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# County of Orange – Probation Department Performance Audit

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COUNTY OF ORANGE, CALIFORNIA



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# COVER LETTER

December 16, 2021



Frank Kim  
Chief Executive Officer  
County of Orange  
333 W. Santa Ana Blvd.,  
Santa Ana, California 92701

Dear Mr. Kim

MGT of America Consulting, LLC (MGT) is pleased to submit our report of the County of Orange Probation Department (Department) performance audit. The County of Orange (County) contracted with MGT to conduct a performance audit with the objectives to evaluate and assess the overall performance of the Department's administrative functions, including gaining an understanding of the key performance metrics the functions are using to track performance and whether these metrics are adequate.

This report provides the County with an independent and objective analysis that contains information concerning the activities reviewed. Although MGT exercised due professional care in the performance of this audit, this should not be construed to mean that unreported noncompliance or irregularities do not exist. The deterrence of fraud and/or employee abuse is the responsibility of management. Audit procedures alone, even when conducted with professional care, do not guarantee that fraud or abuse will be detected.

MGT appreciates the cooperation and professional courtesies extended to the team.

Sincerely,

A handwritten signature in cursive script that reads "Ricardo Cepin".

Ricardo Cepin, CPA, CFE  
Senior Consultant  
MGT of America Consulting, LLC

# EXECUTIVE SUMMARY

## BACKGROUND INFORMATION

The Orange County Probation Department assists the criminal court system through investigations, probation reports, and community supervision of approximately 10,000 adult and 800 juvenile clients on court-ordered probation or in diversion programs. The Department operates the Orange County Juvenile Hall, and two camps for youth. There are also two Youth Reporting Centers serving north and central Orange County.

The Department consists of four Bureaus:

- ◆ The Chief Probation Officer Bureau - includes the Chief Probation Officer (CPO) and the Assistant Chief Probation Officer (ACPO). The CPO works with the ACPO to assign projects and develop goals within the department's other three bureaus.
- ◆ The Adult Operations Bureau - provides services through four distinct operational divisions: Adult Court Services, Adult Field Supervision, Special Supervision and AB 109 Field Supervision. The Bureau serves clients released from state prison (post-release community supervision) and county facilities (mandatory supervision, and felony and misdemeanor probationers.) The division is responsible for supervising these clients in the community, supporting their rehabilitation in whatever way possible, and returning them to court if they violate the terms and conditions of their release.
- ◆ Juvenile Operations Bureau – provides oversight and direction of Juvenile Hall and two juvenile camp/ranch facilities - Youth Guidance Center (YGC) and Youth Leadership Academy (YLA). Additionally, this bureau provides services through two distinct operational divisions: Juvenile Field Supervision and Juvenile Court Services. Juvenile Hall, YGC, and YLA operate 24-hours-per-day, 7- days-per-week and must meet stringent guidelines established by the California Board of State and Community Corrections. Primary responsibilities include providing a safe environment for the youthful offenders in custody, ensuring sufficient well-trained staff are available, developing and providing a broad range of treatment and rehabilitative programs to meet the youths' needs, adhering to all laws/regulations/licensing requirements for Juvenile facilities, and overseeing Juvenile facility maintenance and development.
- ◆ Operations Support Bureau - provides primary support services to the Department's overall operation through two divisions: 1) Administrative and Fiscal and 2) Professional Standards. This branch of the Department provides administrative and fiscal services, clerical support, human resource services, and research and evidence-based practices support for all functions in the Department. The bureau supports Departmental long-range planning, pursuit of outside funding, contract and purchasing administration, employee recruitment, hiring, training and operation of the Volunteers in Probation (VIP) and Volunteer Probation Officer (VPO) functions.

The County contracted with MGT to conduct a performance audit of the Department's administrative functions, including the Accounting & Finance; Budgeting; Clerical Support; Facilities Support; Purchasing and Contracts; Human Resources, and Information Technology functions. Our audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides

a reasonable basis for our findings and conclusions based on our audit objectives. This report presents the results of our performance audit.

## AUDIT SCOPE

The audit scope incorporated an assessment of the efficiency and effectiveness of the Department's administrative functions and their ability to provide support to the other divisions within the Department.

## AUDIT OBJECTIVES

The overall audit objectives involved evaluating and assessing the overall performance of the Department's administrative functions, including gaining an understanding of the key performance metrics the functions are using to track performance and whether these metrics are adequate to accurately measure efficiency and effectiveness.

## AUDIT METHODOLOGY

- ◆ Coordinated with staff from the Chief Executive Office to gain an understanding of the scope and objectives of the audit.
- ◆ Interviewed key personnel, flowcharted processes, and reviewed applicable policies and procedures and laws and regulations to gain an understanding of the administrative functions.
- ◆ Surveyed and interviewed directors of the non-administrative functions to gain an understanding of their satisfaction with the performance of the administrative functions.
- ◆ Obtained and evaluated relevant data for audit analysis, including:
  - Accounts Payable (AP) invoicing data
  - Case setup data for cases with financial implications
  - Budget calendars
  - Contracts and purchase orders execution data
  - Maintenance and repairs work orders listing
  - Recruitment data
  - Information technology related work order data
  - Information technology metrics reports
- ◆ Performed research to identify peer counties for organizational structure comparison.

## OBSERVATIONS FROM INTERVIEWS OF NON-ADMIN DIRECTORS

- ◆ The directors of the non-administrative divisions indicated that the Accounting & Finance Unit, Budget Analysts, HR Satellite Team, IT Staff, Facilities Support Unit, and Scheduling Unit do a good job overall.
- ◆ Voiced concerns about a lack of communication between the administrative functions and operations staff, including changing procedures that impact the end users without providing advance notice.
- ◆ Voiced concerns about various units needing additional resources to manage the workload.

## AUDIT COMMENTS & RECOMMENDATIONS

The audit comment(s) and recommendation(s) associated with each function audited is presented in Table 1 (specific details are included in the applicable section below).

**Table 1 – Audit & Comments**

| UNIT                 | AUDIT COMMENTS & RECOMMENDATIONS   |
|----------------------|--|
| Accounting & Finance | <p><b><u>Audit Comment 1</u></b></p> <p>The Department’s account payable function is not currently tracking the date in which they forward the invoices to the Auditor Controller. As such, we were not able to determine how long it took the accounts payable staff to complete their review and forward the invoices to the Auditor Controller for approval and payment. Additionally, the non-admin directors voiced concerns about a lack of communication between their departments and the Accounting &amp; Finance Unit.</p> <p><b><u>Recommendation 1</u></b></p> <p>The lack of key performance indicators for the Accounts Payable function increases the risk that the Accounting Unit fails to identify a decrease in performance. We recommend the Accounting Unit implements key performance metrics, including the average time it takes to review and forward invoices to the Auditor Controller to gain an understanding of how long it is taking the team to process invoices and assess what percentage of the invoices are being processed within the desired timeframe. We also recommend the Accounting &amp; Finance Unit implement procedures to improve communications with operations staff, including surveying directors and/or staff to obtain feedback on ways to improve communications.</p> |
| Accounting & Finance | <p><b><u>Audit Comment 2</u></b></p> <p>The oldest case in the case setup worklist for cases with financial implications was sent to the Accounting Unit for case setup on August 5, 2021. As of September 29, 2021, the oldest case in the worklist has been in pending status for approximately 55 days. The oldest case with restitution was sent for case setup on September 7, 2021. As of September 29, 2021, the oldest case with restitution in the worklist has been in pending status for approximately 21 days. The case setup function is currently experiencing a seven (7) week backlog.</p> <p><b><u>Recommendation 2</u></b></p> <p>We recommend the Accounting Unit takes steps (e.g., adding additional resources to the case setup process) to reduce the amount of time cases are remaining in pending status and the overall number of cases in pending status in the case setup process.</p>   |
| Budget               | <p><b><u>Audit Comment 3</u></b></p>   |

| UNIT             | AUDIT COMMENTS & RECOMMENDATIONS   |
|------------------|--|
|                  | <p>The goal is to submit all budget related reports and requests on-time and keep the budget vs actual variance to a minimum. However, there is currently no process for overall tracking of the timeliness of the documents and budget reports submitted to the County during the budget process.</p> <p><b><u>Recommendation 3</u></b></p> <p>The lack of performance metrics increases the risk that a decrease in performance efficiency and effectiveness goes undetected. We recommend the Budget Unit implements key performance metrics, including percentage of budget reviews on time, percentage of reports and requests submitted on time, and year-over-year forecasting accuracy.</p>  |
| Budget           | <p><b><u>Audit Comment 4</u></b></p> <p>There are currently no key performance indicators utilized to track the performance of the purchase requisitions request review process within the Budget Unit. Additionally, the non-admin directors voiced concerns about a lack of communication between their departments and the Budget Unit.</p> <p><b><u>Recommendation 4</u></b></p> <p>The lack of key performance indicators increases the risk that the Budget Unit fails to identify a decrease in performance and customer satisfaction with the purchasing requisitions review/approval process. We recommend the Budget Unit implements key performance metrics, including tracking the average time it takes to review, analyze, and approve/reject purchase requisitions requests. We also recommend the Budget Unit implement procedures to improve communications with operations staff, including surveying directors and/or staff to obtain feedback on ways to improve communications.</p> |
| Clerical Support | <p><b><u>Audit Comment 5</u></b></p> <p>The goal of the Clerical Support staff is to submit all reports in a timely manner to meet established court deadlines; however, the unit does not currently track any key performance metrics to measure timeliness of submitted reports, performance, and customer satisfaction.</p> <p><b><u>Recommendation 5</u></b></p> <p>The lack of performance metrics increases the risk that a decrease in performance efficiency and effectiveness goes undetected. We recommend the Clerical Support Unit implements key performance metrics, including percentage of reports completed on time and average time to create a new case, update an existing case, and respond to requests for information.</p>  |

| UNIT               | AUDIT COMMENTS & RECOMMENDATIONS   |
|--------------------|--|
| Facilities Support | <p><b><u>Audit Comment 6</u></b></p> <p>A listing of all Facilities Support (e.g., maintenance, repairs, etc.) related work orders submitted through from the period of January 1, 2020, through July 31, 2021, disclosed the following:</p> <ul style="list-style-type: none"> <li>◆ The timeframe it took to complete the work ranged between 0 (work was completed on the same day the task order was submitted) to 361 days.</li> <li>◆ 675 of the 1,208 (57%) of the work orders were completed within 21 days.</li> <li>◆ 991 of the 1,208 (82%) of the work orders were classified as urgent<sup>1</sup>. <ul style="list-style-type: none"> <li>○ 586 of the 991 (59%) of the urgent work orders were completed within 21 days.</li> </ul> </li> </ul> <p>The Facilities Support Unit recently started an initiative to track cost related measures and repeat work orders. However, the performance metric tracking initiative is at an early stage and in the implementation phase.</p> <p><b><u>Recommendation 6</u></b></p> <p>The lack of performance metrics increases the risk that a decrease in performance efficiency and effectiveness goes undetected. We recommend Facilities Support continues its efforts to implement relevant key performance metrics, including the ability to track cost per square footage, average time to process work orders, number of repeat work orders, preventive maintenance vs corrective maintenance, and customer satisfaction. We also recommend Facilities Support enhances its data tracking capabilities, including taking steps to have the ability to track the time it takes the Facilities Support Admin Manager I to review and approve work orders prior to forwarding them to CEO Real Estate and OCPW.</p> |
| Facilities Support | <p><b><u>Audit Comment 7</u></b></p> <p>Safety Management tracks the incident rate for historical comparisons. However, there is opportunity for improvement as Safety Management does not currently have a system to track safety related issues overall. Additionally, a comparison of the Department’s incident rate for Fiscal Year 2019-20 to the industry average disclosed that at 7.4, the incident rate for the Department was significantly higher in Fiscal Year 2019-20 than the industry average at 2.6<sup>2</sup> for calendar year 2019.</p>   |

<sup>1</sup> Per OCPW, a work order is classified as urgent when its life threatening and require immediate attention for potential building damage. Examples are elevator entrapment, power outage, major water leaks, health/safety issue, COVID cleaning, etc.

<sup>2</sup> Source: Bureau of Labor Statistics, U.S. Department of Labor, Survey of Occupational Injuries and Illnesses, in cooperation with participating state agencies.



| UNIT                     | AUDIT COMMENTS & RECOMMENDATIONS   |
|--------------------------|--|
|                          | <p><b><u>Recommendation 7</u></b></p> <p>We recommend enhancing procedures to ensure that Safety Management can track all safety related issues and use this data to measure performance and identify patterns to improve efficiency and effectiveness (e.g., repeated safety issues across buildings). We also recommend Safety Management continues its efforts to decrease the incident rate closer to the industry average and performs an analysis to identify the factors that are causing the Department’s incident to be significantly higher than the industry average.</p>   |
| Purchasing and Contracts | <p><b><u>Audit Comment 8</u></b></p> <p>Contracts goes through a review process in which the reviewer focuses on compliance, timeline, and quality of work. However, there are no formal key performance indicators tracked by the Purchasing and Contracts Unit to facilitate the measurement of efficiency and effectiveness as it relates to contracts and purchase orders execution. Additionally, the non-admin directors voiced concerns about a lack of communication between their departments and the Purchasing and Contracts Unit.</p> <p><b><u>Recommendation 8</u></b></p> <p>The lack of key performance indicators increases the risk that the Purchasing and Contracts Unit fails to identify a decrease in performance and customer satisfaction with the procurement process. We recommend the Purchasing and Contracts Unit implements key performance metrics, including average time to execute contracts by procurement method, percentage of contracts executed on time, percentage of unit staff trained in contract procedures, and customer satisfaction. We also recommend the Purchasing and Contracts Unit implement procedures to improve communications with operations staff, including surveying directors and/or staff to obtain feedback on ways to improve communications.</p> |
| Purchasing and Contracts | <p><b><u>Audit Comment 9</u></b></p> <p>The capital asset listing was not completely up to date as five (5) capital assets had been disposed of without providing proper notification to the Asset Management Unit.</p> <p><b><u>Recommendation 9</u></b></p> <p>The disposal of assets without providing proper notification to the Asset Management Subunit increases the risk that a misappropriation of an asset goes undetected. We recommend enhancing procedures (e.g., provide training) to ensure that all divisions fully understand the information that must be provided to the Asset Management Subunit after an event (e.g., disposal) that impacts a capital asset.</p>   |

| UNIT            | AUDIT COMMENTS & RECOMMENDATIONS  |
|-----------------|---|
| Human Resources | <p><b><u>Audit Comment 10</u></b></p> <p>An analysis of a listing containing all positions filled for the Department from the period of January 1, 2020, through July 31, 2021, disclosed the following:</p> <ul style="list-style-type: none"> <li>◆ 140 positions were filled during this period.</li> <li>◆ 102 days was the average time from the date the request was made by the Department to the date the offer was accepted by the candidate.</li> <li>◆ 118 days was the average time from the date the request was made by the Department to the start date.</li> <li>◆ 16 days was the average time from the date in which the offer was accepted by the candidate to the start date.</li> </ul> <p>However, the HR Satellite Team currently does not have any key performance indicators goals to assess the performance of the recruitment process.</p> <p>In addition, San Diego County and Riverside County were identified as peer counties of the Orange County for organizational structure comparison. Our researched discovered that both peer counties have an HR function within the probation department to help support the department’s operations.</p> <p><b><u>Recommendation 10</u></b></p> <p>We recommend the HR Satellite Team implements key performance indicators and periodically perform analysis to track number of applicants per job posting and average time to fill positions. Additionally, consideration should be given to performing research to determine if it would be beneficial for the Department to have in-house HR staff. Having in-house HR staff would allow for more flexibility and provide the Department with an organizational structure that matches the structure of peer counties of similar size.</p> |

Source: Created by MGT

## 1.0 – ADMINISTRATIVE & FISCAL DIVISION

### BACKGROUND

The Administrative and Fiscal Division (AFD) for the Department provides administrative and fiscal support services to the entire Department. The Division is comprised of approximately 270 professional staff who are located at the Department's 12 locations and 4 court offices. Functions within the division include:

- ◆ Accounting & Finance
- ◆ Budget
- ◆ Clerical Support for all Adult and Juvenile Operations
- ◆ Purchasing and Contracts
- ◆ Facilities Support
- ◆ Grants and Donations
- ◆ Legislation

The current AFD Director joined the Department in 2016. In June 2019, the Division underwent a major reorganization including adding the responsibilities of juvenile facility scheduling and clerical support for the Juvenile Hall and probation camps and ranches to the division. Shortly thereafter, the responsibility for grants, donations and legislation were also added. Since the current AFD Director joined the Department in 2016, there have been numerous system and process improvements implemented to improve efficiency. These changes impact major operational areas, such as:

- ◆ Accounting of expenses
- ◆ Monitoring of budget and expenses
- ◆ Invoice processing
- ◆ Purchasing and Contracts
- ◆ Budgeting

Our scope of work included assessing the performance of the Accounting & Finance; Budgeting; Clerical Support; Facilities Support; and Purchasing and Contracts units. This section of the report presents our audit procedures, key observations/comments, and recommendations for each of these units.

### ACCOUNTING & FINANCE

The Accounting & Finance Unit is comprised of 49 staff members, including 27 accounting professionals who are part of the Accounting Unit. The unit is responsible for general accounting functions, including payroll and accounts payable. This unit is responsible for processing the bi-weekly payroll for the Department. They perform various audits during the processing payroll process to ensure the integrity of the submission and compliance with the Department and County payroll policies.

This unit is also responsible for processing all invoices received by the Department. They gather attestation from end users regarding the receipt of goods and/or services and verify/audit all invoice

pricing against negotiated agreements. If conflicts or discrepancies arise, the accounts payable team works with the vendor and/or the purchasing and contracts team to resolve any issues. Exhibit 1 provides a brief overview of the invoice processing process.

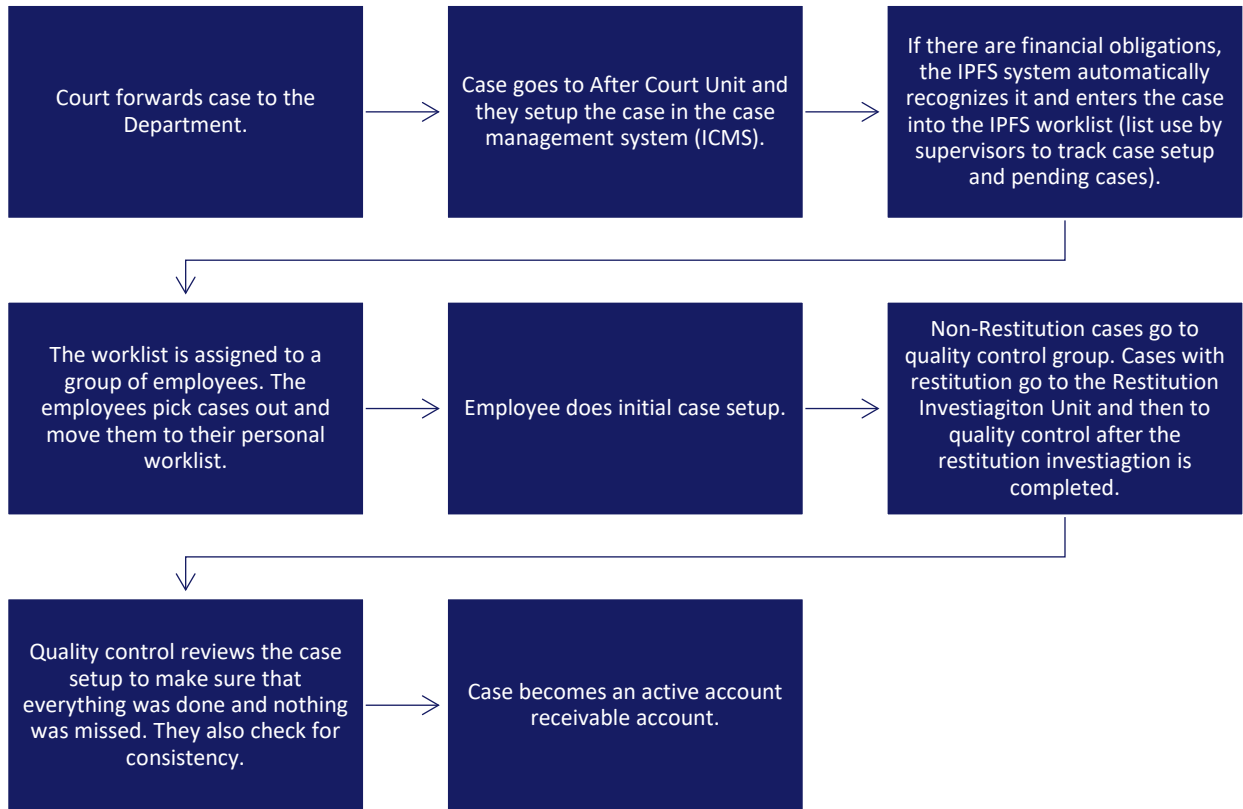
**Exhibit 1 – Invoice Processing Process**



Source: Created by MGT and verified by Admin Manager II, Accounting & Finance Unit

The Accounting Unit is also responsible for setting up court case financial information (i.e., Court Ordered Debt) within the Integrated Probation Financial System (IPFS). The IPFS automatically identifies cases with financial implications and adds these cases to a worklist that serves as the tracking mechanisms for case setup. Exhibit 2 below provides an overview of the case setup process.

## Exhibit 2 – Court Case Financial Information Setup



Source: Created by MGT and verified by Admin Manager II, Accounting & Finance Unit

### Audit Procedures & Key Observations

We surveyed the nine (9) directors of the non-administrative divisions within the Department to assess the overall satisfaction with the Accounting & Finance Unit. The survey results disclosed the following (note that seven of the directors completed the anonymous survey):

- ◆ Accounts Payable Function
  - 2 out of 7 (29%) directors indicated that they are strongly satisfied with the performance of the accounts payable function.
  - 3 out of 7 (43%) directors indicated that they are neither satisfied nor dissatisfied with performance of the accounts payable function.
  - 2 out of 7 (29%) directors indicate that they are somewhat dissatisfied with the performance of the accounts payable function.
- ◆ Payroll Function
  - 3 out of 7 (43%) directors indicated that they are strongly satisfied with the performance of the payroll function.
  - 4 out of 7 (57%) directors indicated that they are somewhat satisfied with the performance of the payroll function.

- ◆ Overall performance with the Accounting & Finance Unit
  - 1 out of 7 (14%) directors indicated that he is strongly satisfied with the overall performance of the Accounting & Finance Unit.
  - 4 out of 7 (57%) directors indicated that they are somewhat satisfied with the overall performance of the Accounting & Finance Unit.
  - 2 out of 7 (29%) directors indicated that they are somewhat dissatisfied with the overall performance of the Accounting & Finance Unit.

We also interviewed eight (8) of the non-administrative divisions directors to discuss efficiencies, effectiveness, and improvement opportunities within the administrative functions of the Department. We noted the following key observations/concerns related to the Accounting & Finance Unit from our interviews:

- ◆ The directors of the non-administrative divisions feel that the Accounting & Finance Unit is doing a good job overall.
- ◆ Voiced concerns about a lack of communication between the finance and operations staff.
- ◆ Voiced concerns about changing procedures that impact the end users without providing advance notice.

We inquired with management about current performance metrics utilized by the Accounting Unit to track Accounts Payable performance. In response to audit inquiries, the Admin Manager II indicated that there are currently no performance metrics; however, their goal is to process invoices within 14 days to provide the Auditor Controller sufficient time to perform their review and process the payment within 30 days.

We obtained and reviewed a listing of all invoices processed from the period of January 1, 2020, through July 31, 2021. The listing included the date the invoices were received by the Department's accounts payable staff and the date in which the check was issued by the Auditor Controller. Our review disclosed that 12,676 invoices were processed during this period and the average time from the date in which the invoice was received by the accounts payable staff and the date in which the check was issued by the Auditor Control was approximately 19 days. However, the Department's account payable function is not currently tracking the date in which they forward the invoices to the Auditor Controller. As such, we were not able to determine how long it took the accounts payable staff to complete their review and forward the invoices to the Auditor Controller for approval and payment.

The Admin Manager II also indicated that the goal is to setup new cases in IPFS within 14 days of received and cases are prioritized as follows on a first in first out basis within the priority categories:

- ◆ Terminal Disposition Cases with restitution
- ◆ Terminal Disposition Cases without restitution
- ◆ Transfer Out Cases with restitution
- ◆ Transfer Out Cases without restitution
- ◆ AB109 MS Cases with restitution

- ◆ AB109 MS Cases without restitution
- ◆ General Cases with restitution
- ◆ General Cases without restitution

We obtained screenshots of the IPFS case worklist as of September 29, 2021. The worklist included a total of 308 (i.e., 144 cases that have restitution and 164 cases with no restitution) cases in pending status. The oldest case in the worklist was sent to the Accounting Unit for case setup on August 5, 2021. As of September 29, 2021, the oldest case in the worklist has been in pending status for approximately 55 days. The oldest case with restitution was sent for case setup on September 7, 2021. As of September 29, 2021, the oldest case with restitution in the worklist has been in pending status for approximately 21 days. In response to audit inquiry, the Admin Manager II indicated that they are currently experiencing a seven (7) week backlog in case setup mostly caused by legislative changes and a hiring pause. The Admin Manager II also indicated that there is currently only one person assigned to case setup and it takes about 15 minutes to setup a case in the IPFS.

### **Recommendation(s)**

1. The lack of key performance indicators for the Accounts Payable function increases the risk that the Accounting Unit fails to identify a decrease in performance. We recommend the Accounting Unit implements key performance metrics, including the average time it takes to review and forward invoices to the Auditor Controller to gain an understanding of how long it is taking the team to process invoices and assess what percentage of the invoices are being processed within the desired timeframe. We also recommend the Accounting & Finance Unit implement procedures to improve communications with operations staff, including surveying directors and/or staff to obtain feedback on ways to improve communications.
2. We recommend the Accounting Unit takes steps (e.g., adding additional resources to the case setup process) to reduce the amount of time cases are remaining in pending status and the overall number of cases in pending status in the case setup process.

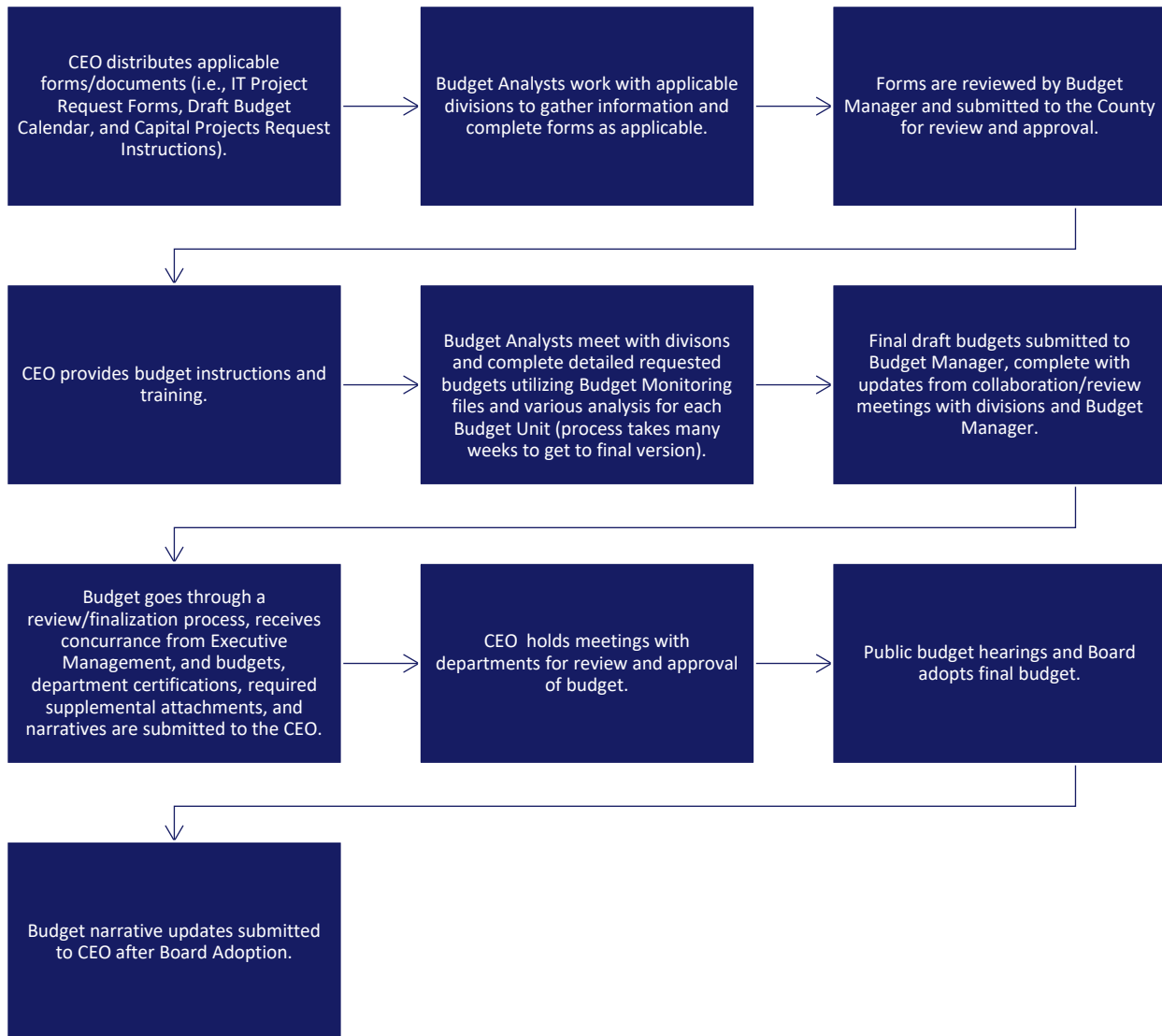
## **BUDGET**

### **BUDGET CREATION**

The Budget Unit is comprised of one (1) Administrative Manager II, six (6) Administrative Manager I, one (1) Staff Specialist, and one (1) Staff Assistant. The unit is responsible for the management of the Department’s budget of approximately \$200M. Duties performed include budget preparation, development, monitoring, and fiscal year-end closing; narratives for County issued budget books; and reviewing, analyzing, approving and/or rejecting purchasing requisitions and work order requests.

The budget creation process requires the cooperation of all Department divisions to work with their respective Budget Analysts (i.e., Administrative Manager I assigned to that area) to create a budget that is approved by the County. The process includes multiple meetings, revisions, adjustments, etc. Exhibit 3 below provides a broad overview of the budget process.

**Exhibit 3 – Budget Creation Process**



Source: Created by MGT and verified by Admin Manager II, Budget Unit

**Audit Procedures & Key Observations**

To assess the overall satisfaction with the budget process, we surveyed the nine (9) directors of the non-administrative divisions within the Department. The survey results disclosed the following (note that seven of the directors surveyed completed the anonymous survey):

- ◆ 5 out of 7 (71%) directors indicated that they are somewhat satisfied with the budget process.
- ◆ 1 out of 7 (14%) directors indicated that they are somewhat dissatisfied with the budget process.
- ◆ 1 out of 7 (14%) directors indicated that they are dissatisfied with the budget process.

We also interviewed eight (8) of the non-administrative divisions directors to discuss efficiencies, effectiveness, and improvement opportunities within the administrative functions of the Department. We



noted the following key observations/concerns related to the budget creation process from our interviews:

- ◆ The Budget Analysts do a good job and are always willing to help.
- ◆ Voiced concerns about being told that there are no funds to purchase certain items or pursued certain initiatives and then find out that there was money left in the Department's budget that was returned to the County.
- ◆ Voiced concerns about changing procedures that impact the end users without providing advance notice.

We also inquired about current performance metrics utilized by the Budget unit to track performance. In response to audit inquiries, the Admin Manager II indicated that their goal is to submit all reports and requests on-time and to have the least possible variance in the budget vs actual comparison. The Admin Manager II also indicated that there is currently no process for overall tracking of the timeliness of the documents and budget reports/requests submitted to the County during the budget process.

Our analysis of the budget vs actual statements for fiscal years 2019-20 and 2020-21 disclosed that total actuals were within 2 and 0.01 percent of budgeted total, respectively. However, the 2020-21 modified budget includes a \$19.9M transfer from the Department to the County's Capital Project fund. The \$19.9M were funds that were not expended during the year because of various reasons (e.g., hiring freeze, additional revenues from Covid-19 related funding, professional services that were never performed in large part to Covid-19, etc.). The savings of \$19.9M appears to be an outlier caused by unforeseen circumstances.

### **Recommendation(s)**

3. The lack of performance metrics increases the risk that a decrease in performance efficiency and effectiveness goes undetected. We recommend the Budget Unit implements key performance metrics, including percentage of budget reviews on time, percentage of reports and requests submitted on time, and year-over-year forecasting accuracy.

### **PURCHASING APPROVALS**

The assigned Budget Analyst is also the point of contact for reviewing, analyzing, approving and/or rejecting purchasing requisitions and work order requests. As illustrated in Exhibit 10 (pg. 20), the purchasing requisitions are submitted to budget for review and approval prior to being forwarded to the Procurement, Forms & Property Control unit. The purchasing requisitions approval process for the Budget Unit consists of assessing compliance with applicable rules and regulations; policies and procedures; completeness; coding; obtaining Executive Management review/approval when applicable; and available funding. Exhibit 4 below provides a brief overview of the purchasing request review process as performed by the Budget Unit.

#### Exhibit 4 – Purchase Order Approval Process (Budget Unit)



Source: Created by MGT and verified by Admin Manager II, Budget Unit

#### Audit Procedures & Key Observations

We surveyed the nine (9) directors of the non-administrative divisions within the Department to assess the overall satisfaction with the purchasing approval process. The survey results disclosed the following (note that seven of the directors completed the anonymous survey):

- ◆ 1 out of 7 (14%) directors indicated that they are somewhat satisfied with the purchasing and review of requests process within the Budget Unit.
- ◆ 2 out of 7 (29%) directors indicated that they are neither satisfied nor dissatisfied with the purchasing and review of requests process within the Budget Unit.
- ◆ 4 out of 7 (57%) directors indicated that they are somewhat dissatisfied with the purchasing and review of requests process within the Budget Unit.

We also interviewed eight (8) of the non-administrative divisions directors to discuss efficiencies, effectiveness, and improvement opportunities within the administrative functions of the Department. We noted the following key observations/concerns related to the purchasing approval process from our interviews:

- ◆ Voiced concerns about a lack of communication and understanding of the Department’s mission.
- ◆ Voiced concerns with a lack of consistency regarding the items that are allowable to be purchased.

We also inquired about current performance metrics utilized by the Budget Unit to track performance. In response to audit inquiry, the Admin Manager II indicated that their goal is to ensure that all deadlines and due dates are met; however, there are currently no key performance indicators to track the performance of this function. Our analysis of the contracts and purchase orders data disclosed the Budget Unit is currently not tracking the date in which the purchase requisitions are forwarded to the procurement staff for review and approval (see the Procurement, Forms, and Property Control section of this report for additional details regarding the process, our analysis, and results).

#### Recommendation(s)

4. The lack of key performance indicators increases the risk that the Budget Unit fails to identify a decrease in performance and customer satisfaction with the purchasing requisitions review/approval process. We recommend the Budget Unit implements key performance metrics, including tracking the average time it takes to review, analyze, and approve/reject purchase requisition requests. We also recommend the Budget Unit implement procedures to improve communications with operations staff, including surveying directors and/or staff to obtain feedback on ways to improve communications.

# CLERICAL SUPPORT & SCHEDULING UNIT

## CLERICAL SECTION

The clerical section is made up of 185 clerical staff including 2 Office Managers, 2 Senior Office Supervisors and 13 supervisors assigned to AFD that provide support to the Deputized staff including Directors, Assistant Division Directors, Deputy Probation Officers and Supervising Probation Officers in both Adult & Juvenile Divisions throughout the Department. Duties of the clerical support staff include, but are not limited to, ordering supplies, typing court reports, revising and editing reports, reviewing and submitting stats to the Supervising Probation Officers and Directors monthly or quarterly. The Clerical Unit performs most of their tasks within the Integrated Case Management System (ICMS). They also use a variety of other systems to perform their daily tasks depending on their assignment including Vision, CMS/CWS to access information from Social Services. Out Teletype staff use the ELETE database to process record checks for the Deputy Probation Officer's on Probationers on their caseload. Exhibit 5 shows the typical clerical support process for Juvenile Operations.

**Exhibit 5 – Clerical Support Process**



Source: Created by MGT and verified by Admin Manager I, Clerical Support

To assess the overall satisfaction with the performance of the clerical unit, we surveyed the nine (9) directors of the non-administrative divisions within the Department. The survey results disclosed the following (note that seven of the directors surveyed completed the anonymous survey):

- ◆ 4 out of 7 (57%) directors indicated that they are somewhat satisfied with the performance of the clerical support section.
- ◆ 2 out of 7 (29%) directors indicated that they are neither satisfied nor dissatisfied with the performance of the clerical support section.
- ◆ 1 out of 7 (14%) directors indicated that they are dissatisfied with the performance of the clerical support section.

We also interviewed eight (8) of the non-administrative divisions directors to discuss efficiencies, effectiveness, and improvement opportunities within the administrative functions of the Department. We noted the following key observations/concerns related to the Clerical Support Unit from our interviews:

- ◆ Staff is efficient and do a great job with the resources available to them.
- ◆ Voiced concerns about the team possibly needing additional resources to avoid falling behind.

We also interviewed key personnel and reviewed relevant Procedural Manual Items (PMIs), Memorandum of Understandings (MOUs), policies and procedures, and requested performance data to gain an understanding and assess the performance metrics implemented by the clerical support section. In response to audit inquiries, the Admin Manager I indicated that staff follows the PMIs, establishes policies and procedures, and MOUs. The Admin Manager I also indicated that the goal of the staff is to submit the reports in a timely manner to meet established court deadlines; however, the unit does not currently track any key performance metrics to measure timeliness of submitted reports, performance, and customer satisfaction.

### **Recommendation(s)**

5. The lack of performance metrics increases the risk that a decrease in performance efficiency and effectiveness goes undetected. We recommend the Clerical Support Unit implements key performance metrics, including percentage of reports completed on time and average time to create a new case, update an existing case, and respond to requests for information.

### **SCHEDULING UNIT**

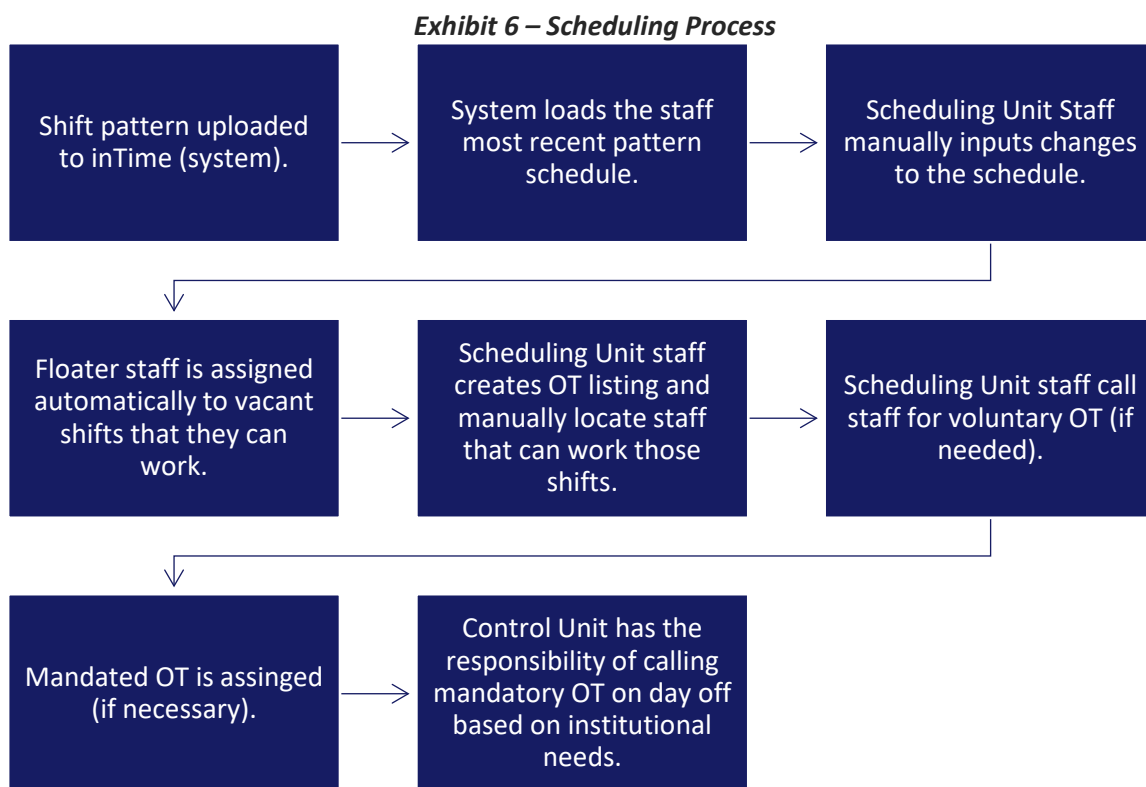
The Scheduling Unit is comprised of three staff including two Staff Assistants and one Staff Specialist who supervises the unit. The staff is responsible for creating the schedules for the Deputy Juvenile Correctional Officers that work at three Juvenile Facilities (i.e., Juvenile Hall, Youth Guidance Leadership and Youth Leadership Academy). The staff also receives, records, and approves time off requests from staff, processes and approves shifts trades based on current PMI guidelines<sup>3</sup>. The staff who work at control<sup>4</sup> is responsible for taking the call outs and filling shifts on the day of.

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3 Per the Staff Specialist, Scheduling Unit, approximately 100 trade requests are processed per pay period.

4 Control staff handle the day-to-day scheduling of staff who call out sick, adding additional staff based on ER Run, Suicide Levels, Construction escorts. They call in overtime and mandatory staff based on needs of the institutions.

For senior staff members, their shifts pattern has been previously uploaded to Intime (scheduling software). The bi-weekly scheduling process begins with the upload of the most recent scheduling patterns. The scheduling staff manually adds STC<sup>5</sup> training to schedules as overtime or adjustments based on whether training is on their workday or day off and updates logs to make sure staff on approved leaves are taken off the schedules. Once all the adjustments are manually added to the system, the system runs an autofill to automatically assign available staff to the vacant positions. After the autofill, the scheduling staff ensures that all staff have 80 hours and then creates the open overtime shift list. The Scheduling Unit fills all prescheduled overtime by calling each staff and inputting the overtime they pick into the system and on the tracking log. Once all staff are called and all voluntary overtime is picked, the remaining shifts are mandated. The Scheduling Unit staff takes care of keeping the day of overtime preference forms updates in Microsoft Access for control staff to use daily. Exhibit 6 provides a brief overview of the scheduling process.



Source: Created by MGT and verified by the of the Scheduling unit, Clerical Support

### Audit Procedures & Key Observations

To assess the overall satisfaction with the performance of the Scheduling Unit, we surveyed and interviewed the nine (9) directors of the non-administrative divisions within the Department. The survey results disclosed the following (note that seven of the directors surveyed completed the anonymous survey):

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5 Securities Training Corp

- ◆ 1 out of 7 (14%) directors indicated that they are somewhat satisfied with the performance of the Scheduling Unit.
- ◆ 4 out of 7 (57%) directors indicated that they are neither satisfied nor dissatisfied with the performance of the Scheduling Unit.
- ◆ 2 out of 7 (29%) directors indicated that they are somewhat dissatisfied with the performance of the Scheduling Unit.

We also interviewed eight (8) of the non-administrative divisions directors to discuss efficiencies, effectiveness, and improvement opportunities within the administrative functions of the Department. We noted the following key observations/concerns related to the Scheduling Unit from our interviews:

- ◆ Satisfied with the overall performance of the Scheduling Unit.
- ◆ Voiced concerns about a lack of communication and issues raised not being resolved.

We also inquired about current performance metrics utilized by the Scheduling Unit to track performance. In response to audit inquiries, the Staff Specialist, Scheduling Unit, indicated that measurements used include following PMIs and MOUs and other agreements with the union. The Staff Specialist also stated that the Scheduling Unit does not make a determination as to the number of staff needed to efficiently operate the three Juvenile facilities and the amount of overtime worked throughout the facilities.

**Recommendation(s) - None**

## FACILITIES SUPPORT

### FACILITIES UNIT

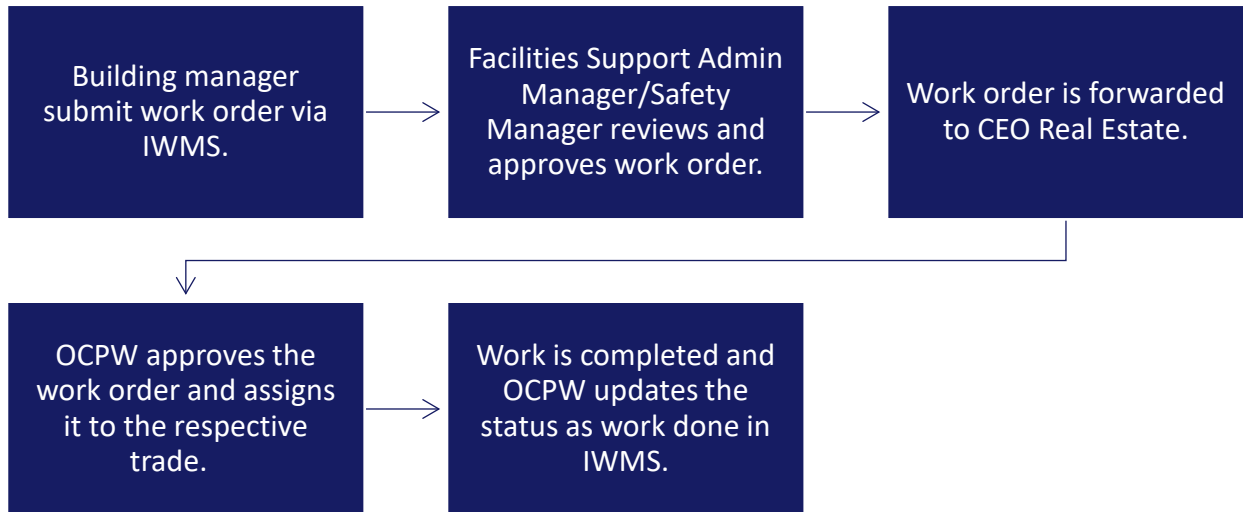
The Facilities Support Unit is performed by the Facilities Support Admin Manager I<sup>6</sup> and a Staff Specialist. Facilities Support is responsible for ensuring all facilities can provide the staff with a safe and healthy work environment. The Department has a total of 12 buildings including 3 institutional type facilities. The Admin Manager oversees building repairs and maintenance. Each facility has a designated building manager. This building manager is responsible for ensuring the respective building is maintained and able to operate daily. Building managers keep the Facilities Support Admin Manager I informed of any major issues or maintenance that takes place.

Facilities Support is also responsible for reviewing and approving maintenance and repairs work orders requests. The building managers submit the work orders to the Facilities Support Admin Manager I for review and approval. The work orders are submitted through the Integrated Workplace Management System (IWMS). Upon approval and verification that the work is the responsibility of the County<sup>7</sup>, the work orders are forwarded to Orange County Public Works Department (OCPW) to perform the tasks and complete the work orders. OCPW marks the work orders as completed once all related work has been completed. Exhibit 7 presents a flowchart of the work order process.

<sup>6</sup> Note that the current Admin Manager I was promoted to the position in January of 2020.

<sup>7</sup> CEO Real Estate verifies that the building is owned by the County, or the County is responsible for the work in accordance with the lease terms.

**Exhibit 7 – Work Order Process Flowchart**



Source: Created by MGT and verified by Admin Manager I, Facilities Support

### **Audit Procedures & Key Observations**

To assess the overall satisfaction with the performance of the Facilities Support unit, we surveyed and the nine (9) directors of the non-administrative divisions within the Department. The survey results disclosed the following (note that seven of the directors surveyed completed the anonymous survey):

- ◆ 5 out of 7 (71%) directors indicated that they are somewhat satisfied with the performance of the Facilities Support Unit.
- ◆ 2 out of 7 (29%) directors indicated that they are dissatisfied with the performance of the Facilities Support Unit.

We interviewed eight (8) of the non-administrative divisions directors to discuss efficiencies, effectiveness, and improvement opportunities within the administrative functions of the Department. We noted the following key observations/concerns related to the Facilities Support Unit from our interviews:

- ◆ Satisfied with the performance of the Facilities Support Unit.
- ◆ Voiced concerns about the Facilities Support Unit possibly needing additional resources.

We also obtained a listing of all work orders submitted through IWMS from the period of January 1, 2020, through July 31, 2021. The listing included 1,208 work orders that were submitted and completed during this time. An analysis of the 1,208 work orders disclosed the following:

- ◆ The timeframe it took to complete the work ranged between 0 (work was completed on the same day the task order was submitted) to 361 days.
- ◆ 675 of the 1,208 (57%) of the work orders were completed within 21 days.

- ♦ 991 of the 1,208 (82%) of the work orders were classified as urgent<sup>8</sup>.
  - 586 of the 991 (59%) of the urgent work orders were completed within 21 days.

We also inquired about current performance metrics utilized by Facilities Support to track performance. In response to audit inquiry, the Admin Manager indicated that the unit recently started (about a month ago) an initiative to track cost related measures and repeat work orders. However, the performance metric tracking initiative is at an early stage and in the implementation phase.

### **Recommendation(s)**

6. The lack of performance metrics increases the risk that a decrease in performance efficiency and effectiveness goes undetected. We recommend Facilities Support continues its efforts to implement relevant key performance metrics, including the ability to track cost per square footage, average time to process work orders, number of repeat work orders, preventive maintenance vs corrective maintenance, and customer satisfaction. We also recommend Facilities Support enhances its data tracking capabilities, including taking steps to have the ability to track the time it takes the Facilities Support Admin Manager I to review and approve work orders prior to forwarding them to CEO Real Estate and OCPW.

### **SAFETY MANAGEMENT SECTION**

The Safety Management Section is charged with the responsibility of ensuring the Department offers a safe work environment to its employees and all associated personnel. The Safety Management staff includes a Safety Manager (same person as the Facilities Support Admin Manager I) who is responsible for ensuring that the Department is compliant with all applicable safety and health regulation, including reviewing Department safety policies and procedures, conducting safety inspections, conducting ergonomic evaluations, investigating industrial hygiene complaints (air quality, mold, smells, etc.), identifying gaps in safety programs/procedures and developing new programs (i.e. Hearing Conservation, Blood Lead Level Monitoring, Ergonomics), developing safety training, conducting safety training, developing and implement COVID-19 safety programs, reviewing professional protective equipment, investigating accidents/injuries, and developing driver safety training.

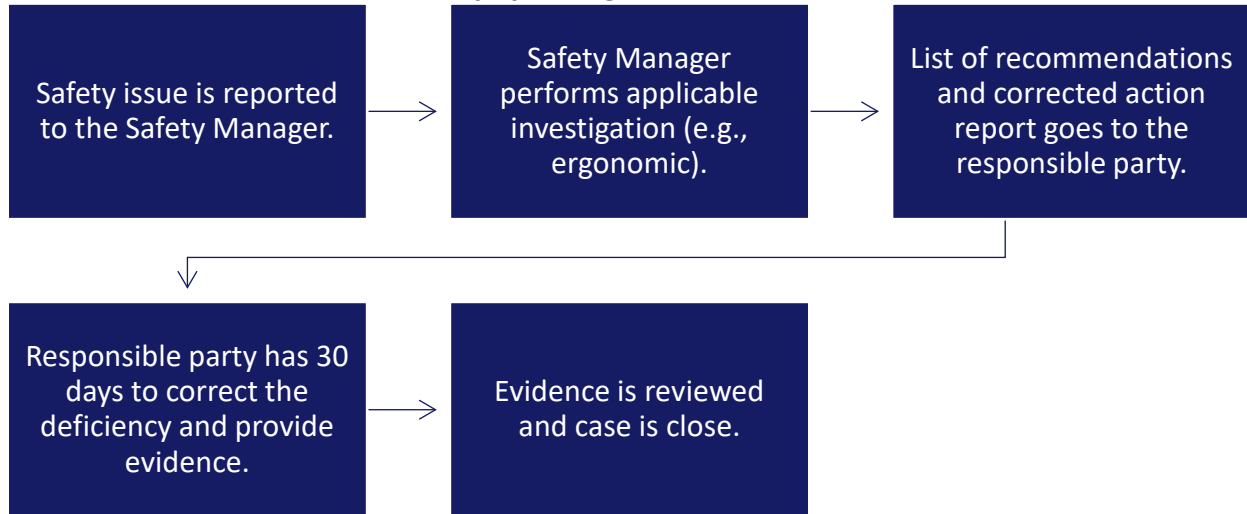
Like the building manager, each building has a safety officer. The Safety Management relies on the safety officers to investigate complaints and help resolve any safety related issue that is within the respective unit's ability. If the safety officer determines that the assistance of the Safety Manager is warranted, then the Safety Manager is notified via phone or email. Exhibit 8 shows a flowchart of the safety management process.

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<sup>8</sup> Per OCPW, a work order is classified as urgent when its life threatening and require immediate attention for potential building damage. Examples are elevator entrapment, power outage, major water leaks, health/safety issue, COVID cleaning, etc.



**Exhibit 8 – Safety Management Process Flowchart**



Source: Created by MGT and verified by Admin Manager I, Facilities Support

### **Audit Procedures & Key Observations**

To assess the overall satisfaction with the performance of the safety management section, we surveyed the nine (9) directors of the non-administrative divisions within the Department. The survey results disclosed the following (note that seven of the directors surveyed completed the anonymous survey):

- ◆ 5 out of 7 (71%) directors indicated that they are somewhat satisfied with the performance of the Safety Management Function.
- ◆ 1 out of 7 (14%) directors indicated that they are neither satisfied nor dissatisfied with the performance of the Safety Management Function.
- ◆ 1 out of 7 (14%) directors indicated that they are dissatisfied with the performance of the Safety Management Function.

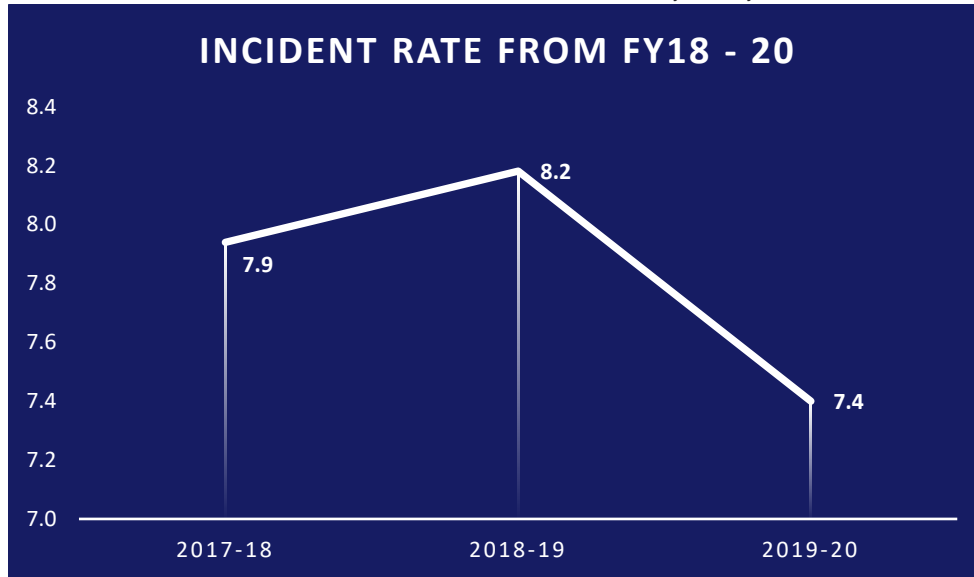
We also interviewed eight (8) of the non-administrative divisions directors to discuss efficiencies, effectiveness, and improvement opportunities within the administrative functions of the Department. We noted the following key observations/concerns related to the Safety Management function from our interviews:

- ◆ Satisfied with the performance of the Safety Management function and praised the way they handle the challenges raised by Covid-19.
- ◆ Voiced concerns about the Safety Management function possibly needing additional resources.

We inquired about current performance metrics utilize by Safety Management to track performance. In response to audit inquires, the Safety Manager indicated that the number of workers' compensation claims are tracked at the county level on a calendar year basis and the Department generates reports from those to see how they are performing. The Safety Manager also stated that Safety Management tracks the injury rate, and periodically compares the rate to the industry average and does historical

tracking to see if the incident rate<sup>9</sup> within the Department is decreasing overtime. Exhibit 9 presents the yearly incident rate for the past three fiscal years.

**Exhibit 9 – Incident Rate For Fiscal Years 2018, 2019, and 2020**



Source: Created by MGT from Incident Rate data obtained from Facilities Support

Safety Management tracks the incident rate for historical comparisons. However, there is opportunity for improvement as Safety Management does not currently have a system to track safety related issues overall. Additionally, a comparison of the Department’s incident rate for Fiscal Year 2019-20 to the industry average disclosed that at 7.4, the incident rate for the Department was significantly higher in Fiscal Year 2019-20 than the industry average at 2.6<sup>10</sup> for calendar year 2019.

**Recommendation(s)**

- 7. We recommend enhancing procedures to ensure that Safety Management can track all safety related issues and use this data to measure performance and identify patterns to improve efficiency and effectiveness (e.g., repeated safety issues across buildings). We also recommend Safety Management continues its efforts to decrease the incident rate closer to the industry average and performs an analysis to identify the factors that are causing the Department’s incident to be significantly higher than the industry average.

<sup>9</sup> An incidence rate of injuries and illnesses may be computed from the following formula: (Number of injuries and illnesses X 200,000) / Employee hours worked = Incidence rate. The 200,000 figure in the formula represents the number of hours 100 employees working 40 hours per week, 50 weeks per year would work, and provides the standard base for calculating incidence rate for an entire year.

<sup>10</sup> Source: Bureau of Labor Statistics, U.S. Department of Labor, Survey of Occupational Injuries and Illnesses, in cooperation with participating state agencies.

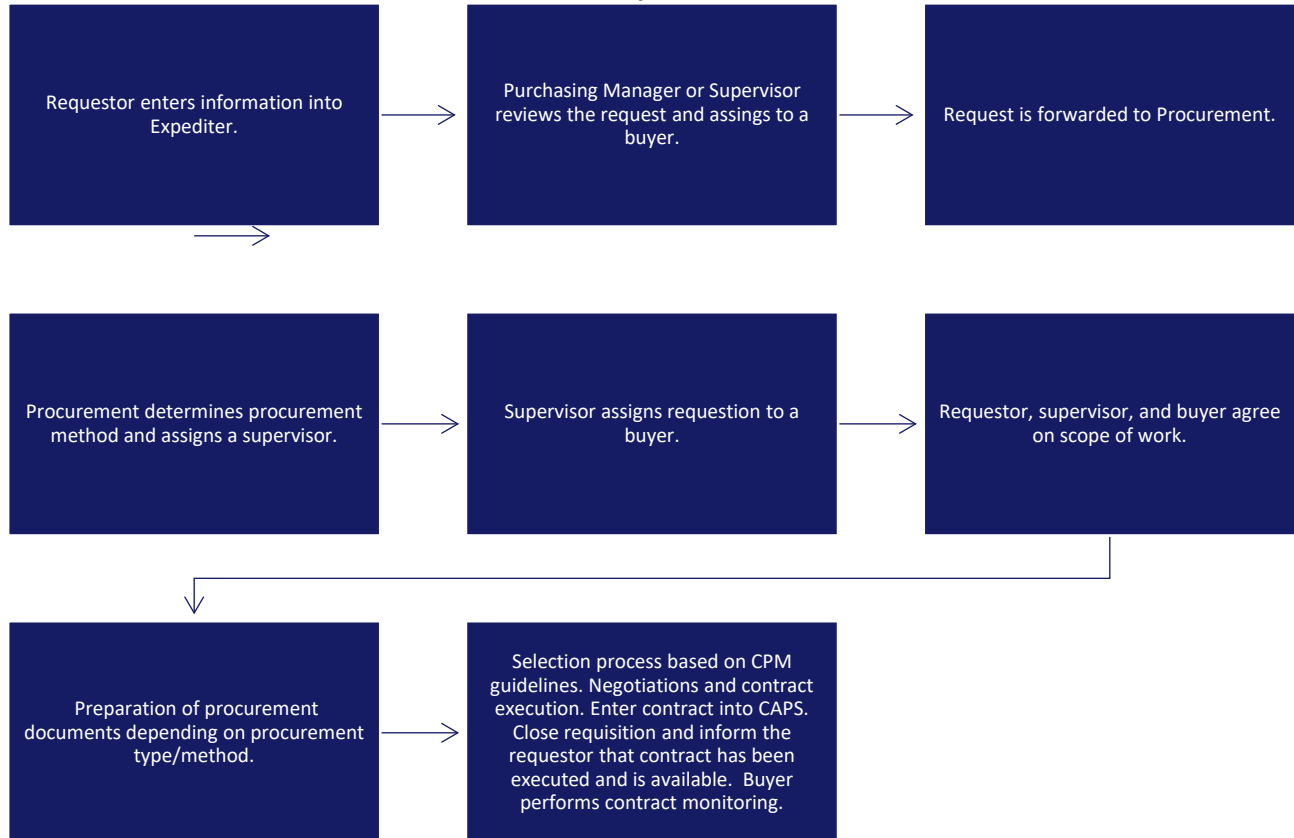
## PURCHASING AND CONTRACTS.

### PURCHASING AND CONTRACTS

The Purchasing and Contracts Unit is overseen by one Administrative Manager II, with the support of one Staff Specialist. The unit is divided into two functions: contracts and purchasing. The contracts group consist of two Administrative I Managers (Contract Administrators) who are County certified Deputy Purchasing Agents (DPAs). These individuals handle Human Service Contracts as well as MOUs for services required for Probation youth and adult population. Their work includes conducting public Requests for Proposals (RFPs), assisting in developing budgets and scope of work, vendor negotiations to include service, pricing, and contract terms. This team also monitors the contract expenditures relative to the contract budget and addresses cost or performance issues with the contractor.

The purchasing group is comprised of one Administrative Manager I, one Supervising Procurement Contract Specialist, two Procurement Contract Specialists, one Staff Specialist, three Buyers and one Office Specialist. This team is responsible for procuring goods and services to meet the Department's operational needs. The Administrative Manager and Supervising Procurement Contract Specialist assign and review the work of all the buyers. They are responsible for training, supervision, and compliance to ensure County procurement policies are being followed as defined in the County Contract Policy Manual (CPM). Each DPA is assigned requisitions and is responsible for creation of bids and/or RFPs, obtaining quotes, aiding in the development of the scope of work, and negotiations with vendors. This team creates a variety of contracts which include one-time Purchase Orders (PO) as well as multi-year Master Agreements (MA). In addition, DPAs are assigned requisitions for orders on contract which requires placement of the order and creating a Delivery Order (DO for the instrument to pay the invoice). DPAs have the responsibility of managing each contract they execute to ensure proper delivery, quality services, pricing in line with contract terms, year to date spending, and addressing contractor deficiencies as needed. The Office Specialist position administers the E-Commerce (online office supply system) users and approvers, completes one-time credit card purchases, places supply orders, and orders Department forms. Exhibit 10 presents a flowchart of the purchase request process.

**Exhibit 10 – Purchase Request Process Flowchart**



Source: Created by MGT and verified by Admin Manager II, Purchasing and Contracts

**Audit Procedures & Key Observations**

To assess the overall satisfaction with the performance of the Purchasing and Contracts Unit, we surveyed the nine (9) directors of the non-administrative divisions within the Department. The survey results disclosed the following (note that seven of the directors surveyed completed the anonymous survey):

- ◆ 3 out of 7 (43%) directors indicated that they are somewhat satisfied with the performance of the Purchasing and Contracts Unit.
- ◆ 1 out of 7 (14%) directors indicated that they are neither satisfied nor dissatisfied with the Purchasing and Contracts Unit.
- ◆ 3 out of 7 (43%) directors indicated that they are dissatisfied with the performance of the Purchasing and Contracts Unit.

We also interviewed eight (8) of the non-administrative divisions directors to discuss efficiencies, effectiveness, and improvement opportunities within the administrative functions of the Department. We noted the following key observations/concerns related to the Purchasing and Contracts from our interviews:

- ◆ Voiced concerns about a lack of communication and issues raised not being resolved.

- ◆ Voiced concerns about changing procedures that impact the end users without providing advance notice.

We also obtained a listing of all contracts and purchase orders executed from the period of January 1, 2020, through July 31, 2021. The listing included 292 contracts and purchase orders that were executed during this time. A review of these 292 contracts and purchase orders disclosed the following:

- ◆ 259 of the 292 (89%) of the contracts and purchase orders were assigned to a buyer within three (3) days of receipt.
- ◆ 224 of the 292 (76.71%) of the contracts and purchase orders were executed within 90 days of being assigned to a buyer.

We also inquired about current performance metrics utilize by the Purchasing and Contracts Unit to track performance. In response to audit inquiries, the Purchasing and Contracts Admin Manager II indicated that every contract goes through a review process in which the reviewer focuses on compliance, timeline, and quality of work. The Admin Manager II also indicated that even though there are no performance metrics in writing, there is an expectation that there is a timeline in which a contract should be executed based on the procurement type and no unforeseen issues arise. Exhibit 11 provides the timeline as provided by the Admin Manager II.

**Exhibit 11 – Expected Timeline to Execute Contract**

| Type of Procurement        | Completion timeframe expectation with ideal conditions (no delays or negotiations) | If contractor protests bid award, takes exception to contract terms, has an ownership/name change, has a price increase or cannot meet insurance requirements (Add 2 months) | If contract requires Board Approval (Add 2 months) |
|----------------------------|--|--|--|
| One Quote                  | 2-3 weeks  | Add 2 months to column B   | Add 2 months to column B                           |
| Two Quotes                 | 3 weeks  | Add 2 months to column B   | Add 2 months to column B                           |
| Sole Source                | 2 months   | Add 2 months to column B   | Add 2 months to column B                           |
| IFB (Invitation for Bid)   | 2-3 months   | Add 2 months to column B   | Add 2 months to column B                           |
| RFP (Request for Proposal) | 9-12 months  | Add 2 months to column B   | Add 2 months to column B                           |
| Contract renewal/amendment | 2 months   | Add 2 months to column B   | Add 2 months to column B                           |

Source: Admin Manager II, Purchasing and Contracts

### Recommendation(s)

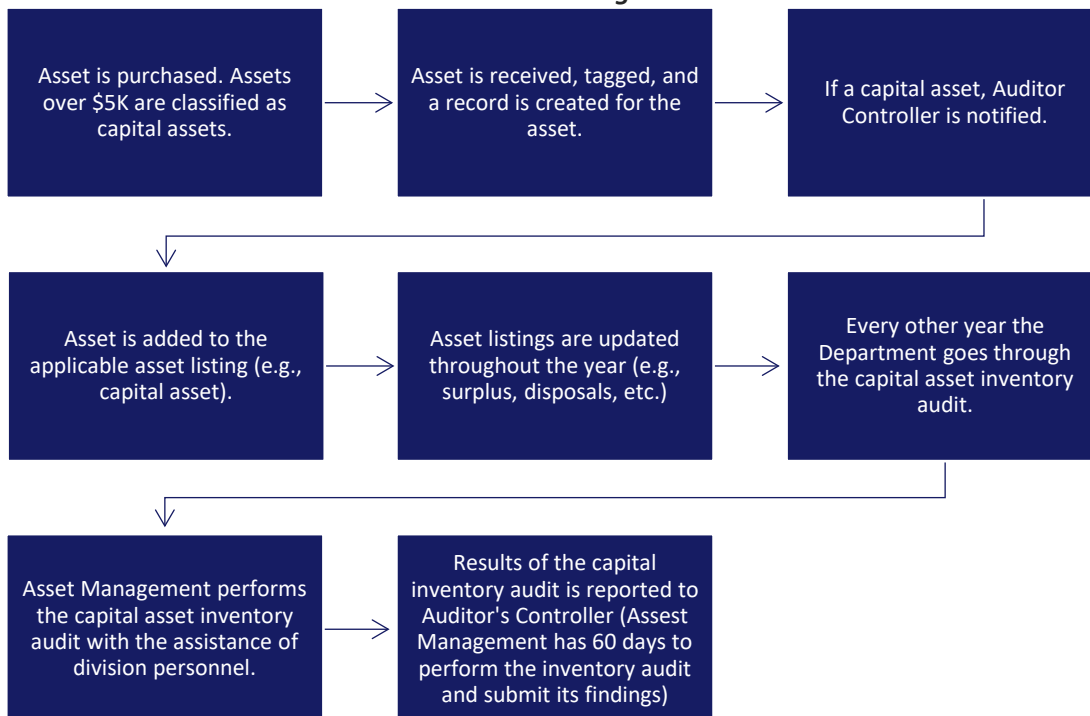
8. The lack of key performance indicators increases the risk that the Purchasing and Contracts Unit fails to identify a decrease in performance and customer satisfaction with the procurement process. We recommend the Purchasing and Contracts Unit implements key performance metrics, including average time to execute contracts by procurement method, percentage of contracts executed on time, percentage of unit staff trained in contract procedures, and customer satisfaction. We also recommend the Purchasing and Contracts Unit implement procedures to improve communications with operations staff, including surveying directors and/or staff to obtain feedback on ways to improve communications.

### ASSET MANAGEMENT (PROPERTY CONTROL)

The Asset Management Subunit, a function within the Purchasing and Contracts Unit, is the responsibility of the Staff Specialist assigned to the Purchasing Unit. This position is responsible for tagging, tracking, and inventorying controlled and capital assets, including completing the Capital Asset Inventory Audit. In

addition, this position handles surplus and destruction of obsolete assets and reporting this information to the Auditor Controller. This position also manages the Department’s fleet vehicles. Fleet management includes working with OCPW for tracking, ordering, coordinating service and retiring of vehicles. In addition, this position works with the Budget Unit for the periodic required reporting. With fleet management also comes the management of toll road accounts, fuel cards and fuel key fobs. Exhibit 12 provides an overview of the Asset Management process.

**Exhibit 12 – Asset Management Process**



Source: Created by MGT and verified by Admin Manager II, Purchasing and Contracts

**Audit Procedures & Key Observations**

We surveyed the nine (9) directors of the non-administrative divisions within the Department. The survey results disclosed the following: (note that seven of the directors surveyed completed the anonymous survey)

- ◆ 5 out of 7 (71%) directors indicated that they are somewhat satisfied with the performance of the Asset Management Subunit.
- ◆ 1 out of 7 (14%) directors indicated that they are neither satisfied nor dissatisfied with the performance of the Asset Management Subunit.
- ◆ 1 out of 7 (14%) directors indicated that they are dissatisfied with the performance of the Asset Management Subunit.

We also interviewed eight (8) of the non-administrative divisions directors to discuss efficiencies, effectiveness, and improvement opportunities within the administrative functions of the Department. We noted the following key observations/concerns related to the Asset Management Subunit from our interviews:

- ◆ Satisfied with the Inventory Capital Asset Audit process overall.
- ◆ Voiced concerns about the responsibilities of the last audit falling on them and their staff.

We also inquired about current performance metrics utilized by the Asset Management Subunit to track performance. In response to audit inquiries, the Admin Manager II indicated that the most effective measure is whether the team can locate all capital assets and submit the report within the 60 days timeline. We obtained and reviewed documents (e.g., 2021 Capital Asset Inventory Packet, 2021 Cap Asset Inv Follow Up Letter to AC 7.6.21, AC Approval Inventory Memo – 2021 Probation Dept. etc.) and verified that the documentation indicates that all 133 capital assets were located, and the capital asset inventory audit was completed within 60 days. However, we noted that the capital asset listing was not completely up to date as five (5) capital assets had been disposed of without providing proper notification to the Asset Management Unit.

### **Recommendation(s)**

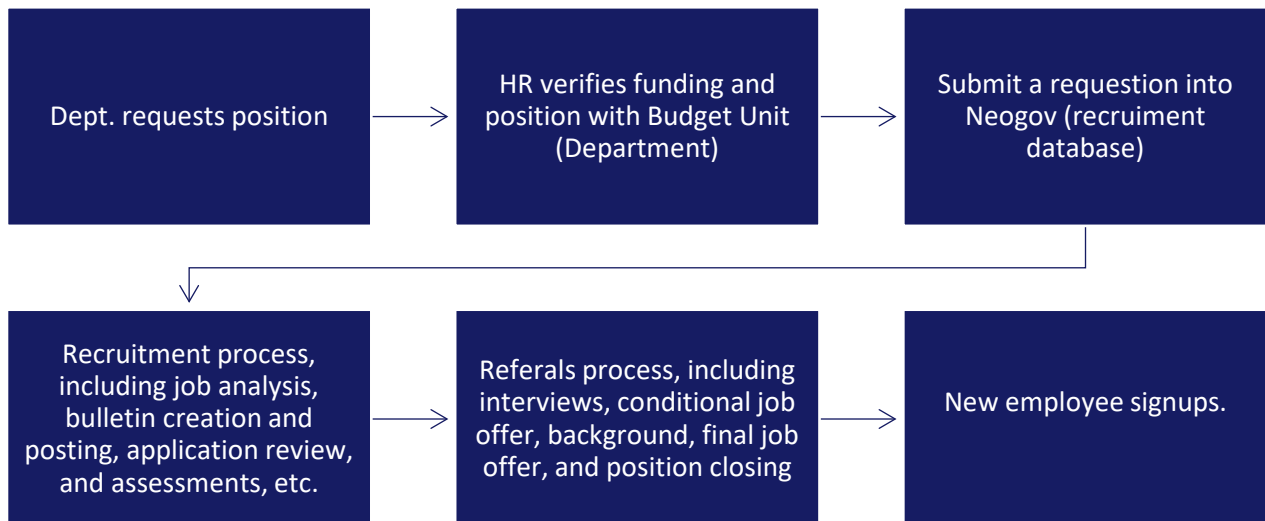
9. The disposal of assets without providing proper notification to the Asset Management Subunit increases the risk that a misappropriation of an asset goes undetected. We recommend enhancing procedures (e.g., provide training) to ensure that all divisions fully understand the information that must be provided to the Asset Management Subunit after an event (e.g., disposal) that impacts a capital asset.

## 2.0 – HUMAN RESOURCES (HR)

### BACKGROUND

Prior to October 2012, the HR function was housed within the Department. The HR team consisted of 11 HR professionals. These professionals provided all HR related support to the Department. In 2012, the Department’s HR team became part of the central Orange County Human Resources Department (OCHR). Currently, there are seven (7)<sup>11</sup> members of the OCHR assigned to support the Department. These staff members are charged with recruiting, return-to-work program, processing of personnel actions, grievance processing into the CAPS Plus database, training and providing guidance to managers and supervisors in employee relations and leave of absences. Exhibit 13 provides a high-level overview of the recruiting process.

*Exhibit 13 – HR Recruiting Process Overview*



Source: Created by MGT and verified by Human Resources Satellite Team

### Audit Procedures & Key Observations

We surveyed the nine (9) directors of the non-administrative divisions within the Department. The survey results disclosed the following (note that seven of the directors surveyed completed the anonymous survey):

- ◆ Recruitment process:
  - 3 out of 7 (43%) directors indicated that they are somewhat satisfied with the recruitment process.
  - 3 out of 7 (43%) directors indicated that they neither satisfied nor dissatisfied with the recruitment process.

<sup>11</sup> Two (2) additional positions were approved on September 28, 2021, and are expected to join the team in October 2021



- 1 out of 7 (14%) directors indicated that they are dissatisfied with the recruitment process.
- ◆ Overall performance
  - 1 out of 7 (14%) directors indicated that they are satisfied with the overall performance of the HR function.
  - 5 out of 7 (71%) directors indicated that they are somewhat satisfied with the overall performance of the HR function.
  - 1 out of 7 (14%) directors indicated that they neither satisfied nor dissatisfied with the overall performance of the HR function.

We also interviewed eight (8) of the non-administrative divisions directors to discuss efficiencies, effectiveness, and improvement opportunities within the administrative functions of the Department. We noted the following key observations/concerns related to the HR Unit from our interviews:

- ◆ Satisfied with the efficiency and effectiveness of the HR function.
- ◆ Satisfied with the communication and flexibility of the HR staff.
- ◆ Voiced concerns about the HR Satellite Team assigned to the Department needed additional resources to accelerate the recruitment and hiring process.

We also inquired about current performance metrics utilize by the HR Unit to track performance. In response to audit inquiries, the Human Resources Manager, Satellite Team, indicated that there are no formal performance metrics, but their goal is to fill all vacancies as soon as they possibly can; however, there can be delays depending on availability of panel members, number of candidates, and qualifications. The Human Resources Manager also indicated that the staff members assigned to probation go through a more extensive background process and staff members who have not gone through this process cannot assist with probation related HR tasks when there is a backlog.

We obtained a review a listing of all positions filled for the Department from the period of January 1, 2020, through July 31, 2021. An analysis of the listing disclosed the following:

- ◆ 140 positions were filled during this period.
- ◆ 102 days was the average time from the date the request was made by the Department to the date the offer was accepted by the candidate.
- ◆ 118 days was the average time from the date the request was made by the Department to the start date.
- ◆ 16 days was the average time from the date in which the offer was accepted by the candidate to the start date.

We performed research to identify peer counties in California to perform an organizational structure comparison. Based on population, San Diego County and Riverside County were identified as peer counties. We researched the peer counties websites to gain an understanding of the organizational structure of their probation departments. Our researched disclosed that both peer counties have an HR function within the probation department to help support the department's operations.

## Recommendation(s)

10. We recommend the HR Satellite Team implements key performance indicators and periodically perform analysis to track number of applicants per job posting and average time to fill positions. Additionally, consideration should be given to performing research to determine if it would be beneficial for the Department to have in-house HR staff. Having in-house HR staff would allow for more flexibility and provide the Department with an organizational structure that matches the structure of peer counties of similar size.

## 3.0 – INFORMATION TECHNOLOGY (IT)

### BACKGROUND

Prior to November of 2017, the IT function was housed within the Department. The IT team consisted of a staff of approximately 30 IT professionals. These professionals provided all IT related support to the Department. In November of 2017, the Department's IT team became part of the central Orange County Information Technology Department (OCIT). Currently, there are approximately 23 members of OCIT assigned to support the Department.

The list below provides a summary of the services IT provides to the Department:

- ◆ Data Center Services:
  - Servers Maintenance
  - Network Storage – including cloud backup
  - Cloud Computing Support – Including O365 & SharePoint
    - Data Center facilities management
    - Help Desk Services
- ◆ Desktop Support:
  - Desktop computer and Laptop Support
  - Software Support
    - Mobile device management
- ◆ Enterprise Services
  - Network Support
  - Voice Services
  - Azure Cloud Services
  - Badge Access Control
  - Cabling
  - Business Continuity and Disaster Recovery
  - Wireless Access Point Support
    - Enterprise Privacy and Cyber Security Services
    - Firewall and Security operation Support services including 24x7x365 monitoring and incident management.
- ◆ Application Development
  - Database support

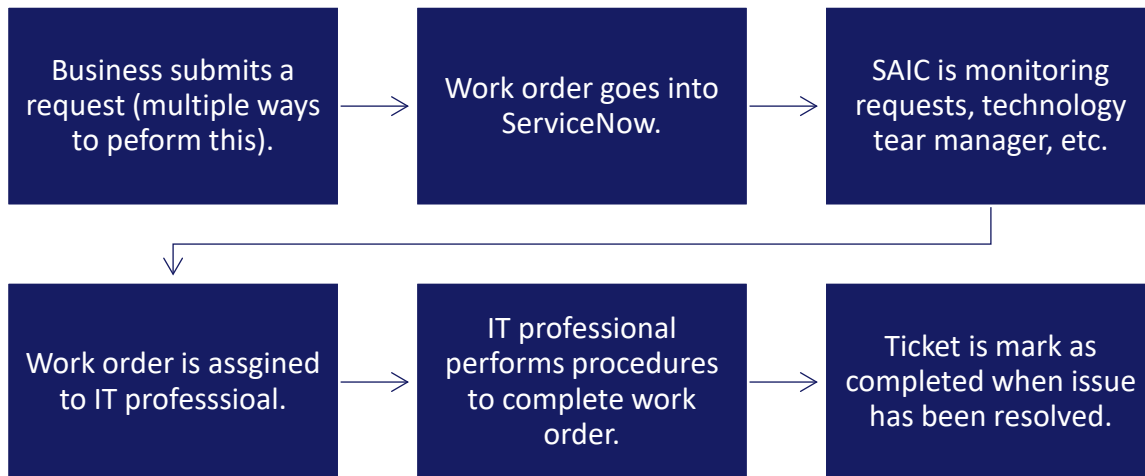
On April 1<sup>st</sup>, 2021, the County entered into an agreement with Science Applications International Corporation (SAIC) to provide IT support services. IT services provided by SAIC include:

- ◆ IT Service Management & Life Cycle Services
- ◆ Data Center Services

- ◆ Service Desk Notifications
- ◆ Application Development and Maintenance
- ◆ Desktop Support Services
- ◆ Network Management
- ◆ Converged Network Management
- ◆ Voice communication
- ◆ Security Operations Center
- ◆ General

IT related services requests are processed through ServiceNow. There are multiple ways to submit a service request/work order. The user has the option of submitting a work order online or contacting an IT professional. Exhibit 14 provides a high-level overview of the IT service request process.

**Exhibit 14 – IT Service Request Process**



**Audit Procedures & Key Observations**

We interviewed eight (8) of the non-administrative divisions directors to discuss efficiencies, effectiveness, and improvement opportunities within the administrative functions of the Department. We noted the following key observations/concerns related to the HR Unit from our interviews:

- ◆ Satisfied with the overall efficiency and effectiveness of the IT function.
- ◆ Satisfied with the communication and flexibility of the IT function.
- ◆ Voiced concerns about the IT staff not understanding the mission of the Department as well as when the IT function was housed within the Department.

We also inquired about current performance metrics utilize by OCIT to track performance. Per the agreement with the County, SAIC is required to track certain performance metrics and provide reports on these metrics on a monthly basics. The reports are submitted to the County for review and approval. The reports include performance indicators for SAIC’s county-wide services, including:

- ◆ IT Service Management & Life Cycle Services
  - Work order proposal response
  - System software refresh and updates
  - Incident resolution
  - Backup and restoration
  - Restoration
  - Asset tracking and management
  - IT service management and life cycle management tools
  - End user scheduled survey
  
- ◆ Data Center Services
  - System/Security administration
  - System availability
  - Unscheduled downtime
  - Service desk notification
  - Batch processing
  - General administrative
  - Storage administration for mainframe and servers
  - Database administration
  - Server administration
  - Check printing service level requirements
  - DR Testing
  
- ◆ Service Desk Notification
  - Service desk availability
  - Response time
  - Incident resolution
  - End user account administration
  - Vendor access to County Facility and Network
  - Client satisfaction
  
- ◆ Application Development and Maintenance
  - Application development
  - Application/Minor Enhancement
  
- ◆ Desktop Support Services
  - IMACS
  
- ◆ Network Management
  - Network availability (non-Transaction)
  
- ◆ Converged Network Management
  - Network performance (non-transaction based)
  - Network administration (transaction based)
  - Content filtering of email (non-transaction based)
  - Security intrusion detection (transaction based)

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- ◆ Voice communication
  - Voice communications service availability (non-transactional)
  - Service responsiveness (transaction based)
- ◆ Security Operations Center
  - Security operations center response
- ◆ General
  - Personnel continuity
  - Supplier access to County

Our review of the September 2021 report (contains performance indicators data through August 2021) disclosed that SAIC met all the applicable performance metrics for the services provided in August 2021. The operations of the IT function appear to be providing support services to the Department in an efficient and effective manner.

**Recommendation(s) – None**

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