

# OFFICE OF THE INSPECTOR GENERAL

## DEPARTMENT MISSION STATEMENT

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

OFFICE OF THE MAYOR  
AND COMMISSION

OFFICE OF THE INSPECTOR  
GENERAL

## DEPARTMENT DESCRIPTION

The Office of the Inspector General (OIG) was created pursuant to voter approval of a City Charter Amendment in a November 2018 ballot referendum, approved by 81% of the City's voters.

The Office acts as an independent department, 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, vendors, and employees for review and has the power to issue subpoenas for testimony or documents, whenever necessary.

The Office of the Inspector General is responsible for investigating programs, operations, contracts, and employees with the following goals:

- Prevention and detection of fraud, abuse, waste, and mismanagement in City affairs
- Promotion of a fair and unbiased procurement process and contract oversight

## 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 sampled City transactions and accounts
- Proper safeguarding of City assets, records, and files

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

## FISCAL ENVIRONMENT

The OIG is an internal service department funded through an allocation charged to other City departments through the budgetary process.

The OIG also receives funding from the City's Resort Tax Fund to determine compliance with Resort Tax Ordinances. Sanitation funds also support reviews and audits of internal controls over operations and collections of franchise and roll-off permit fees owed by private waste contractors.

## 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 protect taxpayer funds.

The Office works with all departments/divisions to facilitate and provide consulting, advisory, organizational, and support services. In addition, the Chief Auditor serves as the liaison for, and the OIG provides staff support to, the Audit Committee, a City advisory board comprised of City residents and individuals who own or work in Miami Beach businesses, appointed by the Mayor and Commissioners.

# OFFICE OF THE INSPECTOR GENERAL

## SIGNIFICANT ACCOMPLISHMENTS

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

- Completed internal audit reports, including State Beachfront Management Agreement, Towing Pricing Methodology Analysis, Miami Beach Garden Conservancy Inc. Management Agreement, Building Permitting Process Review, and Review of Termination of Tai Chi Instructor's Independent Contract Agreement



**Completed 158 Resort Tax audits, resulting in net assessments of approximately \$1,867,000.**

- Completed investigations investigations include Theft and Official Misconduct Lead to Filing of Criminal Charges Against City Supervisor, Unauthorized Outside Employment by City Employee, Review of West Avenue Phase II Project, G.O. Bond Quarterly Report, 333 Jefferson Avenue and 226 Jefferson Avenue, Contract Oversight – Complaint from CBRE, Inc. Re: Real Estate Procurement & Consulting Services Class “A” Office Space – Public Private Partnership (P3) near Lincoln Lane, Report on Permitting Issues at 310 Meridian Avenue, and 1701 Meridian Avenue Commercial Lease Complaint
- Completed three Sanitation audit reports of roll-off contractors resulting in assessments of \$196,932, as well as the issuance of a Sanitation Field Observations Report which identified numerous noncompliant contractors that received Notices of Violation from the Code Compliance Department
- Performed daily reviews of the general deposit debit transactions, monthly reviews of City bank account reconciliations, and a review of selected internal control recommendations 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 158 Resort Tax audits, resulting in net assessments of approximately \$1,867,000

## SIGNIFICANT ACCOMPLISHMENTS CONT'D

- Collaborated with the City Administration to develop a comprehensive management policy for major City construction projects with a value of \$5 million or greater
- Upon the recommendation of the OIG, the City Commission adopted an ordinance amending the City’s current procedures for debarment of City contractors that may be used to protect the City against contractors that commit fraud or other serious misconduct
- Developed a Risk Assessment procedure for City contracts with the helpful assistance of the Palm Beach County Inspector General and the cooperation of the City’s Procurement Department to identify high risk contracts and to prioritize the OIG contract oversight function

## CRITICAL SUCCESS FACTORS

- Provide timely and accurate reviews, inspections, and audits to the City Commission, 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 internal control weaknesses and recommend corrective action
- Recommend procedures for activities designed to promote economy, efficiency, and effectiveness
- Refer fraudulent or other illegal activity to the police or other law enforcement or investigatory agencies, including the County Ethics Commission

## FUTURE OUTLOOK

- Provide an annual transparency report with a list of investigations, audits, inspections, and reviews concluded during the past year
- Work with the City Attorney’s Office in updating sections of the City Code related to Resort Tax and Sanitation to avoid ambiguities, facilitate compliance, and loopholes
- Meet regularly with City management to learn about their areas of concern that should be audited or reviewed