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## OFFICE OF THE DIRECTOR

March 4, 2025

**TO:** Liz Guillen-Merchant  
Director, Performance Management and Policy County Executive Office

**FROM:** Dr. Veronica Kelley, LCSW  
Health Care Agency, Director

**SUBJECT:** Response – Administrative Operations Performance Audit: Health Care Agency,  
Report Date December 20, 2024, RFP No. 017-2591801

The Health Care Agency (HCA) has received the final report from the Administrative Operations Performance Audit, report date December 20, 2024, RFP No. 017-2591801. After completing a thorough review of the report, HCA is in concurrence with the proposed recommendations. The following narrative summarizes the five (5) audit recommendations and responses from HCA's Executive Leadership.

### **Recommendation No. 01 – Leadership Structure**

#### **Audit Recommendation:**

*HCA should consider an organizational structure with the Director of Administrative Services reporting directly to the Agency Director in a Chief Operating Officer (COO) capacity, which would be within the Agency Director's bandwidth and adhere to best practices regarding span of managerial control.*

#### **HCA Response No. 1:**

*HCA concurs with the recommendation. The HCA Agency Director collaborated directly with the County CEO on approval for the restructure of key HCA leadership positions. The initial phase of the restructure occurred in December 2024 and the remaining phase of the leadership structure should be completed by March 2025.*

### **Recommendation No. 2 – Policy and Procedure Management and Administration**

#### **Audit Recommendation:**

*HCA should establish a formal policy and procedure management and administration process to ensure continual assessment and update of key policies and procedures are conducted. This process*

*should ensure Agency policies align with authoritative guidance, applicable state and federal regulations, and industry best practices.*

## **HCA Response No. 2:**

*HCA concurs with the recommendation. HCA completed the following action:*

- HCA finalized the Policy and Procedure (P&P) for Administrative Agencywide Policies aligning with local best practices and ensuring adherence to regulatory authorities.*
- Created an internal agencywide review committee.*
- Developed a P&P Administrative dashboard which tracks the P&Ps by Administrative Service area and sets controls to ensure all P&Ps are updated on a biennial basis.*
- In the process of migrating the current P&P library to a SharePoint library, which will be completed by May 2025.*

*HCA currently has 124 Administrative P&Ps.*

Type	Count	Business Units	Status
New and/or update	20	IT, Research, Admin, Health Officer, Comms	Completed
In Review with Business	61	Procurement & Contracts, *Compliance/HIPAA, Accounting, HR	In progress - Many require extensive review and updates.
Future	43	Management Services, Facilities	Pending review in future phase
<b>Total</b>	<b>124</b>	<b><i>All P&amp;Ps will have been reviewed and revised by September 2025.</i></b>	

## **Recommendation No. 3 – Strategic Plan and Key Performance Indicators**

### **Audit Recommendation:**

*HCA should continue developing a strategic plan and core values, followed by KPIs and performance measures. These KPIs should align with strategic objectives, track performance, identify discrepancies, support Agency functions, and guide decision making.*

### **HCA Management Response No. 3:**

*HCA concurs with the recommendation. HCA released an RFP on August 1, 2024, which closed on September 4, 2024. HCA's panel has reviewed, evaluated, and scored the proposals and a consensus is scheduled for week of February 10, 2025. HCA is targeting a Board date of April 22, 2025, with a contract start date of May 22, 2025.*

*It is HCA's intent to develop a strategic plan and core values, followed by KPIs and performance measures. The goal is to have a final plan including KPIs and performance measures in place by June 2027.*

***Performance Management and Executive Level Leadership Training Program (RFP):***

*This contract will be for performance management and facilitation services including assessment, development, design, delivery and implementation of a performance management system. The performance management system will include a performance management plan, new or revised practices, and processes for monitoring and evaluation of the implemented performance management plan.*

*The Leadership Development training contract will provide full service, instructor led leadership development courses. The training will prepare HCA for progressively higher levels of leadership and management and strategic planning for a common vision and mission. Training courses will create performance expectations that are clear, accountable, verifiable, and focused on the agency's mission, the public, results, and performance management, including the development of an organization's mission and vision, and strategic planning for healthcare values, goals and mission statements and key performance indicators.*

**Recommendation No. 4 – New Employee Onboarding**

**Audit Recommendation:**

*HCA should continue to enhance onboarding initiatives and processes to include a standardized Agency-level onboarding training program to include job-specific duties, reporting structure, programmatic or administrative expectations, HCA mission, goals, and objectives.*

**HCA Management Response No. 4:**

*HCA concurs with the recommendation. HCA has developed an internal workgroup with participation from all program service areas including Administrative Services (Information Technology, Human Resources and Administrative Operations & Support) and is developing onboarding agencywide presentation materials. This HCA specific onboarding process will supplement the county-led orientation and integrate the following concepts:*

- HR Recruitment process*
- Facility information and key badge deployment*
- Welcoming message from the Agency Director*
- Review of HCA's mission, goals, and organizational structure*
- Overview of Program Service Areas and population which they serve, adding in a message from the Program Directors and day-in-the-life quick videos*
- Review of key agency systems: Eureka, OC Times, Internet/Intranet, OC Meter, and OC Expediter*

- *Review of county evaluation process and potential career path (including information on Educational and Professional Reimbursement Program (EPRP))*
- *Review of mandatory training and timeframes: Safety, Compliance, Information Technology, and Procurement and Contracts*
- *Answer Q&As and provide County Resources*

*Kickoff meeting occurred January 16, 2025. Monthly reoccurring meetings have been scheduled with the agencywide workgroup members. A draft presentation was developed and is in the process of review and revise. The New Employee Onboarding has an implementation target date of August 2025.*

### **Recommendation No. 5 – Succession Planning**

#### **Audit Recommendation:**

*HCA should develop a formalized succession plan to help strengthen leadership continuity by preparing for retirements and departures in key roles.*

#### **HCA Management Response No. 5:**

*HCA concurs with the recommendation. HCA is in the process of forming an internal stakeholder workgroup to identify and document all the current Agency succession planning activities including all service areas specific best practices. A sample of the activities currently utilized are as follows:*

- *One day hiring events for harder to fill classifications*
- *Potential career path ladders (adding information on EPRP)*
- *Partnerships with local colleges on promoting essential professional careers in the public health and behavioral health arena*
- *Leadership training offered through partnership with the County Learning and Development Team*

*HCA is scheduling a kickoff meeting for the month of June 2025. To maximize internal resources, HCA will utilize the New Employee Onboarding workgroup and resources. Between now and June 2025, the Agency will continue to collect current succession planning activities including service areas specific best practices and continue to research complementary activities and best practices from our County and local government agencies. Human Resources will be part of the workgroup which will ensure enhanced coordination and collaboration on all existing and new efforts.*

The Health Care Agency appreciates the collaborative approach taken by Weaver and Tidwell, L.L.P. in drafting the audit report and the courtesy extended to the administrative staff involved. Should you have any further questions, please contact Lorraine Daniel, Assistant Agency Director, HCA at (714) 834-4418.

Liz Guillen-Merchant

Response – Administrative Operations Performance Audit: Health Care Agency, Report Date

December 20, 2024, RFP No. 017-2591801

March 4, 2025

Thank you,

A handwritten signature in blue ink, appearing to read 'V. Kelley', with a stylized flourish at the end.

Dr. Veronica Kelley, LCSW

Director, Health Care Agency

cc: Michelle Aguirre, Interim County Executive Officer