



**ACTION SHEET  
CITY COUNCIL COMMITTEE MEETING OF 08/13/14  
ITEM FROM FINANCE COMMITTEE MEETING OF 08/04/14**

**ISSUE:**

23. Request for Approval of a Resolution Directing Staff to Identify the Benefits, Feasibility, Needs and Options for Creating an Independent Office of Inspector General. (Councilor Maestas) (Kelley Brennan)

**Committee Review:**

City Council (scheduled)

08/13/14

Fiscal Impact – No

**FINANCE COMMITTEE ACTION: APPROVED AS CONSENT ITEM**

**FUNDING SOURCE:**

**SPECIAL CONDITIONS OR AMENDMENTS**

**STAFF FOLLOW-UP:**

| <b>VOTE</b>           | <b>FOR</b> | <b>AGAINST</b> | <b>ABSTAIN</b> |
|-----------------------|------------|----------------|----------------|
| COUNCILOR TRUJILLO    | X          |                |                |
| COUNCILOR RIVERA      | X          |                |                |
| COUNCILOR LINDELL     | X          |                |                |
| COUNCILOR MAESTAS     | X          |                |                |
| CHAIRPERSON DOMINGUEZ |            |                |                |

3-17-14

# City of Santa Fe, New Mexico

## LEGISLATIVE SUMMARY

Resolution No. 2014-\_\_\_\_  
Office of Inspector General

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**SPONSOR(S):** Councilor Maestas

**SUMMARY:** The proposed resolution directs staff to identify the benefits, feasibility, needs and options for creating an independent Office of Inspector General.

**PREPARED BY:** Rebecca Seligman, Legislative Liaison Assistant

**FISCAL IMPACT:** No

**DATE:** July 24, 2014

**ATTACHMENTS:** Resolution  
FIR

1 CITY OF SANTA FE, NEW MEXICO

2 RESOLUTION NO. 2014- \_\_\_\_

3 INTRODUCED BY:

4  
5 Councilor Joseph Maestas

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10 A RESOLUTION

11 DIRECTING STAFF TO IDENTIFY THE BENEFITS, FEASIBILITY, NEEDS AND  
12 OPTIONS FOR CREATING AN INDEPENDENT OFFICE OF INSPECTOR GENERAL.

13  
14 WHEREAS, in 2012, the Governing Body enacted Section 2-22 SFCC 1987 which created  
15 the Internal Audit Department; and

16 WHEREAS, the purpose of the Internal Audit Department is to promote good governance,  
17 transparency and accountability which are critical in the public sector for the effective and credible  
18 functioning of a healthy democracy, and in fulfilling the government's responsibility to citizens and  
19 taxpayers; and

20 WHEREAS, transparent and reliable reporting and effective auditing in government serve to  
21 promote accountability, enhance the effectiveness of government services to its residents, and  
22 increase the public's confidence in their government; and

23 WHEREAS, members of the Governing Body share a duty to ensure that the actions of  
24 public officials, employees and contractors of the city are carried out in the most responsible manner  
25 possible and that city policies, budgets, goals and objectives are fully implemented; and

1           **WHEREAS**, in 2013, the Governing Body enacted Section 19-2 SFCC 1987, the Fraud,  
2 Waste and Abuse Hotline, which was created for the purpose of establishing a mechanism for City  
3 employees to report alleged fraud, waste or abuse by city employees or city public officers; and

4           **WHEREAS**, in addition to the current duties of the City internal auditor (IA), the IA is  
5 responsible for overseeing the contracted services of implementing and maintaining the fraud, waste  
6 and abuse hotline and investigating reported incidents; and

7           **WHEREAS**, to accomplish a positive, responsive and thorough outcome of the fraud, waste  
8 and abuse allegations, the City could benefit from the services of an inspector general (“IG”) who  
9 could actively investigate reports submitted by City employees as well as the general public on fraud,  
10 waste and abuse of city resources; and

11           **WHEREAS**, pursuant to Section 1-7.9(B) of the City of Santa Fe Code of Ethics, “the  
12 governing body may, by separate ordinance, establish an office of inspector general;” and

13           **WHEREAS**, the presence of an IG in City government would promote transparency,  
14 accountability, efficiency and effectiveness of city government; and

15           **WHEREAS**, municipalities throughout the United States have found that the cost of funding  
16 an IG position is returned through elimination of fraud, waste and abuse and the introduction of new  
17 efficiencies, including in Philadelphia where, in 2013, the IG saved or recovered \$10.9 million for the  
18 City; and

19           **WHEREAS**, the City of Albuquerque and the New Mexico Department of Transportation,  
20 amongst other governmental entities, have successfully established Office of Inspector General (OIG)  
21 functions; and

22           **WHEREAS**, Albuquerque established an OIG in 2010 to promote a culture of integrity,  
23 accountability, and transparency throughout the City of Albuquerque in order to safeguard and  
24 preserve the public trust by preventing, detecting, deterring and investigating fraud, waste and abuse  
25 and promoting the efficiency and effectiveness in the programs and operations of the City of

1 Albuquerque; and

2           **WHEREAS**, the 2012 report of the Albuquerque OIG states “the OIG conducted and  
3 completed 16 investigations which represents a 267% increase over FY2011 (6 investigations). The  
4 OIG reported a total of 90 findings and made 60 recommendations to Departments;” and

5           **WHEREAS**, in 2010, the New Mexico State Transportation Commission established an OIG  
6 for the New Mexico Department of Transportation (NMDOT) whose duties include, but are not  
7 limited to conducting inquiries and investigations into allegations of fraud, waste, abuse, theft and  
8 wrong doings perpetrated against the Department; and

9           **WHEREAS**, because of the Governing Body’s recent establishment of the Fraud, Waste and  
10 Abuse Hotline Ordinance, there is a need to separate the fraud, waste and abuse duties from the City  
11 of Santa Fe’s Internal Auditor and create a separate, independent inspector general position.

12           **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE**  
13 **CITY OF SANTA FE** that the Governing Body directs staff to:

- 14           1. Review the OIG models currently in place for the City of Albuquerque and the  
15           NMDOT as well as others that are comparable;
- 16           2. Identify the benefits, feasibility, needs and options for creating an OIG for the City of  
17           Santa Fe;
- 18           3. Evaluate whether the position should be established as a full-time employee or  
19           whether services should be contracted out;
- 20           4. Evaluate other existing ordinances that may be modified to strengthen the disclosure,  
21           investigation, and resolution of fraud, waste, and abuse including, without limitation,  
22           whistleblower protections, employee discipline procedures and hotline  
23           improvements; and
- 24           5. Within 45 days of adoption of this resolution present findings and recommendations  
25           to the Governing Body.

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PASSED, APPROVED and ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
JAVIER M. GONZALES, MAYOR

ATTEST:

\_\_\_\_\_  
YOLANDA Y. VIGIL, CITY CLERK

APPROVED AS TO FORM:

Kelley A. Brennan  
KELLEY A. BRENNAN, CITY ATTORNEY

**City of Santa Fe  
Fiscal Impact Report (FIR)**

This Fiscal Impact Report (FIR) shall be completed for each proposed bill or resolution as to its direct impact upon the City's operating budget and is intended for use by any of the standing committees of and the Governing Body of the City of Santa Fe. Bills or resolutions with no fiscal impact still require a completed FIR. Bills or resolutions with a fiscal impact must be reviewed by the Finance Committee. Bills or resolutions without a fiscal impact generally do not require review by the Finance Committee unless the subject of the bill or resolution is financial in nature.

**Section A. General Information**

(Check) Bill: \_\_\_\_\_ Resolution: X  
(A single FIR may be used for related bills and/or resolutions)

Short Title(s): **A RESOLUTION DIRECTING STAFF TO IDENTIFY THE BENEFITS, FEASIBILITY, NEEDS AND OPTIONS FOR CREATING AN INDEPENDENT OFFICE OF INSPECTOR GENERAL.**

Sponsor(s): Councilor Maestas

Reviewing Department(s): City Attorney's Office

Person Completing FIR: Rebecca Seligman Date: July 24, 2014 Phone: 955-6501

Reviewed by City Attorney: *Kelly A. Brennan* Date: 7/29/14  
(Signature)

Reviewed by Finance Director: *Jerisita Garcia* Date: 7/29/14  
Assistant (Signature)

**Section B. Summary**

Briefly explain the purpose and major provisions of the bill/resolution.

**The purpose of the resolution is to direct staff to identify the potential benefits, feasibility, needs and options of creating an independent Office of Inspector General.**

**Section C. Fiscal Impact**

**Note:** Financial information on this FIR does not directly translate into a City of Santa Fe budget increase. For a budget increase, the following are required:

- a. The item must be on the agenda at the Finance Committee and City Council as a "Request for Approval of a City of Santa Fe Budget Increase" with a definitive funding source (could be same item and same time as bill/resolution)
- b. Detailed budget information must be attached as to fund, business units, and line item, amounts, and explanations (similar to annual requests for budget)
- c. Detailed personnel forms must be attached as to range, salary, and benefit allocation and signed by Human Resource Department for each new position(s) requested (prorated for period to be employed by fiscal year)\*

**1. Projected Expenditures:**

- a. Indicate Fiscal Year(s) affected – usually current fiscal year and following fiscal year (i.e., FY 03/04 and FY 04/05)
- b. Indicate: "A" if current budget and level of staffing will absorb the costs  
"N" if new, additional, or increased budget or staffing will be required
- c. Indicate: "R" – if recurring annual costs  
"NR" if one-time, non-recurring costs, such as start-up, contract or equipment costs
- d. Attach additional projection schedules if two years does not adequately project revenue and cost patterns
- e. Costs may be netted or shown as an offset if some cost savings are projected (explain in Section 3 Narrative)



X  Check here if no fiscal impact

| Column #: | 1                          | 2        | 3   | 4   | 5        | 6   | 7   | 8             |
|-----------|----------------------------|----------|---|---|----------|---|---|---------------|
|           | Expenditure Classification | FY _____ | "A" Costs Absorbed or "N" New Budget Required | "R" Costs Recurring or "NR" Non-recurring | FY _____ | "A" Costs Absorbed or "N" New Budget Required | "R" Costs - Recurring or "NR" Non-recurring | Fund Affected |

|                           |          |       |       |          |       |       |       |       |
|---------------------------|----------|-------|-------|----------|-------|-------|-------|-------|
| Personnel*                | \$ _____ | _____ | _____ | \$ _____ | _____ | _____ | _____ | _____ |
| Fringe**                  | \$ _____ | _____ | _____ | \$ _____ | _____ | _____ | _____ | _____ |
| Capital Outlay            | \$ _____ | _____ | _____ | \$ _____ | _____ | _____ | _____ | _____ |
| Land/ Building            | \$ _____ | _____ | _____ | \$ _____ | _____ | _____ | _____ | _____ |
| Professional Services     | \$ _____ | _____ | _____ | \$ _____ | _____ | _____ | _____ | _____ |
| All Other Operating Costs | \$ _____ | _____ | _____ | \$ _____ | _____ | _____ | _____ | _____ |
| Total:                    | \$ _____ | _____ | _____ | \$ _____ | _____ | _____ | _____ | _____ |

\* Any indication that additional staffing would be required must be reviewed and approved in advance by the City Manager by attached memo before release of FIR to committees. \*\*For fringe benefits contact the Finance Dept.

**2. Revenue Sources:**

- a. To indicate new revenues and/or
- b. Required for costs for which new expenditure budget is proposed above in item 1.

| Column #: | 1               | 2        | 3   | 4        | 5   | 6             |
|-----------|-----------------|----------|---|----------|---|---------------|
|           | Type of Revenue | FY _____ | "R" Costs Recurring or "NR" Non-recurring | FY _____ | "R" Costs - Recurring or "NR" Non-recurring | Fund Affected |

|        |          |       |          |       |       |       |
|--------|----------|-------|----------|-------|-------|-------|
| _____  | \$ _____ | _____ | \$ _____ | _____ | _____ | _____ |
| _____  | \$ _____ | _____ | \$ _____ | _____ | _____ | _____ |
| _____  | \$ _____ | _____ | \$ _____ | _____ | _____ | _____ |
| Total: | \$ _____ | _____ | \$ _____ | _____ | _____ | _____ |

**3. Expenditure/Revenue Narrative:**

Explain revenue source(s). Include revenue calculations, grant(s) available, anticipated date of receipt of revenues/grants, etc. Explain expenditures, grant match(s), justify personnel increase(s), detail capital and operating uses, etc. (Attach supplemental page, if necessary.)

Not applicable

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**Section D. General Narrative**

**1. Conflicts:** Does this proposed bill/resolution duplicate/conflict with/companion to/relate to any City code, approved ordinance or resolution, other adopted policies or proposed legislation? Include details of city adopted laws/ordinance/resolutions and dates. Summarize the relationships, conflicts or overlaps.

None that staff is aware of

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**2. Consequences of Not Enacting This Bill/Resolution:**

Are there consequences of not enacting this bill/resolution? If so, describe.

**A feasibility study of an Office of Inspector General would not take place and as a result, the City would not have the information as to whether an IG office could financially benefit the City.**

**3. Technical Issues:**

Are there incorrect citations of law, drafting errors or other problems? Are there any amendments that should be considered? Are there any other alternatives which should be considered? If so, describe.

None that staff is aware of.

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**4. Community Impact:**

Briefly describe the major positive or negative effects the Bill/Resolution might have on the community including, but not limited to, businesses, neighborhoods, families, children and youth, social service providers and other institutions such as schools, churches, etc.

**If this resolution is adopted, staff would be able to study the feasibility of an Office of Inspector General. Consequently, the presence of an OIG in city government would promote transparency, accountability, efficiency and effectiveness of city government, and potentially prevent fraud and abuse of city resources.**

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Form adopted: 01/12/05; revised 8/24/05; 4/17/08