



OFFICE OF THE INSPECTOR GENERAL  
MONTGOMERY COUNTY, MARYLAND

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MEGAN DAVEY LIMARZI, ESQ.  
INSPECTOR GENERAL

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Office of the Inspector General  
Revised Work Plan & Projected Budget

*November 2019 – June 2021*

OIG Publication # OIG-20-006

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NOVEMBER 29, 2019

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## MESSAGE FROM THE INSPECTOR GENERAL

On September 3, 2019 I arrived at the OIG to find that my predecessor, Ed Blansitt, had left for me a well-established office with dedicated, talented staff, and a detailed Work Plan. My first ninety days as Inspector General have given me a wonderful opportunity to see the County through new eyes and observe areas that are deserving of our attention. Based upon my many conversations with persons throughout County government, as well as a review of information routinely gathered by this office, it is my pleasure to present this revised Work Plan for November 2019 - June 2021. With a newly focused, targeted approach to producing accurate, actionable, and independent investigations, audits, and reviews, this plan builds upon the intentions of the initial Work Plan while adjusting to the current issues and vulnerabilities present in County government programs and operations.

The Revised Work Plan also anticipates a redesigned OIG structure which includes an Audit Division specifically tasked with performing the reviews and audits required by recently passed legislation. In October of 2019, the County Council passed Bill 11-19, Administration - Internal Audit - Inspector General - Amendments, which requires that the OIG "conduct a systematic risk-based rotating group by group review of the County's internal accounting and contracting processes and controls used by each department and principal office in the Executive Branch" as well as review and audit high risk contracts and agreements.

Lastly, the Plan includes a renewed focus on the OIG's outreach efforts. It is well established that reports to fraud hotlines are the most common method of detecting fraud, waste, and abuse in governmental programs. County employees and the public can report suspected misconduct using the OIG's hotline by calling the OIG, emailing, or filling out an on-line complaint form on our website. It is a problem that many people do not know of the hotline, how it works, ways we can help, or when to contact us. Beginning in 2020, the OIG will work to expand its presence in the County through employee and community outreach, such as presenting at new employee orientation and sharing information about fraud indicators with current employees.

As I complete the remaining months of this term, I will work to make the OIG a more accessible, active, and engaged member of County government and look forward to working with the many hardworking and dedicated members of our great community.



Megan Davey Limarzi, Esq.  
Inspector General



## APPOINTMENT OF INSPECTOR GENERAL

On July 30, 2019, the County Council appointed Megan Davey Limarzi to the position of Inspector General, effective September 1, 2019. Ms. Limarzi was appointed to complete the unexpired four-year term of retired Inspector General Edward L. Blansitt III which began July 1, 2017 and will end June 30, 2021.

Montgomery County Code §2-151 requires the Inspector General to submit to the County Executive and Council a projected budget for the Office of the Inspector General (OIG) for the entire term within four months of appointment and to submit a work plan for the entire term within six months of appointment. On October 30, 2017, Mr. Blansitt issued his work plan and projected budget for the current term.

We intend this *Revised Work Plan & Projected Budget* to document changes in the Office of the Inspector General's authority, structure, and priorities since that work plan was submitted to the County Council. At times, high priority, unanticipated issues are identified which may necessitate modifications to the work plan.

## OUR AUTHORITY

In 1997, the County Council of Montgomery County passed legislation to create the Office of the Inspector General to detect and prevent fraud, waste, and abuse in County government operations. Montgomery County Code §2-151 requires the Inspector General to "attempt to identify actions which would enhance the productivity, effectiveness, or efficiency of programs and operations of County government and independent County agencies."

On October 15, 2019, the County Council passed Bill 11-19, which expands the duties and authority of the Inspector General. Effective January 21, 2020, the Office of the Inspector General must:

1. Conduct a systematic risk-based rotating group by group review of the County's internal accounting and contracting processes and controls used by each department and principal office in the Executive Branch; and
2. Conduct audits of high risk County contracts and agreements.

## FY 2020 APPROVED AND FY 2021 PROJECTED BUDGETS

New administrative procedures and reporting structures are being developed in response to our office’s growth as a result of Bill No. 11-19. Additionally, we have proposed a 4-year phase-in of the additional staffing needed to accommodate the Inspector General’s expansion of duties.

The OIG’s approved FY 2020 budget includes seven full-time equivalent (FTE) positions, two of which are currently vacant, but have been advertised and are expected to be filled shortly. Additionally, on November 5, 2019, the County Council funded a Special Appropriation, the first step in our office’s expansion. We expect to fill an additional five FTE positions, funded by the Special Appropriation before the end of FY 2020.

The continuation of the expansion, as presented to the Council during consideration of Bill 11-19, is reflected in our projected budget for FY 2021, which includes five additional FTE positions.

### Office of the Inspector General FY 2020 and FY 2021 Projected Budgets

Fiscal Year	Personnel Expenditures	Operating Expenditures	Total
<i>2020 Approved<sup>1</sup></i>	\$1,329,233	\$118,836	\$1,448,069
<i>2021 Projected</i>	\$2,151,882	\$108,340	\$2,260,222

<sup>1</sup> The Special Appropriation also included other costs typically associated with adding employees to an office which are not reflected in the OIG budget (\$10,436 for computers which will be borne by the device Client Management program in the Department of Technology Service and \$46,173 for additional office space which will be borne by the Non-Departmental Account for Leases).

## WORK PLAN PRIORITIES

### Outreach

The work plan issued under the previous Inspector General identified the office's highest priority as complaint response. The OIG routinely receives complaints from government employees and the public, which are evaluated to determine whether there are reasonable grounds to suspect waste, inefficiency, or a violation of law, regulation or policy. We remain committed to giving careful consideration to each complaint received by our office and conducting timely investigations where appropriate. Additionally, we intend to promote wider awareness of our office's complaint hotline, which allows employees and the public to discuss concerns and report complaints to a trained member of our staff.

Next year, we intend to establish an outreach program to aid government employees and other interested parties in determining the appropriate time to call the OIG. According to the Association of Certified Fraud Examiners, tips are the primary source for the initial detection of fraud schemes. At the same time, County employees who become aware of the ways in which government frauds commonly occur are well placed to identify areas of government operations that lack or have improperly implemented internal controls. We believe that making sure that County employees are trained in potential fraud indicators and understand that they can use the OIG as a resource is imperative in the prevention and detection of fraud, waste, and abuse.

### Systematic Departmental and Contractual Audits and Reviews

The OIG is in the process of establishing a proactive Audit Division. As outlined in Bill 11-19, members of this unit will be engaged in systematic, planned audits and reviews of County departments and principal offices, as well as conduct audits of high risk County contracts and agreements.

The OIG is currently working with the Office of Human Resources to create position descriptions for this unit, including a new Deputy Inspector General for Audits. That Deputy Inspector General for Audits will work with the Inspector General to develop strategy and an action plan for these systematic reviews and audits. Once we have onboarded employees for this important initiative, we will begin the first of our planned reviews.

## Legislative Initiatives

Our office intends to remain actively engaged in state and local legislative initiatives that support the work of our office. For example, this year a Maryland legislator consulted with our office regarding state legislation, effective October 1, 2019, under which the County Council may grant this office the same authority over Montgomery College and the Housing Opportunities Commission that this office has over a department of County Government. Also in 2019, we provided the County Council with comments on and background information for Bill 11-19, which expands the duties and authority of this office, as discussed earlier in this Work Plan.

We are currently participating in discussions regarding two state bills that may be introduced in the upcoming legislative session: one would allow the Council to expand this office's authority over Montgomery County Public Schools, and the other would address the Maryland Public Information Act's application to this office.



## SPECIFIC REVIEWS

Based on complaints that we have received and our current knowledge of programs and operations with particular vulnerability, we have a number of specific reviews which are in progress or are currently planned to commence during the remainder of FY 2020 or in FY 2021.

### In Progress

1. A review of the Housing Opportunities Commission of Montgomery County's controls over petty cash funds.<sup>2</sup>
2. A review of selected Montgomery County Fire and Rescue Service policies and procedures concerning the use of overtime.
3. A review of Department of Technology Services (DTS) policies, procedures, and controls over the administration and governance of County System Administrators.
4. Routine provision of investigative assistance to the Ethics Commission. When the Ethics Commission requests the Inspector General to investigate a matter pursuant to §19A-6(e) of the ethics law, the OIG is bound by the confidentiality requirements of the law, including the requirement that any report of investigation be confidential. Therefore, no details of any investigations conducted on behalf of the Ethics Commission will be shared here.

### Planned Specific Reviews

1. A review of the County's use of selected non-competitive procurement processes, such as the use of public entity procurements or bridge contracts.
2. A review of the Office of Human Resources, Equal Employment Opportunity Compliance and Diversity Management Division.
3. A review of the controls over the collection and administration of fines within the Public Libraries.
4. A review of the administration and operation of the Montgomery County Employees' Retirement System.
5. An inspection of selected operations within the Department of General Services, Division of Fleet Management Services.

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<sup>2</sup> Field work has concluded on this matter, and a report will be issued shortly.

## Follow-up Reviews

When appropriate, our office also engages in follow-up reviews to determine whether our recommendations have been implemented. We currently have three follow-up reviews planned. One is in progress. For another, we are working with the Office of Procurement to retain a contracted audit firm to assist with the work. The third is expected to commence during this term.

1. A follow-up review to OIG report No.16-007, *Purchase Card Policies and Procedures of the Montgomery County Government*, issued March 14, 2016.
2. A follow-up review to OIG Report No. 18-002, *Department of Correction and Rehabilitation Personnel Complaints and Allegations*, issued August 11, 2017.
3. A follow-up review to OIG Report No. 19-002, *A Review of Management Control Deficiencies Contributing to the Misappropriation of Montgomery County Economic Development Funds (including Management's Proposed Corrective Actions)*, issued November 19, 2018.

