

**OFFICIAL MEETING MINUTES
OF THE
PALM BEACH COUNTY INSPECTOR GENERAL COMMITTEE
PALM BEACH COUNTY, FLORIDA**

FEBRUARY 18, 2014

**TUESDAY
9:39 A.M.**

**COMMISSION
CHAMBERS**

I. CALL TO ORDER

II. ROLL CALL

MEMBERS:

Robin N. Fiore, Ph.D., Chair
David Aronberg, Esq., State Attorney
Carey Haughwout, Esq., Public Defender
Michael Kridel, CPA
Salesia Smith – Gordon, Esq. - Absent

STAFF:

Brad Merriman, Assistant County Administrator
Sheryl G. Steckler, Esq., Palm Beach County Inspector General
Leilani Yan, County Human Resources Recruitment and Selection
Manager

ADMINISTRATIVE STAFF:

Dominique Marseille, Deputy Clerk, Clerk & Comptroller's Office

III. INTRODUCTORY COMMENTS

Chair Robin Fiore requested that electronic devices be silenced and that anyone wishing to speak complete a public comment card.

IV. APPROVAL OF INSPECTOR GENERAL (IG) COMMITTEE MEETING MINUTES

IV.a. Semiannual Meeting: August 15, 2013

MOTION to approve the August 15, 2013, minutes. Motion by Carey Haughwout, seconded by Michael Kridel, and carried 4-0. Salesia Smith-Gordon absent.

IV.b. Workshop: December 9, 2013

MOTION to approve the December 9, 2013, minutes. Motion by Michael Kridel, seconded by Carey Haughwout, and carried 4-0. Salesia Smith-Gordon absent.

V. SIX MONTH STATUS REPORT

V.a. Presentation by Inspector General Steckler

Inspector General (IG) Sheryl Steckler stated the following annual report highlights:

- The annual report for the year beginning October 1, 2012, to September 30, 2013, was issued on December 9, 2013.
- Thirty-one reports were issued.
- The Office of the Inspector General (OIG) had 108 corrective actions, with 82 percent already being implemented, and 16 percent in the process.
- The OIG had a 14-percent increase in complaints.
- The OIG's staff questioned, identified, or deemed avoidable a total of \$9.73 million.
- The OIG had received 1,603 telephone calls.
- Eighty-eight percent of the 288 received correspondences became complaints.

V.a. – CONTINUED

- By the IG's accreditation standards, each correspondence was entered into the OIG's system within two days, a decision was rendered within five days, and an investigation was usually completed within 60-to-90 days. Any exceptions to the process were documented.
- The majority of complaints came from citizens; however, anonymous and employee complaints were increasing.
- Six municipal complaints were self-reports. The OIG ordinance required that municipalities must self-report certain criteria.
- Compared to other County departments, the OIG received the most correspondence from the Department of Economic Sustainability.
- Reports were available on the OIG's Web site.
- A City of Riviera Beach (Riviera Beach) management review was conducted concerning a business named the Tiki Bar.
 - Riviera Beach was not issuing accelerated clauses to the Tiki Bar.
 - The Tiki Bar was terminating its lease with Riviera Beach.
 - The Tiki Bar paid the accelerated clauses that the OIG's staff had previously discovered were unpaid.
 - The OIG was monitoring the Riviera Beach and the Tiki Bar's situation on a month-to-month basis.
 - Approximately \$300,000 was identified in avoidable costs.
- Two City of South Bay (South Bay) audits were issued concerning its former city manager.
 - The state attorney was informed of the audits and filed nine counts of criminal charges, including aggregated white-collar crime, against the former city manager.

V.a. – CONTINUED

- New South Bay council members and the city manager were taking the IG's recommendations seriously by implementing changes.
- South Bay's audits included segregation of duties, due diligence, financial and fiduciary responsibilities, properties, and employee termination and paid annual and sick leave.
- A total of 40 recommendations were made, and the OIG would continue to follow-up on the audits.
- The OIG issued a contract notification concerning the Town of Palm Beach (Palm Beach).
 - Palm Beach was not adhering to its purchasing policy in a report issued by the OIG from the previous year.
 - Palm Beach stopped its bidding process and correctly started over when notified that it was not adhering to its policies.
 - Palm Beach had done a great job to correct the issues.
- Her commitment to maintain 23 staff members would continue during the pending lawsuit against the OIG.
- The OIG's general counsel was currently assigned to the contract oversight division.
- The OIG was responsible for \$7.3 billion among all of the government entities that it oversaw.
 - The OIG's current operating costs were approximately \$1.85 per citizen.
 - The OIG spent approximately \$2.4 million of its allocated \$3.7 million. Due to the lawsuit, the OIG could not spend the total amount of allocated funds.
 - Since the OIG's inception, approximately \$16 million was calculated in questioned, identified, and avoidable costs.

V.a. – CONTINUED

General Steckler stated the following six-month report highlights:

- The six-month report covered July 1, 2013, through December 31, 2013.
- The OIG and its hotline received 675 telephone calls.
- Sixteen correspondences were referred internally, and eight public records requests were processed.
- Employee misconduct continued to be the top allegation with an increase in violations of rules and falsifications. Employee misconduct; contract improprieties; violation of law, rule, or procedure; falsification, omission, or misrepresentation; and financial improprieties were the consistent top five allegation categories.
- The OIG issued 11 reports and 39 corrective actions with 56 percent being implemented.
- Questioned and identified costs were \$97,560.
- Avoidable costs were \$1,095,948. To date, \$17,596,192 had been identified.
- Recovered costs were \$24,614.59. To date \$372,836 had been identified.
- The OIG received a County case regarding an employee who falsified health insurance records.
 - Approximately \$4,300 was questioned.
 - The OIG sent the case to the State Attorney's Office (SAO) as required by the IG ordinance.
 - The County decided to not press charges against the employee since he was paying additional health premiums.
 - The County employee was currently reimbursing the County for the funds lost and received a six-day suspension.

V.a. – CONTINUED

- A previous Commission on Ethics (COE) case was investigated by the OIG.
 - The COE closed a case involving a West Palm Beach (WPB) commissioner who testified that she had not used her official position to resolve a personal cable television issue.
 - The commissioner was reimbursed by WPB for attorney's fees she incurred to defend the COE complaint.
 - The OIG notified WPB that it needed to review the reimbursement since the commissioner testified to the COE that she was not working on behalf of her job when seeking cable services.
 - The OIG had proper jurisdiction over the matter.
- The Village of North Palm Beach (Village) requested that the OIG conduct an audit.
 - A Village employee committed theft, and the chief of police was investigating its criminal aspect.
 - The OIG performed an audit of the Village's Public Works Department to evaluate its controls for fleet and inventory.
 - Twenty-three recommendations were issued, and the Village completed 11 of them.
 - The Village was continuing to implement controls to ensure that all inventories were accounted for.

V.a. – CONTINUED

- The contract oversight unit issued three reports and attended 91 contract oversight meetings.
 - The OIG discovered that local governments were piggybacking contracts without being aware of rules that were in place.
 - The OIG questioned the Village's issuance of approximately \$7.1 million in piggyback contracts to a single vendor in a 33-month period.
 - The Village worked with the OIG to implement a contract competition procedure.
 - Contract competition allowed government entities to receive the best product, price, and quality of services for citizens.
- The County was holding a short selection meeting without any criteria to select and eliminate potential engineering service contracts.
 - The selection was done subjectively, and the OIG determined that the process was not lawfully conducted.
 - County staff was reviewing its policy and previously discussed updating all Policies and Procedures Manuals (PPMs).
 - The County's contract policy was in place for over 15 years and was approved by the County administrator.
 - The OIG would continue to monitor the situation for changes to the contract selection policy. The OIG's staff would attend selection committee meetings to observe whether the unlawful policy was still utilized.
 - The County's policy was used in several different departments. Each was aware that the OIG expressed concerns.
 - The OIG would give the County adequate time to fix the issue and implement lawful protocol. Staff would contact the County's internal auditor for a status on his policies and procedures review.

V.a. – CONTINUED

- The County's PPMs could be added to the internal audit list and OIG staff would coordinate with the County's internal auditor.
- Eighty-four percent of the OIG's corrective actions were implemented by the entities, and 10 percent remained pending implementation. The statistics demonstrated that government entities were taking the OIG's recommendations seriously.
 - The 6 percent of non-implemented corrective actions meant that an entity may have taken other action, making the recommendation unnecessary; the OIG no longer had jurisdiction over the entity; or the entity would not correct the action.
 - The annual OIG report would contain which government entities did or did not implement corrective actions.

State Attorney Dave Aronberg said that leadership changes of government entities could occur; therefore, reviewed entities should be monitored for lawful policies on an ongoing basis.

General Steckler said that the OIG's Web site received over 1.2 million unique hits and contained valuable information about the office and the reports.

Commissioner Michael Kridel said that a unique hit meant that the Internet Protocol (IP) address of the visiting computers was different for each hit on the Web site.

General Steckler said that:

- She would check to ensure that all of the Web site hits were unique.
- In December 2013, the court had denied the municipalities' motion in the lawsuit against the OIG based on sovereign immunity.
 - The trial was postponed and would probably take place within the next 30 to 60 days.

V.a. – CONTINUED

- The OIG received positive feedback from the municipalities concerning its work on audits and contracts.
- The OIG's Web site contained a pie chart of implemented corrective actions and a list of questioned, identified, and avoidable costs.
- The OIG's city manager group met every other month to discuss audit topics and released audits.
 - The group suggested that the OIG offer piggyback training.
 - Piggyback training was available to entities upon request and was included in a PowerPoint format on the OIG's Web site.
- The OIG implemented a quarterly publication suggested by its business stakeholders group, which included the OIG's new and upcoming events.
- Fourteen jurisdictional government entities, the Children Services Council, and the County were in compliance with the IG ordinance. The OIG was working to have every entity under its jurisdiction be in compliance.
- The OIG helped government entities with legal issues concerning contracts. Value-added narratives were provided when the OIG did not issue a report, yet a change should occur to entities' policies.
- The OIG's future events included preparing for a new inspector general, and an IG meeting was scheduled for March 2014.
- All OIG employees were prepared for reaccreditation, which would occur at the end of 2014.
- Staff was preparing for the Association of Inspector Generals' peer reviews, which would include the OIG's three units.
- An annual strategic planning session with all OIG staff would be conducted in March or April 2014.

V.a. – CONTINUED

- An enterprise audit risk assessment identified 763 countywide auditable units. An OIG auditor was assigned to begin a risk assessment within the jurisdictional government entities.
- The OIG Web site's dashboard was an example of the OIG staff's great work in providing public access to IG information.

(CLERK'S NOTE: At Chair Fiore's request, General Steckler introduced her staff.)

V.b. Discussion

General Steckler addressed a County employee's falsified health insurance records by stating that:

- Theft and bribery of an entity in which the IG had jurisdiction over and incidents involving contract improprieties over \$5,000 must be reported to the OIG under the IG's ordinance.
- Once reported, the OIG immediately coordinated with the SAO's public corruption unit to handle the matter.

Chair Fiore said that General Steckler achieved amazing accomplishments in less than four years.

General Steckler said that:

- All IG ordinance violations were considered misdemeanors.
- The OIG attempted to solicit municipal compliance with the ordinance without an impending misdemeanor.
- She would prioritize the matter before vacating her position, and would inform the next IG of the situation.

V.c. Public Comment – None

VI. CONTINUED DISCUSSION REGARDING RECRUITMENT FOR IG

VI.a. Discussion

Leilani Yan, County Human Resources Recruitment and Selection Manager said that:

- The County's Human Resources (HR) Department had collaborated with the IG to distribute an advertisement and job posting for the IG position.
- The job posting closed February 7, 2014, with 69 applicants.
- Screening of applicants for minimum qualifications began for the Inspector General Committee's (IGC) review.
- When completed, the IGC members would receive packets that included the job description, the advertisement, and pertinent information about the candidates.
- The position was advertised at a national, state, and local level.
- Subgroups targeted for advertisement included bar associations, Linked In, and the auditing and financial communities.
- Packets would be ready for IGC members by the end of the week or the week of February 24, 2014.
- The IG's qualifications would be discussed at the March 13, 2014, meeting.
 - During this meeting, the IGC would shortlist the candidates for possible April 2014 interviews.
 - Human Resources would ensure availability of the candidates, the IGC members, and a room for the chosen interview date.
 - Letters of reference would be solicited. Background checks would be performed before the March 13, 2014, meeting.

VI.a. – CONTINUED

- The packets were available for public review at any time; however, due to their backgrounds, some candidates' information was exempt.
 - Anyone wishing to review the candidates' information could make arrangements with HR.
 - The candidates' packet information was not available electronically for the public at this time.
 - A candidates' shortlist had never been put online for any past position.
- Rules required that HR advertise new positions above a specified pay grade in minority publications.
 - Advertisements were placed online, in print, and through the OIG.
 - E-mail message blasts targeted the local population.

Commissioner Kridel suggested including the 28 sources or organizations used to advertise the job posting in the IGC's packets.

Chair Fiore stated that the IGC was responsible for candidate selection, and that HR would conduct activities associated with that process. She added that the IGC should not oversee HR's job.

Brad Merriman, Assistant County Administrator, said that using the 28 sources to advertise the IG position was a wide net. He added that HR did not typically conduct a broad search for sources; however, staff wanted to ensure comprehensive advertising.

Ms. Yan said that:

- A scoring guide for the candidate selection would contain the minimum and preferred position qualifications.
- A basic rating criteria sheet was provided to the IGC during the previous selection process; however, it was not utilized.

VI.a. – CONTINUED

- She previously suggested that the IGC e-mail a top-ten candidates list one week prior to the shortlist meeting.
- A frequency table containing candidates who received at least one or more votes was compiled for IGC discussion during the shortlist meeting.

Chair Fiore said that during the COE executive director selection process, members could move candidates' names around on the list by his or her degree of qualification.

Public Defender Haughwout suggested that a list containing the candidates who met minimum qualifications be provided to all IGC members.

Ms. Yan said that the IGC would be provided with all the candidates' applications, resumes, and other candidate-provided documentation.

Mr. Merriman recommended that the IGC place candidates in either a "does meet requirements" or "does not meet requirements" category. He added that the two categories would allow IGC flexibility in the shortlist.

Chair Fiore said that candidates lacking the minimum requirements could still be interviewed if they possessed valuable experience.

State Attorney Aronberg said he questioned whether an IG could be hired without meeting minimum qualifications. Chair Fiore said that minimum qualifications were drafted by the IGC and did not previously exist.

Mr. Merriman stated that some of the minimum requirements must be followed.

State Attorney Aronberg said that the candidates' time should not be wasted by interviewing those not meeting minimum qualifications.

Mr. Merriman said that:

- The IGC members would determine the shortlist based on the position's criteria and their discussions during the public hiring process.
- Once the shortlist was compiled, HR would contact those candidates to determine if they were still interested in the position.

VI.a. – CONTINUED

- Arrangements would then be made with the candidates for an interview.

Chair Fiore said that additional candidates should be shortlisted since some applicants may return to their current employer seeking a counteroffer after being placed on the list.

Ms. Yan said that:

- Previously the IGC had interviewed 9 individuals and shortlisted 12.
- Sixty applicants had met minimum qualifications; however, the current process had a higher ratio of minimally qualified individuals.
- She would:
 - meet with General Steckler to formulate interview questions;
 - submit the interview questions to the IGC members and request suggested questions; and,
 - provide the IGC with an interview date outline containing procedures and methods for evaluating the candidates.
- Candidates would receive a mini orientation regarding the interview process.

Chair Fiore clarified that the IGC members could follow up on the chosen interview questions; however, they could not create their own questions since the same interview questions should be asked to each candidate.

Ms. Yan said that the interview process would be a public meeting.

State Attorney Aronberg stated that since the session would be televised, the candidates could listen and prepare for the interview questions prior to their own interviews.

VI.a. – CONTINUED

Ms. Yan said that:

- One current applicant was a previously shortlisted candidate.
- The interview meeting would have no public comment since the process was considered an assessment.
- The IGC's chair usually announced at the beginning that no public comment would occur.

Chair Fiore said that IGC meetings could be scheduled between the March 13, 2014, shortlist date and the April 2014 interviews. She added that the IGC members were committed to not discussing the process with anyone.

Mr. Merriman said that the job advertisement included a statement that the candidates should not contact the IGC members.

Chair Fiore said that:

- If IGC members were contacted by a candidate or about a candidate, they should publicly acknowledge it, although it would not recuse them.
- Two candidates should be selected in case an agreement with the IGC's first choice was not reached.
- The voting and selection process would be openly discussed.

Public Defender Haughwout said that the previous top-ten lists were helpful in formulating a shortlist.

Chair Fiore said that:

- The IGC had previously agreed to evaluate the IG based on certain renewal criteria; however, she was unsure whether the criteria was approved.
- Once hired, the candidate should be informed about the IGC's job performance assessment.

VI.a. – CONTINUED

- The evaluation criteria could be part of a candidate's interview package or discussed once someone became a finalist.

Public Defender Haughwout said she believed that the job evaluation criteria was not completed and may need to be added to the March 13, 2014, agenda.

General Steckler said that:

- She completed an evaluation criteria template and recommended that the IGC review it.
- The template was available on the IGC's Web site under the employment section.
- A previous discussion may have taken place to make the criteria available in HR.

VI.b. Public Comment

VI.b.1.

DISCUSSED: Inspector General Selection.

David Baker said that County staff should follow the previous hiring process. He said that the IG's evaluation criteria should be understood by the applicants, and that the process should include a public comment component.

VI.b.2.

DISCUSSED: Public Comment.

Iris Scheibl said that closely following the previous IG selection process was vital in selecting a good candidate. She said that the IG was hired at the public's behest. She suggested that public comment be permitted before a final vote was taken.

Chair Fiore said that the selection process should not be tainted by public comments since the IGC had no control over what was said.

VI.b.2. – CONTINUED

Mr. Merriman said that:

- No law or rule existed to prevent public comment; however, withholding comments had become a standard practice.
- Staff and HR's counsel would discuss the appropriateness of accepting public comments.
- It was for the IGC's consideration whether public comment should be part of the selection process.

State Attorney Aronberg said that if the attorney advised against public comment or that it could be a liability, he would consider the recommendation.

Public Defender Haughwout said that everyone heard identical things from the same people during an ad hoc process.

Chair Fiore said that she did not support the ad hoc procedure. She added that she was unsure whether the public could make informed comments about candidates since applications and other documentation would not be available online for public access.

Mr. Merriman said that:

- After the IGC determined a shortlist, HR could publish the applicants' resumes and applications on the Web site.
- The hiring process would be transparent by being televised on Channel 20 and being globally accessible through the OIG's Web site.
- Interview questions would be structured and legally appropriate.
- An ad hoc process was typically conducted by asking a question and then discussing it in relation to the answer. As long as the answer was pertinent to the question and did not go into any inappropriate or illegal areas, the procedure was acceptable.
- Allowing public comment should be decided at the March 13, 2014, meeting, so that legal input could be received.

VI.b.2. – CONTINUED

Chair Fiore said that the interview process would take place all day, and would be done in the Commission Chambers in the Governmental Center.

VII. NEW BUSINESS

VII.a. Discussion

Chair Fiore said that General Steckler agreed to put some outstanding matters on the IG committee's next six-month agenda and to begin outlining or summarizing IGC procedures for presentation at the August 2014 meeting. She added that she wanted to bid farewell to the IGC and to congratulate General Steckler and the IGC members for their work.

State Attorney Aronberg said that he appreciated General Steckler's service. He said that the IGC members' thoughts were with former Commissioner Patricia Archer's family. He added that Commissioner Archer had served the community and the IGC well, and that she would be missed.

VII.b. Public Comment – None

VIII. ADJOURNMENT

MOTION to adjourn the meeting. Motion by David Aronberg, seconded by Carey Haughwout, and carried 4-0. Salesia Smith-Gordon absent.

At 11:18 a.m., the chair declared the meeting adjourned.

APPROVED:

Chair/Vice Chair