



**AGENDA
SPECIAL AUDIT COMMITTEE MEETING
OF THE BOARD OF DIRECTORS
INLAND EMPIRE UTILITIES AGENCY*
AGENCY HEADQUARTERS, CHINO, CA 91708**

**MONDAY, AUGUST 31, 2020
9:00 A.M.**

**INLAND EMPIRE UTILITIES AGENCY*
VIEW THE MEETING LIVE ONLINE AT IEUA.ORG
TELEPHONE ACCESS: (415) 856-9169 / Conf Code: 759 759 467#**

PURSUANT TO THE PROVISIONS OF EXECUTIVE ORDER N-25-20 ISSUED BY GOVERNOR GAVIN NEWSOM ON MARCH 12, 2020, AND EXECUTIVE ORDER N-29-20 ISSUED BY GOVERNOR GAVIN NEWSOM ON MARCH 17, 2020 AND IN AN EFFORT TO PROTECT PUBLIC HEALTH AND PREVENT THE SPREAD OF COVID-19, THERE WILL NO PUBLIC LOCATION FOR ATTENDING IN PERSON.

The public may participate and provide public comment during the meeting by dialing into the number provided above. Alternatively, you may email your public comments to the Executive Assistant Sally H. Lee at shlee@ieua.org no later than 24 hours prior to the scheduled meeting time. Your comments will then be read into the record during the meeting.

CALL TO ORDER

PUBLIC COMMENT

Members of the public may address the Board on any item that is within the jurisdiction of the Board; however, no action may be taken on any item not appearing on the agenda unless the action is otherwise authorized by Subdivision (b) of Section 54954.2 of the Government Code. Those persons wishing to address the Board on any matter, whether or not it appears on the agenda, are requested to email the Executive Assistant no later than 24 hours prior to the scheduled meeting time or address the Board during the public comments section of the meeting. Comments will be limited to three minutes per speaker. Thank you.

ADDITIONS TO THE AGENDA

In accordance with Section 54954.2 of the Government Code (Brown Act), additions to the agenda require two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted.

1. ACTION ITEM

A. MINUTES

The Committee will be asked to approve the Audit Committee meeting minutes of June 8, 2020.

2. INFORMATION ITEMS

A. HUMAN RESOURCES OPERATIONAL AUDIT: ADMINISTRATION OF EMPLOYEE TRAINING AND DEVELOPMENT PROGRAMS (WRITTEN/POWERPOINT)

B. GARDEN IN EVERY SCHOOL® PROGRAM – FOLLOW-UP REVIEW (WRITTEN/POWERPOINT)

C. MASTER SERVICE CONTRACTS – FOLLOW-UP REVIEW (WRITTEN/POWERPOINT)

D. INTERNAL AUDIT QUARTERLY STATUS REPORT FOR AUGUST 2020 (WRITTEN)

3. AUDIT COMMITTEE ADVISOR COMMENTS

4. COMMITTEE MEMBER COMMENTS

5. COMMITTEE MEMBER REQUESTED FUTURE AGENDA ITEMS

6. ADJOURN

*A Municipal Water District

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Board Secretary (909-993-1736), 48 hours prior to the scheduled meeting so that the Agency can make reasonable arrangements.

Proofed by: SR

DECLARATION OF POSTING

I, Sally H. Lee, Executive Assistant of the Inland Empire Utilities Agency, A Municipal Water District, hereby certify that a copy of this agenda has been posted by 5:30 p.m. in the foyer at the Agency's main office, 6075 Kimball Avenue, Building A, Chino, CA on Tuesday, August 25, 2020.


Sally H. Lee

ACTION
ITEM

1A



**MINUTES
AUDIT COMMITTEE MEETING
INLAND EMPIRE UTILITIES AGENCY*
AGENCY HEADQUARTERS, CHINO, CA
MONDAY, JUNE 8, 2020
9:00 A.M.**

COMMITTEE MEMBERS PRESENT

Kati Parker, Chair
Steven J. Elie

COMMITTEE MEMBERS ABSENT

None

STAFF PRESENT

Shivaji Deshmukh, General Manager
Sally Lee, Executive Assistant
Daniel Solorzano, Technology Specialist I
Wilson To, Technology Specialist II

STAFF PRESENT via TELECONFERENCE

Kathy Besser, Executive Manager of External Affairs & Policy Development/AGM
Christiana Daisy, Executive Manager of Engineering/AGM
Randy Lee, Executive Manager of Operations/AGM
Christina Valencia, Executive Manager of Finance & Administration/AGM
Lisa Dye, Manager of Human Resources
Warren Green, Manager of Contracts, Procurement & Risk Services
Sapna Nangia, Senior Internal Auditor
Peter Soelter, Senior Internal Auditor
Teresa Velarde, Manager of Internal Audit

OTHERS PRESENT

Deborah Harper, CPA and Partner/LSL, LLP
Travis Hickey, Audit Committee Advisor

Committee Chair Parker called the meeting to order at 9:02 a.m. She stated that the meeting is being conducted virtually by video and audio conferencing. She added that there will be no public location available to attend the meeting; however, the public may participate and provide comments during the meeting by calling into the number provided on the agenda. She further added that the public may also view the meeting live through the Agency's website. She then gave the public the opportunity to comment and gave instructions for unmuting the conference line. There were no public comments received or additions to the agenda.

ACTION ITEMS

The Committee:

- ◆ Approved the Audit Committee meeting minutes of March 9, 2020.

◆ Recommended that the Board:

1. Approve the FY 2020/21 Annual Audit Plan; and
2. Direct the Manager of Internal Audit to finalize the FY 2020/21 Annual Audit Plan;

as a Consent Calendar Item on the June 17, 2020 Board meeting agenda.

INFORMATION ITEMS

The following information items were presented, or received and filed by the Committee:

- ◆ FY 2019/20 Financial Audit – Communication Required by SAS 114
- ◆ Human Resources: Workload Indicators Review
- ◆ Recycled Water Revenues Audit Report
- ◆ Approvals and Disbursements Automation Follow-Up Review
- ◆ Interfund Transaction – Follow-up Review
- ◆ Report of Open Audit Recommendations
- ◆ Internal Audit Department Quarterly Status Report

Manager of Internal Audit Teresa Velarde congratulated Senior Internal Auditor Peter Soelter on his retirement and thanked him for being a valuable resource to the Internal Audit department and the Agency.

AUDIT COMMITTEE ADVISOR COMMENTS

Audit Committee Advisor Travis Hickey congratulated Mr. Soelter on his retirement. He stated that the fraud report states that having an internal audit department, a hotline to report fraud, and ethics training as ways to combat fraud. He recognized the Agency for their good practices in preventing fraud, which many organizations overlook.

COMMITTEE MEMBER COMMENTS

Committee Member Elie wished Mr. Soelter the best in his retirement and thanked staff for their hard work. He emphasized the importance of the Internal Audit department to prevent fraud. He mentioned that in the next couple years, there will be big projects and money coming through the Agency and having the Internal Audit department will be that much more important.

Chair Parker also congratulated Mr. Soelter on his retirement.

COMMITTEE MEMBER REQUESTED FUTURE AGENDA ITEMS

There were no Committee Member requested future agenda items.

With no further business, the meeting adjourned at 10:10 a.m.

Respectfully submitted,

Sally H. Lee
Executive Assistant

*A Municipal Water District

APPROVED: AUGUST 31, 2020

INFORMATION
ITEM
2A

Date: September 16, 2020

To: The Honorable Board of Directors

Committee: Audit


From: Teresa Velarde, Manager of Internal Audit

08/31/20

Manager Contact: Teresa Velarde, Manager of Internal Audit

Subject: Human Resources Operational Audit:
Administration of Employee Training and Development Programs

Executive Summary:

Internal Audit completed an evaluation of the administration of employee training and development programs as administered by the Human Resources Department (HR). Overall, the audit found that HR is a resource to provide training opportunities. HR interprets and administers some of the Agency's training programs and related policies. The audit identified opportunities for improvement and provides recommendations for consideration:

- The goal, purpose, intent and method for measuring and calculating employee training hours, and the corresponding workload indicator, included in the Budget document, should be reevaluated and updated to ensure it is consistent with department and overall Agency goals.
- Skillsoft, the Agency's web-based training system, has multiple training resources available to employees but appears to be underutilized. HR should evaluate the intended goals of the system and consider if it is the best resource for employees and implement a plan to increase usage.
- Training records and some personnel information are stored in an outdated software system. HR is evaluating the needs for a comprehensive learning management system. HR should also evaluate records retention guidelines to ensure compliance.
- Agency Policy A-57 Training is outdated/no longer applicable, the policy should be updated or eliminated. The attached final report provides details of the observations and recommendations.

Staff's Recommendation:

This is an information item.

Budget Impact Budgeted (Y/N): N Amendment (Y/N): N Amount for Requested Approval:

Account/Project Name:

N/A

Fiscal Impact (explain if not budgeted):

N/A

Prior Board Action:

On June 17, 2020, the Board of Directors approved the Fiscal Year (FY) 2020/21 Annual Audit Plan. This review was scheduled as part of the HR Operational Audit in the FY 2019/20 Annual Audit Plan.

On December 18, 2019, the Board of Directors approved the Audit Committee and the Internal Audit Department Charters.

Environmental Determination:

Not Applicable

Business Goal:

The Human Resources Operational Audit: Administration of Employee Training and Development Programs is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices by providing an independent evaluation of the Human Resources Department, suggesting recommendations for improvements, monitoring the internal control environment of the Agency, and assisting Agency management in achieving organizational goals and objectives.


Attachments:

Attachment 1 - Human Resources Operational Audit: Administration of Employee Training and Development Programs Report

Attachment 2 - PowerPoint

DATE: August 20, 2020

TO: Shivaji Deshmukh
General Manager

FROM: 
Teresa V. Velarde
Manager of Internal Audit

**SUBJECT: Human Resources Operational Audit:
Administration of Employee Training and Development Programs**

Audit Authority

The Inland Empire Utilities Agency (IEUA or Agency) Internal Audit Department (IA) performed an audit of the administration of employee training programs by the Human Resources Department (HR). The audit was performed under the authority given by the IEUA Board of Directors and the Fiscal Year (FY) 2020/21 Annual Audit Plan. The attached report provides IA's observations and recommendations.

Audit Objective and Scope

The overall objective of the HR Operational Audit is to evaluate various processes and operations of the department and determine whether Agency policies and department-specific standard operating procedures are implemented and identify areas for improvement. The focus of this review assesses the administration processes of employee training and development programs administered through the HR Department. The objectives of this audit were to:

- Evaluate HR's goals, objectives and other workload indicators related to employee training and development programs
- Evaluate the effectiveness over administering employee training and development
- Evaluate recordkeeping processes and procedures
- Identify opportunities for improvement

IA performed the HR Operational Audit in multiple stages. To-date, IA has completed the following three audits:

- Hiring and Promotions Operations Review (dated December 2, 2019): this report evaluated policies and processes for hiring and promoting Agency employees.

- Grievance Policies and Procedures Comparable Survey (dated February 20, 2020): this report compared the Agency's Grievance process and procedures to other Agencies to evaluate current trends and best practices.
- Workload Indicators Review (dated May 29, 2020): this report evaluated the calculations and supporting documentation retained for the indicators reported by HR, along with identifying improvements and comparing to similar agencies.

This is the final HR audit report for this operational audit. IA will follow up on any outstanding audit recommendations according to the timeline outlined in the Board-approved Annual Audit Plan or as requested.

Audit Techniques:

Audit techniques included:

- Discussions with Agency staff
- Analysis of data
- Evaluation of calculations and supporting documentation
- Review of Agency policies

Audit Results – Executive Summary

Overall, HR is a resource to employees who seek training opportunities. HR interprets and administers some of the Agency-wide policy-approved programs and makes training opportunities available to employees. This review focused on the administration over training programs and identified areas for improvement, and provides observations and recommendations as summarized in the bullet points below.

- **Workload Indicator:** In the Agency's *Operating and Capital Program Budget* (budget document), HR reports the workload indicator, *Training Hours per Employee*. The indicator is meant to capture the average number of training hours each employee receives per year, for all types of training. The goal for employee training hours is set at 20 hours per fiscal year. The audit found and recommends that the goal, purpose, intent and method for measuring and calculating employee training hours be reevaluated, and if necessary, be updated to ensure it is consistent with current department and overall Agency goals. Additionally, HR should reevaluate how the data will be gathered to accurately calculate the indicator.
- **HR Training Records:** Employee training information and other personnel information are retained in ABRA, an older software system. The system is considered older technology and it has limited vendor support and capabilities, for example reports are not available. HR has researched and considered the benefits of implementing a Learning Management System, a comprehensive training system which would house on-line training programs, serve as record keeping program, have report filter capabilities and more. IA supports HR evaluating the

costs and benefits of a modern learning system and recommends HR work closely with Business Information Systems. IA also recommends HR work with Records Management to evaluate the current management and retention of records that may be beyond the department's record retention period.

- **Web-Based Training Program:** Currently, Agency employees can use Skillsoft, an online platform for training. Skillsoft has a variety of educational programs and resources. The audit noted that Skillsoft may be underutilized. IA recommends HR evaluate the purpose and goals for how to best provide online/web-based training to employees. HR agreed that additional marketing and promotion of Skillsoft is necessary to encourage greater use by the employees. Additionally, as noted above, HR has been considering a Learning Management System, which would provide training, manage data, records retention and report capabilities and more. IA supports HRs goals of exploring both options.
- **Agency Policy:** A-57 *Training* was established in 2005 and provides guidelines to monitor and document all training. HR and IA agree that the policy is outdated and no longer applicable. IA recommends the policy be updated or eliminated to ensure policy information is accurately communicated to employees. The Agency recently issued a Request for Proposal to conduct a comprehensive review of personnel policies and A-57 will be included in this review.

The Human Resources Operational Audit: Administration of Employee Training and Development Programs is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices by providing an independent evaluation of the Human Resources Department, suggesting recommendations for improvements, monitoring the internal control environment of the Agency, and assisting Agency management in achieving organizational goals and objectives.

Acknowledgements

IA would like to extend our appreciation to the HR Department staff for their cooperation and assistance during this review.

Discussions with Management

Draft audit reports were provided to the HR Department staff for their review and input; prior to finalizing, where possible, their comments have been incorporated.

Background

HR administers and oversees most of the Agency's Employee Training and Development Programs and approves for processing, the various incentive payments for professional certifications, according to Agency policies and personnel manuals. HR-sponsored training is designed to increase an employee's technical skills, knowledge and abilities for the current job/position, while employee development is a process to improve employee's overall growth. Additionally, HR administers mandatory required training.

The Department's mission statement, description and purpose, documented in the Agency's *Operating and Capital Program Budget FY 2019/20 and 2020/21 (Budget Document)* states the following:

HUMAN RESOURCES

MISSION STATEMENT

Assist in providing effective and efficient support to the Agency's most valued asset, its employees. The Department strives to ensure the successful selection and retention of the best qualified candidates, the implementation of valuable benefits, the maintenance and enhancement of staff skills through training, and the resolution of personnel issues in a timely manner with the highest standards of confidentiality, integrity, courtesy, and respect.

DESCRIPTION AND PURPOSE

The Human Resources (HR) Department strives to promote progressive practices in the following areas: recruitment and retention; application of the Memorandums of Understanding and Personnel Manuals for the various bargaining units; sustainment of positive labor relations with all employee bargaining units; benefits; development of the Agency's training program; compliance with State and Federal regulations such as the Family Medical Leave Act, Americans with Disabilities Act, Affordable Care Act and COBRA. In addition, the HR Department is charged with discovering new ways to motivate staff and provide a rewarding work environment for Agency employees. The Human Resources staff serves as advisors, consultants, and organizational champions for the Agency.

Agency-wide Expenses for Training, Education and Employee Development

The table below shows the total Agency-wide expenses incurred for Training, Education and Employee Development by IEUA and Inland Empire Regional Composting Authority (IERCA) for the previous four fiscal years (FY), taken from SAP, Agency's financial system:

	Description	FY			
		2016/17	2017/18	2018/19	2019/20
IEUA	Employee Training – Agency	\$ 30,362	\$ 54,822	\$ 67,235	\$ 60,871
	Employee Training – Department	305,481	160,015	200,308	267,124
	Employee Education Reimbursement	21,909	10,331	23,303	10,880
	Employee Certification Fees/Licenses	18,844	17,177	11,639	26,130
	Conference Expenses	39,673	34,096	41,054	35,954
	Professional Services – Training Consultant	17,165	78,835	109,114	109,883
IERCA	Employee Training – Department	7,800	7,400	-	-
Totals		\$441,234	\$362,677	\$452,653	\$510,842

Training Expenses – Not Administered by HR

The Agency has a policy to approve specialized/specific training and education programs to further enhance career and training. Job specialty and specific training or certification training is planned and approved by employees and their direct supervisors/managers. HR currently does not have a role in other department-specific and/or specialized training, for example, for licenses and certification. Education hosted or approved for employees by their supervisors, for example specialized training for a specific certification, license and continuing professional education to maintain those certifications and licenses, such training is the responsibility of the employee and their supervisor. The table below outlines the training types not administered by HR.

Examples of Trainings, Seminars, Workshops, Webinars and Conferences include:

- Water Distribution, Collections, CCREF Operator Training, Control Logix, Public Contracting, Advance Governmental Accounting, Asset Management, Cybersecurity, and others.

Agency Departments - Training Expenses

	Description	FY			
		2016/17	2017/18	2018/19	2019/20
IEUA	Employee Training – Department	\$ 305,481	\$ 160,015	\$ 200,308	\$ 267,124
	Conference Expenses	39,673	34,096	41,054	35,954
IERCA	Employee Training – Department	7,800	7,400	-	-
Totals		\$352,954	\$201,511	\$241,362	\$303,078

Training Expenses for HR Administered Training Programs

The table below shows the training programs administered by HR, noting the total number of participants and costs:

Name of Programs	FY							
	2016/17		2017/18		2018/19		2019/20	
	No. of Participants	Costs	No. of Participants	Costs	No. of Participants	Costs	No. of Participants	Costs
LCW: Employee Relations Consortium (membership fee)	50	\$ 4,185	50	\$ 4,445	50	\$ 4,345	50	\$ 4,525
LCW: Harassment Prevention (\$13 per person for non-supervisory and \$23 per person for supervisory)	-	-	-	-	-	-	275	4,564
LCW: Sexual Harassment Training (Board Member and Executive Management)	-	-	-	-	-	-	6	525
Successful Hiring Training for Managers	-	-	-	-	60	11,100	-	-
Skillsoft (subscription fee for licenses)	275	37,230	275	37,230	275	37,230	305	40,464
Cal Poly Pomona: Local Government Supervisory Program (\$425 per person)	-	-	5	2,125	-	-	6	2,550
Cal Poly Pomona: Leadership Academy (\$875 per person)	-	-	-	-	3	2,625	14	12,250
Generational Difference & Diversity Inclusion	-	-	-	-	70	4,769	-	-
Brown Bag Series	-	-	-	-	-	-	100 or more	Direct/ Indirect costs
Totals	325	\$ 41,415	330	\$ 43,800	458	\$60,069	756	\$65,060
Average Per Employee per FY	\$127		\$132		\$131		\$86	

According to this analysis, HR administers employee training programs costing approximately \$86 to \$132 per participant per year, spending approximately \$40,000 to \$60,000 each fiscal year, to administer Agency-wide programs. This total does not include other indirect costs, such as HR staff time to plan, coordinate and manage the training programs.

The Career Management Program, an employee development program, was sponsored by Agency management not HR. For this program, HR provided administration support to managers and participants, and paid \$15,445 of the program's costs from the department's budget in FY 18/19. All other program expenses were incurred by the Agency Management cost center.

Employee Training Programs Administered by HR

The HR Department facilitates Agency-wide employee training and development, such as mandated harassment and drug/alcohol training, labor relation education through Liebert Cassidy Whitmore (LCW), and supervisory and leadership development, as shown in the table below:

Education/Development Program	Delivery Format	Frequency of Training for Employees	Eligible Employees	Training Description
LCW: Employee Relations Consortium	Online In-person	Annual	Supervisors/ Managers and some employees	A membership with library subscription and provides access to LCW workbooks, model policies, checklists, 5 days of training, workshops, monthly client updates, and telephone consultation.
LCW: Harassment Prevention	Online and/or in person	Every two years	Managers, Executives and Board	Mandatory biennial training on Sexual/ Workplace Harassment. Supervisors are required to receive 2 hours of training, employees receive 1 hour of training. Additionally, training was also provided to Board Members and Executive Management.
Successful Hiring Training for Managers	In-person	One-time	Managers & Supervisors	Training for Managers on Successful Hiring
Skillsoft	Online	On-going	All Agency Employees	Subscription (275 User Licenses) for online web-based learning and training software that provides an on-demand library with various courses on Microsoft Office Suite programs, management and leadership skills, etc. Cost-effective approach to address performance improvement and development needs of employees.
Cal Poly Pomona - Local Government Supervisory Program	In-person	Based on program availability and by referral of candidate	2-4 supervisors per year	Program conducted through the College of Extended University. A supervisory training program that provides tool and techniques for supervisors to perform effective in their role.
Cal Poly Pomona - Leadership Academy	In-person	Based on program availability and by referral of candidate	2-4 employees per year	Program conducted through the College of Extended University. Program focuses on leadership and managerial effectiveness through the development of effective communication, strategic thinking and innovative ways to negotiate and foster collaboration within local government.
Generational Difference & Diversity Inclusion	In-person	One-time	Supervisors, Managers, and HR	Training provided on differences in the workforce by generation and workplace sensitivity training.
Brown Bag Series	Online	Monthly	All Agency employees	A series facilitated by Agency staff that provide high-level presentations on Agency's functions, programs, and IEUA's role in the regional water industry. Started as of May 2020 and onwards.

Observations and Recommendations

Overall, HR is a resource to employees who seek training opportunities. HR interprets and administers the Agency's policies and personnel manuals and makes training opportunities available. This review focused on the administration over training programs and identified areas for improvement and provides observations and recommendations.

Workload Indicator: Training Hours Per Employee

Workload indicators measure/capture the total of an output for a department. The indicator should be a measurement of the department goals and objectives and should reflect the end results and services provided. Additionally, workload indicators should be developed with the overall goals and objectives of the Agency in mind.

Observation 1:

The purpose and intent of the workload indicator "Training Hours Per Employee", currently set at 20 hours per employee, should be reevaluated by the HR Department to ensure it captures the intended information and to ensure it is still current and consistent with the department's goals and the Agency's overall goals. Additionally, the data used to calculate Training Hours Per Employee should also be reviewed and reevaluated to ensure it calculates the correct information.

In the Agency's budget document, HR reports 13 workload indicators that provide information about the department's activities. One workload indicator "*Training Hours per Employee*" is meant to capture the average number of all training hours received by each employee, including training administered by HR, Safety Tailgate training administered through Safety and department/specialty specific training administered through the employees department. The indicator may not capture all training taken by the employees. The audit noted opportunities to improve capturing, calculating and reporting the training hours.

Workload Indicator Data & Calculation

Training Hours Per Employee is calculated as follows:

$$\frac{\text{Total number of hours charged to the Agency's SAP codes for training}}{\text{Number of Skillsoft Licenses}} = \text{Training Hours per Employee}$$

Using the Agency's Budget documents, IA compared target and actual hours for the last four FYs as reported in the respective budget documents:

Training Hours Per Employee			
FY	Target	Actual	Variance
2016/17	20	16	(4)
2017/18	20	19	(1)
2018/19	20	22	2
2019/20	20	23	3

As employees complete training, they are to track those training hours, on their timesheets, to training codes set up in the Agency's Enterprise Resource Planning system, SAP. Annually, HR generates a report using SAP transaction code: CATS_DA and attendance time type (1005 to 1006). The total number of hours that were coded to these training codes is divided by the number of authorized Skillsoft licenses (275). Skillsoft is the Agency's web-based/on-line training program administered through HR. HR provided IA supporting data to demonstrate how the workload indicator was calculated. Using the information provided, IA compiled the table below that summarizes statistical information about the indicator and verified the calculation:

Statistic information	FY			
	2016/17	2017/18	2018/19	2019/20
Total Number of Training Hours from SAP report	4,613.96	5,404.38	6,095.55	6,508.28
Number of Authorized Skillsoft licenses	275	275	275	275 (75%) + 305 (25%) ⁽¹⁾
Number of Employees that charged to Attendance Time type 1005 (Training Hours – Safety)	107	115	109	101
Number of Employees that charged to Attendance Time type 1006 (Training Hours – Other)	122	123	114	110
Total number of Employees that charged to both Attendance Time type 1005 and 1006	139	140	131	128
Average Number of Filled Positions	266	267	264	265
Percentage of employees that charged to Attendance Time Type 1005 and 1006	52%	52%	50%	48%

(1) Licenses were increased from 275 to 305 for the last 3 months of the FY to include interns and limited term employees to encourage additional training during "work-from home." The training hours calculation for FY 19/20 was based on 275 licenses for 75% and 305 licenses for 25% of the year.

IA noted the following observations:

Reevaluate the 20 hours of training as a goal for all Agency employees

HR was not able to provide a reason for how or why the training hours per employee are currently set at 20 hours. IA recommends HR reevaluate the purpose and intent of the indicator and the total hours to ensure it captures the intended information and to ensure it is still current and consistent with the department's goals and the Agency's overall goals. HR should consider if 20 hours includes all mandatory Safety Tailgate Topics, other Safety-related training and other mandated training.

Types of training included in the Workload Indicator

According to HR, this workload indicator intends to capture ALL training, including HR-sponsored training, department-specific training and Safety Tailgate Trainings. HR should determine the type of training that should be captured, and if the intent is to capture all types of training through the total hours coded in SAP. HR should communicate and periodically remind employees and supervisors to accurately code time in SAP to ensure all training time is captured through employees' timesheets. Based on the data shown above, currently, only 48%-52% of employees code time to training, meaning that either not all employees take training or not all employees code their training time correctly.

Calculation of the Workload Indicator

The calculation applied to derive training hours per employee should be evaluated and adjusted/changed to more accurately capture all training hours. Currently, HR takes the total number of hours charged to two different codes in SAP and divides the total hours by the number of Skillsoft licenses. This may not appear to be an accurate measure or calculation of the training hours provided to all employees because as indicated above, potentially not all training is accurately coded and more importantly, the total number of licensed Skillsoft users is not representative of all the employees who participate in HR-administered training. This indicator may not reflect actual hours of training because, some employees are not coding their time to training at the time of completing timesheets. As seen in the chart above approximately 50% of employees are coding their training time. Additionally, some training is not provided through Skillsoft or through HR, since some employees take outside training specific for their jobs, all employees are required to complete mandated training whether they have a Skillsoft license or not and all employees are required to complete the Safety Tailgate Training trainings not offered through Skillsoft. For these reasons, the calculation should be reevaluated and updated.

Periodic reminders or communication to employees about coding time in SAP

The audit noted that the total hours may not be inclusive of all training provided to employees. All training hours may not be captured on the timesheets because employees may not always charge their time to training and other department-specific training may not be included. The chart above shows that approximately 50% of employees charge time to training. HR relies on the total number of hours coded to training in the Agency's ERP system to calculate the workload indicator. If HR plans to rely on the total hours coded in SAP, HR should consider providing periodic reminders to employees about how their time should be coded.

2020 Recommendation #1

HR should re-evaluate the purpose and objective of the "Training Hours per Employee" Workload Indicator reported in the Agency's Budget document, determine what the indicator is intended to measure, capture and report and how the indicator aligns with the department's goals and the overall Agency goals and objectives.

2020 Recommendation #2

HR should re-evaluate the calculation applied for "Training Hours per Employee" to ensure it is capturing the intended type of training. If the intent is to capture all training including training not administered through HR, periodically remind employees, supervisors and managers to appropriately code each type of training on timesheets to ensure the needed information is captured for the Workload Indicator.

Record Keeping and Software Systems

Observation 2:

Training information and records are recorded and retained in an information system that may be outdated with limited vendor support and contains minimal report/analysis capabilities. Additionally, the information may not be managed and retained according to Records Retention Schedules and guidelines.

HR uses the ABRA software system to document and retain Training information that has been completed by Agency employees. ABRA is also used to access historical personnel information as required. HR uses various sources to track training participation and completion, including sign-in sheets, certificates of completion, SAP time entry reports, and reports provided from workshops/courses.

The bullet points below provide information about the ABRA software system:

- HR's information system prior to the implementation of the Agency's ERP system, SAP.
- Updated annually when the vendor releases software updates. Occasional updates are applied on an ad-hoc basis to address security issues and/or vulnerabilities.
- Data from the legacy system cannot easily migrate over into newer information systems.
- Contains the Agency's personnel records from 1998 to 2013, and the training records from 2013 to the present. Employment records are static as of 2013 and prior.
- Training records must be manually inputted to record. No documents or attachments can be uploaded nor retained as supporting information of the training.
- Reports and dashboards and/or real-time tracking/assignments are unavailable.
- No customized reporting capabilities.
- Employee training history can only be provided by HR to Managers/Supervisors when requested.

Currently, the Agency's ERP system, SAP, implemented in 2007, is not utilized to record Training information but may have the capability to do so. The challenge with moving to SAP would be that data prior to 2013 may not be migrated from ABRA, but is still required by HR. HR continues to utilize ABRA to track Training information, while SAP is the centralized system used by the Agency to record personnel information, time and attendance, procurement of goods and services, financial and budgetary information, payroll, vendor payments, and so on. For HR, ABRA still fulfills a mechanism to track and document Training records and retention of the Agency's historical personnel information (1998 to 2013).

IA recommends HR re-evaluate their own technology needs for training and record retention as well as report capabilities, etc. and to work closely with Business Information Systems (BIS) and Records Management to ensure software needs are evaluated and addressed and ensure compliance with record retention guidelines.

2020 Recommendation #3

HR should take the lead to work with Records Management on the record retention needs of the department and ensure the information in ABRA is managed and follows the recommended record retention guidelines to ensure the Agency complies with any requests and to minimize any potential risks of retaining older personnel records in the ABRA system.

Skillsoft

Observation 3:

Skillsoft, the Agency's web-based and online training software library, appears to be underutilized. HR should determine if Skillsoft serves the training needs of employees and determine a plan to increase the use of the resources available.

Skillsoft is an online training program to supplement additional training and is available to most Agency employees from any computer through a website. The cost to have Skillsoft as an available online training resource was \$37,230 in FY 2018/19 and \$40,464 in FY 2019/20. Skillsoft has a large virtual library that includes: 515 books, 520 courses, 264 videos, and 2,648 other materials, with a total of 3,947 resources available as training. The following table provides examples of the types of training resources offered:

Skillsoft Library

Topics:	Examples include:
Business Skills	<u>Books:</u> Pocket Guide to Managing Stress, Accounting for Non-Accountants, etc. <u>Courses:</u> Plan and Manage Project Communications, etc. <u>Videos:</u> Holding Yourself Accountable, etc. <u>Resources:</u> The Control Stakeholder Engagement Process, etc.
Compliance	<u>Courses:</u> First-Aid: CPR, Global Safety Principles: Respiratory Protection, etc. <u>Resources:</u> Procedures for Lockout/Tagout, Electrical Hazards, Loading Handling, etc.
Productivity & Collaboration Tools	<u>Books:</u> Advance Excel 2016 Training Guide, Access 2016 in Easy Steps, etc. <u>Courses:</u> Pivot Table Filters, Calculations, and PowerPivot, etc. <u>Resources:</u> Data Analysis Tools, Tables Common Properties, Custom Format Codes, etc.
Engineering	<u>Books:</u> How to do Systems Analysis: Primer and Casebook, etc.
Government	<u>Books:</u> Getting Unstuck: 8 Simple Steps to Solving Any Problem, etc.
IT Skills	<u>Books:</u> C# 7.0 All-in-One for Dummies, Cloud Computing: A Self-Teaching Introduction, etc. <u>Courses:</u> Project Stakeholder Management, Developing and Controlling the Project Schedule, etc. <u>Resources:</u> Creating a Stakeholder Management Plan, Strategies for Stakeholder Engagement,
Well-Being	<u>Books:</u> Mindfulness at Work: How to Avoid Stress, Achieve More and Enjoy Life, etc.
Certification	<u>Books:</u> A Guide to the Project A Guide to the Project Management Body of Knowledge, etc. <u>Courses & Resources:</u> Same courses listed in Productivity & Collaboration Tools category, etc.
Collections	<u>Books:</u> MIT Sloan Management Review on the Agile Leader: Perseverance and Flexibility, etc. <u>Videos:</u> Mindfulness Is a Powerful Tool, Keeping Momentum Going During Times of Change, etc.
Skillsoft Aspire	<u>Books:</u> Software Development, Design and Coding: With Patterns, Hacking the Hacker: Learn from the Experts Who Take Down hackers, Scrum in Easy Steps, etc.
Business Continuity	<u>Videos:</u> Reach Outside Your Comfort Zone, etc.

From the Skillsoft system, HR provided the following statistical usage information:

Skillsoft's Metrics	Statistics		Year to Year change
	FY 2018/19	July 2019/20*	
Number of Authorized Licenses	275	275	no change
Number of Participating Users	22	62	65% increase
Number of Non-Participating Users	249	208	17% decrease
Number of User Logins	181	713	75% increase
Number of Distinct User Logins	27	87	69% increase
Training Time (number of hours logged within the last 12 months)	60	130	54% increase

*Information ran and provided on July 22, 2020

Ratios calculated by IA:	FY 2018/19	July 2019/20*	Change
Percentage of Skillsoft system being utilized	8%	23%	15% increase
Percentage of Skillsoft system not being utilized	92%	77%	14% decrease
Distinct user logins compared to total authorized licenses (represents: unique users vs. available licenses which represents % of employees actually utilizing system)	10%	32%	22% increase
Agency cost per "Participating User" (FY cost divided by Number of Participating Users, as provided by Skillsoft – represents the cost per participating employee)	\$1,692	\$652	Decrease in cost per user

Effective March 2020, due to the global pandemic (COVID-19) and Governor Newsom's executive order N-33-20 (stay-at-home orders), this triggered an increase in the number of logins and system usage for Skillsoft because employees were able to take advantage of on-line training tools. Skillsoft logins and usage increased, almost doubled when compared from prior year.

Even with the increased use and the additional logins, only 32% of employees with a license to access Skillsoft are utilizing a training system with approximately 4,000 resources and costing the Agency approximately \$40,000/year. HR should reevaluate the need for Skillsoft, determine if it is the best resource to supplement for training and have a plan of action to increase and encourage utilization. To address the overall underutilization of Skillsoft, HR plans to increase future marketing of Skillsoft including sending emails, advertising in the IEUA Weekly or the Wave, hosting "How to" sessions, and coaching supervisors/managers to incorporate the Skillsoft system as part of performance appraisals.

As stated above, HR plans to research and evaluate the possibility of adopting a Learning Management System (LMS) program/module to see if this type of software would better serve the Agency's Training program. LMS is a software application for the administration, documentation, tracking, reporting, automation, assignment and delivery of training programs, educational courses, and/or learning and development programs.

IA encourages and recommends HR to evaluate the costs and benefits of adopting both, the increase marketing and use of Skillsoft to increase its use for training and development and continue to evaluate the benefits of adopting a Learning Management System program to meet Agency goals for employee training and development.

2020 Recommendation #4

HR should reevaluate Skillsoft as a training resource and consider establishing goals and objectives for the utilization of Skillsoft for employee training and development. Additionally, if HR determines Skillsoft is a beneficial training resource, HR should implement plans to increase utilization of Skillsoft.

Agency Policy

Observation 4:

Agency Policy A-57 Training is outdated and does not reflect the current Agency's training practices.

Agency Policy A-57, *Training Policy* (effective date: July 15, 2005) establishes the procedures to monitor and document all training events taking place within the Agency. IA reviewed the Agency Policy A-57 and observed the following:

- Policy is out-of-date and no revisions have been made since 2005.
- Policy refers to departments and positions that no longer exist at the Agency.
- Policy refers to two forms (Request for Training and Training Completed) that are no longer utilized.
- Policy refers to the submittal of a quarterly training summary to the Board of Directors on the type of training completed by employees and this practice is no longer used.

Having outdated or inconsistent policy information can create confusion for staff and procedures can be incorrectly and/or inconsistently applied. Good internal controls require formal written policies and procedures to ensure consistency and accuracy in executing processes and assist to mitigate the risks and achievement of the Agency's business objectives. Policies and procedures should be reviewed periodically to ensure they are updated and consistent with current business practices.

The HR Department stated there are current plans to perform a thorough evaluation of all personnel policies, including Agency policies, Memorandums of Understanding, At-will resolution/ordinance, etc. The purpose of this review would be to update the documents and include the Agency's commitment to professional development and continuous learning. In August 2020, a Request for Proposal (RFP) was issued seeking proposals from external parties for professional services on a "comprehensive policy-review". The RFP lists the specifications and expectations by the HR Department, and selection is anticipated to occur in September 2020.

IA has provided numerous recommendations on Agency's policies, administrative codes, and ordinances throughout the various audits completed to date. IA is readily available to assist in reviewing Agency policies and/or any other documents to provide suggestions, comments, and/or recommendations for consideration by the department and Agency.

2020 Recommendation #5

HR should determine the need to either delete or update Agency Policy A-57.

HR agrees with Internal Audit's observations and recommendations. Please contact IA for additional information or details about this review.

The Human Resources Operational Audit: Administration of Employee Training and Development Programs is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices by providing an independent evaluation of the Human Resources Department, suggesting recommendations for improvements, monitoring the internal control environment of the Agency, and assisting Agency management in achieving organizational goals and objectives.

Attachment 1

2020 Audit Recommendations provided in the report.

Rec #	Recommendations
1	HR should re-evaluate the purpose and objective of the "Training Hours per Employee" Workload Indicator reported in the Agency's Budget document, determine what the indicator is intended to measure, capture and report and how the indicator aligns with the department's goals and the overall Agency goals and objectives.
2	HR should re-evaluate the calculation applied for "Training Hours per Employee" to ensure it is capturing the intended type of training. If the intent is to capture all training including training not administered through HR, periodically remind employees, supervisors and managers to appropriately code each type of training on timesheets to ensure the needed information is captured for the Workload Indicator.
3	HR should take the lead to work with Records Management on the record retention needs of the department and ensure the information in ABRA is managed and follows the recommended record retention guidelines to ensure the Agency complies with any requests and to minimize any potential risks of retaining older personnel records in the ABRA system.
4	HR should reevaluate Skillsoft as a training resource and consider establishing goals and objectives for the utilization of Skillsoft for employee training and development. Additionally, if HR determines Skillsoft is a beneficial training resource, HR should implement plans to increase utilization of Skillsoft.
5	HR should determine the need to either delete or update Agency Policy A-57.

Audit Committee Meeting

Human Resources Operational Audit: Administration of Training and Development Programs



Human Resources Audit:

Administration of Training and Development Programs

Agency-wide Expenses for Training, Education and Employee Development					
	Description	FY			
		2016/17	2017/18	2018/19	2019/20
IEUA	Employee Training – Agency	\$ 30,362	\$ 54,822	\$ 67,235	\$ 60,871
	Employee Training – Department	305,481	160,015	200,308	267,124
	Employee Education Reimbursement	21,909	10,331	23,303	10,880
	Employee Certification Fees/Licenses	18,844	17,177	11,639	26,130
	Conference Expenses	39,673	34,096	41,054	35,954
	Professional Services – Training Consultant	17,165	78,835	109,114	109,883
IERCA	Employee Training – Department	7,800	7,400	-	-
Totals		\$441,234	\$362,677	\$452,653	\$510,842

Training Expenses – Not Administered by HR					
	Description	FY			
		2016/17	2017/18	2018/19	2019/20
IEUA	Employee Training – Department	\$ 305,481	\$ 160,015	\$ 200,308	\$ 267,124
	Conference Expenses	39,673	34,096	41,054	35,954
IERCA	Employee Training – Department	7,800	7,400	-	-
	Totals	\$352,954	\$201,511	\$241,362	\$303,078

Human Resources:

Administration of Training and Development Programs

Training programs: Costs and Participation

Name of Programs	FY							
	2016/17		2017/18		2018/19		2019/20	
	No. of Participants	Costs	No. of Participants	Costs	No. of Participants	Costs	No. of Participants	Costs
LCW: Employee Relations Consortium (membership fee)	50	\$ 4,185	50	\$ 4,445	50	\$ 4,345	50	\$ 4,525
LCW: Harassment Prevention (\$13 per person for non-supervisory and \$23 per person for supervisory)	-	-	-	-	-	-	275	4,564
LCW: Sexual Harassment Training (Board Member and Executive Management)	-	-	-	-	-	-	6	525
Successful Hiring Training for Managers	-	-	-	-	60	11,100	-	-
Skillsoft (subscription fee)	275	37,230	275	37,230	275	37,230	305	40,464
Cal Poly Pomona: Local Government Supervisory Program (\$425 per person)	-	-	5	2,125	-	-	6	2,550
CPP: Leadership Academy (\$875 per person)	-	-	-	-	3	2,625	14	12,250
Generational Difference & Diversity Inclusion	-	-	-	-	70	4,769	-	-
Brown Bag Series	-	-	-	-	-	-	100 or more	Direct/ Indirect costs
Totals	325	\$ 41,415	330	\$ 43,800	458	\$60,069	756	\$65,060
Average Per Employee per FY	\$127		\$132		\$131		\$86	

Human Resources:

Administration of Training and Development Programs

Statistic information	FY			
	2016/17	2017/18	2018/19	2019/20
Total Number of Training Hours from SAP report	4,613.96	5,404.38	6,095.55	6,508.28
Number of Authorized Skillsoft licenses	275	275	275	275 (75%) + 305 (25%) ⁽¹⁾
Number of Employees that charged to Attendance Time type 1005 (Training Hours – Safety)	107	115	109	101
Number of Employees that charged to Attendance Time type 1006 (Training Hours – Other)	122	123	114	110
Total number of Employees that charged to both Attendance Time type 1005 and 1006	139	140	131	128
Average Number of Filled Positions	266	267	264	265
Percentage of employees that charged to Attendance Time Type 1005 and 1006	52%	52%	50%	48%

Human Resources: Administration of Training and Development Programs

2020 Recommendation #1

HR should re-evaluate the purpose and objective of the “Training Hours per Employee” Workload Indicator reported in the Agency’s Budget document, determine what the indicator is intended to measure, capture and report and how the indicator aligns with the department’s goals and the overall Agency goals and objectives.

2020 Recommendation #2

HR should re-evaluate the calculation applied for “Training Hours per Employee” to ensure it is capturing the intended type of training. If the intent is to capture all training including training not administered through HR, periodically remind employees, supervisors and managers to appropriately code each type of training on timesheets to ensure the needed information is captured for the Workload Indicator.

Training Hours Per Employee			
FY	Target	Actual	Variance
2017	20	16	(4)
2018	20	19	(1)
2019	20	22	2
2020	20	23	3

Skillsoft: On-line/Web-based Training Program

Skillsoft's Metrics	Statistics		Year to Year change
	FY 2018/19	July 2019/20*	
Number of Authorized Licenses	275	275	no change
Number of Participating Users	22	62	65% increase
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*Information ran and provided on July 22, 2020

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Agency cost per "Participating User" (FY cost divided by Number of Participating Users, as provided by Skillsoft – represents the cost per participating employee)	\$1,692	\$652	Decrease in cost per user

Human Resources:

Administration of Training and Development Programs

2020 Recommendation #3

HR should take the lead to work with Records Management on the record retention needs of the department and ensure the information in ABRA is managed and follows the recommended record retention guidelines to ensure the Agency complies with any requests and to minimize any potential risks of retaining older personnel records in the ABRA system

2020 Recommendation #4

HR should reevaluate Skillsoft as a training resource and consider establishing goals and objectives for the utilization of Skillsoft for employee training and development. Additionally, if HR determines Skillsoft is a beneficial training resource, HR should implement plans to increase utilization of Skillsoft.

2020 Recommendation #5

HR should determine the need to either delete or update Agency Policy A-57.

Discussion & Questions

The Human Resources Operational Audit: Administration of Employee Training and Development Programs is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices by providing an independent evaluation of the Human Resources Department, suggesting recommendations for improvements, monitoring the internal control environment of the Agency, and assisting Agency management in achieving organizational goals and objectives.

INFORMATION
ITEM
2B

Date: September 16, 2020

To: The Honorable Board of Directors

Committee: Audit


From: Teresa Velarde, Manager of Internal Audit

08/31/20

Manager Contact: Teresa Velarde, Manager of Internal Audit

Subject: Garden In Every School® Program – Follow-Up Review

Executive Summary:

The Internal Audit Department Charter requires Internal Audit (IA) to follow-up on outstanding recommendations to evaluate corrective actions. Follow-up reviews are scheduled through the Board-approved Annual Audit Plan and Executive Management supports the implementation efforts of the audit recommendations. IA completed a review of one outstanding recommendation from the Garden In Every School® Program (GIES) audit completed in 2018. The original recommendation suggested External Affairs (EA) perform periodic audits of installed gardens to ensure gardens are being maintained and utilized for hands-on educational activities. The current pandemic has resulted in school closures. At this time, EA staff cannot perform in-person evaluations to determine the status of the gardens. Gardens may not be currently maintained or used for hands-on learning activities. EA plans to work with program participants to develop plans to implement the recommendation once schools reopen and activities resume. Currently, EA is also looking at options to work with program participants and provide them with support while schools are closed, as well as working closely to plan how the program will resume once schools reopen. This recommendation is considered closed and no longer applicable. IA defers evaluating the GIES program during a future audit as planned through the Board-approved Annual Audit Plan or as requested once the program resumes.

Staff's Recommendation:

This is an information item.

Budget Impact Budgeted (Y/N): N Amendment (Y/N): N Amount for Requested Approval:

Account/Project Name:

N/A

Fiscal Impact (explain if not budgeted):

N/A

Prior Board Action:

On March 18, 2020, the Board received and filed the first follow-up report for the Garden In Every School® Program. On June 20, 2018, the Board received and filed the original Garden In Every School® Program audit report dated May 31, 2018.

On June 17, 2020, the Board approved the Fiscal Year 2020/21 Annual Audit Plan. This follow-up audit was scheduled as part of the Annual Audit Plan.

Environmental Determination:

Not Applicable

Business Goal:

The Garden In Every School® Program – Follow-Up Review is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices by ensuring that IA's evaluations provide recommendations that foster a strong control environment, safeguard assets, promote a safe work environment and assist management in achieving organizational goals and objectives.

Attachments:


Attachment 1 - Garden In Every School® Program – Follow-Up Review
Attachment 2 - PowerPoint



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DATE: August 13, 2020

TO: Shivaji Deshmukh
General Manager

FROM: 
Teresa V. Velarde
Manager of Internal Audit

SUBJECT: Garden In Every School Program® – Follow-Up Review

Audit Authority

The Inland Empire Utilities Agency Internal Audit Department (IA) completed a follow-up review of one recommendation related to the Garden in Every School® (GIES) program. This follow-up review was performed under the authority given by the IEUA Board of Directors and the Fiscal Year (FY) 2020/21 Annual Audit Plan. Additionally, the IAD Charter states that IA must follow up on outstanding recommendations to ensure that corrective actions have been implemented.

Audit Scope

The objective of the review was to evaluate the implementation status of one remaining outstanding recommendation from the original review completed in 2018.

Executive Summary

IA had previously made several recommendations related to the Garden In Every School® program. All prior recommendations have been addressed. One recommendation remained outstanding which suggested that the department meet with all related parties (School administration, the Conservation District, and Agency staff) to perform periodic audits of the installed gardens to ensure that the gardens continue to be well maintained and are being utilized for hands-on educational activities.

At this time, this recommendation is considered closed and no longer applicable. The current global pandemic has resulted in the closure of schools within the Agency's service area. As a result, there are currently no known plans to have the gardens maintained and utilized for hands-on educational purposes. Due to this situation, External Affairs staff (EA) cannot follow-up on how the gardens are maintained and/or if they are being used for educational purposes. EA has indicated that in the future, once schools reopen, staff plans to reach out to the schools to follow up with program participants on the implementation of plans for the continued maintenance and educational use of existing gardens. Currently, EA has been working on developing alternative plans for the GIES program and is looking for feedback from program participants to determine how best to serve and assist them during school closures.

Water Smart - Thinking in Terms of Tomorrow

Kati Parker
President

Jasmin A. Hall
Vice President

Steven J. Elie
Secretary/Treasurer

Michael E. Camacho
Director

Paul Hofer
Director

Shivaji Deshmukh
General Manager

Original Recommendation:

The following is the original recommendation provided in the 2018 Audit Report:

2018 Original Recommendation #7:

Agency staff should develop a post-implementation evaluation of gardens after they have been in existence for an agreed upon amount of time. The purpose would be to gather feedback and information about the materials and equipment used for installing the garden and ensure these meet the school's needs or if anything needs to change. All parties involved in the installation, including Agency staff and most importantly the contractor, CBWCD should observe and discuss the following:

- Best materials for garden creation
- Irrigation effectiveness and how to best demonstrate water-use efficiency
- Timer systems effectiveness and access to electricity
- Programmatic implications for the school's curriculum
- Proportion of the students with access or involvement with the garden

Status: NO LONGER APPLICABLE/CLOSED

In May of 2018, the original audit found that there was no follow-up evaluation performed by EA or the subcontractor after gardens had been installed and in use for several years. Prior to 2020, EA would receive feedback from online surveys and perform annual "lessons learned" exercises to obtain insight on program improvements. After IA's original audit and the first follow-up review, EA planned to add additional contract language to include long-term inspections as part of the subcontractor's terms and conditions. Alternatively, EA had considered to perform their own long-term inspections to obtain information that would improve future garden installations.

Due to the current global pandemic and continued closure of schools, at this time EA is not able to perform on-site inspections of gardens because schools have been closed. At this time, EA cannot follow-up to perform "in-person" spot checks to determine the status and/or maintenance of the gardens because gardens are currently not being utilized for hands-on learning activities. EA plans to evaluate the implementation of this recommendation, once it is safe and feasible to visit the school gardens.

EA also indicated they are working with program participants to determine how best to provide support during school closures. EA is waiting for survey results to gather feedback from GIES® participants to determine how best to assist and provide support during this time. Additionally, EA plans to host a "virtual" Project W.E.T. workshop and gather additional feedback and provide any support they can.

Conclusion

IA will close-out this recommendation and defers reevaluating the program during a future, scheduled audit and once EA staff has had the opportunity reevaluate the program and once schools reopen and the GIES® program resumes.

Acknowledgements

IA would like to extend our appreciation to EA staff for their cooperation and assistance.

Discussion with Management

IA provided the results of this review to Andrea Carruthers, Manager of External Affairs and Kathy Besser, Executive Manager of External Affairs and Policy Development. Where possible, comments have been incorporated prior to finalizing the report.

The Garden In Every School Program® – Follow-Up Review is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices by ensuring that IA's evaluations provide recommendations that foster a strong control environment, safeguard assets, promote a safe work environment and assist management in achieving organizational goals and objectives.

TV:sn

Audit Committee Meeting

Garden In Every School® – Follow-Up Review



Garden In Every School® - Follow-Up Review

2018 Original Recommendation # 7:

Agency staff should develop a post implementation evaluation of gardens after they have been in existence for an agreed upon amount of time. The purpose would be to gather feedback and information about the materials and equipment for installing the garden and ensure these meet the school's needs or if anything needs to change. All parties involved in the installation, including Agency staff and most importantly the contractor, CBWCD should observe and discuss the following:

- Best materials for garden creation*
 - Irrigation effectiveness and how to best demonstrate water use efficiency*
 - Timer systems effectiveness and access to electricity*
 - Programmatic implications for the school's curriculum*
 - Proportion of the students with access or involvement with the garden*
- Status: Closed/No Longer Applicable**
IA to evaluate during a future audit once gardens are used for educational activities

Discussion & Questions

The Garden In Every School® Program – Follow-Up Review is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices by ensuring that IA's evaluations provide recommendations that foster a strong control environment, safeguard assets, promote a safe work environment and assist management in achieving organizational goals and objectives.

INFORMATION
ITEM
2C

Date: September 16, 2020

To: The Honorable Board of Directors

Committee: Audit


From: Teresa Velarde, Manager of Internal Audit

08/31/20

Manager Contact: Teresa Velarde, Manager of Internal Audit

Subject: Master Service Contracts - Follow-Up Review

Executive Summary:

IA evaluated the implementation status of three outstanding recommendations related to the Audit of Master Service Contracts completed in 2016. Recommendations were provided to the Engineering & Construction Management Department (E&CM) about adopting tighter controls with procurement processes and adding financial information in reports provided to the Board. The follow-up review found that all three recommendations are now considered implemented and/or are considered no longer applicable as E&CM has implemented additional controls and continues to make updates to current procedures. The original audit recommended E&CM develop more specific criteria to define the three different category levels for emergency work, including a definition for minor construction and repairs. E&CM stated that the assigned Project Manager will identify and initiate the level of emergency and handle appropriately. Additionally, all department standard operating procedures are currently under review and will be updated and shared with staff. Since the original audit, E&CM began providing additional financial information to the Board as part of the General Manager's monthly report, and going forward, E&CM will provide financial information during the department's annual update. IA defers evaluating the effectiveness of revised policies and procedures for a future audit. Details of the observations/recommendations with corrective actions are included in the report.

Staff's Recommendation:

This is an information item.

Budget Impact *Budgeted (Y/N):* N *Amendment (Y/N):* N *Amount for Requested Approval:*

Account/Project Name:

N/A

Fiscal Impact (explain if not budgeted):

N/A

Prior Board Action:

On December 21, 2016, the Board received and filed the original Audit of Master Service Contracts report, dated December 5, 2016.

On June 17, 2020, the Board approved the Fiscal Year 2020/21 Annual Audit Plan. This follow-up review was scheduled as part of the Annual Audit Plan.

On December 18, 2019, the Board approved the Audit Committee and the Internal Audit Department Charters.

Environmental Determination:

Not Applicable

Business Goal:

The Master Service Contracts – Follow-Up Review is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices by ensuring that IA's evaluations provide recommendations that foster a strong control environment, safeguard assets, promote a safe work environment and assist management in achieving organizational goals and objectives.

Attachments:

Attachment 1 - Master Service Contracts - Follow-Up Report

Attachment 2 - PowerPoint



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DATE: August 20, 2020

TO: Shivaji Deshmukh
General Manager

FROM: Teresa V. Velarde
Manager of Internal Audit

SUBJECT: Master Service Contracts – Follow-Up Review

Audit Authority

The Inland Empire Utilities Agency Internal Audit Department (IA) completed a follow-up review of the three open audit recommendations for the Engineering & Construction Management Department (E&CM) related to the Master Services Contract Audit. This follow-up review was performed under the authority given by the IEUA Board of Directors and the Fiscal Year 2020/21 Annual Audit Plan. Additionally, the IAD Charter states that IA must follow-up on outstanding recommendations to ensure that corrective actions have been implemented.

Audit Scope

The objective of the review was to evaluate the implementation status of the three remaining outstanding recommendations from the original review completed in 2016.

Executive Summary

IA had previously made recommendations to the E&CM related to adopting tighter controls over the procurement transactions related to Master Service Agreements and providing more transparent information about emergency projects to the Board.

Original Recommendation #1

Emergency projects are classified according to three levels. Level 3 emergencies are the least urgent and the work can be scheduled on a time-table set by the Agency. E&CM and CFS should consider establishing clear criteria that define the Level 3 emergency and differentiate between a Level 3 emergency procurement and routine minor construction and repairs procurements and/or determine and document whether the Level 3 designation is necessary.

Status: IMPLEMENTED/NO LONGER APPLICABLE

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General Manager

This recommendation is considered implemented/no longer applicable and closed. E&CM stated they have implemented steps to determine the level category of an emergency (Level 1, 2 or 3). Additionally, E&CM indicated they will no longer use the category type “minor construction and repairs”, eliminating the need to create a definition for it. According to E&CM, the level of an emergency is identified and initiated by the Project Manager assigned to the project. Lastly, E&CM stated that they are working with a consultant to evaluate the department’s internal policies and procedures to ensure these cover the needed information. IA advises that once department policies are updated, these be shared with all department staff. IA defers evaluating the effectiveness of the new policies and procedure to future audits, after the new policies and procedures have been implemented.

Original Recommendation #2

To ensure that the Agency communicates sufficient information about emergency procurement activity, E&CM and CFS should consider developing and providing a comprehensive monthly update of emergency procurements for the Board. The information to consider could include the current month emergency procurement activity and a year-to-date total. It may also be useful to compare current year-to-date emergency procurement activity in dollars and numbers of task orders to prior years and to the total budget. Trends can be analyzed and comparisons can be made to ensure that the Agency’s infrastructure is well maintained and emergency procurements are kept to a minimum.

Status: IMPLEMENTED

This recommendation is considered implemented and closed. The financial update provided to the Board as of November 2016 is still submitted to the Board of Directors in the monthly GM Report and provides additional financial information for the Board. IA supports and encourages E&CM’s plan to provide to the Board an annual slide with Fiscal Year End financial information as part of their annual update. This slide would provide added financial information for the Board’s review and oversight.

Original Recommendation #3

To ensure that contracts for Repairs and Minor Construction operate as intended, E&CM and CFS should consider developing specific criteria and/or additional guidance and definitions about what constitutes repairs or minor construction as compared to projects for prequalified contractors for contracts less than \$2 million. An additional control would be to consider establishing dollar maximums within the contract or the group of contractors to provide assurance that the contracts are being utilized as intended and spending is constrained.

Status: IMPLEMENTED/NO LONGER APPLICABLE

E&CM stated that the “minor construction and repairs” classification is no longer used, and there is no need to create criteria and additional guidance. E&CM indicated that the

level of an emergency is identified and initiated by the Project Manager assigned to the project. After all department operating procedures and policies have been reviewed by the consultant and updated, IA will verify the use of the appropriate classifications during a future audit. This recommendation is closed with no further action required.

Conclusion

All three recommendations are considered implemented or no longer applicable and therefore, IA will close out the three items. IA defers reevaluating construction related transactions during a future, scheduled audit.

Acknowledgements

IA would like to extend our appreciation to E&CM staff for initiating the review of the corrective actions and their cooperation and assistance.

Discussion with Management

IA provided the results of this review to Christiana Daisy, Executive Manager of Engineering/Assistant General Manager and Jerry Burke, Manager of Engineering/CM on August 12, 2020 for their review and comments. Where possible, comments have been incorporated prior to finalizing the report.

The Master Service Contracts – Follow-Up Review is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices by ensuring that IA's evaluations provide recommendations that foster a strong control environment, safeguard assets, promote a safe work environment and assist management in achieving organizational goals and objectives.

Audit Committee Meeting

Master Service Contracts – Follow-Up Review



Master Service Contracts: Follow-Up Review

Original Recommendation #1

Emergency projects are classified according to three levels. Level 3 emergencies are the least urgent and the work can be scheduled on a time-table set by the Agency. E&CM and CFS should consider establishing clear criteria that define the Level 3 emergency and differentiate between a Level 3 emergency procurement and routine minor construction and repairs procurements and/or determine and document whether the Level 3 designation is necessary.

Status: IMPLEMENTED/NO LONGER APPLICABLE

Master Service Contracts: Follow-Up Review

Original Recommendation #2

To ensure that the Agency communicates sufficient information about emergency procurement activity, E&CM and CFS should consider developing and providing a comprehensive monthly update of emergency procurements for the Board. The information to consider could include the current month emergency procurement activity and a year-to-date total. It may also be useful to compare current year-to-date emergency procurement activity in dollars and numbers of task orders to prior years and to the total budget. Trends can be analyzed and comparisons can be made to ensure that the Agency's infrastructure is well maintained and emergency procurements are kept to a minimum.

Status: IMPLEMENTED

Master Service Contracts: Follow-Up Review

Original Recommendation #3

To ensure that contracts for Repairs and Minor Construction operate as intended, E&CM and CFS should consider developing specific criteria and/or additional guidance and definitions about what constitutes repairs or minor construction as compared to projects for prequalified contractors for contracts less than \$2 million. An additional control would be to consider establishing dollar maximums within the contract or the group of contractors to provide assurance that the contracts are being utilized as intended and spending is constrained.

Status: IMPLEMENTED/NO LONGER APPLICABLE

Discussion & Questions

The Master Service Contracts: Follow-Up Review is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices by ensuring that IA's evaluations provide recommendations that foster a strong control environment, safeguard assets, promote a safe work environment and assist management in achieving organizational goals and objectives.

INFORMATION
ITEM
2D

Date: September 16, 2020

To: The Honorable Board of Directors

Committee: Audit

Teresa Velarde
From: Teresa Velarde, Manager of Internal Audit

08/31/20

Manager Contact: Teresa Velarde, Manager of Internal Audit

Subject: Internal Audit Quarterly Status Report for August 2020

Executive Summary:

The Audit Committee Charter requires that a written status report be prepared and submitted each quarter. The Internal Audit Department Quarterly Status Report includes a summary of significant internal and external audit activities for the reporting period.

During this quarter, Internal Audit (IA) staff completed one main audit and two follow up reviews and various on-going and required administrative projects. IA continues to assist with any requests for audit work, review of Agency policies and procedures, and provide recommendations to improve internal controls. The attached status report provides details and information of the audit projects.

Staff's Recommendation:

This is an information item.

Budget Impact *Budgeted (Y/N):* N *Amendment (Y/N):* N *Amount for Requested Approval:*

Account/Project Name:

N/A

Fiscal Impact (explain if not budgeted):

N/A

Prior Board Action:

On June 17, 2020, the Board of Directors approved the Fiscal Year 2020/21 Annual Audit Plan. The plan was in accordance with auditing standards and the Charter.

On December 18, 2019, the Board of Directors approved the Audit Committee and the Internal Audit Department Charters.

Environmental Determination:

Not Applicable

Business Goal:

The IA Status Report is consistent with the Agency's Business Goals of Fiscal Responsibility, Workplace Environment, and Business Practices by describing IA's progress in providing independent evaluations and audit services of Agency financial and operational activities and making recommendations for improvement, to promote a strong ethical and internal control environment, safeguarding assets and fiscal health, providing recommendations to improve efficiencies and to assist management in achieving organizational goals and objectives.

Attachments:

Attachment 1 - Internal Audit Department Quarterly Status Report for August 2020
Attachment 2 - Agencywide List of all Workload Indicators

Internal Audit Department Quarterly Status Report for August 2020

Projects Completed This Period

Project: **Human Resources Operational Audit: Administration of Employee Training and Development Programs**

Scope:

The purpose of this audit was to evaluate and assess the administration of the Agency's employee training and development programs. This review was conducted as part of a multi-phase Human Resources (HR) Operational Audit. The overall objective of this review was to evaluate HR goals and objectives related to training and development programs and evaluate effectiveness of administering those programs.

Status: **Complete**

IA worked closely with HR to gather and evaluate data and information. IA identified opportunities to improve processes and provides recommendations as summarized below:

- Workload Indicators and goals related to Employee Training and Development should be evaluated to capture the intended purpose of the information and reported in the budget document.
- The documentation and retention of training records should be managed and retained according to best practices and record retention guidelines. HR has relied on the ABRA system since 1998, an older technology with limited capabilities. IA recommends HR work with BIS and Records Management to evaluate other options and ensure compliance with record retention requirements.
- HR should consider the goals and objectives for training provided through the online/website training program. For example, additional marketing and promotion is planned for the Skillsoft program, to encourage greater use by staff. Additionally, HR has considered implementing a Learning Management System to replace Skillsoft and have access to report functions and other tools.
- Agency Policy A-57 Training should be updated or deleted because it is no longer relevant. HR has issued a Request for Proposal to conduct a comprehensive review of personnel policies, and this policy will be included in that review.

The final audit report with details of observations and recommendations is presented under a separate cover.

Project: **Garden In Every School®: Follow-Up Review**

Scope:

IA completed a follow-up evaluation of the one outstanding recommendation remaining from the original audit.

Status: **Complete**

The open recommendation suggested that the External Affairs Department (EA) implement and perform a post-evaluation review of the gardens after being in place for some time. The purpose of the periodic audits of installed gardens would be to ensure gardens are well-maintained and used for hands-on educational activities. Due to the on-going pandemic and continued closure of schools, at this time EA is not able to perform on-site inspections because schools have been closed and kids are not allowed on campus; therefore the gardens are currently not being utilized for hands-on learning activities and possibly not being maintained. EA plans to implement the recommendation in the future, once schools reopen and it is feasible and safe. During the time that schools are closed, EA is already planning ahead, and is in the process of completing a survey with member agencies to determine how best to support the GIES® program participants during school closures and when schools reopen.

The final audit report is presented under a separate cover.

Internal Audit Department Quarterly Status Report for August 2020

Project: **Master Service Contracts: Follow-Up Review**

Scope:

IA completed a follow-up evaluation of three outstanding recommendations remaining from the original audit.

Status: **Completed**

All three recommendations are now considered implemented and closed. The recommendations suggested the department adopt tighter controls over the procurement of projects under Master Service Contracts and providing more transparent information about emergency projects to the Board.

Engineering and Construction Management stated that they are currently working with a consultant to help them review and make needed updates to all department standard operating procedures. Additionally, the department has been providing additional financial information about emergency construction projects to the Board. IA will evaluate the effectiveness of the new procedures once these have been implemented.

The final audit report is presented under a separate cover.

Project: **Report on Agency-wide Evaluation of Workload Indicators**

Scope: **Evaluate and compile all Agency Workload Indicators**

Status: **Completed & In Progress**

IA compiled in a single document all Agency workload indicators. The spreadsheet was shared with all department managers for their review and updates.

A report has been completed and included as an attached report, which is presented under a separate cover

Project: **List of Open Audit Recommendations by Agency Division**

Scope:

According to the Internal Audit (IA) Department Board-approved Charter, IA is required to complete a report on all the outstanding recommendations, which is updated quarterly in a summary format and the entire report is provided annually in June of each year.

Status: **Completed**

On June 18, 2020, IA provided each of the respective Agency Divisions, a list of all the outstanding recommendations for their division along with an electronic copy of the corresponding audit report. To-date 3 departments have reached out to IA, 4 recommendations have been evaluated and closed out.

All follow-up evaluations will be acknowledged with a separate report and presented under a separate cover.

Project: **Report on Open Recommendations as of August 2020***

Scope:

The IAD Charter requires IA to follow-up on the status of outstanding recommendations to determine if corrective actions have been implemented. Follow-up reviews are scheduled through the Board-approved Annual Audit Plan. Executive Management supports the implementation efforts of the recommendations previously provided and/or the development of alternative controls to address the original risks identified.

Status: **Complete & On-going- Status of outstanding recommendations as of August 2020.**

Internal Audit Department Quarterly Status Report for August 2020

The table below provides the number of recommendations outstanding as of this Status Report. Additional details about each of the outstanding recommendations is submitted with the Annual Audit Plan each June. This summary provides an updated count of the outstanding recommendations. This summary includes new recommendations provided during this fiscal year as well as considers any recommendations cleared during the year (up to the prior quarter). A follow up review is typically scheduled between 12–24 months from the date of the original audit, to allow time for full implementation. If a recommendation is deemed not implemented, the recommendation remains outstanding or alternate controls to mitigate any risks are evaluated to determine if the risk has been addressed and the recommendation is no longer applicable. A follow up review is also scheduled sooner, if requested by the Audit Committee or Executive Management. The audited business units are encouraged to submit additional information for IA review if they determine the recommendation has been satisfied.

As shown on the following table, of the 78 recommendations:

- 18 recommendations are planned to be reviewed in the current fiscal year (approximately 23%)
- 19 recommendations are expected to be reviewed in the following fiscal year (approximately 24%)
- 41 recommendations that are highlighted in gray do not require follow-up as the issuance date is within the last 18 months (approximately 53%).

Area Audited	Report Issued Date	No. of Recs. Remaining to be Verified by IA*	Planned Follow-Up
Accounts Payable Follow-Up (Deferred Recommendations related to Agency Policies)	August 29, 2013	2	FY 2021
Follow-Up – IT Equipment Audit – ISS	February 29, 2016	2	FY 2021
Master Trade Contracts	September 1, 2016	5	FY 2021
Follow-Up – IT Equipment Audit – FAD	December 5, 2016	6	FY 2021
Audit of Master Services Contracts	December 5, 2016	3	FY 2021
2017 Petty Cash Audit & Follow-Up Review	June 5, 2017	7	FY 2021
Water Use Efficiency Programs Audit	June 5, 2017	6	FY 2022
Contracts and Procurement Follow-Up Audit	August 30, 2017	1	FY 2022
Payroll Operations Audit	August 30, 2017	5	FY 2022
Procurement Card Audit	March 1, 2018	7	FY 2022
Wire Transfers Audit	March 1, 2018	4	FY 2022
Garden in Every School	May 31, 2018	1	FY 2022
Inter-fund Transactions Audit	August 30, 2018	1	FY 2023
Agency Vehicle Operational Follow-up audit: Review of Vehicle Inventory Procedures	November 29, 2018	3	FY 2023
Water Connection Fees Audit	February 25, 2019	5	FY 2023
Accounts Payable Follow-Up Audit	May 30, 2019	4	FY 2024
Voyager Fuel Card Audit	May 30, 2019	4	FY 2024
Human Resources Audit: Hiring and Promotions Operations Review	December 2, 2019	7	FY 2024
Recycled Water Revenues Audit	May 28, 2020	3	FY 2024
Human Resources: Workload Indicators Review	May 29, 2020	2	FY 2024
Total Outstanding Audit Recommendations		78	

Recommendations related to the Regional Contract Review (these recommendations are planned for full implementation with the renegotiation of the Regional Contract IA will not follow up on these items until the renegotiation has been finalized)			
Regional Contract Review – Final Audit Report	December 16, 2015	31	Pending – Renegotiation of the Regional Contract

*The Outstanding Recommendations Table does not update the status of recommendations resolved by follow-up audits during the current quarter or add any new recommendations resulting from the projects completed during this quarter (as noted in this Status Report). The table is revised for those changes once all items have been received by the Audit Committee and the Board of Directors which is when items are determined to be final.

Internal Audit Department Quarterly Status Report for August 2020

Projects in Progress

Project: **FY 2019/20 Financial Audit by External Auditors LSL**

Scope:

IEUA's Fiscal Ordinance requires that a financial audit be completed by a CPA Firm by December 31st (6 months after the close of the fiscal year). LSL performed their interim work virtually in May and will begin year-end fieldwork in the fall. LSL will attend the Audit Committee Meeting on June 8 to discuss the scope of the financial audit and provide an opportunity to meet and discuss any concerns and the required communications.

IA stays involved and has on-going communication and coordination with LSL and Accounting staff working directly with the auditors. As required by the IA Charter, IA performs a quality control review of the Comprehensive Annual Financial Report (CAFR) documents and financial documents prior to finalizing the audit and the CAFR for Board approval.

This is the fifth and final year that LSL will be performing the required financial audit. State law requires that the engagement partner be rotated. The Agency will advertise for audit proposals through a Request for Proposal beginning in January 2021. IA takes the lead on evaluating potential audit firms. IA will continue to keep the Audit Committee informed of the process.

Planned/Future/Additional Projects

Project: ***Management Requests***

Scope:

Assist Agency Management with requests for analysis, evaluations and verification of information, assist with the interpretation of policies and procedures, and/or provide review and feedback on new policies or procedures. These services are provided according to the IAD Charter, the Annual Audit Plan, and best practices. The management request projects are short-term projects, typically lasting no more than 60–75 hours where IA determines it has the necessary staff, skills and resources to provide the requested assistance without having to delay/defer scheduled audits and priority projects. The scope of each review is agreed upon between the department manager requesting the evaluation, review, analysis or assistance, the Manager of IA and when deemed appropriate by Executive Management.

During this quarter, IA was working on the following "Management Requests":

- Continued to assist with review of Agency policies.
- Participated in Safety Committee and IT Security Committee
- Provided analysis and updates about risks and opportunities during the "safer at home" order

Project: ***Special Projects***

Scope:

Perform special reviews and projects including analyzing transactions, evaluating documents and policies, verifying information, assisting with interpretation of Agency Policies or other required procedures, and providing recommendations and feedback on results of the analysis, engaging necessary assistance if and/or when necessary, reporting to the General Manager and the Audit Committee. These services are provided according to the IA and Audit Committee Charters, the Annual Audit Plan, and/or best practices.

Special Projects can be short or long-term projects, typically requiring more than 80 hours of staff time and requiring setting aside or delaying work on scheduled audit projects. The scope of the review is not generally known, and the work must be handled with the highest degree of confidentiality and care, as with all audit projects. Special Projects are usually considered highly confidential.

Internal Audit Department Quarterly Status Report for August 2020

Internal Audit Department Staffing

Internal Audit Staff Professional Development Activities:

As required by the *International Standards for the Professional Practice of Internal Auditing*, and the IA Charter, auditors must regularly enhance their knowledge, skills, and other competencies through continuing professional development. During the past quarter when the stay-at-home orders went into effect, IA staff has continued to stay abreast of industry developments through review of industry literature and participation in on-line webinars and attendance to the IIA's Virtual Leadership Academy in May 2020.

The Internal Audit Manager is a member of the governing board of the Inland Empire Chapter of the IIA. The governing board sets direction for the chapter. One Senior Auditor serves in the same Chapter and holds an officer position, Chapter Secretary.

Two IA members are preparing for the 3-part Certified Internal Auditor (CIA) examination and certification. The CIA is the only globally recognized certification for internal audit professionals and is the highest certification that can be attained by an internal auditor.

The Manager of IA has a Master's degree in Public Administration. The Manager of IA and One Senior Auditor are Certified Government Audit Professionals (CGAP®). The CGAP® certification program is designed for auditors working in the public sector and demonstrates government knowledge and expertise.

The Internal Audit Department is staffed as follows:

- 1 Full-time Manager of Internal Audit
- 1 Full-time Senior Internal Auditor

Future Audit Committee Meetings:

- *Monday, December 7, 2020 - Regularly Scheduled Audit Committee Meeting*
 - *Monday, March 8, 2021 – Regularly Scheduled Audit Committee Meeting*
 - *Monday, June 7, 2021 – Regularly Scheduled Audit Committee Meeting*
-

OTHER DEPARTMENT WORKLOAD INDICATORS

Information was gathered from the IEUA Operating and Capital Program Budgets FY 2019/20 and 20/21, table labeled "Other Department Workload Indicators"

Division	Departments	Listed per Budget document:	IA's Classification:
Agency Management	Office of the GM	Agency Operating Expenses	Indicator
Agency Management	Office of the GM	Agency Wide Staffing	Indicator
Agency Management	Office of the GM	All Hands Meeting Completed	Workload Indicator
Agency Management	Office of the GM	Department Lunches Hosted	Workload Indicator
Agency Management	Office of the GM	Service Awards Luncheons Hosted	Workload Indicator
Agency Management	Office of the GM	Board/Committee Packages Prepared	Workload Indicator
Agency Management	Internal Audit	Annual Audit Plan Completion	Workload Indicator
Agency Management	Internal Audit	Scheduled Audits Completed	Workload Indicator
Agency Management	Internal Audit	Follow Up of Completed Audits	Workload Indicator
Agency Management	Internal Audit	Audits Completed Within Alloted Time	Workload Indicator
Agency Management	Internal Audit	Special Projects Completed	Workload Indicator
Agency Management	Human Resources	New Hires	Workload Indicator
Agency Management	Human Resources	Average Recruitment Processing Time (weeks)	Performance Measure
Agency Management	Human Resources	Average New Hire Processing Time (days)	Performance Measure
Agency Management	Human Resources	Turnover Ratio (Percentage)	Performance Measure
Agency Management	Human Resources	Customer Satisfaction Surveys	Performance Measure
Agency Management	Human Resources	Training Hours Per Employee	Performance Measure
Agency Management	Human Resources	Separations	Workload Indicator
Agency Management	Human Resources	Open Enrollment Transactions Processed	Workload Indicator
Agency Management	Human Resources	FMLA Requests	Workload Indicator
Agency Management	Human Resources	Grievances Filed	Workload Indicator

Agency Management	Human Resources	Grievances Resolved at Appeals Committee Levels	Workload Indicator
Agency Management	Human Resources	Disciplinary Actions Processed	Workload Indicator
Agency Management	Human Resources	Disciplinary Actions Appealed	Workload Indicator
Agency Management	Government Relations	Facilitate Legislative Briefing Events on Current Issues	Performance Measure
Agency Management	Government Relations	Facilitate Inland Empire Legislative Workgroup mtgs	Performance Measure
Agency Management	Government Relations	Number of State Bills upon which Positions are taken	Workload Indicator
Agency Management	Government Relations	Participate in membership organization legislative coordination meetings	Workload Indicator
Agency Management	Government Relations	Represent IEUA at Industry Forums and Events	Workload Indicator
Finance & Administration	Business Information Systems	Keep average time spent performing maintenance per year below 40%	Performance Measure
Finance & Administration	Business Information Systems	Refresh the SAP QA environment with new test data at least twice per year	Workload Indicator
Finance & Administration	Business Information Systems	Keep system to no more than five support packs behind the vendor's current version	Workload Indicator
Finance & Administration	Contracts & Procurement	Purchase Requisition Processed within Service Level Objectives	Performance Measure
Finance & Administration	Contracts & Procurement	PlanetBid Solicitations	Workload Indicator
Finance & Administration	Contracts & Procurement	Breakdown Reports/Recordable Incident Reports	Workload Indicator
Finance & Administration	Contracts & Procurement	Workplace Safety/Lost Time Accidents	Workload Indicator
Finance & Administration	Contracts & Procurement	Workers' Compensation Claims	N/A
Finance & Administration	Contracts & Procurement	Vehicle Accidents	Workload Indicator
Finance & Administration	Contracts & Procurement	Emergency Response Drills	Workload Indicator
Finance & Administration	Finance & Accounting	Percentage of Electronic Payments	Performance Measure
Finance & Administration	Finance & Accounting	General Ledger # of Account Analysis	Performance Measure
Finance & Administration	Finance & Accounting	Accounts Payable Transactions	Workload Indicator
Finance & Administration	Finance & Accounting	Accounts Payable Checks/ACH/Wires/E-payables	Workload Indicator
Finance & Administration	Finance & Accounting	Average Size of Investment Portfolio	Performance Measure
Finance & Administration	Finance & Accounting	Average Rate of Return on Investments	Performance Measure
Finance & Administration	Finance & Accounting	Accounts Receivable Transactions	Workload Indicator
Finance & Administration	Finance & Accounting	Cash Receipt Transactions	Workload Indicator
Finance & Administration	Finance & Accounting	Fixed Asset Transactions	Workload Indicator
Finance & Administration	Finance & Accounting	General Ledger Transactions	Workload Indicator
Finance & Administration	Finance & Accounting	Payroll and Secondary Labor Transactions	Workload Indicator
Finance & Administration	Finance & Accounting	Payroll Process - # of employees	Workload Indicator
Finance & Administration	Finance & Accounting	Budget Preparation Training/Open Houses and Workshops	Workload Indicator
Finance & Administration	Finance & Accounting	Training for Continuing Disclosure	Workload Indicator
Finance & Administration	Finance & Accounting	On time submittal of Quarterly Budget Variance report	Workload Indicator
Finance & Administration	Finance & Accounting	On time submittal of Treasurers Financial Affairs report	Workload Indicator
Finance & Administration	Finance & Accounting	On time submittal of Quarterly Capital Call Report	Workload Indicator
External Affairs & Policy Development	External Affairs & Policy Development	No. of Agency tours	Workload Indicator
External Affairs & Policy Development	External Affairs & Policy Development	No. of Agency Publications Produced	Workload Indicator

External Affairs & Policy Development	External Affairs & Policy Development	No. of Press Releases	Workload Indicator
External Affairs & Policy Development	External Affairs & Policy Development	Social Media	Workload Indicator
External Affairs & Policy Development	External Affairs & Policy Development	Circulation of newspaper inserts	Workload Indicator
External Affairs & Policy Development	External Affairs & Policy Development	Water Discovery Park Tours (# of students)	Workload Indicator
External Affairs & Policy Development	External Affairs & Policy Development	Public Records Requests	Workload Indicator
External Affairs & Policy Development	External Affairs & Policy Development	Number of Boxed Records Destroyed	Workload Indicator
External Affairs & Policy Development	External Affairs & Policy Development	Individual Records Electroncially Stored	Workload Indicator
External Affairs & Policy Development	Grant Administration	Average number of days to file grant/loan billing	Performance Measure
External Affairs & Policy Development	Grant Administration	Average number of days to collect grant/loan billing	Performance Measure
External Affairs & Policy Development	Grant Administration	Grant/Loan applications submitted	Workload Indicator
External Affairs & Policy Development	Grant Administration	Grant/Loan billings and status reports by due date	Workload Indicator
External Affairs & Policy Development	Grant Administration	Number of grants managed in eCivis software	Workload Indicator
Engineering, Planning & Science Division	Engineering and Construction Management	Captial Spending within Fiscal Year Budget	Performance Measure
Engineering, Planning & Science Division	Engineering and Construction Management	Actual Expenditures as a Percentage of Forecasted Expenditures	Performance Measure
Engineering, Planning & Science Division	Engineering and Construction Management	Construction Contract Change Orders ≤ 10% of original contract value	Performance Measure
Engineering, Planning & Science Division	Engineering and Construction Management	Project Costs within 110% of the Total Project Budget Established in the Project Charter	Performance Measure
Engineering, Planning & Science Division	Engineering and Construction Management	Design Scope Amendments ≤ of original contract value	Performance Measure
Engineering, Planning & Science Division	Engineering and Construction Management	Enhance communication and development during a monthly mentoring meeting with Senior and Junior Staff	Performance Measure
Engineering, Planning & Science Division	Engineering and Construction Management	Lessons Learned [Meetings/discussions]	Workload Indicator
Engineering, Planning & Science Division	Planning & Environmental Resources	None Reported	N/A
Engineering, Planning & Science Division	Laboratory	Average Turnaround Time (Compliance Supplies) (Days)	Performance Measure
Engineering, Planning & Science Division	Laboratory	Meeting Established Turnaround Times	Performance Measure
Engineering, Planning & Science Division	Laboratory	Quality Control Failures	Performance Measure
Engineering, Planning & Science Division	Laboratory	ELAP Performance Evaluation Repeats per Calendar Year	Performance Measure

Engineering, Planning & Science Division	Laboratory	Samples Completed Within Regulatory Holding Times	Performance Measure
Engineering, Planning & Science Division	Laboratory	Safety - Lost Time Accidents	Workload Indicator
Operations Division	ISS	Install at least 85% of available and approved patches by the end of the quarter	Performance Measure
Operations Division	ISS	Achieve 90% or better completion of repair-related support tickets by due date	Performance Measure
Operations Division	ISS	Conduct quarterly Network and SCADA services subcommittee meetings to keep Agency staff informed of technology related work	Workload Indicator
Operations Division	ISS	Agency-wide Area Network Availability During Business hours	Workload Indicator
Operations Division	Operations & Maintenance	Groundwater Recharge (AF)	Performance Measure
Operations Division	Operations & Maintenance	Compost sales (Cubic Yards)	Performance Measure
Operations Division	Operations & Maintenance	Number of Workplace Safety/Lost time Accidents	Workload Indicator
Operations Division	Operations & Maintenance	Agency Wide Chemical Expenditures	Indicator