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January 8, 2025

TO: Each Supervisor

FROM: Oscar Valdez
Auditor-Controller

Robert G. Campbell
Assistant Auditor-Controller / Chief Audit Executive

SUBJECT: **LA COUNTY LIBRARY – PERSONNEL REVIEW (REPORT #K23CF) -
FIRST FOLLOW-UP REVIEW**

We completed a follow-up review of the LA County Library (Library or Department) Personnel Review dated February 5, 2024 (Report #K23CF). As summarized in Table 1, Library partially implemented two recommendations and did not implement two recommendations to enhance their personnel processes. Library should fully implement the four outstanding recommendations to strengthen controls and monitoring over bonus reviews and access reviews.

Table 1 - Results of First Follow-up Review

RECOMMENDATION IMPLEMENTATION STATUS				
PRIORITY RANKINGS	TOTAL RECOS	OUTSTANDING RECOMMENDATIONS		
		FULLY IMPLEMENTED	PARTIALLY IMPLEMENTED	NOT IMPLEMENTED
PRIORITY 1	0	0	0	0
PRIORITY 2	4	0	2	2
PRIORITY 3	0	0	0	0
TOTAL	4	0	2	2
			4	

For details of our review and the Department’s corrective actions, see Attachment. We will follow up and report back on the four outstanding Priority 2 recommendations.

Each Supervisor
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We thank Library management and staff for their cooperation and assistance during our review. If you have any questions please call us, or your staff may contact Mike Pirolo at mpirolo@auditor.lacounty.gov.

OV:CY:RGC:MP:YK:jl

Attachment

c: Fesia A. Davenport, Chief Executive Officer
Edward Yen, Executive Officer, Board of Supervisors
Skye Patrick, County Librarian, LA County Library

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Report #K25CT

LA COUNTY LIBRARY PERSONNEL REVIEW (REPORT #K23CF) FIRST FOLLOW-UP REVIEW

	RECOMMENDATION	A-C COMMENTS
1	<p>Bonus Reviews (Priority 2) - LA County Library (Library or Department) management:</p> <ul style="list-style-type: none"> a) Promptly conduct a review of bilingual bonuses to ensure all employees receiving the bonus are eligible. b) Reinstruct relevant staff/supervisors to conduct documented reviews of all employees receiving bilingual bonuses at least annually, to ensure employees are still eligible. <p>Original Issue/Impact: Library did not always conduct annual bilingual bonus reviews as required by County Fiscal Manual (CFM) Section 3.1.8. This weakness increases the risk of employees improperly receiving bonuses they are not eligible for, resulting in overpayments.</p>	<p>Recommendation Status: Partially Implemented</p> <p>We confirmed Library management conducted a review of bilingual bonuses to confirm ongoing eligibility by reviewing the Department's bonus review procedure memo distributed to bonus reviewers, bonus listings, and documented reviews. Although Library provided a bonus removal request resulting from the bonus review, the Department did not provide supporting documentation to demonstrate the bonuses were actually removed for employees identified as no longer eligible.</p> <p>In addition, the Department did not provide supporting documentation to demonstrate that their review is complete and in compliance with all CFM requirements. Specifically, the Department could not provide documentation that they checked the employees' personnel files for a bilingual proficiency certificate, or an example of a completed bonus verification form managers used to document the ongoing need for each employee's bilingual skill.</p> <p>Furthermore, although the Department conducted a bilingual bonus review as noted above, they have not established a process to ensure bilingual bonuses are reviewed for ongoing eligibility at least annually going forward.</p> <p>Library plans to fully implement this recommendation by February 28, 2025.</p>
2	<p>Access Reviews (Priority 2) - Library management:</p> <ul style="list-style-type: none"> a) Promptly conduct a review of access role assignments for staff who left the Department or transferred to other duties within the last 12 months, and remove/update their personnel systems access, as appropriate. b) Strengthen current access role assignment review processes/procedures by establishing an annual (or more frequent) review of all 	<p>Recommendation Status: Not Implemented</p> <p>Library management has not:</p> <ul style="list-style-type: none"> a) Conducted a review of access role assignments for staff who left the Department or transferred to other duties within the last 12 months, and removed/updated their personnel systems access, as appropriate. b) Strengthened their current access role assignment review processes/procedures by establishing an

Priority Ranking: Recommendations are ranked from Priority 1 to 3 based on the potential seriousness and likelihood of negative impact on the Agency's operations if corrective action is not taken.

RECOMMENDATION	A-C COMMENTS
<p>employees' access for all personnel systems to ensure access levels and assignments are consistent with their job duties, and document the reviews.</p> <p>c) Remind staff to remove all systems access immediately when employees terminate.</p> <p>Original Issue/Impact: Library did not have a process to review all employees' personnel systems access roles (e.g., Individualized Assessment & Fair Chance Tracking System, the County's electronic Human Resources [eHR], and electronic Personnel Action Request access roles) at least annually as required by CFM Sections 3.1.5 and 8.7.4.2. This weakness increases the risk of unauthorized or inappropriate access to personnel information, which can result in inaccurate information (e.g., leave balances, bonuses), over/underpayments to employees, and/or inappropriate access to sensitive information, such as personally identifiable information, going undetected or not being detected timely.</p>	<p>annual (or more frequent) review of all employees' access for all personnel systems to ensure access levels and assignments are consistent with their job duties, and document the reviews.</p> <p>c) Reminded staff to remove all systems access immediately when employees terminate.</p> <p>Library plans to fully implement this recommendation by February 28, 2025.</p>
<p>3 Management Monitoring of Controls (Priority 2) - Library management develop ongoing self-monitoring processes that include:</p> <p>a) Examining process and control activities, such as reviewing an adequate number of transactions on a regular basis to ensure adherence to departmental and County policies.</p> <p>b) Documenting the monitoring activity and retaining evidence so it can be subsequently validated.</p> <p>c) Elevating material exceptions to management on a timely basis to ensure awareness of relative control risk, and to ensure appropriate corrective actions are implemented.</p> <p>Original Issue/Impact: Library could not demonstrate that they had effective self-monitoring processes in place to ensure controls function as intended for the following areas, as required by CFM Section 1.0.2:</p> <ul style="list-style-type: none"> • Bonus reviews (Issue No. 1) • Access reviews (Issue No. 2) • Hiring, salary, and job changes • Nepotism 	<p>Recommendation Status: Not Implemented</p> <p>Library management has not developed ongoing self-monitoring processes over bonus reviews, access reviews, hiring, salary, job changes, and nepotism.</p> <p>Library plans to fully implement this recommendation by February 28, 2025.</p>

RECOMMENDATION		A-C COMMENTS
	<p>This weakness increases risk of deviations from processes designed by management, increases effort to train new staff, and prevents management from effectively evaluating process/control environments.</p>	
4	<p>Standards and Procedures (Priority 2) - Library management develop, finalize, approve, and distribute written standards and procedures to guide supervisors and staff in the performance of their duties for personnel processes.</p> <p>Original Issue/Impact: Library did not have detailed written standards and procedures for the following:</p> <ul style="list-style-type: none"> • Bonus reviews (Issue No. 1) • Access reviews (Issue No. 2) • Self-monitoring processes (Issue No. 2) <p>This weakness increases risk staff will perform tasks incorrectly or inconsistently, increases effort to train new staff, prevents management from effectively evaluating staff compliance, increases risk of unauthorized/inappropriate access to personnel records, and increases risk of overpayments.</p>	<p>Recommendation Status: Partially Implemented</p> <p>We confirmed Library developed procedures to guide supervisors and staff in reviewing bonuses, by reviewing a procedure memo distributed to relevant staff. However, the procedure memo does not provide detailed written standards and procedures to guide supervisors and staff in initiating the bonus reviews (e.g., when to initiate the review, how to obtain the bonus recipient lists from eHR, and which managers to distribute the lists to for review) or in removing bonuses once employees are identified as ineligible.</p> <p>In addition, the Department did not develop procedures on access reviews, and self-monitoring reviews.</p> <p>Library plans to fully implement this recommendation by February 28, 2025.</p>

We conducted our review in conformance with the International Standards for the Professional Practice of Internal Auditing. For more information on our auditing process, including recommendation priority rankings, the follow-up process, and management’s responsibility for internal controls, visit auditor.lacounty.gov/audit-process-information.