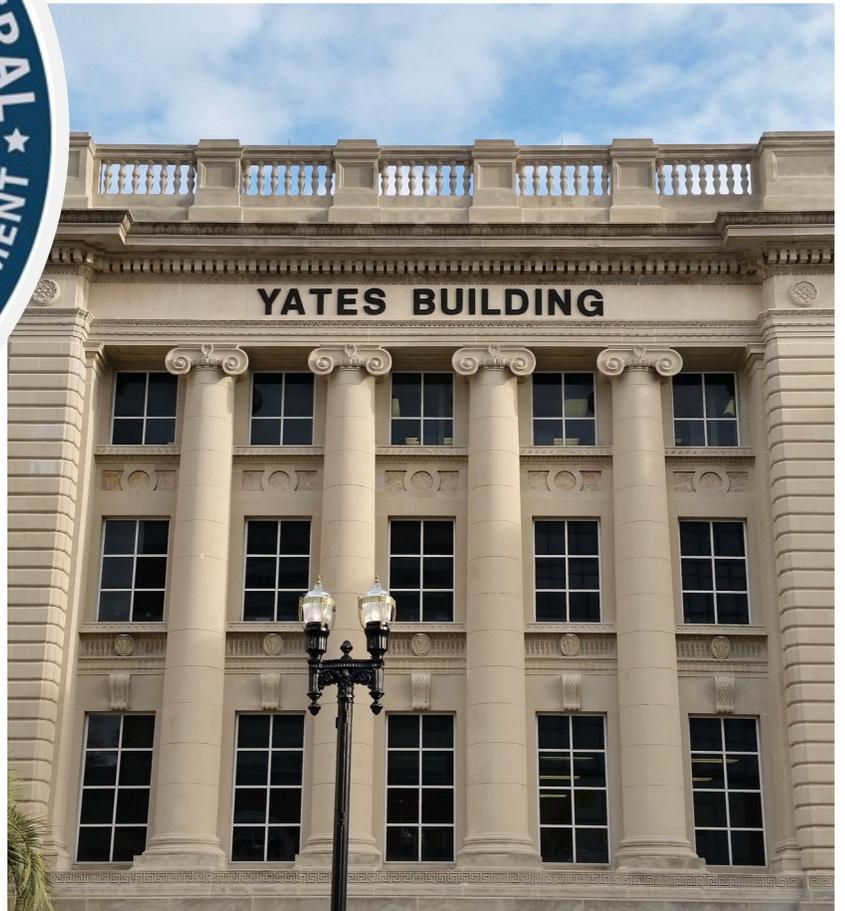




# 2016 Annual Report

Office of Inspector General  
City of Jacksonville





# *Message From the Inspector General*

## **To the Citizens of Jacksonville, and the elected officials, officers, and employees of the Consolidated Government:**

I am pleased to issue this Annual Report of the Office of Inspector General (OIG) for the period October 1, 2015, to September 30, 2016. The Annual Report is required by Section 602.303(n), *Ordinance Code*. Within this report the OIG summarizes its efforts over the last fiscal year to advance an effective oversight and accountability program for the City of Jacksonville and its Independent Agencies, in order to promote efficiency and expose and deter fraud, waste, and abuse.

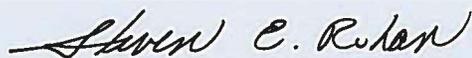
The Office of Inspector General was established by ordinance and Charter amendment in October of 2014. Thomas Cline served for 10 months as the OIG's first appointed Inspector General before resigning to pursue other private interests in May 2016. I was named Interim Inspector General effective June 1, 2016, by the Inspector General Selection and Retention Committee (The Committee) and tasked with keeping OIG operations moving forward, getting the OIG through its second budget process, and working with the Administration and City Council as they pursued supportive funding from the City's Independent Agencies, all while The Committee pursued the appointment of a new Inspector General.

I would like to thank the members of The Committee, for having faith that my legal background and experience would be a good fit for my interim role, and the dedicated OIG employees who have made my tenure as Interim Inspector General a productive and rewarding experience. My thanks are also extended to City Council, the Mayor and his Office, and all of the City officials and employees who have supported the Office of Inspector General this past year. The response to our oversight and investigative efforts has been positive and professional, and the help we have been given by numerous persons has been invaluable. I join Mr. Cline, who served as Inspector General for the better part of this fiscal year, in thanking the citizens of Jacksonville for supporting the OIG in the 2015 public referendum, and for regularly expressing their commitment to effective programs of independent government oversight.

This past fiscal year has been filled with challenges. These challenges included legislative initiatives addressing the OIG, developing relations with the Independent Agencies, addressing a continuing flow of new cases, and The Committee's search for a new full time Inspector General. Through it all, the OIG built new relationships and produced 7 investigative reports and 4 audits. The OIG added one investigator and an intake specialist this past year and will add a new investigator and our first executive assistant (part time) this coming fiscal year.

We look forward to a productive Fiscal Year 2017, and beyond, that demonstrates your government is capable of identifying and addressing its challenges and weaknesses and pursues excellence in all of its endeavors.

Sincerely,



Steven E. Rohan  
Interim Inspector General

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# MISSION STATEMENT

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*“ENHANCING PUBLIC TRUST IN GOVERNMENT THROUGH  
INDEPENDENT AND RESPONSIBLE OVERSIGHT.”*

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## CORE VALUES

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**Honesty:** We have a duty to act honestly, speak the truth, and obey the letter and spirit of the law.

**Integrity:** We have a duty to be free of putting ourselves under any financial, social, or other obligation to any individual or organization that might reasonably be an influence on the performance of our duties.

**Respect:** We have a duty to treat others with dignity and courtesy at all times.

**Leadership:** We lead by example, demand excellence from ourselves, work with commitment to the mission, remain humble, and always treat people with dignity and respect. We are proactive in our actions and flexible in our thinking.

**Selflessness:** We are committed to providing a high quality of service and to making decisions because they are just and benefit the public.

**Urgency:** We recognize and act on the understanding that our work impacts careers and governance, and that we should act with diligence in the performance of our tasks.

**Objectivity:** We have a duty to perform all aspects of our work based upon facts and remain impartial in the performance of our duties. We convey our findings and recommendations clearly, concisely, and with factual and legal support.

**Accountability and Transparency:** Our commitment is to deliver value added service and accept full responsibility for our reports and actions. We have an obligation to the public to ensure that the methods, means, soundness, accuracy, and preparation of our work are all answerable and understandable.

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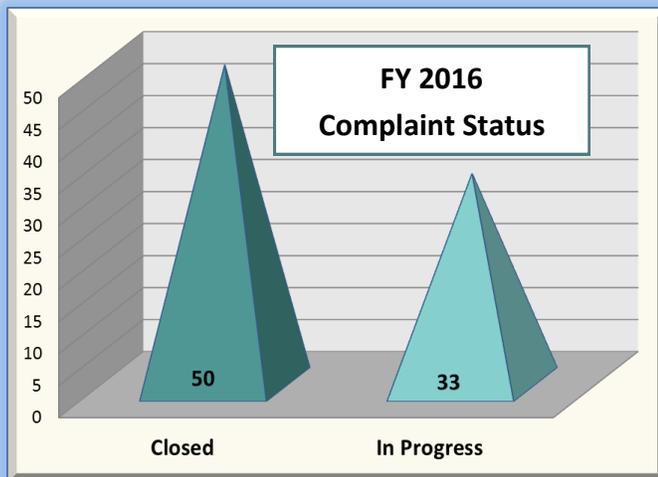
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# Fiscal Year 2016 Executive Summary

## Snapshot of Results

The following summarizes the substantive and administrative accomplishments, initiatives, and activities of the Office of Inspector General (OIG) in Fiscal Year (FY) 2016, October 1, 2015, to September 30, 2016, more fully discussed in subsequent sections.



During FY 2016, the OIG received and processed **83** individual complaints from various sources that were reviewed for potential fraud, waste, and abuse within the City of Jacksonville's Consolidated Government. A total of **11** reports, consisting of four audit reports and seven investigation reports were issued during FY 2016. Full length reports can be found at the OIG's website: <http://www.coj.net/departments/inspector-general.aspx>.

In two of the four audits, no material deficiencies were noted (*Sunshine Compliance Audit* and *Fleet Management Controls and Processes*). However, in the *Open Purchase Orders and Contracts* audit, the City agreed that in excess of **\$690,000** of funds restricted in purchase order and contract accounts were available for alternative use or re-appropriation. In the audit of *City Owned Real Estate Records*, the Master Property Listing maintained by the Real Estate Division did not reconcile to the Accounting Division's property records maintained in the City's Capital Asset Subsystem, thereby potentially understating the City's capital assets.

The seven administrative investigation reports (refer to pages 14-16) resulted in **21** recommendations for corrective action focused on reducing inefficiencies and/or ineffectiveness, due to outdated or non-existent policies and procedures identified during each of the investigations. The City supported the OIG recommendations by immediately establishing, revising, or strengthening policies and procedures intended to reduce potential fraud, waste, or abuse in daily operations. As a result of the OIG investigations, the City received **\$6,089.17** in court ordered restitution related to employee misconduct during FY 2016. Additionally, the City held employees accountable through disciplinary actions, up to and including terminations, based on the OIG investigation reports.

### Responsible Oversight

- ➔ Complaints Received: 83
- ➔ FY 2016 Complaints Closed: 50
- ➔ FY 2015 Complaints Closed: 12

### Promoting Integrity & Efficiency in Government

- ➔ Audits Issued: 4
- ➔ Reports of Investigations Issued: 7
- ➔ Establishment of new policies & procedures

### Guarding Taxpayers' Dollars

- ➔ Audits: \$694,102 identified for re-appropriation
- ➔ Monetary Recoveries: \$6,089.17
- ➔ Operational Cost Savings: \$45,000

### Holding Employees Accountable\*

- ➔ 2 Prosecutions
- ➔ 1 Termination
- ➔ 2 Resignations
- ➔ 4 Other Disciplinary Actions



## OIG Staffing Grew Modestly in FY 2016

The OIG began operating October 1, 2014, staffed by an Inspector General Advisor and one investigator. The first appointed Inspector General was hired in July of 2015. An auditor and an additional investigator were hired at the very end of FY 2015. During the OIG's first fully operational year, FY 2016, the OIG hired one investigator, an intake specialist, and a contract oversight specialist to fill its full complement of FY 2016 positions. The last half of each fiscal year is consumed with the preparation of the next fiscal year's budget. During the budget process for FY 2017, the OIG departed from the former Inspector General's vision of rapid growth, based upon traditional IG models, to a new vision of targeted growth based upon demonstrable needs and results. This was deemed to be more consistent with historical notions of Consolidated Government fiscal restraint. For that reason, only one new investigator position and a part-time executive assistant position were pursued and secured in the FY 2017 budget process.

## Supplemental Funding from Independent Agencies

During the FY 2017 budget process, the OIG secured current level funding as well as additional funding for the new investigator and executive assistant positions. The OIG worked with JEA, Jacksonville Aviation Authority (JAA), Jacksonville Port Authority (JPA), and Jacksonville Transportation Authority (JTA) to secure the City's goal of independent agency contributions to the OIG and Office of Ethics,

Compliance, and Oversight budgets. This was necessitated as a result of a City of Jacksonville Charter amendment extending OIG jurisdiction over these agencies, which have independent budgets. During this process these agencies recognized the contribution to the public trust that is provided by independent oversight and backed up their good intentions with meaningful financial support.

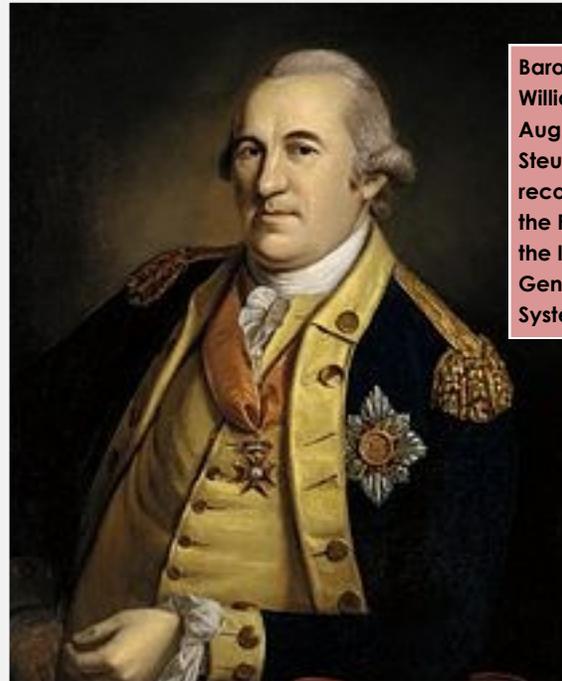
\*The responsibility of the OIG is to investigate and factually report on allegations of fraud, waste, and abuse. The OIG defers criminal allegations and prosecutorial determinations to appropriate authorities. The OIG supports criminal investigations when requested. Employee discipline is initiated and carried out at the sole discretion of the respective department or agency management authority.

# Historical Overview of Inspectors General

## The Creation of the Inspectors General in the Federal Government

Inspectors General (IGs) have a long and storied history in the United States. During the War for Independence, General George Washington realized that the Continental Army was sorely lacking in formal knowledge of tactics or military procedures and needed an agent to provide standardized training to both the soldiers and the leaders of the diverse and disorganized force. The first Inspector General appointed by the Continental Congress was Major General Thomas Conway, who resigned from the position very soon after his appointment. The next IG, Baron Frederick William Augustus von Steuben, is recognized as the Father of the Inspector General System. During the Valley Forge encampment in the winter of 1777, he trained the army in troop proficiency and common tactics and is credited with converting the ragged army into an effective fighting force.

The success IG von Steuben had in organizing the army led to the establishment of IGs for all defense components. Today, military IGs combat inefficiency and foster effectiveness within their units. Over time, IGs centered their



Baron Frederick William Augustus von Steuben is recognized as the Father of the Inspector General System.

focus on the identification and deterrence of fraud, waste, and abuse. These contributions enabled federal leaders at department and agency levels to recognize value in having IGs, and in time Congress passed the *Inspector General Act of 1978*, which established IGs for twelve departments. Later the Act was amended to expand the IG community to cover over seventy federal agencies.

## State of Florida and Local Inspectors General

The State of Florida has an extensive network of IGs, unique among the states for its breadth. As mandated by the *Florida Inspector General Act of 1994*, every Florida state agency has an IG. The Chief Inspector General has responsibility to monitor the activities of each respective Office of Inspector General (OIG) that is under the jurisdiction of the Governor. In addition, many local governments and universities have established OIGs.

## The Association of Inspectors General

Organized in October 1996, the Association of Inspectors General (AIG) is instrumental in the professionalism of Inspectors General at both the state and local levels. The purpose of the AIG, as specified in the Association's Articles of Organization, Constitution and Bylaws, is to:

foster and promote public accountability and integrity in the general areas of the prevention, examination, investigation, audit, detection, elimination, and prosecution of fraud, waste, and abuse through policy research and analysis; standardization of practices, policies, and ethics; encouragement of professional development by providing and sponsoring educational programs; and the establishment of professional qualifications, certification, and licensing.

The AIG provides standards for the operations and work performed by OIGs to maintain compliance with the highest requirements for competence, accuracy, and quality. The AIG also provides a peer review program for OIGs to ensure compliance with these rigorous standards.



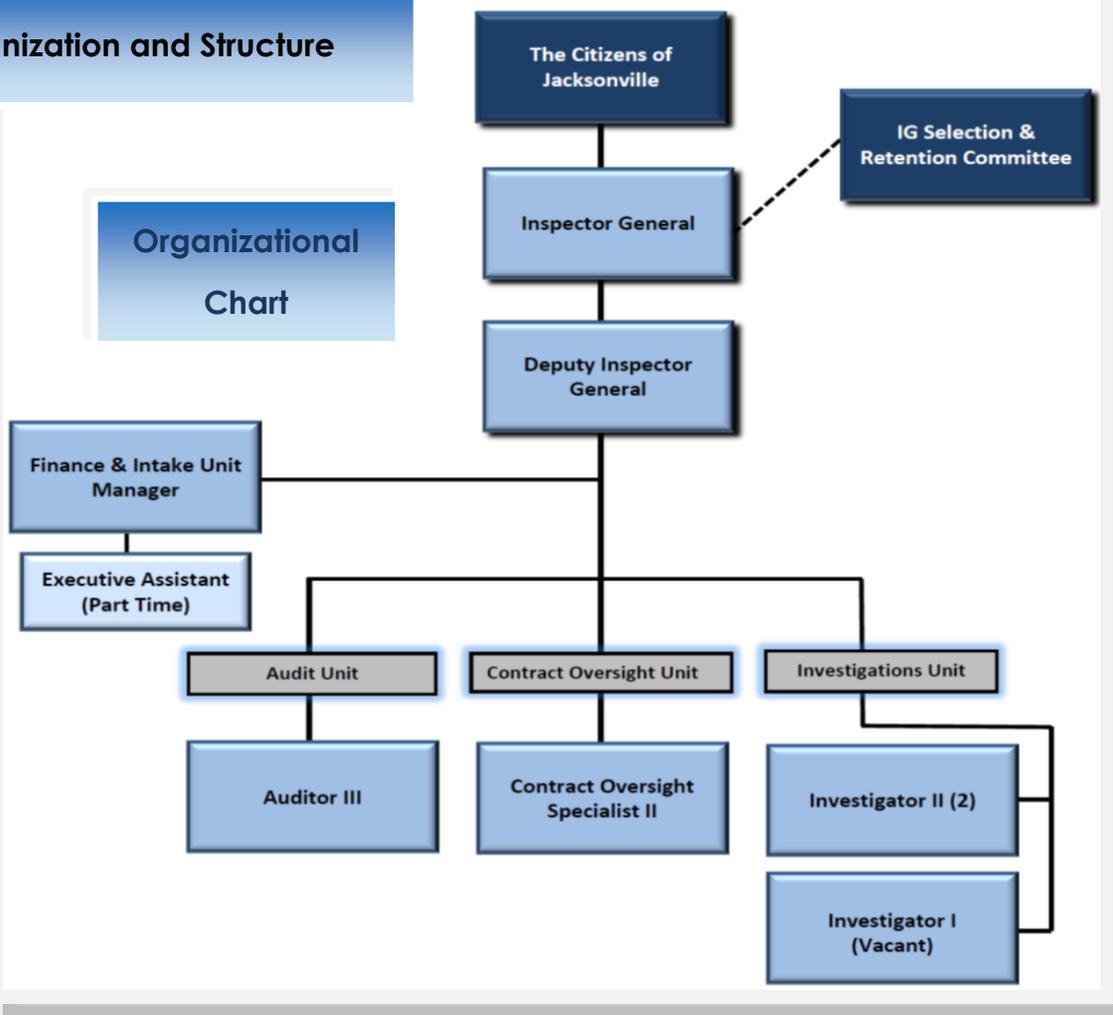
## The City of Jacksonville's Office of Inspector General

The City of Jacksonville's OIG was created by ordinance in October 2014 and amended by Charter referendum in March 2015. Please refer to the Appendices of this report for more information on OIG's legislation. From October 2014 through December 2015, the OIG's jurisdiction included the City of Jacksonville's Executive and Legislative branches, officers, and employees, excluding sworn personnel. Effective January 1, 2016, the OIG's jurisdiction expanded to include the Constitutional Offices and Independent Agencies. As such, the OIG's jurisdiction now includes the following: Office of the Sheriff, the Supervisor of Elections, the Property Appraiser, the Clerk of the Courts, the Tax Collector, School Board, the Police and Fire Pension Fund, JEA, Jacksonville Aviation Authority, Jacksonville Port Authority, Jacksonville Housing Authority, Jacksonville Housing Finance Authority, Jacksonville Transportation Authority, and the Jacksonville Health Facilities Authority.

# Overview of OIG Operations

## Organization and Structure

### Organizational Chart



## Inspector General Selection

Sec. 602.305, *Ordinance Code*, provides for the selection of the Inspector General (IG), by the Inspector General Selection and Retention Committee (The Committee), a seven member group that also has the responsibility to make decisions regarding retention and removal of the IG, and provides guidance, direction, and support to the OIG. The Committee's IG selection is subject to confirmation by City Council. The role of the Committee is set out in Sec. 602.305, *Ordinance Code*; see Appendix 2 for additional details. The Committee's seven members (or a member's designee) are set forth as follows:

- (1) The President of the Jacksonville City Council;
- (2) The State Attorney of the Fourth Judicial Circuit;
- (3) The Chair of the Jacksonville Ethics Commission;
- (4) The Chair of the Jacksonville TRUE Commission;
- (5) The Public Defender of the Fourth Judicial Circuit;
- (6) The Chief Judge of the Fourth Judicial Circuit; and
- (7) The Mayor of the City of Jacksonville

## Operational Units Within the OIG

### Audit Unit

The Audit Unit provides risk based independent audits that focus on strengthening management controls in areas most susceptible to fraud, waste, and abuse, as well as improving the economy and efficiency of operations in areas where there are opportunities for significant cost savings.

Audits are conducted in accordance with *Generally Accepted Government Auditing Standards (GAGAS)*, published by the Government Accountability Office, and the *AIG's Principles and Standards for Offices of Inspector General*.

### Contract Oversight Unit

The Contract Oversight Unit's purpose is to conduct contract oversight activities that enhance a business friendly procurement environment, de-

fining by openness, competitiveness, and the awarding of contracts equitably and economically. The Contract Oversight Unit conducts reviews of the City's procurement process, which result in recommendations to address shortcomings, irregularities, and/or opportunities for improvement.

### Investigations Unit

The Investigations Unit is responsible for conducting and coordinating investigations in order to detect, deter, prevent, and eliminate fraud, waste, and abuse within the Executive and Legislative branches of the City of Jacksonville, the Constitutional Offices, and Independent Agencies. OIG investigations are conducted in order to resolve allegations of violations of Florida statutes, and/or City of Jacksonville ordinances, policies, rules, and/or directives. The Investigations Unit con-

ducts investigations involving Consolidated Government officials and employees (excluding sworn personnel), as well as vendors, contractors, or consultants doing business with the City.

Investigations may be initiated as a result of information received from City of Jacksonville employees or private citizens; local, state, or federal agencies; or through the OIG's or other agencies' hotlines. The Investigations Unit refers all potential or perceived criminal violations to the appropriate local, state, and federal authorities. The Investigations Unit works closely with the State Attorney's Office (SAO) for the Fourth Judicial Circuit.

Investigations are conducted in accordance with the quality standards for investigations as outlined in the *AIG's Principles and Standards for Offices of Inspector General*.

### Staff Certifications and Professional Affiliations

Technical expertise and a variety of specialized skills are necessary to foster innovation and proficiency within the OIG and to accomplish the requirements mandated by City statutes and ordinance. OIG employees are certified in a variety of disciplines, including auditing, accounting, and investigations.

#### Certifications held by OIG staff (many have more than one):

- ⇒ Certified Public Accountant
- ⇒ Certified Internal Auditor
- ⇒ Certified Inspector General Investigator
- ⇒ Commission for Florida Law Enforcement Accreditation Inc., Accreditation Manager Certification

#### OIG staff members currently participate in one or more professional organizations:

- ⇒ Association of Inspectors General (National Chapter)
- ⇒ Florida Chapter of the Association of Inspectors General
- ⇒ Florida Police Accreditation Coalition
- ⇒ Association of Certified Fraud Examiners (ACFE)

## OIG Duties and Functions

### General Duties and Responsibilities

According to the OIG's enabling legislation, the OIG has the power to require production of documents from, and to receive full and unrestricted access to, the records of the mayor; all elected and appointed officials and employees with the City of Jacksonville, Constitutional Offices, and Independent Agencies; City departments, divisions, contractors, their sub-contractors and lower tier sub-contractors; and other persons and entities doing business with the City of Jacksonville and/or receiving City funds. The OIG's jurisdiction includes all projects, programs, contracts, or transactions that are funded in whole or in part by the City of Jack-

sonville's Consolidated Government.

The IG has entered into agreements that establish protocols for conducting operations which impact both the OIG and Independent Agencies. These protocols define responsibilities and ensure coordination between the entities. The IG has also established protocols with the Office of Ethics, Oversight, and Compliance for mutual support and coordination, as well as with the SAO for determining both the process and types of cases appropriate for referral.

The Mayor's Office has, in support of the OIG, issued a re-

porting policy whereby City employees are required to report to the OIG any fraud, theft, bribery, contract mismanagement (misuse or loss exceeding \$5,000), or other violations of law, which appear to fall under the jurisdiction of the OIG on matters related to City business. The policy further stipulates that all officials and employees are expected to fully cooperate with the OIG in the exercise of the OIG's functions, authority, and powers. Such cooperation includes, but is not limited to, providing statements, documents, records, and other information. This type of support empowers the OIG and builds trust with the citizens who demand accountability in government.

### Whistle-blower's Act Responsibility

The State of Florida has enacted a comprehensive Whistle-blower Protection Act (Act) in Sections 112.3187 – 112.31892 of the Florida Statutes. The Act prohibits and remedies retaliatory acts associated with specified types and manners of disclosure of misconduct. The City of Jacksonville supplemented those protections in Part 5, Chapter 602, *Ordinance Code*. The OIG, in addition to investigating whistle-blower allegations for fraud, waste, and abuse, is charged, as the "Whistleblower Official," with the responsibility of vetting the allegations of persons seeking whistle-blower protection and granting or denying protective whistle-blower status.



### Compliance with Association of Inspectors General Standards

As a member of both the national and local chapters of the Association of Inspectors General (AIG), the OIG's goal is to comply with the standards promulgated by the AIG. The OIG will request a peer review from the AIG when the OIG's policies and procedures are in place and adequately tested, and when the OIG has the budgetary resources to provide the necessary support for the peer review. All of the OIG investigators are AIG Certified Inspector General Investigators. The OIG auditor is scheduled to attend the AIG Institute in FY 2017.

### Commission for Florida Law Enforcement Accreditation, Inc. (CFA)

In Florida, law enforcement agencies and Inspectors General may attain accredited status through the Commission for Florida Law Enforcement Accreditation, Inc. (CFA). This accreditation process includes a rigorous review process and recognizes the professionalism and excellence of the agencies that successfully meet the accreditation requirements. Both the *Ordinance Code* and the Charter (refer to Appendices), specify that the OIG should seek accreditation when practical, subject to available funding. In preparation for the OIG's goal of achieving accreditation, three OIG staff members have obtained CFA Manager Certification.

### OIG Outreach

In addition to the OIG Hotline and the open door policy for citizens, employees, and vendors, the OIG continues to conduct internal City training, while also continuing efforts to reach out to better inform stakeholder agencies who work with and benefit from OIG activities.

### OIG Fiscal Year Funding

The OIG was initially funded in Fiscal Year (FY) 2015 with \$206,319.

In FY 2016, with expanded staffing and operations, the OIG's budget grew to \$811,371.

With contributions supporting responsible government oversight from JEA, JPA, JAA, and JTA, the OIG's FY 2017 budget and staffing were permitted to grow modestly to \$931,822.

Budget	FY 2016	FY 2017
Salaries	\$ 538,225	\$ 637,830
Non-discretionary Operational and Benefit Costs	\$ 249,203	\$ 243,645
Discretionary Operational and Professional Costs	\$ 23,943	\$ 50,347
<b>Total</b>	<b>\$ 811,371</b>	<b>\$ 931,822</b>

# Intake Disposition and Results

## OIG Intake and Complaint Processing

During FY 2016, the OIG received 83 complaints from various sources, including City of Jacksonville employees, private citizens, and/or contractors doing business with the City. The complaints came in the form of telephone calls into the OIG Hotline and/or letters or emails outlining concerns, complaints, and/or specific allegations. The Investigations Unit is responsible for the initial intake and assessment of all complaints that come into the OIG.

Each of these 83 complaints was assigned a unique identifying number, reviewed, and subsequently processed through one of the following methods:

**Handled/Closed:** Complaints reviewed by the Investigations Unit that generally required minimal or no action, lacked substantive information, or did not fall within any of the other categories.

**Investigations Unit Activity:** Complaints that were assigned to the Investigations Unit for further review and/or investigation.

**Management Referral:** Complaints that were referred to management for handling. No response to the OIG was required. Corrective action may have resulted from the referral.

**OIG Audit or Contract Oversight Referral:** Complaints that were referred within OIG to either the Audit Unit or Contract Oversight Unit for further review and/or handling.

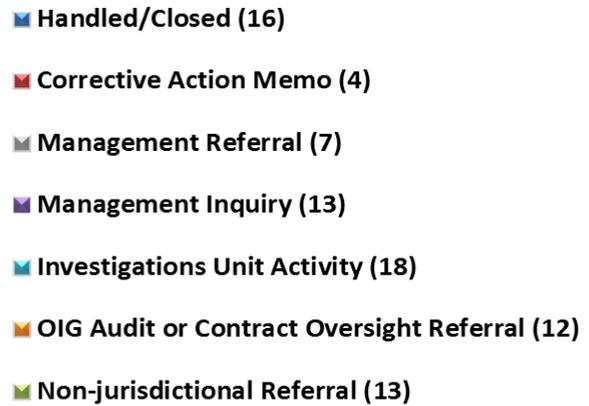
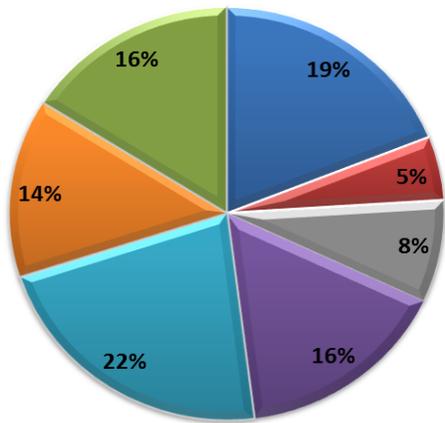
**Management Inquiry:** Complaints that were referred to management for handling, but required a response to OIG. Corrective action may have resulted from the inquiry.

**Outside Agency Referral:** Complaints that fell under OIG's jurisdiction but were referred to local, state, or federal government entities for review and consideration (including those alleging criminal violations). These complaints may be returned to OIG for subsequent administrative action.

**Corrective Action Memo:** A written memorandum to management that required immediate consideration for corrective action, i.e., the revision or addition of policies and/or procedures.

**Non-Jurisdictional Referral:** Complaints that deal with matters outside of OIG's jurisdiction and were referred to local, state, or federal government entities for review and handling.

## COMPLAINT DISPOSITION



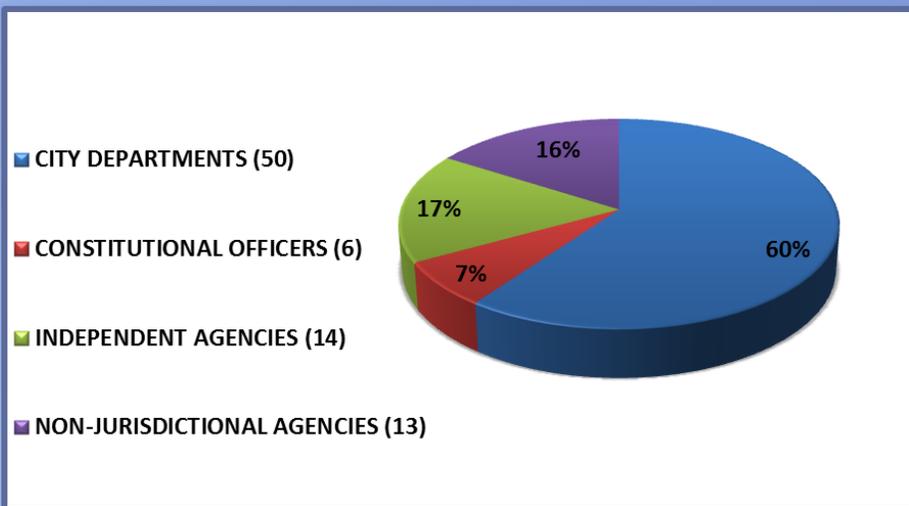
## Complaint Breakdown by Department or Agency

### City Departments (50):

- 1 - City Council
- 4 - Employee Services
- 5 - Finance and Administration
- 1 - Children's Commission
- 4 - Mayor's Office
- 1 - Military Affairs
- 12 - Neighborhoods
- 2 - Parks, Recreation, & Community Services
- 4 - Planning & Development
- 11 - Public Works
- 4 - Fire & Rescue
- 1 - Medical Examiner

### Constitutional Officers (6):

- 3 - JSO
- 1 - Property Appraiser
- 2 - Supervisor of Elections



### Independent Agencies (14):

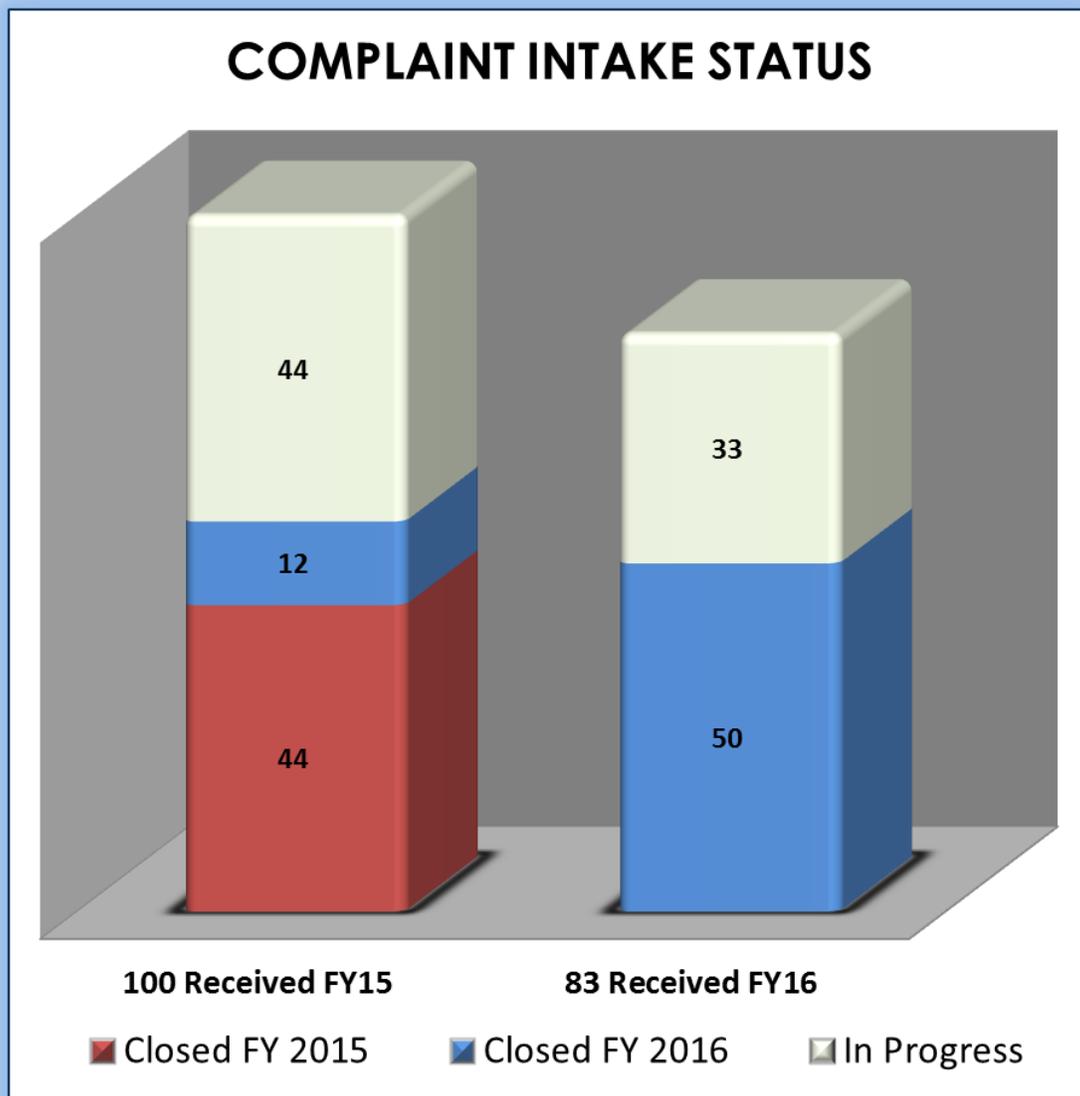
- 1 - Downtown Investment Authority
- 8 - JEA
- 1 - JTA
- 1 - JAA
- 3 - Police & Fire Pension Fund

Non-Jurisdictional Agencies: 13

## OIG Intake and Complaint Processing, Continued

The OIG received and processed 183 complaints during FY 2015 and FY 2016 that were assigned a “unique correspondence number” and reviewed for disposition. The processing of each complaint varies based on its urgency, complexity, competing priorities, and available staffing. Additionally, matters referred to outside agencies, mostly for criminal consideration, which may be returned to the OIG for additional administrative follow up, are also subject to those agencies’ priorities and considerations.

The Complaint Intake Status bar chart below represents the in progress and closed status of all 183 complaints received during both FY 2015 and FY 2016. The bar chart demonstrates that the process for the disposition and handling of complaints is on-going and overlaps fiscal years.



## Audit Unit Accomplishments

The first full year of OIG audit work was conducted in FY 2016, which included the development of an ambitious three-year projected Audit Plan (Plan) with fifteen audit projects identified in the Plan and seven projects scheduled for completion during FY 2016. Five audits were “completed” during FY 2016, with four final audit reports being issued, specifically: *the Sunshine Compliance Review, Open Purchase Orders and Contracts, City Owned Real Estate Records, and Fleet Management Controls and Processes.*



The *Cellphone Inventory* audit field work was completed during FY 2016; however, the final audit report was issued during FY 2017. One of the seven audits scheduled for completion during FY 2016 included a *Community Planning* audit. In the planning phase of the *Community Planning* audit, it was determined that the level of risk was minimal and the full scope audit initially planned was replaced with an audit inquiry. An audit inquiry is defined as an inquiry directed to management to review and address an internal control, concern, or deficiency, so as to determine if additional OIG audit action is warranted. The response for the audit inquiry will be due in FY 2017. The *Sports and Entertainment* audit scheduled to be completed in FY 2016 was carried over to the FY 2017 Audit Plan.

The FY 2016 Plan has been updated for FY 2017 (See Appendix 3). Nine projects have been identified in the FY 2017 Audit Plan, including a review of all prior year audits and the Risk Assessment for FY 2018.

The following are highlights of the audit reports issued:

### **Sunshine Compliance Review Audit No. 2016-CR-0001**

OIG conducted the *Sunshine Compliance Review* as required by Section 15.07 of the *Ordinance Code*, which requires the Office of the Inspector General to conduct a biannual review commencing in even-numbered years and report on Council notices, meeting locations, and minutes to determine if the City Council is in compliance with the Jacksonville Sunshine Law Compliance Act.

**Results:** No material deficiencies were noted as a result of this audit. However, OIG made some recommendations regarding the public notice database, attendance sign-in sheets, and approval of excused absences that were not within the normal scope of this audit.

### **Open Purchase Orders and Contracts Audit No. 2016-AR-0001**

The purpose of this audit was to determine whether there were adequate controls over monitoring open purchase orders and contracts for the receipt of goods and services, invoice and payment, and the subsequent closeout of the purchase orders and contracts.

**Results:** There were significant funds obligated to open purchase orders and contracts that could be put to better use. The audit identified \$3,327,218 in funds that were unnecessarily restricted. Management agreed that **\$694,102** of the \$3,327,218 in funds identified by OIG were available for alternative use or re-appropriation.

## Audit Unit Accomplishments, Continued

### City Owned Real Estate Records Audit No. 2016-AR-0002

The purpose of this audit was to determine whether controls were adequate over the acquisition and disposal of City owned real estate.

**Results:** The Master Property Listing maintained by the Real Estate Division did not reconcile with property records maintained in the City's Capital Asset Subsystem. As a result, capital assets in the City's financial records could be understated. At the time of the audit, the fair market value of the property not found in the capital assets records was approximately \$276 million dollars. Additionally, the access to the Real Estate database was not adequately controlled so as to ensure that access was only assigned to current employees or any others authorized by the Real Estate Division.

### Fleet Management Controls and Processes Audit No. 2016-AR-0004

The purpose of this audit was to determine whether controls were adequate over fleet vehicles purchased, repaired, and ultimately surplus by Fleet Management.

**Results:** No material deficiencies were noted as a result of this audit. OIG concluded that controls and procedures were adequate within the Fleet Management Division. However, OIG noted, by observation, that controls over commercial fuel cards issued to independent agencies needed to be strengthened.

## Contract Oversight Unit Accomplishments

The goals of the Contract Oversight Unit are to promote accountability, integrity, efficiency, and effectiveness in the procurement processes of all entities under the jurisdiction of the OIG. In FY 2016, a Contract Oversight Specialist was hired to:

- ◆ Address procurement complaints received from officials, employees, and citizens;
- ◆ Initiate, conduct, and coordinate contract oversight activities/projects to detect, deter, prevent, and eradicate fraud, waste, and abuse;
- ◆ Encourage fair and open competition and evaluate contract monitoring and compliance in procurement processes;
- ◆ Periodically attend procurement meetings and provides feedback, when appropriate; and
- ◆ Assist the Audit and Investigations Units in procurement-related matters.



In FY 2016, the Contract Oversight Unit was assigned 12 complaints. Projects closed during FY 2016 included a review of the building demolition process and the bidding process for the "Shipyards" development. All actions of the City were found to have been completed properly.

## Investigations Unit Accomplishments

During FY 2016, the Investigations Unit grew modestly to four full time positions, with the addition of an Intake Specialist (March 2016) and an Investigator II (April 2016).

The Investigations Unit issued seven Reports of Investigation, as highlighted in this section, each with specific recommendations for corrective actions that were accepted and implemented by the City. The Unit forwarded four Memorandums of Corrective Action, also highlighted in this section, resulting in immediate corrective action by the City, Constitutional Offices, or Independent Agencies.



The Investigations Unit forwarded seven Management Referrals and thirteen Management Inquiries to the City, Constitutional Offices, and/or Independent Agencies. Generally, the Management Referrals and Management Inquiries related to matters of operational concerns, inefficiencies, or unresolved issues with employees or citizens, and did not substantively involve fraud, waste, and abuse concerns.

The following are highlights of the Reports of Investigation issued:

### **2014-0001 Secondary Employment Policy Enhancements Recommended to Avoid Conflicts of Interest**

The OIG received a complaint alleging employee misconduct. The original allegations were not supported by the investigation. However, during the investigation, violations of the City's secondary employment policy were discovered. The investigation substantiated that the employee violated City Employee Services Directive No. 0519 - Secondary Employment Policy by failing to report secondary employment when the employee was promoted to an appointed position within the City.

As a result of this investigation, the Administration concurred that the employee was in violation of the secondary employment policy and concurred with OIG recommendations to enhance the policy. The City issued a revised secondary employment policy, effective April 1, 2016.

## Investigations Unit Accomplishments, Continued

### 2015-0002 Overtime Fraud

A complaint alleging that a City employee had engaged in official misconduct relating to misuse of a City-owned vehicle, and that the employee had unloaded unknown materials from the City-owned vehicle, was received by the OIG. The matter was referred to the Office of the State Attorney (SAO) to investigate potential criminal violations of grand theft and official misconduct. Subsequent to the criminal investigation, which resulted in an arrest of the employee for grand theft and official misconduct, the SAO requested that the OIG conduct an administrative investigation related to the employee's documented time and attendance records. The employee was subsequently terminated for cause.

The OIG investigation identified that the employee had been paid \$1,767.02 in unlawful compensation. As a result of both the criminal investigation and the OIG administrative investigation, the employee pled guilty and was sentenced to 6 months of community control, which required the employee to complete 50 hours of community service, and to pay \$2,337.46 in restitution and \$100 in court costs. The restitution amount of \$2,337.46 was paid in full to the City in April 2016.

Additionally, the OIG investigation disclosed that the Traffic Engineering Division lacked internal controls to substantiate and/or verify whether overtime claimed was actually being worked by the employees during the unsupervised On-Call shift (midnight to 0700 hrs.).

Based on OIG recommended corrective actions, the City decided to discontinue the On-Call shift, establish and institute new written policies, and equip additional vehicles with locators. In addition, the employee's supervisors were counseled on ensuring compliance with City policies. The cost savings to the City by eliminating the On-Call shift resulted in approximately \$15,000 annually (\$45,000 avoidable costs under the current administration).

### 2016-0003 Time and Attendance Fraud

Subsequent to the arrest of a City employee for Grand Theft (stealing COJ property) by the Jacksonville Sheriff's Office (JSO), the OIG conducted an investigation of the employee's time and attendance records at the request of the SAO. The investigation determined that the employee had been paid \$3,751.71 by the City for over 240 hours that had been falsely reported by the employee.

The OIG investigation also disclosed that the Solid Waste Division lacked internal controls to substantiate and/or verify time reporting, and found that employees were being supervised by different individuals than those who approved their respective time-and-attendance.

As a result of both the JSO criminal investigation and the OIG administrative investigation, in May 2016 the employee signed a Felony Pretrial Inter-

vention Program Deferred Prosecution Agreement. The agreement provided a deferred prosecution for a period of twelve (12) months, pending compliance with the agreement, which required completing 50 hours of community service and paying \$3,751.71 in restitution to COJ. The entire restitution amount was identified through the OIG investigation. By December 2016, the restitution amount of \$3,751.71 had been paid in full to the City.

Based on recommended corrective actions by the OIG, the Administration established and implemented a new procedure that provides for accountability and supervisory review of daily work conducted within the Solid Waste Division. Additionally, the Administration made changes to ensure that supervisors assigning work to staff are also responsible for both the time-and-attendance and the performance evaluations of the employees that they directly supervise.



## Investigations Unit Accomplishments, Continued

### 2016-0004WB

#### Position Qualifications

#### Accredited College Degrees Systematic Failure to Verify Candidate Representations

A complainant (designated as a Whistle-blower, pursuant to Florida Statute §112.3188) alleged that several employees and/or candidates had been appointed to positions without meeting the minimum educational requirements. This investigation pertained to an employee who was in the process of being appointed to a senior management position within the City, but had not met the *Ordinance Code* educational requirements. During the investigation, the employee resigned from his provisional appointment and was not subsequently appointed to the position sought.

The OIG investigation also disclosed that a lack of internal controls existed within Employee Services, specifically (1) the lack of verification of college degrees and transcripts, and (2) the lack of verification of the educational institutions related to degrees and transcripts submitted to ensure that those institutions were recognized by the U.S. Department of Education. As a result of the lack of internal controls, several COJ applicants have obtained positions and/or been promoted to positions for which they did not meet the required educational qualifications

(reported separately below).

Based on OIG recommended corrective actions, the Administration updated the *Ordinance Code* to include the word "accredited" to all appointed employee positions that required a degree, updated and added "accredited" to all appointed employee job specifications requiring a degree, and is working with the respective unions to add this language to Civil Service job specifications. Additionally, the City updated policies and procedures related to the verification of educational credentials, professional licenses, and certificates required for City positions to include the use of a clearinghouse to verify accredited schools and to confirm the applicant/employee educational records.

*Many new policies and procedures have been established in response to OIG Investigations.*

### 2016-0005WB, 2016-0006WB, 2016-0007 Misrepresentation of Educational Credentials Systematic Failure to Verify Candidate Representations

During the course of the above-described investigation, the allegation that several employees and/or candidates had been appointed or promoted to positions without meeting the minimum educational requirements was investigated. As a result of this OIG investigation, two employees were found to have misrepresented their educational credentials. Another employee was found to have been promoted without meeting the minimum educational requirements; however, the investigation did not substantiate that this employee knowingly misrepresented educational credentials.

Based on recommended corrective actions by OIG, the Administration instituted the above corrective actions cited in (2016-0004WB). Additionally, the Administration proceeded with disciplinary action against the three employees, resulting in one voluntary demotion, one resignation in lieu of termination, and one termination upheld by the Civil Service Board.

## Investigations Unit Accomplishments, Continued

**Four  
Memorandums  
of Corrective  
Action Were  
Issued During  
FY 2016.**



### **SOLID WASTE DEPARTMENT**

A policy was instituted for all collection supervisors to verify the accuracy of Citizen Active Response Effort (C.A.R.E.) issues before closing out the records, as a result of a citizen complaint that identified inaccuracies in City records. The records indicated that a matter had been resolved, when in actuality the issue had not been resolved, but had been closed out in C.A.R.E. by a Solid Waste Division employee. C.A.R.E. is the city's online database that interfaces with the appropriate City Divisions to resolve issues with the City that are reported by the citizens.

### **EMPLOYEE SERVICES DEPARTMENT (2 Separate Memorandums)**

OIG identified two ongoing processes related to breaches in confidentiality:

The first memorandum was issued in response to an ongoing mass email distribution of annual benefit enrollment letters that would have contributed to a citywide breach of confidentiality of JSO employees (as well as other affected employees) exempted by Florida Statute 119.071 (4), specifically the release of personal residential addresses. As a result, Employee Services implemented a new administrative process that requires the identification and separation of all covered employees under this statute for future email distributions.

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The second memorandum led to the establishment of a policy to protect personal identifying information (PII) for all candidates applying for positions within the City of Jacksonville, after it was learned that Employee Services was asking candidates to provide PII to support the hiring process via an unsecure manner (by return email), thus exposing the candidate and the City to potential identify theft due to the lack of secure practices of PII collection.

### **JEA**

At the request of OIG, JEA's secondary employment policy was revised to incorporate stronger internal controls pursuant to information that a JEA employee had violated the policy. The policy enhancements included ensuring that (1) new employees are notified of JEA's secondary employment policy at the time of onboarding, (2) both JEA's Human Resources Department and employees are responsible for reporting secondary employment when position classification changes occur to avoid potential conflicts of interest, and (3) language is incorporated within the policy that sets forth disciplinary action, including termination and rehiring prohibitions. (Similar enhancements were suggested and incorporated by the City of Jacksonville pursuant to the issuance of Report of Investigation, 2014-0001.)

# Appendix 1

## OIG Charter Provisions

### **ARTICLE 1 – GOVERNMENT AND ETHICS**

#### **CHAPTER 2 – ETHICS**

##### **Section 1.201. - Declaration of Ethics Policy.**

The proper operation of responsible government requires that public officials and employees be independent, impartial, and responsible to the people; that government decisions and policy be made in the best interests of the people, the community and the government; that public office not be used for personal gain, and that the public have confidence in the integrity of its government.

##### **Section 1.202. - Ethics code, ethics commission, inspector general.**

The City of Jacksonville, acting in its capacity as a county, shall enact an ethics code with jurisdiction over the officers and employees of the consolidated government of the City of Jacksonville, its constitutional officers, and independent agencies and districts, whether elected or appointed, paid or unpaid, and to the officers and employees of the school district. Jurisdiction shall include, but not be limited to the following: The Mayor, the Sheriff, the Supervisor of Elections, the Property Appraiser, the Clerk of the Courts, the Tax Collector, City Council, JEA, the Police and Fire Pension Fund, Jacksonville Aviation Authority, Jacksonville Port Authority, Jacksonville Housing Authority, Jacksonville Housing Finance Authority, Jacksonville Transportation Authority, and the Jacksonville Health Facilities Authority. The ethics code may, as allowed by law, supplement state ethics laws. \*\*\*

##### **Section 1.203 - Ethics Oversight and Compliance office and Office of Inspector General.**

- (a) The ethics code provided for in section 1.202 of the Charter shall include the establishment of an independent citywide Ethics Oversight and Compliance office and an independent Office of Inspector General, each with jurisdiction over the City of Jacksonville, its constitutional officers, and its independent agencies.

\*\*\*

# Appendix 1

## OIG Charter Provisions, Continued

- (c) The Office of Inspector General shall provide independent oversight of publicly funded activities and transactions and other local government operations. The office shall have jurisdiction to investigate, audit, and provide contract oversight, and to promote economies and efficiencies, improve agency operations, and prevent and deter waste, fraud and abuse.
- (d) The Ethics Oversight and Compliance Office and the Office of Inspector General shall, to the extent practicable and advisable, share resources, promote efficiencies and avoid duplications.

### **Section 1.204 - Administrative Support**

- (a) Appropriate support, as determined by City Council, shall be provided to the ethics commission and to the citywide Ethics Oversight and Compliance office and to the Inspector General to carry out each of their duties and responsibilities.
- (b) Subsection (a) support shall include a mechanism to obtain documents and testimony in connection with violations of the City's ethics code.
- (c) The City and the independent agencies may enter into agreements for purposes of providing funding and administrative support for ethics and inspector general activities.
- (d) Subject to available funding, the Inspector General may, appoint, employ or retain independent legal counsel to assist with the functions of the office.

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### **Section 1.206. - Professional Standards.**

Subject to practicality and available funding, the Office of Inspector General should apply for and pursue professional accreditations for the investigative functions of the office offered by the Florida Commission for Law Enforcement Accreditation.

### **Section 1.207. - Inspector General Independent Selection**

The City Council shall amend, enact, reenact, or recodify appropriate legislation to ensure that the hiring and removal of the inspector general shall be vested with an independent inspector general selection committee.

# Appendix 2

## OIG Ordinance Provisions

### JACKSONVILLE ORDINANCE CODE

#### CHAPTER 602 – ETHICS CODE

##### PART 3. - INSPECTOR GENERAL

###### **Sec. 602.301. - Establishment; Office of Inspector General.**

There is created an Independent Office of Inspector General. The organization and administration of the Office shall be independent to assure that no interference or influence external to the Office adversely affects the independence and objectivity of the Inspector General.

###### **Sec. 602.302. - Purpose.**

The purpose of this Part is to establish a full-time Office of Inspector General in order to provide increased accountability, integrity, and oversight of the entire consolidated government, to assist in promoting economy and efficiency, improving agency operations, and deterring and identifying waste, fraud and abuse. This Part shall not apply to the Office of the State Attorney, and the Office of the Public Defender.

###### **Sec. 602.303. - Duties and Functions.**

The duties and functions of the Office of Inspector General shall include the authority, power and responsibility to:

- (a) Review and evaluate internal controls to protect the resources of the entire consolidated government against waste, fraud, inefficiency, mismanagement, misconduct, and other abuses;
- (b) Audit, evaluate, investigate and review past and present the activities, accounts, records, contracts, procurements, change orders, grants, agreements, and other programmatic and financial arrangements undertaken by any office, agency, department, or part of the entire consolidated government, and any other function, activity, process or operation conducted by any office, agency, department, or part of the entire consolidated government; its officials and employees, contractors, their subcontractors and lower tier subcontractors, and other parties doing business with any office, agency, department, or part of the entire consolidated government, or receiving funds from any office, agency, department, or part of the entire

## Appendix 2

# OIG Ordinance Provisions, Continued

consolidated government.

- (c) Conduct investigations, audits, contract oversight and reviews, issue reports, and make recommendations in accordance with applicable laws, rules, regulations, policies and past practices. Audits, investigations, inspections and reviews conducted by the Office of Inspector General will conform to professional standards for Offices of Inspector General such as those promulgated by the Association of Inspectors General; in accordance with current International Standards for the Professional Practice of Internal Auditing as published by the Institute of Internal Auditors, Inc., or where appropriate, in accordance with generally accepted governmental auditing standards. The Office of Inspector General shall develop and adhere to written policies in accordance with Florida accreditation standards for Inspector Generals.
- (d) Receive full and unrestricted access to the records of any and all officials and employees, contractors, including their subcontractors and lower tier subcontractors, of any office, agency, department, or part of the entire consolidated government and other parties doing business with any office, agency, department, or part of the entire consolidated government or receiving funds from any office, agency, department, or part of the entire consolidated government.
- (e) Receive, review, and investigate any complaints regarding projects, programs, contacts or transactions of any office, agency, department, or part of the entire consolidated government;
- (f) Establish a "hotline" to receive complaints, from either anonymous or identified persons.
- (g) Review referrals from the Director of the Office of Ethics Compliance and Oversight.
- (h) Require all officials, employees, and contractors, their subcontractors and lower tier subcontractors, and other parties doing business with any office, agency, department, or part of the entire consolidated government or receiving funds from any office, agency, department, or part of the entire consolidated government to provide statements; administer oaths; and, require the production of documents, records and other information. In the case of refusal by an official, employee or other person to obey a request by the Office for documents or for an interview, the inspector general shall have the power to subpoena witnesses, administer oaths, and require the production of documents.

## Appendix 2

# OIG Ordinance Provisions, Continued

- (i) In the case of refusal to obey a subpoena served to any person, the Inspector General may make application to any court of competent jurisdiction to order the witness to appear before the Inspector General and to produce evidence, or to give testimony relevant to the matter in question.
- (j) Where the Inspector General suspects a possible violation of any state, federal or local law, he or she shall notify the appropriate law enforcement agencies.
- (k) The Mayor and any and all Officials of any office, agency, department, or part of the entire consolidated government shall promptly notify the Inspector General of possible mismanagement of a contract (misuse or loss exceeding \$5,000 in public funds), fraud, theft, bribery, or other violation of law which appears to fall within the jurisdiction of the Inspector General, and may notify the Inspector General of any other conduct which may fall within the jurisdiction of the Inspector General.
- (l) Engage in prevention and outreach activities, including but not limited to: develop public awareness to inform government officials and employees, as well as the general public, of the authority and responsibility of the Office.
- (m) Recommend remedial actions to be taken by any office, agency, department, or part of the entire consolidated government to overcome or correct operating or maintenance deficiencies and inefficiencies that were identified by the Office.
- (n) Issue an annual report to the Ethics Commission, Mayor, the Council and deliver to the full City Council a verbal briefing on activities of the Office every six months.
- (o) Monitor implementation of the recommendations made by the Office.
- (p) Monitor, inspect and review, without limitation, the operations, activities, performance, and procurement processes including, but not limited to, bid specifications, bid submittals, activities of the contractor, their subcontractors and lower tier contractors, its officers, agents and employees, lobbyists, officials and staff of any office, agency, department, or part of the entire consolidated government, in order to ensure compliance with contract specifications and detect corruption and fraud.
- (q) Be notified in writing prior to any duly noticed public meeting of a procurement selection committee

## Appendix 2

# OIG Ordinance Provisions, Continued

where any matter relating to the procurement of goods or services by any office, agency, department, or part of the entire consolidated government is to be discussed.

- (r) Establish and post policies and procedures to guide functions and processes conducted by the Office.
- (s) Reserved.
- (t) Exercise any of the powers contained in this chapter upon his or her own initiative.
- (u) The Office records related to active audits, investigations and reviews shall be confidential and exempt from disclosure, as provided by Section 112.3188(2) and Chapter 119, Florida Statutes.
- (v) The Inspector General is considered the "appropriate local official" of the City for purposes of whistleblower protection provided by Section 112.3188(1), Florida Statutes;
- (w) The Inspector General has the power to appoint, employ, and remove such other personnel as is deemed necessary for the efficient and effective administration of the activities of the office. All such appointees shall serve at the pleasure of the Inspector General and shall be exempt from civil service.
- (x) to enforce this chapter by all means provided by law, including seeking injunctive relief in the Fourth Judicial Circuit Court in and for Duval County.

### **Sec. 602.304. - Inspector General Established; Qualifications.**

The Inspector General shall head the Office of Inspector General and shall have a bachelor's degree or higher from an accredited college or university, and at least ten years of experience in government auditing, investigation, or prosecutorial or criminal justice administration, public administration or business administration. A master's degree or higher is preferred. Professional certifications such as certified inspector general, certified inspector general auditor or investigator, certified public accountant, certified internal auditor, or certified fraud examiner are recommended. The Inspector General shall not have been found guilty of or entered a plea of nolo contendere to any felony, or any misdemeanor involving the breach of public trust. Unless a certification is already held, the Inspector General shall be required to obtain certification within 24 months of becoming the Inspector General.

# Appendix 2

## OIG Ordinance Provisions, Continued

### **Sec. 602.305. - Selection, Term, Contract, Removal and Vacancy.**

(a) *Selection.* The responsibility for selecting the inspector general shall be vested with the Inspector General Selection and Retention Committee, hereinafter, the "Committee."

The Committee shall be composed of seven members selected as follows:

- (1) The President of the Jacksonville City Council or his or her designee;
- (2) The State Attorney of the Fourth Judicial Circuit or his or her designee;
- (3) The Chair of the Jacksonville Ethics Commission or his or her designee;
- (4) The Chair of the Jacksonville TRUE Commission or his or her designee;
- (5) The Public Defender of the Fourth Judicial Circuit or his or her designee;
- (6) The Chief Judge of the Fourth Judicial Circuit or his or her designee; and
- (7) The Mayor of the City of Jacksonville or his or her designee.

The members of the Committee shall elect a chairperson who shall serve until the Inspector General is confirmed by the City Council. The Committee shall select the Inspector General with no less than four members approving the appointment from a list of qualified candidates submitted by the Jacksonville Employee Services Department. The Committee's selection is subject to confirmation by City Council.

(b) *Term.* The Inspector General shall be appointed for a term of four years. The Committee shall convene at least six months prior to the end of the four-year contract term to determine whether to renew the contract of the Inspector General or to solicit new candidates.

(c) *Contract.* The Chair of the Committee, in coordination with the Office of General Counsel, shall negotiate a contract of employment with the Inspector General. The Inspector General shall be an appointed employee exempt from civil service and shall be entitled to all rights and benefits normally accorded to appointed employees.

(d) *Removal.* The Inspector General may be removed based on specified charges initiated by the Committee for the following: neglect of duty, abuse of power or authority, discrimination, or ethical misconduct. The Inspector General shall be provided sufficient advance notice of the reasons for

# Appendix 2

## OIG Ordinance Provisions, Continued

the possible removal, and shall be given an opportunity to be heard on the charges. A decision of the Committee to remove the Inspector General must be approved by a minimum of four members of the Committee and be confirmed by the City Council.

- (e) *Vacancy.* In the event of a vacancy in the position of Inspector General, the Committee shall appoint an interim Inspector General until such time as a successor Inspector General is selected and assumes office. The Interim Inspector General shall meet all qualifications provided herein for the Inspector General.

### **Sec. 602.306. - Records Disclosure.**

The Inspector General's final reports shall be public records to the extent that they do not include information that has been made confidential and exempt from release to the public by Florida or federal law.

### **Sec. 602.307. - Annual Budget.**

The Mayor shall establish in the annual budget a separate activity for the Inspector General's Office similar to the budget presentation of a department of the City of Jacksonville. A minimum funding base is hereby established at \$400,000 annually.

### **Sec. 602.308. - Coordination with City Council Auditor's Office.**

The Inspector General and the City Council Auditor shall mutually cooperate, subject to their respective standards on confidentiality, and where practicable, to avoid duplication of efforts in audit functions. The Inspector General and the Council Auditor shall obtain respective approval prior to an offer of employment of their respective employees.

### **Sec. 602.309. - Penalty Provisions.**

It shall be unlawful and up to a \$500 fine for:

- (1) Any person to retaliate, punish, threaten, harass, or penalize any person for assisting, communicating or cooperating with the Inspector General; or
- (2) Any person to knowingly interfere, obstruct, impede or attempt to interfere, obstruct, or impede any investigation conducted by the Inspector General.

# Appendix 3

## FY 2017 Audit Plan

### FISCAL YEAR 2017 RISK ASSESSMENT AND AUDIT PLAN

The Fiscal Year 2017 Audit Plan (Plan) describes planned and not scheduled audits for the Office of Inspector General (OIG) for the period October 1, 2016, through September 2017. The Plan is a continuation of a three year audit plan developed in Fiscal Year 2016, based upon a risk assessment, elements of which included statistical information about City of Jacksonville departments and divisions. The goal of the risk assessment process is to identify areas of high risk concerns. The steps of the audit risk process are outlined below:

#### Steps in the Audit Risk Process

1. Meet with the Council Auditor to obtain a copy of the Council Auditor's audit plan.
2. Define the City's audit universe (all possible audit units).
  - Request an electronic copy of the budget
  - Review City department websites via coj.net
  - Review City organization charts
3. Define risk data.
  - FY 2014-2015 Revenue
  - FY 2014-2015 Expenditures
  - FY 2014-2015 # of Employees
  - Ratio of Expenditures to Employees
  - Assets under Management
  - Internal Audit Function Available
  - Recent or Future Audit to be conducted by Council Auditor
  - Media Coverage (rated High, Medium or Low)
  - Management Concern ( as noted in Council or committee minutes or directly brought to OIG attention)
  - Administrator surveys/ interviews
4. Determine inherent risk, risk ratings and risk factors.

# Appendix 3

## FY 2017 Audit Plan, Continued

5. Calculate the risk rankings for each audit unit. Evaluate risk ranking and audit priorities, exercising professional audit judgment after considering the following factors:

- Available resources (limitations and constraints)
- Active OIG investigations or external audits
- Internal referrals or management concerns
- Ability to execute audit in a timely manner given resource constraints

This Plan is not all-inclusive of the activities of the Audit Unit, which provides audit support to investigations, analyses, and to other projects that contribute to the mission of the OIG. This Plan is also not inflexible. The hours and dates for each audit are an estimate for planning purposes. The Audit Unit will adjust the scheduling and timing of planned audits to address other requested work and priority assignments.

Audit	Preliminary Objectives
Prior Audit Follow Up	Conduct follow up testing to ensure that deficiencies noted in prior year audits have been corrected.
<b>Project:</b> Audit of Sports and Entertainment <b>Division:</b> Office of Sports and Entertainment <b>Audit Unit:</b> Sports and Entertainment <b>Status:</b> Scheduled	To review controls and processes over public access, use, maintenance, and upkeep of city owned facilities and grounds. To review controls and processes over the fees from collection to deposit to ensure fees collected on behalf of the City and charges and fees billed to the City are in accordance with the pertinent contractual terms.
<b>Project:</b> Solid Waste <b>Division:</b> Public Works <b>Audit Unit:</b> Solid Waste <b>Status:</b> Scheduled	To review controls and processes over the collection and processing of refuse from initial pick up to disposal in the Trail Ridge Landfill. To review controls and processes over monitoring and maintenance of the six closed landfills and the remediation of numerous former unlined dump sites throughout the county. To review controls and processes over the recycling program. To review controls and processes over fee collection.

## Appendix 3

### FY 2017 Audit Plan, Continued

Audit	Preliminary Objectives
<b>Project:</b> Payroll and Timekeeping Controls <b>Division:</b> Finance and Administration and Employee Services <b>Audit Unit:</b> Payroll and Compensation and Benefits <b>Status:</b> Scheduled	To review controls and processes over the hiring and termination of employees. To review controls and procedures over overtime pay, comp time, and terminal payouts. Conduct a review for large and unusual payouts.
<b>Project:</b> Audit of Disaster Preparedness <b>Division:</b> Fire and Rescue <b>Audit Unit:</b> Emergency Preparedness <b>Status:</b> Not Scheduled	To review controls and procedures over the controls and procedures for disaster response and recovery, continuity of operations, shelter policies, and emergency response (fire, medical, etc.).
<b>Project:</b> Audit of Recreation and Community Programming <b>Division:</b> Parks, Recreation and Community Services <b>Audit Unit:</b> Recreation and Community Programming <b>Status:</b> Not Scheduled	To review controls and processes over public access, use, maintenance, and upkeep of recreational facilities and grounds. To review controls and processes over the fees and assessments from receipt, collection to deposit.
<b>Project:</b> Procurement Card <b>Division:</b> Finance and Administration <b>Audit Unit:</b> Treasury <b>Status:</b> Not Scheduled	To review controls and processes over the issuance of procurement cards, purchases on procurement cards, and procurement card payments.
<b>Project:</b> Fee Collection and Remittance Processes <b>Division:</b> Constitutional Officers and Independent Agencies <b>Audit Unit:</b> Constitutional Officers and Independent Agencies <b>Status:</b> Not Scheduled	This is a generic assignment that will be performed on selected entities. The estimated hours are per audit. To determine that processes and controls over fee collections are adequate to ensure accurate and timely collections and processing from the point of initial receipt, processing, and recording to bank deposit. To determine that fee structure, collection, and remittance controls and processes comply with contract terms.
<b>Project:</b> 2018 Risk Assessment <b>Division:</b> N/A <b>Audit Unit:</b> N/A <b>Status:</b> Not Scheduled	Conduct the risk assessment for the 2017 audit plan, expanded to include management interviews and surveys.

# Report Fraud, Waste, or Abuse

- **OIG Hotline:** 904.630.8000
- **Email:** [InspectorGeneral@coj.net](mailto:InspectorGeneral@coj.net)
- **Mail:** P.O. Box 43586 Jacksonville, FL 32203

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