



**OFFICE OF INSPECTOR GENERAL  
UPDATE AND LESSONS LEARNED  
FROM RECENT PROJECTS  
June 2017**

**John A. Carey, Inspector General**

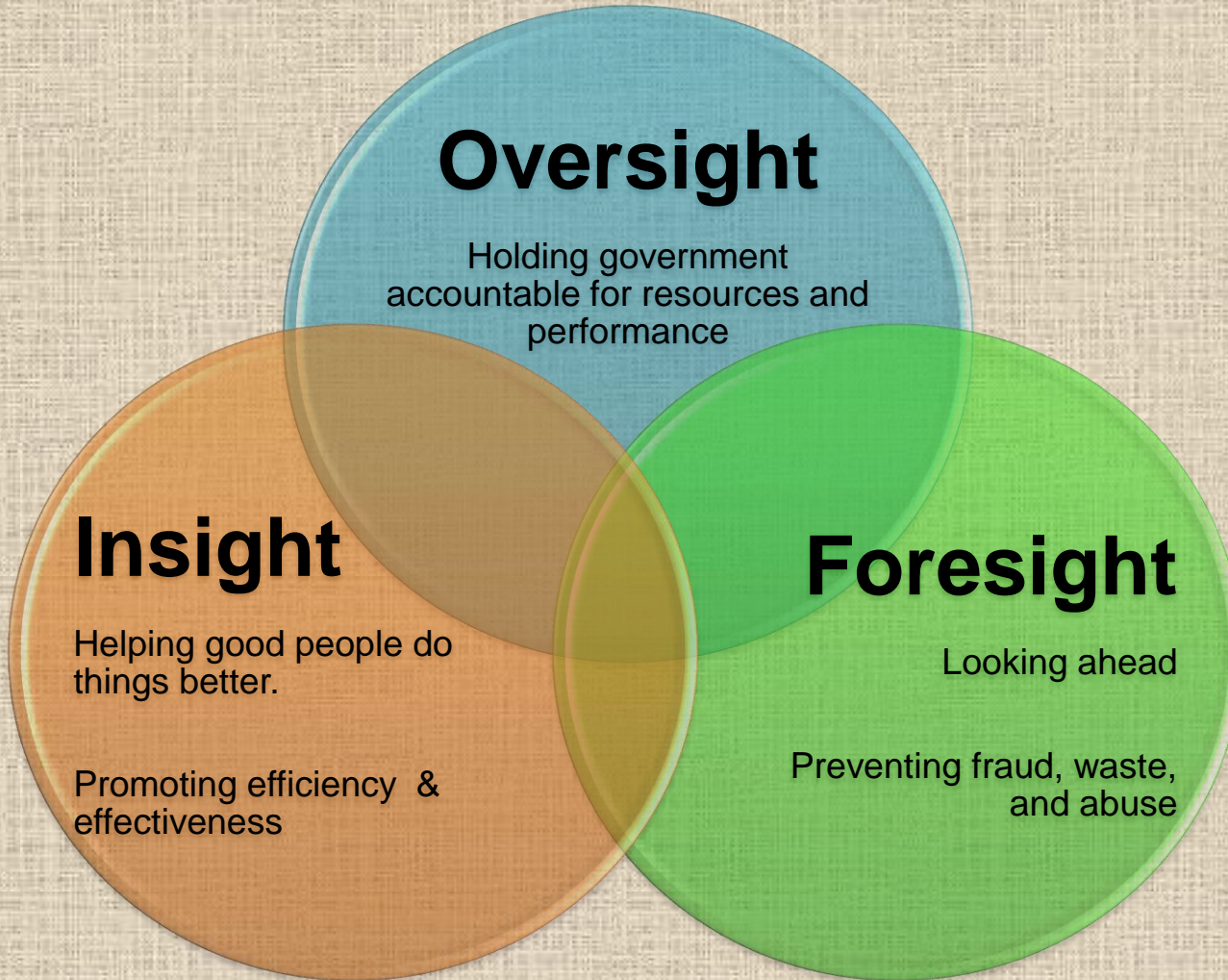
*Enhancing Public Trust in Government*



# **OUTLINE**

- **OIG UPDATE** (October 1, 2016 – March 31, 2017)
- **LESSONS LEARNED FROM OIG PROJECTS**
- **PLANS, OBJECTIVES, & INITIATIVES**
- **SUMMARY OF MAJOR ACCOMPLISHMENTS**
- **MANAGEMENT REQUIREMENTS REVIEW**

# OUR OIG APPROACH





# ***UPDATE ON OIG ACTIVITIES***

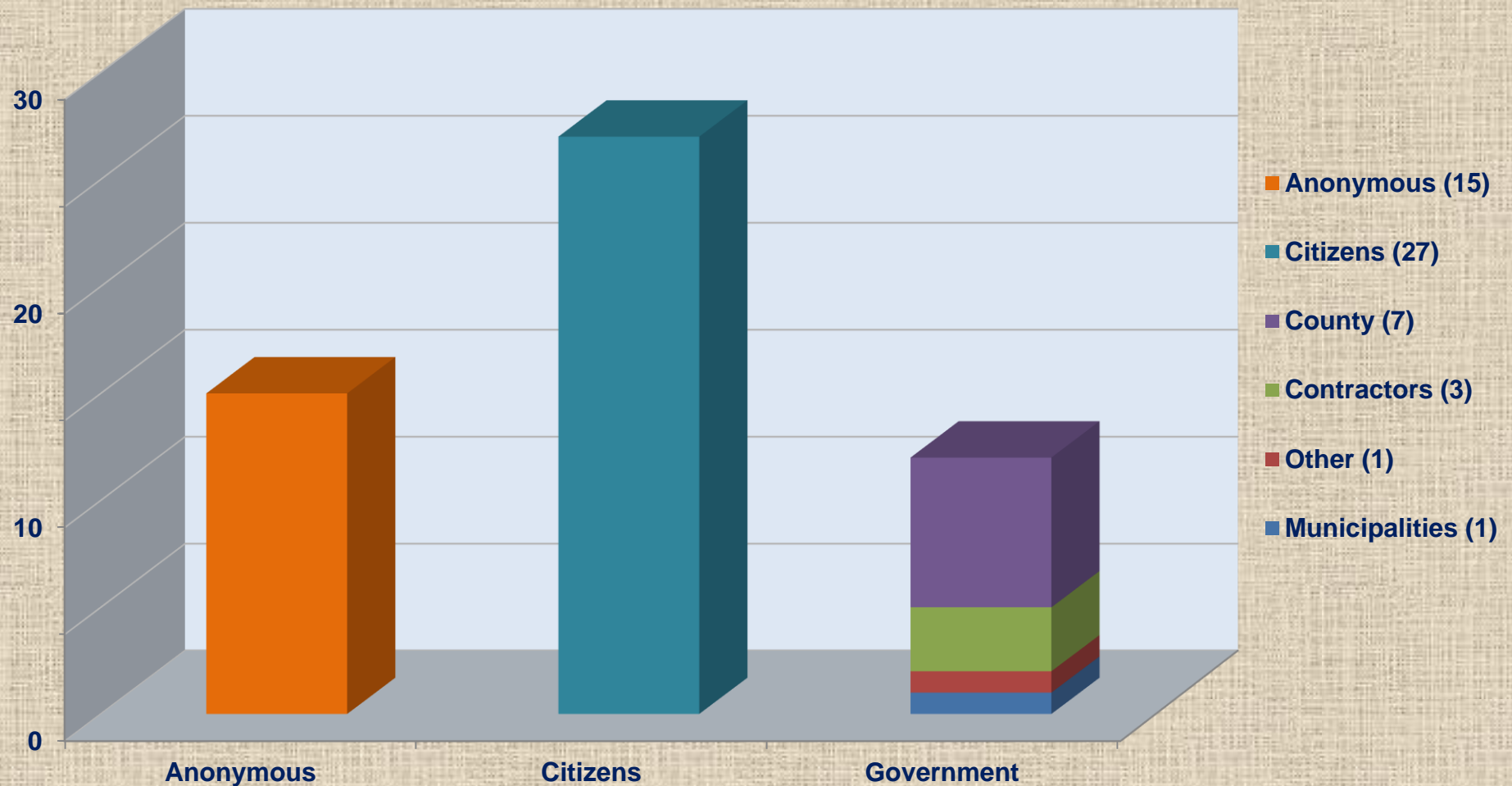
**Investigations**  
**Audits**  
**Contract Oversight Activities**  
**Training and Outreach**

# COMPLAINTS AND REPORTING SOURCES



October 1, 2016 – March 31, 2017

54 Complaints from the 89 Correspondences



# TOP COMPLAINTS ON COUNTY DEPARTMENTS



## Top County Departments

### Current 6 Months

Fire Rescue (8)

Planning, Zoning, and Building (2)

Purchasing (2)

Water Utilities (2)

### Previous 6 Months

Palm Tran (4)

Community Services (3)

Facilities, Development & Operations (2)

Purchasing (2)

# TOP COMPLAINTS ON MUNICIPALITIES



## Top Cities

### Current 6 Months

Delray Beach (6)

Riviera Beach (5)

### Previous 6 Months

Riviera Beach (19)

Delray Beach (10)

Loxahatchee Groves (3)

Wellington (3)

# TOP ALLEGATIONS MADE



## Current 6 Months

Employee Misconduct	20
Violation of Law, Rule, or Procedure	4
Contract Improprieties	3
Negligence of Duties	3

## Previous 6 Months

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



# **CONTRACT OVERSIGHT ACTIVITIES**



**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: **121**
- Current Contract Value Monitored: **\$267.2M**
- Number of Procurement Meetings Attended: **61**

# OIG OVERSIGHT OF THE INFRASTRUCTURE SURTAX



## Actions

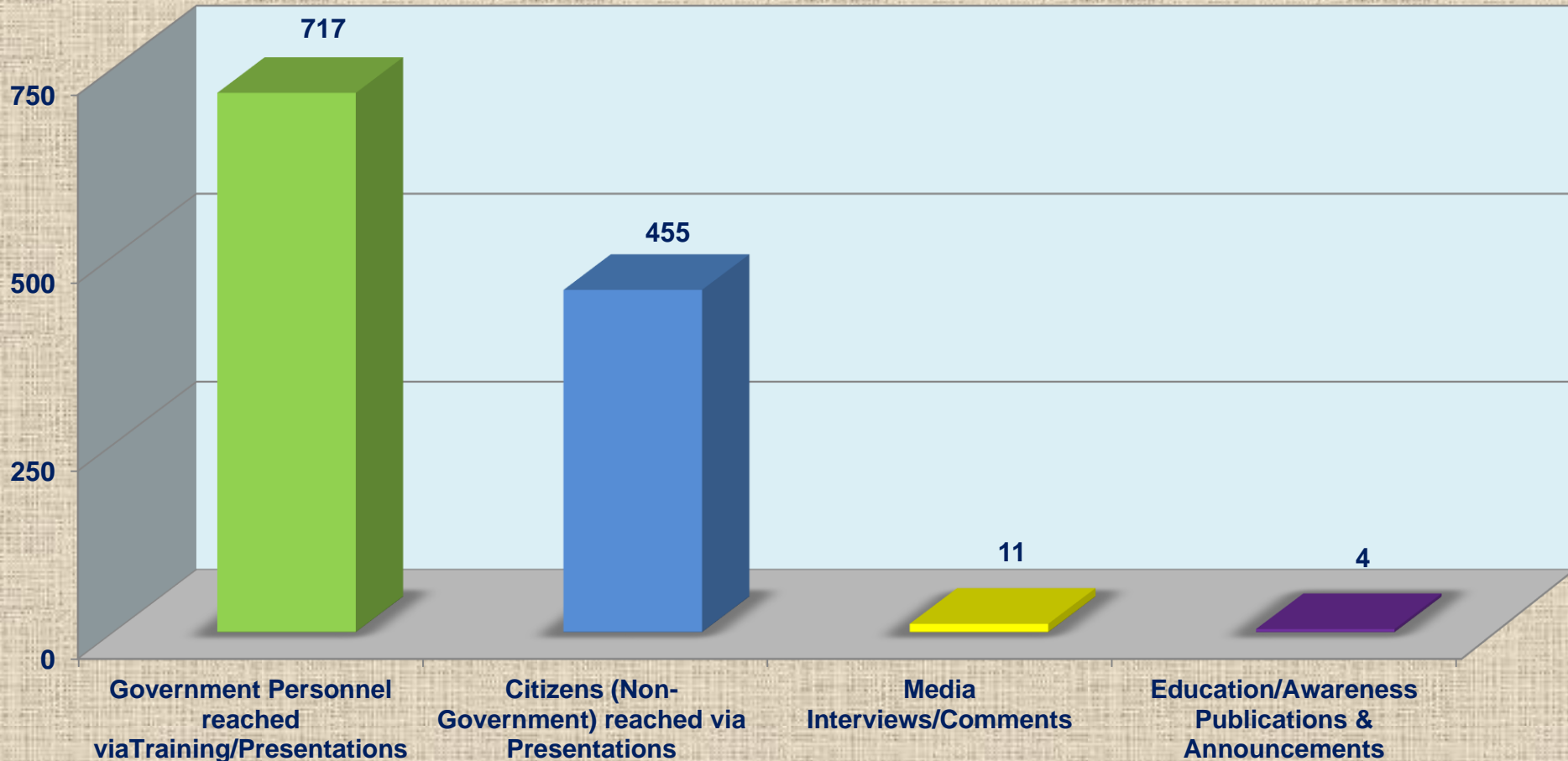
- Contract Oversight Division is OIG lead in One-Percent Sales Surtax oversight.
- Observing Oversight Committee meetings.
- Monitoring county & cities project lists, ordinances, resolutions, agendas, and announcements. Building IG data library.
- Reviewing monthly surtax revenue distributions.
- Conducting additional training of OIG staff focusing on construction audits, investigations, and oversight activities.



# TRAINING AND OUTREACH



*An ounce of outreach is worth a pound of enforcement.*





# LESSONS LEARNED

## Preface

**“Words to the wise.”**



**“If the shoe fits, wear it.”**





# LESSONS LEARNED

## Preface

The stories you are about to hear are true.

The names have been changed to protect the innocent.





# LESSONS LEARNED

## Misappropriation of Taxpayer Dollars

- A government employee diverted cash funds for her personal use by altering and deleting documents that would have exposed her nefarious actions.
- As a result, approximately \$30K was taken for the employee's personal use instead of its intended benefit to County taxpayers.



### LESSON LEARNED:

- We need oversight and checks and balances even for long term “trusted” employees.
- Particularly when dealing with cash, separate cash handling duties among different people.



# LESSONS LEARNED

## Verification of Deliveries

We found that an entity did not verify the amount of fuel received at the time of delivery.



### Results:

Without verifying the actual amount of gallons received, there is less assurance that the correct amount was received, and there is increased risk that the entity could be billed for fuel not delivered.

## LESSONS LEARNED:

- Goods should be verified against the receiving records to confirm the correct quantity and that items have been received.



# LESSONS LEARNED

## Consistency

We found that an entity did not consistently apply policies, procedures, and guidelines for fuel and vehicle operations.



### Results:

- Solicitation process did not obtain uniform information from vendors.
- Fuel tank readings were inconsistent and lacked pertinent information.
- Fuel transaction logs were not consistently maintained.

Inconsistent information increases the risk of misunderstandings and noncompliance.

## LESSONS LEARNED:

- Written policies and procedures, with standard forms, help ensure that operations are consistently completed, and reduces risk of errors.





# LESSONS LEARNED

## Procurement Methods by Municipalities of Employee Insurance

### Results of OIG Survey of Municipalities:

- Municipalities varied widely in the types of insurance they provide for employees.
- Procurement methods used appear to comply with section 112.08 of the Florida Statutes.

Provided a summary of all insurance benefits provided by 38 of 39 municipalities that can be used as a resource by municipalities



### LESSON LEARNED:

- Importance of reviewing statutory requirements to ensure compliance.
- Benefits of benchmarking.





# LESSONS LEARNED

## Solicitation Critical Business Requirements

- An entity competitively solicited for alcoholic beverage services for a monthly event. The solicitation document did not require a proposer to submit a current liquor license in its response or explain how the license qualified them to provide the requested services.



Lack of specifying a critical business requirement in the solicitation document could have led to awarding a contract to a firm lacking an essential license.

### LESSON LEARNED:

- The importance of identifying and specifying all critical business requirements in solicitation documents.



# ***THE WAY AHEAD***

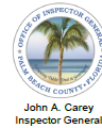
## **Plans, Objectives, and Initiatives**



# OIG FOCUS OF EFFORT

## Focusing OIG limited resources:

- **Audit:** Execute Audit Plan. Acquire cloud-based automated audit management software. **Hire high quality auditors. Leadership transition.**
- **Investigations:** Investigate highest risk/impact cases. **Prepare for FL State Re-accreditation.**
- **Contract Oversight:** Focus on outreach and prevention. **Leadership transition.**
- **Outreach:** Continue rigorous training and outreach program.



John A. Carey  
Inspector General

OFFICE OF INSPECTOR GENERAL  
PALM BEACH COUNTY



Inspector General  
Accredited

*"Enhancing Public Trust in Government"*

**2017-AP-0001**

**Fiscal Year 2017**

**Annual Risk Assessment and  
Audit Plan**

**October 24, 2016**

Insight – Oversight – Foresight



# ***MAJOR ACCOMPLISHMENTS***

## **SUMMARY OF MAJOR ACCOMPLISHMENTS TO DATE**



# ACCOMPLISHMENTS TO DATE

\$24.7m

*Questioned Costs* incurred pursuant to a potential violation of law, regulation, or policy; lack of adequate documentation; or, where the intended purpose is unnecessary or unreasonable.

\$21.9m

*Potential Cost Savings* identified for return to offset the taxpayers' burden or in the future if the OIG's recommendations are implemented.

119

*Cases Referred* to, or actions taken by, law enforcement, County, or State Commissions on Ethics.

606

*Recommendations/Corrective Actions* that the OIG recommends the entity take to improve operations, prevent fraud, waste and abuse, or address administrative misconduct.

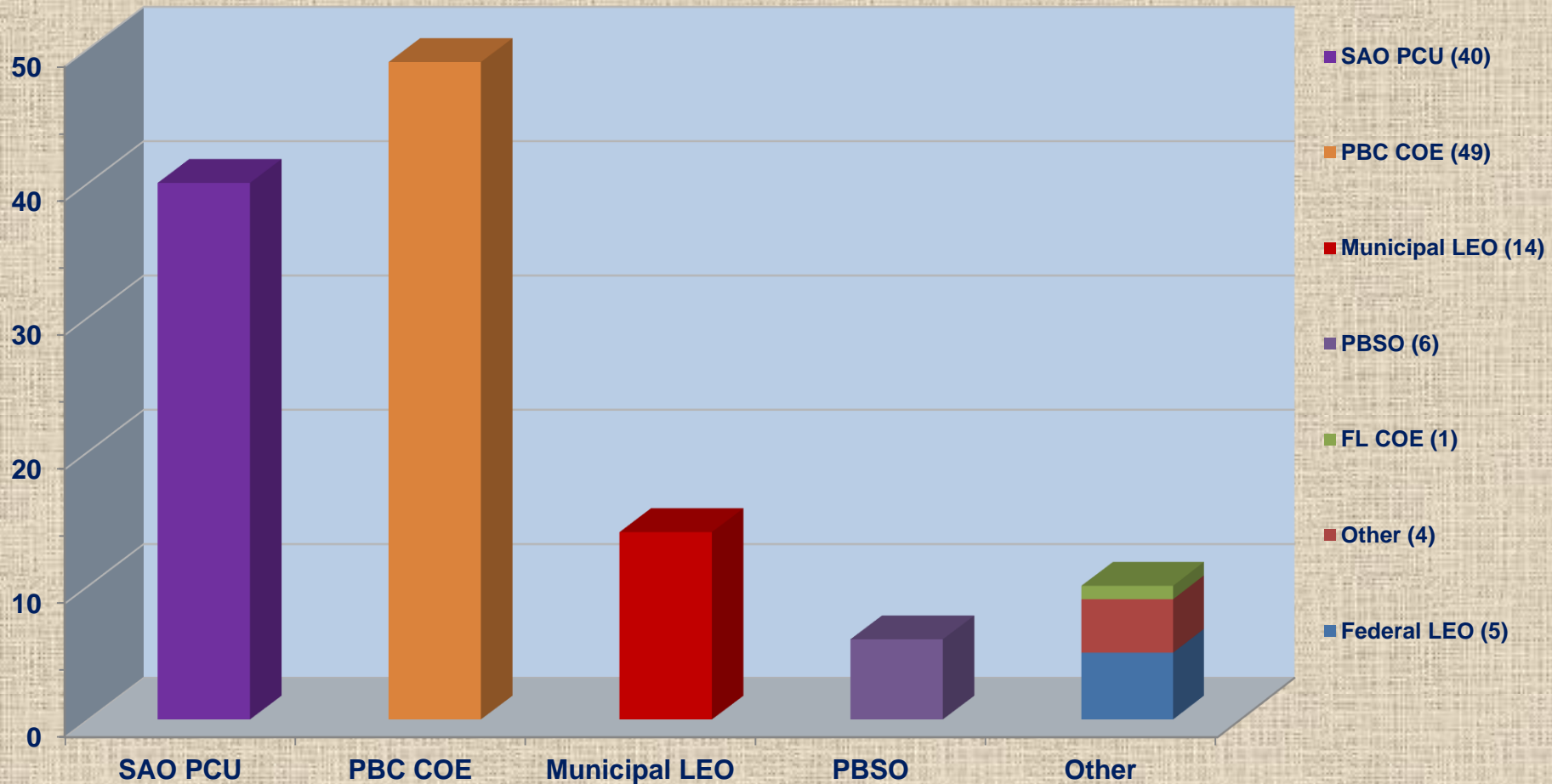
Updated 4/17/2017

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

# REFERRALS SINCE INCEPTION



## Agencies Where Cases Have Been Referred

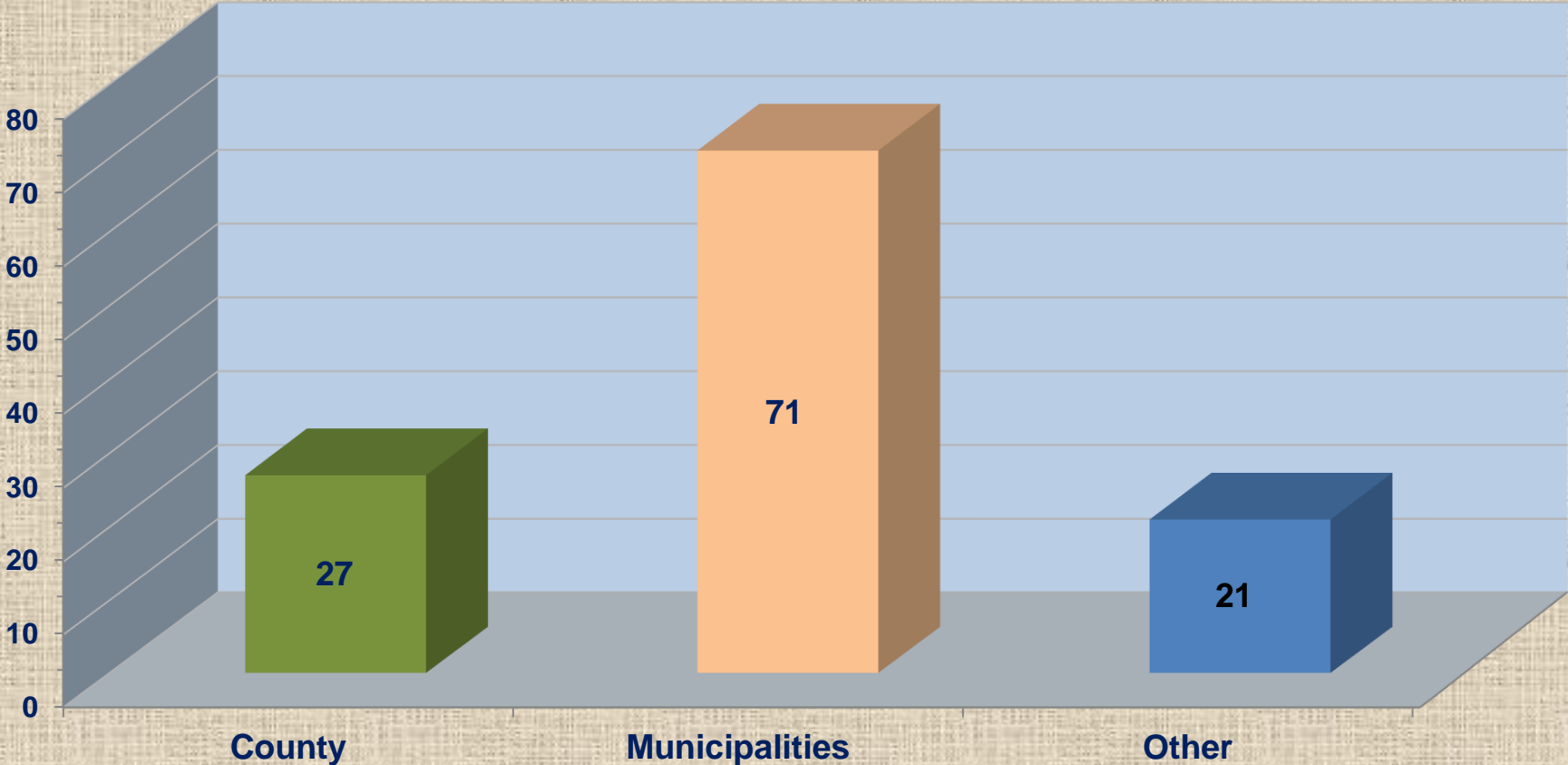




# REFERRALS SINCE INCEPTION



## Cases Referred to Law Enforcement, County or State Ethics Commissions





# ACCOMPLISHMENTS TO DATE

## Making Government Better

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**606**  
Recommendations

To improve government operations and to save taxpayer dollars.



**10,000 (+)**

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."**



# ***OIG WORK COMPARISON***

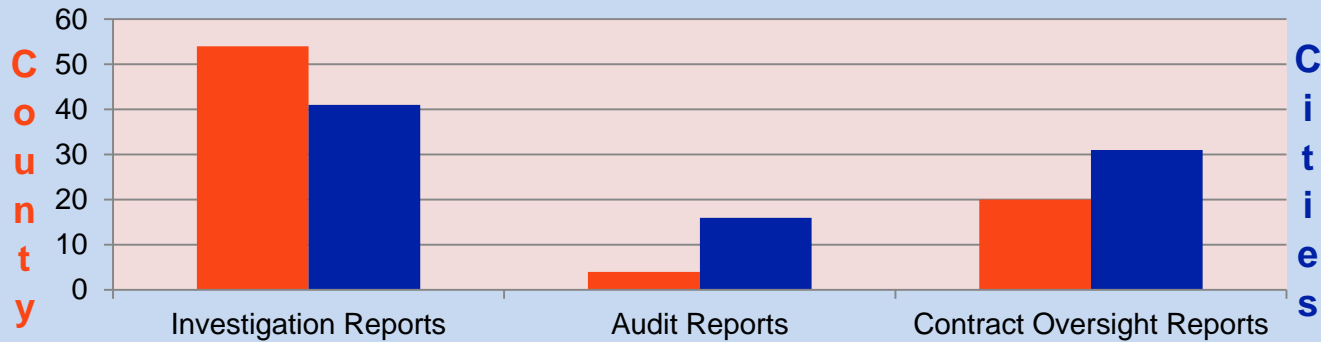
## **SUMMARY OF OIG WORK: COUNTY COMPARED TO MUNICIPALITIES**

# OIG WORK COMPARISON

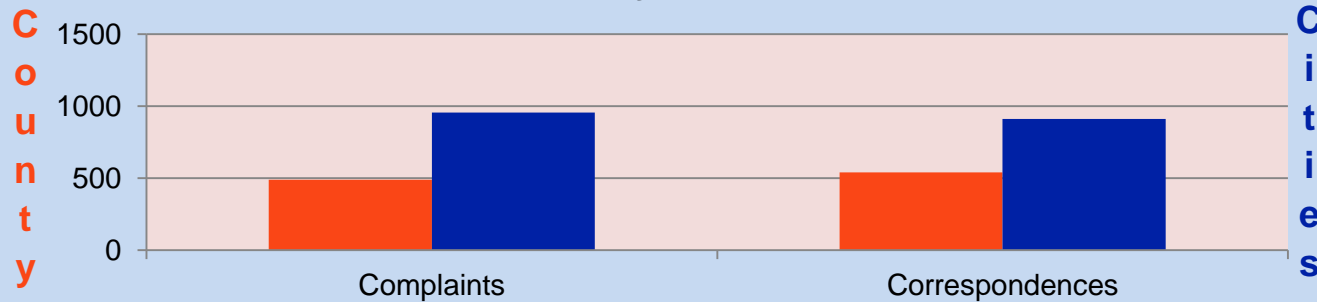


## Comparison between County and Municipalities

### OIG Reports to County and Municipalities



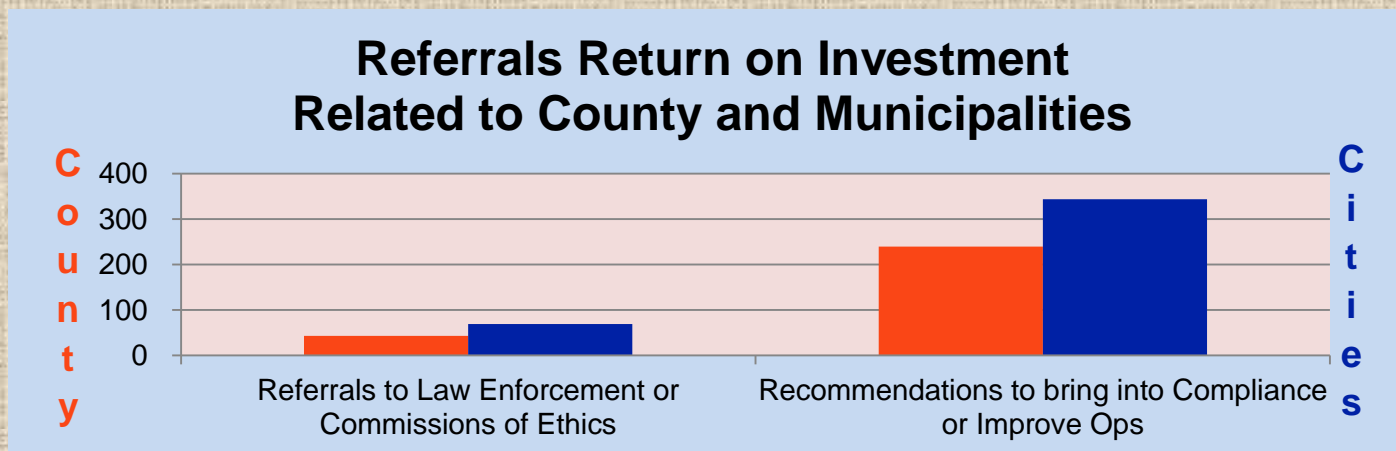
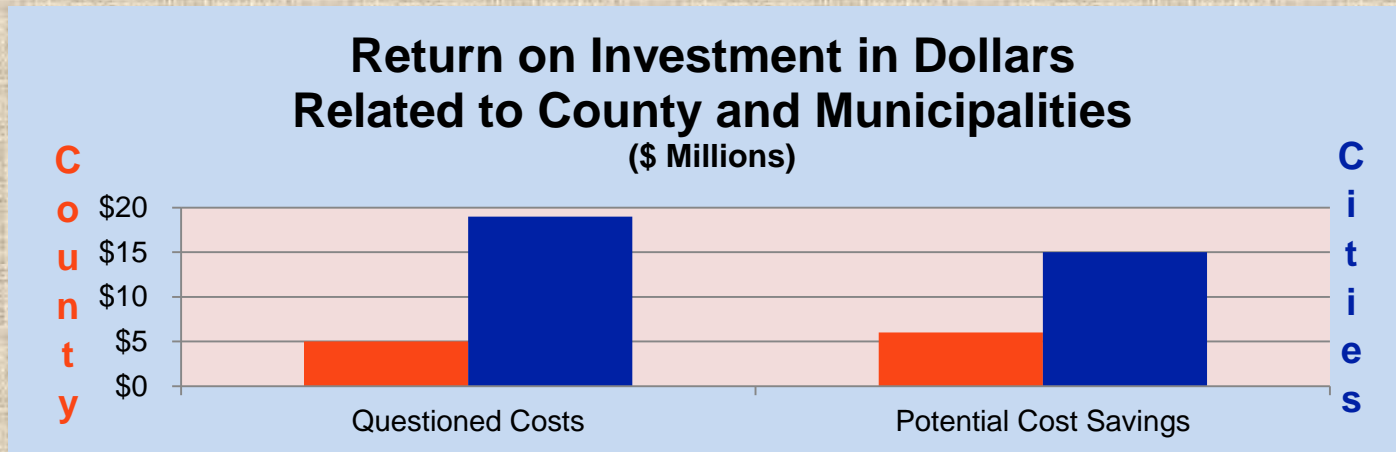
### Complaints and Correspondences Related to County and Municipalities



# OIG WORK COMPARISON



## Comparison between County and Municipalities cont.





# **REMINDERS**

**Article XII, Section 2-422 and 2-423**

## **Management's Requirements from County IG Ordinance**

# ***NOTIFICATION REQUIREMENTS***



- ▶ **Fraud, theft, bribery.**
- ▶ **Possible contract mismanagement (misuse or loss exceeding \$5,000).**
- ▶ **Other violations which appears to fall within the IG's jurisdiction ("mismanagement, misconduct, and other abuses").**

# ***WRITTEN LOCAL POLICIES***



**“The county administrator and each municipal manager, or administrator, or where the mayor serves as chief executive officer, shall ... coordinate with the inspector general to develop reporting procedures for notification to the inspector general.”**



# ***NOTICE OF PROCUREMENT SELECTION MEETINGS***



**“The inspector general shall be notified in writing prior to any duly noticed public meeting of a procurement selection committee where any matter relating to the procurement of goods or services ... is to be discussed ... as soon as the meeting has been scheduled.”**

Please send notices to: [igcontracts@pbcgov.org](mailto:igcontracts@pbcgov.org)

The Contracts Oversight Division would also appreciate assistance in receiving copies of competitive sealed proposals (i.e., RFP, RFQ's) when issued.

# ***TRAINING/AWARENESS PROGRAMS***



**“Develop public awareness strategies to inform government officials and employees, as well as the general public, of the authority and responsibilities of the inspector general.”**

# ***TRAINING/AWARENESS PROGRAMS CONT.***



**Includes “a link to the office of inspector general’s website, publication of notices in government’s newsletters, and posting information about the OIG in government employee break rooms and other common meeting areas.”**

# **TRAINING/AWARENESS RESOURCES**



- ▶ **Information on the OIG website (<http://pbcgov.com/oig/>).**
  - **Tips and Trends**
  - **Lessons Learned**
  - **Common Issues Found**
  - **Guidance/Reference Materials**
  
- ▶ **Posters, Pamphlets, Hotline Cards.**

# ***TRAINING/AWARENESS RESOURCES CONT.***



- ▶ **Training/Presentations/Briefings.**
  - **OIG Overview/The IG's Role**
  - **The OIG and Management Working Together**
  - **IG Orientation for New Supervisors**
  - **Lessons Learned from OIG Projects**
  - **Internal Controls**
  - **Red Flags that May Point to Fraud**
  - **Florida State's Whistleblower Act**



# THANK YOU

For more lessons learned, tips, trends,  
and best practices, visit our OIG website.

<http://pbcgov.com/oig/>

*“Enhancing Public Trust in Government”*