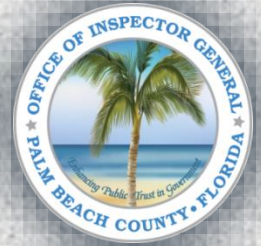


SIX MONTH STATUS REPORT

April 1, 2018 – September 30, 2018

John A. Carey, Inspector General



OUTLINE

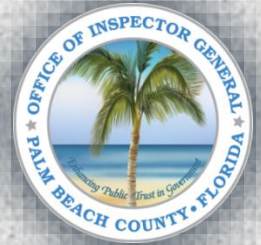
- **MISSION/APPROACH**
- **OIG ACTIVITIES** (Apr 1, 2018 – Sep 30, 2018)
- **BUDGET, STAFFING, & PERSONNEL**
- **LEGAL UPDATE**
- **PLANS, OBJECTIVES, & INITIATIVES**
- **SUMMARY OF MAJOR ACCOMPLISHMENTS**

OIG MISSION

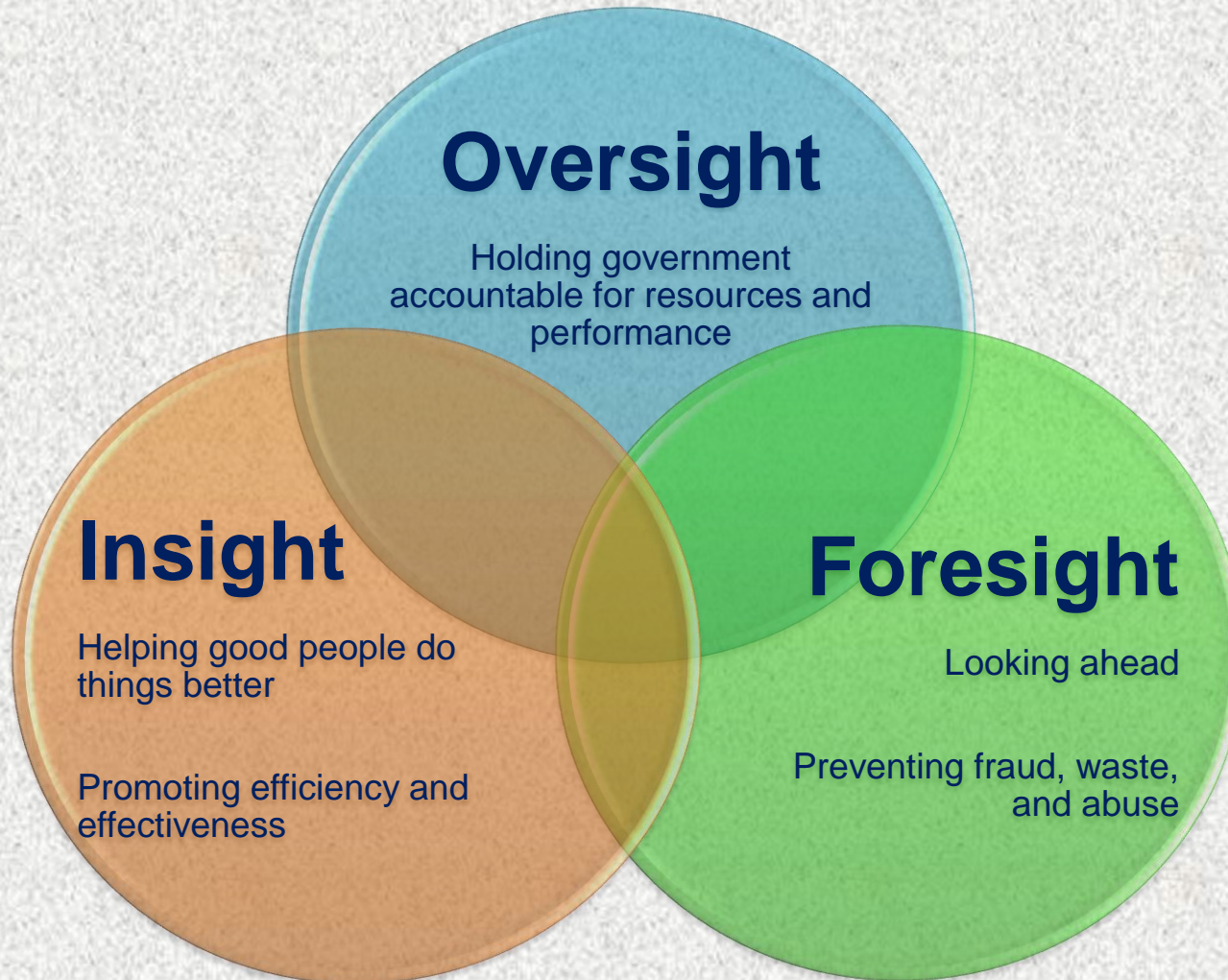


- Our mission is to provide independent and objective insight, oversight, and foresight in promoting integrity, efficiency, and overall effectiveness in government.
- Ultimately, enhancing public trust in government.

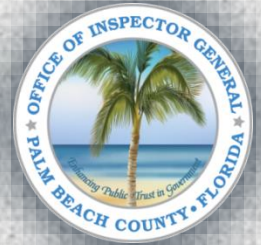
MAKING GOOD GOVERNMENT BETTER



OUR OIG APPROACH



INSPECTOR GENERAL'S SIX MONTH REPORT



April 1, 2018 – September 30, 2018

Office of Inspector General Activities Related to:

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

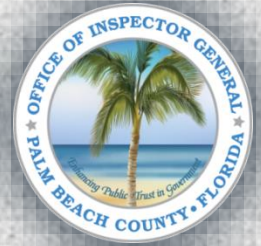
INSPECTOR GENERAL'S SIX MONTH REPORT



April 1, 2018 – September 30, 2018

Intake and Investigations Highlights

NEW OIG TEAMMATE



Investigator Hugo Belanger



INSPECTOR GENERAL'S SIX MONTH REPORT



Intake Activities

Current 6 Months

219	Number of calls to the Office & Hotline
140	Written Correspondences received of which: 69% were complaints of wrongdoing
11	Correspondences led to the initiation of 3 Investigations and 4 were referred to OIG Contract Oversight and 4 referred to OIG Audit Division
26	Public Records Requests

Previous 6 Months

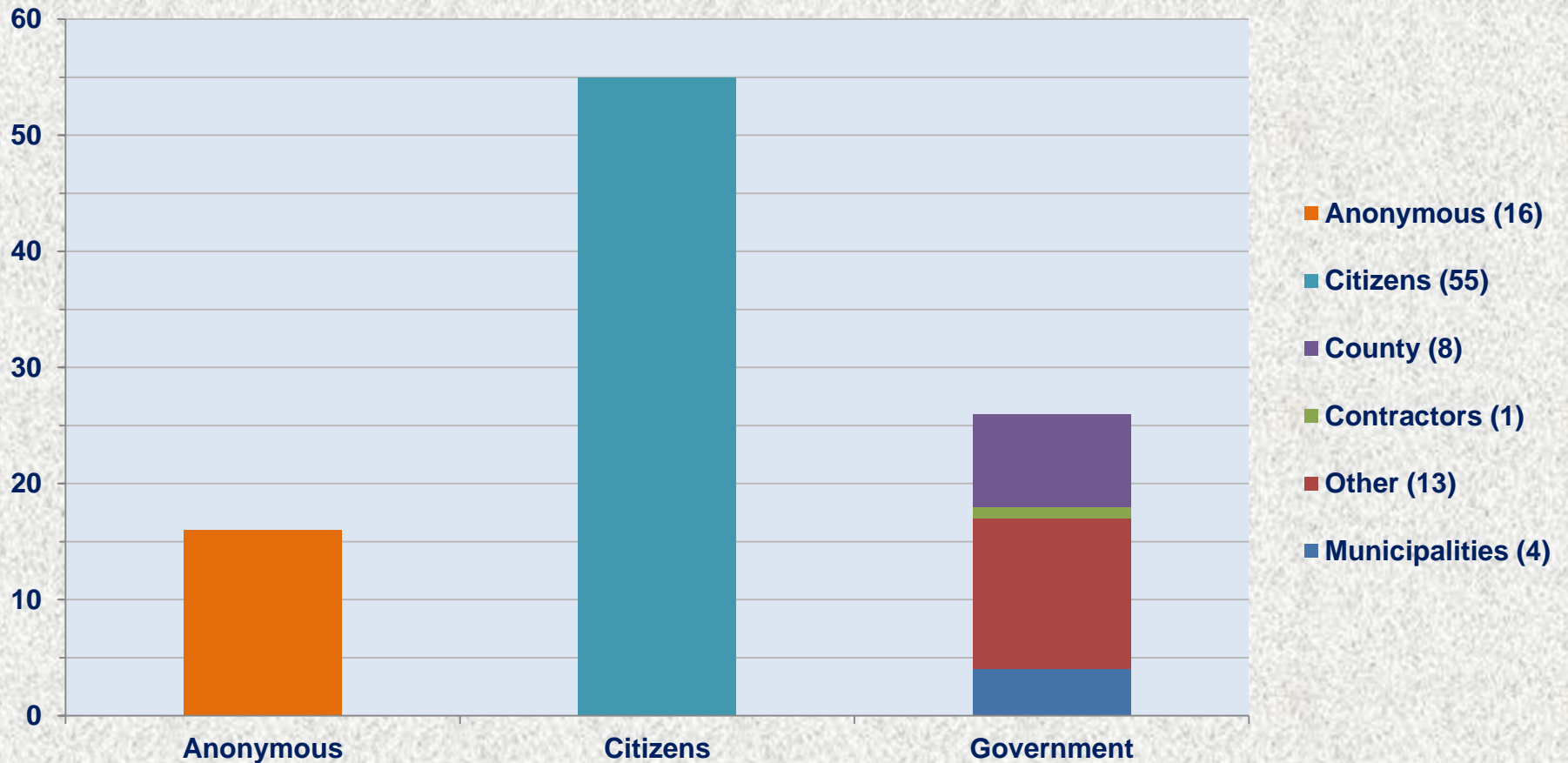
270	Number of calls to the Office & Hotline
125	Written Correspondences received of which: 71% were complaints of wrongdoing
9	Correspondences led to the initiation of 3 Investigations and 4 were referred to OIG Contract Oversight and 2 referred to OIG Audit Division
24	Public Records Requests

INSPECTOR GENERAL'S SIX MONTH REPORT



April 1, 2018 – September 30, 2018

Complaint Reporting Sources 97 Complaints from the 140 Correspondences



INSPECTOR GENERAL'S SIX MONTH REPORT

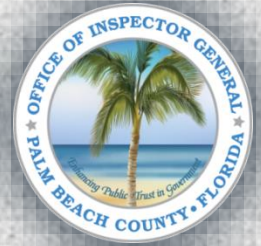


April 1, 2018 – September 30, 2018

Investigative Activities

	Current 6 Months	Previous 6 Months
On-going Investigations or Investigative Reviews	10	12
Cases Initiated by OIG – referred to Law Enforcement or PCU for Criminal Investigation and/or Prosecution	0	1
Issued Reports	3	1
Recommendations Made/Accepted	13/10	5/5
Questioned Costs and Potential Cost Savings	\$10,548	\$0

INSPECTOR GENERAL'S SIX MONTH REPORT



Investigative Report 2016-0004 - Loxahatchee Groves Town Management

FINDINGS:

- Contracted Town Management miscalculated contract management CPI base fee adjustments.
- Fee adjustments paid did not accurately reflect the applied contract methodology.

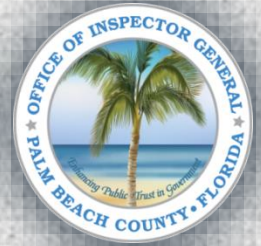


RECOMMENDATIONS:

- Establish internal controls and methods of review for due diligence and to ensure accuracy of payments to the town management company.
- Town professional agreement terms and operations should be consistent.
- Review the questioned costs and determine if that amount should be recouped.

**Questioned
Costs
\$10,547.94**

INSPECTOR GENERAL'S SIX MONTH REPORT



Investigative Report 2017-0003 - Children's Services Council (CSC) Transportation Vendors

FINDINGS:

- A transportation services vendor for CSC's Paratransit program did not ensure that contracts with sub-vendors accurately reflected appropriate payments.
- This lack of verification created potential overbilling, passed along to CSC for payment.



RECOMMENDATIONS:

- Require CSC transportation consultants to submit itemized expense statements.
- Require transportation consultants to provide CSC with copies of all sub-contracts.
- CSC review and reconcile invoices and supporting documentation.
- Ensure that CSC's transportation contracts identify unallowable costs.

INSPECTOR GENERAL'S SIX MONTH REPORT



Investigative Report #2016-0005 - Department of Housing & Economic Sustainability (DES)

FINDINGS:

- Nine (9) allegations were reviewed regarding senior misconduct, mismanagement, and improper payments were NOT substantiated.
- DES found an applicant Housing LLC in compliance with Impact Fee Assistance Program when it was not.
- DES was out of compliance with County Affordable Housing Ordinance when advisory committee members' terms expired by attrition and were not filled.

RECOMMENDATIONS:

Six (6) recommendations issued that will assist DES in:

- Complying with statutory requirement.
- Proving clarity in policy.
- Improving operations.

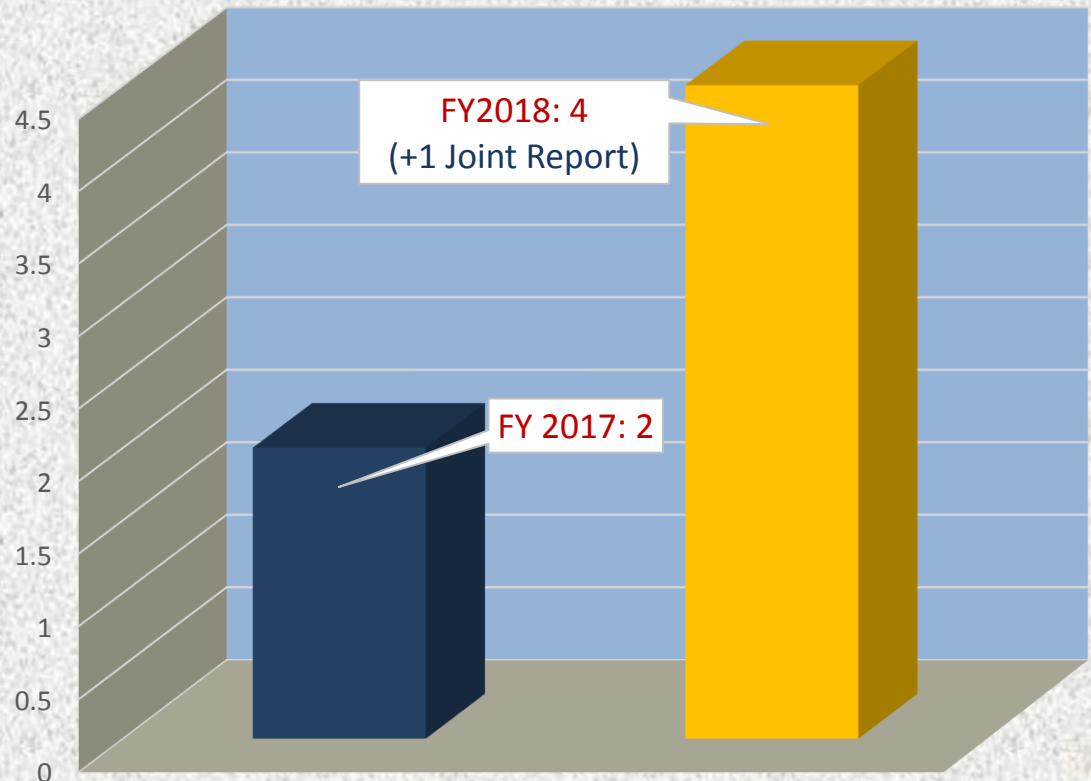


INSPECTOR GENERAL'S SIX MONTH REPORT



Investigative Efficiency – FY 2017 vs FY 2018

Age of Open Matters	At End of FY 2017	At End of FY 2018
0-6 Months	1	3
6-12 Months	7	5
1-2 Years	4	1
2+ Years	2	1
Average Months Open	13.3	10.4



Number of Investigative Reports Issued

INSPECTOR GENERAL'S SIX MONTH REPORT



April 1, 2018 – September 30, 2018

Contract Oversight Highlights

INSPECTOR GENERAL'S SIX MONTH REPORT



Contract Oversight

**PREVENTION AND SHARING BEST PRACTICES:
Increase public confidence that contracts are
being awarded equitably and economically.**

- **Current Number of Contracts Monitored: 90**
- **Current Contract Value Monitored: \$231.2 M**
- **Number of Procurement Meetings Attended: 44**

INSPECTOR GENERAL'S SIX MONTH REPORT



April 1, 2018 – September 30, 2018

Contract Oversight

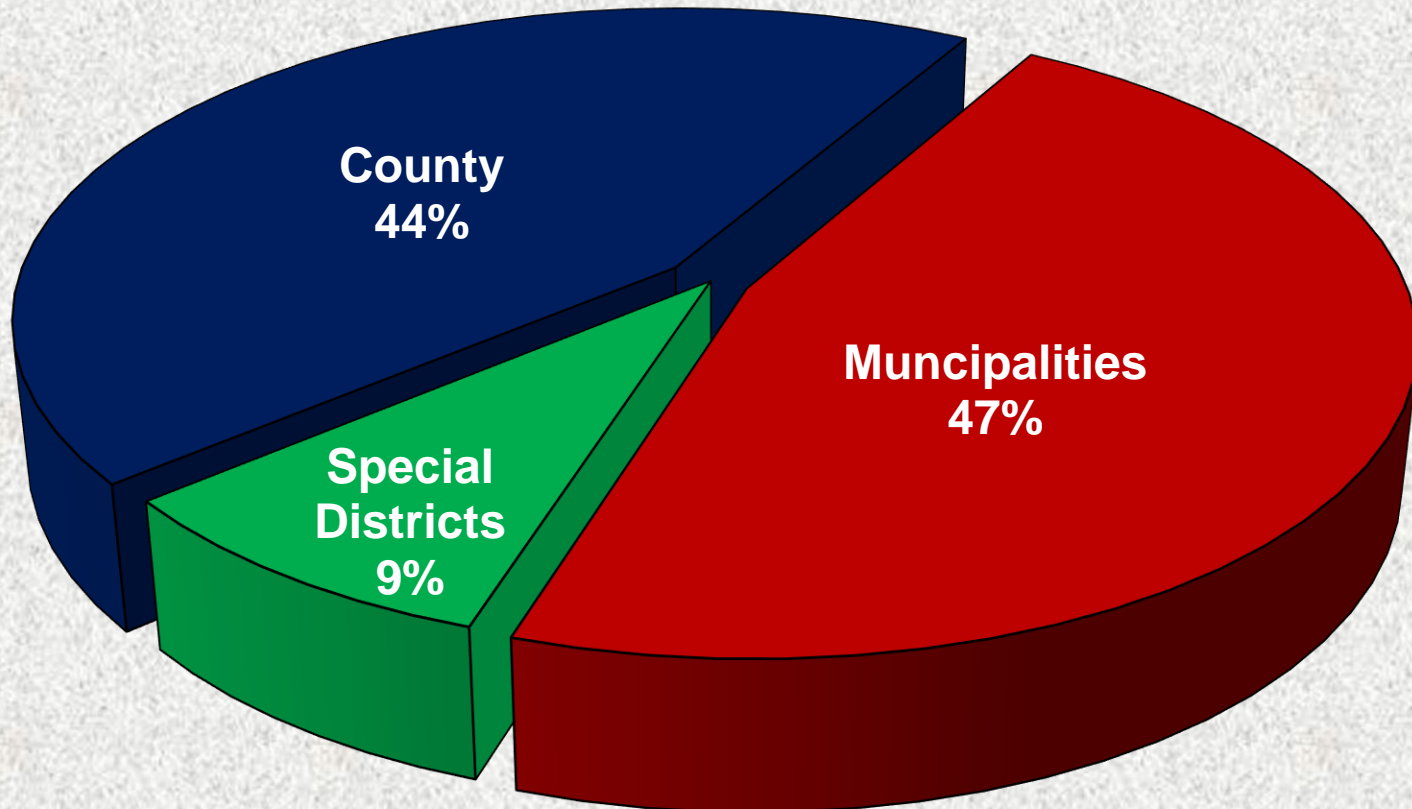
	Current 6 Months	Previous 6 Months
Issued Reports	2	2
Recommendations Made	12	3
Recommendations Accepted	12	3
Questioned Costs and Potential Cost Savings	\$294,183	\$0
Issued Tips and Trends	1	1

INSPECTOR GENERAL'S SIX MONTH REPORT

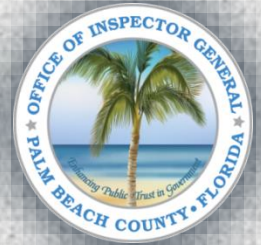


April 1, 2018 – September 30, 2018

Contract Oversight Division Monitored Activities



INSPECTOR GENERAL'S SIX MONTH REPORT



Contract Oversight Report CA-2018-0023 - Solid Waste Authority (SWA) – Disparity Study

FINDINGS:

- Insufficiently document “a set of such unusual circumstances” that would justify waiving normal procedures for hiring a consultant.
- Exceeded contracting authority by extending consultant’s contract beyond three years without SWA Board approval.
- Paid for consulting services performed after the contract expired and in excess of the contract amount.



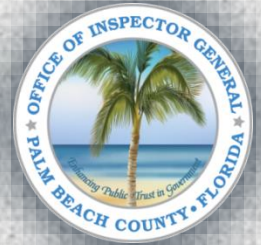
OUTCOME

Nine (9) recommendations were made that will assist SWA in:

- Strengthening internal controls for contract payments.
- Developing and implementing an effective contract management process.

**Questioned
Costs
\$104,533**

INSPECTOR GENERAL'S SIX MONTH REPORT



Contract Oversight Report CA-2018-0041 - Town of Gulf Stream Contract Monitoring Follow Up

FINDINGS:

- No documented policy or procedure for contract monitoring.
- Non-compliance with the audit selection committee and other requirements in section 218.391 FS.
- No contract risk assessment tool being used to assess risk levels in contract management.

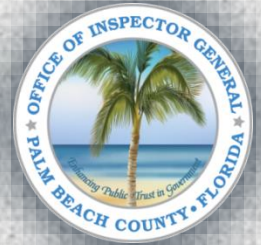


RECOMMENDATIONS:

- Implement a thorough contract monitoring policy/procedure.
- Conduct a competitive solicitation for auditing services in compliance with the requirements of section 218.391 FS.
- Develop and implement a contract monitoring risk assessment tool.

**Questioned
Costs
\$189,650**

INSPECTOR GENERAL'S SIX MONTH REPORT



Tips & Trends #2018-0003 Uniform Guidance for Federal Procurement

UNIFORM GUIDANCE:

- The US Office of Management and Budget issued comprehensive reforms for federal awards including financial and program management.
- Goal: to reduce the risk of fraud, waste, or misuse of federal grant funding.
- Implementation **required by October 1, 2018.**

PROCUREMENT STANDARDS:

- Documented procurement procedures.
- Conflict-of-Interest & Employee Standards of Conduct policies.
- Full and Open Competition at federal bid/quote thresholds.
- Use of recovered materials.
- Utilization of minority, women-owned, and labor surplus area businesses.



INSPECTOR GENERAL'S SIX MONTH REPORT



Contract Oversight Activities
Much of our impact happens “below the water line.”



INSPECTOR GENERAL'S SIX MONTH REPORT



April 1, 2018 – September 30, 2018

Audit Highlights

INSPECTOR GENERAL'S SIX MONTH REPORT



April 1, 2018 – September 30, 2018

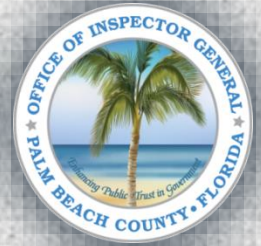
Audit Activities

**Current 6
Months**

**Previous 6
Months**

Issued Reports	8	5
Recommendations Made	71	49
Recommendations Accepted	67	49
Questioned Costs and Potential Cost Savings	\$2,231,475	\$8,836,255
Referrals	7	3
Issued Tips and Trends	0	1
Completed Projects (no report)	2	3

INSPECTOR GENERAL'S SIX MONTH REPORT



Audit Report 2018-A-0006 WB – Palm Beach County Water Utility Department System Efficiency Credit

FINDINGS:

- Lack of proper approval and authorization.
- A written instrument signed by both parties was not completed, in order to modify the agreement.
- Reduced the capacity reservation fee to recipient from \$2,089,000 to \$1,506,554.
- The credit was not recorded in the accounting records; revenue was understated.



**Questioned
Costs
\$582,446**

Corrective Actions Taken:

- Amendment approved by the Board of County Commissioners.
- Reviewed with contract terms, policies, and procedures for credits.
- Adjusted the accounting records.

INSPECTOR GENERAL'S SIX MONTH REPORT



Audit Report 2018-A-0007 – Palm Beach Gardens Economic Incentive / Development Program

FINDINGS:

- **Generally adequate controls.**
- **Lack of written policies and procedures.**
- **Inconsistent process for review and approval of activities and funds.**
- **Inconsistent monitoring.**



Corrective Being Actions Taken:

- **Developing and implementing written policies and procedures.**
- **Training staff on new policies and procedures.**

INSPECTOR GENERAL'S SIX MONTH REPORT



Audit Report 2018-A-0008 Purchasing Card Survey

RESULTS OF SURVEY:



- 95% (36 of 38) municipalities have a purchasing card program.
- FY 2018 Expenditures ranged from \$1,500 to \$9,187,373.
- 83% (30 of 36) municipalities have written policies and procedures.
- 72% (26 of 36) municipalities had either an external or internal audit / review conducted for their program.

Suggestions:

- Ensure adequate monitoring and oversight of program and expenditures.
- Benchmark programs to compare utilization of purchasing card programs and expenditures.



INSPECTOR GENERAL'S SIX MONTH REPORT



Audit Report 2018-A-0009 – Mangonia Park Water Utility Cross-Connection Program

FINDINGS:

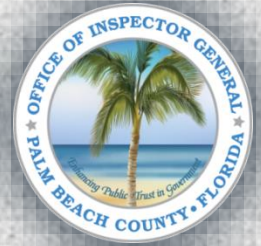
- **Non-compliance with the Safe Drinking Water Act.**
- **No active cross-connection program.**
- **No written policies and procedures.**
- **No testing or monitoring.**
- **No list of sites or testable devices.**



Corrective Actions Taken:

- **Hired an outside consultant to help develop and implement a cross-connection program including monitoring.**

INSPECTOR GENERAL'S SIX MONTH REPORT



Audit Report 2018-A-0010 – Town of Ocean Ridge - Capital Assets

FINDINGS:

- Capital assets could not be confirmed for existence.
- Town records did not include capital assets that were on the insurance list.

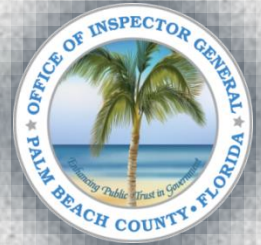


**Questioned
Costs
\$432,283**

Corrective Actions Taken:

- The Town is updating its capital assets records.

INSPECTOR GENERAL'S SIX MONTH REPORT



Audit Report 2018-A-0011 – Town of Glen Ridge – Revenue and Credit cards

FINDINGS:

- **Lost potential interest revenue.**
- **No participation in credit card reward program.**
- **Misclassified revenue as expenses.**
- **Lack of proper controls and oversight for revenue receipts, credit card, and computer user access.**

Questioned Costs

\$51,842

Identified Costs

\$79.85

Avoidable Costs

\$13,234



Corrective Actions Taken:

- **Developing and implementing written policies and procedures**
- **Updating its Accounting policies and Chart of Accounts.**
- **Obtaining an external audit.**
- **Obtained a higher-yield interest bank account.**

INSPECTOR GENERAL'S SIX MONTH REPORT



Audit Report 2018-A-0012 – City of Greenacres- Capital Assets

FINDINGS:

- **Certain capital assets could not be confirmed for existence.**
- **Inaccurate records for impaired and obsolete capital assets.**
- **Amphitheater not put to intended use.**
- **Lack of computer user accounts and access policy.**

**Questioned
Costs
\$1,038,595**



Corrective Actions Taken:

- **Updating its capital assets records.**
- **Revising its written guidance.**
- **Providing training to staff.**

INSPECTOR GENERAL'S SIX MONTH REPORT



Audit Report 2018-A-0013 – Town of Jupiter – Credit Cards

FINDINGS:

- Lacked proper approvals.
- Lacked adequate documentation.
- Potential revenue was lost for the credit card rebate.
- Former employee's credit cards were not deactivated timely.
- Lack of sufficient written guidance.

Questioned Costs
\$83,741
Identified Costs
\$109.01
Avoidable Costs
\$29,145

Corrective Actions Taken:

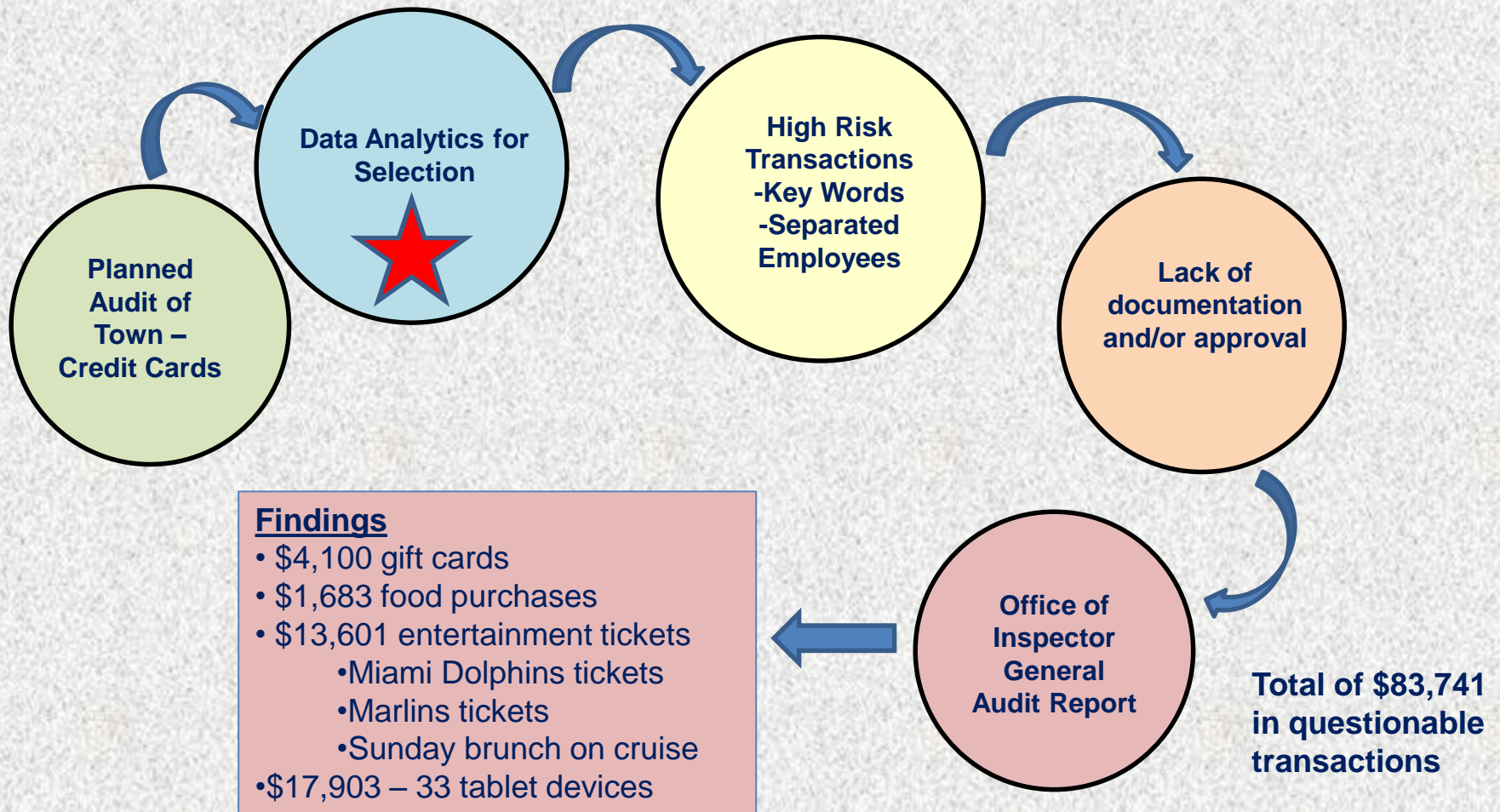
- Implemented a Cardholder's Agreement and Request Credit Card Form during the audit.



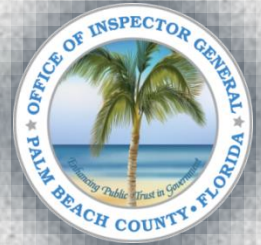
INSPECTOR GENERAL'S SIX MONTH REPORT



Audit Report 2018-A-0013 – Town of Jupiter – Credit Cards



INSPECTOR GENERAL'S SIX MONTH REPORT



**Audit Report 2019-AP-0001 -
Fiscal Year 2019 Annual Risk Assessment and Audit Plan**

MULTIPLE ENTITIES GLOBAL AREA APPROACH: This highlights the areas where the OIG will focus audit efforts.

Benefits:

- **Minimize duplication with other Internal Audit Functions.**
- **Provides more flexibility for emerging risks.**
- **Allows for more focused audits.**
- **Engages more entities.**



INSPECTOR GENERAL'S SIX MONTH REPORT



Audit Report 2019-AP-0001

Fiscal Year 2019 Annual Risk Assessment and Audit Plan

Carryover Audits:

- **Capital Assets and Information Technology (IT) inventory assets – Town of Lantana**
- **Revenue / Cash Intake – Town of Jupiter Inlet Colony**
- **P-Cards / Travel – City of Riviera Beach**
- **Cross Connection Program – Town of Lake Clarke Shores**
- **Sidewalk Rehabilitation and Construction Contract – Village of Tequesta**
- **Fixed Assets Management Office Operations – Palm Beach County**

INSPECTOR GENERAL'S SIX MONTH REPORT



Audit Report 2019-AP-0001 Fiscal Year 2019 Annual Risk Assessment and Audit Plan

Planned Audit Activities:

- **Revenue / Cash Intake**
- **Contracts**
- **Travel**
- **Payroll**
- **IT Network Security**
- **Accounts Payable / Cash Disbursements**
- **Water Utility – Cross Connection Programs**



INSPECTOR GENERAL'S SIX MONTH REPORT



Trends

What are the trends we have observed?

More or enhanced internal controls are needed:

- **Written policies and procedures**
- **Employee training/awareness**
- **Management review and oversight**
- **Sufficient documentation for expenditures**

INSPECTOR GENERAL'S SIX MONTH REPORT



April 1, 2018 – September 30, 2018

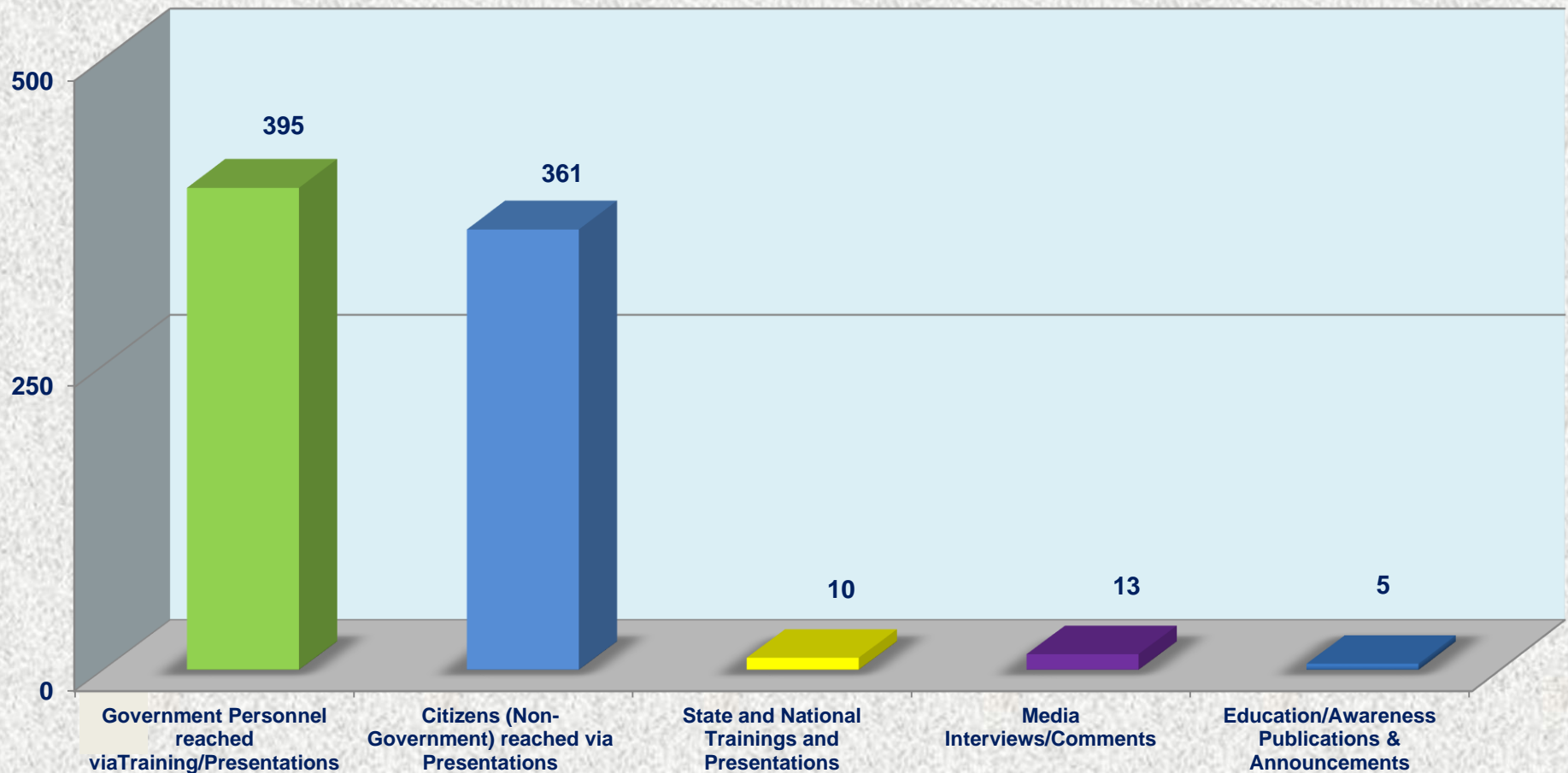
Training and Outreach



TRAINING AND OUTREACH

April 1, 2018 – September 30, 2018

An ounce of outreach is worth a pound of enforcement.





TRAINING AND OUTREACH

Education/Awareness Publications, Announcements, and Activities



PB County Internal
Auditors/Inspectors
General Forum



LESSONS LEARNED



"Words to the wise."



"If the shoe fits, wear it."





TRAINING AND OUTREACH

Education/Awareness Publications, Announcements, and Activities



INSPECTOR GENERAL'S SIX MONTH REPORT

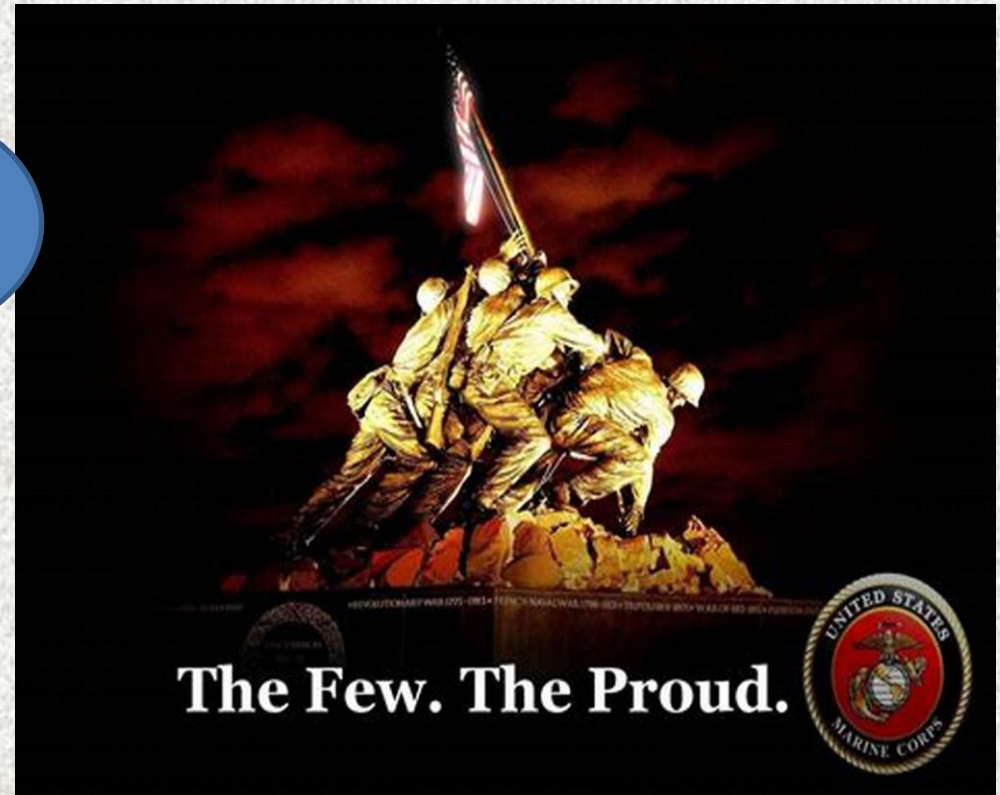
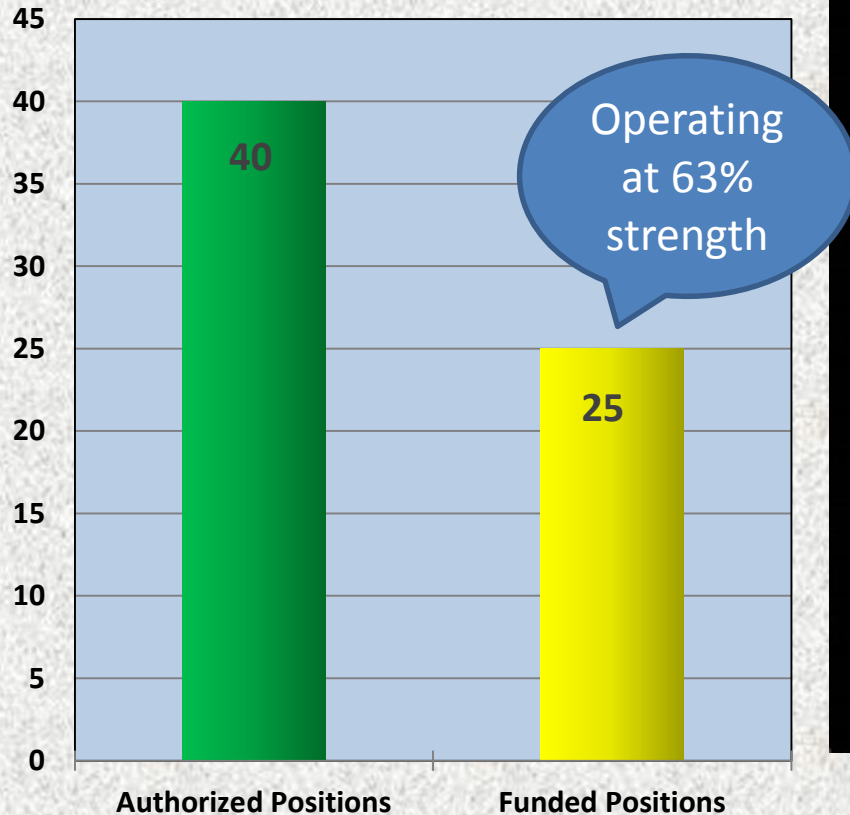


Budget, Staffing, and Personnel

INSPECTOR GENERAL BUDGET & STAFFING



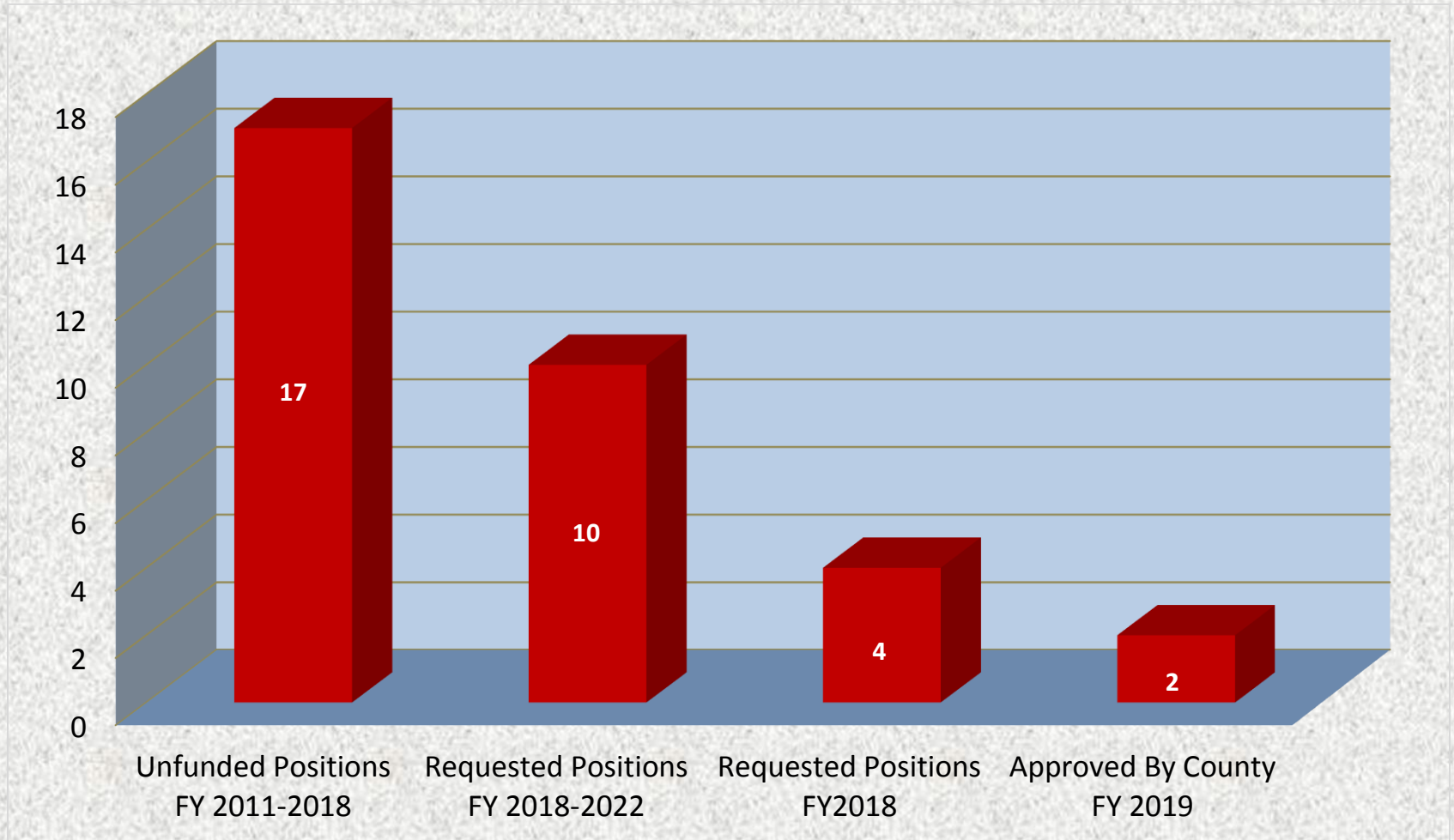
OIG Budget & Staffing



INSPECTOR GENERAL BUDGET & STAFFING



OIG Staffing Request for Unfunded Positions



INSPECTOR GENERAL'S SIX MONTH REPORT



Legal Update

COURT RULING ON COMPLAINTS TO OIG



ISSUE: On March 13, 2018, a citizen filed a Petition asking the Court to order the OIG to provide him with a copy of a complaint relating to an open investigation and award him costs, including attorney's fees, under the Florida Public Records Law.



Citizen argued that an initiating complaint is not exempted from disclosure by section 119.0713(2)(b), Florida Statutes.

RULING: On August 28, 2018, Court ruled that the complaint was “information received, produced, or derived from an investigation” and was therefore exempt from disclosure until the investigation was complete.

Citizen filed a Notice of Appeal on September 19, 2018.

OIG GENERAL COUNSEL RECOGNITION



“2018 Attorney of the Year Award”

**Awarded by the
Florida Law-Related
Education
Association.
For outstanding
service to the
Florida Bar and the
education
community.**



“One of South Florida’s Most Influential and Prominent Women in Business and Industry”

**Awarded by *Legacy*
magazine, one of
the nation’s largest
Black publishers.**

INSPECTOR GENERAL'S SIX MONTH REPORT



Plans, Objectives, and Initiatives

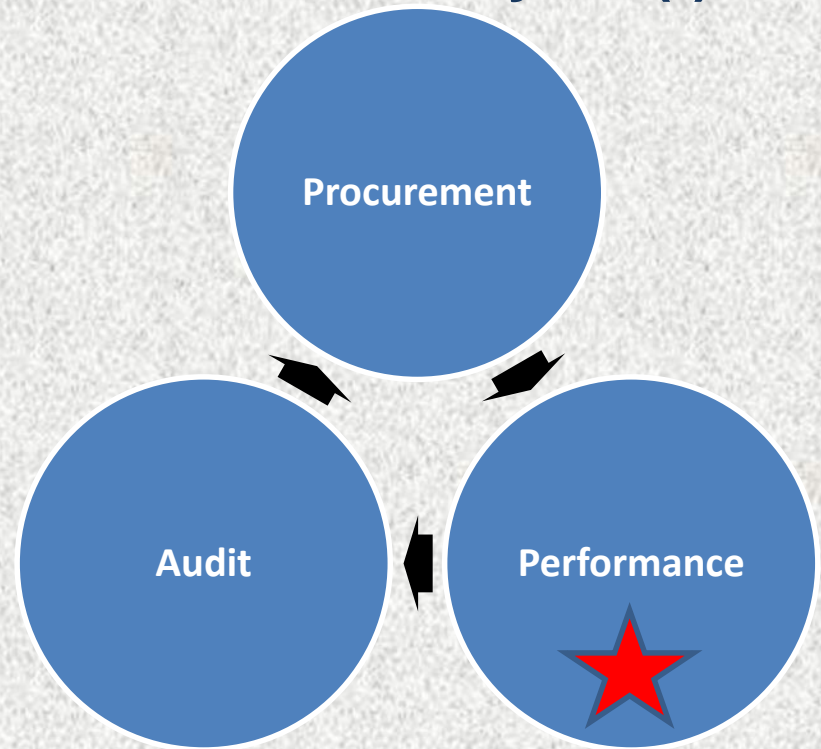
PLANS, OBJECTIVES, AND INITIATIVES



Focusing OIG limited resources

- More integrated use of OIG resources
- FY 2018 Annual Report
- FY 2019 AIG Conference Planning
- Expanding Contract Oversight

Contract Cycle (-)



PLANS, OBJECTIVES, AND INITIATIVES



WE'RE COMING TO
PALM BEACH COUNTY, FLORIDA!

SAVE THE DATE!

ASSOCIATION OF INSPECTORS GENERAL®
2019 TRAINING CONFERENCE
SEPTEMBER 25 - 27, 2019



INSPECTOR GENERAL'S SIX MONTH REPORT



SUMMARY OF MAJOR ACCOMPLISHMENTS TO DATE

FY 2018 – ACCOMPLISHMENTS



Maintained “the highest recognition among Florida’s inspector general community.”

Maintaining Credibility:

- Re-accredited
- Peer Reviewed
- Executive Board Association of IGs



The Peer Review team’s conclusion – the OIG “Met all current and relevant standards.”



ACCOMPLISHMENTS TO DATE

June 28, 2010 – September 30, 2018

Guarding Taxpayers' Dollars

\$45 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.

\$23 M
(+)

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

142

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, 2018

Making Government Better



784

Recommendations

93%

Acceptance Rate

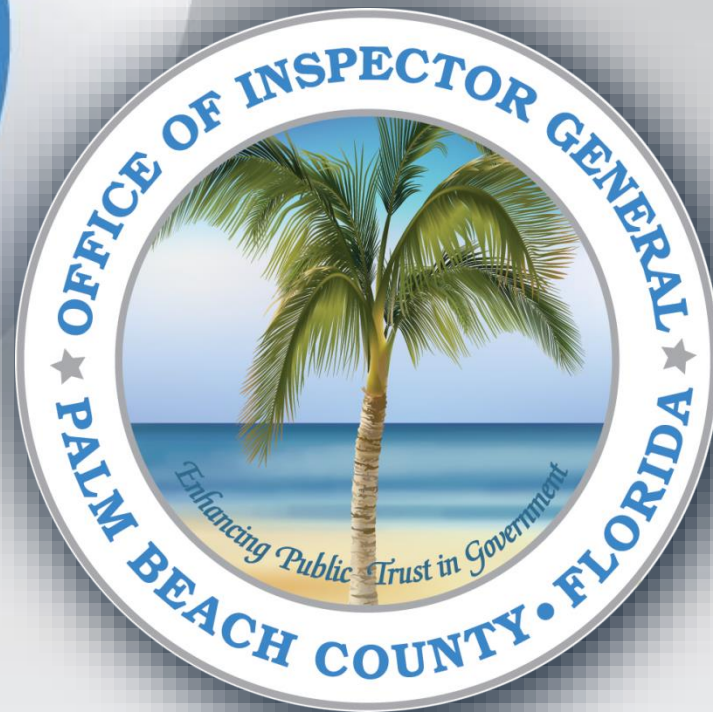
To improve government operations and to save taxpayer dollars.



11,000 (+)

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