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LEGISLATIVE POLICY DIVISION

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TO: Ellen Ha, Inspector General
Office of the Inspector General

FROM: David Whitaker, Director
Legislative Policy Division

DATE: March 10, 2020

RE: **2020-2021 Budget Analysis**

Attached is our budget analysis regarding your agency's budget for the upcoming 2020-2021 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing on **Wednesday, March 18, 2020 at 11:00 am**. We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office as well.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

Attachments
Issues and Questions

cc: Councilmembers
Auditor General's Office
David Massaron, Chief Financial Officer
Tanya Stoudemire, Budget Department
James George, Agency Chief Financial Officer
Stephanie Washington, Mayor's Office

Inspector General (54)

FY 2020-2021 Budget Analysis by the Legislative Policy Division

Issues and Questions

- 1) Please briefly explain new expense initiatives the Office of the Inspector General is planning to implement in FY 2021. Please provide which Appropriation/Cost Center the new initiatives will affect in FY 2021.
- 2) Please briefly explain the new capital funding requests the Office of the Inspector General is planning to implement in FY 2021. Please provide which Appropriation/Cost Center the new initiatives will affect in FY 2021.
- 3) Please briefly explain the new operational reform and savings proposals the Office of the Inspector General is planning to implement in FY 2021. Please provide which Appropriation/Cost Center the new reform and proposals will affect in FY 2021.
- 4) According to the Office of the Chief Financial Officer (OCFO), the Office of the Inspector General (Other) had 8 budgeted positions but had 10 positions filled as of January 1, 2020.
 - a) Please explain the overage in the number of actual positions as of January 1st.
 - b) Please provide the actual number of positions as of February 29, 2020.
 - c) If there are any vacancies, please briefly describe the difficulty in filling the vacancies and your strategy for filling the vacant positions.
- 5) For FY 2021, expenditures for Appropriation 13530 – OIG Office of the Inspector General have increased by \$65,758 or 5.2%. Please explain the cause for the increase. Please explain why salaries and wages increased by 9.2% in FY 2021.

INSPECTOR GENERAL (54)

AGENCY PLAN: MISSION, GOALS AND ACTIVITY SUMMARY

MISSION:

Article 7.5 Chapter 3 of the 2012 City of Detroit Charter establishes the Office of the Inspector General (OIG). The purpose of the office is to ensure honesty and integrity in City government by rooting out waste, abuse, fraud and corruption. Therefore, the Charter requires the OIG to be an independent agency of the City of Detroit.

DESCRIPTION:

The Charter requires the OIG to investigate any public servant, City agency, program or official act, contractor and subcontractor providing goods and services to the City; business entity seeking contracts or certification of eligibility for City contracts; and persons seeking certification of eligibility for participation in any City program. An investigation may be either in response to a complaint or on the Inspector General's own initiative in order to detect and prevent waste, abuse, fraud and corruption.

The Inspector General may subpoena witnesses, administer oaths, take testimony, require the production of evidence relevant to a matter under investigation and enter and inspect premises within the control of any city agency during regular business hours. The Inspector General may enforce a subpoena or order for production of evidence. The Inspector General shall apply to the appropriate court to impose any penalty prescribed for failure to obey a subpoena or order. The Inspector General shall have access to the financial and other records of all City agencies at any time.

AGENCY GOAL:

To conduct appropriate investigations and reviews to further our goal of rooting out fraud, abuse, waste and corruption in City government and contracting and by doing so make the city of Detroit a better place to work and conduct business. Additionally, the ideal outcome will be to identify at-least \$500,000 in fraudulent and/or wasteful activities in City operations or contracting.

Department Name: Office of the Inspector General
 Department #: 54

Budget Summary:

| | FY 2019 Actual | | FY 2020 Adopted Budget | | FY 2021 Mayor Recommended | |
|--------------------|----------------|-----------|------------------------|-----------|---------------------------|-----------|
| | General Fund | All Funds | General Fund | All Funds | General Fund | All Funds |
| Total Revenues | - | - | - | - | - | - |
| Total Expenditures | 1,135,328 | 1,135,328 | 1,271,171 | 1,271,171 | 1,336,929 | 1,336,929 |
| Net Tax Cost | 1,135,328 | 1,135,328 | 1,271,171 | 1,271,171 | 1,336,929 | 1,336,929 |

| | FY 2022 Forecast | | FY 2023 Forecast | | FY 2024 Forecast | |
|--------------------|------------------|-----------|------------------|-----------|------------------|-----------|
| | General Fund | All Funds | General Fund | All Funds | General Fund | All Funds |
| Total Revenues | - | - | - | - | - | - |
| Total Expenditures | 1,202,410 | 1,202,410 | 1,209,526 | 1,209,526 | 1,226,985 | 1,226,985 |
| Net Tax Cost | 1,202,410 | 1,202,410 | 1,209,526 | 1,209,526 | 1,226,985 | 1,226,985 |

| Positions (by FTE): | 1/1/2020 Actual | FY 2020 Adopted | FY 2021 Mayor Recommended | FY 2022 Forecast | FY 2023 Forecast | FY 2024 Forecast |
|---------------------|-----------------|-----------------|---------------------------|------------------|------------------|------------------|
| | General Fund | 10 | 8 | 8 | 8 | 8 |
| Non-General Fund | - | - | - | - | - | - |
| Total Positions | 10 | 8 | 8 | 8 | 8 | 8 |

INSPECTOR GENERAL (54)

ACTIVITY DESCRIPTION:

ADMINISTRATION

The Office of the Inspector General shall investigate any public servant, City agency, program or official act, contractor and subcontractor providing goods and services to the City; business entity seeking contracts or certification of eligibility for City contracts; and person seeking certification of eligibility for participation in any City program, either in response to a complaint or on the Inspector General's own initiative in order to detect and prevent waste, abuse, fraud and corruption.

The Inspector General may subpoena witnesses, administer oaths, take testimony, require the production of evidence relevant to a matter under investigation, and enter and inspect premises within the control of any City agency during regular business hours. The Inspector General may enforce a subpoena or order for production of evidence. The Inspector General shall apply to the appropriate court to impose any penalty prescribed for failure to obey a subpoena or order. The Inspector General shall have access to the financial and other records of all City agencies at any time.

Pursuit of Chapter 10 of the 1984 Detroit City Code, Finance and Taxation, Article V, Purchases and Supplies, by adding Division 11, to Debarment includes Sections 18-11-1 thru 18-11-16. Any contractor, or persons seeking a contract with the City, shall report to the Office of the Inspector General any improper, unethical or illegal activity or requests made by elected officers of the City, acting on their behalf, or any public servant in connection with any contract. This ordinance is supported with funding for Legal Assistant to assist with managing Administration Hearing Rules and Debarment Ordinance issues.

CITY OF DETROIT
 BUDGET DEVELOPMENT
 EXPENDITURES BY SUMMARY CATEGORY - ALL FUNDS
 DEPARTMENT 54 - OFFICE OF THE INSPECTOR GENERAL

| Department # - Department Name Summary Category | FY2020 Adopted | FY2021 Mayor | FY2022 Forecast | FY2023 Forecast | FY2024 Forecast |
|--|-------------------|------------------|--------------------|--------------------|--------------------|
| 54 - Office of the Inspector General | 1,271,171 | 1,336,929 | 1,202,410 | 1,209,526 | 1,226,985 |
| Salaries & Wages | 693,049 | 757,479 | 772,629 | 788,081 | 803,843 |
| Employee Benefits | 244,704 | 255,952 | 257,583 | 259,247 | 260,944 |
| Professional & Contractual Services | 187,945 | 155,800 | 4,500 | 4,500 | 4,500 |
| Operating Supplies | 31,549 | 34,425 | 34,425 | 34,425 | 34,425 |
| Operating Services | 106,424 | 123,273 | 123,273 | 123,273 | 123,273 |
| Other Expenses | 7,500 | 10,000 | 10,000 | - | - |
| Grand Total | 1,271,171 | 1,336,929 | 1,202,410 | 1,209,526 | 1,226,985 |

CITY OF DETROIT
 BUDGET DEVELOPMENT
 EXPENDITURES BY SUMMARY CATEGORY - FUND DETAIL
 DEPARTMENT 54 - OFFICE OF THE INSPECTOR GENERAL

| Department # - Department Name Fund # - Fund Name Summary Category | FY2020 Adopted | FY2021 Mayor | FY2022 Forecast | FY2023 Forecast | FY2024 Forecast |
|--|-------------------|------------------|--------------------|--------------------|--------------------|
| 54 - Office of the Inspector General | 1,271,171 | 1,336,929 | 1,202,410 | 1,209,526 | 1,226,985 |
| 1000 - General Fund | 1,271,171 | 1,336,929 | 1,202,410 | 1,209,526 | 1,226,985 |
| Salaries & Wages | 693,049 | 757,479 | 772,629 | 788,081 | 803,843 |
| Employee Benefits | 244,704 | 255,952 | 257,583 | 259,247 | 260,944 |
| Professional & Contractual Services | 187,945 | 155,800 | 4,500 | 4,500 | 4,500 |
| Operating Supplies | 31,549 | 34,425 | 34,425 | 34,425 | 34,425 |
| Operating Services | 106,424 | 123,273 | 123,273 | 123,273 | 123,273 |
| Other Expenses | 7,500 | 10,000 | 10,000 | - | - |
| Grand Total | 1,271,171 | 1,336,929 | 1,202,410 | 1,209,526 | 1,226,985 |

CITY OF DETROIT
BUDGET DEVELOPMENT
FINANCIAL DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER - EXPENDITURES
DEPARTMENT 54 - OFFICE OF THE INSPECTOR GENERAL

| Department # - Department Name | FY2020 Adopted | FY2021 Mayor | FY2022 Forecast | FY2023 Forecast | FY2024 Forecast |
|---|-------------------|------------------|--------------------|--------------------|--------------------|
| Fund # - Fund Name | | | | | |
| Appropriation # - Appropriation Name | | | | | |
| Cost Center # - Cost Center Name | | | | | |
| 54 - Office of the Inspector General | 1,271,171 | 1,336,929 | 1,202,410 | 1,209,526 | 1,226,985 |
| 1000 - General Fund | 1,271,171 | 1,336,929 | 1,202,410 | 1,209,526 | 1,226,985 |
| 13530 - OIG Office of the Inspector General | 1,271,171 | 1,336,929 | 1,202,410 | 1,209,526 | 1,226,985 |
| 540010 - Office of the Inspector General | 1,271,171 | 1,336,929 | 1,202,410 | 1,209,526 | 1,226,985 |
| Grand Total | 1,271,171 | 1,336,929 | 1,202,410 | 1,209,526 | 1,226,985 |

CITY OF DETROIT
 BUDGET DEVELOPMENT
 POSITION DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER
 DEPARTMENT 54 - OFFICE OF THE INSPECTOR GENERAL

| Department # - Department Name | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|---|----------|----------|----------|----------|----------|
| Fund # - Fund Name | Adopted | Mayor | Forecast | Forecast | Forecast |
| Appropriation # - Appropriation Name | by FTE | by FTE | by FTE | by FTE | by FTE |
| Cost Center # - Cost Center Name | | | | | |
| Job Code - Job Title | | | | | |
| 54 - Office of the Inspector General | 8 | 8 | 8 | 8 | 8 |
| 1000 - General Fund | 8 | 8 | 8 | 8 | 8 |
| 13530 - OIG Office of the Inspector General | 8 | 8 | 8 | 8 | 8 |
| 540010 - Office of the Inspector General | 8 | 8 | 8 | 8 | 8 |
| 010135 - Inspector General | 1 | 1 | 1 | 1 | 1 |
| 010149 - Deputy Inspector General | 1 | 1 | 1 | 1 | 1 |
| 011710 - Investigator | 2 | 2 | 2 | 2 | 2 |
| 011715 - Attorney - Office of The Inspector General | 1 | 1 | 1 | 1 | 1 |
| 011720 - Forensic Auditor - Office of Inspector General | 2 | 2 | 2 | 2 | 2 |
| 43601104 - Administrative Assistant IV | 1 | 1 | 1 | 1 | 1 |
| Grand Total | 8 | 8 | 8 | 8 | 8 |