



OFFICE OF THE
ORANGE COUNTY AUDITOR-CONTROLLER

MEMORANDUM

ANDREW N. HAMILTON, CPA
AUDITOR-CONTROLLER

DATE: November 26, 2025
TO: Lisa Fernandez, Assistant Chief Deputy Operating Officer
FROM: Andrew Hamilton, Auditor-Controller
SUBJECT: 2025 Performance Audit of the Auditor-Controller's Office

Initial

Attached you will find the Auditor-Controller's (A-C) Office responses from A-C's Executive Leadership to the observations and recommendations resulting from the performance audit conducted by Macias Gini O'Connell LLP (MGO) with their draft report issued October 27, 2025 to the CEO's Office.

We appreciate MGO's collaborative approach in performing the performance audit, indicating that our Office is functioning as designed, and drafting the report providing us with areas we can enhance as a County Department.

Please contact me or Salvador Lopez if you have any questions.

cc: Michelle Aguirre, County Executive Officer
Kim Engelby, Chief Financial Officer
Salvador Lopez, Chief Deputy Auditor-Controller
Matt Holder, A-C Chief of Staff

Performance Audit of Auditor-Controller's Office Responses to Recommendations

Recommendation No. 1:

- 1.1 Reestablish the A-C Mentorship Program to encourage growth and retention of employees.
- 1.2 Continue to execute the A-C's 2025 Engagement Survey Action Plan and evaluate progress and changes in employee engagement through the results of the next survey.

A-C Management Response: Concur

Our A-C leadership will be establishing a workgroup to review the prior mentorship program structure and determine any changes necessary to revamp the guidelines and restart the program. Additionally, we continue to execute the 2025 engagement survey action plan we already put in place and are continuously planning additional engagement activities for the 2026 calendar year.

Recommendation No. 2:

- 2.1 Assess the accounting, analytical and technology competencies that future employees will need proficiency in as a companion project to the ERP implementation project.
- 2.2 Conduct a full technology assessment of the tools used by all A-C employees and determine the adequacy of available tools to meet staff needs to perform day-to-day functions. Identify opportunities to leverage enhanced versions through licensing contracts with other County departments. Provide each division director with its tech stack (list of applications used for division function) for monitoring the needs of the division.

A-C Management Response: Concur

As A-C already identified to review and revise job specifications as a part of the ERP implementation, our leadership team will continue to work closely with HRS in reviewing and updating job specifications and qualifications for the departmental classifications to incorporate new skillsets we seek to ensure we recruit proficient candidates to work on the future ERP Oracle solution. Similarly, our IT Division will conduct an assessment of all IT tools used day-to-day by A-C employees to establish a comprehensive tech stack and explore ways to leverage versioning and licensing components.

Recommendation No. 3:

- 3.1 Confirm posted policies without number references are appropriate and update the review dates on policies even if there are no changes to indicate current reviews have been performed.
- 3.2 Confirm that intranet links point to current versions of policies to mitigate confusion for users.
- 3.3 Review on-boarding documents posted on the intranet and revise to reflect current leadership messaging or remove if alternative communication is made for onboarding. Remove staff mentorship program site on the intranet for the time being until A-C leadership decides on the future of the program.

A-C Management Response: Concur

Our leadership team has started to explore options of how to best keep current with policy reviews and updates using available technology tools and will continue to explore and adopt a final solution. As part of this review, we will be verifying links remain valid and point to the most recent versions.

Recommendation No. 4:

4.1 With the hiring of a new PIO in December 2024, continue developing and refining the A-C's data management plan to ensure information on the A-C's intranet pages is current and information accessible for users both inside and outside the A-C.

4.2 Review and summarize Central Accounting Operation's emails received by the group inboxes to identify common inquiry themes and develop and keep current periodic department posts, and functional FAQ documents.

4.3 Review the training needs of departmental professional accountants. With support from the County Executive Office and departments:

- Develop a centralized and functional training plan required for all departmental professional accountants, which includes general onboarding, new technical topics, periodic refresher topics, and as needed targeted training for departments needing additional support.
- Encourage all County professional accountants (entry level to managerial) to complete regular continuing education to stay current with technical accounting and financial reporting skills and County accounting policies and processes.
- Work with department directors and managers to hold professional accountants accountable to knowledge expectations.

A-C Management Response: Concur

Our PIO has already been working with our leadership team to perform a comprehensive review and update of our intranet site which will include a review of all links, policies, manuals and program material we have posted for both our internal staff and County departments. The updated site will continue to serve as a centralized resource for countywide accounting policies, procedures and forms.

Additionally, our Central Accounting Operations will perform a consolidated review of all general e-mail boxes and explore common themes that may require a formalized communication or FAQ document to be created and shared with users.

Lastly, development for A-C staff has historically relied on programs developed and provided by the County while also leveraging training opportunities offered through organizations such as GFOA, GASB, or CalSACA conferences and committees. Although resources continue to be limited, the feasibility of A-C specific training for professional accountants will be evaluated in conjunction with the availability of appropriate resources. Our Office will coordinate with the CEO's Office to strategize how to incorporate any training aspects for non-A-C employees.

Recommendation No. 5:

5.1 Formalize department and functional key performance indicators (KPI) to monitor and evaluate department performance. KPIs should be specific, measurable, achievable, relevant,

and time-bound for the A-C to review and consider the need for action on a consistent periodic basis (weekly, monthly, quarterly, annually).

A-C Management Response: Concur

Although we report County financial KPIs in numerous financial reports and have various KPIs throughout our Divisions for day-to-day operations, they have not been previously formalized as official KPIs as they are reported separately or are granular by unit functions/tasks. The A-C leadership will revisit KPI options to select and formalize KPIs that are most meaningful to both transparently highlight County financial metrics and as a Departmental KPI to help evaluate overall performance for the Auditor-Controller's Office as a whole.