A. Carey, Inspector General**

*Enhancing Public Trust in Government*

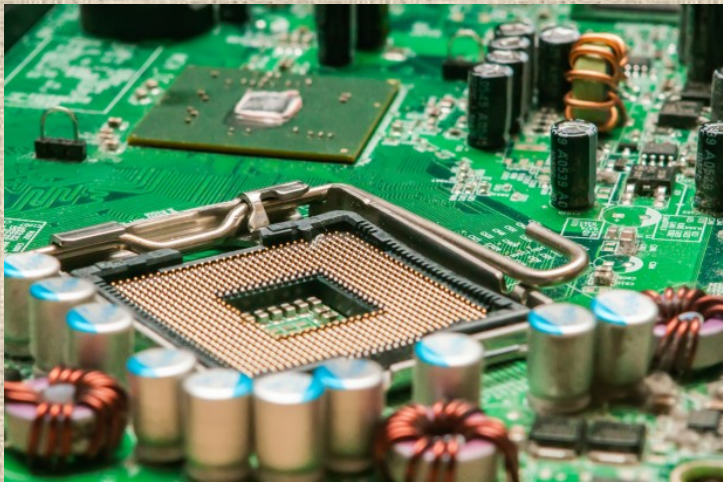
# OUR OIG APPROACH



# LESSONS LEARNED

## Separation/Segregation of Duties

- A Director instructed subordinate employees to alter data in their computerized tracking system and disabled audit trail functions, thus enabling anyone with access to alter data without identifying who made the changes.



Inaccurate and inflated data being presented to the Board of County Commissioners, other stakeholders, and the public.

### LESSON LEARNED:

- We need oversight and checks and balances even for senior leaders.
- We need to promote an environment where employees can question or report things that do not seem right.

# LESSONS LEARNED

## Proper Review Procedures

- A County Department required minimal documentation for the use of County vehicles by its employees with no supervisory review of the documentation.
- As a result, we identified an individual who was using a County vehicle to run personal errands.



### LESSONS LEARNED:

- Proper **OVERSIGHT** could have prevented this misuse of County property along with the potential liability issues.
- If you are going to require employees to provide documentation, it should come under review at some point.

# LESSONS LEARNED

## Vehicle Leases – Insurance Coverage

- A City employee leased vehicles and opted for over **\$11,000** in additional insurance coverages (Damage Waivers, Roadside Assistance, Personal Accident Insurance, and Supplemental Liability Protection) resulting in unnecessary costs to taxpayers.
- At the same time, the City maintained its own insurance policy that included some levels of insurance coverage for employees leasing or renting vehicles.

The City had no procedures to advise employees of coverages already in place, nor did it have any written policies prohibiting employees from purchasing unnecessary additional insurance coverages when leasing vehicles.



Does Your Auto Insurance Cover You in a Rental Car?

### LESSONS LEARNED:

- **What insurance coverage options are already in place?**
- **Are there written policies in place to advise employees?**

\* This slide is a repeat from the last six month presentation, but it's important enough to include once more.

# LESSONS LEARNED

## Why Do We Need Internal Controls?

- Lack of sound internal controls caused several deficiencies throughout the City including contracting, requisitions, purchase orders, segregation of duties and purchase and credit card programs.
- As a result, we identified over **\$120,000** in questioned costs.
- Audit uncovered City workers appearing to defraud the City.



Questionable transactions referred to State Attorney's Office.

3 City employees arrested and charged with Organized Scheme to Defraud and Grand Theft over \$100,000.

### LESSONS LEARNED:

- Internal controls help management achieve objectives.
- Adequate oversight by management is key.

# LESSONS LEARNED

## Expiration dates for “Operating Supplies and Services” contracts must be monitored

- Contract administration for routine services or delivery of goods is not always closely monitored.
- We found that these contracts sometimes had expired, yet staff continued to approve and pay invoices for the supplies or services.



A recent audit revealed that payments were made to 5 vendors that totaled over **\$1.1 million** for routine Operating Supplies and Services related to expired contracts.

### LESSONS LEARNED:

- Having a “contract log” to include contract expiration dates (tickler file), independent of the contract administrator, is important to responsible contract monitoring.

# LESSONS LEARNED

## Effective Evaluation Criteria

### Characteristics of effective evaluation criteria:

- Clear – not ambiguous, easy to understand.
- Relative – related to specific project requirements as specified in the solicitation document.
- Discriminating – separate best, average, and weaker proposals.
- Non-discriminating – fair and reasonable.
- Realistic – given the nature or value of the contract.
- Measurable – can be quantified, calculable.
- Economical – use of the criteria should not take an unreasonable amount of time or resources.
- Justifiable – make sense and can be justified on common sense, technical, and legal basis.

**LESSON LEARNED: Use of effective evaluation criteria promotes the public's trust in the transparent nature of the selection process and maximizes the best selection choice.**



# LESSONS LEARNED

## The Importance of formal Written Guidelines

- Formal written, guidelines produce a uniform process and streamline the results.
- Another benefit of the formal written guidelines produce a more efficient use of the resources available to the agency.



A County department had a high rate of rejection in their submission to the Contract Review Committee, that caused delays in the approval process.

### LESSONS LEARNED:

- The implementation of formal written guidelines is critical for an efficient process.
- A periodical review of the guidelines will correct issues and improve the process.

# LESSONS LEARNED

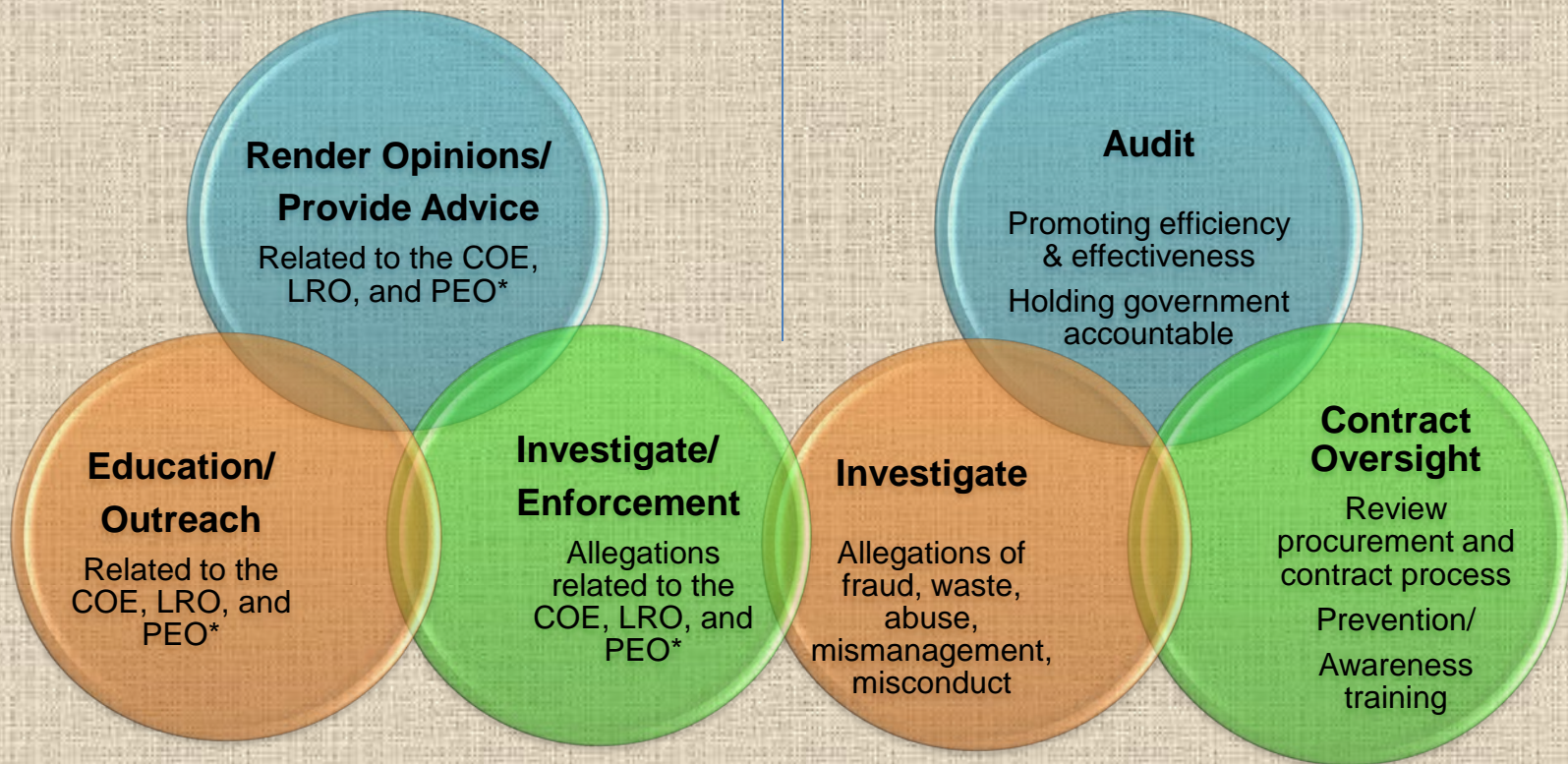
## General Trends Observed Since OIG Inception

- ❑ Lack of, or weak, Internal Controls
- ❑ Contract Selection Committee Issues
- ❑ Wide variety of employee misconduct based on:
  - ❑ Motive of personal gain and
  - ❑ Lack of management oversight

# Two Organizations Promoting Integrity in Government

## Commission on Ethics

## Office of Inspector General



\* Commission on Ethics has jurisdiction over three ordinances: the Code of Ethics (COE), Lobbyist Registration Ordinance (LRO), and the Post-Employment Ordinance (PEO).

# LESSONS LEARNED

## Website

 OFFICE OF INSPECTOR GENERAL  
PALM BEACH COUNTY

Home Report Waste, Fraud, or Abuse Be Informed Tips, Trends, & Training About The OIG Contact Us

You are here: Palm Beach County » Home



OFFICE OF INSPECTOR GENERAL  
PALM BEACH COUNTY  
"ENHANCING PUBLIC TRUST IN GOVERNMENT"  
John A. Carey  
Inspector General



**Oversight**  
Holding government accountable for resources and performance

**Insight**  
Helping good people do things better  
promoting efficiency & effectiveness

**Foresight**  
Looking ahead  
Preventing fraud, waste, and abuse

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IG Hotline: 877-283-7068  
(Toll Free)

Re-Accredited February 25, 2015, CFA IG-012

site search by freeltd

### Welcome from the Inspector General

Thank you for visiting the website of the Office of Inspector General (OIG). Our purpose (why we exist) is to provide independent and objective insight, oversight, and foresight in promoting efficiency, effectiveness, and integrity in government. Our promise (what we do) is to accomplish this through conducting audits, investigations, and contract oversight activities. Our values (how we behave) of Professionalism, Respect, Integrity, Dedication, and Excellence reflect our PRIDE in serving the citizens of Palm Beach County.

By vote of the citizens, our jurisdiction includes the County Government and each of the 38 municipalities. Other public entities that have voluntarily entered into contracts for our oversight include the Children's Services Council and the Solid Waste Authority.

It is an honor to serve as the IG of Palm Beach County. I am committed to championing openness, integrity, and continuous improvement in government.

Sincerely,  
*John A. Carey*  
Inspector General

[Inspector General John A. Carey - Open Letter to the Citizens of Palm Beach County](#)

### What Have We Done / What Are We Doing?

6/28/2010 - 3/31/2016

**We Listen**

7,223 Hotline / Office Calls

1,736 Correspondences

**We Guard and Save Taxpayers' Dollars**

\$20,546,829 Found in Questioned Costs

\$1,973,816 Found in Identified Costs

\$19,967,732 Discovered in Avoidable Costs

**We Make Government Better**

524 Recommendations / Corrective Actions

94% Management Acceptance Rate

457 Implemented

40 Pending Implementation


27 Not Accepted

  
OIG Dashboard

Updated 4/14/2016



30 Seconds About the Office of Inspector General



The OIG needs your help. To report allegations or see illustrations of suspected waste, fraud, misconduct, mismanagement or other abuses.

**Common Issues**

A listing of common issues found by our staff while performing Audit, Investigative and contract oversight activities. The list contains reports where each issue was found.

**Follow Us On**



### What's New

[Ethics Awareness Panel Discussion](#)

[March Is Ethics Awareness Month](#)

[OIG Reference Guide](#)

[2015 Annual Report](#)

[Inspector General's Six Month Status Report](#)

[Video of the IG's Six Month Status Report to the IG Committee 11-12-2015](#)

[OIG Newsletter - Winter Edition 2015](#)

[Tips and Trends - 2015-0004 - Evaluation Criteria](#)

[PBC-OIG 2015 Peer Review Opinion Letter](#)

### Recent Reports

For a list of all reports completed this fiscal year [\(click here\)](#).

[03-31-16 - PBC - Palm Tran Connection - 2015-0006](#)

[03-22-16 - Royal Palm Beach - Fleet/Fuel Review](#)

[03-22-16 WPB - Municipality Contract Monitoring Follow Up - 2016-R-0001](#)

[03-02-16 - Delray Beach - Purchasing Redacted - 016-A-0002](#)

*The report has been redacted pursuant to 119.071 (3) F.S. due to findings involving physical security.*



**QUESTIONS/COMMENTS/  
SUGGESTIONS?**

**THANK YOU**

*Enhancing Public Trust in Government*