



# ***SIX MONTH STATUS REPORT***

***April 1, 2017 – September 30, 2017***

**John A. Carey, Inspector General**



# ***OUTLINE***

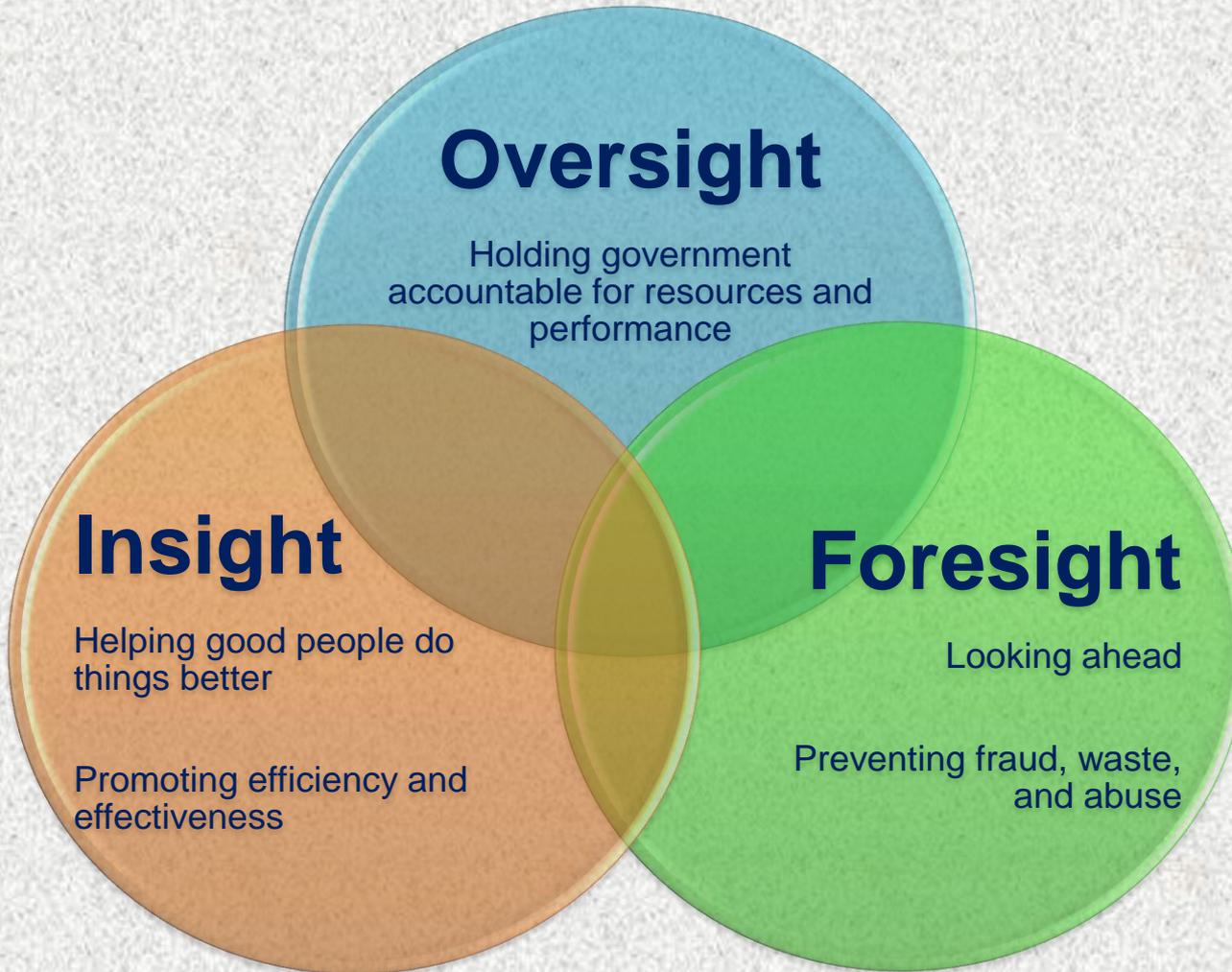
- **MISSION/APPROACH**
- **INTRODUCTION OF LEADERSHIP TEAM**
- **OIG ACTIVITIES** (April 1, 2017 – September 30, 2017)
- **BUDGET, STAFFING, & PERSONNEL**
- **PLANS, OBJECTIVES, & INITIATIVES**
- **SUMMARY OF MAJOR ACCOMPLISHMENTS**



# ***OIG MISSION***

- ▶ **Our mission is to provide independent and objective insight, oversight, and foresight in promoting integrity, efficiency, and overall effectiveness in government.**
- ▶ **Ultimately, enhancing public trust in government.**

# OUR OIG APPROACH



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



## **Introduction of the OIG Team**

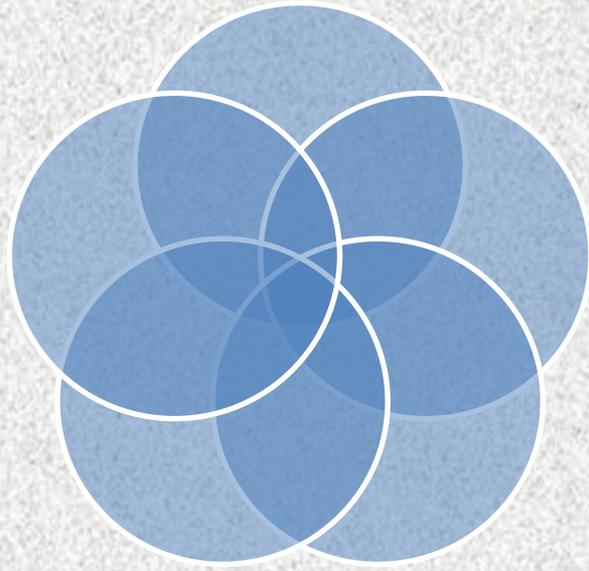
# ***THE OIG LEADERSHIP TEAM***



**John  
Carey**

**Stuart  
Robinson**

**Kalinthia  
Dillard**



**Megan  
Gaillard**

**Karen  
Mayer**



# INSPECTOR GENERAL OIG PERSONNEL

## OIG Professional Certifications and Licenses

- Certified Inspector General
- Certified IG Auditor
- Certified IG Investigator
- Certified Fraud Examiner
- Certified Internal Auditor
- Certified Government Financial Manager
- Certified Public Accountant
- Certified Government Auditing Professional
- Certification in Risk Management Assurance
- Certified Public Procurement Buyer
- Certified Computer Forensic Examiner
- Senior Professional in Human Resources
- Member of the Florida Bar



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



**April 1, 2017 – September 30, 2017**

## **Office of Inspector General Activities Related to:**

- **Intake & Investigations**
- **Contract Oversight**
- **Audit**
- **Training & Outreach**

# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



**April 1, 2017 – September 30, 2017**

## **Intake and Investigations**

### **Highlights**

# INSPECTOR GENERAL'S SIX MONTH REPORT



## Intake Activities

### Current 6 Months

<b>312</b>	Number of calls to the Office & Hotline
<b>104</b>	Written Correspondences received of which:  <b>63%</b> were complaints of wrongdoing
<b>4</b>	Correspondences led to the initiation of <b>2</b> Investigations and <b>2</b> were referred to OIG Contract Oversight
<b>9</b>	Public Records Requests

### Previous 6 Months

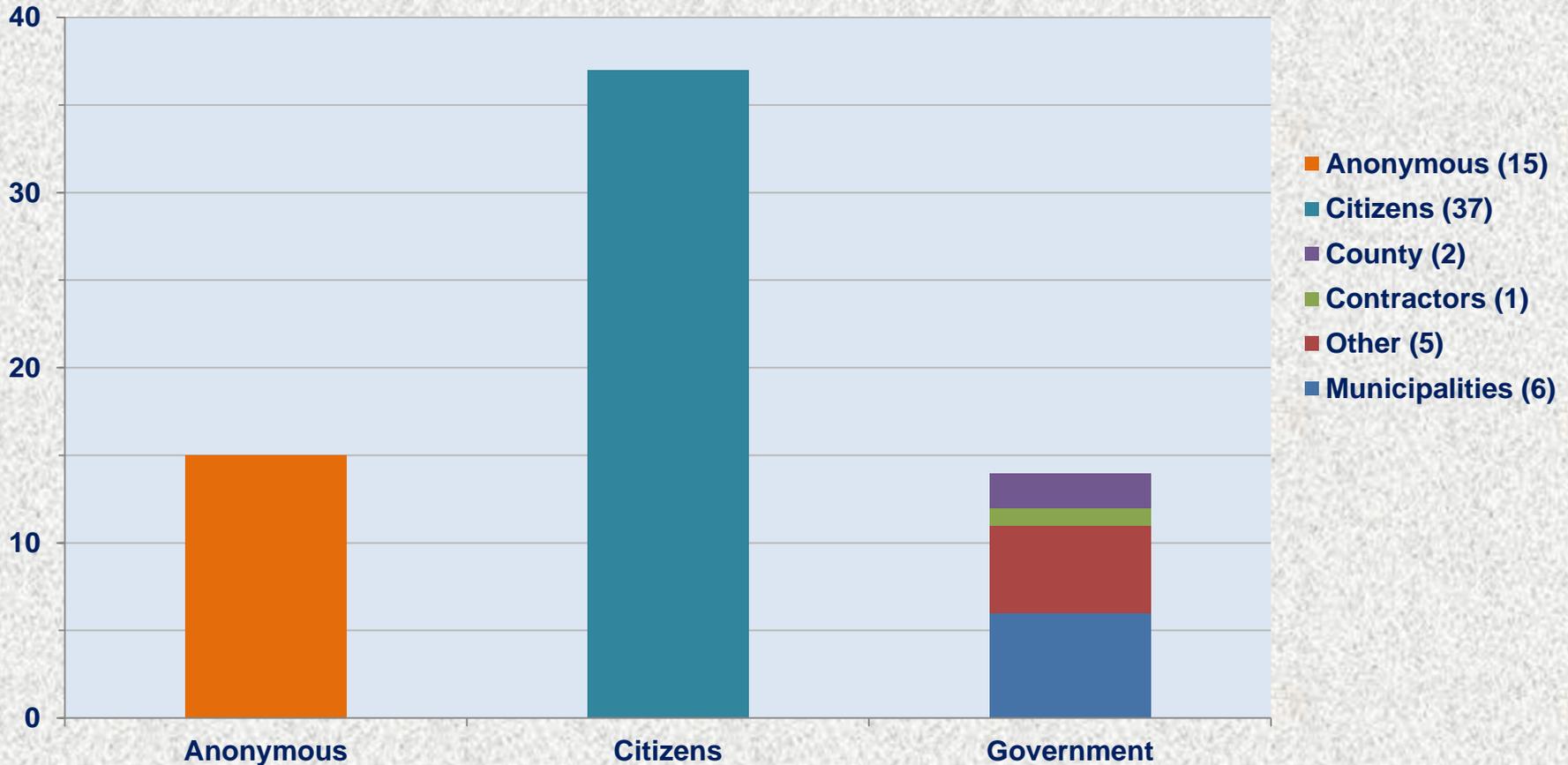
<b>279</b>	Number of calls to the Office & Hotline
<b>89</b>	Written Correspondences received of which:  <b>61%</b> were complaints of wrongdoing
<b>7</b>	Correspondences led to the initiation of <b>4</b> investigations and <b>3</b> were referred to OIG Contract Oversight
<b>17</b>	Public Records Requests

# INSPECTOR GENERAL'S SIX MONTH REPORT



April 1, 2017 – September 30, 2017

## Complaint Reporting Sources – 66 Complaints from the 104 Correspondences



# **INSPECTOR GENERAL'S SIX MONTH REPORT**



**April 1, 2017 – September 30, 2017**

## **Investigative Activities**

	<b>Current 6 Months</b>	<b>Previous 6 Months</b>
<b>On-going Investigations or Investigative Reviews</b>	<b>13</b>	<b>11</b>
<b>Cases Initiated by OIG – referred to PCU for Criminal Prosecution</b>	<b>0</b>	<b>1</b>
<b>Issued Reports</b>	<b>2</b>	<b>1</b>
<b>Recommendations Made/Accepted</b>	<b>9/0</b>	<b>5/5</b>
<b>Questioned Costs and Potential Cost Savings</b>	<b>\$130,774</b>	<b>\$32,180</b>

# INSPECTOR GENERAL'S SIX MONTH REPORT



## Investigative Review #2015-0009 Riviera Beach City Council Vehicle Use

### FINDINGS:

- Some current and former Council Members who received a \$500-\$750/month car allowance **also utilized City-owned vehicles** in violation of City policy.
- The City does not verify whether Council Members possess the required **motor vehicle insurance coverage** on their personal vehicles when used for City business.
- The City does **not adhere to the requirement** in its motor vehicle policy that drivers of City-owned vehicles **complete a defensive driving course**.
- The City does not annually verify that all drivers of City-owned vehicles possess a current **valid Florida Driver's License**.



We made nine recommendations. The City has yet to respond to our report.

# INSPECTOR GENERAL'S SIX MONTH REPORT



## Investigative Related Report Correspondence Number 2017-06-0008

### • FINDINGS:

- The City of Delray Beach **entered into an inter-local agreement** on July 2, 2007, with Palm Beach County in the amount of \$134,000 to **assume maintenance responsibility for a certain portion of Barwick Road.**
- The agreement stipulated the road was **to be resurfaced** within 5 years of receipt of the monies at a cost of \$125,000 and would include a traffic separator to be constructed at the south end of the road for an estimated cost of \$9,000.
- **The City acknowledged the monies received from the County were not used** pursuant to the terms of the inter-local agreement.
- The City acknowledged that only \$3,225.68 was spent on the project; **\$130,774.32 was not used** on the maintenance of Barwick Road.



**Identified  
Costs =  
\$130,774.32**

# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



**April 1, 2017 – September 30, 2017**

## **Contract Oversight**

### **Highlights**

# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



## **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.

- **Current Number of Contracts Monitored: 155**
- **Current Contract Value Monitored: \$310.8M**
- **Number of Procurement Meetings Attended: 113**

# **INSPECTOR GENERAL'S SIX MONTH REPORT**



**April 1, 2017 – September 30, 2017**

## **Contract Oversight**

**Current 6  
Months**

**Previous 6  
Months**

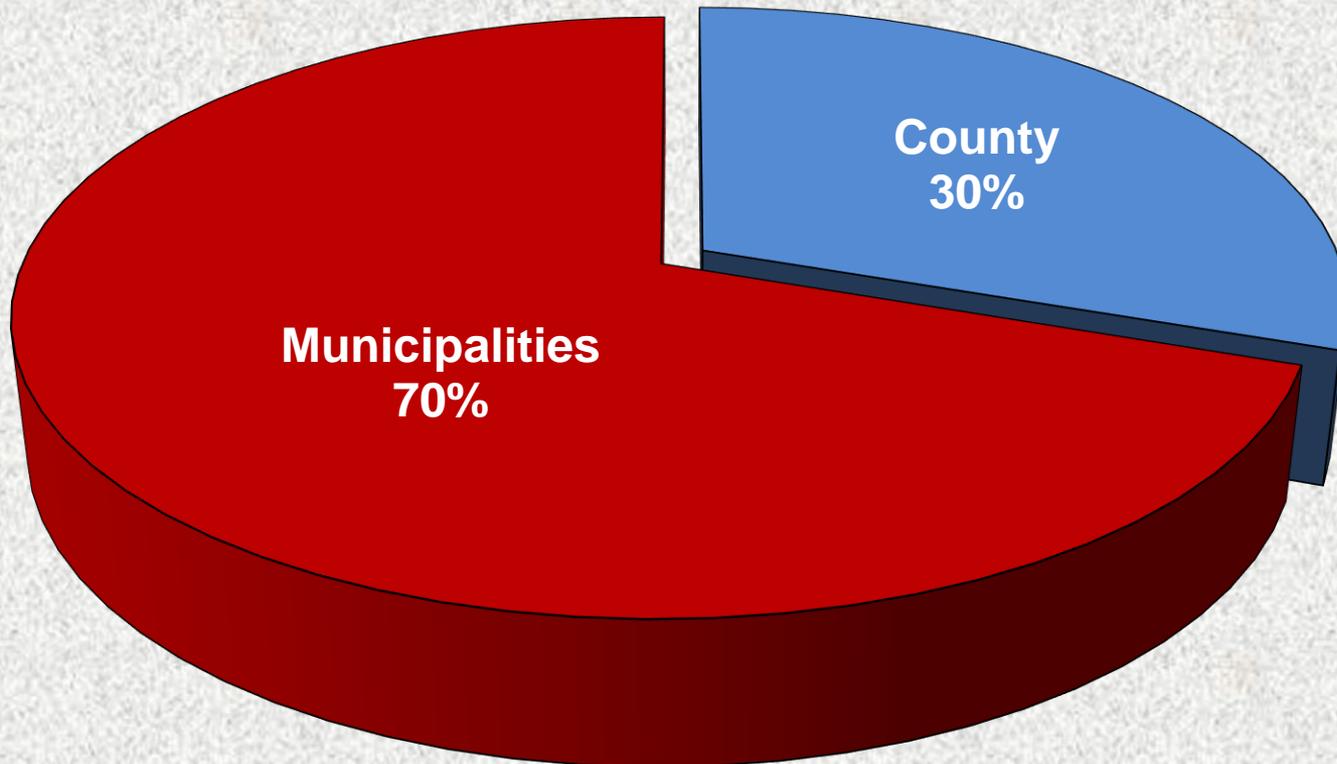
<b>Issued Reports</b>	<b>2</b>	<b>2</b>
<b>Recommendations Made</b>	<b>3</b>	<b>3</b>
<b>Recommendations Accepted</b>	<b>0</b>	<b>3</b>
<b>Questioned Costs and Potential Cost Savings</b>	<b>\$6,437</b>	<b>\$595,000</b>

# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



**April 1, 2017 – September 30, 2017**

## **Contract Oversight Division Monitored Activities**



# INSPECTOR GENERAL'S SIX MONTH REPORT



## Contract Oversight Report CA-2017-0049 Loxahatchee Groves Solid Waste Assessment Program Study & Report

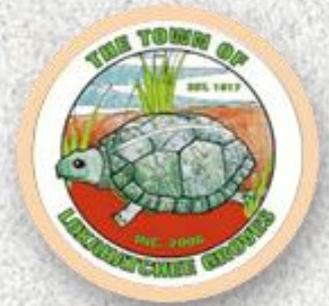
### FINDINGS:

1. The Town did not provide adequate documentation to support that proposals were evaluated in accordance with the criteria outlined in the Request for Proposal (RFP).

### RECOMMENDATIONS:

- The Town should evaluate proposals in accordance with evaluation criteria specified within the RFP.
- The Town Manager should properly document the evaluation to evidence that the proposals were reviewed and evaluated in accordance with the criteria and weight given to each criteria.
- The Town should consider having selection committees of more than one person in order to better document the award recommendation.

Management has not responded to our recommendations.



Questioned  
Costs = \$6,437

# INSPECTOR GENERAL'S SIX MONTH REPORT



## Contract Oversight Report CA-2017-0119 Office of Small Business Assistance Disparity Study

### ALLEGATIONS:

Complaint that the County's award of a Request For Proposal (RFP) was unfair and improper:

- It allowed one proposer to offer more services in its proposal than other proposers.
- The contract award paid for additional services not requested.
- The County did not allow the other proposers to submit new/revised proposals for the additional services.



**BUSINESS**  
opportunities

### OUTCOME: ALLEGATIONS NOT SUPPORTED

The County followed its policies and procedures relating to this procurement process; therefore, no recommendations were made.

# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



## **OIG Insights: One-Penny Sales Surtax CA-2017-0043**

### **OVERVIEW:**

**Published a guide for the citizens and leaders of Palm Beach County and Municipalities that:**

- **Provides an overview of the Surtax Ordinance from January 1, 2017 through May 31, 2017,**
- **Describes surtax project outreach efforts, revenue distributions, and identifies important websites,**
- **Includes 179-pages of detailed information, charts, and graphs on intended Surtax projects by jurisdiction, and**
- **Lists information about County, municipal, and the League of Cities Surtax Oversight Committees.**

**OFFICE OF INSPECTOR GENERAL  
PALM BEACH COUNTY, FLORIDA**



**OIG INSIGHTS:  
ONE-PENNY SALES SURTAX  
Palm Beach County and Municipalities**

**July 31, 2017  
CA-2017-0043**

# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



## **OIG Insights: One-Penny Sales Surtax CA-2017-0043**

### **OIG OVERSIGHT/INSIGHT/FORESIGHT:**

**OIG is guarding taxpayer surtax dollars by:**

- **Maintaining vigilance over infrastructure project bids, contract awards, and expenditures for compliance with applicable laws and ordinances.**
- **Observing Surtax Oversight Committee meetings.**
- **Reviewing monthly revenue distributions to the County and 39 Municipalities.**
- **Periodically reporting the results of OIG activities to the public.**
- **Providing general guidance and sharing best practices.**



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



**April 1, 2017 – September 30, 2017**

**Audit**

**Highlights**

# **INSPECTOR GENERAL'S SIX MONTH REPORT**



**April 1, 2017 – September 30, 2017**

## **Audit Activities**

**Current 6  
Months**

**Previous 6  
Months**

<b>Issued Reports</b>	<b>1</b>	<b>2</b>
<b>Recommendations Made</b>	<b>13</b>	<b>17</b>
<b>Recommendations Accepted</b>	<b>13</b>	<b>17</b>
<b>Questioned Costs and Potential Cost Savings</b>	<b>\$10,730,999</b>	<b>\$0</b>

# INSPECTOR GENERAL'S SIX MONTH REPORT



## Audit Report 2017-A-0003 – Palm Beach County Palm Tran Connection Fuel Reimbursement Process

**FINDINGS:** We found minor control weaknesses related to Palm Tran Connection fuel reimbursement process; and made thirteen recommendations.

We identified issues in the following areas:



- Review and approval process of contractor invoices
- Reimbursement process for fuel expenses; and
- Alternative fuel credits filing.

**Questioned Costs  
\$10,721,698**

**Identified &  
Recovered Costs  
\$9,301**

**Corrective Actions:** Management concurred with all 13 recommendations, and as of September 25, 2017, has taken steps to implement 10 of them. Palm Tran has now:

- Developed and implemented detailed written procedures, checklists, and reconciliation processes for invoice review and approval prior to authorizing payment
- Acquired legal/tax advice for potential fuel credits
- Obtained reimbursement of \$9,300.99 from the contractor

# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



**Audit Report 2018-AP-0001**

**Fiscal Year 2018 Annual Risk Assessment and Audit Plan**

## **MULTIPLE ENTITIES - GLOBAL AREA APPROACH:**

**This approach highlights the areas where the OIG will focus audit efforts. With a global approach, the audit plan:**

- **Avoids duplication with other Internal Audit Functions,**
- **Provides more flexibility for emerging risks,**
- **Allows for smaller more focused audits, and**
- **Engages more municipalities/auditable units that have not previously been audited.**



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



**Audit Report 2018-AP-0001**

**Fiscal Year 2018 Annual Risk Assessment and Audit Plan**

## **Carryover Audits:**

- **Utilities – City of Lake Worth**
- **Utilities – Town of Manalapan**
- **Contracts & Vendors – Palm Beach County Facilities**

## **Planned Audit Activities:**

- **Capital Assets**
- **Grants**
- **Revenue / Cash Intake**
- **Purchasing Cards**
- **Infrastructure Surtax**
- **Contracts**
- **Travel Reimbursements**
- **Accounts Payable and Expenditures**



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



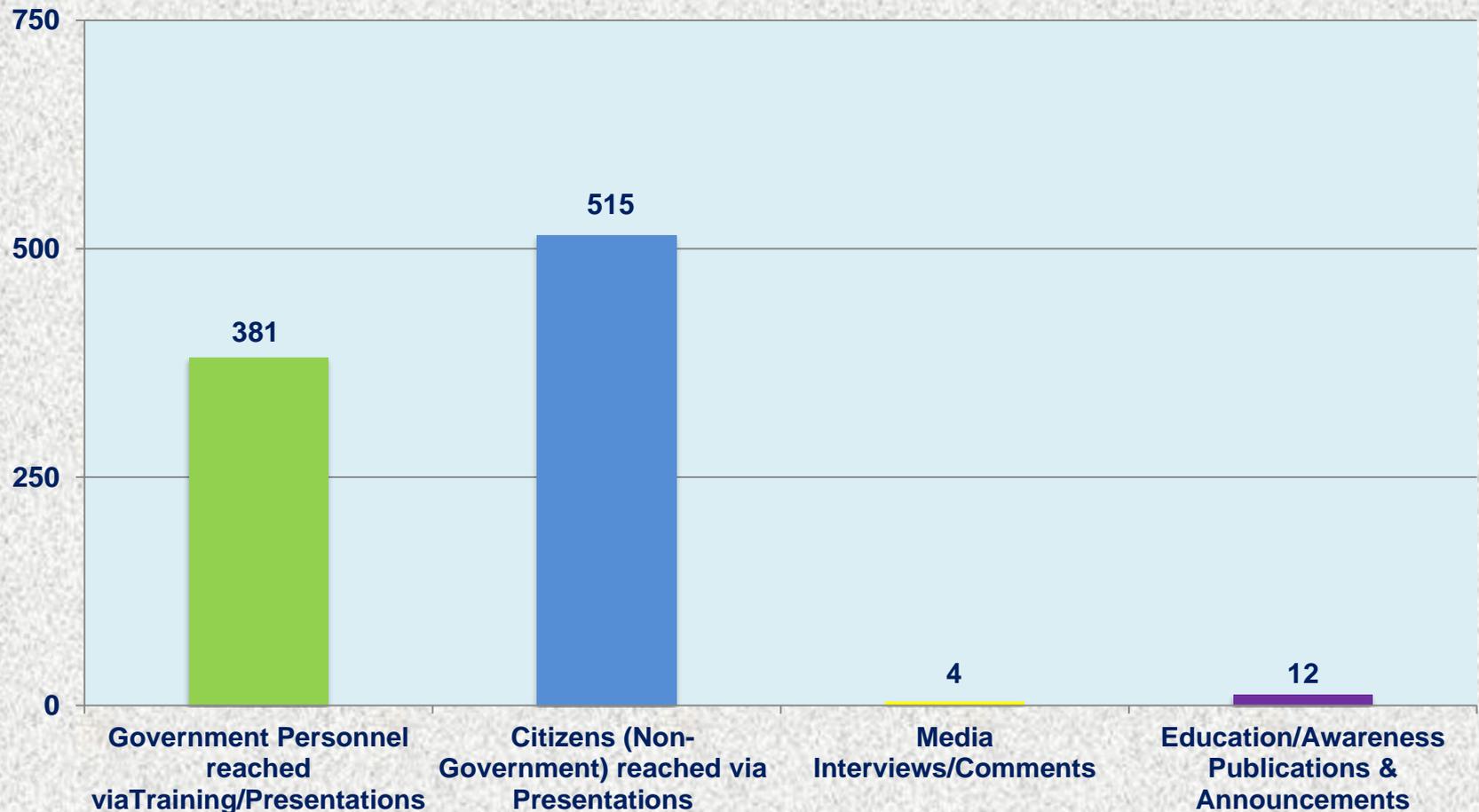
**April 1, 2017 – September 30, 2017**

## **Training and Outreach**

# TRAINING AND OUTREACH



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



# TRAINING AND OUTREACH



## Education/Awareness Publications, Announcements, & Activities

### PB County Internal Auditors/Inspectors General Forum



John A. Carey  
Inspector General

OFFICE OF INSPECTOR GENERAL  
PALM BEACH COUNTY

TIPS AND TRENDS #2017-0003  
AUGUST 2017



Inspector General  
Accredited

Decisions, decisions, decisions: RFP or ITB?

### LESSONS LEARNED



The stories you are about to hear are true.

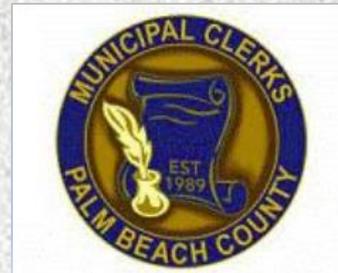
The names have been changed to protect the innocent.



Request for Proposal  
(RFP)



Invitation to Bid  
(ITB)



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



**April 1, 2017 – September 30, 2017**

## **Budget, Staffing, and Personnel**

# INSPECTOR GENERAL BUDGET & STAFFING



## OIG Budget & Staffing

- Annual Budget: **\$3.0M (FY17)**  
**\$3.1M (FY18)**
- Total Structure: **40**
- Current Funded Positions: **23**
- Current On-Hand Personnel: **21**

## Compare with OIG Oversight Responsibilities

- County, Cities, SWA, and CSC Employees: **13,500 (+)**
- Combined Budgets: **\$8 Billion**
- **\$ Billions** in government contracting activity
- “Auditable Units” identified: **861**

**\$1.75/  
taxpayer/  
year for  
OIG**



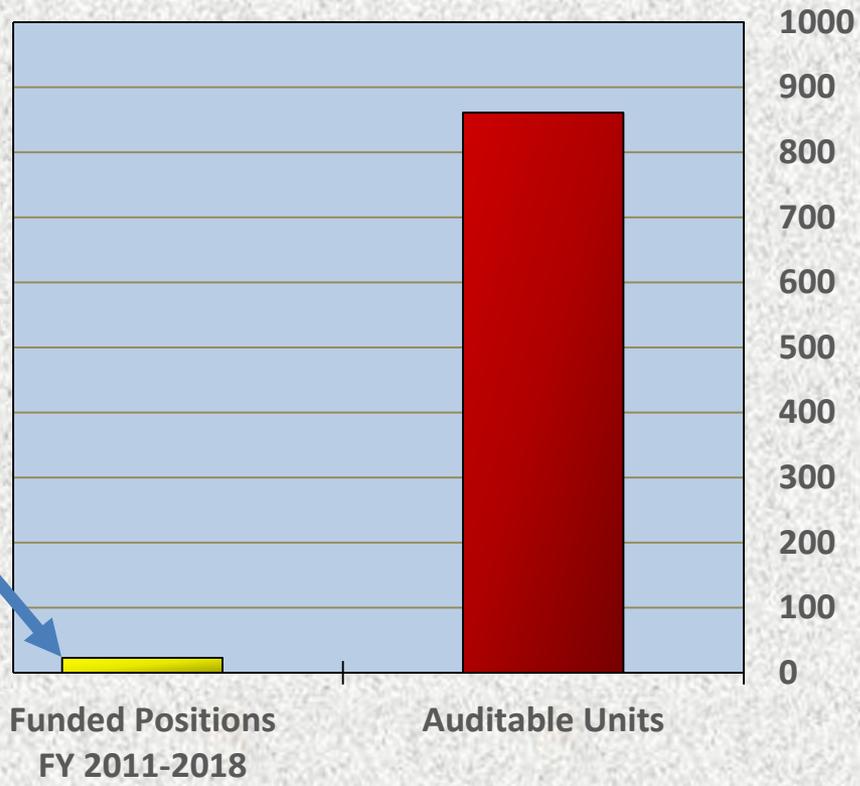
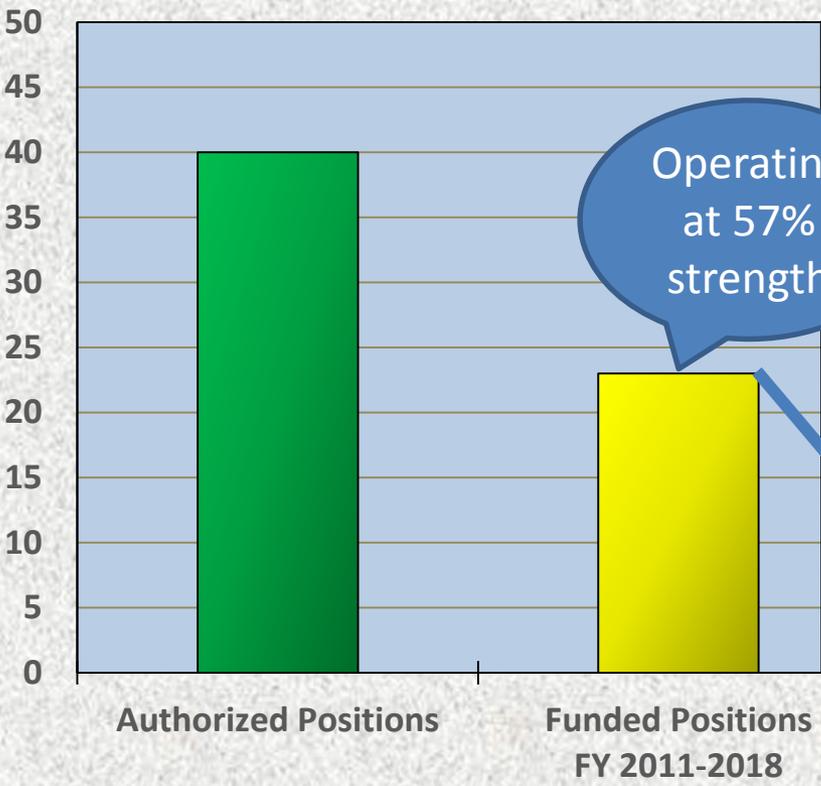
**\$2.70  
= average  
cup of  
coffee**

# INSPECTOR GENERAL BUDGET & STAFFING



## OIG Budget & Staffing

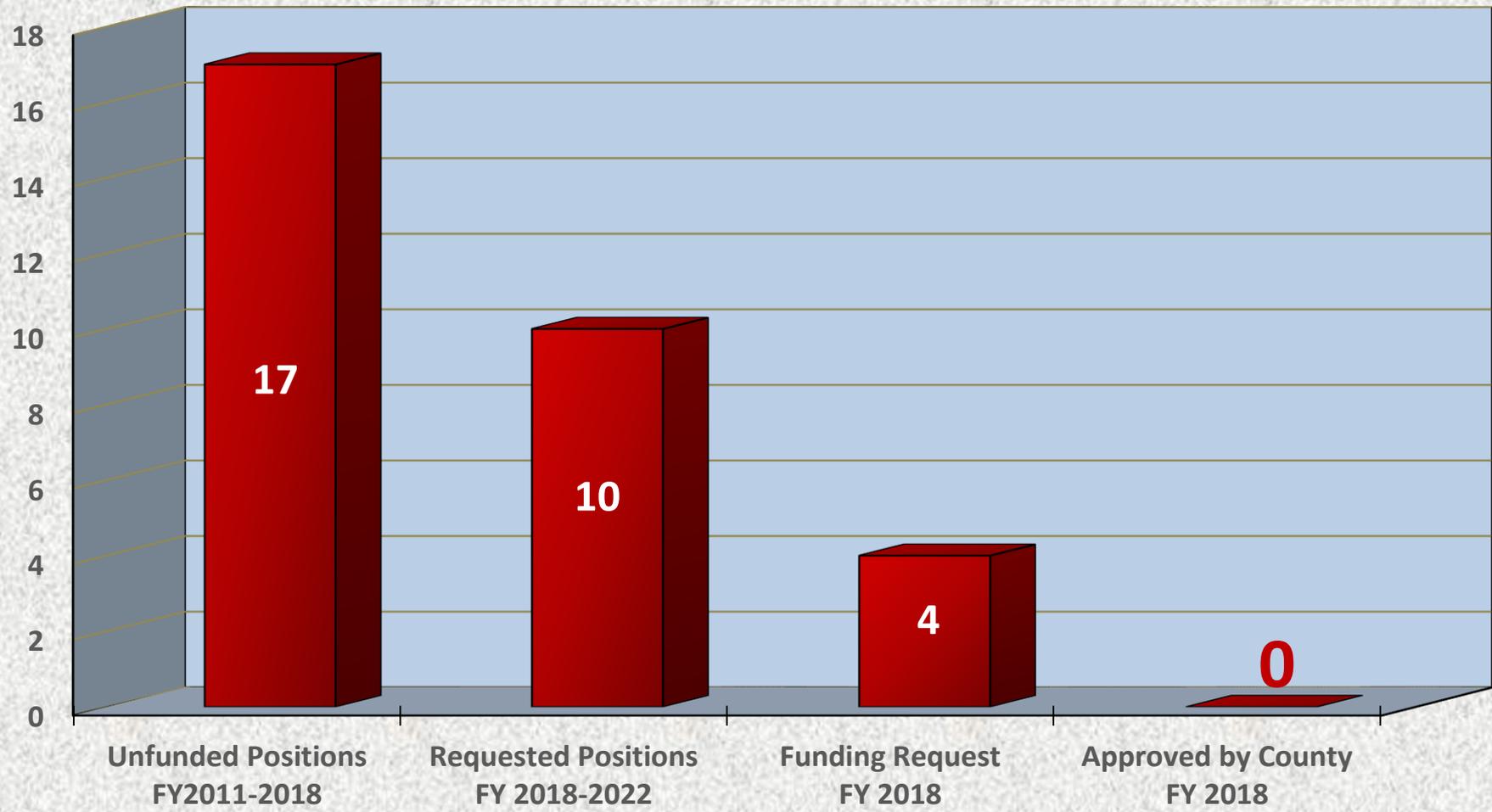
## vs Compare OIG Funded Positions with Oversight Responsibilities



# INSPECTOR GENERAL BUDGET & STAFFING



## OIG Staffing Request for Unfunded Positions



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



## **FISCAL YEAR 2017 SUMMARY & HIGHLIGHTS**

# ***FY 2017 – A YEAR OF TRANSITION AND GROWTH***



## **Personnel lows and highs:**

- Audit staff dropped to three (3), but ended with seven (7) of our eight (8) positions filled.
- Turnover of the three (3) division heads; all new division heads are extremely qualified.
- General Counsel promoted to Deputy IG/General Counsel.



# FY 2017 – ACCOMPLISHMENTS

FY 2017 Data Only

## Guarding Taxpayers' Dollars

**\$11.3  
M (+)**

*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.

**\$178  
K (+)**

*Potential Cost Savings* in dollars being returned to offset the taxpayers' burden or in the future if the OIG's recommendations are implemented.

## Promoting Integrity in Government

**15**

*Referrals* to law enforcement or to the County or State Commissions on Ethics.

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



# FY 2017 – ACCOMPLISHMENTS

FY 2017 Data Only

## Making Government Better



**10** Reports with **50**  
Recommendations

To improve government operations and to save taxpayer dollars.



**784**

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."**

# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



## **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**.



# PLANS, OBJECTIVES, AND INITIATIVES



## Focusing OIG limited resources:

### ➤ **Audit:**

- Execute Audit Plan. Currently nine (9) audits in progress/three (3) surveys underway.
- Implementing cloud-based automated audit management software.

### ➤ **Investigations:**

- Investigate highest risk/impact cases.
- Closer coordination with local, state, and federal investigators.

### ➤ **Contract Oversight:**

- Continued focus on outreach and prevention.

### ➤ **Outreach:** Continued rigorous training and outreach program.

# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



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



# ACCOMPLISHMENTS TO DATE

June 28, 2010 – September 30, 2017

## Guarding Taxpayers' Dollars

**\$35 M**  
**(+)**

*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.

**\$22M**  
**(+)**

*Potential Cost Savings* in dollars being returned to offset the taxpayers' burden or in the future if the OIG's recommendations are implemented.

## Promoting Integrity in Government

**125**

*Referrals* to law enforcement or to the County or State Commissions on Ethics.

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



# ACCOMPLISHMENTS TO DATE

June 28, 2010 – September 30, 2017

## Making Government Better

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**631**

**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."**



***THANK YOU!***

***visit us online at [www.pbcgov.com/OIG](http://www.pbcgov.com/OIG)***