

OFFICE OF INSPECTOR GENERAL CITY OF JACKSONVILLE



REPORT OF MANAGEMENT REVIEW

POLICIES AND PROCEDURES WITHIN
INDEPENDENT AUTHORITIES AND AGENCIES

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“Enhancing Public Trust in Government Through Independent and Responsible Oversight”



OFFICE OF INSPECTOR GENERAL CITY OF JACKSONVILLE

MANAGEMENT REVIEW CASE NUMBER: 2022-0014

Matthew J. Lascell
Inspector General

“Enhancing Public Trust in Government Through Independent and Responsible Oversight”

EXECUTIVE SUMMARY

In March of 2022, the Office of Inspector General (OIG) received information from the Office of the Council Auditor indicating several Independent Agencies may be providing bonuses, one-time, or incentive payments to their employees, potentially in violation of Florida Statutes.

In April of 2022, the OIG requested relevant records for Fiscal Year 2021/2022 from the Independent Agencies and Authorities. The OIG initiated a management review to ensure the Independent Authorities and Agencies were awarding extra compensation in accordance with Florida Statutes and COJ Ordinance Codes.

The management review did not indicate any violations.

ISSUE AND FINDING

Issue:

Whether policies and procedures exist related to bonus, one-time, or incentive payments within Independent Authorities and Agencies.

Governing Directives:

§215.425(3), Extra compensation claims prohibited; bonuses; severance pay, Florida Statute; and §129.133(a), Unlawful Compensation, COJ Ordinance Code.

Finding:

The following issue and area of improvement was identified:

- Several Independent Authorities and Agencies do not have, agency specific, written policies and procedures related to bonus, one-time, or incentive payments outside of employment contracts, pay plans, and collective bargaining agreements.

Florida Statute

§215.425(3), Extra compensation claims prohibited; bonuses; severance pay, states verbatim:¹

*(3) Any policy, ordinance, rule, or resolution designed to implement a bonus scheme must:
(a) Base the award of a bonus on work performance;*

¹ Florida Statute §215.425 does not define the term bonuses.

- (b) Describe the performance standards and evaluation process by which a bonus will be awarded;
- (c) Notify all employees of the policy, ordinance, rule, or resolution before the beginning of the evaluation period on which a bonus will be based; and
- (d) Consider all employees for the bonus.

COJ Ordinance Code

§129.133(a), Unlawful Compensation, states verbatim, in part:

The types of compensation described herein below shall be prohibited.

(a) Any compensation other than:

(1) Salary;

(2) City or State authorized pension or retirement plans; or

(3) A bonus program that meets all the requirements of state law...

Independent Authorities and Agencies Records

The OIG reviewed records provided by the following Independent Authorities and Agencies related to bonus, one-time, and incentive payments, including existing policies and procedures, for Fiscal Year 2021/2022: Jacksonville Aviation Authority (JAA), Jacksonville Port Authority (JAXPORT), Jacksonville Electric Authority (JEA), Jacksonville Housing Authority (JHA), Jacksonville Sheriff's Office (JSO), Jacksonville Transportation Authority (JTA), Duval County Public School (DCPS), Downtown Investment Authority (DIA), and Police and Fire Pension Fund (PFPF).

The OIG's review revealed JHA, JTA, DCPS, DIA, and PFPF do not have agency specific policies and procedures addressing the aforementioned payments.

RECOMMENDED CORRECTIVE ACTIONS

The OIG recommends the Independent Authorities and Agencies:

- Consult with their assigned Office of General Counsel representative to update or establish policies and procedures related to bonus, one-time, or incentive payments.
- Ensure senior leadership is aware of the applicable Florida Statute and COJ Ordinance Code.
- As a best business practice, utilize existing, well-established policies and procedures from other Independent Authorities and Agencies as a template for policy creation. For example, JEA has a very thorough, statute-based incentive policy worthy of emulation.

INSPECTOR GENERAL STANDARDS

This Management Review has been conducted in accordance with the ASSOCIATION OF INSPECTORS GENERAL Principles & Quality Standards for Investigations.