



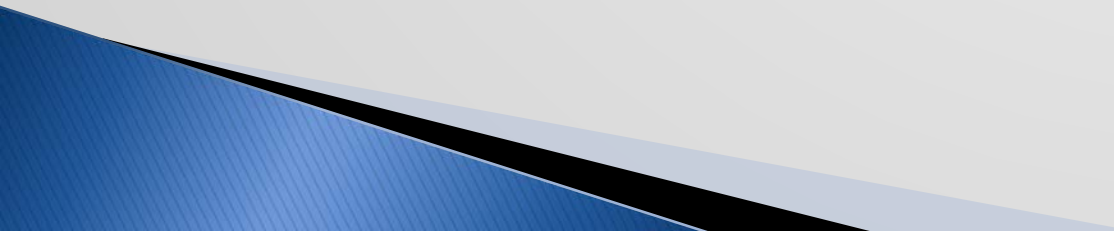
OFFICE OF INSPECTOR GENERAL PALM BEACH COUNTY

“ENHANCING PUBLIC TRUST IN GOVERNMENT”

Examples/Suggestions: How Inspectors General/Internal Auditors Present Themselves/Their Work

John A. Carey
INSPECTOR GENERAL

Overview

- ▶ **Talking to the Public.**
 - ▶ **Talking to the IG/Audit Committee.**
 - ▶ **Talking to Management/Clients/Those you Oversee.**
- 

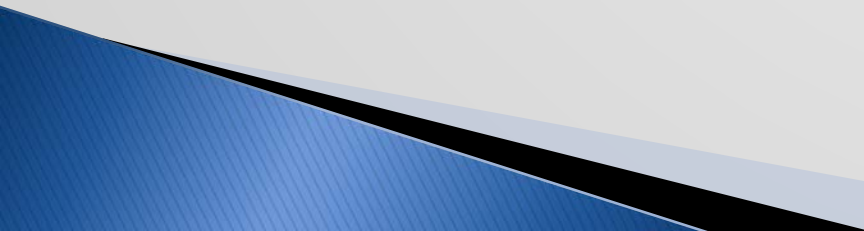
Communications is Key

“You can have brilliant ideas, but if you can’t get them across, your ideas won’t get you anywhere.”

Lee Iacocca

“The single biggest problem in communication is the illusion that is has taken place.” George Bernard Shaw

“Interpersonal and communication skills...the most important factor in determining the success or failure of an IG.” Matthew D. Harris, Ph.D.



Talking to the Public




OFFICE OF INSPECTOR GENERAL PALM BEACH COUNTY

“ENHANCING PUBLIC TRUST IN GOVERNMENT”

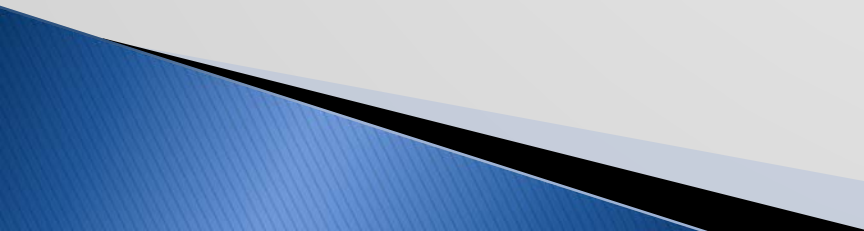
The IG's Role in Promoting Ethics in Government

John A. Carey
INSPECTOR GENERAL

Overview

- ▶ **History of U.S. Inspectors General.**
 - ▶ **The Palm Beach County Office of Inspector General.**
 - ▶ **The IG's Contributions Related to the Value of Compliance and Ethics in Government.**
- 

Questions We Will Answer

- ▶ **What are Inspectors General?**
 - ▶ **Why do we need Inspectors General?**
 - ▶ **How can management, government employees, vendors, and citizens work together with Inspectors General?**
- 

Beginnings

- ▶ 1777 – George Washington, commander of the Continental Army, establishes the position of Inspector General.
- ▶ IG would promote standardization, efficiency, and effectiveness in the Army.



Landmark Legislation

Inspector General Act of 1978

- ▶ Political climate of late 1970s.
- ▶ Serious fraud, waste, and abuse at large Federal agencies.
- ▶ Congress felt that *broad reform* was needed to root out fraud, waste, and abuse *government-wide*.
- ▶ Answer to this problem was the *Inspector General Act*.

The seal is circular with a light blue outer ring. The top half of the ring contains the text "OFFICE OF INSPECTOR GENERAL" in a serif font, and the bottom half contains "PALM BEACH COUNTY • FLORIDA". Two small stars separate the top and bottom text on the right side. In the center of the seal is a palm tree on a sandy beach, with a blue sky and ocean in the background. Below the palm tree, the words "Enhancing Public Trust in Government" are written in a cursive script.

The Palm Beach County Office of Inspector General

Palm Beach County Ethics Movement

- ▶ **2003 – 2010: Arrests/Prosecutions of high level County and City officials.**
- ▶ **2009: State Attorney convenes a Grand Jury.**
- ▶ **December 2009: County Code of Ethics, Commission on Ethics, and the Office of Inspector General created.**

The Creation of the Palm Beach County IG

- ▶ November 2010, by over a 72% majority, the people of Palm Beach County voted to expand the IG's jurisdiction over all 38 municipalities.
- ▶ The Palm Beach County IG is unique in that this is the only IG that reports to its citizens.

The Palm Beach County Inspector General Committee

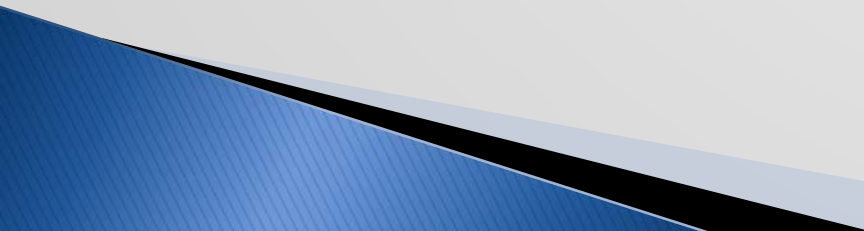
- ▶ **Composition of the IG Committee (CoE plus 2):**
 - ▶ **County Chiefs of Police Rep**
 - ▶ **County Bar Associations Rep**
 - ▶ **Florida Atlantic University Faculty (Ethics) Rep**
 - ▶ **Palm Beach Chapter of CPAs Rep**
 - ▶ **Palm Beach County League of Cities Rep**
 - ▶ **State Attorney**
 - ▶ **Public Defender**

The Palm Beach County Inspector General Committee

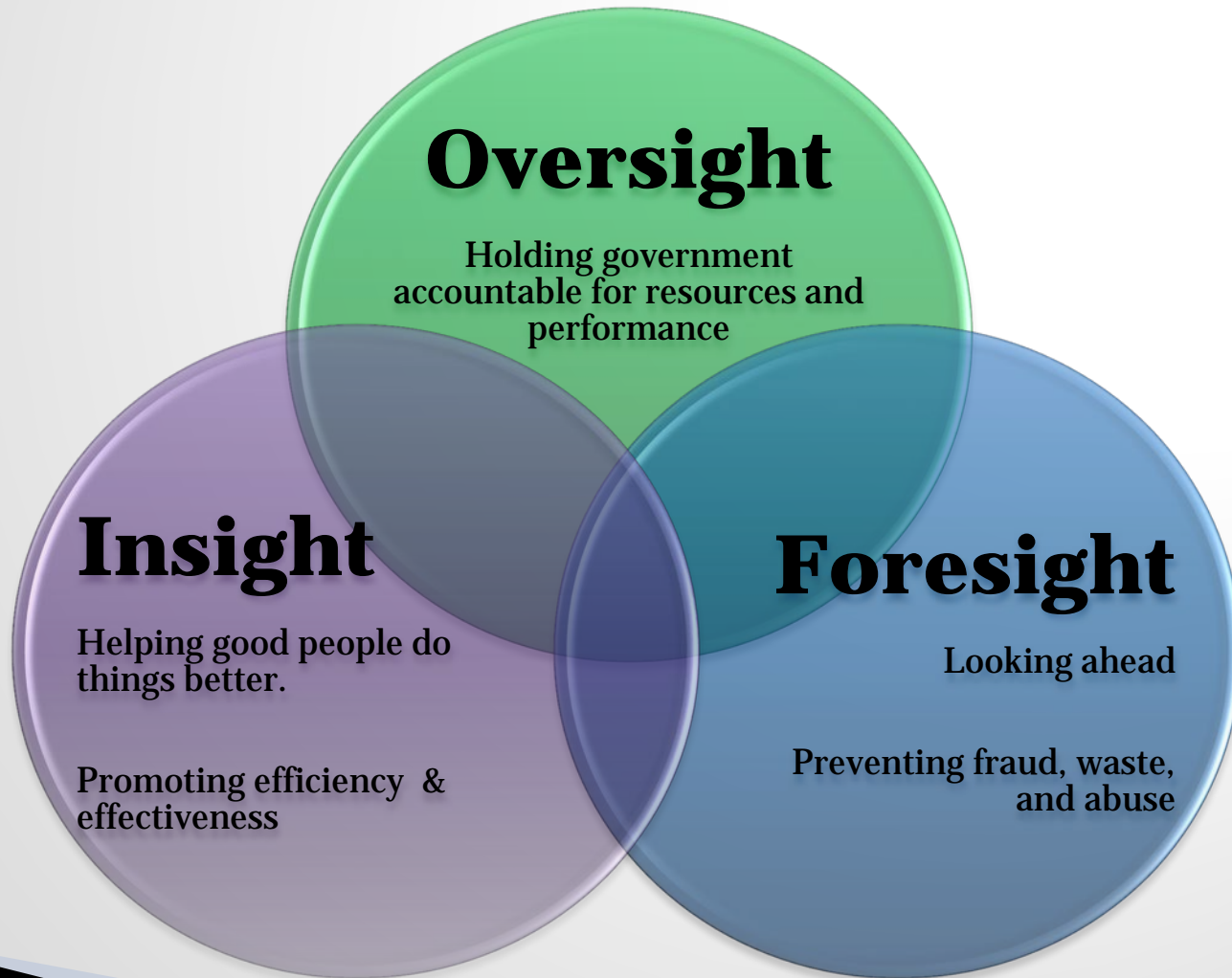
- ▶ **Responsibilities of the IG Committee:**
 - ▶ **Select the IG**
 - ▶ **Determine whether or not to renew the IG's contract**
 - ▶ **Receive six month update (briefing) from the IG**
 - ▶ **Review, offer questions, comments, recommendations**
 - ▶ **Receive IG Annual Report**
 - ▶ **May investigate and remove IG for cause**

PBC OIG's

Mission and Functions

- ▶ **Our mission is to provide independent and objective insight, oversight, and foresight in promoting efficiency, effectiveness, and integrity in government.**
 - ▶ **We accomplish this mission by conducting audits, investigations, and contract oversight activities.**
 - ▶ **Ultimately, enhancing public trust in government.**
- 

Our OIG Approach



Jurisdiction/Oversight Responsibilities

- ▶ **County, Cities, SWA, and CSC
Employees: 13,000 (+)**
- ▶ **County, Cities, SWA, and CSC
Combined Budgets: \$7.5 Billion**
- ▶ **Contract Value Monitored:
\$1 Billion (+)**

What Does the IG Cost

- ▶ **Annual Budget: \$2.8 Million**
- ▶ **Total Office Structure: 40 people**
- ▶ **Current Funded Level: 23 people**

\$1.71

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



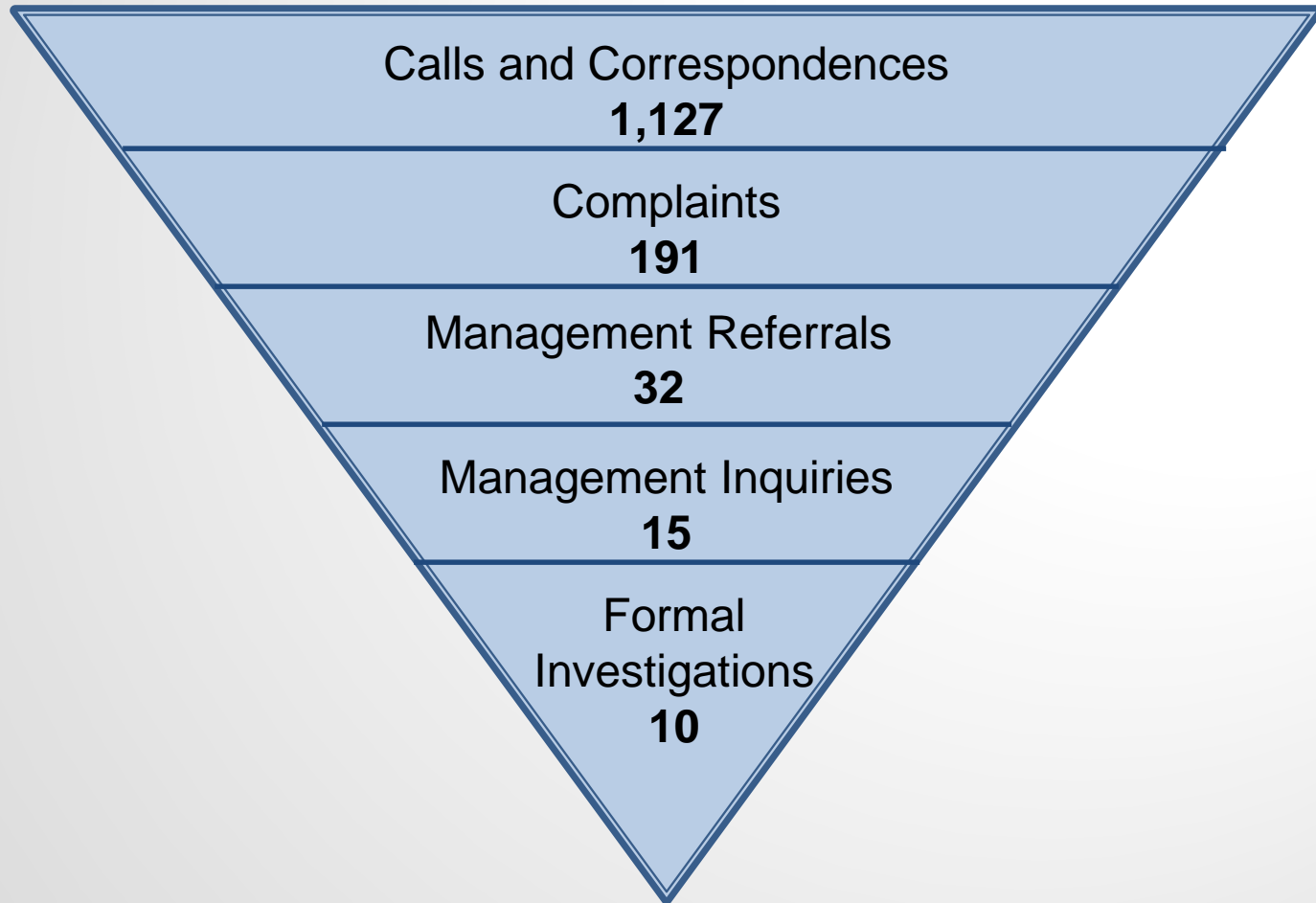
Organization

The Office of Inspector General is organized into three services:

- ▶ *Investigations*
- ▶ *Contract Oversight*
- ▶ *Audits*



Hotline/Intake FY 2015



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



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



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

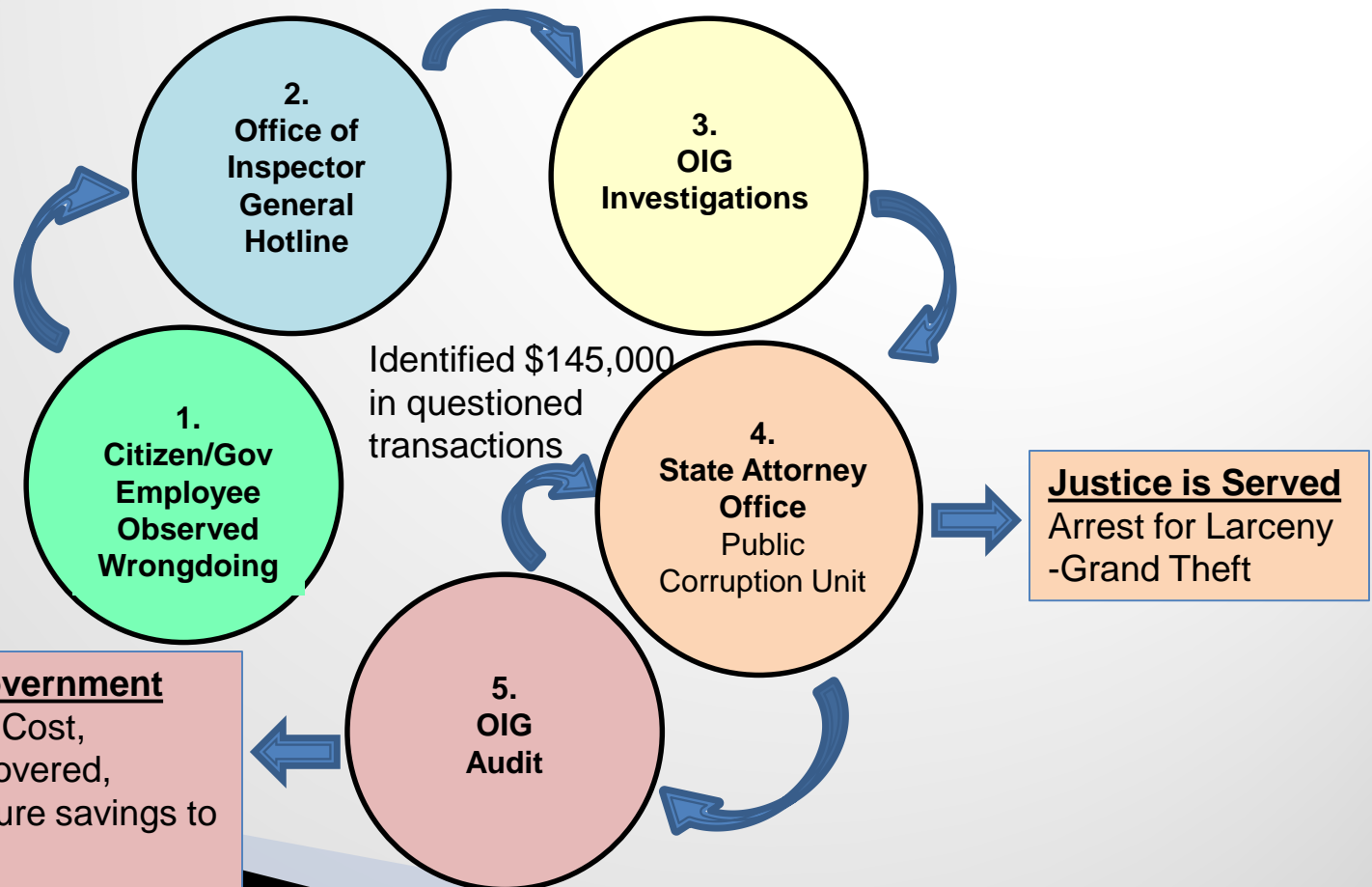
Corrective Actions: All 40 recommendations accepted; 21 implemented as of September 22, 2015.

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

How we work together:

EXAMPLE:

South Central Regional Wastewater Treatment and Disposal Board



TRAINING AND OUTREACH

FY 2015 Education/Awareness Publications & Announcements

Presentations, training, meetings with **over 3,000 citizens**



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

Return on Investment

Input:

Cost of OIG to date
(2010-2015)

= **\$11.2 M**

Output:

\$1.8M Found in
Identified Costs

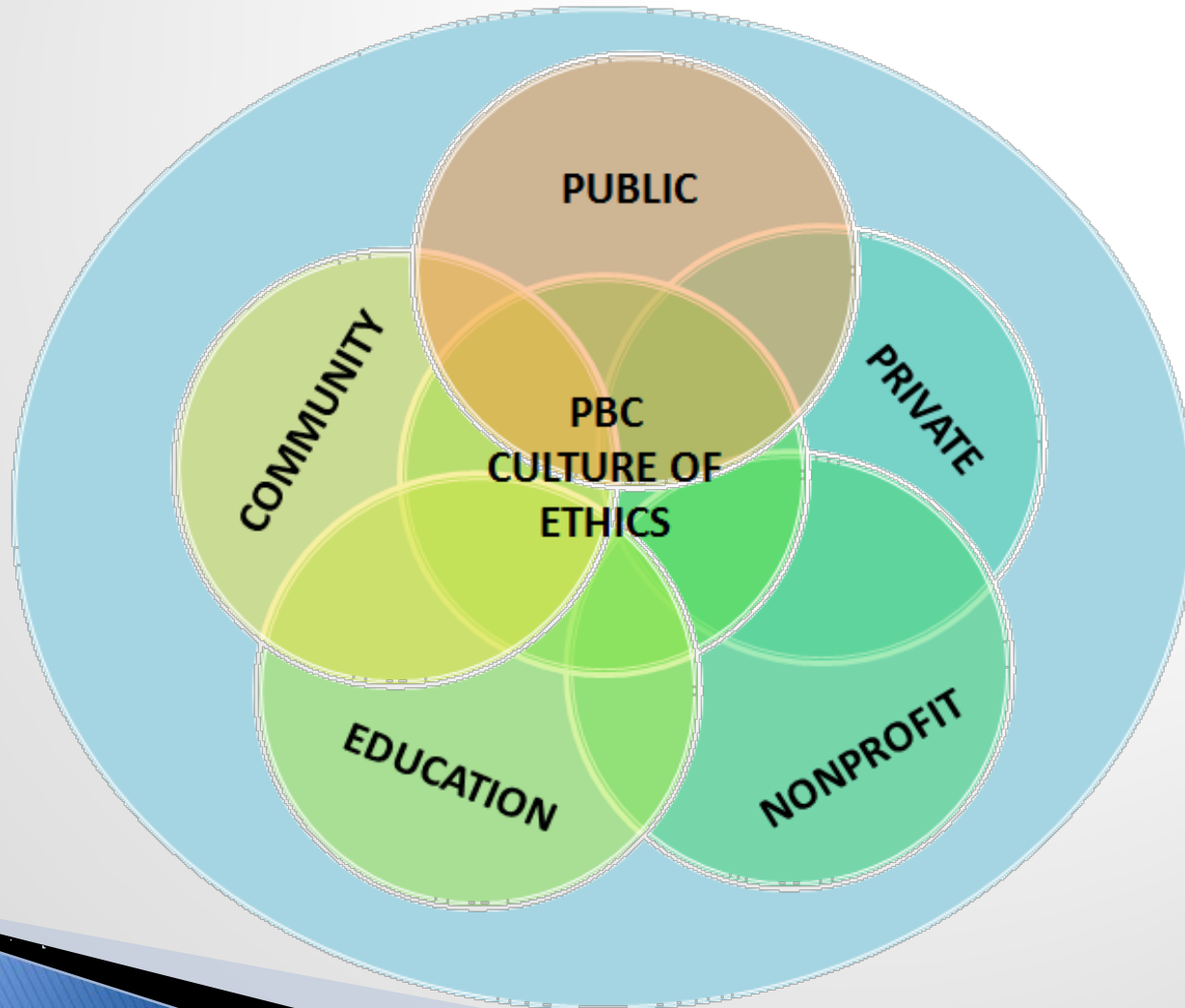
+ **\$20M** Discovered in
Avoidable Costs

= **\$21.8M**
**Potential Savings
for Taxpayers**

Return on Investment

- ▶ But return on investment is **MUCH MORE** than dollars and cents.
 - We make government better.
 - We “level the playing field.”
 - We offer an independent office for citizens in and out of government to bring concerns, questions, complaints.
 - We promote transparency and accountability.

Ultimately Building and Maintaining a Culture of Ethics is Everyone's Business



Talking to the IG/Audit Committee



Enhancing Public Trust in Government

SIX MONTH STATUS REPORT

April 1, 2015 – September 30, 2015

John A. Carey, Inspector General



OUTLINE

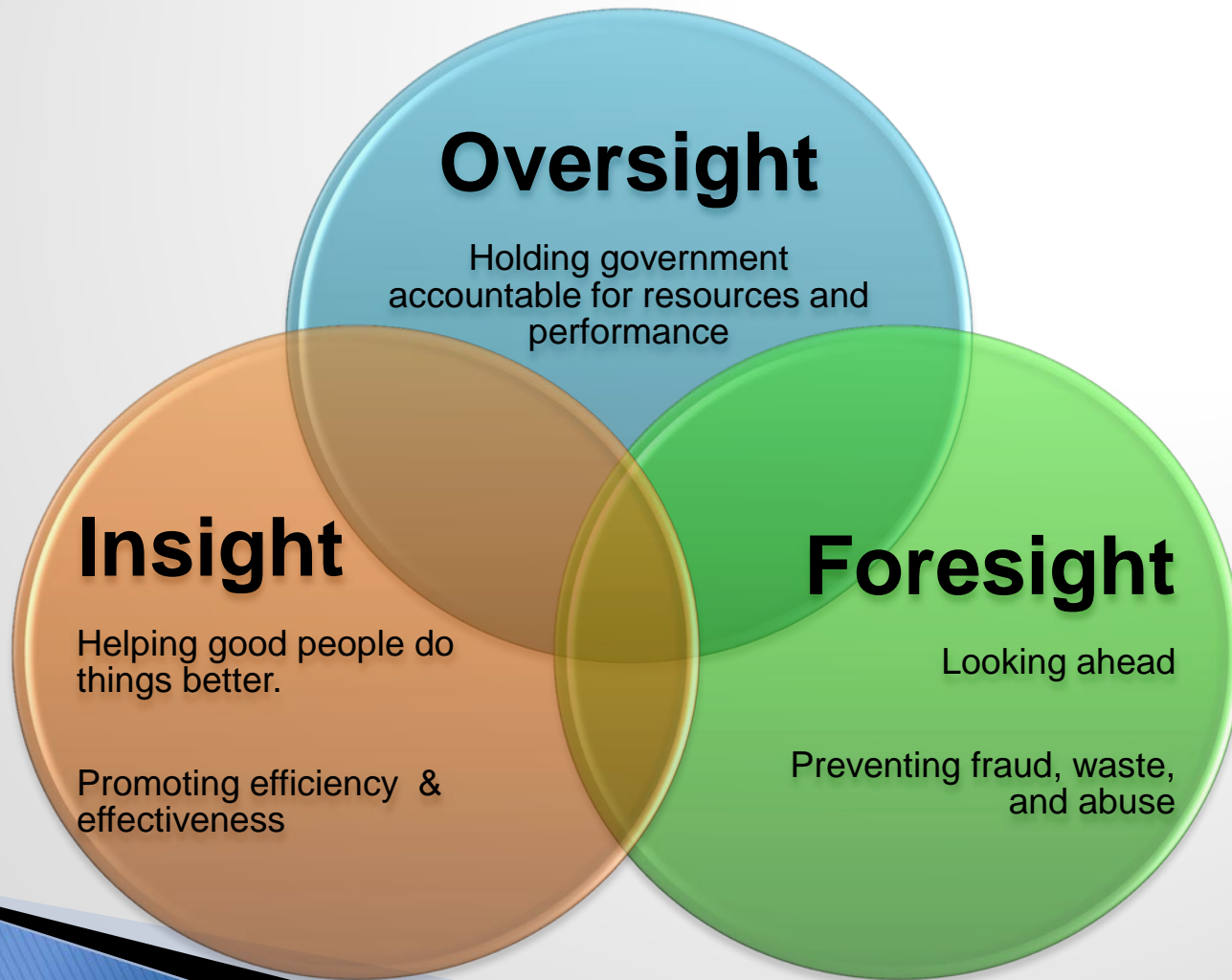
- **MISSION & RESPONSIBILITIES**
- **OIG ACTIVITIES** (April 1, 2015 – September 30, 2015)
- **FISCAL YEAR 2015 BUDGET & STAFFING**
- **LAWSUIT UPDATE**
- **FY 2015 SUMMARY & HIGHLIGHTS**
- **PLANS, OBJECTIVES, & INITIATIVES**



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 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

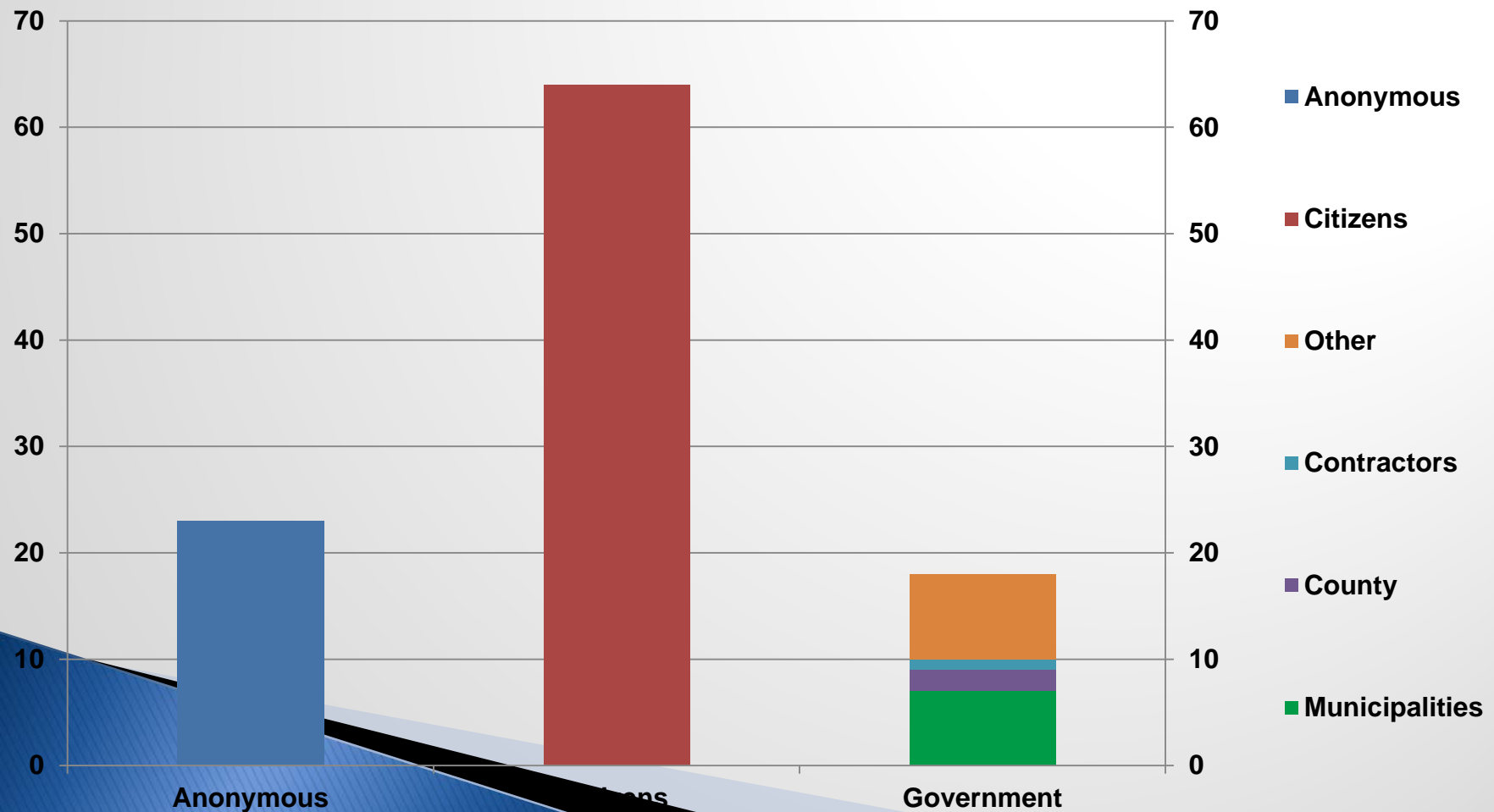
Previous 6 Months

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



Complaint Reporting Sources – 105 of the 182 Correspondences

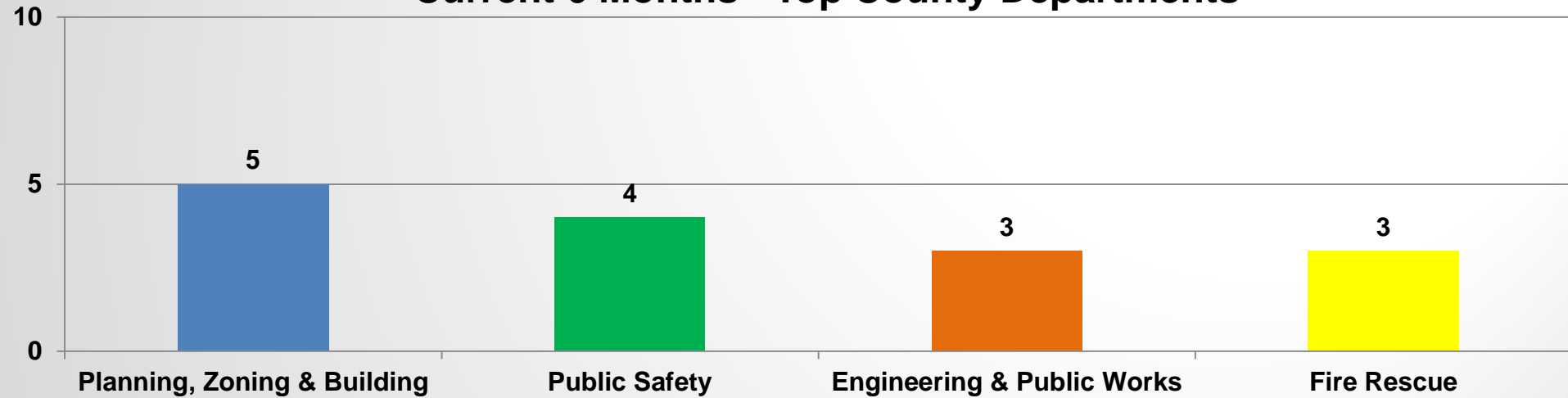


INSPECTOR GENERAL SIX MONTH ACTIVITIES

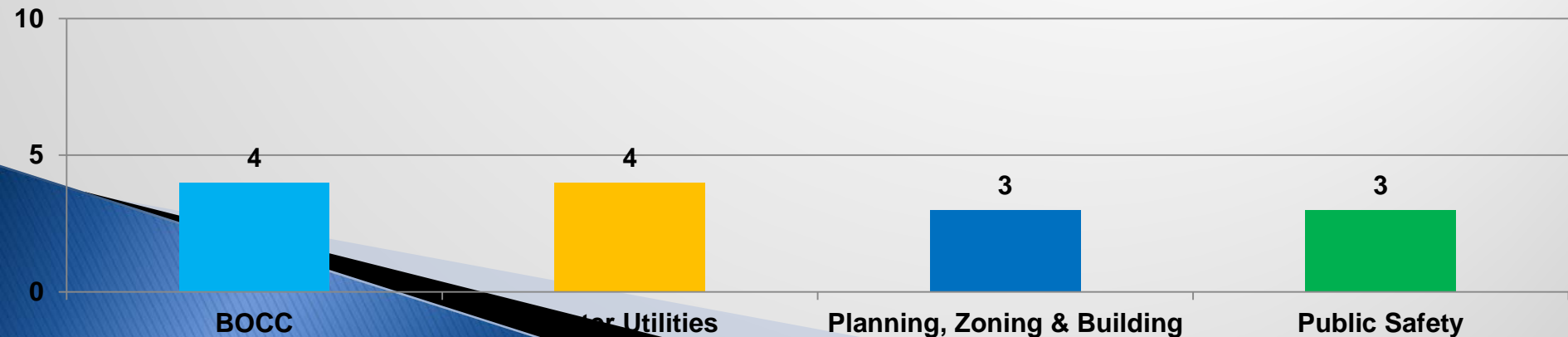


Top Correspondences Per County Department

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



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- ALLEGATIONS:
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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'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
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Questioned Costs

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Identified Costs

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**Potential Avoidable
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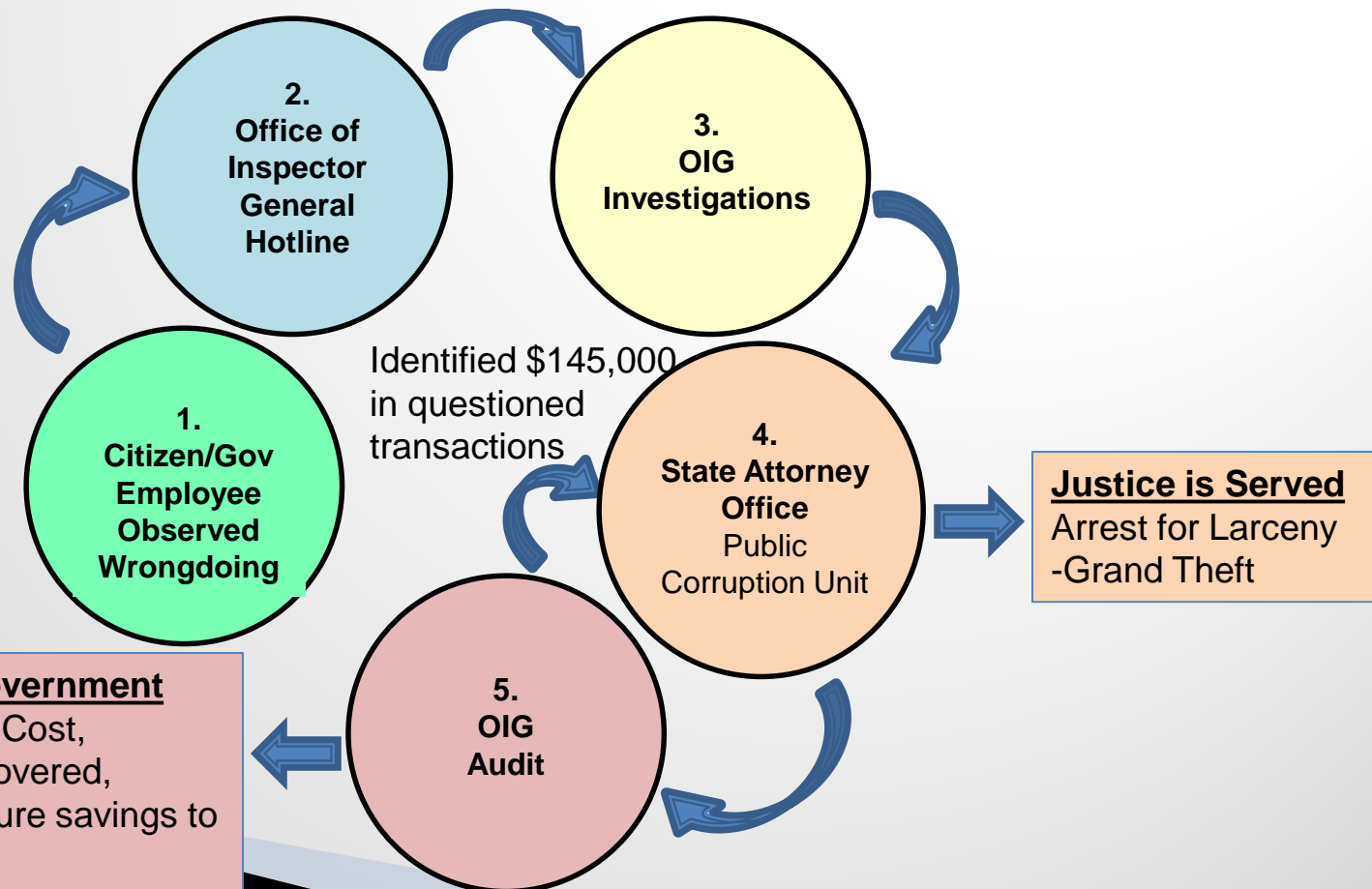
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Former Executive Director arrested for Larceny-Grand Theft.**

How we work together:

EXAMPLE:

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.

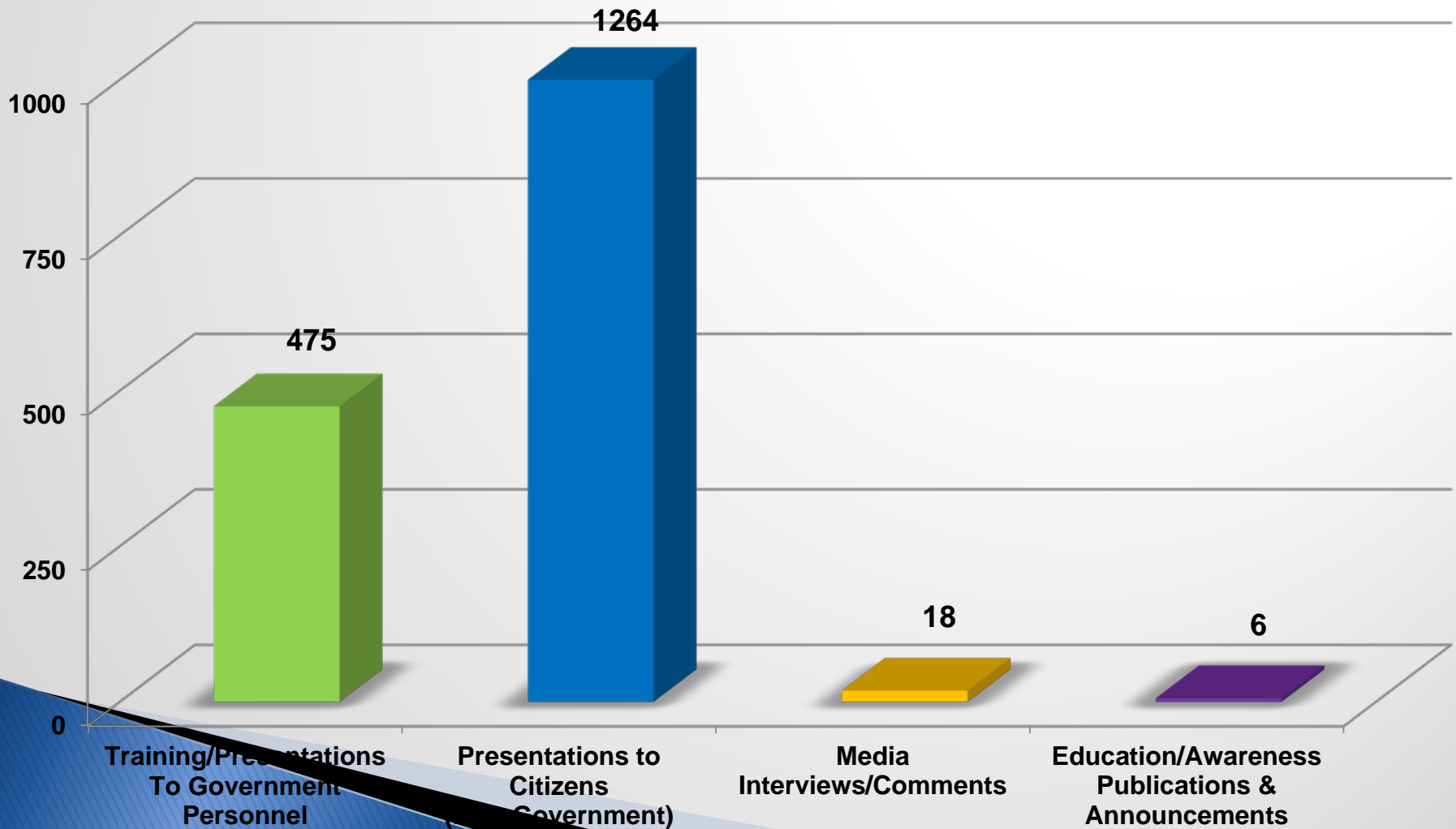
INSPECTOR GENERAL'S SIX MONTH REPORT

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 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



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

Talking to Management/Clients/Those you Oversee

Inspectors General: Attack Dogs, Lap Dogs, or Watch Dogs?

Attack Dog



Lap Dog

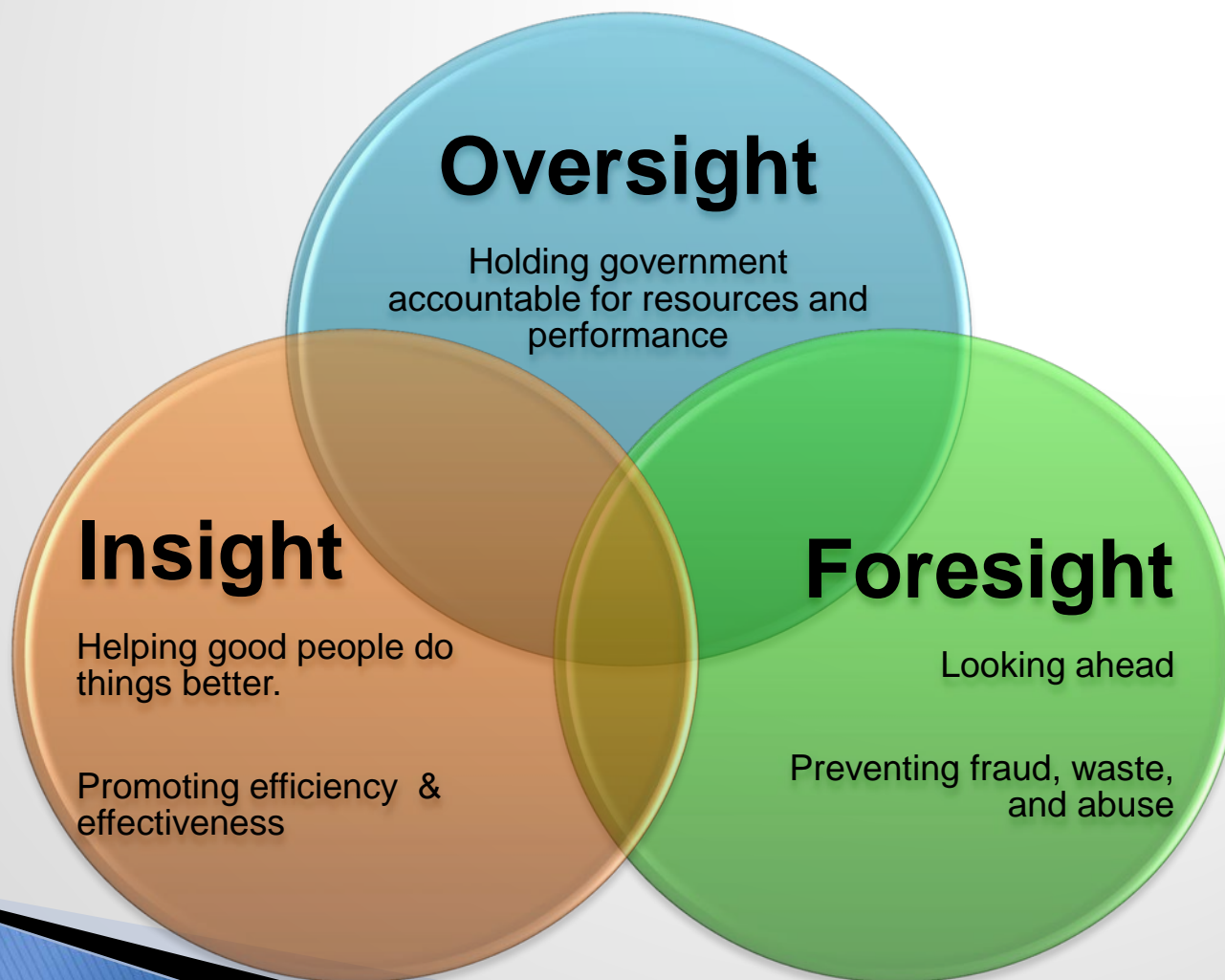


Watch Dog





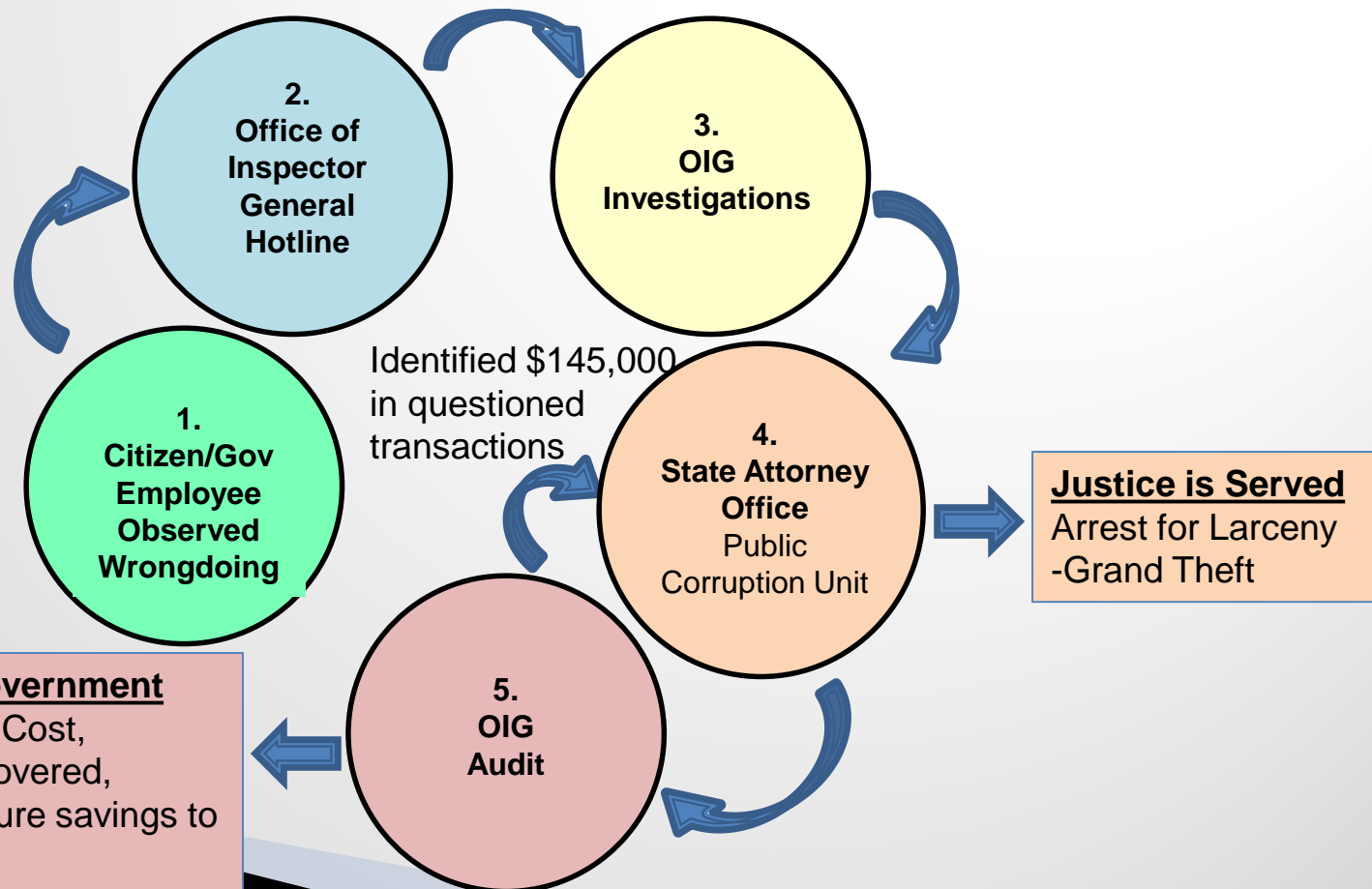
OUR OIG APPROACH



How we work together:

EXAMPLE:

South Central Regional Wastewater Treatment and Disposal Board



Benefit to Citizens/Government

- \$2.2M in Questioned Cost,
- \$61K that can be recovered,
- \$1.6M in potential future savings to taxpayers.

TRAINING AND OUTREACH

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OFFICE OF INSPECTOR GENERAL
UPDATE AND LESSONS LEARNED
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June 2015

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Enhancing Public Trust in Government



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Inspector General

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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

LESSONS LEARNED

Appearance of Impropriety

- The Chair of a procurement committee voted for firms whose principal consultants/owners were, in her words, her “friends” (weekly lunches, vacations, holidays, etc.).
- The Chair also made statements to other Committee members who were the Chair’s subordinates about their votes or lack of votes for her “friends.”



Recusal policies are now being implemented to ensure that individuals with procurement responsibilities recuse themselves in matters involving their personal/private relationships with vendors and/or contractors.

LESSONS LEARNED:

- An action may be within policy/law, but is it right? Does it give the appearance of impropriety?
- What can and can't procurement officials do in your entity?

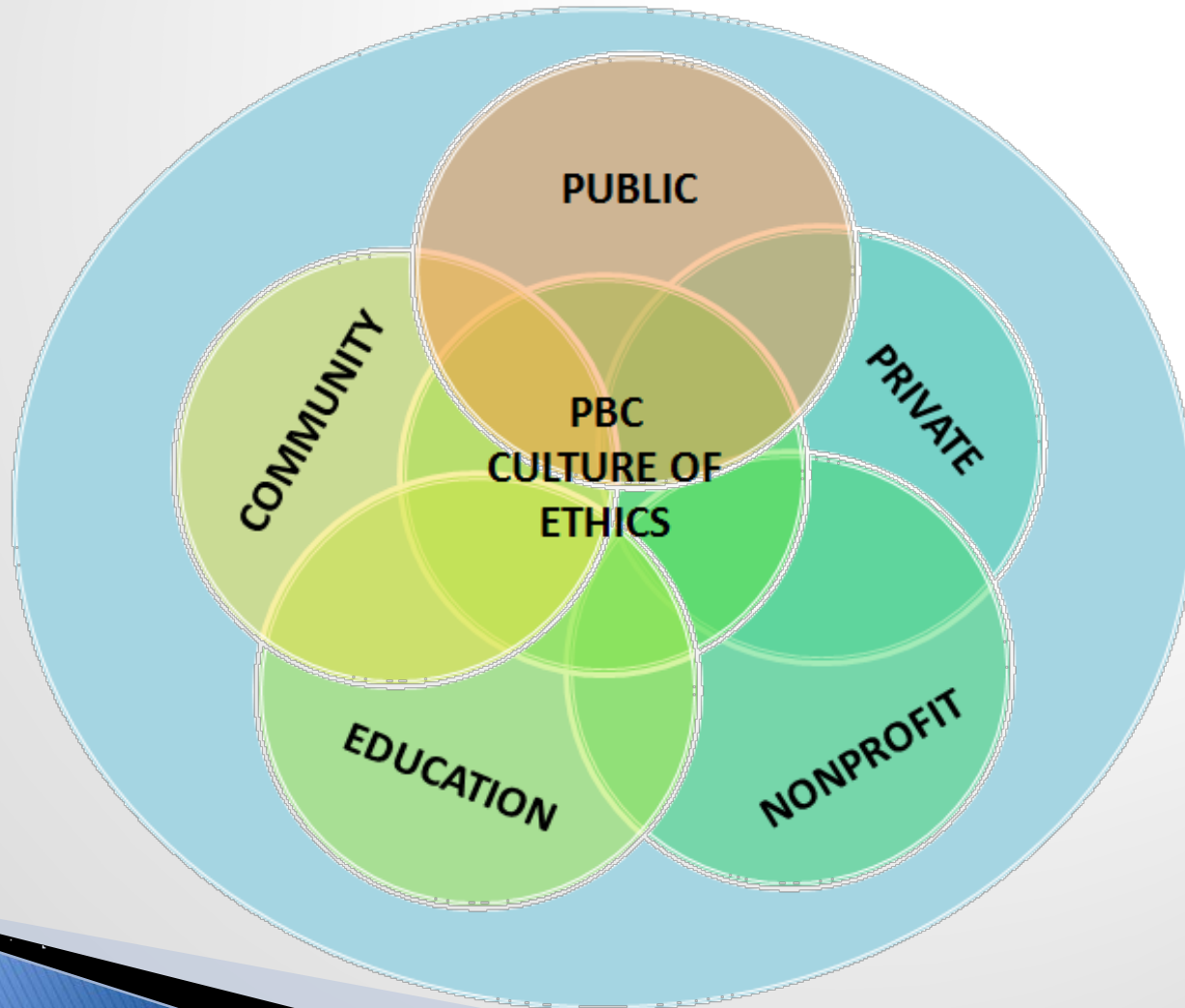


**REFERENCE GUIDE FOR MANAGERS:
RESPONSIBILITIES RELATED TO THE
OFFICE OF INSPECTOR GENERAL
PALM BEACH COUNTY**

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

February 2016

Ultimately Building and Maintaining a Culture of Ethics is Everyone's Business



QUESTIONS?

Visit our website at:

<http://www.pbcgov.com/OIG>