

**OFFICIAL MEETING MINUTES
OF THE
PALM BEACH COUNTY INSPECTOR GENERAL COMMITTEE
PALM BEACH COUNTY, FLORIDA**

MAY 12, 2016

**THURSDAY
9:02 A.M.**

COMMISSION CHAMBERS

I. CALL TO ORDER

II. ROLL CALL

MEMBERS:

Michael S. Kridel, Chair
Clevis Headley, Vice Chair - Absent
David Aronberg – Arrived later
Carey Haughwout – Arrived later
Michael Loffredo
Judy M. Pierman
Sarah L. Shullman

STAFF:

Debbie Brooks, Executive Assistant, Office of Inspector General (OIG)
John A. Carey, County Inspector General

ADMINISTRATIVE STAFF:

Julie Burns, Deputy Clerk, Clerk & Comptroller's Office

III. INTRODUCTORY COMMENTS

Chair Michael Kridel stated that this was the semiannual meeting of the Palm Beach County Inspector General Committee (committee) and that the OIG's activities for the past six months would be reviewed.

IV. APPROVAL OF INSPECTOR GENERAL (IG) COMMITTEE MEETING MINUTES

IV.a. Meeting: November 12, 2015

(CLERK'S NOTE: Committee Member David Aronberg joined the meeting.)

MOTION to approve the November 12, 2015, minutes. Motion by Michael Loffredo, seconded by Judy Pierman, and carried 5-0. Carey Haughwout and Clevis Headley absent.

(CLERK'S NOTE: Committee Member Carey Haughwout joined the meeting.)

V. SIX-MONTH STATUS REPORT

V.a. Presentation by Inspector General Carey

General John Carey gave a slide presentation and stated that:

- The OIG's mission was to provide independent and objective insight, oversight, and foresight in promoting efficiency, effectiveness, integrity and public trust in government.
- The OIG's strategic plan would be reviewed before the end of the 2016 fiscal year.
 - Insight helped people in government perform better and be more efficient and effective in overall operations.
 - Oversight held government accountable for taxpayers' dollars and for its entrusted power.
 - Foresight prevented fraud, waste, and abuse.
- The IG's responsibilities included promoting best practices, meeting with the committee every six months, and publishing the OIG's reports and strategic plan.
- Intake activities updates included:
 - The number of intake activities remained fairly consistent with the previous six months.
 - Written correspondence and calls to the OIG and its hotline resulted in 84 complaints that led to four investigative activities.
 - Public records requests decreased significantly.
 - Many of the calls and written correspondences received referred to a complaint against a municipality or information from other jurisdictions or entities, and were not necessarily addressed to the OIG.

- Calls and correspondence within the OIG's jurisdiction were reviewed to ensure that they were based on evidence and not on conjecture.
- Some correspondences or complaints were referred to the Commission on Ethics or to State or federal agencies, and the point of contact was provided to the complainant.
- Most correspondences and complaints came from citizens and were related to municipalities.
- Anonymous complaints often came from government employees.
- No particular trends were identified among the top correspondences regarding County departments.
- The cities of Delray Beach (Delray Beach) and Riviera Beach received the most correspondences; however, many of them came from one person.
- Allegations of employee misconduct involved issues such as theft of time and bribery violations involving various policies.
- Allegations of contract improprieties involved violations of the code of silence, public notice issues, and financial improprieties such as fraud and mismanagement.
- Investigative activities included the following:
 - The number of initiated investigations decreased compared to the previous six months.
 - There were no self-initiated preliminary inquiries in which information was gathered and reviewed to determine whether red flags existed. Five of the six previous inquiries were still under review.
 - Two investigations were referred to the Public Corruption Unit at the State Attorney's Office.
 - There were nine open investigations and seven self-initiated inquiries that were under review.
 - All 16 corrective actions/recommendations that resulted from the four issued reports were accepted by the municipalities, jurisdictions, or entities.

- The acceptance rate of corrective actions/recommendations was continually improving; however, not all accepted corrective actions/recommendations were implemented.

Four issued reports involved employee misconduct at Environmental Resources Management, the Medical Examiner's Office, Delray Beach, and Palm Tran Connection.

- The mission of the Contract Oversight Unit (COU) was to reduce the appearance and opportunity of vendor favoritism and inspire public confidence that County contracts were awarded equitably and economically.
 - Contract monitoring increased by 50 percent and now involved 105 contracts.
 - The COU's attendance at procurement meetings fluctuated depending on how significant the meetings were and whether other investigative activities prevented staff's attendance.
 - Two contract oversight reports were issued.
 - Questionable and avoidable contract costs significantly decreased from the previous six months.
 - Avoidable contract costs were significantly higher in the previous six months because Delray Beach eventually implemented the OIG's recommendation to rebid its trash collection service.
 - The two issued reports involved the County's Water Utilities Department (WUD) and its Contract Review Committee and the City of West Palm Beach's (WPB) contract monitoring activity. The WUD accepted and implemented all of the COU's recommendations, and WPB accepted its recommendations.
- Audit activities included issuing two reports.
 - The reports identified internal control weaknesses in the Public Service Department of the Village of Palm Springs (Palm Springs) and in the purchasing activities of Delray Beach.
 - The 16 OIG recommendations for Palm Springs were accepted, and 15 were implemented as of March 31, 2016. The 11 OIG recommendations for Delray Beach were accepted and 8 were implemented.

- The Delray Beach audit originated from factors contained in the OIG's annual risk assessment plan.
- The OIG's audit plan included countywide fleet and fuel reviews.
- A review of the Village of Royal Palm Beach's fueling operations indicated good checks and balances; therefore, recommendations were made but no audit was conducted.
- The OIG followed up on significant open recommendations that were not yet implemented, such as one involving the County's Engineering and Public Works Department and a 2014 City of Belle Glade audit.
- The OIG's annual risk assessment plan was submitted to all entities that received oversight, and it was included as an addendum to the OIG's annual report.
- The OIG requested updates and sometimes contacted higher appointed officials when recommendations were not implemented; however, no recourse existed to require implementation.
- Since its inception in 2010, OIG operations cost taxpayers approximately \$12 million; however, the savings found in identified costs and potential avoidable costs nearly exceeded the taxpayers' investment.
- It was difficult to identify specific savings for efficiencies found in a questionable cost, such as a contract not being properly rebid. Once the contract was rebid, the savings could be identified.
- There were 47 total recommendations/corrective actions with a 100 percent acceptance rate.
- When someone brought suspected wrongdoing to the OIG's attention, it reflected public confidence in the OIG to honestly and objectively review a matter.
- Some of the trends identified since the OIG's inception included weak or no internal controls and contract selection committee issues.

Dennis Yeskey, OIG Contract Oversight Manager, said that:

- Selection committees or evaluation teams played an essential role in the Request for Proposal (RFP) and contracting process.
 - The members read, reviewed, and scored proposals that resulted in contract award recommendations.

- Contract awards were often valued at millions of dollars and provided essential municipal services and highly complex or technical services to citizens.
- Contract Oversight staff attended and observed selection committee meetings.
 - Selection committee members were often uncertain how to evaluate or score proposals.
 - The members were uncertain about their roles and responsibilities.
 - A departure from the RFP criteria sometimes occurred.
 - Uncertainty or unawareness sometimes existed regarding statutory requirements.
- The COU maintained a library of resources for the County and municipalities.

Chair Kridel stated that the COU's approach to education of procurement issues was well constructed and somewhat better than the private sector.

General Carey said that:

- No specific trends existed regarding employee misconduct; however, it was generally due to personal gain and lack of management oversight.
- Training and outreach activities included the following:
 - There were 419 government personnel who received OIG training and presentations.
 - Approximately 677 citizens received presentations.
 - Most of the 22 media interviews and comments were in response to media inquiries regarding OIG reports.
 - The OIG's education/awareness publications and announcements included a quarterly newsletter and an annual report.
 - There were requests to speak at the Lee County Charter Review Committee and the Florida Audit Forum.
 - A County Internal Auditors/Inspectors General Forum met quarterly to discuss common issues and share best practices.

- He was asked to serve as a judge of the National High School Ethics Bowl, and he attended Suncoast High School Career Day.
- A reference manual explaining the OIG's processes and authority was developed, completed, and sent to all municipal managers and leaders. It was well received.
- A public service announcement aired on Palm Beach County TV Channel 20 to inform viewers that March was Ethics Awareness Month and that a public discussion would take place at the Palm Beach State College.

General Carey said that:

- The OIG's annual budget was \$2.9 million, which was approximately \$1.71 per county resident.
- An update regarding the 2011 municipal lawsuit on the OIG funding included:
 - On March 31, 2016, the municipalities submitted a final brief to the 4th District Court of Appeal.
 - Two of the 15 municipalities dropped out of the lawsuit.
 - The OIG provided service to and received cooperation from all the municipalities, including those involved in the lawsuit.
- Two legislative initiatives occurred during the six-month status report.
 - A statewide sunset provision was passed in which all OIG audit and investigative reports were exempt from public disclosure until reports were final.
 - A new public records exemption protected all personal information of IGs and internal auditors from disclosure.
- His office would continue to focus its limited resources on risk assessment and keeping government, business, and citizens informed about the OIG and about information-sharing initiatives.
- The OIG's Web site was continually being improved and updated.

V.b. Discussion

Commissioner Judy Pierman commended General Carey for introducing his staff and providing insight into the work that they performed.

Commissioner Sarah Shullman commended General Carey's accomplishments in the past six months. She added that the decrease in correspondence or complaints indicated good oversight and a measure of success.

Commissioner Michael Loffredo said that the County had the best IG and the most impressive staff.

Chair Kridel said that Former General Sheryl Steckler accomplished a tremendous task by implementing the OIG. He added that General Carey set the tone with team building, education, and outreach, which was clearly reflected through the reduced correspondence.

V.c. Public Comment – None

VI. NEW BUSINESS

VI.a. Discussion – None

VI.b. Public Comment – None

VIII. ADJOURNMENT

At 10:44 a.m., the chair declared the meeting adjourned.

APPROVED: 11/10/2016 IG

Chair/Vice Chair