

# OFFICE OF AUDITS & ADVISORY SERVICES



## HHSA HUMAN RESOURCES OFFICERS' TRANSITION AUDIT

### *FINAL AUDIT REPORT*

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# County of San Diego

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August 31, 2012

TO: Brandy M. Winterbottom-Whitney, Group Human Resources Director  
Health & Human Services Agency

FROM: Julie B. Nieminski  
Chief of Audits

FINAL REPORT: HHSA HUMAN RESOURCES OFFICERS' TRANSITION AUDIT

Enclosed is our report on the HHSA Human Resources Officers' Transition Audit. We have reviewed your responses to our recommendations and have attached them to the audit report.

The actions taken and/or planned, in general, are responsive to the recommendations in the report. As required under Board Policy B-44, we respectfully request that you provide quarterly status reports on the implementation progress of the recommendations. The Office of Audits & Advisory Services will contact you or your designee near the end of each quarter to request your response.

Also attached is an example of the quarterly report that is required until all actions have been implemented. To obtain an electronic copy of this template, please contact Joseph Kelly, at (858) 495-5655.

If you have any questions, please contact me at (858) 495-5661.

JULIE B. NIEMINSKI  
Chief of Audits

AUD:JK:aps

Enclosure

c: Nick N. Macchione, Director, Health & Human Services Agency  
Donald F. Steuer, Chief Financial Officer  
Tracy M. Sandoval, Assistant Chief Financial Officer/Auditor and Controller  
Michael Van Mouwerik, Executive Finance Director, Health & Human Services Agency

## INTRODUCTION

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**Audit Objective** The Office of Audits & Advisory Services (OAAS) has completed an officers' transition audit for the Health and Human Services Agency Human Resources (HHSA HR). The objective of the audit was to determine if there is reasonable assurance that the outgoing officer, Donald A. Bradburn, and incoming officer, Wilhelmine Cook, took appropriate actions and filed required reports as of May 12, 2012 in compliance with California Codes, County regulatory requirements, and County policies and procedures. These requirements were explained in the instruction letter provided to each officer.

**Background** The County Charter requires that the OAAS conduct such an audit when County officers leave or assume office to determine if certain affidavits, authorizations, disclosures, and reports are properly completed and processed. These actions provide for an orderly transition of officers, establish proper accountability for public assets and promote the County's General Management System (GMS), including its key disciplines of accountability, transparency and ethical conduct; fiscal stability; and continuous improvement and innovation.

**Audit Scope & Limitations** The reports are the responsibility of the officer who signs them. The OAAS' responsibility is to provide an opinion on the reports based upon the audit.

This audit was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing prescribed by the Institute of Internal Auditors as required by California Government Code, Section 1236.

**Methodology** OAAS reviewed all the reports filed by the outgoing and incoming officers, obtained supporting documentation, and performed limited internal control testing.

## AUDIT RESULTS

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**Summary** In our opinion, there is reasonable assurance that the outgoing and incoming officers took appropriate actions and filed required reports in compliance with California Codes, County regulatory requirements, and County policies and procedures in connection with an officer's transition, except for the following:

**Finding:** **Minor Equipment Listing Issues**  
OAAS tested a sample of 15 minor equipment items and determined that there is reasonable assurance that the Minor Equipment and Books Inventory Certificate (AUD Form 501) is accurately presented. However, improvement opportunities in the following areas were observed:

- **Asset Sighted But Not Recorded.** During a walkthrough of the HHSA Knowledge Center facility, OAAS sighted a plotter (County asset tag number 258417) that was not included on the HHSA HR minor equipment listing or on the Oracle Fixed Asset Register Report. HHSA HR staff indicated that, due to an oversight, this asset was not added to their minor equipment list.
- **Minor Equipment Decals.** The minor equipment items at the HHSA Knowledge Center did not have “Property of County of San Diego” decals affixed to them. The HHSA HR staff responsible for minor equipment at the Knowledge Center was not aware of the requirement to put County identification decals on the equipment.

The County of San Diego Administrative Manual (COSD Admin Manual)—Control of Capital Assets and Minor Equipment (Item No. 0050-02-01, I) requires that department heads maintain listings of minor equipment items for which they are responsible, adding new items as they are received, and deleting items that are disposed of or no longer in use. The COSD Admin Manual also requires that departments affix “County of San Diego” decals to the minor equipment.

A lack of adequate inventory controls over minor equipment increases the risk that lost or misappropriated equipment would be undetected.

**Recommendation:**

HHSA HR should strengthen inventory control procedures to ensure minor equipment is recorded and reported in compliance with the COSD Admin Manual. At a minimum, sufficient training should be provided for staff to ensure:

1. Acquisitions and dispositions are recorded and reported in accordance with County established procedures.
2. County of San Diego minor equipment decals are affixed to all minor equipment items.

Office of Audits & Advisory Services

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## **DEPARTMENT'S RESPONSE**



# County of San Diego

NICK MACCHIONE, FACHE  
DIRECTOR

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Date: August 29, 2012

TO: Julie B. Niemenski  
Chief of Audits

FROM: Brandy Winterbottom-Whitney, Group Human Resources Director  
Health and Human Services Agency

DEPARTMENT RESPONSE TO AUDIT RECOMMENDATIONS: HHSA HUMAN RESOURCES OFFICERS TRANSITION AUDIT (BRADBURN TO COOK)

**Finding I & 2:** Asset Sighted But Not Recorded /Minor Equipment Decals Not On Inventory

**OAAS Recommendation:** HHSA HR should strengthen inventory control procedures to ensure minor equipment is recorded and reported in compliance with the COSD Admin Manual. At a minimum, sufficient training should be provided for staff to ensure:

- Acquisitions and dispositions are recorded and reported in accordance with County established procedures.
- County of San Diego minor equipment decals are affixed to all minor equipment items.

**Action Plan:** We are in agreement with the audit recommendations and the action plan being implement is as follows.

- Front End – Communicating training, policies, and well written procedures - Desk procedures of site asset coordinators will be enhanced. In addition, a positive written confirmation will be retained to document site coordinator attendance of the departmental training. This training is in compliance with the County Admin Manual and includes criteria defining the acquisition and disposition for departments.
- Monitoring – Establishing procedures to ensure staff are implementing policies and procedures. Yearly administrative procedures will be implemented and documented to demonstrate supervisory review of staff competency in inventory taking practices.
- Review process – A documented periodic review will be performed to ensure that minor equipment records are complete by comparing purchase card transactions and salvage activity with minor equipment inventory records.

In addition the asset sighted but not recorded has been recorded and we have performed a complete review of in office minor equipment and attached the appropriate decals.

**Planned Completion Date:** September 30, 2012.

**Contact Information for Implementation:** Tom Van Voorhis, Admin. Analyst III (619) 338-2944.

If you have any questions, please contact me at (619) 338-2886.



Brandy Winterbottom-Whitney  
Group HR Director  
Health and Human Services Agency

BW-W/tvv