



INTERNAL AUDIT DEPARTMENT
COUNTY OF ORANGE

2005 Recipient of the Institute of Internal Auditors'
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PERFORMANCE MEASURE VALIDATION
LIMITED AUDIT OF HEALTH CARE AGENCY
2005 PERFORMANCE INDICATORS

AUDIT NUMBER: 2658

REPORT DATE: MARCH 7, 2007

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Deputy Director: Eli Littner, CPA, CIA
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**PERFORMANCE MEASURE VALIDATION
LIMITED AUDIT OF HEALTH CARE AGENCY
2005 PERFORMANCE INDICATORS**

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Transmittal Letter

Audit No. 2658

March 7, 2007

TO: Juliette A. Poulson, Director
Health Care Agency

FROM: Peter Hughes, Ph.D., CPA, Director
Internal Audit Department

SUBJECT: Performance Measure Validation

We have completed our Limited Audit of Health Care Agency's Performance Indicators for the 2005 Results included in the 2006 Business Plan. The final Internal Auditor's Report is attached along with your responses to our recommendations.

In developing our PMV audit process, we benchmarked with Maricopa County, Arizona Internal Audit Department's Performance Measure Certification program. Maricopa County has been conducting their certification program for over five years and has received several awards and has been referred to as the "gold standard" of performance measurement auditing by the Government Accounting Standards Board (GASB). Our approach closely mirrors the award winning approach developed by the Maricopa County Internal Audit Department.

Please note, beginning in January 2005, we implemented a more structured and rigorous Follow-Up Audit process in response to recommendations and suggestions made by the Audit Oversight Committee (AOC) and the Board of Supervisors (BOS). As a matter of policy, our first Follow-Up Audit will now begin no later than six months upon the official release of the report. The AOC and BOS expect that audit recommendations will typically be implemented within six months and often sooner for significant and higher risk issues. Our second Follow-Up Audit will now begin at 12 months from the release of the original report, by which time all audit recommendations are expected to be addressed and implemented. However, we will not perform our follow-up until the next Business Plan cycle.

At the request of the AOC, we are to bring to their attention any audit recommendations we find still not implemented or mitigated after the second Follow-Up Audit. The AOC requests that such open issues appear on the agenda at their next scheduled meeting for discussion.

We will provide a Follow-Up Audit Report Form to you; this template should be completed as our audit recommendations are implemented. When we perform our Follow-Up Audit by the next Business Plan cycle, we will need to obtain the completed document to facilitate our review.

As the Director of Internal Audit, I now submit a monthly audit status report to the Board of Supervisors (BOS) where I detail any material and significant audit findings released in reports during the prior month and the implementation status of audit recommendations as disclosed by our Follow-Up Audits. Accordingly, the results of this audit will be included in a future status report to the BOS.

As always, the Internal Audit Department is available to partner with Health Care Agency management and staff so they can successfully implement or mitigate difficult audit recommendations. The Health Care Agency Director is free to call me should she wish to discuss any aspect of our audit report or recommendations.

Additionally, we will be forwarding to the Health Care Agency a Customer Survey of Audit Services for completion. The Health Care Agency will receive the survey shortly after the distribution of this report. We appreciate the courtesy and cooperation of the Health Care Agency staff during our review.

Attachment

Other recipients of this report:

- Members, Board of Supervisors
- Members, Audit Oversight Committee
- Thomas G. Mauk, County Executive Officer
- William Mahoney, Deputy CEO, Government and Public Services
- David Riley, Assistant Director, HCA
- Steve Franks, Deputy Agency Director, HCA Financial & Administrative Services
- David Thiessen, Chief, Quality Management, HCA Office of Information
- Foreperson, Grand Jury
- Darlene J. Bloom, Clerk of the Board of Supervisors



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AUDIT MANAGER

INTERNAL AUDITOR'S REPORT

Audit No. 2658

March 7, 2007

TO: Juliette A. Poulson, Director
Health Care Agency

SUBJECT: Performance Measure Validation

We have completed our Limited Audit of Health Care Agency's Performance Indicators for the 2005 Results included in the 2006 Business Plan. Our audit included obtaining an understanding of the methodology in place for collecting and reporting Performance Indicator Results by interviewing key personnel, observations, and reviewing source documentation. Our audit scope did not include an assessment of the appropriateness of your Performance Indicators based on your mission, goals and objectives.

We have initiated our PMV audits at the request of the Audit Oversight Committee. Our approach is to review performance measure results, assign validation ratings, report conclusions, and make recommendations. Our validation program is designed to provide assurance to the Board of Supervisors, the County Executive Officer, and you and other stakeholders that reported Performance Indicators are reliable and can be utilized in decision making covering Government resources with confidence.

In developing our PMV audit process we benchmarked with Maricopa County, Arizona Internal Audit Department's Performance Measure Certification program. Maricopa County has been conducting their certification program for over five years and has received several awards and has been referred to as the "gold standard" of performance measurement auditing by the Government Accounting Standards Board (GASB). Our approach closely mirrors the award winning approach developed by the Maricopa County Internal Audit Department.

We conducted our audit in accordance with the Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors.

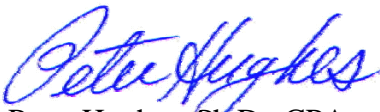
For each Performance Indicator tested, we reported the results using one of the three Rating Definitions shown below.

Rating Definitions		
5 Star	★★★★★	We found adequate supporting documentation.
4 Star	★★★★	We found adequate supporting documentation with some recommendations for improvement.
3 Star	★★★	We noted opportunities for improvement.

Based on our audit of the 2005 Results reported in your 2006 Business Plan, we rated 87 percent of your reported Performance Indicator Results as 5 Star. We tested fifteen (15) Performance Indicator Results and rated thirteen (13) as 5 Star and two (2) as 4 Star. On page 3 we have provided a table (Summary Table – Validation Results) that lists for each Performance Indicator, the reported results, and our rating of the accuracy of Health Care Agency results. For the Performance Indicator Results that were rated a 4 Star, we have provided detail of these, along with recommendations for enhancements over the gathering and reporting of the Performance Indicator Results in the Detailed Observations, Recommendations and Management Responses section of this report.

We appreciate the courtesy and cooperation extended to us during the audit by the personnel of the Health Care Agency. If we can be of further assistance, please contact me or Eli Littner, Deputy Director at (714) 834-5899 or Alan Marcum, Audit Manager, at (714) 834-4119.

Respectfully Submitted,


Peter Hughes, Ph.D., CPA
Director, Internal Audit

Distribution Pursuant to Audit Oversight Committee Procedure No. 1:

- Members, Board of Supervisors
- Members, Audit Oversight Committee
- Thomas G. Mauk, County Executive Officer
- William Mahoney, Interim Deputy CEO, Government and Public Services
- David Riley, Assistant Director, HCA
- Steve Franks, Deputy Agency Director, HCA Financial & Administrative Services
- David Thiessen, Chief, Quality Management, HCA Office of Information
- Foreperson, Grand Jury
- Darlene J. Bloom, Clerk of the Board of Supervisors

SUMMARY TABLE – VALIDATION RESULTS

Health Care Agency 2005 Results Stated		Internal Audit Validation		
Performance Indicators	Results	(Highest Rating Possible)		
		5 Star ★★★★★	4 Star ★★★★	3 Star ★★★
1. By October 31, 2005, HCA will work with University of California at Irvine and California State University, Fullerton to develop a program to reduce binge drinking in college students. <i>(HCA 2005 Business Plan, p. 22)</i>	HCA, in collaboration with University of California Irvine and California State University, Fullerton, developed a plan and began implementing the Campus-Community Alcohol Management Project (CCAMP) to reduce binge drinking among college students. <i>(HCA 2006 Business Plan, p. 34)</i>	✓		
2. By June 30, 2006, HCA will increase the number of permanent housing opportunities for individuals with mental illness or who are multiply diagnosed by obtaining 25 new Shelter Plus Care Housing Certificates. <i>(HCA 2005 Business Plan, p. 22)</i>	HCA provided 25 new housing certificates for individuals with mental illness. <i>(HCA 2006 Business Plan, p. 34)</i>	✓		
3. By December 30, 2005, HCA will establish an Orange County Immunization Registry through Public Health Children’s clinics, community clinics, and private sector immunization providers’ participation in the Los Angeles-based Southern California Immunization Registry. HCA will integrate four Public Health children’s clinics, three community clinics and one large private sector provider into the registry. <i>(HCA 2005 Business Plan, p. 22)</i>	Four Public Health family health clinics, three community clinics and one private provider were integrated into the Orange County Immunization Registry. <i>(HCA 2006 Business Plan, p. 34)</i>	✓		



SUMMARY TABLE – VALIDATION RESULTS

Health Care Agency 2005 Results Stated		Internal Audit Validation		
Performance Indicators	Results	(Highest Rating Possible)		
		5 Star ★★★★★	4 Star ★★★★	3 Star ★★★
4. By June 30, 2006, in collaboration with community partners, HCA will develop and implement strategies to raise awareness about the physical and emotional impact of violence on children and develop and promote effective prevention and intervention strategies. <i>(HCA 2005 Business Plan, p. 22)</i>	In collaboration with community partners, HCA developed and implemented strategies to raise awareness about the physical and emotional impact of violence on children and develop and promote effective prevention and intervention strategies. <i>(HCA 2006 Business Plan, p. 34)</i>	✓		
5. By June 30, 2006, in conjunction with Latino Health Access, HCA will develop a pilot project to demonstrate the effectiveness of the Community Health Worker model with Spanish-speaking patients who are dually-diagnosed with diabetes and mental illness. <i>(HCA 2005 Business Plan, p. 22)</i>	HCA, in conjunction with Latino Health Access developed a pilot project to demonstrate the effectiveness of the Community Health Worker model with Spanish-speaking patients who are dually diagnosed with diabetes and mental illness. <i>(HCA 2006 Business Plan, p. 34)</i>	✓		
6. California Children Services (CCS) will facilitate access to Medical Therapy (MTU) services by offering appointments to at least 75% of clients for initial evaluation within two weeks of the date MTU accepts a referral. <i>(HCA 2005 Business Plan, p. 23)</i>	The implementation of the Appointment Pro Scheduling Software Program has improved staff efficiency in scheduling therapy appointments. Eighty percent of new referrals were offered an evaluation appointment within two weeks of the referral. <i>(HCA 2006 Business Plan, p. 34)</i>		✓ (Finding #1 on p. 7)	
7. CCS will ensure that 95% of all CCS/Healthy Family Program Service Agreements that are mailed out are completed and returned. <i>(HCA 2005 Business Plan, p. 23)</i>	The California Children’s Services Program received 99% return rate for completed CCS/Healthy Family Program Service Agreements. <i>(HCA 2006 Business Plan, p. 34)</i>		✓ (Finding #2 on p. 7)	



SUMMARY TABLE – VALIDATION RESULTS

Health Care Agency 2005 Results Stated		Internal Audit Validation		
Performance Indicators	Results	(Highest Rating Possible)		
		5 Star ★★★★★	4 Star ★★★★	3 Star ★★★
8. By June 30, 2006, HCA will serve 100 residents of Orange County in a Driving Under the Influence Drug Court, in partnership with Superior/ Harbor Justice Center, Probation Department, Public Defender’s Office, Office of the District Attorney and the Sheriff’s Department. (HCA 2005 Business Plan, p. 23)	Over 140 individuals have received alcohol prevention services in the Driving Under the Influence Court system. (HCA 2006 Business Plan, p. 34)	✓		
9. By June 30, 2006, HCA will implement and operate a Dependency Drug Court by partnering with Juvenile Court, Social Services Agency, County Counsel and the Public Defenders Office. (HCA 2005 Business Plan, p. 23)	HCA successfully implemented a Drug Dependency Court. (HCA 2006 Business Plan, p. 3)	✓		
10. By June 30, 2006, Environmental Health will develop an educational brochure that will discuss food handling safety guidelines for traditional Vietnamese foods. (HCA 2005 Business Plan, p. 23)	Environmental Health established the “Fresh is Best Campaign” to promote food safety for traditional Vietnamese foods in collaboration with community leaders, health educators, academia and restaurant owners. (HCA 2006 Business Plan, p. 36)	✓		
11. Animal Care Services will increase the number of animal adoptions by 2% over the previous year, proportionate with the number of impounds. (HCA 2005 Business Plan, p. 23)	Animal Care Services increased animal adoptions by four percent. (HCA 2006 Business Plan, p. 34)	✓		



SUMMARY TABLE – VALIDATION RESULTS

Health Care Agency 2005 Results Stated		Internal Audit Validation		
Performance Indicators	Results	(Highest Rating Possible)		
		5 Star ★★★★★	4 Star ★★★★	3 Star ★★★
12. The Bioterrorism Preparedness Program will continue to develop and implement disaster training programs for Health Care Agency personnel. <i>(HCA 2005 Business Plan, p. 23)</i>	The Bioterrorism Preparedness Unit successfully conducted seven disaster exercises to assist the County's efforts to respond to a natural or man-made disaster. <i>(HCA 2006 Business Plan, p. 3)</i>	✓		
13. By June 30, 2006, the Bioterrorism Preparedness Program will conduct local disaster exercises and participate in a statewide bioterrorism exercise. <i>(HCA 2005 Business Plan, p. 23)</i>	The Bioterrorism Preparedness Program assisted in the development and implementation of one statewide exercise as well as one local bioterrorism exercise. <i>(HCA 2006 Business Plan, p. 34)</i>	✓		
14. By February 2005, HCA will provide appropriate health-related data for inclusion in the 2004 Community Indicators Report. <i>(HCA 2005 Business Plan, p. 24)</i>	The HCA provided health related data to the Eleventh Annual Conditions of Children Report and the 2005 Community Indicators Report. <i>(HCA 2006 Business Plan, p. 34)</i>	✓		
15. By August 2005, in support of the Children and Families Commission, HCA will provide appropriate health-related data for inclusion in the Eleventh Annual Report on the Conditions of Children. <i>(HCA 2005 Business Plan, p. 24)</i>	The HCA provided health related data to the Eleventh Annual Conditions of Children Report and the 2005 Community Indicators Report. <i>(HCA 2006 Business Plan, p. 34)</i>	✓		



DETAILED OBSERVATIONS, RECOMMENDATIONS AND MANAGEMENT RESPONSES

Finding No. 1 (4 Star)

Health Care Agency Performance Indicator: California Children Services (CCS) will facilitate access to Medical Therapy (MTU) services by offering appointments to at least 75% of clients for initial evaluation within two weeks of the date MTU accepts a referral. (HCA 2005 Business Plan, p. 23)

Health Care Agency Stated Results: The implementation of the Appointment Pro Scheduling Software Program has improved staff efficiency in scheduling therapy appointments. Eighty percent of new referrals were offered an evaluation appointment within two weeks of the referral. (HCA 2006 Business Plan, p. 34)

The Board of Supervisors Internal Audit Department validation found that CCS was not able to provide supporting documentation for the stated result. We were informed that a former Chief Therapist destroyed the supporting documentation prior to terminating her employment with HCA because she thought it would not be useful to anyone. For this audit, California Children Services went back to their 2005 records and recreated the report they believe supported the 2005 result. However, the recreated report for 2005 resulted in 86.82%, 6.82% higher than the 80% result reported in the 2006 Business Plan. California Children Services explained that HCA management had requested the 2005 results sometime in October or November of 2005; therefore, the 80% result was not for the full year.

Recommendation No. 1

We recommend that HCA ensure supporting documents are retained for all results reported in Business Plans.

Health Care Agency Response: Concur

The Health Care Agency will classify documents supporting results cited in the Business Plan as “General Reference Files” under the County Records Control Schedule. On March 2, 2007, the Health Care Agency informed its managers of this designation with instructions to preserve supporting documents for a minimum of two years, in accordance with the County Records Control Schedule.

Finding No. 2 (4 Star)

Health Care Agency Performance Indicator: CCS will ensure that 95% of all CCS/Healthy Family Program Service Agreements that are mailed out are completed and returned. (HCA 2005 Business Plan, p. 23)

Health Care Agency Stated Results: The California Children’s Services Program received 99% return rate for completed CCS/Healthy Family Program Service Agreements. (HCA 2006 Business Plan, p. 34)

The Board of Supervisors Internal Audit Department validation found that CCS retained only the last page of a 62-page report that supported the result. This one page from the report was not sufficient to verify the California Children’s Services Program had a 99% return rate for completed CCS/Healthy Family Program Service Agreements.



Recommendation No. 2

We recommend HCA ensure all documentation supporting results reported in Business Plans are retained.

Health Care Agency Response: Concur

The Health Care Agency will classify documents supporting results cited in the Business Plan as “General Reference Files” under the County Records Control Schedule. On March 2, 2007, the Health Care Agency informed its managers of this designation with instructions to preserve supporting documents for a minimum of two years, in accordance with the County Records Control Schedule.



ATTACHEMENT A: Health Care Agency Director Reponses



*Excellence
Integrity
Service*

**COUNTY OF ORANGE
HEALTH CARE AGENCY**

OFFICE OF THE DIRECTOR

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DIRECTOR

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FAX: 714.773.6000

March 5, 2010

TO: Peter Hughes, Ph.D., CPA
Director, Internal Audit

SUBJECT: Performance Measure Validation – Audit No. 2658

The Health Care Agency has reviewed the Performance Measure Validation audit of the 2005 Performance Indicators included in the 2009 Business Plan. We are pleased that 10 of 15 indicators tested, HCA, was given a 5 Star rating. For the remaining five indicators tested the Health Care Agency was given a 4 Star rating. In each of these 15 performance measures, the Health Care Agency met or exceeded the established performance goal. For the two indicators receiving a 4 Star rating, Internal Audit will initiate a recommendation to improve the documentation supporting the performance measures.

The Health Care Agency concurs with your recommendation to improve documentation supporting the performance measures included in the Business Plan. We will apply the County Records Control Schedule and retain the supporting documentation for at least two years as a General Reference File. Please see the attached audit response for additional documentation details.

We appreciate the professionalism that your staff exhibited during the audit process. If you have any questions or need additional information, please contact me directly at David Throssen, Chief of Quality Management at 834-7632.

[Signature]
Daleete A. Poulsen, RN, MN
Director

DP:BT

Attachment

cc: Thomas G. Mink, County Executive Officer
William D. Mahoney, Deputy CEO
David Throssen, HCA



Finding No. 1 (4 Star)

Health Care Agency Performance Indicator: California Children Services (CCS) will tag more access to Medical Therapy (MTU) services by offering appointments to at least 75% of cases for initial evaluation within two weeks of the date MTU accepts a referral. (HCA 2005 Business Plan, p. 23)

Health Care Agency Stated Results: The implementation of the Appointment Pro Scheduling Software Program has improved staff efficiency in scheduling therapy appointments. Eighty percent of new referrals were offered an evaluation appointment within two weeks of the referral. (HCA 2006 Business Plan, p. 34)

The Board of Supervisors Internal Audit Department validation found that CCS was not able to provide supporting documentation for the stated result. We were informed that a former Chief Therapist destroyed the supporting documentation prior to terminating her employment with HCA because she thought it would not be useful to anyone. For this audit, California Children Services went back to their 2005 records and recreated the report they believe supported the 2005 result. However, the recreated report for 2005 resulted in 86.82%, 6.82% higher than the 80% result reported in the 2006 Business Plan. California Children Services explained that HCA management had requested the 2005 results sometime in October or November of 2005; therefore, the 80% result was not for the full year.

Recommendation No. 1

We recommend that HCA ensure supporting documents are retained for all results reported in Business Plans.

Health Care Agency Response: Concur

The Health Care Agency will classify documents supporting results cited in the Business Plan as "General Reference Files" under the County Records Control Schedule. On March 2, 2007, the Health Care Agency informed its managers of this designation with instructions to preserve supporting documents for a minimum of two years, in accordance with the County Records Control Schedule.

Finding No. 2 (4 Star)

Health Care Agency Performance Indicator: CCS will ensure that 95% of all CCS Healthy Family Program Service Agreements that are mailed out are completed and returned. (HCA 2005 Business Plan, p. 13)

Health Care Agency Stated Results: The California Children's Services Program received 99% return rate for completed CCS/Healthy Family Program Service Agreements. (HCA 2006 Business Plan, p. 34)

The Board of Supervisors Internal Audit Department validation found that CCS received only the last page of a 62-page report that supported the result. This one page from the report was not sufficient to verify the California Children's Services Program had a 99% return rate for completed CCS/Healthy Family Program Service Agreements.



Recommendation No. 2

We recommend HCA create all documentation supporting results reported in Business Plans as detailed.

Health Care Agency Response: Comment

The Health Care Agency will classify documents supporting results cited in the Business Plan as "General Reference Files" under the County Records Control Schedule. On March 2, 2022, the Health Care Agency informed its managers of this designation with instructions to preserve supporting documents for a minimum of two years, in accordance with the County Records Control Schedule.

