



**OFFICE OF INSPECTOR GENERAL
UPDATE AND LESSONS LEARNED
FROM RECENT PROJECTS
December 2016**

John A. Carey, Inspector General

Enhancing Public Trust in Government

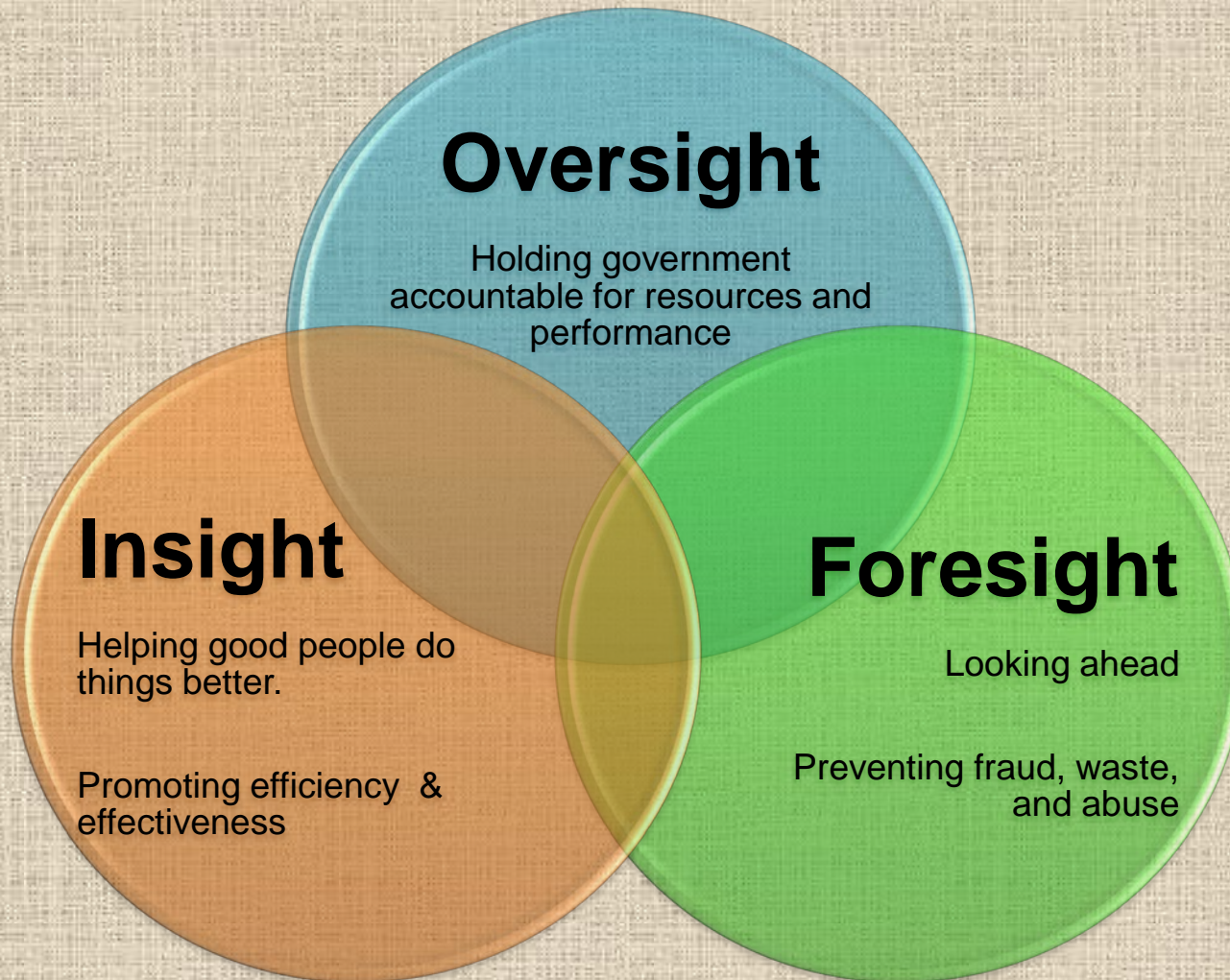


OUTLINE

- **MISSION and FY 2016 ACCOMPLISHMENTS**
- **OIG ACTIVITIES and LESSONS LEARNED**
 - Intake and Investigations
 - Contract Oversight
 - Audit
- **TRAINING and OUTREACH**
- **PLANS, OBJECTIVES, and INITIATIVES**



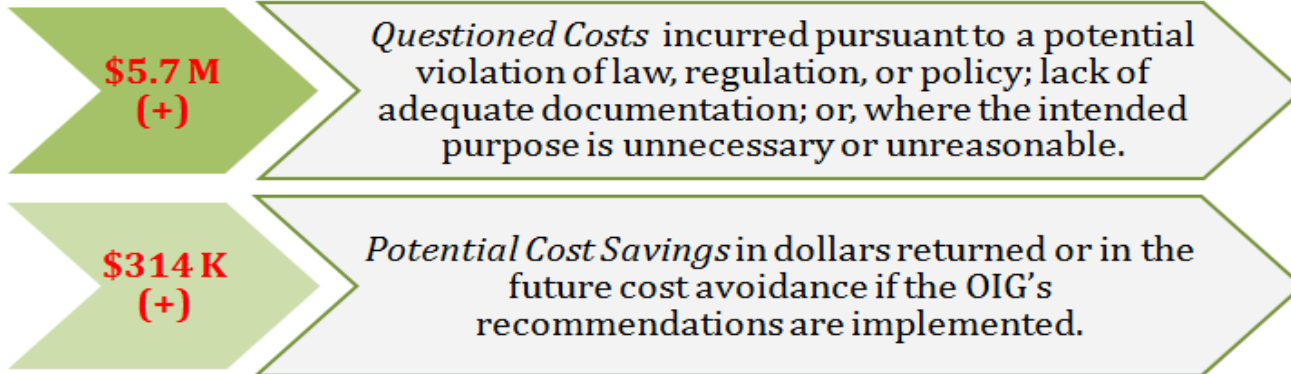
OUR OIG APPROACH





FY 2016 - ACCOMPLISHMENTS

Return on Investment



Guarding Integrity in Government



OUTPUT: At the End of the Day, “Enhancing Public Trust in Government.”



FY 2016 - ACCOMPLISHMENTS

Making Government Better



15 Reports with **104**
Recommendations

To improve government operations
and to save taxpayer dollars.



900 (+)

Responses to citizens' calls and
written correspondence voicing
concerns, complaints, or requests
for assistance.

OUTPUT: At the End of the Day, "Enhancing Public Trust in Government."

FY 2016 - ACCOMPLISHMENTS



Palm Beach County
Office of Inspector General

2016
**ANNUAL
REPORT**

Excellence
FAIRNESS Caring
Justice **RESPECT** Impartiality
Truth **INTEGRITY** Transparency
HONESTY PROFESSIONALISM
Accountability Trust Citizenship Shared Values
Dedication **RESPONSIBILITY**

ENHANCING PUBLIC TRUST *in* GOVERNMENT

October 1, 2015
— to —
September 30, 2016

OUTPUT: At the End of the Day, “Enhancing Public Trust in Government.”



LESSONS LEARNED

Preface

“Words to the wise.”



“If the shoe fits, wear it.”





LESSONS LEARNED

Preface

This is the city. Los Angeles, California. I work here. I carry a badge. My name's Friday. The story you are about to see is true; the names have been changed to protect the innocent.

Jack Webb

INVESTIGATION



LESSONS LEARNED

April 1, 2016 – September 30, 2016

Intake & Investigations

Highlights



LESSONS LEARNED

INTAKE ACTIVITIES

Current 6 Months

| | |
|------------|--|
| 279 | Number of calls to the Office & Hotline |
| 123 | Written Correspondences received |
| | <ul style="list-style-type: none"> 78 (63%) Complaints consisting of 78 Allegations of wrongdoing |
| 5 | 4 Correspondences were referred to OIG Contract Oversight and 1 to OIG Audit |
| 23 | Public Records Requests |

Previous 6 Months

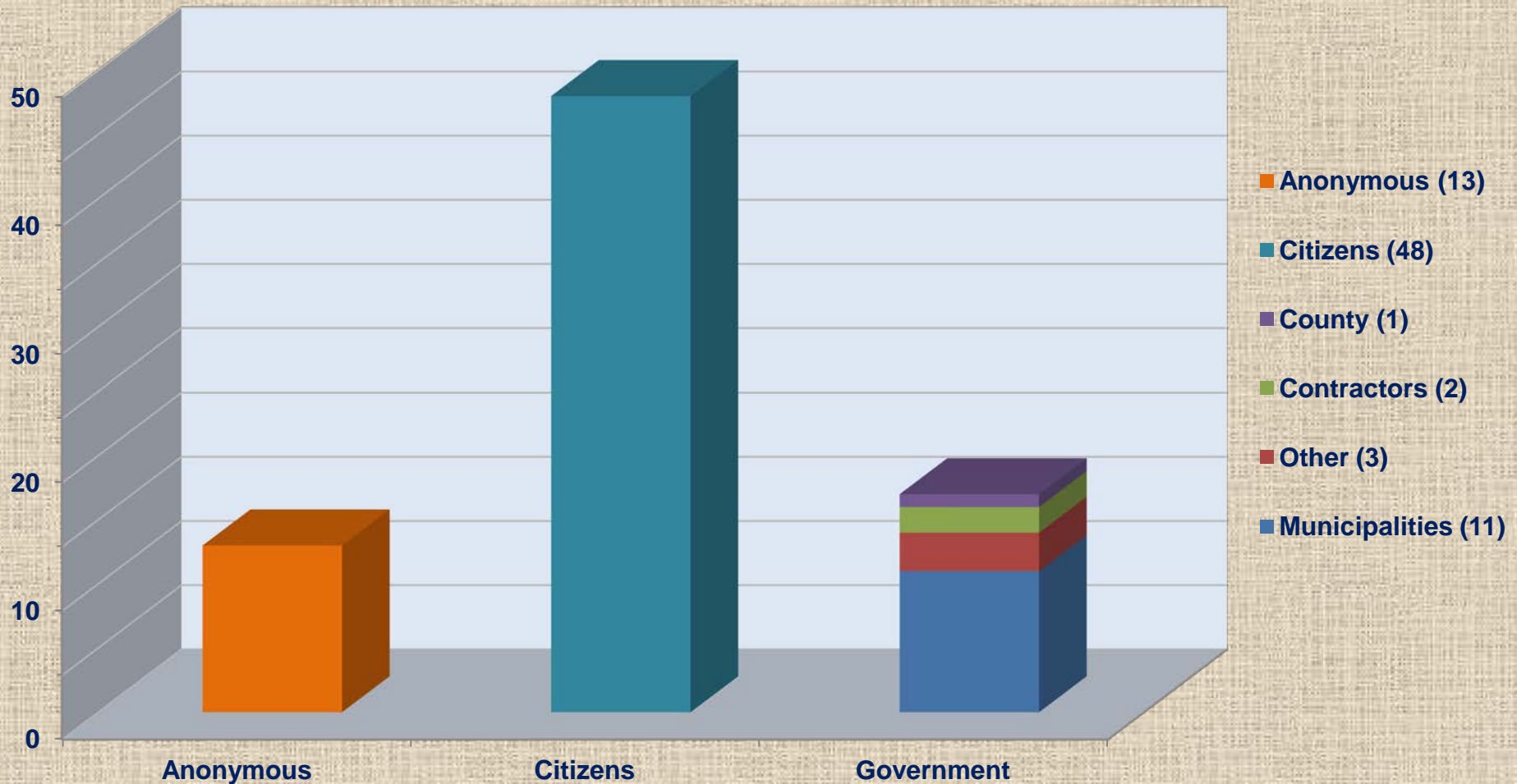
| | |
|------------|--|
| 399 | Number of calls to the Office & Hotline |
| 137 | Written Correspondences received |
| | <ul style="list-style-type: none"> 84 (61%) Complaints consisting of 84 Allegations of wrongdoing |
| 4 | Correspondences led to the initiation of 3 Investigations and 1 referred to OIG Contract Oversight |
| 26 | Public Records Requests |



LESSONS LEARNED

April 1, 2016 – September 30, 2016

Complaint Reporting Sources – 78 of the 123 Correspondences





LESSONS LEARNED

Top Allegations Made

Current 6 Months

| | |
|--|----|
| Employee Misconduct | 20 |
| Financial Improprieties | 8 |
| Contract Improprieties | 4 |
| Falsification, Omission or Misrepresentation | 3 |

Previous 6 Months

| | |
|-------------------------|----|
| Employee Misconduct | 36 |
| Contract Improprieties | 6 |
| Financial Improprieties | 2 |
| Public Records | 2 |



LESSONS LEARNED

Misuse of Government Resources

- A City had an off-duty employment policy and policy prohibiting the use of City resources for commercial gain; however, compliance monitoring was limited.
- As a result a City Department head used City resources (computer, office, phone, time) to operate their personal/private enterprise.



LESSONS LEARNED:

- Policies are not in and of themselves sufficient internal controls.
- Proper OVERSIGHT could have prevented this misuse of City resources.
- Senior managers also need OVERSIGHT.



LESSONS LEARNED

Procurement

- A City had a policy requiring proposers to disclose in writing any potential conflicts of interest when they submit their proposal package.
- The City contract required a vendor to disclose employment of any City employee subsequent to the award of the contract. Such employment was also barred by a City ordinance.
- Due to the failure of a vendor (or the City employee) to properly disclose such conflict, a City employee was intimately involved in the selection process which resulted in this non-compliant vendor being awarded the contract.

LESSONS LEARNED:

- Trust but verify.
- Additional level of **OVERSIGHT**, to include, interview of vendor regarding conflicts of interest.





LESSONS LEARNED

April 1, 2016 – September 30, 2016

Contract Oversight

Highlights



LESSONS LEARNED

Contract Oversight

PREVENTION: To reduce the appearance of and opportunity for vendor favoritism and inspire public confidence that contracts are being awarded equitably and economically, Contract Oversight staff routinely attend selection committee meetings and perform contract oversight activities.

- Current Number of Contracts Monitored: **108**
- Current Contract Value: **\$237.7M**
- Number of Procurement Meetings Attended: **72**



LESSONS LEARNED

Auditor Selection Procedures

- A City competitively solicited for an audit firm to complete its required annual audit. However, an audit committee had not been established by the governing body, as required by Florida Statutes § 218.391.



The contract award was deemed void, and the entity re-solicited for a audit firm in compliance with Florida Statutes.

LESSON LEARNED:

- The Legislature provided a template that must be followed to select an auditor. The Audit Selection Task Force created Auditor Selection Guidelines which provides a best practice.



LESSONS LEARNED

Contract Negotiation Recording

- In the process of awarding a contract, a City formed a Negotiation Team. The Negotiation Team met with vendors and recorded the proceeding consistent with Florida Statutes. However, when the Negotiation Team met internally the meetings were not recorded, inconsistent with Florida Statutes § 286.0113.



The public and any unsuccessful proposer did not have the opportunity to clearly understand the Negotiation Team's Strategy and approach to the negotiations.

LESSON LEARNED:

- The public purpose for recording such meetings is to inspire confidence in the procurement process and minimize the appearance of favoritism.



LESSONS LEARNED

Public Notice of Meetings

- An entity created a Grant Program for the distribution of funds to applicants and awarded by a Selection Committee. The Selection Committee convened and evaluated, scored, and ranked the applications. This review process did not occur at a publicly noticed meeting and meeting minutes were not recorded, as required by Florida Statutes § 286.011.



The entity re-did the grant award process in its entirety to comply with the Florida Sunshine Law.

LESSON LEARNED:

- Meetings at which official actions are taken must be publicly noticed and minutes taken .



LESSONS LEARNED

“Foresight” – Preventative Actions



John A. Carey
Inspector General

OFFICE OF INSPECTOR GENERAL
PALM BEACH COUNTY

TIPS AND TRENDS #2016-0002
SEPTEMBER 2016



Inspector General
Accredited

External Auditor Selection Process

Correspondences:

- Evaluation Committee – Failure to Record Score
- Recording of Negotiation Meetings – Required for Vendor Meetings
- Contract Amendments – Extensions Beyond Original Intended Period



LESSONS LEARNED

April 1, 2016 – September 30, 2016

Audit

Highlights



LESSONS LEARNED

Grant Monitoring and Oversight

A Department's grant monitoring and oversight activities needed improvement.



Inadequate oversight of grant subrecipients led to:

- Insufficient documentation of construction project activities;
- A construction project not awarded to the lowest bidder; and,
- City funds expended without appropriate justification.

LESSONS LEARNED:

- Standard monitoring activities should be conducted throughout the grant project to help ensure compliance with grant requirements and achievement of objectives.
- Written procedures help to ensure grant monitoring activities are properly and consistently conducted.



LESSONS LEARNED

Contract Management

A Town's contracts were not consistently reviewed to ensure that all major deliverables were received, or that other contractual requirements were adhered to. There were no policies and procedures for contract monitoring.



Results: The Town did not receive all deliverables that were outlined in the contracts. Contractor performance was not evaluated, and required insurance coverage was not always verified.

LESSONS LEARNED:

- Establish written contract monitoring procedures.
- Adhere to procedures and take an active role in contract OVERSIGHT.



LESSONS LEARNED

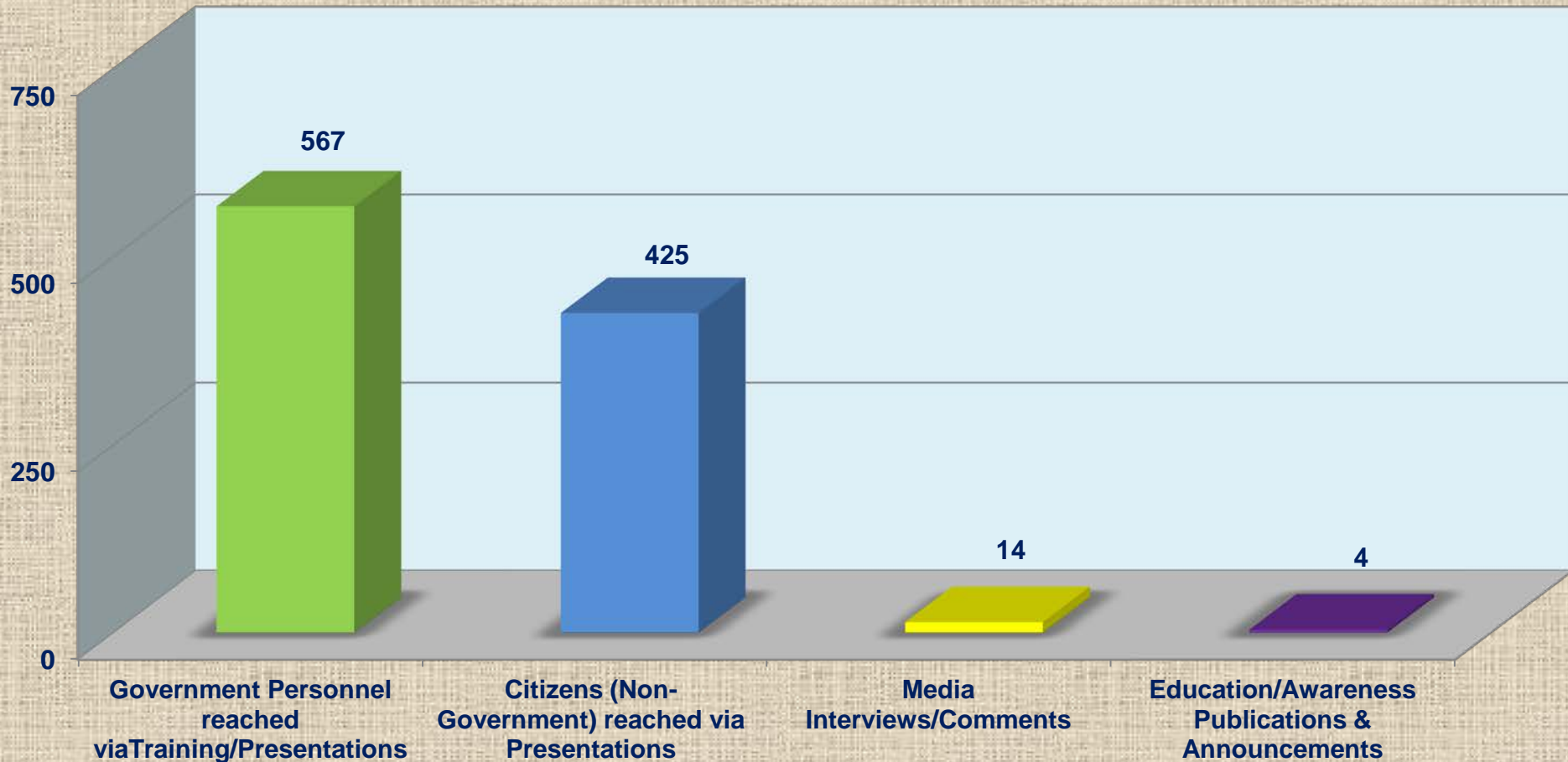
April 1, 2016 – September 30, 2016

Training and Outreach

TRAINING AND OUTREACH



An ounce of outreach is worth a pound of enforcement.





LESSONS LEARNED

April 1, 2016 – September 30, 2016

Lawsuit

Update



LAWSUIT STATUS UPDATE

- ❑ **November 14, 2011** – Lawsuit filed by 15 municipalities
- ❑ **March 12, 2015** – Trial Court entered Final Judgment against municipalities
- ❑ **May 5, 2015** – 13 municipalities appealed the trial court’s decision
- ❑ **October 4, 2016** – Oral Argument held before the 4th District Court of Appeal

Issue: The cities assert that they are not challenging the existence or authority of the OIG. Instead, they challenge whether the voters and the County “can force the Municipalities to pay for it.” The cities contend that the current funding scheme violates sovereign immunity.

The County asserts that the “people have all political power” and were authorized to vote to require the cities to “do what the people have said.” The County also asserts that the cities, through the League of Cities, were involved in the drafting of the referendum.





LESSONS LEARNED

Plans, Objectives, and Initiatives

PLANS, OBJECTIVES, AND INITIATIVES



OIG Vision Statement:

To promote positive change throughout local governments and public organizations in Palm Beach County with an **inspired** and **skilled team** that strives for **continuous improvement**.

OFFICE OF INSPECTOR GENERAL PALM BEACH COUNTY, FLORIDA



STRATEGIC PLAN

Fiscal Years 2017 – 2022

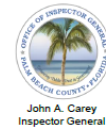
October 18, 2016

PLANS, OBJECTIVES, AND INITIATIVES



Focusing OIG limited resources:

- **Audit:** Execute Audit Plan based on Risk Assessment. Acquire cloud-based automated audit management software.
- **Investigations:** Continue to analyze anomalies/red flags. Investigate highest risk/impact cases.
- **Contract Oversight:** Risk based monitoring focused on outreach and prevention.
- **Outreach:** Keep charging ahead!



John A. Carey
Inspector General

OFFICE OF INSPECTOR GENERAL
PALM BEACH COUNTY



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"Enhancing Public Trust in Government"

2017-AP-0001

Fiscal Year 2017

**Annual Risk Assessment and
Audit Plan**


October 24, 2016

Insight – Oversight – Foresight

IMPACT BEYOND PALM BEACH COUNTY



- Board Member
- Professional Certification Board
- Training Committee
- 2019 National Conference to be held in PB County



INSPECTORS GENERAL NEWS
THE NEWSLETTER OF THE
ASSOCIATION OF INSPECTORS GENERAL

Florida Offices of Inspectors General Personnel and Internal Auditors Personal Information is Now Exempt from Florida Public Records Law

Filed under: Uncategorized

By: Kalinthia Dillard, General Counsel, Palm Beach County Office of Inspector General

"Enhancing Public Trust in Government"

NAME OF INVESTIGATIVE REPORT
EXECUTIVE SUMMARY

| WHAT WE DID | WHAT WE RECOMMEND |
|---|---|
| Why did we investigate this? Objectives. | What were are major recommendations? What was management's response to our recommendations? |
| Identified, Questioned, and Avoidable Costs. Brief summary of findings related to each issue. | |



**QUESTIONS/COMMENTS/
SUGGESTIONS?**

THANK YOU

Enhancing Public Trust in Government