



# ***SIX MONTH STATUS REPORT***

***April 1, 2019 – September 30, 2019***

**John A. Carey, Inspector General**



# ***OUTLINE***

- **ASSOCIATION OF INSPECTORS GENERAL TRAINING CONFERENCE HIGHLIGHTS**
- **OIG ACTIVITIES** (Apr 1, 2019 – Sep 30, 2019)
- **BUDGET AND STAFFING**
- **LEGAL UPDATE**
- **PLANS, OBJECTIVES, & INITIATIVES**
- **SUMMARY OF MAJOR ACCOMPLISHMENTS**





# OIG MISSION

**Integrity**

**Efficiency**

**Effectiveness**





# ***NEW OIG TEAMMATE***



## **Investigations Supervisor Anthony Bennett**





# ***AIG TRAINING CONFERENCE HIGHLIGHTS***



- **Held September 25-27, 2019 at the West Palm Beach Hilton.**
- **Over 300 conference attendees.**
- **Distinguished speakers/panels.**





# ***AIG TRAINING CONFERENCE HIGHLIGHTS***





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# ***AIG TRAINING CONFERENCE HIGHLIGHTS***





# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



**April 1, 2019 – September 30, 2019**

## **Office of Inspector General Activities Related to:**

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



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



**April 1, 2019 – September 30, 2019**

## **Intake and Investigations Highlights**



# INSPECTOR GENERAL'S SIX MONTH REPORT



## Intake Activities

### Current 6 Months

<b>82</b>	<b>Complaints of wrongdoing</b>
<b>28</b>	<b>Intake Activities led to:</b> <ul style="list-style-type: none"><li>- <b>3</b> Investigations</li><li>- <b>4</b> Referrals to OIG Contract Oversight and Evaluations Division</li><li>- <b>0</b> Referrals to OIG Audit Division</li><li>- <b>4</b> Referrals to LEAs or COEs</li><li>- <b>2</b> Management Inquiries</li><li>- <b>15</b> Management Referrals</li></ul>
<b>16</b>	<b>Public Records Requests</b>

### Previous 6 Months

<b>58</b>	<b>Complaints of wrongdoing</b>
<b>20</b>	<b>Intake Activities led to:</b> <ul style="list-style-type: none"><li>- <b>2</b> Investigations</li><li>- <b>0</b> Referrals to OIG Contract Oversight and Evaluations Division</li><li>- <b>5</b> Referrals to OIG Audit Division</li><li>- <b>3</b> Referrals to LEAs or COEs</li><li>- <b>3</b> Management Inquiries</li><li>- <b>7</b> Management Referrals</li></ul>
<b>16</b>	<b>Public Records Requests</b>



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



**April 1, 2019 – September 30, 2019**

## **Investigative Activities**

	<b>Current 6 Months</b>	<b>Previous 6 Months</b>
<b>On-going Investigations or Investigative Reviews</b>	<b>14</b>	<b>12</b>
<b>Referrals to Law Enforcement or to County or State Commissions on Ethics</b>	<b>6</b>	<b>7</b>
<b>Issued Reports</b>	<b>4</b>	<b>1</b>
<b>Recommendations Made/Accepted</b>	<b>5/5</b>	<b>5/5</b>



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



## **Investigative Report 2018-0004 Pahokee Holiday Schedule & Bonus Pay**

### **FINDINGS:**

- In a 25 month period, the City Manager improperly closed City Hall for approximately 11 days not authorized by City Ordinance.
- City Manager inappropriately awarded bonuses to approximately 35 City employees.



### **RESULTS OF INVESTIGATION:**

- Recommendations to City for better adherence to the City Ordinance proscribed holiday schedule.
- Recommendations to City for statutory adherence when awarding bonuses.



# INSPECTOR GENERAL'S SIX MONTH REPORT



## Tips and Trends 2019-0005 – Employee Bonuses

### TOPIC:

- Municipalities should be aware of strict Florida laws relating to employee incentive bonuses.



### SUGGESTIONS:

- Review and compare bonus processes with statutory requirements.
- Before awarding bonuses, confer with legal counsel to ensure that ordinances, policies and procedures are consistent with the law.



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



## **Investigative Report 2018-0006 - PBC Youth Services Contract Provider Gulfstream Goodwill Industries**

### **FINDINGS:**

- Youth Services employee sought and received wages from both Youth Services and Goodwill, a County Contract provider, for the same hours.
- Violation of County Merit Rule 10 – Outside Employment.



### **RESULTS OF INVESTIGATION:**

- Referral to State Attorney's Office for potential prosecution.



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



## **Investigative Report 2018-0005 - Palm Tran Contract Provider Maruti Fleet & Management**

### **FINDINGS - Maruti:**

- Instructed mechanics to sign inaccurate or falsified maintenance and repair records.
- Instructed mechanics to temporarily add parts to vehicles in order to pass inspections.
- Placed in service vehicles needing repair.
- Installed used parts in Palm Tran Connection vehicles in violation of their contract.
- Deliberately altered and/or disabled Palm Tran paratransit vehicle safety equipment.



### **RESULTS OF INVESTIGATION:**

- Referral to Florida and US Departments of Transportation.
- Referral to Palm Beach County for potential suspension or debarment initiation.



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



## **Investigative Report 2018-0008 - Riviera Beach Summer Youth Employment Program**

### **FINDINGS:**

- Former Riviera Beach Council Member was involved in multiple aspects of four hires for the 2018 Summer Youth Employment Program.
- Employment for those four hires began before required personnel actions were completed.
- No City ordinances, regulations, policies, or procedures were violated by the Council Member.



### **RESULTS OF INVESTIGATION:**

- Recommendations to the City for better written hiring policy guidance.
- Recommendation to the City for documentation of required background checks.



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



**April 1, 2019 – September 30, 2019**

## **Contract Oversight and Evaluations Highlights**



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



**April 1, 2019 – September 30, 2019**

## ***Why Contract Oversight and Evaluations?***





# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



**April 1, 2019 – September 30, 2019**

**The Association of Inspectors General  
*Principles and Standards for Offices of Inspector General/*  
Inspector General Certification Course**

**“Evaluations” are synonymous with  
“inspections” or “reviews.”**



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



**April 1, 2019 – September 30, 2019**

## **The Association of Inspectors General *Principles and Standards for Offices of Inspector General***

### **Evaluations/Inspections/Reviews:**

- **Evaluate/Analyze programs or operations.**
- **Review allegations.**
- **Identify high-risk areas.**
- **Determine where internal controls should be strengthened.**
- **Monitor compliance.**
- **Measure performance.**
- **Assess efficiency and effectiveness.**



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



**April 1, 2019 – September 30, 2019**

## **Audits compared to Evaluations**

### **Audits**



**Deep/Detailed/\$  
– More requirements  
and time**

### **Evaluations**



**Broad/More Flexible  
– Less requirements  
and time**



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



**April 1, 2019 – September 30, 2019**

## **PBC OIG Authority to conduct evaluations:**

### **IG Ordinance Article XII Section 2-423**

**“(1) The inspector general shall have authority to: (a) make investigations...(b) review and audit...”**

**“(5) ...shall have the power without limitation to audit, investigate, monitor, inspect and review....”**



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



**April 1, 2019 – September 30, 2019**

## **Contract Oversight and Evaluations**

	<b>Current 6 Months</b>	<b>Previous 6 Months</b>
<b>Issued Reports</b>	<b>2</b>	<b>2</b>
<b>Recommendations Made</b>	<b>0</b>	<b>1</b>
<b>Recommendations Accepted</b>	<b>0</b>	<b>1</b>
<b>Issued Tips and Trends</b>	<b>3</b>	<b>0</b>

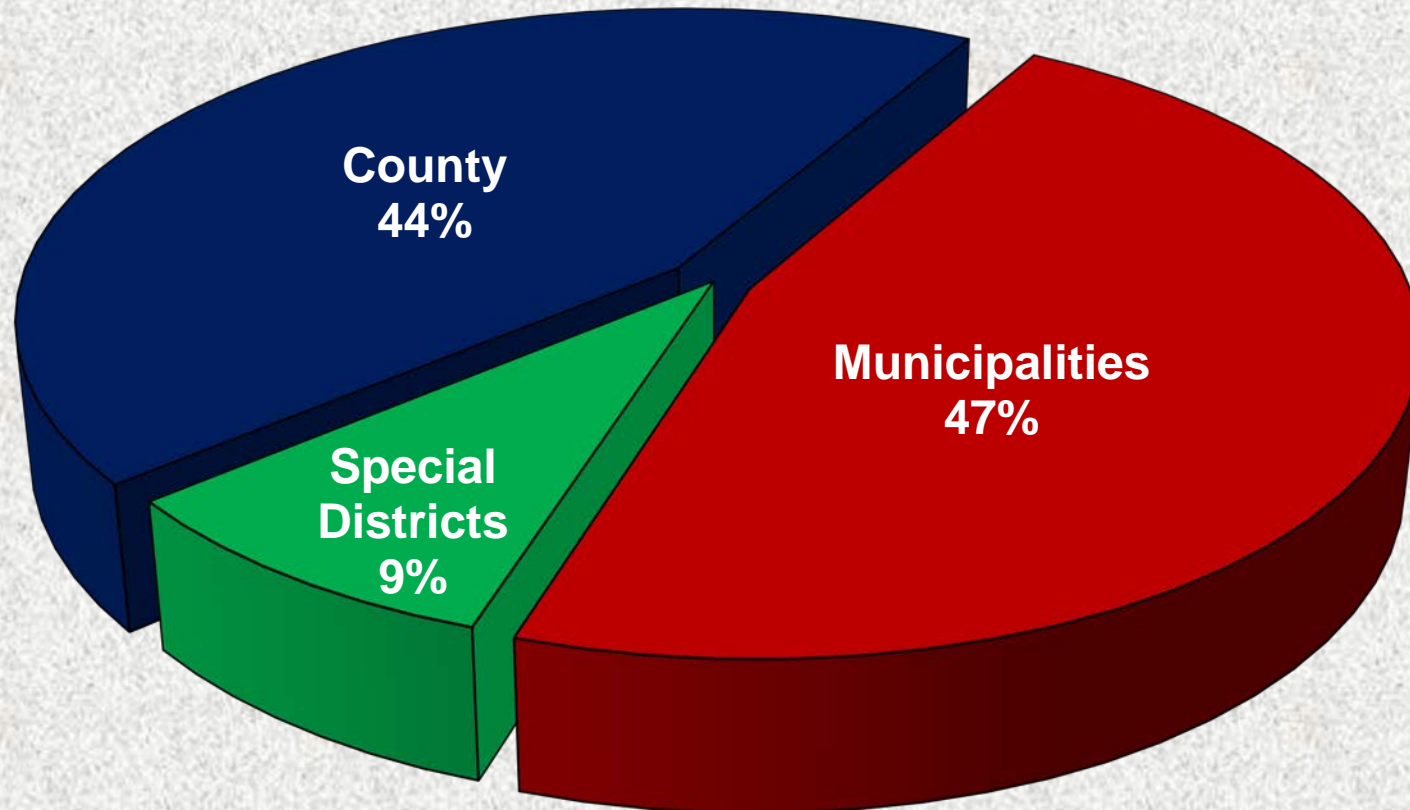


# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



**April 1, 2019 – September 30, 2019**

## **Contract Oversight and Evaluations Division Monitored Activities**



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



## **Contract Oversight Report CA-2019-0020 PBC Engineering and Public Works - Annual Pathway & Minor Construction Contract Administration Review**

### **FINDINGS:**

- **County was compliant with the contractual requirements.**
- **Departments utilized appropriate contract administration techniques.**



### **OBSERVATIONS:**

- **The processes utilized by the user departments differ; however, they are properly utilizing contract administration tools and techniques in managing projects.**
- **Each department used specific processes to address its specific areas of contract risk.**



# INSPECTOR GENERAL'S SIX MONTH REPORT



## Contract Oversight Report CA-2019-0050 PBC ISS Cabling Installation and Repair Services Contract Administration Review

### FINDINGS:

- County was compliant with the contractual requirements.
- Departments utilized appropriate contract administration techniques.

**Universal Cabling Systems, Inc.**

*Communication is the **LINE** to Success*

Voice / Data / Fiber Optic

### SUGGESTIONS FOR IMPROVEMENTS:

- The scheduling process for contracted services be formalized in a written procedure.
- The approval by ISS of cost estimate increases for enterprise infrastructure be documented in writing and a written procedure developed describing the approval process.

# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



## **Three Tips and Trends Issued – Contract Oversight and Evaluations**

### **Avoid Mismanagement of Public Funds In Contracting**

- **Develop staff training on contract administration, utilize contract administration plans, monitor contracts for compliance, and learn contract fraud indicators.**

### **External Auditor Selection Procedures – Update on New Florida Law**

- **The audit committee cannot delegate its statutorily required function to create a request for proposals (RFP).**
- **Local governments should establish a RFP audit selection committee that includes elected officials as specified in statute. Employees and officers can only serve the committee as advisors.**

### **New Transportation & Engineering Requirements Impacting Local Governments**

- **Prohibits vendors performing both design and construction services on the same project, and licensing changes for engineers and engineering firms.**



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



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



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



**April 1, 2019 – September 30, 2019**

## **Audit Highlights**



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



**April 1, 2019 – September 30, 2019**

## **Follow Up from Previous Six Month IG Update Regarding Riviera Beach Audit**

# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



## **Audit Report 2019-A-0003 – City of Riviera Beach – Purchasing Cards and Council Members' Out-of-State Travel**

### **FINDINGS:**

- Lacked proper approvals, adequate documentation, and documented business purpose.
- Purchased prohibited items.
- Purchased items could not be located.
- Lack of proper authorization for cardholders and card limits.
- Disallowed travel expenditures and improper or insufficient documentation for Council Members' out-of-state travel expenditures.

**Questioned Costs  
\$515,576.11  
Identified Costs  
\$9,755.99  
Avoidable Costs  
\$301.39**

### **Corrective Actions Taken:**

- Developing and implementing monitoring and oversight processes.





# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



## **Audit Report 2019-A-0003 – City of Riviera Beach – Purchasing Cards and Council Members' Out-of-State Travel – Follow Up**

### **IG COMMITTEE REQUESTS FOR FOLLOW UP:**

- **\$16,000 spent on gifts and the \$1,900 in donations.**
  - **Theses were expenditures using Purchase Cards.**
  - **These gifts and donations were appropriate, but NOT authorized via the Purchase Card policy.**
- **Disposition of 17 missing items identified.**
  - **Four (4) were located during the Review.**
  - **Thirteen (13) of the remaining items could not be located.**
    - **Lack of records surrounding the purchases, inventory, and disposition.**
    - **High City staff turnover.**
- **The City is developing an inventory and small equipment policy and had purchased a small equipment inventory software program.**



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



**April 1, 2019 – September 30, 2019**

## **Audit Activities**

**Current 6  
Months**

**Previous 6  
Months**

<b>Issued Reports</b>	<b>6</b>	<b>5</b>
<b>Recommendations Made</b>	<b>97</b>	<b>131</b>
<b>Recommendations Accepted</b>	<b>84*</b>	<b>131</b>
<b>Questioned Costs and Potential Cost Savings</b>	<b>\$1,119,049</b>	<b>\$1,226,623</b>
<b>Referrals</b>	<b>6</b>	<b>10</b>
<b>Issued Tips and Trends</b>	<b>3</b>	<b>1</b>



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



## **Audit Report 2019-A-0006 – Village of Golf Water Utility Cross-Connection Program**

### **FINDINGS:**

- **Non-Compliance with Florida Administrative Code and Village's Resolution.**
- **Lack of proper documentation for inspections and repairs.**
- **Lacked adequate monitoring for failed devices.**
- **Inadequate controls for Program to ensure compliance.**



### **Corrective Actions:**

- **Implement a process to comply with requirements.**
- **Implement a monitoring program to ensure failed devices are repaired and re-inspected within 30 days.**

# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



## **Audit Report 2019-A-0008 – Village of Palm Springs Water Utility Cross-Connection Program**

### **FINDINGS:**

- **Non-Compliance with Florida Statutes and Florida Administrative Code.**
- **Lacked proper documentation for inspections and re-inspections.**
- **Devices were inspected by an inspector who was not properly certified.**
- **Inadequate monitoring of vendor's compliance with the contract and Florida Law.**

**Questioned Costs  
\$8,260  
Identified Costs  
\$525**



### **Corrective Actions:**

- **Re-inspection of devices by a certified inspector.**
- **Implemented additional monitoring procedures.**
- **Obtained proper documentation for inspections and re-inspections.**



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



## **Audit Report 2019-A-0007 – Town of Lantana Capital Assets and IT Inventory Items**

### **FINDINGS:**

- **Generally adequate controls.**
- **Non-compliance with Town's Purchasing Ordinance for quotes and purchase orders.**
- **Donated capital assets lacked supporting documentation and written notification.**
- **Lacked adequate written guidance for IT inventory items.**

**Questioned  
Costs  
\$43,255.13**



### **Corrective Actions:**

- **Reviewing and revising of the Ordinance and policies and procedures.**
- **Training staff on current and revised policies and procedures.**

# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



## **Audit Report 2019-A-0009 – Town of Hypoluxo – Revenue**

### **FINDINGS:**

- Lacked sufficient controls, review, and oversight for revenue processes.
- Lacked adequate revenue policies and procedures.
- Town Council did not approve financial documents/statements.
- Adjustment entries lacked proper review, oversight, and documentation.

**Questioned Costs  
\$4,039.80**

**Avoidable Costs  
\$164,808**



### **Corrective Actions:**

- Updating the chart of accounts.
- Implementing and updating internal control processes and written guidance.



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



## **Audit Report 2019-A-00010 – City of West Palm Beach – Travel**

### **FINDINGS:**

- **Non-compliance with policies and insufficient oversight.**
- **Insufficient documentation for travel expenditures and use of City vehicles.**
- **Lacked adequate documentation for City Commission District Account spending.**
- **Duplicate records in the travel computer system.**

### **Questioned Costs**

**\$803,949.34**

### **Identified Costs**

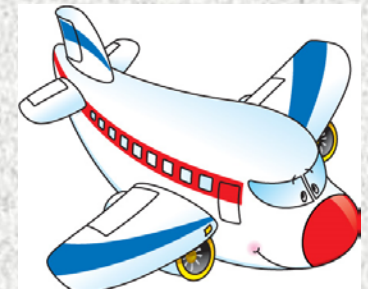
**\$6,503.81**

### **Avoidable Costs**

**\$21,222**

### **Corrective Actions:**

- **Developing and implementing review and oversight processes.**
- **Revising Travel and Purchasing Card Policies and Procedures.**





# INSPECTOR GENERAL'S SIX MONTH REPORT



## Audit Report 2019-A-0011 – Interlocal Agreement for Law Enforcement Services between Palm Beach County and the City of West Palm Beach (Manatee Program)

### FINDINGS: Related to the City

- Lack of adequate review and documentation for reimbursement requests.
- City police officers did not properly check in or out for Manatee details.
- Citations and warnings lacked pertinent information.

### Questioned Costs

**\$55,657.38**

### Identified Costs

**\$10,828.36**



Findings/Report referred to FDLE



### Corrective Actions:

- The City did not respond, due to an open investigation.
- The County will continue to ensure proper review of the reimbursement requests.



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



## **Three Tips and Trends Issued – Audit**

### **Better Protect Capital Assets:**

- Include detailed information in asset records, perform an annual physical hands-on review, perform monthly reconciliations of asset purchases, and perform periodic impairment reviews.

### **Improve Integrity of Computer System Information:**

- Follow a software development cycle, implement audit trails, limit system access, implement and test data backup and recovery procedures, and train users on cybersecurity awareness.

### **Prevent Purchasing Card Misuse:**

- Establish independent reviews of cardholder transactions, restrict allowable merchant category codes, promptly deactivate cards of former employees, and establish a mandatory training program.

# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



**What are the trends we have observed?**

**More or enhanced internal controls are needed:**

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



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



**April 1, 2019 – September 30, 2019**

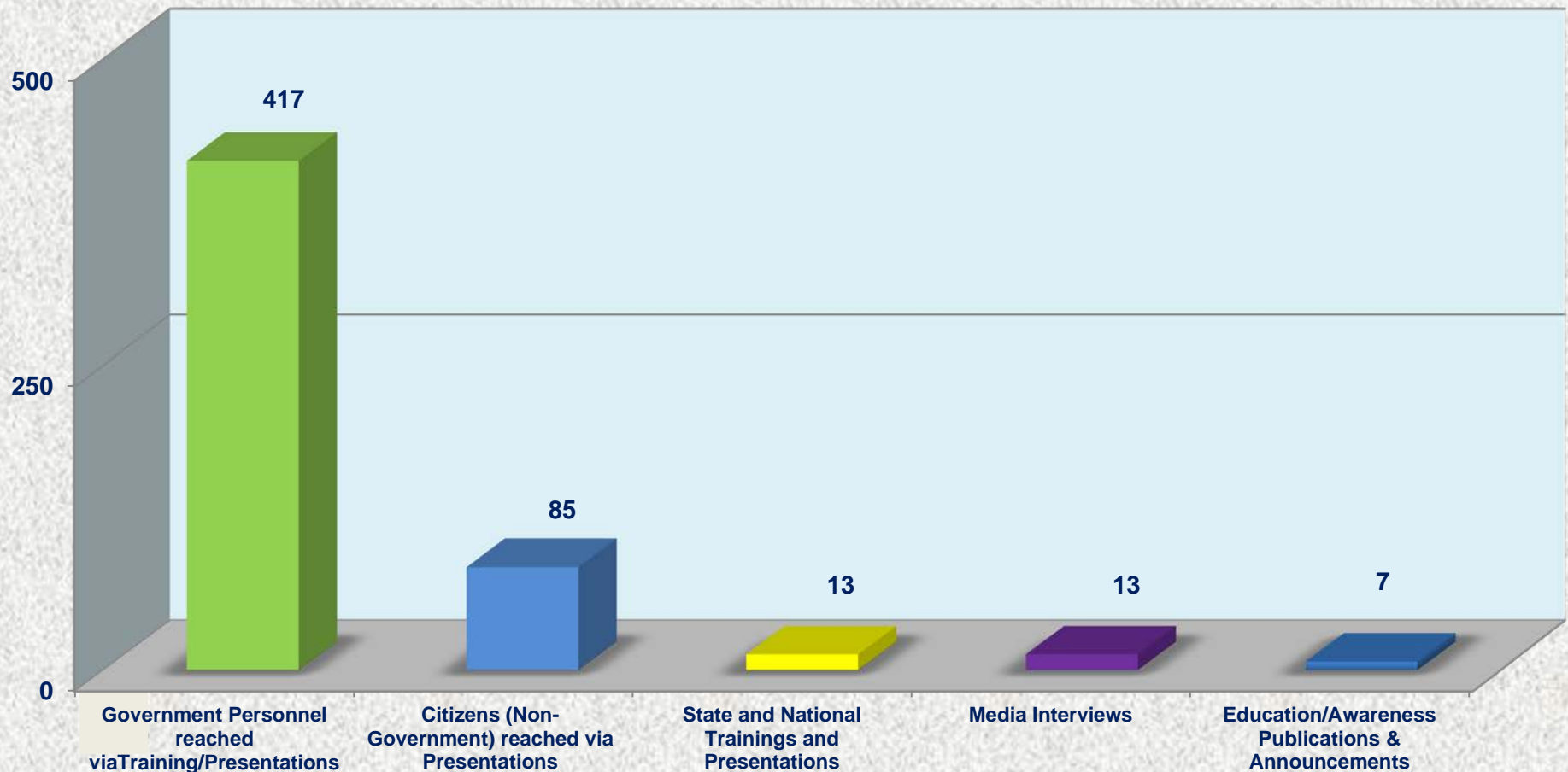
## **Training and Outreach**



# TRAINING AND OUTREACH

April 1, 2019 – September 30, 2019

*An ounce of outreach is worth a pound of enforcement.*





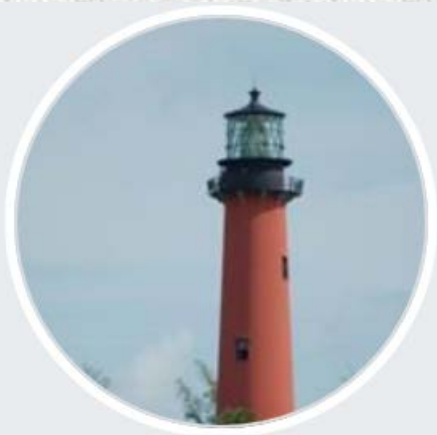


# TRAINING AND OUTREACH

Education/Awareness Publications, Announcements, and Activities



**PB County Internal  
Auditors/Inspectors  
General Forum**



Businessmen's  
Club of the Palm  
Beaches



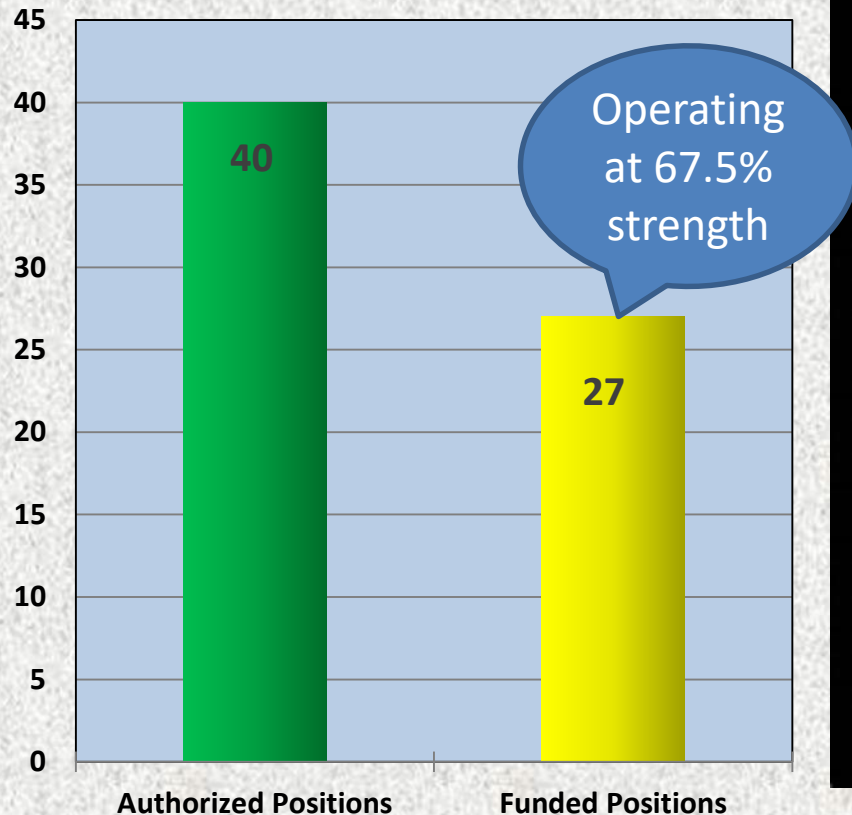
# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



## **Budget and Staffing**



# INSPECTOR GENERAL BUDGET & STAFFING





# ***STAFF ACCOMPLISHMENTS***

- **DJ Lormistois**  
**Masters of Forensic Accounting**
- **Rady Edreva**  
**Certified Internal Auditor**
- **Shaun Robinson**  
**Certified Internal Controls Auditor**
- **Cathi Davis**  
**Certified Fraud Examiner**
- **Hillary Bojan**  
**Certified Fraud Examiner**





# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



## **Legal Update**



# ***COURT RULING ON COMPLAINTS TO OIG***

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

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

On August 28, 2018, the trial court ruled that the complaint was exempt from disclosure until the investigation was complete.



# ***COURT RULING ON COMPLAINTS TO OIG***



**On September 19, 2018, the Citizen and PBC OIG argued the case before the Fourth District Court of Appeal.**

**Seven Offices of Inspectors General filed Amicus Briefs asking the Appellate Court to affirm the lower court order.**

**Decision of Appellate Court – pending.**

# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



## **Plans, Objectives, and Initiatives**

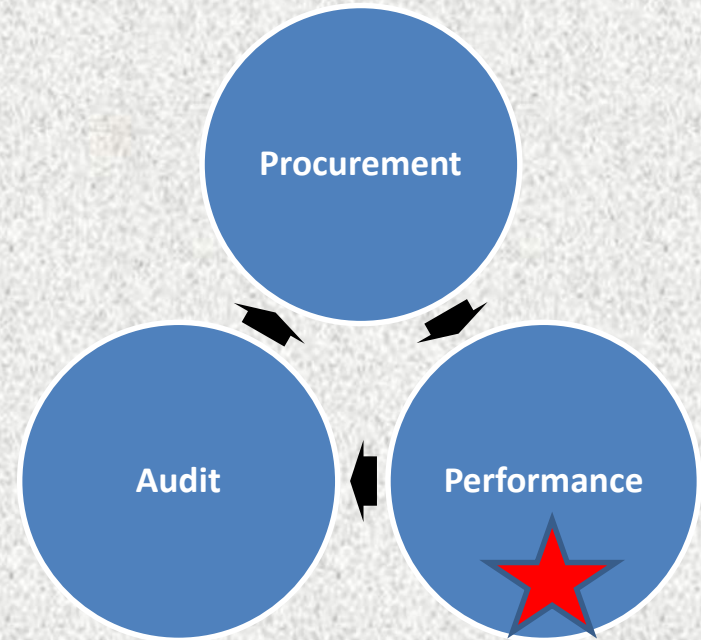


# PLANS, OBJECTIVES, AND INITIATIVES



- More integrated use of OIG resources
- More partnering with Law Enforcement
- FY 2019 Annual Report
- Expanding Contract Oversight and Evaluations

## Contract Cycle (-)



# ***PLANS, OBJECTIVES, AND INITIATIVES***



## **Fiscal Year 2020 Audit Plan**

### **Carryover Audits:**

- **Revenue – Town of Haverhill**
- **Travel – City of Belle Glade**
- **Travel – City of Lake Worth Beach**
- **Accounts Payable/Cash Disbursements – City of Delray Beach**
- **Accounts Payable/Cash Disbursements – City of Boca Raton**
- **Payroll – Palm Beach County Fire Rescue**
- **Employment Separation Process – City of Riviera Beach**
- **Palm Beach County – Office of Financial Management and Budget – Public Service Tax**





# ***PLANS, OBJECTIVES, AND INITIATIVES***



## **Fiscal Year 2020 Audit Plan**

### **Planned Audit Activities:**

- **Revenue/Cash Intake**
- **Contracts/Agreements**
- **User Licensing (IT)**
- **Accounts Payable/Cash Disbursements**
- **Payroll**



# ***INSPECTOR GENERAL'S SIX MONTH REPORT***



**June 28, 2010 – September 30, 2019**

## **SUMMARY OF MAJOR ACCOMPLISHMENTS TO DATE**





# ACCOMPLISHMENTS TO DATE

June 28, 2010 – September 30, 2019

## We Listen.

- **11,500 (+)** Hotline/Office Calls and Correspondences

We offer an *independent* office for citizens in and out of government to bring concerns, questions, complaints.

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



# ***ACCOMPLISHMENTS TO DATE***

**June 28, 2010 – September 30, 2019**

## **We Guard and Save Taxpayers' Dollars.**

- \$47.2 M Found in Questioned Costs**
- \$24 M Found in Potential Cost Savings**

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





# ***ACCOMPLISHMENTS TO DATE***

**June 28, 2010 – September 30, 2019**

## **We Make Government Better.**

- **1,023** Recommendations/  
Corrective Actions  
**95%** Management Acceptance Rate
- Share best practices
- Prevent bad practices

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



# ACCOMPLISHMENTS TO DATE

June 28, 2010 – September 30, 2019

## We Hold People Accountable.

- Investigations and Audits have led to **19 arrests and/or prosecutions.**
- **161** cases have been referred to Law Enforcement or Ethics Commissions.

**In just 9 years of existence!**

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





***THANK YOU!***

***visit us online at [www.pbcgov.com/OIG](http://www.pbcgov.com/OIG)***