



John A. Carey
Inspector General

OFFICE OF INSPECTOR GENERAL PALM BEACH COUNTY

UPDATE FROM YOUR INSPECTOR GENERAL FEBRUARY 2023



Inspector General
Accredited

Greetings from your Palm Beach County (PBC) Inspector General! This update is to provide information on our: 1) recent work and accomplishments, 2) current projects, 3) Information Technology (IT) cybersecurity audits and reviews, and 4) future plans.

Our recent work and accomplishments

With the persistence of the Coronavirus (COVID-19) pandemic, much of our efforts went to reviews of County programs dispersing federal COVID-19 aid funding and investigating pandemic-related complaints. PBC has recovered **over \$100,000** as a result of our investigations. We referred **almost 300 individuals** to our law enforcement partners for further investigation.

Some of the most significant accomplishments from our audits, investigations, and reviews, which are detailed in our fiscal year 2022 annual report, include: discovering **\$3,287,050** in questioned costs and **over \$434,875** in potential cost savings to taxpayers or in future avoidable costs. We monitored contract activities involving **millions of taxpayers' dollars** and provided advice on proper procurement standards. Finally, we made **41 recommendations** to facilitate compliance with regulations, or to be more efficient or effective.

More information on the OIG, frequently asked questions, our reports, tips, trends, best practices, and other reference materials can be found on our OIG website: <http://pbcgov.com/OIG/>.

Current projects

We currently have **over 30 investigations** underway, the majority of which are COVID-19 aid funding related. Our Contract Oversight and Evaluation Division are conducting **16 procurement-related reviews**. These reviews include the solicitation and contract award process; contract performance before the services are completed; and completing contract administration reviews after the close-out. Our Audit Division has **10 audits or reviews** underway. Municipalities requested two of these audits, the County requested a review of its workforce housing initiative, another two resulted from complaints to our office, and six audits and reviews were initiated from our annual risk assessment.

Cybersecurity Audits and Reviews

We have completed one cybersecurity review, and are currently conducting one cybersecurity audit and one review. We plan to conduct more.

Enhancing Public Trust in Government

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Why are we conducting these cybersecurity audits and reviews? Each year, cybersecurity is one of the top risks identified in our annual risk assessment. We know at least three of our municipalities have been victims of ransomware attacks. A lack of effective Network Security practices increases the risk associated with cyber incidents, which can result in the interruption of governmental operations, loss of customer or employee sensitive data (*payment card information, personally identifiable information, or personal health information*), financial loss, and loss of public trust.

What standards are we using to conduct these audits and reviews? The projects will be based on the National Institute of Standards and Technology (NIST) Framework for Improving Critical Infrastructure Cybersecurity. These are standards used on the federal, state (to include Florida), and local levels around the country.

Doesn't the OIG just do financial-related audits? Our OIG Ordinance (Article XII, Sections 2-421, 2-422m and 2-423, Palm Beach County Code) states our office was established to promote economy, efficiency, and effectiveness in county and municipal agencies and conduct reviews and audits of such. This charter is similar to charters of federal and state OIGs across the country. IT systems and operations are one of the many areas that OIGs, at every level of government, conduct reviews and audits.

Additionally, cybersecurity audits and reviews relate to guarding taxpayer dollars. In 2021, the US public sector experienced 2,323 ransomware attacks against local governments, schools, and health care providers: 77 of those ransomware attacks were against state and municipal governments and agencies. **The average ransomware incident costs \$8.1 million and takes 287 days to recover. The victims were generally smaller municipalities and counties.**

Does the OIG staff have the expertise to conduct cybersecurity audits and reviews? All of our IG auditors received IG auditor certification and specialized training in IT auditing at our national Association of Inspectors General IG Institute®. Additionally, they have received hundreds of hours of training in IT security and auditing. Our audits and reviews are supported by our OIG Systems Administrator who has over 24 years in government IT and has participated in many state-wide audits as part of his former responsibilities at a state OIG. In my former position as IG of the U. S. Defense Intelligence Agency, I oversaw annual federal IT security audits of organizations and systems that handled some of our nation's most sensitive information.

The PBC League of Cities received a Florida [Digital Service] presentation last year on new and potential future cybersecurity requirements for local governments. Will the OIG audits and reviews be inconsistent or preempted by future state guidance? No. I personally met and discussed our IT security programs with the State of Florida Chief Information Security Officer. He agreed that the cyber threat is now and independent OIG audits and reviews should not be delayed. The basic NIST standards that we are using will not be preempted by future State requirements.

Future Plans

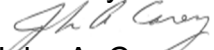
Our audits and reviews will continue to focus on the high-risk areas identified in our annual risk assessment. Some of these high-risk areas include, accounts payable expenditures and cash disbursements, construction projects, overtime, and cybersecurity. Throughout the year, the **OIG often receives requests from the County and municipalities to conduct audits and reviews. We make special efforts to adjust our plans and meet these requests.** Additionally, some audits and reviews may be initiated in response to complaints.

We want to **increase our advice and assistance to management** by offering training in areas like internal controls, best practices in procurement and contracting, red flags in identifying potential fraud, and Florida Whistleblower laws. If ever you have questions, concerns, or recommendations for me (or my office), please feel free to contact me directly. Additionally, should you want to be personally included in our distribution list, we can send you copies of all future published reports, periodic awareness articles (“Tips and Trends,” IG Newsletters, and “Lessons Learned” briefings), our Six Month Updates, and annual reports by providing me with your e-mail address.

One final note on the subject of communications: if you know of any community, civic, or business organization that might benefit from learning about my office, please have them contact us at inspector@pbcgov.org. I have spoken to thousands of Palm Beach County citizens in the last two years. I cover such topics such as, “Just what is an Inspector General?” and “What specifically does the IG do to promote transparency, accountability, and integrity in government?” These presentations help increase the public’s knowledge of your OIG’s work to enhance our citizens’ trust in government.

Thanks for your continued support. I am honored to serve as your Inspector General. My promise to you is that I and my dedicated staff will continue to work to promote accountability, transparency, and integrity in government.

Sincerely,


John A. Carey
Inspector General
Palm Beach County

