



OFFICE OF INSPECTOR GENERAL CITY OF JACKSONVILLE

*“Enhancing Public Trust in Government Through Independent
and Responsible Oversight”*

ANNUAL REPORT

October 1, 2020 through September 30, 2021

**Presented to the Citizens of Jacksonville
December 30, 2021**



OFFICE OF INSPECTOR GENERAL CITY OF JACKSONVILLE

“Enhancing Public Trust in Government Through Independent and Responsible Oversight”

December 30, 2021

Citizens of Jacksonville, Florida:

As required by Section 602.303(n), Jacksonville Municipal Code, I am pleased to present the Fiscal Year 2021 Annual Report highlighting the Office of Inspector General (OIG) accomplishments from October 1, 2020, through September 30, 2021. The activities summarized within this report were conducted under the direction of Inspector General Lisa Green.

During this reporting year, the OIG issued 13 reports, memorandums, and/or inquiries, resulting in 38 recommendations for corrective action. As a result of these corrective actions, 4 new policies were developed and 7 policies/procedures were revised to strengthen internal controls within the Consolidated Government. The OIG also identified \$69,172 in recoverable funds and an additional \$5,723 was recouped through coordination with the Office of the State Attorney for Investigative Cost Recovery.

Two staff members successfully completed training through the Association of Inspectors General (AIG) to become a Certified Inspector General Auditor and a Certified Inspector General Investigator. During the upcoming fiscal year, it is the goal that all staff will be certified in their respective disciplines.

The OIG looks forward to the future, prioritizing timeliness, efficiency, and accountability. We will take a renewed look at our strategic direction, incorporating action steps with performance measures and completion dates to achieve the Office’s Strategic Goals. In addition, the OIG will maintain the Office’s accreditation status and develop a plan for training and outreach to citizens and employees of the Consolidated Government.

The OIG extends sincere gratitude for continued support of the OIG mission, including the Office of City Council, the Office of the Mayor, all City officials and employees of the Consolidated Government, members of the Inspector General Selection and Retention Committee, and the citizens of Duval County. As we execute the OIG mission during the upcoming fiscal year, please contact our Office with any complaints, suggestions, or ideas for preventing fraud, waste, and abuse.

Respectfully Submitted,

Sheryl Goodman
Interim Inspector General

TABLE OF CONTENTS

Executive Summary	4
History & Oversight	6
Organization & Staffing	7
Reporting to the OIG	9
Complaint Disposition	10
Investigations Unit	12
Audit Unit	14
Contract Oversight Unit	20
Additional Work Product	22
Appendices	30
1- OIG Ordinance Provisions	30
2 - City Reporting Policy	36

HIGHLIGHTS FOR FISCAL YEAR 2021:

Providing Responsible Oversight

In Fiscal Year 2021, the OIG Issued a total of **13** Reports, Management Inquiries, and Corrective Action Memorandums:

- ➔ **1** Contract Oversight Review
- ➔ **1** Audit Report
- ➔ **3** Corrective Action Memorandums
- ➔ **3** Reports of Investigation
- ➔ **5** Management Inquiries

Enhancing Efficiency & Accountability

Reports, Management Inquiries, and Corrective Action Memorandums issued by the OIG include recommendations for corrective actions. These recommendations are actions the OIG recommends to management to improve operations; prevent fraud, waste, and abuse; or address other administrative misconduct.

During Fiscal Year 2021, the OIG made **38** recommendations for corrective action, of which **100%** were accepted by management. To date, **35** have been implemented, and **3** are in progress. The recommendations resulted in the strengthening of internal controls, including **4** new policies/procedures and **7** revised policies/procedures.

Promoting Better Government

Correspondences represent the number of communications sent to the OIG to include allegations of fraud, waste, and abuse. Since Inception, the OIG has received **798** total correspondences, **118** of which were received in Fiscal Year 2021.

During the fiscal year, the OIG closed a total of **170** correspondences, more than any previous year. As of September 30, 2021, **721** of the correspondences (**90%**) were closed, and **77** remained open, including **9** current investigations.

A Snapshot of Results from OIG Activities During Fiscal Year 2021:

\$69,172

Identified Costs



\$5,723

Recovery of Investigative Costs

4 Terminations

1 Resignation

1 Suspension

2 Other Personnel Actions



1 Arrest

1 Pre-Trial Diversion Program





MISSION STATEMENT

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

Offices of Inspector General are entrusted with fostering and promoting accountability and integrity within government. The Office of Inspector General for the City of Jacksonville was created to provide independent oversight of publicly funded activities. Responsibilities include reviewing and evaluating internal controls to protect the resources of the entire Consolidated Government against waste, fraud, inefficiency, mismanagement, misconduct, and other abuses.

CORE VALUES

Integrity: Our actions shall conform to high standards of ethical conduct and remain free from any financial, social, or other obligation that might influence the performance of our duties.

Respect: We are committed to treating all individuals with dignity and courtesy.

Accountability: Our commitment is to provide value-added service and accept full responsibility for our actions.

Objectivity: We are committed to remaining neutral and unbiased, relying on facts in the performance of our duties.

Professionalism: We are committed to our mission, demand excellence from ourselves, and comply with professional standards.

VISION STATEMENT

To be the trusted oversight organization within Duval County, serving all citizens by promoting positive change and increased efficiency throughout the Consolidated Government.

STRATEGIC GOALS

(Goals for FY 2018-2022)

Goal 1: Focus on increasing the efficiency and effectiveness of government in an effort to ensure the consolidated government serves as a good steward of the funds provided by the citizens of Jacksonville.

Goal 2: Ensure effective and appropriate oversight of the procurement process throughout the consolidated government, from bid development through contract execution.

Goal 3: Conduct outreach to the consolidated government and the citizens of Jacksonville in order to solicit input on ways to increase the efficiency and effectiveness of the consolidated government while educating all stakeholders on our office.

Goal 4: Maintain a team of high performing experts in investigations, audits, and contract oversight through continuing education and professional certifications.

HISTORY & OVERSIGHT

OIG HISTORY

The Office of Inspector General began operations in October of 2014 to provide independent oversight of publicly funded activities. Initially, oversight jurisdiction was limited to the City Government and did not include the Constitutional Officers or Independent Agencies that also make up the Consolidated Government.

A Charter Referendum was passed by voters in March of 2015 to expand the OIG's jurisdiction from the core City of Jacksonville departments, officials, and employees to include all of the Consolidated Government, effective January 1, 2016.

FISCAL YEAR FUNDING

The Fiscal Year 2021 total approved budget was **\$1,296,810**: **89%** for personnel expenses; **8.2%** for service fees, including, in part, charges for rent, ITD, OGC, and general liability insurance; and **2.8%**, or **\$36,853**, for operating expenses, which includes training and supplies.

The approved budget for Fiscal Year 2022 (**\$1,383,162**) increased by **\$86,352** due to an increase in non-discretionary costs and a de minimis increase in discretionary operating expenses.

The Office of Inspector General has oversight of \$6.6 billion and over 12,000 Consolidated Government employees, which includes employees of City Government, Constitutional Officers, and Independent Agencies.*

*Budget Information from the COJ Council Auditor's Office Report #852, issued in November of 2021. Employees of Duval County Schools were not included.

City Government

- ✓ Office of the Mayor
- ✓ City Council
- ✓ All City Departments and Offices



Constitutional Officers

- ✓ Property Appraiser
- ✓ Supervisor of Elections
- ✓ Tax Collector
- ✓ JSO (Non-Sworn)
- ✓ Clerk of the Courts



Independent Agencies

- ✓ JEA
- ✓ Jacksonville Transportation Authority
- ✓ Jacksonville Aviation Authority
- ✓ Jacksonville Port Authority
- ✓ Jacksonville Housing Authority
- ✓ Jacksonville Housing Finance Authority
- ✓ Jacksonville Health Facilities Authority
- ✓ Downtown Investment Authority
- ✓ Duval County School Board

OIG STAFF EXPERIENCE

To ensure success in accomplishing the mission of “Enhancing Public Trust in Government Through Independent and Responsible Oversight,” the OIG hires qualified individuals that not only reflect the diversity of the community, but also have the appropriate level of skills, abilities, and experience necessary for their position on the OIG team. Staff members have backgrounds and/or academic degrees in auditing, financial analysis, public administration, grant administration, law enforcement, and investigations. In addition, the OIG staff hold the following certifications and professional memberships:

Certifications:

- ✓ Certified Inspector General
- ✓ Certified Inspector General Investigator
- ✓ Certified Inspector General Auditor
- ✓ Certified Government Auditing Professional
- ✓ Certified Accreditation Manager
- ✓ Notary Public

Professional Memberships:

- ✓ Association of Inspectors General (National Chapter)
- ✓ Association of Inspectors General (Florida Chapter)
- ✓ Fraud Prevention Association
- ✓ National Institute of Government Procurement
- ✓ Institute of Internal Auditors

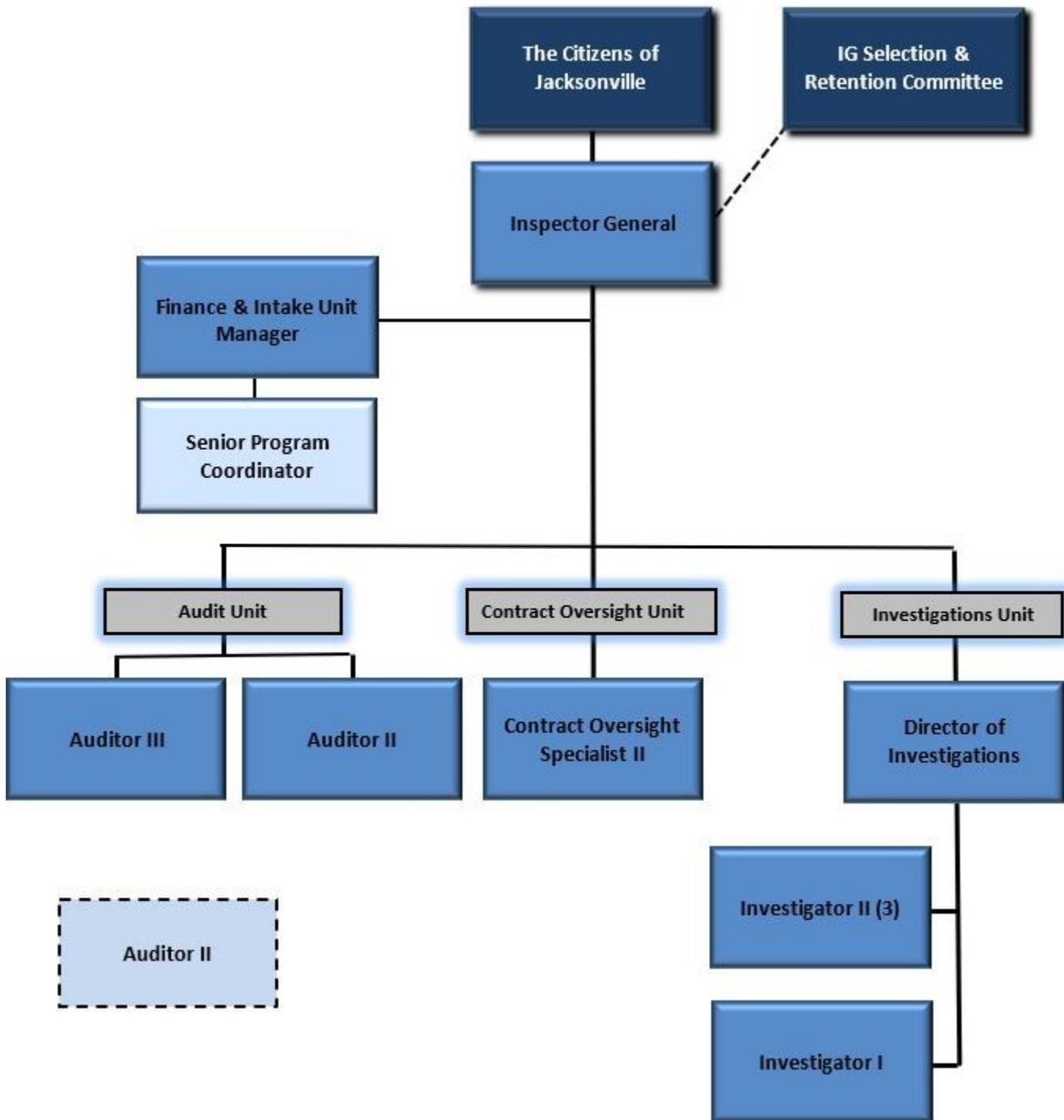
INSPECTOR GENERAL SELECTION AND RETENTION COMMITTEE

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, which 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*; The Committee’s members are set forth as follows:

COMMITTEE MEMBERS	NAME	DESIGNEE
The President of the Jacksonville City Council	Honorable Sam Newby	N/A
The State Attorney of the Fourth Judicial Circuit	Honorable Melissa Nelson	L.E. Hutton, Chief Assistant State Attorney (CHAIR)
The Chair of the Jacksonville Ethics Commission	Ellen Schmitt	N/A
The Chair of the Jacksonville TRUE Commission	Daniel Henry	N/A
The Public Defender of the Fourth Judicial Circuit	Honorable Charlie Cofer	Owen Schmidt, Director of Circuit Court
The Chief Judge of the Fourth Judicial Circuit	Honorable Mark Mahon	Honorable Julie K. Taylor, Duval County Judge
The Mayor of the City of Jacksonville	Honorable Lenny Curry	Brian Hughes, Chief Administrative Officer

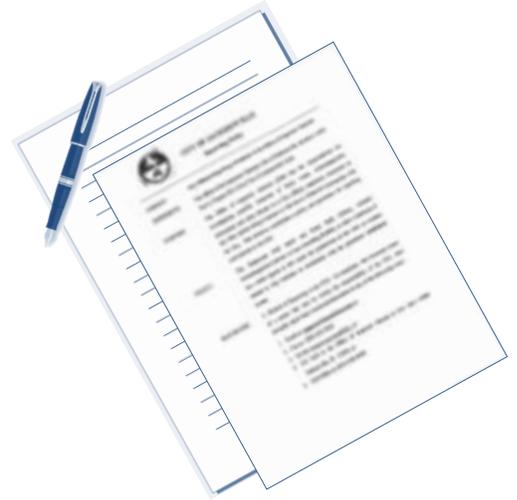
ORGANIZATIONAL CHART

Thee OIG is comprised of three sections: Investigations, Audit, and Contract Oversight. The office is currently budgeted for 12 full-time positions. As of September 30, 2021, 11 of the 12 positions were filled. The remaining position will be filled as an Audit position.



REPORTING POLICY

The City’s Reporting Policy states in part, “*City Employees shall report 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 ... 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 shall include, but not limited to, providing statements, documents, records, and other information.*”



(Read the entire Reporting Policy in Appendix 2).

WHISTLE-BLOWER PROTECTION

The State of Florida’s Whistle-blower’s Act, Sections 112.3187 – 112.31895, Florida Statutes, protects current or former employees, applicants for employment, and independent contractor employees from retaliatory acts associated with the disclosure of (1) any violation or suspected violation of any federal, state, or local law, rule, or regulation committed by an employee or agent of an agency or independent contractor which creates and presents a substantial and specific danger to the public’s health, safety, or welfare; or (2) any act or suspected act of gross mismanagement, malfeasance, misfeasance, gross waste of public funds, suspected or actual Medicaid fraud or abuse, or gross neglect of duty committed by an employee or agent of an agency or independent contractor.

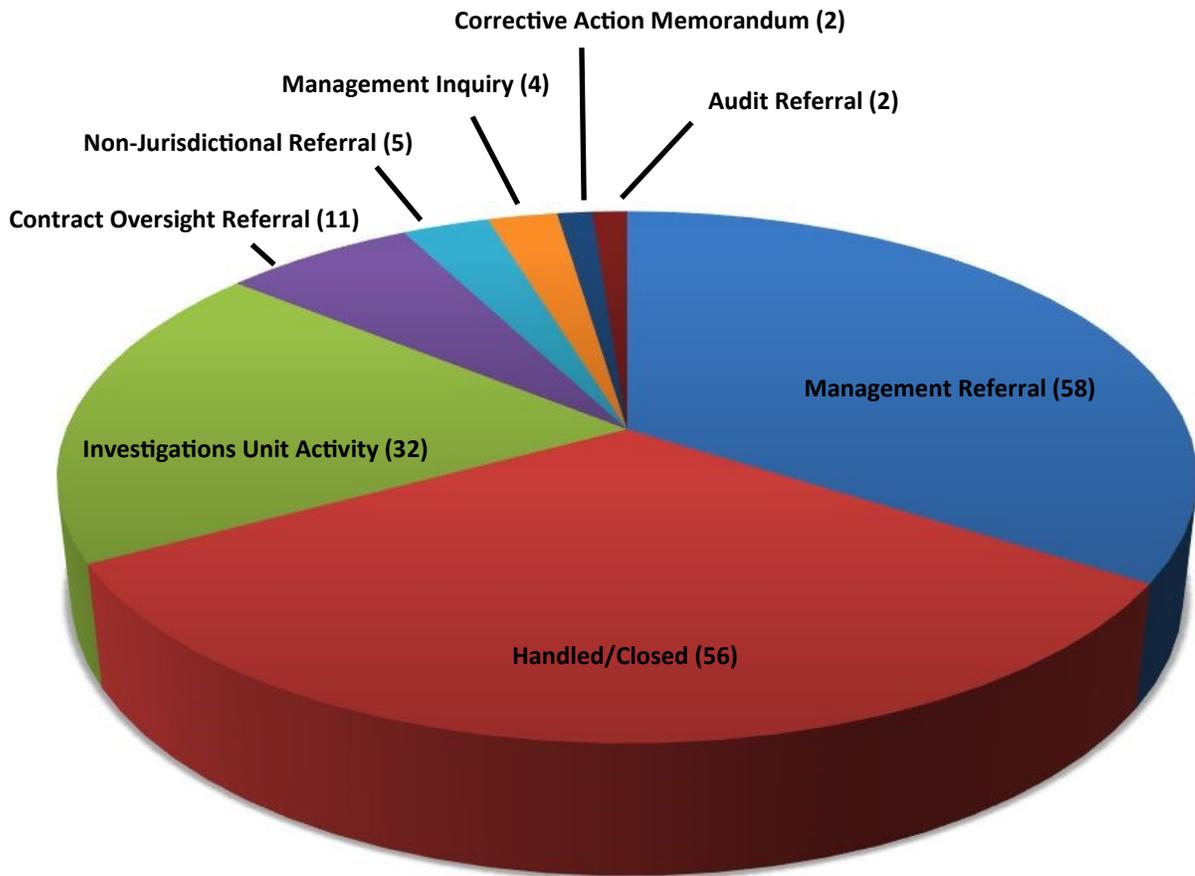
The City of Jacksonville also provides for whistle-blower protection in Part 5, Chapter 602, *Ordinance Code*.

The OIG, in addition to investigating whistle-blower allegations of fraud, waste, and abuse, is designated as an appropriate local official, with the responsibility of reviewing the allegations of persons seeking whistle-blower protection and granting or denying whistle-blower status.

(Read more about Whistle-blower protections in Appendix 1).

COMPLAINT DISPOSITION

The OIG closed a total of **170** correspondences in Fiscal Year 2021. The 170 correspondences were closed via the following methods of disposition:



Management Referrals (34%): Complaints referred to management for handling. No response to the OIG is required. Corrective action may result from the referral.

Handled/Closed (33%): Complaints reviewed by the Intake/Investigations Unit requiring minimal or no action, lacking substantive information, or not falling within any of the other categories.

Investigations Unit Activity (19%): Complaints assigned to the Investigations Unit for further review and/or investigation.

Contract Oversight Referral (7%): Complaints referred within OIG to the Contract Oversight Unit for further review and/or handling.

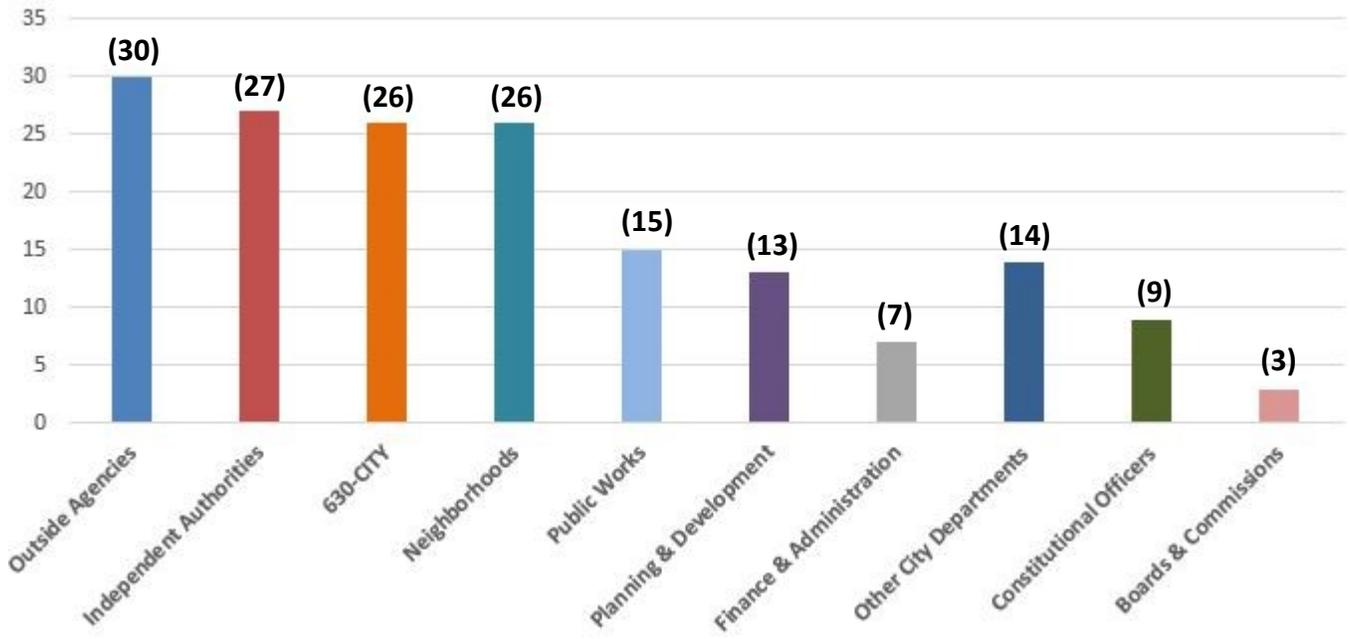
Non-Jurisdictional Referral (3%): Complaints dealing with matters outside of the OIG's jurisdiction and referred to local, state, or federal government entities for review and handling.

Management Inquiry (2%): Complaints referred to management for handling, but requiring a response to OIG. Corrective action or investigative assignment may result from the inquiry.

Corrective Action Memorandum (1%): A written memorandum to management requiring immediate consideration for corrective action.

Audit Referral (1%): Complaints referred within OIG to the Audit Unit for further review and/or handling.

Receipt of Correspondences by Entity



Note: Of the 27 correspondences related to Independent Authorities, 16 involved JEA, seven involved JHA, three involved JTA, and one involved JAA.

Top Seven Allegation Types

Allegation Type	Number
Violation of Rule, Law or Procedure	77
Operational Matter/Dispute	30
Non-Jurisdictional	19
Employee Misconduct	18
Financial Improprieties	14
Negligence of Duties	7
Contract Improprieties	5
TOTAL:	170

The Investigations Unit conducts and coordinates investigations in order to detect, deter, prevent, and eliminate fraud, waste, and abuse within the Consolidated Government. OIG investigations are conducted in order to resolve allegations of violations of Florida Statutes, the *Ordinance Code*, and/or Consolidated Government policies, rules, and/or directives. The Investigations Unit conducts investigations involving Consolidated Government officials and employees (excluding sworn personnel), as well as vendors, contractors, or consultants doing business with the Consolidated Government.

Investigations may be initiated as a result of information received from employees of the Consolidated Government; 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 and works closely with the Office of the State Attorney for the Fourth Judicial Circuit. Investigations are conducted in accordance with the *Principles and Standards for Offices of Inspector General (Green Book)* as developed and approved by the Association of Inspectors General and the *Inspector General Accreditation Standards* issued by the Commission for Florida Law Enforcement Accreditation, Inc. (CLFEA). These principles are important, as they guide the quality of investigations.

During Fiscal Year 2021, the Investigations Unit issued three Reports of Investigation and closed 32 complaints via Investigations Unit Activity.

Following is a summary of the accomplishments of the Investigations Unit during Fiscal Year 2021:

**CITY FUNDS MISAPPROPRIATED BY FORMER RISK MANAGEMENT EMPLOYEE
(Report of Investigation 2021-0001)**

The OIG substantiated an allegation that the former All-Lines Claims Adjuster, Risk Management Division, Finance and Accounting Department, embezzled City of Jacksonville (COJ) funds. The employee falsified Risk Management records to create a fictitious vendor and approved or caused to be approved payments to himself in the amount of \$15,236.80 using the fictitious vendor.

This case was coordinated for possible criminal violations with the State Attorney’s Office and the Jacksonville Sheriff’s Office Integrity and Special Investigations Unit (JSO Integrity), and the employee was arrested and charged with one count of Grand Theft F.S. 812.014(2)(c) 3F, one count of Organized Fraud F.S. 817.034(4)(a)3 3F, one count of Official Misconduct F.S. 838.022(1)(a) 3F, and one count of Money Laundering 896.101(3)(a) and (5)(a) 3F.

IMPACT: The employee subsequently paid restitution to COJ in the amount of **\$15,236.80**, as well as investigative costs to the OIG in the amount of **\$5,723.84**. He also entered the pre-trial diversion program with the State Attorney’s Office.

**INVESTIGATION INTO THE HANDLING OF A JEA SURPLUS MATERIAL DONATION
(Report of Investigation 2020-0001WB)**

The OIG substantiated an allegation that a JEA manager directed a subordinate employee to deliver JEA surplus materials in a manner that was not compliant with JEA policy. As a result of the administrative investigation, JEA advised the OIG that the JEA manager was terminated from employment. In addition, the OIG issued the following recommended corrective action:

The recommendation was accepted by management and corrective action completed.

Recommendation 1: Completed.

Review and determine if any updates to the JEA Organizational Policy & Procedure: Sale and Disposal of Surplus Materials, (effective August 1, 2016) are needed and reflect current operating procedures. Provide the OIG with a copy of any updated policy which reflects an effective date and approval authority.

RESULTS: The JEA Organizational Policy & Procedure: Sale and Disposal of Surplus Materials was updated on September 11, 2020, and a copy was provided to the OIG on December 14, 2020.

**JEA MISCONDUCT INVESTIGATION—MISUSE OF VEHICLE/TIME & ATTENDANCE FRAUD
(Report of Investigation 2020-0007)**

The OIG substantiated an allegation that a JEA employee was making several non-work-related stops using his JEA vehicle, while working remotely and in the field, and falsifying his time and attendance records. During the administrative investigation, the subject resigned from JEA. In addition, the OIG issued the following two (2) recommended corrective actions:

Both recommendations were accepted by management and corrective actions completed.

Recommendation 1: Completed.

As a result of a prior investigation (OIG Report of Investigation 2019-0003), the OIG recommended that JEA establish a procedure or policy to strengthen internal controls to ensure accurate time reporting and oversight of those employees whose job duties include field operations and/or who perform work remotely. JEA reported in August of 2020 that respective business units needed to draft procedures to address distinct operations within their respective areas. Therefore, any recommendation relating to strengthening internal controls would be the same and/or similar to this recommendation. Provide a copy of any updated or newly established procedure for the Environmental Services Division.

IMPACT: JEA advised that systems within Fat, Oil and Grease (FOG) Inspections had been enhanced to require Inspectors to upload inspection reports and accompanying photographs prior to leaving the site. In addition, as a result of this investigation, JEA further strengthened its internal controls relating to route planning and accountability through new software that is able to compare field work to monthly schedules and daily summaries and created a Daily FOG Planning and Inspection Documentation SOP.

Recommendation 2: Completed.

The employee resigned effective November 6, 2020. Take appropriate action to recover approximately \$638.00 in salary overpayments from the employee. Provide the OIG with verification.

IMPACT: JEA attempted to collect the \$638 in identified costs from the employee through voluntary forfeiture of his annual leave; however, the employee refused to comply with JEA's request prior to leaving employment on November 6, 2020.

The Audit Unit provides risk-based independent audits focused 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. Additionally, the Audit Unit provides its expertise to the Investigations Unit when needed.

Audits are conducted in accordance with the Institute of Internal Auditors (IIA) or, when appropriate, the *Generally Accepted Government Auditing Standards (GAGAS)*, published by the Government Accountability Office, as well as the AIG's *Principles and Standards for Offices of Inspector General*.

During Fiscal Year 2021, the Audit Unit issued an audit of the City of Jacksonville's Kids Hope Alliance (KHA), Stop The Violence Neighborhood Intervention and Prevention Mini Grant Program. In addition, the Audit Unit developed an Audit Plan for Fiscal Year 2022.

Following is a summary of the accomplishments of the Audit Unit during Fiscal Year 2021:

KIDS HOPE ALLIANCE STOP THE VIOLENCE PROGRAM AUDIT

(Audit Report 2020-AR-0002)

An audit of the City of Jacksonville's Kids Hope Alliance (KHA), Stop The Violence Neighborhood Intervention and Prevention Mini Grant Program was conducted to determine the following objectives:

Objective 1:

Determine if the vendor selection process was fair and unbiased.

IMPACT: The OIG determined that KHA effectively managed the Stop the Violence Program and the vendor selection process was fair and unbiased.

Objective 2:

Evaluate whether vendors performed within KHA procedures and contract requirements.

IMPACT: KHA failed to obtain monthly program reports as required by the Agreements and in accordance with *KHA Policies and Procedures Manual, Contract Management File Policy* in effect during the audit period. A similar finding was noted in the OIG Faith-Based Program Audit (Audit Report 2019-AR-0001), issued September 21, 2020. As a result of the previous KHA Faith-Based Program Audit (Audit Report 2019-AR-0001), KHA revised/changed the *Policies and Procedures Manual, Contract Management File Policy* to the *Policies and Procedures, Manual Contract and Grant Management Procedures*, effective August 1, 2020. The OIG determined that the policy revision/changes adequately addressed the deficiency and no further recommendations were made.

Objective 3:

Determine if expenses were allowable and reimbursed in accordance with KHA procedures as well as contract requirements.

IMPACT: The audit disclosed that encumbered (reserved) funds allocated to thirty-four (34) KHA Stop the Violence Program vendors had not been used as of August 2020. The encumbered funds represented approximately **\$53,297** in **Identified Costs**. Identified Costs are dollars that have the potential of being returned to offset the taxpayers' burden. These \$53,297 in identified costs were subsequently unencumbered (released) by the City of Jacksonville Procurement Division and returned to the Kids Hope Alliance (KHA) Trust Fund.

Fiscal Year 2022 Annual Audit Plan

Overview

The annual audit plan is a guide that is developed for the utilization of the Office of Inspector General (OIG) Audit Unit resources during the fiscal year. Audits and other projects selected for review and included in the annual audit plan are those areas that represent risk to City of Jacksonville (COJ) Consolidated Government.

The planning process is consistent with the OIG's approved Internal Audit Charter and the division's goals. The plan of engagements is based on a documented risk assessment and an assessment of available audit resources. In addition to the projects selected based on risk assessment results, audit resources are also dedicated to follow-up reviews, carry-forward audits, special projects and non-audit services.

The OIG Audit Unit consists of a staff of two (2) auditors. The annual audit plan is based on the full utilization of the current staffing level. We have included the **Available Staff Time Estimate (Attachment 1)** which calculates the number of days/hours available to perform audit work. This amount is derived by reducing the number of work days/hours available by holidays, vacation/sick/extended leave days, training, staff meetings, and other non-audit administrative time. Our goal is to make the most effective use of our resources. For FY 2022, there are 285 days (2282 hours) available for audit work.

Project objectives proposed in the plan are in general terms. The specific objective of each audit project is determined by the detailed assessment of relative risks for the project at the time the project is initiated. Additional projects will be submitted to the Inspector General for review and approval as needed based on any significant operational changes or special project requests.

The audit plan may be modified during the fiscal year as circumstances change. Requests from management, changes in audit resources, and changes in the COJ Consolidated Government's organization or operations could result in updates to the plan. Any significant updates to the plan would require approval from the Inspector General.

The Role of Internal Audit

The OIG Audit Unit conducts independent and objective audits and is committed to providing timely, useful, and reliable information. The Audit Unit identifies opportunities to improve government operations to those under the jurisdiction of the Office of Inspector General (OIG) by conducting comprehensive, independent performance audits and activities which: assess efficiency, economy, and effectiveness; ensure compliance with applicable laws and regulations; and prevent, detect, and deter fraud, waste, and abuse. The audit plan consists of audits/reviews identified through the annual planning process. Audit resources are assigned in the areas of highest risk and vulnerability. This results in providing recommendations to improve internal controls, operations and systems.

The OIG Audit Unit complies with the Institute of Internal Auditors' (IIA) International Professional Practices. When required, the Government Auditing Standards issued by the Comptroller General of the United States Framework United States Government Accountability Office's (GAO) are applied.

Fiscal Year 2022 Annual Audit Plan, Cont'd

Professional and Statutory Requirements

This document provides the Fiscal Year 2022 Audit Plan as required by the OIG Audit Charter and IIA professional auditing standards.

This plan is prepared in accordance with the Institute of Internal Auditors' (IIA) International Professional Practices Framework. The plan is developed based on an assessment of risk and potential exposures that may affect the City of Jacksonville (COJ) Consolidated Government. Ultimately, the OIG Audit Unit's objective is to provide management with information to reduce exposure to the negative effects that may be associated with operations intended to achieve management's objectives. The degree or materiality of exposure can be viewed as risks mitigated by establishing sound internal controls.

Types of Reviews

The OIG Audit Unit conducts performance audits, follow-up reviews, carry-forward audits as well special projects.

Performance audits are engagements that provide assurance or conclusions based on an evaluation of sufficient appropriate evidence against stated criteria. Performance audits provide objective analysis so that management and those charged with governance and oversight can use the information to improve program performance and operations, lower risks, reduce costs, facilitate decision making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability. Therefore, the sufficiency and appropriateness of evidence and tests of evidence will vary based on the audit objectives and conclusions.

Follow-up reviews are conducted to determine the adequacy, effectiveness, and timeliness of actions taken by management on reported engagement recommendations. This work determines if management actions have resulted in lowering risks or if management has assumed the risk of not taking corrective action on reported findings. Follow-up projects are conducted on previously reported findings. These audits are scheduled within a reasonable time frame to allow management sufficient opportunity to implement corrective actions.

Carry-Forward audits are audits that are scheduled to start near the end of one fiscal year and require time in the following year to complete the final audit phase (reporting). Carry-Forward Projects are mainly assigned to ensure that the auditors maintain a steady workload throughout the year.

Special Projects are unplanned audits deemed necessary by the Inspector General or based upon a request submitted to the OIG. These audits may result from referrals or other emergent risks and are considered priority projects. Based on the urgency of these types of audits, planned audits, are subject to modification, rescheduling, or cancellation.

Development of the Audit Plan

The OIG Audit Unit allocates its resources in a manner that is consistent with the mission and goals of the Office of Inspector General (OIG). To support the OIG's mission, audit coverage is considered across the agency. The audit plan is designed to provide coverage of key business processes, over a reasonable period of time, given the existing staff.

The following key factors were considered to assess risk and develop the audit plan:

- | | |
|--|--|
| ⇒ Potential for impact on policies and procedures | ⇒ Results and time since last audit engagement |
| ⇒ Compliance with applicable policies and procedures | ⇒ Extent of government regulation |
| ⇒ Changes in systems, processes, policies, or procedures | ⇒ Selection of audit topics to include in the Audit Plan |

Fiscal Year 2022 Annual Audit Plan, Cont'd

OIG Audit Unit Activities

The following tables provide information regarding planned OIG Audit Unit activities for FY 2022, based on two (2) FTEs in the Audit Unit:

FY 2022 Performance Audit Projects			
Entity	Audit Area	Preliminary Objectives	Estimated Budget Hours
Parks, Recreation and Community Services Department - Social Services	Emergency Financial Assistance Program - Eligibility for temporary financial assistance with rent, mortgage and/or utility needs.	Is the Emergency Financial Assistance Program properly managed according to the policies/regulations/requirements? Are there adequate controls to ensure eligibility of recipients? Are program expenditures properly documented and approved? Are written policies and procedures in place and followed to ensure compliance with the policies/regulations/requirement governing the program?	960
City Council	Sunshine Law Compliance Audit - Jacksonville Sunshine Law Compliance Act, Section 15.107, requires that the OIG conduct a biannual review and report on Council notices, meeting locations and minutes commencing biannual (every 2 years) in even-numbered years.	Are Council meeting notices posted publicly and timely as required by City of Jacksonville Code of Ordinances, Chapter 15? Were the Council meetings held in the appropriate public rooms? Were the written Council minutes maintained in the filing system and available for retrieval? Have all Council Members and Executive Council Assistances received/taken the annual Sunshine Law continuing education and training?	160
Total Performance Audit Project Hours			1120

FY 2022 Special Projects		
Projects	Audit Area	Estimated Budget Hours
Assigned IG Topics	Special Projects consists of unplanned audits deemed necessary by the OIG or based upon a request submitted to the OIG.	1042
Total Special Project Hours		1042

Fiscal Year 2022 Annual Audit Plan, Cont'd

FY 2022 Prior Year(s) Audit Follow-Up		
Audit Recommendation(s) Implementation		
Entity	Audit Report	Estimated Budget Hours
City Council	FY2020 Sunshine Law Compliance Audit (2020-CR-001)	40
Kids Hope Alliance (KHA)	FY2019 Kids Hope Alliance Faith-Based Program Audit (2019-AR-0001)	20
Kids Hope Alliance (KHA)	FY2020 Kids Hope Alliance Stop the Violence (2020-AR-0002)	20
Total Follow-up Project Hours		80

FY 2021 Carry Forward Audits		
Entity	Audit Report	Estimated Budget Hours
Duval County Property Appraiser	FLHSMV Residency Webservice (2021-CR-0001)	40
Total Carry-Forward Project Hours		40

Attachment 1

Available Staff Time Estimate for FY 2022

An analysis was conducted to determine the amount of direct audit staff time would be available to ensure internal audit resources are sufficient and effectively utilized to achieve the approved plan. The Fiscal Year 2022 COJ holidays, vacation/sick/extended leave days, training, staff meetings, and other non-audit administrative time were used to determine the resources available during Fiscal Year 2022.

Total Annual Available Hours Per Full Time Equivalent (FTE)	
Annual Totals	Hours
Based on 52 Weeks @ 40 Hours Per Week	2080
Less Holidays (12 Days * 8 Hours)	-96
Less Annual Leave (12 Days * 8 Hours)	-96
Less Sick Leave/Extended Leave (70 days * 8 hours)	-560
Less Training/CPE hours per auditor	-40
Less Audit support/Miscellaneous (14 days * 8 hours)	-112
Administrative/Non-CPE Training	-35
Available Project Hours per FTE	1141
Total Available Project Hours (2 FTEs)	2282
Total Days Available	285

Note: Totals reflect automatic rounding in spreadsheet.

Allocation of Available Project Hours	
Description	Hours
Total Hours – Performance Audits	1120
Total Hours - Special Projects	1042
Total Hours - Prior Year(s) Audit Follow-Up	80
Total Hours - Carry Forward Audits	40
Total Project Hours Allocated	2,282

The Contract Oversight Unit is responsible for reviewing procurement and contracting activities of the County and other government entities within the OIG’s jurisdiction. The goal of the Contract Oversight Unit is to promote accountability, integrity, and efficiency throughout the procurement and contracting processes. To that end we:

- Initiate, conduct, supervise, and coordinate oversight activities to detect, deter, prevent, and eliminate fraud, waste, and abuse in County and municipal government procurement;
- Periodically attend contract selection meetings and provide feedback, where appropriate;
- Conduct contract oversight reviews of an entity’s procurement process which may result in recommendations to address shortcomings, irregularities, and/or opportunities for improvement;
- Conduct procurement and fraud awareness training for the County and municipal employees and vendors/contractors; and,
- Promote full and open competition and arm’s-length negotiations with vendors and contractors so that public funds are used in the most efficient and effective manner.

The Contract Oversight Unit conducts its activities in the “spirit” of the Principles and Standards for Offices of the Inspectors General (Green Book). These principles are important as they guide the quality of the unit’s work products.

In addition to monitoring the GGAC/PSEC committee meetings, the Contract Oversight Unit also reviews meeting agendas and minutes to identify areas or situations where the integrity of the procurement process may be at risk. When an indication of such risk occurs, staff reviews the situation to determine the significance and probability of the risk.

During Fiscal Year 2021, the Contract Oversight Unit issued one Contract Oversight Review and worked collaboratively with other Units to issue three Corrective Action Memorandums and five Management Inquiries.

Following is a summary of the accomplishments of the Contract Oversight Unit during Fiscal Year 2021:

PARKS, RECREATION AND COMMUNITY SERVICES LICENSING AGREEMENTS (Contract Oversight Review 2021-01-0005)

The OIG reviewed agreements between the Parks, Recreation and Community Services Department and various Florida not-for-profit organizations allowing for the use of COJ community center facilities and parks to provide youth and elderly services to the community. The review disclosed a lack of policies/procedures for proper oversight of the licensing agreements, which resulted in the following five (5) recommended corrective actions:

All five recommendations were accepted by management. However, three recommendations are still pending corrective actions.

Recommendation 1: In Progress — Management Estimated Completion Date: 12/31/21. As of December 30, 2021, this recommendation is still pending.

Create a comprehensive policy to include procedures/process for reviewing and monitoring all requirements contained within each respective licensing agreement. The policy should include the following:

- a. Incorporate the direction outlined in the Office of the Mayor’s October 2015 response, or equivalent, including:
 - i. Contract Compliance Matrix form, or equivalent, individualized to each licensing agreement, and subsequent renewals, outlining all requirements of the agreement.
 - ii. Contract Check List form, or equivalent, individualized to the specific language of each licensing agreement, and subsequent renewals, including a provision for periodic review by Department management.
 - iii. Tracking Spreadsheet, or equivalent, to monitor requirements of each licensing agreement and subsequent renewals.
- b. Periodic policy training, e.g., semi-annually, or as deemed appropriate, on the policy with the responsible oversight employee(s) to ensure proper licensing agreement management.
- c. Process for random and/or regular reviews (e.g., monthly, quarterly, annually) of all community center facilities to ensure licensees are in compliance with all licensing agreement requirements.
- d. Periodic internal compliance review of all active licensing agreements to ensure services are being performed in accordance with the terms and defined permitted use language.
- e. Include a process for the Department to review and/or verify pertinent requirements outlined in the license agreement as noted on pages 8-9, e.g., employee and volunteer background checks, proper permits/licenses have been obtained, etc.
- f. Include a process for random or and/or regular reviews related to auditing licensees’ financial books, records, and documents in accordance with language within the licensing agreements.
- g. Include a process to review licensing agreement language, prior to the execution of a renewal, to ensure noted requirements remain relevant and that consistent language is used among similar license agreements, e.g., adult to youth ratio is defined.

Recommendation 2: In Progress — Management Estimated Completion Date: 3/31/22. As of December 30, 2021, this recommendation is still pending.

Review and update insurance coverage for the licensing agreements in use at the community centers listed on page 7.

Recommendation 3: Completed.

- 3. Establish a record keeping system (electronic and/or hardcopy) to ensure accountability of necessary licensing agreement documents.

IMPACT: The Department now stores all licensing agreements and any associated documents on the SharePoint 365 Parks, Recreation and Community Services Department page.

Recommendation 4: Completed.

Create a generic and centralized e-mail address for use by licensee administrators for transmission of documents, in lieu of a specific COJ employee’s e-mail address, to prevent errors and omissions.

IMPACT: JHA created an e-mail address (jaxparks@coj.net) for transmission of license-related documents.

Recommendation 5: In Progress — Management Estimated Completion Date: 7/31/22. As of December 30, 2021, this recommendation is still pending.

Review all existing Department grants, contracts, and licensing agreements in which incorporation of above corrective actions would be appropriate. Advise the OIG of the Department’s plan to initiate and ensure the recommended corrective actions are applied to other grants, contracts, and licensing agreements currently administered by the Department.

Corrective Action Memorandums (3)

MEMORANDUM OF CORRECTIVE ACTION—PROCUREMENT (2021-03-0003)

Based upon an allegation that current JHA vendors were former JHA employees, the OIG self-initiated a review of all current JHA vendors and determined that multiple JHA employees had personal businesses through which they were performing work as vendors to JHA, in violation of JHA policies and the HUD Procurement Handbook. The review resulted in the following six (6) recommended corrective actions:

All six recommendations were accepted by management and all corrective actions were completed.

Recommendation 1: Completed.

Take appropriate action to address violations concerning JHA employees who are listed as Registered Agents and/or Officers/Directors for Daughter to Daughter, Inc., a JHA vendor.

IMPACT: JHA ceased doing business with vendor Daughter to Daughter, Inc as of June 10, 2021. JHA terminated three employees for violation of the conflict-of-interest policy, non-compliance with both HUD procurement Handbook for Public Housing Agencies (7460.8 Rev 2. 2007), Section 4.4C, and Outside Employment Policy.

Recommendation 2: Completed.

Determine whether the employees affiliated with The Justice League of Fitness – I Will Workout, Inc. are in compliance with the JHA Employment Policy Manual (Draft effective February 2021 or most recently issued version).

IMPACT: JHA determined one of two employees was non-compliant with the Outside Employment Policy.

Recommendation 3: Completed.

Determine if JHA employees are affiliated with Southern Recreation, Inc. and Crystal Clean Pools of Sebring, Inc. and ensure compliance with both HUD Procurement Handbook for Public Housing Agencies (7460.8 Rev 2. 2007), Section 4.4C and JHA Employment Policy Manual (Draft effective February 2021).

IMPACT: JHA determined employees are not affiliated with Southern Recreation, Inc. and Crystal Clean Pools of Sebring, Inc.

Recommendation 4: Completed.

Determine if the JHA employees are affiliated with the respective businesses identified and ensure compliance with both HUD Procurement Handbook for Public Housing Agencies (7460.8 Rev 2. 2007), Section 4.4C and JHA Employment Policy Manual (Draft effective February 2021).

IMPACT: JHA ensured that the appropriate employees completed a JHA Outside Employment notification form in accordance with the new policy. JHA suspended one employee and provided verbal advisements to two additional employees.

Corrective Action Memorandums (3), Cont'd

Recommendation 5: Completed.

Cease doing business with JHA vendors affiliated with a current and/or former employee (within one year of termination) to ensure compliance with HUD Procurement Handbook for Public Housing Agencies (7460.8 Rev 2. 2007), Section 4.4C. Provide a list of those vendors to the OIG.

IMPACT: JHA ceased doing business with Daughter to Daughter, Inc. effective Thursday, June 10, 2021.

Recommendation 6: Completed.

Provide verification that all JHA employees have received JHA Employment Policy Manual (Draft effective February 2021, or most current version). Provide OIG with a copy of the policy in effect.

IMPACT: All non-bargaining unit employees have received the JHA Employment Policy Manual, effective February 2021. In addition, a copy was provided to the OIG.

MEMORANDUM OF CORRECTIVE ACTION—SECONDARY EMPLOYMENT (2021-07-0014)

While reviewing a complaint regarding potential mismanagement within JHA, the OIG discovered violations of JHA policy regarding secondary employment, which resulted in the following three (3) recommended corrective actions:

All three recommendations were accepted by management and corrective actions completed.

Recommendation 1: Completed.

Take appropriate action to address non-disclosure of secondary employment for the JHA Construction Project Manager.

IMPACT: HR took action to ensure that the Construction Project Manager has Outside Employment on file.

Recommendation 2: Completed.

Determine if two JHA employees are violating any real or perceived conflict-of-interest provisions by entering into a contract with another Consolidated Government entity.

IMPACT: JHA determined there is no identified real or perceived conflict of interest for the employees entering into a contract with Duval County Public School Systems.

Recommendation 3: Completed.

Determine if a JHA employee has performed any duties related to his secondary employment as a contractor with Duval County Public Schools, while being compensated by JHA.

IMPACT: JHA determined the employee performed duties while on annual leave and did not violate JHA's Outside Employment policy.

Corrective Action Memorandums (3), Cont'd

MEMORANDUM OF CORRECTIVE ACTION—WORK FROM HOME POLICY (2021-07-0014)

The OIG reviewed an allegation regarding a potential violation of a JHA policy related to an employee working as an HR Consultant to JHA within one year of separation from employment with JHA. The allegation was not substantiated; however, the OIG issued the following five recommended corrective actions:

All five recommendations were accepted by management and corrective actions completed.

Recommendation 1: Completed.

Establish a Working from Home/Telecommuting Policy, to ensure accountability, security of JHA business records while working from home, and define JHA's liability related to injuries that may occur while working from home. This policy may also be relevant during the current Novel Coronavirus Disease 2019 – COVID-19 pandemic, or in the event of hurricanes, or other unforeseen events. The City of Jacksonville's Employee Services Directive – 0510, Working From Home/Telecommuting Policy may serve as a reference in the development of JHA's policy. Provide a copy of the newly established policy or updates incorporated into the JHA Employment Policy Manual.

IMPACT: JHA updated the JHA Employment Policy Manual to include a policy related to Telecommute and Remote Work and provided a copy to the OIG.

Recommendation 2: Completed.

Consider changing the title of HR Consultant to an alternate position title in order to reduce the perception that a former employee has been re-hired within one-year as a consultant or vendor, in violation of federal law and JHA policy.

IMPACT: JHA benchmarked against several industries where the title of HR Consultant is utilized to perform similar duties in a telecommuting/remote environment and determined the title was appropriate.

Recommendation 3: Completed.

Update the JHA Employment Policy Manual (February 2021), Section 6.4, Hours of Work, to articulate that the section does or does not apply to both full and part-time employees, and how exceptions will be addressed and documented, or update Section 2.1, Classification of Employment, Part-Time Regular Employees, page 12, to address hours of work for part-time employees, and how exceptions will be addressed and documented.

IMPACT: JHA revised Section 6.4, Hours of Work in the JHA Employment Policy Manual in accordance with OIG recommendations.

Recommendation 4: Completed.

Ensure that at least one additional JHA Manager or Human Resources senior employee has access to business records during JHA's regular business hours.

IMPACT: JHA ensured that in the future, the HR Generalist will have access to all Human Resources business records.

Corrective Action Memorandums (3), Cont'd

Recommendation 5: Completed.

Provide a copy of authorization granting approval for the HR Consultant to work from a remote location and to work outside of regular JHA business hours. In addition, please provide a copy of the HR Consultant job description.

IMPACT: JHA developed an internal authorization memo to document approval for the HR Consultant to telecommute and work remotely with an alternative work schedule.

Management Inquiries (5)

HEAD START TO HOME OWNERSHIP PROGRAM (2020-04-0009)

Following a citizen complaint, the OIG reviewed Neighborhoods Department documentation related to the Headstart to Homeownership Program and discovered deficiencies within the files related to inspection forms provided by home inspection vendors. The review resulted in the two (2) following recommended corrective actions:

Both recommendations were accepted by management and corrective actions completed.

Recommendation 1: Completed.

A review of 10 random files disclosed that inspection forms in all 10 files were incomplete and/or missing information. Review and update the Neighborhoods Department Head Start to Home Ownership Program Procedures, dated February 2019, to include a step-by-step checklist or process that ensures verification that all parts of inspection forms have been completed appropriately prior to forwarding to the lender. Please provide the OIG with any updated materials related to this corrective action.

IMPACT: The Neighborhoods Department updated the Headstart to Homeownership Program Procedures to include an Inspection Checklist to be included in each case file and provided a copy to the OIG.

Recommendation 2: Completed.

Include a requirement in any future Request for Qualifications for Home Inspections for potential vendors to verify permits have been issued (if applicable) as part of the inspection process or include the requirement in the Neighborhoods Department Head Start to Home Ownership Program Procedures, October of 2017, updated February of 2019, or both.

IMPACT: The Neighborhoods Department updated the Headstart to Homeownership Program Procedures to include a requirement for potential vendors to verify permits have been issued (if applicable) as part of the inspection process. The requirement will also be included in future Request for Qualifications.

Management Inquiries (5), Cont'd

JACKSONVILLE HOUSING AUTHORITY— CHIEF EXECUTIVE OFFICER SEARCH (2020-07-0004)

The OIG reviewed an allegation related to a potential conflict of interest and violation of the Sunshine Law in JHA's hiring process for the position of Chief Executive Officer. The review determined that JHA had no required system of sanctions for violations of ethical standards and disclosed deficiencies related to notices for public meetings, resulting in four (4) recommended corrective actions.

All four recommendations were accepted by management and corrective actions completed.

Recommendation 1: Completed.

Ensure that the annual training presented by the Ethics Office includes training related to Florida's Sunshine Law, specifically regarding publicly noticed meetings and maintaining relevant records associated with those meetings.

IMPACT: The City's Office of General Counsel provided training on the Sunshine Law, Ethics, and Public Records on November 23, 2020. All department managers and Senior Staff were in attendance.

Recommendation 2: Completed.

Review and update Jacksonville Housing Authority Procurement Policy (Adopted: 11/16/2015) to address Section 18.2, specifically an established system of sanctions.

IMPACT: JHA updated the Procurement Policy Section 18.2 to add an established system of sanctions for violations of ethical standards.

Recommendation 3: Completed.

Section 18.1 of the JHA Procurement policy does provide for the head of the agency to delegate procurement authority. The OIG maintains that JHA keep this in mind to avoid an appearance of a conflict of interest, whether real or perceived moving forward.

IMPACT: In the future, JHA will ensure that the head of the Agency delegates authority as outlined in section 18.1 when deemed appropriate to avoid any perception or appearance of a conflict of interest.

Recommendation 4: Completed.

Determine what policy or Standard Operating Procedure (SOP) is in place to train employees on the process of and requirements for documenting publicly noticed meetings and corresponding minutes.

IMPACT: On December 3, 2020, JHA developed a Florida Sunshine Law and Public Meeting Notices SOP.

Management Inquiries (5), Cont'd

JACKSONVILLE HOUSING AUTHORITY— HOUSING MISMANAGEMENT COMPLAINT (2021-10-0012)

The OIG reviewed an allegation of potential waste within JHA, specifically that a bathtub in a JHA unit was resurfaced twice and then replaced within two years. The OIG reviewed policies, procedures, and documentation regarding vendor invoices for the work performed. The review disclosed multiple instances of potential duplication of work or duplication of payments resulting in the following three (3) recommended corrective actions:

All three recommendations were accepted by management and corrective actions completed.

Recommendation 1: Completed.

Conduct an audit of Creative MultiCare, Inc. invoices from January of 2018 through December of 2020 for work performed at Southwind Villas Apartments. Provide the following level of detail:

- Provide a list of any work performed on the same units for “resurfacing;”
- Provide copies of any justification for repeated or duplicate “resurfacing;”
- Provide copies of any justification for variance in invoice charges; and
- Provide copies of all invoices reviewed.

IMPACT: JHA audited the invoices and determined no duplication of work was performed and no duplicate payments were processed by the vendor.

Recommendation 2: Completed.

Provide a copy of any existing Standard Operating Procedure (SOP) or internal policy related to documenting the approval and justification for work to be performed on units.

IMPACT: JHA provided the OIG with a copy of Unit Turns Scope of Work, Section 2.7 Unit Turn Repair.

Recommendation 3: Completed.

Provide a copy of any existing Standard Operating Procedure (SOP) or internal policy related to documentation of JHA site employee’s inspection and approval of work performed for quality, prior to invoices being paid.

IMPACT: JHA provided the OIG with a copy of SOP 1.3.

Management Inquiries (5), Cont'd

JACKSONVILLE HOUSING AUTHORITY— PROCUREMENT (2021-03-0003)

Based on a previous complaint, the OIG initiated a review of JHA policies and procedures related to employees, vendors, and secondary employment. The review disclosed a lack of oversight of vendor applications regarding current and former employees, failure of documented secondary employment, and failure to follow HUD regulations regarding current and former employees and vendor status. As a result, the OIG issued the following six (6) recommended corrective actions:

All six recommendations were accepted by management and corrective actions completed.

Recommendation 1: Completed.

Update current JHA Procurement Policy (effective November 2015) to include a process for reviewing vendor applications against JHA employees, current or former, within 1 year of termination, to ensure compliance with HUD regulations and JHA's Standard Practice #335.

IMPACT: JHA revised the JHA Procurement Policy in accordance with OIG recommendations.

Recommendation 2: Completed.

Update current JHA Vendor Profile form to include an applicant attestation to ensure that the applicant is not a current JHA employee or a former JHA employee within 1 year of termination, in accordance with HUD regulations and JHA's Standard Practice #335.

IMPACT: JHA revised the electronic Vendor Profile Form to include an attestation in accordance with OIG recommendations.

Recommendation 3: Completed.

Update the Employment Policy Manual, Section 3.11 (Draft effective February 2021) and/or the JHA's Standard Practice #335, Outside Employment effective November of 2001, to require all secondary employment disclosures be reviewed and approved on a regular basis, e.g., annual basis.

IMPACT: JHA revised the Employment Policy Manual, Section 3.11, to include an annual review of secondary employment disclosures.

Recommendation 4: Completed.

Establish a database, or equivalent, of all secondary employment information, reviews, and approvals.

IMPACT: JHA created a tracking spreadsheet to document review and approval of Outside Employment.

Recommendation 5: Completed.

Management Inquiries (5), Cont'd

Provide training to Procurement staff, and any other JHA staff involved in procurement, contract or vendor management or oversight activities, regarding HUD Procurement Handbook for Public Housing Agencies (7460.8 Rev 2. 2007), specifically, Sections 2, 3, 4, and 10 and JHA Standard Practice #335, *Outside Employment*.

IMPACT: JHA held Procurement Staff training on April 23 and April 30, 2021.

Recommendation 6: Completed.

Update the *JHA Procurement Policy*, effective November 2015, Section 3.1 (Ethics in Public Accounting – General) to include a “*system of sanctions for violations*” as specified or change language that states JHA will defer to HUD sanctions.

IMPACT: JHA revised the JHA Procurement Policy, Section 3.1, to include a system of sanctions in accordance with OIG recommendations.

FINANCE AND ADMINISTRATION – TOURISE DEVELOPMENT TAX (2019-06-0002)

The OIG initiated a Management Inquiry based upon a complaint regarding properties that were not registered with a Tourist Development Tax account but were advertised as short-term rentals on the UF Health Proton Therapy Institute website. The Inquiry resulted in one (1) recommended corrective action:

The recommendation was accepted by management and corrective action completed.

Recommendation 1: Completed.

The OIG requests a response as to what action the City plans to take to collect taxes as appropriate.

IMPACT: Finance and Administration included one operator from the UF Health Proton Therapy Institute website when selecting a sample of operators to audit in the 2021 Tourist Development Tax audit. A copy of the Audit was provided to the OIG.

APPENDIX 1

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 consolidated government;

APPENDIX 1

OIG ORDINANCE PROVISIONS (CONT'D)

- (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, contracts 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;
- (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;

APPENDIX 1

OIG ORDINANCE PROVISIONS (CONT'D)

- (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, the Inspector General Selection and Retention Committee, Mayor, the Council and deliver to the full City Council and the Inspector General Selection and Retention Committee 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 waste, fraud and abuse;
- (q) Be notified in writing prior to any duly noticed public meeting of a procurement selection committee 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 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 F.S. § 112.3188(2) and Ch. 119;
- (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;

APPENDIX 1

OIG ORDINANCE PROVISIONS (CONT'D)

- (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; and
- (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. If not already certified as an inspector general, the Inspector General shall be required to obtain certification within 24 months of becoming the Inspector General.

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 chairperson of the Committee will rotate among the members of the Committee starting with the President of the Jacksonville City Council or his or her designee.

APPENDIX 1

OIG ORDINANCE PROVISIONS (CONT'D)

The chairperson will serve for a term of two years and will be followed in numerical order as outlined above. The position of chairperson is connected with the position and not the individual. The term of the chairperson will commence on July 1. If a member does not wish to serve as chairperson the position will rotate to the next member in numerical order. 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 City of 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 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.
- (f) In addition to the responsibility for the selection and retention of the Inspector General, the Committee will meet no less than once every six months to receive an update on the Office of Inspector General's activities and to provide support and assistance to the Inspector General. Additionally, the Committee will review the proposed annual budget for the Office of Inspector General every spring and provide any feedback or comments prior to the Inspector General presenting the proposed budget to the Mayor's Office. The Committee shall on a yearly basis evaluate the performance of the Inspector General based on criteria established by the Committee.

APPENDIX 1

OIG ORDINANCE PROVISIONS (CONT'D)

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 Office of Inspector General 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 to their respective employees.

Sec. 602.309. - Penalty Provisions.

It shall be unlawful and a Class D offense for:

- (1) Any person to retaliate, punish, threaten, harass, or penalize any person for assisting, communicating or cooperating with the Office of Inspector General; or
- (2) Any person to:
 - (a) Knowingly interfere, obstruct, or impede any investigation conducted by the Office of Inspector General; or
 - (b) Knowingly attempt to interfere, obstruct, or impede any investigation conducted by the Office of Inspector General; or
 - (c) Knowingly falsify facts in any oral or written statement made as part of any investigation conducted by the Office of Inspector General.

APPENDIX 2

CITY REPORTING POLICY



CITY OF JACKSONVILLE

Reporting Policy

-
- SUBJECT:** City Officials Reporting of Matters to the Office of Inspector General.
- REFERENCE:** The Office of the Inspector General, City of Jacksonville, Section 1.203, Part 3, Chapter 602 of the City of Jacksonville Code.
- PURPOSE:** The Office of Inspector General (OIG) has the responsibility for investigating possible instances of fraud, waste, mismanagement, misconduct and other abuses by a City official, employee, contractor or any other parties doing business or that have a financial relationship with the City. This directive establishes a policy and procedure for reporting such matters to the OIG.
- POLICY:** City Employees shall report 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 in accordance with the procedure established herein.
- PROCEDURE:** A. Method of Reporting to the OIG: An employee, who becomes aware of a matter that may be within the responsibility of the OIG, shall promptly report their concerns/information in any of the following ways:
1. Email to: InspectorGeneral@coj.net; or
 2. Fax to: (904) 630-8003
 3. On line at www.coj.com/OIG ; or
 4. U.S. Mail to the Office of Inspector General at P.O. Box 43586 Jacksonville, FL 32203; or
 5. OIG Office at (904) 630-8000.

APPENDIX 2

CITY REPORTING POLICY (CONT'D)

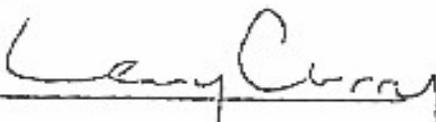
B. Whistle-blower Allegations: In accordance with this Code and the Florida Whistle-blower Act, if an employee reports any of the following directly and in writing to the Inspector General, he or she may be granted "whistle-blower" protection by the Inspector General:

1. Any violation or suspected violation of any federal, state, or local law, rule, or regulation committed by an employee or agent of an agency or independent contractor which creates and presents a substantial and specific danger to the public's health, safety, or welfare.
2. Any act or suspected act of gross mismanagement, malfeasance, misfeasance, gross waste of public funds, suspected or actual Medicaid fraud or abuse, or gross neglect of duty committed by an employee or agent of an agency or independent contractor.

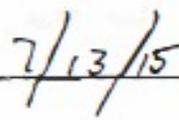
Employees should note that reporting a matter to the Inspector General pursuant to the Whistle-blower Act does not guarantee the employee "whistle-blower" protection under the Act. That is a determination which will only be made by the Inspector General after evaluation of the complaint.

C. Staff Cooperation: 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 shall include, but not limited to, providing statements, documents, records, and other information.

This policy shall not prohibit or excuse an employee from making other required reports regarding any matter in accordance with any other applicable requirement or laws.



Mayor Lenny Curry



Date



OFFICE OF INSPECTOR GENERAL
City of Jacksonville
231 East Forsyth Street, Suite 470
Jacksonville, FL 32202

HOTLINE

REPORT FRAUD, WASTE, & ABUSE

904.255.5800 | www.coj.net/OIG
Email: InspectorGeneral@coj.net
PO Box 43586, Jacksonville, FL 32203