

# OFFICE OF THE INSPECTOR GENERAL

## DEPARTMENT MISSION STATEMENT

We provide an independent oversight of all City operations to add value, improve performance, and increase efficiencies by conducting investigations, audits, reviews, inspections, etc. to provide further accountability of City resources. We are dedicated to preserving the City's accountability and integrity through the identification of fraud, mismanagement, waste, and abuse of power in City projects, programs, and contracts.



## DEPARTMENT DESCRIPTION CONT'D

- Effective monitoring of existing projects and programs for timeliness, cost-effectiveness, and integrity
- A fair and honest accounting of taxpayer funds
- Economical, efficient, accurate and prompt recording and reporting of City transactions and accounts
- Proper safeguarding of City assets, records and files

In addition, the Office is responsible for conducting audits of businesses responsible for remitting resort taxes and sanitation franchise/roll-off fees to the City. These revenue-based audits determine compliance with the applicable City Ordinances and may result in monetary assessments including penalties and interest.

## FISCAL ENVIRONMENT

Per Ordinance 2021-4409 adopted on April 21, 2021, the contract allocation methodology in Section 2-378 of the City Code was repealed to adopt a more flexible internal service fund methodology for annual funding. The Office will utilize a chargeback process to reconcile the cost of OIG services provided by recovering the cost from user departments. Chargebacks provide a level of financial resources to support the effective and efficient use of OIG resources.

The Office of the Inspector General also receives funding from the City's Resort Tax Fund to ensure compliance with Resort Tax Ordinances. Sanitation funds also support reviews and audits of internal controls over operations and collections in those departments.

## DEPARTMENT DESCRIPTION

The Office of the Inspector General was created pursuant to Ordinance 2019-4239 following voter approval in a November 2018 ballot referendum.

The Office acts as an independent department in order to be protected from political influence, with the primary goal of enhancing public trust in government. To do this, the Inspector General is vested with the ability to require the production of records in the possession and control of City departments and employees for review, and has the power to issue subpoenas for testimony or documents, where necessary.

The Office of the Inspector General is responsible for investigating programs, operations, contracts, and employees to ensure:

- Prevention and detection of fraud, abuse, waste or mismanagement in City affairs
- Fair and unbiased procurement negotiations and selections

## STRATEGIC ALIGNMENT

Main Vision Area:

### Organizational Innovation

Management Objectives:

- **Organizational Innovation**
  - Ensure strong fiscal stewardship
  - Support all objectives to improve strategic decision making and financial stewardship, making the city more business friendly and user friendly, with an employee culture of problem solving and engagement



Strategic Plan Actions:

- N/A

Budget Enhancement Actions:

- N/A

Resilient305 Actions:

- N/A

# OFFICE OF THE INSPECTOR GENERAL

## BUSINESS ENVIRONMENT

The Office of the Inspector General has numerous responsibilities within the City and works with all departments/divisions to promote honesty and efficiency within City government. The Office of the Inspector General seeks to ensure that the treasury of the taxpayers is protected and public funds recovered, where possible.

The Office works with all departments/divisions to facilitate and provide consulting, advisory, organizational, and support services. In addition, it provides staff support to the Audit Committee, which is comprised of City residents appointed by the Mayor and Commissioners.

## SIGNIFICANT ACCOMPLISHMENTS

The following reports have been completed in the prior fiscal year:

- Completed internal audit reports include First Class Parking Systems LLC concession agreements, Public Works Warehouse Inventory, State Beachfront Management Agreement, Cultural Arts Council, DAVID Database Access and Internal Controls, Building Department Expenditures, COVID-19 Rental Assistance, and AVLS and Sunpass Analysis Concerning Take Home Vehicle Number 14401



- Completed investigations include Palm and Hibiscus Islands Neighborhood Infrastructure Improvement Project, Contract Oversight – Lincoln Road Antiques and Collectible Market, Complaint Regarding Food Distribution During Early Voting, Allegations of Misconduct Regarding Political Activity, G.O. Bond Quarterly Reports, Unequal Enforcement of Noise Regulation, Unauthorized Outside Employment, and Alleged Illegal Campaign Contributions
- 25 OIG reports currently in issued status

## SIGNIFICANT ACCOMPLISHMENTS CONT'D

- Completed 2 Sanitation audit reports resulting in assessments of \$129,516
- Performed daily reviews of the general deposit debit transactions, monthly reviews of City bank account reconciliations, and a review of selected internal control findings in BDO USA, LLP's May 17, 2017 audit report which focused on how the City should mitigate its risk exposure on Treasury and Automated Clearing House (ACH) disbursements
- Completed 130 Resort Tax audits resulting in net assessments exceeding \$1,203,935
- Passed OIG legislative proposals to exempt the OIG from the Cone of Silence Ordinance and inclusion of OIG as a recipient of complaints under the Whistleblower Ordinance
- Collaborated with the Office of Management and Budget (OMB) to revise the OIG's funding from a 0.5% surcharge on most City contracts for FY 2021 to an internal service allocation for FY 2022 and the optimal methodology to implement this change to ensure that future funding is equitable, consistent, and sufficient

## CRITICAL SUCCESS FACTORS

- Provide accurate reviews and audits on a timely basis to City Administration and auditees to facilitate effective corrective action
- Advise nonconforming Sanitation and Resort Tax businesses of needed record keeping improvements to better comply with existing City Code provisions
- Identify areas within the City vulnerable to fraudulent activity
- Recommend preventative measures to prevent fraud and ethical misconduct within the City and prevent the waste and mismanagement of taxpayer money
- Recommend policies for activities designed to promote economy, efficiency, and effectiveness
- Ensure legal accountability of City personnel and contractors engaging in fraudulent or other illegal activity

## FUTURE OUTLOOK

- Provide an annual transparency report with a list of investigation cases, audits, and reviews concluded during the past year
- Increasing number of complaints and tips received from individuals through the City of Miami Beach Office of Inspector General (OIG) website and hotline that were validated and led to investigations and reviews completed by the OIG
- Passage of an ordinance authorizing OIG to initiate debarment complaints as well as Development of a Comprehensive Procurement Policy for Major Construction Projects working in collaboration with City Administration.