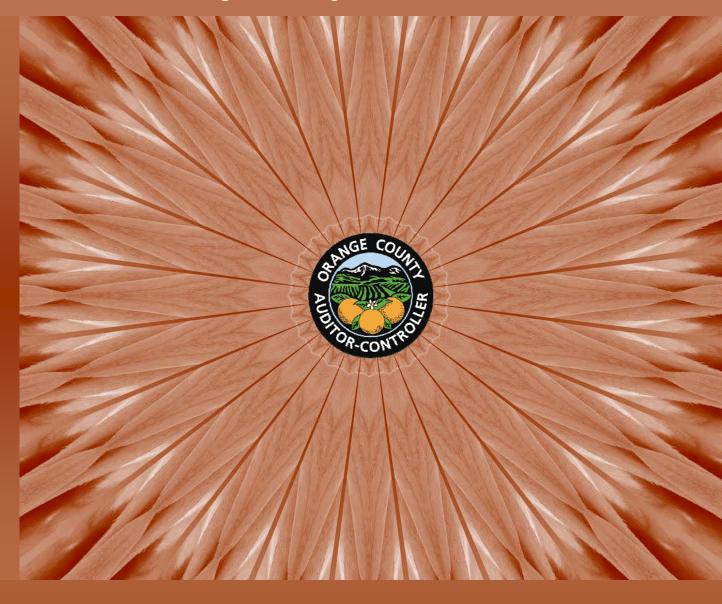
2012 Update to the 2010 Business Plan

Orange County Auditor-Controller



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Executive Summary

It is the Orange County Auditor-Controller's pleasure to present the Department's 2012 Business Plan Update. The Auditor-Controller's vision is to be the County's trusted source of financial information to account for the past, direct the present and shape the future. Our mission is to promote public oversight, provide accountability, and support financial decision-making for the County.

As the Auditor-Controller's Office carries out its vision and mission, it will conduct business with the highest ethical and due diligence standards and demonstrate commitment to the public, other County departments and agencies and its own employees.

The Office is proud of the achievements we've made in the last year and continues making progress in light of tight fiscal constraints and the ever-changing legislative landscape.

Goal #1 is to assist in controlling the financial risk faced by the County. Strategies to accomplish this goal include:

- Performing the audits of the County Treasury as required by law.
- Maintaining a leadership role on the County's financial management team for issues relating to financial oversight activities.
- Providing additional information to management allowing increased oversight.
- Reviewing the costing of collective bargaining strategies and contracts as directed by the Board of Supervisors.

A. The Outcome Indicator for this goal is to perform the required audits and to issue the required reports timely.

Performance Measure	FY 10-11 Results	FY 11-12 Plan	FY 11-12 Anticipated Results	FY 12-13 Plan	How are we doing?
What: Quarterly and annual audits of the County treasury as well as daily monitoring of the County's investment portfolios. Why: Provide assurance to the public that the cash and investments on hand are equal to those reported by the Treasurer.	The legislatively-mandated quarterly reviews and annual audit of the Treasury were completed and the required reports were submitted timely.	Perform audits of the Treasury for the quarters ending 6/30/11, 9/30/11 and 3/31/12 and perform the annual audit for the year ended 12/31/11 and submit the required reports timely. Prepare monthly reports on Treasury Compliance with certain investment policy provisions and submit reports to the Treasury Oversight Committee timely.	The legislatively-mandated quarterly review of the Treasurer's Statement of Assets was completed timely. The 9/30/11 quarterly review is currently in process. The Treasurer has requested in advance an extension for their management responses to the upcoming 9/30/11 draft report due to competing Treasurer commitments. Treasury Compliance reports will be issued on a quarterly basis beginning with the quarter ended 12/31/11.	Perform legislatively-mandated reviews of the Treasurer's Statement of Assets for the quarters ended 6/30/12, 9/30/12. and 3/31/13 and perform an annual audit for the year ended 12/31/12 and submit the required reports timely. Prepare quarterly reports on Treasury Compliance with certain investment policy provisions based on sample testing of transactions. Submit the reports to the Treasury Oversight Committee timely.	We are currently on schedule to complete the mandated reviews and audits of the Treasury in accordance with California government code. The last monthly compliance review of the Treasury investment pool will be the September 2011 report. The next Treasury Compliance Report issued following that will be for the quarter ended 12/31/11.

B. The Outcome Indicator for this goal is to have the Auditor-Controller represented on the following oversight committees: Treasury Oversight Committee (TOC), Audit Oversight Committee (AOC), Public Financing Advisory Committee (PFAC), CAPS Steering Committee Chairman, Property Tax Management System (PTMS) Steering Committee, and Measure M Taxpayers Oversight Committee Chairman.

Performance Measure	FY 10-11 Results	FY 11-12 Plan	FY 11-12 Anticipated Results	FY 12-13 Plan	How are we doing?
What: Auditor-Controller or staff will attend 100% of these committee meetings. Why: Ensures the Auditor-Controller provides full support for these oversight committees.	Nearly all meetings were attended by the Auditor-Controller with the balance being attended by senior AC staff.	Staff will attend all meetings.	100% of all meetings will be attended by A-C staff.	Staff will attend all meetings	Continue to provide full support for these oversight committees.

Goal #2 is to promote accountability by developing and enforcing systems of accounting controls. Strategies to accomplish this goal include:

- Continuing to meet successfully the daily operations of the County's central accounting systems.
- Staying current with all critical recurring accounting operations.
- Assessing the risk and the adequacy of controls of the County's major transaction processing systems maintained by the Auditor-Controller's office.

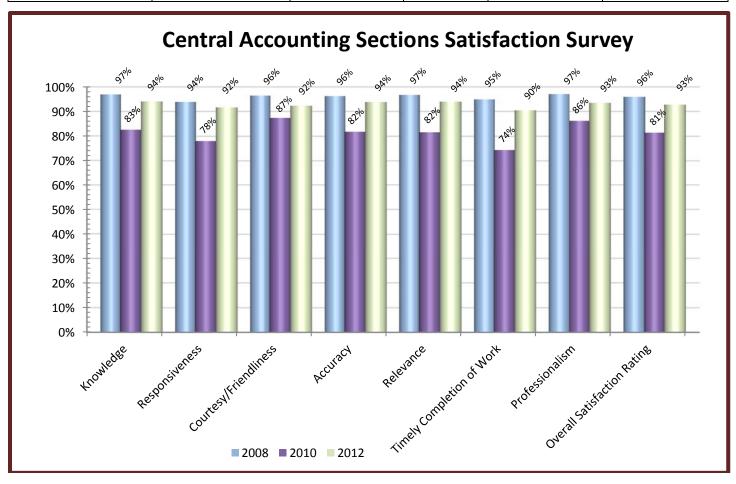
The Outcome Indicator for this goal is to receive a certified opinion in a timely manner on compliance with laws, regulations, and provisions of contracts or grants that could have a material effect on each major Federal program administered by the County.

Performance Measure	FY 10-11 Results	FY 11-12 Plan	FY 11-12 Anticipated Results	FY 12-13 Plan	How are we doing?
What: Measures compliance with requirements in administering Federal and State programs. Why: Provides assurance to Federal and State agencies that there are no material weaknesses in controls affecting compliance.	The County received an opinion that the County complied, in all material respects, with the requirements that could have a direct and material effect on each of its major federal programs reported in the Single Audit for the year ended June 30, 2010.	The office fully expects to receive certified opinions in a timely manner for all accounting related areas for FY 2010-11, and continue to meet the requirements of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget (OMB) Circular A-133.	The office expects to obtain a certified opinion in a timely manner for FY 2010-11.	The office fully expects to receive certified opinions in a timely manner for all accounting related areas for FY 2011-12, and continue to meet the requirements of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget (OMB) Circular A-133.	The County continues to prepare and submit the Single Audit report timely with the external auditors certified opinion.

Goal #3 is to anticipate and satisfy our stakeholders' and clients' needs for financial services and reliable information. Strategies to meet this goal consist of:

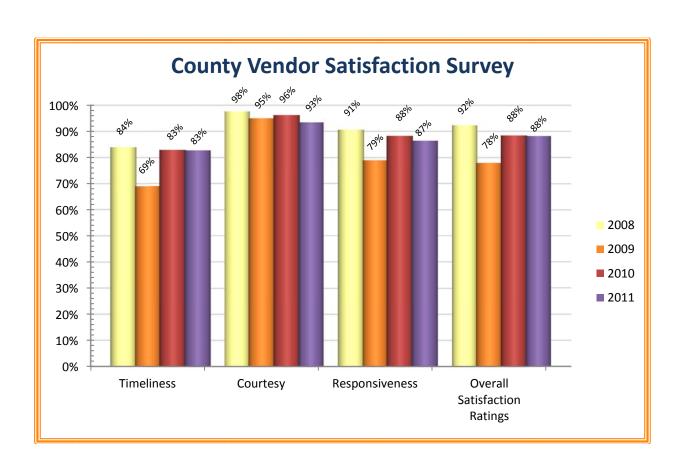
- Providing ongoing accounting services to departments/agencies.
- Assessing customer satisfaction.
- Supporting special projects requested by clients.
- Preparing fiscal analyses of County ballot initiatives as requested by the Board of Supervisors.
- ♦ Increasing the use of web-based information.
- A. The Outcome Indicator for this goal is to receive a rating of at least 90% in overall satisfaction in the office's biennial countywide client surveys of the office's central accounting sections (judgmental sample).

Performance Measure	FY 10-11 Results	FY 11-12 Plan	FY 11-12 Anticipated Results	FY 12-13 Plan	How are we doing?
What: Measures client satisfaction with services of the central Auditor-Controller's Office accounting sections. Why: To meet and exceed expectations of County clients.	The office survey resulted in an overall rating of 93% of these clients were "Very Satisfied" to "Satisfied" with the office's services.	We plan to continue conducting our biennial surveys, alternating between central and satellite accounting divisions, and meet or exceed the rating goal.	We plan to meet or exceed the rating goal.	We plan to continue conducting our biennial surveys, alternating between central and satellite accounting divisions, and meet or exceed the rating goal.	With improvements in CAPS+ and resolution of some of the system implementation issues, we were able to exceed our goal. We continue to address the issues brought up by the clients and expect to increase satisfaction.



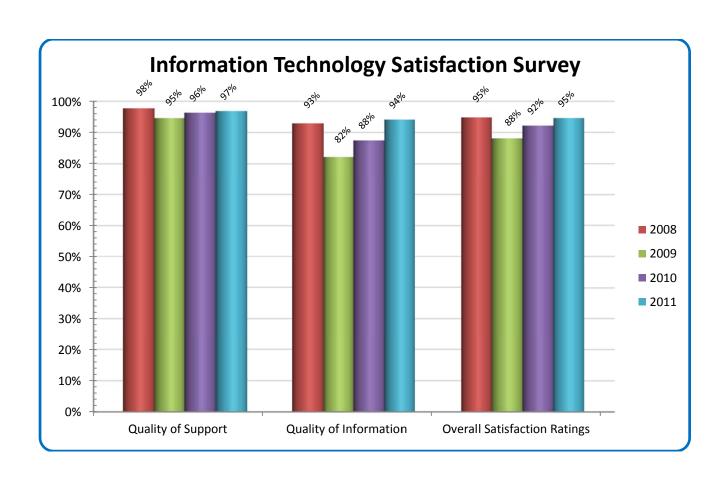
B. The Outcome Indicator for this goal is to receive a rating of at least 90% in overall satisfaction in the office's annual survey of County vendors (judgmental sample).

Performance Measure	FY 10-11 Results	FY 11-12 Plan	FY 11-12 Anticipated Results	FY 12-13 Plan	How are we doing?
What: Measures vendors' satisfaction with services provided. The performance measure includes County services provided from inception of the contract/order at the department, approval of invoice for payment, and the final payment processed by the Auditor-Controller Central Claims Unit. Why: To meet and exceed the expectations of County vendors.	The vendor survey resulted in an overall rating of 88% being "Very Satisfied" or "Satisfied" with the County's payment processing services.	The office will conduct this survey again in FY 2011-2012	The office will continue to strive to achieve a 90% overall satisfaction rating. Potential upcoming changes to business processes may assist to achieve this rating.	The office will conduct this survey again in FY 2012-2013	In FY 2010-2011, overall satisfaction remained the same at 88%; timeliness also remained the same at 88%; timeliness also remained the same at 83%; while courtesy decreased from 96% to 93%; and responsiveness also decreased from 88% to 87%. We fell short of our satisfaction rating goal due to 5 unfilled positions in the unit. This decrease in resources had a negative impact on our ability to process claims in a timely manner, and reduced our ability to provide the level of customer service the County requires.



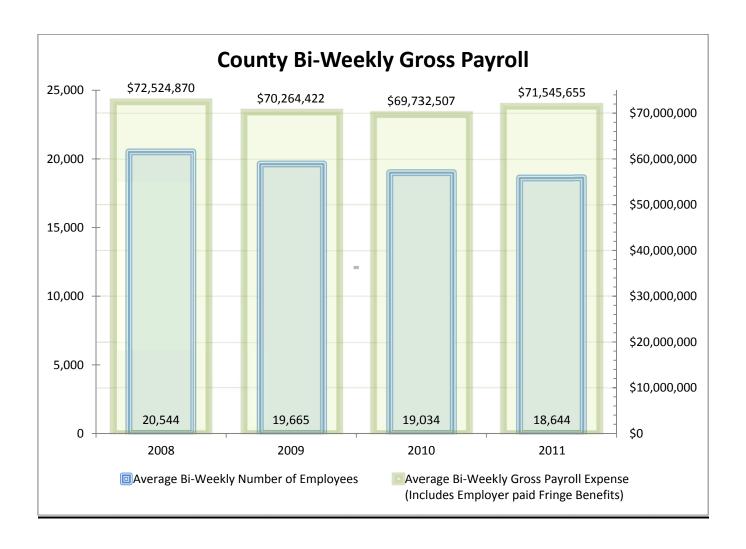
C. The Outcome Indicator for this goal is to receive a rating of at least 90% in overall satisfaction in the annual client survey of the office's Information Technology division (judgmental sample).

Performance Measure	FY 10-11 Results	FY 11-12 Plan	FY 11-12 Anticipated Results	FY 12-13 Plan	How are we doing?
What: Measures client satisfaction with the quality of information provided by the CAPS systems and the level of service provided by staff. Why: To meet and exceed expectations of County clients.	The CAPS+ Human Resources / Payroll system was implemented on time and within budget. The implementation included continued support of the associated Data Warehouse at the request of end users.	Address and correct any issues related to the upgrade of the CAPS+ HR/Payroll system and apply lessons learned, to ensure quick resolutions during the CAPS+ Upgrade.	We continue to monitor the growth of the CAPS+ Human Resource / Payroll processes for areas of improvement. We will also be testing the first processing of W2s in the new system.	Continue revision necessary for process improvements, including the development of business related job aids. Due to growth, we will investigate the possibility of archiving select documents for resource reduction / cost savings.	Overall satisfaction ratings increased from 92% to 95%. With the implementation of the new application on a new platform, we have met all operational requirements on time. Agencies understand the complexity of implementing a new system and have worked together to meet the user's needs.



D. The Outcome Indicator for this goal is to meet all biweekly payroll deadlines for all 26 pay periods.

Performance Measure	FY 10-11 Results	FY 11-12 Plan	FY 11-12 Anticipated Results	FY 12-13 Plan	How are we doing?
What: Measures ability to meet biweekly County payroll deadlines. Why: To ensure the delivery of County services by County employees, and to maintain the financial well-being of the employees themselves.	The bi-weekly payroll deadlines were met for all pay periods in FY 2010-11	The office expects to meet all bi-weekly payroll cycles during FY 2011-12.	All bi-weekly payroll deadlines are met during the year.	The office expects to meet all bi-weekly payroll cycles during FY 2012-13.	In February 2011, a new HR/Payroll system was successfully implemented. During the fiscal year the payroll cycle continued to be completed timely with 18,644 employees being paid.



Goal #4 is to increase countywide organizational effectiveness by making the appropriate investments in our staff and technology. Strategies to meet this goal include:

- Continuing to stay current with CGI financial and human resources software product releases.
- Maximizing the usability of existing accounting systems by expanding the use of existing assets such as ERMI, the Data Warehouse, functional user groups, VTI, Business Objects and workflow.
- Establish a PTMS operations and maintenance plan with the Treasurer-Tax Collector and Clerk of the Board.
- Implementing Online Training Management software to allow for easy enrollment in classes to County employees while allowing supervisors and managers to easily track progress of their staff.
- Encouraging decentralized, secure, web-based transaction processing as a means to increase productivity and reduce processing time.
- Enhancing work area efficiency and effectiveness.
- Improving staff well-being through employee training, recognition and other programs.
- Continuing to fulfill the requirements of the County-wide performance management plans.
- Developing leadership skills of staff to meet future requirements for succession to leadership positions.

The Outcome Indicators for this goal is as follows:

A. To meet all department/agency requests to rollout VTI.

Performance Measure	FY 10-11 Results	FY 11-12 Plan	FY 11-12 Anticipated Results	FY 12-13 Plan	How are we doing?
What: Measures departments/agencies that have requested to use VTI and the ability to roll out VTI to those organizations. Why: Manual payroll processing is labor intensive, time consuming and prone to errors. Payroll adjustments resulting from errors are even more costly.	VTI was upgraded to .Net versions and Microsoft 2008 which was the latest release level.	Full implementation of VTI to all County departments.	With reestablished discussion with the Sheriff, and a decision made to engage with VTI, we expect the project to start by fiscal year end.	Full implementation of VTI at the Sheriff and initiate roll out of the new feature 'Leave Request' to the Agencies.	Currently all departments with the exception of Sheriff are fully operational and supported on VTI. This continues to be the best solution.