



COUNTY OF SAN MATEO
Inter-Departmental Correspondence

County Manager's Office

DATE: August 27, 2007
BOARD MEETING DATE: September 11,
2007
SPECIAL NOTICE: None
VOTE REQUIRED: None

TO: Honorable Board of Supervisors
FROM: John L. Maltbie, County Manager
SUBJECT: 2006-07 Grand Jury Response

Recommendation

Accept this report containing the County's responses to the following 2006-07 Grand Jury report: Review of San Mateo County Payroll Practices.

VISION ALIGNMENT:

Commitment: Responsive, effective and collaborative government.

Goal 20: Government decisions are based on careful consideration of future impact, rather than temporary relief or immediate gain.

This activity contributes to the goal by ensuring that all Grand Jury findings and recommendations are thoroughly reviewed by the appropriate County departments and that, when appropriate, process improvements are made to improve the quality and efficiency of services provided to the public and other agencies.

Discussion

The County is mandated to respond to the Grand Jury within 90 days from the date that reports are filed with the County Clerk and Elected Officials are mandated to respond within 60 days. To that end, attached is the County's response to the Grand Jury report on Review of San Mateo County Payroll Practices, issued on June 21, 2007.

Review of San Mateo County Payroll Practices

Findings:

Staff is in general agreement with the Grand Jury's findings.

Recommendations:

The Board of Supervisors should direct the County Manager to:

- 1. Cooperate with the Controller's Office to determine on a timely basis which office should be assigned ultimate accountability for the payroll process. This determination should ensure that such office is clearly identified as the responsible entity.**

Response: Concur. The County Manager's Office will cooperate with the Controller's Office and will recommend that ultimate responsibility for the payroll process be assigned to the Controller's Office. It is important to recognize that the successful operation of the HR/Payroll system (PIPS) is dependent on three departments' continued cooperation as well as the payroll system vendor for compliance assurance: (1) the Information Services Department (ISD) will need to ensure the system(s) are available and functioning as designed; (2) the Human Resources Department (HR) will need to ensure that personnel information, including earning type code setup and accurate employee position and pay grade information, is properly maintained in the system; and (3) the Controller will need ensure that employee time reported is paid accurately and on a timely basis. The payroll vendor will be required to review compliance of the County payroll system with state and federal laws and regularly assist in implementing new requirements. This multi-departmental approach is much like the current County process related to property taxes, which requires the cooperation of the Assessor, Controller, and Tax Collector with well-defined areas of responsibility for all three departments.

The County Manager's Office will work with the Controller's Office to establish a framework for ensuring the payroll system is functioning properly and to obtain additional staffing and financial resources to document and monitor the multi-departmental and vendor activities.

- 2. Establish written job descriptions for all employees in Human Resources and Information Services Department that clearly delineate the duties, responsibilities, accountability and controls for payroll and timekeeping functions within each department.**

Response: Concur. The County Manager's Office will work with the Human Resources Department, Information Services Department, and the Controller's Office to document the duties, responsibilities, accountability, and controls as part of the process described in the response to Recommendation

1 above.

- 3. Create a standing, cross-functional committee composed of representatives from the Controller's Office including Internal Audit, Information Services Department and Human Resources to oversee and approve all payroll and timekeeping projects, and approve the duties, responsibilities and accountability for payroll and timekeeping among the three entities.**

Response: Concur. There is currently a Payroll (PIPS) Steering Committee comprised of the department heads from the Controller's Office, Human Resources Department, and Information Services Department as well as the Audit Manager from the Controller's Internal Audit Division. This same group, sans the Audit Manager from the Controller's Internal Audit Division and the Deputy County Manager, comprise the Automated Time Keeping System (ATKS) Steering Committee that meets separately during the implementation stages of the ATKS project. With the successful completion of the ATKS project, it is anticipated that the PIPS Steering Committee will assume the additional responsibilities associated with the ATKS Steering Committee. The Controller's Office will chair this cross-departmental committee.