

# A G E N D A

## REGULAR MEETING OF THE AUDIT OVERSIGHT COMMITTEE ORANGE COUNTY, CA



**Thursday, November 19, 2020, 10:00 a.m.**

Join Online:

<https://zoom.us/j/6093687935>

Join by Phone:

1-669-900-6833, Meeting ID: 609 368 7935

### MEETING HELD BY TELECONFERENCE

**\*\*PURSUANT TO THE PROVISIONS OF CALIFORNIA GOVERNOR'S EXECUTIVE ORDER N-29-20, ISSUED ON MARCH 17, 2020, THIS MEETING WILL BE HELD BY TELECONFERENCE ONLY\*\***

**ROBERT BROWN (2023)**

AOC CHAIR

Private Sector Member, Fifth District

**MARK WILLE, CPA (2022)**

AOC VICE CHAIR

Private Sector Member, Third District

**SUPERVISOR MICHELLE STEEL**

BOARD CHAIR

Second District

Member

**SUPERVISOR ANDREW DO**

BOARD VICE CHAIR

First District

Member

**FRANK KIM**

COUNTY EXECUTIVE OFFICER

Member

**DREW ATWATER (2021)**

Private Sector Member, First District

**VACANT**

Private Sector Member, Second District

**STELLA ACOSTA (2023)**

Private Sector Member, Fourth District

**Non-Voting Members**

Treasurer-Tax Collector:

Auditor-Controller:

Internal Audit Director:

Shari Freidenrich, CPA

Frank Davies, CPA

Aggie Alonso, CPA

**Staff**

Assistant Internal Audit Director:

Deputy County Counsel:

AOC Clerk:

Scott Suzuki, CPA

Ronnie Magsaysay

Gabriela Cabrera

*All supporting documentation is available for public review 72 hours before the meeting. Documents are available online at <http://www.ocgov.com/gov/ia/aoc/agemin>.*

This agenda contains a general description of each item to be considered. If you would like to speak on a matter that does not appear on the agenda, you may do so during the Public Comments period at the end of the meeting. When addressing the AOC, please state your name for the record. Except as otherwise provided by law, no action shall be taken on any item not appearing in the agenda.

In compliance with the Americans with Disabilities Act, those requiring accommodation for this meeting should notify the Internal Audit Department 72 hours prior to the meeting at (714) 834-5475

# A G E N D A

10:00 A.M.

## Speaker

1. Roll call  
*Robert Brown  
AOC Chair*
2. Approve Audit Oversight Committee Regular Meeting Minutes of August 13, 2020  
*Robert Brown  
AOC Chair*
3. Approve Special Meeting Audit Oversight Committee Virtual Retreat Minutes of October 1, 2020  
*Robert Brown  
AOC Chair*
4. Receive Report on the County's Cybersecurity Program  
*Joel Golub  
Chief Information Officer,  
County Executive Office*
5. Receive Report on Required Communication from External Auditors  
*Roger Alfaro, CPA  
Partner, Eide Bailly LLP*
6. Agile Auditing  
*Scott Suzuki, CPA  
Assistant Director  
Internal Audit Department*
7. Business Process Improvement Workshop  
*Michael Dean  
Senior Audit Manager  
Internal Audit*
8. Overview of Strategic Financial Plan and County Budget Process  
*Michelle Aguirre  
Chief Financial Officer  
County Executive Office*
9. Discuss Member Vacancies in Audit Oversight Committee, and Staff Vacancies in Internal Audit Department and Auditor-Controller  
*Robert Brown  
AOC Chair*  
*Frank Davies, CPA  
Auditor-Controller*  
*Aggie Alonso, CPA  
Director  
Internal Audit Department*
10. Receive Report on Status of Auditor-Controller Mandated Audits  
*Frank Davies, CPA  
Auditor-Controller*
11. Receive Report on Status of Performance Audits  
*Michelle Aguirre  
Chief Financial Officer,  
County Executive Office*
12. Approve Internal Audit Department's FY 2020-21 1<sup>st</sup> Quarter Status Report and Approve Executive Summary of Internal Audit Reports for the Quarter Ended September 30, 2020  
*Aggie Alonso, CPA  
Director,  
Internal Audit Department*

# A G E N D A

13. Receive Report on Status of External Audit Recommendations Implementation and Approve Quarterly External Audit Activity Status Report for the Quarter Ended September 30, 2020

*Scott Suzuki, CPA  
Assistant Director,  
Internal Audit Department*

14. Confirm AOC Best Practices Subcommittee Members

*Robert Brown  
AOC Chair*

15. Election of AOC Officers

*Robert Brown  
AOC Chair*

**PUBLIC COMMENTS:** At this time, members of the public may address the AOC on any matter not on the agenda but within the jurisdiction of the AOC. The AOC may limit the length of time each individual may have to address the Committee.

*Robert Brown  
AOC Chair*

**AOC COMMENTS:** At this time, members of the AOC may comment on agenda or non-agenda matters and ask questions of, or give directions to staff, provided that no action may be taken on off-agenda items unless authorized by law.

*Robert Brown  
AOC Chair*

## **ADJOURNMENT:**

## **NEXT MEETING:**

Regular Meeting, February 11, 2021, 10:00 a.m.



# Memorandum

November 19, 2020

**AOC Agenda Item No. 2**

TO: Audit Oversight Committee Members

Recommended Action:

Approve Audit Oversight Committee Regular Meeting Minutes of August 13, 2020

---

Approve Audit Oversight Committee Regular Meeting Minutes of August 13, 2020, as stated in the recommended action.

ATTACHMENT(S):

Attachment A – Summary Minutes for August 13, 2020 Meeting



REGULAR MEETING OF THE AUDIT OVERSIGHT COMMITTEE  
ORANGE COUNTY, CA

**Thursday, August 13, 2020, 10:00 A.M.**

Join Skype Meeting:

<https://meet.lync.com/ocgov-com/gabriela.cabrera/T65H2FVM>

Join by Phone: 1 (949) 543-0845, Conference ID: 59649484

**ROBERT BROWN (2023)**

AOC CHAIRMAN

Private Sector Member, Fifth District

**MARK WILLE, CPA (2022)**

AOC VICE CHAIRMAN

Private Sector Member, Third District

**SUPERVISOR MICHELLE STEEL**

BOARD CHAIRWOMAN

Second District

Member

**SUPERVISOR ANDREW DO**

BOARD VICE CHAIRMAN

First District

Member

**FRANK KIM**

COUNTY EXECUTIVE OFFICER

Member

**DREW ATWATER (2021)**

Private Sector Member, First District

**VACANT**

Private Sector Member, Second District

**STELLA ACOSTA, CPA (2023)**

Private Sector Member, Fourth District

**Non-Voting Members**

Treasurer-Tax Collector:

Auditor-Controller:

Shari Freidenrich, CPA

Frank Davies, CPA

**Staff**

Internal Audit Director:

Assistant Internal Audit Director:

Deputy County Counsel:

Clerk:

Aggie Alonso, CPA

Scott Suzuki, CPA

Ronnie Magsaysay

Gabriela Cabrera

ATTENDANCE: Robert Brown, AOC Chairman, Private Sector Member  
Mark Wille, AOC Vice Chair, Private Sector Member  
Chris Gaarder, Proxy for Supervisor Andrew Do  
Drew Atwater, Private Sector Member  
Stella Acosta, Private Sector Member  
Arie Dana, Proxy for Supervisor Michelle Steel  
Frank Kim, Chief Executive Officer

PRESENT: Shari Freidenrich, Treasurer-Tax Collector  
Salvador Lopez, Chief Deputy Auditor-Controller  
Aggie Alonso, Internal Audit Director  
Ronnie Magsaysay, Deputy County Counsel  
Gabriela Cabrera, AOC Clerk

**1. Roll call**

Mr. Robert Brown, Audit Oversight Committee (AOC) Chairman, called the meeting to order at 10:00 A.M. Attendance of AOC Members noted above, with the exception of Drew Atwater who joined the meeting at 10:47 A.M.

**2. Approve Audit Oversight Committee Regular Meeting Minutes of June 4, 2020**

Mr. Brown asked for a motion to approve the Audit Oversight Committee Regular Meeting Minutes of June 4, 2020.

**Motion to approve the minutes by Mr. Chris Gaarder, seconded by Mr. Arie Dana.**

**Via roll call, six in favor (Brown, Wille, Gaarder, Acosta, Dana, Kim); none opposed  
Approved as recommended.**

**3. Discuss Board-approved Audit Oversight Committee Bylaws**

Mr. Aggie Alonso, Internal Audit Director, confirmed that at the June 4<sup>th</sup> AOC meeting, the AOC approved revisions to the Bylaws which included three primary changes: (1) they made public member terms be coterminous with the office term of the Board member who nominated the member, (2) they allowed for removal of members for unnoticed absences, and (3) allowed for the committee Chair to appoint interim members for committee vacancies. The Board removed the second and third change. In addition, Mr. Alonso mentioned the Bylaws include a provision for the Chair to submit a brief report to the Board of Supervisors following each AOC meeting which can be used to highlight any issues with attendance, vacancies, etc.

**4. Receive Report on the County's Cybersecurity Program**

Mr. Joel Golub, Chief Information Officer, advised OCIT is continuing their response to COVID by expanding remote capability and maintaining services in this robust environment without major problems. Mr. Golub stated OCIT has a security team which partnered with SAIC to connect to their national centers, established a 24/7 SOC, and have an internal task force with department representatives. Mr. Golub stated OCIT receives oversight from Internal Audit, AOC, Grand Jury, an investment review committee, and an IT executive council which influence the framework and environment for OCIT today, and next invited Rafael Linares, Chief Information Security Officer, to address the questions previously asked by the AOC.

Mr. Linares began a presentation on cybersecurity remote technologies including remove virtual private network (VPN), desktop support, firewall support, and e-mail support including exception agencies that use their own internal support services and limited OCIT support (they provided listings of exception agencies by support category).

Mr. Linares noted enhanced monitoring for remote architectures and incident responses, as well as remote VPN and teleconferencing guidelines for new VPN users. Going forward, OCIT will include remote work in annual cybersecurity training. Currently, OCIT has implemented security

patching on devices not linked to County networks, increased VPN licenses, and increased network bandwidth.

Mr. Linares proceeded to address questions previously asked by the AOC regarding remote security, concern of PII document printing, memory wiping on old equipment, and advancing operations towards new normal of telecommuting.

**5. Receive Introduction from Office of Independent Review Director**

Mr. Sergio Perez, Office of Independent Review Director, provided details on his work background including his experience as a legal attorney focused on oversight and accountability. Mr. Perez advised he intends to continue the mission of the Office of Independent Review (OIR) as independent counsel to the Board, the public, and the five departments that it oversees which are the Sheriff's Department, District Attorney's Office, Public Defender's Office, Probation Department, and Social Services Agency. Mr. Perez intends for OIR to carry out its three chief duties which are to review systemic issues and identify County compliance with applicable laws, to investigate incidents reported to OIR by the Board or department heads of the offices OIR oversees, and to monitor internal processes for accountability structures of departments under OIR oversight. Mr. Perez stated that in advising the Board on risk management the OIR has limited access to information, observes a confidentiality requirement per State laws and internal department policies, and cannot affect wages of staff nor take part in disciplinary processes at the County. Mr. Perez offered his assistance for anyone wanting OIR advice and invited questions.

**6. Receive Report on Required Communication from External Auditors**

Mr. Roger Alfaro, Partner at Eide Bailly LLC, discussed attachments advising on Eide Bailly's risk assessment and planning process including audits of internal control cycles specific to the financial reporting process. Eide Bailly is currently in preparation for year-end testing of County financial statements. Mr. Alfaro confirmed Eide Bailly continues to meet with Internal Audit to discuss work performed by each audit organization and relevant items noted. Recently due to the pandemic and potentially adapted controls, Eide Bailly is also considering the risk of material misstatement of figures that will be reported on the financial statements.

**7. Discuss Member Vacancies in Audit Oversight Committee, and Staff Vacancies in Internal Audit Department and Auditor-Controller**

Mr. Brown commented the AOC appreciates its ability to recommend potential members for AOC vacancies such as the second district vacancy, and that quorum continues to be maintained with current membership. Next, Mr. Sal Lopez, Chief Deputy Auditor-Controller, and Mr. Alonso discussed vacancies in each respective department, both of which cited the pandemic's limitations on revenue activity as one impact to current vacancies.

**8. Discuss Audit Oversight Committee Retreat Status**

Mr. Brown acknowledged the efforts of Internal Audit staff on the retreat coordination and advised quorum has been confirmed for October 1, 2020 with a draft agenda pending to be distributed.

**9. Receive Report on Status of Mandated Audits**

Mr. Michael Steinhaus, Audit Manager for the Auditor-Controller Internal Audit division, provided an update on the status of fiscal year ended June 30, 2020 mandated audits, as well as an update on the status of fiscal year ended June 20, 2019 Joint Power Authorities and Special Districts report collections.

**10. Receive Report on Status of Performance Audits**

Ms. Michelle Aguirre, Chief Financial Officer, reported several performance audits have been completed and resulted in no significant findings, and that despite delays related to COVID their work is currently progressing. Ms. Aguirre also noted a correction for attachment A page 2, where the Auditor-Controller's third-party auditor should be listed as Moss Adams, not Arroyo Associates.

**11. Discuss changes to County internal control policies as a result of COVID-19 and impact on County audits**

Mr. Alonso stated that regarding internal control policies there have been no material changes noted resulting from COVID-19, while some departments may have slight differences in implementation. Regarding impact to audits, consideration is being given to risks resulting from work environment changes and testing is being conducted remotely to the extent possible, with the exception of purchasing and contracts where documentation is physically retained and remote work was not feasible.

**12. Approve Internal Audit Department's FY 2019-20 4<sup>th</sup> Quarter Status Report and Approve Executive Summary of Internal Audit Reports for the Quarter Ended June 30, 2020**

Mr. Alonso stated the Internal Audit Department issued two final reports, six draft reports, and twelve follow-up reports for the quarter ended June 30, 2020. Mr. Alonso noted audits originally delayed have all resumed with the exception of the HCA IT audit as the department has been understandably busy with the pandemic response.

**Motion to approve the 4<sup>th</sup> Quarter Status Report and Executive Summary by Mr. Wille, seconded by Mr. Gaarder.**

**Via roll call, six in favor (Brown, Wille, Dana, Gaarder, Atwater, Acosta); none opposed  
Approved as recommended.**

**13. Receive Report on Status of External Audit Recommendations Implementation and Approve Quarterly External Audit Activity Status Report for the Quarter Ended June 30, 2020**

Mr. Scott Suzuki, Assistant Director of Internal Audit, stated there were no new material issues to report this quarter. Social Services Agency (SSA) has one significant or material recommendation pending implementation, which per SSA is a result of the COVID-19 impact.



**Motion to approve the Quarterly External Audit Activity Status Report for the Quarter Ended June 30, 2020 by Mr. Wille, seconded by Mr. Gaarder.**

**Via roll call, six in favor (Brown, Wille, Dana, Gaarder, Atwater, Acosta), none opposed.  
Approved as recommended.**

**14. Receive Internal Audit Department's Fiscal Year 2019-20 Key Performance Indicator Report**

Mr. Alonso presented a report on the Key Performance Indicators (KPI) and noted two KPIs that were not met as well as plans to meet those indicators in the future.

**15. Receive Report on Internal Audit Department's Independence**

Mr. Alonso presented the Internal Audit Department's (IAD) Report on Independence. Mr. Alonso stated for the period of June 1, 2019 to June 30, 2020 the IAD activity was free from interference in determining the audit scope, performing the work, and issuing the results. IAD will be communicating their independence report to the highest governing body in accordance with the standards. The report will be presented to the Board of Supervisors at the meeting to be held on September 29, 2020.

**PUBLIC COMMENTS:** None

**AOC COMMENTS & ADJOURNMENT:**

**AOC COMMENTS:** None

**ADJOURNMENT:** Meeting adjourned at 11:59 a.m.

**NEXT MEETING:**

Regular Meeting, November 19, 2020, at 10:00 a.m.



# Memorandum

November 19, 2020

**AOC Agenda Item No. 3**

TO: Audit Oversight Committee Members

Recommended Action:

Approve Special Meeting Audit Oversight Committee Virtual Retreat Minutes of October 1, 2020

---

Approve Special Meeting Audit Oversight Committee Virtual Retreat Minutes of October 1, 2020, as stated in the recommended action.

ATTACHMENT(S):

Attachment A – Summary Minutes for October 1, 2020 Special Meeting

# S U M M A R Y   M I N U T E S



## SPECIAL MEETING OF THE AUDIT OVERSIGHT COMMITTEE ORANGE COUNTY, CA

**Thursday, October 1, 2020, 9:30 A.M.**

Zoom Virtual Meeting:

<https://zoom.us/j/99135346034>

Join by Phone: 1-669-900-6833, Meeting ID: 991 3534 6034

**ROBERT BROWN (2023)**

AOC CHAIRMAN

Private Sector Member, Fifth District

**MARK WILLE, CPA (2022)**

AOC VICE CHAIRMAN

Private Sector Member, Third District

**SUPERVISOR MICHELLE STEEL**

BOARD CHAIRWOMAN

Second District

Member

**SUPERVISOR ANDREW DO**

BOARD VICE CHAIRMAN

First District

Member

**FRANK KIM**

COUNTY EXECUTIVE OFFICER

Member

**DREW ATWATER (2021)**

Private Sector Member, First District

**VACANT**

Private Sector Member, Second District

**STELLA ACOSTA, CPA (2023)**

Private Sector Member, Fourth District

**Non-Voting Members**

Treasurer-Tax Collector:

Auditor-Controller:

Internal Audit Director:

Shari Freidenrich, CPA

Frank Davies, CPA

Aggie Alonso, CPA

**Staff**

Assistant Internal Audit Director:

Deputy County Counsel:

AOC Clerk:

Scott Suzuki, CPA

James Steinmann

Gabriela Cabrera

**ATTENDANCE:** Robert Brown, AOC Chairman, Private Sector Member  
Mark Wille, AOC Vice Chair, Private Sector Member  
Chris Gaarder, Proxy for Supervisor Andrew Do  
Drew Atwater, Private Sector Member  
Stella Acosta, Private Sector Member  
Arie Dana, Proxy for Supervisor Michelle Steel

**PRESENT:** Shari Freidenrich, Treasurer-Tax Collector  
Frank Davies, Auditor-Controller  
Aggie Alonso, Internal Audit Director  
James Steinmann, Deputy County Counsel  
Gabriela Cabrera, AOC Clerk

# S U M M A R Y   M I N U T E S

## 1. Roll call

Mr. Robert Brown, Audit Oversight Committee (AOC) Chair, called the special meeting to order at 9:30 A.M. Attendance of AOC Members noted above, with the exception of Drew Atwater who joined the meeting at 9:45 A.M. and Stella Acosta who joined at 10:03 A.M.

## 2. Agenda Walkthrough, Goals, and Logistics

Mr. Aggie Alonso, Internal Audit Director, discussed items on the AOC Retreat agenda and noted logistics for instant messaging and unmuting features to facilitate attendee participation. Mr. Alonso also noted virtual distribution of the AOC Retreat Binder with resources such as the agenda, speaker presentation materials, and AOC orientation materials including copies of AOC Bylaws, the Internal Audit Charter, and the Risk Assessment & Audit Plan for FY 2020-21.

## 3. Orientation and Overview of Internal Audit

Mr. Alonso discussed some of Orange County's history in relation to the formation of Internal Audit and the AOC. Next, Mr. Alonso discussed the AOC's purpose including assisting the Board as their advisory committee, ensuring the independence of the internal audit function, approving annual audit plans, and ensuring corrective action is taken on audit recommendations. Regarding AOC membership, Mr. Alonso discussed member composition, public member terms, and attendance as well as the duties of the AOC Chair and Vice Chair. Lastly, Mr. Alonso noted AOC compliance with the Brown Act, examples of AOC responsibilities, examples of oversight of Internal Audit, and required member ethics training.

## 4. Audit Oversight Committee Duties

Mr. Mark Wille, AOC Vice Chair, presented AOC history including voting and non-voting membership composition. Next, Mr. Wille discussed areas of AOC oversight that support the Board of Supervisors as they manage this large County. Examples included collaboration with external auditors, internal auditors, CEO for performance audits, A-C for mandated audits, T-TC for treasury audits, and OCIT for discussions on latest innovations and best practices. Mr. Wille proceeded to explain the duties of the members including understanding AOC Bylaws to facilitate robust Q&A discussions, reviewing the County's Comprehensive Annual Financial Reports prepared by external auditors, being skeptical of large and unusual items, understanding the Risk Heat Map, and monitoring internal control findings for corrective action.

Mr. Wille proceeded to discuss that as things change throughout the County, the AOC must be flexible in their oversight and collaboration approaches. Regarding the time commitment to the AOC, members must be proactive about attending meetings (or send a qualified proxy) and meeting with County employees when needed. Lastly, Mr. Wille noted member's moral commitment includes acknowledging the AOC as the last line of oversight and working to continuously improve County processes.

# S U M M A R Y   M I N U T E S

## 5. Overview of the County's Annual External Audit and Financial Reporting

Mr. Roger Alfaro, Partner at Eide Bailly, provided details on Eide Bailly's strategy for auditing the County such as criteria for determining audit scope and areas receiving an audit opinion. Next, Mr. Alfaro discussed external auditor responsibilities including using U.S. Generally Accepted Auditing Standards, providing reasonable and not absolute assurance, reporting compliance with federally funded programs for Single Audit, assessing material misstatements of financial statements, and reporting discoveries to management as appropriate. Mr. Alfaro also noted Eide Bailly's typically annual timeline for all County audits and their collaborative approach with County staff to complete those audits. Lastly, Mr. Alfaro discussed County management responsibilities to further distinguish areas where Eide Bailly does not hold responsibility as well as various GASB statements that will impact the County's financial reporting in the future.

## 6. Overview of Mandated Audits/Financial Statements & Reporting

Mr. Frank Davies, Auditor-Controller, confirmed A-C's responsibility regarding mandated audits and financial statements including collaboration with Eide Bailly on financial reporting. Mr. Davies introduced Michael Steinhaus, Audit Manager for the Auditor-Controller Internal Audit Division, who further elaborated on mandated audits which include Cash Shortage Replenishment audits, review of Schedule of Assets, audit of Juvenile Books and Accounts, and the Collection of JPA and Special District Audited Accounts and Records.

Mr. Davies introduced Bertalicia Tapia, Auditor-Controller Financial Reporting Manager, to discuss Financial Statements and Reporting including the Comprehensive Annual Financial Report (CAFR), Single Audit for federally funded programs, and the Gann Limit Agreed Upon Procedures. Ms. Tapia provided background on the A-C's preparation for these financials, including how A-C collaborates with the external auditors for reporting aspects and how results are communicated to the Board.

## 7. Overview of Performance Audits

Michelle Aguirre, Chief Financial Officer, began with an overview of the Office of the Performance Auditor which was established from 2007 to 2015 and reported directly to the Board. Ms. Aguirre noted Performance Audit report copies are available on the County internet for review. Next, Ms. Aguirre discussed the redirection of funds from this small office to external consulting services for continuation of these audits which are all budgeted and approved by the Board. Ms. Aguirre noted a draft policy and procedure is being routed for approval which will address the transition of Performance Audits to the Deputy Chief Operating Officers (one of which is currently vacant) and a team of two staff who will review departments under Programs 1-2 and Programs 3-7 (Programs 1-2 oversee public protection and community service departments and Programs 3-7 oversee general governance, infrastructure & environmental resource departments). Ms. Aguirre also discussed that in response to consultants not meeting County needs, the solicitation process for future consulting services will be expanded from a predetermined list of providers to an open solicitation for proposals in hopes of obtaining a better pool of qualified consultants. Lastly, Ms. Aguirre confirmed the performance audit reporting channels and their follow-up process for corrective action on resulting recommendations.

# S U M M A R Y   M I N U T E S

## 8. Review of Bylaws

Mr. Brown acknowledged that due to the Retreat running longer than anticipated, he will be abbreviating the Bylaw items considering that both Mr. Alonso and Mr. Wille discussed aspects of the Bylaws. Mr. Brown noted it is important for members to have a thorough understanding of the Bylaws, in particular Article 7 regarding the purview of the AOC. Lastly, Mr. Brown echoed Mr. Wille's remarks regarding continuous improvement of the Bylaws to ensure they are clear, such as recently accomplished with the Bylaws revision approved by the Board in July 2020.

## 9. Review of Audit Committee Best Practices Survey Results and Recommend Potential Changes to AOC and Internal Audit Department Procedures in the following categories:

a. Comprehensive Framework of Internal Control and Countywide Training

b. Internal Audit Resources

c. External and Internal Audit Coordination and Coverage

d. AOC Member Requirements

Mr. Brown discussed a recent self-assessment survey taken by AOC members to identify how the AOC compares with the 35 best practices for audit committees. Mr. Brown noted consensus between members rating exceeds for majority of the practices; however, some of the lowest scores related to areas discussed in Article 7 of the Bylaws. Instead of holding a round table discussion on the lower scores, Mr. Brown proposed the formation of a subcommittee. The subcommittee will also review the new virtual environment brought upon by the pandemic, and how to minimize impact to AOC communications and meetings. Lastly, Mr. Brown nominated the following individuals as subcommittee members: Mark Wille (AOC Vice Chair), Stella Acosta (AOC Private Sector Member), Chris Gaarder (Proxy for Supervisor Do), Michelle Aguirre (Chief Financial Officer), Ronnie Magsaysay (County Counsel), and Aggie Alonso (Internal Audit Director).

## 11. Information Technology Audits

Jimmy Nguyen, IT Audit Manager II for the Internal Audit Department, began with a brief introduction on his background and history working for Orange County. Mr. Nguyen proceeded to explain IT audits including how these audits help mitigate cybersecurity risk by evaluating the IT infrastructure including policies and operations. Next, Mr. Nguyen discussed specific components of IT general controls, cybersecurity, integrated audits, and advisory services. Lastly, Mr. Nguyen concluded by noting how Internal Audit's IT team approaches these areas and collaborates with departments to recommend beneficial corrective action.

**PUBLIC COMMENTS:** None

# S U M M A R Y   M I N U T E S

## **AOC COMMENTS & ADJOURNMENT:**

**AOC COMMENTS:** Mr. Wille learned new aspects of AOC and feels it's important to release Retreat conversations for future access on the AOC website. Mr. Brown also noted this was a beneficial and informative event, and appreciates the contributions by everyone involved.

**ADJOURNMENT:** Meeting adjourned at 12:40 p.m.

## **NEXT MEETING:**

Regular Meeting, November 19, 2020, at 10:00 a.m.



# Memorandum

November 19, 2020

**AOC Agenda Item No. 4**

TO: Audit Oversight Committee Members

Recommended Action:

Receive Report on the County's Cybersecurity Program

---

Receive report on the County's cybersecurity program from OC Information Technology, as stated in the recommended action.





# Memorandum

November 19, 2020

**AOC Agenda Item No. 5**

TO: Audit Oversight Committee Members

Recommended Action:

Receive Report on Required Communication from External Auditors

---

Receive Report on Required Communication from External Auditors, as stated in the recommended action.

**ATTACHMENTS:**

Attachment A – External Audit Update Memo

Attachment A-1 – Projects and Timelines



# County of Orange Audit Oversight Committee

Date: November 19, 2020  
Re: External Audit update

- 
- 1) **Audit Plan – Refer to Attachment A:**
    - Outline of projects and timelines
  - 2) **Audits Completed:**
    - Schedule of Assets – June 30, 2018 – Issued – Report dated July 28, 2020
    - District Attorney grant audits – June 30, 2020 – Issued – Reports dated October 23, 2020
      - Disability and Healthcare Insurance Fraud Program
      - Workers' Compensation Insurance Fraud Program
      - Automobile Insurance Fraud Program
  - 3) **Follow-up Items:**
    - No changes from previous quarter

Department / Agency / Division	Audit/Project	Audit/Project Date	Audit Scope	Anticipated Dates			Status
				Planning	Fieldwork	Reporting	
All	Financial Statement Audit - Comprehensive Annual Financial Report (CAFR)	6/30/2020	Financial Statements of the County CAFR, including audit of investment trust funds, and pension/OPEB trust funds	April/May 2020	May 2020 through November 2020	December 2020	Year-end fieldwork in progress
All	Agreed Upon Procedures (AUP) over GANN Limit calculations	6/30/2020	GANN Limit Calculation -for County and OC Flood Control District	April/May 2020	May 2020	December 2020	Fieldwork in progress
All	Single Audit	6/30/2020	Audit over compliance in accordance with Uniform Guidance of the County, including components of JWA, OCWR, OCDA	October 2020	January through February 2021	March 2021	Planning in progress
John Wayne Airport (JWA)	Financial Statement Audit	6/30/2020	John Wayne Airport (JWA), including Passenger Facility Charge	April/May 2020	August through November 2020	December 2020	Year-end fieldwork in progress
Orange County Waste & Recycling	Financial Statement Audit	6/30/2020	Orange County Waste & Recycling	April/May 2020	August through November 2020	December 2020	Year-end fieldwork in progress
OC Community Resources / Redevelopment Successor Agency	Financial Statement Audit	6/30/2020	Redevelopment Successor Agency	April/May 2020	August through November 2020	December 2020	Year-end fieldwork in progress
District Attorney	Grant Audits	6/30/2020	District Attorney Grant Audits	July 2020	September 2020	October 2020	Reports issued - dated 10/23/2020
CEO; HCA and Sheriff's Department	Tobacco Settlement Funds Agreed Upon Procedures	6/30/2020	HCA and Sheriff Tobacco Settlement Funds disbursements	November 2020	December 2020 through January 2021	February 2021	n/a
TTC	Agreed Upon Procedures over compliance	6/30/2019	Compliance with Government Code and Investment Policy	***	***	***	***Timing to be determined with Department***
TTC	Schedule of Assets	6/30/2018	Report on the Schedule of Assets	June 2020	June 2020	July 2020	Report issued - dated 7/28/2020
TTC	Schedule of Assets	6/30/2019	Report on the Schedule of Assets	August 2020	September 2020	November 2020	Fieldwork complete; Pending completion of report review.



# Memorandum

November 19, 2020

**AOC Agenda Item No. 6**

TO: Audit Oversight Committee Members

Recommended Action:

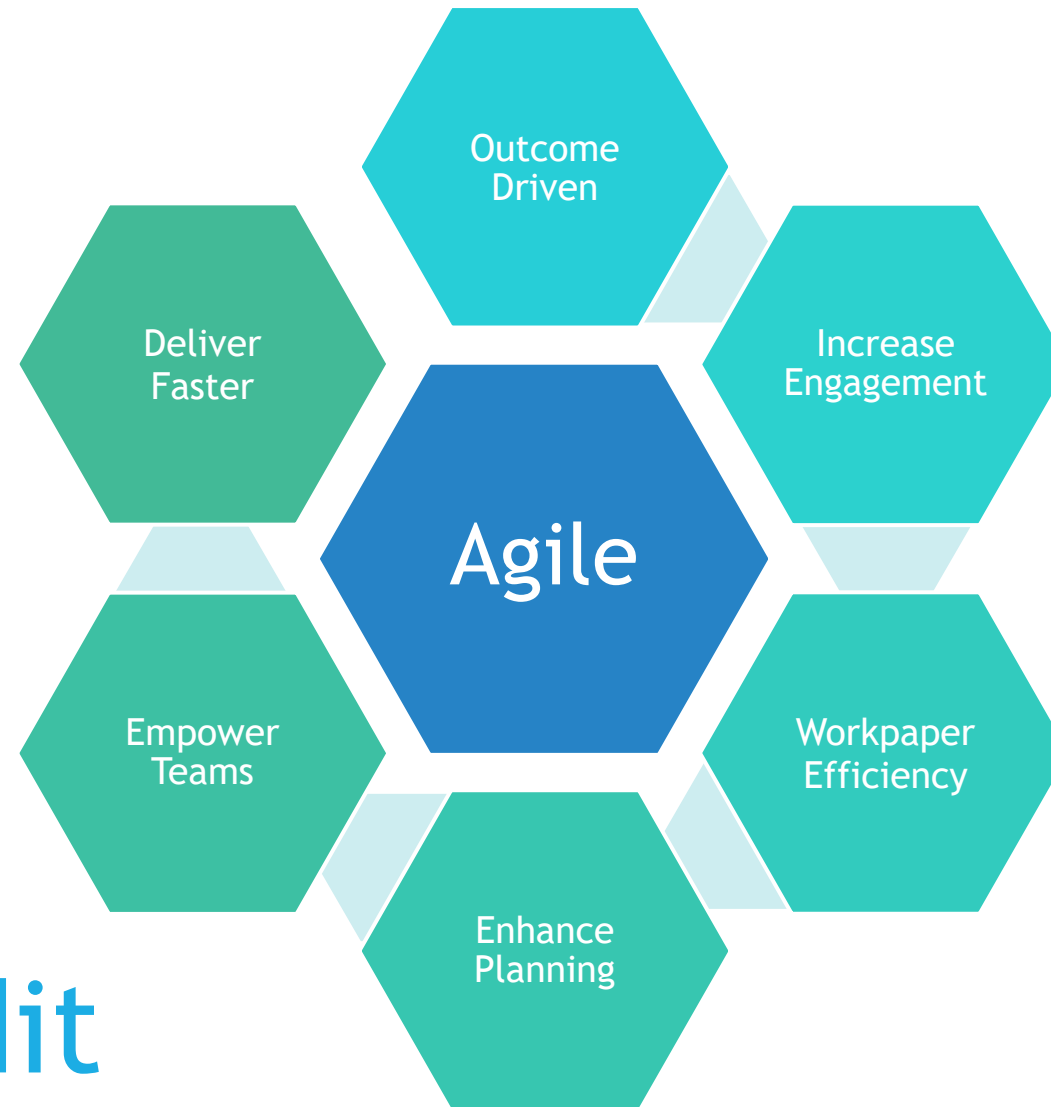
Presentation by Internal Audit Department regarding the Agile Auditing Process

---

Presentation by Internal Audit Department regarding the Agile Auditing Process, as stated in the recommended action.

ATTACHMENT(S):

Attachment A – Agile Auditing Presentation



# Agile Audit

Presented By: Scott Suzuki, CPA, CIA, CISA, CFE  
Assistant Director

# What is Agile Audit?



Derived from software development methodology; many variations



Goals are to reduce time, deliver faster, improve quality (all three)



Deliver results at the end of short cycles and involve the client more actively

# Agile Audit Objectives



## Clearer Outcomes

Confirm/disprove hypothesis based upon risk assessment

Focus on an outcome which guides fieldwork and reporting



## Increased Engagement

Collaborate with client to prioritize risks for audit and focus on client needs

Identify resources and deploy for fieldwork



## Improved Documentation

Right-sizing workpapers

Deliver prompt and concise results with more visuals

Do not explain and justify every procedure in documentation

# Agile Audit Changes



## Enhanced Planning

Identify risk areas and modify as the engagement progresses depending on variables such as new information developed, resource constraints, and client availability; no fixed audit program



## Empowered Teams

Collaborate with client by sharing real-time results and determine if more/less assurance is needed resulting in additional/less work performed



## Faster Delivery

Expedite audit cycles by developing well-defined procedures with deadlines resulting in faster reporting to the client/timely information sharing



# Agile Audit Comparison

Traditional	Agile
Reporting at end of audit plan	Reporting during and at end of sprints
Rigid audit procedures	Flexible procedures
Comprehensive documentation	Relevant documentation
Established chain-of-command	Empowered field team roles
Preset audit plans	On-the-go audit plans
Regular communications	Frequent communications

# Agile Manifesto

## INTERNAL AUDIT DEPARTMENT AGILE MANIFESTO

Our guiding principles in executing our agile audits are:

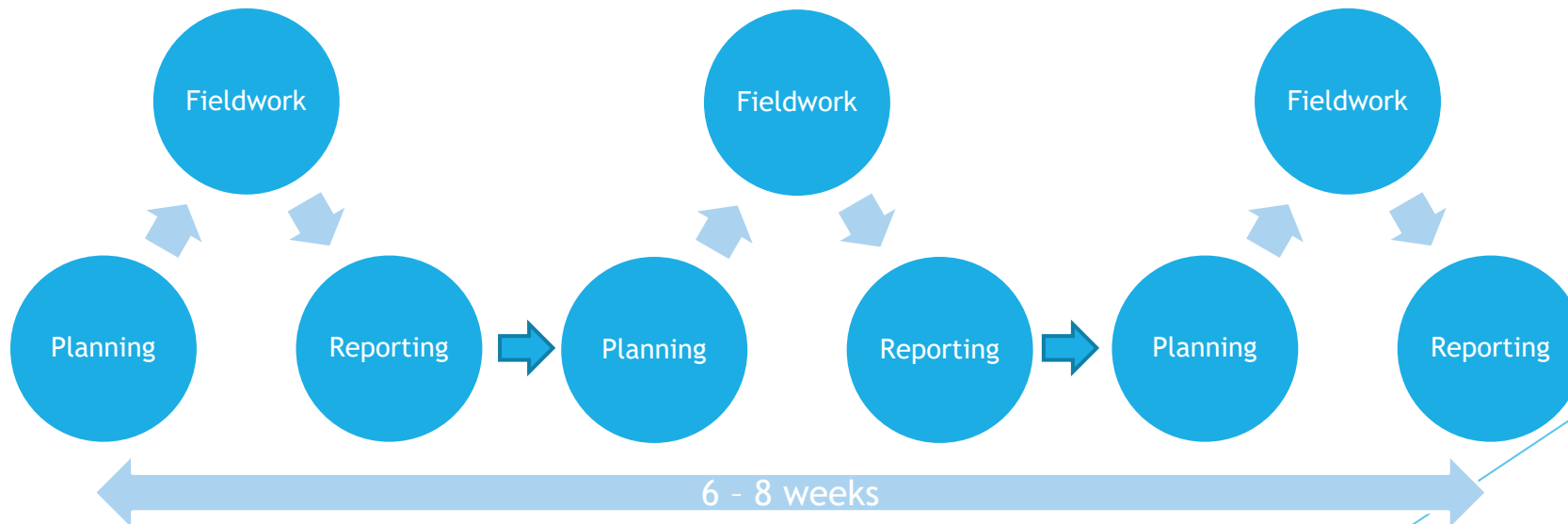
1. Focus on risk, outcomes, and value.
2. Right-selected, right-sized projects (one-size does not fit all) at the right-time.
3. Collaborate and communicate with our clients and stakeholders
4. Challenge the status quo/it's always been done this way.
5. Make decisions “as we go” with transparency and alignment.
6. Be swift and flexible vs. confined to a plan
7. Consider impact over thoroughness; good enough (80/20 rule)

# Comparison

Traditional



Agile



Reference: Deloitte Becoming Agile series

# Agile Workflow



## Discovery

- Client business
- Subject research
- Audit canvas
- Risk & control matrix
- Audit backlog



## Execution

- Sprint planning
- Definition of ready
- Sprint backlog
- Sprint tasks
- Daily standup
- Definition of done
- Sprint point-of-view



## Close-Out

- Workpaper QA
- Final point-of-view
- Retrospective

# Questions & Comments?





# Memorandum

November 19, 2020

**AOC Agenda Item No. 7**

TO: Audit Oversight Committee Members

Recommended Action:

Presentation by Internal Audit Department regarding Business Process Improvement Workshops

---

Presentation by Internal Audit Department regarding Business Process Improvement Workshops, as stated in the recommended action.

ATTACHMENT(S):

Attachment A – BPI Workshop Presentation

# Business Process Improvement Workshops

Presented By: Michael Dean, CPA, CIA, CISA, CCSA  
Senior Audit Manager



# Facilitated Workshops

- ▶ BPI workshops are not an audit!
- ▶ Employee teams getting together with their manager and specialist facilitators to analyze the strengths and concerns that impact their ability to achieve their business objectives and decide upon appropriate action.

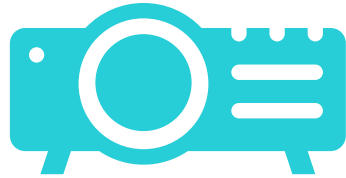




# Resources Required



Laptop with Microsoft Word or other word processor



Projector



Large sticky notes (two colors)



Large black markers



Software/Voting technology (optional)



Facility  
Selection: Offsite is better

# Department Selection



Need champion or volunteer  
as first department



IAD must sell the benefits as  
this program is optional

# Department Selection

## Executive Management

- Find out which “teams” would benefit from a workshop.

## Team Manager

- Select good cross-section of employees.

## Participant Meetings

- Think about “strengths” and “concerns” related to achieving their objectives.

# Workshop Rules

- ▶ Get buy-in to rules:
  - ▶ Open communication
  - ▶ Allow everyone a chance to speak
  - ▶ Group comments may be shared, but individual anonymity must be preserved.
- ▶ Ask group to add rules - helps with buy-in.

# Part 1 - the “Post-It Note Exercise”



Three biggest strengths and concerns.



Vote on how important they are now and in the future.



Select a category to discuss.



Facilitate discussion by starting with strengths:

How do you know it's a strength?  
What could happen if you make it better?  
What are some action items to make it better?

# Part 1 - the “Post-It Note Exercise”



**Facilitate discussion with group’s concerns:**

How do you know it’s an issue?

What could happen if nothing is done?

What are some action items to address this concern?



**During facilitated discussion, other facilitator “captures” group comments, which are projected for the group to see.**

Facilitators have participants periodically look at screen to self-edit their comments.

## Part 2 - Voting on Level of Agreement with Statements

- ▶ Using scale of 1-7, vote in the following areas:
  - ▶ Values and beliefs
  - ▶ Team environment
  - ▶ Communication
  - ▶ Rewards and Recognition
  
- ▶ Sample Values and Beliefs Statement: *Our department demonstrates commitment to its mission.*

# Deliverables

## Workshop Summary

Anonymity is maintained: no names used and not publicly distributed.

## Action Plan

Developed by the team to address the concerns and build on the strengths noted.

## Final Report

Report issued through normal channels.



# Internal Audit's BPI Workshop

- April 8, 2019
  - Director of Internal Audit Aggie Alonso starts
- April 29, 2019
  - BPI Workshop conducted with IAD facilitator and Dr. Peter Hughes from LA County
- May 9, 2019
  - Aggie issues Action Plan to staff

# Results



## Strengths

- Teamwork
- Flexibility
- Technology & Innovation
- Strong Management
- Professional Development
- Knowledgeable AOC/  
Respected Department

## Concerns

- Staffing/Resource Issues
- Staff Advancement
- Outdated P&Ps
- Cooperation with  
Elected Officials

# Action Plan



IAD management received workshop summary:

PowerPoint slides  
Graphs of voting results  
Captured comments



Action Plan developed



Action taken

# Questions & Comments?



# **BUSINESS PROCESS IMPROVEMENT**

## **Informational Summary of Comments, Impressions & Voting Results**



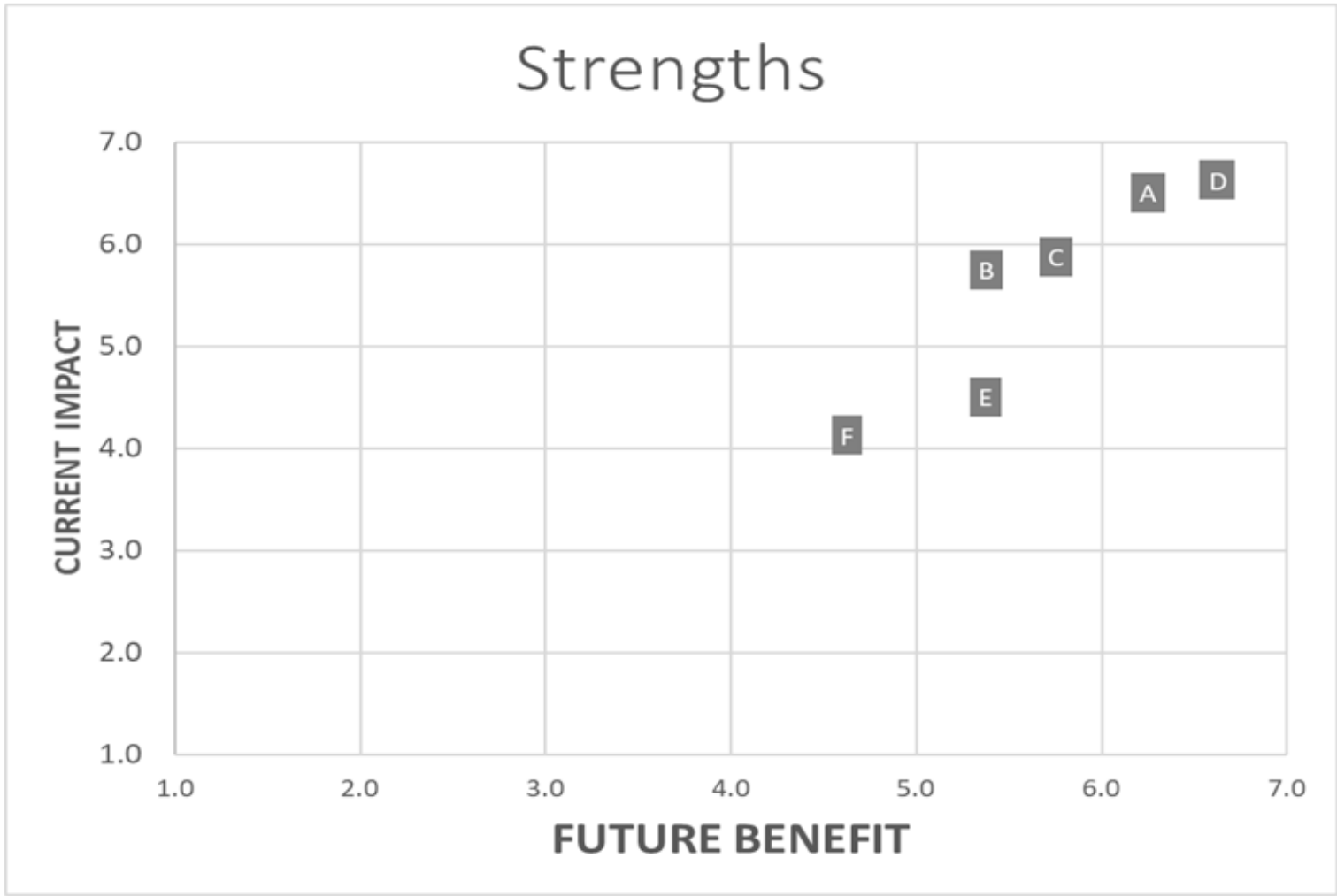
**Internal Audit Department  
April 29, 2019**

**Workshop Summary Prepared and Facilitation Conducted by the  
Orange County Internal Audit Department &  
Los Angeles County Auditor-Controller Audit Division**

**Facilitators:**

Michael Dean, Senior Audit Manager, CPA, CIA, CISA, CCSA  
Zan Zaman, Audit Manager, CPA, CIA  
With Special Guest Facilitator  
Dr. Peter Hughes, LA County Assistant Auditor-Controller

# **Process Appraisal (Post-It Note Exercise)**



- A - Teamwork
- B - Flexibility
- C - Technology & Innovation
- D - Strong Management
- E - Professional Development
- F - Knowledgeable AOC/Respected Dept

## Strengths – Discussion

### E – Professional Development

#### Evidence (List Accomplishments)

- Internal Audit currently has 55 training hours for CPE.
- Staff are encouraged to get different certifications (CPA, CIA, CISA, and CFE).
- The maximum EPRP allowance is \$3,000.
- All Management and some staff have certifications.
- Internal audit allows other trainings beside CPE.

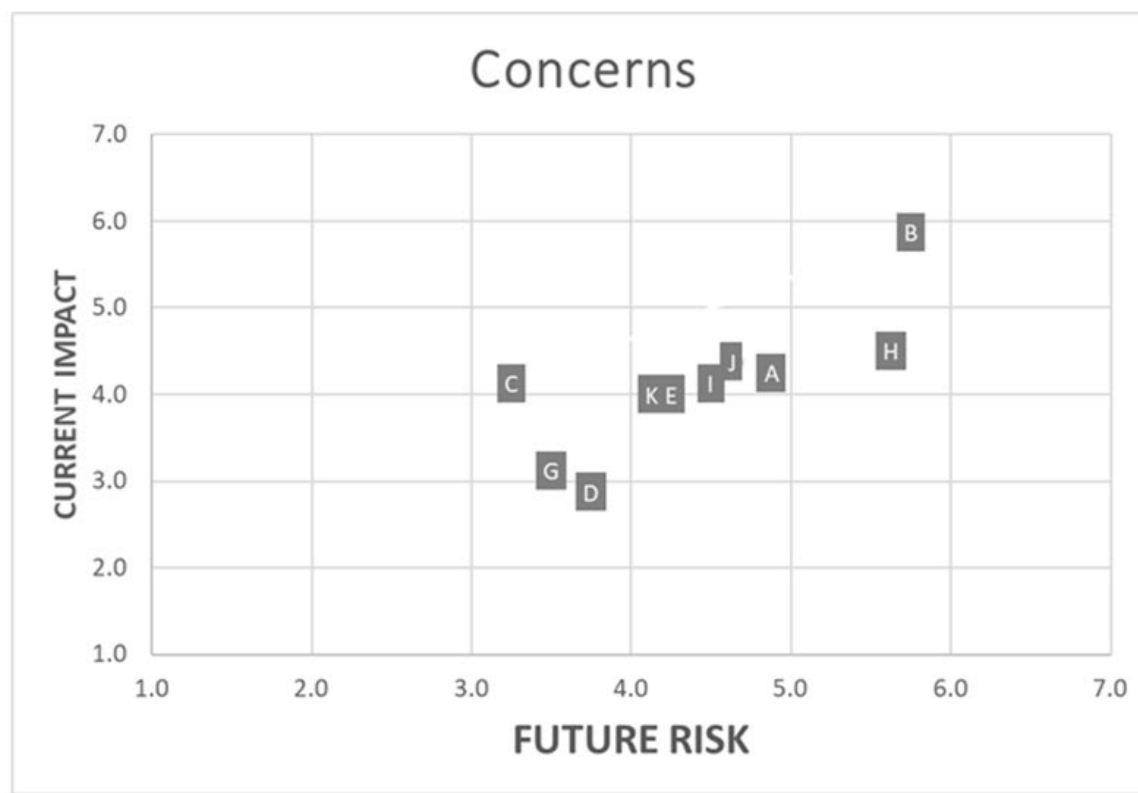
#### What Could Happen From Further Utilization

- Having more staff getting certifications.
- Management and staff will have a stronger knowledge base.
- The department's credibility will increase due to more certifications.

#### What Should The Group Do?

- The Director will consider modifying the plan to allow for 60 training hours for CPE.
- The Director will consider allowing time to study at work for certifications.
- The Department can consider higher budget for training.
- The Director will consider allowing CPE to be done at home.





- A - Outdated P&P's
- B - Staffing/Resources Issues
- C - Telecommuting
- D - Transparency
- E - Resistance to Change
- F - Report Process
- G - Exposure to Integrated Audits
- H - Staff Advancement
- I - Management Communication
- J- Cooperation with Elected Officials

### H – Staff Advancement

#### Evidence (Currently a Problem)

- There is limited growth for advancement for staff.
- The staff's pay is too low.
- There aren't any bonuses for having certifications.
- It is hard to retain staff.
- Staff pay needs to be more competitive with other counties.

#### What Could Happen If No Action is Taken

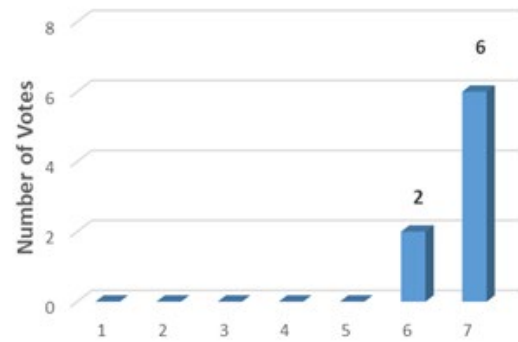
- The department could have low retention for staff.
- Staff could become unhappy.

#### What Should The Group Do?

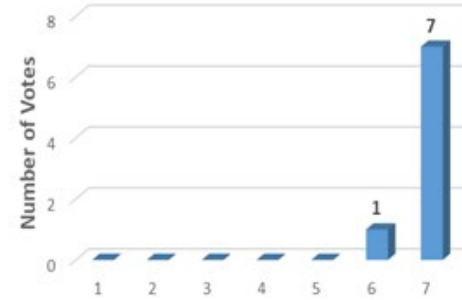
- The Director has plans to look at the organization chart to determine if there could be opportunity for advancement.
- Management can develop staff at next level regardless of department has openings.
- There could be cross training between audits for IT and ICA.
- The Director can re-implement telecommuting.
- The administrative manager staff classification study will be reviewed.
- The Department can benchmark with other counties for salaries.
- The Director will consider other forms of recognition ILO compensation.

## Workshop Evaluation

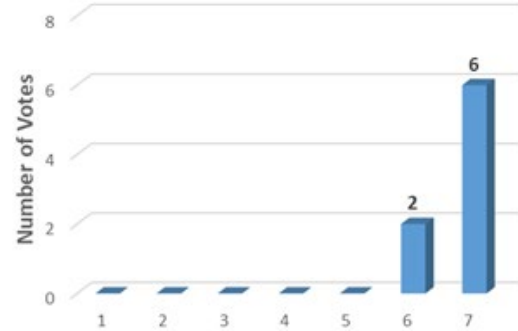
EV 1a- I understand the purpose of Process Improvement & Innovation



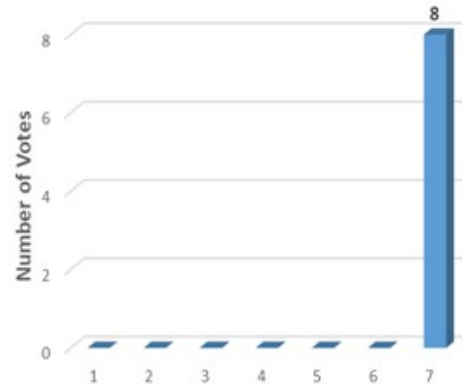
EV 1b - The workshop helped to highlight the issues significant to this team.



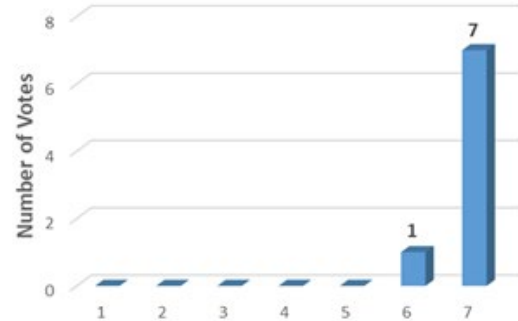
EV 1c - I was able to express my opinions freely



EV 1d - The Facilitators did a good job



EV 1e- I would recommend this process to other teams





## INTERNAL AUDIT DEPARTMENT

**AGGIE ALONSO, CPA, CIA, CRMA**  
DIRECTOR

**SCOTT SUZUKI, CPA, CIA, CISA**  
ASSISTANT DIRECTOR

**MICHAEL DEAN, CPA, CIA, CISA**  
SENIOR AUDIT MANAGER

**JIMMY NGUYEN, CISA, CFE, CEH**  
IT AUDIT MANAGER II

**GIANNE ACOSTA, CIA**  
AUDIT MANAGER

**MARI ELIAS, DPA**  
ADMIN SERVICES MANAGER

**SCOTT KIM, CPA, CISA**  
IT AUDIT MANAGER I

**ZAN ZAMAN, CPA, CIA**  
AUDIT MANAGER

**GABBY CABRERA**  
SENIOR AUDITOR

**VIRGINIA NGUYEN**  
SENIOR AUDITOR

**STEPHANY PANTIGOSO**  
SENIOR AUDITOR

DATE: May 9, 2019

TO: All Staff  
Internal Audit Department

FROM: Aggie Alonso, CPA, CIA, CRMA  
Internal Audit Department Director

SUBJECT: Process Improvement & Innovation (PI&I) Workshop Internal  
Action Plan

The following is an action plan document prepared in response to the Process Improvement & Innovation workshop held on April 29, 2019. Scott, Michael, and I reviewed the workshop summary that was issued on April 30, 2019. In the workshop, categories were created from the concerns we listed on post-its. This action plan addresses the three highest concern categories according to the voting results. This action plan also addresses the next two most common concerns noted in the categories. We also created categories from the strengths we listed on post-its and held a discussion regarding those strengths. We've taken some of the suggestions to build on those strengths as action plan items to address the five concern categories.

### HIGH-PRIORITY CONCERNS

1. Staff Advancement
2. Staffing/Resource Issues
3. Outdated Policies and Procedures

### POST-IT CONCERNS (not addressed above in High-Priority Concerns)

1. Telecommuting
2. Exposure to Integrated Audits

### HIGH PRIORITY CONCERN #1 - STAFF ADVANCEMENT

Staff are concerned about a lack of promotional opportunities and low pay.

### ACTIONS PLANNED:

1. IAD management will review the administrative manager classification and compensation study results when issued by the CEO (time TBD). This could result in salary adjustments.
2. The Director will consider alternatives in lieu of compensation, such as telecommuting, by October 31, 2019 (see below) and offsite online continuing professional education by May 31, 2019 (see below).
3. The Director will increase budgeted training hours for all audit staff to 60 hours per fiscal year, effective July 1, 2019, to allow for professional development that could result in staff advancement.
4. IAD management will continue and emphasize stretch goals and challenging assignments to develop staff for promotional opportunities.

Internal Audit Department All Staff  
May 9, 2019  
Page 2

### **HIGH PRIORITY CONCERN #2 - STAFFING/RESOURCE ISSUES**

Staff are concerned about staffing levels and resources.

#### **ACTIONS PLANNED:**

1. The Director will review the organization chart and determine the status of the vacant audit manager II position by July 31, 2019.
2. IAD management will allow IT and ICA Audit Manager Is to cross-train during the FY 2019-20 audit plan. Senior Auditors will be given an opportunity to work on IT projects (see below).
3. The Director is also assessing the needs of the Internal Audit Department and if additional resources or a departmental re-organization is necessary, the Director will develop a plan of action by September 30, 2019

### **HIGH PRIORITY CONCERN #3 - OUTDATED POLICIES AND PROCEDURES**

Staff are concerned about outdated audit templates and policies and procedures.

#### **ACTIONS PLANNED:**

1. The Assistant Director will lead a project to update the audit manual by June 30, 2020.
2. The Senior Audit Manager will assign ICA Audit Managers the duty of updating internal control questionnaires for all seven ICA cycles by December 31, 2019.

### **POST-IT CONCERN #1 - TELECOMMUTING**

Staff would like the option of telecommuting.

#### **ACTIONS PLANNED:**

1. The Director will implement a pilot program for telecommuting period by October 31, 2019.
2. The Director will allow online continuing professional education to be done offsite, effective May 31, 2019.

### **POST-IT CONCERN #2 - EXPOSURE TO INTEGRATED AUDITS**

Staff would like exposure to integrated audits.

#### **ACTIONS PLANNED:**

1. IAD management will allow IT and ICA auditors (Audit Manager Is and Senior Auditors) to cross-train during the FY 2019-20 audit plan cycle by June 30, 2020.
2. For one ICA to be performed in the FY 2019-20 audit plan cycle (TBD), the ICA team will have the IT team review IT controls over the relevant area under audit by June 30, 2020.

Thank you everyone for your participation in the workshop. Your input is valuable in improving the effectiveness and efficiency of our Internal Audit Department. Please contact Scott, Michael, or myself if you have any questions.



# Memorandum

November 19, 2020

**AOC Agenda Item No. 8**

TO: Audit Oversight Committee Members

Recommended Action:

Presentation by Chief Financial Officer regarding the Budget and Strategic Financial Plan (SFP) Processes

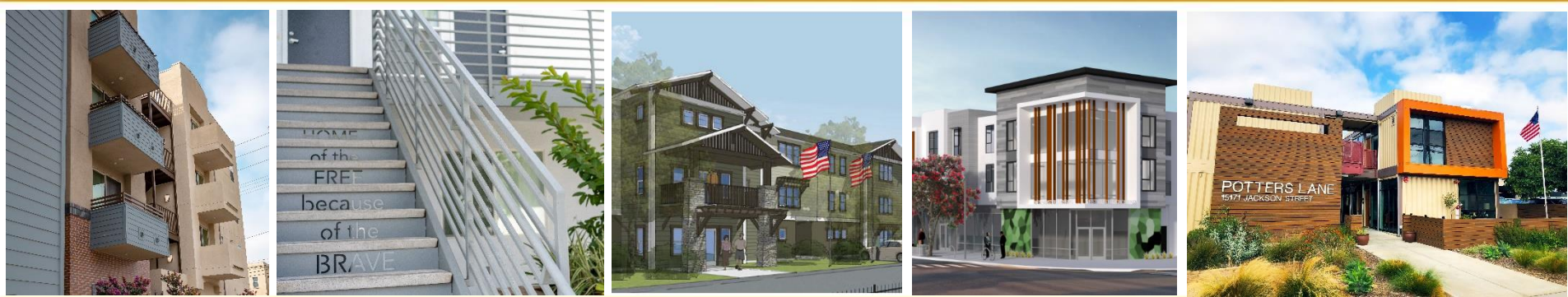
---

Presentation by Chief Financial Officer regarding the Budget and Strategic Financial Plan (SFP) Processes, as stated in the recommended action.

ATTACHMENT(S):

Attachment A – Budget SFP Processes

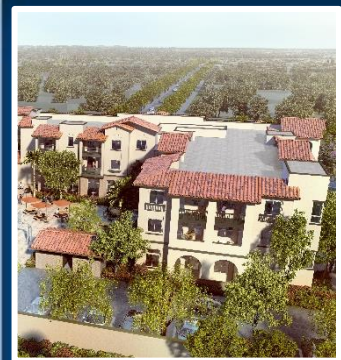




# AUDIT OVERSIGHT COMMITTEE

## Budget & Strategic Financial Plan Process Overview

November 19, 2020  
Michelle Aguirre



County of Orange



# Board Priorities

Adopted in 2012 and Reaffirmed in 2015

- Stabilize the Budget
- Prepare for Contingencies
- Address and Fund Agency Infrastructure



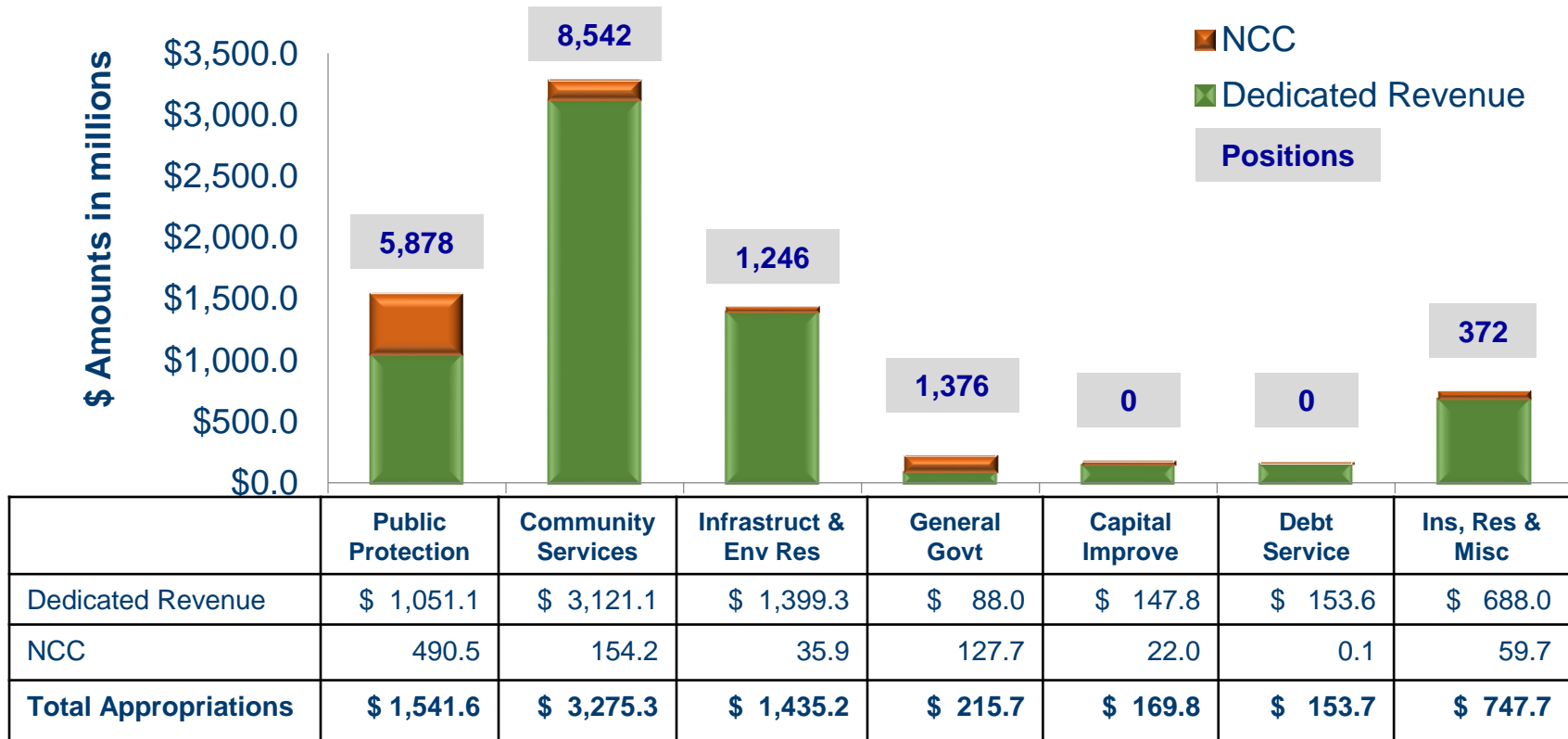


# Planning Process



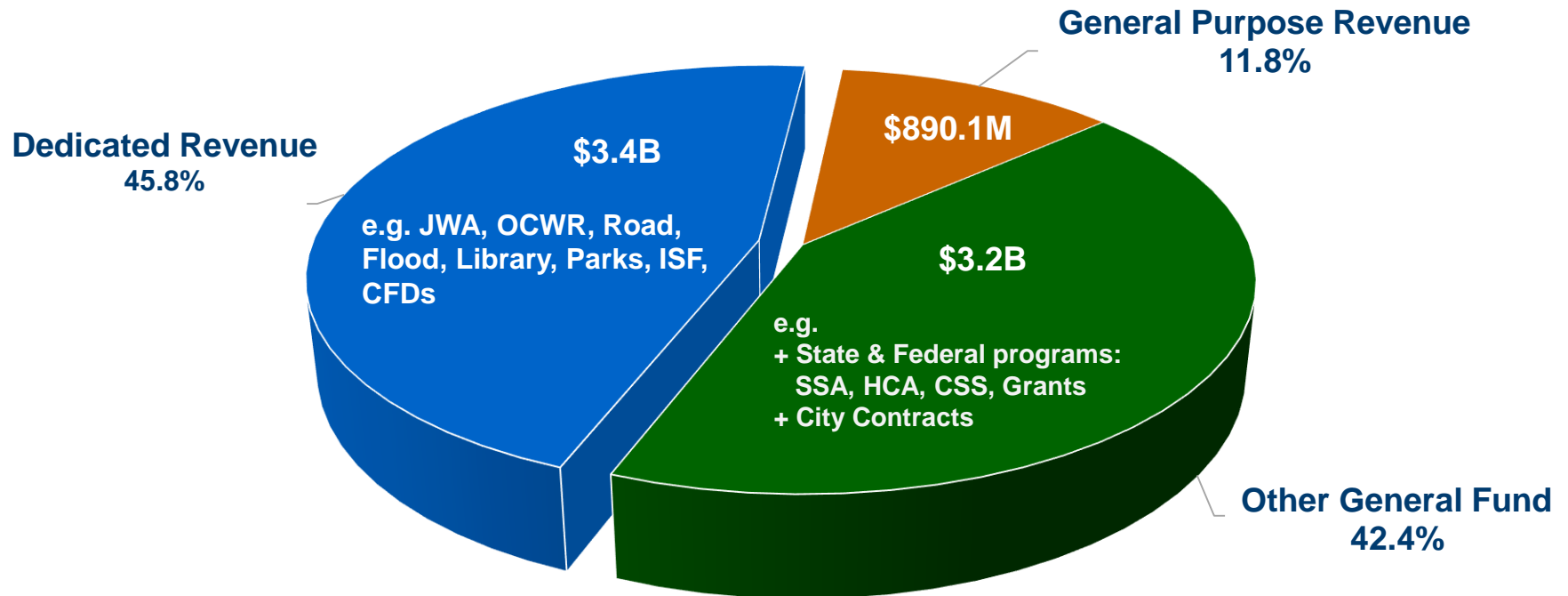
# County Appropriations & Positions by Program

FY 2020-21 Recommended Budget Total = \$7.5 Billion



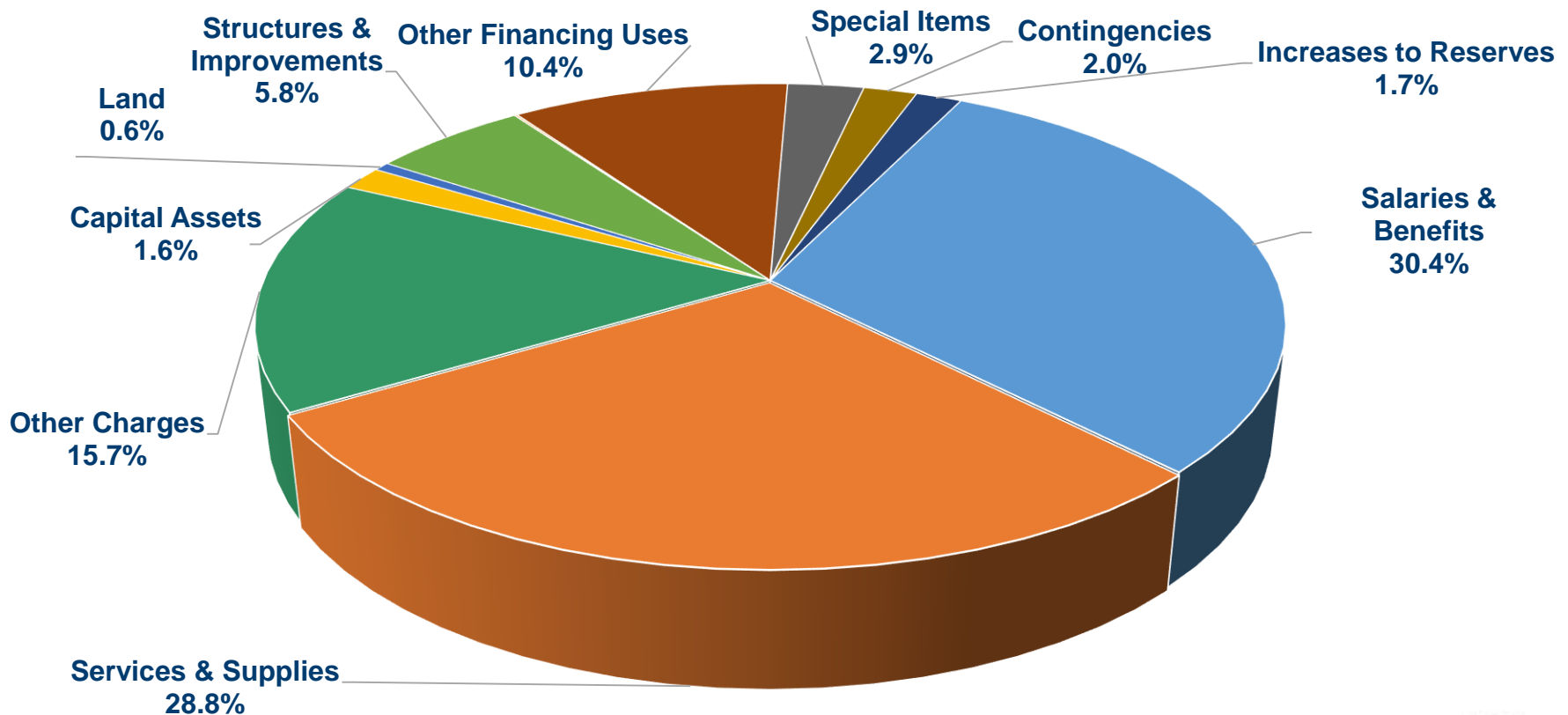
# County Revenue Budget

FY 2020-21 Recommended Budget Total = \$7.5 Billion



# County Appropriations by Expenditure Category

## FY 2020-21 Recommended Budget Total = \$7.5 Billion



# Integrated Services Strategy Vision 2025

- Reduce the number of mentally ill in our jails and the number of individuals in the County's system of care overall by wrapping them in services until they achieve self-sufficiency



# Memorandum

November 19, 2020

**AOC Agenda Item No. 9**

TO: Audit Oversight Committee Members

Recommended Action:

Discuss Member Vacancies in Audit Oversight Committee, and Staff Vacancies in Internal Audit and Auditor-Controller Departments

---

Discuss Member Vacancies in Audit Oversight Committee, and Staff Vacancies in Internal Audit and Auditor-Controller Departments, as stated in the recommended action.



# Memorandum

November 19, 2020

**AOC Agenda Item No. 10**

TO: Audit Oversight Committee Members

Recommended Action:

Receive Report on Status of Auditor-Controller Mandated Audits

---

Receive Report on Status of Auditor-Controller Mandated Audits, as stated in the recommended action.

ATTACHMENT(S):

Attachment A – Status of Mandated Audits as of September 30, 2020



Auditor-Controller Internal Audit  
 Status of Mandated Audits  
 As of September 30, 2020  
 AOC Meeting Date: November 19, 2020

Audit Name	Audit No.	Budget Hours	Actual Hours	Variance	Draft Report	Final Report	Status
Audit of Schedule of Assets as of 6/30/18	N/A	N/A	N/A	N/A	N/A	7/29/2020	Completed
Audit of Schedule of Assets as of 6/30/19	N/A	N/A	N/A	N/A	N/A		Review in process
Audit of Schedule of Assets as of 6/30/20	N/A	N/A	N/A	N/A	N/A		Not started
Cash Shortages FY 19-20	1901	100	41	59	N/A	N/A	Completed
Cash Shortages FY 20-21	2001	100	35	65	N/A	N/A	1 in process, 2 complete
JPA's and Special Districts FY 18-19*	1913	100	110	-10	N/A	N/A	Collection in process
JPA's and Special Districts FY 19-20*	2012	100	0	100	N/A	N/A	Collection in process
Review of Schedule of Assets as of 3/31/20	1908	280	240	40	8/4/2020	8/10/2020	Completed
Review of Schedule of Assets as of 9/30/20	2006	280	15	265			Planning in process

\*We collect copies and post them online.





Auditor-Controller Internal Audit  
Status of Mandated Audits  
As of September 30, 2020  
AOC Meeting Date: November 19, 2020

### Audit of Schedule of Assets as of 6/30/18

Objective	Status/Results	Material Weaknesses or Significant Deficiencies	Control Deficiencies
To perform an annual audit to provide an opinion on whether the Schedule of Assets is presented fairly, in all material respects, in accordance with the modified-cash basis of accounting. This engagement has been contracted out to Eide Bailly LLP.	Final report was issued on July 29, 2020.	0	0

### Audit of Schedule of Assets as of 6/30/19

Objective	Status/Results	Material Weaknesses or Significant Deficiencies	Control Deficiencies
To perform an annual audit to provide an opinion on whether the Schedule of Assets is presented fairly, in all material respects, in accordance with the modified-cash basis of accounting. This engagement has been contracted out to Eide Bailly LLP.	Review by Eide Bailly is in process.	0	0

### Audit of Schedule of Assets as of 6/30/20

Objective	Status/Results	Material Weaknesses or Significant Deficiencies	Control Deficiencies
To perform an annual audit to provide an opinion on whether the Schedule of Assets is presented fairly, in all material respects, in accordance with the modified-cash basis of accounting. This engagement has been contracted out to Eide Bailly LLP.	T-TC and EB are waiting until the final report for 6/30/19 has been issued to start.	0	0



Auditor-Controller Internal Audit  
Status of Mandated Audits  
As of September 30, 2020  
AOC Meeting Date: November 19, 2020

### Cash Shortages FY 19-20

Objective	Status/Results	Critical/Significant Control Weaknesses	Control Findings
To perform an investigation to determine whether to approve replenishment of cash shortages.	0 investigation(s) in process and 4 complete. Department(s) in process: None	0	0

### Cash Shortages FY 20-21

Objective	Status/Results	Critical/Significant Control Weaknesses	Control Findings
To perform an investigation to determine whether to approve replenishment of cash shortages.	1 investigation(s) in process and 2 complete. Department(s) in process: OCCR	0	0

### JPA's and Special Districts FY 18-19

Objective	Status/Results	Number of Modified Reports Reviewed	
To ensure all JPAs and Special District within the County file their annual audits within 12 months of their fiscal year end.	Collection of audited financial statements is in process. JPAs remaining: 18 of 72. Reminder email was sent on 7/20/20. Special Districts remaining: 12 of 34. Reminder email was sent on 7/20/20.	0	



Auditor-Controller Internal Audit  
Status of Mandated Audits  
As of September 30, 2020  
AOC Meeting Date: November 19, 2020

### JPA's and Special Districts FY 19-20

Objective	Status/Results	Number of Modified Reports Reviewed	
To ensure all JPA's and Special District within the County file their annual audits within 12 months of their fiscal year end.	Collection of audited financial statements is in process. JPA's remaining: 73 of 73. Special Districts remaining: 34 of 34.	0	

### Review of Schedule of Assets as of 3/31/20

Objective	Status/Results	Material Weaknesses or Significant Deficiencies	Control Deficiencies
To perform quarterly reviews to report whether we are aware of any material modifications that should be made to the Schedule of Assets for it to be in accordance with the modified-cash basis of accounting.	Final report was issued on August 10, 2020.	0	0

### Review of Schedule of Assets as of 9/30/20

Objective	Status/Results	Material Weaknesses or Significant Deficiencies	Control Deficiencies
To perform quarterly reviews to report whether we are aware of any material modifications that should be made to the Schedule of Assets for it to be in accordance with the modified-cash basis of accounting.	Planning in process.	0	0



# Memorandum

November 19, 2020

**AOC Agenda Item No. 11**

TO: Audit Oversight Committee Members

Recommended Action:

Receive Report on Status of Performance Audits

---

Receive Report on Status of Performance Audits, as stated in the recommended action.

**ATTACHMENT(S):**

Attachment A – Performance Audit Activity Quarterly Status Report

Attachment B – Performance Audit of Human Resource Services Final Report

Attachment C – 2020 HRS Audit Recommendation Responses with Goals

Attachment D – OCIT PM & PPM Tool Assessment Findings Presentation

PERFORMANCE AUDIT ACTIVITY  
Quarterly Status Report  
November 19, 2020

Attachment A

Department	Division/Program	Third Party Auditor	Previous Audit	Audit Scope	Status	Significant Findings
FY 2018-19						
County Executive Office	Human Resource Services	CPS HR Consulting	2011	Determine if 2011 recommendations were implemented and revisit for relevance; identify other recommendations for improvement	Completed	None
County Executive Office	Information Technology	DRMcNatty	N/A	Assess current need and make recommendation for a new project management software tool	Completed	N/A

**PERFORMANCE AUDIT ACTIVITY**  
**Quarterly Status Report**  
**November 19, 2020**

**Attachment A**

Department	Division/Program	Third Party Auditor	Previous Audit	Audit Scope	Status	Significant Findings
<b>FY 2019-20</b>						
Auditor-Controller	Department-Wide	Moss Adams	N/A	Review organizational structure, operations, staffing levels, mandated vs. non-mandated services, policies/practices/procedures, use of technology, training	In progress	
OC Community Resources	Grant-related Operations	Measured Resource Company	N/A	Review effectiveness in drawing down competitive funding for homeless services, and affordable and permanent supportive housing relative to other California counties	In progress	
Treasurer-Tax Collector	Department-Wide	Arroyo Associates	N/A	Review operations, policies, practices, and procedures to identify opportunities for enhancing service delivery, streamlining processes, expanding efficiencies, applying best practices, etc.; review existing staffing levels for adequacy	In progress	
Sheriff, Probation, District Attorney, Public Defender, Health Care Agency, Social Services Agency, and OC Community Resources	AB109-Related Operations	Arroyo Associates	N/A	Identify resources allocated to the AB109 population above and beyond that provided by the State through 2011 Realignment	In progress	

**PERFORMANCE AUDIT ACTIVITY**  
**Quarterly Status Report**  
**November 19, 2020**

**Attachment A**

Department	Division/Program	Third Party Auditor	Previous Audit	Audit Scope	Status	Significant Findings
<b>FY 2020-21</b>						
OC Community Resources	Procurement	National Institute of Governmental Purchasing (NIGP)	N/A	Review procurement functions for compliance with County policy and procedures, compliance with government statutes, and recommendation for streamlining	Pending vendor quote	
OC Public Works	Administration	TBD	N/A	Review administrative operations, policies, practices and procedures and make recommendations to streamline, reduce costs, expand efficiencies, apply best practices	RFP development	
Probation	Administration	TBD	N/A	Review administrative operations, policies, practices and procedures and make recommendations to streamline, reduce costs, expand efficiencies, apply best practices	RFP development	
Public Defender	Administration	TBD	N/A	Review administrative operations, policies, practices and procedures and make recommendations to streamline, reduce costs, expand efficiencies, apply best practices	RFP development	

September 15, 2020

# Orange County Human Resources Performance Assessment

## FINAL REPORT

SUBMITTED BY:  
JEFF HOYE  
REGINA W. ROMEO  
LEENA RAI

CPS HR Consulting  
2450 Del Paso Road, Suite 220  
Sacramento, CA 95834  
P: 916-471-3358  
jhoye@cpshr.us  
Tax ID: 68-0067209  
[www.cpshr.us](http://www.cpshr.us)





# Table of Contents

## Contents

Introduction – The Value of Human Resources .....	1
Scope of Work .....	1
Survey .....	3
Methodology .....	4
Subject Matter Expert Collaboration .....	4
Metrics Analysis .....	4
On-Site Interviews and Focus Groups .....	4
Orange County Human Resources Services Background .....	5
Findings and Recommendations .....	7
Benefits .....	9
HRS Budgeting .....	9
Analytics and Metrics .....	10
Recruitment .....	15
Learning & Organizational Development .....	18
Staff Development .....	19
Performance Management .....	20
Recommendations .....	21
HRS Accomplishments: .....	22
Conclusion .....	24

## Executive Summary

The purpose of this project was to conduct a comprehensive functional assessment for the Orange County Human Resources Services (HRS) Department in relation to previous audits. Deliverables include detailed findings and recommendations aligned with the goals and objectives of the County and presented in a final written report. The report includes:

- Identification of strengths and opportunities.
- Themes requiring attention and recommendations on necessary actions.
- Recommendations around structure, services, staffing, interaction points, and operations.

Orange County and HRS have many opportunities to make positive and impactful changes which will leverage the value of HR and drive performance. Our assessment findings and recommendations reflecting this are summarized in this report although multiple changes and improvements have been made over the past year. In addition, a hard-hiring freeze and COVID 19 issues have created such a significant change to the work environment which in turn has caused the timeliness and the subsequent findings of this report to be less significant. An overview of the finding includes:

- The County continues to suffer the effects of not having a strategic plan for its HR function and operates in a capacity that is reactive instead of proactive.
- Greater communication is needed with information flow from the CEO's office to HRS regarding budget, planning, priorities and objectives.
- There is no countywide performance management plan or system.
- There are thirteen (13) different management systems currently in use but not a countywide methodology, standard or expectation for employees.
- The turnover rate for employees has risen significantly (32%) after three years. Exit interviews and other analysis have not been conducted due to less than adequate staffing and other budgetary cuts although added measures and improvements continue to be implemented to improve recruiting systems.
- Recruitment timelines are protracted due to dated processes, ongoing turnover, and a high volume of hiring requests with less than adequate staffing levels.
- Data collection, metrics, and analytics are in its infancy and there is no historical data to do a comparative analysis on the state of HR year over year.

## Introduction – The Value of Human Resources

Highly functioning Human Resources (HR) Departments support and drive high organizational performance and effectiveness. Fundamentally, there are three key hallmarks of great HR functions:

- They connect by partnering with stakeholders inside and outside of the organization to improve operational and people performance.
- They prioritize by using data-driven insights to identify and focus on the most urgent HR priorities.
- They create an impact by using key performance indicators and tools to support the organization and its strategic goals.

Great HR functions have built their department's capabilities in the following areas, progressing from transactional efficiency, to programmatic effectiveness, to strategic impact. These areas can be defined as such

- Transactional efficiency is how the department handles administrative tasks – the foundations of getting required tasks done. Success is measured by efficiency.
- Programmatic effectiveness is the design and implementation of innovative practices and programs that work, serving employees and the organization. Success is measured by effectiveness.
- Strategic impact is how HR supports and is aligned with organizational strategy, partnering with departments to support their needs, and looking to the future. Success is measured by impact.

Finally, highly performing HR departments have HR staff that possess high competency, technically and behaviorally.

## Scope of Work

In 2019, CPS HR was commissioned to provide Orange County with the following tasks and deliverables:

1. Document and categorize initial recommendations
  - CPS HR reviewed the 50 recommendations from the previous audits and analyzed the corrective actions that were taken.
2. Initial feedback on status, prevalence, and relevance
  - CPS HR conducted a total of thirteen focus group and one-on-one interviews with key HR management and staff.
3. Barriers analysis
  - CPS HR initiated interviews and site visits in all identified areas of highest risk and benefit.
4. Audit of HRS functional components
  - CPS HR mapped several functional areas within HRS.
5. Analysis of Centralized status
  - CPS HR performed field visits and interviews with each de-centralized office.
6. Assessment of HR Operations satisfaction
  - Detailed later in this report.
7. Initiate draft report

- CPS HR initiated a draft report to identify gaps and areas for improvement and suggested categorical corrective actions to resolve gaps.
8. Review and respond to Orange County comments
    - CPS HR presented draft report findings to HRS leadership and designated HR leads in de-centralized departments for review and response on March 9, 2020.
  9. Complete and submit final report
    - CPS HR reviewed responses and made any corrections prior to completing and delivering this final report.

## Survey

After discussions with the Chief Human Resources Officer (CHRO), it was recommended to perform a survey shortly after the initial assessment and interviews with HR management and staff. And as such a survey to assess the level of satisfaction amongst designated staff and stakeholders with HR Operations is one of the deliverables that is part of this assessment.

HRS has a plethora of new initiatives and process improvements that are being implemented, by conducting a separate survey HRS is able to gather feedback about those programs. In addition to an initial survey, subsequent “pulse surveys” would also be administered to measure the effect and impact of each HR program implementation.

A half day focus group with HR management was held on March 9, 2020 with another follow up meeting scheduled for April 2020. The purpose of these meetings was to discuss findings, review the draft report and recommendations, and craft a survey model and timeline to focus on each business unit’s path forward. The information would have been gathered and reported to form a foundation for the HR Strategic Plan for the County. The ability to follow up with further on-site interviews and survey deployment was impacted by the onset of the pandemic and a state-wide “Stay-at-Home” initiative in March 2020 in response to COVID-19.

At the writing of this report, the survey has not been conducted. However, as discussed with the CHRO, CPS HR is prepared and ready to fulfill this obligation and will conduct the survey when it is administratively feasible for the County.

## Methodology

The analysis of the current HR performance incorporated multiple methodologies, as outlined herein:

### Subject Matter Expert Collaboration

CPS HR Consulting provided a high-level view of the project to the CHRO and HR managers in July 2019, identifying key subject matter experts (SME) in each work area. Subsequent interviews with the individual managers were conducted on site to obtain a comprehensive understanding of each area's workload, current processes, and any recent changes to the processes. Additionally, CPS HR requested background information, including historical workload metrics and previous reports to review information where needed.

### Metrics Analysis

Quantitative performance metrics were requested to conduct trend analyses on the volume of work within each unit, determine the efficacy and efficiency of governing policies, and review the fiscal impact to the County overall. As mentioned before, the County only recently began to capture this information, CPS HR relied on the data available and other current reports to identify trends. Performance metrics were reviewed in context of current practices to assess alignment with best practices for relevant key deliverables and to keep the information in perspective in terms of the information available.

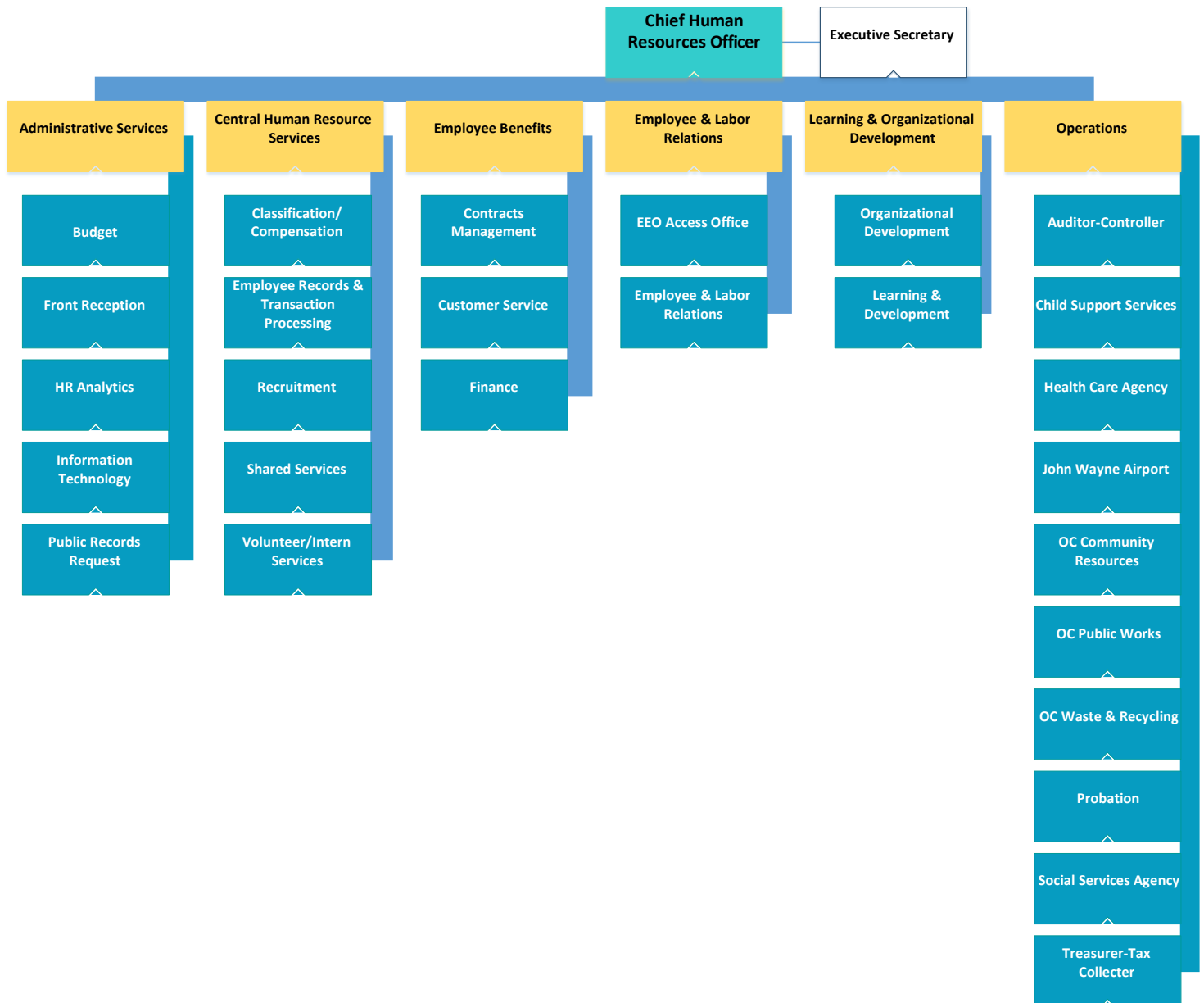
### On-Site Interviews and Focus Groups

On-site interviews and focus groups were used to determine progress of the final three key HR performance findings, pending completion from the 2011 and 2015 audits. The consultant team conducted several on-site interviews and focus groups with employees and managers.

The ability to follow up with further interviews and on-site document review was also impacted by a state-wide "Stay-at-Home" initiative in response to the COVID-19 pandemic. The CPS HR team was also initially impacted by internal turnover; however, measures were taken to immediately identify equivalent expertise and minimize impact to the overall timeline.

# Orange County Human Resources Services Background

## Organizational Chart



Human Resources Services (HRS) is a division of the Orange County Chief Executive Office. The following divisions report to the Chief Human Resources Officer:

- **Administrative Services:** responsible for the oversight, direction and management of administrative functions to support HRS including Budget & Finance, Procurement & Contract Services, Legislative Affairs, Agenda Staff Report (ASR) Coordination, Reports & Analytics, Facilities, and dotted line operational supervision of Information Technology Services provided by OC Information Technology.
- **Central Human Resources Services:** Central HRS supports the management and staff in their day-to-day business activities and helps align organizational processes with industry best practices. Divisions within Central are *Classification & Compensation* which ensures consistency in the application of salary practices; establishes and maintains a sound classification structure for the organization, *Employment Records and Transaction* which ensures transactions are in compliance with contracts, policies, and laws; maintains all employee records and files. Recruitment which attracts and recruits a highly-skilled and competent workforce enabling departments to provide their critical services to the community. Works with department and community partners to provide professional development opportunities within the organization to members of the public and *Shared Services* which provides advisory services to assigned departments in staffing, performance management, and employee relations.
- **Employee Benefits** consists of four divisions: *Contracts* who manage 24 contracts providing a range of benefits for County employees, retirees, and dependents while continuously evaluating and modifying programs and service delivery to address needs of County employees, retirees, and families, while controlling rising benefit costs in a rapidly changing industry. *Compliance* ensures that plans and services adhere to legal mandates and contractual agreements. *Employee Wellness* Implements, manages, and evaluates activities in support of employee wellness and work-life balance. *Communication & Customer Service* Facilitates communication, education and quality customer service through written and electronic information, educational seminars, call center support, and issue tracking resolution.
- **Employee and Labor Relations:** manages labor negotiations, interprets collective bargaining agreements, advises management on employee relations issues such as corrective actions and appeals, and ensures employment practices are non-discriminatory.
- **Learning and Organizational Development:** develops learning and development opportunities and solutions to effectively address the learning and professional growth needs of the County. They also build and implement leadership growth pathways to better serve the needs of the County. L&OD serve as a strategic change agent focused on facilitating positive change, transforming culture, enhancing team effectiveness and designing organizational strategy. Using a client-centered, consultative approach, we support leaders, teams, and departments.
- **HRS Operations** supports County departments and agencies by offering centralized and on-site HR services. Nine embedded teams provide recruitment, employee relations, personnel transactions, return-to-work, employee relations and training and development to large departments.



## Findings and Recommendations

For historical purposes, the audit reports of 2011 and 2015 were reviewed to create a basis of understanding for the previous state of HRS. Unfortunately, much of the content was no longer relevant or applicable, due to the length of time since the audit and the mercurial nature of not only the field of HR but also the economy, staffing, processes, etc. since the year 2011. Due to this the audit findings were not used as a governing document or road map for the performance of this assessment. Instead, CPS HR reviewed the last three outstanding recommendations as requested and proceeded to evaluate and develop current key areas of HR to study based on initial interviews with management and staff.

In the audits conducted in 2011 and 2015, several HR-related issues were reviewed including the efficacy of a centralized HR model vs. a decentralized model. The union and departments gave their feedback on centralization vs. decentralization.

### From the Union's Point of View:

*(Decentralization is not working well). Human Resources at the County needs to be centralized. It is more efficient and things that impact salary and classification need to be handled from a corporate perspective. Consistency is important. Benefits and other elements of HR are tied to negotiations and they need to be coordinated through the corporate office. Employee discipline, employee records, should all be centralized otherwise there are different applications within departments like with administrative leave.*

The County recentralized their operations and it remains mostly centralized today. While some duties are still decentralized, most operations including onboarding, recruitment, benefits, employee relations, and labor relations remain in the central office.

The 2011 audit ultimately yielded 64 (labeled 1-50 with additional sub-recommendations) recommendations. By the time the County engaged with CPS HR for this project, all but three recommendations had been completed and implemented as outlined below:

Performance Findings and Recommendations from 2011 & 2015	
#	Recommendation
2	5-year strategic plan and HR business plan including mission, goals and performance metrics
11	Benefits consultant contracts (BCC)
12	Modify invoice reporting to require billing for each employee or the consultant form
13	Performance metrics on BCC
14	Contractor performance – open enrollment
16	Self-reporting by 3rd party vendors
38	Manager pay for performance program
39	Executive Manager appraisal system
40	Annual performance evaluations
41	Performance Evaluation Ratings
50	HR strategic plan and departmental oversight

The pending items and their progress as of 2019 were reported as:

- Develop a five-year HR strategic plan for the County and add a more robust HR service plan to include mission statement, goals and performance metrics consistent with industry best practices.
  - HRS has developed a vision, mission statement, and strategic goals. In its 2013 business plan, it lists performance measures and specific goals for centralization. Performance metrics were recently developed and are being implemented. HRS has provided the Board with annual status updates.
- Required labor organizations with financial reporting requirements to submit those reports annually.
  - Employee Benefits Division currently reviews annual audits of the AOCDS medical trust under the provisions of the AOCDS MOU. The other labor organizations have medical coverage provided directly under the County plans and no labor auditing is necessary. Follow up needs to be conducted to ensure that the other labor organizations are following the report submission process identified in their MOU's.
- Develop a more formal and robust executive management appraisal system that includes guidelines and is consistent with the standards of the administrative management pay for performance program.
  - HRS and OCMA formed a joint County/labor team and started periodic meetings. It is pursuing a new performance evaluation model to replace pay for performance. Once the new performance evaluation tool is established it will be disseminated throughout the County.

## Benefits

The previous audit made recommendations for the Benefits unit financial reporting. While this assessment did not focus on an assessment of the Benefits Unit, it should be noted that the Benefits Unit has made changes as recommended in previous audits.

## Findings

From 2016 to 2019, Benefits administration was outsourced to Secova and the call center/customer services duties were being supplemented in-house due to a large number of service problems and participant escalations. While working with this vendor, it became apparent they were not equipped to meet the needs of an agency with the size and complexity of Orange County. As the initial contract period was approaching, the County opted to conduct a Request For Information (RFI) to consider other options in the marketplace and get market feedback on administration for the County's unique needs. Following this process, the County went out to bid on a new vendor in 2018. Effective June 1, 2020 the County transitioned its benefits administration services to Alight Solutions. This vendor was chosen due to their ability to adequately govern the wide range of various benefits offered by the County. The County will continue to monitor and review their performance and extend or sever the relationship as needed. In addition, Employee Benefits will provide to the Board of Supervisors a mid-contract evaluation report with performance metrics in early 2023.

## Recommendation

- Include more information about County benefits on recruitment materials and job opportunities. Applicants are interested in knowing the full cadre of benefits. The County offers a generous benefits package which can be used as a recruitment tool.

## HRS Budgeting

A notable component of this study involved the mapping of information flow, accessibility to data for planning and decision-making, and the ability for each HRS division to be both independent in its workflow and yet interdependent within the systemic organization flow as it relates to budget transparency. This challenge affects functional units within HRS limiting planning capabilities to project staffing needs, program and service offerings, or the introduction of new technology and resources.

## Findings

In fiscal year 19-20, Orange County had a base budget of \$6.8 billion, of which \$3.7 billion is the General Fund budget. In its budget documents, the recent history and upcoming assumed plans for each department are listed as part of the budget documents. The County's website states: *The County Budget Office is part of the County Executive Office and reports to the County Finance Officer. The division's primary responsibility is the County's budget: planning, preparation, presentation, and monitoring and development of the County's Long-Range Strategic Financial Plan...* The annual budget is developed by the Chief Executive Office and given to the CHRO after it has been finalized. To combat this challenge, over the past year, HRS, through its Administrative Services team, continues to build a strong and healthy relationship with CEO budget and currently shares information so that HRS can make well informed business decisions.

HRS has increased its participation into how the final budget is crafted. but more effort is recommended between both HRS and CEO Budget

- HRS must get approvals for budget related items.

- HRS must continue to work with CEO Budget to define a more functional method to provide budget input for creation and adoption.
- Decreased control creates a “solicitor-vendor” relationship instead of strategic partner relationship.
- HR and CEO needs to continue to increase collaboration on how the budget is managed on an ongoing basis, how much funding has been used and what is left over for possible reallocation.

HRS is Continuing to build greater unity with the CEO’s budget team to ensure complete budget details are delivered, including budget priorities, projected expenditures, and overall spending direction by the CEO’s office. Transparency in the budget is essential for the Administrative Services team to inform other HRS functions to comprehensively plan services and project related costs. In comparison, The Benefits Division has more input and autonomy over the budget unit than the CHRO has over the HRS budget. More consistent monthly budget updates are necessary for HRS to maintain awareness of how much funds are available at any given time during the fiscal year

## Recommendations

- Continue to increase collaboration in the development of the annual budget for HRS. The CEO can still have oversight but the CHRO should be involved to determine appropriate priorities, staffing levels, objectives and allocations for HRS.
- Discuss quarterly recommendations for budget considerations with the CHRO.
- Focus on the outcomes and shared goals for HRS as it relates to the County’s Fiscal Strategic Plan.
- Proactively communicate monthly budget updates to the CHRO so determinations, recommendations, and actions can be discussed and decided in real time.
- Discuss any freezing, underfilling, or abolition of allocated positions with the CHRO and the respective Department Head before taking any action. These conversations have impacts for HRS’ service delivery.

## Analytics and Metrics

Administrative Services within HRS seeks to establish itself within the functional measurement of human resources and as a definitive source of information and data analytics. The unit has made it a priority to address deficiencies in performance metrics that were either not being captured or were being gathered inconsistently and haphazardly. Other priorities include, reducing inconsistencies in measuring, producing desired metrics of key performance indicators, utilizing advanced and manageable technological tools for analytics, centralizing communication and support for County employees, and providing as needed consultation on metrics towards decision-making and strategic planning.

The team endeavors to minimize inconsistencies in measuring and recording and communicating key performance indicators. This is accomplished by gathering needed information on desired metrics by County employees, determining ideal recording systems, and providing greater accessibility to County employees. They also provide centralized guidance and support to County employees on delivering requested information and offer consulting services to help make sense of the information for decision making, strategic planning, and engaging in continuous improvement.

Analytics and metrics development of key systemic functions is twofold:

- Identify and develop the key metrics which directly link with the strategic mission, vision, and values of the County; as well as the needs, expectations and requirements of the County's departments and agencies.
- Determine the purpose these metrics are to be used for, whether it be analytics used to make critical decisions in regard to causality and consequences of specific events, or used as recruitment strategies, hiring practices, or onboarding procedures.

As in all areas of management, County HRS has proceeded on the strength of the idiom that "what cannot be measured, cannot be managed". Therefore one of the County's key initiatives is ensuring that the full range of human resources needs are being addressed, met, and effectively managed with the expectation that a full range of metrics, incorporating the needs of County agencies and staff are detailed and developed into useful measures of performance.

Administrative Services has progressed by creating the needed infrastructure critical to managing key performance metrics. It has also developed the technical and data driven systems, structures, and services which capture, measure, record, and report information which can be utilized in making key decisions. Towards this end, the Administrative Services team has effectively endeavored to:

- Evaluate, engage and become a consultant to County departments and divisions by identifying and delineating critically needed and desired performance metrics used as a benchmark of time and process. County departments were asked to identify functional areas, such as recruitment, timeliness of hiring, and onboarding processes which consequently had a direct impact on candidate choice, rapidness of onboarding, and also retention.
- Design and develop specific metrics, performance measurement strategies, tools, and collection processes which are structured to ensure validity and reliability of data. Additionally, Administrative Services team staff serve as a source of guidance to County departments, administrators, and staff on how to access and distribute critical data.
- Coordinate and connect networked and multi-platformed technology to link strategies for collection of data from each County agency; customize and synchronize networked systems to allow County employees to have more accessibility to enter information, request required data, and to print out reports and analyses to be better utilized by Department administrators.
- Support and continuously improve processes and procedures to enhance data collection and respond to County employees to ensure that they are receiving and being able to access reports and information critical for their operations.

The Administrative Services division was instituted in response to the need for established and continuously improving key performance functional metrics which will then lead to sound and reliable information for planning and decision-making analytics. Given the enormity of this task, critical systemic, structural, and strategic process, procedures, and practices are needed as the

division of Administrative Services, within the County's Human Resources Services continues to become further established from critical systemic, structural and strategic procedures and practices.

## Findings

HRS initiated a concerted effort to develop a systematic approach within the centralized services to not only enhance the scope of metrics available but also connect them with the technological tools and apparatus used to collect, link, and communicate findings to users. The purpose of this endeavor was to ease the collection and dissemination for end users.

In response to the 2015 Audit, Administrative Services has conducted measures on identification and consensus of HR Functions to measure their frequency and progress. Measurement of HR Functions in recruitment, hiring, and retention has enhanced, where it was once evaluated inconsistently, or not at all. Investigation methods now incorporate the information County employees require including information regarding recruitment, selection, hiring time, and retention, and have also been enhanced to include the frequency of:

- Identified the HR functions to measure including its frequency and progress.
- Measured and greatly enhanced HR functions in recruitment, hiring, and retention
- Extended previously limited measures for County employee needs and are now consistently measured.
- Expanded the key metric frequency to include:
  - Employee Relations
  - Investigations Conducted
  - Written Reprimands Issued
  - Suspensions Issued
  - Discharges Issued
  - Probation Releases
  - Meet and Confer/Discuss Processes Completed
  - Exit Interviews Conducted
  - Settlement Agreements Reached

Within the previously decentralized County system, measurement of functions was not conducted consistently, and was not based upon adherence to set procedures and policies. More so, each division was conducting its own investigations exposing themselves to the potential for corrupted data as their analysts may not have the proper credentials needed for such practices. Thus, with the creation of the Administrative Services Unit, a team of professional staff with expertise in data collection, developing key performance metrics, creating multi-level automated information collection platforms, and constructing analytic reports have been brought together. With this, Administrative Services has moved forward in understanding what information and data County employees need from HRS and how best to deliver and support them as they seek to enhance their internal operations.

## Recommendations

- **Establish the Measures that Matter:** Assess the root cause of an underlying issue impacting department operations as well as County expenditures. An example of this was

presented during a focus group meeting, where it was asked, “why does it take six to eight months from the start of recruitment to the time of onboarding to get qualified employees to fill needed vacancies?”. In this situation metrics could be utilized to measure the timeline from initiation of a recruitment, applicant selection, interviewing, employment offer and onboarding protocol completion. The weakness to this process however is that although it informs on time and the frequency of steps it still does not answer address the issue as to why the process is lengthy. It is vital then, that before each metric is established, that key questions and set parameters be addressed. This naturally involves a partnership with the Recruitment Team in developing these measures. In terms of recruitment to onboarding time:

The metrics which are directly linked to employee concerns and impact County operational flows are able to focus on measuring not only what is happening in quantitative metrics of time and frequency but also why it is happening. It can also demonstrate the qualitative nature in the context, circumstances, and conditions for its occurrence. Clearly, in asking these questions, the importance of ensuring what it should be, based upon set parameters and benchmarks becomes even more essential.

- **Transition from Operational Metrics to Quality Operational Metrics:** Effective HRS metrics cannot be viewed in isolation, there must be a holistic approach. Within this systemic capacity, metrics are essential in that they directly communicate improvement and creating a direct benefit to operations, functions, processes, protocols and procedures. Invariably, the advantage of improving processes are the essence of why metrics are utilized in the first place is to transform the onboarding process into a manufacturer of a qualified, engaged hire as the transition proceeds from an operational metric to a quality operational metric.

The critical work here then becomes defining what a “quality hire” is and how that is interpreted by different departments and agencies across the County. This will involve a continuous evaluation, and collaboration not only within the County’s departments but also throughout similarly structured regional county governments to determine who would be an appropriate candidate and also the length of the hiring process. Best practices and cross-functional measurement connect these dots.

- **Expand the Stakeholders:** As it creates processes to gather, analyze, and report critical metrics, the unit should expand its visibility to not only involve and engage internal County employees from the top down but also regional partners, other regional governments measuring their own HR functions, as well as the public. All parties should be aware of what is being studied, improved upon, and invested in. Structured outreach will involve effective education, marketing, and greater awareness of County employees on how each play a key role in attracting key talent, contributing to an effective learning environment and creating a new rebranding of the County as a strong employer.

Providing stakeholders and collaborators visibility into work and project progress further encourages elements of accountability, enables effective delegation, and is critical for empowering County staff and agencies to operate more nimbly and with greater responsiveness. Undoubtedly, this visibility has been enhanced with the HRS Newsletter detailing work being done within each HRS division.

- **Add Greater Detail and Expand Engagement:** Include the metrics which have been chosen, demonstrate why they are critical for effective County-wide operations, and illustrate how the information gathered will be used to enhance human resource functions. Additionally, greater visibility should shine light as to why certain HR functions need greater analysis and review, and what greater study will mean to improving overall County functions.
- **Synchronize Operational HR Metrics with County-wide Operational Goals and Decision-Point Analytics:** As the County's HRS moves from administrative and transactional to operational and strategic, a concerted movement should transition towards the goal of a "synced strategic collaborative" approach. HRS metrics are connected and intertwined with overall County metrics as well as individual County agency metrics. Consequently, operational measures, addressing how efficient, effective and impactful an organization's HR practices are should reflect what is of value and importance to the County as a whole. These metrics form the essential foundation for more reliable planning and strategically aligned analytics, focusing on decision points that more effectively guide program, performance and operational decisions. Consequently, harnessing those measures allows for greater understanding and predictability in how changes will affect a desired outcome.

The County's mission to engage residents and its own workforce while improving its internal processes and financial standing can directly be aligned with HRS metrics and assess employee engagement and satisfaction or calculate public response to County surveys to help solve broader strategic organizational objectives. In its most fundamental form, HRS metrics can be synced with County metrics to include:

- **Customer Metrics:** The County's goal to determine whether residents are satisfied with delivery of services can be linked to HRS Customer Metrics to gauge internal "customer" satisfaction with HR services and HR's ability to meet its users' needs. These customer focused metrics can effectively be used to identify improvement opportunities and enhance the quality of HR services. From measuring general topics such as overall employee satisfaction, to learning specific needs for example, leaders reporting the desire for leadership training.
- **Workforce Metrics:** County and agency interest in ensuring that employees are engaged, dedicated, and committed to the work in serving residents connects directly with HRS employee engagement objectives. Linked workforce metrics can then help to identify competency gaps on a county and individual agency level. It can recognize the implications of different hiring practices, attrition, and promotion strategies, and also seek to understand which talent characteristics foster high performance. Workforce metrics can also include information regarding succession plans, promotion rates, retention of high performers or critical segments, and provide insight to new hires who receive top performance ratings or leave within six months. Workforce metrics County-wide can quantify the strength of the talent pipeline and identify improvement opportunities that will ultimately help with overall retention and employee productivity.
- **Process Metrics:** Metrics can be used to measure the output and efficiency of HR processes which can in turn be linked to County and agency-level goals. They can also be



used to address high-level topics such as the effectiveness of submitting a request for data, improving reporting efficiency, reducing errors, and determining the overall volume of employee benefits transactions. Process Metrics, as an overall metric, can be linked across County, department, and HR functional lines to include insight such as job offer acceptance rate, number of HR data errors, and variance from compensation guidelines, serving as an particularly useful element to identify opportunities to improve HR processes and delivery mechanisms.

- **Financial Metrics:** Unquestionably, the County, as well as departments and agencies within the County must utilize metrics to determine their operational efficiencies. Linked through common financial metrics, HRS can quantify the cost and impact of HR processes and programs, and include information such as the cost of turnover, training spend per employee, return on investment of an HR initiative, or the costs and time involved in HR processes of recruitment to onboarding.

The lack of this strategic foothold subsequently has tasked Administrative Services with first, understanding what key information and data is needed and how to then set up the structure and systems to gather and collect the metrics valued and needed by County employees. Second and in tandem, Administrative Services must also ensure that the metrics needed align with County goals and with individual County agencies requesting the information. The strategic challenge then has been for Administrative Services to establish its role as a source of effective HRS task area functions and process improvement.

## Recruitment

According to the Recruitment Rules and Policies for Orange County, the Recruitment division within Central Human Resources Services (HRS) grounds its foundation on the County's need to effectively "recruit, select and advance employees on the basis of merit, specifically their relative ability, knowledge and skills including open consideration of qualified applicants for initial employment".

The central focus of the recruitment services team is to "attract and retain a highly skilled and competent work force enabling departments to provide their critical services to the community". In 2018, the Recruitment division filled 2,404 positions through 412 different recruitments. They also processed over 58,000 applications and attended 37 different job fairs at colleges, universities and other organizations. The division responds to both centralized and decentralized hiring requests from departments within the County. Over the last 2 years the division has been successful in creating a repository of HRS recruitment metrics dating back to January of 2018. While most employers have metrics dating further back, this did pose a challenge in performing a comparative analysis for the success that they've had in past years.

The CHRO and the recruitment team regularly meet with hiring managers, department heads, and other stakeholders to discuss service delivery. Meetings are arranged to create recruitment plans when there are vacancies within a Department so roles and responsibilities can be clearly understood. The CHRO has made clear communication and operational transparency a priority in the recruitment process. The challenge comes when it's unclear where the role of the hiring

manager begins, and the recruitment staff ends.

## Findings

While HRS has taken on the purposeful task of identifying, developing, and formalizing a structure for measuring and reporting needed performance metrics, it has highlighted some of the challenges faced by the Recruitment unit, including:

- Combatting the existence and usage of outdated and unjustified past practices throughout the County. There are several practices still in practice that are not found in any of the County's rules or procedures. For example, some departments insist on interviewing every candidate that meets the required qualifications, regardless of the number of candidates or the number of vacancies. Recently an exam was held that had ~85 qualified candidates to interview to fill one vacancy. The interview process consisted of 11, two-person panels over the course of 8 hours. Additionally, there were proctors and other staff on hand to escort candidates. After the exam, labor was needed to collect, score, and manually collate the tests. This practice not only uses a considerable amount of resources but coordinating the logistics of an 80-person interview day takes away from the time that the recruitment team could utilize to perform other critical duties. The labor costs to have 22 panelists away from their regular duties in addition to the Recruitment staff is inefficient and costly. Add to that the fees associated with late administrations of the exam for candidates that can't come on the designated day which delays the start date of a qualified candidate and in turn further increases labor costs as staff continue to work more hours to cover the unfilled vacancy along with their own duties. *(It should be noted that the County has several types of assessments in addition to the Structured Oral Interview (SOI) which includes: performance exams, knowledge-based written tests, skills-based tests, competency-based tests, application appraisal and work experience ratings.)*
  - HRS has implemented initiatives to refine the recruitment process to eliminate some unnecessary delays. For instance, they have implemented new video interviewing software where applicable. Panelists do not have to be co-located in the same room and can view, at a time of their choosing, recorded candidate interviews (i.e., candidates who recorded and submitted their interviews using a personal computer or mobile device). This significantly increases the flexibility for the panelists and candidates and removes the logistical burden of coordinating their schedules for an in-person interview. In 2017, the team also developed a new model for 5-day job postings reducing the procedural steps that recruiters need to take to fill vacancies. Furthermore, hiring managers have the ability to conduct a "review of written record" on County promotional recruitments under certain conditions.
- Due to the changes between HR centralization and decentralization over the past several years, many departments have created and continue to maintain their own methods for recruitment and selection. It has often been difficult for Recruitment to collaborate with some of the departments due to departments being more inclined to follow their own practices. There is a challenge with departments letting go of the delegated authority that they previously held to embrace recruitment best practices if the suggested practices are in opposition to their current practice.

- The turnover rate after the third year of employment is approximately 32%. That is exceptionally high and creates an unrealistic demand on the staffing levels the recruitment unit can maintain countywide. Most organizations experience a 10-12% annual attrition rate. Higher than usual turnover adds to the challenges that the recruitment unit faces. As noted above, in 2017 over 2,000 vacancies were filled but just as many left the County. The costs associated with ongoing recruitment to backfill positions is exorbitant. Employee Benefit News (EBN) reports that it costs employers 33% of a worker's annual salary to hire a replacement if that worker leaves. To quantify, the replacement cost is \$15,000 per person for an employee earning a median salary of \$45,000 a year, according to the Work Institute's 2017 Retention Report.
- Many of the departments that receive services from Recruitment still have a lot of involvement in the recruitment process. While the recruitment experts are only housed in the HRS division, many hiring managers still want to retain authority and participation in the recruitment process. This becomes problematic because the parts of a recruitment process that are not discretionary or negotiable come up for unnecessary debate.

The biggest challenge for Recruitment is service delivery. There are several steps to a recruitment, but once the process is initiated every step is included in the timeline, including waiting for information from other business units. The recruitment process is a collaboration between HRS and the hiring authority. It is imperative that both parties understand their role in the overall process. In the past 2-3 years, HRS has engaged with hiring managers in many departments on the recruitment process and each person's responsibility in the success of the County's hiring efforts. If a position is unfrozen or added to a budget there is an additional approval process that has to be executed before the position can be filled which extends their timelines, and is reflected as part of the HR process only, despite the one being on another governing body. The recruitment unit may have to wait 2 weeks for an approval or signature, but those additional days are not disclosed from their overall timeline, so it makes it appear that there are delays within the unit, which is incorrect. The false perception that Recruitment has improper practices or outdated procedures is another reason why departments are hesitant to follow their lead.

With the recent COVID-19 public health crisis, recruitment activities have been trending down for most departments with the exception of the Health Care Agency (HCA). As the workforce transitioned to a remote working environment, the team also had to make modifications to their processes to accommodate the County's needs. Currently, the highest priority is to provide support to the Public Health Division within HCA to fill their positions in support of the COVID-19 Taskforce and Contact Tracing Unit. The team had redeployed a majority of their recruiting staff to provide the necessary services to fill these positions in expedited fashion. Furthermore, multiple members of the team are providing assistance to other functional areas in HRS to further support their satellite teams (e.g., Return-to-Work, Records, Employee Relations, etc.).

## Recommendations

- Deploy an onboarding survey (e.g. SurveyMonkey, SurveyGizmo) to all new hires within 90 days of hire to get feedback on the recruitment and onboarding experience to identify areas for process improvements.
- Conduct exit interviews with employees that are departing during their first one to three

years to gather data and determine root causes that are specific to the County (as opposed to external factors).

- Streamline the “unfreezing” to “hire” process in partnership with the CEO.
- Continue to collaborate on recruitment plans with each department to clearly define roles and responsibilities to ensure efficiency.
- Conduct further process analysis, tracking, and reviews on recruitment timelines for unfilled position and their associated timelines.
- Compare data collected from the previous calendar year to the current calendar year to determine areas for service improvement.
- Ensure that applicants are informed not only of the compensation but also the benefits that are given to employees.
- Promote the County’s mission and vision on job bulletins and other recruitment materials so applicants can see the value of public service.
- Continue to use social media as a branding tool and a way to market opportunities with the County.
- Consider external factors (changes in the economy, COVID-19 impacts, high unemployment) when looking at recruitment and retention strategies.

## Learning & Organizational Development

*During the course of this assessment, the L&OD staff was reduced from 15 full time employees to 8 full time employees. While this will provide a financial savings for the County, the impact to the creation of the County’s strategic plans, employee surveying, performance management models and staff development and other initiatives will all be placed on protracted timelines.*

The Learning and Organizational Development (L&OD) Unit of the County of Orange’s Human Resources Services (HRS) came into existence in response to the County’s HR centralization efforts in 2013. The core concerns in the effectiveness of the HR functions evolved during a period of decentralization at the time of the County’s bankruptcy, this reflects on the manner that the County’s operational and functional roles and responsibilities were organized, staffed and led. The impetus then, is to redefine HRS functions and key responsibilities in order to seek reintegration into the County’s critical HR tasks. To achieve this goal it is suggested to create clear and consistent links between HRS competencies and County-wide priority-level skills, division-level operational goals and objectives, and individual staff performance management plans.

As envisioned in 2013, and again in 2017, the recentralization of Human Resources Services development of the Learning and Organizational Development department has allowed for a dedicated and committed team of individuals to focus singularly in creating and communicating a deliberate plan to provide County staff with the “learning experiences that enrich their skills on and off the job, strengthening the skills, knowledge, and abilities necessary to successfully fulfill the County’s mission”. L&OD’s contribution to the centralized learning and organizational development programs has created clear standards for performance management and has had the significant benefit of installing clear chains of command, structured channels for learning requests and communication. It has also created a targeted vision and mission to advance professional growth in the County. While there have been several positive impacts, L&OD have faced challenges with delivering on stated objectives (e.g. Countywide supervisor training) and

keeping the chargeback amounts to the departments in alignment with service delivery. This resulted in departments feeling that the value that L&OD provides to the County did not align with the cost of services. In response to those challenges, chargeback costs to the departments have been reduced by 50% and initial supervisor training has been completed and is entering its second phase.

## Findings

A related challenge to L&OD as a new division within the County's HRS system, is there has never been a similar department from which the newly formed team can glean greater insight, or historical data to find a basis for improving, revising, and developing new structures, systems, metrics or benchmarks. The struggle then, has been to not only establish its presence, but also to set up its foundational policies, procedures and other divisional structures. This takes time, and while L&OD endeavors fervently to create those structures and systems, it must concurrently, deliver training services, conduct organizational development consultations and engage the performance development activities of County employees.

With the formation of the division of Learning and Organizational Development, this vehicle to standardize mission critical-driven learning tracks, subject matter experts and capacity-building curricula has expanded beyond executive leadership into a full range and level of employee engagement. As a means to further substantiate priority skills and performance expectations, the L&OD team undertook a thorough and comprehensive needs assessment which included three surveys, 16 meetings with key stakeholders and focus groups. Based on the assessment, L&OD created a fourth level of leadership training and three separate curriculum playlists that are on Eureka specifically to address the identified gaps.

## Staff Development

Although L&OD's core objective to create a "strategic partnership helping to develop the organization (County) and its people to grow and thrive so they can best serve the citizens of Orange County" has been well received and the dedication of team members remains steadfast, as a new division, the unit faces unique challenges, some structural and others more systemic and strategic in nature.

The division of L&OD hopes to become the "premier strategic learning and development partner" but is relatively new and as such, untested and largely unbranded. While strides have been made to reach out and engage County employees, conduct important discussions with County departments and divisions, and deliver courses and training to "thousands of County employees", L&OD has yet to establish its substantial foothold within the realm of general HRS functions as a strategic partner and as a critical link in the advancement of effective County operational productivity and performance.

As an example, the October 2019 HRS Learning and Organizational Development report provided key insight into the following analytics: the formation of a dedicated unit, who is on the team, what the employee engagement survey sought to accomplish, what the results were, what the industry benchmarks detail and what will be done to develop and customize training services so that training can be offered at four-hour intervals, in the morning and with a classroom

and blended learning approach. While important for County staff to feel valued and their training needs acknowledged, what is not mentioned as having been gathered through additional study and through conducting comprehensive meetings, is what senior leaders, top County leadership, the Chief Executive Officer, the Chief Financial Officer and other top level strategic management groups consider to be mission-critical knowledge and skills for growth, advancement, and continued success within the County of Orange.

## Recommendations

- Developing solutions that will be more technology driven and reach greater numbers and utilizing technology to create greater service access and reach a greater number of L&D participants.
- Provided funding is available, using vendors or collaborating with Universities, Community Colleges and private vendors to free up staff time and provide pre-designed curricula to those interested and willing to participate in offered training including virtual and/or eLearning classes.
- Completing the repository of team resources to provide more self-service options to all County departments; hiring and utilizing specialists and consultants to support and guide division staff and leadership.
- Developing and leveraging resources from collaborative partners outside the County to share and discuss data, statistics, opportunities, and best practices.
- Developing metrics and measurement tools internally to determine short- and long-term impacts of both L&D and OD programs and initiatives.
- Completing the organizational talent capability assessment and department profiles so the focus can fully shift to developing the organization

## Performance Management

At the core of the County's key initiatives (ensuring that the full range of human resources needs are being addressed, met and effectively managed) is the expectation that a full range of metrics, incorporating the needs of County agencies and staff are detailed and developed into useful measures of performance. As in all areas of management, County HRS has proceeded on the strength of the idiom that "what cannot be measured, cannot be managed".

Armstrong & Baron define performance management as "a strategic and integrated approach to delivering successful results in organizations by improving the performance and developing the capabilities of teams and individuals. It's an ongoing partnership between supervisors and employees working together to accomplish goals". To date, the County does not have a universal performance management system. County HRS efforts in 2013 focused on implementing a multilevel leadership development program centered on providing County executive management with not only the strategic skills and competencies to produce at required performance levels, it further sought to infuse and instill consistent, County-wide leadership language, structure, and results-driven management system to support their success at all organization levels. This quest to standardize and create a performance management process sought most directly to set expectations and align performance with critical County business objectives and as a "vehicle to provide feedback, recognition, and coaching throughout the year, to best support employees' development"<sup>1</sup> to ensure work contributes directly to the County's mission.



While there has been significant progress on all items from the previous audit, the County remains without a strategic plan and a universal performance management system for employees and managers. A solid strategic plan considers the current state of an organization in addition to where they want to go in the future. There are currently 13 different forms in use for performance management for non-managers and managers do not have a comprehensive performance plan and plan for in-range movement.

The County's recent goal to implement an electronic county-wide performance management system was in the planning stage but then funding for the project was cut as were the L&OD positions that would oversee the functions

## Recommendations

- **Create Consistent and Comprehensive County-wide Messaging:** In particular, communication channels and protocols have been established which process learning and professional development requests and communicate offerings and schedules, but even more importantly is whether County leadership along with Department leadership has communicated what the values of learning are for all County employees, and even more so, which skills, competencies and knowledge the County deems critical to effective performance and successful operations, such as communication skills, teamwork and decision-making. Unless the messaging is clear from top down that this is what the County deems as important to individual success, department success and County success, critical L&OD efforts will be in vain.

To solidify this link, it is critical for L&OD to assume greater control to bridge the link between County needs in creating standards for organizational performance and individual employee needs to develop and grow within the County. HRS sought to create standards and clear lines of consistency in terms of prioritized leadership competencies, reward structures, and development and growth initiatives. Specifically, as envisioned, the performance management system involves incorporating prioritized County performance goals with County department operational goals and individual performance expectations, in order to:

- Establish County-wide performance requirements and accomplishment-based standards, outcomes, and measures, within the County's departments and agencies, and also between the employee and his or her reporting supervisor.
- Ensure clear and consistent messaging from County Senior Leadership and Department Administrators and provide clear visibility of priority skills, competencies, and specialized knowledge employees should endeavor to achieve.
- Develop the professional development learning structures, channels and processes to allow County employees to easily access and take advantage of learning and growth opportunities. Provide ongoing education and training as needed.
- Design and develop Performance Management Tools, including appraisals and evaluations that collaboratively link County performance goals to department operational goals with individual employee performance expectations. Provide ongoing coaching and feedback.
- Conduct quarterly performance development planning training and discussions for County departments, divisions, and agencies.
- Design effective compensation and recognition systems that measure team and/or individual performance achievements and link attainment of key objectives directly

to reward systems and incentives for ongoing contributions.

- Measure learning and development activities and link them to attainment of County, Department, and Individual Employee Performance objectives. Seek to continuously improve processes, procedures, tools, and techniques to enhance these links.
- **Concentrate on Short-term Wins to Garner Trust and Change Culture:** It is critical to understand that the County has had to trespass a deep fissure, along with the transition from centralized, to decentralized and back to a centralized-balanced operational course. These changes and subsequent shifts in policies, procedures, and practices have quite naturally created distrust and discomfort among County employees who have undergone these changes. It is therefore incumbent upon HRS and L&OD to be sensitive to the need of a workforce who may resist a relatively new group coming in and taking command of their learning and development processes and suggesting changes without a deeper dive into the County's, department, and agency culture and ways of operating.

HRS and L&OD should continue to focus on creating small, immediate, but visible wins to demonstrate to County stakeholders the efficiencies of their units. For example, the success of improving retention of executive County leadership where it had once been an issue. By doing this will improve employee and leadership buy-in when presented with training and allow further investigation to determine deficits, (e.g. communication gaps within staff levels). Specific learning and development goals, such as communication and collaboration were identified by Senior County Leaders as consistent with the mission, vision and values of the County. Coupled these analyses will form the foundational plan to design, deliver and then determine the effectiveness of a learning need that directly impacts the overall County performance. This will then serve as a foundation for future plans and more importantly, demonstrate to County employees that learning leads to positive gains.

## HRS Accomplishments:

The Recruitment team is proposing a few major strategic changes including recording metrics. The aim is to capture data in order to identify trends, while determining its effectiveness and productivity. While there is no electronic archival information in a centralized location, their goal has been to begin to collect data and use that information to make evidence-based decisions. With each quarter, the data validation gets more refined and the reporting becomes more detailed. This is an evolving process and the report's parameters continue to change to identify key factors to measure.

Another process improvement is to replace the 16- week hiring process with an 8-week hiring process that removes 9 steps in the process for five-day postings. This accounts for roughly 20% of all recruitments conducted in a given year. The new process streamlines the historic hiring process of several levels of approval (which extends the hiring timeline) and allows for a more efficient workflow and shorter time to hire.

Both the Recruitment and Administration units are currently considering a pilot program to automate the interview portion of the exam process. Rather than have raters hand write comments during a structured exam with traditional "pencil and paper" responses, the division



is considering using electronic tablets to capture candidate's responses and automate the scoring process for exams as well as rating video-recorded interviews by candidates. In collaboration with the OC Information Technology (OCIT) department, HRS administrative Services is leading this project which will also provide a platform for live interaction between candidates and raters. They are also looking to modernize the selection interview process by clarifying the difference between the exam interview and selection interviews and revising the interview packet that is sent out to hiring managers on. The new processes will be accompanied by training materials including videos. This will allow more flexibility in interviews which should lead to more efficacy in the selection process.

Under the leadership of a dedicated director, the newly formed Leadership and Organizational Development (L&OD) division has made fervent strides in communicating clear strategy built upon aligning learning and organizational development procedures and practice with HRS and County goals. Towards that end, the division is staffed with highly qualified individuals with strength in curriculum design, development, facilitation, and organizational consultative services and talent processes across multiple practice areas, including 360-degree feedback, coaching, change management, strategic planning, succession development, engagement, and support to team dynamics and health. And undoubtedly, since its inception, L&OD has accomplished key successes in:

- Delivery and completion of a County-wide Needs Assessment.
- Delivery of learning and development programs to thousands of County employees
- Development and launch of a new leadership program for non-supervisors so leadership development is now available to a population that makes up 75% of County employees
- Launch of a new Integrated Talent Management System
- Revision of New Employee Orientation and creation of an employee welcome kit and leader onboarding guide in the first phase of a new fully comprehensive onboarding initiative
- Revision and expansion of the University Partnership Program to provide tuition discounts for employees

#### **Implementation of Measurement Tools, Technology and Automated Reporting Systems**

Internal and External Information Request System Refined: Administrative Services has established a formal structure to research and evaluate data effectively; staff have developed key processes and procedures to ensure that requested information is prioritized, processed and then presented to stakeholders. Within this increased capacity, a new HR Data Portal (HDP) platform was rolled out in mid-2017. This new HR Data Portal system subsequently, in 2018 evaluated 170+ issues/bugs/change requests compared to 30 in 2017 and implemented 88 of 98 fixes or change requests. Additionally, to offer comprehensive support to County staff, the unit has developed Developing a HR Data Portal (HDP) train the trainer program for HRS staff, identifying single points of contacts (SPOC) from each HRS unit to train or retrain using the HDP. Basic Excel training has also been provided for SPOCs to learn how to use the data from the HDP canned reports and the upcoming BI tool to generate reports for their stakeholders with updated training videos and user guides.

External requests have also been refined with addition of CA Public Records Requests (PRA), Benefits Unemployment/Census, and US Bureau of Statistics. Administrative Services have accordingly processed and audited 300+ reports in 2018 compared to 70 in 2017, processed 230+ user system access/change requests and processes in CAPS+.

HRS Business Systems: Administrative Services have collaborated with the Employee Benefits division to identify and enhance County's ability to access personnel information from CAPS+ for Employee Benefits' process requests. Refining the system, employees are better able to access the system for information, data, records and reports.

## Conclusion

HRS is operating at the level of funding and staffing that is provided. While there is not an ideal ratio to determine HR staffing to the number of employees, It is apparent based upon CPS HR's investigation it can be suggested that additional staffing would not only alleviate some of the issues listed within this report but also allow operations to go from being reactionary and transactional to proactive and strategic. Feedback gathered during the focus groups included comments stating that:

- HRS is forced to be "reactionary" and there is not inclusion in the County's overall plan.
- There is a five-year fiscal plan for the County but not one that focuses on human capital management, retention, staff development and other crucial areas of HR.
- The division is not afforded the ability to be proactive and plan ahead.
- The County should decide what is important and provide resources for their objectives.
- With more resources, HRS can operate more efficiently and additional services can be provided.

These are all challenges that can be addressed and overcome. Since the previous audits in 2011 and 2015, the County has been in a cycle of continuous audits and recommendations. Although an audit provides insight into the current climate of a department, a plan for improvement must still be created from the results. The other weakness of audits is the stigma associated with the process inferring that there is a deficit requiring attention.

The HRS staff demonstrates many distinct, important strengths. Throughout this assessment this team has shown commitment to change and improving operational effectiveness and provided candid feedback. As is often the case in most organizations, there are opportunities for progress including:

- OC HRS should focus on developing a strategic plan over the course of one-three years to avoid the cycle of performance audits to measure success.
- Clearly outline a vision for HR (goals, priorities, and expectations) and a strategy for leader development/transition plan to meet future needs.
- Identify short-term wins to demonstrate to customers a commitment to improving relationships, follow-up, partnership, and overall communication.
- Establish a clear customer service philosophy to include guidelines and expectations for HR staff. Develop and update processes to empower employees to become more self-

sufficient with HR services where appropriate.

- Continue to create transactional efficiencies. By starting with transactional efficiencies, the HR Department can better position themselves to meet the core needs of the County and then pursue higher levels of service and strategic impact in the long-term.
- Continue to capture and track broad based analytics and data allowing the County to become its own benchmark.

Although HRS has taken several steps forward since previous audits it is in danger of regressing in the absence of proper planning. If the County seeks to progress and not require another audit in a few years, it not only needs to focus on strategic planning but also see its plans through to fruition.




## *Human Resource Services*

### Memorandum

Date: October 28, 2020

To: Michelle Aguirre  
Chief Financial Officer

From: Thomas R. Hatch   
Chief Human Resource Officer

Subject: Response to the Final Report of the Orange County  
Human Resource Performance Assessment

Our Human Resource Services (HRS) Team views this audit as a tool to increase transparency and create the opportunity to better understand and hopefully improve our service to the community, internal departments and each other. We want to thank you and the entire Audit Oversight Committee for facilitating and supporting our participation in this process. We value it and appreciate it.

The recentralization of human resource operations that began in 2013 reduced the ability of County departments to independently manage their own human resource work. HRS became a Division within the CEO Department. Since this change, HRS staff continue to hold sacred the responsibility to ensure the integrity of the County's human resource processes, systems, and approvals. Our HRS Team is made up of approximately 180 professionals that work together to consistency and creatively find the right solutions to appropriately solve the complex and unique dilemmas/situations that land on our desks each day.

The audit performed by CPS HR Consulting was protracted and abruptly interrupted by the COVID-19 pandemic making their recommendations seem dated which we believe impacts some of the relevancy of the information. In fact and as you would expect, HRS staff welcomed the many helpful and inciteful suggestions that were formulated early in the auditing process. We approached the discussions and questions from the Auditor with an analytical and critical thinking approach to allow us to immediately incorporate any valuable input or suggestions into our work. Where HRS had the appropriate administrative authority to make changes, we simply made them as the process unfolded. Most of these changes were made many months before the final recommendations were received.

My tenure with the County started in January of 2019 as the Chief Human Resource Officer (CHRO) and with each passing month we continually strive to improve and provide good service while being respectful of the County's resource constraints.

Nonetheless, HRS has evaluated and provided responses below to all audit recommendations and will continue to implement the recommendations as appropriate within our resources. While not a formal recommendation in this Audit, it should also be noted that HRS should develop a five-year strategic

Response to Final Report of the Orange County  
Human Resource Services Performance Assessment  
Page 2

plan. The plan was discussed in the 2015 audit but has not yet been completed due to ongoing and significant changes to HRS and its resources. HRS is looking forward to completing a strategic plan but the plan would be most useful when our Division is stabilized and ready.

Lastly, HRS currently has both strengths and weaknesses in our operations. While the Audit is helpful, it is extremely limited in terms of representing a current performance assessment. I believe that the implementation of Audit recommendations as described in our HRS Responses along with the attached Key Guiding Principles and Annual HRS Division Goals for 2021 will continue to improve HRS operations.

Thank you for the opportunity to provide responses to the Audit recommendations.

The following includes all of the Audit Recommendations provided by CPS HR Consulting listed word-for-word which is followed by the relevant HRS Response for October 28, 2020:

## **1. Benefits**

Recommendation 1.1: Include more information about County benefits on recruitment materials and job opportunities. Applicants are interested in knowing the full cadre of benefits. The County offers a generous benefits package which can be used as a recruitment tool.

HRS Response: Concur and implementing with continued improvements. A detailed listing of HRS benefits are currently referenced on the County website and are linked in each job flyer that is posted for County employment opportunities. The benefit and recruitment teams will continue to collaborate to enhance and increase exposure to the outstanding benefits the County offers to employees. In addition, staff now includes notification to potential employees about contract language for scheduled cost of living adjustment increases as well as what is the employee's responsibility for retirement contributions. To further enhance transparency, the job flyers also now include when benefits actually start for new employees and how potential new hires have the ability to negotiate their incoming starting salary.

## **2. HRS Budgeting**

Recommendation 2.1: Continue to increase collaboration in the development of the annual budget for HRS. The CEO can still have oversight but the CHRO should be involved to determine appropriate priorities, staffing levels, objectives and allocations for HRS.

HRS Response: Concur. During the last fiscal cycle, the CHRO designated the HRS Administrative Services Manager as the liaison to the CEO Budget team. The Administrative Services team continues to increase communication with the CEO Budget team. HRS operates with a modest annual budget and close collaboration is necessary to ensure HRS needs are met for optimal and efficient performance.

Recommendation 2.2: Discuss quarterly recommendations for budget considerations with the CHRO.

HRS Response: Concur. HRS has already increased the frequency of meetings (at least monthly) with CEO Budget representatives. HRS staff will work to understand what information is needed and the related deadlines so that we can request what is needed.

Recommendation 2.3: Focus on the outcomes and shared goals for HRS as it relates to the County's Fiscal Strategic Plan.

HRS Response: Concur. HRS will work to learn the Strategic Financial Plan process and discuss budget goals and priorities with CEO budget representatives.

Recommendation 2.4: Proactively communicate monthly budget updates to the CHRO so determinations, recommendations, and actions can be discussed and decided in real time.

HRS Response: Concur. HRS will continue to work with CEO budget representatives to build a stronger partnership specific to budget and purchasing with the goal of obtaining more proactive support verses support based on requests. Monthly meetings are ongoing with CEO procurement and open lines of communication now exist to ensure timely contract and purchasing communication.

Recommendation 2.5: Discuss any freezing, underfilling, or abolition of allocated positions with the CHRO and the respective Department Head before taking any action. These conversations have impacts for HRS' service delivery.

HRS Response: Concur. HRS will continue to partner with the CEO budget representatives to understand changes to HRS allocated positions and discuss any changing service level impacts with the departments that we support.

### **3. Analytics and Metrics**

Recommendation 3.1: Establish the Measures that Matter: Assess the root cause of an underlying issue impacting department operations as well as County expenditures. An example of this was presented during a focus group meeting, where it was asked, "why does it take six to eight months from the start of recruitment to the time of onboarding to get qualified employees to fill needed vacancies?" In this situation metrics could be utilized to measure the timeline from initiation of a recruitment, applicant selection, interviewing, employment offer and onboarding protocol completion. The weakness to this process however is that although it's informs on time and the frequency of steps it still does not answer address the issue as to why the process is lengthy. It is vital then, that before each metric is established, that key questions and set parameters be addressed. This naturally involves a partnership with the Recruitment Team in developing these measures. In terms of recruitment to onboarding time;

HRS Response: Concur and implement with continued improvements. HRS Analytics and Central Recruiting work closely and have developed a comprehensive dashboard that continually looks at granular data to pinpoint areas for improvement. This data collection began more than a year ago and quarterly reports are completed. Recruitment presents this data to satellite operations and departments to provide critical time-to-hire data as well as to explore ways to define/improve the collaborative nature of the partnership between HRS and hiring managers. The analytics and recruitment teams meet monthly to discuss both positive and negative emerging trends. Recruiting has been working to use the data to determine where roadblocks occur. While HRS can always improve, at times recruiting staff has concluded that slow response from the respective departmental hiring manager causes delays.



Response to Final Report of the Orange County  
Human Resource Services Performance Assessment  
Page 4

Recommendation 3.2: Transition from Operational Metrics to Quality Operational Metrics: Effective HRS metrics cannot be viewed in isolation, there must be a holistic approach. Within this systemic capacity, metrics are essential in that they directly communicate improvement and create a direct benefit to operations, functions, processes, protocols and procedures. Invariably, the advantage of improving processes is the essence of why metrics are utilized in the first place is to transform the onboarding process into a manufacturer of a qualified, engaged hire as the transition proceeds from an operational metric to a quality operational metric.

HRS Response: Partially Concur. HRS data reports are currently designed to provide reliable and useful operational metrics. The HRS analytics staff (1.5 FTE) already proactively partners with OCIT to explore software innovations to assist in transforming and improving our existing operational data into data that allows for qualitative operation decision making. Data, in its raw form, is transformed daily with the use of the HR Data portal to provide County employees the necessary tools to make important business decisions.

Recommendation 3.3: Expand the Stakeholders: As it creates processes to gather, analyze, and report critical metrics, the unit should expand its visibility to not only involve and engage internal County employees from the top down but also regional partners, other regional governments measuring their own HR functions, as well as the public. All parties should be aware of what is being studied, improved upon, and invested in. Structured outreach will involve effective education, marketing, and greater awareness of County employees on how each play a key role in attracting key talent, contributing to an effective learning environment and creating a new rebranding of the County as a strong employer.

HRS Response: Concur. HRS agrees that expanding data visibility should be a long-term goal to increase the County's visibility as a top employer in Orange County. HRS staff continually collaborate with its internal partners to provide transparency and explore the latest data trends to provide information that improves decision making. This is accomplished through back and forth communication with internal users of the HR Data Portal. Together, OCIT and HR Admin Service staff constantly assess County data and adjust what is measured based on input from internal Countywide users. HRS, has created a landing page on the HR Data Portal homepage that allows for a free flow of information. Regarding external regional partners, HRS Analytics staff are actively engaged with Golden West College in the development of an Analytics curriculum that will contribute to a more effective and engaged learning environment for Orange County. HRS Administrative Division staff have been reduced from five to three employees within the last six months. This reduction in staff resources will delay any additional outreach to stakeholders at this time because we see external outreach as a lower overall priority versus supporting our internal customers.

Recommendation 3.4: Add Greater Detail and Expand Engagement: Include the metrics which have been chosen, demonstrate why they are critical for effective Countywide operations, and illustrate how the information gathered will be used to enhance human resource functions. Additionally, greater visibility should shine light as to why certain HR functions need greater analysis and review, and what greater study will mean to improving overall County functions.

HRS Response: Concur. HRS continually seeks to improve the quality of County data analytics. Currently, Analytics staff, OCIT and Auditor Controller IT staff are working on a joint venture to migrate all human resource raw data information into the HR Data Portal. This migration has taken

Response to Final Report of the Orange County  
Human Resource Services Performance Assessment  
Page 5

significant effort and will be completed in December of 2020. The HR Data Portal is the main software analytics program for HRS. This migration will allow the raw data to be arranged in a way that tells a clearer picture. In addition, the Portal manager publishes changes made to the reports via video training and dashboard messaging. Staff continually explores ways to increase engagement with Countywide employees and users of the HR Data Portal.

Recommendation 3.5: Synchronize Operational HR Metrics with Countywide Operational Goals and Decision- Point Analytics: As the County's HRS moves from administrative and transactional to operational and strategic, a concerted movement should transition towards the goal of a "synced strategic collaborative" approach. HRS metrics are connected and intertwined with overall County metrics as well as individual County agency metrics. Consequently, operational measures, addressing how efficient, effective and impactful an organization's HR practices are should reflect what is of value and importance to the County as a whole. These metrics form the essential foundation for more reliable planning and strategically aligned analytics, focusing on decision points that more effectively guide program, performance and operational decisions. Consequently, harnessing those measures allows for greater understanding and predictability in how changes will affect a desired outcome.

HRS Response: Partially Concur. HRS Analytics staff already engage the County workforce and management through daily communications to ensure that the Data Portal is optimized with reporting data that is both timely and relevant. In fact, over the last four months, multiple reports and features have been added at the request of the many users of the Data Portal. In turn, these changes are allowing agencies to make real-time decisions that are impactful for the County's business needs. HRS will continue to market the use of the HR Data Portal to the Countywide organization.

Recommendation 3.6: Customer Metrics: The County's goal to determine whether residents are satisfied with delivery of services can be linked to HRS Customer Metrics to gauge internal "customer" satisfaction with HR services and HR's ability to meet its users' needs. These customer focused metrics can effectively be used to identify improvement opportunities and enhance the quality of HR services. From measuring general topics such as overall employee satisfaction, to learning specific needs for example, leaders reporting the desire for leadership training.

HRS Response: Partially Concur. While HRS agrees that employee satisfaction is a key gauge to success, the HR Data Portal is not configured for this type of metric reporting. HRS proposed the purchase of employment engagement software through Eureka but funding was not available. HRS staff will continue to pursue this type of software solution for employee engagement. Specialize survey software has been periodically used and will continue to be used to support these efforts on a case by case basis.

Recommendation 3.7: Workforce Metrics: County and agency interest in ensuring that employees are engaged, dedicated, and committed to the work in serving residents connects directly with HRS employee engagement objectives. Linked workforce metrics can then help to identify competency gaps on a county and individual agency level. It can recognize the implications of different hiring practices, attrition, and promotion strategies, and seek to understand which talent characteristics foster high performance. Workforce metrics can also include information regarding succession plans, promotion rates, retention of high performers or critical segments, and provide insight to new hires who receive top performance ratings or leave within six months. Workforce metrics Countywide can



Response to Final Report of the Orange County  
Human Resource Services Performance Assessment  
Page 6

quantify the strength of the talent pipeline and identify improvement opportunities that will ultimately help with overall retention and employee productivity.

HRS Response: Concur. HRS Administrative Services team will continue to work with Recruiting, L&OD and OCIT to build a stronger partnership so we can continue to refine customer metrics. HRS Administrative Services team is currently working with all other HRS divisions in a comprehensive review of the County onboarding process to significantly improve the new employee experience.

Recommendation 3.8: Process Metrics: Metrics can be used to measure the output and efficiency of HR processes which can in turn be linked to County and agency-level goals. They can also be used to address high-level topics such as the effectiveness of submitting a request for data, improving reporting efficiency, reducing errors, and determining the overall volume of employee benefits transactions. Process Metrics, as an overall metric, can be linked across County, department, and HR functional lines to include insight such as job offer acceptance rate, number of HR data errors, and variance from compensation guidelines, serving as an particularly useful element to identify opportunities to improve HR processes and delivery mechanisms.

HRS Response: Partially Concur. Currently, the information referenced in this recommendation is located in three different database systems. HRS Analytics staff will continue to work with OCIT, Recruiting, HR Operations, and HR Records to explore the practicality and feasibility of the development of such a comprehensive centralized database system.

Recommendation 3.9: Financial Metrics: Unquestionably, the County, as well as departments and agencies within the County must utilize metrics to determine their operational efficiencies. Linked through common financial metrics, HRS can quantify the cost and impact of HR processes and programs, and include information such as the cost of turnover, training spend per employee, return on investment of an HR initiative, or the costs and time involved in HR processes of recruitment to onboarding.

HRS Response: Concur. Requests for the compilation and analysis of data as described in Recommendation 3.9 occurs frequently and we strongly agree that more data improves decision making. We value the ability to help support requests for this type of data from our organization and we will continue to do this within the staff resources that are available.

#### **4. Recruitment**

Recommendation 4.1: Deploy an onboarding survey (e.g. SurveyMonkey, SurveyGizmo) to all new hires within 90 days of hire to get feedback on the recruitment and onboarding experience to identify areas for process improvements.

HRS Response: Concur. HRS has already held several meetings of a cross divisional group to study the current onboarding process in order to create a new seamless and exceptional new-hire experience. As part of our large 20-member onboarding committee, the group is completely reviewing every aspect of the current process and will also design, develop, and deploy a feedback survey to gather new hires' experience during the selection and onboarding experience. Furthermore, the group will administer a similar survey to gather feedback from departmental hiring managers on their specific recruitment experience to further refine and improve the overall selection process.

Response to Final Report of the Orange County  
Human Resource Services Performance Assessment  
Page 7

Recommendation 4.2: Conduct exit interviews with employees that are departing during their first one to three years to gather data and determine root causes that are specific to the County (as opposed to external factors).

HRS Response: Concur. The Learning & Organization Development (L&OD) Division of HRS has already created an exit survey that has been piloted within the Social Services Agency for the past 15 months. Data is reviewed monthly for issues and will be analyzed on a regular basis. The exit survey process is now on hold due to staff resource reductions in L&OD staff from 15 to 8 effective within the last year. The expanded use of an exit survey tool will be implemented upon request or as staff resources become available.

Recommendation 4.3: Streamline the “unfreezing” to “hire” process in partnership with the CEO.

HRS Response: Concur. HRS will continue to partner with CEO Budget Office to streamline the requisition process (unfreezing positions) and create efficiencies in the hire process. The current process is slow at times so that CEO Budget can ensure that sufficient vacancies are available to reduce the likelihood of having to layoff any staff due to budget shortfalls.

Recommendation 4.4: Continue to collaborate on recruitment plans with each department to clearly define roles and responsibilities to ensure efficiency.

HRS Response: Concur. One of HRS Recruitment’s core philosophies is continuous improvement. To that end, staff is committed to assessing and refining current practices to create an efficient and effective experience for the potential hires, hiring managers, and client departments. We continue to hold educational/information sessions with hiring departments on the recruitment process, further defining the roles and responsibilities of all parties involved.

Recommendation 4.5: Conduct further process analysis, tracking, and reviews on recruitment timelines for unfilled position and their associated timelines.

HRS Response: Concur. In partnership with HRS Analytics, Recruitment develops and publishes quarterly metric reports (for the past 18 months) that track critical hiring data for departments: number of hires, average time to job offer (from date requisition is created and assigned to job offer date), number of job offer rejections, number of requisitions created and approved, and application data. This information is valuable to the Recruitment team when assessing the timelines, identifying any unnecessary delays, and conducting an overall analysis for process improvement. Any additional analytic work may require additional resources.

Recommendation 4.6: Compare data collected from the previous calendar year to the current calendar year to determine areas for service improvement.

HRS Response: Concur. HRS Recruitment has been utilizing the metrics report in analyzing any process improvement changes for the past 18 months.

Recommendation 4.7: Ensure that applicants are informed not only of the compensation but also the benefits that are given to employees.

Response to Final Report of the Orange County  
Human Resource Services Performance Assessment  
Page 8

HRS Response: Concur. As also stated in HRS Response 1.1 - HRS actively engages in assessing current communication materials to not only improve the overall candidate experience but ensure that the compensation and benefits information are clearly stated. HRS Recruitment will continue to partner with Employee Benefits in further defining ways to clearly communicate the extensive benefits package for each position.

Recommendation 4.8: Promote the County's mission and vision on job bulletins and other recruitment materials so applicants can see the value of public service.

HRS Response: Concur. HRS Recruitment will explore new ways to incorporate the County's mission and vision on job bulletins to better demonstrate the value of public service. Significant progress has been made on the County's social media platform to expand our presence on this critical forum. Recruitment continues to explore branding opportunities to enlarge our follower base, reach passive candidates, and expand candidate pools to better position the County overall as an employer of choice in the region.

Recommendation 4.9: Continue to use social media as a branding tool and a way to market opportunities with the County.

HRS Response: Concur. Significant progress has been made on the County's social media platform to expand our presence on this critical forum. Recruitment continues to explore branding opportunities to enlarge our follower base, reach passive candidates and expand candidate pools, to better position the County overall as an employer of choice in the region. Further improvement in this area is dependent on time and additional resources.

Recommendation 4.10: Consider external factors (changes in the economy, COVID-19 impacts, high unemployment) when looking at recruitment and retention strategies.

HRS Response: Concur. HRS partners with CEO Budget and hiring departments in identifying the best recruitment strategy given the state of the economy/society, and specifically, the County's budgetary challenges. Recruitment further engages with hiring managers in identifying the appropriate outreach strategy in order to attract and retain the best possible hires for the County. However, HRS will work on further considering external factors in the future.

## **5. Leadership and Organizational Development**

Recommendation 5.1: Developing solutions that will be more technology driven and reach greater numbers and utilizing technology to create greater service access and reach a greater number of L&D participants.

HRS Response: Concur. L&OD recently launched a full featured learning management system (Eureka) to provide learning programs to all regular County employees. The team recently completed a new fully online, on demand skills program for supervisors and is now delivering other programs via online platforms including New Employee Orientation. CHRO and Director of L&OD have begun to meet individually with each department director to encourage implementation of additional supervisory skills training depending on available funding.

Recommendation 5.2: Provided funding is available, using vendors or collaborating with Universities, Community Colleges and private vendors to free up staff time and provide pre-designed curricula to those interested and willing to participate in offered training including virtual and/or eLearning classes.

HRS Response: Concur. L&OD is now partnered with 16 universities and 2 community colleges to leverage their resources. L&OD is also working with their strategic vendor partners to bring free content into the new learning management system. The team also recently began a collaboration with the OC Public Library system to curate free and open content.

Recommendation 5.3: Completing the repository of team resources to provide more self-service options to all County departments; hiring and utilizing specialists and consultants to support and guide division staff and leadership.

HRS Response: Concur. L&OD completed the Team Development Resource site earlier this year. This self-service website has resources, tools, and information to help all leaders, regardless of experience, build powerful teams. L&OD also finalized eight new contracts with vendor consultants to provide additional support to departments, staff, and leadership for a fee, as needed.

Recommendation 5.4: Developing and leveraging resources from collaborative partners outside the County to share and discuss data, statistics, opportunities, and best practices.

HRS Response: Concur. L&OD has connected with all surrounding and similarly situated counties in the state and regularly shares data and best practices. It is the intention of L&OD to further expand these connections to the mutual benefit of all. L&OD has developed metrics internally for all processes and programs for both L&D and OD. This is a lower priority item which can only be implemented with additional resources.

Recommendation 5.5: Developing metrics and measurement tools internally to determine short- and long- term impacts of both L&D and OD programs and initiatives.

HRS Response: Concur. L&OD has developed metrics internally for all processes and programs for both L&D and OD. In collaboration with OCIT, L&OD continues to work on the development of tools to quantify the impacts of its programs in relationship to County employee performance. This is a lower priority item which can only be implemented with additional resources.

Recommendation 5.6: Completing the organizational talent capability assessment and department profiles so the focus can fully shift to developing the organization

HRS Response: Partially concur. L&OD staffing capacity has been reduced by 47% thus putting the organizational talent capability assessment and the department profiles on hold for the foreseeable future.

## **6. Performance Management**

Recommendation 6.1: Create Consistent and Comprehensive Countywide Messaging: In particular, communication channels and protocols have been established which process learning and

Response to Final Report of the Orange County  
Human Resource Services Performance Assessment  
Page 10

professional development requests and communicate offerings and schedules, but even more importantly is whether County leadership along with Department leadership has communicated what the values of learning are for all County employees, and even more so, which skills, competencies and knowledge the County deems critical to effective performance and successful operations, such as communication skills, teamwork and decision-making. Unless the messaging is clear from top down that this is what the County deems as important to individual success, department success and County success, critical L&OD efforts will be in vain.

HRS Response: Partially concur. The County contracted for a performance management solution to align the County's people and strategy. That system was to be implemented during FY 2020-21. Due to budgetary constraints, the module was removed from the performance contract. This technology solution was to be used initially with Administrative Managers to design a new Countywide performance evaluation process that could then be replicated across the organization. The goal was to create a consistent and streamlined process that eliminated the current paper-based system while creating a regular cadence of coaching conversations rather than the lengthy, cumbersome, and varied year end processes that exist. HRS will continue to seek a technology-based performance management solution as funding allows and has initiated discussion with CEO Budget about how this system can be creatively funded and implemented.

Recommendation 6.2: Concentrate on Short-term Wins to Garner Trust and Change Culture: It is critical to understand that the County has had to trespass a deep fissure, along with the transition from centralized, to decentralized and back to a centralized-balanced operational course. These changes and subsequent shifts in policies, procedures, and practices have quite naturally created distrust and discomfort among County employees who have undergone these changes. It is therefore incumbent upon HRS and L&OD to be sensitive to the need of a workforce who may resist a relatively new group coming in and taking command of their learning and development processes and suggesting changes without a deeper dive into the County's, department, and agency culture and ways of operating.

HRS Response: Partially concur. This statement addresses recentralization that occurred back in 2013 and does not reflect the current status. While it is incumbent upon HRS and L&OD to continually work to maintain trust and support culture change, it is not correct to say that any recent changes were suggested or made without first doing a deeper dive into the County's, department and agency culture and ways of operating. In 2018, L&OD began a comprehensive needs analysis that included 3 surveys, 16 meetings with department heads, conversations with senior leaders, HR managers, functional department training teams, the CEO and CFO, and numerous sources of data from focus groups to identify countywide skill gaps, operational needs and culture. L&OD continues to update information and maintain contact with the departments, their HR managers, and employees via ongoing conversations, client interactions, providing monthly resources, pulse surveys and regular engagement. Both HRS and L&OD strive to provide exemplary service to the departments and to the County workforce. While there is always room to improve, L&OD will support departments with a core focus on maximizing the use of the Eureka training system, supervisory training and performance management.



**Human Resource Services**  
**Key Guiding Principles and Annual Division Goals**  
**November 2020 through December 2021**

Below are the 7 Key HRS Guiding Principles and the 75 Annual Division Goals for the next year. The purpose for these Guiding Principles is to help develop a stronger HRS Team while serving as a source of foundational guidance in decision-making.

**HRS Guiding Principles**

1. HRS will take responsibility to promote a County culture that lives up to the Mission Statement, Business Values, and Cultural Values.
2. Uphold the integrity of County policies and procedures through consistent application and customer-service oriented professionalism, even when under criticism.
3. HRS team members should embrace opportunities for change and find creative solutions to complex and unique dilemmas, while meeting the spirit of County policies and procedures.
4. HRS will ensure that fairness and equity are foundational, as we continue to improve our decision-making and systems.
5. Diverse perspectives and active debate are expected to guide our analytical approach and decision-making, to improve both our work and professional development.
6. A strong HRS team will proactively assist and collaborate to complete the highest priorities together.
7. Make enhanced communication a priority. Communicate in a timely manner with professionalism and kindness.

**HRS Collective Goals/CHRO Goals**

1. Create a centralized Return to Work unit with regular training and data
2. Restart the HR Academy – Conduct an ER Academy & RTW Academy by June 2021
3. Create a centralized Employee Relations unit with regular training & data
4. Evaluate new workflow systems to effectively manage employee relations processes and determine appropriate responsibility between HRS Operations and Employee and Labor Relations
5. Reduce time employees are out on administrative leave by 50% by December 2021
6. Create an Investigation Oversight Committee with monthly meetings to review employee relations issues including cases, disciplinary review, grievance hearings, and arbitration support
7. Centralize the Meet and Confer Operations in Employee & Labor Relations
8. Complete a collaborative Onboarding review and debate to create an HRS centralized Onboarding process
9. Begin a five-year HRS strategic planning process when the division is ready and has the appropriate time and resources



**Equal Employment Opportunity Office**

10. Increase the EEO Office Team by adding two AMI positions
11. Complete employee training for these new positions
12. Create an HRS Policy Library and develop an HRS system for the development of new policies and review of proposed changes to existing policies
13. Create a comprehensive policy attestation document
14. Explore new ideas for proactive EEO education and training
15. Create a short list of consultant investigators to support EEO investigations if needed in the future.

**HRS Employee Benefits**

16. Complete annual Open Enrollment user acceptance testing and communication preparation
17. Complete review of Deferred Compensation (DC) Auto Enrollment process in collaboration with OCEA
18. Complete implementation of OCAA MOU Life Insurance changes
19. Complete the processing of the VIP Program (Opt Out, Grant Buyout, and HRA contributions and set up)
20. Complete remaining Alight implementation items: payroll file processing, adjustment files, EME, standard operation procedures to finalize, client reporting, default rules
21. Facilitate discussions and strategy for the HRA modifications with OCEA
22. Establish new health plan contracts for employees and retirees for the insured health plans.
23. Implement a pilot program for a Mental Health First Aid training for County HRS managers (2021/2022)
24. Implement a pilot program for a countywide Wellness Ambassador Program (2021/2022)

**HRS Administrative Services**

25. Collaborate with OCIT to complete the transition from the Personnel Data Warehouse to HRS Data Portal
26. Procure all supplies and equipment necessary to support HRS staff during COVID-19
27. Transition of HRS reception area to employee benefits on first floor
28. Coordinate and prioritize all OCIT/HRS new and existing projects
29. Complete HRS Annual Report by February 2021
30. Review data analytics needs and reporting priorities for each HRS division
31. Collaborate with HRS Technology Support and HRS Central Recruiting to implement EARS System and train HRS Staff
32. Complete a refresh of the HRS portion of the County website with OCIT
33. Work with Shared Services to ensure that HRS position control and our organizational charts are updated weekly.

#### HRS Shared Services

34. Work with Administrative Services to ensure that HRS position control and our organizational charts are updated weekly.
35. Complete the recruitment and hiring process for the vacant Public Defender position by January 2021
36. Coordinate with Risk Management to complete training on Workers' Compensation procedures for all HRS staff by January 2021
37. Partner with Department Heads and Managers that are supported by Shared Services to close out long-term Leave of Absence (LOA) cases
38. Assist CHRO with integrating new goals into HRS performance evaluations by January 2021
39. Complete recruitment and hiring process for all new executive or board appointed vacancies within 5 months
40. Review HRS staff training needs and provide options

#### HRS Operations/Satellite Teams/Employee Relations

41. Work with HRS Employee and Labor Relations and OCIT to develop an ER Case Management System and expand the current ER Library
42. Develop and implement standardized practices associated with employees exposed to COVID-19 in the workplace
43. Participate in the implementation of an absence management software system with Risk Management
44. Work with Risk Management Disability Manager to ensure consistent application of Return to Work practices across all satellite teams
45. Develop and implement a multi-team workgroup to address and resolve long-term LOA cases

#### HRS Learning & Organizational Development

46. Continue systems to perform Eureka daily maintenance including providing support to automate/simplify updates to Supervisor ID
47. Complete top priority enhancement projects to maximize use of Eureka
48. Create Performance Management Training for administrative managers and those covered by the PIP process
49. Evaluate Employee Relations supervisory needs and integrate with supervisory trainings (County Toolbox)
50. Assess department supervisory training needs and align/market appropriate training (Supervisor Toolbox)
51. Modify L&OD Strategic Plan to focus on Supervisory Training, maximize Eureka utilization, and improve Performance Management training
52. Provide leaders with internal support and access to external resources to promote development and propose a draft framework for a new leadership development program



**HRS Employee & Labor Relations/Special Projects**

53. Work with HRS Operations and OCIT to develop ER Case Management System and expand the current ER Library
54. Finalize publication of 2019-2023 MOUs and organize online tracking system for changes and side letters
55. Re-format a new Personnel and Salary Resolution (PSR) document to eliminate outdated, irrelevant, and duplicate sections and obtain Board of Supervisor's approval by February 2021
56. Conduct and/or facilitate all Meet and Confer processes in a new centralized system to ensure consistency
57. Evaluate impact of Telecommuting on Ride Share Program. Obtain approval by Board of Supervisors for the annual Ride Share contract, complete annual Countywide Ride Share Survey, and market Ride Share Program
58. Complete a records management inventory and electronically store documents

**HRS Central/Recruitment/Class & Comp/Records**

59. Complete Administrative Manager Classification Series Study by June 2021
60. Complete and implement new Veterans' Employment Preference Policy
61. Complete Neogov Classification Specification Migration Project
62. Adopt a standard agreement template for universities/colleges for volunteers/interns for academic credit
63. Explore the efficacy of a centralized structure for Classification & Compensation functions through a pilot program with a select group of satellite teams
64. Revise the County's background verification guidelines ensuring adherence to changes in employment laws with increased thoroughness to ensure success in hiring
65. Redesign the Selection Interview process to incorporate flexibility and innovative solutions to meet the County's hiring needs
66. Partner with HRS Administrative Services/Technology Support in implementing the EARS with recruitment teams across County departments
67. Implement HR Action Request Portal (HARP) for transfer actions
68. Establish a more collaborative structure with Satellite Records teams, providing guidance and training through Central Records Forums
69. Explore a centralized Records Management model that adheres to HRS' established retention scheduled for critical records and documents
70. Refresh the design of County recruitment flyers

**HRS Technology Support**

- 71. Collaborate with Administrative Services and HRS Central Recruiting to implement EARS system and train HRS staff
- 72. Upgrade to OnBase Unity Client Software countywide
- 73. Collaborate with Administrative Services to complete the transition from the Personnel Data Warehouse to HRS Data Portal
- 74. Complete OnBase role-based-access optimization
- 75. Work with HRS Employee and Labor Relations and HRS Operations to develop ER Case Management System and expand the current ER Library



# **OCIT PM & PPM Tool Assessment Findings Report**

August 27, 2020

[www.drmcnatty.com](http://www.drmcnatty.com)

# Agenda

- Assessment Overview
  - Approach and Participants
- Current State and Future Vision
  - Summary of Findings
- Requirements and Scorecard
  - Ranked Expectations by Category
- Application Review Findings
  - Applications Reviewed and Ratings by Category



# Assessment Overview

- The County of Orange Information Technology department identified a need for stronger Project Management (PM) and Project Portfolio Management (PPM) tools
- Countywide review of:
  - PM & PPM tools currently in use
  - Effectiveness of existing tools
  - Requirements for future tools



# Overview: Assessment Purpose

- Understand the functional gaps in the applications currently used Countywide to manage IT projects
- Identify features needed for a more cohesive and robust solution to be used as requirements for future tool selection
- Review cross section of vendor applications to:
  - Confirm requirements identified are viable and represent County needs
  - Gain a better understanding of the types of solutions available
  - Rate capabilities of solutions to determine their strengths, weaknesses and alignment with County requirements



# Overview: PM & PPM Categories

- PM & PPM categories assessed
  1. **Schedule Management** involves planning, tracking, and reporting on project activities, tasks and milestones to provide and maintain a realistic timeline for the project.
  2. **Requirements and Scope Management** involves the identification, verification, tracking, and confirmation of the project requirements to ensure the end result meets the business and technical needs.
  3. **Collaboration** is the facilitation of the day-to-day exchange of ideas, discussions, decisions, issues solutions, documents, and information between team members to achieve the project objectives.





# Overview: PM & PPM Categories

- PM & PPM categories assessed (continued)
  4. **Communication Management** is the official exchange of project information through reports, meetings, meeting minutes, documents, and other channels to ensure the right people get the correct information in a timely manner to make informed decisions.
  5. **Document Management** involves the creation, versioning, markup, distribution, approval, storage, and retrieval of project documentation. Documents may include requirements documents, design documents, diagrams, etc.
  6. **Resource Management**, in the context of project and portfolio management, focuses on the roles, availability, and usage of personnel. This is done to make sure the right people are assigned to the right activities in order to complete the work on time while managing resource allocation and bandwidth.





# Overview: PM & PPM Categories

- PM & PPM categories assessed (continued)
  - 7. Risk Management** identifies potential problems and takes action to prevent them from impacting the project. Risks are assessed based on the probability that they will occur and the significance of the impact in the event that they do.
  - 8. Issue Management** addresses active problems impacting the project now or in the immediate future. Where Risks might happen, Issues are happening. Typically issues are identified, assigned, and tracked until resolved.
  - 9. Reporting** is the ability to present project information in a clear and effective manner either directly from within an application or by extracting data for delivery in a different application.



# Overview: PM & PPM Categories

- PM & PPM categories assessed (continued)
  - 10. Budget Management** includes budget planning, tracking of actual costs, forecasting future costs, and reporting on project costs.
  - 11. Change Management** identifies when there is a variance from the agreed upon scope, budget, or schedule of the project and addresses it in a way that all parties understand and agree to the change. The process involves requesting, analyzing, approving, developing, implementing, and reviewing unplanned change(s).
  - 12. Portfolio Management** centralizes the oversight of a group of projects because they impact the same area, are part of the same budget, or have something in common that requires oversight, direction, and reporting as a set or program. The focus is on the selection, prioritization and management of projects within the organization.



# Overview: Approach

- Assessment
  - Conduct a Countywide survey
  - Conduct group and one-on-one interviews
  - Develop Requirements and Scorecard
- Solution Analysis
  - Select cross section of solutions
  - Provide demonstrations and rank each solution
  - Analyze strengths and weakness of each application
  - Compile and present the results



# Overview: Survey Participants

- Opened to all Agencies and Departments
- Survey respondents:
  - Assessor – Team lead of ATS Infrastructure group
  - Clerk-Recorder – IT Manager
  - District Attorney – Business Analyst (2)
  - Health Care Agency – IT PMO
  - OC Information Technology
    - Director of Operations
    - Network Manager
    - PMO Manager
    - PMO Project / Program Manager (5)
    - Director E-Gov Software Applications
  - Sherriff's Department – IT Project Manager
  - SSA Application Development – IT Manager



# Overview: Interview Participants

- Agencies and Departments Interviewed:
  - Auditor-Controller
  - Health Care Agency
  - OCIT
    - Application Development
    - Business Analysis
    - Data Center Services
    - Program Management Office
    - Social Services Agency (IT)



# Overview: Assessment Results

- Survey Results
  - PowerPoint available
- Interview Notes
  - Summary of each interview available
- Requirements
  - Scorecard by category with ranked PM & PPM features



# Current State Findings

- Stand-alone tools used to manage County IT projects

Tools	Clerk-Recorder	DA	E-Gov Dev	HCA IT	OC Assessor	OCIT	OCSD	SSA App Dev
ERP extracts						X		
GoToMeeting				X			X	
Jabber						X		
Microsoft Excel	X	X	X	X		X	X	X
Microsoft Office365			X			X		
Microsoft Outlook			X	X		X	X	
Microsoft PowerPoint				X		X		X
Microsoft Project			X		X	X	X	X
Microsoft Teams		X	X		X	X	X	
Microsoft Visual Studio			X			X		
Microsoft Word		X	X	X		X	X	X
OnBase					X			
OneDrive		X				X		
OneNote						X		
Power BI		X						
Project Tracker						X		
Remedy							X	
ServiceNow						X		
Sharepoint		X	X	X		X	X	X
Skype			X	X		X	X	
SQL Server Reports	X		X			X		
VTI								X
WebEx							X	
Workfront				X				

Information collected from Survey



# Current State Findings

- Current tools are “Sufficient” but not “Effective”
  - 7 of 12 Categories received 0 “Effective” responses (●)
  - 3 of 12 Categories received only 1 “Effective” response (■)
  - Reporting and Portfolio Management received 57% and 70%\* “Needs Improvement” responses

Category	Effective	Sufficient	Needs Improvement	N/A or No Knowledge
1. Schedule Management	2	10	4	0
2. Requirements & Scope	● 0	12	4	0
3. Project Team Collaboration	5	10	0	0
4. Communication Management	■ 1	9	4	0
5. Document Management	■ 1	12	1	0
6. Resource Management	● 0	6	6	2
7. Risk Management	● 0	9	4	1
8. Issue Management	● 0	11	1	2
9. Reporting	● 0	6	8	0
10. Budget Management	● 0	6	5	3
11. Change Management	■ 1	8	5	0
12. Portfolio Management	● 0	3	7	4

\*adjusted to remove N/A or No Knowledge Responses



# Project Management Findings

- No standardized tool for actively managing or providing real time visibility to Countywide IT projects
- Use of multiple applications to capture similar data results in duplicate data entry, inconsistent information across tools, and no true source of record
- Tools lack the ability to track, analyze and report on Project level data
- SharePoint's security options lack the granularity to limit the amount of access granted to users, potentially providing ability to modify project data
- Tools do not facilitate timely and effective status update



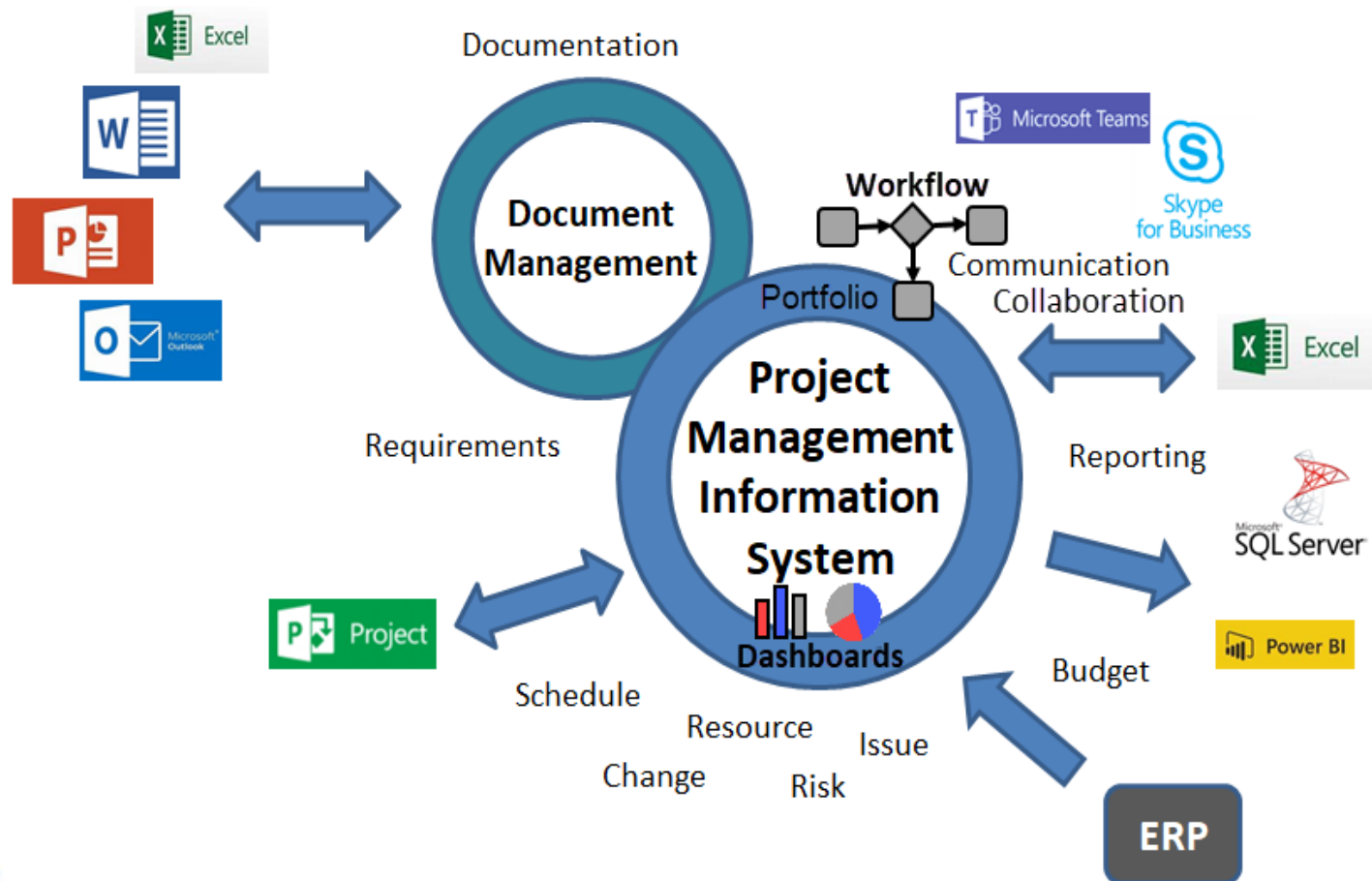
# Portfolio Management Findings

- No centralized source of record for Project information
- Project Tracker is used to capture OCIT project information
  - Manually updated from the tools used to manage the projects
  - Not maintained until needed for reporting
  - Only contains high level, summary information
  - No drill down analysis available
- Portfolio Analysis and Reporting, including the Quarterly Progress Report, is manually produced, time consuming, and quickly outdated
  - Project Managers provide project information from the various tools they use to manage the projects
  - PMO manually collects, reviews, reconciles, and compiles project data over several weeks
  - Excel is used to create graphs to be placed in PowerPoint



# Future Vision

- Project Management Information System (PMIS) to provide a robust and cohesive toolset for managing IT Projects



# Future Vision

- Single application or fully integrated Project Management Information System (PMIS)
- Centralized repository to both manage and report from
- Single source of record
- Dashboards to present high-level information with drill down capabilities to the project details
- Workflow to guide processes and obtain approvals



# Current to Future Contrast

	Current State	Future Vision
1	<b>Schedule Management</b> based on single projects, maintained on individual project managers' computers	<b>Schedule Management</b> that enables multiple projects to be managed together with dependencies between their activities and is visible to the PMO and Management
2	<b>Requirements and Scope Management</b> documented in Word, Excel, and Visual Studio and passed back and forth via email for review, feedback, and approval	<b>Requirements and Scope Management</b> documented as needed and managed through Document Management functionality to provide feedback, redlining, versioning, and automated approval workflow
3	<b>Collaboration</b> through MS Teams, Skype, and other tools, separate from the project information	<b>Collaboration</b> that integrates with other project management tools to tie discussions, notifications, and progress updates to the project / activities



# Current to Future Contrast

	Current State	Future Vision
4	<b>Communication</b> external to the project information through email, MS Teams, Skype and other tools	<b>Communication</b> that retains meeting agendas and minutes, status reports, and feedback with the project or artifact
5	<b>Document Management</b> through SharePoint does not allow for feedback and approval. In addition, SharePoint security is not granular enough to limit visibility and access to specific items.	<b>Document Management</b> with granular security rights; storage and access to documents across projects; and document review, markup, feedback, and approval workflow
6	<b>Resource Management</b> that lacks visibility to utilization and availability because it is disconnected from the actual work assignments and does not provide resource allocation across all projects.	<b>Resource Management</b> tied directly to assignments to roll up allocation across all projects enabling availability and utilization analysis; visibility to all activities assigned; role based planning; and future needs assessment



# Current to Future Contrast

	Current State	Future Vision
7	<b>Risk Management</b> performed in Excel or SharePoint with limited visibility across the Portfolio.	<b>Risk Management</b> that includes identification, evaluation of probability and impact (schedule and cost), risk response planning, execution, controlling, and reporting
8	<b>Issue Management</b> performed in Excel or SharePoint with limited visibility across the Portfolio	<b>Issue Management</b> tied directly to specific activities and fosters active, engaged identification, ownership, updates, tracking, and reporting
9	<b>Reporting</b> that is time consuming, manually compiled from multiple sources, and generated using Excel and PowerPoint with data that quickly becomes stale	<b>Reporting</b> produced from project data with directed dashboards tailored to provide information specific for the individual's role; standard and custom reports; and analytical tools



# Current to Future Contrast

	Current State	Future Vision
10	<b>Budget Management</b> available through a monthly extract from finance; difficult to align project spend to financials	<b>Budget Management</b> linked directly to project activities through an interface to pull actuals into the schedule, return update forecast to the financial system, and provide visibility
11	<b>Change Management</b> managed with Excel, Word, and email with follow up in meetings and phone conversation to document and gain approval of changes	<b>Change Management</b> that identifies the need for change through variance reports, documents the change on a standardized form, and routes it for automated approval using workflow
12	<b>Portfolio Management</b> that consists of SharePoint forms, manually extracted data, Excel spreadsheets, and time consuming PowerPoint reports	<b>Portfolio Management</b> that includes project request, intake process, centralized data, analytical tools, single source of information, and accurate and timely reporting





# Requirements and Scorecard

- Requirements were created to outline the needs of a new Project Management Information System (PMIS)
- Focused on each of the 12 PM & PPM Categories
- Based on the Current State and Future Vision findings
- Identifies specific functions or attributes expected
- Each requirement ranked 1 – 3 for importance to the PMO
  - 3 = Must Have
  - 2 = Should Have
  - 1 = Nice to Have
- Scorecard created to rate application demonstrations on a scale of 0 – 3 with 0 indicating that it does not perform the functionality and 3 that it clearly fits the requirement



# Application Analysis

- Project / Portfolio Management Software companies were invited to participate by providing a demonstration of their proposed solution
- Selected cross section of PM & PPM tools based on identified leaders, industry knowledge, and initial review
  - Celoxis
  - Clarizen (2019 Gartner Magic Quadrant Visionary)
  - Hive
  - Primavera Cloud
  - Project Insight
  - UGovernIT
  - Workfront (2019 Gartner Magic Quadrant Visionary)
  - Wrike

Planview (2019 Gartner Magic Quadrant Leader) declined to participate unless it was an RFP

Gartner is a good indication of who the players are in the industry, but candidates must pay to be considered. Some strong companies opt not to be included in the Gartner survey.



# Analysis: Demonstrations

- Issued invitation with Requirements Scorecard and Pricing & Additional Questions worksheet to each participating company
- Scheduled and held 90 minute sessions
- Completed Scorecard for each solution based on demonstration and additional documentation provided
- Compiled and analyzed results
- Review and scoring performed by D.R. McNatty consultants
- OCIT PMO participated in the demonstrations as observers



# Analysis: Scoring

- Score calculated by:  

$$\text{Value (C)} = \text{Rank (A)} * \text{Score (B)}$$

PM & PPM Tool Assessment					
Company:		Company Name		Date: 7/1/2020	
Application:		Solution Name			
Presenter(s):		Presenter Name			
<b>Schedule Management</b>					
Schedule Management involves planning, tracking, and reporting on project activities, tasks and milestones to provide and maintain a realistic timeline for the project.					
Requirement	Expectation	Rank	Score	Value	Evaluation Notes
Schedule Development	Work Breakdown Structure (WBS) with summary information Activities Milestones Predecessor / Successor relationships between Activities Gantt Chart (display and print) Display Time Phased data in Years, Quarters, Months, Days, Financial Periods	2 <b>(A)</b>	2 <b>(B)</b>	4 <b>(C)</b>	Can do comments when statusing an activity. If name is entered into comment it will send them notification. Status' are Not Started, In Progress, Almost Done, Done for example.
Inter-project dependencies	Predecessor / Successor relationships to activities in other projects	3	3	9	Fully supports linking activities between projects

- Each Category is score based on the points earned divided by the max points for the Category to give a % indicating how well it met the requirements
- Total % score is an average of the Category % scores

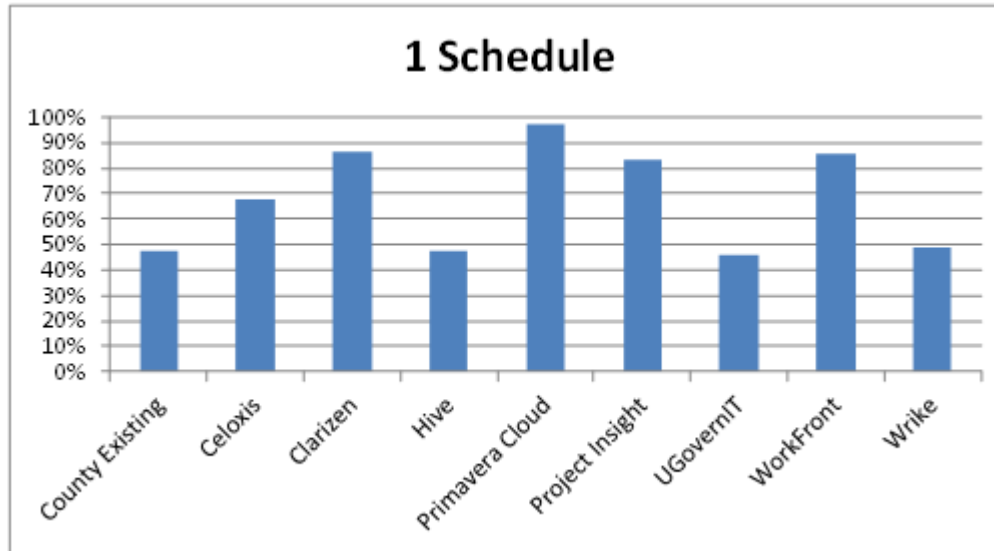
# Application Analysis: Results

	Score
1. Project Insight	76%
2. Oracle Primavera Cloud	72%
3. Clarizen	72%
4. Workfront	71%
5. Celoxis	56%
6. UGovernIT	44%
7. Wrike	43%
8. Hive	41%

% Score reflects fit to all requirements



# Analysis: Schedule & Requirement/Scope

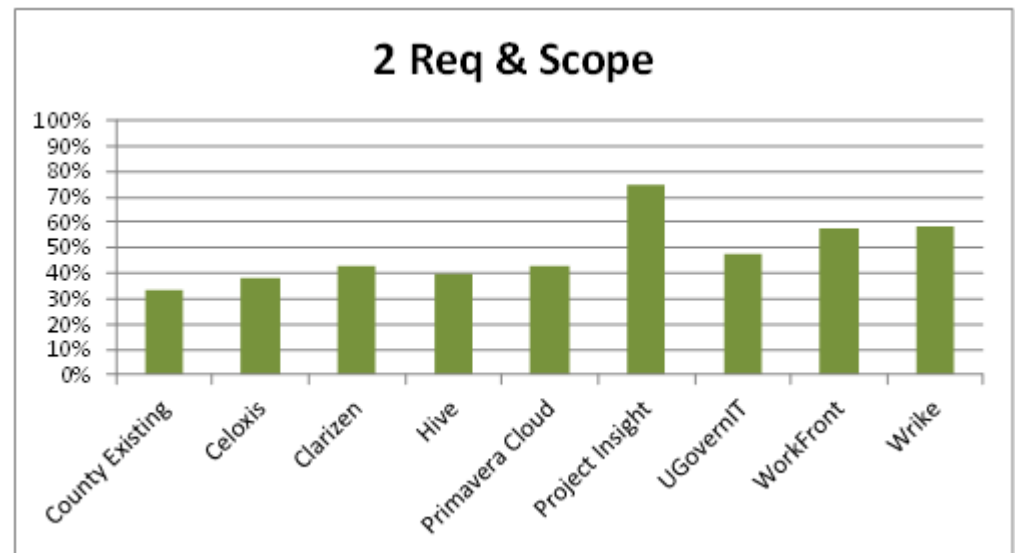


## Schedule Management

1. Primavera Cloud	98%
2. Clarizen	86%
3. Workfront	86%
4. Project Insight	83%
5. Celoxis	68%
6. Wrike	49%
7. County Existing	48%
8. Hive	47%
9. UGovernIT	46%

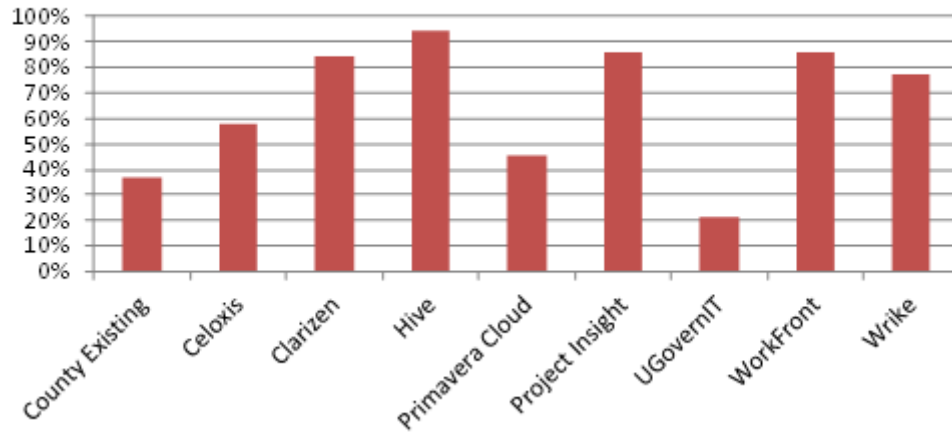
## Req & Scope Management

1. Project Insight	75%
2. Wrike	59%
3. WorkFront	58%
4. UGovernIT	47%
5. Primavera Cloud	42%
6. Clarizen	42%
7. Hive	39%
8. Celoxis	38%
9. County Existing	33%



# Analysis: Collaboration & Communication

## 3 Collaboration



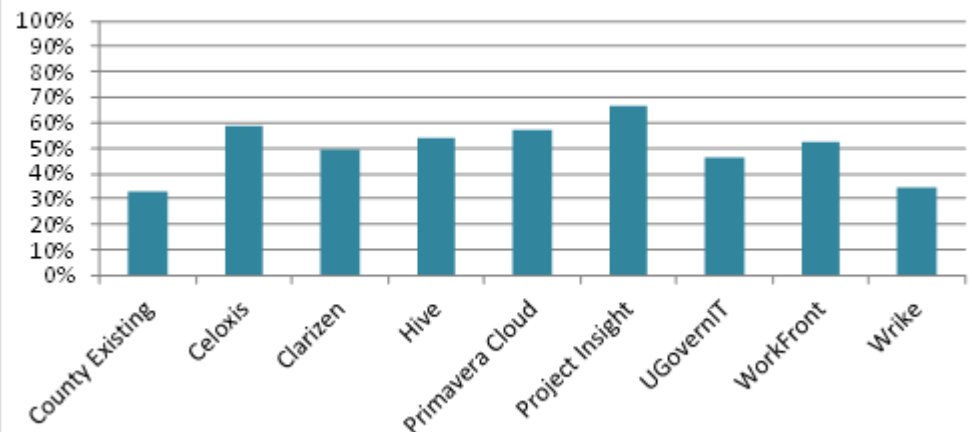
## Collaboration Management

1. Hive	95%
2. Project Insight	86%
3. WorkFront	86%
4. Clarizen	84%
5. Wrike	77%
6. Celoxis	58%
7. Primavera Cloud	46%
8. County Existing	37%
9. UGovernIT	21%

## Communication Management

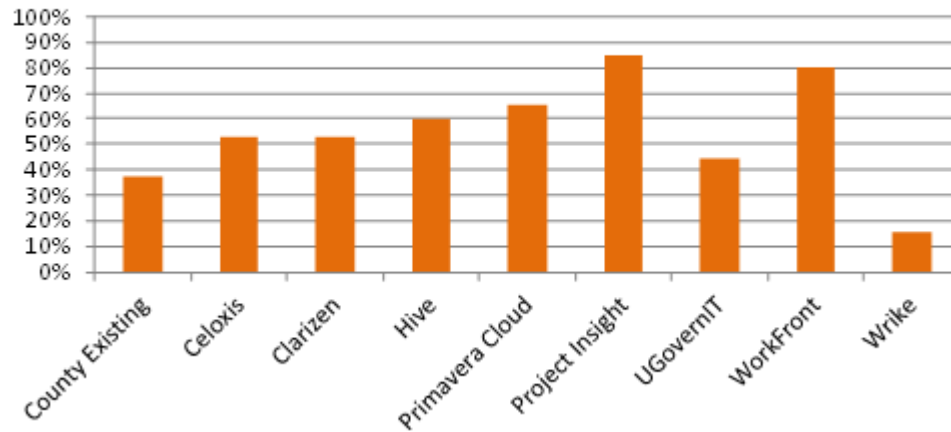
1. Project Insight	67%
2. Celoxis	59%
3. Primavera Cloud	57%
4. Hive	54%
5. WorkFront	52%
6. Clarizen	49%
7. UGovernIT	46%
8. Wrike	35%
9. County Existing	33%

## 4 Communication



# Analysis: Document & Resource

## 5 Document



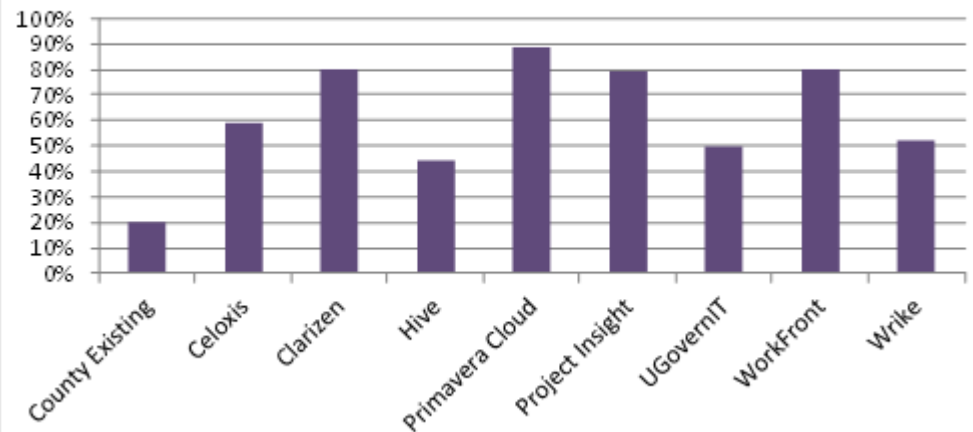
## Document Management

1. Project Insight	85%
2. Celoxis	53%
3. Primavera Cloud	65%
4. Hive	60%
5. WorkFront	81%
6. Clarizen	53%
7. UGovernIT	44%
8. Wrike	15%
9. County Existing	38%

## Resource Management

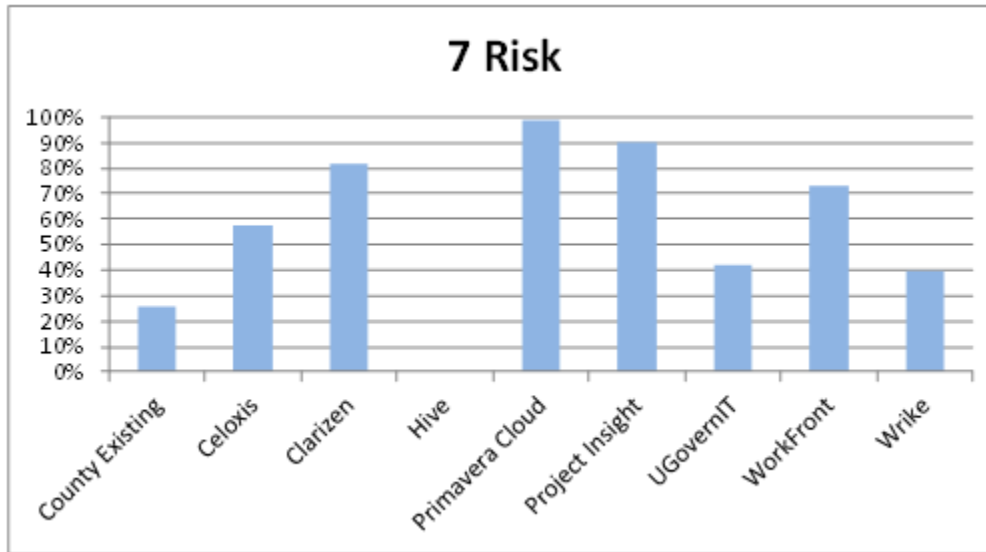
1. Primavera Cloud	89%
2. Clarizen	80%
3. WorkFront	80%
4. Project Insight	79%
5. Celoxis	59%
6. Wrike	52%
7. UGovernIT	50%
8. Hive	44%
9. County Existing	21%

## 6 Resource





# Analysis: Risk & Issue

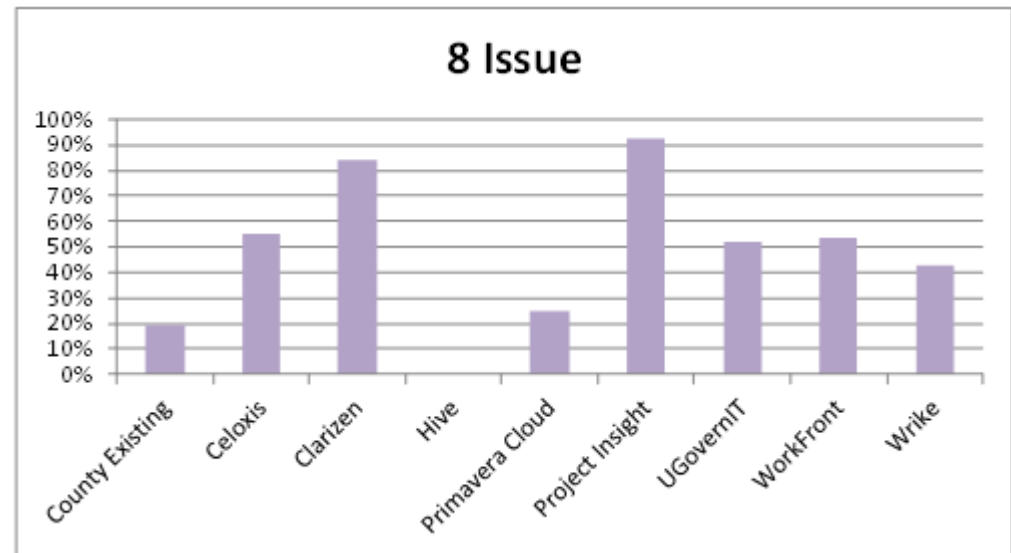


## Risk Management

1. Primavera Cloud	99%
2. Project Insight	90%
3. Clarizen	82%
4. WorkFront	73%
5. Celoxis	58%
6. UGovernIT	42%
7. Wrike	39%
8. County Existing	26%
9. Hive	0%

## Issue Management

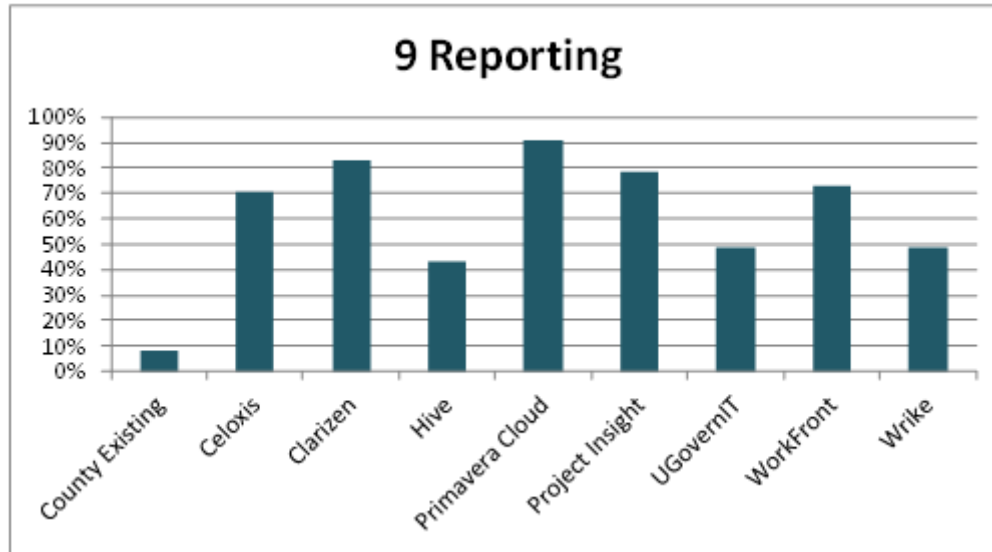
1. Project Insight	93%
2. Clarizen	84%
3. Celoxis	55%
4. WorkFront	54%
5. UGovernIT	52%
6. Wrike	42%
7. Primavera Cloud	25%
8. County Existing	20%
9. Hive	0%



# Analysis: Reporting & Budget

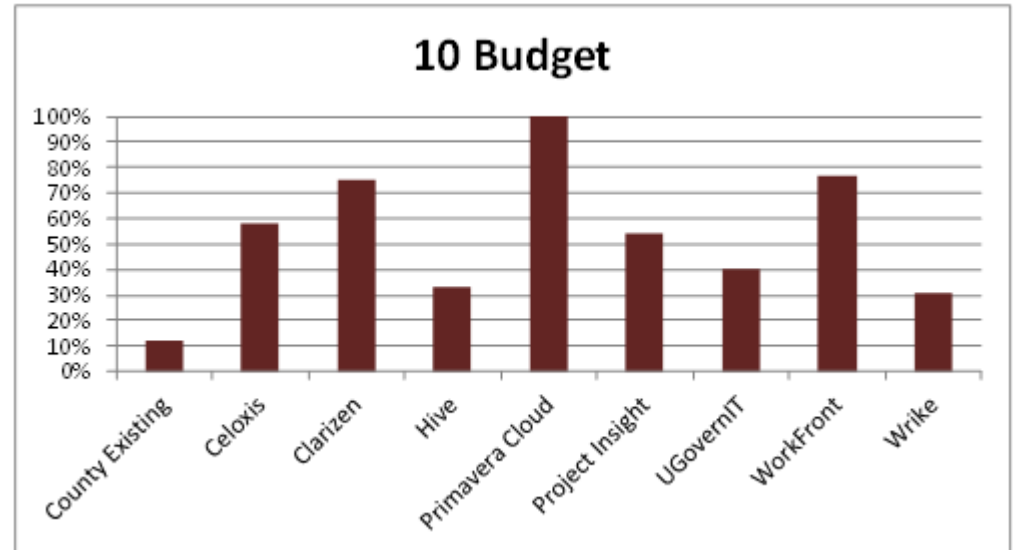
## Reporting

1. Primavera Cloud	91%
2. Clarizen	83%
3. Project Insight	78%
4. WorkFront	73%
5. Celoxis	70%
6. UGovernIT	49%
7. Wrike	49%
8. Hive	43%
9. County Existing	9%

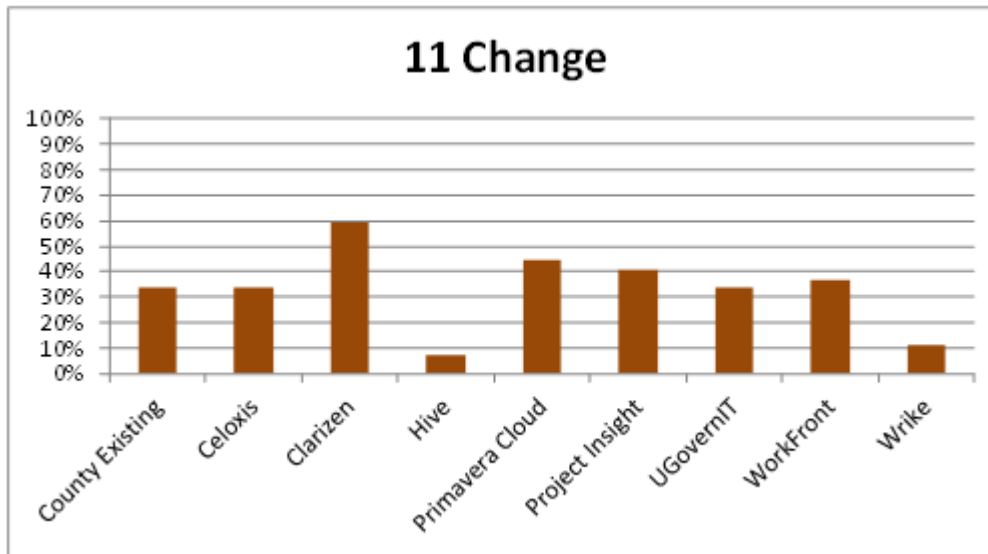


## Budget Management

1. Primavera Cloud	100%
2. WorkFront	76%
3. Clarizen	75%
4. Celoxis	58%
5. Project Insight	54%
6. UGovernIT	40%
7. Hive	33%
8. Wrike	31%
9. County Existing	13%



# Analysis: Change & Portfolio

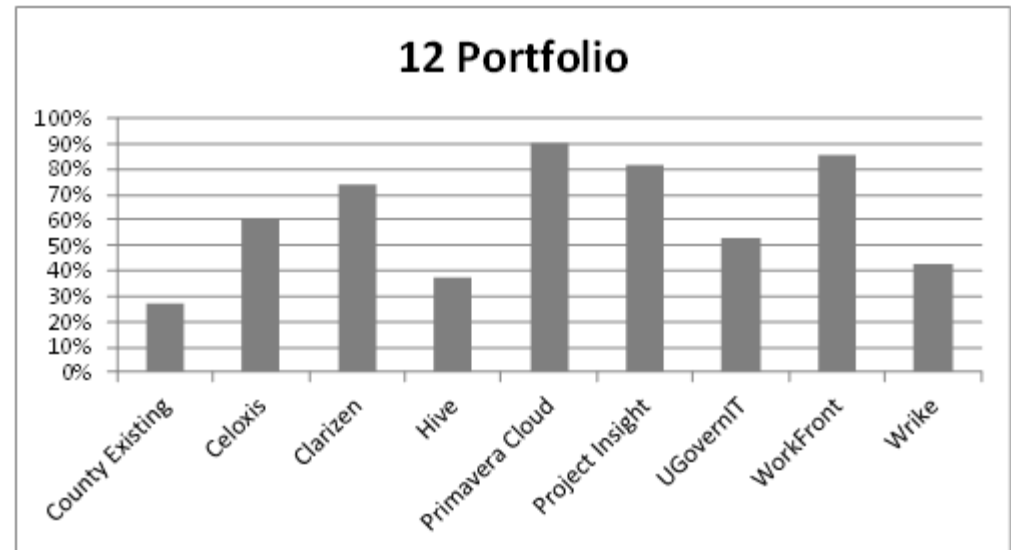


## Change Management

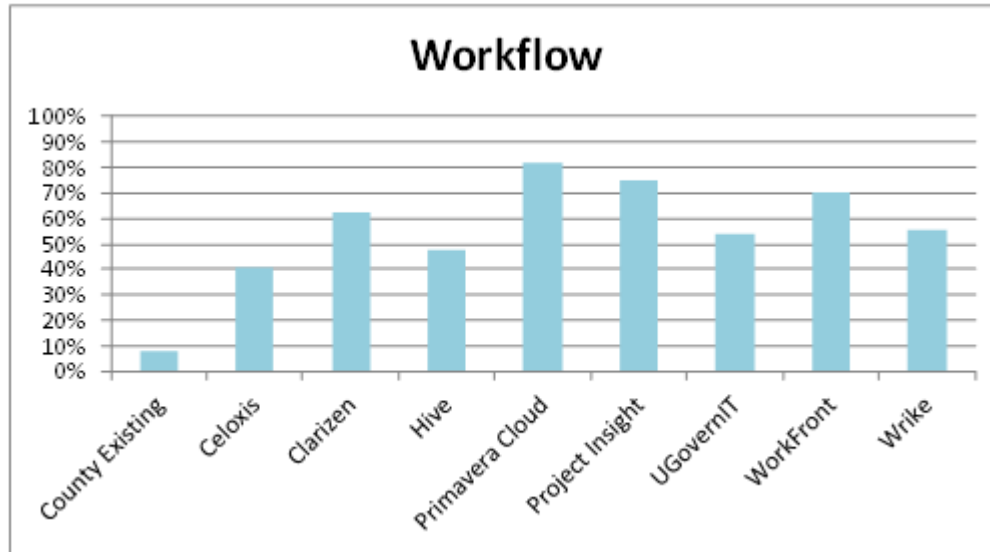
1. Clarizen	59%
2. Primavera Cloud	44%
3. Project Insight	41%
4. WorkFront	37%
5. Celoxis	33%
6. UGovernIT	33%
7. County Existing	33%
8. Wrike	11%
9. Hive	7%

## Portfolio Management

1. Primavera Cloud	90%
2. WorkFront	86%
3. Project Insight	81%
4. Clarizen	74%
5. Celoxis	61%
6. UGovernIT	53%
7. Wrike	43%
8. Hive	37%
9. County Existing	27%



# Analysis: Workflow



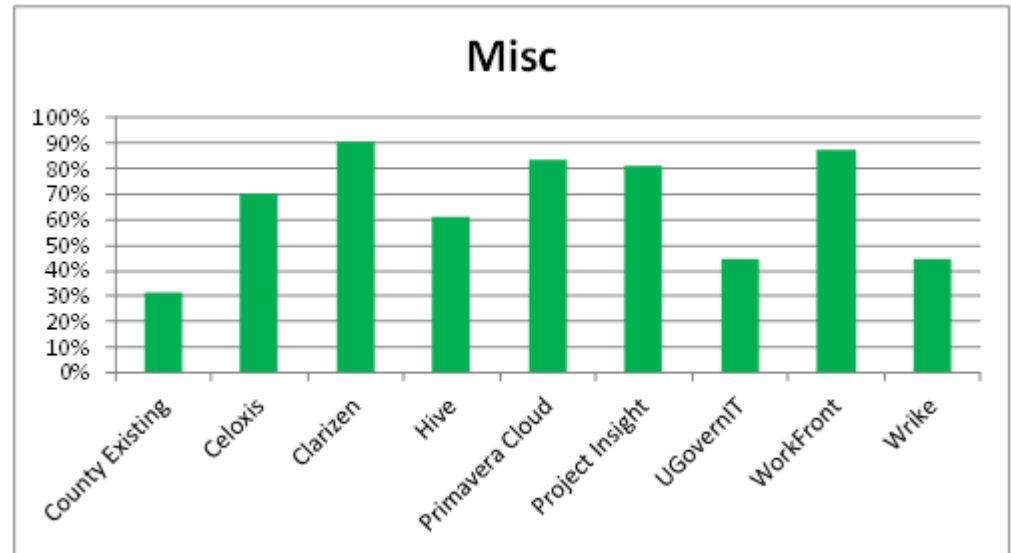
## Workflow

1. Primavera Cloud	82%
2. Project Insight	75%
3. WorkFront	70%
4. Clarizen	62%
5. Wrike	56%
6. UGovermIT	54%
7. Hive	48%
8. Celoxis	41%
9. County Existing	8%

# Analysis: Miscellaneous

## Miscellaneous

1. Clarizen	90%
2. WorkFront	88%
3. Primavera Cloud	84%
4. Project Insight	81%
5. Celoxis	70%
6. Hive	61%
7. Wrike	45%
8. UGovernIT	44%
9. County Existing	32%



- Miscellaneous Score is based on:
  - Ability to create User Defined Fields
  - Import and Export capabilities
  - Single Sign On option
  - Project-level and Role Based Security
  - Integration and Mobile options

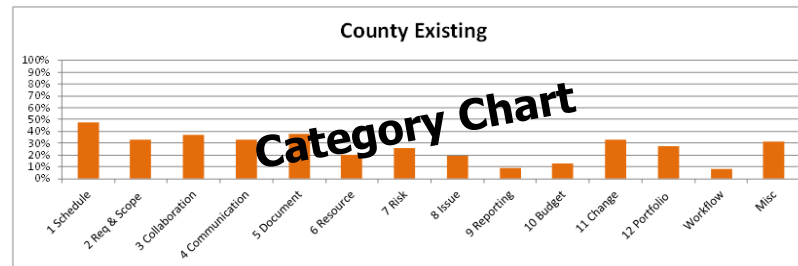
# Detailed Analysis

- Top 4 solutions by Percent Score:
  1. Project Insight (76%)
  2. Oracle Primavera Cloud (72%)
  3. Clarizen (72%)
  4. Workfront (71%)
- Includes County existing tools (27%) for comparison
- Review each solution:
  - Graphical results by Category
  - Strengths and Weaknesses
  - Costs - Estimate based on response
    - Licensing
    - Initial Implementation / Stand Up Costs
    - Annual Recurring Costs

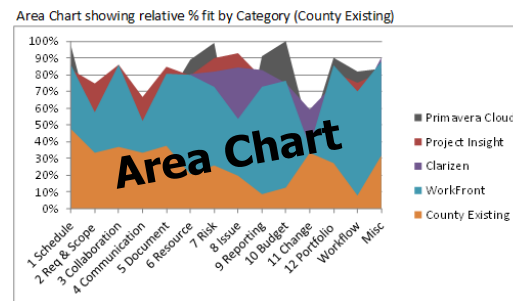


# Analysis: Top 4 Applications Reviews

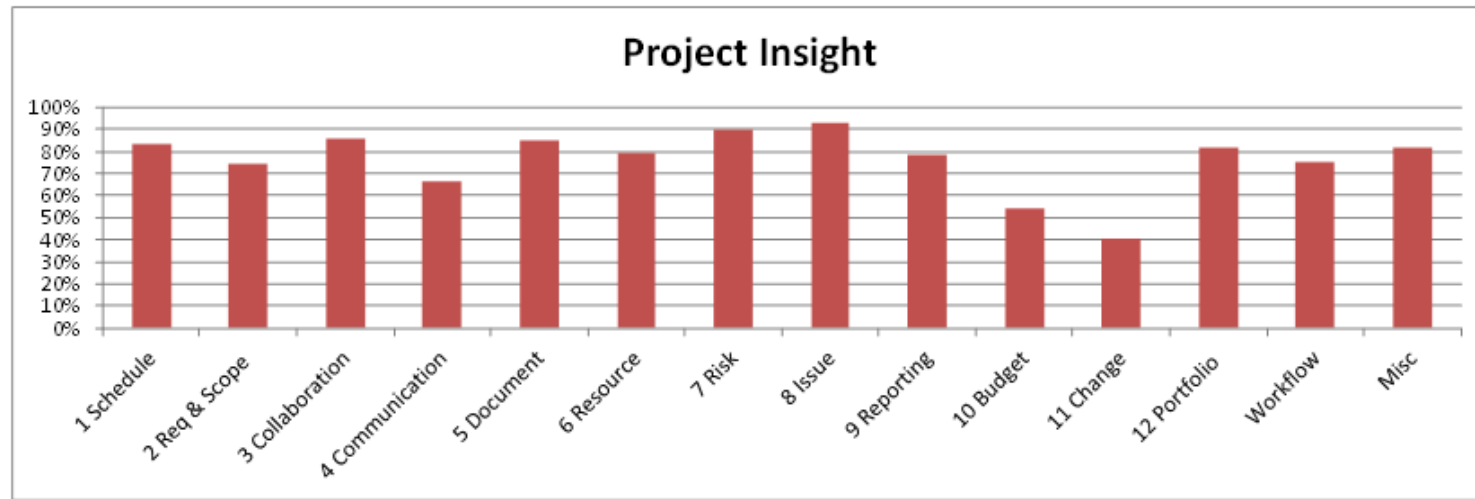
- Charts in following slides will summarize information by Category
  - Category Chart shows how the specific application did in each area (by % Score)



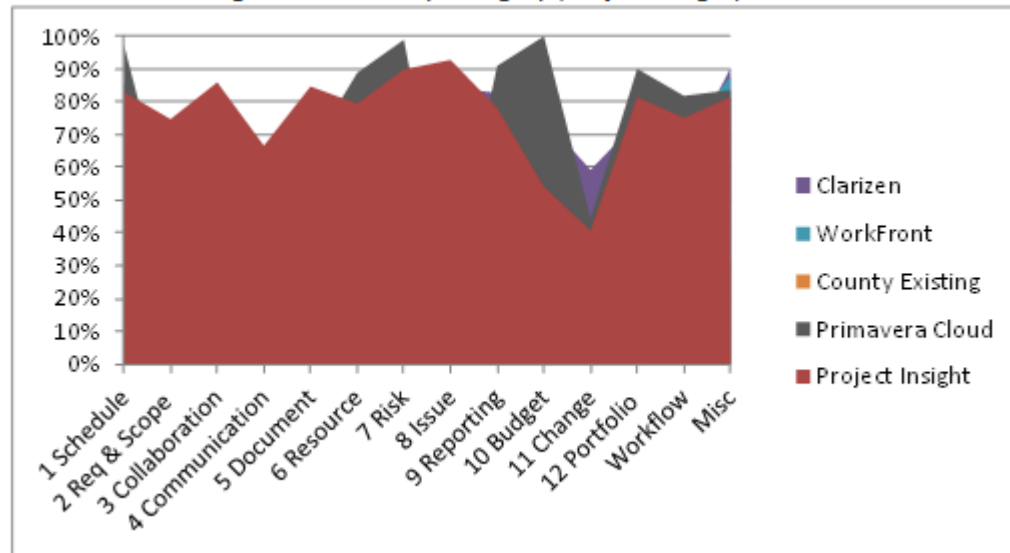
- Area Chart shows comparison to other tools. Front chart will be the application being reviewed. Peaks visible above are where other applications scored higher (by % Score)



# Analysis: Project Insight



Area Chart showing relative % fit by Category (Project Insight)





# Analysis: Project Insight

- Strengths
  - Portfolio: Project Intake with scorecards and prioritization
  - Scheduling: Assignment board allows activities to easily be moved between resources
  - Resource: Project level allocation before activity level detail
  - Collaboration: Discussions and comments; Interface to MS Teams and Slack; Can update tasks through MS Teams
  - Document: Drag/Drop from folders; Add on PageProof provides digital proofing, markups, etc. (separate tool)
- Weaknesses
  - Budget: More like capabilities planned
  - Updates from Resource change the Schedule immediately



# Analysis: Project Insight

- Platform
  - SaaS, On-Premise, and Dedicated Instance version available
- Technical
  - SOC2/SSAE16 Security Audit performed
  - Backups depend on platform
- Sustainability
  - Company headquarters in Costa Mesa, CA
  - Metafuse incorporated in 1997, Project Insight launched 2002
  - Current version at 20.5 with updates every 2-3 weeks
- Accessibility Standards
  - No additional information available

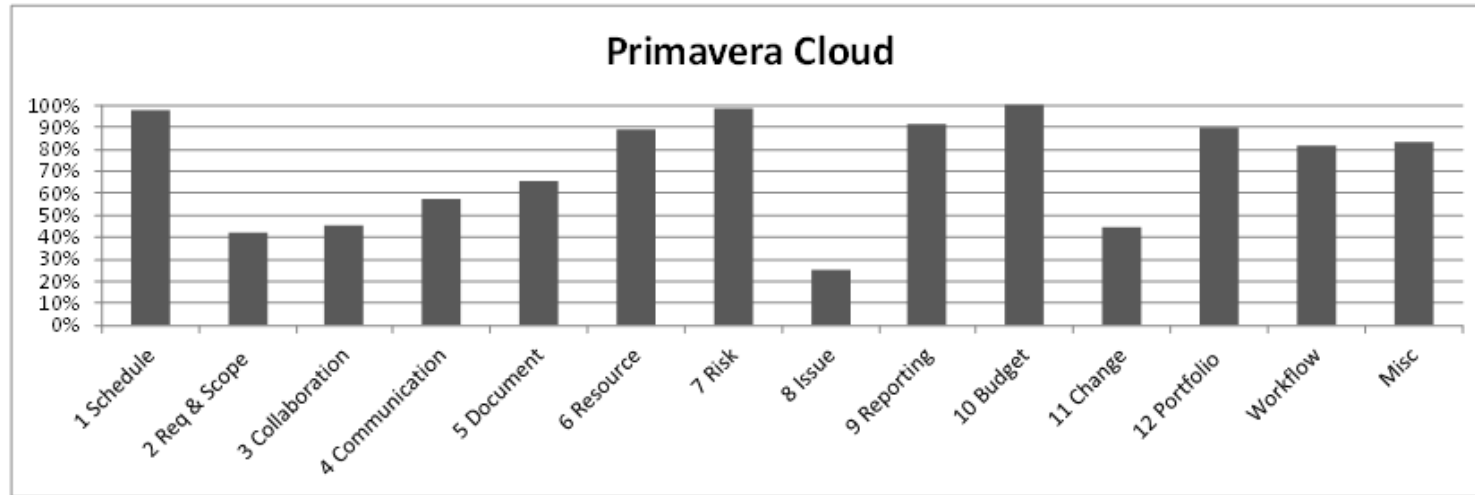


# Analysis: Project Insight

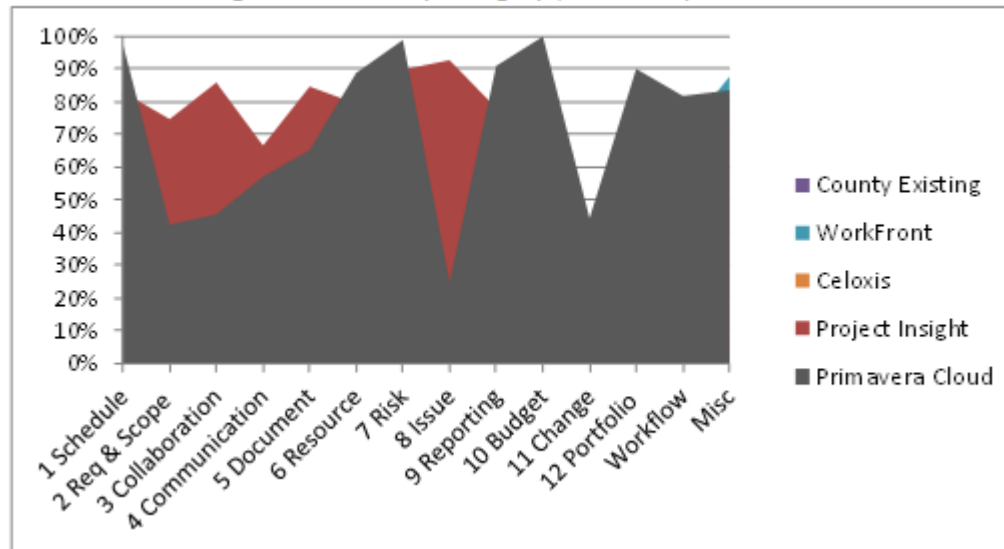
- Costs based on estimated user base
  - Licenses: \$56,000
  - Implementation Costs: \$50,000  
(Business Process Consulting, Training, Report & Template Building, Customization, Integrations)
  - Ongoing maintenance and support: Cost of licenses
- Cooperative Purchasing Agreement
  - No formal government purchase program exists but would be willing to consider
- Implementation Effort
  - Between 60-120 days from contract



# Analysis: Primavera Cloud



Area Chart showing relative % fit by Category (Primavera)



# Analysis: Primavera Cloud

- Strengths
  - Portfolio: Intake with scorecard and rankings; Custom groupings of projects; Scenario analysis
  - Scheduling: 19 Point Health Check; Schedule comparison; Go back in time and capture snapshot of data
  - Resource: Project Managers can review and adjust updates from Resources before they impact the schedule
  - Reporting: Dashboards and Analytics available within application; Customizable
  - Workflow: Easy to create using graphical interface; Conditional Routing; Custom forms
  - Risk: Includes Risk Mitigation Planning with action steps and tracking
  - Budget: Strong costing capabilities



# Analysis: Primavera Cloud

- Weaknesses
  - Agile: Focus is mainly Waterfall, that could be Iterative for Sprints, but lacks ability to create backlogs, stories, etc. and easily reprioritize them.
  - Collaboration: Does provide feedback on activities and discussions at the activity level, but does not interface with any collaborative tools
  - Auditing: Tracks comments through the individual that made them rather than against the object discussed
  - Issues: Currently little more than an issues log



# Analysis: Primavera Cloud

- Platform
  - Multi-tenant Cloud-based application hosed in Ashburn, VA
- Technical
  - Data is encrypted in transit and at rest
  - ISO/IEC 27001 & 27002 Code of Practice. Assessed annually.
  - Target system availability is 99.5%
  - Backups made for Oracle's purposes in the event of an incident, not typically to restore data lost as a result of client actions
- Sustainability
  - Company founded in 1977
  - Updates with regular release throughout the year
  - Monthly / quarterly maintenance and regular patch sets



# Analysis: Primavera Cloud

- Accessibility Standards
  - Oracle products are tested for accessibility using a variety of techniques including automated tools, expert heuristic review, visual inspection, manual operation, and testing with various AT by both disabled and non-disabled users. We report the outcome of that testing using the Voluntary Product Accessibility Template (VPAT).
  - The most recent VPAT for Oracle Primavera Cloud is for version 20.1, available at:  
<https://www.oracle.com/corporate/accessibility/templates/t2-9655.html>



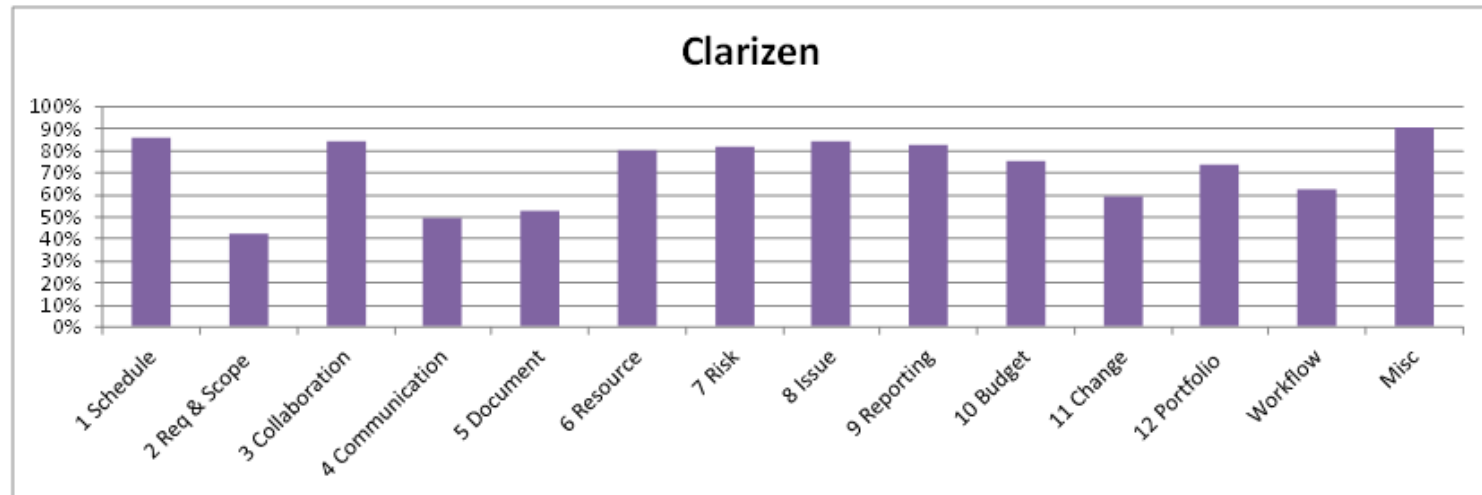


# Analysis: Primavera Cloud

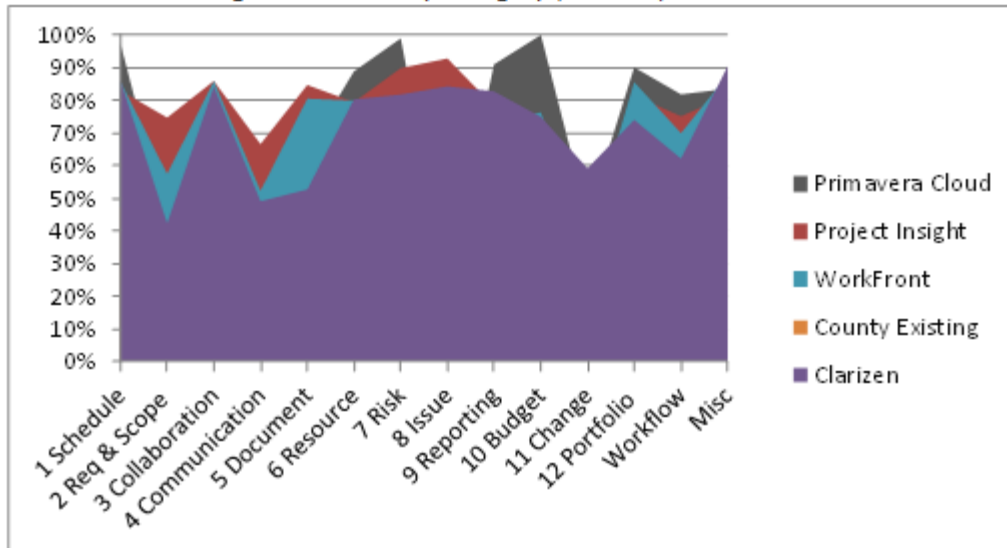
- Costs based on expected user base
  - Licenses: \$87,360
  - Implementation Costs: \$65,000 - \$85,000  
(Review, Adjustments, Testing, Deployment and Training)
  - Ongoing maintenance and support: Cost of licenses
- Cooperative Purchasing Agreement
  - Mythics Maricopa Contract (formerly US Communities)
  - Lead Agency: Maricopa County
- Implementation Effort
  - 8 to 12 weeks
  - 25 to 35 person days of participation



# Analysis: Clarizen



Area Chart showing relative % fit by Category (Clarizen)



# Analysis: Clarizen

- Strengths
  - Scheduling: Phase gates with approvals
  - Resource: Assign based on Role while seeing all Resource availability
  - Collaboration: Clarizen Chatbot for MS Teams allows query of information and updates directly from MS Team; Approvals through email; Discussions
  - Reporting: Slide Printer can generate a PPT from dashboards; Create interactive view of Dashboard and send to a non-Clarizen user or be embed in a web page
  - Dashboards: Very configurable, drag and size portlets



# Analysis: Clarizen

- Weaknesses
  - Use of Milestones as WBS levels
  - Documentation: Limited security; Need ZYFlow for additional capabilities
  - Workflow: Buildable, but geared toward reusing same workflow across multiple forms/request; Doesn't seem flexible
  - Updates from Resource change the Schedule immediately



# Analysis: Clarizen

- Platform
  - SaaS only with dedicated environment
- Technical
  - Data center is in California with Disaster Recovery site in NJ
  - Global update of 99.99%
- Sustainability
  - Company originated in 2005
  - Ongoing updates
- Accessibility Standards
  - No specific actions taken to be compliant

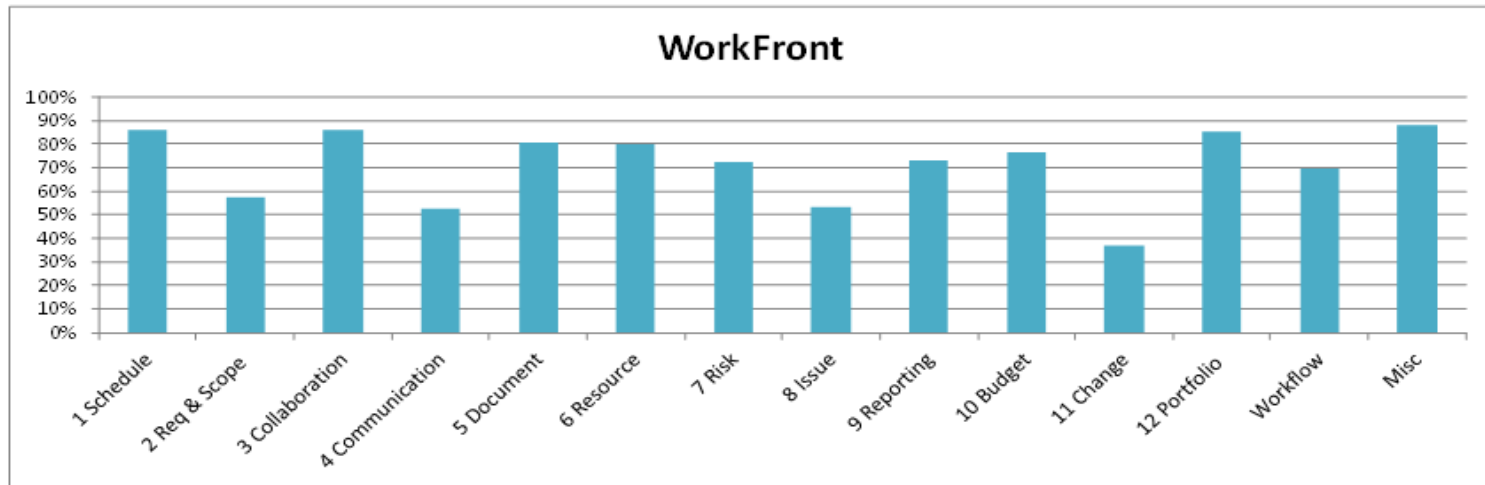


# Analysis: Clarizen

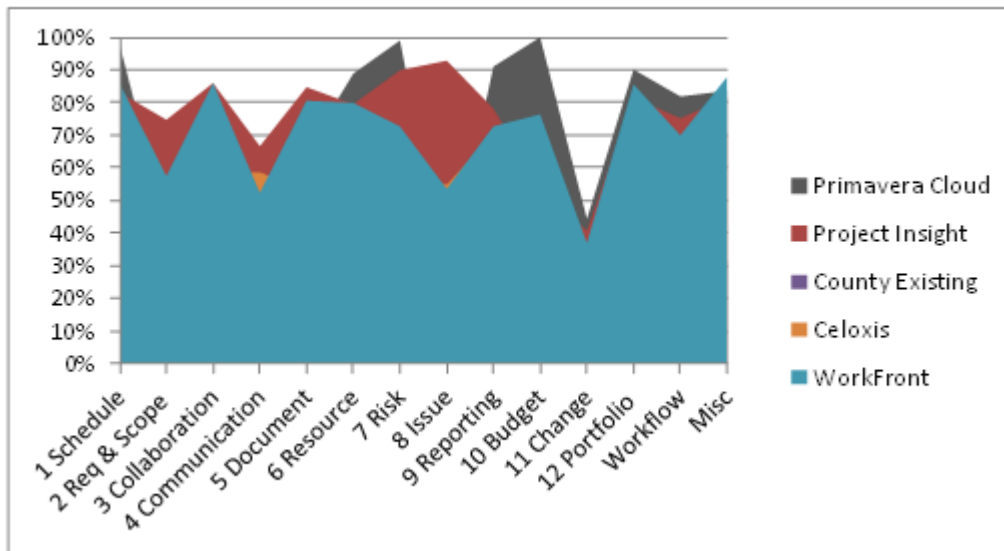
- Costs based on expected user base
  - Enterprise Version: 1 Custom Unit
  - Unlimited Version: Up to 5 Custom Units
  - Licenses: \$172,800 (Enterprise)  
\$230,400 (Unlimited)
  - Implementation Costs: \$25,000 - \$50,000  
(SOW will be developed to determine work to be done. Estimate 100 – 200 hours @ \$250)
  - Ongoing maintenance and support: Cost of Licenses
- Cooperative Purchasing Agreement
  - No purchasing agreement
- Implementation Effort
  - 8 to 10 Weeks



# Analysis: Workfront



Area Chart showing relative % fit by Category (WorkFront)



# Analysis: Workfront

- Strengths
  - Known entity in Orange County; Other Departments use it
  - Data Import: “Kick Start” enables loading of existing data
  - Portfolio: Can convert a Request into a Project
  - Collaboration: Interface with MS Teams and personal calendars; Discussions
  - Documents: View and mark up 150 different document types
  - Agile: Burndown log; Story Boards
  
- Weaknesses
  - Resources: Updates change the Schedule immediately
  - Costs: Focus was labor and expense, can't track Material or Non-Labor separately





# Analysis: Workfront

- Platform
  - Multi-tenant Cloud-based application
- Technical
  - Data encrypted in transit and at rest
  - ISO 27001, 27017, and 27018 certified
  - Standards: ASEPA, NIST, SANS, OWASP. Last assessed July, 2019
  - Continuous backups with fail over
- Sustainability
  - Company originated in 2001, SaaS offering launched in 2006
  - Current version 2020.2
  - New releases quarterly with patches as needed



# Analysis: Workfront

- Accessibility Standards
  - Workfront complies with many of the standards and requirements outlined in Web Content Accessibility Guidelines (WCAG) 2.0 and Section 508 of the Rehabilitation Act
  - Workfront continually strives to improve its user interface for all types of users. Many of our releases are focused primarily on usability enhancements, many of which will improve the ease of use for those with disabilities. Because Section 508 and similar accessibility regulations are generally focused on the government entity's general compliance and less pertinent to specific vendors, Workfront recommends that its clients perform their own evaluations based on their specific environment and usage.

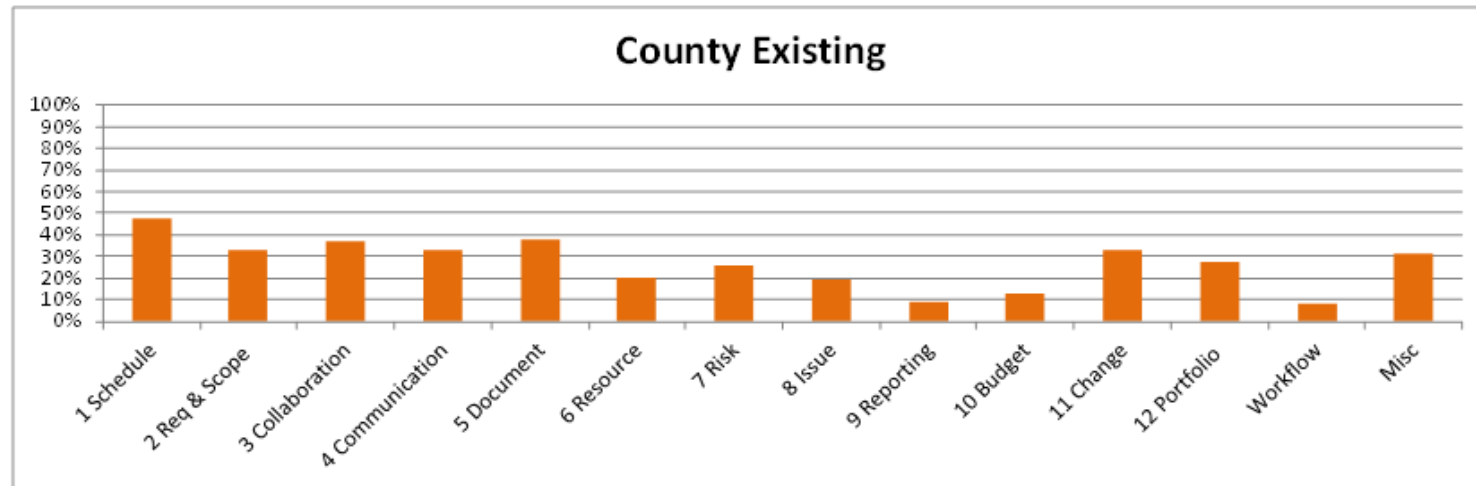


# Analysis: Workfront

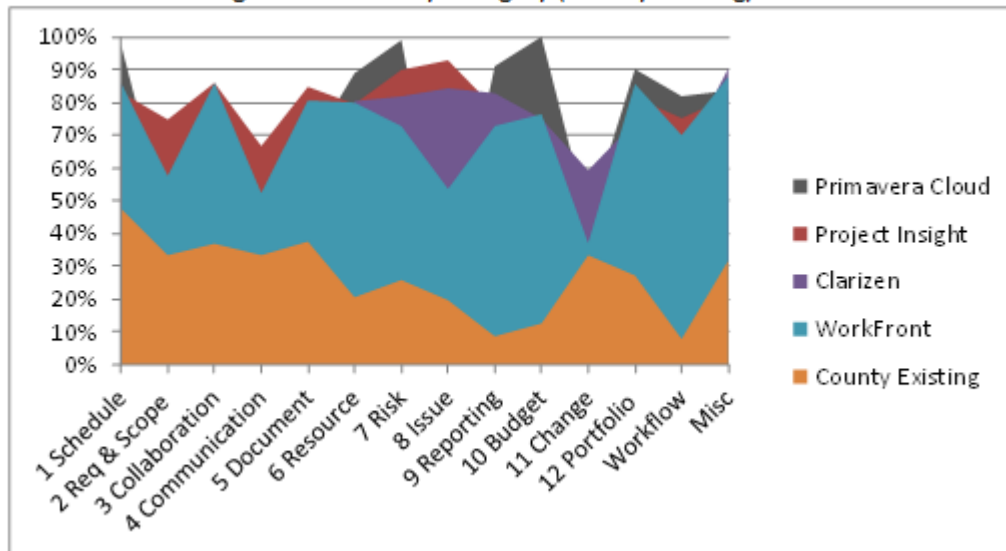
- Costs based on expected user base
  - Business version: 10 Departments and Portfolio Optimizer & Scorecards
  - Professional version: 1 Department
  - Licenses: \$148,480 Business  
\$128,760 Professional
  - Implementation Costs: \$50,000 - \$70,000
  - Ongoing maintenance and support: Cost of licenses  
(Recommend \$10-20K every 1-2 years for optimization)
- Cooperative Purchasing Agreement
  - Workfront is available on the GSA schedule for purchase.  
GSA schedule #: GS-35F-0571T
- Implementation Effort
  - 1 to 3 weeks



# Analysis: County Existing Tools



Area Chart showing relative % fit by Category (County Existing)



# Analysis: County Existing Tools

- Strengths
  - Existing, known applications
  - Flexibility of Excel, Word, SharePoint allows PMs to customize in order to delivery what they need
- Weaknesses
  - Lacks a strong, single source for project management data
  - Difficult and time consuming to export and combine project information for analysis and reporting purposes
  - Multiple tools used to accomplish work leads to data re-entry, multiple locations for information, and potential data discrepancies
  - No single source of truth for all projects
  - No automated workflow capabilities for routing information and obtaining approvals



# Analysis: County Existing Tools

- Platform
  - Mainly SharePoint, MS Project (stand alone), Excel/Word
  - Workfront is used by a couple of Agencies
- Technical
  - Stand alone applications run on individual's computers
  - SharePoint security does not have granular settings to limit who has access to which items within a site
- Sustainability
  - Individual applications have ongoing support indefinitely
- Costs
  - No additional cost



# Cost Comparison

- Estimated User Base:
  - 30 Project Managers
  - 30 Resource Managers
  - 10 Portfolio Managers
  - 20 Executives
  - 200 Resources
- Pricing is based on information supplied by vendor
- Vendors have stated that additional discounts may be available
- Refer to individual solution's Analysis slides for more details about the costs



# Cost Comparison

Solution	License/Yr	Implementation	On-Going/Yr
Celoxis SaaS	\$ 87,000	\$ 16,000	\$ 87,000
Celoxis On-Prem	130,500	16,000	43,065
Clarizen Enterprise	172,800	25,000	172,800
Clarizen Unlimited (#3)	230,400	50,000	230,400
Hive	61,200	100,000	61,200
Primavera Cloud (#2)	87,360	65 - 85,000	87,360
Project Insight (#1)	56,000	50,000	56,000
UGovernIT	36 - 48,000	10 - 25,000	36 - 48,000
Workfront Business	148,480	50 - 70,000	148,480
Workfront Professional (#4)	128,760	50 - 70,000	128,760
Wrike Business	46,224	8 - 12,000	46,224
Wrike Enterprise	68,040	8 - 12,000	68,040





# Conclusions

- Countywide Survey and Interviews indicated that the current tools are not effective and need improvement
  - See Survey Findings PowerPoint
- Current Project Management tools do not effectively work for the County
  - Outlined in slides 14 Current State Findings and 15: Project Management Findings
- The tools used for Portfolio Management are not adequate to manage the number and size of existing projects
  - Outlined in slide 16: Portfolio Management Findings



# Conclusions

- Future Vision addresses weakness identified in Current State
  - Outlined in slides 17 - 18: Future Vision and 19 - 22: Current to Future Contrast
- Requirements identified and vetted through the assessment process provide a strong basis for future tool procurement
- Assessment of PM & PPM Tools identified top 4 based on product review and demonstration
  - Project Insight, Primavera Cloud, Clarizen, Workfront
  - Variance between the top 4 solutions is only 5%
  - Any of the top 4 solutions would greatly improve project and portfolio management capabilities
  - Ultimate select should focus on the Categories that matter most to the County



# Final Word

- Projects are being completed in spite of the tools used
- Implementing Project Management tools that manage and report in the system will reduce rework and inaccuracy from manually updating SharePoint
- Establishing a Portfolio capable system will vastly increase the County's ability to view and analyze project information
- Providing Resource Management capabilities will enable OCIT to determine the right number and skill set of resources needed to effectively and efficiently deliver future projects
- Centralizing the PM & PPM data will increase accuracy and timeliness of reports; reduce the effort to create them; and enable more in-depth analysis





# Memorandum

November 19, 2020

**AOC Agenda Item No. 12**

TO: Audit Oversight Committee Members

Recommended Action:

Approve Internal Audit Department's FY 2020-21 1st Quarter Status Report and approve Executive Summary of Internal Audit Reports for the Quarter Ended September 30, 2020

---

Approve Internal Audit Department's reporting, as stated in the recommended action.

ATTACHMENT(S):

Attachment A – Internal Audit Department Status Report Memo

Attachment B – Executive Summary of Internal Audit Reports

Attachment C – Quarterly Status Report



## INTERNAL AUDIT DEPARTMENT

---

November 5, 2020

To: Audit Oversight Committee Members

From: Aggie Alonso, CPA, CIA, CRMA  
Internal Audit Department Director

Subject: Fiscal Year 2020-21 Internal Audit Department Status Report for the Quarter Ended September 30, 2020

---

Attached for your review and approval is Internal Audit's status report on audit activity for the quarter ended September 30, 2020. Specifically, Attachment B is our "Executive Summary of Internal Audit Reports," which provides a summary of audits and follow-up audits conducted during the reporting period with a breakdown of the finding type (e.g., critical, significant, etc.). Attachment C is our "Quarterly Status Report," which is a listing of all of the audits scheduled for the year, along with the budgeted hours, actual hours, variance between budget and actual, and milestone comments for each audit.

For the quarter ending September 30, 2020, Internal Audit issued 11 final reports (four original reports, one self-assessment memo, and six follow-up reports) and three draft reports. The four final original audits included one Critical Control Weakness, five Significant Control Weaknesses, and 16 Control Findings.

If you have any questions, please contact me at 714.834.5442, or Assistant Director Scott Suzuki at 714.834.5509.

**INTERNAL AUDIT DEPARTMENT  
EXECUTIVE SUMMARY - FINDING TYPE CLASSIFICATION  
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

CATEGORY	ISSUED THIS PERIOD	ISSUED FOR FY 2019-20
<b>Critical Control Weaknesses</b> These are audit findings or a combination of audit findings that represent critical exceptions to the audit objective(s) and/or business goals. Such conditions may involve either actual or potential large dollar errors or be of such a nature as to compromise the department's or County's reputation for integrity. Management is expected to address Critical Control Weaknesses brought to its attention immediately.	<b>1</b>	<b>1</b>
<b>Significant Control Weaknesses</b> These are audit findings or a combination of audit findings that represent a significant deficiency in the design or operation of internal controls. Significant Control Weaknesses require prompt corrective actions.	<b>5</b>	<b>5</b>
<b>Control Findings</b> These are audit findings concerning internal controls, compliance issues, or efficiency/effectiveness issues that require management's corrective action to implement or enhance processes and internal controls. Control Findings are expected to be addressed within our follow-up process of six months, but no later than twelve months.	<b>16</b>	<b>16</b>
<b>TOTAL</b>	<b>22</b>	<b>22</b>

**EXECUTIVE SUMMARY  
INTERNAL AUDIT REPORTS  
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

**AUDITOR-CONTROLLER****1. Internal Control Audit: Auditor-Controller Fiduciary and Special Revenue Funds**

Audit No. 1818 dated August 28, 2020 for the nine months ended March 31, 2020

OBJECTIVES	RESULTS	CRITICAL CONTROL WEAKNESS/ SIGNIFICANT CONTROL WEAKNESS	CONTROL FINDINGS
1. Evaluate the effectiveness of internal control over fiduciary or special revenue funds to ensure sources and uses of funds are proper and in compliance with County and departmental policy, procedures, laws, and government codes.	A-C's internal control over the fiduciary and special revenue funds process is generally effective to ensure sources and uses of funds are proper and in compliance with County and departmental policy, procedures, laws, and government codes.	<b>One (1) Significant Control Weakness</b> Fund transaction support included personally identifiable information.	<b>3</b>
2. Review the fiduciary and special revenue funds process for efficiency.	A-C's fiduciary and special revenue process is generally efficient		

**CLERK-RECORDER****2. Clerk-Recorder Senate Bill 2 Building Homes and Jobs Act Review**

Audit No. 1919 dated August 19, 2020 for the year ended December 31, 2019

OBJECTIVES	RESULTS	CRITICAL CONTROL WEAKNESS/ SIGNIFICANT CONTROL WEAKNESS	CONTROL FINDINGS
1. Determine if fees were properly collected and recorded.	No exceptions were noted with respect to proper fee collection and recording.	None	<b>2</b>
2. Determine if fees were properly remitted to the State Controller.	No exceptions were noted regarding proper fee remittance to the State Controller.		
3. Determine if access controls in the Cornerstone Cashiering System were adequate.	Access controls over the Cornerstone Cashiering System were adequate.		
4. Determine if administrative costs were appropriately deducted from remittance and fully recovered.	Administrative costs were appropriately deducted from the remittance.		

## COUNTY EXECUTIVE OFFICE

## 3. OCIT Ransomware Readiness Self-Assessment

Audit No. 1908-F dated September 8, 2020 as of March 31, 2020

OBJECTIVES	RESULTS	CRITICAL CONTROL WEAKNESS/ SIGNIFICANT CONTROL WEAKNESS	CONTROL FINDINGS
1. Internal Audit worked with OCIT to complete a self-assessment of OCIT's ransomware readiness.	We identified opportunities for OCIT to enhance internal controls.	NA	NA

## DISTRICT ATTORNEY-PUBLIC ADMINISTRATOR

## 4. Internal Control Audit: District Attorney-Public Administrator Revolving Funds

Audit No. 1913 dated July 30, 2020 for the year ended June 30, 2019

OBJECTIVES	RESULTS	CRITICAL CONTROL WEAKNESS/ SIGNIFICANT CONTROL WEAKNESS	CONTROL FINDINGS
1. Ensure revolving fund transactions are complete (recorded/reported), accurate, valid (authorized), processed timely, and in compliance with County policies.	OCDA should improve internal control over the revolving funds process to ensure revolving fund transactions are complete (recorded/reported), accurate, valid (authorized), processed timely, and in compliance with County policy.	<b>One (1) Critical Control Weakness</b> \$80,400 in payments were made related to legal and litigation services on behalf of a Deputy District Attorney for state bar disciplinary proceedings without proper approval from the Board of Supervisors (Board). In addition, at least one consultant was used and paid through the fund over multiple years but did not go through the procurement process.	6
2. Ensure revolving fund duties are adequately segregated, and assets are adequately safeguarded.	OCDA should improve internal control over the revolving funds process to ensure duties are adequately segregated, and assets adequately safeguarded.		
3. Review the revolving funds process for efficiency.	The efficiency of the revolving funds process could improve.	<b>Three (3) Significant Control Weaknesses</b> 1. Revolving fund accounting system has some control and efficiency shortcomings. 2. OCDA completes fund and bank reconciliations, but does not perform certain procedures required by County policy. 3. Travel cash advances were given to employees with unpaid balances from prior travel cash advances.	



**SHERIFF-CORONER****5. Internal Control Audit: Sheriff-Coroner Concealed Carry Weapon Licensing and Records Units Cash Receipts**

Audit No. 1918 dated August 17, 2020 for the year ended September 30, 2019

OBJECTIVES	RESULTS	CRITICAL CONTROL WEAKNESS/ SIGNIFICANT CONTROL WEAKNESS	CONTROL FINDINGS
1. Evaluate the effectiveness of internal control over the cash receipts process to ensure cash receipts are properly collected, recorded, deposited, and safeguarded.	OCSD's internal control over the cash receipts process is generally effective to ensure cash receipts are properly collected, recorded, deposited, and safeguarded.	<b>One (1) Significant Control Weakness</b> Due to the sensitive nature of the specific finding, the details for the finding have been redacted from this report.	<b>5</b>
2. Review the cash receipts process for efficiency.	OCSD's cash receipts process was generally efficient.		

**EXECUTIVE SUMMARY  
INTERNAL AUDIT FOLLOW-UP REPORTS  
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

**AUDITOR-CONTROLLER****3. First Follow-Up Internal Control Audit: Auditor-Controller Claims**

Audit No. 1939-F (Reference 1811-F1) dated September 3, 2020 as of July 31, 2020; original audit dated December 30, 2019

ORIGINAL AUDIT – 2 FINDINGS		FOLLOW-UP STATUS		PLANNED ACTION FOR RECOMMENDATIONS NOT IMPLEMENTED/IN PROCESS
CRITICAL CONTROL WEAKNESS/ SIGNIFICANT CONTROL WEAKNESS	CONTROL FINDINGS	IMPLEMENTED/ CLOSED	NOT IMPLEMENTED/ IN PROCESS	
0	2	1	1	<b>Recommendation No. 1 (Control Finding).</b> A-C is currently gathering information to formalize the claims/accounts payable policy and procedure to add it as part of the County Accounting Manual. A-C expects this to be implemented by December 2020.

**COUNTY EXECUTIVE OFFICE****4. Second & Final Close-Out Follow-Up Internal Control Audit: Countywide Audit of County Business Travel and Meeting Policy – County Executive Office**

Audit No. 1839-P (Reference 1626-A-F2) dated July 9, 2020 as of June 23, 2020; original audit dated February 7, 2018.

ORIGINAL AUDIT – 3 FINDINGS		FOLLOW-UP STATUS		PLANNED ACTION FOR RECOMMENDATIONS NOT IMPLEMENTED/IN PROCESS
CRITICAL CONTROL WEAKNESS/ SIGNIFICANT CONTROL WEAKNESS	CONTROL FINDINGS	IMPLEMENTED/ CLOSED	NOT IMPLEMENTED/ IN PROCESS	
None	3	3	0	NA

**5. Second & Final Close-Out Follow-Up Internal Control Audit: CEO/Real Estate – Revenue Generating Lease Administration Process**

Audit No. 1939-S (Reference 1730-F2) dated July 28, 2020 as of June 30, 2020; original audit dated March 5, 2019

ORIGINAL AUDIT – 4 FINDINGS		FOLLOW-UP STATUS		PLANNED ACTION FOR RECOMMENDATIONS NOT IMPLEMENTED/IN PROCESS
CRITICAL CONTROL WEAKNESS/ SIGNIFICANT CONTROL WEAKNESS	CONTROL FINDINGS	IMPLEMENTED/ CLOSED	NOT IMPLEMENTED/ IN PROCESS	
None	4	4	0	NA

**HEALTH CARE AGENCY****6. First Follow-Up Internal Control Audit: Health Care Agency Payroll Process**

Audit No. 1939-G (Reference 1812-F1) dated July 8, 2020 as of May 31, 2020; original audit dated June 18, 2019.

ORIGINAL AUDIT – 3 FINDINGS		FOLLOW-UP STATUS		PLANNED ACTION FOR RECOMMENDATIONS NOT IMPLEMENTED/IN PROCESS
CRITICAL CONTROL WEAKNESS/ SIGNIFICANT CONTROL WEAKNESS	CONTROL FINDINGS	IMPLEMENTED/ CLOSED	NOT IMPLEMENTED/ IN PROCESS	
None	3	2	1	<b>Recommendation No. 1 (Control Finding).</b> HCA is currently working with HRS regarding the use of the Call Back (CB) pay code to determine the requirements for a policy and procedure update.

**OC PUBLIC WORKS****7. First & Final Close-Out Follow-Up Internal Control Audit: OC Public Works Fee-Generate Revenue**

Audit No. 1939-L (Reference 1820-F1) dated July 9, 2020 as of June 24, 2020; original audit dated December 16, 2019.

ORIGINAL AUDIT – 2 FINDINGS		FOLLOW-UP STATUS		PLANNED ACTION FOR RECOMMENDATIONS NOT IMPLEMENTED/IN PROCESS
CRITICAL CONTROL WEAKNESS/ SIGNIFICANT CONTROL WEAKNESS	CONTROL FINDINGS	IMPLEMENTED/ CLOSED	NOT IMPLEMENTED/ IN PROCESS	
None	2	2	0	NA

**OC WASTE & RECYCLING****8. First Follow-Up Internal Control Audit: OC Waste & Recycling Fee-Generate Revenue**

Audit No. 1939-K (Reference 1821-F1) dated July 8, 2020 as of May 31, 2020; original audit dated September 23, 2019.

ORIGINAL AUDIT – 1 FINDING		FOLLOW-UP STATUS		PLANNED ACTION FOR RECOMMENDATIONS NOT IMPLEMENTED/IN PROCESS
CRITICAL CONTROL WEAKNESS/ SIGNIFICANT CONTROL WEAKNESS	CONTROL FINDINGS	IMPLEMENTED/ CLOSED	NOT IMPLEMENTED/ IN PROCESS	
None	1	0	1	<b>Recommendation No. 1 (Control Finding).</b> OCWR has requested Auditor-Controller's Cost, Revenue & Budget Unit to perform a fee analysis for the fees noted in the audit to determine if they would require annual updates or time-cycle updates. OCWR expects the fee analysis to be completed by September 30, 2020.

**EXECUTIVE SUMMARY  
APPENDIX A: DRAFT REPORTS  
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

The following pre-draft/draft reports were issued during the reporting period:

1. **Internal Control Audit: OC Public Works Purchasing**, Audit No. 1911
2. **First & Final Close-Out Internal Control Audit: OC Information Technology Capital Assets**, Audit No. 1939-D
3. **First Follow-Up Internal Control Audit: OC Community Resources/OC Animal Care Cash Receipts**, Audit No. 1939-I



Internal Audit Department  
1st Quarter Status Report for the Audit Oversight Committee  
For the Quarter Ended 9/30/20  
AOC Meeting Date: November 19, 2020

Attachment C

Audit Category and Name <sup>1,2,3</sup>	Audit Number	Start Date	End Date	Multi-Yr Projects		Current Audit Plan								Est Remain	Budget Variance	FU Due	FU Number	Milestones & Comments <sup>4</sup>	
				Total Budget	Actuals To Date	Budget	Changes	Revised Budget	#1	#2	#3	#4	Total						
Internal Control Audits (ICA)																			
OCIT Contract Administration (FY 2017-18 carryover)	1624	3/28/20		445	408	200		200	167				167	33	0			In process	
SSA Fiduciary Funds (FY 2018-19 carryover)	1823	7/29/20				300		300	156				156	144	0			In process	
OCPW Purchasing & Contracts (FY 2019-20 carryover)	1911	12/03/19		530	530	80		80	79				79	1	0			Draft report issued 8/14/20	
OCSD Purchasing & Contracts (FY 2019-20 carryover)	1912	10/08/19		610	603	80	130	210	199				199	11	0			In process	
HCA/PG CIMS (Department Request)	1914	11/20/19		420	322	120		120	23				23	97	0			In process	
T-TC Accounts Receivable Controls (1729)	2011	9/24/20				400		400	66				66	334	0			In process	
CEO Cash Disbursements & Payables	2012	9/03/20				400		400	61				61	339	0			In process	
JWA Cash Disbursements & Payables	2013					0		0	0				0	0	0			Not started	
OCCR Cash Disbursements & Payables	2014	9/24/20				400		400	133				133	267	0			In process	
OCCR/OC Parks/OC Dana Point Harbor Purchasing & Contracts	2015					400		400	0				0	400	0			Not started	
SSA Purchasing & Contracts	2016	9/09/20				400		400	52				52	348	0			In process	
PD Revolving Funds	2017	9/03/20				400		400	121				121	279	0			In process	
CEO Fiduciary & Special Revenue Funds	2018					400		400	0				0	400	0			Not started	
OCPW Fiduciary & Special Revenue Funds	2019					400		400	0				0	400	0			Not started	
CEO Contract Policy Manual Review	2020					200		200	11				11	189	0			Not started	
OCPW Design & Construction Procurement Manual Review	2021					200		200	6				6	194	0			Not started	
OCPW Toll Road and Transponder Usage for County Vehicles Compliance	2022	7/08/20				400		400	356				356	44	0			In process	
COVID Advisory (1920)	2023	4/21/20				400		400	0				0	400	0	NA	NA	In process	
Follow-Up Audits (FY 2019-20 carryover)								280		280	173		173	107	0				
OCIT Capital Assets (1732)	1939-D	7/23/20																	Draft report issued 9/25/20
A-C Claims (1811)	1939-F	7/31/20	9/3/20														3/31/21	2039-Q	Completed. Final report issued 9/3/20
OCCR/Animal Care Cash Receipts (1815)	1939-I	6/12/20																	Draft report issued 9/22/20
HCA Contracts & Procurement (1819)	1939-J																		Not started
Probation P-Card (1822)	1939-M																		Not started
CEO/Real Estate Procurement/Contract Administration (1730/1939-C)	1939-S	7/13/20	7/28/20														NA	NA	Completed. Final close-out report issued 7/28/20
First Follow-Up Audits								894		894			0	894	0				
OCIT Procurement/Contract Administration (1624)	2039-A																		Not started
A-C Fiduciary (1818)	2039-B																		Not started
SSA Fiduciary (1823)	2039-C																		Not started
OCSD Purchasing & Contracts (1911)	2039-D																		Not started
OCSD Purchasing & Contracts (1912)	2039-E																		Not started
OCDA Revolving Fund (1913)	2039-F																		Not started
HCA Department Request (1914)	2039-G																		Not started
HCA FGR (1915)	2039-H																		Not started
OCPW Payroll (1916)	2039-I	NA	NA														NA	NA	Cancelled; 1916 contained no recommendations
OCSD Revolving Cash Fund (1917)	2039-J																		Not started
OCSD Cash Receipts (1918)	2039-K																		Not started
C-R Department Request (1919)	2039-L																		Not started
Second Follow-Up Audits																			
OCPW Billing of Public Works Services to County Departments (1734/1939-E)	2039-M																		Not started
HCA Payroll (1812/1939-G)	2039-N																		Not started
OCCR/Animal Care Cash Receipts (1815/1939-I)	2039-O																		Not started
OCWR Fee Generated Revenue (1821/1939-K)	2039-P																		Not started
A-C Claims (1811/1939-F)	2039-Q																		Not started
Summary Close-Out						0	130	130	130				130	0	0	Completed. Final reports issued for 1818, 1913, 1918, 1919, 1839-P, 1939-G, 1939-K, 1939-L			
Total Internal Control Audits						6,354	260	6,614	1,733	0	0	0	1,733	4,881	0				
Mandated & Financial Audits (MFA)																			
Tax Redemption Officer	2024	9/21/20				0	400	400	101				101	299	0			In process	
Total Mandated & Financial Audits						0	400	400	101	0	0	0	101	299	0				
Business Process Improvement (BPI)																			
General	2061	NA	NA			315		315	6				6	309	0	NA	NA	In process	
Total Business Process Improvement						315	0	315	6	0	0	0	6	309	0				



Internal Audit Department  
1st Quarter Status Report for the Audit Oversight Committee  
For the Quarter Ended 9/30/20  
AOC Meeting Date: November 19, 2020

Attachment C

Audit Category and Name <sup>1,2,3</sup>	Audit Number	Start Date	End Date	Multi-Yr Projects		Current Audit Plan												FU Due	FU Number	Milestones & Comments <sup>4</sup>
				Total Budget	Actuals To Date	Budget	Changes	Revised Budget	Actuals to Date Per Quarter					Est Remain	Budget Variance					
									#1	#2	#3	#4	Total							
Information Technology Audits (IT)																				
TTC Sungard/Quantum upgrade (Department Request) (FY 2017-18 carryover)	1647	6/12/17		310	326	50		50	25				25	25	0			In process		
PTS System Implementation (FY 2017-18 carryover)	1754	7/01/18		75	41	50		50	2				2	48	0			In process		
HCA Cybersecurity (FY 2019-20 carryover)	1943					400		400	0				0	400	0			Not started		
COB Cybersecurity (FY 2019-20 carryover)	1944					400	(400)	0	0				0	0	0			Pending AOC cancellation approval		
OCDA Cybersecurity	2041	8/03/20				400		400	254				254	146	0			In process		
ROV Cybersecurity	2042					0		0	0				0	0	0			Not started		
Probation Cybersecurity	2043					0		0	0				0	0	0			Not started		
County Counsel Cybersecurity	2044					0		0	0				0	0	0			Not started		
CEO/HRS Data Portal Access	2045					0		0	0				0	0	0			Not started		
(A-C) CAPS+ Application Security	2046					400		400	0				0	400	0			Not started		
Countywide Cybersecurity Advisory	2047	7/01/20				50		50	32				32	18	0			In process		
A-C Workforce/VTI Replacement	2048	6/12/20				50		50	12				12	38	0			In process		
Follow-Up Audits (FY 2019-20 carryover)								280	100	380	282		282	100	2					
OCSD ITGC (1845)	1949-D	7/08/20																In process		
SSA ITGC (1846)	1949-E	7/08/20																In process		
OCIT (1644/1748-A)	1949-F	2/03/20																In process		
First Follow-Up Audits:								565		565	0		0	565	0					
JWA ITGC (1941)	2059-A																	Not started		
PD Cybersecurity (1942)	2059-B																	Not started		
COB Cybersecurity (1944)	2059-C																	Not started		
HCA Cybersecurity (1943)	2059-D																	Not started		
Assessor ITGC (1844)	2059-E																	Not started		
Second Follow-Up Audits																				
A-C ITGC (1741/1949-A)	2059-F																	Not started		
C-R Department Request (1840/1949-B)	2059-G																	Not started		
Summary Close-Out								0	139	139	119	0	0	0	119	20	0	Final reports for 1941, 1942 pending		
Total Information Technology Audits						2,645	(161)	2,484	726	0	0	0	726	1,760	2					
Total Audits Before Other Activities & Administration						9,314	499	9,813	2,566	0	0	0	2,566	7,249	2					
Other Activities & Administration																				
Annual Risk Assessment & Audit Plan	2001					300		300	0				0	300	0			Not started		
Cash Losses	2002					100		100	0				0	100	0			In process; no referrals received for Q1		
External Audit Reporting	2004					200		200	50				50	150	0			In process; Q1 reporting completed		
On-Demand Department Advisory Services	2005					100		100	0				0	100	0			In process; no requests received for Q1		
Annual Report	2006					100		100	0				0	100	0			Not started		
Board & AOC Services	2007					100	500	600	501				501	100	1			In process; Q1 reporting + retreat completed		
Special Projects	2008					700		700	223				223	477	0			In process; Ransomware (1908-F) issued 9/08/20		
CWCAP	2009					100		100	100				100	0	0			Completed. Submitted to A-C		
Total Other Activities & Administration						1,700	500	2,200	874	0	0	0	874	1,327	1					
Reserve for Board Directives/Contingency						1,658	(999)	659	0	0	0	0	0	659	0					
Productive Time Diverted to Administrative Services						0														
Total Budget						12,672	0	12,672	3,440	0	0	0	3,440	9,235	3					
Footnote 5																				

**Footnotes**

**1.** The mission of the Internal Audit Department (IA) is to provide highly reliable, independent, objective evaluations and business and financial consulting services to the Board of Supervisors (Board) and County management to assist them with their important business and financial decisions. The director of Internal Audit shall report directly to the Board and be advised by the Audit Oversight Committee (AOC) designated by the Board. The director of Internal Audit and staff shall have complete and unrestricted access to all of the County's financial records, files, information systems, personnel, and properties, except where prohibited by law. The AOC is an advisory committee to the Board and provides oversight of IA and the external auditors. The scope of IA shall include reviews of the reliability and integrity of financial, compliance, property and business systems, and may include appraising the efficiency of operations and the achievement of business and program goals and objectives.

**2.** IA generates several different types of reports including audit reports, summary reports, and status reports. In addition, IA undertakes several different projects including audits of internal controls, audits of lessee compliance with County contracts, and audits of IT controls. IA also serves the AOC by providing clerk services (meeting agenda preparation, minutes, etc.) and by preparing summary reports.

**3.** The annual Audit Plan is subject to change for such events where the director of Internal Audit or Board majority assesses it is warranted, to substitute, postpone, or cancel a scheduled audit due to timing, priority, resource, or risk considerations. Such modifications will be noted in the Milestones & Comments section of this Quarterly Status Report for review by the AOC. **The acceptance of the Quarterly Status Report by the AOC authorizes both the content herein and any changes noted.** During the course of the year, the director of Internal Audit has discretion to research issues of interest to members of the Board, AOC, or County management and provide them with Technical Assistance. When charged, these projects will be directed either to advisory services or to a separate project. Assistance of this nature generally involves between 10 and 80 hours and results are generally communicated through discussions, memos, or a written report for public distribution.

**4.** For purposes regarding fiscal year-end reporting, we consider assignments completed (**Completed**) as of the official release of an audit report to the department head, and are shown as such in our Milestones & Comments column of this Quarterly Status Report.

**5.** The initial FY 2020-21 Annual Audit Plan of 12,672 hours is based on 9,314 direct hours to be provided by seven senior auditors/audit manager I's, one audit manager II, and one senior audit manager plus 1,700 hours for other activities and administration/special projects and 1,658 hours reserved for Board directives/contingency. The direct hours exclude time charges for vacation, sick leave, holidays, training, administrative time, and other time not directly charged to an engagement.



# Memorandum

November 19, 2020

**AOC Agenda Item No. 13**

TO: Audit Oversight Committee Members

Recommended Action:

Receive Report on Status of External Audit Recommendations Implementation and Approve Quarterly External Audit Activity Status Report for the Quarter Ended September 30, 2020

---

Receive Report on Status of External Audit Recommendations Implementation and Approve Quarterly External Audit Activity Status Report for the Quarter Ended September 30, 2020, as stated in the recommended action.

ATTACHMENT(S):

- Attachment A – External Audit Activity Status Report Memo
- Attachment B – Executive Summary of External Audit Activity
- Attachment C – External Audit Activity Quarterly Status Report
- Attachment D – External Audit Report, Implementation Status of Prior Quarter Significant & Material Issues

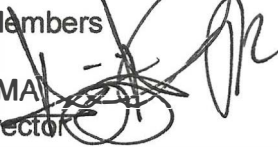


## INTERNAL AUDIT DEPARTMENT

---

November 5, 2020

To: Audit Oversight Committee Members

From: Aggie Alonso, CPA, CIA, CRMA, Internal Audit Department Director 

Subject: External Audit Activity Status Report for the Quarter Ended September 30, 2020

---

Attached for your review and approval is our External Audit Activity Status Report for the Quarter ended September 30, 2020. Pursuant to Audit Oversight Committee (AOC) Administrative Procedure Number 2, Reporting on External Audits, County departments are required to communicate the status of all third-party audits, including any significant audit findings identified, to Internal Audit on a quarterly basis. The procedure was established to keep the AOC informed of all third-party audits being performed and any significant findings identified. In addition, as requested by the AOC at its May 9<sup>th</sup>, 2019 meeting, we have included County department reported corrective action taken to implement recommendations related to significant audit findings identified.

To facilitate the AOC's review, we are pleased to include an Executive Summary that presents the total audit additions and deletions from the prior quarter, total current audits in process, references any new significant findings, and provides a summary of any material issues reported for the quarter, please see Attachment B. For individual report details, see Attachment C. Finally, for corrective action taken to implement recommendations, see Attachment D. For the quarter ended September 30, 2020, no new material issues were reported.

If you have any questions, please contact me at 714.834.5442, or Assistant Director Scott Suzuki at 714.834.5509.



**EXECUTIVE SUMMARY OF EXTERNAL AUDIT ACTIVITY**  
**For the Quarter Ended 09/30/20**

<b><u>SUMMARY ACTIVITY</u></b>	
Total Audits Prior Quarter (06/30/20)	<b>64</b>
Additions: In Progress	<b>19</b>
Planned	<b>45</b>
Started and Completed	<b>4</b>
Deletions: Canceled	<b>0</b>
Completed	<b>11</b>
Removed	<b><u>8</u></b>
Total Audits Current Quarter (09/30/20)	<b><u>113</u></b>
(In Progress, Planned, and/or Completed this Quarter)	

**Results for the Quarter:**

Audits Completed, Canceled and to be Removed Next Quarter **16**

New Findings/Issues Reported by the Departments **0**

**Material Issues:** (Includes Disallowances over \$100K) **0**

**EXTERNAL AUDIT ACTIVITY**  
**Quarterly Status Report**  
**1st Quarter FY 2020-21 (09/30/20)**

**Results:**

No material issues were reported to the Internal Audit Department this quarter.

The schedule below identifies the status of external audits as of 09/30/20, including any significant findings, as reported to us by Orange County Departments/Agencies. This schedule does not include reviews performed by the OC Grand Jury.

Department / Agency	Division	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status as of September 30, 2020	Significant Findings
<b>Assessor</b>		State Board of Equalization	All Property Assessment and Valuation Practices	Every 5 Years	2015	Compliance with property tax legal requirements and samplings of property valuation data.	In progress.	
<b>Auditor-Controller</b>	<b>Financial Reporting</b>	Eide Bailly, LLP	Single Audit	6/30/19 Annual	6/30/2018	Uniform Guidance Expenditures of Federal Assistance	Completed. (Reported 3/31/20)	See Attachment D for corrective actions taken related to findings from this audit.
		Eide Bailly, LLP	CAFR	6/30/20 Annual	6/30/2019	Annual Financial GAAP Audit	In progress.	
		Eide Bailly, LLP	Agreed Upon Procedures (AUP) over GANN Limit calculations	6/30/20 Annual	6/30/2019	GANN Limit Calculation - for County and OC Flood Control District	Planned.	
		Eide Bailly, LLP	Single Audit	6/30/20 Annual	6/30/2019	Uniform Guidance Expenditures of Federal Assistance	In progress.	
		Arroyo Associates	Department-wide	FY 19/20	N/A	Performance/ Operations Audit	In progress.	
<b>Child Support Services</b>	<b>Program Support Services</b>	Federal Office of Child Support (OCSE)	Data Reliability	2018 Triennial	4/1/16	OCSE will conduct a full DRA audit of 2018 data. This consists of reviewing case samples.	Completed.	None.
		Federal Office of Child Support (OCSE)	Data Reliability	2019 Annual	4/1/20	OCSE will conduct a Data Reliability Review audit of 2019 data. This consists of reviewing case data without case samples.	In progress.	

Department / Agency	Division	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status as of September 30, 2020	Significant Findings
<b>Child Support Services (continued)</b>	<b>Program Support Services (continued)</b>	Office of Audits and Compliance State of California Department of Child Support Services (DCSS)	Review of Local Child Support Agency CS 356 Administrative Expense Claim.	Every 4 Years	11/16	Review of expenditures, abatements, internal control, and records related to Child Support Program claims for FY 2014-15. Also, review of walk up payments.	Planned.	
<b>Clerk of the Board of Supervisors</b>		Arroyo Associates	Consultant Services	One-Time	N/A	Performance/ Operations Audit	Completed.	None.
<b>Clerk-Recorder</b>		No audits in progress.						
<b>County Counsel</b>		No audits in progress.						
<b>County Executive Office</b>	<b>Finance</b>	USI Insurance Services	Workers' Compensation	One-Time	N/A	Bill Review Audit for Workers' Comp Third Party Administrator	Completed.	None.
		CPS	CEO Risk Management	FY 19/20 One-Time	01/12	Performance/ Operations Audit	Completed.	None.
		NIGP	County Procurement Office	One-Time	07/14	Performance/ Operations Audit	In progress.	
	<b>Information Technology</b>	KPMG	Information Technology	One-Time	N/A	IBM Mainframe License Usage & Installation	In progress.	
		DRMcNatty	Information Technology	One-Time	N/A	Performance/ Operations Audit	Completed.	None.
	<b>Corporate Real Estate</b>	No audits in progress.						
	<b>Human Resource Services</b>	CPS HR Consulting	Human Resource Services	FY 19/20 One-Time	08/15	Performance/ Operations Audit	In progress.	

Department / Agency	Division	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status as of September 30, 2020	Significant Findings
District Attorney		Eide Bailly, LLP	Insurance Fraud Programs for Workers' Compensation, Automobile, and Disability & Healthcare	7/01/19 - 6/30/20 Annual	FY 19/20	Program Audit	In progress.	
		CA Department of Insurance (CDI)	Insurance Fraud Programs for Workers' Compensation, Automobile, Disability & Healthcare, High Impact, and Life & Annuity Consumer Protection	7/01/17 - 6/30/19 Biennial	FY 18/19	Program Audit	In progress.	
		State of CA, Office of Program Oversight & Accountability	CA Witness Relocation Program	7/01/14 - 6/30/19	FY 15/16	Program Audit	In progress.	
Health Care Agency	Administration	Eide Bailly LLP	Measure H - Tobacco Settlement Revenue	FY 19/20 Annual	FY 18/19	Ensure funding allocations are in compliance with Measure H	Planned.	
	Behavioral Health	State Department of Health Care Services	DMC-ODS Desk Review	FY 19/20 Annual	FY 18/19	Review of operation process and regulatory compliance	In progress.	
		State Department of Health Care Services (DHCS) contracted External Quality Review Organization (EQRO)	Drug Medi-Cal Organized Delivery System (DMC-ODS) EQRO	FY 20/21 Annual	FY 19/20	Service quality and management.	Planned.	
		State Department of Health Care Services	Mental Health Cost Report; Short-Doyle/Medi-Cal Cost Report	FY 11/12 Annual	FY 10/11	Adjusting Short Doyle Medi-Cal units of service/time, the distribution of administrative costs between Medi-Cal and non-Medi-Cal, the distribution of utilization review costs between Medi-Cal and non-Medi-Cal, crossover revenues, contract maximums, and the overall accuracy of computations in the cost report	In progress.	

Department / Agency	Division	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status as of September 30, 2020	Significant Findings
Health Care Agency (continued)	Behavioral Health (continued)	State Department of Health Care Services (DHCS)	Mental Health Cost Report; Short-Doyle/Medi-Cal Cost Report	FY 12/13 Annual	FY 11/12	Adjusting Short Doyle Medi-Cal units of service/time, the distribution of administrative costs between Medi-Cal and non-Medi-Cal, the distribution of utilization review costs between Medi-Cal and non-Medi-Cal, crossover revenues, contract maximums, and the overall accuracy of computations in the cost report.	In progress.	
		State Department of Health Care Services (DHCS)	Mental Health Cost Report; Short-Doyle/Medi-Cal Cost Report	FY 13/14 Annual	FY 12/13	Adjusting Short Doyle Medi-Cal units of service/time, the distribution of administrative costs between Medi-Cal and non-Medi-Cal, the distribution of utilization review costs between Medi-Cal and non-Medi-Cal, crossover revenues, contract maximums, and the overall accuracy of computations in the cost report.	Planned.	
		Center for Medicaid & Medicare Services, Payment Error Rate Measurement (CMS PERM)	Mental Health Plan	1/1/2016-11/9/2018 Triennial	N/A	CMS is measuring improper payments in Medicaid/CHIP under the PERM program.	Completed.	None.
		State Department of Health Care Services (DHCS) contracted External Quality Review Organization (EQRO)	Mental Health Plan (MHP)	FY 20/21 Annual	FY 19/20	Service quality and management.	Planned.	

Department / Agency	Division	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status as of September 30, 2020	Significant Findings
<b>Health Care Agency (continued)</b>	<b>Behavioral Health (continued)</b>	State Department of Health Care Services	Mental Health Services Act/Prop 63 (MHSA) Revenue and Expense Report	FY 09/10 Annual	FY 08/09	Reconciliation of costs and revenues and documentations needed to support the MHSA Revenue and Expense Report	In progress.	
		State Department of Health Care Services	Mental Health Services Act/Prop 63 (MHSA) Revenue and Expense Report	FY 10/11 Annual	FY 09/10	Reconciliation of costs and revenues and documentations needed to support the MHSA Revenue and Expense Report	Planned.	
		State Department of Health Care Services	SABG Desk Review	FY 19/20 Annual	FY 18/19	Review of operation process and regulatory compliance	In progress.	
		State Department of Health Care Services (DHCS)	SABG Desk Review	FY 20/21 Annual	FY 19/20	Review of operational process and regulatory compliance.	Planned.	
		State Department of Health Care Services (DHCS)	Substance Use Disorder Cost Report (SUDCR); Drug Medi-Cal (DMC); Substance Abuse Prevention and Treatment Block Grant (SABG)	FY 15/16 Annual	FY 14/15	Review the cost funded by SABG and DMC as reported on the SUDCR.	Planned.	
	<b>Correctional Health</b>	Board of State Community Corrections (BSCC)	Juvenile Hall/Camps	Biennial	FY 17/18	State Compliance of Title 15 Minimum Standards for Juvenile Correctional Facilities	In progress.	
	<b>Public Health</b>	Gilbey and Associates	Community and Nursing Services Division	FY 18/19 Annual	FY 17/18	Fiscal and Program Compliance	Completed.	None.
		Gilbey and Associates	Community and Nursing Services Division	FY19/20 Annual	FY 18/19	Fiscal and Program Compliance	In progress.	
		State Department of Resources Recycling and Recovery (CalRecycle)	Environmental Health - Solid Waste, Local Enforcement Agency	Every 2-3 years	12/18	Program, not financial. Ensure LEA's implement effective programs in accordance with laws, regulations, and Enforcement Program Plan and verify LEA compliance with certification requirements.	Planned.	

Department / Agency	Division	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status as of September 30, 2020	Significant Findings
<b>Health Care Agency (continued)</b>	<b>Public Health (continued)</b>	California Office of State Controller	Environmental Health Services - Local Oversight Program (LOP)	FY 17/18 & FY 18/19 Biennial	FY 15/16 & FY 16/17	Financial, not program. Program costs claimed by local agencies under the LOP program.	In progress.	
		State NEOP	Family Health - NEOP Desk Review	Annual	05/20	Desk review of all documents related to fiscal compliance for charges claimed on the NEOP invoice to the State.	Planned.	
		State WIC Program	Family Health, Women, Infants and Children (WIC) program	FFY 18/19 Biennial	FFY 17/18	Program Compliance	In progress.	
		California Department of Health Care Services, Cancer Detection and Treatment Branch	Health Promotion Division, Every Woman Counts (EWC)	Annual	FY 18/19	Non-monetary Program Monitoring site visit which includes: PWPT and training materials presentation, PHI storage/HIPPA compliance, Patient navigation	In progress.	
		State Office of AIDS	Ryan White Part B	Annual	02/20	Programmatic Site visit to ensure compliance with Ryan White legislation.	Planned.	
		DHCS Audits & Investigations - Targeted Case Management	Targeted Case Management, Program Financial Audit of the TCM Cost Report	FY 16/17 Annual	FY 15/16	All aspects related to fiscal compliance for charges claimed on the cost report	In progress.	
		DHCS Audits & Investigations - Targeted Case Management	Targeted Case Management, Program Financial Audit of the TCM Cost Report	FY 17/18 Annual	FY 16/17	All aspects related to fiscal compliance for charges claimed on the cost report.	Planned.	

Department / Agency	Division	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status as of September 30, 2020	Significant Findings
Health Care Agency (continued)	Regulatory / Medical Services	California Emergency Management Agency (Cal EMA)	Health Disaster Management - State Homeland Security Funds; HCA is subrecipient through OCSD	GY 2006; Varies	N/A	Compliance field review - Grant Year 2006, 2007 and 2008 Note: OCSD is the lead on this audit and is coordinating all findings and responses.	Draft report issued 2/2/12. As of 03/2020, OCSD has contacted Cal OES and requested a status of the close out for this audit. A response from Cal OES is pending.	<b>Reported in Prior Quarters:</b> Estimated findings total \$742,852 (\$183,101.51 leases and \$559,750.23 equipment), of which HCA requests clarification of approximately \$41,000 pertaining to subgrantee charged expenditures belonging to another grant year. HCA does not concur with the remaining estimated findings of \$701,852. Since the draft report is being discussed with the State and HCA disagrees, we will not yet consider this a finding (same status as several prior fiscal years).
John Wayne Airport	Finance Administration	Eide Bailly LLP	Financial Statements	Annual	06/30/2019	Financial position and changes in financial position and cash flows in accordance with generally accepted accounting principles	In progress.	
		Eide Bailly LLP	Schedule of Passenger Facility Charge Revenues and Expenditures	Annual	06/30/2019	Schedule of Passenger Facility Charge (PFC) revenues and expenditures in accordance with PFC Audit Guide issued by the Federal Aviation Administration	In progress.	
	Operations	Federal Aviation Administration	Airport Certification Inspection	Annual	01/20	Compliance with Title 14, Code of Federal Regulations, Part 139, the Airport Certification Manual and the Airport Operation Certificate	Planned.	
		Tevora	Common Use Passenger Processing System	Annual	12/19	Compliance with Payment Card Industry Data Security Standard	In progress.	
		Transportation Security Administration	Airport Security	Annual	03/20	Compliance with Title 49, Code of Federal Regulations, Part 1542, Airport Security	Planned.	



Department / Agency	Division	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status as of September 30, 2020	Significant Findings
OC Community Resources	Housing Community Development	HUD	CDBG & ESG Financial & Procurement	FY 17/18	N/A	Fiscal policies and procedures, accounting system, program income, expenditures, internal control, procurement policies and procedures, property management, etc.	In progress.	
		U.S. Department of Housing and Urban Development (HUD)	CoC, CDBG, HOME, ESG	FY 17/18 Triennial	N/A	The scope of this monitoring will include review of environmental files and supporting documentation, interviews with key staff and may include a brief visit to project sites.	Completed.	None.
		Eide Bailly LLP	County of Orange Redevelopment Successor Agency	FY 19/20 Annual	09/19	Financial Statement Audit	In progress.	
		Measured Resource Company	Grant-related Operations	FY 19/20	N/A	Review effectiveness in drawing down competitive funding for homeless services, and affordable and permanent supportive housing relative to other California counties	In progress.	
	Orange County Housing Authority (OCHA)	Eide Bailly LLP	Orange County Housing Authority (OCHA)	FY 19/20 Annual	03/20	Attestation of Annual Financial Statements	Planned.	

Department / Agency	Division	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status as of September 30, 2020	Significant Findings
OC Community Resources (continued)	Office on Aging (OoA)	California Dept of Aging	Office on Aging	FY 16/17 - FY 18/19 Triennial	FY 15/16	Fiscal policies and procedures, accounting system, program income, expenditures, internal control, procurement policies and procedures, property management, etc.	In progress.	
	Community Investment Division	Employment Development Department (EDD) - State Workforce Innovation & Opportunity Act (WIOA) Development Area	WIOA - Fiscal and Procurement	FY 16/17 Annual	FY 15/16	Fiscal policies and procedures, accounting system, program income, expenditures, internal control, procurement policies and procedures, property management, etc.	In progress.	
		Employment Development Department (EDD) - State Workforce Innovation & Opportunity Act (WIOA) Development Area	WIOA - Fiscal and Procurement	FY 17/18 Annual	FY 16/17	Fiscal policies and procedures, accounting system, program income, expenditures, internal control, procurement policies and procedures, methods of procurement, property management, etc.	In progress.	
		Employment Development Department (EDD) - State Workforce Innovation & Opportunity Act (WIOA) Development Area	WIOA Fiscal & Procurement	FY 18/19 Annual	FY 17/18	Fiscal policies and procedures, accounting system, program income, expenditures, internal control, procurement policies and procedures, property management, etc.	In progress.	
		Employment Development Department (EDD) - State Workforce Innovation & Opportunity Act (WIOA) Development Area	WIOA (NEG Fire) - Fiscal and Procurement	FY 17/18 One-Time	N/A	Fiscal policies and procedures, accounting system, program income, expenditures, internal control, procurement policies and procedures, property management, etc.	In progress.	

Department / Agency	Division	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status as of September 30, 2020	Significant Findings
<b>OC Community Resources (continued)</b>	<b>Community Investment Division (continued)</b>	Employment Development Department (EDD), Department of Labor (DOL), & Office of Inspector General (OIG)	WIOA (NEG Fire) - Fiscal and Procurement	FY 17/18 N/A	N/A	Fiscal policies and procedures, accounting system, program income, expenditures, internal control, procurement policies and procedures, property management, etc.	In progress.	
		Employment Development Department (EDD) - State Workforce Innovation & Opportunity Act (WIOA) Development Area	WIOA Fiscal & Procurement	FY 19/20 Annual	18/19	Fiscal policies and procedures, accounting system, program income, expenditures, internal control, procurement policies and procedures, property management, etc.	Planned.	
		Employment Development Department (EDD) - State Workforce Innovation & Opportunity Act (WIOA) Development Area	WIOA Fiscal & Procurement	FY 20/21 Annual	FY 19/20	Fiscal policies and procedures, accounting system, program income, expenditures, internal control, procurement policies and procedures, property management, etc.	Planned.	
		Employment Development Department (EDD) - State Workforce Innovation & Opportunity Act (WIOA) Development Area	WIOA Section 188 Nondiscrimination and Equal Employment	FY 20/21 Annual	FY 19/20	To determine level of compliance by OCDB with applicable federal and state laws, regulations and direction related to WIOA grant regarding nondiscrimination and equal opportunity provision. Interviews with representatives, policies and procedures, and review of documentation retained by CID.	Planned.	
		Employment Development Department (EDD) - State Workforce Innovation & Opportunity Act (WIOA) Development Area	WIOA Program Monitoring PY	FY 20/21 Annual	FY 19/20	To determine OCDB's compliance with applicable federal and state laws, regulations, and policies specific to program operations and systems related to WIOA. Interviews with OCDB staff, training and service providers staff, and participants, review of selected participant case files, review of policies and procedures pertaining to program operations.	Planned.	

Department / Agency	Division	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status as of September 30, 2020	Significant Findings
OC Community Resources (continued)	OC Parks	No audits in progress.						
	OC Libraries	No audits in progress.						
	OC Animal Care	Macias, Gini & O'Connell LLP	City Billing	FY 17/18 Triennial	N/A	Contracted examination of calculation of cost recovery from contracted cities	Completed.	None.
OC Public Works	Accounting	California Department of Transportation	San Juan Creek Bike Trail, 17th Street at Esplanade, Antonio Parkway	12/31/13	N/A	Audit of incurred costs	In progress.	
	Accounting/ Construction / Infrastructure Programs	California Department of Transportation	La Pata Avenue Phase I	12/1/2013-12/31/2018 One-time	N/A	1. Prop 1b expenditures were incurred and reimbursed per program guidelines. 2. Deliverables/ outputs were consistent with the project scopes and schedules. 3. Benefits/outcomes were achieved and reported in Final Delivery Reports. 4. La Pata Avenue Phase I construction costs	In progress.	
	Accounting and Infrastructure Programs	N/A	Live Oak and Trabuco Canyon	TBD	N/A	To verify the accuracy and appropriateness of charges and expenditures. Grant project completed in FY 19/20.	Planned.	
		N/A	Department of Water Resources - Trabuco Creek Channel (L02) Levee Protection Phase 7	TBD	N/A	To verify the accuracy and appropriateness of charges and expenditures. Grant project completed in FY 19/20.	Planned.	
	Administrative Services	Transportation Corridor Agency (TCA)	Road Fee Programs (TCA Fees specific)	CY 2020 Annual	May 2020	TCA Fee Program for CY 2020. Audit of major thoroughfare fees collected by the County of Orange.	Planned.	

Department / Agency	Division	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status as of September 30, 2020	Significant Findings
OC Public Works (continued)	OC Environmental Resources	N/A	Proposition 84 Integrated Regional Water Management Implementation Grant Round 2	TBD	N/A	To verify the accuracy and appropriateness of charges and expenditures. Final Retention payment received 1/30/19.	Planned.	
		N/A	Proposition 84 Integrated Regional Water Management (IRWM) 2014 Drought Grant	TBD	N/A	To verify the accuracy and appropriateness of charges and expenditures. Final Retention payment received 12/28/18.	Planned.	
		N/A	Certified Farmers Market Program	TBD	N/A	To verify the accuracy and appropriateness of charges and expenditures. Closed in FY 18/19 as last claim for FY 18/19 agreement was sent to the State on 7/25/19.	Planned.	
		N/A	High Risk Pest Exclusion	TBD	N/A	To verify the accuracy and appropriateness of charges and expenditures. Closed in FY 18/19 as last claim for FY 18/19 agreement was sent to the State on 7/25/19.	Planned.	
		N/A	Organic Program	TBD	N/A	To verify the accuracy and appropriateness of charges and expenditures. Closed in FY 18/19 as last claim for FY 18/19 agreement was sent to the State on 7/25/19.	Planned.	
		N/A	Sudden Oak Death	TBD	N/A	To verify the accuracy and appropriateness of charges and expenditures. Closed in FY 18/19 as maxed out award on the March 2019 claim.	Planned.	

Department / Agency	Division	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status as of September 30, 2020	Significant Findings
OC Public Works (continued)	OC Environmental Resources (continued)	N/A	Asian Citrus Psyllid	TBD	N/A	To verify the accuracy and appropriateness of charges and expenditures. Closed in FY 18/19 as last claim for FY 18/19 agreement was sent to the State on 7/25/19.	Planned.	
		N/A	Nursery Inspection Program	TBD	N/A	To verify the accuracy and appropriateness of charges and expenditures. Closed in FY 18/19 as last claim for FY 18/19 agreement was sent to the State on 7/25/19.	Planned.	
		N/A	Weighmaster Program	TBD	N/A	To verify the accuracy and appropriateness of charges and expenditures. Closed in FY 18/19 as last claim for FY 18/19 agreement was sent to the State on 7/25/19.	Planned.	
		N/A	Petroleum Products Program	TBD	N/A	To verify the accuracy and appropriateness of charges and expenditures. Closed in FY 18/19 as last claim for FY 18/19 agreement was sent to the State on 7/25/19.	Planned.	
		N/A	Light Brown Apple Moth	TBD	N/A	To verify the accuracy and appropriateness of charges and expenditures. Closed in FY 18/19 as maxed out award on the March 2019 claim.	Planned.	
		N/A	Bee Safe	TBD	N/A	To verify the accuracy and appropriateness of charges and expenditures. Closed in FY 18/19 as last claim for FY 18/19 agreement was sent to the State on 7/25/19.	Planned.	

Department / Agency	Division	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status as of September 30, 2020	Significant Findings
OC Waste & Recycling	Accounting	Eide Bailly LLP	Financial Statements	06/30/20 Annual	06/30/2019	Financial and compliance audit	In progress.	
Probation	Administrative and Fiscal	California Dept. of Education	Nutrition Services Division - Food contracts	2018-2019	N/A	Review of food contracts and the procurement/ solicitation methods	In progress.	
Public Defender		No audits in progress.						
Registrar of Voters		No audits in progress.						
Sheriff-Coroner	Financial/ Administrative Services	Cal EMA / Grants Management Section	Homeland Security Grants	FY 06 through 08	FY 06/07	Financial / Compliance	In progress. As of 03/2020, OCSD has contacted Cal OES and requested a status of the close out for this audit. A response from Cal OES is pending.	This audit is also reported under HCA / Regulatory/Medical Services.
		Cal EMA / Grants Management Section	Homeland Security Grants	FY 17 through 19	FY 09/10	Financial / Compliance	In progress.	
		Arroyo Associates	AB 109	FY 14/15 - FY 18/19	N/A	Performance Audit	In progress.	
	Custody Operations	Disability Rights Commission (DRC)	Theo Lacy, Central Men's Jail, Intake Release Center, James A Musick Facility	Current	N/A	Disability Rights	In progress.	
		Board of State and Community Corrections (BSCC)	All jail facilities.	Biennial	2018	Site visit, Compliance	Completed.	None.
	Technology	Dimension Data	Service continuity, disaster recovery	06/18 to 08/18	N/A	Review business critical applications, provide recommendations and documents for BC/DR.	In progress.	
		Tech Advisory Committee (TAC)	IT	Quarterly / Semi-Annual	2017	Operational Review	In progress.	
		Federal Bureau of Investigation (FBI)		Triennial	2013	Adherence to Criminal Justice Information System (CJIS) Security Policy	Planned.	

Department / Agency	Division	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status as of September 30, 2020	Significant Findings
<b>Sheriff-Coroner (continued)</b>	<b>Records</b>	1413 Consulting	Property and Evidence	Annual	N/A	Operational review	Completed.	None.
	<b>Orange County Crime Lab</b>	ANSI National Accreditation Board (ANAB)	OC Crime Lab (OCCL) Accreditation	Annual	March 2020	All forensic operations (except financial)	Completed.	None.
<b>Social Services Agency</b>	<b>Administrative Services</b>	CDSS Fiscal Monitoring Bureau	County Expense Claim (CEC) and Assistance Claims	As Needed	12/16	Review of the CEC and Assistance Claims.	Planned.	
		Social Security Administration	Supplemental Security Income (SSI) Retirement and Survivors Disability Insurance (RSDI)	TBD Every 3 to 4 years	04/17	Review of compliance with Children & Family Services representative payee responsibilities for SSI. RSDI eligible dependent children in and out of home care.	Planned.	
		California Department of Social Services (CDSS) Welfare Fraud Bureau (WFB)	Administrative Services, Adult Services & Assistance Programs, and Family Self-Sufficiency	Varies	04/19	Determine County's effectiveness in processing Income & Eligibility Verification System (IEVS) matches, identifying and collecting CalWORKs Overpayments and CalFresh Over Issuances, and reviewing SSA processes intersecting with District Attorney Public Assistance Division (DAPAD).	Planned.	
		California Office of Emergency Services (CalOES)	Child Abuse and Treatment (CHAT)	Varies	05/17	Review of County's grant processes and documentation related to Grant sub awards.	Planned.	
		CDSS Civil Rights	Civil Rights	Every 2-3 years	04/18	CDSS Compliance review of SSA's Civil Rights implementation.	Planned.	
		CDSS	Welfare Fraud	Every 3 years	11/17	To review welfare fraud processes and processing IEVS criminal matches to ensure compliance with Federal and State regulations.	Planned.	



Department / Agency	Division	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status as of September 30, 2020	Significant Findings
<b>Social Services Agency (continued)</b>	<b>Assistance Programs</b>	California Department of Social Services (CDSS)	CalFresh	08/19 Annual	08/17	Management evaluation of CalFresh Program access with an emphasis on the recertification process and timeliness of application processing, payment accuracy, and assessment of corrective action.	In progress.	
		California Department of Social Services (CDSS)	CalFresh	Annual	08/19	Management evaluation focuses on reviewing several areas including Payment Accuracy, Assessment of Corrective Action, Program Access, and Timeliness of Application Processing.	In progress.	
		California Department of Social Services (CDSS)	CalFresh Employment & Training (CF E&T)	3/27/19 Annual	N/A	Management evaluation of the County's CF E&T program to determine the compliance of the program rules and regulations, and the County's approved CF E&T plan.	In progress.	
	<b>Family Self-Sufficiency &amp; Adult Services</b>	California Department of Social Services (CDSS)	In-Home Supportive Services (IHSS)	April 2020 Annual	04/19	Quality Assurance monitoring of OC's administration of IHSS program. This includes a review of active and denied cases, including home visits and cases previously reviewed by Adult Services Quality Assurance/ Quality Improvement unit.	Completed.	None.
		California Department of Social Services (CDSS) Performance Monitoring Unit (PMU)	Federal Temporary Assistance for Needy Families (TANF) and Work Incentive Nutritional Supplement (WINS)	FY 2018 Bi-Annual	FY 2016	To ensure compliance with Federal TANF and WINS data reporting requirements and work verification procedures.	Completed.	None.

Department / Agency	Division	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status as of September 30, 2020	Significant Findings
Social Services Agency (continued)	Family Self-Sufficiency & Adult Services (continued)	California Department of Social Services (CDSS)	Adoption Assistance Program (AAP)	Annual	09/19	Monitoring to ensure the AAP program administration eligibility determination to benefit issuance is in compliance with federal and state regulations, which includes the review of AAP eligibility and AAP case files to verify appropriateness and accuracy of forms being used.	Planned.	
		California Department of Social Services (CDSS)	Foster Care Title IV-E Audit	Every 3 years	07/18	To ensure compliance with Title IV-E of the Social Security Act program requirements. The review elements include the determination of appropriate documentation for meeting requirements of authority for placement and care; Aid to Families with Dependent Children-Foster Care (AFDC-FC) eligibility of the home of removal (based on July 16, 1996 requirements); placement in an approved foster family home or child care institution; criminal records check and other safety requirements for foster care providers, etc.	Planned.	

Department / Agency	Division	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status as of September 30, 2020	Significant Findings
Social Services Agency (continued)	Family Self-Sufficiency & Adult Services (continued)	Administration for Children, Youth and Families (ACYF)	Foster Care Title IV-E Audit	Every 3 years	07/18-08/18	Eligibility Review to ensure compliance with Title IV-E of the Social Security Act program requirements. The review elements include the determination of appropriate documentation for meeting requirements of authority for placement and care; Aid to Families with Dependent Children-Foster Care (AFDC-FC) eligibility of the home of removal (based on July 16, 1996 requirements); placement in an approved foster family home or child care institution; criminal records check and other safety requirements for foster care providers, etc.	Planned.	
		Christy White Associates, Inc.	California State Preschool Program (CSPP) Grant	Annual	10/19	Financial audit to conducted based on the California of Department of Education (CDE) Audit Guide for Child Care and Development Programs Attendance and Fiscal Reports.	Planned.	
		California Department of Social Services (CDSS)	CalWORKs	Every 5 years	05/15	Eligibility case file reviews to review cases at the county level to increase CDSS's oversight capacity, to assess the implementation of recent CalWORKs Eligibility policy changes, and to assess the need for further technical assistance.	Planned.	

Department / Agency	Division	Name of Third Party Auditor	Program, Process, or Area	Audit Period & Frequency	Date Last Audited	Audit Scope	Status as of September 30, 2020	Significant Findings
Treasurer-Tax Collector		Arroyo Associates	Department-wide	FY 19/20	N/A	Performance Audit	In progress.	
	Treasury and Investments	Eide Bailly, LLP	Annual IPS Compliance	FY 18/19 Annual	6/30/2018	Required Annual Examination of the Treasurer's Investment Compliance with Government Code 27130-27137 and County Investment Policy Statement	In progress.	
		Eide Bailly, LLP (Formerly VTD)	Annual Audit of Statement of Assets Held by the County Treasury	6/30/18 Annual	6/30/17	California Government Code 26920(b)	Completed.	To be deleted next quarter. Audit now reported by the Auditor-Controller.
		Eide Bailly, LLP (Formerly VTD)	Annual Audit of Statement of Assets Held by the County Treasury	6/30/19 Annual	6/30/18	California Government Code 26920(b)	In progress.	To be deleted next quarter. Audit now reported by the Auditor-Controller.

**EXTERNAL AUDIT REPORT**  
**Implementation Status of Prior Quarter Significant & Material Issues**  
**Quarter Ended September 30, 2020**

No.	Department	Audit Name	Finding	Recommendation	Material or Significant	Implementation Status* & Actions Taken or Planned
2	SSA	Single Audit YE 6/30/19	<b>Supplemental Nutrition Assistance Program (SNAP) Cluster:</b> Benefits were continued without proper supporting documents.	We recommend that the County strengthen its established policies and procedures with regard to initial and ongoing eligibility determination, required documentation and verifications, maintenance of participant files, and ensure that policies and procedures are strictly adhered to by County personnel.	Significant	<b>Implemented.</b> Findings were shared with all staff in August 2020 Program Summary. Staff were reminded to: ensure case documentation such as SAR7, CF 37, SAWS 1 or SAWS 2 are imaged timely, take appropriate case actions in CalWIN when customers report changes and/or provide requested verifications, and process IEVS reports timely and accurately. In addition, we continue to utilize the SAR7 Processing Report to identify SAR7s that have been received, assigned, marked processed in TMS and not processed in CalWIN.

\* Implementation status reported as (1) implemented, (2) in progress, or (3) not yet implemented.



# Memorandum

November 19, 2020

**AOC Agenda Item No. 14**

TO: Audit Oversight Committee Members

Recommended Action:

Confirm AOC Best Practices Subcommittee Members

---

Confirm AOC Best Practices Subcommittee Members, as stated in the recommended action.



# Memorandum

November 19, 2020

**AOC Agenda Item No. 15**

TO: Audit Oversight Committee Members

Recommended Action:  
Election of Audit Oversight Committee Officers

---

Election of Audit Oversight Committee Officers, as stated in the recommended action.