



**REFERENCE GUIDE FOR MANAGERS:
RESPONSIBILITIES RELATED TO THE
OFFICE OF INSPECTOR GENERAL
PALM BEACH COUNTY
2nd Ed.**

**Management and the OIG:
Working together to promote efficiency, effectiveness,
and integrity in government.**

WHY THIS GUIDE?

This *Reference Guide*¹ provides management/leaders of organizations that the Palm Beach County Office of Inspector General (OIG) has oversight jurisdiction (the County and municipal governments, the Solid Waste Authority, and the Children’s Service Council) with information regarding: 1) OIG responsibilities and activities; 2) management responsibilities related to the IG Ordinance (Article XII, Sections 2-422 and 2-423, Palm Beach County Code); and, 3) how the OIG and management work together to promote efficiency, effectiveness, and integrity in government.

We often say, “Good government is everyone’s business.” In this respect, the OIG works in collaboration and partnership with government management to improve efficiency and effectiveness, while preventing and detecting fraud, waste, and abuse. This *Guide* is intended to strengthen this partnership through increased understanding of what the OIG does, how we do our work, and your related responsibilities.

An overview of this *Guide*:

If you are:	We suggest reading:	Pages:
<ul style="list-style-type: none"> • A new government manager or unfamiliar with the Office of Inspector General 	This <i>Guide</i> cover to cover	All
<ul style="list-style-type: none"> • A seasoned government manager who is familiar with the Office of Inspector 	<ul style="list-style-type: none"> - Management Responsibilities - Success story of the OIG and management working together - Available training and materials - Investigations, Audits, and Contract Oversight 	<ul style="list-style-type: none"> 15-16 12 13-14 6-11
<ul style="list-style-type: none"> • A Palm Beach County citizen, government employee, vendor, or other interested party 	This <i>Guide</i> cover to cover	All

More information on the OIG, frequently asked questions, our reports, tips, trends, best practices, and other reference materials can be found on our OIG website: <https://pbcgov.com/OIG/>. If you have any questions or suggestions on how we can work together better to achieve our mutual goals as stewards of the taxpayers’ dollars; or to improve our OIG role in providing insight, oversight, and foresight; or to provide thoughts on improving this *Guide*, please contact us by phone at 1-877-OIG-TIPS (1-877-644-8477) or email: inspector@pbcgov.org.

¹ This is a revised version of the original Guide published in February 2016.

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Section A – OIG GENERAL INFORMATION, JURISDICTION AND AUTHORITIES

**OFFICE OF INSPECTOR GENERAL
MISSION, VISION, AND VALUES**

Mission Statement

To promote integrity, efficiency, and effectiveness in government in order to enhance public trust in government.

To provide independent and objective insight, oversight, and foresight through audits, investigations, and contract oversight reviews, and outreach activities.

Vision Statement

A high-performance team partnering with informed stakeholders making positive impact in government and increasing public trust.

Values

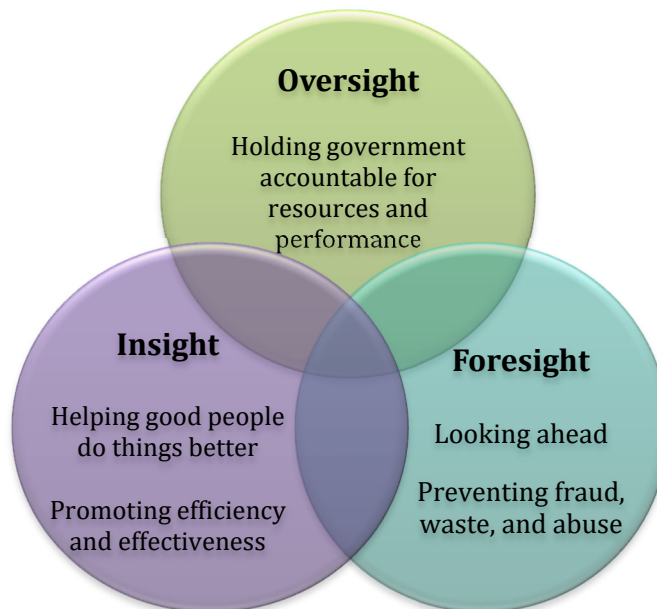
Professionalism – We take pride in our purpose, profession, products, results, and conduct.

Respect – We are respectful of others and recognize their value.

Integrity – We do the right thing, the right way, for the right reason.

Dedication – We are dedicated to our purpose, our work, and our community.

Excellence – We strive for excellence in everything we do.



Our Motto

“Enhancing Public Trust in Government”

BACKGROUND/HISTORY

Between 2006 and 2009, a series of federal public corruption prosecutions of elected officials from the Palm Beach County Board of County Commissioners 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, a Commission on Ethics, and an 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 County Commissioners adopted an ordinance that established the OIG to oversee County government. The OIG was formally established on June 28, 2010. 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 then-38 county municipalities approved an expansion of OIG jurisdiction to cover all municipalities within the County.

THE OIG ENABLING LEGISLATION

The OIG enabling legislation, known as the Inspector General (IG) Ordinance, was drafted in 2011 by the IG Drafting Committee comprised of representatives from the municipalities, the County, the Palm Beach County League of Cities, citizens appointed by the County, and the Inspector General.² Once completed, the IG Ordinance was unanimously approved by the Board of County Commissioners with an effective date of June 1, 2011. The duties and responsibilities of the Inspector General, County and municipal officials and employees, contractors and others are outlined in the IG Ordinance (Article XII, Sections 2-421 – 2-432, Palm Beach County Code), which is available on our website at: <http://pbcgov.com/OIG/>.

THE OIG's JURISDICTION

The OIG's jurisdiction covers County and Municipal Officials and Employees, Contractors, and others as per the IG Ordinance (Article XII, Section 2-422, Palm Beach County Code):

- All elected and appointed County and municipal officials and employees,
- County and municipal agencies and instrumentalities, contractors, their subcontractors and lower tier contractors, and
- Other parties doing business with the County or a municipality and/or receiving County or municipal funds.

Other Organizations under OIG Jurisdiction: Two special districts have voluntarily entered into agreements for the provision of OIG services – the Children's Services Council and Solid Waste Authority.

Organizations Not under OIG Jurisdiction: The Property Appraiser, the Sheriff's Office, the Supervisor of Elections, the Clerk of the Circuit Court, the Tax Collector, and the School District are not under OIG jurisdiction.

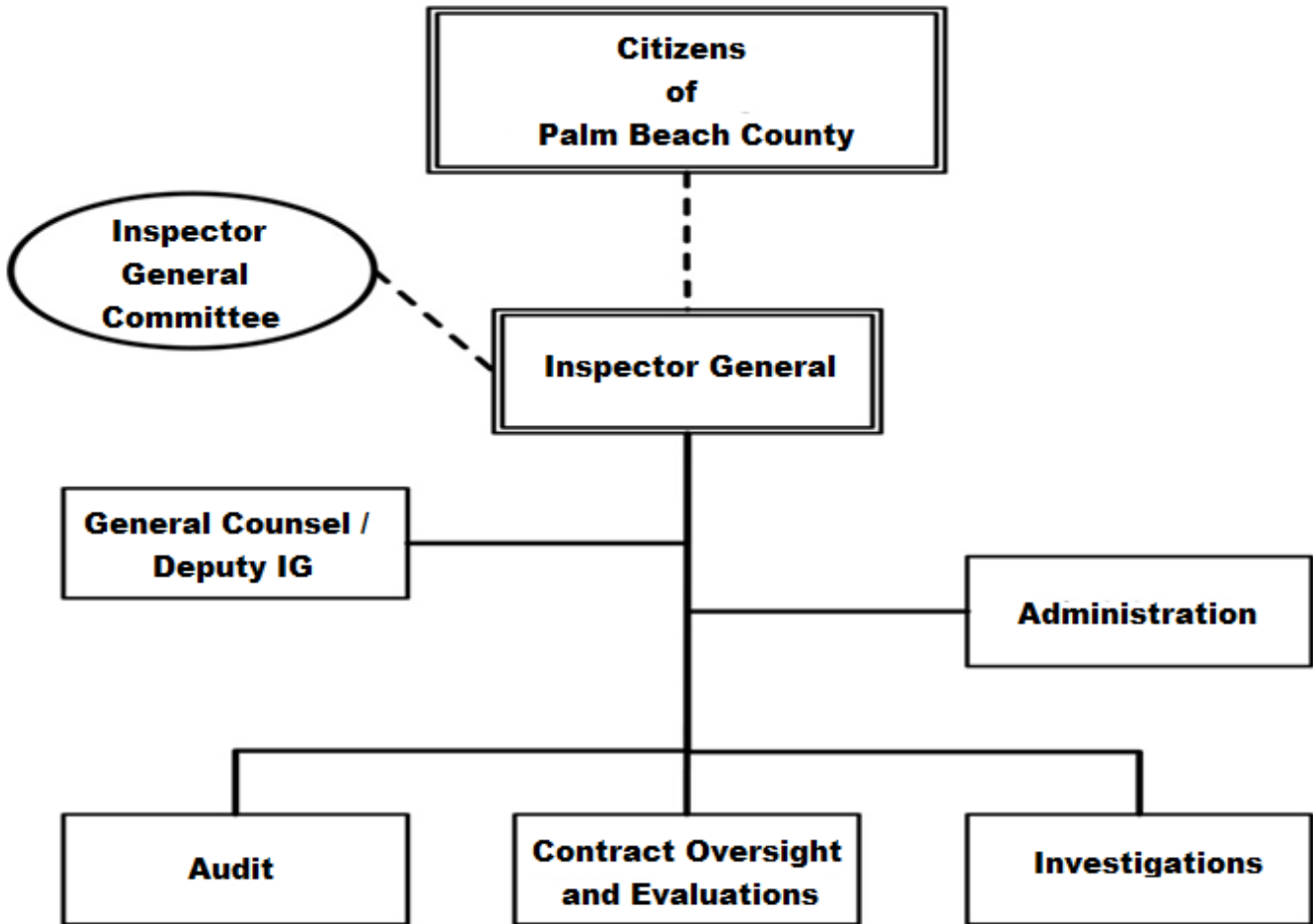
² The first IG was selected by the County to serve as IG for county government before the office was expanded to the municipalities by the countywide referendum.

THE OIG's RESPONSIBILITIES and AUTHORITY

- Conduct investigations, audits, and reviews related to past, present, and proposed county and municipal programs, accounts, records, contracts, change orders, and transactions.
- Receive, review, and investigate complaints regarding municipal or County funded projects, programs, contracts, accounts, records, or transactions.
- Identify possible violations of policies, procedures, and state, federal, or local law.
- Receive, review, and assess notifications of possible mismanagement of a contract, fraud, theft, bribery, or other violations of law within the OIG's jurisdiction.
- Establish a "hotline" to receive complaints, from either anonymous or identified persons.
- Have full and unrestricted access to records regarding matters within the OIG's jurisdiction.
- Have power without limitation to audit, investigate, monitor, inspect, and review the operations, activities, performance, and procurement processes.
- At the IG's discretion, attend all duly noticed public County or municipal meetings relating to the procurement of goods or services, and pose questions and raise concerns consistent with the functions, authority, and powers of the Inspector General.
- Recommend remedial actions and follow-up to determine whether recommended remedial actions have been taken.
- Require affected parties to provide statements, produce documents, records, and other information.
- Subpoena witnesses, administer oaths, and require the production of documents.
- Make criminal referrals to law enforcement agencies.
- Serve as an "appropriate local official" of the County and any municipality for the purposes of "whistle-blower" protection provided by Section 112.3188(1), F.S.
- Coordinate with the County Administrator and municipal managers or administrators to develop public awareness strategies to inform government officials and employees and the general public, of the authority and responsibilities of the OIG.
- Exercise any of the powers contained in the IG Ordinance upon his or her own initiative.

OFFICE OF INSPECTOR GENERAL ORGANIZATION

The OIG is comprised of three divisions: Investigations, Audit, and Contract Oversight and Evaluations.



The IG reports to the citizens of Palm Beach County. He or she is selected by the Inspector General Committee and given a four-year contract approved by the Palm Beach County Board of Commissioners. The IG provides a six month update on IG activities to the public and the IG Committee. At this public meeting, the IG Committee may ask questions or offer comments and suggestions to the IG. Additionally, the public is given opportunity to comment. The IG issues an annual report in December.

Due to the outcome of a lawsuit several municipalities filed against the County over funding issues, the OIG has never been fully funded and currently has funding for only 27 (67.5%) of the initially 40 authorized positions.

STANDARDS FOR THE OIG AND ACCREDITATION

With all of this independence and authority, a common question is “Who watches the Inspector General?” or “What standards does the OIG follow in its investigations, audits, and reviews?”

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* (the 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 Audit Standards* (*Government Auditing Standards* [the Yellow Book], issued by the Comptroller General of the United States).



ACCREDITATION BY THE COMMISSION FOR FLORIDA LAW ENFORCEMENT ACCREDITATION



An accreditation program has long been recognized as a means of maintaining the highest standards of professionalism. Accreditation is the certification by an independent reviewing authority that an entity has met specific requirements and prescribed standards. 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 or OIG obtains or maintains this high standard of accreditation status. The OIG received its initial accreditation from CFA in February 2012 and has been re-accredited every three years since.

Section B – OIG ACTIVITIES

INVESTIGATIONS



The OIG conducts investigations based on allegations/complaints received and from self-initiated red flags discovered in our audits and reviews; or through review of publicly available information and “data mining.” Any individual may file a complaint with the OIG. He or she may do so in person, by telephone, mail, email, or by completing the electronic complaint form found on our website. A complaint may be filed anonymously. The IG is “an appropriate local official” for purposes of Florida state public sector “whistle-blower” protection (discussed in more detail on page 8).

While OIG investigations are administrative in nature, criminal violations are sometimes discovered during the investigative process. When a determination has been made that the subject of an investigation has potentially committed a criminal violation, those findings are coordinated with local law enforcement agencies or are referred directly to the State Attorney’s Office or the US Attorney’s Office for consideration of criminal investigation and prosecution.

COMPLAINT INTAKE/OIG HOTLINE

We receive hundreds of allegations/complaints each year from concerned citizens, elected and non-elected officials, vendors, and employees. For each allegation/complaint we receive, we conduct an analysis (preliminary investigation) to determine what action we will take.

1. Some allegations may be anonymous and provide too little information to be able to take any further action.
2. Some allegations are not in the jurisdiction of our office and; therefore, are forwarded to the appropriate investigating organization.
3. Some allegations are closed without action because they do not sufficiently set forth a potential violation of any policy, law, or contract.
4. For those allegations under our jurisdiction, some of the factors used in evaluating our decision whether to further investigate include:
 - The specificity of the allegation
 - The seriousness of the allegation
 - The effect/impact on government operations
 - The timeliness of the allegation

OPTIONS ONCE WE DECIDE TO TAKE ACTION ON AN ALLEGATION

1. Management Referral – complaints which are forwarded to the appropriate governmental management for appropriate handling. No response to the OIG is required.

Examples of complaints that may be referred to management include:

- An allegation of a municipal administrative receptionist who was rude and unprofessional to the public.
- An allegation of an employee who left work a few minutes early on one occasion without authorization.

2. Management Inquiry – forwarded to respective management for further inquiry. A response to the OIG is required. The OIG will review the response to determine whether further action will be taken.

Three actions may be taken after the OIG reviews a management inquiry response:

- (1) If the information provided by management sufficiently answers the questions raised by the inquiry and any appropriate administrative actions were taken, the OIG will close the case.
- (2) If the OIG determines that more information is needed and that management is best suited to acquire the information, the OIG may request more information, or that action be taken by management.
- (3) If the OIG determines a formal OIG investigation, audit, or review should be initiated to more fully address the allegation(s), one will be initiated.

* It is important to note that a Management Inquiry is considered part of the OIG’s investigative process. Therefore, *information received by the OIG during a management inquiry is confidential and exempt from disclosure under Florida Public Records Law and cannot be released to the public until the OIG classifies the investigation/inquiry as closed. In order to protect the integrity of, and to avoid interfering with the investigative process, we ask that management refrain from discussing or disclosing any information until the OIG determines the investigation/inquiry is closed.*

3. Formal OIG Investigation – investigations conducted by OIG investigators are in accordance with *Principles and Standards for Offices of Inspector General* (the Green Book) and Commission for Florida Law Enforcement Accreditation (CFA) standards. The investigations will often result in a published report.

Subjects of the allegations (those who are named in the report) are given ten calendar days to respond to the draft report and have their statements included in the published final report. When our report makes recommendations to management, management is provided ten calendar days to provide a written response that will be included in the published final report. For investigations involving complaints by a “whistle-blower,” both subjects of the investigation and management are given 20 calendar days to respond to OIG draft reports.

4. Formal Reviews – formal reviews conducted by the OIG assess program areas to determine compliance with laws, regulations, and policies; examine potential red flags for fraud, waste, or abuse; or seek areas of program improvement. These may be initiated in response to a complaint, management concern, or be self-initiated by the OIG.

FLORIDA STATE PUBLIC SECTOR WHISTLE-BLOWER'S ACT AND THE IG

The Florida legislature enacted the Florida Whistle-blower's Act, sections 112.3187 – 112.31895, F.S. in 1986 to prevent state and local government agencies and the companies that contract with agencies, from taking retaliatory action against employees who report to an appropriate agency violations of law, rule, or regulation by the public employee or independent contractor.

The IG is "an appropriate local official" of the County and of any municipality for the purpose of whistle-blower protection provided under section 112.3188 (1), F.S. The name or identity of any individual who discloses in good faith to the IG information that alleges that an employee or agent of an agency or independent contractor:

- (a) Has violated or is suspected of having violated any federal, state, or local law, rule, or regulation, thereby creating and presenting a substantial and specific danger to the public's health, safety, or welfare; or,
- (b) Has committed an act of gross mismanagement, malfeasance, misfeasance, gross waste of public funds, or gross neglect of duty

may not be disclosed to anyone without the written consent of the individual, unless the IG determines that the disclosure of the individual's identity is necessary to prevent a substantial and specific danger to the public's health, safety, or welfare or to prevent the imminent commission of a crime; or the disclosure is unavoidable and absolutely necessary during the course of the audit, evaluation, or investigation.

Local public employees protected by the Whistle-blower's Act may file a complaint alleging retaliation with the appropriate local government authority within 60 days of the retaliation if the authority has established by ordinance an administrative procedure for handling such complaints. If the local government authority has not established an administrative procedure by ordinance or contract with the Florida State Division of Administrative Hearings, the local public employee may within 180 days of the retaliatory action, bring civil action in court. We suggest you speak with your counsel regarding any questions you may have regarding your rights under Section 112.3187 (8) (b), F.S.

AUDITS



The Audit Division conducts comprehensive, independent, and objective audits and activities and is committed to providing timely, useful, and reliable information. Our audits are 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 *generally accepted government auditing standards* (the Yellow Book).

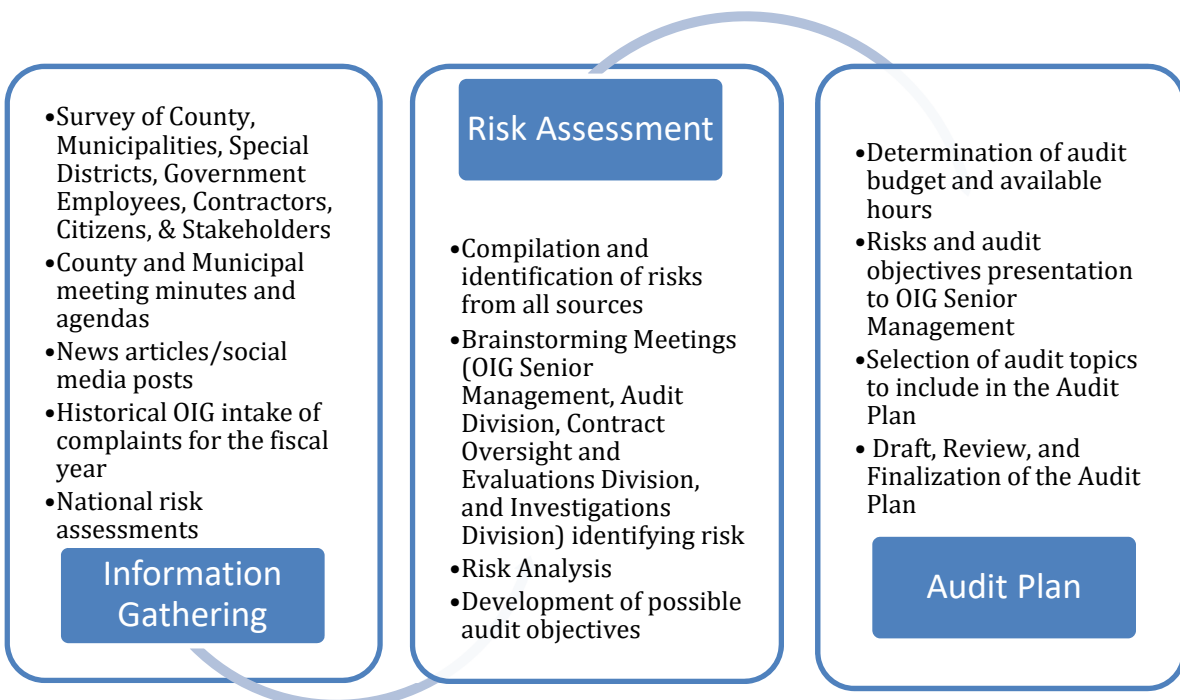
Our professional audit staff hold various certifications which include:

- Certified Fraud Examiner
- Certified Government Auditing Professional
- Certified Internal Auditor
- Certified Inspector General Auditor
- Certified Information Systems Auditor
- Certified Public Accountant

HOW DO WE DECIDE WHAT TO AUDIT? -> RISK BASED

Our “audit universe” is comprised of County departments under our jurisdiction, 39 municipalities, and the Solid Waste Authority, with hundreds of identified auditable units. To make the most effective use of our resources, we focus on areas of high risk for fraud, waste, and abuse, as well as areas where costs can be reduced or revenue increased.

We conduct an annual comprehensive risk assessment using a combination of several methods of research and information gathering in order to create an overview of the risks for entities within the OIG’s jurisdiction. Identified risks are assessed based on their global area of significance and impact. The OIG Senior Management Team reviews the list of risk topics and selects several global areas (topics that could be applicable to multiple entities) to be included in the Audit Plan. The following graphically describes this process.



HOW WE CONDUCT OUR AUDITS

The following describes the major steps of the audit process:

1. Letter of Engagement. Prior to the commencement of an audit, the OIG will send a letter of engagement to management. This letter of engagement will include a description of the audit, identify the audit scope and objectives, and provide the specific time frame (review period) that the audit will cover. The letter will also request an Entrance Conference be scheduled to discuss the audit scope, methodology, and objectives in more detail.

2. Entrance Conference. At the entrance meeting, OIG auditors and management discuss the audit scope, methodology, and objectives in more detail. This is a time of information sharing, asking and answering questions, and arranging for the beginning of the audit fieldwork.

3. Fieldwork. The records requested will depend on the scope and objectives of the specific audit being conducted. In addition to records, auditors will generally request to talk to various personnel involved in the operations under review to learn specifically how activities and transactions are carried out, and to obtain data needed to test controls and verify transactions. During the course of the audit, auditors will keep appropriate management officials informed of any identified deficiencies or weaknesses that may require immediate attention. Communication is very important to the audit process.

4. Exit Conference. An Exit Conference will be held with management regarding the findings of the audit. Issues or concerns may be addressed at this time. The auditors will make every attempt to resolve any differences of opinion prior to issuing the final report of audit findings and recommendations. A draft audit report is provided to management at or after this meeting.

5. Draft Audit Report. The auditor will prepare a draft report of issues that were identified during the audit and suggest recommendations designed to improve operational efficiencies and effectiveness. Upon receipt of the draft report, management has 20 calendar days from the date of receipt to respond to the findings and recommendations contained in the audit report. *The draft report, as well as documents, correspondence, and information received by the OIG from management during the audit is confidential and exempt from disclosure under Florida Public Record Law and cannot be released to the public until the OIG distributes the final audit report. In order to protect the integrity of, and to avoid interfering with the audit process, we ask that management refrain from discussing or disclosing any information until the OIG distributes the final audit report.*

6. Final Audit Report. The final report of audit findings and recommendations will include any changes agreed upon by the OIG and management; summarize management's response; and include a copy of management's complete response. The final report, with management's response, is distributed to management, the jurisdiction's elected officials, the Inspector General Committee, the media, and posted on the OIG's website.

7. Follow-up. Once the final report is issued, a semi-annual follow-up review is conducted to determine if report recommendations and appropriate corrective actions have been implemented.

CONTRACT OVERSIGHT AND EVALUATIONS

The Contract Oversight and Evaluations Division (COED) is responsible for reviewing procurement and contracting activities of the County, all 39 municipalities, and other government entities within the OIG's jurisdiction. The goal of the COED is to promote competition, transparency, accountability, integrity, and efficiency throughout the procurement and contracting processes. To that end, we:



- Periodically attend contract selection meetings, and provide feedback when appropriate;
- Conduct contract oversight reviews of an entity's procurement process which may result in recommendations to address shortcomings or irregularities, and/or opportunities for improvement;
- Promote full and open competition and arm's-length negotiations with vendors and contractors so that public funds are used in the most efficient and effective manner.
- Review meeting agendas and minutes to identify areas or situations where the integrity of the procurement process may be at risk.
- Respond to requests for assistance from entities under our jurisdiction and to citizen and vendor complaints;
- Conduct evaluations, reviews, and inspections on operational issues, programs, and contracts.
- Provide relevant data and information that supports effective procurement practices; and,
- Provide procurement and fraud awareness training.

The County Code, Article XII, Section 2-423(8) requires the IG to be “notified in writing prior to any duly noticed public meeting of a procurement selection committee [sealed bids, proposals, or negotiations] where any matter relating to the procurement of goods or services by the county or any municipality is to be discussed.” We request that notifications be sent to igcontracts@pbcgov.org.

CONTRACT OVERSIGHT AND EVALUATIONS REPORT TYPES

1. Letter to Management – Provides our observations with suggestions, guidance, and/or best practices to enhance the procurement/contracting process.

2. Contract Oversight and Evaluations Report

- An official notification to management identifying material weaknesses in the procurement/contracting process that may or may not comply with established policy and procedures. The OIG will make recommendations and request a response from management, or
- A detailed report based on an in-depth review of one or more procurement/contracting process, activity, or area that identifies risks and irregularities, and opportunities for improvements. These may be initiated in response to a complaint or expressed concern; at the request of management as a tool for program improvement; or as a result of an OIG risk assessment. The OIG may provide guidance, make recommendations, and request a response from management.

EXAMPLE OF HOW THE OIG AND MANAGEMENT WORK TOGETHER TO IDENTIFY FRAUD, WASTE, AND ABUSE TO MAKE GOVERNMENT BETTER

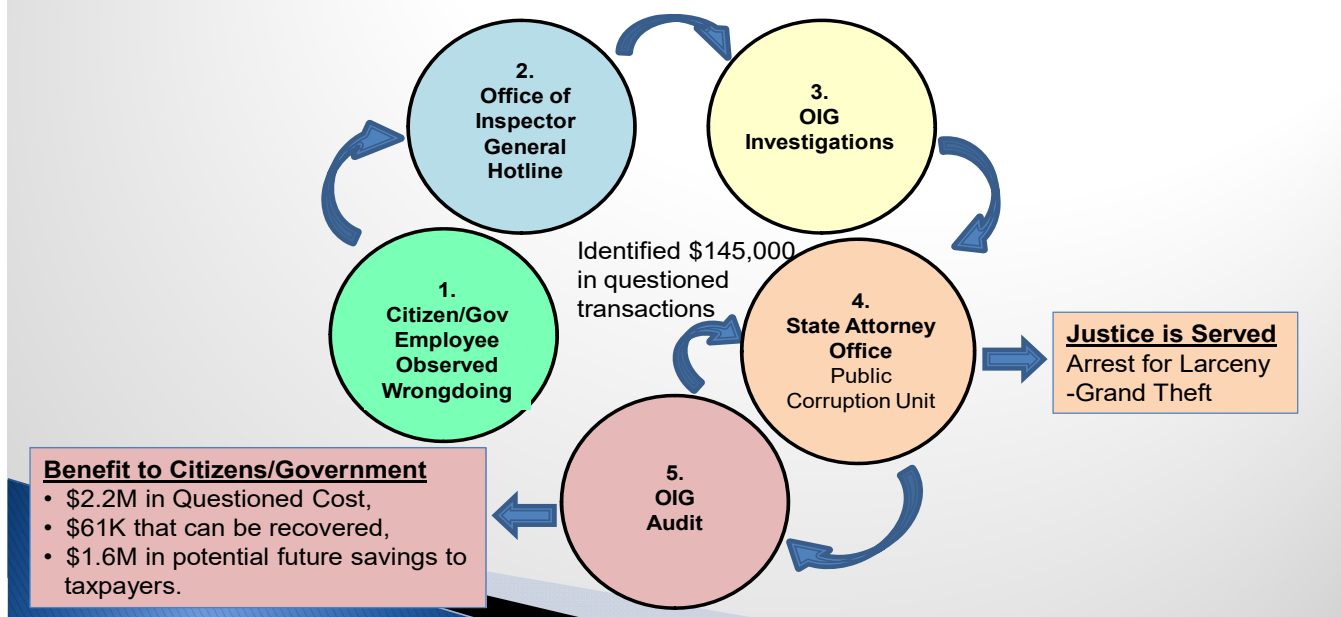
In 2015, the OIG received an anonymous complaint alleging South Central Regional Wastewater Treatment and Disposal Board (Board) employees were retaining proceeds from scrapping of copper wire owned by the Board. The cities of Boynton Beach and Delray Beach established the Board in 1974 as a special district for the treatment and disposal of wastewater. We conducted an initial inquiry and referred the complaint to the State Attorney's Office for criminal investigation. Additionally, the Governing Board requested that we conduct an audit of the facility.

We found significant control weaknesses in all areas we reviewed, and made 40 recommendations to strengthen internal controls over the financial and administrative operations of the Board. The Board concurred with all 40 recommendations, and at the time of our finalized audit report the interim Executive Director had implemented 21 recommendations and had begun to take action on the remainder of the deficiencies we identified.

We identified \$2,247,519 in questioned costs, \$1,630,407 in avoidable costs, and \$61,274 in identified costs for potential return. Additionally, we referred questionable transactions involving expenditures of approximately \$145,000 to the State Attorney's Office. Finally, the resultant State Attorney's investigation led to the arrest of a former Board senior staff member on charges of Larceny-Grand Theft.

How we work together:

EXAMPLE:
South Central Regional Wastewater Treatment and Disposal Board



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 what we do; common trends and best practices; red flags to assist in spotting fraud, waste, and abuse; and, ways to contact our office. OIG outreach plays an important role in the prevention of fraud, waste, and abuse, as well as, promoting efficiency, effectiveness, and integrity in government. Our outreach program emphasizes two-way sharing of information. Our success depends on listening as much as speaking.



The IG and staff take every opportunity to make public speaking appearances in an effort to increase public awareness of the activities of our office. Our staff attends meetings and makes presentations to the business and citizen communities, in addition to several government groups, throughout the year. We also present an OIG orientation session at the County's new employee orientation training and leadership/supervision classes. We offer this presentation to any organization to whom the OIG provides oversight services.

Stakeholder groups are an important part of the OIG's outreach and information sharing initiative. The IG periodically meets with citizen, business, and government leaders in smaller stakeholders' meetings to discuss how to better inform the citizens in these communities of our role, function, and achievements, as well as, providing a mechanism for feedback on improving our operations. On every correspondence we issue, we have a link to encourage feedback on the quality and effectiveness of the services we provide.



Providing Oversight To Guard Taxpayers' Dollars



Re-Accredited
February 18, 2021,
CFA IG-012

ADA
Accessibility
Statement

IG Hotline: **877-OIG-TIPS**
(Toll Free)



Document Search

Search

Welcome from the Inspector General



What's New

[IG Speaks at Chamber of Commerce
Trustee Luncheon](#)

[OIG Six Month Status Report](#)

[The OIG has a new hotline number!](#)

Our Accomplishments To Date



Recent Reports

For all reports completed this fiscal year
([click here](#)).

[06-21-23 - Rental Car Lease and
Concession Agreement - Enterprise Leasing
Company - 2023-A-0005](#)

[6-13-23 - False Information on County
Rental Assistance Applications by Lake
Worth Applicants - 2022-0003](#)

[03-30-23 - Review of the Town of Lantana
Library Renovation Contract - CA-2021-0067](#)

To report issues with our website please Email [Inspector General](mailto:Inspector.General)

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



OIG WEBSITE - VALUABLE RESOURCE

Our website is continuously updated to include all recent OIG activity. An important feature on the website is a section labeled "Tips, Trends, & Training." Here we post briefings and information updates throughout the year along with other helpful information for the public and government employees. The website contains a wealth of information and provides an accountability of our work product. Please take the time to visit our website at: <https://www.pbcgov.com/OIG>

AVAILABLE OIG TRAINING AND OUTREACH INFORMATION

The following lists some of the information available from the OIG. Presentations can be adapted to meet the specific needs and time available:

TRAINING/PRESENTATIONS/BRIEFINGS

- Palm Beach County OIG Overview/The IG's Role in Promoting Ethics in Government
- The OIG and Management Working Together to Make Government Better
- OIG Orientation for New Supervisors
- OIG Orientation for New Employees
- Lessons Learned from OIG Audits, Investigations, and Reviews
- Government Procurement and Contracting 101
- Internal Controls: What are they and why are they important?
- Red Flags that May Point to Fraud
- Profiles of a Fraudster
- Florida State Whistle-blower's Act and What You Need to Know
- Integrity, Ethics, and Leadership: Practical Lessons

OTHER INFORMATION/POSTERS/HANDOUTS/OIG HOTLINE CARDS

Posters, hand-outs, pamphlets, information papers (*Tips and Trends*), and OIG HOTLINE cards are periodically distributed. These are also available on request.

Section C – MANAGEMENT RESPONSIBILITIES

MANAGEMENT REQUIREMENTS/RESPONSIBILITIES

In addition to the basic requirement under the IG Ordinance (Article XII, Section 2-422, Palm Beach County Code) to *“fully cooperate with the inspector general in the exercise of the inspector general’s functions, authority and powers,”* further mandated requirements of County, municipal, and other organizations under the OIG’s jurisdiction include:

- **Notifying the OIG of *“possible mismanagement of a contract (misuse or loss exceeding \$5,000), fraud, theft, bribery, or other violation of law which appears to fall within the inspector general’s jurisdiction.”***

“The county administrator and each municipal manager, or administrator, or mayor where the mayor serves as chief executive officer, shall: 1) promptly notify the inspector general of possible mismanagement of a contract, fraud, theft, bribery, or other violation of law which appears to fall within the jurisdiction of the inspector general...”

Whether or not you have reported to the State Attorney’s Office or local law enforcement or want to conduct an internal investigation, the Ordinance *requires* that these be reported to the OIG.

Other areas should be reported *“which appears to fall within the jurisdiction of the inspector general”* include *“mismanagement, misconduct, and other abuses by elected and appointed county and municipal officials and employees, county and municipal agencies and instrumentalities, contractors, their subcontractors and lower tier subcontractors, and other parties doing business with the county or a municipality and/or receiving county or municipal funds.”*

- **Creating and maintaining written local procedures for notifying the OIG of *“possible mismanagement of a contract (misuse or loss exceeding \$5,000), fraud, theft, bribery, or other violation of law which appears to fall within the inspector general’s jurisdiction.”***

- *“The county administrator and each municipal manager, or administrator, or mayor where the mayor serves as chief executive officer, shall: ... 2) coordinate with the inspector general to develop reporting procedures for notification to the inspector general.”*

- Examples of written local reporting procedures include:
 - Informing employees what allegations must be forwarded to the OIG;
 - Describing various methods of reporting to the OIG (e.g. email, FAX, U.S. mail, IG Hotline, in person); and,
 - Information about the state “Whistle-blower’s” Act and protections available for reporting certain matters to the IG.

- **Notice of Procurement Selection Meetings.**

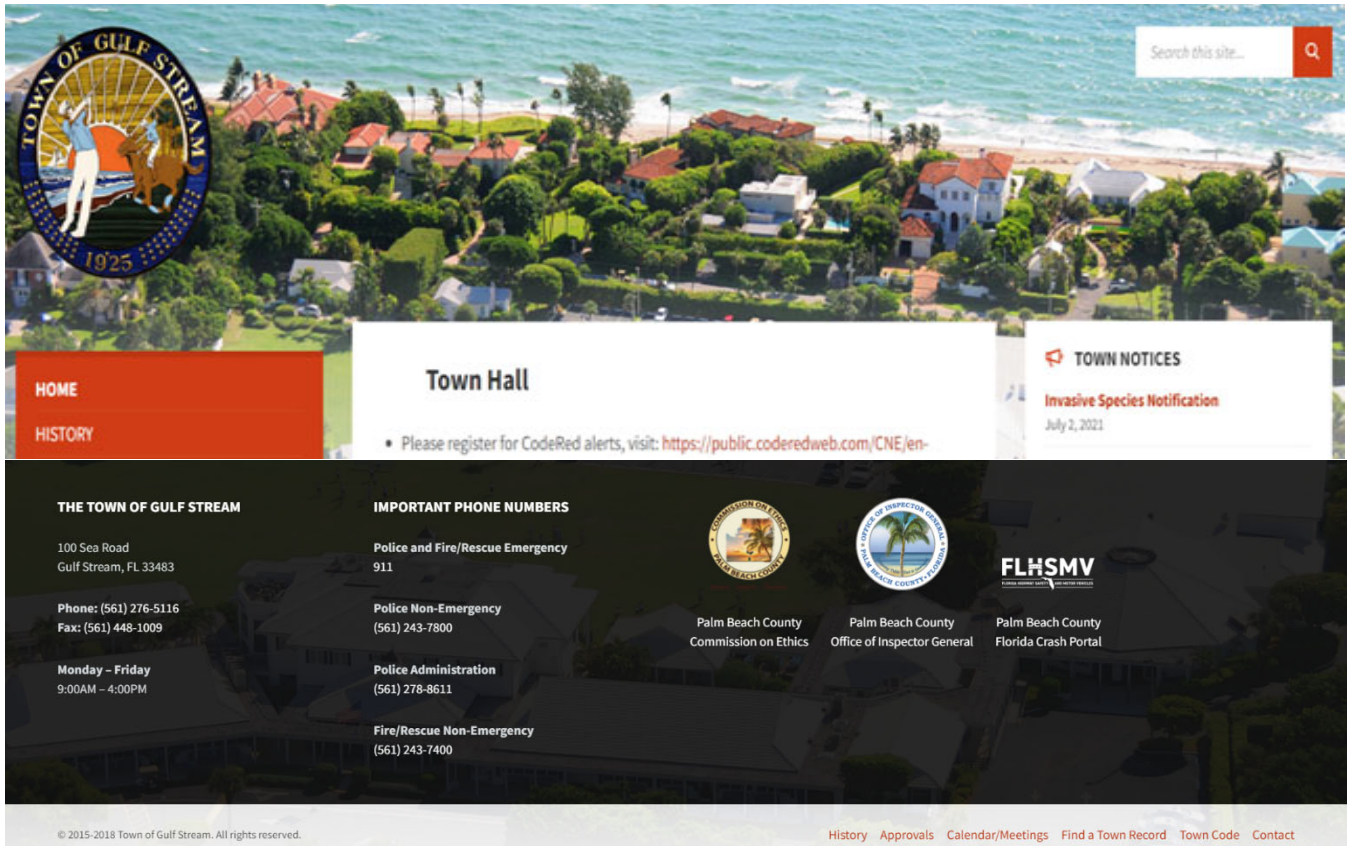
- *“The inspector general shall be notified in writing prior to any duly noticed public meeting of a procurement selection committee where any matter relating to the procurement of goods or services by the county or any municipality is to be discussed. The notice required by this subsection shall be given to the inspector general as soon as possible after a meeting has been scheduled.”*
- Please send notifications to igcontracts@pbcgov.org.

- **Develop Training/Awareness Programs**

- Coordinate with the OIG *“to develop public awareness strategies to inform government officials and employees, as well as the general public, of the authority and responsibilities of the inspector general.”*
- *“Strategies shall include but not be limited to inclusion in the government’s web page with a link to the office of inspector general website, publication of notices in the government’s newsletters, and posting information about the OIG in government employee break rooms and other common meeting areas.”*

Palm Beach County and the Town of Gulf Stream government web pages are two of several good examples of how to display and link to our OIG website.





See Section B, page 14, for a more detailed listing of training and awareness briefings and materials available from the OIG to assist you in your training and awareness responsibilities.

Section D – GLOSSARY OF OIG TERMS

GLOSSARY OF OIG TERMS

Abuse – Abuse includes misuse of authority or position for personal interest. Examples of abuse include creating unnecessary overtime, requesting staff to perform personal errands or work tasks for a supervisor or manager, misusing the official’s position for personal gain, or making procurement or travel choices that are contrary to policies or are unnecessarily extravagant or expensive.

Allegation – An allegation is a statement or assertion of wrongdoing. An allegation contains four essential elements: who, improperly, did what or failed to do, in violation of an established standard.

Audit – independent examination with the objective to improve an entity’s operations, review internal management controls, and reduce the potential for fraud and illegal acts. In other words, an audit is a systematic and independent examination of data, statements, records, operations, and performances for a stated purpose (objective), which provides reasonable assurance that internal controls are in place and operate effectively, compliance requirements and program objectives are met, and resources are properly accounted for and used efficiently. OIG audits are conducted in accordance with *Government Auditing Standards* established by the Comptroller General of the United States.

Avoidable Costs – Avoidable costs are dollars an entity will not have to expend, and/or the increase in revenue, over the three-year period following the issuance of the OIG report, if the OIG’s recommendations are implemented.

Complainant – Any individual making an allegation to the OIG.

Evaluation – Sometimes referred to as an inspection or review, is a process that evaluates, reviews, studies, and/or analyzes the programs and activities of an agency. An evaluation/inspection/review may provide factual or analytical information, monitor compliance, measure performance, assess the efficiency and effectiveness of programs and operations, or share best practices. Evaluations are performed in accordance with the AIG *Principles and Standards for Offices of Inspector General* (the Green Book).

Evidence

Preponderance of Evidence – enough evidence to make it more likely than not that a particular fact is true or not true. It is the standard used to determine that a person, corporation, or other legal entity committed a certain offense.

Sufficient Evidence – sufficient evidence refers to the quantity of appropriate evidence used to support the findings and conclusions related to the objectives of the work performed by OIG. In assessing the sufficiency of evidence, the OIG staff should determine whether enough evidence has been obtained to persuade a knowledgeable person that the findings are reasonable. A large volume of evidence does not necessarily compensate for a lack of relevant, reliable, and competent (valid) evidence.

Finding – results of an IG investigation, audit or review where the issue is significant enough to warrant informing senior management. Findings generally relate to inefficient program operations or noncompliance with laws, regulations, polices, and/or procedures; and are complemented by recommendations.

Fraud – Fraud is generally defined as an illegal act to obtain something of value through willful misrepresentation. Examples of fraud include falsifying timesheets, misapplying funds, stealing government funds or property, making false statements or falsifying documents to conceal illegal activity, and overcharging government contracts.

Identified Costs – Identified costs are those dollars that have the potential of being returned to offset the taxpayers' burden.

Inspection – Synonymous with evaluation or review. See Evaluation for full definition.

Internal Controls – Integral component of an organization's management that provides reasonable assurance that effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations are being achieved. Internal controls include processes for planning, organizing, directing, controlling, and reporting on agency operations. In the broadest sense, internal controls include the plan of organization, methods, and procedures adopted by management to meet its goals.

Investigation – An investigation is a planned, systematic search for relevant, objective evidence from individuals, documents, tangible objects, or data to prove or refute allegations of wrongdoing and determine the truth of the matter. Investigations are performed in accordance with the *AIG Principles and Standards for Offices of Inspector General* (the Green Book) and The Commission for Florida Law Enforcement Accreditation standards.

Investigative Reviews – Investigative Reviews assess program areas to determine compliance with laws, regulations, and policies; and to examine potential red flags for fraud, waste, or abuse; or, to seek areas of program improvement. These may be initiated in response to a complaint, management concern, or self-initiated by the OIG.

Inquiry – A systematic search for information, knowledge and truth about certain things and matters of public interest. While an inquiry is usually done through questioning and probing into the circumstances relating to the matter at hand, an investigation is done more carefully and by thoroughly inspecting details in an organized manner and assessing facts which are uncovered in the process. See also Preliminary Inquiry.

Management Inquiry – Forwarded to respective management for further inquiry. A response to the OIG is required. The OIG will review the response to determine what further action will be taken.

Management Referral – Complaints which are forwarded to respective management for handling. No response to the OIG is required.

Misconduct – Improper conduct undertaken 1) with the knowledge the conduct violates a standard or willful disregard for that possibility; 2) with the intention to harm another; or, 3) for the purpose of personal profit, advantage, or gain.

Preliminary Inquiry – A quick, informal investigation into reported facts and circumstances to decide if they warrant a full inquiry and/or investigation. The purpose of the preliminary inquiry is to determine if the questioned conduct occurred, and if so, whether it constitutes a violation. A preliminary inquiry is often completed to determine what further action(s), for example a formal investigation or audit, may be undertaken by the OIG.

Questioned Costs – A cost that is questioned by the OIG because of:

- An alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds;
- A finding that, at the time of the OIG activity, such cost is not supported by adequate documentation; and/or
- A finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable in amount.
- As such, not all questioned costs are indicative of potential fraud or waste.

Recommendation – Proposed actions that address findings identified in an audit, review, or investigation. The OIG tracks recommendations until management fully implements corrective actions, and reports all outstanding recommendations to the public in the OIG annual report.

Referral – A referral is a complaint that is designated to be more appropriately handled by an organization or agency outside the OIG.

Reprisal/Retaliation – Reprisal/Retaliation is taking or threatening to take an unfavorable personnel action or withholding or threatening to withhold a favorable personnel action on an employee for making or preparing a protected disclosure.

Review – Synonymous with evaluation or inspection. See Evaluation for a full definition.

Risk – A function of the perceived threat's impact on an activity, the probability of the threat's existence within the activity, and the impact should the threat persist or the activity fail due to the threat.

Subject – A person or an entity being investigated. A person or an entity becomes a subject when credible information exists to believe that they committed a particular offense or violated a certain policy, rule, or regulation.

Suggestion – An idea or a plan put forward by the OIG for consideration by management based on an inspection or audit. Suggestions do not require management response, and the OIG does not track suggestions or report on their implementation status.

Waste – Waste involves the taxpayers not receiving reasonable value for money in connection with any government-funded activity due to an inappropriate act or omission by persons with control over or access to government resources. Waste goes beyond fraud and abuse and most waste does not involve a violation of law. Rather, waste relates primarily to mismanagement, inappropriate actions, and inadequate oversight.



A copy of this *Guide* is posted on the Office of Inspector General, Palm Beach County website at <https://www.pbcgov.com/OIG/>. If you have any questions or suggestions on how we can work together better in our mutual goals as stewards of the taxpayers' dollars; or to improve our OIG role in providing insight, oversight, and foresight; or, thoughts on improving this *Guide*, please contact us by phone at (561) 233-2350 or Email inspector@pbcgov.org.

REPORT FRAUD, WASTE OR ABUSE

To report alleged fraud, waste, abuse, mismanagement, or misconduct relative to county or municipal government, Children's Services Council, or Solid Waste Authority, use one of the following methods:

- Complete a complaint form on our web site at <https://pbcgov.com/OIG> and send to Inspector@pbcgov.org.
- Write to:
Office of Inspector General, Palm Beach County,
100 Australian Ave., West Palm Beach, Florida 33406
- Call the Office of Inspector General **HOTLINE** at: **(877) OIG-TIPS**