

Internal Audit Department

O R A N G E C O U N T Y

FINAL CLOSE-OUT

FIRST FOLLOW-UP AUDIT:

SHERIFF-CORONER DMJM H&N CONTRACTS AND A-E CONTRACT MANAGEMENT PROCESS Original Audit No. 2768

As of August 27, 2008

The original audit report contained nine (9) recommendations. Our Follow-Up Audit indicated that the Sheriff-Coroner took satisfactory corrective action to fully implement all nine (9) recommendations. The nine (9) recommendations identified ways that the Sheriff-Coroner could enhance processes and controls to help ensure the integrity of their A-E contract management processes.

Audit No: 2829-J

Report Date: FEBRUARY 11, 2009

Audit Director: Peter Hughes, Ph.D., MBA, CPA

Deputy Director: Eli Littner, CPA, CIA

Senior Audit Manager: Alan Marcum, CPA, CIA

Senior Internal Auditor: Abdul Khan, CPA, CIA



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Dr. Peter Hughes **Ph.D., MBA, CPA, CCEP, CITP, CIA, CFE**
Office of The Director Certified Compliance & Ethics Professional (CCEP)
Certified Information Technology Professional (CITP)
Certified Internal Auditor (CIA)
Certified Fraud Examiner (CFE)
E-mail: peter.hughes@iad.ocgov.com

Eli Littner **CPA, CIA, CFE, CFS, CISA**
Deputy Director Certified Fraud Specialist (CFS)
Certified Information Systems Auditor (CISA)

Michael Goodwin **CPA, CIA**
Senior Audit Manager

Alan Marcum **MBA, CPA, CIA, CFE**
Senior Audit Manager

Autumn McKinney **CPA, CIA, CISA, CGFM**
Senior Audit Manager Certified Government Financial Manager (CGFM)

Hall of Finance & Records

12 Civic Center Plaza, Room 232
Santa Ana, CA 92701

Phone: (714) 834-5475

Fax: (714) 834-2880

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OC Fraud Hotline (714) 834-3608

Letter from Director Peter Hughes



Transmittal Letter



Audit No. 2829-J February 11, 2009

TO: Sandra Hutchens
Sheriff-Coroner

FROM: Dr. Peter Hughes, CPA, Director
Internal Audit Department

SUBJECT: **First and Final Close-Out** Follow-Up Audit:
Sheriff-Coroner DMJM H&N Contracts
and A-E Contract Management Process,
Original Audit No. 2768, Issued August 27,
2008

We have completed a First and Final Close-Out Follow-Up Audit of Sheriff-Coroner DMJM H&N Contracts and A-E Contract Management Process. Our audit was limited to reviewing, as of December 31, 2008, actions taken to implement the nine recommendations made in our original audit report dated August 27, 2008.

The results of our Follow-Up Audit are discussed in the **OC Internal Auditor's Executive Report** following this transmittal letter. Because satisfactory corrective actions have been taken for the audit recommendations, **this report represents the final close-out of the original audit.**

Each month I submit an **Audit Status Report** to the BOS where I detail any material and significant audit findings released in reports during the prior month and the implementation status of audit recommendations as disclosed by our Follow-Up Audits. Accordingly, the results of this audit will be included in a future status report to the BOS.

Attachment

Other recipients of this report listed on the OC Internal Auditor's Executive Report on page 4.

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Sheriff-Coroner DMJM H&N Contracts and
A-E Contract Management Process
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Audit No. 2829-J

February 11, 2009

TO: Sandra Hutchens
Sheriff-Coroner

FROM: Dr. Peter Hughes, CPA, Director
Internal Audit Department

SUBJECT: **First and Final Close-Out** Follow-Up Audit: Sheriff-Coroner
DMJM H&N Contracts and A-E Contract Management
Process, Original Audit No. 2768, Issued August 27, 2008

Scope of Review

We have completed a First Follow-Up Audit of Sheriff-Coroner DMJM H&N Contracts and A-E Contract Management Process. Our audit was limited to reviewing actions taken as of December 31, 2008 to implement the nine recommendations made in our original audit report. The recommendations identified ways that the Sheriff-Coroner could enhance processes and controls to help ensure the integrity of their A-E contract management processes.

Results

The original audit report contained nine (9) recommendations. Our Follow-Up Audit indicated that the Sheriff-Coroner took satisfactory corrective action to fully implement all nine (9) recommendations. As such, this report represents the final close-out of the original audit.

1. Record of Negotiation

Recommendation: Sheriff-Coroner project managers prepare a formal Record of Negotiation to document the A-E firm contract negotiation process.

Current Status: **Implemented.** Sheriff-Coroner established policy and procedures to ensure project managers prepare a formal Record of Negotiation to document the A-E firm contract negotiation process. Our audit found that Record of Negotiation was maintained and filed with each A-E contract.

2. Event Log

Recommendation: Sheriff-Coroner project managers maintain an event log for A-E contract files to document historical information on the status of their A-E projects, including the status of milestones, change orders, and explanations of deviations from normal procedures.



Current Status: **Implemented.** Sheriff-Coroner established policy and procedures to maintain an event log for A-E contract files. Our audit found that event log was maintained and filed with each A-E contract that included information on the status of the A-E project, including the status of milestones, change orders, and explanations of deviations from normal procedures, etc.

3. Written Methodology for Calculation of Total Evaluation Committee Scores

Recommendation: Sheriff-Coroner establish a consistent written methodology for calculating the total evaluation committee scores and provide instruction on calculating evaluation committee scores to the members of each evaluation committee to ensure that they are all using the same methodology.

Current Status: **Implemented.** Sheriff-Coroner developed SOQ/RFP Evaluation Committee Guidelines and Conflict of Interest Form (Form A-01.1) to provide instructions on calculating evaluation committee scores to the members of each evaluation committee and ensure that they are all using the same methodology. Our audit found that Form A-01.1 was reviewed and signed by each evaluation committee member and filed with each A-E contract.

4. Appropriate Methodology for Calculation of Evaluation Committee Scores

Recommendation: Sheriff-Coroner determine the appropriate methodology that should be used by evaluation committee members when scoring A-E firms and instruct all evaluation committee members to use that methodology to provide consistency to the A-E rating process.

Current Status: **Implemented.** Sheriff-Coroner developed SOQ/RFP Evaluation Committee Guidelines and Conflict of Interest Form (Form A-01.1) to provide instructions on calculating evaluation committee scores to the members of each evaluation committee and ensure that they are all using the same methodology. Our audit found that appropriate methodology is being used by all evaluation committee members when scoring A-E firms to provide consistency to the A-E rating process.



5. **Quality Review Process**

Recommendation: Sheriff-Coroner implement a quality review process to ensure the accuracy of A-E firm evaluation scores by a person independent of preparing the information and that this review be visibly documented in order to provide an audit trail and to establish accountability.

Current Status: Implemented. Sheriff-Coroner modified Summary of Total Scores for SOQ Evaluation (Form A-02.5) and Summary of Total Scores for RFP Evaluation (Form A-03.4) to include a quality review process to ensure the accuracy of evaluation scores and documentation.

6. **Conflict of Interest Form**

Recommendation: Sheriff-Coroner require each evaluation committee member to sign a document certifying that they have no conflict of interest for each evaluation committee on which they sit.

Current Status: Implemented. Sheriff-Coroner developed SOQ/RFP Evaluation Committee Guidelines and Conflict of Interest Form (Form A-01.1) that requires each evaluation committee member to sign certifying that they have no conflict of interest for each evaluation committee on which they sit. Our audit found that Form A-01.1 was reviewed and signed by each evaluation committee member and filed with each A-E contract.

7. **Evaluation Committee Rules Certification**

Recommendation: Sheriff-Coroner require that each evaluation committee member certify in writing that they understand and agree to abide by the evaluation committee rules.

Current Status: Implemented. Sheriff-Coroner developed SOQ/RFP Evaluation Committee Guidelines and Conflict of Interest Form (Form A-01.1) that requires each evaluation committee member to sign certifying they understand and agree to abide by the evaluation committee rules. Our audit found that Form A-01.1 was reviewed and signed by each evaluation committee member and filed with each A-E contract.

8. **User Department Representative on the Evaluation Committee**

Recommendation: Sheriff-Coroner include as a member on the evaluation committee a representative from the user department with knowledge and experience in the service area.



Current Status: **Implemented.** Sheriff-Coroner established policy to include as a member on the evaluation committee a representative from the user department with knowledge and experience in the service area.

9. **Include Record of Negotiation as part of the Agenda Staff Report**
Recommendation: Sheriff-Coroner provide to the Board of Supervisors as part of the Agenda Staff Report, a copy of the Record of Negotiation.

Current Status: **Implemented.** Sheriff-Coroner established policy to include a copy of the Record of Negotiation as part of the Agenda Staff Report submitted to the Board of Supervisors. Our audit found that the Board of Supervisors is provided with a copy of the Record of Negotiation for A-E contracts.

We appreciate the cooperation and assistance extended to us by the personnel of the Sheriff-Coroner Research & Development Division during our Follow-Up Audit. If you have any questions, please contact me directly or Eli Littner, Deputy Director at 834-5899, or Alan Marcum, Senior Audit Manager at 834-4119.

Distribution Pursuant to Audit Oversight Committee Procedure No. 1:

Members, Board of Supervisors
Members, Audit Oversight Committee
Rick Dostal, Director, Sheriff-Coroner Financial/Administrative Services
Robert Beaver, Director, Sheriff-Coroner Research and Development
Foreperson, Grand Jury
Darlene J. Bloom, Clerk of the Board of Supervisors