

Questions to Charter Review Subcommittee from City Council and members of Charter Review Committee

- ***If approved by Council and then the voters, how long would the gap period be until the role is filled? What happens during that Gap period?***
 - Elected
 - If position (person) is voted on in a general election (2022) then the following would be effective per Article IV, Sec. 400 of City Charter:
 - *Officials elected at the general municipal election shall take office on the second Tuesday following completion of the canvass, but in no event later than the fifth Tuesday following the general municipal election. Officials elected at any other election shall take office on the second Tuesday following completion of the canvass, but in no event later than the fifth Tuesday following the election.*
 - we discussed the position being elected, and if that is the case, would there be a candidate(s) on the ballot? Or, on the ballot would the question be something similar to Measure E in June 2012:
 - **MEASURE E: "Shall the Charter of the City of Riverside be amended to include a new Charter officer, the City Auditor, appointed by the City Council, with the powers and duties of the City Auditor set by ordinance of the City Council?"**
 - Appointed
 - If appointed by an independent board, first step in process would be selection of board members
 - Once board is selected, recruitment process would begin; receive applications, verify qualifications, conduct interviews, process background checks, etc.
- ***How would work of IG overlap with current work of City Staff and how would that be addressed?***
 - The work of the IG would not overlap with current city staff. The IG, from an organizational structure, would operate separately from the rest of city staff.
 - Independent from those areas which it will be auditing, reviewing and investigating.
 - However, all city officials, employees and departments would need to cooperate with the IG in any investigation or review.
- ***What processes would be streamlined and explain how they would be streamlined?***
 - The following would be redirected to IG
 - 311 comments, complaints (city services excluded).
 - 3-1-1 Whistleblower Hotline calls of Fraud, Waste, and Abuse.
 - Independent audits, analysis and evaluations of city programs and operations.
 - Include Internal Audit reports
- ***Would like to hear more about what other cities do***
 - *City of New Orleans*
 - Inspectors General and their Offices share a consistent mandate: they are responsible for eliminating corruption, fraud, and abuse, and holding government officials accountable for efficient and cost-effective government.
 - Offices of Inspector General audit, inspect, evaluate, and investigate government programs and operations, reporting their findings in publicly released reports.
 - *City of Milwaukee* (reference: <https://city.milwaukee.gov/cityclerk/Inspector-General/Frequently-Asked-Questions>)

- **What is the Inspector General's (IG) mission?**
The IG is an independent, nonpartisan oversight personage with a mission is to promote economy, effectiveness, efficiency, and integrity in the administration of programs and operation of City government.
- **What does the Inspector General do?**
- The IG conducts independent, objective audits, reviews, analyses and evaluations of City programs and operations, issues public reports of findings, and makes recommendations to strengthen and improve the delivery of City services. The work of IG serves as a resource for the City Council, policymakers, civic and advocacy organizations, journalists, and the general public.
- **What is the IG's jurisdiction?**
The IG has oversight of all City employees, elected officials (the Mayor, Alderpersons, City Clerk, and the City Treasurer), appointed officials, and contractors and vendors who provide goods and services to the City. The IG also has jurisdiction over any agency pursuant to an intergovernmental agreement authorized by the City Council.
- *City of Albuquerque*
 - The Inspector General Shall Receive and Investigate Complaints Referred By
 - The Board of Ethics and Campaign Practices
 - Any official -- the Mayor and Councilors
 - Any employee, contractor or public citizen
 - The Inspector General may also initiate an investigation
 - However, the Office of Inspector General cannot:
 - Investigate complaints that are under the jurisdiction of the Civilian Police Oversight Agency or the Internal Affairs Division of the Albuquerque Police Department
 - The Inspector General shall not accept complaints related to discrimination or labor law matters, or other matters that are the subject of pending litigation
 - All city officials, employees and contractors shall promptly notify the Inspector General of every instance of theft or other disappearance of cash, check, or property, of misfeasance or nonfeasance, defalcation, improper governmental actions as defined in the Whistleblower Ordinance and noncompliance with federal and state law, city ordinances and city regulations of which they are aware.
- ***Does having an elected IG, change the recruitment for Charter Officers? Has there been any evidence one way or the other in other cities?***
 - Did not find any evidence to answer this question
- ***Why did we choose the specific comparison cities noted in the presentation?***
 - Outreach to City of Los Angeles, Baltimore, Tallahassee, Albuquerque, Jefferson Parish and various counties
 - Similar census count per capital in term of income
 - Geographical location
 - Cities from eastern, central and western U.S.

- **What is the staff level in other cities? What is the reporting structure of those staff members?**

- Tallahassee: Population = 191,279 (2019)
 - Two divisions consisting of 10 staff
 - Director
 - Senior Auditors
 - Investigations Director
 - Compliant Intake Specialist
 - Executive Assistant
- New Orleans: Population = 390,845 (2019)
 - Four divisions consisting of 14 staff
 - Deputy Inspector
 - Office Manager, Admin Asst
 - Investigators
 - Evaluators
 - Auditors
- Baltimore: Population = 609,032 (2019)
 - Staff of 17 to include:
 - Deputy and Asst Inspector Generals
 - Senior Agents
 - Agents
 - Executive Assistants

- **How would HR department interact with this role?**

- The Inspector General is not a replacement for an established grievance process
- Reference from City of Tallahassee (<https://www.cabq.gov/inspectorgeneral/documents/Article%2017%20Inspector%20General.txt.pdf>)
 - *The Office of the Inspector General is created as an independent office of city government. The Office is not part of the city's executive branch or the City Council.*
 - *The Inspector General shall have, subject to appropriation by the City Council, the power to appoint, employ, and remove such assistants, employees and personnel and establish personnel procedures as deemed necessary for the efficient and effective administration of the activities of the Office of the Inspector.*
 - *The Inspector General shall receive and investigate complaints referred to him by the Board of Ethics and Campaign Practices. In addition, the Inspector General shall receive and evaluate complaints referred to him by any official, employee, contractor or the public and initiate an investigation when he deems it appropriate. The Inspector General may also initiate an investigation.*

- **Are there abuses of the system at other cities and how would abuses of the system be handled in Riverside?**

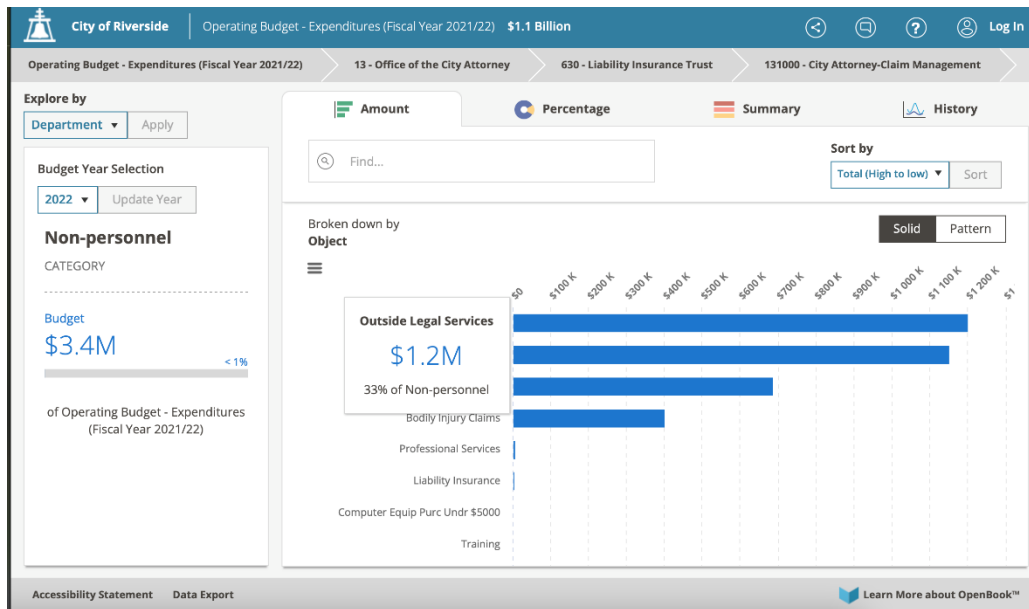
- No widespread abuse found in other cities

- **Who should the IG be accountable to?**
 - Varies from city to city:
 - Albuquerque: The Accountability in Government Oversight Committee.
 - Baltimore: An advisory board comprised of 5 or 7 members
 - Tallahassee: In July of 2020, the City Commission enacted Ordinance 20-O-22AA which expanded the authority and responsibility of the Office of the City Auditor to create the City's Office of Inspector General and designated the City Auditor to serve as the City's Inspector General.
 - Jefferson Parish, LA: Reports to Ethics & Compliance Commission
- **What are the qualifications for the Inspector General?**
 - There are varied qualifications based upon whether the job is elected or appointed.
 - Typically, the agent in the role has background experience and advanced education in Finance or Law. The Association of Inspectors General provides training and related resources for alignment with federal, state, and local regulations.
- **Who determines the exact details of the position: CRC, City Staff, City Council?**
 - The details and scope of the job were determined through discussion from the subcommittee and expanded during CRC regular meetings. Meeting notes identify work done through research in the subcommittee.
 - Since the office will be an independent agency of the City, exact details will be determined outside of City Council and staff
- **What was the reasoning behind the different options and how were they chosen?**
 - Research by the subcommittee provided different options used throughout the country
 - Interviews with residents, city staff, as well as current and past office holders
 - Internet research
 - Factual information was taken back to full CRC for discussion and direction
- **Should the IG just focus on the Police/Law Enforcement?**
 - The feeling of the subcommittee was that limiting the scope to law enforcement would not have the desired effect on fraud, waste and abuse.
- **Do you believe there is a better value (perceived and/or real) in the role being elected vs, appointed?**
 - Biggest concern with the position being elected is potential conflict of interests
 - Campaign contributions
 - Endorsements
 - Residents will typically always want elected for the perception of independence
- **How would bargaining units be consulted and interact in any potential employee misconduct claims?**
 - Process would be followed as written and agreed upon in bargaining agreements
- **How does the authority of the office compare to other charter officers?**
 - Inspector General does not enforce, the authority of this position is the "power of the pen"
- **What would the interaction be with current ethics board?**
 - Pure ethics complaints would continue to be heard by Board of Ethics
 - If investigation is needed, Office of IG would be called

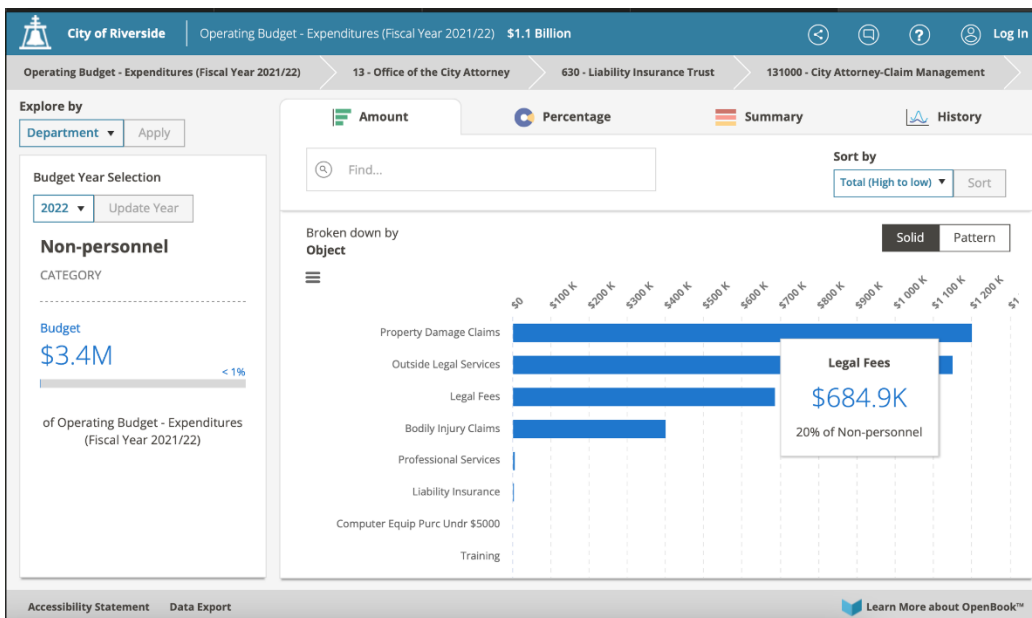
- **What is the estimate of the reduction in outside legal fees? How much money could be saved annually? Questioned the savings**

That is hard to say without concrete data, however, when conducting research, the following was found.

- Outside Legal Services budgeted for 2021/2022, is \$1.2 million.

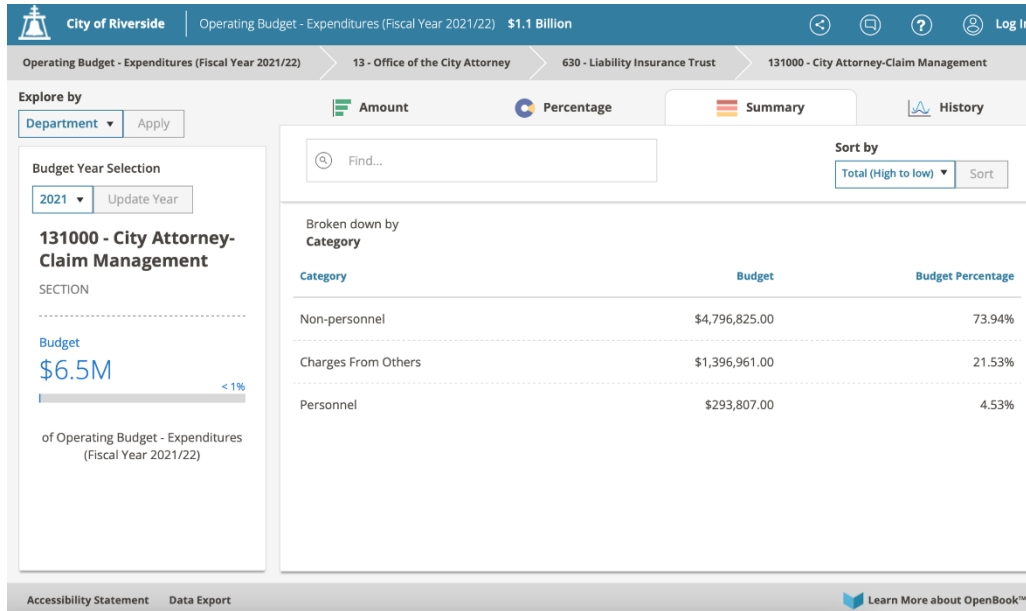


- There is also another \$684.9K in Legal Fees.



- There is \$4.7 million in Claim Management (non-personnel)

By definition, Claims Management means “the process of identifying, controlling and resolving demands by individuals or public entities to recover losses. Claims management is the function of supervising legal, adjusting, investigation and engineering services to resolve such demands.



Per the City Attorney’s Annual Report, they work aggressively to limit financial exposure. When liability is clear, the City seeks to protect taxpayer resources by settling for the lowest possible amount, thereby avoiding the risk of an adverse jury verdict that would cost taxpayers much more. The City Council approves all settlements in excess of \$25,000. Below is charts extracted from their Annual Reports to demonstrate the amount of Payouts, however, here is a brief summary:

- FY 2015/2016- the total amount of payouts relating to settlements, verdicts and judgements was \$2.12 million
- FY 2016/2017- the total amount of payouts relating to settlements, verdicts and judgements was \$463,769
- FY 2017/2018- the total amount of payouts relating to settlements, verdicts and judgements was \$4,014,010
- FY 2018/2019- the total amount of payouts relating to settlements, verdicts and judgements was \$100,399
- FY 2019/2020- the total amount of payouts relating to settlements, verdicts and judgements is unknown as it was not available on the website
- FY 2020/2021- the total amount of payouts relating to settlements, verdicts and judgements is unknown as it was not available on the website
- FY 2021/2022: the \$24 million settlement in the Prada vs. the City of Riverside

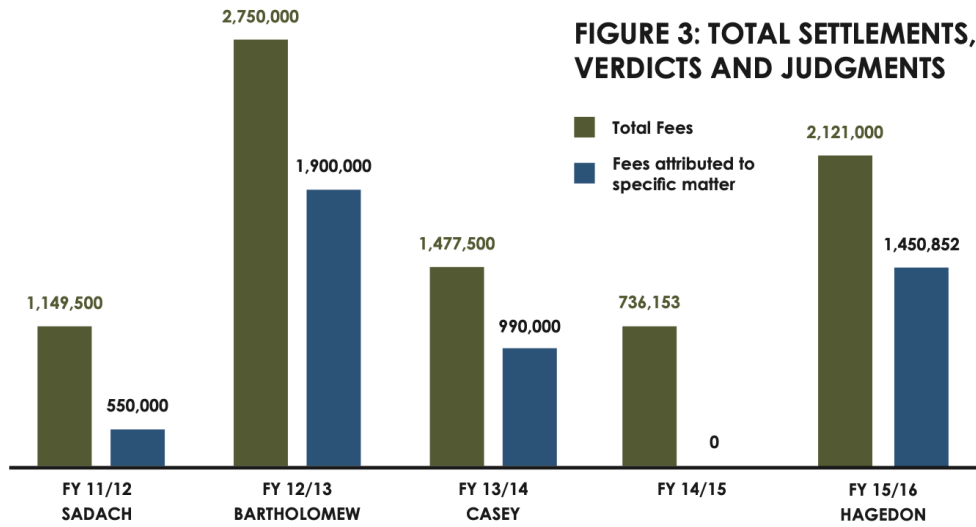
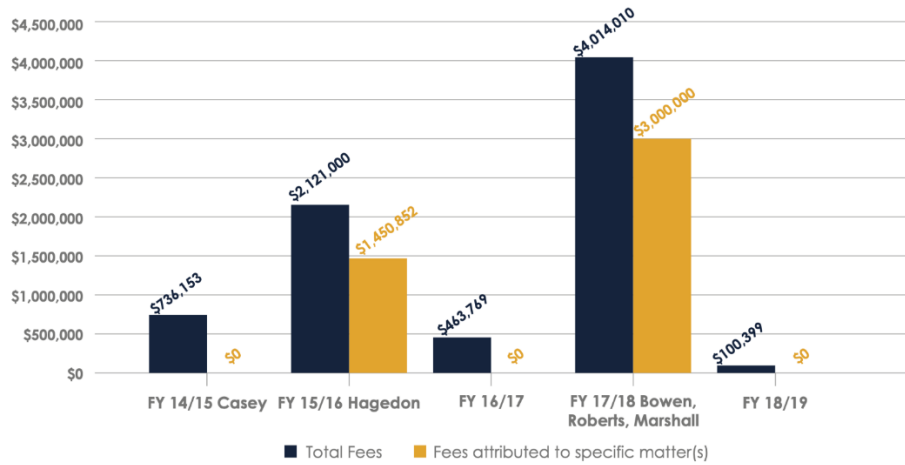


FIGURE 2: TOTAL SETTLEMENTS, VERDICTS AND JUDGMENTS



- **How much would the IG be paid?**
 - This can vary depending on what the minimum qualifications are, job duties, credentials, and expectations.
 - The salaries of an Inspector General can range from \$200k - \$400k. For example, the LA County Inspector General annual salary is \$399,202. The IG for Sacramento's Public Safety is \$176,454.
- **How big would the staff be and how would they be paid? What would the support staff look like?**
 - The Office of the Inspector General could be as big or as small as deemed necessary by the jurisdiction. For example, the US Office of the IG for Health and Human Services alone has a staff of 1,600 and is broken into 6 different departments and anywhere from 3- 6 divisions within each department. This is robust setup has a budget of \$428.9 million.
 - The Office of the Inspector General for the City of Chicago has 103 employees and a budget of \$10.9 million per fiscal year.
 - The Office of the Inspector General for Atlanta Georgia has 11 employees and a budget of \$1.3 million
 - City of Tallahassee has 10 positions, 7 active, and an operating budget of \$1.3 million
 - Jefferson Parish, LA has 10 employees and an operating budget of \$1.4M
 - Typical staffing includes an Inspector General, Deputy IG, General Counsel, Investigators, Auditors and Administrative Assistant's.

As far as budget, there is the following:

- Internal Audit Division Budgeted for the City of Riverside with 2 FTE positions, including some reclassifications

| | | | | | |
|--------------------------------|------|------|--------|---|----------|
| 114500 - Internal Audit | | | | | |
| 8313 Senior Internal Auditor | 1.00 | 1.00 | - | - | (1.00) 2 |
| 8316 Internal Audit Manager | 1.00 | - | (1.00) | - | - 5a |

160

Personnel - City Manager's Office

City of Riverside 2020-2021 Annual Budget

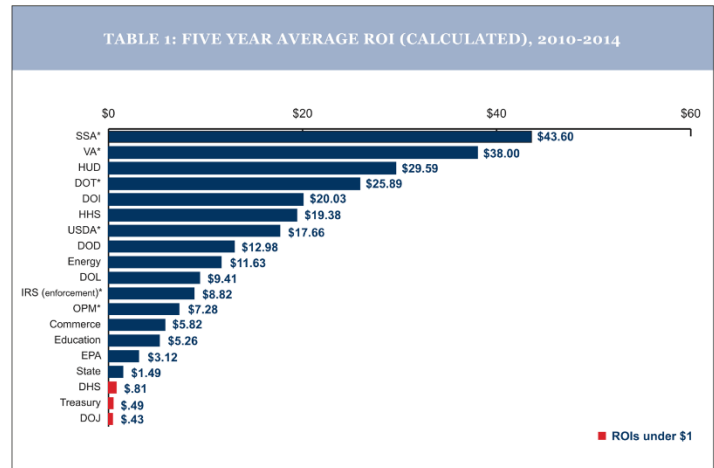
| City Manager's Office | | | | | | |
|---|-----------------------|-----------------------|----------|-----------------------|---------------|----|
| Job Code and Position Title | Adopted FY 2019/20 | Amended FY 2019/20 | Change | Adopted FY 2020/21 | Change | |
| 8317 Performance Analyst | - | 1.00 | 1.00 | 1.00 | - | 5b |
| 8324 Organizational Performance and Audit Manager | - | 1.00 | 1.00 | 1.00 | - | 5a |
| 8460 Principal Management Analyst | 1.00 | - | (1.00) | - | - | 5b |
| Full-Time Benefitted Total | 3.00 | 3.00 | - | 2.00 | (1.00) | |
| 114500 - Internal Audit Total | 3.00 | 3.00 | - | 2.00 | (1.00) | |

- Funds could be utilized from the General fund Transfer

- Funds that are allocated to the panel of auditing firms: The City issued a RFQ and RFP between October of 2019 and 2020 for audit services. The RFQ/RFP was divided into 2 requests: 1.) for an external audit firm to perform a risk assessment of all City operations, develop a workplan based on the assessment, and execute all necessary audits in the workplan; and 2.) a panel of external auditing firms to perform “as-needed” audits independent of the work plan audits. The finalization of the agreements are expected to go to the Government Affairs Committee for approval and then City Council for approval. The City is still considering options for how the process will go internally as far as getting a complaint and having a panel investigate.
- **How do we justify adding a department, when the City is still under minimum staff requirements?**
 - a) There is the continuous growth of the City that requires additional oversight, transparency and accountability.
 - b) There is still much question surrounding the process for community/employee complainants in the aggregate
 - c) There has been an identified need for SOME additional layer of accountability, but we are not certain what that layer is provided we have outstanding inquiries
 - d) The topic of ethics seems to be of grave concern as we are not certain that all city decision makers are acting in the best interest of the community
 - e) There is a need to address or at least investigate city processes and/or procedures to ensure valid complaints are responded to, addressed or handled with an objective point of view and reasonable logic
 - f) Some jurisdictions show that implementing an IG has valuable ROI (see City of Atlanta OIG below)

| Return On Investment | | | |
|---|-------------|--------------|--------------|
| | FY 19 | FY 20 | FY 21 |
| Value of Fraud Referred for Prosecution & Savings for the State | \$7,337,553 | \$13,056,949 | \$11,376,585 |
| OIG Annual Budget | \$1,002,515 | \$1,218,781 | \$1,351,189 |
| OIG Return on Investment | 732% | 1,071% | 842% |

According to a study examining the OIG’s ROI on the Federal government, the offices of inspectors general and other enforcement divisions throughout the executive branch often function as revenue-positive institutions—entities that bring in more revenue than they cost. Budget cuts to these agencies not only affect their performance, but also their ability to return money to the nation’s reserves. Beyond the loss in revenue, budget cuts to such offices threaten responsible, effective government as these offices often work to reduce waste, fraud and abuse, and improve the integrity of government operations. Yet, across-the-board spending cuts and budgeting-by-continuing resolution put those benefits in jeopardy.



Source: Agency semi-annual reports to Congress and annual budget requests.
 *IRS (enforcement) refers to the IRS's Services and Enforcement division. The OIG for IRS is TIGTA.