



DAVID E. SUNDSTROM, CPA
AUDITOR-CONTROLLER

AUDITOR-CONTROLLER
COUNTY OF ORANGE

HALL OF FINANCE AND RECORDS
12 CIVIC CENTER PLAZA, ROOM 202
POST OFFICE BOX 567
SANTA ANA, CALIFORNIA 92702-0567

(714) 834-2450 FAX: (714) 834-2569

www.oc.ca.gov/ac

JOHN H. NAKANE
CHIEF ASSISTANT AUDITOR-CONTROLLER

JAMES M. McCONNELL
ASSISTANT AUDITOR-CONTROLLER
CENTRAL OPERATIONS

SHAUN M. SKELLY
ASSISTANT AUDITOR-CONTROLLER
AGENCY ACCOUNTING

MAHESH N. PATEL
ASSISTANT AUDITOR-CONTROLLER
INFORMATION TECHNOLOGY

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:

In accordance with the Grand Jury's request dated May 17, 2004, attached is my response to the 2003-2004 Orange County Grand Jury report "Administrative Leave – The Ultimate Job Security?"

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

A handwritten signature in black ink, appearing to read "David E. Sundstrom", is written over a faint, larger version of the same signature.

David E. Sundstrom
Auditor-Controller

DES:lr (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 to 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.