

EXHIBIT A
Initiative Details

<u>Initiative</u>	<u>Description</u>	<u>Benefits</u>	<u>Costs</u>	<u>Next Steps</u>
1. Support an initiative to consolidate all Whistleblower information into a single web based access point for employees to understand and report (Whistleblower Hotline) their ethical, fraudulent and internal control concerns. (Initially pilot for internal use only)	<p>Currently the portal for employees to report concerns is difficult to find and does not contain background and reference information.</p> <p>The Whistleblower web page should be easily accessed and provide links to the Whistleblower ordinance, various training resources, hot-line and on-line reporting pages, etc.</p>	Employees (and eventually the public) will be able to go to a single web page to access information about the program, what to expect, assurance of confidentiality and ability to report concerns, anonymously if desired.	One-time ISD Costs (Web page creation): \$4,000	Upon Board approval of this initiative, a web page will be developed and deployed so employees can easily access all guidelines and procedures regarding roles, responsibilities and resources to report fraud, waste and abuse.
2. Support an initiative to improve the Whistleblower response structure that ensures independence and confidentiality as well as appropriate reporting and follow-up.	The informational portion of the web page can be done internally. Outside vendors, used by many governmental entities, can provide the reporting portal from this informational page. The selected vendor can maintain confidentiality and route the concerns appropriately.	Provides employees with more prominent, accessible and confidential way to report activities of concern. Per the 2012 Report to Nations on Occupational Fraud and Abuse, 43% of frauds are detected through tips with 50% of tips coming from employees	Annual Vendor cost: \$10,000-\$15,000	Select and contract with independent vendor to create a portal that provides confidential reporting services and initial triage of items reported.

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3. Support an initiative to implement continuous and required training related to each employee's responsibility for ethical behavior, fraud identification and prevention, and internal accounting control responsibilities.	Employee training will begin with orientation sessions and then annually or biennially via on-line or classroom training. The County's Learning Management System will be used to track compliance much like the current required training for managers and supervisors related to discrimination in the workplace.	It is of paramount importance to maintain awareness with each employee of the importance for a high standard ethical behavior. Equally important is that each employee understands their roll in the overall structure of internal controls. Maintaining this level of awareness from the "tone at the top" via required on-going training ensures the County's best efforts are done in these areas. Per the 2012 Report to Nations on Occupational Fraud and Abuse, 14% of frauds are detected through management review.	Initial Investment: \$73,600 On-going: \$10,000-\$15,000	Develop training for: All Employees Leadership and Supervisory Academy Fiscal Employees – Overall Financial Controls Fiscal Employees – Functional Specialties (e.g., procurement, cash handling, etc.)

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4. Support an initiative to expand the Controller's Office's use of Audit Command Language (ACL), a data extraction and analysis software that can monitor, identify and report unusual financial activities.	<p>The Controller's Internal Audit Division utilizes ACL for financial data analysis. The software is an industry standard tool and can be used to look at every financial transaction in a system or across systems (e.g., vendors in the financial system with the same address as employees in the payroll system). Over the next three years, we will be obtaining consulting services, purchasing additional software, and significant staff training in order to automate audit procedures that can be performed on a regularly scheduled basis.</p>	<p>The County will expand the types of analysis done with this software. This significantly increases the coverage and improves the County's ability to monitor and report anomalies in our financial systems. The effectiveness of the County's internal control environment will be greatly enhanced without adding more auditors.</p>	<p><u>Year 1 (Pilot):</u> Consulting Services – script writing and staff training. Total Yr 1: \$46,000</p> <p><u>Year 2:</u> Software purchase, implementation, and staff training. Total Yr 2: \$64,000</p> <p><u>Year 3 and thereafter:</u> Consulting Services – script writing and staff training - Ongoing: \$50,000 Initial Investment: \$110,000 On-going: \$50,000</p>	<p>Upon Board approval, retain consulting services and sign staff up for training.</p>

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5. Support an initiative for a one-time independent evaluation of the Controller's Internal Audit Division's current practices to determine it is being adequately utilized and aligned with meeting the County's goals and objectives. This would include a review of Division's annual risk assessment, and to determine if there are correct staff resources.	With resources declining, the risk of fraud or a failure in the internal control system is high. Our audit resources are scarce. A study of best practices and recommendations on how to best utilize our resources to ensure we properly monitor our internal accounting control system is needed.	An independent study will allow us to determine how to implement best practices related to internal auditing. It has been many years since this division has been independently reviewed for efficiencies and effectiveness. Per the 2012 Report to Nations on Occupational Fraud and Abuse, 14% of frauds are detected by Internal Audit.	Costs for this study are estimated to be less than \$100,000 Initial Investment: \$60,000	Work to retain the services of a qualified firm with multi-industry knowledge of best internal audit practices. We will report on the results of this study when concluded.