

OFFICE OF AUDITS & ADVISORY SERVICES



CONFLICT OF INTEREST POLICIES

FINAL REPORT

Chief of Audits: Juan R. Perez
Audit Manager: Lynne Prizzia, CISA, CRISC
Senior Auditor: Ronald Cosey, CGAP
Auditor I: Mercedes Pereira-Trent

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County of San Diego

TRACY M. SANDOVAL
DEPUTY CHIEF ADMINISTRATIVE OFFICER/
AUDITOR AND CONTROLLER

AUDITOR AND CONTROLLER
OFFICE OF AUDITS & ADVISORY SERVICES
5530 OVERLAND AVENUE, SUITE 330, SAN DIEGO, CA 92123-1261
Phone: (858) 495-5991

JUAN R. PEREZ
CHIEF OF AUDITS

May 25, 2018

TO: Susan M. Brazeau, Director
Department of Human Resources

FROM: Juan R. Perez
Chief of Audits

FINAL REPORT: CONFLICT OF INTEREST POLICIES

Enclosed is our report on the Conflict of Interest Policies Audit. We have reviewed your response to our recommendations and have attached it to the audit report.

The actions taken and/or planned, in general, are responsive to the recommendations in the report. As required under Board of Supervisors Policy B-44, we respectfully request that you provide quarterly status reports on the implementation progress of the recommendations. You or your designee will receive email notifications when these quarterly updates are due, and these notifications will continue until all actions have been implemented.

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

A handwritten signature in blue ink, appearing to read "Juan R. Perez".

JUAN R. PEREZ
Chief of Audits

AUD:RC:nb

Enclosure

c: Tracy M. Sandoval, Deputy Chief Administrative Officer/Auditor and Controller
Damien Quinn, Group Finance Director, Finance & General Government Group



County of San Diego

TRACY M. SANDOVAL
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Phone: (858) 495-5991

JUAN R. PEREZ
CHIEF OF AUDITS

May 25, 2018

TO: Richard E. Crompton, Director
Department of Public Works

FROM: Juan R. Perez
Chief of Audits

FINAL REPORT: CONFLICT OF INTEREST POLICIES

Enclosed is our report on the Conflict of Interest Policies Audit. We have reviewed your response to our recommendations and have attached it to the audit report. The actions taken, in general, are responsive to the recommendations in the report.

Thank you for the courteousness and cooperation extended to the Office of Audits & Advisory Services during the course of the audit.

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

A handwritten signature in blue ink, appearing to read "Juan R. Perez".

JUAN R. PEREZ
Chief of Audits

AUD:RC:nb

Enclosure

c: Sarah Aghassi, Deputy Chief Administrative Officer, Land Use & Environment Group
Tracy M. Sandoval, Deputy Chief Administrative Officer/Auditor and Controller
Yuliya Leina, Group Finance Director, Land Use & Environment Group



County of San Diego

TRACY M. SANDOVAL
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5530 OVERLAND AVENUE, SUITE 330, SAN DIEGO, CA 92123-1261
Phone: (858) 495-5991

JUAN R. PEREZ
CHIEF OF AUDITS

May 25, 2018

TO: Michael Vu, Registrar of Voters
Registrar of Voters

FROM: Juan R. Perez
Chief of Audits

FINAL REPORT: CONFLICT OF INTEREST POLICIES

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JUAN R. PEREZ
Chief of Audits

AUD:RC:nb

Enclosure

c: April Heinze, Deputy Chief Administrative Officer, Community Services Group
Tracy M. Sandoval, Deputy Chief Administrative Officer/Auditor and Controller
Brian M. Hagerty, Group Finance Director, Community Services Group



County of San Diego

TRACY M. SANDOVAL
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5530 OVERLAND AVENUE, SUITE 330, SAN DIEGO, CA 92123-1261
Phone: (658) 495-5991

JUAN R. PEREZ
CHIEF OF AUDITS

May 25, 2018

TO: Marko Medved, Director
Department of General Services

FROM: Juan R. Perez
Chief of Audits

FINAL REPORT: CONFLICT OF INTEREST POLICIES

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JUAN R. PEREZ
Chief of Audits

AUD:RC:nb

Enclosure

c: April Heinze, Deputy Chief Administrative Officer, Community Services Group
Tracy M. Sandoval, Deputy Chief Administrative Officer/Auditor and Controller
Brian M. Hagerty, Group Finance Director, Community Services Group



County of San Diego

TRACY M. SANDOVAL
DEPUTY CHIEF ADMINISTRATIVE OFFICER/
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AUDITOR AND CONTROLLER
OFFICE OF AUDITS & ADVISORY SERVICES
5530 OVERLAND AVENUE, SUITE 330, SAN DIEGO, CA 92123-1281
Phone: (858) 495-5991

JUAN R. PEREZ
CHIEF OF AUDITS

May 25, 2018

TO: Ernest J. Dronenburg, Jr., Assessor/Recorder/County Clerk
Assessor/Recorder/County Clerk

FROM: Juan R. Perez
Chief of Audits

FINAL REPORT: CONFLICT OF INTEREST POLICIES

Enclosed is our report on the Conflict of Interest Policies Audit. We have reviewed your response to our recommendations and have attached it to the audit report. The actions taken, in general, are responsive to the recommendations in the report.

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JUAN R. PEREZ
Chief of Audits

AUD:RC:nb

Enclosure

c: Tracy M. Sandoval, Deputy Chief Administrative Officer/Auditor and Controller
Damien Quinn, Group Finance Director, Finance & General Government Group



County of San Diego

TRACY M. SANDOVAL
DEPUTY CHIEF ADMINISTRATIVE OFFICER/
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AUDITOR AND CONTROLLER
OFFICE OF AUDITS & ADVISORY SERVICES
5530 OVERLAND AVENUE, SUITE 330, SAN DIEGO, CA 92123-1261
Phone: (858) 495-5991

JUAN R. PEREZ
CHIEF OF AUDITS

May 25, 2018

TO: Jeffrey Grissom, Director
Department of Child Support Services

FROM: Juan R. Perez
Chief of Audits

FINAL REPORT: CONFLICT OF INTEREST POLICIES

Enclosed is our report on the Conflict of Interest Policies Audit. We have reviewed your response to our recommendations and have attached it to the audit report. The actions taken, in general, are responsive to the recommendations in the report.

Thank you for the courtesousness and cooperation extended to the Office of Audits & Advisory Services during the course of the audit.

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

A handwritten signature in blue ink, appearing to read "Juan R. Perez".

JUAN R. PEREZ
Chief of Audits

AUD:RC:nb

Enclosure

c: Ronald Lane, Deputy Chief Administrative Officer, Public Safety Group
Tracy M. Sandoval, Deputy Chief Administrative Officer/Auditor and Controller
Rosemarie Degracia, Group Finance Director, Public Safety Group

INTRODUCTION

Audit Objective The Office of Audits & Advisory Services (OAAS) completed an audit of the County's conflict of interest policies. The objectives of the audit were to assess the adequacy of existing conflict of interest policies and determine whether they are consistently implemented.

Background The Political Reform Act of 1974 requires every agency to adopt a Conflict of Interest Code. In October 2006, the Board of Supervisors adopted a Countywide Conflict of Interest Code (Ordinance 9803). It replaced each County department's Conflict of Interest Code and is applicable to all County departments. The code designates positions that participate in making decisions which may foreseeably have a material effect on a financial interest. The employees who are in these designated positions are required to disclose their investments, business positions, interests in real property, and sources of income. Disclosure of their financial interests is accomplished by filing a Statement of Economic Interest (Form 700), which is intended to inform the public of the types of financial interests that may cause conflicts of interest.

California law prevents local government officers and employees from using their government position for private gain, and from participating in outside activities that would affect the performance of their duties with the agency that employs them. In July 2001, pursuant to Government Code section 1126, the Board adopted Resolution 01-207 to set forth rules relating to incompatible activities for County officers and employees. These rules are outlined in CAO Administrative Manual Policy 10-03, and require each appointing authority to establish incompatible activity rules. In addition, each appointing authority must ensure that all employees complete and file an Incompatible Activities Form (AUD 263) in their department semi-annually and retain it for three years.

The Office of Ethics and Compliance serves as a County resource in addressing ethical and compliance matters by implementing the County's Code of Ethics. The Code of Ethics was created to serve as a guide to all County employees, and includes Standards of Conduct. The sixth Standard, Conflict of Interest, calls for employees to avoid becoming involved in activities where their judgment could be impaired in performing their duties for the County.

Audit Scope & Limitations The scope of the audit will cover the fiscal year 2016-17 to current, and includes conflict of interest policies and procedures regarding statements of economic interest, incompatible activities, relatives working in the same department, nepotism, relationships with vendors, and specific department related conflicts. OAAS tested six departments: the Assessor Recorder County Clerk (ARCC), the Registrar of Voters (ROV), the Department of Public Works (DPW), the Department of Child Support Services (CSS), the Department of General Services (DGS), and the Department of Human Resources (DHR).

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 performed the audit using the following methods:

- Reviewed the County's Administrative Manual, Code of Ethics, Conflict of Interest Code, Charter, and Employee Handbook. OAAS also reviewed pertinent sections of the California Government Code, and Resolutions of the Board of Supervisors.
- Reviewed the Fair Political Practices Commissions' Statement of Economic Interests (Form 700) filed by County employees in designated positions for the period of January 1, 2016 through December 31, 2016.
- Reviewed departmental Rules for Incompatible Activities, and both semi-annual filings of the Incompatible Activities Form (AUD 263) for fiscal year 2016-2017.
- Interviewed County staff regarding related employees who work in the same department, and reviewed departmental nepotism policies.
- Interviewed members of the Job Order Contracting (JOC) Committee and compared vendors with staff disclosures.

AUDIT RESULTS

Summary

Within the scope of the audit, most of the conflict of interest policies reviewed were adequate. However, we identified some areas for improvement, and opportunities to ensure that conflict of interest policies are consistently implemented. OAAS lists our suggestions for improvements in the findings and related recommendations below.

Finding I:

Insufficient Controls to Monitor The Filing of Incompatible Activities Forms (AUD 263)

OAAS selected a sample of 30 employees from each of the six departments tested to determine if they filed semi-annual AUD 263 Forms in compliance with CAO Administrative Manual Policy 10-03. Our test revealed the following results:

- None of the 30 employees tested in ARCC had an AUD 263 on file in their department for the second half of the FY 2016-17.
- Of the 30 employees tested in ROV, which includes seasonal workers, three seasonal workers did not have an AUD 263 on file in their department for FY 2016-17.

- Of the 30 employees tested in DPW, five did not have an AUD 263 on file in their department for the first half of the FY 2016-17.
- None of the 30 employees tested in CSS had an AUD 263 on file in their departments for the FY 2016-17.
- Of the 30 employees tested in DGS, one did not have an AUD 263 on file in their department for the first half of the FY 2016-17.

In accordance with the County Administrative Manual (Item 0010-03) and Board Resolution 01-207, all employees are required to complete and file an AUD 263 with their appointing authority. Management in the sampled departments did not effectively monitor whether the form was distributed, completed, and filed timely by all employees. As a result, there is no certainty that all employees' outside activities do not conflict with their County duties, functions or responsibilities.

Recommendation: Management from each department included in our finding should develop and implement a monitoring process to ensure that the AUD 263 is distributed to all staff, completed, returned, and filed with the appointing authority timely.

Finding II: “Designated” Employees Did Not Always File a Statement of Economic Interest (Form 700) With Their Department’s Filing Officer

OAAS selected a sample of 30 designated employees from each of the six departments tested. Our tests revealed the following results:

- Of the 30 designated employees tested in DGS, three had not submitted a Form 700 to the department’s Filing Officer.
- Of the 30 designated employees tested in DPW, five had not submitted a Form 700 to the department’s Filing Officer.

The County Administrative Manual requires all designated employees to file a Form 700 by April 1st for the previous calendar year. Department heads must file their original form directly with the Clerk of the Board, but all other staff that are required to file can submit their form to their department’s Filing Officer.

DPW did not have a log to monitor the filing of Form 700’s as required by the County Administrative Manual (Item 0010-02). While DGS had a log that was used to send out notices to employees to file the form, the log was not updated to reflect all of the department’s designated employees. As such, some employees’ forms were not filed. This could result in some employees not disclosing their financial interests and possibly making decisions that conflict with those interests.

- Recommendation:**
1. DPW management should develop, implement, and maintain a log to identify filers required to complete Form 700, and monitor the submission of completed forms.
 2. DGS management should periodically update the log used to notify designated employees to file Form 700, and ensure that the log is accurate prior to sending out the notifications.

Finding III: Ambiguous Policies to Prevent Conflicts from Relationships With JOC Contractors

The JOC program procures one-year unit price contracts pursuant to Contract Code 20128.5. Contracts are advertised periodically throughout the year to assure sufficient contract capacity for major maintenance and department forecasts of eligible work. Solicitations are executed through the Department of Purchasing and Contracting (DPC) via the formal bidding process, also known as a Request For Bid. The lowest bidder is awarded the contract by DPC for a maximum potential fixed price amount, and placed on the JOC contractor list. Job orders are issued under these contracts on an as-needed basis, as projects are funded, based on contract specialty/trade and current workload. Project Managers (PM) in the Department of General Services, the Department of Parks & Recreation, and the Department of Public Works, can submit a project request, which includes the scope of work. The JOC Committee is comprised of designated DGS employees who assign a contractor from the list to perform the work based on the specifications of the PM in the project request.

While there are other controls built into the process of selecting JOC contractors, neither the JOC Committee nor the Project Managers are required to complete a conflict of interest form to disclose personal relationships with vendors.

The County of San Diego Code of Ethics requires employees to disclose conflicts having to do with client or vendor relationships. However, the Code of Ethics is ambiguous as to the specific relationships it intends departments to identify, and does not provide a process for disclosure.

Although the PMs and JOC Committee members fill-out a Form 700 and AUD 263, it is unclear if these disclosures satisfy the intent for vendor relationship disclosures as required by the County's Code of Ethics. If inappropriate relationships exist and go undetected, it may create a conflict that compromises an employee's objectivity or judgment when requesting or selecting JOC contractors.

- Recommendation:** The Department of Human Resources and the Office of Ethics and Compliance should work together to address ambiguities in the Code of Ethics and develop adequate guidance for departments to use to ensure conflicts related to client or vendor relationships are properly identified, disclosed, and managed.

Finding IV: Ambiguous Policies to Prevent Conflicts Related to Relatives Working in the Same Department

Nepotism is generally prohibited in public sector because it is antithetical to merit-based civil service employment. Nepotism is expressly prohibited in Section 915 of the County Charter, which states that no person related by blood or marriage to an officer or department head may be employed in the department of that officer or department head. Other potential conflicts having to do with relatives working in the same department must be disclosed in accordance with the County Code of Ethics.

OAS identified related employees who work in the same department and tested for compliance with the Code of Ethics. Our test revealed four of the six departments had employees who informally self-disclosed these types of relationships. Additionally, we found an instance where an employee had an indirect superior/subordinate relationship with a relative. One of the six departments had no employees who were related.

The Conflict of Interest section of the Code of Ethics requires employees to disclose potential conflicts having to do with relatives working in the same department. However, the Code of Ethics is ambiguous as it does not define the term “relatives,” does not specify how these potential conflicts should be disclosed, and there is no additional guidance available for departments to use.

Lack of adequate guidance and procedures to implement the Code of Ethics requirements may result in unidentified conflicts in the workplace and noncompliance with the Code of Ethics requirements.

Recommendation: The Department of Human Resources and the Office of Ethics and Compliance should work together to address ambiguities in the Code of Ethics and develop adequate guidance for departments to ensure conflicts related to relatives working in the same department are properly identified, disclosed, and managed.

Finding V: Non-Compliance with ROV Nepotism Procedure

The ROV has developed its own nepotism procedure applicable only to temporary election workers. Audit work revealed that ROV did not fully implement its nepotism procedure. Specifically, we found that a question that is required by the department’s nepotism procedure was omitted from the employment application for temporary election workers.

ROV’s nepotism procedure states, “When recruiting staff, the hiring supervisor shall review the applicant’s job application for response to this question: *If you are related to, intimately involved with, or engaged in a significant outside business relationship with a current Registrar of Voters employee, please provide their name.*” Additionally, the procedure prohibits the hiring supervisor from hiring the applicant if it would create a conflict.

The application was never revised when the nepotism procedure was developed. Management could potentially place an applicant in a position in the department that would result in a conflict without knowing.

Recommendation: ROV management should take necessary action to ensure full implementation of its nepotism procedure.

Office of Audits & Advisory Services

C Compliance R Reliability E Effectiveness A Accountability T Transparency E Efficiency

VALUE

DEPARTMENT'S RESPONSE
(DEPARTMENT OF HUMAN RESOURCES)



County of San Diego

SUSAN BRAZEAU
DIRECTOR

DEPARTMENT OF HUMAN RESOURCES
EXECUTIVE OFFICE
1600 PACIFIC HIGHWAY, ROOM 203 SAN DIEGO, CA 92101-2463
(619) 531-5100 / FAX (619) 236-1353


RECEIVED

MAY 09 2018

OFFICE OF AUDITS &
ADVISORY SERVICES

May 7, 2018

TO: Juan R. Perez
Chief of Audits

FROM: Susan M. Brazeau, Director 
Department of Human Resources

REQUEST TO REVISE DEPARTMENT RESPONSE TO AUDIT RECOMMENDATIONS: CONFLICT OF INTEREST POLICIES (A18-015)

Finding III: Ambiguous Policies to Prevent Conflicts from Relationships with JOC Contractors

OAAS Recommendation: The Department of Human Resources and the Office of Ethics and Compliance should work together to address ambiguities in the Code of Ethics and develop guidance for departments to use to ensure conflicts related to client or vendor relationships are properly identified, disclosed, and managed.

Action Plan:

The Department of Human Resources (DHR) agrees with the recommendation and will work with the Office of Ethics and Compliance to address ambiguities in the Code of Ethics and develop adequate guidance for departments to use to ensure conflicts related to client or vendor relationships are properly identified, disclosed, and managed. The Planned Completion Date of June 30, 2019 is dependent on the negotiations with nine (9) unions and their agreements.

Planned Completion Date: June 30, 2019

Contact information for implementation: Elena Lepule (656) 505-6375

Finding IV: Ambiguous Policies to Prevent Conflicts Related to Relatives Working in the Same Department

Juan Perez, Chief of Audits
Response to Audit Recommendations
May 7, 2018
Page 2

OAAS Recommendation: The Department of Human Resources and the Office of Ethics and Compliance should work together to address ambiguities in the Code of Ethics and develop adequate guidance for departments to ensure conflicts related to relatives working in the same department are properly identified, disclosed, and managed.

Action Plan:

The Department of Human Resources (DHR) agrees with the recommendation and will work with the Office of Ethics and Compliance to address ambiguities in the Code of Ethics and develop adequate guidance for departments to ensure conflicts related to relatives working in the same department are properly identified, disclosed, and managed. The Planned Completion Date of June 30, 2019 is dependent on the negotiations with nine (9) unions and their agreements.

Planned Completion Date: June 30, 2019

Contact Information for Implementation: Elena Lepule (858) 505-6375

Thank you for the opportunity to provide an Action Plan and Planned Completion Date. If you have any questions, please contact Elena Lepule at (858) 505-6375.

SB:el

DEPARTMENT'S RESPONSE
(DEPARTMENT OF PUBLIC WORKS)



County of San Diego

RICHARD E. CROMPTON
DIRECTOR

DEPARTMENT OF PUBLIC WORKS
5510 OVERLAND AVE, SUITE 410
SAN DIEGO, CALIFORNIA 92123-1237
(858) 694-2212 FAX: (858) 694-3597
Web Site: www.sdcountry.ca.gov/dpw/

RECEIVED
MAY 10 2018
OFFICE OF AUDITS &
ADVISORY SERVICES

May 10, 2018

To: Juan R. Perez
Chief of Audits

From: Richard Crompton, Director
Department of Public Works

DEPARTMENT RESPONSE TO AUDIT RECOMMENDATIONS: CONFLICT OF INTEREST POLICIES

Finding I: Insufficient Controls to Monitor the Filing of Incompatible Activities Form (AUD 263)

OAAS Recommendation: Management from each department included in our finding should develop and implement a monitoring process to ensure that the AUD 263 is distributed to all staff, completed, returned, and filed with the appointing authority timely.

Action Plan: Department of Public Works (DPW) agrees with the OAAS recommendation. To address the findings, DPW has implemented a monitoring process that ensures the AUD 263 forms are distributed to all staff, completed, returned, and filed with the appointing authority timely. These steps included the following:

- Established a bi-annual Director's Referral that created a formal task reminder for DPW human resources staff to generate a reminder for employees to complete their AUD 263 bi-annually; Spring and Fall. The referral is tracked and confirmation that all AUD 263 are complete is required to close the referral.
- Created and maintained an employee log to track AUD 263 in alphabetical order.
- DPW will ensure that reminders are sent to employees and their supervisors to complete their AUD 263 immediately upon return if they were on extended leave.

Planned Completion Date: Implementation completed on March 1, 2018

Contact information for implementation: Sheryleen Dungao, Sr. Dept. HR Officer

DPW Response to Audit Recommendations
May 10, 2018
Page 2

Finding II: "Designated" Employees Did Not Always File a Statement of Economic Interest (Form 700) With Their Department's Filing Officer

OAAS Recommendation: DPW management should develop, implement, and maintain a log to identify filers required to complete Form 700, and monitor the submission of completed forms.

Action Plan: DPW agrees with the OAAS recommendation. To address the findings, DPW has developed and implemented a monitoring process that ensures all Form 700s were distributed to all identified filers and that they were completed, returned, and filed on time with the department contact. These steps included the following:

- Established an annual Director's Referral that created a formal task reminder for DPW human resources staff to generate a reminder for employees to complete their Form 700 annually; by April 1st. The referral is tracked and confirmation that all Form 700s are complete by April 1st is required to close the referral.
- DPW now tracks the Form 700s by maintaining an employee log that will be updated as designated filers assume and leave office. DPW will ensure that this log is accurate prior to sending out notifications to the designated filers during the annual filing.

Planned Completion Date: Implementation completed on April 1, 2018

Contact Information for Implementation: Sheryleen Dungao, Sr. Dept. HR Officer

If you have any questions, please contact Orelia DeBaal, Deputy Director, at phone number (858) 505-6470.

Sincerely,



RICHARD E. CROMPTON, Director
Department of Public Works

DEPARTMENT'S RESPONSE
(REGISTRAR OF VOTERS)



County of San Diego

REGISTRAR OF VOTERS

County Operations Center Campus
5600 Overland Avenue, Suite 100, San Diego, California 92123-1278

Telephone: (858) 565-5800 Toll-free: 1 (800) 696-0136 TTY / TDD: (800) 735-2929
Facsimile: (858) 505-7294 Web Address: www.sdvote.com

MICHAEL VU
Registrar of Voters

CYNTHIA L. PAES
Assistant Registrar of Voters

RECEIVED
MAY 15 2018
OFFICE OF AUDITS &
ADVISORY SERVICES

May 11, 2018

TO: Juan R. Perez
Chief of Audits

FROM: Michael Vu *MV*
Registrar of Voters

FINAL DRAFT REPORT: CONFLICT OF INTEREST POLICIES – RESPONSE

Please find enclosed the Registrar of Voters' response related to Audit Report: Conflict of Interest Policies.

L. MICHAEL VU
Registrar of Voters

Enclosure

- c: April Heinze, P.E., Deputy Chief Administrative Officer, Community Services Group
- Tracy M. Sandoval, Deputy Chief Administrative Officer/Auditor and Controller
- Brian M. Hagerty, Group Finance Director, Community Services Group

Audit Response

FINDING I

Insufficient Controls to Monitor the Filing of Incompatible Activities Forms (AUD 263) Of the 30 employees tested in ROV, which includes seasonal workers, three seasonal workers did not have an AUD 263 on file in their department for FY 2016-17.

ROV RESPONSE

Of the 30 ROV employees tested, 15 were regular permanent employees and the other 15 were temporary/seasonal employees. Temporary assignments typically occur in even years, during big election cycles. These temporary assignments can last from 1 day to approximately 2 months. The three (3) employees who did not have an AUD 263 on file, were temporary employees.

Given that our temporary assignments are often fluid, these employees may not always be present to complete an AUD 263 form.

Since the County's policy requires departments to have employees fill out an AUD 263 application twice a year, the ROV will ensure, at minimum, that a completed AUD 263 application is received by all employees, including temporary employees, who are working at the time of the request.

FINDING V

Non-Compliance with ROV Nepotism Procedure The ROV has developed its own nepotism procedure applicable only to temporary election workers. Audit work revealed that ROV did not fully implement its nepotism procedure. Specifically, we found that a question that is required by the department's nepotism procedure was omitted from the employment application for temporary election workers.

ROV RESPONSE

The ROV has revised the department's Temporary Employment Application to include the same nepotism question found on the County of San Diego's online job application.

At the time of this finding, the ROV provided information to OAAS, verifying that employees, whether permanent or temporary, who were related to each other, were not in violation of ROV's nepotism procedure nor the County of San Diego's conflict of interest policies.

DEPARTMENT'S RESPONSE
(DEPARTMENT OF GENERAL SERVICES)



County of San Diego

MARKO MEDVED, PE, CEM
DIRECTOR
(858) 694-2527

DEPARTMENT OF GENERAL SERVICES
5560 OVERLAND AVENUE, SUITE 410, SAN DIEGO, CA 92123

LOU CAVAGNARO, PE
ASSISTANT DIRECTOR
(858) 694-3885

May 11, 2018

TO: Juan R. Perez, Chief of Audits
Office of Audits and Advisory Services

FROM: Marko Medved, Director
Department of General Services

RECEIVED
MAY 16 2018
OFFICE OF AUDITS & ADVISORY SERVICES

DEPARTMENT RESPONSE TO AUDIT RECOMMENDATIONS: Conflict of Interest Policies

Finding I: Insufficient Controls to Monitor The Filing of Incompatible Activities Forms (AUD 263)

OAAS Recommendation: Management should develop and implement a monitoring process to ensure that the AUD 263 is distributed to all staff, completed, returned, and filed with the appointing authority timely.

Action Plan: The Department of General Services (DGS) agrees with this audit recommendation. DGS established formal instructions, an official point of contact, a biannual electronic calendar reminder, and a template notice to designated employees to ensure the AUD 263 forms are collected and monitored timely and accurately.

Completion Date: April 13, 2018

Contact Information for Implementation: Danielle Enriquez, Chief, Departmental Operations (Budget/Fiscal), Department of General Services (858) 694-2396

Finding II: "Designated" Employees Did Not Always File a Statement of Economic Interest (Form 700) With Their Department's Filing Officer

OAAS Recommendation: DGS management should periodically update the log used to notify designated employees to file Form 700, and ensure that the log is accurate prior to sending out the notifications.

Action Plan: The Department of General Services (DGS) agrees with this audit recommendation. DGS established formal instructions, an official point of contact, an annual



electronic calendar reminder, and a template notice to designated employees to ensure the Forms 700 are collected and monitored timely and accurately.

Completion Date: April 13, 2018

Contact Information for Implementation: Danielle Enriquez, Chief, Departmental Operations (Budget/Fiscal), Department of General Services (858) 694-2396

If you have any questions, please contact me at (858) 694-2527.



MARKO MEDVED, Director
Department of General Services



DEPARTMENT'S RESPONSE
(ASSESSOR/RECORDER/COUNTY CLERK)



COUNTY OF SAN DIEGO

ERNEST J. DRONENBURG, JR.
ASSESSOR/RECORDER/COUNTY CLERK

www.sdarcc.com



ASSESSOR'S OFFICE
1600 PACIFIC HIGHWAY, SUITE 103
SAN DIEGO, CA 92101-2480
(619) 236-3771 • FAX (619) 557-4056

RECORDER/COUNTY CLERK'S OFFICE
1600 PACIFIC HIGHWAY, SUITE 260
P.O. BOX 121750, SAN DIEGO, CA 92112-1750
(619) 237-0502 • FAX (619) 557-4155

May 14, 2018

TO: Juan R. Perez
Chief of Audits

FROM: Ernest J. Dronenburg, Jr., Assessor/Recorder/County Clerk
Assessor/Recorder/County Clerk

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MAY 18 2018
OFFICE OF AUDITS &
ADVISORY SERVICES

DEPARTMENT RESPONSE TO AUDIT RECOMMENDATIONS: CONFLICT OF INTEREST POLICIES

Finding I: Insufficient Controls to Monitor the Filing of Incompatible Activities Forms (AUD 263)

OAAS Recommendation: Management from each department included in our finding should develop and implement a monitoring process to ensure that the AUD 263 is distributed to all staff, completed, returned, and filed with the appointing authority timely.

Action Plan: The Assessor/Recorder/County Clerk agrees with the audit recommendations and has implemented a fully automated system that was completed in September of 2017. This workflow system generates an annual notice to all Assessor/Recorder/County Clerk staff in March and September to ensure that the AUD 263 is completed, returned, and filed with the appointing authority timely.

Planned Completion Date: September, 2017.

Contact Information for Implementation: Rowena Reno, Chief Deputy Assessor/Recorder/County Clerk.

If you have any questions, please contact me at (619) 531-5507.


Ernest J. Dronenburg, Jr.
Assessor/Recorder/County Clerk

EJD:rr

DEPARTMENT'S RESPONSE
(DEPARTMENT OF CHILD SUPPORT SERVICES)



County of San Diego

JEFFREY GRISSOM
DIRECTOR

DEPARTMENT OF CHILD SUPPORT SERVICES
PO BOX 122031, SAN DIEGO, CA 92112
866-901-3212 | www.sandiegochildsupport.org

ROBERT L. LAFER
CHIEF LEGAL COUNSEL

April 30, 2018

RECEIVED
MAY 23 2018
OFFICE OF AUDITS &
ADVISORY SERVICES

TO: Juan R. Perez
Chief of Audits

FROM: Jeffrey Grissom, Director
Department of Child Support Services

DEPARTMENT RESPONSE TO AUDIT RECOMMENDATIONS: CONFLICT OF INTEREST POLICIES AUDIT

Finding I: Insufficient Controls to Monitor the Filing of Incompatible Activities Forms (AUD 263)

OAAS Recommendation: Management from each department included in our finding should develop and implement a monitoring process to ensure that the AUD 263 is distributed to all staff, completed, returned, and filed with the appointing authority timely.

Action Plan: The Department of Child Support Services agrees with the recommendation. We have developed and implemented a business process which provides direction for bi-annual dissemination, completion, review and filing of the AUD 263.

Planned Completion Date: Completed.

Contact Information for Implementation: Jennifer Hellerud, Deputy Director, Department of Child Support Services (858) 650-6542.

If you have any questions, please contact me at (858) 650-6540.

Sincerely,

JEFFREY GRISSOM, Director
Department of Child Support Services