Office of Public Integrity Annual Report

June 30

2019

FY 2018 -19 Highlights

Audit,
Investigations,
Ethics

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Executive Summary

The mission of the Office of Public Integrity (OPI) is to provide objective, independent audit and investigative services to deter and detect fraud, waste, and abuse within City government. As a result of the audits and investigations, OPI identifies deficiencies and provides recommendations for improvement. In addition, OPI develops and provides employee training on topics such as ethics awareness, internal control, and risk management.

The following are highlights of the work performed by OPI during the past fiscal year ending June 30, 2019:

- Audit staff was recognized at the City's Annual Employee Recognition Ceremony for compliance with global standards for internal audit.
- Ethics and Fraud Training was provided to the Rochester Chapter of the Institute of Internal Auditors (IIA).
- Staff attended the IIA's Winter Summit Training Conference focused on data analytics and cyber security.
- The City of Rochester 2018 Risk Assessment was distributed to Rochester's Senior Management Team.
- Coordinated with the New York State Comptroller's Office regarding the City of Rochester Board of Ethics audit.
- OPI staff member attended a three day Data Analytics Seminar.
- Collaborated with the University of Rochester, Office of University Audit, to identify best practices in establishing a data analytics audit program and established a data analytics coordinator for OPI's internal audit team.
- Evaluated 40 complaints received via walk-ins, telephone or email hotline, and other sources.
- Completed 13 audits and issued 11 findings and recommendations.
- Completed 21 administrative investigations and issued 2 findings and recommendations.
- Provided 14 ethics awareness presentations.
- Conducted 27 consultations with City department heads and their managers.
- Received 286.8 hours of Continuing Professional Education (CPE).
- OPI Field Auditor earned a Certified Public Accountant designation.

Over the past year, OPI remained responsive to City management and strived to provide timely, accurate, objective audits, reviews and investigations in an effort to foster accountability and transparency throughout City government. OPI audits and investigations were conducted in accordance with standards set forth by the United States Government Accountability Office, the Institute of Internal Auditors, and the Association of Inspectors General[1].

Authority and Responsibilities

OPI was established by statute in 2006 and its purpose, authority, and responsibilities are codified in Section 3-13 of the Rochester City Charter:

Section 3-13. ***Director of the Office of Public Integrity****. The head of the Office of Public Integrity shall be the Director of the Office of Public Integrity. Under the supervision of the Mayor, he or she shall articulate the standards of business conduct for the City and shall coordinate the analysis, investigation and resolution of concerns and complaints involving City government operations. The Director shall oversee the Manager of Internal Audit and the internal audit staff, which shall develop and conduct an internal audit program on a timely basis. Such program shall examine the financial records and procedures of all city departments, bureaus and their subdivisions in accordance with accepted auditing principles and practices.*

The mission of the Office of Public Integrity (OPI) is to examine management controls to deter and detect fraud, waste and abuse, and to promote efficiency and effectiveness in the programs and operations of the City of Rochester. OPI also provides leadership and guidance in promoting compliance with the City's Code of Ethics. OPI accomplishes its mission through research and data collection, audits and investigations.

Investigations

- Conduct preliminary inquiries and full investigations into allegations of fraud, waste, and abuse involving City employees, contractors, grantees, and other recipients of funds relating to City programs and operations.
- Conduct investigations of City employees, contractors, grantees, and other recipients of City funds to ensure compliance with City policies and procedures as well as the City's Code of Ethics.
- Provide strategic investigative services to City leadership to resolve concerns of impropriety, non-compliance, conflict of interest, or other allegations of wrongdoing.

Internal Audit

- Conduct internal audits of City programs and operations in accordance with generally accepted auditing standards.

[1] Quality of Standards for Offices excluded

- Issue audit reports to include findings of deficiency and recommendations for improvement to City leadership.
- Provide support to the independent CPA firm contracted to conduct annual audits of the City's financial statements.
- Identify internal control weaknesses and provide recommendations for improvement to City operations.
- Conduct forensic audits and provide analysis in support of OPI investigations.
- Develop and implement cost effective risk management strategies to reduce the City's exposure to fraud, waste, and abuse.
- Provide consulting services to City departments.
- Review City-wide policies and procedures to improve operations and mitigate risks.
- Provide guidance and training to City departments in proper cash handling procedures, the safeguarding of City assets, and other enterprise risk mitigation strategies.

Ethics

- Act as a clearinghouse for ethical issues raised by City employees, residents, and businesses.
- Coordinate with the City's Ethics Board to resolve complex ethical issues and provide recommendations for Code revisions when appropriate.
- Provide employee ethics training and promote overall awareness and understanding of the City's Code of Ethics to ensure compliance.
- Coordinate with Employee Safety to evaluate Workplace Violence Reports.

Structure and Staffing

In accordance with the City Charter, the Director of OPI is appointed by the Mayor and is a member of the Mayor's Senior Management Team. Organizationally, the office is a component of the Office of the Mayor and the OPI Director reports to the Mayor. OPI's staff is comprised of experienced internal auditors, investigators and administrative personnel.

During Fiscal Year 2019 the Office of Public Integrity was comprised of the following staff:

Director (1)
Executive Assistant (1)
Auditor (4)
Integrity Compliance Officer (3 part time)

Professional Development, Qualifications and Certifications

OPI conducts audits, investigations, reviews and other special projects in compliance with the following auditing and investigating standards:

- *Government Auditing Standards* of the United States Government Accountability Office.
- *International Standards for the Professional Practice of Internal Auditing* of the Institute of Internal Auditors (IIA).
- *Principles and Standards for Offices of Inspector General* of the Association of Inspectors General.[1]

Audit Staff Qualifications

OPI audit staff is required to meet the occupational requirements for the GS-11 Auditing Series. The basic requirements for this series include a degree in accounting or related field that is supplemented by 24 semester hours of college-level accounting courses; or a combination of education and experience with specific background requirements. Additionally, all staffers are required to meet the continuing professional educational requirements required by the Government Auditing Standards (Yellow Book).

The OPI staff have 86 years combined internal audit experience with the City of Rochester.

Professional Certifications

Staff members assigned to OPI hold the following professional certifications:

- Certified Government Auditing Professional (CGAP) -1
- Certified Public Accountant (CPA) -2
- Certified Inspector General (CIG) - 1
- Certified Fraud Examiner (CFE) -1
- Certified Inspector General Auditor (CIGA) - 1
- Certified Management Accountant (CMA) - 1

Professional Development

Professional development is critical to success and over the past year OPI committed to expanding office personnel knowledge in areas such as risk assessment, internal controls, information technology, public sector auditing, and internal audit best practices.

[1] Quality of Standards for Offices excluded

Staff earned 286.8 hours of continuing professional education (CPE) in the following areas:

- Technology
- Information Cyber Security
- Government Auditing Standards
- Internal Audit
- Ethics and Compliance
- Fraud and Corruption Risks
- Forensic Accounting
- Data Analytics

Professional Organization Affiliations

OPI is a member of or affiliated with the following professional organizations:

- American Institute of Certified Public Accountants
- New York State Society of Certified Public Accountants
- Association of Certified Fraud Examiners
- Association of Inspectors General
- The Institute of Internal Auditors

Budget

OPI's yearly budget is funded by the City's general fund and is a sub-component of the Office of the Mayor's budget. OPI's budget for fiscal year (FY) 2019 was $655,900 with actual expenditures of $505,518. The approved budget for FY 2020 is $633,000. OPI's FY 2020 budget represents 0.11% of the City's total budget.

Risk Assessment

OPI developed a Risk Assessment Model to identify areas that posed the greatest risk and liability to the City. The end product of this risk assessment was an audit plan that concentrated on areas identified as the highest risk.

Risk assessment is a process used to score potential audits based upon specific risk factors related to an entity's operations, internal controls, and estimated liability to the City. Examples of specific risk factors used to formulate the Risk Assessment Model include external market and reputation, financial, operational, legal and regulatory, strategic, technology and systems, people and culture, fraud, time-lapse since last audit, and previous audit findings.

The development of an audit plan, using the Risk Assessment Model as an integral component, is a dynamic process. Audit planning allows the Internal Audit unit of OPI to attain current information about City departments for use in the risk assessment process. Risk factors and scoring methodologies are periodically reviewed by OPI personnel and refined as needed.

Principles for the Risk Assessment Model

In order to provide practical guidance and a framework for the development of the Risk Assessment Model, the Risk Management Team utilized the following principles:

- Consideration to unique situations and circumstances (i.e., special audits) which would supersede scheduled audits with higher risk scores.
- Recognition that audit resources are limited, which prohibits 100% audit coverage each year. This limiting factor is inherent in the concept of utilizing a risk assessment model to help prioritize audits.
- The risk assessment criteria used in the ranking of the audits places an emphasis on perceived or actual knowledge of the particular area's system of internal controls,
- The audit plan is developed with an understanding that there are inherent risks and limitations associated with any method or system of prioritizing audits. We will periodically evaluate and modify the risk factors and scoring process in order to improve the audit plan.

Audits

The Office of Public Integrity helps improve City operations and programs by providing management with timely and independent audits.

An audit examines a City program or activity, and recommends solutions to issues, if warranted. OPI conducts both financial and performance audits. Financial audits include annual examinations of the costs incurred on grants and contracts, indirect costs, and internal controls. Financial statement audits determine whether the financial statements of an entity are fairly presented.

Performance audits include economy and efficiency audits and program audits. Economy and efficiency audits assess whether entities are managed with regard for program and financial integrity, effectiveness measurement, and compliance with applicable laws, regulations and grant provisions. Program audits measure achievement of desired results or benefits.

Major Areas Covered by OPI Audits

Audits focus on areas intended to enhance the management and overall performance of the City, review the City's oversight of programs, and assess the City's progress toward achieving its strategic goals.

Typical audits include examinations of financial statements, grants made by the City, and other operational areas.

The OPI Audit Section also conducts performance audits, which take a broader view of City programs and procedures and provide useful, timely and reliable information to management with the goal of effecting positive change. Performance audits combine

the best features of various disciplines, including traditional program and financial evaluations, survey research, operational auditing, program monitoring, compliance reviews, and management analysis. These audits make extensive use of City documents and data, and interviews with employees and grantee and sub grantee personnel.

OPI Audit Selection

Auditing is a risk-based process where specific audits are determined by a range of factors. The OPI Audit Section develops an audit plan triennially, which identifies the audits scheduled for the next three fiscal years. The plan includes any legislatively mandated audits and a number of discretionary audits. Each year, the OPI Audit Section reviews the audit plan to ensure that it still reflects the current risk landscape.

Discretionary audit work is prioritized, based on a number of factors including:

- Areas of emphasis by the Mayor, Senior Management Team members, or other stakeholders;
- Issues that pose a threat to public health and safety;
- Programs or processes identified as susceptible to fraud, manipulation, or other irregularities;
- Newness, changed conditions, or sensitivities of program activities;
- Dollar amounts or personnel resources involved in the audit area;
- Adequacy of internal controls.

While the OPI three year audit plan allocates all resources for each of the next three fiscal years to specific audit assignments, it is a flexible document that will also incorporate high-priority assignments that may arise during the course of the year.

Steps in the OPI Audit Process

All audits begin with objectives that initially determine the type and scope of the work to be performed. The following steps are used in each OPI audit:

Notification Letter: OPI will usually notify the auditee, or subject of the audit, in writing, prior to the scheduled start date of an audit; however, there are circumstances where no advance notification will be provided.

Survey: Early in the process, the auditors gain an understanding of the program by obtaining background information on the auditee's mission, resources, responsibilities, key personnel, operating systems and controls.

Developing the Audit Program: The program provides a plan of the work to be done during the audit and is a set of procedures specifically designed for each audit. The program also assists in assigning and distributing work to auditors working on the engagement, assists in controlling the work, and provides a checklist to guard against the omission of necessary procedures.

Entrance Conference: Held at the beginning of each audit, its purpose is to provide auditee management with information on the function or activity being reviewed, and a description of the audit scope and objectives. Other areas covered include time frames for completing the audit; access to necessary records, information and personnel; and introduction of the audit team members. The entrance conference also provides a forum to answer questions about the audit process and establishes lines of communication among all parties.

Fieldwork: This phase consists of applying the audit procedures described in the audit program and any modifications thereto, and reviewing the work performed. The review documents that audit procedures have been properly applied, that the work is satisfactory, that working papers are complete and adequate, and that all procedures have been completed.

Draft Report: After fieldwork is completed, a Draft Audit Report is prepared. This report will normally be issued to auditee and City officials with a request that they provide written comments within 30 days. The Draft Audit Report is a "work-in-progress" and is not a public document.

Exit Conference: This is conducted at the end of audit fieldwork, and after completion of a Draft Audit Report. OPI may provide a draft copy of the audit report to City and auditee officials before the exit conference to facilitate a full and open discussion of the audit's findings and recommendations. It also provides City and auditee officials with an opportunity to confirm information, ask questions, and provide clarifying data.

Final Report: At the end of the 30-day response period, and after reviewing and assessing the auditee's and City's written responses to the Draft Audit Report, OPI issues the Final Audit Report for resolution of the recommendations. The Final Audit Report aims to provide a fair, complete and accurate picture of the audited area at the time the audit took place. This report usually includes a description of the scope, objectives, and methodology of the audit, and a description of the findings and recommendations for corrective action. It also includes, as appendices, the written responses to the Draft Audit Report by City and auditee officials.

Audit Plan

The Office of Public Integrity (OPI) recognizes that an overall strategy and audit plan is important to meet the goals, objectives, and mission of our office. We use a dynamic risk-based approach for selecting and prioritizing audits. The audit plan also facilitates the efficient allocation of OPI's resources and ensures our office remains focused on those areas which pose the highest risk to the City.

An audit plan benefits the organization by:

- Establishing what departments, contracts, or other areas will be prioritized for audits on an annual basis.

- Permitting an efficient allocation of limited resources.
- Providing a flexible basis for managing audit personnel.

We utilize several techniques to identify and prioritize audits in the three year plan. These techniques include:

- Input from the Administration and the City Council.
- Knowledge of operations and internal controls derived from previous audits.
- Utilization of risk assessment criteria.

Audits considered for the audit plan are compiled from suggestions by OPI staff, Administration staff, City Council as well as complaints and other sources of information. We evaluate and rate the suggestions using a risk assessment matrix. The audits selected for the plan are based on the impact the audit would have (the problems or risks it would address and the likely types of findings and recommendations to result); the sensitivity, complexity, and difficulty of the project compared to its likely impact; staff qualifications and other resources available. Additionally, we try to display a presence across all City departments.

We devote part of the annual plan to follow-ups. A follow-up audit assesses the progress made on issues identified in a previous audit, one or more years after its release.

The following chart lists the audits that were included in this fiscal year's audit plan, along with the hours worked on these assignments and their status. Additionally, the chart captures audits that were not on the original plan but were conducted at the request of members of Senior Management and/or the Mayor.

Office of Public Integrity
Annual Audit Program
For the Fiscal Year Ended June 30, 2019

Department	Audit	Hours	Status
Police	Property Clerk		****
Finance	Petty Cash	229	Completed
TBD	Contract Audit (Vendor TBD)		****
Finance	Street Meter Collections	397	Completed *
DRYS	AmeriCorps Grant Audit	363	Completed *
DES/NBD	Change Order Review		****
ECD	311 Phone Review		****
Finance	Freed Maxick Audit of City	246	Completed *
Library	Central Library Cash Collections		****
Human Resources	New Employee Hiring Review	369	Completed *
Police	Animal Services Cash Handling	269	Completed
IT	Compliance Audit	252	Completed
DRYS	Permits	640	Completed ***
Finance	Munis Master Vendor File Review	655	Completed
Administration	Risk Assessment	357	Completed
DES	Water Bureau Inventory	160	Completed
Finance	Munis Journal Entries	81	Completed
DES	Street Lighting Purchasing	68	Completed

* Field work started in previous fiscal year.
** Not on original audit plan for FY 18-19.
*** On original audit plan for FY 19-20.
**** Audit to be performed in FY 19-20.

Audit Results

REVIEW OF SELECTED PETTY CASH FUNDS

Executive Summary

In this review, we assessed the adequacy of petty cash procedures used by selected custodians and determined the extent of compliance with City policy. The Office of Public Integrity (OPI) selected 20 of the 79 authorized petty cash

funds for detail testing. We selected the sample from funds within various City departments. This review established general compliance with petty cash guidelines. However, we noted the following finding that requires management attention to improve compliance with City policy.

- OPI noted one occurrence in which a purchase that exceeded the $40.00 petty cash limit was reimbursed by a custodian.

  - Recommendation

    Custodians within the Department of Human Resources Management should comply with Petty Cash Policy and limit purchase amounts to the maximum permitted by the policy.

Management Response: Finance personnel are in agreement with the finding noted in this report and indicated that they will take corrective action

REVIEW OF STREET METER REVENUE COLLECTIONS

Executive Summary

In this review, the Office of Public Integrity (OPI) examined records and internal control procedures at the Bureau of Parking, specifically the revenue from street meters. We accounted for all reported cash receipts within the test period. However, we noted the following that may require management attention to improve internal controls.

- OPI noted weaknesses in the physical safeguarding of City assets.

  - Recommendation

    Bureau of Parking should continue to exercise care and diligence to ensure the safety of all employees. Further details are provided in the original report.

Management Response: Parking Violations personnel are in agreement with the recommendation noted. The Parking Bureau will continue to exercise care and diligence to ensure the safety of all employees.

FLOWER CITY AMERICORPS GRANT

Executive Summary

In this review, the Office of Public Integrity (OPI) examined the Flower City AmeriCorps grant. In general, the results of the review indicate that Department

of Recreation and Youth Services (DRYS) is operating the program in accordance with the requirements. We noted that DRYS utilized grant funding in full compliance with the terms of the agreement. All participant records were complete and accurate. The invoices paid were for allowable expenses and supported with proper documentation. The participants were properly exited from the City's payroll system upon the completion of the program and receipt of their final living wage allowance.

EMPLOYEE HIRING PROCESS REVIEW

Executive Summary

In this review, the Office of Public Integrity (OPI) examined the City's Department of Human Resources Management's (DHRM) compliance with policies and procedures for the hiring of employees. The results of this review indicate that, in general, DHRM staff are complying with the policies and procedures for employee hires.

REVIEW OF ANIMAL SERVICES CASH COLLECTIONS

Executive Summary

In this review we examined accountability of reported cash collections, the adequacy of internal control procedures, and compliance with City cash handling policies at Animal Services. We accounted for all reported cash receipts within the test period. Additionally, the results of this review indicate adequate internal control procedures over the Animal Services operations and, in general, compliance with City cash handling policies. However, we noted the following findings that require management attention to ensure compliance with prescribed policies.

- OPI noted that 12 of the 25 Cash Drawer Closing reports in our test period did not include a closing date and time. As a result we could not utilize these reports to verify that all transactions entered into the system for these days have been properly reported and deposited. Animal Services personnel indicated that this occurred because they printed these reports before closing them and this resulted in the "Close Date/Time" field being left blank. They indicated that from now on they will ensure that all reports are properly closed before they print them.

  - Recommendation

    We recommend that Animal Services properly close all Cash Drawer Closing reports before they print copies for their records.

- OPI could not account for one receipt in the numeric sequence of receipts issued for contributions to the Animal Control Gifts Fund. Animal Services personnel could not locate this receipt and indicated that they believe it was voided. However, without a copy of this receipt, the voided transaction cannot be verified

  - Recommendation

    We recommend Animal Services retain a duplicate copy of the pre-numbered receipts for their records and account for the numerical sequence.

  Management Response: Rochester Police Department personnel are in agreement with the findings noted in this report and indicated that they have taken corrective action.

REVIEW OF INFORMATION TECHNOLOGY PROFESSIONAL SERVICES AGREEMENTS

Executive Summary

The Office of Public Integrity (OPI) reviewed the City of Rochester Department of Information Technology's compliance with City policies and procedures with regards to the procurement of professional services from outside vendors. The results of this review indicate adequate internal control over the procedures for securing professional services and compliance with prescribed policies within the Department of Information Technology. However, the review also identified an internal control weakness that requires management attention.

- Department of Information Technology personnel are not consistently scanning all Professional Services Agreement (PSA) documentation into the City's MUNIS computer database system as required.

  - Recommendation

    Department of Information Technology staff should make sure that when a PSA is entered into the Contract Entry screen in MUNIS, the agreement, insurance forms, RFP Evaluation Summary or justification for not issuing an RFP, Council transmittal letter and the Certified Ordinance are all scanned into the Contract Entry screen as attachments.

  Management Response: Finance personnel are in agreement with the finding noted in this report and indicated they will take corrective action.

REVIEW OF DRYS PERMITS

Executive Summary

In this review, the Office of Public Integrity (OPI) examined the Department of Recreation and Youth Services (DRYS) permit activity to determine the adequacy of internal control procedures, the accountability of reported revenue collections and compliance with City and departmental policies. The results of the review indicate that, in general, internal controls over DRYS permits are adequate, reported revenues are accurate and DRYS personnel comply with City and departmental policies. We were able to account for all revenue collected during our test period. However, we noted the following findings that require management attention to improve administrative and internal controls and to ensure compliance with prescribed policy.

- OPI noted variances between the DRYS rate schedule and the actual amount charged for 33 of the 171 permits selected for detail testing. This included 3 overcharges totaling $105 and 30 undercharges totaling $3,765. This is an error rate of 19.3%.

  - Recommendation

    DRYS personnel should exercise care and diligence when determining permit fee rates and they should charge all customers the correct permit fees. Any discounts or fluctuations from the DRYS rates should be approved in writing by the DRYS Commissioner.

- OPI noted that 16 of the 171 permits tested included Facility Use Permit Applications that were not properly notarized. This included 13 permit applications that were not notarized and 3 permit applications that were not dated by the notary. DRYS policies requires all permit applications, with the exception of in-house permits, to be notarized. This is an error rate of 9.4%.

  - DRYS personnel should ensure that all Facility Use Permit Applications are properly notarized before accepting them.

Management Response: DRYS personnel are in agreement with the recommendations noted in this report and indicated that they will continue to make inventory control a priority.

MUNIS VENDOR MASTER FILE AUDIT

Executive Summary

In this review, the Office of Public Integrity (OPI) examined the vendor master files in the City's financial software, Tyler Technologies Munis Financial Management (Munis) to determine the effectiveness of internal controls and the propriety of employee and general vendor files. The results of the review indicate that, in general, internal controls over vendor file management are adequate and documentation exists to support expenses paid. However, we noted the following findings that require management attention to improve administrative and internal controls.

- OPI noted of the 31,255 total unique vendors in Munis, there were 1,812 active employee vendors in the City's financial management software, Munis. Of the 1,812 vendors, 393 or 22% are terminated employees.

  - Recommendation

    A designated department should deactivate City employee vendors in Munis upon termination of employment. Vendor accounts should be periodically reviewed to ensure that upon separation from the City termed City employee vendor status is changed from active to inactive.

- OPI found that 21,427 of the 31,255 vendors or 69% were not identified as either general or employee vendors. Of the 21,427 vendors, 17,129 or 80% are active. Two hundred and twelve of the 17,129 vendors are City employees.

  - Recommendation

    When adding a new vendor record, Munis users should designate whether the vendor is a City employee or a general vendor. This may reduce the potential for duplicate vendors. Additionally, anyone who reviews the Munis records could clearly identify employees from general vendors.

Management Response: The Department of Finance personnel are in agreement with the recommendations noted in this report and indicated that they will take corrective action.

BUREAU OF WATER STOCKROOM INVENTORY OBSERVATION

Executive Summary

The Office of Public Integrity (OPI) observed the annual physical inventory of the Department of Environmental Services (DES), Bureau of Water on October 26 and 27, 2018. This inventory includes the Water stockroom, the Street Lighting stockroom, the Department of Recreation and Youth Services (DRYS), Bureau of

Recreation inventory and the DES Cemeteries inventory maintained by the Bureau of Water. The results of the inventory indicate that the Bureau of Water maintains excellent inventory control.

- OPI did not note any variances in our sample selection of water stockroom inventory items indicative of the differences between the physical counts and the quantities recorded in the perpetual records. In the previous inventory we also did not note any variances in this stockroom.

- OPI did not note any variances in the street lighting stockroom inventory items indicative of differences between the physical counts and the quantities recorded in the perpetual records. In the previous inventory we noted an error rate of 0%.

- OPI did not note any variances in our sample selection of DRYS, Bureau of Recreation inventory items indicative of differences between the physical counts and the quantities recorded in the perpetual records. In the previous inventory, we noted an error rate of 0.56%.

- OPI did not note any variances in the DES, Cemeteries inventory items. We also did not note a variance in the previous inventory.

- Recommendation

  Bureau management should continue to make inventory control a priority.

Management Response: DES personnel are in agreement with the recommendation noted in this report and indicated that they will continue to make inventory control a priority.

REVIEW MUNIS JOURNAL ENTRIES

Executive Summary

OPI examined the journal entries during the period of July 1, 2018 through May 1, 2019 for MUNIS users responsible for daily entries. We calculated the business days between the effective date of the revenue receipts and the MUNIS entry date by the employee. Additionally, OPI calculated the number of days between journal entries.

- Recommendation

  Management attention is required to improve administrative and internal controls and to ensure compliance with prescribed job responsibilities.

STREET LIGHTING PURCHASE

Executive Summary

At the request of the Department of Environmental Services, OPI reviewed vendor transactions and employee vendor invoices for Street Lighting Purchases.

We did not note any adverse findings during this review.

Customer Service Satisfaction Survey

As part of OPI's quality assurance process, and to facilitate auditees' involvement, if appropriate, a Customer Service Satisfaction Survey is sent to key personnel of the area audited at the conclusion of each audit. The criteria assessed are:

- Pre-audit notification to auditee of audit purpose and scope.
- Feedback auditors provided to auditee on emerging issues during the audit.
- Professionalism of auditors.
- Objectivity of auditors.
- Duration of audit.
- Opportunity given to discuss findings in the audit report.
- Accuracy of the audit findings.
- Practicability of implementing audit recommendations.
- Usefulness of the audit in improving business process and controls.

Additionally, the Customer Service Satisfaction Survey also includes two open ended questions to give the recipients additional opportunities to provide feedback to OPI.

The objective of requesting an independent assessment of audit relationships and results is continuous improvement of audit services. OPI recognizes that certain audit situations and circumstances will result in unfavorable ratings. Some City personnel will rate higher than their peers. Judgment will be required in the interpretation of all replies. It is also recognized that recipients of the surveys are our customers, and we must work to improve our product and how it is delivered. Each staff member should work to market the audit activity and make each audit assignment a favorable working relationship.

Office of Public Integrity
Customer Service Satisfaction Survey

Please rate the Internal Audit Activity for _____

Section 1: Specific Audit Questions

	----------Select ONE----------					
	Excellent 5	Good 4	Average 3	Fair 2	Poor 1	N/A
1. Pre-audit notification to you of audit purpose and scope.						
2. Feedback auditors provided to you on emerging issues during the audit.						
3. Professionalism of auditors.						
4. Objectivity of auditors.						
5. Duration of the audit.						
6. Opportunity given to discuss findings in the audit report.						
7. Accuracy of the audit findings.						
8. Practicability of implementing audit recommendations.						
9. Usefulness of the audit in improving business process and controls.						

Section 2: Open-ended Questions (Enter text in the box)

10. Was there anything about the audit and interaction with auditors that you especially liked or disliked?

11. Do you have any recommendations for improvements in future audits?

12. Additional comments:

Thank you,

The Office of Public Integrity

Please email, mail, or fax this Survey:

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Following are the results of the FY 2018 OPI Customer Satisfaction Surveys:

Average Scores - FY 2019 Audits

Section 1: Specific Audit Questions

Survey Questions	Average Scores
1. Pre-audit notification to you of audit purpose and scope.	4.71
2. Feedback auditors provided to you on emerging issues during the audit.	4.83
3. Professionalism of auditors.	4.86
4. Objectivity of auditors.	4.86
5. Duration of the audit.	4.57
6. Opportunity given to discuss findings in the audit report.	4.71
7. Accuracy of the audit findings.	4.86
8. Practicability of implementing audit recommendations.	4.83
9. Usefulness of the audit in improving business process and controls.	4.29

Number of audits included: **10**

Number of surveys sent to auditees by OPI: **24**

Number of completed surveys returned to OPI: **7**

Complaints, Tips and Information

OPI receives numerous complaints, tips and information throughout the year. This information is obtained via phone/OPI hotline, walk-ins, employee and/or OPI e-mail, USPS mail, and referrals.

During Fiscal Year 2018-19 OPI received the following:

Hotline/phone	22
E-mail	13
USPS mail	1
Referrals	4

Investigations

Investigations are conducted in response to allegations of wrongdoing by City employees or individuals and companies that do business with the City. OPI investigations may include interviews, document reviews, surveillance, and data research and analysis. Investigations are conducted in close coordination with Human Resource Management, the Law Department and Labor Relations. If during the investigation internal control weaknesses are identified, OPI then provides recommendations to strengthen controls. These recommendations often fall into one of the following categories:

- Correct the identified deficiencies.
- Clarify applicable policy, law, or regulation.
- Strengthen the internal controls within the impacted department.

When investigative findings identify potential criminal conduct, the matter is referred to the appropriate law enforcement authorities for review and appropriate action.

OPI utilizes the following categories to issue findings:

Sustained:

- The allegations are validated, and there is sufficient evidence to justify a reasonable conclusion the actions occurred and there were violations of law, policy, rule or contract.

Unfounded:

- There is sufficient evidence to justify a reasonable conclusion the alleged actions did not occur, or there were no identified violations of law, policy, rule, or contract.

Not Provable:

- The allegations are not validated, and there is insufficient evidence to prove or disprove the allegations.

Exonerated:

- There is sufficient evidence to justify a reasonable conclusion the actions did occur, and they were lawful and in compliance with policy, rule or contract.

Office:

- Insufficient information is available regarding the allegation, and no further action is taken until new information is brought the attention of our office.

Investigation Results

During the fiscal year, OPI received 40 complaints which led to the opening of 23 investigations. The investigations addressed allegations of the following misconduct:

- Misappropriation of City Resources
- Unprofessional/Unethical Conduct
- Falsification of Business Records
- Favoritism
- Theft
- Conflict of Interest

The completed investigations resulted in the following dispositions:

Unfounded	6
Not Provable	3
Referral	12

Ethics

OPI is responsible for the development and delivery of ethics awareness training to City employees. This training is focused on the City's Code of Ethics and provides guidance and recommendations on how employees can remain in compliance. OPI acts as a clearinghouse for ethical issues raised by City employees and City residents. When appropriate, issues are referred to the City's Ethics Board for Advisory Opinions. The Director of OPI serves as Secretary of the City's Ethics Board.

During the fiscal year, OPI provided 14 ethics training sessions to employees in the following offices:

Communications
Emergency Communications Department
Environmental Services Department
Finance
Fire Department
Human Resource Management
Information Technology
Law Department
Mayor/Administration
Neighborhood and Business Development
Office of Management and Budget
Police Department
Recreation and Youth Services
Rochester Public Library
Rochester Urban Fellows

Confidentiality/Whistleblower Protection

After the receipt of a complaint or information from any City of Rochester employee, OPI shall not disclose the identity of an employee without their consent unless OPI determines that it is unavoidable during the course of an investigation.

The City of Rochester established a Confidential Hotline Program to provide a secure means of reporting suspicious activity to OPI concerning City programs and operations. To enhance the Confidential Hotline Program, OPI implemented a Whistleblower Protection Policy to protect employees who report a belief that their organization is engaged in or willfully permits unethical or unlawful activities. Suspicious activity may include instances of fraud, waste, and abuse, mismanagement, or a danger to the public's health and safety. The Office of Public Integrity confidential hotline number is **(585) 428-9340**.

Persons may also contact OPI directly by telephone (**585 428-7245**), e-mail to: opi@cityofrochester.gov or surface mail to: Office of Public Integrity, 85 Allen Street, Suite 100, Rochester, New York, 14608.