

# CITY OF CORAL GABLES

## --MEMORANDUM--



*The City Beautiful*

**TO:** City Commission  
City Manager, Amos Rojas

**FROM:** Mayor Vince Lago

A handwritten signature in black ink, appearing to be "V. Lago".

**DATE:** April 15, 2024

**SUBJECT:** Exploring Ways to Ensure Accountability and Maintain Financial Integrity

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As we review our city's annual financial statements, I am pleased to report that we continue to maintain a healthy financial state ([Annual Comprehensive Financial Reports](#)). Our commitment to transparency and accountability has been evident over the years, and I am proud to note that there has never been a finding of corruption in our internal audit reports. It is reassuring to see that our city continues to maintain a robust financial state, underscoring our unwavering commitment to transparency and accountability. I take pride in informing you that our internal audit reports have never uncovered any instances of corruption, reinforcing the integrity of our financial practices throughout the years.

Nevertheless, recent discussions among my fellow commissioners have drawn attention to potential corrupt practices within city departments. While isolated cases of dishonest behavior among a small minority of employees have been observed during my tenure, it is crucial for us to take proactive measures to safeguard taxpayer funds and ensure effective management.

In a recent commission meeting, my colleagues requested a comprehensive report regarding the use of city purchases on P-Cards. Upon review, there were no items of concern that substantiated the previous claim of our city being coined "a cesspool of corruption." To address these concerns, I propose exploring the possibility of conducting a forensic audit for all city operations. Unlike conventional financial audits, a forensic audit offers a more thorough investigation into potential irregularities, fraud, or misconduct within the organization.

While our annual audits have provided valuable insights into our financial health, a forensic audit could offer an additional layer of assurance to our constituents. Since these issues appear to be of grave concern to my colleagues on the commission, I would like to discuss the feasibility and the implications associated with a forensic audit and have staff provide guidance as to what this kind of audit would entail, if this is something the commission would indeed like to pursue.

However, it is important to acknowledge that embarking on a forensic audit will entail significant costs. As custodians of public funds, it is incumbent upon us to carefully assess the benefits vis-a-vis the expenses involved. Therefore, I urge us to conduct a comprehensive cost-benefit analysis and explore alternative strategies to enhance our internal controls before arriving at any final decisions. Moreover, we must be cognizant of the potential impact on employee morale and refrain from making unsubstantiated claims regarding employee misconduct.

From an operations and standard procedures perspective, an immediate cost-effective solution to ensure transparency would be to have departments provide detailed breakdowns of their expenses for review, mirroring the transparency demonstrated by my office over the years. Transparency has always been a fundamental tenet of our operations, and initiatives such as these underscore our unwavering commitment to accountability. For this reason, many years ago, I encouraged the city to emulate the City of Doral's website and adopt the use of a transparency portal for residents to easily have access to the city's financial documents. I am glad to see that the Finance Department incorporated this suggestion onto our city website at the time this request was made by the commission.

Furthermore, being fiscally conservative with city expenditures has always been on my radar. In May 2021, I initiated a presentation by our staff regarding the City's operational Audit. During this session, the finance department was actively conducting departmental audits to identify optimal practices in comparison to those of other municipalities. During that discussion, I was focused on ensuring thorough analysis of financial expenditures and identifying areas for improving our efficiency ([Video to Agenda Item](#)). Together, we can analyze potential solutions to heighten our transparency and accountability efforts.

Your input and insights on this matter are invaluable as we collectively assess the feasibility and implications of such initiatives. Together, we can uphold the trust and confidence of our community while ensuring the integrity of our operations. I look forward to a discussion during the April 16<sup>th</sup> Commission Meeting.