



John A. Carey  
Inspector General

## OFFICE OF INSPECTOR GENERAL PALM BEACH COUNTY



Inspector General  
Accredited

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**Date:** August 28, 2018

**To:** Board of County Commissioners

**CC:** Inspector General Committee  
Ms. Verdenia Baker, County Administrator

**From:** John A. Carey, Inspector General

**Subject:** Office of Inspector General Return on Investment Information

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In follow-up to our discussions related to our Office of Inspector General (OIG) Fiscal Year (FY) 2019 budget proposal, I am providing some information on our “return on investment” in our short eight (8) years of existence.

Due to the varying nature and missions of organizations to which OIGs provide oversight, there are no nationally accepted standards for measuring the return on investment of OIGs. While OIGs have wide latitude and authorities to investigate, audit, and review, most OIGs do not have arrest authority, the authority to make management implement recommendations, or to recover funds. Many OIGs, including our office, report on: 1.) monetary findings, 2.) recommendations to improve compliance, efficiency, and effectiveness, 3.) referrals to law enforcement agencies or to prosecutors, and 4.) arrests/prosecutions resulting from OIG activities. What cannot be fully measured are the things prevented by OIG activities and the increased trust and confidence of the citizenry and government employees in knowing and seeing an independent oversight office in action. A summary of our major return on investment, is provided in the attachment.

The following provides explanation of some of the terms OIGs use to describe our monetary measure of effectiveness:

**Questioned Costs** are costs or financial obligations that are questioned by the OIG because of:

- An alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, other agreement, policies and procedures, or document governing the expenditure of funds;

*“Enhancing Public Trust in Government”*

- A finding that, at the time of the OIG activity, such cost or financial obligation is not supported by adequate documentation; or
- A finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable.

In more basic terms, Questioned Costs are costs identified where the taxpayers' dollars are not being properly accounted for, or are being spent in a way not intended by the governing rules or requirements. It is important to identify these costs so corrective actions can be implemented. It is not just about "following the rules," but using taxpayer dollars as intended and following controls to prevent fraud, waste, or abuse.

**Potential Cost Savings** is a term to include both Identified Costs and Avoidable Costs.

- **Identified Costs** are costs that have been identified as dollars that have the potential of being returned to the entity to offset the taxpayers' burden. Such costs would include funds overpaid to contractors or misappropriated funds by employees.
- **Avoidable Costs** are costs an entity may not have to incur, lost funds, and/or an anticipated increase in revenue following the issuance of an OIG report and/or our recommendations are implemented. Such costs would include the savings an entity would receive by increasing revenue by taking advantage of known higher interest bearing accounts or by ending contracts when the services are no longer necessary.

These savings are described as "potential" since OIGs do not have authority to recoup funds nor change policies or practices to lead to costs savings. As with all other OIG/management breakdown of responsibilities, management is responsible for taking the actions to recoup funds or implement recommendations to save taxpayer dollars.

I am very proud of our highly motivated and professional OIG staff. While we work hard to do things ourselves in the most efficient and effective way as stewards of the taxpayers' dollars, we are limited by being underfunded, and are currently at a 57% staffing level. With the two (2) positions expected in our FY 2019 budget, bringing us up to a 62.5% staffing level, this will enable us to seek out more potential savings and better promote integrity, transparency, and accountability in government.

While I appreciate the County moving in the right direction in adding two (2) of the four (4) requested positions in the FY 2019 budget plans, I am hopeful that again seeing the return on investment the OIG brings will garner more support in establishing an adequately funded OIG as envisioned in the 2010 voter referendum. 72% of Palm Beach County voters and the majority of every municipality voted to include the OIG in the County Charter and sufficiently fund the office.

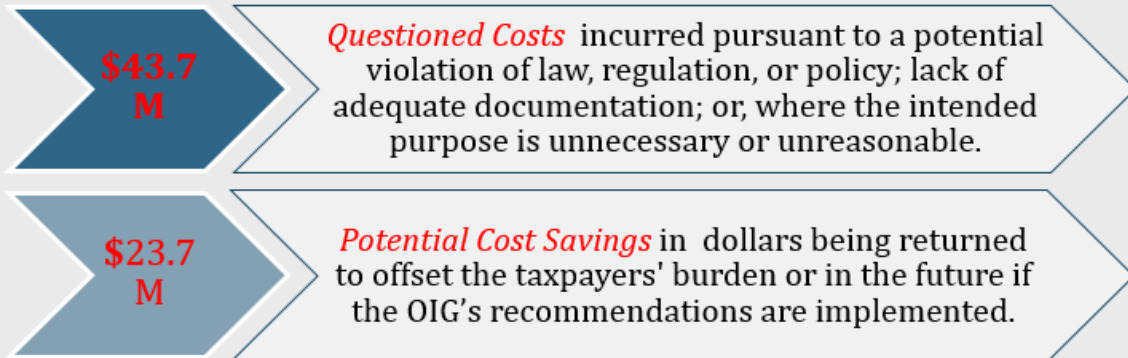
ATTACHMENT 1:  
SUMMARY OF SUCCESSES AND RETURN ON INVESTMENT  
AS OF JULY 30, 2018



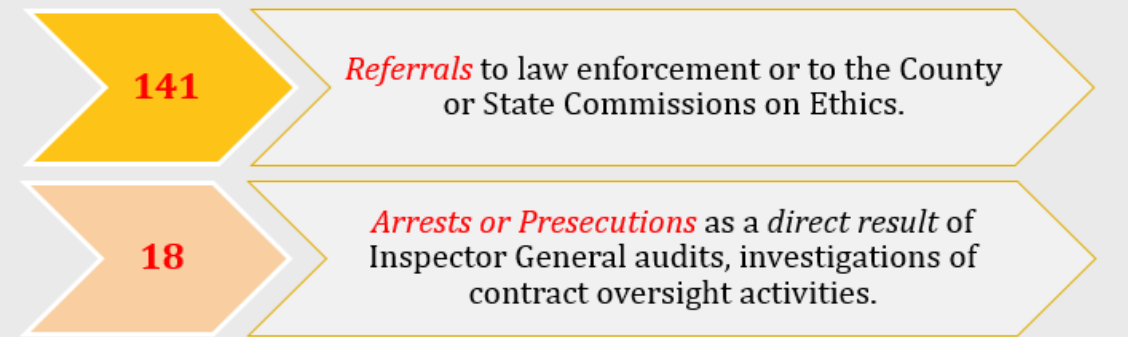
**OFFICE OF INSPECTOR GENERAL**  
**SUMMARY SUCCESSES SINCE INCEPTION**



**Guarding Taxpayers' Dollars**



**Promoting Integrity in Government**



**Making Government Better**



**719**  
**Recommendations**

To improve government operations and to save taxpayer dollars.



**10,000 (+)**

Responses to citizens' calls and written correspondence voicing concerns, complaints, or requests for assistance.

At the End of the Day, the OIG Provides *"Enhanced Trust in Government."*

Additionally, metrics are difficult to measure in the area of prevention of fraud, waste, abuse, and misconduct; and the public's trust in government.