



County of Orange
California

Thomas G. Mauk
County Executive Officer

July 28, 2009

James R. Perez, Foreperson
2008-09 Orange County Grand Jury
700 Civic Center Drive West
Santa Ana, CA 92702

Subject: Response to Orange County Grand Jury Report, "Guardian of Last Resort"

Dear Mr. Perez:

Per your request, and in accordance with Penal Code 933, please find the County of Orange response to the subject report as approved by the Board of Supervisors. Respondents are: Board of Supervisors, County Executive Office, Human Resources, Internal Audit and Health Care Agency. If you have any questions, please contact Kathleen Long at (714) 834-7410 in the County Executive Office who will either assist you or direct you to the appropriate individual.

Sincerely,

A large, stylized handwritten signature in black ink, which appears to be "T. Mauk", is written over the typed name and title.

Thomas G. Mauk
County Executive Officer

Enclosure

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“The Guardian of Last Resort”
Orange County Grand Jury Report 2008 – 2009
County Executive Office – Human Resources/Internal Audit/Health
Care Agency Department Responses to Findings and Recommendations

Responses to Findings: F.1c, and F.4

- F.1c Administrative Manager Level III positions within the PA/PG are unwarranted due to the level of their duties and responsibilities.

Response: The finding requires further analysis.

PA/PG has engaged in personnel actions which the Human Resources Department (HRD) believes are not in keeping with the intent of County policy.

- F.4 Evidence of questionable pension practices was found at the PA/PG, which could cost taxpayers nearly one and one half million (\$1,500,000) dollars.

Response: Disagrees partially with the finding.

This finding requires further analysis. PA/PG has engaged in personnel actions which the Human Resources Department (HRD) believes are not in keeping with the intent of County policy. These personnel actions (rather than pension practices) may lead to increased pension benefits costs. Determination of the additional cost is subject to assumptions regarding the number of years of benefits to be paid.

Responses to Recommendations: R.2, R.4, R.7, R.8

- R.2 The Board of Supervisors should transfer the personnel management functions of PA/PG to the OCHR.

Response: The recommendation requires further analysis.

The Human Resources Department worked with the County Executive Office to identify options available to the Board related to the personnel management functions of the Public Administrator/Public Guardian (PA/PG) department. Transfer of personnel management functions will be dependent on the option(s) selected by the Board of Supervisors regarding the structure of the PA/PG functions. The County Executive Office will provide further analysis to the Board of Supervisors in the FY 2009-10 First Quarter Budget Report to be heard by the Board of Supervisors in November 2009.

- R.4 The County Internal Audit Department should conduct an in-depth review of OCHR personnel records to determine if additional instances of questionable pension practices exist in agencies other than the PA/PG office. The audit report and any resulting County responses will be forwarded to the Grand Jury for information.

Response: The recommendation has not yet been implemented, but will be implemented in the future.

The County Internal Audit Department included such a review in the 2009-10 Audit Plan approved by the Audit Oversight Committee on May 27, 2009. The Board of Supervisors and the County Internal Audit Department anticipates completing the review by December 31, 2009. The Orange County Human Resources Department will work with the Internal Audit Department on this matter.

- R.7 The Board of Supervisors should complete a comprehensive independent review of Public Administrator/Public Guardian. Based on the results of this review and the Grand Jury report, they should reconsider whether separating the PA/PG from the Health Care Agency and turning it into a separate stand-alone County department has been cost and performance improvement effective. If not, the Board of Supervisors should return Public Guardian to the HCA or another County department.

Response: The recommendation requires further analysis.

The County Budget Office, Legislative Affairs, and the Human Resources Department continue to work to identify options available to the Board related to the Public Administrator/Public Guardian (PA/PG) department. Such options might include:

- Repeal Ordinance 07-008 designating the Public Administrator the *ex officio* Public Guardian allowing for separation of the Administrator and Guardian functions
- Separate Public Guardian (PG) from Public Administrator (PA) and place PG back with the Health Care Agency (HCA) under CEO oversight
- Comparison of how other neighboring counties organize the PA/PG function

The County Executive Office will provide further analysis to the Board of Supervisors in the FY 2009-10 First Quarter Budget Report to be heard by the Board of Supervisors in November 2009. HCA will work with the Board and CEO as directed.

R.8 When the term of the current PA expires in two years, the Board of Supervisors should consider moving the Public Administrator function into the same department that administers Public Guardian activities. This action should be coordinated with the recommendation identified in R.7 to eliminate any logistic or redundancy problems.

Response: *The recommendation requires further analysis.*

The County Executive Office will provide further analysis to the Board of Supervisors in the FY 2009-10 First Quarter Budget Report to be heard by the Board of Supervisors in November 2009. CEO Legislative Affairs has researched the option of placement of an initiative on the next available ballot to make the PA position appointed rather than elected. If an initiative is placed on the ballot and voters in the County approve the PA as an appointed position, the Board of Supervisors would determine the placement of the PA function.