June 30, 2004

The Honorable Frederick P. Horn
Presiding Judge of the Superior Court of California
700 Civic Center Drive West
Santa Ana, California 92701

The Honorable Frederick P. Horn:


Responses to Finding 5 and Recommendation 1 are contained in the attachment. If you have any questions, please contact me.

[Signature]
David E. Sundstrom
Auditor-Controller

DES:Ir (Response to Grand Jury Report 03-04/auditor)
Attachment

cc: Members, Board of Supervisors
    Clerk of the Board of Supervisors
    James D. Ruth, County Executive Officer
Auditor-Controller Response  
Grand Jury Report dated May 12, 2004  
Administrative Leave - The Ultimate Job Security?

Finding No. 5  
The County accounting system is not designed to capture the actual costs of administrative leaves.

Response  
Concur. Although there is a leave code (LP) and pay event type/category (LPPAY) in the current payroll system that can be used to report leaves with pay, these (2) codes are not unique to administrative leaves and can include other types of paid leaves. There is also no specific accounting object in our financial accounting system that is unique to administrative leaves.

Recommendation No. 1  
The Auditor-Controller change the County payroll and accounting systems to accurately track all costs related to paid administrative leaves.

Response  
Concur. Auditor-Controller Information Technology staff are working with CEO/Human Resources systems staff to address this recommendation. A new leave code (ADM) and pay event type/category (ADMPY) that will be unique to administrative leaves will be established. Employees on administrative leave will have their time reported under the new leave code and the Countywide Accounting and Personnel System (CAPS) will record all salary payments pursuant to that time in the new pay event type/category. This will enable the CAPS to report both the hours and dollars associated with these costs. In addition, a new accounting sub-object code will be established in the CAPS. This new sub-object will be used to record the costs of administrative leaves so that departments can monitor and track current and year to date dollar costs of these leaves using existing expenditure reports. These changes should be completed and implemented by October 1, 2004.