



Enhancing Public Trust in Government

SIX MONTH STATUS REPORT

April 1, 2015 – September 30, 2015

John A. Carey, Inspector General



OUTLINE

- **MISSION & RESPONSIBILITIES**
- **OIG ACTIVITIES** (April 1, 2015 – September 30, 2015)
- **FISCAL YEAR 2015 BUDGET & STAFFING**
- **LAWSUIT UPDATE**
- **FY 2015 SUMMARY & HIGHLIGHTS**
- **PLANS, OBJECTIVES, & INITIATIVES**

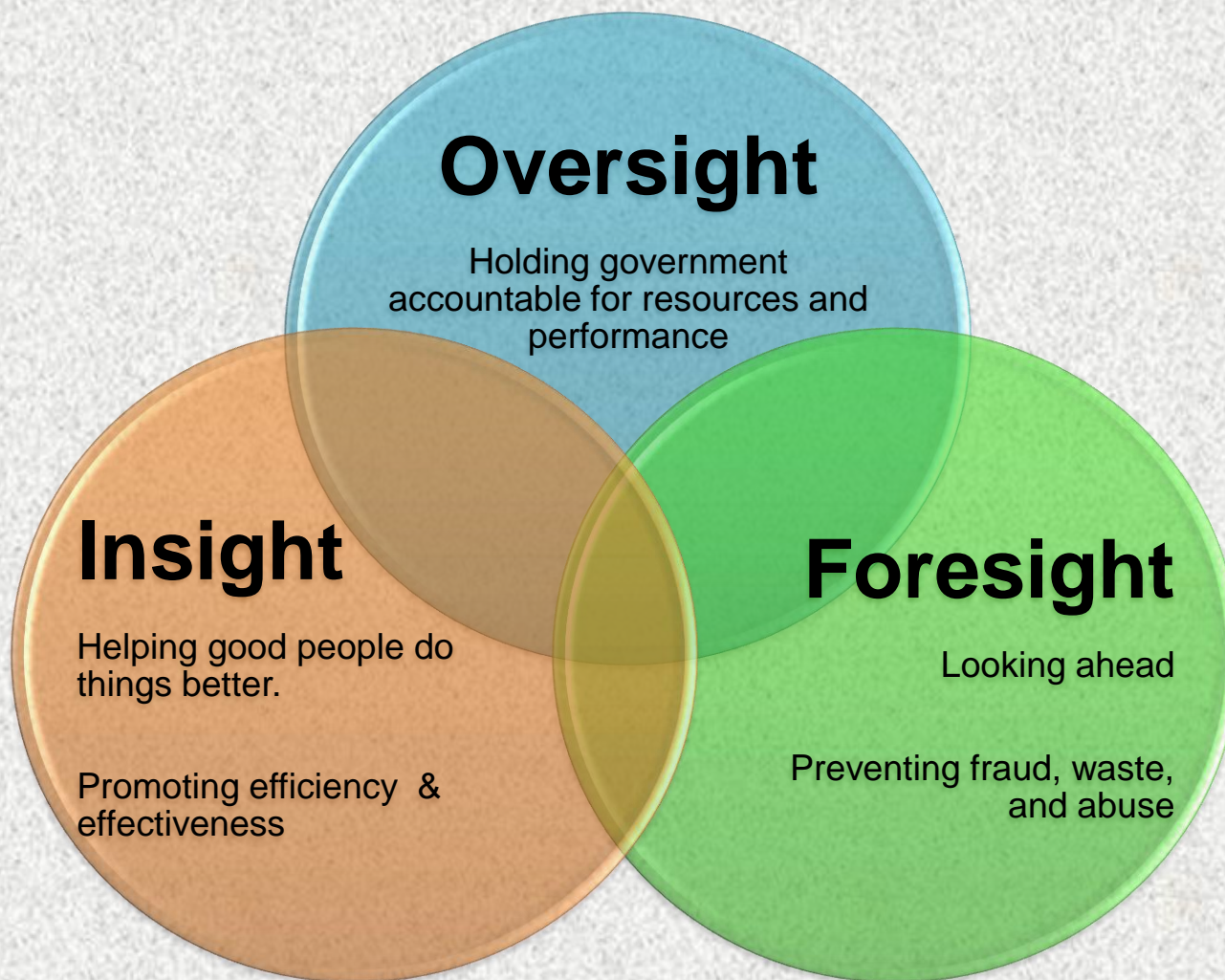


OIG MISSION

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



OUR OIG APPROACH



INSPECTOR GENERAL'S RESPONSIBILITIES



- **Publish Audit and Investigative Reports.**
- **Meet with Inspector General Committee every six months.**
- **Issue an Annual Report by December 31st.**



INSPECTOR GENERAL'S SIX MONTH REPORT



April 1, 2015 – September 30, 2015

The Office of Inspector General consists of three Divisions:

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

INSPECTOR GENERAL SIX MONTH REPORT



April 1, 2015 – September 30, 2015

Intake & Investigations

Highlights

INSPECTOR GENERAL SIX MONTH ACTIVITIES



INTAKE ACTIVITIES

Current 6 Months

400	Number of calls to the Office & Hotline
182	Written Correspondences received
	<ul style="list-style-type: none">• 105 (58%) Complaints consisting of 107 Allegations of wrongdoing
12	Correspondences led to the initiation of 6 Investigations and 6 referred to OIG Contract Oversight
47	Public Records Requests

Previous 6 Months

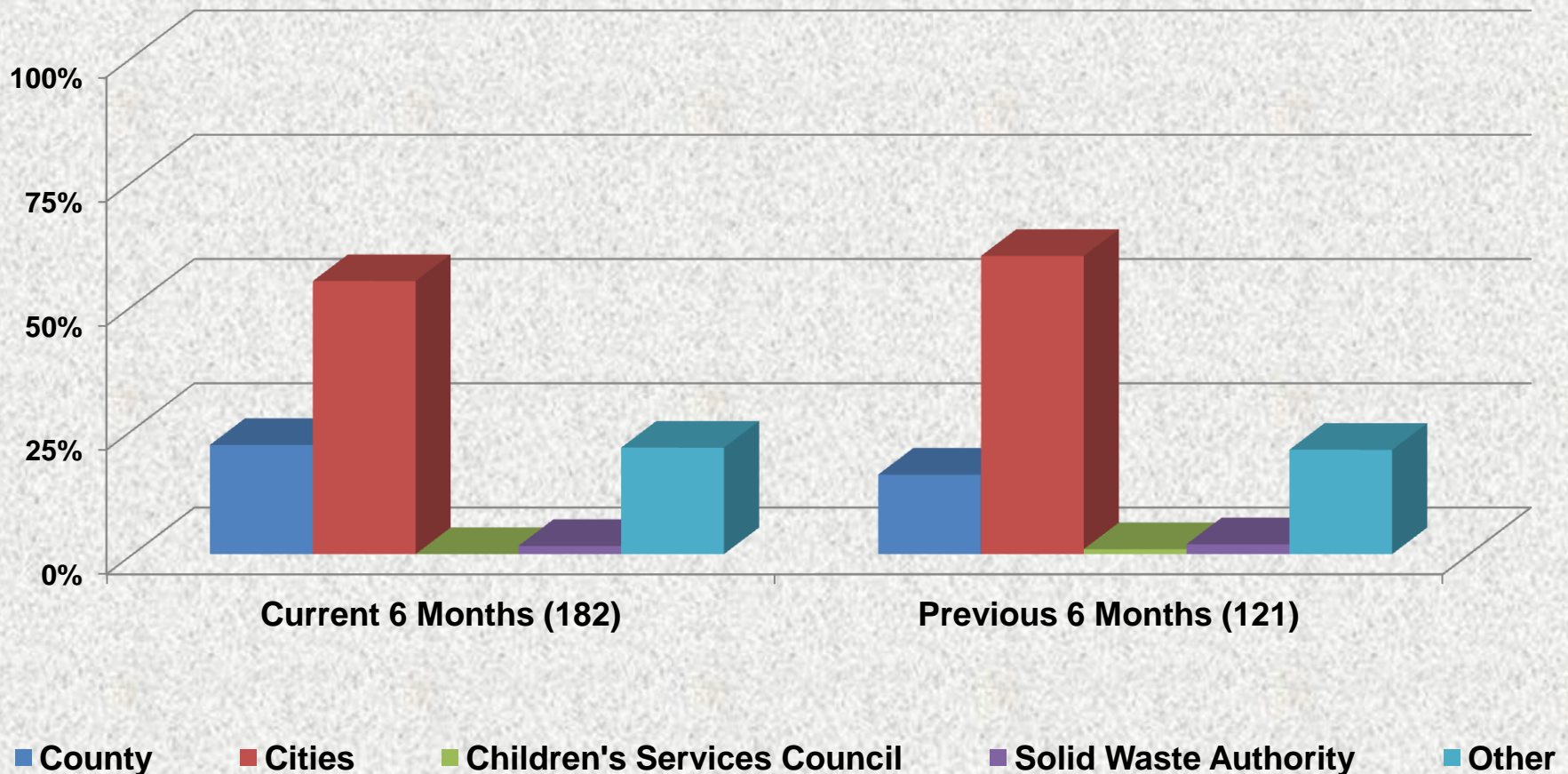
424	Number of calls to the Office & Hotline
121	Written Correspondences received
	<ul style="list-style-type: none">• 86 (71%) Complaints consisting of 129 Allegations of wrongdoing
10	Correspondences led to the initiation of 4 Investigations; 1 referred to OIG Audit; and 5 referred to OIG Contract Oversight
14	Public Records Requests

INSPECTOR GENERAL SIX MONTH ACTIVITIES



April 1, 2015 – September 30, 2015

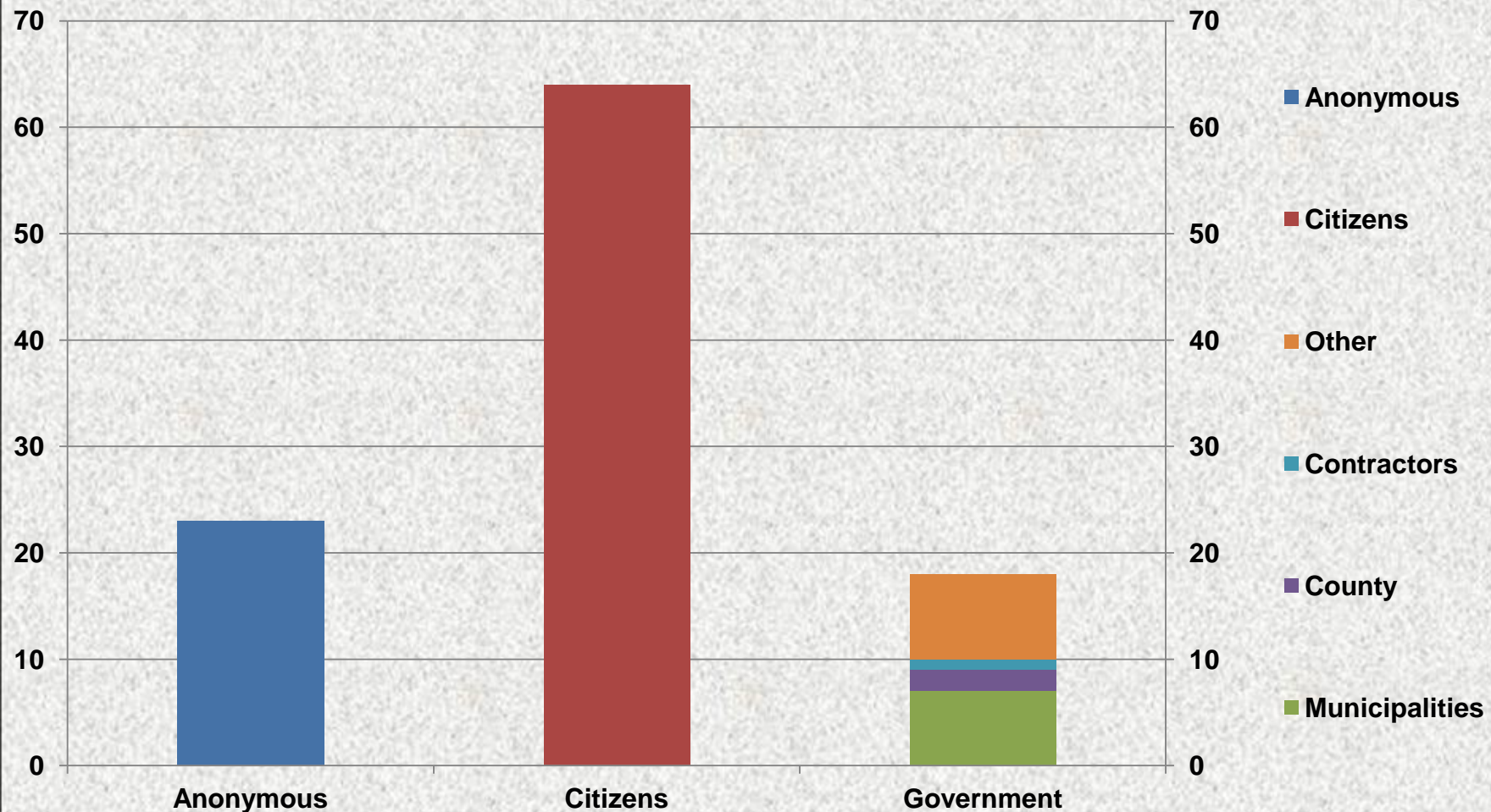
Total Correspondences



INSPECTOR GENERAL SIX MONTH ACTIVITIES



Complaint Reporting Sources – 105 of the 182 Correspondences

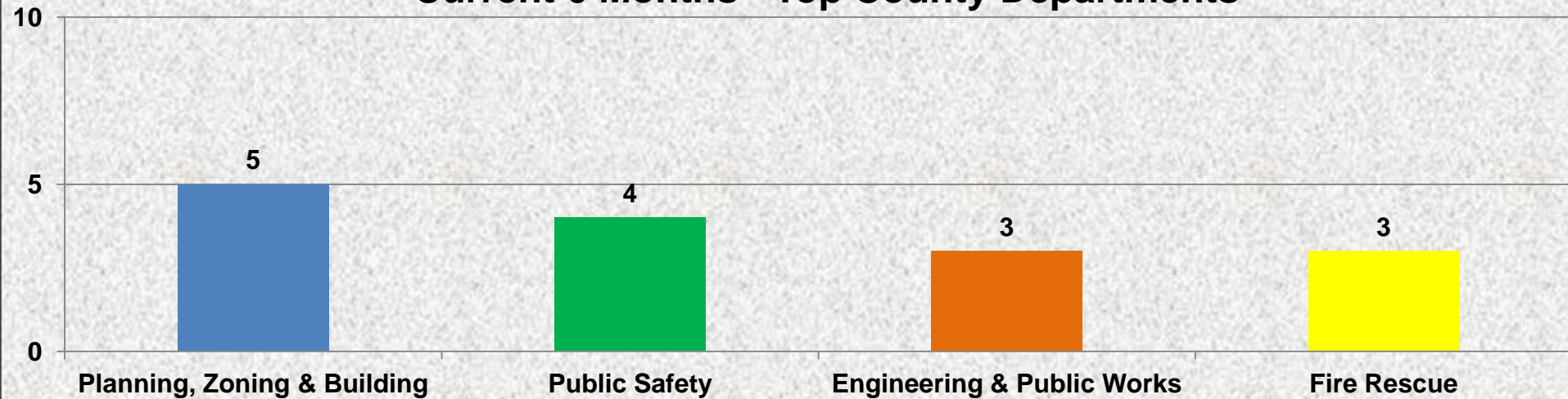


INSPECTOR GENERAL SIX MONTH ACTIVITIES

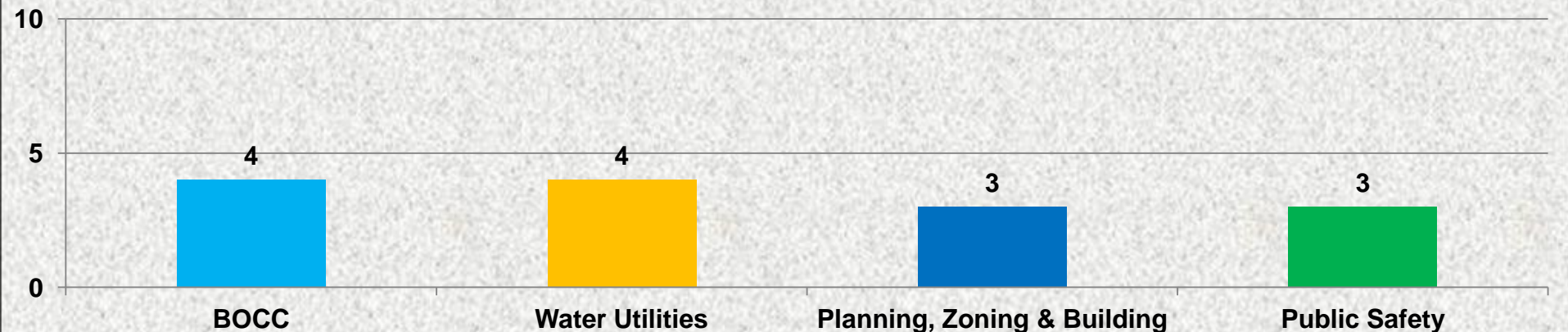


Top Correspondences Per County Department

Current 6 Months - Top County Departments



Previous 6 Months - Top County Departments



INSPECTOR GENERAL SIX MONTH ACTIVITIES



Top Correspondences Per Municipality

Top Cities	
Current 6 Months	Previous 6 Months
Delray Beach (61)	Delray Beach (24)
Riviera Beach (14)	Lake Worth (8)
Loxahatchee Groves (6)	West Palm Beach (7)
Pahokee (4)	Loxahatchee Groves (5)
West Palm Beach (3)	Riviera Beach (5)

INSPECTOR GENERAL SIX MONTH ACTIVITIES



Top Allegations Made

Current 6 Months

Employee Misconduct	31
Financial Improprieties	6
Contract Improprieties	4
Public Records	2

Previous 6 Months

Employee Misconduct	33
Contract Improprieties	6
Financial Improprieties	4
Theft	4

INSPECTOR GENERAL SIX MONTH ACTIVITIES



Investigative Activities

	Current 6 Months	Previous 6 Months
Investigations Initiated (including Management Reviews)	15	9
Self Initiated Preliminary Inquiries	6	N/A
Cases Initiated by OIG (Audit & Investigations) – Referred to PCU for Criminal Prosecution	1	6
Issued Reports	2	1
Corrective Actions/Recommendations Made	5	3
Corrective Actions/Recommendations Accepted	5	0

INSPECTOR GENERAL SIX MONTH ACTIVITIES



Investigation #2014-0009 Palm Beach County CCNA Short List

• ALLEGATIONS:

- A County Department Deputy Director, as the Chair of a Committee:
 - Improperly voted for firms with whom she maintained close personal relationships.
 - Improperly influenced the votes of subordinate Committee members.
- A County Department's policies were not in compliance with Florida Statutes.

2 Allegations were deemed inconclusive because there were no restrictions in place.

**“Should”
do**

Gray Zone: Conduct technically legal, but questionable.

**“Must”
do**

Compliance: Conduct governed by laws, policy, rules.

The Deputy Director was immediately removed from the Committee. The County also took immediate action to begin scoring all consultants' proposals and is in the process of finalizing revised PPMs related to this subject matter.

INSPECTOR GENERAL SIX MONTH ACTIVITIES



Investigation #2015-0007 Palm Beach County Fire Rescue Promotional Testing

- ALLEGATION: A County Fire Rescue employee, as a Subject Matter Expert for the Fire Rescue Promotional Exam Committee, violated Security Agreements by simultaneously tutoring exam candidates. The allegation was *Not Supported*.
- We did find Fire Rescue employees not in compliance with County Dual Employment Policies.



PBCFR concurred with the OIG's recommendation to ensure that where required, all employees should be aware of the County's Dual Employment Policies.

INSPECTOR GENERAL'S SIX MONTH REPORT



April 1, 2015 – September 30, 2015

Contract Oversight

Highlights

INSPECTOR GENERAL'S SIX MONTH HIGHLIGHTS



Contract Oversight

PREVENTION: To reduce the appearance of and opportunity for vendor favoritism and inspire public confidence that contracts are being awarded equitably and economically, Contract Oversight staff routinely attend selection committee meetings and perform contract oversight activities.

- **Current Number of Contracts Monitored: 57**
- **Current Contract Value: \$1.03 Billion**
- **Number of Procurement Meetings Attended: 36**

INSPECTOR GENERAL SIX MONTH REPORT



April 1, 2015 – September 30, 2015

Contract Oversight

**Current 6
Months**

**Previous 6
Months**

Issued Reports	2	2
Recommendations Made	1	3
Recommendations Accepted	1	3
Questioned and Identified Costs	\$3,075,543	\$198,674
Avoidable Costs	\$9,024,710	\$0

INSPECTOR GENERAL SIX MONTH ACTIVITIES



Contract Oversight Notification 2015-N-0001 Delray Beach Solid Waste and Recyclable Materials

The City's previous Commission rejected the OIG recommendation to competitively solicit waste collection services. The City incurred additional costs until a new Commission competitively procured these services.

Questioned Costs
\$3 million



By implementing previous OIG recommendation (2012-N-0002) and entering into a contract resulting from a competitive procurement, the City and its residents will realize significantly reduced waste collection fees.

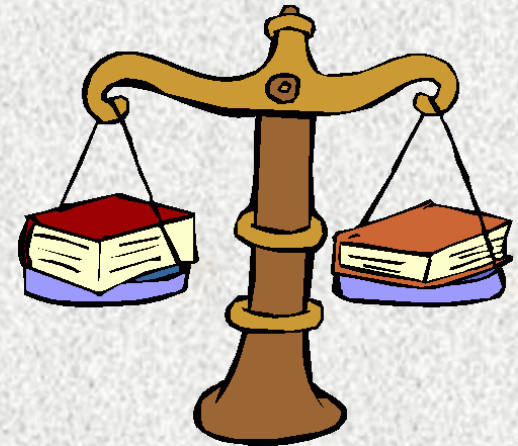
Avoidable Costs
\$9 million

INSPECTOR GENERAL SIX MONTH ACTIVITIES



Contract Oversight Review #2015-R-0001 Analysis of all Procurement Ordinances & Policies & Procedures for Palm Beach County's 38 Municipalities

- 80% Maintain
 - Written guidance, competitive procurement requirements, approval authority criteria and non-competitive requirements.
- 24% Maintain ordinances, policies, and procedures.
- Report information will be used in better focusing OIG contract oversight activities.
- Suggested municipalities review for best practices:
 - Counterpart ordinances, policies, and procedures; and,
 - The American Bar Association's Model Procurement Code and the National Institute of Public Procurement.



INSPECTOR GENERAL'S SIX MONTH REPORT



April 1, 2015 – September 30, 2015

Audit

Highlights

INSPECTOR GENERAL'S SIX MONTH ACTIVITIES



April 1, 2015 – September 30, 2015

Audit Activities

**Current 6
Months**

**Previous 6
Months**

Issued Reports	1	2
Recommendations Made	40	42
Recommendations Accepted	40	38
Questioned and Identified Costs	\$2,308,793	\$880,504
Avoidable Costs	\$1,630,407	\$1,040,084

INSPECTOR GENERAL'S SIX MONTH ACTIVITIES



Audit Report 2015-A-0003

South Central Regional Wastewater Treatment and Disposal Board

FINDINGS: Significant control weakness identified; resulting in 40 recommendations.

- Contracts Not Competitively Procured
- Questionable Payroll and Benefits Transactions
- Unsubstantiated Credit Card Transactions
- Unauthorized Bank Account and Questionable Activities
- No Policies and Procedures for Raw Materials Disposal
- No Policies and Procedures for Fixed Assets
- No Policies and Procedures for Fuel Program
- Accounting Procedures Deficiencies
- Inadequate Oversight and Monitoring of Financial Activities

Questioned Costs

\$2,247,519

Identified Costs

\$61,274

**Potential Avoidable
Costs**

\$1,630,407

Corrective Actions: All 40 recommendations accepted; 21 implemented as of September 22, 2015.

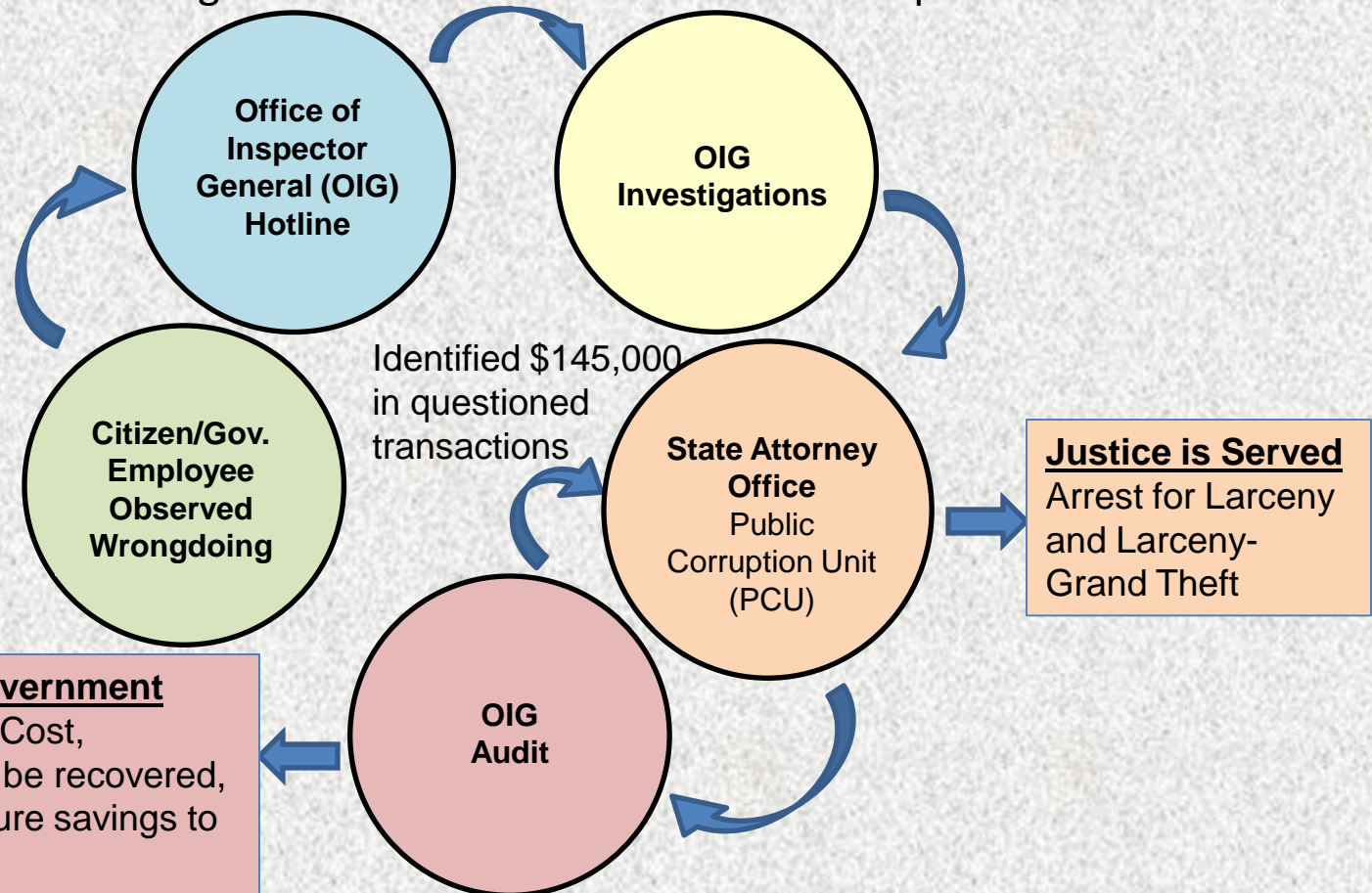
**Criminal Action: Questionable transactions referred to State Attorney's Office.
Former Executive Director arrested for Larceny-Grand Theft.**

INSPECTOR GENERAL'S SIX MONTH ACTIVITIES



How we all work together to fight fraud, waste, and abuse

South Central Regional Wastewater Treatment and Disposal Board



OIG RETURN ON INVESTMENT



	April - September 2015	June 2010 – Present
Questioned Cost A finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable and/or lacks adequate documentation.	\$5,247,519	\$18,360,820
Identified Cost Those dollars that have the potential of being returned to offset the taxpayers' burden.	\$61,274	\$1,844,504
Potential Avoidable Costs Dollar value that will not be spent over three years if OIG's recommendations are implemented.	\$10,630,407	\$19,787,311
Recommendations/Corrective Actions	46 (100% Acceptance Rate)	477 (94% Acceptance Rate)
Calls and Correspondences	583	8,423

At the End of the Day, the OIG Provides Trust in Government.

INSPECTOR GENERAL'S SIX MONTH REPORT



Significant Recent Reports Published After the Reporting Period

INSPECTOR GENERAL'S SIX MONTH ACTIVITIES



Audit Report 2016-A-0001 - Village of Palm Springs, Public Service Department

FINDINGS: Control weaknesses were identified resulting in 16 recommendations.

- Lack of Monitoring Fuel Transactions
- Incorrect Mileage Entries and Discrepancies with Vehicle List
- Lack of a Fuel Contract
- No Policies and Procedures for Fuel Program
- No Process for Contract Monitoring
- No Scrapping Policy and Procedure
- Insufficient Credit Card Purchase Justification
- Lack of a Work Order System

**Questioned Costs
\$1,145,202**

**Potential Avoidable
Costs
\$84,675**

Corrective Actions: All 16 recommendations accepted, 6 implemented as of November 2nd.

- > Fuel Monitoring with Exception Reporting
- > Contract Solicitations and Monitoring
- > Work Order Management System
- > New Policies and Procedures

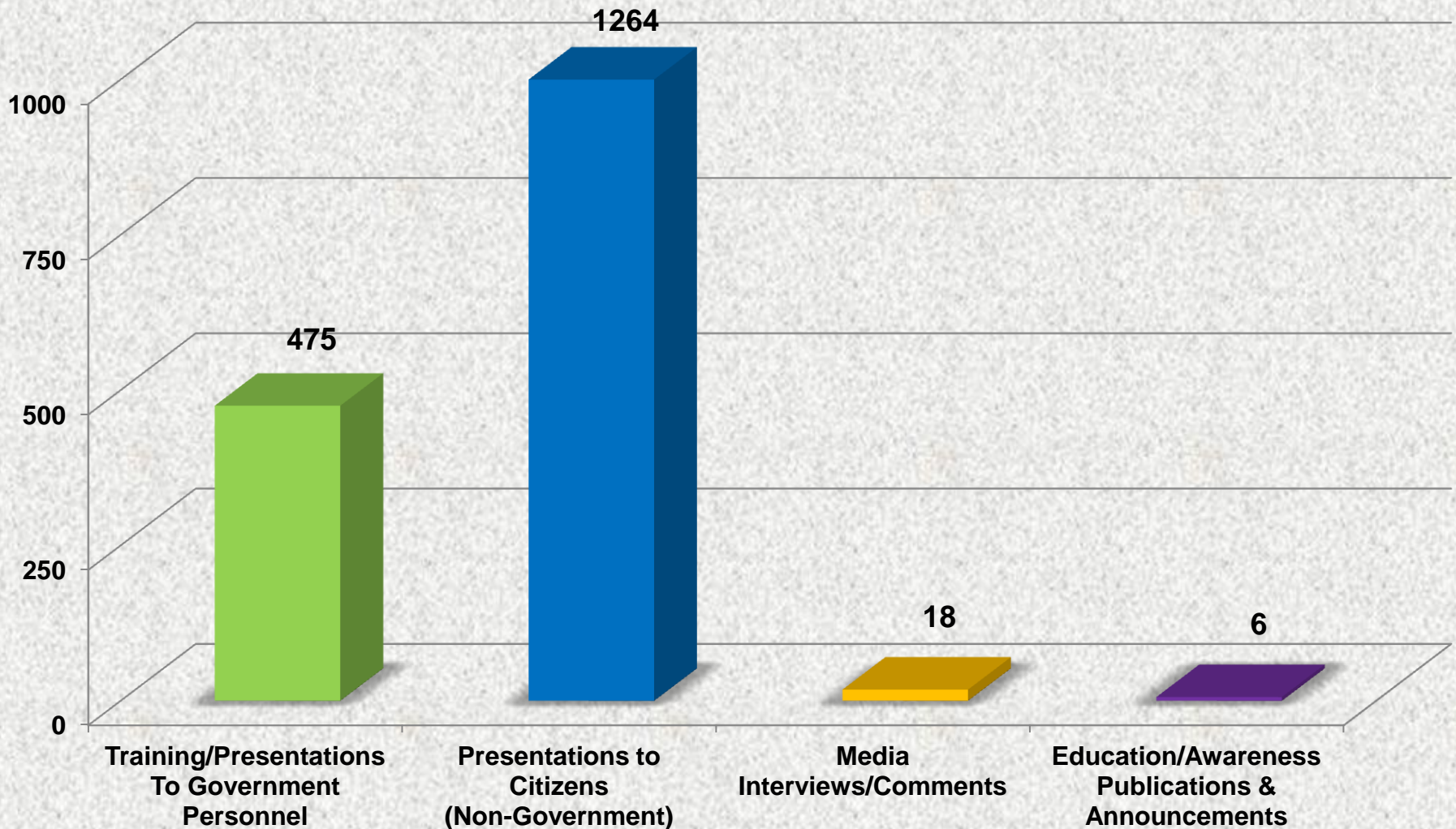
INSPECTOR GENERAL'S SIX MONTH REPORT



April 1, 2015 – September 30, 2015

Training and Outreach

TRAINING AND OUTREACH



TRAINING AND OUTREACH



Education/Awareness Publications & Announcements



OFFICE OF INSPECTOR GENERAL
UPDATE AND LESSONS LEARNED
FROM RECENT PROJECTS
June 2015

John A. Carey, Inspector General

Enhancing Public Trust in Government



John A. Carey
Inspector General

OFFICE OF INSPECTOR GENERAL
PALM BEACH COUNTY

OIG TIPS AND TRENDS #2015-0004
SEPTEMBER 2015



Inspector General
Accredited

Request for Proposal (RFP) Evaluation Criteria



Protecting Your Tax Dollars

Updates from your Inspector General
May and November 2015

INSPECTOR GENERAL'S SIX MONTH REPORT



April 1, 2015 – September 30, 2015

Budget and Staffing

INSPECTOR GENERAL FY 2015 BUDGET & STAFFING



OIG Budget & Staffing

- Annual Budget: **\$2.8 M**
- Total Structure: **40**
- Current Funded Positions: **23**
- Current On-Hand Personnel: **22**

Compare with OIG Oversight Responsibilities

- County, Cities, SWA, and CSC Employees: **13,000**
- Combined Budgets: **\$7.5 Billion**
- Current Contract Value Monitored: **\$1.03 Billion**
- “Auditable Units” identified: **788**

\$1.71

That's what the
average person
spends on 1 cup of
coffee



INSPECTOR GENERAL FY 2015 BUDGET & STAFFING



OIG Budget & Staffing Compared with OIG Oversight Responsibilities

“The sheer size of the 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

INSPECTOR GENERAL'S SIX MONTH REPORT



April 1, 2014 – September 30, 2015

Lawsuit Update



LAWSUIT STATUS UPDATE

- ❑ **November 14, 2011- Lawsuit filed by 15 municipalities**
- ❑ **March 12, 2015 - Trial Court entered Final Judgment against municipalities**

“The people are the municipalities , and the officials who represent the people may not undermine the electorate process because they disagree with the vote of the people.” Judge Brunson
- ❑ **May 5, 2015 - 13 municipalities appealed; County cross-appealed**
- ❑ **October 14, 2015 - municipalities filed Initial Brief arguing:**
 - 1) Only Florida Legislature or City Council can waive sovereign immunity; Voters cannot do so via referendum
 - 2) The amounts billed to municipalities constitute an unlawful tax
- ❑ **October 22, 2015 - Florida League of Cities filed Brief supporting municipalities**



INSPECTOR GENERAL'S SIX MONTH REPORT



FISCAL YEAR 2015 SUMMARY & HIGHLIGHTS

FY 2015 – A YEAR OF TRANSITION AND GROWTH



Personnel:

- 6 new hires (25% of current staff)
- 100% new senior leadership team

Policies:

- New IG Approach
- Updated Mission, Vision, and Values
- Updated OIG Strategic Plan

FY 2015 – ACCOMPLISHMENTS



Building Credibility:



“The assessment was flawless.”

- Re-accredited
- Peer Reviewed
- First Comprehensive Risk Assessment
- Enhanced OIG Staff Development Training
- Meetings/Speaking Engagements/Training Events:
3,000 (+) Citizens and Government Employees



“Met all current and relevant standards.”



FY 2015 – ACCOMPLISHMENTS

Output/Outcomes:

- We Listened: **1,100 (+)** Call-ins and correspondences
- We Guarded and Saved Taxpayers Dollars:
 - Questioned Costs: **\$6.3 (+) M**
 - Identified Costs: **\$77 (+) K**
 - Avoidable Costs: **\$11.7 (-) M**
- We Made Government Better:
 - **94 Recommendations (96% Acceptance Rate)**

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

INSPECTOR GENERAL'S SIX MONTH REPORT



Plans, Objectives, and Initiatives

PLANS, OBJECTIVES, AND INITIATIVES



OIG Vision Statement:

To **lead** as a **catalyst for positive change** throughout local governments and public organizations in Palm Beach County with an **inspired** and **skilled team** that strives for **continuous improvement**.

Turning Vision into Reality Requires:

- Leadership at every level
- Staff development
- Teamwork (OIG, Government, Citizens)

PLANS, OBJECTIVES, AND INITIATIVES



Focusing OIG limited resources:

- Audit: Execute Audit Plan based on Risk Assessment
- Investigations: Continue to analyze anomalies/red flags
- Contract Oversight: Execute Plan based on Risk Assessment focusing on outcomes over output

Continuing IG awareness/info sharing initiatives:

- Internal (Government) Awareness Initiatives
- Business/Government Stakeholders Meetings
- Citizens Outreach





OFFICE OF INSPECTOR GENERAL
PALM BEACH COUNTY

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OFFICE OF INSPECTOR GENERAL
PALM BEACH COUNTY
"ENHANCING PUBLIC TRUST IN GOVERNMENT"
John A. Carey
Inspector General



Oversight
Holding government
accountable for resources and
performance

Insight
Helping good people do
things better
promoting efficiency &
effectiveness

Foresight
Looking ahead
Preventing fraud, waste
and abuse

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IG Hotline: 877-283-7068
(Toll Free)



Re-Accredited February 25,
2015, CFA IG-012

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Welcome from the Inspector General

Thank you for visiting the website of the Office of Inspector General (OIG). Our purpose (why we exist) is to provide independent and objective insight, oversight, and foresight in promoting efficiency, effectiveness, and integrity in government. Our promise (what we do) is to accomplish this through conducting audits, investigations, and contract oversight activities. Our values (how we behave) of Professionalism, Respect, Integrity, Dedication, and Excellence reflect our PRIDE in serving the citizens of Palm Beach County.

By vote of the citizens, our jurisdiction includes the County Government and each of the 38 municipalities. Other public entities that have voluntarily entered into contracts for our oversight include the Children's Services Council and the Solid Waste Authority.

It is an honor to serve as the IG of Palm Beach County. I am committed to championing openness, integrity, and continuous improvement in government.

Sincerely,
John A. Carey
Inspector General

[Inspector General John A. Carey - Open Letter to the Citizens of Palm Beach County](#)

What Have We Done / What Are We Doing?

6/28/2010 - 9/30/2015

We Listen
6,824 Hotline / Office Calls
1,598 [Correspondences](#)

We Guard and Save Taxpayers' Dollars
\$18,360,820 Found In [Questioned](#) Costs
\$1,844,504 Found In [Identified](#) Costs
\$19,787,311 Discovered In [Avoidable](#) Costs

We Make Government Better
477 [Recommendations / Corrective Actions](#)
94% Management Acceptance Rate
402 Implemented
27 Not Implemented
48 Pending Implementation



OIG Dashboard

Updated 10/14/2015



30 Seconds About the
Office of Inspector General



The OIG needs your help. To report allegations or see illustrations of suspected waste, fraud, misconduct, mismanagement or other abuses.



A listing of common issues found by our staff while performing Audit, investigative and contract oversight activities. The list contains reports where each issue was found.



OIG Six Month
Status Report



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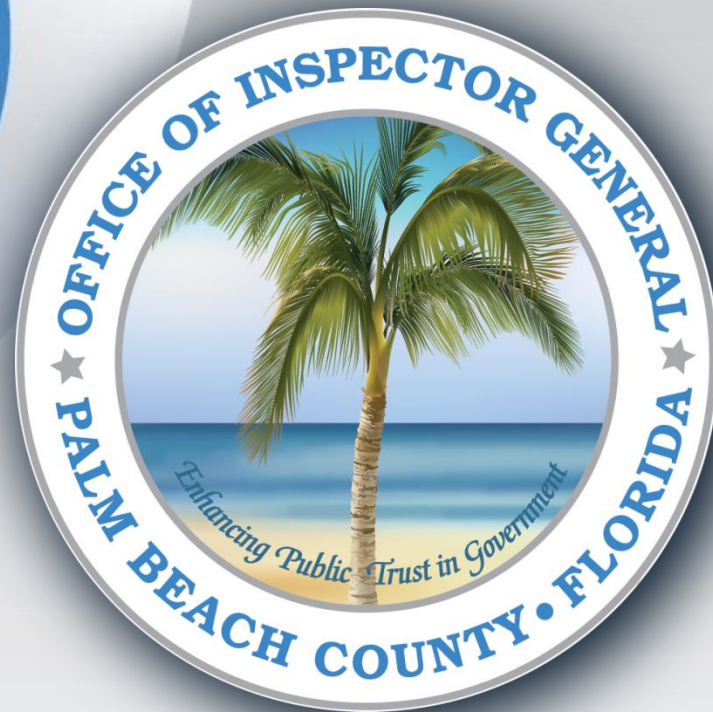
What's New

[Tips and Trends - 2015-0004 - Evaluation Criteria](#)
[PBC-OIG 2015 Peer Review Opinion Letter](#)
[08-24-15 Annual Update to the OIG Strategic Plan Fiscal Years 2012 - 2016](#)
[2015-0003 - Local Construction Preference Preemption](#)
[Plaintiffs' in IG funding lawsuit file Notice of Appeal \(5/5/2015\)](#)
[OIG Newsletter - Spring Edition 2015](#)
[IG Funding Lawsuit Final Judgment](#)

Recent Reports

For a list of all reports completed this fiscal year [\(click here\)](#).

[10-02-15 - Fiscal Year 2016 - Annual Risk Assessment and Audit Plan - 2016-AP-0001](#)
[09-22-15 - South Central Regional Wastewater Treatment and Disposal Board Audit - 2015-A-0003](#)
[09-21-15 PBC Fire Rescue - Promotional Testing - 2015-0007](#)
[09-18-2015 - Municipality Procurement Review - 2015-R-0001](#)
[12-30-14 - Riviera Beach - Vehicle Leases - 2014-0011 \(Amended\)](#)



THANK YOU!

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