

# **If It Ain't Broke, Don't Fix It**



**GRAND JURY 2018-2019**

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## SUMMARY

After 34 years of having a consolidated Auditor Controller/Internal Audit department, Orange County was abruptly traumatized by bankruptcy in 1994. The County Treasurer and an external auditing firm were terminated and, under scrutiny of both state and federal inspectors, the Board of Supervisors removed the Internal Audit function from the Auditor Controller to gain support from Wall Street in issuing County bonds. From 1995 until 2015, Internal Audit was held as a separate function, directly reporting to the Board of Supervisors. California's 57 other counties all retained Internal Audit as a consolidated function within the Auditor Controller's office.

In 2015, Eric Woolery was the first elected Auditor Controller who had not held an appointed position in the County in the prior 20 years. He began his term with progressive ideas, but had inherited an office with outdated systems and procedures and had not undergone any major changes in years. He appealed to the Board of Supervisors to reinstate Internal Audit under his management and it was returned to the Auditor Controller after agreement that an Assembly Bill mandating statewide consolidation of the Auditor Controller and Internal Audit would be withdrawn in Sacramento.

Subsequently, Mr. Woolery's efforts regarding public outreach and questioning expenditures of County resources brought disapproval from the Board of Supervisors. During the 2018 election Mr. Woolery was reelected with an overwhelming 74% of the vote. Shortly after beginning his new term, at a regularly scheduled June 26, 2018 meeting of the Board of Supervisors, motions were made to remove the Internal Audit Department from the Auditor Controller, reduce the department's budget by \$1 million and remove Mr. Woolery as a voting member of the Audit Oversight Committee. These motions were approved by a 4 to 1 vote. Motions were also made to remove Mr. Woolery as Controller and remove several staff positions from the department. These motions did not pass. No discussion was held and no explanation was given for these significant organizational and financial changes.

The Grand Jury's research concludes that the parties involved were too polarized to resolve their differences; the costs to the County and the staff involved are not reasonable; the removal of the Internal Audit Department in 1994 was driven by a catastrophic event; and the removal of the Internal Audit Department in 2018 was not. Potter Stewart of the US Supreme Court summarized this well: *"Ethics is knowing the difference between what you have the right to do and doing what is right to do."*<sup>1</sup>

## REASON FOR THE STUDY

Of the 58 counties in the State of California, all but Orange County have an integrated Auditor Controller /Internal Audit Department. Prior to the County's 1994 bankruptcy, the Auditor Controller and Internal Audit departments were consolidated but during the 1994 County bankruptcy, the Board of Supervisors removed Internal Audit from the Auditor Controller.

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<sup>1</sup> Potter Stewart Quotes. BrainyQuote.com, BrainyMedia Inc.,2019

The Internal Audit Department was returned to a newly elected Auditor Controller in 2015 but during this term, disputes arose between the Auditor Controller and the Board of Supervisors. After an election in which the current Auditor Controller won a second term with 74% of the public vote, the Orange County Board of Supervisors removed Internal Audit from the Auditor Controller and reduced the Auditor Controller's budget by \$1 million. Given the election mandate received by the Auditor Controller and the public awareness of this issue, the Orange County Grand Jury (Grand Jury) chose to investigate the circumstances. The Grand Jury's focus is on understanding the effectiveness and efficiency of both the integrated and separated structures of the office, and on the impact of its deviance from State norms.

## **METHOD OF STUDY**

The Grand Jury interviewed 19 people, many more than once. (See Appendix D.) It sought advice from County Counsel and other qualified legal sources. It studied court cases, County Resolutions, State Legislation, news articles and other public documents, in addition to the history of the Auditor Controller and related offices.

## **BACKGROUND AND FACTS**

### **The Background**

When Orange County was incorporated in 1889, it took a number of years to establish the governmental structure. During the first 60+ years, it always had a County Auditor but on April 8, 1959 a County Resolution created the office of Auditor Controller which included Internal Audit. Elected Auditor Controllers were in place in the County for the subsequent 35 years. In 1984, Steven Lewis was appointed to finish the term of Victor Heim (the County's original "Taxpayer Watchdog") and was subsequently elected Auditor Controller, which he served as until 1996. A history of office holders is contained in Appendix A.

Catastrophe struck in 1994 when the County declared bankruptcy as a result of improper investments by the County Treasurer. The Treasurer admitted to criminal malfeasance of County Funds and was removed from office. This financial disaster brought unrelenting State and Federal attention. The County terminated their external auditing firm and Steven Lewis reached an agreement with the Board of Supervisors to move control of the Internal Audit Department from the Auditor Controller to the Board of Supervisors in order to keep his job. These efforts helped the County provide Wall Street with reassurance in facilitating a needed \$1billion bond issuance<sup>2</sup>. The Board of Supervisors appointed David Sundstrom as Director of Internal Audit for the newly separated Independent Audit office. (*Internal Audit is to be differentiated from Performance Audit. See Appendix C for definitions.*) Steven Lewis, through his causal connection to the bankruptcy in failing to oversee the Treasurer's office, resigned in 1996 before completing his term.

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<sup>2</sup> Orange County Register, Teri Sforza, Published 6-30-2017

Upon Lewis' resignation, the Board of Supervisors appointed David Sundstrom to complete Lewis' term as Auditor Controller and, in 1997, he was elected Auditor Controller and took office in 1998. Dr. Peter Hughes was appointed Director of the Internal Audit Department, filling the vacancy left by Sundstrom. In August of 1998, the Governor signed Assembly Bill 2523 authorizing the Orange County Board of Supervisors to assign various audits to a staff member (Director of Internal Audit) instead of the elected County Auditor Controller. This bill applied only to Orange County and became Government Code Section 26915. An Audit Oversight Committee was established in conjunction with the creation of the Internal Audit Department and served as an advisory committee to the Board of Supervisors.

In 2007, Sundstrom requested the Board of Supervisors return Internal Audit Department to the Auditor Controller. This request failed with a 2 to 2 vote by the Board of Supervisors, with one Supervisor absent. He continued to fill this elected position until his resignation in 2012, when an appointee filled the remaining two years of his term, performing a purported "ministerial"<sup>3</sup> function through this short period. Combining the Internal Audit Department with the Auditor Controller regained momentum and on November 25, 2014, a request was placed on the agenda for the Board of Supervisors meeting. A vote of 3 to 2 rejected the combination. On February 25, 2015, Assemblyman Tom Daly introduced Assembly Bill 783, which would require all counties in California to have a combined Auditor Controller/Internal Audit function. When this Bill appeared to be on its way to statewide passage, Daly and Woolery were informed by the Board of Supervisors that the Internal Audit function would be returned to the Auditor Controller if Daly's Bill were withdrawn. Assemblyman Daly agreed to withdraw the Bill and, with a vote of 4 to 1 by the Board of Supervisors on August 4, 2015, Internal Audit was returned to the oversight of the Auditor Controller. (See Appendix B.)

From 1995 until 2015, Directors of Internal Audit (David Sundstrom, Dr. Peter Hughes and the interim appointee for Sundstrom) all began as appointees of the Board of Supervisors, with Sundstrom later being elected Auditor Controller. These appointees to Internal Audit gave the Board of Supervisors internal audit control and later gained its approval as elected Auditor Controllers. During this same 20-year period the other 57 counties in California continued with consolidated Auditor Controller/Internal Audit offices.

### **Currently**

In 2014, Eric Woolery was elected Auditor Controller and came into office in 2015 with progressive ideas including dynamic public involvement, new processes and procedures and a more engaged staff structure. Branding for the Auditor Controller as a "taxpayer watchdog" was accompanied by adoption of a bulldog logo, symbolizing a guardian commitment to the highest

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<sup>3</sup>"Ministerial describes an act or a function that conforms to an instruction or a prescribed procedure. It connotes obedience. A ministerial act or duty is a function performed without the use of judgement by the person performing the act or duty." The Free Dictionary

standard for truth, accessibility, and independence. Regular contact with the various City Councils in the County was instituted, “Watchdog” awards were given to individuals in the County who exhibited excellence in monitoring public money and town hall meetings were organized. (See Appendix E.)

These changes were major departures from the norm in the Auditor Controller’s office. The inherited Auditor Controller’s office had outdated systems and procedures and minimal staff oversight. Required data retention was done on paper and stored in file cabinets. Interviews with Human Resources, Internal Audit and Auditor Controller employees found staff structure was top heavy with limited new hires. During those interviews and interviews with Information Technology staff, the Grand Jury discovered that the new Auditor Controller began digitizing stored data, restructuring staff, reviewing systems and procedures and reaching out to the public.

In order to gain an organizational perspective of his department, Mr. Woolery commissioned a survey through The Values Institute (see References) on employee morale, trust in the organization and company values. This report was completed in January of 2018 and delivered to the Auditor Controller in the first half of that year. The report lists recommendations centered on improved communications, building relationships, coaching and mentoring. These recommendations have not been addressed yet due to a reduction in the Auditor Controller budget by the Board of Supervisors.

An additional step by the Auditor Controller was to put a “Community and Government Affairs” team in place consisting of government affairs, legislative, communications and executive aide positions. Through its research, the Grand Jury found that these functions are not uncommon in California county structures and exist to establish effective communication with the public, as well as to maintain involvement in State legislative actions affecting the County and the department. Through its research, the Grand Jury found that Auditor Controller departments in Los Angeles, San Luis Obispo, San Bernardino and San Diego Counties currently have staff serving on the Legislative Committee of the California State Association of County Auditors. Mr. Woolery’s public outreach was not well received by the Board of Supervisors, as previous Auditor Controllers performed routine duties and were rarely in the public view.

## **The Issues**

Shortly after taking office, Woolery faced two significant issues:

1. Mailers sent by some members of the Board of Supervisors prior to the June and November elections of 2016 were viewed by the Auditor Controller as having campaign overtones and perhaps not suitable for reimbursement from public funds. These costs were ultimately authorized by the Auditor-Controller. Subsequently, the California legislature passed Senate Bill 45 prohibiting the use of public funds for mailers with a campaign overtone within 60 days of an election.

2. In February of 2015, a request was received for a large and unusual retroactive pension payment on behalf of a member of the Board of Supervisors. Requesting the retirement plan retroactively would require a significant payment by the County. Over a period of eight months, the Auditor Controller challenged the payment which involved Orange County Employees Retirement System, County Counsel and the Orange County District Attorney's office. He requested access to outside legal counsel to research the issue, but the request was tabled by the Board of Supervisors. During its investigation, the Grand Jury learned that the District Attorney's investigators searched the Auditor Controller offices for possible evidence of embezzlement. No embezzlement charges were ever filed. Because of input from several County agencies, the retirement payment was approved by Woolery's office. Subsequently, the California legislature passed Assembly Bill 3068 allowing use of external counsel by Auditor Controllers statewide effective January 2019.

Interviews with a number of County officials regarding the Auditor Controller's office raised the following issues:

- *The Auditor Controller used \$100,000 to produce videos describing the services of several County Agencies.* The Grand Jury investigation determined the cost was \$13,682.50.
- *The Auditor Controller withheld expense payments due to members of the Board of Supervisors.* Other than the issues related to mailers and the pension payment, the Grand Jury could find no evidence of failure to make payments.
- *Overtime payments to Orange County Sheriff's Department deputies were not paid in a timely fashion.* The Grand Jury learned that the Sheriff's Department is only partially on the electronic pay system. Twenty-five percent (approximately 1000 employees) have been converted to the electronic system. The Sheriff's Department is estimating completion for all employees by the Fall of 2019. Interviews with OCSO staff found that late payments of overtime pay (approximately 5% of all employees) can be attributed to timing issues within the Sheriff's Department and not the Auditor Controller's office.
- *The "Community and Government Relations" team was political, an overreach and not needed. It was felt that the Auditor Controller should have no involvement in State legislation or outreach to the public.* The Grand Jury's investigation found that most county Auditor Controllers in the State have similar structures, some smaller and some larger. Members of this team provide the vital function of managing the Auditor Controller's State legislative and County policy efforts, as well as obtaining intergovernmental cooperation with the 34 cities within the County. This group also serves as staff for the Countywide Oversight Board which oversees \$2.5 billion in the dissolution process of the 25 successor agencies to the Redevelopment Agencies. California Health and Safety codes require that Countywide Oversight Boards be staffed by the Auditor Controller or designee. The Grand Jury's research showed that counties



such as Riverside and San Diego have twice the staff of Orange County working on their oversight boards.

- *The branding of the Auditor Controller's office as a "watchdog" with a bulldog logo was not appropriate and was not approved by the County.* The Grand Jury's investigation discovered that no county approval was needed. Selection of the bulldog as a logo representing a watchdog is commonly used. In fact, the United States General Accountability Office (GAO) has a similar logo. (See Appendix E.) A civil grand jury is charged with being a watchdog over local government.
- *Internal audits were conducted with a "gotcha" attitude and not in the spirit of helping improve on the subject matter of the audits.* The Grand Jury's investigation revealed that of the forty-nine audits conducted in 2017-2018, surveys showed customers agreed overwhelmingly that the auditors were professional and courteous and their experience was positive. The surveys also indicated that audit customers would recommend the services of the auditors to their colleagues. The Grand Jury found nothing to suggest a "gotcha" attitude.
- *Placing Internal Audit under the direct management of the Auditor Controller does not provide transparency of audits.* The Grand Jury heard statements such as: *'how can Internal Audit audit the Auditor Controller?'* *'A department can't audit itself.'* *'There is no transparency if Internal Audit reports to the Auditor Controller.'* The facts are:
  1. The Auditor Controller is audited by an outside CPA firm that is overseen by the Audit Oversight Committee as well as by the State Controller's office and the State Board of Equalization for compliance of state laws and regulations;
  2. The Internal Audit Department is audited by the Institute of Internal Auditors.

## The Result

On June 5, 2018, Mr. Woolery was reelected to a second term as Auditor Controller by an overwhelming 74% of the vote. Three weeks later on June 26, 2018, at a regularly scheduled Board of Supervisor's meeting, motions were made to remove Internal Audit from the Auditor Controller and decrease the Auditor Controller budget by \$1 million. A previous majority vote to combine the functions had been made fewer than three years earlier. No other County departments received budget reductions. This \$1 million budget reduction effectively eliminated 12 staff positions and stopped development of an action plan on the earlier received Values Institute survey. There were no reasons given and no discussion. Both motions were approved by a vote of 4 to 1, making Orange County the only county of 58 in the State without an Internal Audit department reporting to the Auditor Controller and reversing the agreement made with the State Legislature. The Board of Supervisors passed a new Resolution removing Internal Audit from the Auditor Controller and repealing the April 8, 1959 Resolution.



At the same Board of Supervisor's meeting, a motion was also made to remove the Controller function from Mr. Woolery. This was defeated on a 3 to 2 vote. Had it succeeded, Orange County would have been aligned with Mariposa, Modoc and Sierra counties who each have populations under 20,000. One other proposal was presented which would have deleted 5 staff positions in the Auditor Controller's office: Director of Community & Government Relations, Legislative & Analytics Manager, Public Information Officer, Executive Communication Manager and Executive Assistant. This proposal was not successful.

Through numerous interviews with Human Resource, Internal Audit and Auditor Controller staff members, the Grand Jury learned of diminished morale in the Auditor Controller's office. Concerns included not understanding why Internal Audit was removed, a \$1 million reduction in budget, that the Controller function was considered for removal from Mr. Woolery and fear that other jobs within the Auditor Controller's office were in jeopardy.

The Board of Supervisors then removed the Auditor Controller as a voting member of the Audit Oversight Committee. The Audit Oversight Committee is charged with Internal Audit oversight and serves as an advisory committee to the Board of Supervisors. Original membership of the Audit Oversight Committee included the Chair and Vice-Chair of the Board of Supervisors, the Auditor Controller, the County Executive Officer, the Treasurer-Tax Collector (non-voting) and one member from the private sector. Current membership includes 5 members from the private sector, the County Executive Officer, the Chair and Vice-Chair of the Board. The Auditor Controller and the Treasurer-Tax Collector also sit on the Audit Oversight Committee but are non-voting members.

Separation of Internal Audit from the Auditor Controller did not come without a cost. The Grand Jury learned through public records, Human Resources and the CEO's office that the newly hired Internal Audit Director will receive a salary 11.5% higher per year than the Auditor Controller. The Internal Auditor manages 14 people; the Auditor Controller manages 433 people (of which 15 positions remain open due to lack of budget). New computers, printers and other equipment for Internal Audit cost \$167,000; labor and other incidental costs have not been recorded. The Grand Jury's investigation could find no noticeable improvements in efficiency or effectiveness.

Structural threat exists when an organization's placement within a government entity affects the audit organization's ability to perform work and objectively report results. An audit organization reporting directly to a Board of Supervisors may feel pressure to report to that Board's satisfaction.

## **Conclusions**

There should be transparency and no conflict of interest in a combined Auditor Controller Internal Audit department if:

- oversight of the departments is conducted by external audit sources,
- the Institute of Internal Auditors and the Government Accountability Standards issued by the Comptroller of the United States are followed by licensed CPAs and,
- combined departments in the other 57 counties in California are combined and successful.

Nowhere in the Grand Jury's investigation did the Grand Jury find evidence of incompetence or lack of efficiency on the part of the Auditor Controller, nor could the Grand Jury find any positives created by separating the functions. The department had received little attention during the prior two years and now had a department head who chose an active and engaged role with outreach to the voters. Fresh perspectives bring opportunity to question the status quo but can be uncomfortable. New ideas softly presented may take longer and bring more consistent change but reasoned flexibility within the County's structure is an asset.

Contentious governance disrupts positive performance. The position of Auditor Controller is elected by the citizens. That position reports to the citizens and acts as an agent to the Board of Supervisors and the County. The elected Supervisor positions report to the citizens and act as their agent. It is expected by the electorate that independence of audits is maintained and that their agents work together transparently and productively.

## FINDINGS

In accordance with *California Penal Code* Sections §933 and §933.05, the 2018-2019 Grand Jury requires (or as noted, requests) Responses from each agency or special district affected by the Findings presented in this section. The Responses are to be submitted to the Presiding Judge of the Superior Court.

Based on its investigation, titled "If It Ain't Broke, Don't Fix It", the 2018-2019 Orange County Grand Jury has arrived at seven principal Findings:

**F1.** The Auditor Controller's department identity as a "taxpayer watchdog", complete with a "bulldog logo", created an adversarial image for some members of the Board of Supervisors.

**F2.** The need for the Auditor Controller's "Community and Government Relations" team has been questioned by the Board of Supervisors.

**F3.** The Grand Jury has determined the Board of Supervisors had the right to take the action it did. However, independence, transparency and accountability may be flawed in a structure where people report to those that are being held accountable.

**F4.** The Grand Jury found no evidence of inefficiency in the Auditor Controller's office prior to realignment of the Internal Audit Department to the Board of Supervisors.

**F5.** Realignment of the Internal Audit Department from the Auditor Controller to the Board of Supervisors has reduced staff mobility and cross training and may have adversely affected morale.

**F6.** Fifty-seven counties in California have combined departments of the Auditor Controller and Internal Audit; Orange County is the only county to have separate Auditor Controller and Internal Audit Offices, raising a question of efficiency and effectiveness.

**F7.** Disagreements between the Board of Supervisors and the Auditor Controller's Office over Supervisor mailers and a controversial pension payment were argued in the public arena, creating public dismay as well as distrust between the departments.

## RECOMMENDATIONS

In accordance with *California Penal Code* Sections §933 and §933.05, the 2018-2019 Grand Jury requires (or as noted, requests) Responses from each agency or special district affected by the Recommendations presented in this section. The Responses are to be submitted to the Presiding Judge of the Superior Court.

Based on its investigation titled "If It Ain't Broke, Don't Fix It", the 2018-2019 Orange County Grand Jury makes four Recommendations:

**R1.** By September 30, 2019, the Board of Supervisors should reevaluate the effect of the realignment on efficiency, effectiveness, staff and the public perception. **(F1, F2, F3, F4, F5, F6, F7)**

**R2.** By September 30, 2019, the Board of Supervisors should provide the public with an explanation for Orange County remaining unique among California's 58 counties. **(F6)**

**R3.** By September 30, 2019, the Board of Supervisors and County elected officials should discuss and resolve differing opinions in a constructive and professional manner, without airing disagreements in a public forum. **(F1, F2, F7)**

**R4.** By September 30, 2019, the Board of Supervisors should reevaluate their decision to remove \$1 million from the Auditor Controller's budget and reallocate some or all of those dollars back to the Auditor Controller in order to fully staff the department and complete an Action Plan based on the Values Institute work on morale. **(F3, F5)**

## RESPONSES

The following excerpts from the California Penal Code provide the requirements for public agencies to respond to the Findings and Recommendations of the Grand Jury report:

## §933(c)

*“No later than 90 days after the grand jury submits a final report on the operations of any public agency subject to its reviewing authority, the governing body of the public agency shall comment to the presiding judge of the superior court on the findings and recommendations pertaining to matters under the control of the governing body and every elected county officer or agency head for which the grand jury has responsibility pursuant to Section 914.1 shall comment within 60 days to the presiding judge of the superior court, with an information copy sent to the board of supervisors, on the findings and recommendations pertaining to matters under the control of that county officer or agency head or any agency or agencies which that officer or agency head supervises or controls. In any city and county, the mayor shall also comment on the findings and recommendations. All of these comments and reports shall forthwith be submitted to the presiding judge of the superior court who impaneled the grand jury. A copy of all responses to grand jury reports shall be placed on file with the clerk of the public agency and the office of the county clerk, or the mayor when applicable, and shall remain on file in those offices . . . ”*

## §933.05

*“(a) For purposes of subdivision (b) of Section 933, as to each grand jury finding, the responding person or entity shall indicate one of the following:*

*(1) The respondent agrees with the finding.*

*(2) The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefor.*

*(b) For purposes of subdivision (b) of Section 933, as to each grand jury recommendation, the responding person or entity shall report one of the following actions:*

*(1) The recommendation has been implemented, with a summary regarding the implemented action.*

*(2) The recommendation has not yet been implemented, but will be implemented in the future, with a timeframe for implementation.*

*(3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of publication of the grand jury report.*

*(4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefor.*

*(c) However, if a finding or recommendation of the grand jury addresses budgetary or personnel matters of a county agency or department headed by an elected officer, both the agency or department head and the board of supervisors shall respond if requested by the grand jury, but the response of the board of supervisors shall address only those budgetary or personnel matters over which it has some decision-making authority. The response of the elected agency or department head shall address all aspects of the findings or recommendations affecting his or her agency or department.”*

Comments to the presiding Judge of the Superior Court in compliance with Penal Code §933.05 are required from:

*Findings:*

Orange County Board of Supervisors	<b>F2, F3, F4, F5, F6, F7,</b>
Auditor Controller	<b>F1, F2, F5, F7</b>

*Recommendations:*

Orange County Board of Supervisors	<b>R1, R2, R3, R4</b>
Auditor Controller	<b>R3</b>

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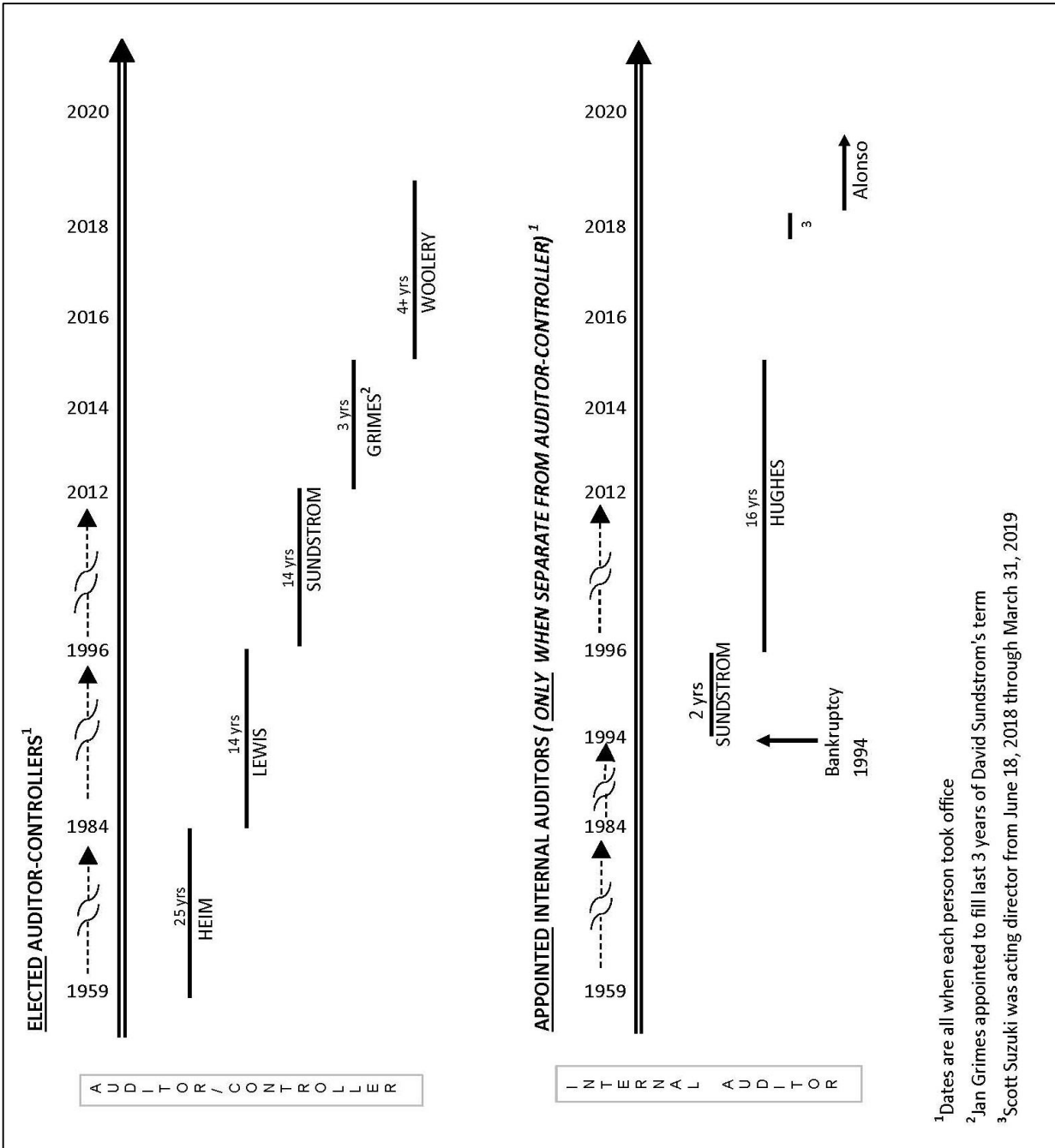
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## APPENDICES

### Appendix A



Source: Orange County 2018 – 2019 Grand Jury

If It Ain't Broke, Don't Fix It

## Appendix B

STATE CAPITOL  
P.O. BOX 942849  
SACRAMENTO, CA 94249-0869  
(916) 319-2069  
FAX (916) 319-2169

DISTRICT OFFICE  
2400 EAST KATELLA AVENUE, SUITE 640  
ANAHEIM, CA 92806  
(714) 939-8469  
FAX (714) 939-8986

E-MAIL  
Assemblymember.Daly@assembly.ca.gov



COMMITTEES  
CHAIR: INSURANCE  
TRANSPORTATION  
GOVERNMENTAL ORGANIZATION  
APPROPRIATIONS  
VETERANS AFFAIRS

JOINT COMMITTEE ON FAIRS,  
ALLOCATIONS AND CLASSIFICATIONS

July 28, 2015

Frank Kim, Chief Executive Officer  
County of Orange  
333 West Santa Ana Blvd., Bldg. 10  
Santa Ana, CA 92701

Dear Mr. Kim:

On the Board of Supervisors' August 4, 2015 agenda, you are recommending that the authority and staffing for Internal Audits be placed with the County's elected Auditor-Controller. When approved, this will resolve the good governance issue addressed by my Assembly Bill 783.

Following approval of your recommendation, I will ensure that Assembly Bill 783 is placed on the inactive file at the earliest opportunity.

Sincerely,

Tom Daly  
State Assemblymember, 69<sup>th</sup> District

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## Appendix C: Definitions

*Internal Audit:* “...the mission of the Internal Audit Department is to provide highly reliable, independent, objective evaluations and business and financial services to the Board of Supervisors and County management to assist them with their important business and financial decisions, and to protect and safeguard the county’s resources and assets.”  
*Source: Wikipedia*

*Performance Audit:* “...refers to an independent examination of a program, function, operation or the management systems and procedures of a governmental or non-profit entity to assess whether the entity is achieving economy, efficiency and effectiveness in the employment of available resources.”  
*Source: Wikipedia*

## Appendix D

### Number of Persons Interviewed for this Report:

Supervisors	4
Citizen	1
Internal Auditors	2
Law Professor	1
Members of the Auditor Controller Staff	6
Human Resources	1
Information Technology	1
Public Defender	1
Los Angeles County Auditor	1
<b>Total Persons Interviewed</b>	<b>18</b>

*Source: Orange County 2018-2019 Grand Jury*

## APPENDIX E



*OC Auditor Controller Watchdog  
Logo  
Source: Auditor Controller website*



*DA Spitzer Receiving Watchdog Award  
from A/C Woolery  
Source: Auditor Controller website  
Used by Permission*



*United States GAO Watchdog  
Source: GAO Website, Watchdog Report  
Permission: GAO Copyright and Terms of Use*



*Source: Franklin Center for Government &  
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