



10

years of

SERVICE

to Palm Beach County

10TH ANNIVERSARY EDITION

**Palm Beach County
Office of Inspector General
FY2020 ANNUAL REPORT**

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Message from the Inspector General

Citizens of Palm Beach County:

On behalf of the dedicated Office of Inspector General (OIG) team, it is my pleasure to present the Fiscal Year 2020 (FY2020) Annual Report covering the activities of OIG for the period of October 1, 2019 through September 30, 2020. This report highlights our major efforts to promote efficiency and effectiveness in government while rooting out fraud, waste, and abuse over the past year.



The year 2020 has certainly been eventful! This year marked the OIG's tenth anniversary. During the past ten years, we identified almost 73 million dollars in questioned costs and potential cost savings, made over 1,000 recommendations to make government better, and referred 183 cases to law enforcement, and County or State Commissions on Ethics. Nineteen arrests or prosecutions came as a direct result of our work here in the OIG. However, in the inspector general business there is no time to stop and rest on laurels, especially in 2020. With the rise and spread of Coronavirus and its repercussions, like everyone else our office had to adapt to protect our staff and find how we could best serve the public. When the County received \$261 million in federal Coronavirus Aid, Relief and Economic Security Act (CARES Act) funding, we began working with the County to provide responsible oversight and accountability. This report will highlight some of our CARES Act oversight activities.

I want to thank the OIG staff for their commitment and professionalism in serving the citizens of Palm Beach County. This report reflects their great work. Additionally, I want to thank the Inspector General Committee for its continued encouragement and insights. Another factor in our success has been the support from leaders in the County and municipal governments, the Solid Waste Authority, and the Children's Services Council.

Finally, you, the citizens of Palm Beach County, continue to be the bedrock supporters of our office and mission. Public support and input is critical to our mission success. Please feel free to contact us any time. The OIG is here to serve as your independent watchdog to promote the good government that you deserve.

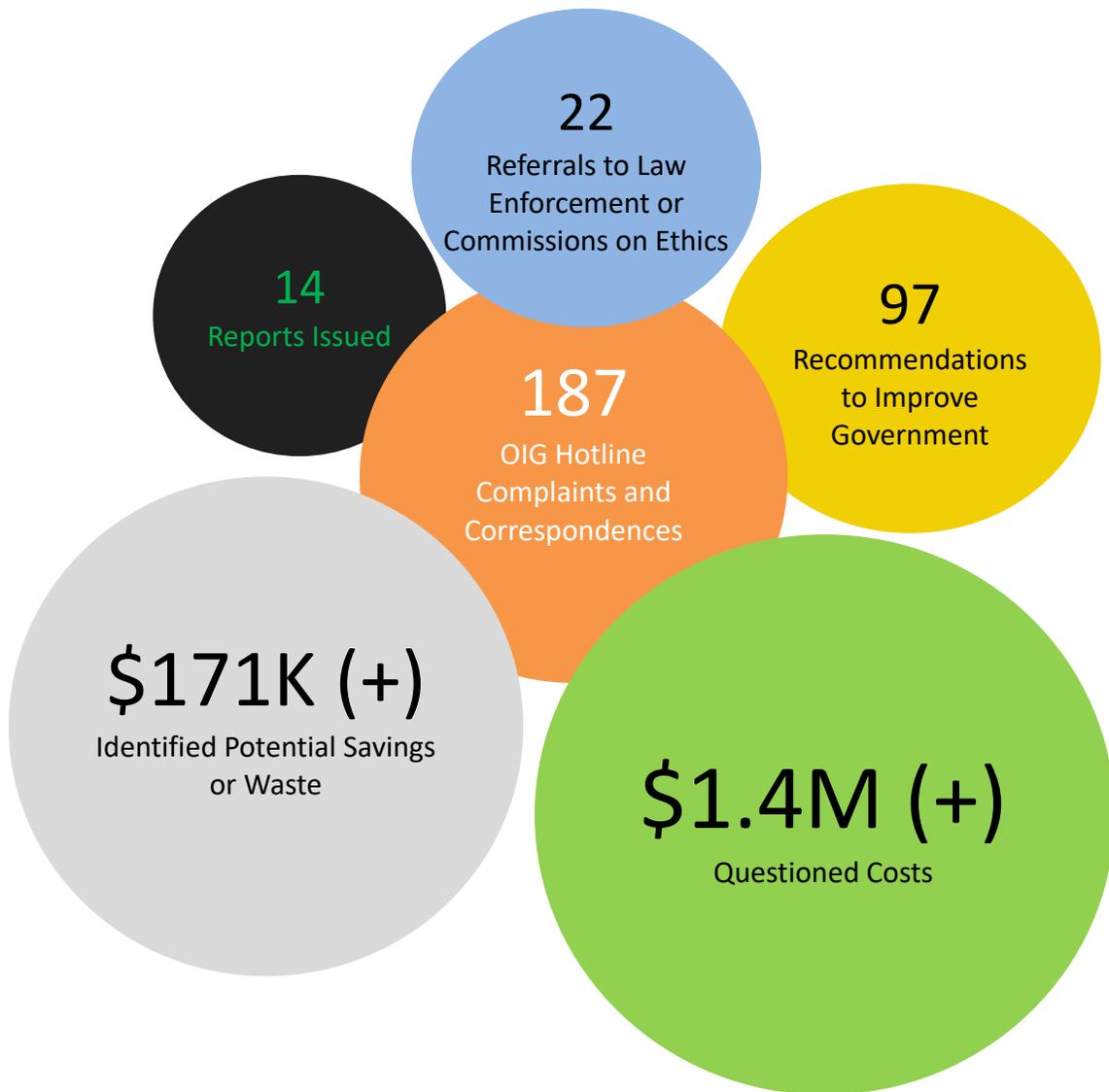
Sincerely,


John A. Carey
Inspector General

What is an Inspector General? Ultimately, the IG is a finder of facts and a seeker of truth.

We find the facts and measure them against the standards (regulations, policies, laws).

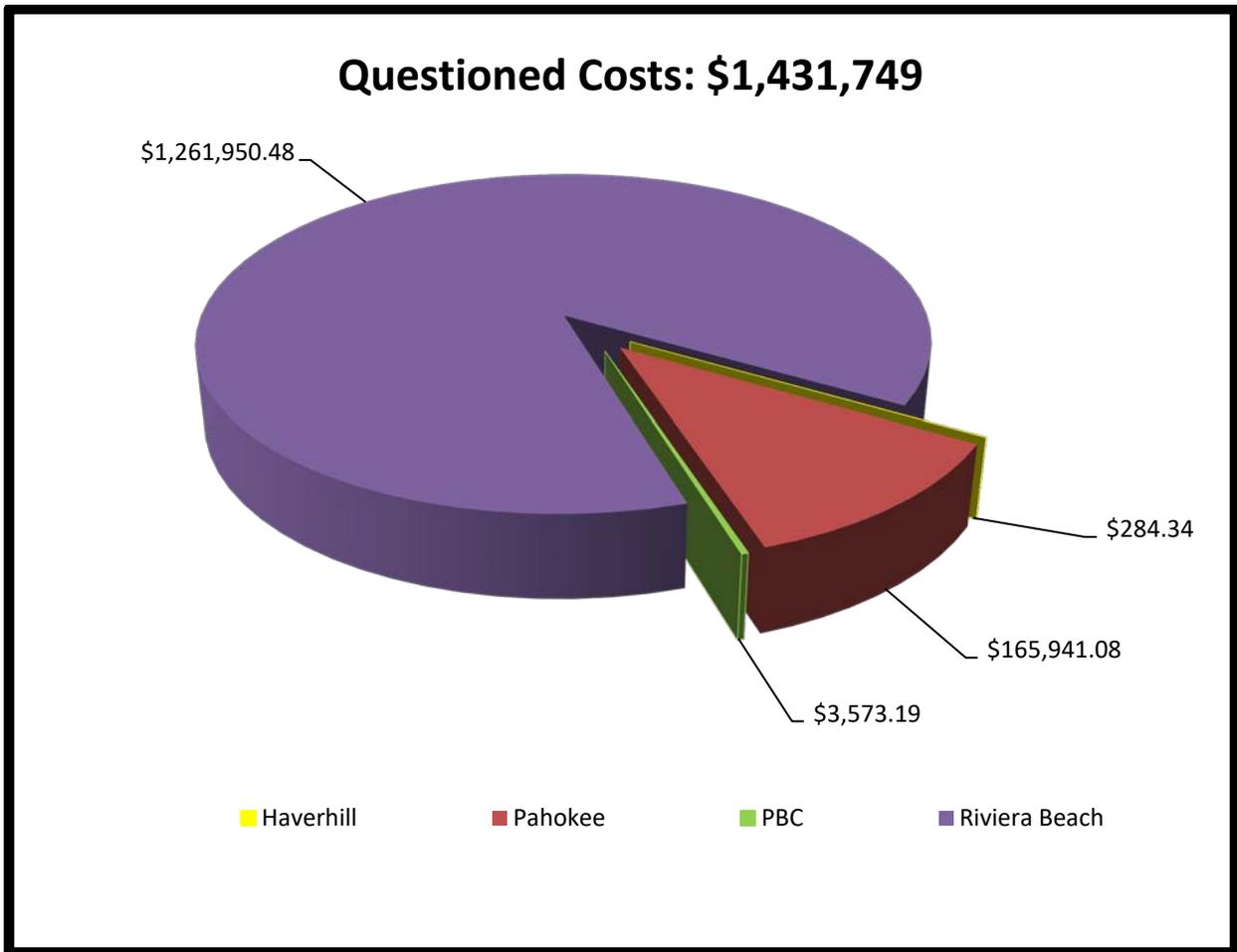
FY2020 ACCOMPLISHMENTS BY THE NUMBERS



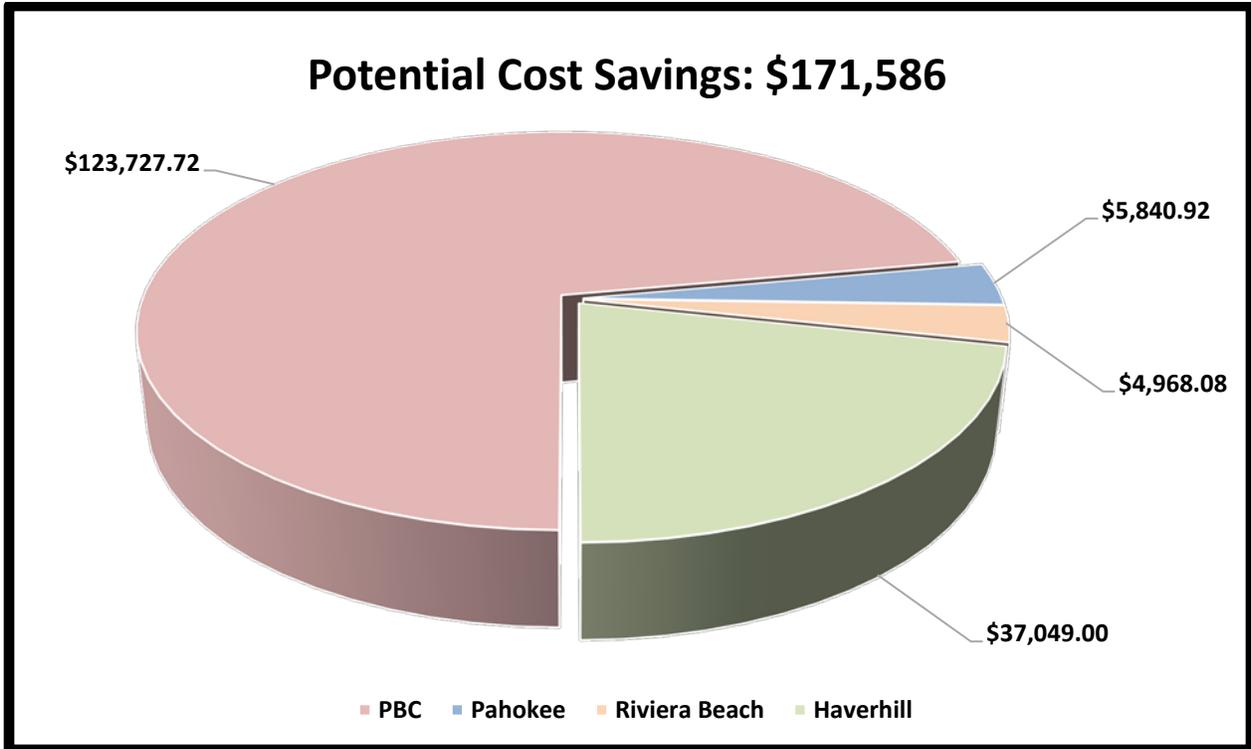
At the end of the day, the OIG provides
“Enhanced Trust in Government.”

FINANCIAL DISCOVERY BREAKDOWN

Guarding Taxpayers' Dollars



Questioned Costs are costs or financial obligations pursuant to an alleged violation of law, regulation, contract, grant, cooperative agreement, other agreement, policy and procedures, or documents governing the expenditure of funds; costs or financial obligations not supported by adequate documentation; and/or the expenditure of funds where the intended purpose is unnecessary or unreasonable. As such, not all questioned costs are indicative of fraud or waste.



Potential Cost Savings Include:

- **Identified Costs:** Costs that have the potential of being returned to offset the taxpayers’ burden.
- **Avoidable Costs:** The dollar value for costs that will not have to be incurred, lost funds, and/or an anticipated increase in revenue over three years or the contract period (dollars saved) if the OIG’s recommendations are implemented.

Detail of Potential Cost Savings

Entity	Identified Costs	Avoidable Costs	Total
PBC	\$123,728		\$123,728
Pahokee	\$5,841		\$5,841
Riviera Beach	\$4,968		\$4,968
Haverhill		\$37,049	\$37,049
Total	\$134,537	\$37,049	\$171,586

MISSION, VISION, AND VALUES

Mission

To provide independent and objective insight, oversight, and foresight in promoting integrity, efficiency, and overall effectiveness in government.

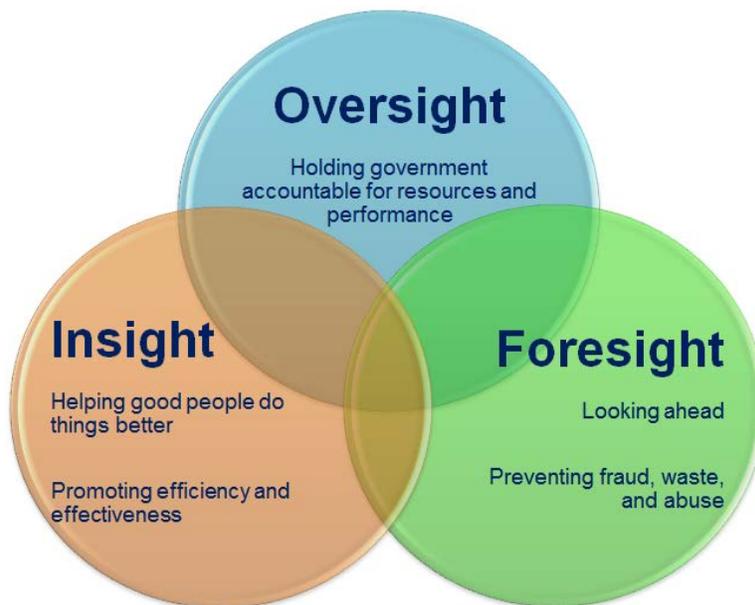
We accomplish our mission through audits, investigations, contract oversight, evaluations and outreach activities.

Vision

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.

Values

- P** Professionalism – We take pride in our purpose, profession, products, results, and conduct.
- R** Respect – We are respectful of others and recognize their value.
- I** Integrity – We do the right thing, the right way, for the right reason.
- D** Dedication – We are dedicated to our purpose, our work, and the people we serve.
- E** Excellence – We strive for excellence in everything we do.

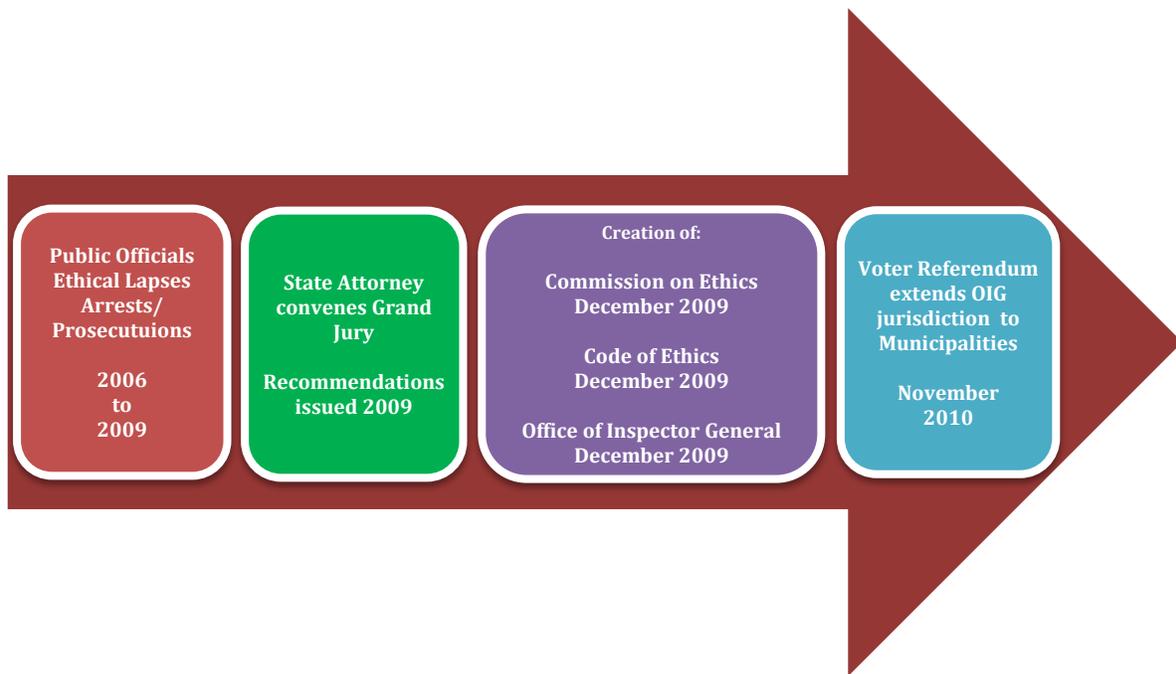


Our Motto
“Enhancing Public Trust in Government”

HISTORY

Between 2006 and 2009, a series of federal public corruption prosecutions of elected officials from the Palm Beach County (County) Board of County Commissioners (BOCC) and the West Palm Beach City Commission led the State Attorney to convene a state grand jury. In early 2009, the grand jury issued its report, which included recommendations to create a County Code of Ethics, Commission on Ethics, and OIG. In response to that report, the County began a comprehensive effort to develop an ethics initiative aimed at promoting public trust in government and establishing a more transparent operating model for its citizens. In December 2009, the BOCC adopted an ordinance that established the OIG to oversee County government. In November 2010, 72% of the voters approved a countywide referendum to amend the County Charter and permanently establish the OIG. A majority of voters in each of the 38 municipalities within Palm Beach County that existed at the time approved an expansion of OIG jurisdiction to cover all municipalities within the county.

Palm Beach County Ethics Movement



The IG Committee selected Sheryl G. Steckler as the County’s first IG in June 2010. The OIG enabling legislation, known as the IG Ordinance, was drafted in 2011 by the IG Drafting Committee, which was comprised of representatives from the municipalities, County, Palm Beach County League of Cities, citizens appointed by the County, and the Inspector General. Once completed, the IG Ordinance was unanimously approved by the BOCC with an effective date of June 1, 2011. John A. Carey became the County’s second IG in June 2014.

The OIG can require the production of documents and receive full and unrestricted access to records. The OIG has the power to subpoena witnesses and administer oaths. Additionally, the OIG is “an appropriate local official” for whistleblower reporting and protection. People may also submit anonymous complaints to the OIG.



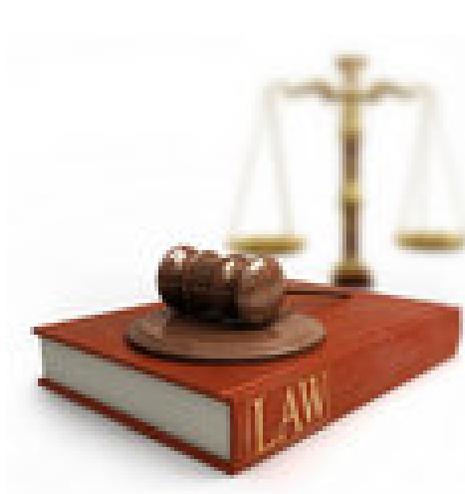
County and Municipal Officials and Employees, Contractors, and Others Required Reporting to the OIG

All elected and appointed officials and employees, County and municipal agencies, contractors, their subcontractors and lower tier contractors, and other parties doing business with the County or municipalities and/or receiving County or municipal funds shall fully cooperate with the OIG in the exercise of the OIG’s functions, authority, and powers.

The County administrator and each municipal manager, administrator, or mayor, where the mayor serves as chief executive officer, shall: 1) promptly notify the OIG of possible mismanagement of a contract, fraud, theft, bribery, or other violation of law which appears to fall within the jurisdiction of the OIG; and, 2) coordinate with the OIG to develop reporting procedures for notification to the OIG.

A graphic titled "What to Report" with a list of items required by ordinance: Fraud, Theft, Contract Mismanagement (> \$5K), Bribery, and Any other violation or conduct that appears to be within the jurisdiction of the OIG.

LAWSUIT REGARDING ACCESS TO OPEN INVESTIGATION INFORMATION



Maintaining the confidentiality of complaints is important to preserve the integrity of the investigative process, avoid potential harm to the reputation of the accused or the accuser, and minimize the potential for interference with an investigation before its completion by potential witness or evidence tampering.

On March 13, 2018, a citizen filed a Petition asking the Court to order the OIG to provide a copy of a complaint relating to an open investigation and award him costs and attorney's fees under the Florida Public Records Act. The citizen relied on several Attorney General Opinions to argue that an initial complaint is not exempted from disclosure under the Public Records Act.

On August 28, 2018, the trial court ruled that the complaint was exempt from disclosure until the investigation was complete. The citizen appealed this ruling before the Fourth District Court of Appeal (4th DCA). On October 8, 2019, the citizen and PBC OIG argued the case before the 4th DCA. Seven offices of inspectors general filed Amicus Briefs in support of the PBC OIG's position in this case of first impression. On December 18, 2019, the 4th DCA relied upon s. 112.3188, F.S. to issue an opinion affirming the trial court's decision.

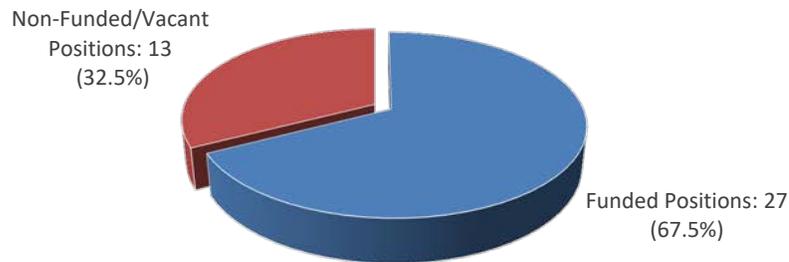
The opinion effectively invalidated several Attorney General Opinions and endorsed the position advocated by many OIG offices throughout the state. **This ruling confirmed that complaints lodged with the OIG are confidential and exempt from disclosure until the investigation was complete. It has state-wide impact applying to all local offices of inspectors general.**

***The strength of a democracy is the citizens' trust in government.
IGs promote that trust through independent oversight.***

STRUCTURE AND STAFFING OF THE OFFICE OF INSPECTOR GENERAL

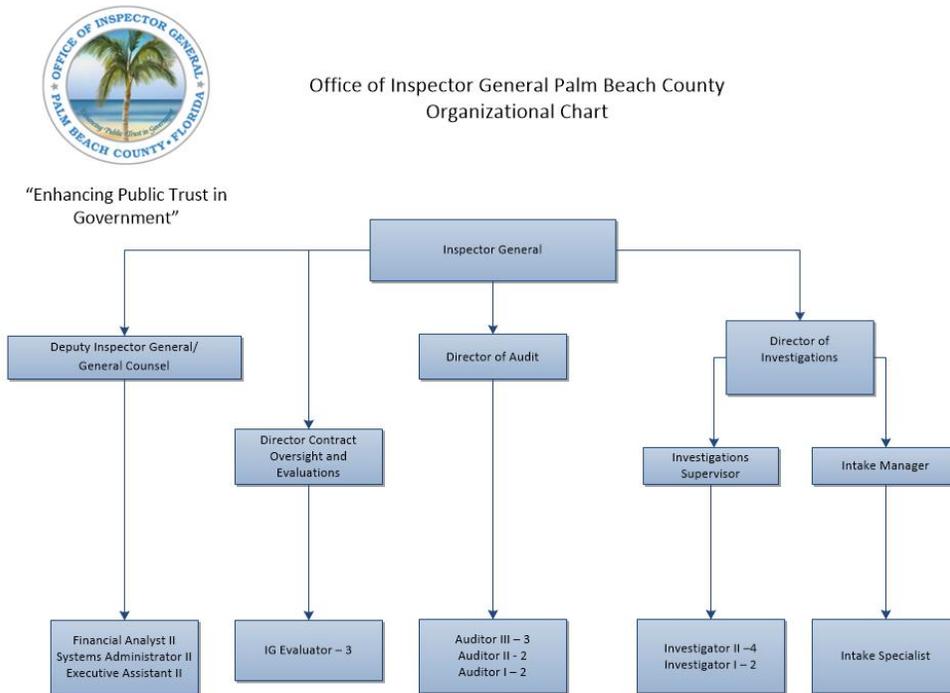
The Inspector General Structure

OIG Personnel Complement 40 Approved Positions



Due to a lawsuit initiated by some of the municipalities within Palm Beach County regarding OIG funding and subsequent BOCC decisions, the OIG has never been fully funded. The OIG is currently funded at 27 (67.5%) of the 40 approved positions. Due to the anticipated financial impact of the global pandemic, the OIG did not request an increase in personnel position for FY2021.

The OIG is comprised of a Mission Support Section and three operating divisions: Investigations, Audits, and Contract Oversight and Evaluations.



Revised October 2020

STANDARDS, ACCREDITATION, AND STAFF QUALIFICATIONS

Peer Reviews by the Association of Inspectors General



The Association of Inspectors General (AIG) is a national professional organization comprised of IGs from federal, state, and local government. The AIG *Principles and Standards for Offices of Inspector General* (Green Book) is one of the main standards we use. It provides guidelines for the overall operations of OIGs, as well as, specific standards for investigations, audits, and other IG related activities. OIG audits are performed in accordance with *Generally Accepted Government Auditing Standards* (Yellow Book). In August 2015 and again in August 2018, the OIG was peer reviewed by the AIG. **The AIG found our office “met all current and relevant standards.”**

Commission for Florida Law Enforcement Accreditation

The Commission for Florida Law Enforcement Accreditation (CFA) is the designated accrediting body for law enforcement and OIGs within the State of Florida. Not every State law enforcement agency nor OIG obtains or maintains this high standard of accreditation. The OIG received its initial accreditation from the CFA in February 2012, and was re-accredited in February of 2015 and 2018. **CFA Assessors noted, “It is apparent all members are supportive of the commitment and are driven to provide excellent, professional, and dedicated service to all the components of the OIG.”**



Inspector General Staff Qualifications

To ensure success in accomplishing our mission, the OIG hires highly qualified individuals who not only reflect the diversity of the community, but also have the necessary level of skills, abilities, and experience for their respective positions on the OIG team. Staff members bring an array of experiences from the Federal and State IG Communities; the Federal Bureau of Investigation; not-for-profit community based organizations; federal, state, and local government; public accounting firms; and the construction industry.

Staff members have backgrounds in and/or academic degrees or certifications in:

- Accounting
- Auditing
- Forensic Accounting
- Public Administration
- Business Administration
- Financial Analysis
- Grant Administration
- Investigations
- Law
- Law Enforcement
- Strategic Analysis
- Information Technology

High performing organizations and success are built upon the foundation of hiring, retaining, and developing a high quality staff. Our high quality staff is represented at all levels.

OUR OIG DEPUTY IG AND GENERAL COUNSEL

Kalintia Dillard became our General Counsel in June 2015 and, in addition to her GC duties, she became Deputy Inspector General in July 2017. She has practiced law for more than 22 years. After graduating from Clemson University and the Florida State University College of Law, she relocated to Palm Beach County, Florida to clerk at the 4th DCA. Thereafter, she practiced civil litigation at private law firms and worked for the School District of Palm Beach County, the 10th largest school district in the country. She is a certified Inspector General, General Auditor, and Investigator by the AIG.



Ms. Dillard balances time between her profession, volunteering, and enjoying life with her husband and daughter. She is currently serving her 3rd term as President of the YWCA of PBC and 2nd term on the Board of the Forum Club of the Palm Beaches. She also serves on The Florida Bar's Professional Ethics Committee, which issues formal advisory opinions interpreting the Ethics Rules governing lawyers and reviews informal advisory opinions issued by The Florida Bar ethics counsels. She is Co-Chair of the PBC Bar Association's Professionalism Committee and a member of the Judicial Campaign Practices Committee (JCPC). The Professionalism Committee addresses ways to instill a sense of professionalism in attorneys; reviews complaints alleging violations of the Professionalism Expectations and/or the Standards of Professional Courtesy and Civility; and conducts Continuing Legal Education programs. The JCPC issues advisory opinions in response to allegations of violations of Canon 7 of Florida's Code of Judicial Conduct. Recently, Ms. Dillard was selected for Leadership Florida Cornerstone 39.

She was the youngest president of the F. Malcolm Cunningham, Sr. Bar Association and is a past president of both the West Palm Beach Chapter of The Links (FL), Incorporated and the Virgil Hawkins-Florida Chapter National Bar Association. She was Chair of The Florida Bar's Law Related Education Committee, Education Law Committee, and Grievance Committee for the 15th Judicial Circuit-Division A. Additionally, she is past Chair of the PBC Bar Association's Law Related Education Committee and past Co-Chair of the Committee for Diversity and Inclusion. She is a Diamond Life Member of Delta Sigma Theta Sorority and graduate of Leadership PBC Class of 2016.

Her awards and recognitions include: the Giraffe Award from the Women's Chamber of Commerce of PBC (2016), named Top 100 Lawyers for 2016 by the National Black Lawyers, recognized as Attorney of the Year by the Florida Law Related Education Association (2018), selected as one of South Florida's Most Powerful and Influential Black Business Leaders by Legacy Magazine (2019), and honored with the Athena Leadership Award from the Palm Beach County Chamber of the Palm Beaches (2020).

\$ OFFICE OF INSPECTOR GENERAL FY2020 BUDGET \$

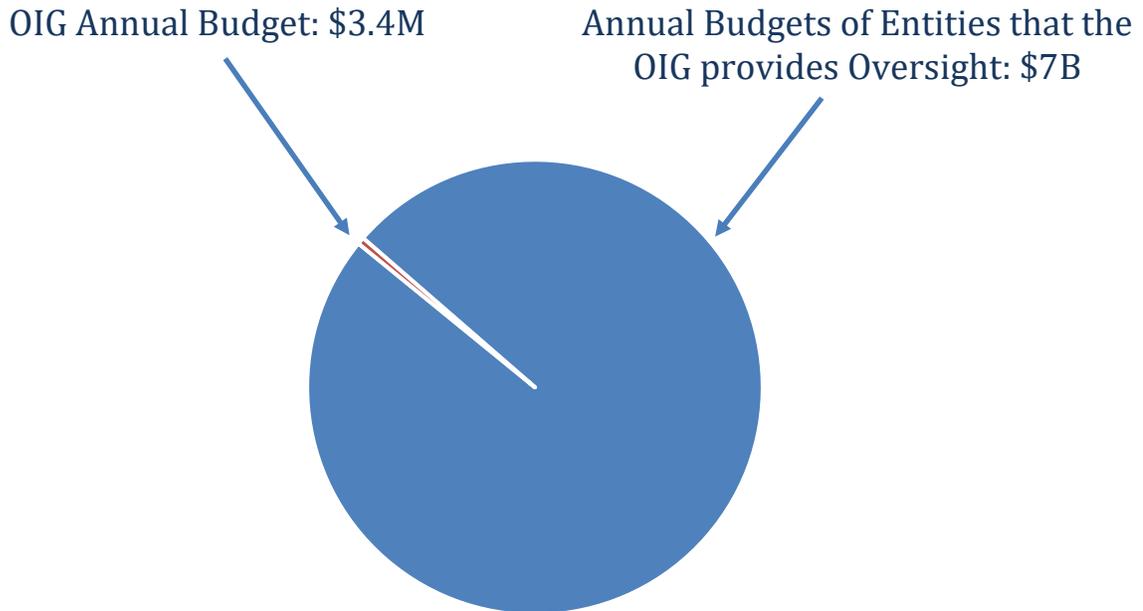
The OIG strives to use taxpayer dollars frugally. In FY2020, the OIG expended \$2.96 million (85%) of its approved \$3.4 million budget. **The financial resources dedicated to the OIG are .0496% of the estimated \$7 billion in the annual budgets of the government entities of which the OIG provides independent oversight.**

At a cost of **\$2.96 million** with **27** funded positions, OIG oversight responsibilities include:

- PBC, Municipalities, SWA, and CSC with total annual budgets of approximately **\$7B**
- PBC, Municipalities, SWA, and CSC employees numbering approximately **14,500** people (excluding part-time, seasonal, and contract employees)
- PBC, Municipalities, SWA, and CSC auditable units identified: **1,141**
- Oversight of **billions of dollars** of contracting activities

“The sheer size of government operations that your office oversees and your office’s jurisdiction and responsibility are unparalleled by any other local government inspectors general office.”

2015 Association of Inspectors General Peer Review Report on the Palm Beach County OIG

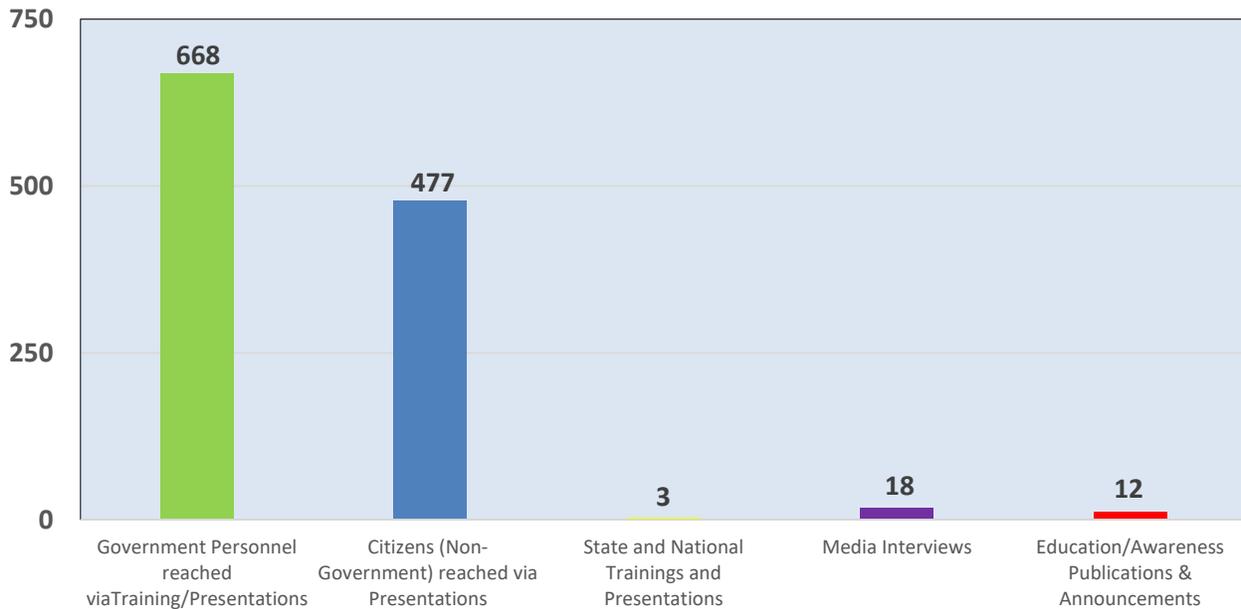


OUTREACH, EDUCATION, AND PREVENTION

Outreach is an important component of OIG operations, and takes place both inside and outside of government. OIG outreach includes education on common trends and best practices; red flags to assist in spotting fraud, waste, and abuse; and ways to contact our office. Our success depends on listening as much as speaking.

TRAINING AND OUTREACH

An ounce of outreach is worth a pound of enforcement.



Outreach/Coordination in Palm Beach County

Promoting integrity, accountability, and transparency in government is a “team sport” that goes beyond the bounds of the OIG. Accordingly, the IG attends and participates in several local forums, including the Palm Beach County Internal Auditor/Inspector General Forum and the South Florida Inspectors General Council. Other local key partners in promoting integrity in government include the PBC IG Committee, the PBC Commission on Ethics, the PBC Ethics Coalition, and Florida Atlantic University’s LeRoy Collins Public Ethics Academy.

During the year, the IG has provided presentations to community businesses and service organizations, and in academic classes and forums on such topics as ethics in government and the role of inspectors general. We distributed eight *Tips and Trends* in FY2020. These brief reports provide lessons learned from OIG projects, research, or new regulatory guidance designed to assist entities in operating in a more compliant, efficient, or effective manner. These *Tips and Trends* with summaries are listed in Appendix 1.

Social Media

Citizens can follow us on Facebook, Twitter, YouTube, or through our website, and can subscribe to receive emailed notices of OIG reports and other items of interest.



During the past year we have initiated significant improvements to our social media output. The OIG now posts on Facebook and Twitter on a daily basis to provide regular, up to date OIG Reports, *Tips and Trends*, contact information, Palm Beach County Government and OIG news, statutory citations, and terminology definitions. We are dedicated to maximizing our ability to reach the public with valuable information; in the past year, our social media outreach has increased more than tenfold and will continue to expand. Our website is also continuously updated to reflect all recent OIG activity. An important section on the website is labeled “Tips, Trends, and Training.” Here, we post briefings and information updates throughout the year along with other helpful information for the public and government employees.

Click a link and check us out!

Follow us on Twitter at: <https://twitter.com/OIGPBC>

Follow us on Facebook at: <https://www.facebook.com/Office-of-Inspector-General-Palm-Beach-County-760833077333644>

Visit our website at: <http://www.pbcgov.com/OIG/>

Outreach/Impact Beyond Palm Beach County



The OIG does not stop at the borders of Palm Beach County in promoting integrity, effectiveness, and efficiency in government. Of particular note, the IG is on the executive board of the national Association of Inspectors General. The Association is a non-profit organization that promotes



excellence in the inspector general community by establishing and encouraging adherence to quality standards, sponsoring professional development, and certifying individuals in IG-specific disciplines. The IG is on the Association’s Professional Development Board and Training Committee. Additionally, the IG serves on the board of the Florida Chapter of the Association of Inspectors General.



Our Deputy IG/General Counsel serves on The Florida Bar’s Professional Ethics Committee and was recently appointed Co-Vice Chair of the Masters Seminar on Ethics 2021 Subcommittee. The Professional Ethics Committee issues formal advisory opinions to guide attorneys admitted to The Florida Bar in interpreting and applying the Ethics Rules governing the practice of law, answers ethics inquiries from members of The Bar concerning their own proposed conduct, and reviews informal advisory opinions issued by The Florida Bar ethics counsels. Ms. Dillard was selected for Leadership Florida. Leadership Florida is a statewide organization dedicated to bringing together leaders from across the state to challenge, prepare, and inspire them to build a better Florida.

OIG PIVOTS TO ADDRESS THE CORONAVIRUS PANDEMIC

While we planned to celebrate our successes during our ten year anniversary in 2020, the Coronavirus (COVID-19) pandemic changed our office operations and focus. The County received \$261 million in federal Coronavirus Aid, Relief and Economic Security Act (CARES Act) funding. It is expending these funds in a broad spectrum of relief activities and programs to fill gaps and meet the needs of the community during this emergency. We worked with the County in providing independent oversight and accountability in disbursing these funds.



During FY2020, we began review of the County’s Restart Business Grant program, which administers and disperses CARES Act funds to local businesses. We began reviews on six other organizations that received CARES Act funds. We received 26 COVID-19 related complaints or correspondences, and have referred seven of these to other agencies and are conducting one investigation based on a complaint. A second investigation was initiated based on our records review of applications for CARES Act grants. Finally, we prepared for selected reviews of business that accepted CARES Act grants.

INVESTIGATIONS DIVISION

The Investigations Division investigates allegations of fraud, waste, abuse, mismanagement, and misconduct. It manages the OIG Intake program, including email and telephone complaints, and social media.

The investigative activity conducted by the Division strictly adheres to the *Principles and Standards for Offices of Inspectors General* (Green Book) as developed by the Association of Inspectors General and the Inspector General Accreditation Standards issued by the Commission for Florida Law Enforcement Accreditation, Inc. These important principles ensure the quality of our investigations.



While OIG investigations are administrative in nature, criminal violations are sometimes discovered during the investigative process. When a determination is made that the subject of an investigation has potentially committed a criminal violation, those findings are referred to local, state, or federal law enforcement agencies or directly to the State Attorney's Office or the U.S. Attorney's Office for potential criminal investigation and prosecution.

LEADERSHIP TEAM

Stuart Robinson is the Director of Investigations. He oversees the OIG's Intake and Investigation programs, and is dedicated to producing valuable, accurate, insightful investigative conclusions based on credible allegations. Prior to joining the OIG in October of 2017, Mr. Robinson spent 26 years with the Federal Bureau of Investigation as a Special Agent and Supervisory Special Agent, specializing in public corruption, financial crimes, and civil rights matters, and then was the Supervisor of Investigations for the Broward County Office of the Inspector General. Mr. Robinson has a Bachelor of Science and Juris Doctorate degree from Indiana University and is a Certified Inspector General Investigator.



Section B – Activities



Evangeline Rentz is the Investigation Division’s Intake Manager. All Hotline calls, complaints and correspondences that come into the OIG goes through Ms. Rentz. Her section processes, analyzes and conducts preliminary inquiries related to these complaints, tips, questions, and calls for assistance to determine what course of action the OIG should take based on the information. Ms. Rentz joined the OIG shortly after its establishment in October 2010 and is the longest serving leader in the OIG. Ms. Rentz has over 30 years of public service experience in state and county government. Previously serving as the Operations and Management Consultant

Manager for the Florida Department of Children & Families’ Office of Inspector General prior to relocating to Palm Beach County. Ms. Rentz earned her Bachelor of Science degree from Florida State University and is a Certified Inspector General Investigator.

Anthony Bennett is the Supervisor of Investigations. He joined the OIG in October of 2019 and is responsible for supervising OIG Investigators and coordinating investigations. Mr. Bennett previously served six years as the Chief Investigator for the Palm Beach County Commission on Ethics and has over 22 years of government service. He holds a Bachelor’s Degree in Criminal Justice from Lynn University, is a graduate of the University of Louisville’s Southern Police Institute Command Officers’ Development Program, and is a graduate of the United States Army Rehabilitation Training Instructor Course (Fort McClellan, AL). He holds Florida certifications in both Law Enforcement and Corrections and is a Certified Inspector General Investigator and a Certified Accreditation Manager.

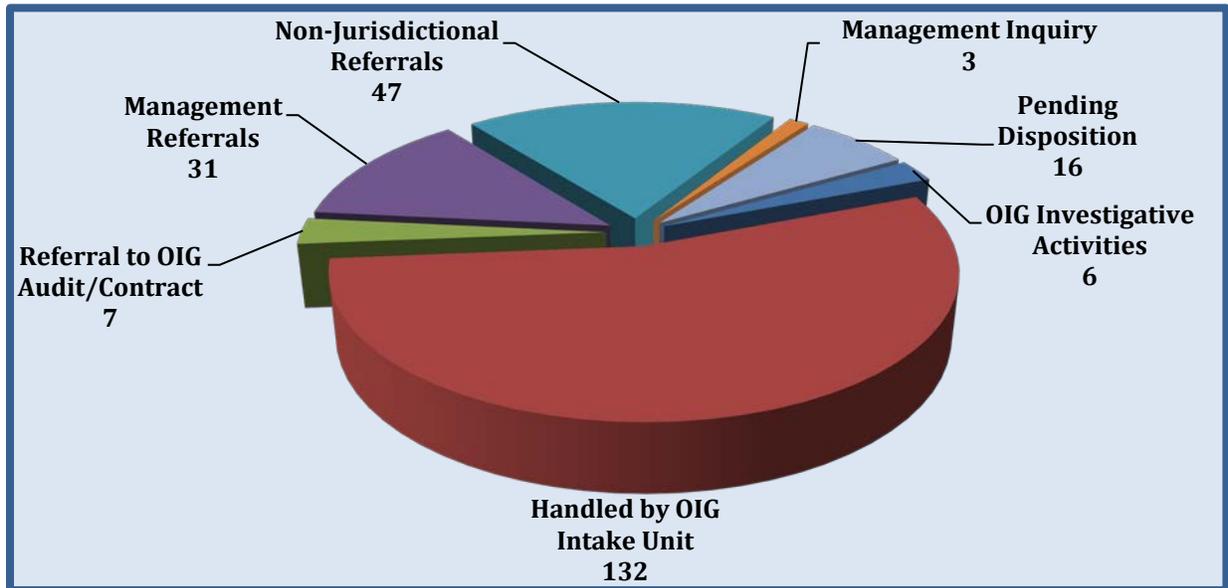


INVESTIGATIONS HIGHLIGHTS

During FY2020, the Investigations Division issued **five** reports, issued **two** *Tips and Trends*, and participated in **one** joint project with the Federal Bureau of Investigation. Where allegations were substantiated, we referred administrative or disciplinary actions to county, municipal, and/or contracted entities. Additionally, we referred **seventeen** investigative matters to the Federal Bureau of Investigation, the State Attorney’s Office, the Palm Beach County Sheriff’s Office, the Internal Revenue Service Criminal Investigations, and the County and State Commissions on Ethics. These reports and management responses can be found at <http://www.pbcgov.com/oig/archreports.htm>. A brief summary of the recommendations is also contained in Section D Appendix 2 of this report.

CORRESPONDENCES

Correspondences to the OIG include letters and emails that cover a wide variety of areas from comments, suggestions, questions, and complaints. The **242** correspondences received during FY2020 were processed as follows:

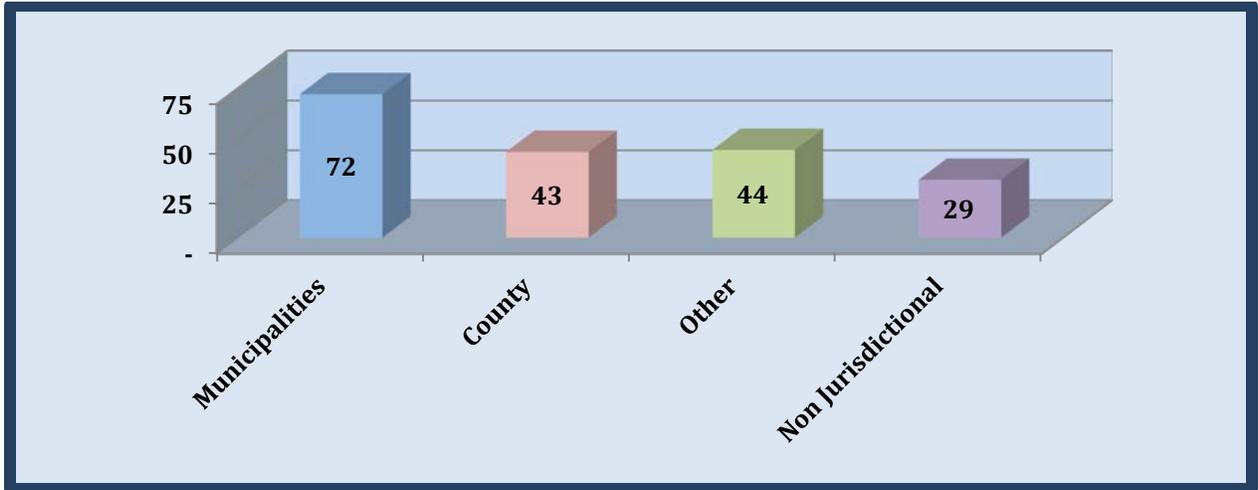


- **Handled (Addressed) by OIG Intake Division (132 or 55%):** Correspondences that are handled by the OIG, Information Only, and/or Closed with No Action.
- **Management Referrals (31 or 13%):** Correspondences forwarded to respective management for handling. No response to the OIG is required.
- **Non-Jurisdictional Referrals (47 or 19%):** Correspondences that do not fall within the jurisdiction of the OIG.²
- **OIG Investigative Activities (6 or 2%):** Correspondences that are assigned to the Investigations Division.
- **Referral to OIG Audit or Contract Oversight (7 or 3%):** Correspondences forwarded to OIG Audit and/or Contract Oversight Divisions for further review.
- **Management Inquiries (3 or 1%):** Correspondences forwarded to respective management for handling. A response to the OIG is required.
- **Pending Disposition (16 or 7%):** Correspondences that have not yet received a disposition.

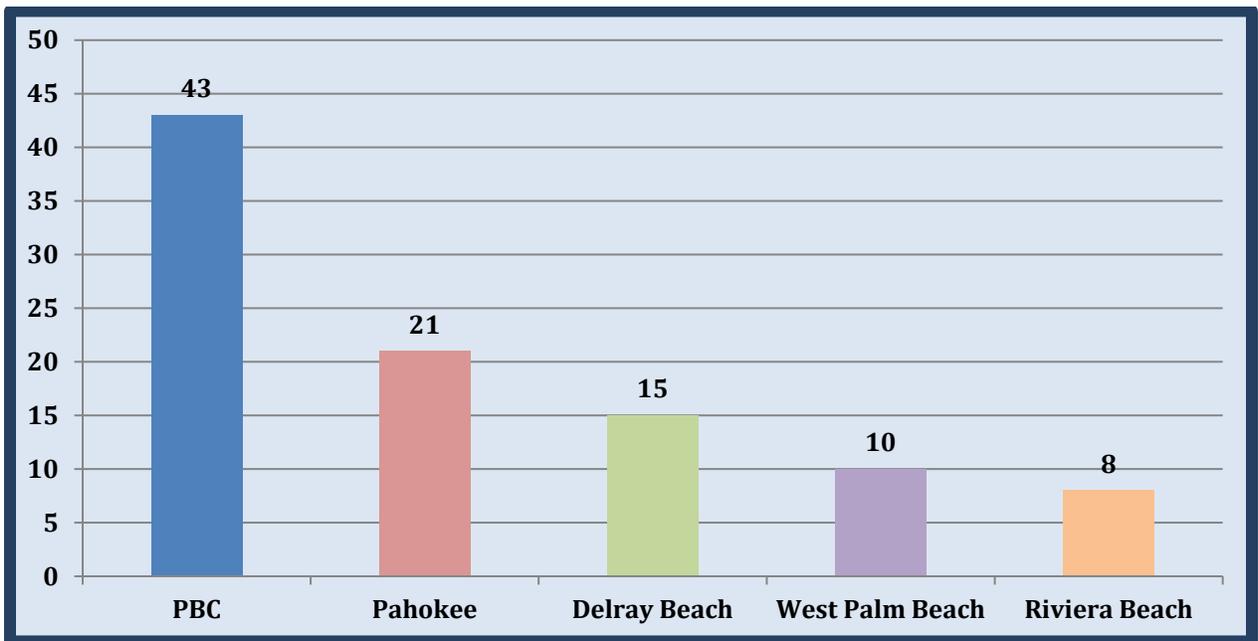
² During FY2020, the OIG received a total of 46 Correspondences related to entities not within the jurisdiction of the OIG. These are forwarded to entities with jurisdiction for addressing the issues.

COMPLAINTS BY ENTITY

Of the **118** telephone calls and **242** correspondences processed in FY2020, we received **188** complaints. These complaints were related to the following entities³:



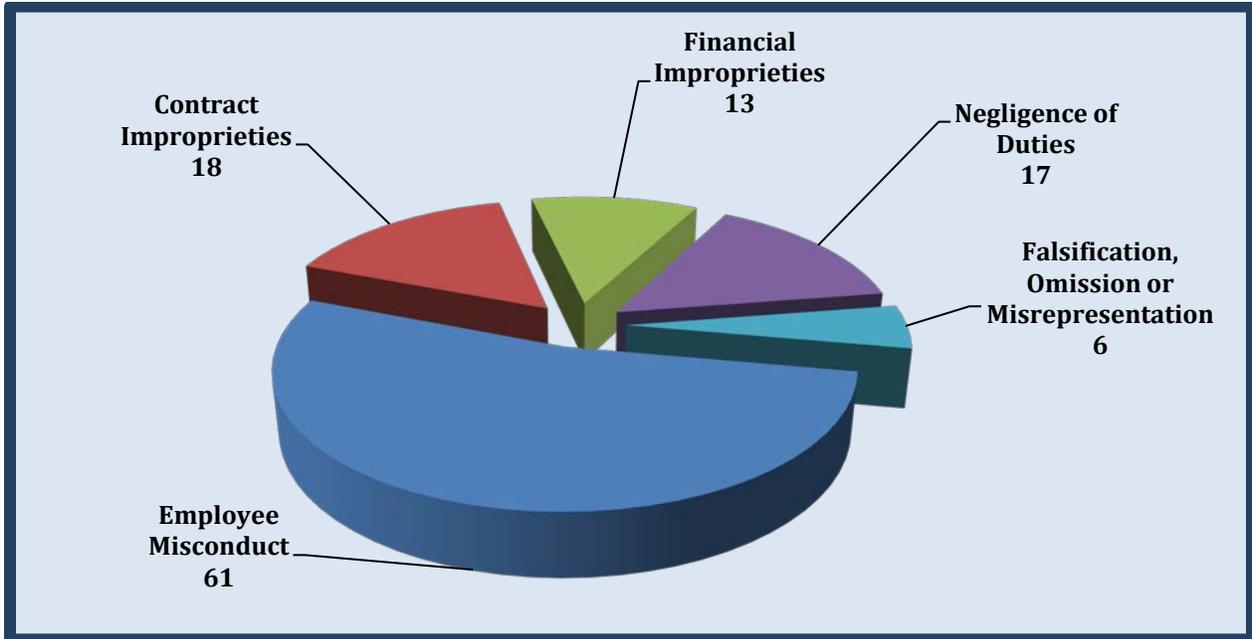
The following is a breakdown of organizations with the most complaints lodged against them or individuals within the organizations (Top 5).



³ “Non-Jurisdictional” refers to correspondences concerning government entities not under the jurisdiction of the OIG. “Other” includes correspondences related to other entities such as private organizations, homeowner’s associations, etc.

ALLEGATION TYPES

Of the **188** complaints, a total of **130** allegations of potential wrongdoing were made. Of those **130** allegations, **115** were identified in the following top five categories:



INVESTIGATIVE ACTIVITIES

The following are highlights from reports issued in FY2020:

Palm Beach County Parks & Recreation Department – FEMA Reimbursement

The OIG conducted our investigation based on a Whistleblower complaint that the Palm Beach County Parks and Recreation Department submitted a fraudulent claim to the Federal Emergency Management Agency (FEMA) post-Hurricane Irma.



We found that:

- Although County Parks and Recreation Department officials submitted an inaccurate claim to FEMA after this 2017 hurricane, there was insufficient evidence that the inaccurate claim was submitted with the intent of defrauding FEMA.
- Parks and Recreation Department officials took appropriate, timely steps to notify FEMA of the inaccurate claim.

FEMA did not reimburse the County for expenditures and costs unrelated to Hurricane Irma.

Palm Beach County Vendor Safeguard Document Destruction – Contract Violation

We conducted an investigation based on an Office of Inspector General employee observing that a Palm Beach County document shredding and destruction services vendor listed the weight of documents to be shredded without actually weighing those documents.



We found that:

- Safeguard Document Destruction, Inc. invoiced the County on several occasions for shredding/document destruction services without properly weighing the documents per contractual requirements.

Our report contained two recommendations to ensure that the County is properly billed for document shredding and destruction services.

City of Pahokee City Manager Inappropriate Purchasing Card Expenditures – Inappropriate Purchasing Card Expenditures

We conducted our investigation after receiving a complaint alleging that between June, 2015 and May, 2019, City of Pahokee City Manager Chandler Williamson made inappropriate purchases with the City's credit card, in violation of City policies and directives.



We found that City Manager Williamson used the City credit card for:

- Expenses that were not related to approved, official City business.
- Travel expenses that lacked required travel request forms or supporting documentation.
- Travel without utilizing the economic means of transportation.
- Expenses that lacked receipts.

The inappropriate expenses resulted in Identified Costs of \$5,840.92, and Questioned Costs of \$15,941.08.

In the process of our investigation, we discovered that:

- City Manager Williams's activities may have violated the County and State of Florida Code of Ethics. The matter was referred for consideration of ethics violations.
- City Manager Williamson may have violated State of Florida criminal statutes. This matter was referred to the State Attorney's Office for consideration.

We made recommendations to assist the City Commission and City employees in complying with City policies and procedures applicable to City credit cards, and with ensuring appropriate oversight over the City Manager's expenditures. All of these were accepted by the City.

Town of Palm Beach – Security Camera System Vendor Johnson Controls, Inc. – Billing Issues



We conducted our investigation based on a complaint alleging that Town of Palm Beach security camera system vendor Johnson Controls, Inc. submitted fraudulent invoices for services that it did not perform.

We found that:

- There was not clear evidence of fraud.
- It appears that the Town and Johnson Controls disagreed on their understanding and interpretation of the terms of their agreement relating to performance and billing.

We made recommendations to assist the Town in strengthening internal controls and enhancing compliance with its contractual requirements with its vendors.

City of Delray Beach Out of School Program – Purchasing Policy Violations

The OIG conducted our investigation based on a complaint that the City’s Out of School Program Supervisor Tonya Smith requested checks for vendors she had already paid using a purchasing card, then split the check proceeds with those vendors; that Ms. Smith did not comply with the City’s policy requiring that employees ensure that vendors have a City-assigned vendor file activation vendor number before purchasing goods or service; that Supervisor Smith created and submitted fictitious invoices with check requests for vendor payment; and that she hired the son of a City employee as a photographer for the City in violation of City Purchasing and/or ethics policy.



We found that:

- Supervisor Smith requested payments for four vendors who were not, as required, yet active in the financial accounting system at the time the purchases were made.
- After comparing purchasing card purchases against checks the City issued to vendors, there were no duplicate payments.
- Supervisor Smith did not violate the City’s Purchasing or Personnel policies by hiring a City employee’s son as a City vendor.
- Supervisor Smith did not create and submit false vendor invoices for payment.

We made recommendations, which will enhance the City’s ability to oversee and enforce City purchasing policies.

OIG Joint Project with the Federal Bureau of Investigation - Actors Targeting South Florida Financial Institutions via Identity Theft and Domain Spoofing of Local Government Officials

The FBI reported a series of attempts to impersonate government procurement and banking industry officials in South Florida. We conducted an investigative follow-up and shared our results with the Miami Division of the Federal Bureau of Investigation. The FBI presented these investigative results to Palm Beach County, Broward County, and Miami-Dade County government, and to South Florida banking institutions.

Our investigative efforts led to a Federal Liaison Information Report which provided valuable intelligence and fraud prevention information throughout South Florida.

**YOU CAN MAKE A DIFFERENCE
IN PRESERVING OUR CULTURE OF INTEGRITY**

**REPORT
FRAUD
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& ABUSE
IN GOVERNMENT**



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Office of Inspector General**
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WE ACCEPT ANONYMOUS INFORMATION.

AUDIT DIVISION

The Audit Division conducts audits intended to add value by helping management strengthen internal controls; prevent fraud, waste, and abuse; and identify opportunities to operate more efficiently and effectively.

All audits are performed in accordance with *Government Auditing Standards (Yellow Book)*.

LEADERSHIP



Hillary Bojan joined the OIG in September 2017 as an Auditor III. In June 2019, she became our Acting Audit Manager and was recently promoted to Director of Audit. She has more than 13 years of local government service in accounting and auditing. Before coming to the OIG, Hillary served as the Senior Internal Auditor for the Health Care District of Palm Beach County.

In addition to earning a Master of Science in Accounting from the University of Central Florida, Hillary has obtained the following professional designations: Certified Public Accountant, Certified Internal Auditor, Certified Fraud Examiner, and Certified Inspector General Auditor. Hillary Bojan serves on the Board of Directors as the Secretary for the Palm Beach County Institute of Internal Auditors Chapter.

AUDIT HIGHLIGHTS

During FY2020, we issued **four** reports with total Questioned Costs of **\$1,265,808** and **\$165,744** in Potential Cost Savings. Collectively, these four reports contain **73** recommendations to strengthen internal controls and improve the efficiency and effectiveness of operations. Management has implemented or is in the process of implementing the majority of our recommendations. The reports and management responses can be found at <http://www.pbcgov.com/oig/archreports.htm>. A brief summary of the recommendations is also contained in Section D Appendix 2 of this report.

Audit of the Town of Palm Beach Internal Controls and Data Security



We conducted an internal controls and data security audit of the Town of Palm Beach. Our audit focused on review of internal controls and data security activities for driver license and motor vehicle information obtained through the Town's Memorandum of Understanding (MOU) HSMV-0151-19 with the Florida Department of Highway Safety and Motor Vehicles.

We found that the Town:

- Had generally adequate controls for segregation of duties, physical security of computers and IT equipment, security breaches and incidents, records retention, malware and virus protection, and detecting misuse of information and monitoring information use.
- Had control weaknesses for data security related to driver license and motor vehicle information.

Our report contained recommendations to assist the Town of Palm Beach in strengthening internal controls and data security, and help the Town ensure compliance with the MOU and related requirements. The Town concurred and implemented all of our recommendations.

Audit of the Town of Haverhill – Revenue

We conducted a revenue audit of the Town of Haverhill. This audit focused on the revenue process and related cash receipt activities.

We found control weakness for the Town's revenue and financial operations and reporting processes. In most instances, the Town's employees carried out their work using established processes; however, some processes were not documented in writing to ensure consistency in performance, standards, and expectations.



We found the Town:

- Did not invest in higher yield accounts that would have optimized investment return while prioritizing safety of the principal and liquidity;
- Lacked sufficient controls, review, and oversight for revenue, cash receipt, and financial reporting activities;
- Did not collect and remit sales tax for the rental of the baseball field and pavilion.
- Lacked adequate written policies and procedures for revenue and cash receipt activities, as well as information technology.

As a result of our audit, we identified \$284.34 in Questioned Costs and \$37,049 in Potential Costs Savings.

Our report contained recommendations to assist the Town in strengthening internal controls and enhance compliance with requirements. The Town is implementing all of the recommendations.

Audit of the City of Riviera Beach – Employee Separation Process



We conducted an audit of the City of Riviera Beach's Employment Separation Process. The audit was requested by the City after it came to their attention that there were potential insurance premium overpayments for employees that had separated from the City. Our audit focused on employment separation activities, including whether employee separations were properly and accurately processed and adequately documented.

We found the City's employee separation process lacked adequate policies and procedures and review and oversight activities. Additionally, we found instances of non-compliance with labor agreements and a lack of supporting documentation.

We found that that the City of Riviera Beach:

- Paid for insurance benefits for former employees.
- Did not recoup tuition refunds from employees who separated from the City and lacked sufficient documentation to justify the payment of training and education expenses.
- Paid former employees amounts that were not in compliance with policy and labor agreements or lacked adequate documentation.
- Did not remove computer access upon separation for five former employees.
- Did not process employee separations in compliance with applicable policy, consistently, or in a timely manner.
- Did not have adequate written guidance for the employee separation process.

As a result of our audit, we identified \$1,261,950.48 in Questioned Costs and \$4,968.08 in Potential Costs Savings.

We made recommendations to assist the City in strengthening internal controls and enhance compliance with the City's labor agreements. The City of Riviera Beach is implementing all of the recommendations.

Audit of Palm Beach County Office of Financial Management & Budget – Public Service Tax



We conducted an audit of the County Office of Financial Management & Budget (OFMB) Public Service Tax. The audit was based on a request by OFMB relating to seven propane gas vendors that were delinquent in remitting the public service tax to the County. We expanded the audit scope to include the public service tax transactions for each vendor that were subject to the public service tax requirements of municipalities located within Palm Beach County.

We found the propane gas vendors did not remit the proper amount of public service tax to the County and municipalities:

- Como Oil Company of Florida underpaid the public service tax to the County and owed the public service tax to ten municipalities.
- Forever Propane of Boca Raton Inc. underpaid the public service tax to the County.
- Forever Propane Sales and Service Inc. overpaid the public service tax to the County and owed the public service tax to nine municipalities.
- Propane Services, Inc. underpaid the public service tax to the County and one municipality and owed public service tax to 16 municipalities.
- SSEN LLC paid the public service tax to the County in error.
- Forest Hill Energy, Inc. underpaid the public service tax to the County.
- SSP Food Mart Inc. overpaid the public service tax to the County.

Overall, several vendors lacked awareness and understanding of the County and municipalities' public service tax requirements, and it appeared that some vendors' computer systems were not properly configured for the different public service tax rates and jurisdictions within Palm Beach County.

As a result of our audit, we identified \$3,573.19 in Questioned costs and \$123,727.22 in Identified costs.

Our report contained recommendations to assist the County and municipalities in the proper collection of the public service tax and in increasing propane vendor understanding and awareness of public service tax requirements. The OFMB concurred and accepted all of the recommendations. Eight (8) of 18 municipalities responded and accepted the recommendations.

AUDIT FOLLOW-UP

During the year, we continued to perform semi-annual follow-up on the status of pending audit recommendations. Our follow-up process has helped ensure timely corrective action on our recommendations. Since the inception of the OIG, of the 794 audit recommendations made, 777 (98%) have been implemented or are pending implementation.

Section B – Activities

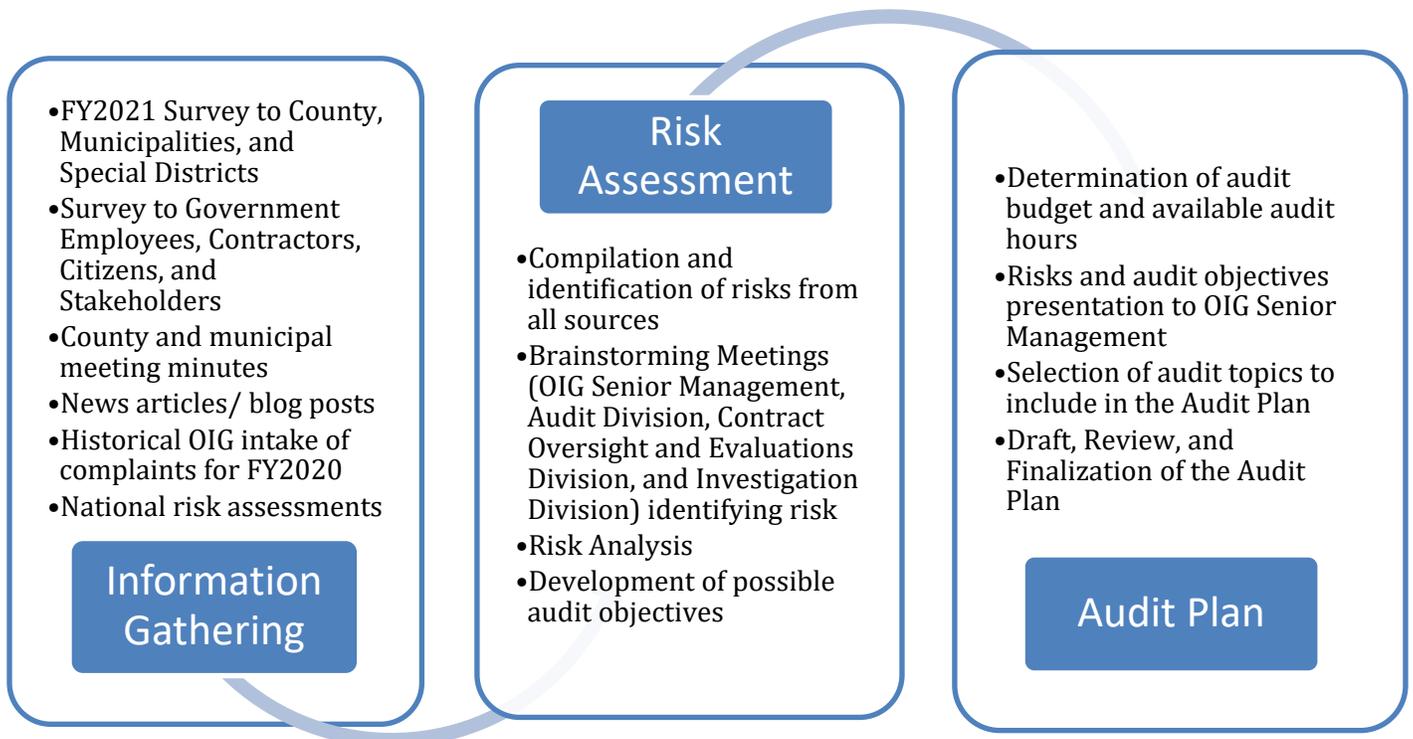
We closed three recommendations from report number 2018-A-0013 Town of Jupiter – Credit Cards Audit with a Not Implemented status. The recommendations were pending implementation for two years, and the Town provided no estimated date for implementation. The Audit Division will follow-up on these recommendations in future audits to determine whether corrective action was taken by the Town of Jupiter.



AUDIT RISK ASSESSMENT AND ANNUAL AUDIT PLAN

Our “audit universe” is comprised of the County, 39 municipalities, and contracted special districts. Our goal is to make the most effective use of our resources focusing on areas of high risk for fraud, waste, and abuse, as well as areas where costs can be reduced or revenue increased. To this end, we conducted a comprehensive risk assessment.

The risk assessment was conducted using several methods of research and information gathering in order to create an overview of the risks for entities within the OIG’s jurisdiction. Additional risks were identified drawing upon the professional expertise and experience of the OIG staff. Risks were assessed based on their global area of significance and impact. Our FY2021 Annual Audit Plan (Section D of Appendix 4) was created using this risk assessment methodology.



CONTRACT OVERSIGHT AND EVALUATIONS DIVISION

The Contract Oversight and Evaluations Division reviews procurement and contracting activities and conducts evaluations and reviews of operations to promote competition, transparency, accountability, integrity, and efficiency.

The Contract Oversight and Evaluations Division (COED) reviews procurements completed by municipalities, the County, and special districts. This includes, on a selected basis, following a solicitation from when it is issued until award; reviewing the implementation of the contract before the services are completed; and completing a contract administration review after the close-out of a contract.

Additionally, the COED conducts evaluations, reviews, or inspections on a wide variety of operational issues and processes for the entities under the jurisdiction of the OIG.

All work is completed in accordance with the *Principles and Standards for Offices of Inspectors General* (Green Book), as developed by the Association of Inspectors General.

LEADERSHIP



Karen Mayer, Director of the Contract Oversight and Evaluations Division, began her career with the OIG in March 2015 as a Contract Oversight Specialist. She has over 45 years of public service experience in county and state government and not-for-profit corporations. Ms. Mayer began her contracting experience working for the Florida Department of Health and Rehabilitative Services as a Grants Specialist and then as Grants Manager. Subsequently, she worked for the Ohio Department of Developmental Disabilities, managing all residential support contracts for people with developmental disabilities throughout the state. Before returning to Florida, she was the Superintendent of a County Board of Developmental Disabilities, which employed 150 staff with a budget of \$14 million. In addition to her extensive procurement experience. She is a Certified Inspector General Inspector/Evaluator and a certified Senior Professional in Human Resources. Ms. Mayer recently retired and moved to her home state of Ohio. The OIG will miss her expertise and leadership.

CONTRACT OVERSIGHT AND EVALUATIONS HIGHLIGHTS

During FY2020, the COED issued **five** reports. Collectively, these five reports included **ten** recommendations for improvements, which have been accepted by management. The accepted recommendations are pending full implementation. The reports and management responses can be found at <http://www.pbcgov.com/oig/archreports.htm>. A brief summary of these recommendations are also contained in Section D Appendix 2 of this report.

City of Riviera Beach Follow Up Review of OIG Purchasing Card Audit

We completed a Follow Up Review of an OIG Audit of the City of Riviera Beach’s Purchasing Card program. The audit report was issued on January 17, 2019, with 11 findings that included internal control weaknesses and operational areas needing improvement.



The intent of the follow up review was to determine the disposition of 17 items purchased with a Purchasing Card, which could not be located as identified in Finding #2 of the audit.

Of the items listed as being unaccounted for, four were located during the Review. Thirteen of the remaining items could not be located. This was due, in part, to item purchase prices that were below the inventory policy threshold value of \$1,000. In addition, purchase receipt descriptions were insufficient for tracking purposes, and there was a lack of records surrounding the purchases, inventory, and disposition.

The City is developing an Inventory and Small Equipment Policy, and the City purchased a small equipment inventory software program to keep track of small purchases, which should reduce the recurrence of such disposition issues.

City of Pahokee – Review of Technomarine Construction, Inc. Contracts

The Contract Oversight & Evaluations and Investigations Divisions worked collaboratively to review the City’s contracts with Technomarine Construction, Inc. (Technomarine). A complainant alleged that the City Manager authorized payment of \$150,000 to Technomarine for work that was not completed. Our review determined that the allegation was substantiated.



We found that:

- City Manager Williamson improperly authorized the payment to Technomarine in violation of the Florida Department of Economic Opportunity (FDEO) Grant agreement. The FDEO Grant agreement required that the City obtain permission from the Florida Department of Financial Services, Division of Accounting and Auditing to provide advance payments.
- The City violated s. 255.05, Florida Statutes by failing to require Technomarine to secure a payment and performance surety bond before Technomarine began work and by paying Technomarine \$150,000 before receiving a certified copy of the recorded bond.
- The City violated its own code of ordinances when the services in the Technomarine contracts were not competitively solicited, and when the City Manager executed a contract addendum for \$1.2 million that was in excess of his spending authority without Commission approval.
- Technomarine submitted a false pay application for \$150,000 to the City because it certified that it had completed all the work specified when by its own former President’s admission, it had only completed work valued at \$25,000.

Our office made recommendations to assist the City in strengthening internal controls and enhancing compliance with the City’s agreements and applicable laws and ordinances.

Palm Beach County, Department of Airports - Contract Administration Review – Airport Parking Facilities Management Agreement

We conducted a Contract Administration Review of Palm Beach County’s Airport Parking Facilities Management Agreement, R2016-0863. This contract was for managing the parking facilities and providing shuttle services between the terminal and economy parking lot at the Palm Beach International Airport.



The purpose of the review was to assess the County’s contract administration practices, compliance with the contract specifications, and make recommendations and suggestions to improve the contract administration process.

We found that the Department of Airports complied with the requirements of the agreement, and properly utilized contract administration tools and techniques in performing its contract administration responsibilities. Therefore, there were no recommendations.

Town of Juno Beach – Contract Administrative Review - SCPDC Software License, Maintenance & Support Agreement

We completed a Contract Administration Review of the Town’s contract with the South Central Planning and Development Commission (SCPDC) for Building Permits, Inspections, Code Enforcement and Business Tax Receipt Software and Hardware.



We found that the Town was compliant with the contract requirements. The SCPDC monthly invoices reviewed were consistent with the contract rates. The contract allowed for reimbursement for travel expenses incurred by SCPDC employees who completed on site training for Town staff. Travel costs reimbursed by the Town were compliant with contract terms. There were no findings or recommendations.

Palm Beach County - Youth Services Department (YSD) – Contract Administration Review – Recruitment, Training and Monitoring Mentors of at-risk youth Agreement



We conducted a Contract Administration Review of Palm Beach County’s agreement with Gulfstream Goodwill, Inc., Agreement, R2017-1520. This contract is for recruiting, training, and mentoring adults who serve as mentors to identified at-risk youth in Palm Beach County.

The purpose of the review was to assess the County’s contract administration practices, compliance with the contract specifications, and make recommendations and suggestions to improve the contract administration process.

We found that the Youth Services Department complied with the requirements of the agreement, and properly utilized contract administration tools and techniques in performing its contract administration responsibilities. Therefore, we offered no recommendations.

OTHER CONTRACT OVERSIGHT and EVALUATIONS ACTIVITIES & OUTREACH

Procurement personnel working for the entities within OIG jurisdiction have articulated that OIG presence helps to ensure the integrity of the selection process and assists them in facilitating more efficient and equitable selections. During FY2020, we proactively observed **129** procurement/contracting related activities. These activities included selection committee meetings, contract review committee meetings, pre-construction meetings, construction site visits, and meetings with municipal officials.

Section B – Activities

The specific type and number of meetings attended was as follows:

• County Selection Committees	3
• County Contract Review Committees	8
• County Meetings	10
• Municipal Selection Committees	12
• Municipal Meetings	6
TOTAL	39

In terms of outreach by COED staff during the above-referenced meetings, the number of people in attendance was as follows:

• County Selection Committees	97
• County Contract Review Committees	83
• County Meetings	86
• Municipal Selection Committees	285
• Municipal Meetings	21
TOTAL	572

In the course of these meetings, COED staff was routinely asked to provide guidance to County and municipal staff in an effort to enhance efficiencies. This guidance has resulted in policy and procedure changes by the County and municipalities on how to score and rate proposals, refinement of determinations of responsiveness reviews, and development of evaluation criteria.

Occasionally, COED staff identifies issues with either a solicitation document or selection process error and advises County or municipal staff so that corrections can be made as quickly as possible during the solicitation process. Some examples of corrections include identifying errors or omissions in solicitation documents before the solicitation ends so that the entity can issue an amendment with corrections prior to the solicitation closing date; a scoring sheet not being signed by the selection committee member; miscalculation of selection committee scores; or engaging in activities that do not comply with statutory requirements.

The COED serves as a resource for sharing information between the municipalities. The COED has shared information, as well as provided references to resource materials provided by organizations such as the National Institute of Governmental Purchasing.

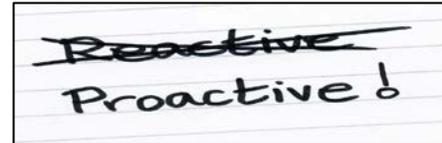
Due to COVID-19 and the temporary closing of government activities, our number of meetings attended and the number of people in attendance is less than last year. Governments are rebounding from the lockdown and finding new ways to complete selection committee and other meetings using web-based video conferencing, larger meeting rooms in which social distancing can be better maintained, etc. so we anticipate that numbers will increase over the next six-month period.

ADDITIONAL AREAS WHERE CONTRACT OVERSIGHT AND EVALUATIONS ACTIVITIES ADD VALUE

The COED engages in an array of oversight activities that promote an open and competitive business environment and enhance public confidence that contracts are being awarded equitably and economically. The following highlights the division’s positive impact:

Other Proactive/Preventative COED Activities

The COED has also issued specific guidance to the County and/or the municipalities in the following areas:



External Auditors – We provided assistance to two municipalities regarding the selection of external auditors in accordance with the Auditor Selection Procedures in sections 218.39 and 218.391, Florida Statutes (F.S.). In one solicitation, COED provided the municipality solicitation documents used by other municipalities for sample purposes and reviewed the requirements of sections 218.39 and 218.391, F.S. with the Town Clerk since the Town had never completed a solicitation for external audit services. For the other solicitation, we reviewed the statutory requirements with special emphasis on recent law changes with a Town Clerk since staff had not previously been a part of providing guidance for the auditor selection process.

Consultants Competitive Negotiation Act (CCNA) – COED provided assistance to four municipalities regarding section 287.055, F.S. In one municipality, staff were seeking examples of scoring and ranking in a Request for Proposal for Engineering Services. We provided the municipality bid examples and policy memorandums from other entities that outlined the evaluation factors and scoring methods required by section 286.055 F.S.

The second municipality requested assistance in identifying policies, rules and laws relating to a professional services contract for Architecture and Engineering services. The original contract was below the CCNA threshold requiring competitive solicitation. The municipality was considering amending the contract to include additional work on the same project, but outside the original scope of the quote. An amendment would have increased the total contract above the CCNA threshold requiring competitive solicitation. We provided the municipality reference and best practice information that they shared with their legal counsel. Based on the information provided, the municipality decided not to amend the contract to increase the total contract amount.

For the third municipality, we provided reference information about construction projects, CCNA, and Professional Services Consulting contracts below the dollar value that requires competitive solicitation. We also provided the municipality a recent *Tips and Trends* we published about statutory changes to the CCNA.

Finally, we identified an error in a change order submitted for approval by the County’s Contract Review Committee (CRC). There was a conflict between the performance period

Section B – Activities

and the number of days being added to a construction contract by the change order. The Department removed the change order from the CRC agenda for research and correction and resubmitted the change order once the conflict identified was corrected.

CARES Act – After the CARES Act was passed, we provided best practice information to the County staff about effective maintenance of documents for potential federal oversight of CARES Acts funding and expenditures.

Due to the pandemic, a municipality was experiencing an urgent need to enter into a contract for medical oxygen supply and asked if we knew of any other entities in the County who had such a contract that included a piggyback opportunity. We were able to provide the municipality information we had relevant to the request.

Conflict of Interest – Municipality procurement staff requested assistance in their review of laws, rules, and policies about a potential conflict of interest between a selection committee member and the proposer selected for award. We were able to have a discussion with the staff to identify questions they were going to review with the municipality's legal counsel. As a result, the municipality was able to resolve the conflict.

Vendor Invoices – A municipality requested our assistance with an issue they were experiencing with a vendor's invoices. After reviewing the contract and the invoices, we were able to assist the municipality to understand the discrepancy between the contract payment requirements specified in the contract and the invoices the vendor submitted.



"An ounce of prevention
is worth a pound of cure."
Benjamin Franklin

OUTLOOK AND THE WAY AHEAD

Our OIG Strategic Plan looking out to 2022 sets out the following goals:

- Promote integrity, accountability, and transparency in government while improving the efficiency and effectiveness of operations.
- Promote sound government procurement practices.
- Expand and improve communications and engagement between the OIG, government officials and employees, and the public.
- Achieve organizational excellence in carrying out the mission of the OIG.



Our vision is 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**.

In FY2021 we will:

- Continue to center audit and contract oversight and evaluations activities on risk/opportunity assessment models to ensure we are focusing on the major risks.
- Prioritize the investigations that maximize our resources and our ability to expose waste, fraud, and mismanagement.
- Continue our outreach and training programs on proactively sharing lessons learned, best practices, activities to avoid, and red flags that may indicate fraud, waste, or mismanagement with those to whom we provide our OIG services.
- Focus efforts on providing independent oversight of Palm Beach County One-Penny Sales Surtax expenditures and use of pandemic-related funds.



Appendix 1 – FY2020 Tips and Trends

As part of our prevention and education focus, the OIG periodically issues *Tips and Trends*. These brief reports provide lessons learned from OIG projects, research, or new regulatory guidance designed to assist entities in operating in a more compliant, efficient, or effective manner.

OIG Tips and Trends #2020-0001 – Determining Vendor Responsibility – November 2019



This *Tips and Trends* provided information about awarding competitive bids to “responsible vendors”, which section 287.012(25) of the Florida Statutes define as a vendor who has the capability in all respects to fully perform the contract requirements and the integrity and reliability that will assure good faith performance. Determining vendor responsibility minimizes the risk of legal challenges, increases public trust in the public procurement process, and can mean the difference between a procurement’s success or failure.

We suggested developing policies and procedures on determining vendor responsibility during the proposal evaluation phase. We also provided examples of information that should be collected from the vendors to facilitate the evaluation process.

OIG Tips and Trends #2020-0002 – Statutory language requirements you do not want to miss! – November 2019

The intent of this *Tips and Trends* was to bring awareness to three Florida Statutes that include language required in contracts and/or solicitation documents.



Section 119.0701 of the Florida Statutes provides that contracts for services between a public agency and contractor “acting on behalf” of the agency must include a provision requiring the contractor to comply with public records laws and requires that any contract for services includes the contact information of the public agency’s custodian of public records in at least 14-point boldfaced type.

Section 286.133(2)(a) of the Florida Statutes addresses prohibitions against allowing a person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime to submit a bid, proposal, or reply on a contract to provide specified goods or services, construction or repair of a public building or public work, leases of real property; or be awarded to perform work as a contractor, supplier, subcontractor, or consultant. Such person or entity also may not transact business with any public entity in excess of a specified amount for 36 months after being placed on the convicted vendor list. A notice of these prohibitions must also be included in any solicitation and contract documents.

Section 286.135(2) and (3) of the Florida Statutes contains prohibitions against contracting with companies on the Scrutinized Companies that Boycott Israel List, the Scrutinized Companies with Activities in Sudan List or the Iran Petroleum Energy Section List; and if the goods or services are more than one million dollars or more, or if the company has business operations in Cuba or Syria.

OIG Tips and Trends #2020-0003 – Florida’s Notary Law Updated – May 2020

This *Tips and Trends* provided information about a change to Florida’s notary law that modified the statutes to create new provisions for certification, and for the online notarization of documents. Changes in the notary law are important to public entities, which often require documents to be notarized by vendors, particularly construction documents, bids, contracts, applications for payments, bonds, and powers of attorney. A notary reduces the risk of fraud by verifying the identity of the person signing a document and witnessing his or her signature.

We recommended that local government entities consult with their legal counsel and compare the new law with current operational procedures, specifically in regards to acceptable notarized vendor documents used in finance, purchasing, bids and contracts, and construction management.

OIG Tips and Trends #2020-0004 – Government Management of Retail Gift Cards – May 2020

In this *Tips and Trends*, we suggested that when government entities use gift cards, reimbursement procedures and policies should be reviewed, updated, and closely adhered to, and receipts should always be required for proof of purchase. In addition, government entities and their employees should closely adhere to existing policies and procedures for authorization and use of gift cards. We provided important tips for the use and handling of gift cards. These tips included ways to securely purchase, retain, and account for gift cards.



OIG Tips and Trends #2020-0005 – Employee Separation Process – May 2020



In this *Tips and Trends*, we suggested that entities develop and implement policies and procedures that establish requirements for the employee separation process; develop and implement separation checklists to facilitate and document required tasks; remove access to computer systems and entity property before or on the day of an employee’s separation; ensure the separation process covers all types of staff and workers that have access to entity property or computer systems (e.g. part-time, full-time, temporary, students, independent contractors, volunteers, etc.); train staff involved in the separation process; and establish periodic review and monitoring activities to ensure the separations are processed accurately and completely, and properly documented and authorized.

**OIG Tips and Trends #2020-0006 – Tips and Warnings from the Palm Beach County
OIG and other OIGs Related to COVID 19 – June 2020**

Due to the COVID-19 pandemic, many government entities are allowing employees to work remotely. In this *Tips and Trends*, we provided best practices for cyber-security, and confidentiality and public disclosure for government entities and their employees that operate using remote work options.



We also suggested tips and warnings from federal offices of inspector generals related to COVID-19 scams. Information was provided about how to recognize red flags associated with scams, how to verify information and protect from scams, and how to report potential fraud to the appropriate authorities.

**OIG Tips and Trends #2020-0007 – Construction and Continuing Contract Statutory
Changes – July 2020**

This *Tips and Trends* provided information about a change to Florida law that increased the maximum limit for continuing contracts covered by the Consultants’ Competitive Negotiation Act (CCNA) by \$2 million to an estimated per-project construction cost of \$4 million. The bill also increased the limit for procuring study services using a continuing contract by \$300,000 per study to a maximum of \$500,000.

We recommended that local government entities consult with their legal counsel and compare the statutory changes with current purchasing procedures, specifically in regards to construction and professional services in accordance with CCNA.

**OIG Tips and Trends #2020-0008 – Avoid Records Retention Pitfalls – September
2020**

A reminder was provided in this *Tips and Trends* about Chapter 119 of the Florida Statutes that requires that any records made or received by any public agency in the course of its official business be made available for inspection, unless specifically exempted by the Florida legislature.



We recommended that government entities review their policies and take appropriate actions to comply with State and Federal records retention and consult their records retention custodian and/or legal counsel when questions arise.

Appendix 2 – FY2020 Recommendations

**INVESTIGATIVE ACTIVITIES COMPLETED
(October 1, 2019-September 30, 2020)**

Date

3/30/2020

Palm Beach County Vendor Safeguard Document Destruction

Report Number

2019-0006

Recommendations:

1. The County provide all employees responsible for managing the document shredding/destruction contract with contractual terms relevant to their contract management responsibilities.

Implemented

2. Safeguard Document Destruction ensure that its employees understand the contractual terms related to their job duties.

Implemented

6/24/2020

City of Pahokee City Manager Credit Card Expenditures

Report Number

2019-0005

Recommendations:

1. The City consider seeking reimbursement totaling \$5,840.92 from the City Manager for charges on the City credit card for sales tax, hotel upgrades, alcohol, and rental car and airline tickets that were not for City business.

Implemented

2. The City follow its policy requiring that credit card invoices be presented to the Commission monthly as an Information Item during the regular agenda.

Pending Implementation

3. The City Commission require the City Manager to submit Travel Request forms for approval by the Mayor or a City Commissioner.

Pending Implementation

4. The City ensure all employees with assigned City credit cards are trained on all aspects of the Credit Card and Travel policies and confirm, in writing, an acknowledgement of such information.

Pending Implementation

5. The City require the City Manager to submit his absence requests to the City Commission or Mayor for review and approval and to ensure that the City Manager’s leave balance is modified to reflect used leave.

Pending Implementation

6. The City maintain accurate records regarding the City Manager’s vacation and sick leave to ensure that legal and contractual requirements are met and the City’s financial records accurately reflect the City’s obligations.

Pending Implementation

9/22/2020
Report Number
2020-0001

Johnson Controls, Inc. Billing Issues

Recommendations:

1. The Town ensure that its project managers possess the necessary knowledge and qualifications to effectively oversee the projects for which they are responsible. These skills should include the ability to determine what benchmarks trigger payment under Town contracts.

Implemented

2. The Town ensure that its contracts clearly explain billing terms, that all parties managing the contract review and understand the terms, and that they follow those terms when approving invoices for payment.

Implemented

9/28/2020
Report Number
2019-0002

Delray Beach Out of School Program

Recommendations:

1. The City implement a payment system that minimizes the risk that vendors could be paid by check and purchasing card for the same goods and services

Implemented

2. City employees follow the City’s policy requiring that businesses are listed as active vendors prior to engaging the vendor to perform work.

Implemented

3. The City train staff on the policy requiring that businesses are listed as active vendors prior to engaging the vendor to perform work.

Implemented

4. The City clarify City Policy BF-12 to reflect that invoices must be provided by the documented City vendor.

Implemented

**AUDIT REPORTS COMPLETED
(October 1, 2019 – September 30, 2020)**

Date

10/11/2019

Report Number

2020-A-0001

Town of Palm Beach – Internal Controls and Data Security Audit

Recommendations:

1. The Town obtain written requests with proper approval for all users that have accounts and access to the FTP data exchange.

Implemented

2. The Town establish individual user accounts and passwords for each authorized user of the FTP data exchange.

Implemented

3. The Town deactivate the default user account for the FTP data exchange.

Implemented

4. The Town ensure no passwords are maintained on the Procedures documentation or any other written document (hard copy or electronic form).

Implemented

5. The Town limit the access to any folders containing driver license and motor vehicle information to only the employees who need to have access to perform their regular job duties and assignments.

Implemented

6. The Town perform and document a review of user access to the FTP data exchange and any locations containing driver license and motor vehicle information, at a minimum once per year.

Implemented

Section D – Appendices

7. The Town develop an acknowledgement form where the employees with access to the information exchanged under the MOU acknowledge their understanding of the confidentiality of the information and the civil and criminal sanctions specified in State and Federal Law for unauthorized use of that data, as prescribed in the MOU.

Implemented

8. The Town train all employees with access to the information exchanged under the MOU regarding the confidentiality of the information and the civil and criminal sanctions specified in State and Federal Law for unauthorized use of that data.

Implemented

9. The Town obtain signed acknowledgment forms from all employees with access to the information exchanged under the MOU acknowledging their understanding of the confidentiality of the information, the civil and criminal sanctions specified in State and Federal Law for unauthorized use of that data, and receipt of training.

Implemented

10. The Town perform and document a review of the Town's OIT Technologies Policy and any other related policies and procedures by the Risk Management IT Security Professional to identify and resolve any inconsistencies with the MOU.

Implemented

11. The Town update the OIT Technologies Policy to provide written guidance for the requirements to review application logs.

Implemented

12. The Town maintain audit trails and logs for the FTP data exchange, servers, and files/folders containing the driver license and motor vehicle information obtained from the FTP data exchange.

Implemented

13. The Town perform and document review of the audit trails and logs for the FTP data exchange, servers, and files/folders containing the driver license and motor vehicle information obtained from the FTP data exchange.

Implemented

Section D – Appendices

14. The Town comply with the data classification requirements of FIPS and label the driver license and motor vehicle information obtained on the FTP data exchange as Public, Sensitive, or Confidential.

Implemented

15. The Town revise the Town's OIT Technologies Policy to incorporate the data classification requirements of FIPS.

Implemented

16. The Town revise the Town's OIT Technologies Policy to incorporate the password rules and protections required by the MOU.

Implemented

17. The Town train staff on the revised OIT Technologies Policy.

Implemented

18. The Town ensure that the passwords used for the FTP data exchange and file encryption comply with the password rules provided by the MOU in the HSMV External Information Security Policy.

Implemented

19. The Town revise the Town's OIT Technologies Policy to incorporate the account management requirements of the MOU.

Implemented

20. The Town staff with user access to the FTP data exchange obtain the Information Security Training on the HSMV PartnerNet Portal, and any new users obtain the training within 30 days of receiving their user account, as required by the MOU.

Implemented

21. The Town ensure that the user accounts are disabled for inactivity when employees are on extended leave greater than 60 days, as required by the MOU.

Implemented

22. The Town staff access the FTP data exchange at a minimum of once every 30 days to prevent the user accounts from being disabled by the HSMV.

Implemented

Section D – Appendices

12/2/2019
Report Number
2020-A-0002

Town of Haverhill – Revenue Audit

Recommendations:

1. The Town consider investing excess funds in a higher yield interest bearing account at a qualified public depository or one of the other options available under section 218.415(17), F.S.

Pending Implementation

2. The Town consider adopting an investment policy allowing it to invest its surplus public funds in any of the options available under section 218.415(16), F.S.

Pending

3. The Town complete a journal entry to correct the coding for all franchise fee revenue that was posted to the incorrect account code.

Pending Implementation

4. The Town update its general ledger chart of accounts to be in compliance with statutory requirements.

Pending Implementation

5. The Town develop and implement policies and procedures to provide sufficient guidance for Chart of Account selections.

Pending Implementation

6. The Town record/post revenue transactions in the proper revenue account based on the UAS Chart of Accounts.

Pending Implementation

7. The Town comply with its General Policies and Duties guidance for the reconciliation of bank statements and the review and approval of financial statements and documents.

Pending Implementation

8. The Town revise its General Policies and Duties guidance to ensure that internal controls are properly established to safeguard assets, as required by Florida Statutes.

Pending Implementation

Section D – Appendices

9. The Town train staff on the new and/or revised written guidance.

Pending Implementation

10. The Town collect and remit applicable sales tax to the Florida Department of Revenue.

Pending Implementation

11. The Town consider updating its written guidance to ensure sales tax is properly collected and remitted to the Florida Department of Revenue.

Pending Implementation

12. The Town provide staff training for the updated written guidance.

Pending Implementation

13. The Town adjust its process to comply with its Building Permit Department Procedures for the refund of permit fees.

Pending Implementation

14. The Town provide staff training on the Building Permit Department Procedures for refund of permit fees.

Pending Implementation

15. The Town develop and implement written IT policies and procedures to ensure consistency of operations that provide guidance, at a minimum, for how to:

- a. Assign and remove user rights and a reasonable time for removal when access is no longer appropriate,
- b. Authorize user access,
- c. Limit system access by requiring unique user IDs and passwords, and
- d. Provide for user change management (new and separated employees).

Pending Implementation

16. The Town provide training to staff for the IT policies and procedures, as needed.

Pending Implementation

4/6/2020
Report Number
2019-A-0003

City of Riviera Beach – Employment Separation Process Audit

Recommendations:

1. The City implement a review and oversight process to ensure insurance coverage of former employees is terminated or updated appropriately by the insurance carrier, the City does not pay for insurance premiums of former employees, and the City recovers any expected credits or refunds for premiums paid in error.

Implemented

2. The City consider seeking reimbursement totaling \$4,525.62 for tuition refunds paid to employees who separated from the City within twenty-four months of receiving payments from the City.

Pending Implementation

3. The City implement an oversight process to ensure the City recoups tuition expenses, productivity, and job training expenses of employees leaving the City within twenty-four months of such payments.

Pending Implementation

4. The City consider seeking reimbursement from former employees for amounts overpaid for wages, clothing/uniform allowances, and unused vacation and/or sick leave balances, which totaled \$442.46.

Pending Implementation

5. The City consider paying former employees amounts owed for longevity wages, clothing/uniform allowances, and unused sick and/or vacation leave balances which totaled \$836.11.

Pending Implementation

6. The Finance Department develop and implement a policy or procedure for issuing final payouts to separated employees that establishes sufficient controls to ensure final payouts are accurate and comply with applicable policies and labor agreements.

Pending Implementation

7. The City disable the five (5) Active Directory accounts for separated employees.

Pending Implementation

Section D – Appendices

8. The City ensure that the four (4) employees with undocumented and unauthorized separations are properly separated in all of the City's computer systems and properly documented according to the City's separation process.

Pending Implementation

9. The City departments complete and submit all employee separation PARs, separation reports, and separation checklists to Human Resources prior to or on the day of an employee's separation.

Pending Implementation

10. The Police Department follow the Separations and Retirements Policy for all employee separations.

Pending Implementation

11. The Police Department update the Separations and Retirements Policy to ensure that discharged employees are properly documented and City property is returned.

Pending Implementation

12. The City develop and implement policies and procedures for the separation process, including full-time, part-time, temporary, and contractual employees; employees discharged for cause; and volunteers, that include the requirements, responsibilities, and timeline and/or deadlines for the following activities:

- a. Preparing and approving employee separations in the Human Resources computer system.
- b. Collecting all City owned property from separated employees.
- c. Notifying the City's IT Department of separated employees' last date of employment to remove IT access.
- d. Removing separated employees' access to City computer systems.
- e. Removing separated employees from the payroll system and applicable insurance and benefit plans.
- f. Processing the final payout for employees' final wages and eligible accrued leave balances.
- g. Recouping any advances and benefits due back to the City from the separated employees.

Pending Implementation

13. The City provide training or document employee acknowledgment of the separation process policies and procedures to ensure all City employees are aware of the requirements and their responsibilities in the process.

Pending Implementation

Section D – Appendices

**6/22/2020
Report Number
2020-A-0004**

**Palm Beach County Office of Financial Management and Budget – Public
Service Tax Audit
Recommendations:**

1. The County collect the unpaid public service tax and associated interest in the total amount of \$37,434.44 (\$30,214.53 tax and \$7,219.91 interest as of March 31, 2020) from Como Oil for propane sales in May 2016 through April 2019.

Implemented

2. The County require that Como Oil continue to remit public service tax payments for the tax owed on a monthly basis for the period starting with the month of May 1, 2019.

Implemented

3. The following municipalities: City of Boca Raton, City of Delray Beach, Town of Juno Beach, Town of Jupiter, Village of North Palm Beach, Town of Palm Beach, Village of Royal Palm Beach, Village of Tequesta, Village of Wellington, and City of West Palm Beach consider collecting the unpaid public service tax due from Como Oil in the total amount of \$27,727.25 and applicable interest charges.

Pending Implementation

4. The following municipalities: City of Boca Raton, City of Delray Beach, Town of Juno Beach, Town of Jupiter, Village of North Palm Beach, Town of Palm Beach, Village of Royal Palm Beach, Village of Tequesta, Village of Wellington, and City of West Palm Beach require that Como Oil initiate payment of the public service tax owed on a monthly basis or as required by their ordinances for the period starting May 1, 2019.

Pending Implementation

5. The County implement a strategy for improving propane vendor awareness and understanding of the tax and share that strategy with the municipalities that also impose a public service tax.

Implemented

6. The County collect the unpaid public service tax and associated interest in the total amount of \$16,287.05 (\$12,288.04 tax and \$3,999.01 interest as of March 31, 2020) from Forever Propane-Boca for propane sales in May 2016 through April 2019.

Implemented

Section D – Appendices

7. The County refund \$62.96 to Forever Propane’s account for the public service tax payments remitted to the County for sales during the months of May 2016 through April 2019 as required by Section 166.234(5), F.S.

Implemented

8. The County require that Forever Propane continue to remit public service tax payments for tax owed on a monthly basis for the period starting with the month of May 1, 2019.

Implemented

9. The following municipalities: City of Boca Raton, City of Boynton Beach, City of Delray Beach, Town of Jupiter, Town of Lake Park, Town of Lantana, Town of Mangonia Park, Village of Wellington, and City of West Palm Beach consider collecting the unpaid public service tax due from Forever Propane in the total amount of \$13,207.68 and applicable interest charges.

Pending Implementation

10. The following municipalities: City of Boca Raton, City of Boynton Beach, City of Delray Beach, Town of Jupiter, Town of Lake Park, Town of Lantana, Town of Mangonia Park, Village of Wellington, and City of West Palm Beach require Forever Propane to initiate payment of public service tax owed on a monthly basis or as required by their ordinances for the period starting May 1, 2019.

Pending Implementation

11. The County collect the unpaid public service tax and associated interest in the total amount of \$11,344.00 from Propane Services for propane sales in May 2016 through April 2019.

Implemented

12. The County require that Propane Services continue to remit public service tax payments for the tax owed on a monthly basis for the period starting with the month of May 1, 2019.

Implemented

13. The following municipalities: City of Boca Raton, City of Boynton Beach, City of Delray Beach, Town of Juno Beach, Town of Jupiter, Town of Lake Park, Town of Lantana, Town of Manalapan, Town of Mangonia Park, Village of North Palm Beach, Town of Ocean Ridge, Village of Palm Springs, City of Riviera Beach, Village of Royal Palm Beach, Village of Wellington, and City of West Palm Beach consider collecting the unpaid public service tax due from Propane Services in the total amount of \$16,929.30 and applicable interest charges.

Pending Implementation

Section D – Appendices

14. The following municipalities: City of Boca Raton, City of Boynton Beach, City of Delray Beach, Town of Juno Beach, Town of Jupiter, Town of Lake Park, Town of Lantana, Town of Manalapan, Town of Mangonia Park, Village of North Palm Beach, Town of Ocean Ridge, Village of Palm Springs, City of Riviera Beach, Village of Royal Palm Beach, Village of Wellington, and City of West Palm Beach require that Propane Services initiate payment of the public service tax owed on a monthly basis or as required by their ordinances for the period starting May 1, 2019.

Pending Implementation

15. The Village of Tequesta refund the amount of \$2,227.72 to Propane Services for the public service tax payments remitted to the Village for sales during the months of May 2016 through April 2019 as required by Section 166.234(5), F.S.

Implemented

16. The County refund the amount of \$1,219.86 to SSEN for the public service tax remitted for sales during the months of May 2016 through May 2019 as required by Section 166.234(5), F.S.

Implemented

17. The County consider implementing a process to ensure that the County Clerk & Comptroller is notified of changes to corporate boundaries of municipalities in a timely manner and that related public service tax vendor records are updated accordingly.

Implemented

18. The County collect the unpaid public service tax and associated interest in the total amount of \$797.50 (\$676.26 tax and \$121.24 interest as of March 31, 2020) from Forest Hill Energy for sales during the months of May 2016 through April 2019.

Implemented

19. The County consider bringing before a hearing officer for determination whether Forest Hill Energy has willfully attempted to evade payment of the public service tax for its propane sales during the period November 2018 through May 2019.

Implemented

Section D – Appendices

20. The County ensure Forest Hill Energy has read and understands the requirements of the County’s Ordinance, including but not limited to, the duty of the seller for collection of tax due, the date for reporting and paying the public service tax collected during the prior calendar month (Sec. 17-225), and the records to be kept by the seller (Sec. 17-226).

Implemented

21. The County refund the amount of \$62.65 to SSP for the public service tax payments remitted to the County for sales during the months of January 2017 through May 2019 as required by Section 166.234(5), F.S.

Implemented

22. The County ensure SSP has read and understands the requirements of the County’s Ordinance, including but not limited to, the duty of the seller for collection of tax due, the date for reporting and paying the public service tax collected during the prior calendar month (Sec. 17-225), and the records to be kept by the seller (Sec. 17-226).

Implemented

**CONTRACT OVERSIGHT AND EVALUATIONS REPORTS COMPLETED
(October 1, 2019 – September 30, 2020)**

2/11/2020 City of Pahokee – Review of Technomarine Construction, Inc. Contracts

**Report Number
CA-2020-0074**

Recommendations:

1. City Officials responsible for managing grants become familiar with grant terms and comply with applicable terms and specifications.

Pending implementation.

2. The City develop and implement a policy/procedure about grant administration and train City staff.

Pending implementation

3. As a part of the City’s policy and/or procedure regarding grant administration, the City should consider the development and implementation of a Project Implementation Plan (PIP) for grant awards.

Pending implementation

Section D – Appendices

4. The City develop and implement a policy/procedure that includes construction requirements and compliance with section 255.05, Florida Statutes.

Pending implementation

5. The City provide training to staff on the requirements in section 255.05.

Pending implementation

6. The City comply with its ordinances.

Pending implementation

7. The City develop and implement a policy/procedure to provide direction to City staff to comply with Sec. 2-272.

Pending implementation

8. The City Manager comply with FL Code of Ordinances, Sec. 2-272.

Pending implementation

9. The City Manager not sign agreements that have not been reviewed by the City Attorney to either approve or disapprove the legal sufficiency of the document.

Pending implementation

10. The City develop and implement procurement policies and procedures for project management and effective contract administration.

The policies and procedures should include verifying and inspecting deliverables prior to approving and issuing payment. “Accepted deliverables may include approved product specifications, delivery receipts, and work performance documents”.

Documenting the verification of deliverables further supports the acceptance of deliverables. “The State of Florida Contract and Grant User Guide” in its Payment Verification section provides the user payment verification actions to use for cost reimbursement contracts.

Pending implementation

Appendix 3 – Prior Years’ Significant Open Recommendations

The OIG has issued hundreds of recommendations since its creation in 2010 with an overall 95% of these having been accepted or pending implementation by management. This high acceptance/implementation rate reflects well upon the OIG staff working with management to develop realistic and achievable recommendations that make good business sense to improve government operations. The IG Ordinance requires the IG to report on *significant* recommendations described in previous annual reports for which corrective action has not been completed. The following lists these significant recommendations.

Date

1/17/2019

City of Riviera Beach – Purchasing Cards and Council Members’ Out-of-State

Report Number

Travel Audit

2019-A-0003

Recommendations:

29. The City Develop and implement an independent oversight process for all Council Members and Mayor’s travel expenditures to ensure compliance with all policy requirements.

Pending Implementation

2/12/2019

Riviera Beach Outside Employment – Investigative Report

Report Number

2017-0009

Recommendations:

4. The City consider revising its Outside Employment Policy to require department directors to acknowledge in writing the evaluation of outside employment requests and to note the basis for the determination that such outside employment conflicts or does not conflict with the employee’s employment with the City.

Pending Implementation

5. The City train all City department directors and employees, including appointed employees, general employees, and public safety personnel regarding the obligations and penalties set forth in the City’s Outside Employment Policy. The acknowledgment of this training should be documented.

Pending Implementation

6/26/2019

Village of Golf – Water Utility Cross-Connection Program Audit

Report Number

2019-A-0006

Recommendations:

1. The Village ensure all residential and commercial backflow prevention devices have been inspected and require inspection reports, as needed.

Section D – Appendices

Pending Implementation

2. The Village obtain and maintain copies of all inspection reports and repairs made to backflow prevention devices.

Pending Implementation

3. The Village create and maintain a current master inventory device listing of all residential and commercial (non-residential) backflow prevention devices.

Pending Implementation

4. The Village require the Homeowner's Association and the building owners to use the Village inspection forms and submit them to the Village within seven (7) days of completion.

Pending Implementation

5. The Village maintain a current master listing of all air-gaps and inspect the air-gaps.

Pending Implementation

6. The Village ensure all backflow prevention devices that fail the annual inspection be repaired and re-tested.

Pending Implementation

7. The Village implement a monitoring program to ensure backflow prevention devices that fail the annual inspection are repaired and retested within 30 days.

Pending Implementation

9/24/2019
Report Number
2018-0008

Riviera Beach Summer Youth Program – Investigative Report

Recommendations:

1. Update the City's written policies related to hiring to include guidance on the following: a. Methodology for selecting/shortlisting applicants for interviews b. Define the level of background check necessary for employment c. Standardize the process for conducting interviews, to include specifying the composition of interview panels and requiring uniform interview questions and evaluation tools d. Outlining the procedure for documenting the hiring process.

Pending Implementation

Section D – Appendices

2. Update the City's written policies related to the City's hiring to require management to document that all applicable background checks have been completed prior to candidates commencing employment with the City.

Pending Implementation

Section D – Appendices

Appendix 4 – FY2021 Audit Plan at a Glance

Audit	Objectives
Carryover Audits	
Revenue – Town of South Palm Beach	<ul style="list-style-type: none"> • Are controls in place and adequate for revenue and/or cash intake/receipt activities? • Are revenues recorded appropriately and accurately in compliance with financial requirements? • Are cash receipts accurately and timely recorded? • Is the Town making efficient use of the revenue through investments?
Revenue – Town of Juno Beach	<ul style="list-style-type: none"> • Are controls in place and adequate for revenue and/or cash intake/receipt activities? • Are revenues recorded appropriately and accurately in compliance with financial requirements? • Are cash receipts accurately and timely recorded? • Is the Town making efficient use of the revenue through investments?
Contracts/Agreements – Interlocal Agreement for Law Enforcement Services between Palm Beach County and the City of Boynton Beach	<ul style="list-style-type: none"> • Is the program operating as intended? • Are there adequate controls for the program including over receipt and distribution of funds? • Are expenditures eligible for reimbursement under the Agreement? • Is the Program managed according to regulations and requirements?
Contracts/Agreements – Interlocal Agreement for Law Enforcement Services between Palm Beach County and the Town of Jupiter	<ul style="list-style-type: none"> • Is the program operating as intended? • Are there adequate controls for the program including over receipt and distribution of funds? • Are expenditures eligible for reimbursement under the Agreement? • Is the Program managed according to regulations and requirements?
Contracts/Agreements – Interlocal Agreement for Law Enforcement Services between Palm Beach County and the Village of North Palm Beach	<ul style="list-style-type: none"> • Is the program operating as intended? • Are there adequate controls for the program including over receipt and distribution of funds? • Are expenditures eligible for reimbursement under the Agreement? • Is the Program managed according to regulations and requirements?

Section D – Appendices

Audit	Objectives
Travel – City of Lake Worth Beach	<ul style="list-style-type: none"> • Address issues raised in a complaint regarding travel expenditures. • Are internal controls adequate for travel programs and activities? • Are the control procedures adequate to ensure that expenditures are for appropriate activities? • Are reimbursement requests properly reviewed and have proper approval? • Are travel expenditures properly documented and approved to prevent and detect fraud, waste, and abuse? • Are reimbursement requests submitted in compliance with policies and procedures?
Accounts Payable/Cash Disbursements – City of Delray Beach	<ul style="list-style-type: none"> • Are controls adequate for accounts payable expenditures and cash disbursements? • Are control procedures adequate to ensure that expenditures/cash disbursements are in compliance with requirements, allocated to appropriate activities, and properly reviewed and approved prior to payment? • Are purchases and invoices properly documented and approved to avoid possible fraud, waste, and abuse?
Accounts Payable/Cash Disbursements – City of Boca Raton	<ul style="list-style-type: none"> • Are controls adequate for accounts payable expenditures and cash disbursements? • Are control procedures adequate to ensure that expenditures/cash disbursements are in compliance with requirements, allocated to appropriate activities, and properly reviewed and approved prior to payment? • Are purchases and invoices properly documented and approved to avoid possible fraud, waste, and abuse?
Payroll - Palm Beach County Fire Rescue	<ul style="list-style-type: none"> • Are controls adequate for the payroll process? • Is payroll information properly secured, accurate, and reliable? • Are payroll operations in compliance with regulatory requirements, policies, and procedures?
Audit	Possible Objectives
	Planned Audits
Multiple Entities – Contracts/Agreements	<ul style="list-style-type: none"> • Are controls adequate to effectively manage contracts and related activities? • Are control procedures adequate to ensure that contracts are competitively procured, when required, and for appropriate activities? • Are invoices properly reviewed and approved prior to payment? • Are purchases and invoices properly documented and approved to avoid possible fraud, waste, and abuse? • Are contracts effectively managed? • Were agreed upon deliverables received?

Section D – Appendices

Audit	Possible Objectives
Multiple Entities – Coronavirus Relief Funds	<ul style="list-style-type: none"> • Are Coronavirus Relief programs operating as intended? • Are there adequate controls for the program to ensure eligibility of recipients and expenditure of Coronavirus Relief funds? • Are Coronavirus Relief programs managed according to regulations and requirements?
Multiple Entities – Construction Contracts	<ul style="list-style-type: none"> • Are internal controls adequate to effectively manage construction contracts? • Are control procedures adequate to ensure that construction contracts are competitively procured and managed effectively in accordance with construction contract terms and conditions? • Are invoices properly documented and approved to avoid possible fraud, waste, and abuse? • Were agreed upon deliverables received?
Multiple Entities – Accounts Payable/Cash Disbursements	<ul style="list-style-type: none"> • Are controls adequate for accounts payable expenditures and cash disbursements? • Are control procedures adequate to ensure that expenditures / cash disbursements are in compliance with requirements, allocated to appropriate activities, and properly reviewed and approved prior to payment? • Are purchases and invoices properly documented and approved to avoid possible fraud, waste, and abuse?
Multiple Entities – Law Enforcement Overtime	<ul style="list-style-type: none"> • Are controls adequate for the overtime process? • Is overtime properly budgeted, paid, and reimbursed? • Is overtime properly documented and approved to avoid possible fraud, waste, and abuse? • Are overtime payments in compliance with regulatory requirements, policies, and procedures?

**IG / Management Request audits are not included due to their nature. These audits will be added to the audit plan as the requests occur.*

THE MANY WAYS TO REPORT FRAUD TO THE OFFICE OF INSPECTOR GENERAL



REPORT FRAUD CONFIDENTIALLY BY CALLING FIRST

Palm Beach County
Office of Inspector General
100 Australian Avenue
West Palm Beach, FL 33406
TEL: (561) 233-2350
FAX: (561) 233-2370

HOTLINE: (877) 283-7068

Email: Inspector@pbcgov.org
Website: www.pbcgov.com/OIG

Follow us on Twitter at: <https://twitter.com/OIGPBC>

Follow us on Facebook at: <https://www.facebook.com/Office-of-Inspector-General-Palm-Beach-County-760833077333644/>

A copy of this report has been made available for public inspection at the Office of the Inspector General, at County and municipal libraries, and is posted on the Office of Inspector General, Palm Beach County website.