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AUDITOR-CONTROLLER RELEASES AUDIT OF HEALTH CARE AGENCY / PUBLIC GUARDIAN
Selected Processes and Controls

November 10, 2016 – Orange County Auditor-Controller Eric H. Woolery, CPA, released an audit of the Health Care Agency/Public Guardian (HCA/PG) selected processes and controls, for the period ending December 31, 2015.

“I am concerned about the critical control weakness involving the ePAGES system, but I appreciate the Health Care Agency’s work in replacing that system,” said Auditor-Controller Eric Woolery. “I thank the Health Care Agency for moving swiftly to implement the recommendations of this audit and even doing so with the recommendations they did not concur with.”

The audit identified one critical control weakness, one significant control weakness, four control findings, and two efficiency/effectiveness findings. HCA/PG concurred with five of the eight recommendations to address these issues. The HCA/PG audit follows an audit of the District Attorney/Public Administrator earlier this summer, in which the DA/PA concurred with all nine recommendations.

In 2014, the Board of Supervisors approved consolidation of the Office of Public Guardian with the Health Care Agency. Prior to the consolidation, they were combined as the Public Administrator/Public Guardian (PA/PG) Department.

HCA/PG manages the affairs of residents unable to care for themselves due to a medical condition or who may be a danger to themselves or others, due to mental illness. The responsibilities of the Public Guardian include locating, taking control, and protecting the assets of decedents.

The audit identified one critical control weakness, which is the most serious concern that can be found in an audit. In general, this type of weakness could compromise the Department or the County’s integrity and is of such an urgent nature that it should be addressed immediately.

- HCA/PG continues to use an antiquated case management system, ePAGES, that lacks an asset management module and suffers weekly outages. Systemic issues in ePAGES also impede reconciliations. ePAGES is unable to report historical data on open and



closed cases. HCA/PG should replace or upgrade ePAGES to address compliance requirements to avoid potential court penalties and enhance operational efficiencies.

The audit identified one significant control weakness. In general, this type of weakness represents a significant deficiency in internal controls that require prompt corrective actions.

- The audit found several monthly reconciliations had not been completed for Fund 165 Public Guardian since 2015. HCA Accounting moved swiftly to complete the reconciliations and will continue to do so on a consistent basis going forward.

The audit identified four control findings. A control finding concerns internal controls, compliance, effectiveness or efficiency. Correcting control findings should be completed within 6-12 months.

- Ensure Physical Inventories of Personal Property are done on a regular basis.
- Develop a Memorandum of Understanding (MOU) for shared responsibilities with DA/PA.
- Perform inventories of Serially Numbered Forms.
- Develop a reliable system for tracking Public Guardian deputy training and certification requirements would help ensure compliance with the Public Guardian Certification and Continuing Education Policy. HCA/PG did not concur with this recommendation, yet they have complied with this recommendation since the audit was conducted and this report released by developing such a system.

The audit found two efficiency/effectiveness findings that are not areas of non-compliance with policy but are items that would enhance process efficiency and effectiveness. Succession planning for upcoming staff retirements, with cross-training, would ensure the duties of retiring staff continue to be performed properly by the agency. Also, increased participation in the CA Association of PAs, PGs and PCs would help HCA/PG staff partner, share ideas, and learn best practices from other County PGs. HCA/PG did not concur with either of these recommendations, yet they have complied with both recommendations since the audit was conducted and this report released by providing such training in all operational and administrative areas. The DA/PA had previously concurred with two similar recommendations in an audit earlier this year.

The Auditor-Controller's office of Orange County typically releases anywhere from 1 to 5 audits per month. With over 400 employees, the Orange County Auditor-Controller's office is the largest independently elected Auditor-Controller in the nation.

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