

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

FEBRUARY 9, 2012

**THURSDAY
9:35 A.M.**

**COMMISSION
CHAMBERS**

I. CALL TO ORDER

II. ROLL CALL

MEMBERS:

Judge Edward Rodgers, Chair
Manuel Farach, Esq., Vice Chair
Robin N. Fiore, Ph.D.
Ronald E. Harbison, CPA
Carey Haughwout, Esq., Public Defender
Michael McAuliffe, Esq., State Attorney
Bruce E. Reinhart, Esq. - Absent

STAFF:

Leonard Berger, Assistant County Attorney
Joe Doucette, Chief of Administration, Office of the Inspector General
Sheryl G. Steckler, Esq., Palm Beach County Inspector General
Julie Burns, Deputy Clerk, Clerk & Comptroller's Office

Judge Edward Rodgers stated that Commissioner Bruce Reinhart would be absent. He said that cell phones should be turned off or placed on vibrate, and voices should be kept low. He added that time would be set aside for questions.

Judge Rodgers said that although chairing of today's Palm Beach County Inspector General Committee (IGC) meeting would be his last, he would continue as a member.

II. – CONTINUED

Judge Rodgers commented that the County had received its share of bad press; however, the 38 municipalities were united, and they should commiserate and support one another. He said that the Inspector General's (IG) focus should be to help change attitudes to prevent greed.

III. APPROVAL OF IG COMMITTEE MEETING MINUTES

III.a. Semi-annual Meeting: August 18, 2011

MOTION to approve the August 18, 2011, minutes. Motion by Michael McAuliffe, seconded by Carey Haughwout, and carried 6-0. Bruce Reinhart absent.

III.b. Special Meeting: October 6, 2011

Commissioner Manuel Farach said that he had not recalled a staff directive for agenda item V. to prepare a human resource (HR) operating procedure, and neither was it contained in the October 6, 2011, minutes.

Office of the Inspector (OIG) General Chief of Administration Joe Doucette stated that he had authored the IGC Policy draft document referencing the staff directive, and it could have been his misstatement. He added that he had not previously checked the minutes to see whether the staff directive was included.

Judge Rodgers commented that at the October 6, 2011, IGC meeting, he and the IG had discussed developing a procedure to handle some HR issues.

Inspector General Sheryl Steckler stated that the minutes mentioned the HR function, but Judge Rodgers wanted to include the IGC's responsibilities. She said that audio tape sections may need to be reviewed.

Commissioner Robin Fiore requested that the minutes approval be deferred until the next IGC meeting. Commissioner Farach stated that in the quest for transparency, it was best to defer approval. Mr. Doucette said that staff would re-review the audio tapes, and would resubmit the minutes.

Commissioner Farach said that he would make a motion to approve the October 6, 2011, minutes as written; should corrections be necessary, he would make a motion to approve the amended minutes at the next semi-annual IGC meeting.

III.b. – CONTINUED

MOTION to approve the October 6, 2011, minutes. Motion by Manuel Farach, seconded by Ronald Harbison, and carried 6-0. Bruce Reinhart absent.

Judge Rodgers suggested that staff be advised when the IGC wanted to discuss staff's draft HR operating procedure.

Commissioner Fiore suggested that at the next IGC meeting an affirmative statement would be made about the October 6, 2011, minutes whether corrections or amendments were added.

IV. ANNUAL & SIX-MONTH STATUS REPORT PRESENTATION

During a PowerPoint presentation, Ms. Steckler stated that:

- The presentation covered the OIG's annual report, fiscal year (FY) 2012 budget and staffing, activities, additional responsibilities, plans and objectives, and the OIG's immediate and ongoing activities, as required by ordinance.
- The annual and six-month status reports were included on the OIG's Web site.
- The OIG's annual status report was dated from June 28, 2010, to September 30, 2011. Future annual status reports would coordinate with the County's FY cycle of October 1 to September 30.
- The OIG's staff, who were hired from a variety of public- and private-sector backgrounds, complimented the OIG's activities.
 - Many OIG staff members held diversified academic degrees, professional certifications, and licenses.
 - Seventy-nine percent of OIG staff was from Florida.
- The OIG's budget determined that a 0.25 funding base was needed, and that the OIG was to be adequately funded.
- During the OIG's first 15 months, it spent only 71 percent of the allocated budget, which was about eighty-nine cents per citizen.

IV. – CONTINUED

- Of the \$1.3 million in spent budgeted dollars, \$2.3 million in costs had been questioned or identified during investigations and management reviews.
- The OIG's 15-month investigative intake activities included over 1,400 telephone calls, 307 written correspondence, and 9 investigations/management reviews. Of 46 recommended corrective actions, 41 were implemented, and 24 became policy.
- Of 307 processed written correspondences, 261 were complaints.
- Beginning June 1, 2011, municipal participation comprised 31 percent of the OIG's entities; that figure was now 50 percent.
- During the OIG's first 15 months, the County's Water Utilities Department had the majority of complaint correspondence when assessed by department. When assessed by municipality, the cities of Riviera Beach and Lake Worth had the most.
- Employee misconduct was the highest-type of allegation that the OIG had received.
- Nine investigative reports containing 18 allegations resulted in nine various supported findings and nine not supported findings.
- The FY 2012's yearend resulted in \$611,841 in identified or questioned costs incurred by the entities under the OIG's jurisdiction.
- The OIG staff had attended 173 contract selection committees.
 - Since July 2011, six Contract Oversight Reports were issued questioning costs of \$1.7 million.
 - Six recommendations were issued for improvement, with four being implemented or processed.
- Recommendations were not made during contract observation. If recommendations were made after contract observation, entities were notified, and responses were attached to the final report.

IV. – CONTINUED

- The County and municipalities implemented 91 percent of the 53 recommended corrective actions; 26 were policy or procedure changes.
- The OIG oversaw a \$9.8 billion budget operation for the County and the 38 municipalities, which excluded the County's Solid Waste Authority, the Health Care District (HCD), and the Children's Service Council (CSC). County and municipality contract activity was approximately \$1.6 billion.
- The OIG's FY 2012 minimum funding base of 0.25 percent was unnecessary; therefore, 0.18 percent was requested from the BCC.
- On February 7, 2012, the BCC had agreed to fund \$400,000 of the \$1.2 million in municipal obligations to the OIG. The funding would be used to help the OIG get through the end of the year and to hire additional staff.
- The OIG's drafting budget subcommittee and the BCC had approved the Local Government Electronic Reporting (LOGGER) system to determine its minimum funding base.
- The County and the municipalities could choose how to pay their share of the 0.18 percent funding base.
- The OIG issued its first audit regarding Palm Tran during the first six activity months of July 1, 2011, to December 31, 2011.
- During the six-month period, staff had attended 33 contract selection committees.
 - Ten contract oversight reports questioning costs of over \$1.7 were issued, with seven of the nine improvements to contracting procedures and/or reviewed controls being implemented or in the process of being implemented.
 - The remaining two contract oversight report improvements would be reviewed.
- Staff had handled 964 telephone calls, 185 written correspondence, and 7 investigations/management reviews. All 17 recommended corrective actions were either implemented or in progress.

IV. – CONTINUED

- During the six-month period, an increased shift occurred in written correspondence from the County to the municipalities. The Water Utilities Department and the BCC were listed as the top County programs. The City of Riviera Beach and the Village of Wellington were the top municipalities with written correspondence.
- The top two allegations continued to be employee misconduct and contract improprieties.
- The OIG staff had performed 22 public speeches or training and had received 58 media contacts during its first six months.
- On January 1, 2012, the HCD and the CSC were established under the OIG's jurisdiction.
- When questioned costs were referenced in the report, it meant that staff had questioned the amount of money, or that the money should not have been spent.
- Reference to suspension of contract oversight meant suspension of the OIG's attendance of contract selection committees, which was the front end of contracts. Resources were now concentrated on the contracts' back end by reviewing change orders and contract dollars.

Commissioner Fiore requested that the OIG concentrate on the contracts' front end with proactive and precontract recommendations, and provide and publish any policy regarding how many outside OIG staff activities had been approved. She added that knowing how much time was spent on activities, such as correspondence, would be helpful.

Ms. Steckler said that a sampling of time spent on activities could be provided.

Commissioner Farach said that it would be helpful to know how many contract oversight reports arose from front-end and back-end contract reviews, whether inquiries were generated from municipality referrals, and how much time was involved.

IV. – CONTINUED

Ms. Steckler stated that by next month all inquiries and calls taken by the OIG should be merged into one intake system. She added that only the investigative side of citizens' calls were logged.

Commissioner Ronald Harbison said that knowing the referral sources would be helpful to them and to the citizens.

Responding to Commissioner Harbison, Ms. Steckler explained that a government internal auditor and an internal auditor in an inspector general capacity were subject to the same auditing standards. She added that the main difference was determined by independence issues; however, inspectors general could perform investigations.

Commissioner Haughwout commended Ms. Steckler on what she had accomplished, starting from zero and where her office was now.

Responding to questions, Ms. Steckler explained that:

- She would have preferred bringing up the audit shop sooner, but she wanted to ensure that she hired qualified people.
- If there were more entities, there would always be some size staff. When government began to understand the IG's role and began to utilize the OIG, there could be more on the prevention side rather than the after effects.
- Municipal interlocal agreements and other options were being considered to recoup the BCC's \$400,000 gap funding.

Mr. Doucette said that annual financial reports submitted to the State by municipalities were independently audited by each municipality's Certified Professional Accountant.

Ms. Steckler stated that:

- An OIG internal strategic meeting was held in November 2011 where four program goals were developed with assigned strategies and activities.
- The four goals were included in the IGC's packet and were listed on the OIG's Web site.

IV. – CONTINUED

There was IGC consensus that review of the four goals was unnecessary.

Ms. Steckler said that:

- A decision was made by the OIG to engage stakeholders in determining how to measure a positive culture shift and championing results.
 - In December 2011, a stakeholders' meeting was held with business community members to develop an implementation plan.
 - The stakeholders and "champions" had said that the OIG should focus on reform rather than on dollars recovered.
 - Discussion included promoting the OIG's value to businesses, citizens, and others; tracking and reporting best practices; and projecting and reporting the OIG's impact on the economy, the community, and others.
 - A March 2012 follow-up meeting would be scheduled.
- A dashboard was created on the Web site to show a snapshot of some of the OIG's workload and result indicators.
 - Dashboard information would be uploaded quarterly.
 - The Web site offered a Google language translation feature that when selected, would change into another language.
 - The dashboard's details link provided fiscal year intake- and entity-type correspondence information.

Commissioner Fiore suggested that clipart of two postage stamps could be added to the Web site, indicating that the first 15-month costs equated to 89 cents per citizen, or two postage stamps.

Ms. Steckler commented that:

- On February 23, 2012, her office would seek accreditation from the Florida Association for Law Enforcement Accreditation (FALEA). The FALEA's final report would be published on the Web site.

IV. – CONTINUED

- Her office would continue to hire qualified staff utilizing the BCC funded \$400,000.
- Each entity under the OIG's jurisdiction was now linked to the Web site.
- Staff would provide 15-minute introductory presentations to each entity's leadership group.
- Posters and pamphlets outlining the OIG's role would be created and distributed in County and municipal employee break rooms and other common meeting areas; and a film and 15-to-30-minute presentation would be created for all entities under the OIG's jurisdiction.
- The County would provide time for quarterly, one-hour classes to current County employees.

Commissioner Fiore commented that:

- The same concept and model of holding meetings with stakeholders and "champions" could be shared with nonbusiness groups.
- She was concerned that since the OIG was performing auditing and contract oversight, the municipalities would be inclined to eliminate those in-house functions to save budget dollars.

Ms. Steckler explained that the municipality referrals received by her office were traditionally criminal-type referrals. She added that every organization needed an internal audit function.

Commissioner Farach said that the OIG should continue to inform the IGC and citizens about increased transparency, and to provide an overall OIG vision.

Ms. Steckler clarified that the overall vision was to enhance public trust in government. She said that the focus and oversight was not a one-size-fits-all formula; some municipalities and entities under the OIG may need strong audits and controls.

(CLERK'S NOTE: Public Defender Carey Haughwout left the meeting.)

IV. – CONTINUED

Commissioner Farach said that knowing the OIG's future costs would be helpful.

Ms. Steckler said that:

- The goal was to maintain a 32-employee staff for municipality oversight.
- The budget and staff grew due to contracts with entities such as the County's Solid Waste Authority, the HCD, and the CSC.
- The OIG should be flexible since entities under the OIG's jurisdiction had different needs.

State Attorney Michael McAuliffe stated that although this would be his last meeting as an IGC member, he would continue his support in a private citizen capacity. He added that he hoped the OIG would succeed since his legacy was bound by its performance.

Commissioner Harbison said that at some point he wanted to address policies and other issues with Ms. Steckler. He asked how funding would be affected if municipalities were unaware of how many contracts they had.

Ms. Steckler answered that the County would be responsible for obtaining the contract oversight funding.

Mr. Doucette said that:

- A discussion on the logistics of contract inventory and associated funding took place at one of the Inspector General Ordinance Drafting Committee meetings, which resulted in the LOGER system's implementation. The LOGER system:
 - exhibited a representation of each entity's annual financial report;
 - reported approximately \$1.6 billion in actual expenditures and determined the OIG's eligible funding base, which was part of the \$10 billion total budget of jurisdictions of the OIG; and,
 - was the only known uniformed system to collect expense data on contract activity. The State required that each entity report its annual financial report through the LOGER system.

RECESS

At 11:13 a.m., the chair declared a recess.

RECONVENE

At 11:31 a.m., the meeting reconvened with Judge Rodgers, Manuel Farach, Robin Fiore, Ronald Harbison, and Michael McAuliffe present.

(CLERK'S NOTE: Roll call was taken.)

V. INSPECTOR GENERAL PERSONNEL POLICY & CONTRACT

Ms. Steckler said that at the IGC's request, personnel policy and contract could be discussed at the August 2012 meeting, which her staff would schedule.

VI. MUNICIPAL/COUNTY LAWSUIT

Assistant County Attorney Leonard Berger stated that:

- The County's and the municipalities' legal staff were close to settlement negotiations regarding OIG municipality participation. The biggest issues were going forward with the County/municipal ordinance amendments and determining the recoupment of dollars not received from the municipalities.
- A draft ordinance amendment should be near completion by next week, and it would be distributed to the pertinent parties.
- Once municipality feedback was received, the ordinance would go before the BCC.
- The statutory process that existed when local governments sued one another had begun. On March 26, 2012, the governing bodies would convene to determine what could happen if the parties failed to agree on the ordinance amendments and the proposed settlement.

Judge Rodgers stated that it was better to reach an agreement than to leave the decision to judicial discretion.

VI. – CONTINUED

Commissioner Fiore said that:

- Her municipality would be assessing its residents for budget shortfalls that they were lead to believe were due to supporting ethics initiatives. This type of action created lack of support from citizens.
- The County should be applauded for supporting the IG.
- There should be awareness that the issues involved more other than just the lawsuit, and she was uncertain whether they were of a financial nature or to undermine the IG.

VII. INSPECTOR GENERAL COMMITTEE DISCUSSION

VII.a.

DISCUSSED: Newspaper Quotes.

Commissioner Harbison commented that newspaper quotes from municipal mayors and other officials stating that the Commission on Ethics (COE) sent individuals to jail were untrue. He said that public officials had received COE training and should have known that this was not the case.

VII.b.

DISCUSSED: Inspector General Appreciation.

Commissioner Farach said that he appreciated Ms. Steckler for being forthcoming in accepting the IGC's comments.

VII.c.

DISCUSSED: Inspector General Procedure.

Judge Rodgers requested that the OIG implement procedural language regarding the process of calling a special meeting.

VII. – CONTINUED

VII.d.

DISCUSSED: The Inspector General Committee's Role.

Commissioner Fiore said that all IGC comments were advisory, and although the IG was not required to adopt its advice, any IG decisions should be justified.

VIII. PUBLIC COMMENTS

VIII.a.

DISCUSSED: Public Education of Government Service and Office of Inspector General's Independence.

Commissioner Jess R. Santamaria stated that he continually heard from the public that no one listened to their governmental concerns. He added that they were uncertain which agency they should voice those concerns, and additional public education would be helpful. He said that he questioned the OIG's independence when its funding was dependent on entities that were being investigated. He said that vendors and contractors – not taxpayers – should fund the office.

VIII.b.

DISCUSSED: Focusing on the Future.

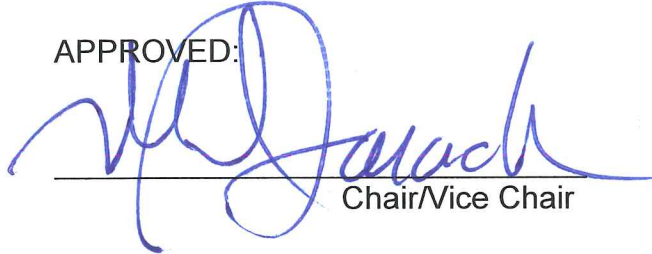
Richard Radcliffe, Palm Beach County League of Cities Executive Director, said that everyone should focus on the future and on how the County would lead the country.

IX. ADJOURNMENT

MOTION to adjourn the meeting. Motion by Manuel Farach, seconded by Ronald Harbison, and carried 5-0. Carey Haughwout and Bruce Reinhart absent.

At 11:56 a.m., the chair declared the meeting adjourned.

APPROVED:



Chair/Vice Chair