



Internal Audit Department

O R A N G E C O U N T Y

AUDIT HIGHLIGHT

JUNE 22, 2015

INTERNAL CONTROL & COMPLIANCE AUDIT

**OC COMMUNITY RESOURCES
PROCUREMENT PROCESS FOR
HUMAN SERVICES CONTRACTS
Audit No. 1426**

WHAT THE AUDIT DID

We audited internal controls over OC Community Resources' (OCCR) Procurement Process for Human Services Contracts. During 2014, OC Community Resources' Contract Development & Management Unit procured and administered **69 human services contracts totaling \$33.7 million** in the Community Investment Division, Housing & Community Development, and the Office on Aging.

WHY THIS AUDIT IS IMPORTANT

The County of Orange **Contract Policy Manual (CPM)** governs the administration of human services contracts. The CPM states "Human services contracts include all contracts for services that directly maintain or improve the social, economic, physical, or mental well-being of persons for whom the County bears such a responsibility. Included in the definition of human services contracts are services provided in response to or in support of federal, state and/or local service mandates to provide health and human services to a target population."

The CPM also states that "**the agencies/departments responsible for providing human services will also be directly responsible for human services contracts**, including the responsibility for: issuing solicitations; accepting or rejecting proposals; developing and administering the proposal evaluation process; selecting proposal evaluation committee members, and making the final selection recommendation for contract issuance or forwarding the recommendation to the Board of Supervisors for final selection."

WHAT THE AUDITORS FOUND

We found that OCCR's Contract Development & Management Unit has a well-defined process for procuring human services contracts that is in compliance with Contract Policy Manual requirements and in alignment with other business practices in other County departments/agencies that process human services contracts. We identified **four (4) control findings and three (3) efficiency/effectiveness findings resulting in seven (7) recommendations** to further enhance controls over the human services contracts procurement process.