COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER

KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 525
LOS ANGELES, CALIFORNIA 90012
PHONE: (213) 974-8301 FAX: (213) 626-5427

ALAN T. SASAKI
AUDITOR-CONTROLLER

June 6, 1997

TO: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Yvonne Brathwaite Burke
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: for Alan Sasaki
Auditor-Controller

SUBJECT: **MANAGEMENT AUDIT OF SHERIFF'S DEPARTMENT**

Enclosed is KPMG Peat Marwick LLP's report on its management audit of the Sheriff's Department. The audit which was performed at the request of the Board of Supervisors and the Sheriff included an assessment of the overall department organization and management process, an evaluation of administrative and business support processes, and a review of the findings of recent Bureau of State Audits reports. In addition, the audit included a detailed review of the Office of Administrative Services, Medical Services, Laundry Services, and Food Services.

The report includes 38 recommendations designed to assist the department in improving efficiency by decreasing certain management ratios, reorganizing some operating units, expanding the use of civilian staff and private contractors, increasing its focus on technology and other operational improvements. The auditors have estimated potential for savings in the range of $16 to $22 million per year after a five-year implementation period. The report recommends further analysis in certain areas to confirm the extent of actual savings.

Also enclosed is the Sheriff's Department response which indicates general agreement with the need to evaluate the savings from implementing the report recommendations.

The first phase of the Auditor-Controller's audit was issued on April 15, 1997. The second phase of the audit focuses on the Department's payroll and procurement operations including the use of overtime. We expect to issue the report by June 30, 1997.

We suggest that the Sheriff be requested to provide reports every six months on the status of the recommendations.

Please call me if you have any questions. If your Board would like to discuss the report with KPMG Peat Marwick, I will arrange for such a meeting.

AS:PTM:raj
sheriffs.wp1
Enclosure
c: Sheriff Sherman Block
David E. Janssen
Joanne Sturges
Audit Committee

SHERMAN BLOCK, SHERIFF

County of Los Angeles
Sheriff's Department Headquarters
4700 Ramona Boulevard
Monterey Park, California 91754-2169

June 6, 1997

Alan T. Sasaki, Auditor-Controller
County of Los Angeles
525 Kenneth Hahn Hall of Administration
Los Angeles, California 90012

Dear Mr. Sasaki:

Accompanying this letter are the Sheriff's Department's responses to the recommendations contained in the Management Audit conducted by KMPG.

We concur with the majority of the 38 recommendations and appreciate the constructive spirit in which they were offered. We have provided explanations in the case of the few recommendations with which we disagree.

Please do not hesitate to call my office if you have questions.

Sincerely,

SHERMAN BLOCK
SHERIFF

RESPONSES TO MANAGEMENT AUDIT
LOS ANGELES COUNTY SHERIFF'S DEPARTMENT

Recommendation 1 - Re-evaluate Commander positions and their functions within the organization.

Concur. The Department is willing to continue to evaluate the use and deployment of the Commanders. Over the past several years we have reduced the total number of budgeted Commanders, as well as increased their range of duties. These duties and activities are absolutely critical to the systems and procedures we have put in place to minimize risk (and its associated costs), ensure accountability, and maximize professionalism.

Commanders comprise the most important panels, task forces and committees currently in operation, namely Accountability Enhancement, Executive Risk Management, Forced Shooting Review, Risk Incident Review, Policy Development, and Personnel Performance Review. Commanders also serve in a key quality assurance capacity through their responsibility to verify the objectivity, completeness and accuracy of documentation in shooting incidents, use of force incidents, vehicle pursuits, complaint investigations, discipline, etc.

Commanders are instrumental in the analysis of increasing volumes of new performance data made available by new technology/systems such as the Personnel Performance Index and the Command Accountability Reporting System.

Many of these functions fulfill the Sheriff's Department's commitment to implement certain Kolts Report recommendations. Others have been implemented recently in our continuing effort to be consistently and intently introspective about the quality of our law enforcement service. Much of what commanders are responsible for today was formerly accomplished only in a less systematic inconsistent and less reliable manner. Although the savings associated with the absence of problems are always difficult to measure, the long term cost advantages of professionalism and minimize liability indicated by recent drops in settlement and judgment price tags. Much of the cost reduction is attributable to undertakings in which commander-level employees are instrumental.

The recent impressive increase in Commanders' duties may tend to overshadow their existing management responsibilities, as recently re-articulated in our July, 1995 accountability policy statement. The policy provides that Commanders "are responsible for ensuring that units under their command are meeting Department and Division standards of operation". That classic management responsibility is expounded on in the policy's list of detailed expectations, including Commander management functions such

as working with unit Captains on goal development, conducting inspections and audits, formulating and implementing budgets, promoting service-oriented law enforcement, community partnerships, efficiency, etc.

Recommendation 2 - Evaluate the opportunity to improve management staff ratios in operating regions.

Concur. The Department understands the consultant's premise that by increasing management's span of control in patrol regions, money can be saved. We also understand and concur with their associated recommendation to seek to reduce the average field sergeant's span of control on any given patrol watch.
However, as the Department seeks to "improve" management ratios in various areas, we will necessarily be guided by a limiting factor not referred to in the KPMG audit. That factor is the collective effect of a variety of phenomena whose impact on law enforcement has increased greatly in the past decade.

* A growing complexity in administrative, regulatory law that governs our efforts in a wide variety of undertakings, e.g. employee relations, personnel investigations, environmental impact, minimum jail standards, risk management plans, minimum training standards, anti-discrimination efforts, failure to protect, etc.

* Intricate refinements in the laws we enforce, requiring more specialized, detailed knowledge and experience specific to limited areas (domestic violence, mentally ill people, child abuse, loud parties, hate crimes).

* The increasing public and internal expectation that accountability for quality police service be strictly enforced. That is, regular audits, inspections and spot checks will be conducted and deficiencies in performance and in systems and procedures will be discovered and promptly remedied, especially in high risk aspects of our activities, which in law enforcement are legion (e.g. decision-making in the areas of life and death, use of force and deprivation of personal liberty).

In short, law enforcement is harder and requires more exacting, consistent effort to achieve quality and professionalism than it used to even five years ago. The same is even more true of law enforcement supervision and management.

Seeing to these demands attentively and responsibly in many cases requires that more personnel with sufficient experience, foresight and perspective (generally supervisors and mangers) be assigned to concentrating their efforts in such specialized undertakings as policy development, audits, internal investigations and functional supervision of areas with a narrower scope (e.g. scheduling, force management, court appearance and testimony, development of community-based policing, liability management, ensuring integrity of management information, etc.).

At a time in the Department's history when managers are increasingly responsible for detailed checks and double checks on accuracy, quality, legality, and professionalism, the savings achieved by mechanically reducing span of control to levels deemed appropriate in other kinds of organizations may well result in unexpected costs elsewhere.

Recommendation 3 - Develop a clear and consistent organizational hierarchy to improve accountability.

Concur. Although we believe that accountability is more effectively strengthened through appropriate policy, clearly stated expectations and performance review and evaluation, we will also examine the titles of organizational units with a view to maximize consistency for clarity sake.

Recommendation 4 - Implement a consistent field operations regional structure.

Do not concur. Although the Department appreciates the value of consistency, our reaction is that the report does not support the recommendation with any explanation of what problems will be solved or what efficiencies achieved if it is implemented.

Each of the three chiefs assigned to a field operations region is overseeing an organizational unit which is larger than most of the nation's law enforcement agencies. With that level of responsibility, we feel that the chiefs are in the best position to assess the appropriate factors (such as comparative strengths and management styles of subordinate executives, unique demands of geographical and functional areas comprising the division, etc.) and determine the most effective method of organizing the units.

Recommendation 5 - Finalize and implement the Department's Strategic Plan.

Concur. The Strategic Plan document was finalized in February, 1997. It was published and disseminated in April, 1997. The strategic planning committee meets quarterly.

Recommendation 6 - Use committee structure more efficiently within the Department.

Concur. Although we agree that we should continuously strive to use committees more efficiently, we also appreciate the advantages of informed decision-making through committee activity which were acknowledged in the audit report. In a Department as large and complex as the LASD, committees maximize our ability to ascertain the impact of decisions on diverse units and functions. Note that several of the entities we have termed committees which meet regularly (up to twice per month)are in fact panels of executives who review various aspects of performance (serious use of force, high risk

traffic collisions, personnel performance and misconduct.) These committees' activities result in standardized managerial responses to high liability issues that over time have greatly reduced risk exposure. These "committees" return the investment in their existence by fostering improved personnel performance .

Recommendation 7 - Implement a performance based budgeting process and process an annual budget.

Concur. The Sheriff's Department has sufficient budget cost centers and CAPS levels to implement a performance based budgeting process. We will target Fiscal Year 1998-99 for implementation of this recommendation.

Recommendation 8 - Evaluate the outsourcing of Medical Services as part of a comprehensive health care service strategy.

Concur. There is certainly merit in evaluating an operation to determine whether or not the potential exists for outsourcing the operation or some component. Medical Services has in fact utilized this philosophy to seek reduction of costs while maintaining quality of care. Examples of this practice include:

* Development of a contract with High Desert Hospital in Lancaster to provide health care to INS detainees housed at the Mira Loma Sheriff's Facility;

* A contract with Smith-Kline Laboratories to complete an HIV screen which, when positive, results in further Western blot testing. Smith-Kline also provides T-cell and viral load testing;

* A contract with American Medical Diagnostic Laboratories is in place to complete PAP testing;

* Development of agreements with the Department of Public Health to complete testing for Chlamydia and Gonorrhea;

* A contract with Via Garden Dialysis Center was signed to provide dialysis for our inmates;

* Various contracts with acute hospitals to provide numerous services including trauma care, cardiology, surgery, and MRI screening.

Medical Services currently outsources approximately 15 percent of the services provided. In the next five years we anticipate increasing this utilization by another 20 percent. The Sheriff's Department's Contract Unit will evaluate the possibility of contracting out medical services which are currently provided by in-house staff.

Recommendation 9 - Reorganize the Office of Administrative Services into an Administrative Division and Technology Division.

Concur. We concur with the reorganization of OAS into an administrative division and a technology division. Action will be taken to accomplish this recommendation in the new fiscal year.

Recommendation 10 - Implement performance measures for Fiscal Administration.

Concur. Fiscal Operations is currently renewing its emphasis on accountability and establishing unit and individual goals. Supervisors are being trained in the process of developing individual performance evaluation criteria. The following criteria have been identified:

- Payment vouchers processed
- Payment voucher lines entered (cost distribution data)
- Discounts lost
- Number of internal vouchers processed
- Time spent in system reconciliation
- Accuracy of:

    - Financial Statements
    - Data Entry (corrections required)
    - Grant Claims

Recommendation 11 - Improve procurement processes and systems.

Concur. We agree that an evaluation of our procurement and purchasing process is appropriate to maximize efficiency and effectiveness. It should be noted that there are no procurement staff in Fiscal Administration other than in the Central Supply Warehouse. This appears to be a misconception in the audit.

Recommendation 12 - Close the Central Supply Warehouse.

Concur. We concur with the need to evaluate the Central Supply function. We do need a Logistics Section to clothe and provide law enforcement items to recruits and deputies on an ongoing basis. If our analysis/evaluation reflects a non-efficient use of a staff or inability to cost-effectively serve the Department's supply needs, we will proceed with this recommendation. This recommendation will be implemented in some form in the coming fiscal year.

Recommendation 13 - Improve contract prisoner billing practices.

Concur.

"Provide increased guidance and training on recording custody information into AJIS."

Efforts to revamp the training of custody personnel engaged in data entry are already underway. The Custody Division is coordinating this effort.

"Identify methods for detecting errors when recording initial information."

Efforts to identify methods to detect errors at initial input will be made. Such methods will be evaluated to determine which ones are both cost effective and logistically feasible.

"Clarify process for recording custody information."

The Department has already created an oversight committee comprised of representatives from each sub-unit engaged in inmate record maintenance and retrieval, inmate classification and movement, and medical screening and treatment activities. The purpose of the committee is to establish protocols for recording required data and coordinating interdependent functions.

"With a clearly defined process and early error detection controls the review of AJIS billing information can be reduced. A 50 percent reduction in errors could save the Department $131,000 in salary and benefits."

At such time as the error rate is reduced by 50 percent, Fiscal Administration will evaluate the staffing requirements for prisoner maintenance billing.

Recommendation 14 - Reorganize Fiscal Administration to align responsibilities and functions.

Concur. Fiscal Administration will review the existing organization to determine which changes will increase efficiencies and establish time frames for implementation of needed changes. Some of the recommended changes will require review of incumbents, positions, and their classifications for conformance with established allocation standards and reporting relationships.

"It is also recommended that the Central Property and Evidence Warehouse and Logistics be transferred to the newly created Technology Division."

Concur in part. We agree that the Central Property and Evidence Warehouse should become part of a newly created "Technology Division". We are still evaluating where in the organization the logistics function should be placed.

Recommendation 15 - Eliminate long-term vacancies in Fiscal Administration

Concur. This recommendation is being implemented Department-wide.

Recommendation 16 - Reduce layers of management and improve management ratios in Fiscal Administration.

Concur. The organization will be reviewed as stated in response to recommendation 14. The review will also focus on flattening out the organization by one level and improving management ratios. In viewing the proposed re-organization, it would appear that the "Supervisor" category would clearly require a high level manager. The Department will review classifications to determine which positions are allocable for these types of functions. Appropriate reassignments or eliminations of positions will follow the review.

Recommendation 17 - Eliminate duplicate data entry through integrated financial systems.

Concur. Fiscal Administration is currently working with the Data Systems Bureau to complete an assessment of the Financial Information System (FIS) which is used to track revenue and process billing. The assessment will result in a replacement of the system and will include needed enhancements. Additionally, as a short-term measure, plans are underway to obtain electronic files from all other subsidiary systems and stand-alone applications used to generate reports and billings.

Recommendation 18 - Improve financial management reporting.

Concur. Currently the Department's revenue information is tracked by the Financial Information System (FIS). This application is to be rewritten, functionally expanded and incorporated into the Department's Financial Management System (FMS) within two years.

The Financial Management System provides current budget and expenditure information to Departmental management. Financial data on our special revenue funds is only available on CAPS. Manual reports are prepared by Fiscal Operations staff and submitted to management. Because of the uniqueness of each fund, financial reports and their format may differ for each fund.

Recommendation 19 - Implement personnel management performance processes and reporting.

Concur. Personnel Administration already has a manual system of management performance reporting in place, however, we agree with the audit recommendation that a comprehensive automated system is necessary. With the phased implementation of the SHRMIS System, Personnel Administration will be able to establish an automated management and operational performance reporting system. Phase one of the SHRMIS System, which will automate the Personnel Service Request process, will be implemented by December 1997. This will significantly enhance our performance and management reporting.

Recommendation 20 - Refocus personnel services on mission-critical functions.

Concur. We agree that the parking control, fleet management, courier services, and mail room operations are not functionally part of Personnel Administration's core business processes. These functions will be transferred to more appropriate units. The badge orders are actually processed by the Vault staff. The fees for badges are received by the Support Services Unit and deposited in the bank. We believe that the Vault Unit should remain responsible for the processing of badge orders. The processing of badge order fees and employee parking reimbursement (Civic Center parking allowance) functions will be evaluated. We believe that the Bureau needs to maintain its own supplies storage due to the size and critical nature of our operations. However, the amount of employee time necessary to accomplish this function will be re-evaluated.

Recommendation 21 - Restructure Personnel Administration.

Concur. We conceptually agree with this recommendation, however, we believe that further study is needed to define the exact structure of a new organization.

Recommendation 22 - Reduce layers of management and broaden span of control in Personnel Administration.

Concur. We conceptually agree with this recommendation, however, further analysis is needed to develop a realistic and practical implementation plan. One of the areas that the audit does not address in this context is the fact that certain functions in personnel require high levels of analytical skills and are therefore classified at higher level positions. These positions are not supervisory in nature but are filled with classifications that are the same or are comparable with supervisory items. For example, not all of our ESAIII are supervising staff; some perform high level analytical staff work. This type of substantive detail is lost when aggregate ratios such as supervisor to subordinate ratios are used. We believe that a more thorough examination of Personnel Administration's management and supervision layers will help us develop a business process

reengineering plan that will improve our efficiency, effectiveness, and customer satisfaction.

Recommendation 23 - Perform a feasibility study before commencing additional in-house development of human resources systems.

Do not concur. We would concur if we were developing a full blown human resources system. In 1993, when Personnel Administration began addressing its automation needs, several human resources information systems packages were evaluated. At the time, most packages required significant customization in order to meet the internal needs of our Department. Also, at this time the County utilized and continues to utilize the County Wide Timekeeping and Attendance Personnel Payroll System (CWTAPPS) as its human resources information system. The Department recognized that any human resources information system purchased or built internally would have to interface with CWTAPPS in order to issue employee numbers, calculate pay and/or generate paychecks.

The Department decided to develop an internal system since most of it's human resources functionality was addressed by CWTAPPS, and because it possessed the internal resources (staffing and equipment) necessary. Also, the purchasing and customization of an off-the-shelf human resources information system package was considered cost prohibitive.

The system being designed is intended to eliminate duplication of effort and data by creating a centralized database integrating/interfacing the data from CWTAPPS with other data created by in-house systems. Finally, a personnel automation project cannot compete for necessary funding with our main mission automation needs.

Recommendation 24 - Implement a managed competition and out-sourcing evaluation of facilities management.

Concur. We concur and will implement a managed competition/outsourcing evaluation. In 1970, we sought bids for outsourcing facilities management at PJPHR and found the cost prohibitive. The Department currently out-sources a substantial amount of work when it is determined that there is a clear cost savings by contracting with private vendors. With respect to the issue of out-sourcing the entire Facilities Management Operation, the audit recommendation assumes significant savings using cost figures that are "Based on discussions with a large private provider of facilities maintenance and operations services...". They acknowledge that "It is important to note that this is a rough estimate based only on square footage and estimates of total work orders and number of fixtures". The Sheriff's Department does not believe a legitimate "apples to apples" comparison can be made which takes into account the following unique factors about its situation.

- Management of facilities spread over the geographical breadth of Los Angeles County.

- Management of 24-hour occupied facilities such as the custody facilities and stations.

- Management of facilities occupied by abnormally behaved tenants - the majority of our facility tenants are being held against their will due to serious crimes they have been arrested for committing. Damage caused by vandalism and attempted escapes creates much higher maintenance costs and would be considered "extraordinary maintenance" (an added cost to the typical industry-standard contract) were we to contract out our facility maintenance program.

- Management of facilities using prevailing wage employees or employees having significantly less salary and employee benefits.

- Management of facilities which have suffered over the years from "deferred maintenance and avoidance of major equipment/building system replacement" due to budgetary constraints.

- Management of facilities using standard County-government procurement practices and internal controls.

- Useful life - bring up to speed due to neglect, age of facility and overcrowded facility.

The Sheriff's Department believes improved cost efficiencies are possible but does not believe that out-sourcing the entire facilities management operation to a private provider is the preferred option given the above factors.

Recommendation 25 - Close the facilities warehouse.

Concur. Facilities Management will investigate the feasibility of closing the warehouse as part of its current effort to re-engineer the inventory tracking process for all supply purchases. If the Facilities warehouse is closed, staff will still be necessary to purchase, deliver and ensure internal controls are maintained as reflected below:

- Although the warehouse operation made a small percentage of the purchases (7.3%), the items purchased were of the high volume usage nature which is more cost effectively purchased, stored, and distributed out of a warehouse. Most of these items are used by all the Facilities Management 60+ shops and more easily purchased in bulk and distributed as the need arises. This need will be re-examined in our re-engineering effort.

- As indicated in the audit, "Warehouse employees also perform the function of receiving goods and logging them into the Facilities Management System (FM1), which must be transitioned". Although the significant number of supply purchases (92.7%) are made by the craft shop employees (they do the actual ordering), the warehouse employees are tasked to do all the receiving. This requirement is mandated by the County Fiscal manual (construct "fire walls" between functions in the procurement process) as a fraud prevention measure. The warehouse employees also distribute and audit the usage of tools by the craft shop employees including their maintenance vehicle part inventory.

- Currently, careful warehouse inventory tracking is being kept (7.3% of supply purchases). Recognizing that the 92.7% of supply purchases are not fully accounted for once received, Facilities Management intends to re-engineer the procurement and usage process to cover all purchases under one inventory roof with tracking of internal consumption or use by individual work order. This will permit accounting of those supplies surplus to the job/work order for which they were purchased. The warehouse employees will continue to be critical players (receiving and audit of the 100% purchase inventory) in any re-engineered process. The warehouse employees will also continue to work at the respective Regions and report to the Administrative Headquarters group to maintain our"internal controls".

Recommendation 26 - Facilities Management and Planning should develop and implement performance measures.

Concur. Eighty (80) percent of Facilities Planning staff are college graduates. They are generally architects or engineers, and are considered professionals. The architects' output is measured by the number of design drawings produced; by the number of times these same drawings are recycled due to design errors and omissions; and by customer satisfaction. The customers in this case are the various Sheriff's Department units. The project managers are measured by their ability to coordinate and manage projects. This is accomplished by keeping each project within the assigned budget and completing the project on schedule. These yard sticks will be written and used in all future performance evaluations and for performance based budgeting.

Recommendation 27 - Develop revised organization and management structures for facilities organization.

Do not concur. This recommendation requires more study. The audit has incorporated highly paid technical classifications, as management positions in its assessment. The Department intends to conduct a staffing study prior to any out-sourcing assessment. Facilities management activities in private industry, as well as in government, normally have low management staff ratios. Potential savings are questionable and require further study.

Recommendation 28 - Perform a feasibility study before commencing additional in-house development of facilities systems.

Concur. The Sheriff's Department did conduct a feasibility study. The feasibility study covered: (1) assessing the current state of the FM1 work order tracking and warehouse inventory computer system, (2) investigating other off-the-shelf software solutions, and (3) concluding what the problems are and identifying cost effective and doable solutions for their resolution in designing a new system.

Our current plan of action for the new system includes:

- Usage of the Department standard Oracle database engine for establishment of a central database for data entry, storage, and retrieval by all Facilities Management applications and end-users. The Oracle database represents an industrial strength database engine and avoids the FM1 software use of a Foxpro database at three separate locations.
- Usage of the Department-wide Sheriff's Data Network (ethernet TCP/IP protocol) to build distributed client-server applications.

- Conduct a more critical analysis of business processes and functions and construct a data model for reducing redundant data entry, increasing data integrity and reliability, and integrating other existing fiscal and personnel database information with the work order and inventory functions.

- Usage of end-user prototypes for development of the system to facilitate end-user understanding, feedback, testing and final acceptance.

- Establish a clear plan for initial and subsequent on-going training of the maintenance staff and end-users.

- Usage of existing core architectures, standards, and existing computer/communication staff and equipment to cost effectively develop and maintain the new system.

The development and implementation of the new Facilities Administration and Maintenance Management System will greatly enhance our ability to comply with Audit Recommendation 27 (Facilities Management and Planning should develop and implement performance measures) and is consistent with known Department technological policies, standards, and practices as discussed in Audit Recommendation 31 (Develop a formal governance process for technology and a strategic plan) and currently administered by our Data Systems Bureau.

Recommendation 29 - Improve the management-staff ratio in Management Information Services.

Do not concur. Management Information Services has 24 employees on-site and 23 crime analysts off-site: one manager, six supervisors, 15 line staff, 23 field staff (crime analysts), and two clerical staff. The Manager of MIS supervises the supervisor of each unit and the two clerical staff. This is a ratio of 1:7. There are two clerical staff, not three, supporting 22 staff locally and 23 staff in the field. This is a 8.3 percent clerical to staff percentage on-site and 4.26 percent clerical to staff percentage including off-site personnel.

Management Information Services is responsible for overseeing the Department's Crime Analysis Program which involves 25 crime analysts at 21 sights throughout the County. This function has a supervision ratio of approximately 1:12.

Management Information Services is responsible for the collection, quality assurance, processing, and distribution of Department crime statistics. This function has a supervision ratio of 1:6.

Management Information Services is responsible for technically supporting (hardware & software) all 21 Crime Analysis Units. Additionally, MIS is responsible for the development and maintenance of the Sheriff's Department's Web site on the internet. This requires a high level of skilled technical staff. Although the supervision ratio appears as 2:5, the higher level items are required for the technical skill required.

As proprietor of the Event Index System, MIS is also responsible for responding to the end-user computing needs of detectives and secretaries at all stations and detective bureaus. Each of these locations is assisted on a regular basis and inspected annually. A highly skilled staff item is required for this task, supported by two staff. The supervisor to staff ratio of 1:2 belies the responsibilities involved.

Recommendation 30 - Develop a formal governance process for technology and a strategic plan.

Concur. The first level draft of the Department's Strategic Technology Plan has been completed. Further development of the Plan is in process with an estimated completion date in the last quarter of this year.

Recommendation 31 - Improve food cost tracking by facility.

Concur - At present NCCF is cooking for NCCF and East. The Ranch facility cooks for Mira Loma, South and North. Men's Central Jail is cooking for MCJ and Twin Towers.

Food Services collects inmate count data and does an overall cost per meal every four weeks. Establishment of a facility food cost tracking system is workable and is currently in the design stage. The anticipated completion date of this system is July 1, 1997.

Recommendation 32 - Utilize excess kitchen capacity at Men's Central Jail to produce bulk food for Twin Towers.

Concur - Food Services is presently cooking all of Twin Towers' food and transporting it from Men's Central Jail. There is a pilot program at Twin Towers in one pod to evaluate the efficiency of feeding bulk on the floors. Recent tests are encouraging.

Recommendation 33 - Implement a managed competition program for food services.

Concur - A competitive bid process for private outsourcing vs. Sheriff's Food Services is now underway.

Recommendation 34 - Improve food procurement process.

Concur - Food Services needs to have significant input into the purchasing of all items associated with Food Services operations. Ongoing, complete, accurate and timely communications between Food Services and Purchasing regarding specifications, price/value considerations, delivery cycles, forecast of food service needs, etc., is required for effective and efficient operations. In this effort, frequent meetings are now being conducted with Purchasing, Sheriff's Fiscal Operations and Food Services.

Recommendation 35 - Close the North Region Bakery Facility.

Concur in part - A portion of the bakery operation is now contracted to two private vendors (loaf bread, rolls, buns, etc.). The contract is for one year. It is our intent to close the remaining portions of the bakery operation with the exception of confectionery items. Research reveals that while we anticipate significant savings by purchasing most items through private vendors, it remains more cost effective to continue our own production of certain confectionery items. This is supported by the fact that the California Department of Corrections, the Orange County Sheriff's Department and the San Diego County Sheriff's Department also continue to bake their own confectioneries while purchasing most other baked good from private vendors. Based on our study, we anticipate a savings of approximately $900,000 utilizing private vendors in conjunction with our limited use of the North Region Bakery Facility.

Recommendation 36 - Improve purchasing and inventory systems support.

Concur. We will review our current purchasing and inventory systems for improvement. Food Services stopped using the Financial Management System (FMS) to track food

purchases when the County's Purchasing and Central Stores Warehouse was closed. Food Services changed procurement procedures wherein Agreements are established with vendors, through ISD's Purchasing and Stores, to have commodities delivered to the various facilities based upon predetermined schedules. This has reduced the need for inventories beyond one week.

Data Systems Bureau is not presently involved in any automation efforts related to the current business practices of procuring food or laundry services.

Recommendation 37 - Pursue external laundry contracts.

Concur. However, the cost of additional staff as well as increased maintenance cost must first be analyzed. In prior years, we contracted with the County Department of Health Services for laundry services. The contract was mutually terminated due to numerous operational problems and inability to meet Health Services' needs.

Recommendation 38 - Complete and implement a comprehensive five year civilianization plan.

Concur. The Department is developing a coordinated strategy for civilianization. Recommendations from the State Auditors, KPMG, Grand Jury as well as Sheriff's Department's staff will be evaluated for implementation within a three to five year period. Many positions identified in the various audits have already been civilianized and several positions not identified in the audits are scheduled for civilianization in the near future.



Management Audit of the Los Angeles County Sheriff's Department

Final Report

May 23, 1997

Work Order Request No. 4-44
KPMG Peat Marwick LLP
One World Trade Center, Suite 1700
Long Beach, California 90831

Board of Supervisors
County of Los Angeles:

KPMG Peat Marwick LLP (KPMG) is pleased to provide this final report for the Management Audit of the Los Angeles County Sheriff's Department (Department). This Management Audit was performed under Work Order Request 4-44 and was limited to the scope and areas specified by the County Auditor-Controller and described in Chapter 1 of this report. The Management Audit was conducted over an eleven-week period beginning in January 1997 and was therefore very specifically focused.

This report includes findings and recommendations in the following areas:

- Department Organization and Management
- Office of Administrative Services
- Food Services
- Laundry Services
- Medical Services
- Responses to Bureau of State Audits Findings

We would like to thank the Sheriff and the Department for their assistance. The support of the Sheriff for this work was well demonstrated by the positive attitude and professionalism of the Department and its senior management.

KPMG Peat Marwick LLP

May 23, 1997

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Executive Summary

Background

On almost any metric, and certainly on a combined basis, the Los Angeles County Sheriff's Department (Department) is one of the largest, most complex municipal law enforcement organizations in the world. The Department provides:

- Law enforcement services to 39 cities and 2,671 square miles of unincorporated area
- Bailiff services to Superior and Municipal Courts
- Custody services to over 18,000 jail inmates
- County-wide services such as specialized detectives, emergency operations and training

The Department has over 12,000 employees, manages a compliment of over 4,000 volunteers and has an annual budget of almost $1.1 billion.

Since 1992-93, the Department and other County agencies have faced ever increasing budget constraints. The Department's budget has been reduced from $1.16 billion in 1992-93 to $1.08 in 1996-97, an $80 million or 7% decrease. This net 7% decline, however, masks the fact that the Marshal's Department was merged with the Sheriff in 1994-95 which *added* 898 positions to the Department. Several other transfers and County budgeting changes also increased the costs included in the Department's budget. Actual budget cuts have been made to both offset these cost transfers and still result in a 7% overall decrease.

The Department managed these reductions through a series of administrative, personnel and service level changes, the most significant of which was the decrease of approximately 7,000 jail beds (28% of the County's capacity). The opening of Twin Towers Detention Facility, slated to replace much of the lost capacity, was delayed due to operating cost considerations.

The Department has managed its operations within its budgetary constraints, but has not invested in its infrastructure to the extent necessary to maintain or improve custody service levels. The Department faces significant infrastructure improvement costs over the next several years including:

- Increasing the number of jail beds including the full opening of Twin Towers
- Improvement in information systems infrastructure
- Replacing/improving the crime lab
- Station expansions and improvements

Addressing these significant infrastructure and service needs, in light of the budgetary constraints facing the County, is the Department's largest challenge.

Management Audit Objective

This Management Audit was requested by the Board of Supervisors and the Sheriff to assess the organization and management processes of the overall Department, evaluate administrative and business support processes and review the findings of recent Bureau of State Audits reports. The Management Audit's objective was to perform an analysis of specified areas to identify opportunities and recommendations for improving business, organizational and management practices, reducing costs and increasing service efficiency. The scope of work was defined by the County Auditor-Controller and is specified in Chapter 1 of this report. The Management Audit was performed over an eleven-week period beginning in late January 1997.

The Department and Its Peers

As part of the study, KPMG gathered benchmark and best practices information from peer organizations including:

- San Diego County Sheriff's Department
- Harris County Sheriff's Department (Houston, Texas)
- Metro-Dade Police Department
- City of Chicago Police Department
- New York City Department of Corrections
- California Department of Corrections

On most measures of our comparison, the Department is well within law enforcement industry practices. The following measures illustrate areas where the Department's practices are consistent with the practices of peer agencies:

- Structure of the organization
- Levels of management
- Levels of administration and clerical staff
- Degree of civilianization
- Provision of medical services
- Provision of food services
- Provision of laundry services

In one area in particular, risk management planning and performance measurement, recent efforts are placing the Department in a leadership position among law enforcement organizations.

However, significant improvements are required, in many cases past the level of traditional law enforcement peer performance, if the Department is to improve service levels and fund needed capital improvements. This report provides a series of 38 recommendations that consider increased focus on technology, expanded use of civilian staff and private contractors, management ratios that approximate those found in private industry and other practices which will serve to further position the Department as a leader among its peers.

Departmental Organization and Management

The Department's major operational and management opportunities are summarized below (recommendation numbers used in the report are provided in parentheses):

- Reevaluate the responsibilities of Commander positions, as this position appears to be underutilized from an organizational management perspective (1).

- Evaluate opportunities to improve management to staff ratios in operating regions. Through the increased use of civilian professionals and other management strategies, the Department appears to have an opportunity to leverage the effectiveness of sworn management personnel (2).

- Finalize and implement the Department's Strategic Plan working in conjunction with County leadership. Such a plan will facilitate implementation of critical Departmental initiatives such as infrastructure improvements, civilianization of sworn positions and increased use of technology (5).

- Implement a performance-based budgeting process and prepare and publish a formal annual budget with performance targets. In an era of increasing demand for accountability in government, the Department should improve its budgetary and performance tracking and reporting (7).

These Department-wide initiatives should be implemented within the next three years.

Medical Services

One of the specific elements of our analysis was an outsourcing evaluation of Medical Services and the mandated Correctional Treatment Center (CTC). While the Department's reliance on in-house medical services is consistent with its peers, consideration of outsourcing of both individual services (radiology, laboratory, etc.) in addition to operation of both the CTC and continued acute care, is warranted. During our review, we found local law enforcement agencies that contract for acute care services in addition to various other services, such as radiology and laboratory services. Additionally, standard industry practice for large health care systems, such as HMOs, is to focus on core competencies and outsource other services. This industry trend merits careful consideration by the Department. Further, use of private medical service providers is an option that is specifically provided for in CTC licensing requirements. We recommend that the Department retain a healthcare consultant to assist them in developing a comprehensive medical services strategy that incorporates the expected growth in inmate population, CTC operations, acute care services and considers the cost benefit of in-house and vendor services (8).

Office of Administrative Services

The Office of Administrative Services (OAS) has grown significantly in size and scope due to the growth of the overall Department's administrative needs and recent reorganizations. The OAS currently encompasses fiscal and budgets, personnel, facilities, information systems, communications and fleet, records and identification, and miscellaneous operating units which provide it with a broad and diffuse mission. Information technology, one of the strategic targets of the Department, does not have the organizational focus or executive level representation required for significant change and improvement. Within the operating units, a number of small organizations with narrow management to staff ratios have developed which are focused on specific elements of the operation. OAS has significant opportunity to improve its organization and management structures.

Summarizing the key findings and recommendations of OAS:

- Reorganize OAS into two separate Divisions: Administration with responsibility for fiscal, personnel, and facilities; and Technology with responsibility for information systems, information management and law enforcement technology. These Divisions should be headed by the equivalent of a Chief Financial Officer and a Chief Technology Officer, respectively. Considering the magnitude of the financial and technology issues facing the Department, the Department should refocus its organization to clearly support these two strategic needs (9).

- Implement performance measures for all Divisions, bureaus and units to provide a basis for performance measurement and organizational and staffing evaluation. Performance measures will allow the Department to evaluate its own performance more systematically and to demonstrate to the public that it is operating efficiently and effectively (10, 19, 26).

- Reorganize fiscal, personnel and facilities units to reduce fragmentation of related activities, combine small units for better efficiencies, and increase management utilization. Expand management ratios from current levels of approximately 1:3 to 1:8. Through a more effective organizational structure and reduced levels of management, the Department can reduce costs and ensure more efficient operations (14, 16, 21, 22, 27, 29).

- Improve procurement processes, procedures documentation and systems support. Improved procurement processes will result in less fragmentation of responsibilities and duplication of effort (11).

- Close the Central Supply Warehouse operated by Fiscal Administration and the Facilities Warehouse operated by Facilities Management. Warehouse operations are costly in an era when just-in-time purchasing processes can result in same-day or next-day delivery of items that are currently stored in these warehouses (12, 25).

- Improve prisoner contract billing to reduce the costs of high error correction rates. Reductions in errors through improved processes will result in cost savings and more timely collection of bills (13).

- Perform a detailed feasibility assessment of vendor and custom-developed systems prior to commencing further development or integration of facilities or personnel systems in-house. In-house development of these types of systems is not a standard practice in industry. Further, all system efforts should be integrated within a comprehensive information systems strategy (23, 28).

- Develop a formal governance process and strategic plan for information technology. The purpose of establishing a governance strategy is to ensure that control of the direction and responsibility for the success of information technology is fixed and integrated within a plan encompassing short- and long-term needs (30).

Many of these improvements should be implemented within the next year. In all cases, full implementation should occur within three years.

Food and Laundry Services

Based on our review and comparison with unit costs at other law enforcement agencies and facilities, both Food and Laundry Services are well managed and operated. However, similar to the overall findings, the Department has opportunities to further improve services and reduce costs:

- Utilize the excess kitchen capacity in the Men's Central Jail to prepare food for the Twin Towers facility. This operating plan could result in savings of approximately $1.7 million per year (32).

- Implement a managed competition/outsourcing evaluation for food services. The Department could realize additional efficiencies in Food Services by initiating a managed competition/outsourcing evaluation for Food Services (33).

- Close the North Region Bakery. Closing the bakery was recommended by the Bureau of State Audits and is supported by our findings (35).

These recommendations should each be implemented within the next year.

Bureau of State Audits Recommendations

The review of the Department's responses to the Bureau of State Audits (BSA) recommendations found that the Department agreed in large measure with the State Auditor's findings. The Department has developed detailed responses suggesting implementation plans and timeframes which are discussed in chapter VI. As part of the follow-up to the BSA's recommendations, we performed an analysis of additional civilianization opportunities. Based on interviews with management and other information, the Department has many opportunities for civilianization in addition to those identified by the BSA. Our analysis indicates that annual savings from civilianization of sworn officer positions may be as much as $8.8 million higher than that estimated by the BSA.

We recommend that the Department continue with its Department-wide analysis of civilianization opportunities and develop a five year implementation plan to fully implement all possible civilianization opportunities (38).

Impact of Recommendations

In summary, the specific areas evaluated illustrate that opportunities exist for improving efficiency, accountability and cost effectiveness of the Department's business and administrative processes.

Exhibit ES.1 below illustrates that the estimated potential savings from implementing the recommendations in this report will total approximately $16.0 million to $21.9 million per year after full implementation.

Exhibit ES.1

Estimated Fiscal Impact of Recommendations

Annual Savings (In millions)			
	Year 1	Year 3	Year 5
Incremental	$3.5	$9.6	$2.9 - $8.8
Cumulative	$3.5	$13.1	$16.0 - $21.9

These potential savings relate solely to those specific areas included in the scope of the management audit. Several recommendations including, evaluation of oursourcing for medical services and management ratios in patrol regions call for further analysis, and potential savings, if they exist, cannot be estimated at this time.

Finally, while opportunities for savings exist, savings will need to be reinvested by the Department to improve its infrastructure and meet other capital requirements. We urge the Department to continue its efforts to improve operations and perform efficiency evaluations in other significant aspects of its operations to assist in meeting its long-term needs.

I. Background, Scope and Methodology

This chapter describes the background, objectives and scope, methodology and study limitations of the Management Audit.

A. Background

Since fiscal year 1992-93, the Los Angeles County Sheriff's Department (Department) and other County departments have faced ever increasing budget constraints. The Department's budget has been reduced from $1.16 billion in 1992-93 to a low of $1.01 in 1993-94. The Department's adopted budget for 1996-97 is $1.08 billion, a 7% real reduction since 1992-93 without taking into consideration inflation or increased service needs. The Department's response to these reductions has been to evaluate administration, programs and service levels and make selected reductions. The most visible area of impact has been a reduction of approximately 7,000 jail beds representing almost 28% of the County's capacity. This included the widely publicized decision to delay the opening of the newly constructed Twin Towers jail facility.

During 1996, a series of reports and articles raised operating and management issues related to the Department including:

- Two recent fiscal and operating reviews by the Bureau of State Audits, which identified areas for improvement in the Department
- Several recent newspaper articles related to the Department's operations

In part to respond to these issues, the Los Angeles County Board of Supervisors and the Los Angeles County Sheriff determined that a management audit should be performed of selected elements of the Department. This report is the result of that request.

B. Objectives and Scope

This Management Audit was performed in compliance with Work Order Request No. 4-44 administered by the County Auditor-Controller. The primary objectives of the Management Audit encompassed:

- Evaluating the Sheriff's Department with the intent to save money, increase efficiency, eliminate waste, and improve service
- Focusing on specific areas of administrative and business functions, in addition to the management and organization of the Department and key findings of the Bureau of State Audits
- Working in conjunction with the County Auditor-Controller who performed a related but separate audit scope focusing on compliance with County policies and procedures.

The scope of the audit was defined in the Work Order and included the following areas:

1. Analysis of Specific Operations (Office of Administrative Services, Food Services, Laundry Services):

   - Evaluate opportunities for operational improvements
   - Analyze the use of performance measures
   - Review supervisory ratios, levels of supervision, and staffing
   - Evaluate organizational structures
   - Analyze administrative control processes
   - Evaluate information technology

Due to a reorganization of the Office of Administrative Services (OAS) in late 1996, this review focused on the Fiscal, Personnel, Facilities and Data Services Units of OAS, in addition to Food and Laundry Services.

2. Specifically for Food Services:

   - Benchmark the cost with other food service operations
   - Evaluate the use of inmate labor versus contracting
   - Determine whether food and food preparation supply purchases are made economically

3. For Laundry Services:

   - Compare the cost on a per unit basis with other programs
   - Determine whether opportunities exist to use excess laundry capacity

4. Overall Management Structure/Organization

   - Evaluate the overall organization structure and management processes
   - Benchmark the Department's organization (levels of management and supervisory ratios)
   - Determine possible Department-level reorganizations
   - Evaluate the Department's operation of non-mission services for outsourcing opportunities, and other management alternatives

     ⇒ Crafts/Facilities Management
     ⇒ Fleet Management Warehouses
     ⇒ Warehouses
     ⇒ Information Technology Services
     ⇒ Food Services
     ⇒ Laundry Services
     ⇒ Medical Services

5. Review Bureau of State Audits (BSA) Findings

   - Review BSA findings
   - Review Departmental responses
   - Review subsequent information
   - Report plans for implementation
   - Evaluate and comment on areas of disagreement

This Management Audit was conducted in accordance with generally accepted government auditing standards, as expressed in the *Government Auditing Standards* yellow book, U.S. General Accounting, 1994 Revision. As specified by the County, the scope of this audit did not include an evaluation of compliance with laws and County regulations, and, we therefore performed no work and have no comment in these areas.

C. Methodology

We utilized a combination of interviews, document reviews, peer comparison and analysis as a basis for our fact finding. We conducted structured interviews of selected management and supervisors, as well as other key staff and stakeholders. Among the key interviews were:

- Sheriff
- Undersheriff
- Assistant Sheriffs
- Chiefs
- Directors
- Chief Administrative Officer and representatives
- Auditor-Controller representatives
- Association for Los Angeles Deputy Sheriffs
- Professional Peace Officers Association
- Bureau of State Audits

In collaboration with Departmental management, we identified six agencies that were comparable in terms of service scope or size to the Department:

- San Diego County Sheriff's Department
- Harris County Sheriff's Department (Houston)
- Metro-Dade Police Department
- City of Chicago Police Department
- New York City Department of Corrections
- California Department of Corrections

We administered a benchmarking survey which was designed to collect information regarding the following areas:

- Layers of management
- Functions performed
- Civilianization
- Costs
- Outsourcing of functions
- Use of Inmates
- Other information

We conducted a span of control analysis for the Fiscal, Personnel, Facilities and Data Services Units of the Office of Administrative Services, as well as for Food and Laundry Services. In addition, we analyzed the Department on a division-by-division basis, using data compiled by Departmental staff.

The span of control analysis reviewed:

- Layers of management
- Ratio of managers/supervisors to non-supervisory staff
- Ratio of clerical/administrative (support) staff to total staff
- Ratio of sworn to civilian staff

To identify managers and supervisors within the Office of Administrative Services, we utilized detailed organization charts and determined the number of positions to which other positions report or which supervise others at least part of the time. Supervisors and managers in other divisions were identified using County classification guidelines, as identified in Budget Workshop documents developed by the Sheriff's Department. As the intent of this analysis was to review supervisory ratios, the total of managers and supervisors were combined and compared to non-supervisory staff. The terms managers and supervisors are used interchangeably in this report and encompass all personnel with oversight and management responsibility. An activity-level staffing analysis was not included in the scope of this work.

As part of our review of the California Bureau of State Audits' reports, we performed an analysis of the Bureau's recommendations regarding civilianization. Through our interviews with Division Chiefs, we identified additional positions for civilianization and calculated the potential salary savings from civilianizing these positions.

We reviewed the following areas for outsourcing opportunities:

- Crafts/Facilities Management
- Warehouses
- Fleet Management
- Information Technology Services
- Food Services
- Laundry Services
- Medical Services

In each of these areas, we evaluated service requirements, opportunities and costs and how similar agencies provide these services.

We reviewed the overall organization structure of the Department to evaluate the efficiency and effectiveness of reporting relationships, spans of control, and management processes. Recommendations are provided in many areas. An implementation timeframe is also provided.

D. Study Limitations

This Management Audit is specifically limited to those areas specified in this chapter. We did not review and have no comment on areas outside of the specified scope. The County Auditor-Controller performed a simultaneous audit that focused on a number of compliance and fiscal issues related to Departmental operations. KPMG's focus was primarily on the business and administrative aspects of the operation. In addition, we did not review the Department's compliance with laws and regulations, as this was outside of the scope of the audit.

Information was gathered from Department staff and other sources. Information was reviewed for reasonableness, however, we did not audit underlying source documentation provided by the Department.

Finally, because the Office of Administrative Services was restructured just before we began our study, the work plan did not include a detailed analysis of the Units transferred to this Office during the restructuring, i.e., Communications and Fleet, Parking Enforcement Detail, Records and Identification, and Contract Law Enforcement. We conducted a general review of these areas, and a more detailed assessment in the remaining areas, i.e., Fiscal, Personnel, Facilities and Data Systems and Management Information Services.

II. Department Organization and Management

This chapter contains an analysis of the overall organizational and management structure of the Department. In it we provide an overview of the Department, including its structure, responsibilities by Division and key trends and events impacting the Department. The overview is followed by discussion of:

- Organizational structure
- Management processes
- Non-mission services

A. Overview of Department

The Los Angeles County Sheriff is the chief law enforcement officer of the County of Los Angeles. The Sheriff enforces State laws and County ordinances in the unincorporated area and is responsible for maintaining law and order in all cities within the County.

To fulfill these responsibilities, the Sheriff oversees a Department of over 12,000 sworn and civilian personnel, over 4,000 volunteers and an annual budget of nearly $1.1 billion. The Department provides:

- Law enforcement services for 39 cities and over 2,671 square miles of unincorporated area
- Bailiff services to the County's Superior and Municipal Courts and transportation of approximately 1.8 million defendants annually
- Custody services to over 18,000 inmates
- A wide range of support and administrative services

The Department directly serves a population in excess of four million people while providing custody and other services to the entire Los Angeles County area. On almost any metric, and certainly on a combined basis, it is one of the largest, most complex municipal law enforcement organizations in the world.

The Department operates eight divisions:

- Three Field Operations or patrol regions, representing geographical areas
- Detectives
- Court Services
- Custody
- Professional Standards and Training
- Administrative Services

Exhibit II.1 illustrates the responsibilities of each division.

Exhibit II.1

Divisional Responsibilities

Division	General Responsibilities
Field Operations Regions I, II and III (Patrol)	Provide law enforcement services within the unincorporated areas of Los Angeles County, as well as 39 contract cities, and the Southern California Regional Rail Authority (Metrolink). Also provide traffic control services.
Detective	Investigates criminal activity, including homicide, missing persons, narcotics, organized crime, child abuse and fugitive warrant offenses.
Court Services	Provides bailiff services to the Superior and Municipal Courts, inmate incarceration, and transportation of defendants. Other responsibilities include notice and process service, courthouse security and execution of court orders and bench warrants.
Custody	Provides custody management of more than 18,000 pre-sentenced and sentenced County jail inmates at one women's institution and five men's facilities, including the combined Peter J. Pitchess Detention Center and the new Twin Towers Detention Facility. Additional responsibilities include work furlough/in-lieu of custody programs.
Professional Standards and Training (PSTD)	Promotes professional and ethical conduct within the Department and provides training services to employees. PSTD evaluates and refines policy, procedures and tactics; reviews deputy-involved shootings and the use of force; and investigates alleged policy and criminal violations by employees.
Administrative Services	Provides a number of support services including fiscal and budget management, personnel management, information technology support, statistical reporting services, facilities management and planning services, communications and fleet services, contract law enforcement administration, and parking enforcement detail.

Source: Department documents

Similar to government and law enforcement agencies across the Country, the Department has faced increased service needs and a decreasing or generally static budget every year since 1992-93. Considering the increasing numbers of violent criminals burdening the detention system and the County's overall financial condition, the trend is expected to continue.

In 1992-93, the Department's budget stood at $1.16 billion with 12,004 full-time equivalent employees. In the four ensuing years the Department's budget was reduced to $1.01 billion (1993-94) and then increased to approximately the $1.10 billion level for the next three years.

In 1996-97, the Department's adopted budget is $1.08 billion with 13,102 full time equivalent employees. This represents a decrease of 7% since 1992-93, while budgeted employees were significantly increased overall. During this period, the Marshal's Department was merged into the Sheriff's Department, resulting in an increase of 898 budgeted positions. Other transfers and budgeting changes also increased the costs included in the Department's budget. The Department made budget cuts that both offset these increases and resulted in a 7% decrease overall.

The Department managed these budget reductions through a series of service level and other reductions including:

- Closure of the Mira Loma - Men's jail facility
- Closure of the Biscailuz Center and Pitchess Detention Center- Ranch Facility
- Assuming facilities maintenance, information technology and other services from the County to reduce overhead burdens
- Selective reductions in detectives and narcotics personnel, civilianization of certain sworn positions and reductions in administration and other costs.

The Department also delayed the opening of the Twin Towers Detention Facility (Twin Towers) due to operating funding requirements. The Facility is now open on a pilot basis.

In the coming years, the Department faces several significant capital and operating needs:

- Increasing the number of high security jail beds. Facility renovation and the full opening of Twin Towers are perhaps the largest single needs facing the Department
- Improvement of information systems infrastructure
- Replacing/improving the crime lab
- Station expansions and improvements

On balance, the Department has managed its operations within its budgetary constraints, but has not invested in its infrastructure to the extent necessary to maintain or improve custody service levels.

B. Organizational Structure

Through our assessment of organizational structures for public agencies, KPMG has compiled research and developed standard benchmarks and best practices for both technical and administrative organizations. These criteria have been tested across the Country in municipal governments, state agencies, not-for-profits and other public organizations that must effectively manage both complex and more administrative public services. The model has been applied to a large number of law enforcement organizations. These criteria are documented in the TOM™ (The Organization Model) which is trademarked to KPMG. The organizational assessment criteria used by our firm which was applied to the Department are as follows:

- Reorganization - Restructure organizations to combine similar units, missions and functions to increase communication and management capability.
- Layers of Management - Eliminate one-to-one and one-to-two reporting relationships. Limit layers of management to four or five with a maximum of six for very large organizations.
- Span of Control - Allocate one manager per 10 staff, and possibly higher. Highly technical, policy or non-repetitive functions may dictate a span of control as low as one manager per five staff.
- Clerical Staffing - A reasonable level of clerical staffing is 15% or less of total staff.
- Vacancies - Eliminate non-shortage vacancies that have been open for more than six months. Long term vacancies generally demonstrate that an organization has adapted by reengineering related functions.
- Consolidate Units - Consolidate units with two to five staff into larger more efficient units. Consolidate regional administration where possible.
- Headquarters Staffing - To reduce administrative overhead while continuing to provide needed services, the largest percentage reductions in staffing should be in administration and central office functions.

The review of the Department's organizational structure is discussed in five components:

- Departmental Organization
- Levels of Management
- Spans of Control
- Administrative Support
- Divisional Organizations

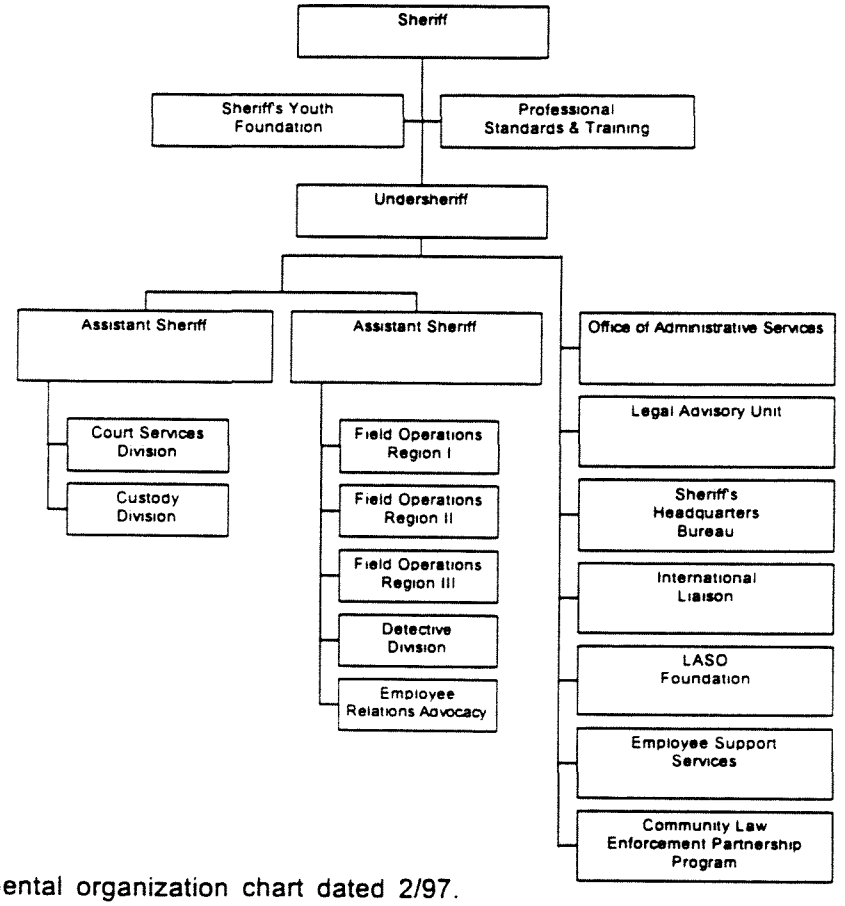
Departmental Organization

The organizational structure of the Department logically separates Field Operations and Detectives (patrol and investigation), Court Services and Custody, Administration, and Training and Standards functions under the direction of a senior management team consisting of the Sheriff, Undersheriff, and two Assistant Sheriffs.

Exhibit II.2 illustrates the Departmental organization chart.

Exhibit II.2

Department Organization



Source: Departmental organization chart dated 2/97.

As depicted by this organization chart:

- The Sheriff directly supervises the Undersheriff, the Professional Standards and Training Division, and the Sheriff's Youth Foundation program. As the County's chief law enforcement officer, the Sheriff is responsible for all Departmental policy and operations.
- The Undersheriff is the chief internal operating officer responsible for much of the day-to-day management. He supervises two Assistant Sheriffs for Field Operations and Detectives and Court Services and Custody. Additionally, he manages the Office of Administrative Services, the Headquarters' Bureau and several special units.
- Assistant Sheriff - Field Operations and Detectives - supervises three regional patrol and special operations units, the Detective Division, and provides Employee Relations Advocacy. The three Field Operations Regions are organized geographically and include special operations units which respond on a County-wide basis.
- Assistant Sheriff - Court Services and Custody - oversees the Court Services Division and the Custody Division.

The Department is organized in a logical manner similar to many law enforcement organizations. Similar units, functions and missions are combined to achieve organizational efficiency and promote communication. It is common to see separate patrol, detective, court and custody organizations. Training/standards and administration are also commonly separated. In many law enforcement organizations, a separate Technical Services Division is used to house Department-wide technical functions. The Department combined Technical Services with Administrative Services in a recent reorganization.

Due to the size of the three patrol regions (each has a budget of approximately $100 million), three separate regions are warranted from an organizational perspective. The placement of the Professional Standards and Training Division, which includes Internal Affairs, under the direct supervision of the Sheriff provides the level of independence and management access necessary for this activity. The further grouping of patrol/detective (law enforcement and investigation) and court/custody (addressing defendants) also combines related activities.

The level of management oversight with the Sheriff, Undersheriff, and Assistant Sheriffs reporting relationships also appears to be appropriate given the scope of operations supervised.

Levels of Management

The assessment of levels of management in this section primarily relates to sworn staff. The assessment of Administrative Services management is provided in the next chapter.

The Department has a total of eight levels of sworn personnel that provide management and direction to subordinates:

- Sheriff
- Undersheriff
- Assistant Sheriff
- Chief
- Commander
- Captain
- Lieutenant
- Sergeant

As stated earlier, an executive management team of four personnel encompassing the Sheriff, Undersheriff and two Assistant Sheriffs appears warranted due to the size and complexity of the organization. Below this "executive management level" are two levels of senior management encompassing Division Chiefs and Commanders. At the operating level, Captains are station and bureau managers responsible for day-to-day management of field operations managed and performed by Lieutenants, Sergeants and Deputies.

Each Division has two Commanders except for Custody which has four and Administrative Services which has one. The Department has reduced the number of Commanders from three to two per Division as part of budget reductions in recent years.

Commanders are assigned by each Chief based on the divisional needs. While Commanders are shown organizationally as line management overseeing specific bureaus, stations or administrative activities, there is wide variation in their use. Based on management interviews, Commanders are Divisional inspectors, perform command duties on weekends and in crisis situations in the field, and perform special duties such as high-risk warrant service. They also are used as Department-wide resources to serve on committees, assist in certain reviews and policy evaluations and other Departmental activities. Commanders are important members of the command structure although many have limited day-to-day organizational management responsibility.

Bureaus are generally managed by Captains which receive an average salary of almost $96,000 per year ($115,584 with benefits), assuming a benefits rate of 20.4%. Commanders and Chiefs have very similar salaries at approximately $108,000 per year ($130,000 with benefits.)

The Department has eight layers of management which compares favorably to the peer group benchmarks. As can be seen below, the median levels of management for the six benchmark agencies is also eight.

Exhibit II.3

Levels of Management

Agency	Levels of Management
Harris County Sheriffs Department	6
San Diego County Sheriffs Department	7
Metro-Dade Police Department	8
Los Angeles County Sheriffs Department	8
New York City Department of Corrections	8
Chicago Police Department	9
California Department of Corrections	11

Source: KPMG Benchmarking Survey

While the Department compares favorably to its peers, the Department has a higher number of management levels than other large and technical organizations when compared to the TOM™ criteria. One cause of the higher number of management layers is the Commander designation, which has substantial project-oriented responsibilities and somewhat limited organizational management responsibilities.

Recommendation 1 - Reevaluate Commander positions and their functions within the organization.

Based on our review, it appears that the Commander level of management is being underutilized from an organizational management perspective. Responsibilities also vary widely from Division to Division. Given the rank and experience of this position, it appears that Commanders should be better integrated into organizational management of the Department. Reassessment of the roles and deployment of Commanders may lead to increased efficiency and reduction of the total number of senior management positions.

We recommend that the Department carefully evaluate the use and deployment of its Commanders and seek to increase management utilization and effectiveness.

Spans of Control

Span of control is an average number of subordinates reporting to supervisory personnel. In the analysis of span of control for non-administrative functions, KPMG evaluated average spans of control based on budget information provided by the Personnel Bureau. Importantly, span of control analysis does not incorporate detailed staffing and workload study. It therefore, provides an effective analysis tool to illustrate opportunities for efficiency and savings but cannot precisely identify specific changes to an organizational structure which require detailed workload analysis.

The Department's ratio of managers/supervisors to total staff is as follows:

Exhibit II.4

Departmental Span of Control Ratios

Division	Ratio of Supervisor to Staff Positions *
Executive Office	1 : 1.7
Office of Administrative Services	1 : 4.4
Professional Standards and Training	1 : 3.1
Field Operations Region I	1 : 5.8
Field Operations Region II	1 : 5.5
Field Operations Region III	1 : 5.8
Detective	1 : 3.6
Court Services	1: 17.3
Custody	1 : 7.9

Source: Personnel Bureau.
* Sergeants are included as first line supervisors

Based on the criteria which considers that a 1:5 reporting relationship is appropriate for technical activities and a 1:10 or greater is appropriate for repetitive or less technical activities, the following Divisional ratios appear to represent opportunities for improvement:

- Office of Administrative Services - Administrative activities typically have closer to a 1:10 ratio. This is further discussed in the next chapter.
- Professional Standards and Training - While this area requires significant technical activities, a 1:3 relationship illustrates very low management leverage.
- Detectives - Similar to Professional Standards and Training, Detectives is staffed by senior, experienced personnel. However, a 1:3.6 relationship illustrates that some opportunity may exist for management leverage.

Court Services has a very high ratio, however, this is largely due to the number of deputies that provide bailiff services to judges. Custody appears to be in line with benchmark ratios.

Upon further discussion with management, both Professional Standards and Training and Detectives have a high percentage of Sergeants and Lieutenants performing non-management investigation and training activities. By their nature, these functions require senior personnel which would explain what appear to be very low ratios.

While the Field Operations Regions does not on the surface have unusually low spans of control, there is a wide discrepancy between patrol watch ratios (shift sergeants to deputies), and the overall Region ratios.

Below is an example of some specific ratios from Region II.

Exhibit II.5

Sample Management to Staff Ratios for Field Region II

Job Description	Ratio of Persons Supervised by a Manager
Court Liaison	1:2
Patrol Watch	1:25
Special Projects	1:1
Patrol Watch	1:17
Training/Scheduling	1:2
Patrol Watch	1:19
Operations	1:5
Scheduling/Ops	1:1
Training	1:1
Region II Average	1:5.5

Source: Field Operations Region II.

These examples illustrate that patrol watch ratios (patrol car deputies) can reach a ratio of 1:17 to 1:25 while the overall region averages to a 1:5.5. For law enforcement activities, 1:17 to 1:25 appears to be too wide a management span of control. Considering the level of field supervision, the overall ratio of 1:5.5 appears too narrow a span of control.

To put these ratios in perspective, we analyzed other agencies for which comparable data was available. The table below illustrates the results of this analysis.

Exhibit II.6

Manager to Staff Ratios of Benchmark Agencies

	Los Angeles County Sheriff's Department			Average of Regions	San Diego County Sheriff's Dept.	Metro-Dade Police Dept.	Harris County Sheriff's Dept.	Average of Bench-mark Agencies
	Region I	Region II	Region III					
Ratio of all Mgrs/Sups to Staff	1:5.8	1:5.5	1:5.8	1:5.7	1:7.3	Not available	1:7.5	1:7.4
Ratio of sworn Mgrs/Sups to Deputies	1:4.2	1:4.4	1:4.6	1:4.4	1:5.0	1:4.3	1:8.4	1:5.9
Ratio of Sergeants to Deputies	1:5.7	1:5.9	1:6.0	1:5.9	1:7.5	1:5.8	1:12.7	1:8.7

Source: FY 1996-97 Budget Documents.

This table shows the overall patrol management ratios, sworn Management to Deputy ratios as well as the Sergeant to Deputy ratios. Comparing the average ratios for Regions I, II and III of the Department with the averages for the benchmark agencies illustrates that opportunities likely exist to increase management utilization.

In discussions with Department personnel, the current management ratios are impacted by a number of Sergeants which do not have supervisory responsibility. However, the benchmark organizations likely have similar deployment considerations. Opportunities for use of civilian professionals and redeployment of Sergeants that are not supervising patrol deputies should be carefully evaluated by the Department. Due to the size of the patrol regions, a concerted effort to expand sworn management utilization to 1:7 through civilianization and/or redeployment has the opportunity to generate savings from $3 million to $5 million per year. A detailed evaluation should be performed to assess such opportunities.

Recommendation 2 - Evaluate the opportunity to improve management-staff ratios in operating regions.

Perform a detailed assessment of the deployment of sworn managers, supervisors and non-supervisory Sergeant positions with the intent of increasing management utilization prior to creating additional sworn management positions.

Readjusting management ratios, either through reassignment of sworn personnel, addition of civilian management or other techniques will provide significant opportunity for savings and/or redistribution of sworn officers to the field.

Administrative Staff

An additional measure of organizational effectiveness is the level of administrative or clerical personnel to professional and management personnel. Based on information provided by the Personnel Division, the following clerical ratios exist by Division:

Exhibit II.7

Departmental Administrative Ratios

Division	Ratio
Executive Office	30.8%
Professional Standards and Training	17.0%
Field Operations Region I	8.6%
Field Operations Region II	8.2%
Field Operations Region III	11.8%
Detective	16.0%
Court Services	12.0%
Custody	10.5%

Source: Personnel Bureau.

Each of the Divisions has administrative/clerical ratios that approximate the expected range of 15% or less of total staff. The Executive Office ratio is also not unexpected for senior management.

Divisional Organizations

As stated in the scope of work, we did not perform an in-depth organizational or staffing analysis of the enforcement functions. Rather, we focused on business functions, (see the next chapter), the overall management structure and spans of control. In the course of our work, other organizational considerations came to our attention which we have summarized in this section:

- Organizational titles and classifications are not used consistently
- Patrol Regions are inconsistently organized

Organizational Consistency

One observation regarding the overall organization is the inconsistency with which organizational units are titled. It appears that Divisions, Regions and Offices are used interchangeably to identify an organizational unit headed by a Chief or Director classification. In addition, the use of Bureaus, Units, and other organizations like "Personnel Administration" are defined more by the level of management and whether management is sworn or civilian. For example, it appears that units are only called "Bureaus" when a Captain-level classification is the manager. Stations also appear to be equivalent in reporting level to Bureaus. Finally, there does not appear to be any consistent designation for units within Bureaus.

The lack of a clear organizational hierarchy with consistent titles complicates the understanding of reporting relationships, level of authority, or level of accountability within an organization. It also can significantly complicate budgeting processes, accounting classifications and management reporting. Further, it makes it difficult for management and job classification analysts to equitably assess staffing needs and classification/compensation decisions.

Recommendation 3 - Develop a clear and consistent organizational hierarchy to improve accountability.

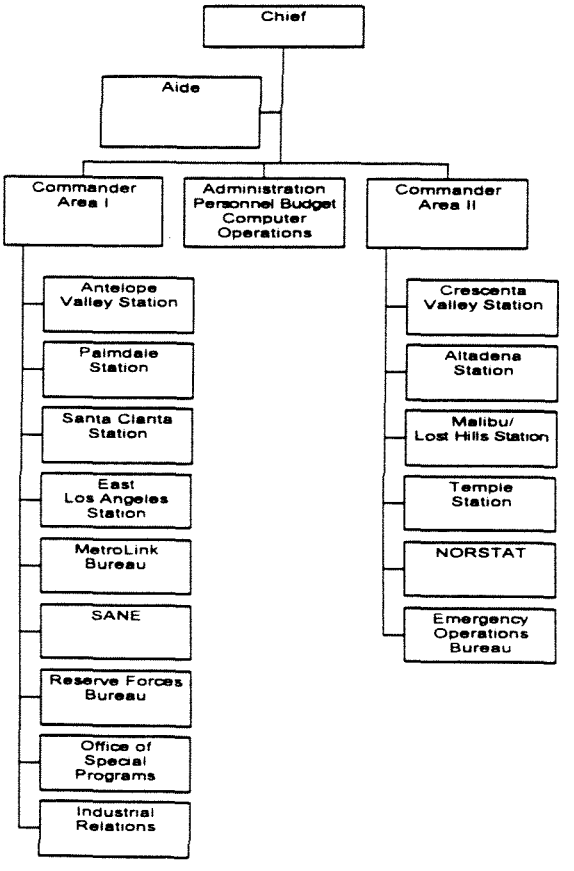
Develop and implement clear and consistent titles for use by organizational units. Similar units at similar levels should have consistent titles. Titles should be adopted and documented and changed only as part of defined reorganization procedures.

Field Operating Regions I, II and III

The general structure of Field Operating Regions differs among the regions. Organization charts for the three regions are shown below.

Exhibit II.8

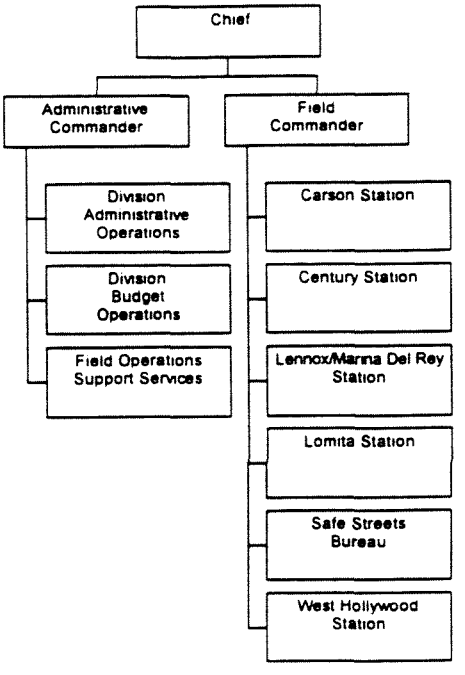
Field Operations, Region I



Source: Departmental organization chart dated 2/97.

Exhibit II.9

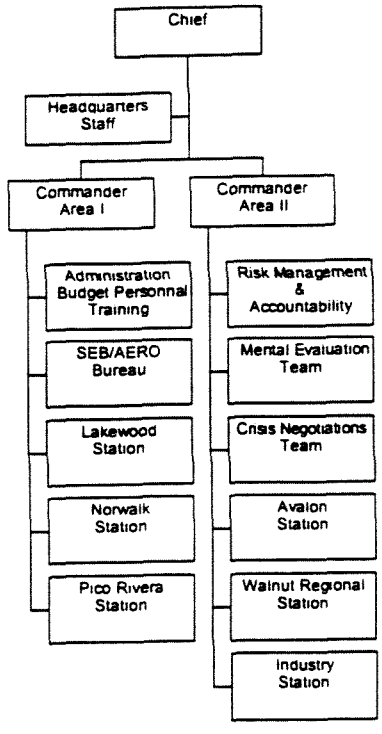
Field Operations, Region II



Source: Departmental organization chart dated 2/97.

Exhibit II.10

Field Operations, Region III



Source: Departmental organization chart dated 2/97.

Each region has two Commanders who oversee a group of administrative units, patrol operations units (stations), or special operations units. The operations of the stations, or individual special operating units are managed by Captains. However, every region structures the reporting of these units differently:

- Region I contains eight stations. It also includes the NORSAT, Emergency Operations Bureau, Metrolink Bureau, SANE program with the Reserve Forces Bureau, Office of Special Programs, and Industrial Relations units. The field units are split into two areas, under the direction of the two Area Commanders. All of the administrative units report directly to the Chief.

- Region II contains five stations. This unit has only one special operations program, the Safe Streets Bureau. Different from Region I, all of the field units (stations and Safe Streets) report to a single Field Commander. The Administrative units report to an Administrative Commander.

- Region III contains six stations. It has a wider range of special operations programs, including SEB/AERO Bureau (helicopters), Risk Management and Accountability, Crisis Negotiations Team, and Mental Evaluation Team. Region III divides its patrol and special operations units into two areas, with each area reporting to a separate Commander. Administrative support functions report to one of the Commanders as well.

Given the large geographic area covered by Department, the regional structure is an effective way of deploying field resources. However, there appears to be some benefit to organizing each of the regions in a consistent manner.

Recommendation 4 - Implement a consistent field operations regional structure.

Implement a consistent organizational structure across the operating regions. Consistently align stations, Department-wide functions and administration to balance and maximize the use of commanders as line managers. In the short- and mid-term, consider utilizing the Commander position as a field manager overseeing station operations.

C. Management Processes

In addition to organizational structures, management processes were also evaluated. The following areas were considered:

- Strategic Planning
- Management Decision Processes
- Budget Planning and Management

Each of these are discussed below.

Strategic Planning

An important element of the management process is an integrated strategic plan and ongoing strategic planning process. Such a plan describes a vision of the organization in the future, and articulates the mission, strategic issues, objectives, strategies and action plan for the organization. The strategic planning process seeks to periodically review progress, new issues and opportunities and integrates strategic planning with tactical day-to-day management.

The Department does not have a formal, adopted strategic plan, although one is in development. A strategic planning process was initiated in 1996 with the aid of an outside consultant, however the resulting plan was not complete or useful to the Department. The Department has recently assigned responsibility for developing a strategic plan to an internal unit. The unit is in the process of preparing such a plan.

Day-to-day management processes and structures are in place to address operational and policy matters. In addition several strategic initiatives have been implemented by management using a weekly Executive Planning Council meeting as a forum. Among the significant changes is the implementation of a comprehensive risk management strategy and risk management planning process. The Department has also changed internal processes and requirements for accountability.

The Department, however, has a great many long-term issues that must be addressed, such as funding capital infrastructure improvements, increased use of technology and a long-term strategy for maximizing civilianization. These issues have not been addressed on a Department-wide basis.

Recommendation 5 - Finalize and implement the Department's strategic plan.

The Department should work to finalize its strategic plan and to include all of the elements of a formal plan, i.e.:

- *Vision*
- *Mission*
- *Strategic Issues*
- *Objectives*
- *Strategies*
- *Tactics*
- *Implementation Plan*

The implementation plan should consider the funding requirements of the plan and should encompass an update of the Jail Needs Assessment and plan from 1990. This plan should be prepared in conjunction with the County Chief Administrative Officer and consider opportunities for support of the Department by the County.

Absent such a plan, which is embraced by the Department and County management, the likelihood exists that the annual budget will continue to be the focus of discussions and long-term, consensus-based progress will be more difficult to achieve.

Management Decision Processes

The Department's move towards community based policing has caused an ever increasing decentralization of activities. The Department maintains consistency of operating and policy decisions and promotes departmental communication through a large number of committees that meet periodically to evaluate and recommend policy and operating changes to a central Executive Planning Council.

The Department provided us a list of 37 active committees and "task forces":

- Six meet weekly including the Executive Planning Council
- Six meet monthly
- Five meet regularly, up to four times a year

The remainder meet as needed.

Sixteen of the committees have eight or more members. Four of the committees have 15 or more members. A substantial portion of the committee members are Captains or higher. Management stated that they periodically review committees and assignments and disband unnecessary committees.

The Executive Planning Council meets weekly, takes recommendations from support committees and either makes decisions that are operating in nature or refers policy matter recommendations to the Sheriff.

We reviewed the minutes of Executive Planning Council meetings from February 1995, July 1995, January 1996, June 1996 and November 1996. While not specifically identified in the minutes, the Department estimated that meetings last 2 to 3 hours. There are approximately 48 meetings a year.

Depending on the issues under discussion, these meetings are heavily attended with an average of 26.4 personnel attending the meetings we reviewed:

- 10.8 committee members including the Undersheriff, Assistant Sheriffs, and Chiefs
- 15.6 invited participants ranging from Commanders to Deputies and civilians

Importantly, the open communication and understanding of Department-wide issues that was illustrated by all members of senior management is enhanced by this level of regular meetings and consensus discussion. However, the number of regular meetings and the wide attendance at these meetings also contributes to the increased internal responsibilities of many Captains and certainly the Commanders and Chiefs. These additional responsibilities in part contribute to the increased need for management illustrated in the management ratios earlier in this chapter.

As an example, based on our analysis of meeting attendance of the Executive Planning Council (excluding travel and preparation time), salary and benefits costs of this committee are estimated at over $225,000 per year.

Recommendation 6 - Use committee structure more efficiently within the Department.

While the committee structure is beneficial for consensus-building and employee morale, the Department should continue to evaluate the cost of its committee structure and make adjustments to shift the emphasis of decision making from heavy reliance on committees to a balance of committees, Departmental policy guidance, utilization of information and management reports and other forms of communication, such as memos and potentially electronic mail.

A decision-making strategy based on the above mix could conservatively save the Department in excess of $100,000 annually in staff costs without compromising the laudable employee support and high morale the Department now enjoys.

Budget Planning and Management

The Department manages a $1.1 billion budget, a massive undertaking by any standard. The Department's Fiscal staff take a number of steps to facilitate the budget process for Divisions, including providing budget guidelines and technical assistance. Fiscal budget staff also work with Divisional budget staff and management to obtain budget requests for the upcoming fiscal year. In practice however, budget requests appear to have little impact on allocations as salaries and benefits are tied to Department-wide assignment of personnel made by executive management and services and supplies budgets generally are tied to amounts allocated in the prior year.

The Department produces two types of budget information for Divisions and Bureaus — a staff component detailing positions, salaries and benefits and a separate services and supplies component. This budget information is available on line to most Departmental managers through the Financial Management System.

While the budget information is available, the format and presentation to the Department is fragmented, resulting in a lack of understanding among some managers we interviewed. During our fieldwork, we were unable to obtain a single consolidated budget document summarizing the budget by Division and Bureau. We also did not obtain reports that compared budget to actual expenditures on a detailed basis at the operating level to support ongoing budget management or provide year-end reporting. In substantially all organizations we interviewed, internal budget spreadsheets were maintained to assess progress against budgets.

Finally, budget allocations are not related to performance measures to allow assessment of the cost/benefit of expenditures or to provide an ability to allocate funds among competing service needs. Rather, the budget is evaluated based on historical patterns of spending and short-term operating needs.

Recommendation 7 - Implement a performance based budgeting process and publish an annual budget

Considering the magnitude of the budget and the wide range of service that must be provided, the Department needs an improved budgeting process and tools.

In the era of increasing demand for accountability in government, the Department should be able to demonstrate that taxpayer dollars are spent wisely. Performance-Based Budgeting is an approach that relates performance and service levels with costs and provides a mechanism to understand and communicate the relative cost effectiveness of services. It also serves as a basis for resource allocation decisions.

We recommend the Department develop a performance-based budget that relates revenues and expenditures by program and/or service delivery area to the performance objectives for that program. The budget should provide a statement of the mission, goals and objectives for the program, a detail of the staffing and expenditures for the program, and the level of services and performance expected of the programs or organization.

Also, given the magnitude of the Department's budget, and the fact that the Sheriff is an elected official accountable to the public, it is important that the Department be able to communicate its budget in a clear and concise format and provide access to members of the public, and other interested parties. Accordingly, we recommend that the Department implement a more formal budgetary process which includes the following elements:

- *A Complete budget document, including data at the Division and Bureau levels on sources and uses of funds, including salaries, benefits, services, supplies, and overhead costs.*
- *Timely and regular budget reports which allow all Bureau managers to monitor their budgets on a bi-weekly basis.*
- *Guidelines for budget staff throughout the Department to follow in monitoring and controlling the budget at the unit level*

An interrelated recommendation on divisional budget units was made in the Auditor-Controller's audit.

D. Non-Mission Services

As part of our review, we evaluated the following non-mission areas to determine whether they are areas of appropriate volume and core competency that they can be efficiently performed by the Department. We also evaluated whether outsourcing would provide an opportunity for savings. These areas were selected by the County primarily because they are support functions in nature and require skills that are generally available in private industry:

- Crafts/Facilities Management
- Warehouses
- Fleet Management
- Information Technology Services
- Food Services
- Laundry Services
- Medical Services

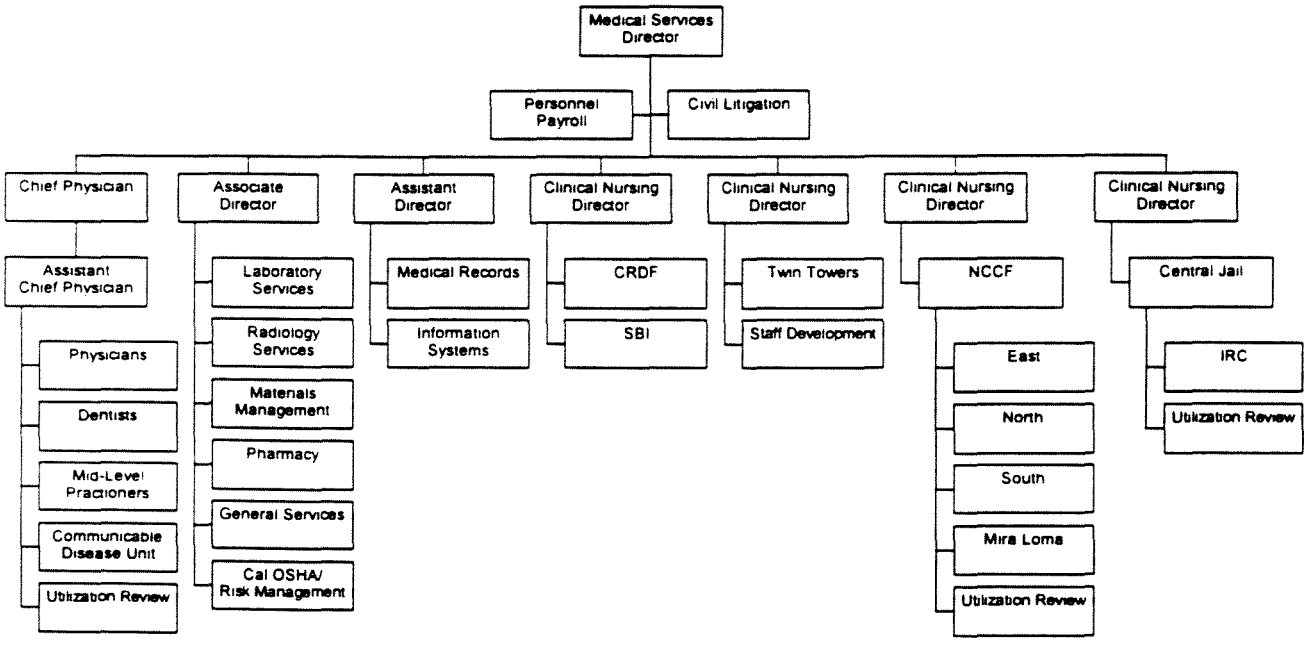
Discussions regarding all areas except Medical Services are contained in Chapters 3, 4 and 5 of this report. Below are our observations and recommendation regarding Medical Services.

Medical Services

The Medical Services Unit (Unit) has approximately 640 employees, comprised of physicians, nurses, laboratory workers, administrators, pharmacists and others. These employees provide medical service to inmates housed in County jails. Below is an organization chart of the Unit.

Exhibit II.12

Medical Services



Source: Departmental organization chart dated 2/97.

As the organization chart illustrates, the Unit is divided among various jail facilities of the Department.

Services provided by the unit include:

- Nursing
- Dentistry
- Psychiatry
- Radiology
- Emergency referral
- Clinic referral
- Medical screening
- Medical records
- Dietetic Services
- Laboratory Services
- Pharmaceutical Services

The Unit manages a budget of $38.9 million which is broken down as follows:

Exhibit II.13

Medical Services Budget

Budget Category	Millions of $
Salaries	$28.8
Benefits	5.0
Services & Supplies	4.2
External Contracts	.7 *
Total	**$38.7**

Source: Unit Documentation.
* Estimated based on amount for 1995-96.

The volume of services provided by the unit is as follows:

Exhibit II.14

Volume of Services Provided in 1996

Service Provided	Volume
Total inpatient admissions	6,338
Total outpatient clinic visits	2,059,249
Total prescriptions filled	1,068,000
Radiology procedures	198,000
Laboratory procedures	738,581
Medical Records Opened	91,391

Source: Unit Documentation.

The Unit currently provides most services in-house, with the exception of acute care and several miscellaneous services. Below is a breakdown of the Unit's contracts as of FY '95-96:

Exhibit II.15

Medical Contracts in FY 1995-96

Organization/Service	Contract Amount
Smith-Kline Laboratories - HIV testing	$306,802
BFI Biohazardous Waste - medical waste disposal	9,531
Henry Mayo Hospital - Acute inpatient services	351,836
Cancer Screening Laboratories -Cancer screening	13,164
Wilson Ambulance - transportation	10,003
Total	**$691,336**

Source: Unit Documentation and discussion with OAS staff.
Note: LAC - USC provides acute care services to the Department at a cost of $9 million.

The Department also has a Memorandum of Understanding with High Desert Hospital for Fiscal Year 1997-1998 to provide several medical services, including treatment of minor illnesses and medical conditions, pharmaceutical services, telephone consultation and radiology. The total value of the contract is $424,453.

The Medical Services Unit provides services to a very large population with a high incidence of disease. Regular care must be provided on site, especially as it relates to dispensing of prescriptions and non-acute care.

As part of the analysis, information was gathered on the peer agencies related to levels and outsourcing of services.

Exhibit II.16 below shows how this unit compares with other agencies we reviewed which provide Custody services.

Exhibit II.16

Benchmarking Results for Medical Services

Area of Review	Los Angeles County	San Diego County	California Dept. of Corrections	Harris County
Ratio of Medical Services Staff to Total Inmates	1:33	1:25	1:33	1:50
Ratio of Medical Services Staff to Total Staff	5%	6%	9%	6%
Agency Cost Per Inmate	$2,504	$2,932	$2,532	$2,357
Services Provided				
Basic Dental	In-house	In-house	In-house	In-house
Psychiatric	In-house	In-house	In-house	In-house
Emergency Referral	In-house	In-house	In-house	In-house
Clinic Referral	In-house	In-house	In-house	In-house
Nursing Services	In-house	In-house	In-house	In-house
Clinic Services	In-house	In-house and Outsourced	In-house	In-house
Medical Screening	In-house	In-house	In-house	In-house
Dietetic Services	In-house	In-house	In-house	In-house
Laboratory Services	In-house and Outsourced	Outsourced	In-house and Outsourced	In-house and Outsourced
Pharmacy	In-house	In-house	In-house	N/A
Radiology	In-house	Outsourced	In-house	In-house
Acute care	Outsourced	Outsourced	Outsourced	Outsourced

Source: Discussions with Agency staff and Agency documents.
* N/A = Information not available.

As this exhibit illustrates, the Department appears to be operating efficiently relative to its peers. The Department's cost per inmate is somewhat higher than that of Harris County. However, this cost is less than that of the California Department of Corrections and San Diego County. The degree of the Department's reliance on in-house services is also consistent.

Correctional Treatment Center

The California Bureau of State Audits report dated November 1996 addressed the need for the Department to establish a licensed correctional treatment center (CTC), as required by Title 22 of the California Code of Regulations and a 1992 order issued by the U.S. District Court under Rutherford vs. Block. The Unit indicated that it is currently working to establish this facility within Twin Towers.

A correctional treatment center is a health facility within a state prison, county jail or California Youth Authority facility that is designated to provide health care to the portion of the inmate population that does not require general acute care level of services but is in need of professionally supervised health care beyond that normally provided in the community on an outpatient basis. The Department of Health Services' (DHS) licensing criteria (Title 22, Division 5, Chapter 12) and the Office of Statewide Health Planning and Development's (OSHPD) building codes (Title 24, Chapter 4A, Section 424A) stipulate programmatic and operational requirements for CTCs in terms of "required services" and "optional services."

Required services include Physician, Psychiatrist, Psychologist, Nursing, Pharmaceutical, Dental and Dietary services. In addition to the preceding services, a correctional treatment center may also provide designated optional services, which include Laboratory, Radiology, Perinatal, Outpatient Surgery, Mental Health Treatment Program and Standby Emergency Medical Services.

State and county law enforcement agencies were required by the Statutes of 1989 (Chapter 1327) to operate licensed CTCs as of January 1, 1996. To date, none of the State's correctional facilities have been licensed and only one facility has officially applied to DHS for licensing. OSHPD has been in the process of developing the building standards codes for CTCs, which will be printed in July, 1997 and enforceable within 180 days of March 17, 1997.

A number of counties and/or facilities have, however, requested applications for licensing and are in the process of developing outside contracts, hiring personnel, modifying space and developing the policies and procedures required to meet regulations. Law enforcement agencies throughout the State are pursuing various means to obtaining licensing, ranging from completely internalizing CTC functions by hiring additional staff and remodeling space to outsourcing virtually all ancillary services (e.g., Lab, Radiology, Dietary, Mental Health). In the majority of cases, decisions to internalize or outsource have been based on the local health care market: availability of resources/services, competitive bids and the proximity of contractors to the correctional facilities.

Outsourcing

The use of outside resources is permitted under the CTC guidelines (22CCR 79783). Outside resources may include other facilities, organizations, individuals or public or private agencies. The governing body of the CTC is responsible and accountable for all services provided through agreements and/or contracts.

The three agencies contacted during our review indicated that they contract for acute care services. Additionally, San Diego County indicated partial outsourcing of clinic services and full outsourcing of laboratory and radiology services.

In the private sector, the common practice is one of specialization, i.e., focus on core competencies, and refer other services to outside vendors. This practice is common even in large HMO's which have reasonably "captive" client bases. These large organizations have found that referrals of non-core services are cost beneficial, even though they have very large service volumes.

Studies have shown that outsourcing does save money, particularly through reduced administrative costs. Based on interviews, outsourcing of correction facility health care services or conversion to fully private services has resulted in typical costs savings of 10-15%. In rare cases, savings have been realized 20% over comprehensive government-run facilities. These savings are largely attributable to the use of non-union or non-collectively bargained employees, greater purchasing efficiencies of the outsourcing companies and less restrictions on contract negotiations. Another contributor to increased efficiency is the "core competency" concept — the provision of certain health care services may not be within the core competencies of the Sheriff's Department. However, the provision of these services is the core competency of hospitals and many other ancillary providers within the community. The private sector has been using this concept in attempts to maximize operational efficiency and reduce costs.

In the specific case of the Department, there are several issues associated with outsourcing inmate health care services. These include the proximity of contract providers to correctional facilities, the additional costs associated with transportation and custodial personnel, the bargaining power for county/government contracts, security, ease of access and turnaround times, and the variety of options available.

The decision to outsource or contract for medical and related services should be driven by cost-benefit analyses of each category of service. Analyses should address anticipated patient volumes, rates associated with continuing to internalize the service, anticipated rates in the community given a competitive bidding process, and additional costs associated with inmate transport and custody/security (if required).

Required CTC Services

In terms of licensing, correctional treatment centers are required to provide the following services:

Exhibit II.17

Required CTC Services

Required Service	Summary of Licensing Criteria	Staffing Requirements	Summary of Building Requirements
Physician	Physician supervision of all inmate care	■ Medical Director ■ Responsible Physician (may be the same individual)	■ Exam/treatment room ■ Office space
Psychiatrist	Consultative services to inmate-patients including diagnostic assessment and treatment;	■ Clinical Director ■ Sufficient number of psychiatrists and psychologists to meet needs of patients	■ Consultation/interview space ■ Office space

Exhibit II.17

Required CTC Services (cont.)

Required Service	Summary of Licensing Criteria	Staffing Requirements	Summary of Building Requirements
Nursing Service	Skilled nursing care to inmate-patients on a continual basis	■ Director of Nursing Service ■ At least one RN on duty at all times (may be same individual up to 15 beds) ■ 2.5 nursing hours per patient day	■ Patient rooms ■ Negative air pressure isolation rooms (1:35 beds) ■ Positive pressure isolation room (ratio not specified) ■ Observation rooms (1:30 beds) ■ Nursing stations (max. 25 beds) ■ Utility rooms ■ Toilets (1:6 patients) ■ Bathtubs/showers (1:12 patients) ■ Lavatories (1:8 patients) ■ Office for DON ■ Lockable janitors closets ■ Supply storage spaces
Pharmaceutical Service	Procuring, dispensing, labeling, and storage of drugs and chemicals by licensed pharmacists; if located on the CTC premises, the pharmacy shall be licensed by the State Board of Pharmacy 24-hour prescription service, including refills w/in 24 hours; STAT drugs within one hour	■ Pharmacist (at least on consulting basis)	■ Licensed Pharmacy ■ Drug prep counter area Refrigerator ■ Locked drug storage (cabinets, drawers, closets or rooms) ■ Drug service trays and/ or carts
Dental Service	Emergency dental care, and may include diagnostic, preventive or corrective procedures	■ Responsible Dentist ■ Sufficient number of dentists and auxiliary personnel to render proper dental care	■ Adequate dental service space ■ Dental radiography ■ Instrument storage ■ Instrument sterilization ■ Lockable bulk storage ■ Patient record storage

Exhibit II.17

Required CTC Services (cont.)

Required Service	Summary of Licensing Criteria	Staffing Requirements	Summary of Building Requirements
Dietary Service	Nutritionally adequate food for inmate-patients, in accordance with "The Recommended Daily Allowance" and "The California Daily Food Guide"	■ Registered Dietitian (at least part-time or consulting basis) ■ Dietetic Supervisor (if Dietitian is not full-time) ■ Dietary Service Staff (preparation and serve)	■ Office for Dietitian or Dietetic Service Supervisor ■ Space and equipment for proper preparation, serving and storage of food ■ If provided by outside service: ■ Standby kitchen ■ Food storage ■ Equipment space

Source: Title 22 and other data related to CTC regulations

In addition to the above referenced spaces, general administrative and ancillary areas are also required. These include: waiting area, Administrator's Office, space for clerical personnel, conference space, group activity space, records work area and secure records storage. Support spaces include central supply and sterilization area (soiled work area, clean work area, sterilizing space, sterile and unsterile support space), general storage, specialized storage (linen, supply, and wheelchairs), employee dressing rooms and lockers (not required if provided in adjacent correctional institution). Any outpatient service areas are required to have waiting areas with access to toilet facilities and drinking fountains.

CTC regulations and licensing requirements specifically state that contractual arrangements for dietetic services with another health facility are acceptable, as well as for outside autoclaving and sterilizing services.

Optional CTC Services

In addition to the aforementioned services, a correctional treatment center may also provide the following services:

Exhibit II.18

Optional CTC Services

Optional Service	Summary of Licensing Criteria	Staffing Requirements	Summary of Building Requirements
Laboratory	Services and equipment for routine lab work such as urinalysis and CBCs; perform tests in chemistry, microbiology, serology, hematology, pathology and blood banking; 24-hour availability	■Director of Clinical Lab (Pathologist or licensed lab bioanalyst if MD not available) ■Sufficient staff to meet needs of the service	■Must comply with state codes and regulations
Radiology	Use of X-ray, other ionizing radiation, and/or MRI, and/or ultrasound in the detection , diagnosis and treatment of illness; 24-hour availability	■Responsible Radiologist (or an MD with training in radiology) ■Sufficient radiologic techs to meet the needs of the service	■Radiographic Unit (min. 1) ■Film processing equipment/area ■Film viewing area ■Resuscitation and monitoring equipment immediately available ■Toilets ■Dressing rooms ■X-ray equipment, supply and film storage
Perinatal	Maternity unit and newborn service for care during pregnancy, labor, delivery, postpartum and neonatal periods; if contracted out, emergency delivery services should be provided at the CTC	■Responsible Physician ■RN in L&D ■Sufficient staff to monitor and assist in delivery ■RN in Postpartum ■Sufficient staff to provide nursing care ■RN in Nursery (neonatal training) ■RN trained in infant resuscitation on each shift ■Licensed nursing (1:8 infants)	■Labor rooms ■Toilets adjacent to labor rooms ■Delivery rooms ■Nursery ■Must comply with state codes and regulations

Exhibit II.18

Optional CTC Services (cont.)

Optional Service	Summary of Licensing Criteria	Staffing Requirements	Summary of Building Requirements
Outpatient Surgery	Surgical services for patients not requiring hospitalization; types of procedures and anesthesia must be specified in policies and procedures; screening tests provided within 72 hours prior to surgery	■Responsible Surgeon (or MD with training in surgery if not available) ■OR Nurse Manager ■Nursing staff/technicians in appropriate ratio to ensure RN available at all times as a circulating assistant ■Available RN for emergency treatment	■Operating rooms ■Postanesthesia recovery ■Special rooms (cast room, cysto room) ■Must comply with state codes and regulations ■Lab, radiology and pharmacy services readily accessible
Mental Health Treatment Program	Inpatient care and treatment for acute or non-acute mental health disorders requiring 24-hour care; multi-disciplinary treatment team approach; inmates must be evaluated within 72 hours if s/he may require psychotropic medication	■Clinical Director ■Psychiatrist(s) ■Psychologist(s) ■LCSW(s) ■Nursing staff trained in psychiatric nursing at all times ■Sufficient staff to provide necessary care (2.5 nursing hours per patient day) ■Staffing ratios specified for acute mental health	■Consultation/interview room ■Observation rooms (1:15 MH beds, min. of one) ■Safety rooms (1:30 MH beds, min. of one) ■Indoor and outdoor facilities for therapeutic activities ■Program/dining space (min. of 30 square feet per patient served)
Standby Emergency Medical Services	Emergency medical care in a specifically designated area; 24-hour physician coverage available within a reasonable time; all MDs, podiatrists and dentists providing services must be employed by the CTC	■Responsible Physician ■RN w/emergency training (at least on-call) ■Sufficient personnel to support the services offered	■Emergency treatment area ■Observation room (beds counted in total licensed capacity of CTC)

Source: Title 22 and other data related to CTC regulations

All optional services can be provided through contractual arrangements. In the case of Labor and Delivery, if the CTC elects to contract with a general acute care hospital, provisions for emergency delivery services must still be provided by the CTC.

Recommendation 8 - Evaluate the outsourcing of medical services as part of a comprehensive health care service strategy.

Compliance with CTC requirements, the licensing of such a facility and the provision of other health care services should be evaluated in a comprehensive strategy which incorporates a thorough analysis of future inmate populations and the cost/benefit of outsourcing and contracting opportunities. Such an analysis should be undertaken by the Department in conjunction with a health care consultant. Specific targets for consideration include pharmacy, dietary, laboratory, and radiology. However, due to the magnitude of service requirements and the regional proximity to a wide range of health care services, acute care and other contract medical services should also be evaluated in a detailed study.

III. Office of Administrative Services

This chapter includes an analysis of the Office of Administrative Services (OAS) and its various Bureaus. The chapter focuses on organization, management, administrative processes, staffing issues, and information technology support for those bureaus supporting accounting and budgets, personnel, facilities and information technology. Bureaus which were added to OAS in a reorganization at the end of 1996 are reviewed at a higher level as appropriate. This chapter includes findings and recommendations in the following areas:

- Organization of OAS
- Fiscal Administration
- Personnel Administration
- Facilities Management and Planning
- Information Technology

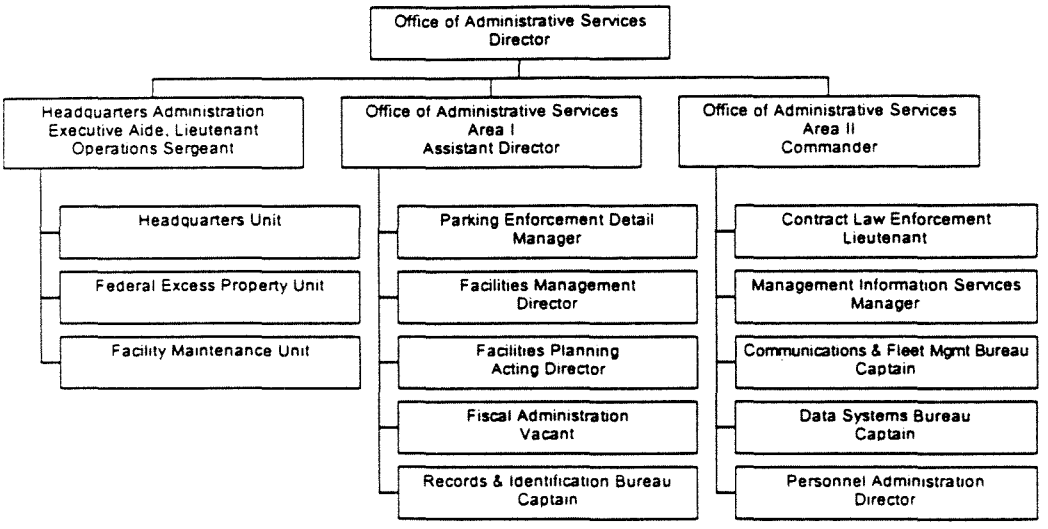
A. Organization of OAS

The Office of Administrative Services reports directly to the Undersheriff and is responsible for providing a variety of information technology, administration, fiscal, facilities, personnel, records and identification, evidence storage, communications and fleet support, and parking control activities for the Sheriff's field and headquarters units.

Below is an organization chart of the Office of Administrative Services:

Exhibit III.1

Office of Administrative Services - Division Organization



Source: Departmental organization chart dated 2/97.

OAS is managed by the Director of the Office of Administrative Services. OAS is considered a Division similar to Operating Regions, Detectives, etc. and a Director is a civilian position similar to a Chief. The Director oversees all operations and directly supervises Headquarters Operations support units. The balance of OAS is organized into two areas.

Area 1 is managed by an Assistant Director (similar to a Commander) and includes:

- Fiscal Administration
- Facilities Management
- Facilities Planning
- Parking Enforcement Detail
- Records and Identification

Area 2 is managed by a Commander (sworn position) and includes:

- Personnel Administration
- Management Information Services
- Data Systems
- Communications and Fleet Management
- Contract Law Enforcement

The OAS budget is illustrated below:

Exhibit III.2

OAS Division Operating Budget

Category	Amount
Salaries and Employee Benefits	$73,796,549
Services and Supplies	$70,602,176
Total	**$144,398,725**

Source: PIMS Funded report and February 1997 FMS report.

The recent reorganization dramatically increased the scope of OAS activities. OAS has historically provided general administrative services, such as Facilities management and planning, Fiscal, and Personnel. In addition, OAS now supports information technology and a wide range of technical support services which are peculiar to the specific tactical requirements of a law enforcement agency and are more in line with supporting field, custody and court operations than general administrative needs. These technical support units include Records and Identification, Communications and Fleet and Management Information Services (crime analysis and statistical reporting). Additionally, OAS is involved in a field operations function as it has oversight over the Parking Enforcement Detail.

We understand that the reasoning supporting the expansion of OAS was the desire to reduce management costs through combining the Technical Services Division with other Divisions including OAS. However, this change appears to have fragmented the mission of OAS and diluted the focus on two key needs of the organization:

- Fiscal, budget and personnel management
- Information technology

Management confirmed to us their strategic objectives to increase efficiency through improved technology. Considering the significant resources and strategic needs that will be closely associated with these two areas, it does not appear that the reorganization adequately supports these structural needs.

Currently, fiscal activities encompassing budgeting, accounting, revenue management and other activities are supported under one Area and combined with facilities and records and identification. Personnel management, which must be closely related to the budget function, is supported under a separate Area organization. Given the significant capital, budgetary, and personnel planning initiatives that must be undertaken by the Department, this level of fragmentation appears inefficient.

Warehousing operations for supplies are managed by the Facilities and Fiscal units. However, the Fiscal unit also has responsibility for Property and Evidence warehousing (which relates to crime and arrest processing, not equipment and supplies storage). While this may be beneficial for maintaining appropriate controls over cash or financial evidence, and because the warehouse for equipment and supplies is at the same location as the evidence warehouse, the purposes for and controls over these warehouse operations are different. Evidence warehousing involves documenting and maintaining a strict "chain of evidence" wherein the actual location and stewardship of the evidence must be consistently documented and protected at all times. Equipment and supplies warehousing involves maintaining inventory level counts, reorder levels, and protecting against shrinkage or loss. These "warehousing" operations have very separate missions and require different levels of skills, training and management.

Technology and information processing and management functions are found in various parts of the organization: in the Data Systems, Communications and Fleet, Management Information Services, and Records and Identification Units. Small technology groups are also located in other Divisions. This fragmentation of systems planning, and related operations appears to dilute the ability to coordinate technology strategy, resource planning and decision making. Given the major investment that the Department has in technology, and the benefit that technology can bring to improving the overall organizational efficiency of this Department, the organizational placement of these functions merits reevaluation.

Considering the Department's plans for technology improvement, technology appears to be supported at too low a level in the organization. Currently, technology management is found in the fifth layer of management in the organization (i.e. Sheriff, Undersheriff, Director, Commander - then Data Systems Captain, MIS Manager etc.). The trend in organizations is to place a high priority on information technology management by merging their technology-related functions and elevating the leadership over these functions to the senior management level.

Chief Information Technology Officers are becoming common in large, complex organizations. Their roles are similar in level to a Chief Financial Officer. This elevation of technology in part ensures that management decisions are made with technology implications in mind. Technology in the law enforcement and corrections arena is synonymous with technical support to critical field operations. The importance of technology, therefore, should not be understated. Rather, its importance should be articulated by the manner in which the organization structures and manages this function.

Each of these considerations warrant a reevaluation of the structure of OAS.

Recommendation 9 - Reorganize the Office of Administrative Services into an Administrative Division and Technology Division.

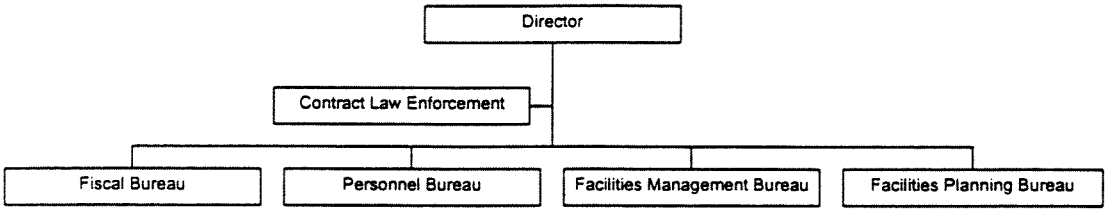
We recognize that the Department had separate administrative and technical organizations as late as 1995 and that changes were made for budgetary and other reasons. However, considering the magnitude of the financial and technology issues facing the Department, we recommend that the Department refocus its organization to clearly support these two strategic needs.

We recommend that the Office of Administrative Services be separated into an Administrative Services Division overseen by a Director that is the equivalent of a Chief Financial Officer and a Technology Division overseen by a Chief Technology Officer. The management savings that the Department derived in its earlier reorganization can be maintained and enhanced by the elimination of the Commander/Assistant Director level of management. In the revised organizations, Bureau managers should report directly to the Division Directors, eliminating one level of senior management.

Proposed structures are provided in Exhibits III.3 and III.4.

Exhibit III.3

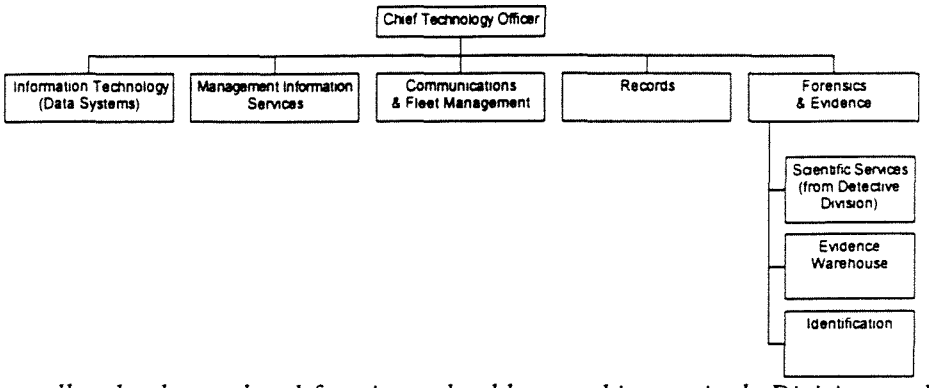
Proposed Administration Division Structure



The Administration structure combines those aspects of the organization that perform standard support activities. Additionally, it includes the Contract Law Enforcement unit, as this unit's activities relate more to contract management than to direct operations support. The Facilities Maintenance Unit should be consolidated with Facilities Management. Because its an enforcement function, Parking Enforcement Detail should be reorganized under one of the patrol regions, and the potential benefits of outsourcing this function should be explored.

Exhibit III.4

Proposed Technology Division Structure



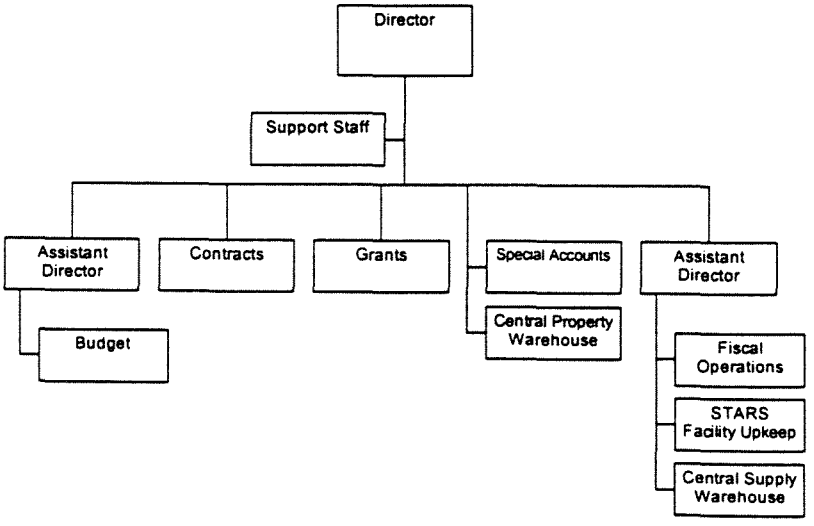
As shown above, all technology related-functions, should merged into a single Division, under the direction of a Chief Technology Officer, who reports directly to the Undersheriff, and serves on the Executive Planning Council, advising on all areas of technology. Additionally, this Division provides technical support to field operations through the records, communications, and forensics units. Forensics combines all areas of evidence storage, and fingerprint identification (and evidence) processing. Additionally, it brings over the forensics analysis conducted by the Scientific Services unit from the Detective Division to the Technology Division. All systems and analysis of crime information is consolidated into this Division, to better focus related Departmental operations.

B. Fiscal Administration

Fiscal Administration reports to the Assistant Director Area 1, of the Office of Administrative Services Division and is comprised of eight sections. The unit supports the fiscal activities of the eight divisions. Exhibit III.5 depicts the unit's current organizational structure.

Exhibit III.5

Office of Administrative Services - Fiscal Administration



Source: Departmental organization chart dated 2/97.

The primary responsibilities of Fiscal Administration are summarized as follows:

Exhibit III.6

Primary Responsibilities of Fiscal Administration

Section	Functions
Fiscal Operations	Processes payments for goods and services, oversee the procurement process, monitors all encumbrances, reviews and approves purchases, and maintain and tracks expenditure information.
Special Accounts	Process and oversee revenue billings and collections from contract cities and other public agencies, and is responsible for ensuring that all revenue is accounted for and received as projected in the budget.
Budget Services	Prepares the Department's annual budget and submit to the CAO; also monitors the Department's spending and collection of revenue.
Contracts	Prepares requests for proposals and solicit bids for contract services of the Sheriff's Department. Section was organized in July of 1996.
Grants	Assists in grant applications, monitors and investigates grant resources, and provides technical assistance on grant proposals and grant implementation.
Central Property and Evidence Warehouse	Acts as a central repository for the warehousing and maintenance of evidence. The Warehouse is also responsible for the distribution of property to its owners and the disposal of property.
Central Supply and Logistics Warehouse	Provides support services related to the procurement and distribution of Department supplies, uniforms and safety equipment.
STARS Facility Upkeep	Performs ground maintenance and facility upkeep of the STARS facility.

Source: Discussions with Unit Staff and Unit documentation.

The Fiscal Administration budget includes salaries and employee benefits and services and supplies. Other departmental costs are not allocated down to the unit level.

Exhibit III.7

Fiscal Administration 1996-97 Budget

Budget Category	Dollar Amount
Salaries and Employee Benefits	$7,836,113
Services and Supplies	1,663,280
Total Budget	**$9,499,393**

Source: PIMS Funded Reports and February 1997 FMS

The following sections describe Fiscal Administration:

- Management, Operations and Administration
- Organizational Structure and Staffing
- Information Technology

Each of these are discussed below.

Management, Operations and Administration

Performance Measures

In the Fiscal Administration Unit, approximately 124 clerical and professional staff report to 35 managers or supervisors. Managers and supervisors indicated that they use several methods to evaluate the overall performance of their staff. Most commonly, managers and supervisors review the work performed by staff for accuracy and review financial reports to gauge workload. Other methods used to monitor and control the performance of Unit staff include weekly meetings, setting deadlines, and direct observation.

In the Accounts Payable section, efforts are being made to determine the appropriate data that should be collected to evaluate workload distribution. For example, the section tracks number of payment vouchers that are processed and the number of lines in each payment voucher. In Central Supply and Logistics, information has been requested from the Data Systems Bureau for inventory statistics to determine inventory trends and warehouse staff productivity. Additionally, the Central Property and Evidence Warehouse maintains monthly statistics on the property received, property disposed and staff overtime.

While several mechanisms are used to monitor and control staff performance, formal performance measures are not consistently used to evaluate performance and productivity. In some instances, due to the rotation of managers and supervisors between Fiscal Operations and Special Accounts Sections, several of the managers and supervisors were not yet familiar with the sections' processes to be able to implement such measures.

Recommendation 10 - Implement performance measures for Fiscal Administration.

Fiscal Administration would benefit from developing and implementing performance goals, objectives and measures that focus on outcomes, outputs, and efficiencies. Indicators such as the following can be used to monitor staff productivity and performance, evaluate operation process inefficiencies, and track information for management decisions:

- *Item Turn-around time*
- *Discounts taken*
- *Backlog*
- *Cost per transaction*
- *Ratio of transactions to staffing compared to peers*
- *Cost of preparing bills*

Performance measures and effective monitoring and control methods will allow the Unit to more effectively staff its workload, evaluate the performance of individuals and the Unit and substantiate budget requests.

Procurement Processes

The County recently closed its central Purchasing and Stores Warehouse which had been used by Departments to acquire often used supplies. This closure increased the workload of purchasing personnel, Document Control staff, and Accounts Payable staff to process purchase orders and payments. In response to the closure, the Department increased the number of direct agreements with vendors to accommodate direct Department purchases. Commonly purchased items such as cleaning supplies, paper products and office supplies, are purchased and stored by the Central Supply Warehouse (CSW). Purchase requisitions by the Department's Divisions from the Central Supply Warehouse are made on-line through the Department's Financial Management System (FMS).

Representatives from each Division of the Department are responsible for the processing of procurement information. Most stations and operating units also have personnel assigned to procurement on a part-time basis. Facilities Planning and the Central Supply Warehouse and Logistics have procurement staff that specifically procure goods for Facilities Management and for commodities stored in the Central Supply and Logistics Warehouse. Through FMS, Division representatives prepare purchase requisitions of goods and services for approval. Several approvals are required at the Division level and then at Document Control prior to issuing the purchase order.

Procurement-related information, such as non-agreement vendor purchases, is not shared by all staff performing procurement functions. Divisions can also purchase some commodities through vendor agreements that are already stored in the Central Supply Warehouse.

There is also potential for duplication in obtaining bid information and soliciting bids. Bid information obtained by one Division is not accessible by other divisions. Coordination to avoid duplication is based on bi-weekly budget meetings, which is a control process with inherent limitations.

Recommendation 11 - Improve procurement processes and systems.

The Department's purchasing and procurement process can benefit from improved coordination and systems. The Department should continue to plan for the centralization of certain purchasing and procurement functions within the Fiscal Administration Unit, and consider the following:

- *Evaluate the entire procurement and purchasing process with the goal of reengineering them for maximum efficiency and effectiveness*
- *Document Department-wide purchasing policies and procedures, defining the responsibilities of procurement staff in Fiscal Administration and in each of the Department's Divisions*
- *Determine the appropriate systems improvements necessary for efficient procurement methods and purchasing processes, including a data base of non-agreement vendor information.*

Central Supply Warehouse

The Fiscal Administration Unit manages a Central Supply Warehouse (CSW) which is approximately 45,000 square feet and located in Whittier at the STARS Training Facility. The CSW houses commodities commonly used by the Department, such as cleaning and maintenance supplies and Department business forms. Office supplies are also stored in the warehouse, although these are being placed on direct purchase.

As noted above, several commodities housed by the CSW are also purchased directly through vendors by the Divisions. In the past, Divisions have stated that supplies housed in the CSW are more costly than direct purchases.

The Central Supply Warehouse Manager indicated that inventory is now issued to the Divisions at replacement costs. No information is available on the costs absorbed by the CSW to write down inventory to market value. Additionally, we noted that CSW inventory turnover ratios are approximately 45% lower than industry standard, as evidenced below:

Exhibit III.8

Warehouse Inventory Turnover Data

	CSW 1995/96	Industry Standard
Average Inventory Balance	$730,776	
Value of Stock Issued 1995/96	$1,870,296	
Inventory Turnover Ratio	2.6	4.7
Days in Inventory	140.7 days	76.6 days

Source: Media General.

Recommendation 12 - Close the Central Supply warehouse.

The CSW is not being fully utilized. It is estimated that approximately $479,000 is expended annually on salaries and benefits of CSW personnel alone. An additional $126,000 is spent on maintenance at a rate of $2.79 per square foot. Commodities purchased from the CSW can be purchased through agreement and non-agreement vendors, as evidenced by the office supplies that are no longer housed by the CSW. As such, we recommend the closure of the central supply warehouse operation. Based on the inventory turnover ratio, it is expected that the inventory could be depleted within six months.

Prisoner Maintenance Billing

Approximately $21 million in revenue is collected from the State, U.S. Marshal, local municipalities, U.S. Immigration and Naturalization Service and the California Youth Authority for the custody of their inmates in the Department's station jails and custody facilities. This revenue is approximately 3.5% of total estimated revenues of $608 million collected by the Department. The Prisoner Maintenance sub-section of Special Accounts - Fiscal Administration Unit is responsible for the verification of inmate custody information for revenue billing.

The Prisoner Maintenance sub-section receives inmate billing information from the Automated Justice Information System (AJIS). The purpose of this subsection is to verify AJIS information used to prepare billings to the State and other agencies. Verification of custody information is done by reviewing the criminal and court records and reports.

Inmate custody records are recorded in AJIS at the custody location by jail and custody staff. On a monthly basis, a billings report is printed from AJIS. The Prisoner Maintenance subsection verifies the custody records supporting the billings information prior to preparing the invoice. From discussions with the Prisoner Maintenance Supervisor, this review function was created due to the numerous billing discrepancies and errors created from incorrect custody information input into AJIS.

It is estimated that 80% of the billings to municipalities and approximately 40% of the State billings reviewed require billing corrections. Eight positions are budgeted to perform this review function. Actual costs total approximately $263,000 in salaries and employee benefits (excluding two vacant positions).

Even with the efforts of this subsection, several State invoices are still disputed. Of approximately $5 million outstanding from the California State Department of Corrections, as of January 31, 1997, $2.2 million has been outstanding for more than 90 days.

Recommendation 13 - Improve contract prisoner billing practices.

While the Prisoner Maintenance sub-section is able to perform the review and verification of court and custody records for accurate billing in a timely manner, there are cost efficiencies to be gained from the reduction of errors. Efforts such as the following should be taken to ensure that accurate information is recorded at the point of origin:

- *Provide increased guidance and training on recording custody information into AJIS*
- *Identify methods for detecting errors when recording initial information*
- *Clarify process for recording custody information.*

With a clearly defined process and early error detection controls the review of AJIS billing information can be reduced. A 50 percent reduction in errors could save the Department $131,000 in salary and benefits savings, in addition to increased interest earnings for timely collection of funds.

Organizational Structure and Staffing

Over the years, the Sheriff's Department has grown to a 12,000 plus person operation with a financial budget of over $1 billion. In order to manage the operations and spending of the Department, the Fiscal Administration Unit has evolved to accommodate the changing fiscal needs of the Department. For example, in recent years, the increase of contracted services within the Department created a need to organize a Contracts section to solicit bids for contract services. Additionally, as the Department sought to increase revenues, the number of Federal, State and Local grants increased, and the Grants section was created to support proposals, implementation and administration of grants. Fiscal Administration also became responsible for the ground and facility upkeep of the STARS Facility, the Central Property and Evidence Warehouse and Logistics.

As discussed in the previous section, the Department's procurement and purchasing functions are fragmented within the Fiscal Administration Unit. The Contracts section, Document Control, Print Management and budgeted procurement staff report to different managers within the Unit. Additionally, the maintenance of grant contracts is handled in part by the Fiscal Operations Section and the Revenue and Billing Section.

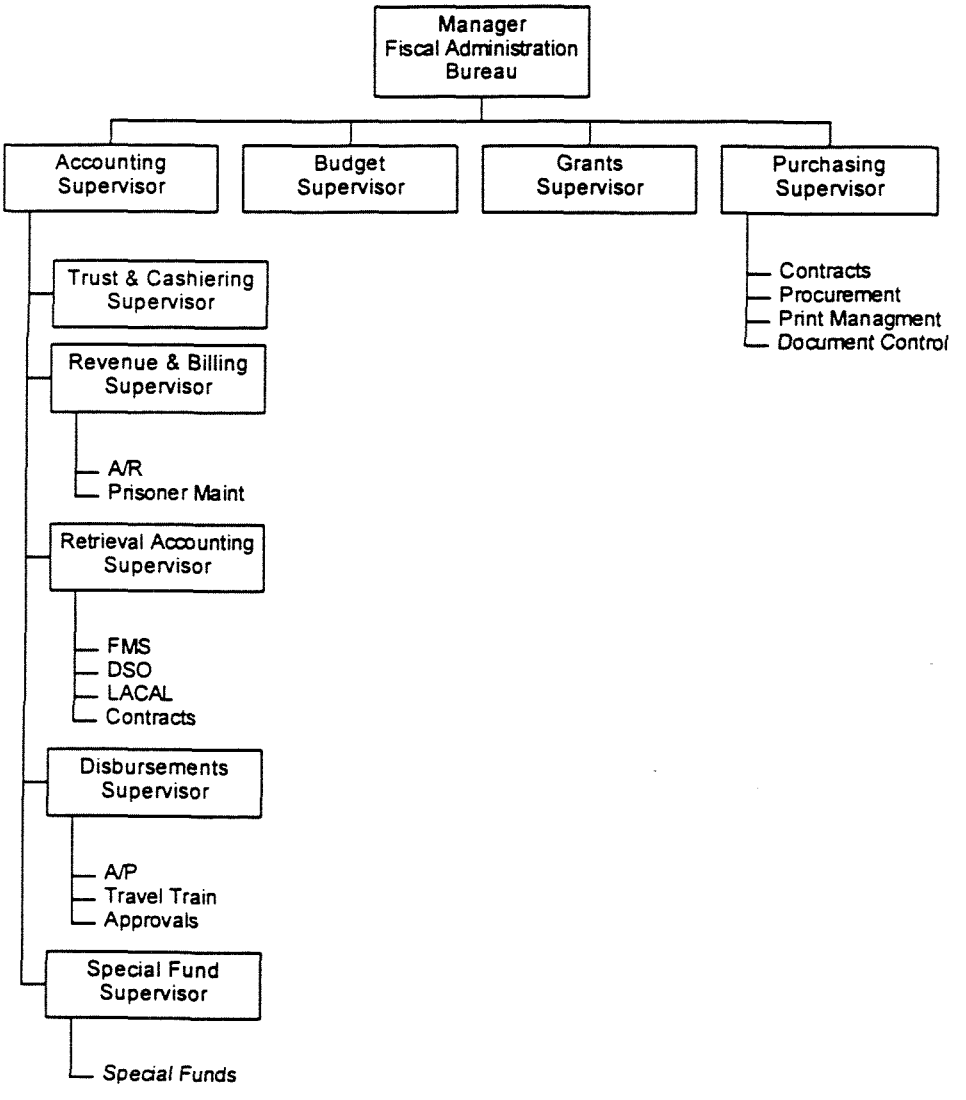
The organization has developed into a large number of small and fragmented operations which must interrelate with other parts of the organization to complete tasks. Fragmented operations often result in duplication of work, a lack of continuity and inconsistencies of information.

Recommendation 14 - Reorganize Fiscal Administration to align responsibilities and functions.

The Unit could realize efficiencies by consolidating the responsibilities of many of its functions. Functions that perform related activities should be grouped or consolidated to minimize these inefficiencies. Below is our proposed organization chart for Fiscal.

Exhibit III.9

Office of Administrative Services - Fiscal Administration Proposed Organization



The recommended organization includes consolidation of procurement and purchasing functions, including the Contracts section, the planned procurement positions, Document Control and Print Management. The procurement functions of the entire Department should also be analyzed as discussed earlier to determine what additional responsibilities should be consolidated within the Fiscal Administration Unit.

It is also recommended that the Central Property and Evidence Warehouse and Logistics be transferred to the newly created Technology Division and the STARS Facility Upkeep be transferred to Facilities Management. Such a transfer will combine the sections by similar functions and responsibilities.

Vacant Positions

Fiscal Administration's salaries and employee benefit budget is approximately $7.8 million. Based on the Department's FY '96-97 adopted budget, the Fiscal Administration Unit has 172 full time equivalent positions, including five sworn positions. Of the five sworn positions, four have been transferred to other units and the remaining sworn position is utilized at the STARS facility to supervise the inmate work-release program. A net of 13 positions have been assigned to other organizations, leaving a total of 159 budgeted positions in the Bureau. Filled positions, based on the Department's organization chart, are substantially different as shown below:

Exhibit III.10

Fiscal Administration Staffing

Section	Positions	Vacant Positions	Total Positions
Office of Fiscal Administration	4	0	4
Assistant Directors	3	1	4
Fiscal Operations	43	6	49
Special Accounts	29	5	34
Budget Services	6	0	6
Contracts	4	0	4
Grants	3	2	5
Central Property and Evidence Warehouse	19	2	21
Central Supply and Logistics Warehouse	21	5	26
STARS Facility Upkeep	6	0	6
Total	138	21	159

Source: Fiscal Administration February 1997 Organization Chart.

The Unit currently has 21 vacant positions. Of the vacant positions, the following chart shows the number of months the vacant positions have been open:

Exhibit III.11

Analysis of Fiscal Administration Vacancies

Section	No. of Pos.	Positions	Months Vacant
Assistant Director	1	Bureau Assistant Director	> 12 months
Fiscal Operations	3	Accounting Tech II	> 12 months
	1	Account Clerk I	6 months
	1	Account Clerk II	1 month
	1	Procurement Asst. I	6 months
Special Accounts	5	Account Clerk II	> 12 months
Grants	1	Operations Asst. II	> 12 months
	1	Student Worker	6 months
Central Property and Evidence Warehouse	1	Operations Asst. II	6 months
	1	Evidence and Prop. Custodian III	2 months
Central Supply and Logistics Warehouse	1	Public Information Asst.	6 months
	1	Warehouse Worker III	6 months
	1	Procurement Asst. I	6 months
	1	Procurement Asst. II	6 months
	1	Procurement Asst. III	6 months
Total	21		

Source: Fiscal Administration February 1997 Organization Chart.

The authority to fill vacancies is outside of the Unit's direct control. Budgeted positions and vacancies are managed and controlled at the Division level. When a request is made to fill a position, approval must be given by the undersheriff. Based on discussions with the Assistant Director of Administrative Services, it appears that due to budget constraints, many vacancies have gone unfilled.

Recommendation 15 - Eliminate long-term vacancies in Fiscal Administration.

While we realize that budgetary constraints have forced the Department to leave positions vacant for extended periods, accurate forecasting of positions for the unit would improve budget management and control. Additionally, vacancies which exist for more than 6 months indicate that the organization has adapted to the decreased staffing. Therefore, these vacancies should be eliminated.

Span of Control

As part of the study, we reviewed the levels of management, spans of controls, and clerical/administrative ratios. Based on the Unit's February 1997 organization chart, the Unit has four layers of management. This is in addition to four senior management layers (Sheriff, Undersheriff, Director, Assistant Director). Both the head of the Division and the head of the Unit are called "Directors" on organizational charts.

Exhibit III.12

Fiscal Administration Levels of Management

Levels of Management	General Reporting Relationship
1	Director
2	Assistant Director
3	Administrative Services Manager III
4	Accounting Officer III

Source: Fiscal Administration February 1997 Organization Chart.

Based on the current organization chart, the Unit has 35 managers/supervisors, 110 line staff and 14 clerical/administrative staff. This is prior to any elimination of vacancies or change of responsibilities. This results in a 1: 3.5 manager/supervisor to staff span of control, and a clerical to total positions percentage of 8.8%.

The following summarizes the number of the reporting relationships with 1:1, 1:2, 1:3, and 1:4 manager/supervisor to staff reporting ratios within the Fiscal Administration Unit:

Exhibit III.13

Fiscal Administration Manager/Supervisor Spans of Control

Mgr/Sup to Line Staff Ratios	Number in Unit
1:1	5
1:2	5
1:3	5
1:4	4

Source: Fiscal Administration February 1997 Organization Chart.

Based on the organizational criteria outlined in the previous chapter, administrative functions should have management to staff ratios of 1:10 or higher with technical activities being no less than as 1:5. The criteria also suggest that the percentage of clerical/administrative staff should approximate 15% of total staff. Additionally, layers of management should be limited to four or five, with a maximum of six for very large organizations.

Recommendation 16 - Reduce layers of management and improve management ratios in Fiscal Administration.

We recommend that layers of management and supervision be reduced to 3 layers in the Fiscal Administration unit: Fiscal Bureau Manager, Accounting Supervisor and Unit Supervisors. Based on the organization chart shown earlier, Fiscal Administration will require approximately 12 managers (including 2 for purchasing). As approximately 10 managers may be transferred or eliminated due to the reorganization of activities and closure of the warehouse, the Department has the opportunity to evaluate the actual duties of up to 13 managers and determine if their positions can be reassigned or eliminated. The Department should focus on a management ratio for Fiscal Administration of at least 1:8 overall.

The reduction of layers and the increase of management to staff spans of control will create a flatter reporting structure that should improve communication and efficiency. Improvement of management ratios will result in savings of up to $854,000 based on an average manager salary plus benefits of $65,709.

Information Technology

Given the County's fiscal constraints and budget curtailments, the timeliness, accuracy and control over financial information is critical to the success of managing and monitoring the Department's $1 billion budget.

Presently, the Department's expenditure and revenue information is tracked by two separate systems, Countywide Accounting and Purchasing System (CAPS) and Financial Management System (FMS). CAPS is a countywide accounting system used to track all financial information of the County of Los Angeles and is the official accounting record of the County. FMS is a purchased accounting system package that has been further developed internally to specifically meet the needs of the Department. The Fiscal Administration Unit currently performs double input and reconciliation procedures to maintain both accounting records.

The Department's FMS is primarily used for the accounting of services and supplies expenditures. This is accomplished in the system by the FMS module that allows for the approval of purchase requisitions. Therefore, purchase requisitions and purchase orders are produced on-line. Requests are monitored and approved against budgeted amounts in the Document Control subsection in Fiscal Operations. Additionally, a FMS module can also purchase commodities on-line from Central Supplies Warehouse. Billings are prepared using the Department's Financial Information System (FIS). Salaries and employee benefits, revenue information as well as Special Revenue Fund information are accounted for in CAPS only.

Because the two financial systems (FMS and CAPS) are not integrated, manual input and reconciliation of expenditures information is necessary to maintain the two systems. The Unit is experiencing inefficiencies due to the double input and reconciliation efforts required to maintain the two systems. The Fiscal Administration Unit presently has a sub-section, General Accounting, which primarily supports this process of data input into FMS and the reconciliation of the two financial systems. Personnel costs including employee benefits associated with this process approximate $198,000 annually.

Recommendation 17 - Eliminate duplicate data entry through integrated financial systems.

We recommend that the Unit eliminate the cost of duplicate data entry and manual reconciliation by examining the integration of data input on encumbrances, reserves, expenditures and revenues of the two financial systems.

Financial Management Reports

Several Unit management reports are manually prepared by inputting information and data into either a WINGZ or a LOTUS spreadsheet. The Department's current financial accounting systems appear to be unable to provide the management reports necessary to support timely management decisions. Summary reports are therefore manually created. Manual preparation includes the following reports:

- Monthly Aging Schedule of Accounts Receivable
- Monthly Revenue Status Report
- Daily Summary of Miscellaneous Fees
- Monthly Financial Statements of Special Revenue Funds
- Monthly Estimated Actual Budget Reports.

Recommendation 18 - Improve financial management reporting.

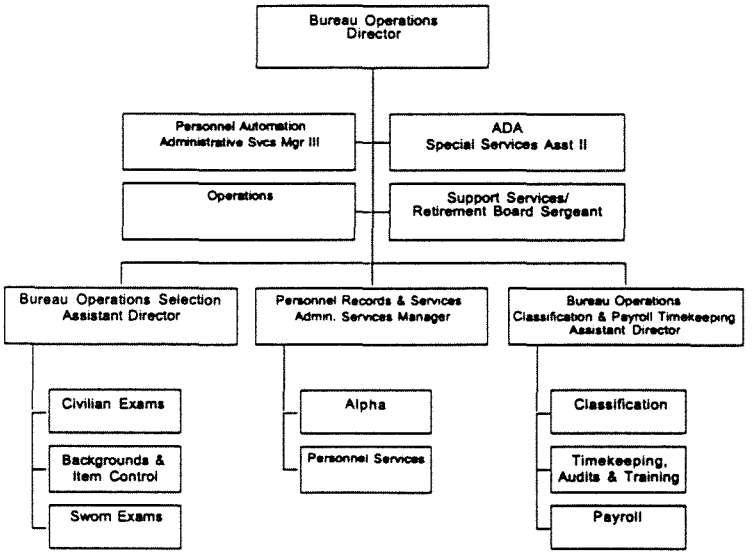
Inefficiencies and time delays are created from the manual preparation of management reports. Opportunities exist to improve the current financial reporting process. Consistent with the recommendation above, we recommend that the Department develop and implement an information technology plan for financial information systems taking into consideration the management reports that should be accessible through the financial system.

C. Personnel Administration

The Personnel Bureau is managed by the Bureau Director who reports directly to the Commander, Area II of Administrative Services. Exhibit III.14 illustrates the current Personnel Bureau organization and reporting structure.

Exhibit III.14

Personnel Administration Bureau



Source: Departmental organization chart dated 2/97.

The Personnel Bureau operation has an adjusted current year (96/97) budget of over $12.8 million. Personnel costs constituted the greatest portion of the Bureaus expenditures. Two key items, Countywide Time and Payroll Personnel System transactions and Professional & Special Services constitute a significant portion of the Bureau's non salary costs.

Exhibit III.15

Sheriff Personnel Bureau Budget Summary
1996/97 Adjusted Budget

Item	Adjusted Budget
Supplies & Expenditures:	
A/C Services CWTAPPS Transactions	$1,192,000
Professional & Special Services NOC	2,086,965
Other Expenditures	435,842
Subtotal Supplies & Expenditures	3,714,807
Personnel & Benefits	9,152,028
Total	**$12,866,835**

Source: PIMS funded reports and February 1997 FMS.

While it is difficult to derive a specific position count, it appears from both organizational charts and position control (PIMS) records that Personnel Administration has approximately 197 staff, in three major organizational units: Operations, Selection, and Classification and Timekeeping. Operations, which is headed by the Unit Director, includes a variety of staff, support and operational activities. The staffing by unit within Personnel is detailed below.

Exhibit III.16

Personnel Bureau Staffing

Section	Unit		Section	Unit	
Bureau Operations	Director	1	Selection	Assistant Director	1
	Operations - Clerical Support	4		Civilian Exams	11
	ADA	2		Sworn Exams	5
	Personnel Automation	1		Backgrounds/ Staffing Supervision	1
	Support Services	12		Backgrounds	18
	Alpha & Personnel Services Supervision	1		Staffing	13
	Alpha	21	Classification & Timekeeping	Assistant Director	1
	Personnel Services	18		Classification	8
				Timekeeping & Payroll	1
				Consolidated Timekeeping	42
				Payroll	27
				Audit/Training	9
			Total		**197**

Source: 1996-97 budget document and organization chart.

The mission of the Personnel Bureau has not been specifically defined. However, the purpose of the bureau is to ensure the hiring and retention of qualified sworn and civilian staff, and maintain the integrity of the personnel system and the confidentiality of personnel information. It achieves this purpose through its various units and services, as detailed below:

Exhibit III.17

Personnel Bureau Functions

Section	Unit	Functions
Bureau Operations	Director	Manages the overall Bureau operations.
	Operations - Clerical Support	Provides administrative and clerical support to the Director and Assistant Directors.
	ADA	Provides technical in-house consultation on equal employment aspects of the LASD's selection processes.
	Personnel Automation	Manages the project to define and develop the Sheriff's Human Resources Management Information System to integrate various personnel processes.
	Support Services	Provides a variety of fleet, supplies, mailroom, courier, subpoena processing, and parking control services for the Personnel Bureau.
	Alpha & Personnel Services Supervision	Supervises personnel records processing and maintenance.
	Alpha	Processes personnel transactions to the County Wide Time and Payroll Personnel System, maintain personnel records and manual personnel history cards.
	Personnel Services	Supports retirement processing, respond to employee record information requests, and maintain personnel files within the "vault." Stores and indexes hard-copy history files to image system. (Three units, Retirement, Information Services, Vault).
Selection	Assistant Director	Directs the operations for Civilian and Sworn staff selection processes, civilian staff background investigations, staffing management processes, and other employee records processing.
	Civilian Exams	Develops and administers all civilian staff selection processes for the LASD.
	Sworn Exams	Develops and administers, in consultation with consultants and Standards and Training staff, all sworn staff selection processes for the LASD.
	Backgrounds/ Staffing Supervision	Manages the Civilian Backgrounds and Staffing units within the Selection section.
	Backgrounds	Conducts background investigations for applicants to civilian positions.
	Staffing	Processes new hires and employee movements. Enter data to the PIMS and route it on to Alpha for processing.
Classification & Timekeeping	Assistant Director	Manages Classification, Payroll, Timekeeping, and timekeeping audits and training processes for the LASD.
	Classification	Performs classification analysis and job audits of LASD positions and maintain the LASD's classification plan.
	Timekeeping & Payroll	Supervises the Consolidated Timekeeping and Payroll operations.
	Consolidated Timekeeping	Supports the timekeeping function through both centralized and off-site timekeeping data entry locations. Processes all time reports for the LASD.

Exhibit III.17

Personnel Bureau Functions (continued)

Section	Unit	Functions
	Payroll	Supports payroll reconciliation processes, and coordinate with County Auditor Controller on payroll issues. Processes adjustments for injured on duty, subpoena's, and overpays, and track accounts receivable as needed. Track promotions, demotions, and personnel movements for appropriate changes to pay.
	Audit/Training	Audits time records for compliance and train field personnel on appropriate methods for time reporting.

Source: Document review and discussion with Unit staff.

Management, Operations and Administration

The Personnel Bureau tracks a significant amount of information both manually and through its various systems. However, it has not instituted a comprehensive management reporting program to monitor and plan for its operations.

Presently, the Personnel Bureau uses various means to track information, which include examination logs, classification review logs, personnel history cards, file maintenance logs, transaction logs, and various spreadsheet files and system-generated reports for tracking vacancies, budget, turnover, and other staffing information. While much information is logged, it appears that the information is not typically compiled or analyzed for management decision making purposes.

At the time of this Management Audit, Unit management was instituting a weekly reporting function wherein section managers would compile activity reports for management review. Among the reports that have been generated for some time is the vacancy tracking report which supports the "breakdown" process where management meets regularly to move and reallocate positions among the Department. This report appears to have great value to senior management.

Various systems provide the capability to track and process information, but historically, management reporting has been limited. Efforts to implement a Sheriff's Human Resources Management Information System (underway) promise to provide a greater degree of management reporting capability. However, there was no comprehensive management reporting mechanism in place at the time this audit was initiated. While the Unit management plans to implement performance measures as a part of this management reporting process, the Unit has not clearly defined what meaningful performance measures would be useful for monitoring both section level and staff performance.

Managing an organization with nearly 200 staff, and impacting over 12,000 employees is a complex process. Given that the Department's staffing budget constitutes nearly 80% of its total expenditures, it is imperative that the Unit have effective management reporting that at a minimum provides:

- Performance objectives for each program and specified measures to meeting these objectives
- Reporting on work performed, and a comparison of actual performance compared with planned performance (comparing budget and schedule performance).
- Reporting on issues or concerns impacting work, schedule, budget or performance objectives.

Management reporting capabilities have been restricted to logging and tracking information. The lack of management reporting is further impacted by the complexity (size and scope) of the services to be provided to this large department.

Without effective management information, opportunities to improve the cost effectiveness of the operations will be difficult to assess and implement.

Recommendation 19 - Implement personnel management performance processes and reporting.

In the short term, current logs that are maintained should be summarized and analyzed for performance. The Unit's efforts toward weekly progress reporting is strongly endorsed and should be continued. In the mid term, existing systems should be analyzed for their capacity to provide effective management reporting to meet the criteria defined above. In the long-term, the Department should reengineer its personnel business processes to identify opportunities for process improvements and significantly increase management reporting capabilities.

Non-Mission Critical Activities

Several personnel within the Support Services Section are performing non-mission critical activities. Support Services has several positions dedicated to fleet management and courier operations which support Personnel and various headquarters units. Fleet functions involve the gassing, washing and oversight for maintenance for only 13-20 headquarters vehicles. Courier operations are primarily transporting payroll supplies and documents. One other position is dedicated to managing the visitor parking in front of the headquarters building for special ceremonies only. Two positions are dedicated to ordering and maintaining supplies only for the Personnel Bureau. The parking control, supplies and storage and fleet management services functions could be assumed by existing Personnel Bureau staff, assigned elsewhere, or eliminated entirely.

The Personnel Bureau is also responsible for the Headquarters mailroom. This function is not consistent with the mission of Personnel and should be transferred to a plant operations or administrative support area, if possible. It appears that mailroom operations have been placed with the Personnel Bureau, because they have access to updated employee name and work assignments, and may more effectively route incoming mail to employees at their work site.

The Support Services Section also has two positions responsible for subpeona processing.

In analyzing this area, several criteria are applicable:

- Consistency with mission: Functions should be placed within organizations that are consistent with the purpose and mission of the organization and for which the organization is competent to supervise and manage. Fleet, courier, supplies, storage, mailroom and parking control are functions not consistent with the mission or purpose of a personnel organization. Management stated that these positions do not fit logically anyplace else in the organization.

- Efficiency in consolidation: Some of these functions are likely also performed within other areas, indicating an opportunity to achieve efficiencies through consolidation. Inefficiencies result from fragmenting support operations throughout the organization. Having the Personnel Bureau support its own fleet, parking control, supplies and storage, and courier functions likely results in excess costs.

- Level of service: Parking control, fleet, supplies and storage, and courier functions may be providing a level of service that is not essential to the successful operation of the Department. One person is responsible full-time for reimbursing employees for downtown parking costs and badge orders. Another person is responsible full-time for maintaining a supplies storage at the headquarters building. Yet another is responsible full time for ordering supplies. The cost for supporting parking control, fleet, supplies ordering and storage, parking reimbursement, and courier services primarily for the Personnel Bureau results in a cost of $222,000 in salary costs annually.

It appears that the present structure of personnel, including these "non personnel" functions has evolved over time to accommodate individual circumstances. Some functions are not consistent with the mission of the personnel function, and others appear to be providing a level of service no longer necessary in an era of fiscal constraints.

Recommendation 20 - Refocus personnel services on mission-critical functions.

Eliminate parking control, supplies and storage, and fleet management services. Examine opportunities to consolidate courier and mailroom operations within another, more appropriate area of the Department headquarters operation. Transfer the functions for badge orders, and employee parking reimbursements to Fiscal Administration. Transfer the subpoena processing functions and positions to the Personnel Services section (who is already responsible for maintaining personnel records). Eliminating this section should result in eliminating the need for a supervisor.

Organization and Staffing

Two significant functions within the Personnel Bureau are fragmented across the organization:

- Functions involving job analysis are performed within ADA, Classification, and Selection units.
- Functions involving personnel records, data entry, and position management are performed within the Timekeeping and Payroll Section, the Alpha and Personnel Services Section and within the Sworn Staffing Section.

Functions that apply similar skills or perform similar activities should be consolidated to leverage resources, achieve efficiency, and provide an opportunity to cross-train and utilize personnel. Fragmented operations result in duplication of work, a lack of continuity in information, inconsistencies in information, and likely a high level of "error correction activity" trying to resolve discrepancies between different but similar processes.

It appears that the Personnel Bureau has evolved in response to changing organizational priorities. As such, units have been created to address specific needs, sometimes without realigning operations with similar functions. Additionally, computer system applications have been created around specific organizational units, rather than around common functionality or long-range requirements (i.e. CWTAPPS -a countywide application - operates separately from PIMS and SHRMIS). Further fragmentation has occurred with the traditional separation between sworn and civilian personnel processes. Additional separation continues to occur between the Personnel Bureau and the Personnel Standards and Training Division (sworn staff selection, backgrounds, and training requirements).

The segregation of job analysis functions among Classification and Selection Sections results in a missed opportunity to balance workload and leverage staff through multiple job analysis functions:

- Personnel staff who see both the creation of a classification or series, and the selection processes that result from a job definition process have a greater understanding of the job overall, and provide a broader perspective of what the job needs from both a job classification and selection perspective. Additionally, job analysis processes necessary for creating or analyzing a classification are similar to the processes necessary to assess the appropriate selection instruments for a recruitment and testing process. Having these functions performed separately results in a duplication of effort.

- The segregation of item control functions from personnel records functions also results in unnecessary duplication of effort. This is partially impacted by the separate systems maintained (i.e. item control keeps PIMS updated, and records keeps CWTAPPS updated, as well as maintaining manual history files and image-based personnel records). Regardless, duplicate data entry occurs (which SHRMIS is planned to resolve).

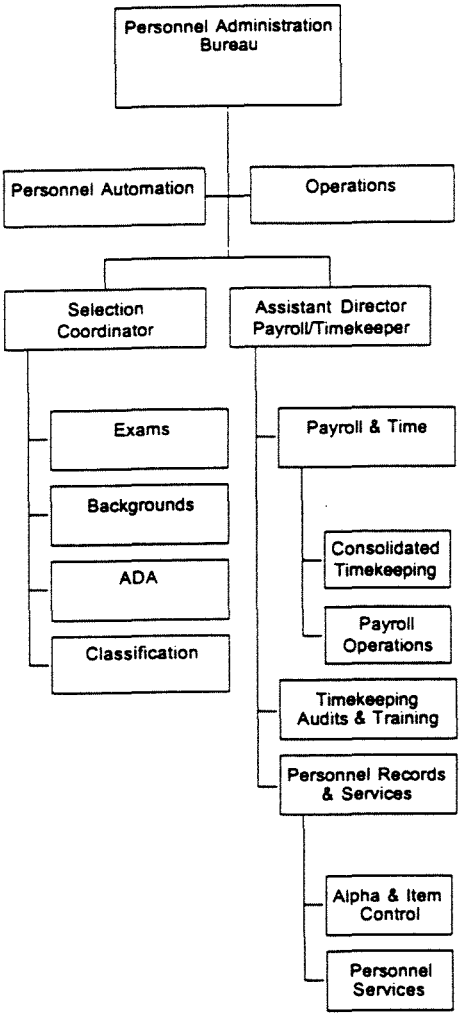
Recommendation 21 - Restructure Personnel Administration.

Restructuring the organization to combine classification and selection staff in one unit would provide the opportunity to arrange personnel staff along groups of classifications that could manage both classification and testing/recruitment processes. This would result in improved customer service because personnel staff would have a greater knowledge of the needs of the organization.

Restructuring all personnel records and maintenance functions in a common unit would likely result in an immediate savings of staff time by combining data entry, and would also provide an opportunity to reconcile the discrepancies among the various personnel records and systems.

Exhibit III.18

Personnel Administration - Proposed Organization



Levels of Management

Based on the current organization chart, there are 5 layers of supervision within the Bureau alone. Average span of control is one manager/supervisor to every three employees (1:3). For example, The Director supervises two Assistant Directors, and these Assistant Directors may directly supervise up to three Administrative Services Manager III. Many of the ASM IIIs directly supervise only 1 Senior Departmental Personnel Technician (in two cases they supervise two SDP Tech III's). These SDP Tech III's then direct the activities of two to three lead Employee Services Assistant III's. The ESA III's then directly supervise subordinate clerical staff.

The layers of management, and relative spans of control within Personnel are illustrated below:

Exhibit III.19

Spans of Control - Personnel Administration

Reporting Relationship	Typical Span of Control
Director to Assistant Director	1:2
Assistant Director to Administrative Services Manager III	1:3
Administrative Services Manager III to Senior Departmental Personnel Technician	1:2
Senior Departmental Personnel Technician to Employee Services Assistant III	1:2
Employee Services Assistant III to staff	1:6 - 8

Source: Organization charts dated February 1997.

Management span of control should extend up to 1:10. Multiple layers of reporting with narrow spans of control do not maximize management effort, nor leverage staff support.

Personnel Administration operations have evolved over time, creating a number of sections. Multiple layers of management and supervision require multiple levels of review to complete work. With the high ratio of managers to staff, a significant level of management effort (at a higher rate of pay) is required to ensure that operations move along smoothly.

The salary cost for positions from Senior Departmental Technician, Administrative Services Manager III, Assistant Director, and Director constitutes roughly 22% of the salaries for the Personnel bureau.

Recommendation 22 - Reduce layers of management and broaden span of control in Personnel Administration.

As part of the restructuring of Personnel Administration eliminate one layer of management and supervision, and broaden span of control to an average of 1:10.

The estimated salary and benefits savings from the reduction in management levels and positions is $1.7 million per year.

Information Technology

Human Resources information is managed through a variety of manual processes and automated systems. However, the Department is anticipating integrating these applications with the in-house development of a Sheriff's Human Resources Management Information System (SHRMIS).

Presently the Department's personnel information is processed through a variety of systems and manual processes. This has created systems "silos"; that is, systems that are separate from one another, each focused on a specific aspect of personnel processing.

Presently the following systems are used by the Department to support personnel processes:

- TRAK - Applicant Tracking - tracks only civilian (not sworn) personnel selection processes.
- CWTAPPS - Countywide Timekeeping and Payroll and Personnel System - is a county-wide payroll application. Operated by the County Auditor-Controller, the agency mandated to provide payroll operations for the county departments, the CWTAPPS system provides all payroll support for the county.
- PIMS - the Personnel Information Management System tracks position control (referred to as item control) for positions within the Department.

Additionally, the Department operates a Help Desk Call Tracking System. Presently, a part of SHRMIS has already been developed and is being implemented to provide a work history system to track the history of work assignments and experience for existing employees. Employee records are also being stored and indexed to an image-based system. The imaging records system greatly improves access and minimizes storage space for employee records.

Modern human resources programs are supported by integrated human resources management information systems that share a common database to support a broad range of human resources functions and activities. A variety of vendor solutions are available to satisfy these requirements.

Human resources applications have been developed both by the County (CWTAPPS) and the Department (TRAK, SHRMIS, PIMS), each to accommodate a specific processing need. However, these applications do not provide all of the functionality needed by the Department, and as such, many operations are still manual (e.g. classification review, management reporting, and many aspects of position management). SHRMIS is an application intended to integrate the various systems, add further functionality (for example tracking background investigations), and eliminate the duplication of data entry that currently exists between TRAK, PIMS, and CWTAPPS.

SHRMIS is a custom-developed application in the Department, designed to integrate the various applications. The Department has chosen to develop a custom solution with functional limitations rather than selecting a readily available vendor solution which can provide more comprehensive support but is expected to be more costly to purchase.

Industry best practices would dictate that using vendor solutions in the area of human resources applications is an optimum solution. Human resources information systems applications are complex, and vendors have developed and continue to develop a variety of capabilities that offer far greater functionalities than may be cost effectively planned and implemented in a custom development effort. These systems have proven to be cost beneficial in terms of efficiency and enhanced management information.

Given the diversity of the systems operated, it appears that the current direction may result in the following:

- Missed opportunities to take advantage of the functionalities provided by a proven software vendor. Human resources information systems have been under development for a number of years, and vendors have refined and expanded their products to support a wide range of human resources information management needs.

- Excess costs for systems, because the Department is having to support both the original development of this system, as well as the ongoing maintenance, enhancement, debugging, user support, and maintenance of the application in a current technological environment. All of these functions are typically supported with a HRIS package.

Recommendation 23 - Perform a feasibility study before commencing additional in-house development of human resources systems.

Prior to developing further elements of a human resources system, the Department should perform a comprehensive feasibility study comparing the cost of developing, implementing, maintaining and operating both in house and vendor packaged solutions with the benefits to be derived from such systems. Such a feasibility study should be undertaken under the guidance of the new Chief Technology Officer.

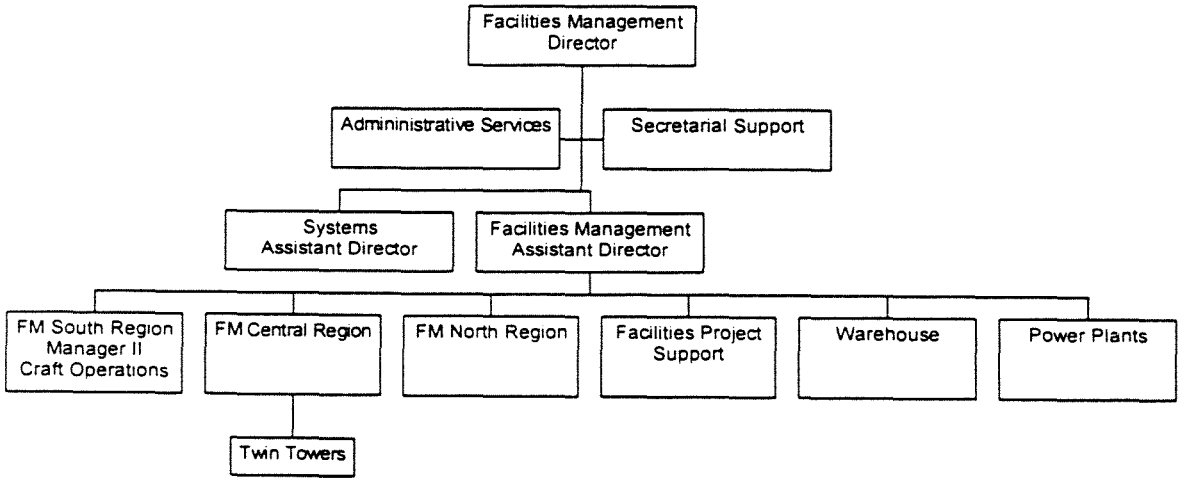
D. Facilities Management and Facilities Planning

The Facilities Management and Facilities Planning Units currently report to the Assistant Director, Area 1, of the Office of Administrative Services. These two units previously had been under the Internal Services Department of the County of Los Angeles. Approximately six years ago, the functions were moved to the Sheriff's Department.

Based on the Unit's organization charts, these two units combined have 381 full-time equivalents. The Facilities Management and Facilities Planning organization charts as of February 1997 are depicted below.

Exhibit III.20

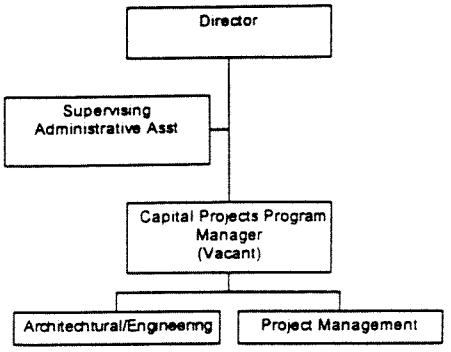
Facilities Management



Source: Departmental organization chart dated 2/97.

Exhibit III.21

Facilities Planning



Source: Departmental organization chart dated 2/97.

Facilities Management is responsible for managing approximately 7,000,000 square of feet of space which lie in the North, South and Central regions of the County and include the jails, Sheriff's stations, court lock-up areas, warehouses and other miscellaneous facilities. Facilities Planning provides infrastructure development management.

The 1996-97 budget for Facilities Management and Facilities Planning is as follows:

Exhibit III.22

Facilities Management and Facilities Planning Budget

Budget Category	Facilities Management	Facilities Planning	Total
Salaries and Benefits	$15,851,006	$2,866,360	$18,717,366
Services and Supplies	$7,661,359	$104,915	$7,766,274
Total Budget	$23,512,365	$2,971,275	$26,483,640

Source: FMS funded reports and February 1997 FMS.

The responsibilities of the Facilities Management and Facilities Planning are briefly described below:

Exhibit III.23

Facilities Management and Facilities Planning Responsibilities

Bureau	Unit	Responsibilities
Facilities Management	HQ Management	Overall Bureau Management, including compliance with AQMD and EPA regulations. Also responsible for safety officer of the Bureau
	HQ Support	Responsible for ensuring that all Bureau purchases, conduct all of the Bureaus' personnel transactions and monitor the Bureau's budget.
	Warehouse	Store and distribute supplies and tools for the Facilities Bureau.
	North Region	Maintain the physical plant at Pitchess Detention Center and Mira Loma. Responsible for all general maintenance, electrical, plumbing, masonry, sheet metal, painting and specialized welding.
	Central Region	Perform the same duties as the North region, but for Men's Central Jail, Sybil Brand and Twin Towers.
	South Region	Perform the same duties as the North region, but for the lock-up areas of 45 court houses, and 30 stations and sub-stations.
	Power Plants	Operate and maintain five power plants which generate heat and air conditioning for the Department's large facilities, i.e, Men's Central Jail, Sybil Brand, Century Regional Detention Center, Pitchess Detention Center and Mira Loma.
Facilities Planning		Act as the Sheriff's on-site representatives in monitoring large projects. Also design and act as construction managers on small projects. Manage leases, acquisitions, internal space planning and ADA coordination.

Source: Discussions with Unit Managers

Management, Operations and Administration

As discussed above, the Facilities Management Bureau performs a variety of maintenance and crafts functions for the Department. Based on discussions with Unit managers, the decision to move facilities functions to the Sheriff's Department resulted in cost savings although documentation on these savings was not available. Considering the significant amount of facilities under management, maintaining a dedicated facilities function within the Department appears warranted.

Employees in Facilities Management must undergo the same background checks as all other Departmental employees. In addition much of the maintenance provided is related to vandalism by inmates. In spite of these unique conditions the Bureau has been able to make use of private services for some tasks, when more resources or a very specialized service is needed. These contractors generally must also undergo a background check.

Based on discussions with Departmental managers, contractors have not posed any significant difficulties for the operation in comparison to employees. Bureau managers also indicated that contractors provide more flexibility than employees in terms of utilization. The Department paid $2,288,828 in 1995-96 for private services.

The Department currently spends approximately $23.5 million on Facilities Management (of which approximately $2.3 million is spent on the Power Plant and $1.7 million is spent on special projects and water purchases. Excluding the amount spent on the Power Plant and special projects, the Department spends approximately $2.79 per square foot, assuming approximately 7,000,000 square feet of space (including court space).

Based on discussions with a large private provider of facilities maintenance and operations services, we received an "order of magnitude" estimate to provide similar services for $1.67 to $1.75 a square foot. It is important to note that this is a rough estimate based only on square footage and estimates of total work orders and number of fixtures. The organization providing the estimate did not do a walk-through of the facilities which would have resulted in a more accurate estimate. In addition, the estimate does not include major jobs, such as alterations and improvements, which also could increase the estimate. Finally, some level of internal cost would remain to provide management and contract administration services.

However, due to the magnitude of the difference between in-house and private costs, a careful evaluation of outsourcing opportunities should be undertaken by the Department. The Department indicated that specific components of the operation have been evaluated for outsourcing, although a Department-wide analysis has not been undertaken. Should the vendors estimate be 25% understated, the savings to the Department would still be nearly $5.4 million per year.

In addition, the private company estimated that it could operate the Department's five power plants for $1.2 million, providing a savings of approximately $1.1 million. This estimate assumes that the company would do all of the Department's Facilities Management work.

Recommendation 24 - Implement a managed competition and outsourcing evaluation of facilities management.

In the interest of maximizing resources, the Department should institute a managed competition and outsourcing assessment within its Facilities Management functions, i.e., the crafts, general maintenance, machine repair and the Power Plants. Under this framework, the Department prepares bid specifications which are responded to by both private service providers and an employee group. As part of the assessment, the employee group should develop a plan for improving efficiency to allow it to provide the best bid possible. Consistent rules must be established to address issues such as overhead, capital facilities costs, security and other existing costs. The most cost-effective approach should be selected by the Department.

Warehouse Operations

The Facilities Management Bureau operates two warehouses and one receiving area, spanning a total of 13,724 square feet. These warehouses are used to store supplies to be used by Facilities Management staff, such as gloves, boots, cleaners, adapters, locks, pipes, screws and related items.

There are currently seven employees performing warehouse duties at an annual cost in salaries and benefits of approximately $265,000, plus the cost of maintenance which at $2.79 per square foot equals $38,290.

Bureau Management has been reviewing the operations of the warehouses and making adjustments to increase efficiency on an ongoing basis. While the Bureau has taken steps to improve its warehouse function, our review revealed that significantly more can be done to streamline the operation. The table below shows the amount of purchases made by the Bureau, including those made by the warehouse. As this table shows, the warehouse made 7.3% of all purchases on a percentage of cost basis. 92.7% of purchases of supplies were made without using warehouse resources.

Exhibit III.24

Supplies Expenditures by Facilities Management Bureau in FY 1995-96

	Number of Work Orders	Cost	Percent of Work Orders	Percent of Cost
South Region	3,301	$2,033,926	29.69%	31.82%
Central	3,004	$1,785,531	27.02%	27.93%
Twin Towers	506	$651,321	4.55%	10.19%
North Region	3,693	$1,454,495	33.22%	22.75%
Warehouse	613	$466,906	5.51%	7.30%
Total	**11,117**	**$6,392,179**	**100%**	**100%**

Source: Document provided by Facilities Management staff.

Our interviews with Bureau managers confirmed this information. They indicated that it is difficult for the warehouse to stock the supplies they need, and that they purchase most of their supplies through outside vendors.

Recommendation 25 - Close the facilities warehouse.

The storage and distribution of inventory through a central warehouse is not necessary to support day to day operations. Most purchases are currently done outside of this structure. Warehouse employees also perform the function of receiving goods and logging them into the Facilities Management System (FM1), which must be transitioned.

We therefore recommend that the Department cease its warehouse storage and distribution operation. It should redistribute the receiving function to each Region. The estimated cost savings from this recommendation is approximately $303,000 annually.

Performance Measures

Facilities Management staff are distributed among the North, Central, and South Regions. Managers from each of these regions indicated that they utilize a number of mechanisms to monitor and control the performance of their staff and to evaluate the overall performance of their units. These included:

- The number of work orders completed
- The absence of equipment breakdowns
- The absence of complaints
- Spot inspections
- Supervisor meetings
- Square footage of responsibility

Facilities Planning holds weekly meetings and documents project status on a weekly basis. The Director of this Unit indicated that he measures overall performance on whether the project is within budget, on time, and whether projects are performed accurately and completely.

While many of the elements of effective administrative controls and performance measures are in place, we found that these elements were inconsistent from unit to unit and manager to manager. In addition, information was not fully utilized in evaluating staff or overall unit performance. For example, while work order data is collected, it is inconsistently used in annual performance evaluations of employees. Additionally, there appear to be no formal standards for performance of various crafts employees, e.g., no cost standards, time standards, etc.

Recommendation 26 - Facilities Management and Planning should develop and implement performance measures.

Facilities Management and Facilities Planning would benefit from formal, established standards of performance. Examples may include:

- *Number of hours to perform a given task*
- *Cost of labor and supplies*
- *Number of work orders*
- *Amount of backlog*
- *Overall Facilities Planning Project costs*
- *Facilities Planning Project timeliness*

As mentioned above, managers within the Bureaus are aware of these elements, however, they currently are not using them consistently nor are they incorporating them in performance evaluations.

Organization and Staffing

Below is a breakdown of Facilities Management and Facilities Planning staffing based on organization charts dated February 1997. The number of staff is 21.5 full-time equivalents higher than those appearing in the 1996-97 budget.

Exhibit III.25

Staffing of Facilities Management and Facilities Planning Bureaus

	Facilities Planning	Facilities Management							
		North Region	South Region	Central Region	Power Plant	HQ. Whse.	HQ Support	HQ	Total
Managers/ Supervisors	5	10	9	11.5	5.5	2	2	4	49
Line Staff	7	68	69	105	38	4	10	5	306
Clerical Staff	5	4	4	6	0	1	3	3	26
Total	**17**	**82**	**82**	**122.5**	**43.5**	**7**	**12**	**11**	**381**
Ratio of Mgrs&Sups/ Staff	1:2.40	1:7.20	1:8.11	1:9.65	1:6.91	1:2.50	1:6.50	1:2.00	1:6.78
Ratio of Clerical/ Total Staff	29.41%	4.88%	4.89%	4.90%	0.00%	14.29%	20.00%	25.00%	6.82%

Source: Departmental organization charts dated February 1997.

On an overall basis, Facilities Planning has an opportunity to increase management spans of control and decrease administrative ratios. Facilities Planning has a 1:2.4 management ratio and a 29% administrative compliment. Each of these should be evaluated and improved.

Facilities Management has a 1:6.8 management ratio which appears reasonable. Within some areas there are six layers of management up to the Director of Facilities Management. Administrative ratios are also reasonable. Importantly, the assessment of the appropriate management ratios and thorough reorganization of the Bureau is directly related to the degree to which facilities management functions are outsourced.

Recommendation 27 - Develop revised organization and management structures for facilities organization.

Facilities Planning, which should continue to be performed by the Department, should expand its management ratio to 1:5 and decrease its administrative ratio to 15%. Potential savings are up to $150,000 per year. A revised organization structure and regional management plan for Facilities Management should be prepared and incorporated into a detailed outsourcing assessment.

Information Technology

In Facilities Management the primary system currently being used is called FM1. This is a work order tracking and inventory system developed by a vendor.

Facilities Management staff and managers indicated that the system is cumbersome and inflexible. Based on interviews, the system does not appear to provide the management information needed to manage, budget and plan effectively.

To respond to these difficulties, Facilities Management is currently in the process of designing their own facilities management and inventory tracking system. A staff of three information systems specialists are currently assigned to the Bureau, and the manager of this group is responsible for developing a new system. Bureau management indicated that the decision to develop the system in-house was made because they wanted to tailor-design the system and they had the staff capable of doing this.

Our experience with facilities management and inventory tracking systems indicates that they are extremely complex systems to develop, and that some very capable systems already exist which could reduce the cost of development considerably.

Recommendation 28 - Perform a feasibility study before commencing additional in-house development of facilities systems.

Given our previous discussion regarding managed competition, it is conceivable that the Department will decide to outsource a significant proportion of facilities management work. Should the Department decide on the outsourcing option, information system requirements will significantly change. We therefore recommend that the Department not invest any additional resources into this project until a decision is made regarding this very critical issue.

Should the Department find that it is more cost-effective to perform the majority of its facilities management work in-house, then we recommend that the Chief Technology Officer conduct a detailed feasibility analysis of existing facilities management systems before continuing to develop its new system.

E. Information Technology Organizations

Within the Office of Administrative Services, two Bureaus and Units focus on management and analysis of information.

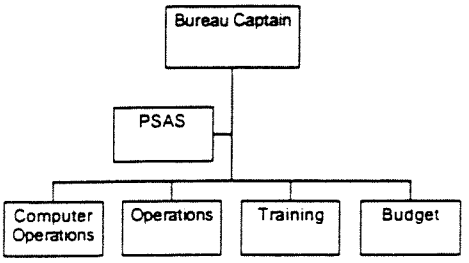
- **Data Systems Bureau** (DSB) provides overall data processing support for the Department and is responsible for the management of the Department's information systems.

- **Management Information Services** (MIS) provides coordination and supervision of the collection of Department crime data, including managing the Event Index System, providing data analysis and supervising the Crime Analysis program.

Organization charts are provided below.

Exhibit III.26

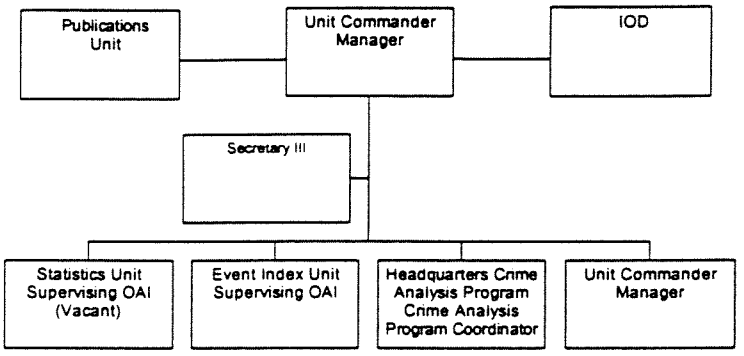
Office of Administrative Services - Data Systems Bureau



Source: Departmental organization chart dated 2/97.

Exhibit III.27

Office of Administrative Services - Management Information Services



Source: Departmental organization chart dated 2/97.

Considering the significant technology requirements of the Department, the maintenance of a dedicated technology function is warranted.

The realignment of these organizations into a Technology Services Division was discussed in Chapter II.

Data Systems Bureau

The following represents the FY '96-97 budget for Data Systems Bureau:

Exhibit III.28

Data Systems Bureau Budget

Category	Amount
Salaries and Employee Benefits	$6,276,105
Services and Supplies	$6,117,638
Total Budget	**$12,393,743**

Source: PIMS Funded report and February 1997 FMS report.

Based on the February 1997 organization chart of Data Systems Bureau, there are 18 managers/supervisors, 109 line staff and eight clerical/administrative staff. The number of managers/supervisors to staff illustrates an average span of control ratio of 1:6.5. The span of control ratio appears reasonable, as the activities of this Bureau are highly technical. The percentage of clerical/administrative staff to total staff of 6% appears to be within expected ranges. Additionally, within the Bureau, there are four layers of management/supervision, in addition to four senior management layers. Based on the organizational criteria outlined in Chapter II, it appears that there is potential to reduce the layers of management within Data Systems Bureau. However, ratios will not significantly change.

Management Information Services

Management Information Services was not identified as a separate budget unit during FY '96-97, as such, no salaries and employee benefits budget information was available. Based on the February 1997 FMS reports, the Management Information Services FY '96-97 budget for services and supplies is $351,988.

Within Management Information Services, there are 3 layers of management. Additionally, based on the February 1997 Organization chart, we noted that there are 7 managers, 15 line staff and 3 clerical staff in Management Information Services. The number of managers to staff indicates a average manager/supervisor to staff ratio of 1:2.6, and a 12% clerical to staff percentage. Highly technical activities are expected to have a span of control ratio of 1:5, based on the criteria discussed in Chapter II.

Recommendation 29 - Improve the management-staff ratio in Management Information Services.

Based on a weighted average civilian management salary and benefits of $68,360, it appears that the span of control can be improved to 1:5 and a potential cost savings of approximately $193,000 can be realized. This is in conjunction with the reorganization of the Technology Division.

Technology Management

Like many technology organizations, the Department's information technology-related organizations have undergone numerous changes to the point where they are decentralized.

During our review, we identified the following issues related to the decentralization of the information technology within the Department.

- Internal competition among bureaus and divisions for grant funds. Also, bureaus and divisions and designing/developing their own systems in some cases.

- A proliferation of non-integrated systems, resulting in redundant data entry. Among these systems are:

  ⇒ Personnel Systems (see earlier discussion)
  ⇒ Financial/Budget Systems (see earlier discussion)
  ⇒ Computer assisted dispatch
  ⇒ Event index
  ⇒ Crimes systems (crime analysis, at some of the stations)
  ⇒ Leader system (records management, at some of the stations)
  ⇒ Arrest processing (AJIS)
  ⇒ Fingerprint processing - (AFIS)
  ⇒ Evidence processing
  ⇒ Forensics processing
  ⇒ Detective case management

As discussed, similarities exist in the information these systems use. For example, case numbers must be manually cross referenced from report to report. Therefore, the dispatch number must be referenced to the crime report, the crime report number referenced back to the dispatch record, and associated arrest reports also referenced back and forth among all three.

The Department's use of technology, driven by the needs of its users, will continue to develop rapidly in the future. To successfully manage a decentralized approach to its technology service organization, the Department must leverage its overall management and procurement of technology services — to lower overall costs and to establish architectural consistency among business units. This is especially important given the significant technology replacement/enhancement projects currently underway within OAS, including the client/server migration of legacy systems managed by Data Systems, MIS's Geographic Information System implementation, the rewrites of Personnel Performance Index (PPI) and the Event Index/Crime Analysis, the Year 2000 compliance efforts, the migration to Windows NT, and the Wide Area Network implementation.

The resourcefulness of the Bureaus and Divisions has accounted for much of the Department's success with technology - the initiative demonstrated by individual Bureaus and Divisions is likely to remain a rich source of future modernization for the Department.

However, absent careful planning, these independent efforts are unlikely to achieve their full potential. Without improved technological uniformity across the Department, the potential benefits of technology solutions and innovations will be minimized. A comprehensive plan for addressing potential system failures at the change of the century (year 2000) is also critical to the Department.

It is critical that the Department adopt a systematic approach to technology. Today, the technology governance is fragmented across the Department. The Department must establish Department-wide goals and policies to ensure the technology resources are used wisely and efficiently.

Recommendation 30 - Develop a formal governance process for technology and a strategic plan.

The purpose of establishing a governance strategy is to ensure that control of the direction and responsibility for the success of information technology is in the hands of the users of that technology. However, the governance process is not intended to replace the technology related management structure and processes of DSB and MIS - these organizations are ultimately responsible for carrying out technology policies and for the day-to-day management of the technology resources.

Aspects of the governance process include:

- *Developing an information technology strategic plan*
- *Setting technology investment strategies and funding allocation methodologies*
- *Determining infrastructure investments*
- *Providing guidelines for program area technology-related decision making*
  - ⇒ *Project initiation criteria and approval*
  - ⇒ *Project prioritization*
- *Policy setting and documentation*
- *Providing continuous initiative oversight*
- *Identifying and promulgating core architectures and standards*

Communications and Fleet

Communications and Fleet Bureau provides for the Department's communications services, such as radio and telephone systems. The unit also is responsible for supplying and maintaining all vehicular equipment needs, with the exception of helicopters, which are managed by the Aero Bureau. Fleet personnel manage the fleet contract with Johnson Controls who provides fleet maintenance on a contract basis, as well the equipment for black and white vehicles, such as sirens, security screens, communications racks, etc. This unit also coordinates the auctioning off of used Departmental vehicles.

The Communications and Fleet Bureau was transferred from the County to the Sheriff's Department within the past couple of years with the goal of reducing the Departments' overhead. When this transition occurred, it appears that one of the strategies to effectively manage the Bureau was to staff its management positions with sworn personnel so as to ensure that they are responsive to the Department's mission - critical needs. While this strategy may have been necessary in the short-term the highly technical nature of the Bureau's work requires managers who are experienced in Communications and Fleet issues, and may benefit from more civilian technical staff in management positions. The Department is planning to civilianize several positions in this area.

Nothing came to our attention in our interviews which suggested that the approach to fleet management warranted further review.

Fleet Usage by OAS

As part of the study we reviewed the fleet usage by the OAS.

The Division has approximately 255 vehicles under its responsibility. Most of these vehicles are utilized by Facilities and Parking Enforcement staff. A significant number is also utilized by Warehouse operations. Each of these functions appear to require transportation to perform responsibilities. In addition, nine vehicles are assigned to the OAS Director, Assistant Director, Commander and Bureau heads. These vehicle assignments are made in part to provide transportation for sworn personnel and also as a management fringe benefit.

IV. Food Services

This chapter of our report focuses on the Department's Food Services Unit. It provides an overview of the Unit and contains our findings and recommendations regarding the provision of food services for the Department.

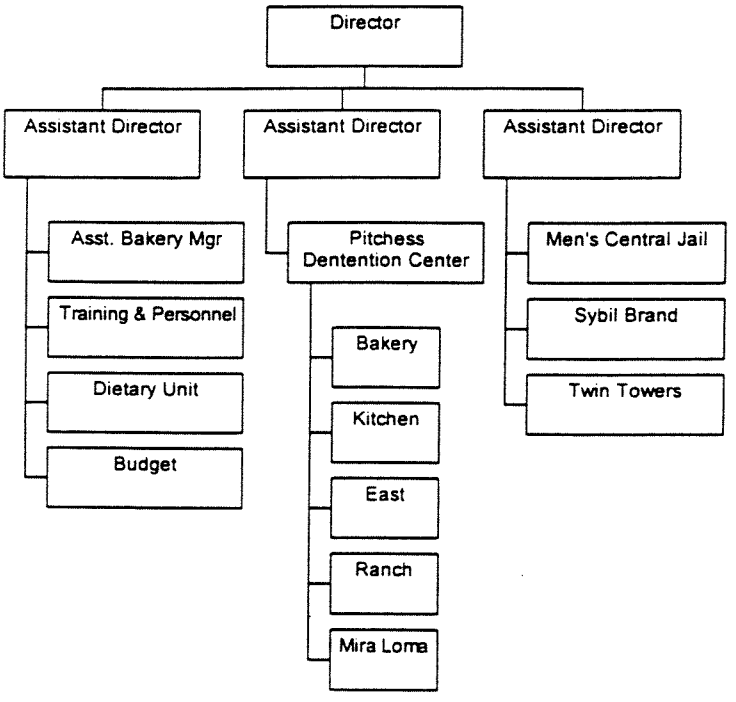
The Food Services Unit reports to the Administration Commander of the Custody Division. Its mission is "to provide the best quality of food service at a minimum cost and to provide adequate nutrition to the inmates and staff in compliance with applicable federal, state and local laws and regulations."

Food Services is regulated by and must comply with Title 15. Minimum Standards for Local Detention Facilities and Title 22. Social Security, California Code of Regulations.

Exhibit IV.1 depicts this Unit's organization.

Exhibit IV.1

Custody Division - Food Services



Source: Departmental organization chart dated 2/97.

The numbers in Figure IV.2 are based on the FY96-97 budget information supplied by Food Services and compiled by KPMG.

Exhibit IV.2

FOOD SERVICES OPERATIONS FULL CAPACITY BUDGET
FISCAL YEAR 1996-97

Operation Costs	
Salaries and Employee Benefits	$8,244,000
Contract - Kitchen Employees	3,270,000
Supplies and Services	1,944,000
Food Purchases	22,654,000
Management support @65%*	4,079,000
TOTAL BUDGET	**$40,191,000**
Assumptions: Twin Towers operating at full capacity Sybil Brand Institute costs in budget Bakery included in budget Numbers rounded	

Source: Food Services Unit.
* Indirect cost rate on salaries 96-97.

Food Services currently operates seven production facilities for jails, as well as producing meals for special functions as needed. Special function meals number approximately 6,000 per year.

A. Management, Operations and Administration

Below are our findings and recommendations relative to the management, operations and administration of this Unit. Several of our findings are based on the following basic assumptions which we gathered through our review of meal preparation in 1996-97:

- Inmate meals = 63,000/day x 365 days = 23 million per year (assumes full operation of Twin Towers)
- Staff meals = 4,400/day x 365 days = 1.6 million per year
- Special function meals = 6,000 per year (Note: Special function meals include Community Based Policy Workshops, Chief Meetings, Town Hall Meetings, etc.)

TOTAL MEALS/YEAR = 24.6 million @ $1.63/meal

A comparison of the Department with other correctional agencies illustrates that food costs are within industry expectations.

Exhibit IV.3

1996 Food Services Benchmarks

Agency	Cost/Meal
California Department of Corrections	$1.32*
Los Angeles County Sheriff	$1.63
Orange County Sheriff	$1.93
Riverside County Sheriff	$2.86

Source: KPMG Benchmarking data.
* Includes $.51 per meal in federal surplus subsidy

Food Cost Tracking

During our review, we found that while Food Services was able to approximate its costs on an overall basis, it was unable to provide a detailed breakdown of actual food costs by facility. Therefore, audits by facility of food cost operations and associated adjustments were not possible. In addition, the Unit was unable to accurately determine the difference between the costs of staff meals versus inmate meals. This information is valuable in determining actual food costs for inmates and/or staff. In addition, Unit representatives did not have documentation on the actual costs of their services and supplies. Not having accurate information on actual costs by facility on a timely basis precludes many forms of cost controls.

Recommendation 31 - Improve food cost tracking by facility.

Food costs should be kept on a usage basis by facility and tracked monthly, at a minimum. Additionally, food costs should be generated by customer group, for example, inmates versus staff, also at a minimum on a monthly basis. Services and Supplies costs also should be tracked by usage and by facility.

Such cost tracking will allow the Department to determine whether it is operating in a cost-effective manner by facility, by user group and by cost category.

Twin Towers Food Production

One current plan under consideration by the Department calls for Food Services, at a cost of approximately $1,538,583 for salaries and benefits and $1,602,080 in contract labor, to provide production and serving at Twin Towers. An additional $310,312 is budgeted for services and supplies (see Exhibit IV.4) Food is to be produced in the kitchen, plated in the kitchen, placed in holding units, brought by elevator to the various pods, moved into each pod by trustee labor, and handed out by trustees to inmates for consumption in the pods.

Exhibit IV.4

Food Services Operations - Meal Cost
Twin Towers Facility
Fiscal Year 1996-97

Operations Costs		
Salaries		$1,248,065
Employee Benefits		290,518
PDQ Contract - Kitchen Employees		1,602,080
Services & Supplies		
Food Cost	$3,945,078	
Personal Supplies	17,000	
Cleaning Supplies	60,000	
Kitchen & Dining Room Supplies	215,000	
Household Expenses	5,000	
Computer Repairs, Parts, etc.	5,000	
Office Expenses	3,212	
Outside Training Expenses	5,000	
Total Services & Supplies		4,255,290
Total Operations		$7,395,953
Management Support*		$810,543
Total Costs (Operations & Support)		$8,206,496
Total Meals Served		4,662,980
Cost per Meal (Total Cost/Total Meals Served)		$1.76

Source: Information provided by Food Services Unit
* FY 1995-96 Indirect Cost Rate of 64.944% applied to salaries. Based on Twin Tower Budget Proposal for FY 1996-97.

Based on analysis and discussions with management, the Department could save by utilizing an alternative approach to food production at Twin Towers. This approach would utilize the excess capacity at the Men's Central Jail (MCJ) for production, and then transferring the food to Twin Towers. The recommendation below discusses this approach in greater detail

Recommendation 32 - Utilize excess kitchen capacity at the Men's Central Jail to produce bulk food for Twin Towers.

After examining the Men's Central Jail production capacity, it is recommended that the Department produce bulk food for Twin Towers at Men's Central Jail. Sworn personnel are already in place at this facility to supervise inmate help. Following transfer of bulk food to Twin Towers, food should be brought to each pod in bulk, and assembled in a serving line in the space provided just outside of the pods. Inmate labor could be used to "serve up" as in Men's Central Jail. Each individual pod could be served sequentially. Except for transportation costs, no contract labor would be required. Services and Supplies costs will be incurred, but only at approximately 25% of the amount budgeted. Contract labor is anticipated to be minimal (5% of the budgeted amount).

Below are the estimated savings from this approach:

Savings:	Salaries and benefits	$	—
	Contract labor		1,500,000
	Services & Supplies		233,000
Total Savings		$	**1,733,000**

Exhibit IV.5

Use of Inmates

The exhibit below illustrates the use of inmates in food production in the various jail facilities.

Use of Inmates in Food Services

Facility	Function
Sybil Brand Institute	Full production/serve
Men's Central Jail	Full production/serve
Bakery	None
Twin Towers	None
Sheriff Stations	Serve meals
CRDF	Full production/serve
Ranch - North	Serve meals
Ranch - South	Serve meals
Mira Loma	Serve meals
NCCF	Full production/serve
East	Serve meals

Source: Food Services Unit

There are many considerations in the use of increased inmate labor. One is that inmates have been found by the Department to be less productive than temporary contract labor. A commonly held opinion is that one temporary laborer can produce as much work as four inmates. Secondly, inmates require relatively expensive sworn supervision. In a recent Department study, it was estimated that it costs $1,254,000 in sworn salaries and employee benefits to adequately oversee the production and serving of meals at MCJ. However, and most telling, is that the same study demonstrated a cost savings even when using less productive inmate labor supervised by sworn personnel.

Exhibit IV.6 below summarizes this:

Exhibit IV.6

Men's Central Jail Production/Serving Costs

	Inmate Costs	Sworn Personnel Costs	Contract Costs	Total
With Inmates	$0	$1,254,000	$0	$1,254,000
Without Inmates	$0	$0	$2,000,000	$2,000,000
Savings				$746,000

Source: Food Services Unit

Current production costs using contract labor at the Pitchess Detention Center is approximately $1,600,000. Utilizing the same inmate/sworn versus contract ratio as established in examining the MCJ production facility, the Department could save approximately $590,000 by returning Pitchess production to inmates supervised by sworn personnel. In the interest of proper security, there would be a minimal cost associated with using contract labor to serve staff meals.

It has further been established by the Food Services Unit that using inmate labor increases wear and tear on food service equipment and utensils. Factoring in a 20% increase equipment cost would mean an additional expense of approximately $20,000 associated with using inmate labor. Serving costs for contract labor are anticipated at $40,000 per year.

However, while use of additional inmates presents some opportunity for efficiency, even greater efficiencies may be available through a managed competition/outsourcing program.

Managed Competition / Outsourcing

After examining the Department's Food Services operations, food service management and food service effectiveness and efficiency, we identified several industrial food service organizations which indicated that they would be interested in contracting with the County to handle all or part of its food services. It was made clear to all interested parties our request was "for information purposes only."

While we found that the existing Food Services Unit is functioning well on behalf of the Department in terms of cost per meal and other indicators, outside contractors typically have greater employment flexibility and lower overhead and may well be able to reduce the current costs associated with food services.

Recommendation 33 - Implement a managed competition program for Food Services.

The Department could realize additional efficiencies in Food Services by initiating a managed competition approach. While the Department is currently evaluating outsourcing at Twin Towers, a Department-wide review should be implemented. The decision to outsource should be a function of a carefully conducted study of the potential of outside contractors as well as the potential of existing operational staffs to meet or better their current cost performance. The existing staff would be allowed to bid against any and all vendors for the work after it has had an opportunity to fine tune and economize its operations in the face of competition. In this way the Department offers to its current employees an opportunity to provide their projected best efforts in competition with the private sector. It is recommended that managed competition be offered for all facilities. Further, the Twin Towers outsourcing effort should be incorporated into this effort.

Food Procurement Process

A key to the efficient and effective operations of any food service function is its ability to have direct, meaningful and timely input into purchasing decisions. Food Service's current relationship with the Departmental purchasing staff does not provide for ongoing, two-way communication and input by Food Services in purchasing decisions. Consequently, decisions regarding food services are being made without adequate input of the people most knowledgeable about the products, Food Services.

Recommendation 34 - Improve food procurement process.

Food Services should have greater input to and greater responsibility for the purchasing of all items associated with food service operations. Ongoing, complete, accurate and timely communications between Food Service and Purchasing regarding food specifications, price/value considerations, delivery cycles, forecasts of food service needs, etc. is required for effective and efficient operations.

Staff Meals

Currently, staff associated with the detention of inmates in the Department's custody receive gratis meals amounting to 1,200,000 to 1,600,000 meals annually. Since no separate accounting is provided for in the provision of meals to staff, the cost of these meals is included in with inmate meals. Thus, the cost of a staff meal is currently figured to be the same as an inmate meal (approximately $1.60 to $1.70 per meal). A review of inmate menus versus staff menus indicates that staff meals food costs are higher than inmate meals. Additionally, since contract labor is used to serve/plate staff meals and not inmate meals, the labor component of staff meals is also higher. A conservative value on staff meals is $2.00/meal. County ordinance (5.76.010 meals) calls for staff to receive compensation to offset the cost of meals as follows:

breakfast	- $1.75
lunch	- $2.30
dinner	- $2.75

The cost of these meals is approximately $2.5-$3.0 million per year and has been a historical benefit provided to staff.

Bakery

The California Bureau of State Audits recommended closing the Food Service bakery, which is located in the Department's North Region. We concur with The State Auditor's recommendation.

The Food Service Department has ceased all but cookie production in the bakery facility. That operation should also cease as soon as possible as it too could easily be replaced by a less expensive contract agreement with an outside vendor.

Recommendation 35 - Close the North Region Bakery facility.

Close the Bakery facility and contract for all bakery items. Based on the estimates of the Bureau of State Audits, savings from closing the entire bakery are $1.3 million per year, of which a portion has already been realized. Assuming 30% of the costs are still being incurred, a savings of approximately $400,000 remains to be achieved.

B. Organization and Staffing

Exhibit IV.7 below depicts a span of control analysis of the Food Services Unit.

Exhibit IV.7

Span of Control Analysis of Food Services

	HQ	IOC	PDC	Other	Total
Mgr/Sup	5	5	5	3	18
Line Staff	0	82	74	10	166
Clerical Staff	3	9	8	2	22
Total	8	96	87	15	206
Levels of Mgmt.	1	5	6	4	N/A
Ratio of Mgr/Sup to Staff	1:0.6	1:17.8	1:16.4	1:4	1:10.4
% of Clerical Staff to Total Staff	38%	9%	9%	13%	11%

Source: Organization Charts.

Food Services has reasonable manager/supervisor to staff spans of control and clerical/support staff ratios.

C. Information Technology

In order to evaluate food usage versus ideal or reported usage, the inventory systems of the Department should be linked to the purchasing systems. Currently this is not the case in the Department. Without such a link, it is difficult for the Department to plan for its inventory needs and may over-purchase and under-purchase. Also, best practices call for an electronic system to allow for more accurate and timely accounting.

Recommendation 36 - Improve purchasing and inventory systems support.

An electronic purchasing system should be tied to an electronic inventory system by production capacity and for various customer groups,. e.g. South facility, CJ, Twin Towers, East facility, etc. This recommendation also supports laundry services as discussed in the next chapter.

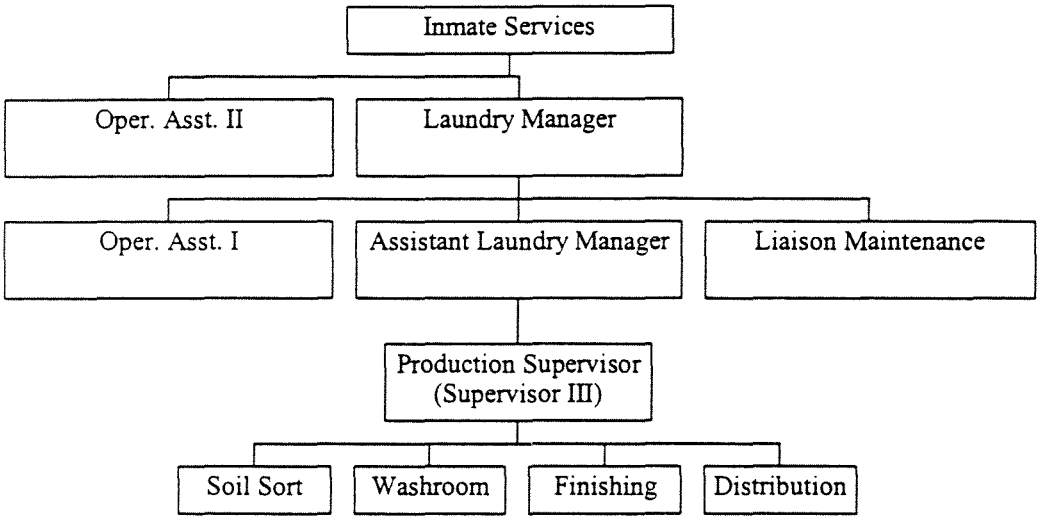
V. Laundry Services

This chapter of our report focuses on the Department's Laundry Services Unit. It provides an overview of the Unit and contains our findings and recommendations regarding the laundry services operations of the Department.

The Laundry Services Unit reports to the Administrative Services Commander within the Custody Division. The mission of the Unit is to provide laundry services that comply with federal, State and local regulations in as efficient a manner as possible. Exhibit V.1 depicts the organizational structure of the Unit.

Exhibit V.1

Custody Division - Laundry Services Operation



Source: Departmental organization chart dated 2/97.

The Unit has a total staff of 40 full-time equivalent staff.

The Department operates laundries at the Pitchess Detention Center in the North Region of the Department and at Sybil Brand Institute, which is in the Central Region. Warehousing and a new laundry supplement are housed at the Pitchess Detention Center. The clothing manufacturing units are housed at North County Correctional Facility.

Laundry Services performs four primary functions:

1. *Basic Laundry for all Department facilities.* In this capacity the Unit accepts, cleans and returns for distribution all inmate laundry items. Annualized production is currently at 16 million pounds. Total facility capacity is 50 million pounds annually. Therefore, there is excess capacity of 34 million pounds. The Pitchess facility launders all but women's clothing. Sybil Brand launders female clothing.

2. *Laundry supplement.* As clothing/linen becomes worn and unusable, the Laundry Unit removes from its warehouse of supplies adequate replacement of unusable items.

3. *Warehousing.* Laundry Services is also responsible for warehousing all types of items associated with the linen/bedding/clothing requirements of inmates. In conjunction with that responsibility, Laundry is also responsible for determining inventory levels, identifying usage, and purchasing adequate materials in order to maintain a four-month supply of inventory.

4. *Repair/Manufacturing.* The Laundry Unit is also responsible for both the repair of basic laundry items as well as the manufacture, from raw materials, of certain items specific to inmate housing and detention. One hundred and twenty inmates are utilized in this operation.

A. Management, Operations and Administration

Based on our analysis of the Laundry Services Unit, the Department's Laundry operations function well. Systems are well organized and automated to a great degree. "Just in time" purchasing is not an option due to the need to control a four-month "disaster supply" of warehouse items.

During the period 8/96 through 1/97 Laundry Services produced at the following rates:

Exhibit V.2

1996-97 Laundry Services Production

Month	Pounds	Cost/LB
8/96	1,119,080	$.319
9/96	1,072,605	$.304
10/96	1,119,573	$.256
11/96	1,019,595	$.278
12/96	1,121,795	$.262
1/97	1,225,985	$.247

Source: Laundry Services Unit

The average cost per pound is $.278, which is comparable to industry costs, but does not include factors for contract management, real estate costs or equipment depreciation. The cost per pound for Department operations is, nonetheless, indicative of a well functioning operation. In addition, customers interviewed indicated essentially no problems with laundry operations.

As a benchmark, the Laundry Unit of the Health Services Department of Los Angeles County currently contracts its laundry at the following bulk rates:

Exhibit V.3

1996 Laundry Benchmarks

Los Angeles County Department of Health Services	California Prison Industry Authority	Los Angeles County Sheriff's Department
$.296/LB	$.27	$.278/LB

Source: Laundry Services Unit and KPMG research

This Department's laundry operations compare well to the Health Services contract, and the State of California. Contract management, real estate and equipment costs will add slightly to laundry costs. However, they are close enough to contracted costs that an outsourcing analysis does not appear warranted.

Laundry Services is currently handling approximately 16 million pounds out of a 50-million pound capacity, or approximately one third of capacity. The Pitchess Detention Center facility (where the capacity resides) utilizes no inmates; therefore, there would be minimal risk in using that facility to attract other laundry business. California Prison Industry Authority regularly contracts for laundry business in excess of its internal needs.

Recommendation 37 - Pursue external laundry contracts

The Department should pursue the contracting for additional laundry volume. Potential users of the excess capacity include large institutions and other government agencies.

The additional capacity could generate approximately $90,000 in revenues annually, assuming a $.35 cost to the customer with $.075 per pound going to the Department and an added volume of 1.2 million pounds.

B. Organization and Staffing

Exhibit V.5 below depicts Laundry Services staffing.

Exhibit V.4

Laundry Services Span of Control Analysis

Laundry	
Managers/Supervisors	22
Line Staff	16
Approximate # Contract Employees	60
Clerical Staff	2
Total	40
Levels of Mgmt.	4
Ratio of Mgr & Sup to Staff	1:3.5*
Percentage of Clerical Staff to Total Staff	5%

Source: Laundry Services Unit
* Ratio factors in the number of contract employees, all of whom may not be contracted at the same time.

While the span of supervisors and managers to total staff appears narrow, given the nature of the shift operation, it is actually reasonable, as is the ratio of administrative/support staff to total staff.

C. Information Technology

In our experience with other laundry service operations, we have found that the most efficient and effective approach to inventory and purchasing management is an electronic purchasing system which is tied to an electronic inventory system. Currently, most purchasing and inventory functions are handled manually. Inventories are not regular nor perpetual (monthly). Consequently, it is difficult to evaluate the appropriate level of inventory to maintain. Recommendation number 36 in the previous chapter addresses this need.

VI. Response to Bureau of State Audits Findings

This chapter of our report contains our review of the two California Bureau of State Audits reports, specifically as they relate to the Los Angeles County Sheriff's Department operations.

The California State Auditor issued two reports in 1996 that included findings related to the Sheriff's Department. These reports were dated March and November 1996, respectively. As part of the Management Audit, KPMG reviewed the two reports, the Sheriff's responses to findings and the Sheriff's Implementation Plans as described in a status report to the County's Chief Administrative Officer dated January 17, 1997. We also reviewed the Grand Jury report titled "Analysis of the Men's Central Jail Staffing" dated March 1997 and other related Department materials.

The purpose of our review was to:

- Report and comment on the Department's plan for implementation of the State Auditor's findings
- Identify and comment on areas of lack of consensus between the State Auditor and the Department
- Analyze any additional information that has become available on civilianization of classifications and potential jail efficiencies

The State Auditor reported a total of fifteen major findings with corresponding recommendations in the two reports. A single finding was noted in the March 1996 report and the remaining fourteen are found in the second report. Of these fifteen recommendations, the State Auditor and Department reached total or substantial consensus on eleven. They did not reach consensus on four.

Exhibit VI.1 on the following pages summarizes each of the issues and recommendations, the Department's response and the current implementation status. This exhibit is followed by discussion of specific issue areas.

Exhibit VI.1

Summary of Recommendations to Reduce County Costs
Los Angeles County Sheriff's Department
(March 1996 and November 1996 Audit Report)

Consensus/ Lack of Consensus	Issue/Recommendation	Sheriff's Response	Implementation Status
General Consensus	Maintain Control Over the Use of Overtime The State's report noted that overtime payments were properly recorded, paid and approved after the overtime had been performed. In most of the instances, sufficient documentation was not available to determine if overtime before the hours were worked were actually approved.	When there are vacant positions, they are not filled due to the hiring freeze on most County positions. Therefore, the remaining employees must work overtime to maintain service levels.	Under evaluation by County Auditor-Controller.
Consensus	Continue the Implementation Plan to Operate Twin Towers. The State's report recommended to continue the working on opening Twin Towers.	The Department agreed to continue its efforts.	Twin Towers is open on a pilot basis. A State contract was recently approved to house State prisoners.
General Consensus	Reduce Costs by Converting Certain Positions to Civilian Status - The State audit identified 141 LASD administrative positions that do not require special capabilities of a sworn officer. The State auditors believe that these positions should be converted to civilian status. Based on the audit, an estimated $4.3 million would be saved annually in salary,	Of the 141 positions identified, the LASD originally was not in agreement on 24 positions. Subsequently, the LASD was not in agreement on 26 positions. Due to the law enforcement background or other specific qualifications necessary to effectively perform the 26 positions mentioned above, the LASD believe that these positions should not be civilianized.	Based on LASD's efforts to civilianize several of the sworn officer positions prior to the issuance of the State's audit, 2 of the 141 positions indicated had been replaced with civilians. Several of the positions were previously determined for civilian conversion as part of LASD's reclassification and reorganization plan. Additionally, the remaining 113 positions will be converted

Exhibit VI.1

Summary of Recommendations to Reduce County Costs (continued)
Los Angeles County Sheriff's Department
(March 1996 and November 1996 Audit Report)

Consensus/ Lack of Consensus	Issue/Recommendation	Sheriff's Response	Implementation Status
	benefit and training costs. The State recognizes that it may take several years to accomplish this cost savings due to the extended time it would take to convert certain positions.		within the next 3 months to 4 years.
Consensus	Perform a Review to Identify Additional Positions that Can Be Replaced by Civilian Employees. The LASD should perform a review to determine if additional positions can be converted to civilian status.	The LASD agree to an analysis of personnel classification and believe that the project could be completed in one year.	The LASD is currently conducting a Department wide classification review to determine if additional positions can be civilianized. The review is expected to be completed by the end of FY 1996-97. Several LASD units have undertaken their own review in efforts to convert positions to civilian employees.
Consensus	Correct Deficiencies in the Automated Personnel Information System. In performing their review of sworn officer position classifications, the State auditors noted that information contained in the automated personnel information system contained inaccurate information on current staff duties based on discussions with LASD senior managers.	The LASD agree that deficiencies in its automated personnel information management system should be corrected. The LASD Personnel Administration is currently revising the information in the automated personnel information system based on meetings with each of the LASD divisions.	It is expected that it will take approximately six months to complete the review.

Exhibit VI.1

Summary of Recommendations to Reduce County Costs (continued)
Los Angeles County Sheriff's Department
(March 1996 and November 1996 Audit Report)

Consensus/ Lack of Consensus	Issue/Recommendation	Sheriff's Response	Implementation Status
Lack of Consensus	Close the LASD Bakery. According to the State's audit, $1.3 million could be saved annually if LASD closed its bakery and purchased baked goods commercially. The bakery produces baked goods for inmates at all of the County jails.	The LASD is evaluating the operational consequences of this recommendation. Four cost-savings plans have been prepared which combine several options (reduce hours of operation, contract for bread products).	The plans are currently being reviewed. Reduction of some bakery operations occurred as of March 1997, however the Bakery remains in operation.
Consensus	Identify Other LASD Internal Operations for Outsourcing. The State noted that many Sheriff's Department have reduced jail costs by outsourcing certain inmate services. The State identified that LASD could save costs if LASD closed their bakery. The State believes that other operations should be reviewed to determine the potential costs savings of outsourcing services.	The LASD has considered the following operations: ■ Jail Stores - The LASD is currently transitioning to a commercial vendor ■ Laundry Operations - In 1995 LASD converted to contract laborers ■ Print Shop - The print shop is a vocational training program with 80 inmates. Using an outside vendor will be explored. ■ Sewing Shop - The sewing shop is a vocational and production program, employing 120 inmates. Using an outside vendor will be explored.	The Department has gone out to bid for Food Services at Twin Towers. Also, some medical services are currently being considered for outsourcing.
General Consensus	Perform an Analysis of the Feasibility and Cost Savings Associated with Replacing Sworn Officers with Civilian Corrections Officers in the Seven County Jails	Based on the potential cost reductions, LASD agrees that the use of Custody Assistants to sworn officers warrants a detailed study. LASD has increased the ratio of civilian Custody Assistants in the staffing of the Twin Towers Project and	The Custody Divisions are currently restructuring the staffing levels at jail facilities. The restructuring may result in the hiring of 400 Custody Assistants that would replace Deputy Sheriffs.

Exhibit VI.1

Summary of Recommendations to Reduce County Costs (continued)
Los Angeles County Sheriff's Department
(March 1996 and November 1996 Audit Report)

Consensus/ Lack of Consensus	Issue/Recommendation	Sheriff's Response	Implementation Status
	The State's audit noted that California sheriffs have traditionally used sworn law enforcement officers to staff jails. However, over the past 25 years, California Counties have employed different approaches to reduce the high cost of staffing local correctional facilities. The State recommends that the LASD study the use of a custodial officer (civilian position) classification as defined by the California Penal Code, Sections 831 and 831.5. Based on information obtained from other counties with a separate corrections department (Santa Clara and Madera) or jails using civilian custody staff (Santa Barbara, Placer and Fresno), the State's audit notes the advantages and disadvantages of employing civilians to staff jails. The following advantages and disadvantages are discussed: Advantages Cost savings related to salary, benefits and training (15-20%	believe that they are expanding the use of custody assistants in a deliberately analytical manner. The LASD believe that the following effects, not mentioned in the State's audit, should be extensively evaluated: ■ Staff safety ■ Inmate safety ■ Risks to communities adjacent to jail facilities. As such, LASD is monitoring the effectiveness of the current level of Custody Assistants staffed in the Twin Towers Project before proceeding with other custody facilities. The LASD currently uses sworn officers or deputies to perform most of the custody functions. LASD believes that deputy sheriffs should work in the jails and with inmates prior to serving as a law-enforcement officers. The LASD uses limited assistance from custody assistants (10% of total custody staff) that perform their functions under the supervision of a sworn officer. Additionally, the LASD has noted over the years that the solutions for smaller	The Custody South Division will conduct a staffing study to determine total cost savings of converting positions to civilian employees. The results of the studies should be available by May 1997. The LASD performed an analysis of the advantages and disadvantages of using civilians in staffing correctional facilities. The Department agrees with the advantages and disadvantages that the State audit indicates and believes that over time, the cost savings will dissipate as civilian staff performing similar duties as Deputy Sheriffs eventually expect parity in salary and benefits.

Exhibit VI.1

Summary of Recommendations to Reduce County Costs (continued)
Los Angeles County Sheriff's Department
(March 1996 and November 1996 Audit Report)

Consensus/ Lack of Consensus	Issue/Recommendation	Sheriff's Response	Implementation Status
	reduction) Lower attrition rates Increased morale and job satisfaction Increase of minority recruitment Fewer inmate complaints Disadvantages Fewer sworn officers in a major crisis Limited flexibility in assigning personnel The State's audit believes that the size of the County is not a determining factor on civilianization and that assigning deputies in inmate custody does not necessarily result in better law enforcement officers. Additionally, factors that may affect the civilianization of jail staff include: Negotiations with bargaining units Inflexibility of correction officers assignments Reconciling the staffing change with the County's philosophy of jail operations.	agencies or organizations are not sufficiently comprehensive for a Department as diverse as the LASD.	

Exhibit VI.1

Summary of Recommendations to Reduce County Costs (continued)
Los Angeles County Sheriff's Department
(March 1996 and November 1996 Audit Report)

Consensus/ Lack of Consensus	Issue/Recommendation	Sheriff's Response	Implementation Status
Consensus	Present Custody Assistant Study and Recommendations to Board of Supervisors for Review	LASD intends to complete a study on their current efforts (Twin Towers Implementation) before making additional changes.	Upon completion of the studies noted above and review of the jail facilities with increased civilianized correction officers, the LASD will present its results to the Board. The presentation of LSAD's recommendations is anticipated by November 1997.
Lack of Consensus	Closely Review Twin Towers Budget for Additional Cost Reductions. Based on the State's audit, additional savings in the Twins Towers Correctional Facility may be feasible in the following areas: Use of Inmate Workers Reducing Staffing Levels (LASD's revised budget increased staffing levels due to staff transfers from the Sybil Brand Institute) Reasonably State Cost for Services and Supplies (cost per inmate per revised budget is double the average cost at facilities) Reasonably State Cost for Overtime	■ Use of Inmate Workers - The LASD does not believe that the cost savings of using inmate workers is worth the consequences (increased security, introduction of contraband into inmate housing areas, security problems, escape opportunities). ■ Reducing Staffing Levels - The Twin Towers facility was designed to house male inmates. The Sybil Brand Institute housed all female inmates. Operations of a female jail are different than operating a male inmate jail. Until the LASD gains more experience on the effects of this move, the LASD does not intend to make any staffing changes. Reasonably State Cost and Overtime - The LASD believes they have taken the appropriate measures to reasonably	Information specific to reduced positions and the use of inmate labor and meetings to discuss the staffing needs in Tower II will be completed by May 1, 1997.

Exhibit VI.1

Summary of Recommendations to Reduce County Costs (continued)
Los Angeles County Sheriff's Department
(March 1996 and November 1996 Audit Report)

Consensus/ Lack of Consensus	Issue/Recommendation	Sheriff's Response	Implementation Status
		estimate the cost to open and operate this new facility.	
Consensus	Pursue Contracting Jail Beds with State and Federal Agencies for Revenues. The State's audit noted that contracting with other agencies is critical to LASD's decreased net County costs. However, the State audit noted that LASD's revised Twin Towers budget includes optimistic revenue projections: A $624,000 overstatement in LASD's estimate of contract revenue Contract revenues based on 100% occupancy of jail beds. As of the audit report no contracts have been finalized.	LASD agrees that continued efforts should be made to finalize contracts with other agencies. Based on discussions with these agencies, LASD believes that the revenue projections are appropriately estimated.	Contracts with the State of California and INS were presented to the Board for approval on January 21, 1997. The State's contract provides for 1,400 inmates awaiting their violation of parole hearing. This contract would provide $137 million in revenues during a five-year period. The State contract was recently approved. The INS contract is intended to house 500 detainees at Mira Loma for revenue of approximately $88 million over a five-year period. The LASD will continue to explore additional contract possibilities.
Consensus	Determine Funding Sources to Renovate the Sybil Brand Institute and Other Capital Improvements The Twin Towers Correctional Facility will house all female inmates from the Sybil Brand Institute while it undergoes repair.	The LASD agrees with this recommendation	In the current year $4.74 million was budgeted for renovations to the Sybil Brand Institute, $2.24 was expended on engineering studies and preliminary renovations. The remaining budgeted funds will be deferred to next year. The LASD will continue

Exhibit VI.1

Summary of Recommendations to Reduce County Costs (continued)
Los Angeles County Sheriff's Department
(March 1996 and November 1996 Audit Report)

Consensus/ Lack of Consensus	Issue/Recommendation	Sheriff's Response	Implementation Status
			to work with the CAO to identify additional funding sources for the renovation of this project.
Consensus	Scrutinize Future Budget Request for New Facilities and Programs	The LASD agrees to this recommendation as it relates to the opening of a custody facility or the construction of a new facility.	The LASD will continue its efforts to carefully scrutinize budget requests for the most cost-effective plans. Such plans are continually reviewed for current needs, changes in law or policy and operational requirements. Budget requests are reviewed by appropriate LASD levels prior to approval by the Board.
Lack of Consensus	Submit Future Budget Requests with Different Options for Level of Service	The LASD believe that they have submitted varying staffing options and have provided "impact" options when possible to help the Board determine the degree of funding curtailments available. The Sheriff however, will always use his discretion to create a level of service that is safe for the staff, inmates and the community.	
Lack of Consensus	Address the Lack of a Correctional Treatment Center (CTC) In 1992 a court order directed the LASD to work towards establishing a licensed CTC. The LASD was to	The LASD believes that they have taken the necessary steps to secure the Twin Tower facility for medical services and can now proceed to make the facility a licensed Correctional Treatment Center.	See Chapter 1 discussion of Medical Services.

Exhibit VI.1

Summary of Recommendations to Reduce County Costs (continued)
Los Angeles County Sheriff's Department
(March 1996 and November 1996 Audit Report)

Consensus/ Lack of Consensus	Issue/Recommendation	Sheriff's Response	Implementation Status
	establish such a facility in the Twin Towers Jail, however, due to budget constraints, the revised budget does not include such a facility.		

Sources: March 1996 State Auditor's Report
November 1996 State Auditors' Report
Sheriff's Response to State Auditors, November 15, 1996
Sheriff's Response to CAO, January 17, 1997

KPMG performed follow-up work in specific areas identified by the County and where there was a lack of consensus on recommendations. Specifically, we reviewed:

- Civilianization
- Twin Towers Budget
- Automated Personnel Information Management System
- Closure of the Bakery
- Budget Requests with Different Levels of Service

Civilianization

The issue of replacing sworn position classifications with civilian classifications is addressed in recommendations 2, 3 and 7 of the State Auditor reports. It is also the primary subject in the Grand Jury's report on the Men's Central Jail.

Exhibit VI.2 below shows the Department's current civilianization ratios on a division-by-division basis.

Exhibit VI.2

Department's Current Civilianization Ratios and Staffing Costs

Division	# Sworn $ Sworn	# Civilian $ Civilian	# Total $ Total	% Civilian % of Total $
Executive Office	49	55	104	52.88%
	$4,151,792	$3,082,323	$7,234,114	41.48%
Office of Administrative Services	139	1,267	1,406	90.11%
	$9,851,938	$61,348,994	$71,200,932	85.60%
Professional Standards & Training	357	97	454	21.37%
	$24,074,683	$4,047,521	$28,122,205	13.83%
Field Operations Region I	1,263	293	1,556	18.83%
	$82,850,232	$10,705,602	$93,555,834	10.98%
Field Operations Region II	1,149	222	1,371	16.19%
	$75,398,838	$8,369,450	$83,768,289	9.58%
Field Operations Region III	1,195	258	1,453	17.76%
	$78,175,968	$9,755,534	$87,931,502	10.65%
Detective Division	516	266	782	34.02%
	$35,185,667	$13,565,937	$48,751,604	26.91%

Exhibit VI.2

Department's Current Civilianization Ratios and Staffing Costs (continued)

Division	# Sworn $ Sworn	# Civilian $ Civilian	# Total $ Total		% Civilian % of Total $
Court Services	1,443	382	1,825		20.93%
	$91,416,853	$13,483,362	$104,900,216		12.34%
Custody Division - North	854	592	1,446		40.94%
	$55,131,935	$21,676,012	$76,807,947		27.29%
Custody Division - South	1,447	1,266	2,713		46.66%
	$92,498,468	$59,413,494	$151,911,962		38.02%
Total Department Personnel	8,412	4,698	13,110		35.84%
Total Department Salary	$548,736,375	$205,448,230	$754,184,605		27.24%

Source: Personnel Information Management System (PIMS).

The Department has taken steps to civilianize in several areas over the past several years, including leadership positions in the Office of Administrative Services, process servers, custody assistants and other positions, due in part to the reduced funding. Currently, the Department is approximately 36 percent civilian, which compares favorably to the benchmark agencies we interviewed.

The Department's current civilianization efforts are summarized below:

Exhibit VI.3

Current Departmental Civilianization Efforts

Sworn Position	Civilian Position	Civilianization Efforts
Sheriff Deputy	Custody Assistant	In general, the Department is making calculated efforts to civilianize custody staff in the jails and at custody facilities based on the advantages and disadvantages of using civilians in this capacity. Based on a successful Custody Assistant pilot project that was implemented at Field Operations I Temple Station, a plan was developed to expand the re-deployment to the 14 other field stations with jails. In 1995, the Department was awarded a Federal grant of $3.57 million from the Office of Community Oriented Policing Services, U.S. Department of Justice for the purpose of re-deploying deputies to community policing assignments, and refilling current field jailer positions with 70 newly hired non-sworn Custody Assistants. The Department is monitoring the successfulness of this reorganization before making additional staffing changes. In addition, the Department is currently performing custody staffing studies to determine cost savings of converting sworn positions to civilian employees in the Custody Division. These studies will be completed in May 1997.
Complaint Desk Deputy	Station Desk Operations Assistant	In 1996, the Department received a Federal grant of $1.87 million from the Office of Community Oriented Policing Services, U.S. Department of Justice for the purpose of re-deploying 44 Complaint Desk Deputies to community policing assignments, and refilling the positions with civilian Station Desk Operation Assistants.
Complaint Desk Deputy	Law Enforcement Technician	The Department is currently in the process of proposing a new civilian classification of Law Enforcement Technician that would consolidate three classifications--Services Assistant, Station Desk Operations Assistant and Station Desk Operation Trainee. This new classification would perform a variety of law enforcement support services that are currently performed by Complaint Desk Deputies.

Exhibit VI.3

Current Departmental Civilianization Efforts (continued)

Sworn Position	Civilian Position	Civilianization Efforts
Deputy Generalist	Civil Services Specialist	A study was performed by the Custody Services Division to review the delivery of the civil process service. The study describes the civil process functions and identifies sworn functions that could be performed by civilians. The study proposes to add 43 civilian positions to perform civil process activities that are currently performed by deputies. Currently 12 Court Services Specialists have been hired, the remaining 10 budgeted positions are planned to be hired in April 1997. The Department plans to replace all other Process Serving Deputies with civilians by June 30, 1997.
Sheriff Deputy	Community Services Officer	This new civilian classification is currently being studied and drafted to include duties that are currently performed by sworn personnel and civilian law enforcement interns.

In the past, civilianization proposals have been analyzed by individual Divisions or Bureaus and then presented to the Executive Planning Council for consideration. Prior to 1996, we found no comprehensive Department-wide analysis of civilianization opportunities, although many position-specific evaluations have been performed.

In 1996, the State Auditor performed a detailed review of position titles from the Department's personnel system. In that review, the State Auditor screened job titles for those that may not require sworn officer training or status. They then reviewed each job description and determined that there were 141 positions that could be converted to civilian status. The Department agreed with 115 or 82% of the recommendations, and disagreed with 26 or 18% of the positions. The Department's reasons for maintaining sworn status of the 26 positions are outlined in detail in the Sheriff's Implementation report of January 17, 1997. To date, two of the 115 positions have been civilianized and the remainder are planned for conversion over the next four years.

In response to the State Auditor's report, the Personnel Bureau initiated a Department-wide study of sworn classifications that can potentially be civilianized. The Department estimates that this analysis will require approximately 6 months to complete.

As part of this Management Audit, KPMG gathered information from Department management on other areas that represent civilianization opportunities. Functional activities currently performed by sworn officers that may be effectively performed by civilian employees were discussed with senior management. Where possible, overlap with the specific positions described by the State Auditor was minimized. The number of officers performing these functions were then estimated from Department budget documents. The opportunity for "savings" or the estimate of resources that could be redirected if civilianization was implemented was estimated based on budgeted salaries and benefits.

Exhibits VI.4 and VI.5 illustrate our analysis.

Exhibit VI.4

Additional Civilianization Opportunities

Additional Civilianization Opportunities	Rationale for Civilianization
Department Wide Opportunities	
Court Lock Up Deputy	Duties performed are similar to custody assistants and jailers, as such should be considered for civilianization.
Operations Deputy	Position performs business and administrative functions.
Operations Lieutenant	Both Operation Lieutenant and Sergeant positions appear to overlap. Both civilianization and reassignment should be evaluated.
Identification Deputy Identification Sergeant	Sworn officer skills are not required.
Complaint Desk Deputies	Sworn officer skills are not required.
Desk Operations Deputy (Dispatch)	Sworn officer skills are not required.
New Civilian Classifications Aiding Sworn Personnel	
Investigator Deputy - Field Operations	New Civilian classification, Detective Assistant would assist Investigators and perform at least 30% of Investigators work, such as follow up calls, filing court documents, evidence analysis, and case filing.
Patrol Deputy - Field Operations	New Civilian classification, Community Services Officer would assist Sworn Personnel and perform 15% of their work, such as routine report taking, parking and code enforcement, reports violations of municipal codes or ordinances
Specific Position Opportunities	
Data Systems Bureau Personnel: Analysis and Program Needs Sergeant Operation Deputy Projects Lieutenant	Positions perform technical functions.

Exhibit VI.4

Additional Civilianization Opportunities (continued)

Additional Civilianization Opportunities	Rationale for Civilianization
Narcotics Forfeitures and Training Personnel: Training and Public Relations Deputy	Sworn officer skills are not required.
Media Personnel (PSTD): Film Visual Aids Deputy	Sworn officer skills are not required.
Random Drug Testing Unit (PSTD): Inspectional Supervisor Sergeant	Sworn officer skills are not required.

Source: Management interviews with senior department management.

Exhibit VI.5 shows the number of positions that could potentially be civilianized, the salary and employee benefits related to the sworn positions, and the range of potential savings that can be realized through civilianization. The percentages used to determine potential savings were based on the civilianization analyses performed by the State Auditor and Grand Jury. These civilianization analyses estimated savings between 12.5% - 20% for custody assistants and greater than 30% savings for other sworn positions. Specific savings will be determined on a position by position basis and therefore a range of potential savings is illustrated.

Exhibit VI.5

Cost Savings Through Additional Civilianization Opportunities

	Positions to Civilianize (1)	Total S&EB (2)	Range of Potential Savings (3)		
Additional Civilianization Opportunities			10%	20%	30%
Department Wide Opportunities					
Court Lock Up Deputy	120	$7,423,337	$742,334	$1,484,667	$2,227,001
Operations Deputy	13	$804,195	$80,419	$160,839	$241,258
Operations Lieutenant	66	$6,118,178	$611,818	$1,223,636	$1,835,453
Identification Deputy	6	$371,167	$37,117	$74,233	$111,350
Identification Sgt.	1	$78,006	$7,801	$15,601	$23,402
Complaint Desk Deputies	9	$556,750	$55,675	$111,350	$167,025
Desk Operations Deputy	9	$556,750	$55,675	$111,350	$167,025

Exhibit VI.5

Cost Savings Through Additional Civilianization Opportunities (continued)

	Positions to Civilianize (1)	Total S&EB (2)	Range of Potential Savings (3)		
New Civilian Classifications Aiding Sworn Personnel					
Investigator Deputy - Field Operations	99*	$6,124,246	$612,425	$1,224,849	$1,837,274
Patrol Deputy - Field Operations	106*	$6,557,321	$655,732	$1,311,464	$1,967,196
Specific Position Opportunities					
Data Systems Bureau Personnel:					
Analysis and Program Needs Sgt.	1	$78,006	$7,801	$15,601	$23,402
Operation Deputy	1	$61,862	$6,186	$12,372	$18,558
Projects Lt.	1	$92,700	$9,270	$18,540	$27,810
Narcotics Forfeitures and Training Personnel:		$61,862	$6,186	$12,372	$18,558
Training and Public Relations Deputy	1	$78,006	$7,801	$15,601	$23,402
Media Personnel (PSTD):					
Sergeant	1	$78,006	$7,801	$15,601	$23,402
Film Visual Aids Deputy		$61,862	$6,186	$12,372	$18,558
Random Drug Testing Unit (PSTD):					
Inspectional Supervisor Sergeant	2	$156,012	$15,601	$31,202	$46,804
	436	**$29,180,257**	**$2,918,026**	**$5,836,051**	**$8,754,077**

(1) Number of positions is based on the number of budgeted positions per the PIMS report excluding positions recommended by the BSA.

(2) Salary information is based on budgeted positions per the PIMS report. A weighted average of 20.4% is used to calculated sworn employee benefits.

(3) The range of salary savings was based on BSA determined civilianization savings of 15% to greater than 30%, the Grand Jury determined savings of 12.5%, and the Custody Assistant Grant determined savings of 15.4%.
Number of positions is associated with augmenting sworn staff with civilian staff. Investigator deputy savings were determined assuming the new civilian class would perform 30% of the investigator's work. Patrol deputy savings were determined assuming 50% of the patrol deputies would benefit from the new civilian class performing 15% of the patrol deputies work.

The Department has a wide range of potential civilianization opportunities. To date opportunities identified by the State Auditor ($4.3 million) and in this report ($2.9 - $8.8 million) represent estimated savings of $7.2 to $13.1 million per year. This estimate excludes the custody assistants currently being analyzed by the Department. The comprehensive review underway by the Department should identify additional opportunities. Due to the significant cost savings associated with civilianization and the opportunities to refocus sworn resources on enforcement related services, comprehensive civilianization analysis should continue to be a high strategic goal of the Department.

Recommendation 38 - Complete and implement a comprehensive five year civilianization plan.

To implement this goal, the Department should complete the Department-wide classification review and develop a phased civilianization implementation plan for all classifications within 5 years. To date the analysis and implementation of civilianization opportunities has not been coordinated across the Department. We recommend that the Department complete the full scope analysis, considering the various opportunities raised by KPMG, the State Auditor and the Grand Jury and develop a strategy, implementation and budget plan for conversion of each type of position. This implementation and budget plan should be analyzed and incorporated in the annual budget. The implementation plan should encompass the following:

- *Civilianization of the 115 positions from the State Auditor Report within three years*
- *Civilianization of at least 50% of KPMG-identified positions within three years*
- *Full civilianization of all potential positions within five years.*

Twin Towers Operations

Recommendation 9 in the California Bureau of State Audits report dated November 1996 described areas where additional savings may be available in the Twin Towers operating budget. Importantly, since the State Auditor report, the Twin Towers has been opened on a pilot basis and a contract has been approved to house state prisoners in the facility. The Department is currently evaluating operations in the new facility. It is simultaneously moving forward with negotiations with Federal officials to house contract inmates as suggested in Recommendation 10 of the State Auditor report.

The State Auditor recommends, in part, that the Department re-evaluate its inmate worker policy at the Twin Towers, and consider using inmates as property clerks, custodians, laundry and warehouse workers to reduce costs.

The Department disagrees, stating this would substantially increase the need for security staff, increase security problems, increase the introduction of contraband into the inmate housing areas and increase the potential for escape. The Department believes that the reduction of these costs are not worth the identified consequences.

The Twin Towers is a new facility not only as a structure, but in concept different from the other jails operated by the Department. It is designed for maximum security prisoners and no prisoners have ever been previously housed there. The number and violent nature of the prisoners to be housed there is expected to be greater than at any other municipal jail in the State. The opening plan calls for a reduced level of sworn security staff and increased civilian custody assistants at the jail. The Department's response is valid and appropriate given the new jail, the type of prisoner and the reduced number of sworn personnel at this time. This position should be re-evaluated periodically as more experience is developed in the operation of this jail and the use of custody assistants.

As the Twin Towers operation is commencing and security and experience is being gained daily, we did not repeat the BSA's detailed review of the "Proposed Funding Plan to Open and Operate the Twin Towers Custody Facility". However, based on our general review and management interviews, the plan appears reasonable when considered as the start-up plan that it represents. It must be considered as a plan to open the Twin Towers as soon as possible given the staffing and funding now available and the urgent need to accommodate prisoners and repair other custody facilities. The staffing configuration is not necessarily the optimum configuration for the long term.

Recommendations of the California State Auditor's report related to staffing should be evaluated in detail as more experience in the operation of the facility is obtained. Actual information will also illustrate actual services and supplies costs per inmate.

Other BSA Recommendations

Correct Deficiencies in the Automated Personnel Information Management System - The State Auditor recommended that data errors in the Automated Personnel Management System be addressed. The Department estimated it will require six months to complete this activity. KPMG provided detailed recommendations on systems improvements in Chapter III.

Close the Department's Bakery - The State Auditor recommended the closure of the Department's bakery. The Department determined that while its scope should be reduced it should remain open. As discussed in Chapter V, KPMG also recommends the closure of the bakery.

Budget Requests with Different Levels of Service - The State Auditor suggests that budget requests with different levels of service options be prepared. The Department has stated that they *have provided a discussion of levels. KPMG provided recommendations related to performance-*based budgeting in chapter III which would provide the necessary budget/workload communication for discussion between the County and the Department.

VII. Implementation of Recommendations

This chapter discusses the implementation of recommendations. For each recommendation, the following information is summarized:

- Recommendation
- Organization or position with implementation responsibility
- Timeframe

  ⇒ Within one year
  ⇒ Within three years
  ⇒ Within five years

- Improvement or opportunity for savings

Based on the recommendations, the opportunities for savings after full implementation are estimated at $16 million to $21.9 million. Approximately $3.5 million of these opportunities are related to short-term opportunities that should be implemented within one year.

Several additional recommendations are likely to yield cost savings, however, detailed study is required to assess these opportunities. These include:

- Improving management/staff ratios in operating regions
- Evaluating the outsourcing of medical services
- Evaluating the outsourcing of food services

In addition, several recommendations relate to the long-term management effectiveness of the organization. These will also result in increased efficiency over time:

- Implement a Department-wide strategic plan
- Implement a performance-based budgeting process
- Reorganize OAS and its bureaus
- Develop a formal governance process for information technology

Each of these recommendations will ultimately result in fiscal impacts over the coming years.

Exhibit VII.1

Recommendation Implementation Schedule

	Recommendation	Implementation Responsibility	Timeframe			Improvement or Opportunity for Savings
			Within 1 year	Within 3 years	Within 5 years	
1.	Reevaluate Commander positions and their functions within the organization	Executive Office	X			Improved management utilization
2.	Evaluate and improve management/staff ratios in operating regions	Executive Office	X	X		Improved management efficiency. Detailed study required to determine potential for savings
3.	Develop a clear and consistent organization hierarchy to improve accountability	Executive Office/Personnel Administration	X			Improved accountability and organizational management
4.	Implement a consistent field operations regional structure	Executive Office/Field Operations regions	X			See 1 above
5.	Finalize and implement the Department's strategic plan	Executive Office	X			Long-term planning integrating infrastructure and other financial needs
6.	Use committee structure more efficiently within the Department	Executive Office		X		Minimum of $100,000 annually
7.	Implement a performance-based budgeting process and publish an annual budget	Fiscal Administration/Executive Office		X		Improved budget decisions, resource allocation and performance evaluation
8.	Evaluate the outsourcing of medical services as part of a comprehensive health care service strategy	Medical Services	X			Improved service and cost efficiency. Detailed study required to determine potential cost savings
9.	Reorganize the Office of Administrative Services into separate Administration and Technology Divisions	Executive Office	X			Increased focus on fiscal management and technology
10.	Implement performance measures for Fiscal Administration	Fiscal Administration	X			Increased accountability
11.	Improve procurement processes and systems	Fiscal Administration		X		Increased purchasing efficiency
12.	Close the Central Supply Warehouse	Fiscal Administration	X			Minimum of $605,000 annually

Exhibit VII.1

Recommendation Implementation Schedule (continued)

	Recommendation	Implementation Responsibility	Timeframe			Improvement or Opportunity for Savings
			Within 1 year	Within 3 years	Within 5 years	
13.	Improve contract prisoner billing practices	Fiscal Administration	X			Minimum of $131,000 annually
14.	Reorganize Fiscal Administration to align responsibilities and functions	Fiscal Administration	X			Organizational efficiency; see 16 below
15.	Eliminate long-term vacancies in Fiscal Administration	Executive Office/Fiscal Administration	X			Improved budgeting and personnel planning
16.	Reduce layers of management and improve management ratios in Fiscal Administration	Executive Office/Fiscal Administration		X		Up to $854,000 annually
17.	Eliminate duplicate data entry in financial systems	Fiscal Administration/Data Systems		X		Up to $198,000 annually
18.	Improve financial management reporting	Fiscal Administration/Data Systems		X		Improved financial management
19.	Implement personnel management performance processes and reporting	Personnel Administration/Data Systems	X	X	X	Increased accountability
20.	Re-focus personnel services on mission-critical functions	Personnel Administration/ Executive Office	X			$222,000 annually
21.	Restructure Personnel Administration	Personnel Administration	X			Organizational efficiency; reduced management requirements
22.	Reduce layers of management and broaden span of control in Personnel Administration	Personnel Administration/ Executive Office		X		Up to $1.7 million annually
23.	Perform a personnel systems feasibility and cost/benefit analysis	Chief Technology Officer	X			Increased systems capabilities
24.	Implement a managed competition evaluation and outsourcing of facilities management	Facilities Management		X		Up to $6.5 million annually
25.	Close the Facilities warehouse	Facilities Management/Executive Office	X			$303,000 annually
26.	Facilities Management and Planning should develop and implement performance measures	Facilities Management and Facilities Planning	X			Increased Accountability

Exhibit VII.1

Recommendation Implementation Schedule (continued)

	Recommendation	Implementation Responsibility	Timeframe			Improvement or Opportunity for Savings
			Within 1 year	Within 3 years	Within 5 years	
27.	Develop revised organization and management structures for facilities organizations	Administrative Services	X			Up to $150,000 annually
28.	Perform a feasibility study before commencing additional in-house development of facilities systems	Chief Technology Officer	X			Increased systems capabilities and cost efficiency
29.	Improve the management-to-staff ratio in Management Information Services	Management Information Services/Executive Office		X		Approximately $193,000 annually
30.	Develop a formal governance process for technology and a strategic plan	Chief Technology Officer	X			Improved systems planning
31.	Improve food cost tracking by facility	Food Services	X			Improved cost control
32.	Utilize excess kitchen capacity at the Men's Central Jail to produce bulk food for Twin Towers	Food Services	X			Approximately $1.73 million annually
33.	Implement a managed competition program for Food Services	Food Services		X		Food services cost efficiency. Requires additional study for savings estimates
34.	Improve food procurement process	Food Services/Purchasing	X			Increased purchasing efficiency
35.	Close the North Region Bakery	Food Services	X			Up to $400,000 annually
36.	Improve purchasing and inventory systems support	Chief Technology Officer		X		Increased efficiency and systems capabilities
37.	Pursue external laundry contracts	Laundry Services		X		Approximately $90,000 annually
38.	Initiate Department-wide classification review and implement phased civilianization plan	Executive Office/Personnel Administration		X	X	$2.9 to $8.8 million per year in excess of $4.3 million identified by the Bureau of State Audits