

**COMMITTEE ON LEGISLATION  
MINUTES APRIL 27, 2009**

<b>LEGISLATION MEMBERS IN ATTENDANCE:</b>	<b>Chair:</b> Burton; <b>Legislators:</b> Abinanti, Bronz, Harckham, Jenkins, Maisano, Myers, Oros, Nonna and Rogowsky
<b>ALSO IN ATTENDANCE:</b>	<b>County Executive:</b> A. Neuman, B. Randolph; <b>County Attorney:</b> E. Cipollo <b>Board of Legislators Staff:</b> R. Pezzullo; C. Giliberti, J. Sold, K. Delgado, M. McGovern, O. Rhodes, L. Goldstein, M. Kaplowitz, R. Boland, W. Ryan <b>Guests:</b> B. Straus, P. Nicholas

With a quorum present, the Committee on Legislation was called to order at 1:43 p.m.

**BOARDS AND COMMISSIONS:**

Legislator Bronz made a motion, seconded by Legislator Rogowsky, to approve (1) the appointments of Richard Berman to the Industrial Development Agency; of Fozia Kahn to the Women’s Advisory Board; and of Mary O’Conner to the Women’s Advisory Board and (2) also the reappointments of Salvatore Cresenzi to the Airport Advisory Board; of Robin Bikkal, Yolando Cruz-Martinez, Anita Delgado, Ximena Francella and Claudio Philipps to the Hispanic Advisory Board; of Neil J. Sullivan to the Planning Board; and of Thomas Geiger, Esq. to the Public Utility Service Agency. Motion approved 7-0.

**MINUTES**

Legislator Rogowsky made a motion, seconded by Legislator Jenkins, to approve the minutes of April 20, 2009. Motion approved 7-0.

**INSPECTORS GENERAL DISCUSSION:**

Chairman Burton began the discussion of “inspectors general” noting that the current system of oversight in Westchester consists of the following: (1) the District Attorney’s Public Integrity Bureau, (2) the WATCH Hotline, (3) the Journal News, and (4) the Board of Legislators itself. He then invited the committee to discuss the topic.

Concern was expressed about adding anything that would cost the taxpayers. There was interest expressed in inviting persons holding the position of inspector general from other jurisdictions, such as Yonkers and Mt. Vernon, to discuss their activities. The committee wanted more information about how the WATCH Hotline has worked: how many calls does it receive and how the Department of Public Safety has handled the calls that are referred to it. Mr. Neuman agreed to provide this information.

The committee discussed a possible audit function that is often an additional part of the inspector general function, such as auditing third party contracts. The present process is somewhat informal and focuses mostly on asking follow-up questions of the contractors. It was noted that the Board of Legislators already exercises the oversight function; the question was whether it made sense to incur additional costs to implement that function.

The committee discussed increasing the audit capabilities of the Board itself in order to bolster the Board's oversight function. Creating an audit function within the Board would contrast to the model in Yonkers, where the inspector general is wholly independent of any governmental authority. It was noted that for Yonkers, while the charter established the position, the charter did not mandate a budget. The Yonkers inspector general can both be directed to investigate an issue and can conduct audits. It was requested that the committee investigate whether other major counties such as Erie, Steuben, Chemung, Monroe, Suffolk, and Albany had adopted such a function.

The committee wanted more information about the costs of an audit function to assist the Board in maintaining the integrity expected by the public. It was noted that there is no current internal audit function; a previously existing audit function had been terminated as part of cost control in 19xx. That function had been located in the County Executive's office. It was suggested that the internal auditor would have to be cost effective and would have to be hired by the Board and report solely to the Board.

The committee discussed whether an inspector general could conduct investigations of ethical breaches, mistakes, and waste, short of outright criminal activity that would be the province of the District Attorney. It also was suggested that an inspector general might play a useful role as a deterrent of future fraud or waste, without necessarily needing to identify specific cost savings. Merely having the structure in place might build further confidence in the government and therefore would be useful from that perspective.

The proposal made by the County Executive's office in 1998 was discussed. Some suggested improvements to that proposal might include: (1) having the IG report to the Board rather than the Executive; (2) having a fixed term of 5 years (3) being able to remove the IG by a 2/3 vote of the Board of Legislators, and (4) making sure that all elected officials were covered by the scope of the IG's authority.

The committee discussed whether the Board of Legislators, in addition to its role in the budgeting process, could increase its role in monitoring implementation of contracts and projects. An internal auditor, hired out of the Board's budget, could increase Board oversight by reporting to the Board. The Board's could use its subpoena power to further investigate any issues identified by the auditor. The committee also discussed avoiding, in connection with reviewing a contract, any duplication among auditors acting on behalf of the federal, state, and county governments.

Mr. Boland reported that, at present, there is true no internal audit function. He also stated that the WATCH Hotline goes to an outside vendor and then to the Department of Public Safety with a monthly report to the County Executive.

It was discussed whether it would make sense to try to contract out an internal audit function with the top three departments or not-for-profits first as a pilot program to determine if it is worthwhile pursuing. The Board may need advice on how many auditors would be needed for a county of this size. It was also discussed whether the internal audit function would address the whistleblower aspect of the concept with respect to possible fraud and abuse issues. It was thought that if Yonkers had four staff members for half the budget that Westchester County has, it might not be cost effective to mirror that model here but that the fraud and abuse angle should also be addressed in addition to the audit function.

Chairman Ryan stated that the Board already has oversight responsibility but does not always have the tools to conduct this oversight effectively. The question is to what extent the Board should obtain the tools to conduct the oversight. For example, in reviewing the county budget, the Board has increased the staff available to assist the Board to discuss and analyze it with the administration. He does not support a separate inspector general position because this would mean giving up the Board's existing oversight authority to that office, which would still need the staff and tools to perform the function. Rather, he thought that it would make better sense to consider how much to increase the Board's own audit role, and to have an internal auditing

team, either on the county payroll or outsourced, but in either case reporting to the Board.

It was suggested that the committee review the previous proposals of the County Executive and the Board. It was noted that internal auditors would have a specific function to review a department every year and have a clear role, as opposed to an inspector general whose role might be less clear. In addition, it was suggested that the committee hear from some of the inspectors general from other jurisdictions. Finally, it was suggested that the committee invite Commissioner Belfiori to give a presentation on his department's experience with the WATCH Hotline. It was generally agreed by the committee that they did not want to pursue legislation to create a full time inspector general but rather focus on the internal audit function.

The next action steps were determined to be: (1) to ask Commissioner Belfiori to attend a meeting to discuss the WATCH Hotline; (2) to review how internal audit is done in other large municipalities and counties; (3) to review how the internal audit program worked in Westchester previously; (4) to explore contract management and what the administration and/or the finance department is presently doing; and (5) to bring in a inspector general from Yonkers and/or the controller in Nassau to see what they do.

Legislator Myers made a motion to adjourn, seconded by Legislator Harckham. Motion approved 10-0. The Committee adjourned at 3:07 p.m.

**AUDIO RECORDING ON FILE FOR REVIEW UPON REQUEST**