

# County of Santa Clara


Office of the County Executive

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**DATE:** April 7, 2023

**TO:** Honorable Board of Supervisors  
Jeffrey V. Smith, County Executive

**FROM:** <sup>DS</sup>  
 Greta S. Hansen, Chief Operating Officer

**SUBJECT:** Management Audit Recommendation Response Protocol at the Finance and Government Operations (FGOC) Committee

At the March 16, 2023 FGOC meeting (Item No.14), Supervisor Ellenberg inquired if the Committee needed to take further action to add six-month and nine-month follow-up reports on audit recommendation implementation plans. This request stemmed from the discussion at the March 16 FGOC meeting on the Management Audit of the Capital Programs Division (Item No. 8), when Supervisor Ellenberg indicated she was not aware of the Committee receiving regular follow-up reports on the implementation of the Capital Program audit recommendations that were received by the Committee on January 15, 2021. Current policies and procedures provide for a follow-up reporting mechanism for management audits, as described below, and a review of FGOC agendas shows that they are regularly occurring for other audits. It is unclear why such reports did not occur in 2021 for this particular audit.

Section 3.35.5 of the Management Auditor Policy provides that: “The County Executive will report the status of those audit recommendations that the Board refers to the Committee or the Administration for further review prior to a final Board decision. The Finance and Government Operations Committee (FGOC) will review implementation status reports as may the Board Policy Committee that has oversight of the agency covered by the Audit.”

In May 2010, the FGOC Procedures on Board's Management Auditor (Procedures)<sup>1</sup> was published, providing further detail on the duties and responsibilities designated in the Board's Management Auditor Policy. Section H (Board Review and Implementation Monitoring) of the Procedures document describes a three-part implementation monitoring process:

1. Six-month status report, which is the initial implementation status report.
2. Nine-month follow-up status report, for those high priority recommendations not yet implemented after six months.
3. Policy Committee Established Report, for those few high priority recommendations not yet implemented after the initial and follow-up status reports.

Additionally, in other instances when management audit findings are presented to FGOC, the motion typically includes a request to report back at a time certain based on what is discussed during the presentation with the Department, Management Audit Team, and Administration. Depending on the complexity or urgency of the implementation recommendation, the Committee may request a report back on a different timeline than the six-month or nine-month reports.

To ensure that the FGOC workplan captures the requests for relevant and timely implementation status reports, Administration recommends the Committee, when appropriate, verbalize in their motion to include follow-up reports, with due dates, on audit recommendation implementation plans. Otherwise, however, no change in policy or procedures appears necessary, and Administration will work with the Management Auditor to adhere to the existing procedures.

- c: Chief Board Aides  
James R. Williams, County Counsel  
Tiffany Lennear, Clerk of the Board of Supervisors  
Mary Ann Barrous, Agenda Review Administrator  
Thuy Pham, Budget Analyst  
Shawn Whiteman, Program Manager II

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<sup>1</sup> Available at <https://board.sccgov.org/management-audit-division>.