

Office of
Public
Integrity
Annual
Report

June 30

2015

FY 2014 -15 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, 2015:

- Conducted a City-wide risk assessment of each department and presented the results to the Senior Management Team (SMT) and department personnel.
- Evaluated 22 complaints received via walk-ins, telephone or email hotline, and other sources.
- Conducted 24 investigations into allegations of wrongdoing by City employees and contractors.
- Conducted 10 audits of City programs and operations.
- Issued 17 audit and investigative findings and recommendations.
- Conducted four consultations with city departments to provide risk mitigation guidance.
- Transitioned to an automated case management system.
- Provided 10 ethics awareness presentations.
- Met with delegations from the Ukraine and Afghanistan to discuss the Office of Public Integrity and the City of Rochester's Code of Ethics.
- Evaluated 23 work place violence complaints.
- Obtained 218 hours of Continuing Professional Education (CPE).
- Created and staffed one audit internship position.

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.

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, inspections, evaluations 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 to resolve allegations of non-compliance with City policies and the 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.
- 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, i.e., selection committee for the new payroll system, etc.
- Review City-wide policies and procedures to improve operations and mitigate risks.

Ethics

- Act as a clearinghouse for ethical issues raised by City employees and City residents.
- Coordinate with the City's Ethics Board to resolve complex ethical issues and provide recommendations for Code revisions when appropriate.

Inspections, Reviews and Evaluation

- Conduct inspections, evaluations, and performance reviews of any matter falling within the jurisdiction of OPI in accordance with the Principles and Standards for Offices of Inspector General.
- Provide City leadership with objective, thorough, and timely inspection and evaluation reports. The objectives of the reports include:
 - Providing a source of factual and analytical information.
 - Improving government accountability.
 - Promoting the interests of the citizens of Rochester.
- Provide support to department heads in the implementation of recommendations and further identification of process or procedural improvements.
- Perform contract monitoring of new and existing contract proposals to assess the level of risk or exposure to fraud they present. Examples of City contracts posing a high risk of fraud and/or waste are those which:
 - Are awarded to firms with past negative findings of contract-related violations.
 - Produced numerous change orders or changes beyond the original scope.
 - Were not subject to competition for more than 5 years.
 - Drew limited number of bids or that were sole-sourced.
 - Otherwise gave the appearance of a conflict of interest.
- Monitoring high-risk contracts includes periodically reviewing change orders and contract amendments, auditing invoices, inspecting deliveries, and inspecting completed work for substitute or inferior materials. The identification of questionable high-risk contracts will initiate a full review and formal report of findings.
- Serve as a resource for City leadership to more effectively assess the overall performance, effectiveness, and efficiency of City programs and operations.

Training and Professional Development

- Offer professional development opportunities to investigative and audit staff to strengthen OPI's investigative capabilities.
- Provide employee ethics training and promote overall awareness and understanding of the City's Code of Ethics to ensure compliance.
- Provide guidance and training to City departments in proper cash handling procedures, the safeguarding of City assets, and other enterprise risk mitigation strategies.

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.

The Office of Public Integrity is comprised of the following staff:

- Director (1)
- Executive Assistant (1)
- Audit Manager (1)
- Auditor (2 full time, 1 part time)
- Integrity Compliance Office (1 part time)
- Investigators (2 full time – Rochester Police Department)
- Intern (1)

Professional Development, Qualifications and Certifications

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

- *Principles and Standards for Offices of Inspector General* of The Association of Inspectors General.
- *Government Auditing Standards* of the United States Government Accountability Office.¹
- *International Standards for the Professional Practice of Internal Auditing* of The Institute of Internal Auditors (IIA).²

¹ External Peer Review included

² External Peer Review excluded

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 Audit staff has 67 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) -1
- Certified Inspector General (CIG) - 1
- Certified Fraud Examiner (CFE) -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.

Staff earned 218 hours of continuing professional education (CPE) in the following areas:

- Information Technology
- Cyber Security
- Government Auditing Standards
- Internal Audit
- Enterprise Risk Management

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) 2015 was \$563,200 with actual expenditures of \$520,192. The approved budget for FY 2016 is \$622,000. OPI's FY 2016 budget represents 0.12% 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 assign a number or score to potential audit areas based upon specific risk factors related to a department's operations, internal controls, and liability to the City. Examples of specific risk factors used to formulate the Risk Assessment Model include failure to meet organizational goals, financial exposure, public image, control environment, regulatory environment, 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 Office of Public Integrity Audit Unit also conducts performance audits, which take a broader view of City programs and procedures that 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. Each year the OPI Audit Section develops an Annual Audit Plan that identifies the audits scheduled for the coming year.

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 Annual Audit Plan allocates all resources for the coming year 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 audit program provides a work plan to be accomplished during the audit and sets procedures specifically designed for each audit. The program also assists in assigning and distributing work to auditors working on the project, 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 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 the office. OPI uses a dynamic risk-based approach for selecting and prioritizing audits. The Audit Plan also facilitates the efficient allocation of OPI's resources and ensures the office remains focused on those areas which pose the highest risk to the City.

An annual 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 annual 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:

- Impact the audit would have (the problem or risks it would address and the likely types of findings and recommendations to result).
- 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 occurs one or more years after the audit release and assesses the progress made on issues identified during the previous audit.

The following represents OPI's projected audit plan for the past fiscal year. The estimated number of hours per audit was based on the average of hours spent on previous audits. The Audit Plan was comprised of 15 audits with a projected resource demand of 5,240 hours. The projected audit plan's resource demand exceeded the estimated available audit hours (4,485) by 755 hours; however, the goal was to maximize productivity throughout the year to successfully address the projected work load.

Office of Public Integrity
Annual Audit Program
For the Fiscal Year Ended June 30, 2015

Department	Audit	Projected Hours	Status
Finance	Living Wage Ordinance	600	*
Various	Petty Cash Audit 2014	**	Completed
Mayor's Office	High Falls Garage	850	Completed
Mayor's Office	East End garage	850	Ongoing
Mayor's Office	Unannounced Cash Count (Parking)	70	Ongoing
DES	Building Services Inventory	120	Completed
DES	Water Bureau Inventory	200	Completed
DES	Equipment Services Inventory	250	Completed
Finance	Freed Maxick Audit of City	200	Completed
Various	Petty Cash Audit 2015	250	Completed
DRYS	Edgerton Community Center Audit	250	Completed
Library	Maplewood Branch Library Audit	250	Ongoing
Police	Federal Forfeitures	400	Completed
Police	Property Clerk Cash Handling	500	***
DES	Hemlock Operations Center Inventory	100	***
Mayor's Office	Risk Assessment Update	350	Completed
DES	Cemetery Audit	****	Completed & Issued in FY 16
Fire	Fire Department Sick and Injury Time	****	Completed & Issued in FY 16
DES	Review of Contract #126571 - 2014 Maintenance Repairs to City Bridges and Misc. Facilities	****	Ongoing
DES	Review of Contract #124983 - Two Bridge Preventative Maintenance Project	****	Ongoing
<p>* Audit postponed due to time constraints ** Completed in FY 13/14 and issued in FY 14/15 *** Audit to be performed in FY 15/16 **** Not on original audit plan. Added due to management request.</p>			

Audit Findings and Recommendations

Review of Selected Petty Cash Funds - 2014

Executive Summary

In this review the Office of Public Integrity (OPI) assessed the adequacy of petty cash procedures used by selected custodians and determined the extent of compliance with approved City policy. The Office of Public Integrity (OPI) selected 20 of the 74 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 findings that require management attention to improve compliance with City policy.

- OPI noted two occurrences of split purchases. The total of each occurrence exceeded the \$40 petty cash limit and these purchases were split to circumvent petty cash policy.

- **Recommendation**

Custodians at Genesee Valley Park and the South Avenue Community Center should comply with Petty Cash Policy and limit purchase amounts to the maximum permitted by the policy.

High Falls Garage

Executive Summary

In this review the Office of Public Integrity (OPI) examined records and internal control procedures at the High Falls Parking Garage. We accounted for all reported cash receipts within the test period. Additionally, we noted significant improvements from our prior review of this garage including improved control over monthly eGo tag holders and timelier billing and collection of validations. However, we noted the following findings that require management attention to improve administrative and internal controls and to ensure compliance with City policy.

- OPI reviewed an aging schedule of accounts receivable for monthly parkers at the High Falls Garage. An analysis of this aging schedule indicates a significant amount of outstanding receivables in excess of 90 days.

- Recommendation

The Bureau of Parking should review existing outstanding accounts receivables and write-off account balances deemed as uncollectable.

- OPI analyzed daily spitter tickets issued at the garage for the test period and noted that the customer service representatives do not always document the reason they provide patrons “Ok by Mgr” tickets that allow the user to exit the garage without paying a fee.

- Recommendation

The Bureau of Parking should require that customer service representatives clearly document, on the ticket, the reason for each “Ok by Mgr” ticket issued.

- OPI analyzed daily spitter tickets issued at the garage for 2 days during the test period and noted that the exit verifiers calculated the incorrect fee for 13 of the 105 spitter tickets examined. This is an error rate 12.4%.

- Recommendation

Bureau of Parking personnel should investigate the causes of these discrepancies and correct them.

DES Building Services Inventory

Executive Summary

The Office of Public Integrity (OPI) observed the annual physical inventory of the Bureau of Operations and Parks, Building Services Division stockroom on October 31, 2014. The results of the review indicate that Building Services maintains adequate inventory control.

- OPI noted variances in 1% of our sample selection indicative of differences between the physical counts and the quantities recorded in the perpetual records.

- Recommendation

Building Services should continue to make inventory control a priority.

DES Bureau Of Water Inventory

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 25, 2014. 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 adequate 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 noted a 1.1% variance.
- OPI noted variances in 0.4% of street lighting stockroom inventory items indicative of differences between the physical counts and the quantities recorded in the perpetual records. This is slightly lower than the 0.6 % error rate noted in the previous inventory.
- OPI noted variances in 0.05% of DRYS, Bureau of Recreation inventory items indicative of differences between the physical counts and the quantities recorded in the perpetual records. We did not note any variances in the previous inventory.
- OPI did not note any variances in the DES, Cemeteries inventory items. We also did not note any variances during the 2013 inventory.
- Recommendation

Bureau of Water management should continue to make inventory control a priority.

DES Equipment Services Inventory

Executive Summary

The Office of Public Integrity (OPI) observed the annual physical inventory of the Department of Environmental Services, Bureau of Operations and Parks, Equipment Services Division auto parts stockrooms on October 18, 2014. The results of the review indicate that Equipment Services maintains adequate inventory control.

- The Office of Public Integrity noted variances in 2.8% of the main auto parts, the machine shop, and Police Department auto parts inventory indicative of differences between the physical counts and the quantities recorded in the perpetual records. In the previous inventory we noted a 2.2% variance.
- The Office of Public Integrity did not note any variances in the tire room. In the previous inventory we also did not note any variances in this stockroom.
- Recommendation

Equipment Services management should continue to make inventory control a priority.

Review of Selected Petty Cash Funds - 2015

Executive Summary

In this review, we assessed the adequacy of petty cash procedures used by selected custodians and determined the extent of compliance with approved City policy. The Office of Public Integrity (OPI) selected 20 of the 75 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.

Review of Federal Forfeiture Proceeds

Executive Summary

The Office of Public Integrity (OPI) examined accountability of federal forfeiture proceeds, related internal controls, and compliance with federal, City, and Rochester Police Department (RPD) policies. The results of this review indicate adequate internal control procedures over federal forfeiture proceeds and compliance with prescribed policies. We did not note any adverse findings during this review.

Edgerton Community Center

Executive Summary

In this review, the Office of Public Integrity (OPI) examined accountability of reported cash collections, the adequacy of internal control procedures, and compliance with City and Bureau cash handling policies at the Edgerton Community Center. We accounted for all reported cash receipts within the test period. Additionally, the results of this review indicate adequate internal control procedures

over the Center's operations and, in general, compliance with City and Bureau cash handling policies. We did not note any material or significant findings during this review.

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.

In Fiscal Year 2014 -15 OPI conducted 24 investigations. These cases were initiated as a result of information received via the following:

Hotline/phone	7
Walk-in	1
E-mail	5
USPS mail	5
Referrals	6

We also received miscellaneous complaints, tips and information that did not require an investigation, but did warrant follow-up and resolution. These cases were initiated as a result of information received via the following:

Hotline/phone	15
OPI e-mail	7

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 to the attention of our office.

Investigation Results

During the fiscal year, OPI received 46 complaints which led to the opening of 24 investigations. The investigations addressed allegations of the following misconduct:

- Nepotism
- Theft of City resources
- Bribery
- Sick leave abuse
- Harassment
- Contract fraud
- Misuse of position/Abuse of authority
- Falsification of business records
- Improprieties involving City contracts and grants
- Conflicts of Interest
- Nexus to Drug Activity

The 22 completed investigations resulted in the following dispositions:

Sustained	4
Unfounded	3
Not Provable	2
Exonerated	0
Office	6
Referral	7

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 10 ethics training sessions to employees in the following offices:

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

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.

Going Forward

During fiscal year 2016, OPI will continue its efforts to promote accountability and transparency within City government. Moving forward, audits, reviews, and investigations will closely align with programs and operations which pose the highest risk to the City and its taxpayers. However, OPI will continue to be responsive and adaptable to issues and concerns brought to the office's attention by City leadership, managers, employees, contractors and community residents. When necessary, OPI will leverage office resources with other investigative and audit agencies at the federal, state, and local levels to address issues of common concern.

The composition of OPI's investigative staff will change over the next year. Currently, OPI utilizes investigative resources from the Rochester Police Department (RPD) to address investigations which may have a criminal nexus. RPD personnel will be returning to their department to address higher priority matters and OPI will fill the vacancies with two civilian investigators. Since there are highly capable law enforcement agencies in Rochester, OPI's focus will not be law enforcement. Its primary function will be audit and review while continuing to address employee misconduct investigations. Any potential criminal violations will be referred to law enforcement for appropriate action. This approach allows for a concentrated focus on the identification of internal control weaknesses and other potential vulnerabilities to the City. OPI's emphasis will be prevention, detection and deterrence, while continuing to address allegations of wrongdoing when appropriate.

This past year OPI hired its first intern who has added value to the team. OPI's intern contributed greatly to the mission by working closely with auditing and investigative personnel. It is anticipated that next year the internship program will continue to provide much needed support to the office while simultaneously providing experiential learning opportunities for area college students.

Professional development of OPI staff will continue to be a priority as the office moves toward greater and more complex challenges in audits, reviews, and investigations. For example, OPI's focus on large scale public works projects will require specialized knowledge in construction, engineering, architecture, and finance to better understand and assess each project and to ensure proper stewardship of taxpayer dollars. In addition, increased review of federal, state, and local grant funds will require more knowledge regarding each grant program and its recipients.

Also, OPI will continue outreach initiatives to City employees, businesses, and City residents to ensure OPI's mission is well understood and to encourage reporting of fraud, waste, and abuse.

In today's world, where distrust of public officials and government remains high, accountability and transparency will be vital to maintaining the public's trust and confidence. Over the next year, OPI will strive to earn that trust through objective, accurate reporting of audits and investigations.