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AUDITOR/CONTROLLER-RECORDER (ACR)

HISTORICAL ARCHIVES

SUMMARY

In 2006, the San Bernardino County Historical Archives (Archives) was moved from its old facility on Rialto Avenue to its new home at 1806 Commercenter West. The facility houses the county's oldest and rarest information, plus the first 41 years of the County of Riverside's historical documents. The 2008-2009 Grand Jury checked on the progress and improvement of the preservation of these priceless and one-of-a-kind artifacts and found some interesting results. Those results are documented in the findings and recommendations sections at the end of this report.

BACKGROUND

The old facility on Rialto Avenue had not been adequately equipped to maintain the historical material, nor was it secure. The facility we inspected on Commercenter was secure but still lacked archival storage infrastructure common to similar operations of this kind. There was a need for environmental controls that would prolong the useful life of the materials. The storage area was air-conditioned, but the air conditioning was intended for common warehouse activities and was inadequate for archival storage. Rare documents need more sophisticated and accurate controls and alarms. Archivists agree that temperature and humidity be kept steady in the archive storage area. Humidity must be between 40 and 55 percent, while a temperature between 60 and 70 degrees must be established. If those environmental standards cannot be met, archivists agree that *at least* a storage facility be kept at a *steady* climate using the equipment at the facility's disposal. Upgrades to the current heating and cooling need not be expensive. Additions of dust filtering and secondary humidity and temperature monitoring and logging equipment are essential for long-term preservation of historical materials.

Most of the archives were stored on open shelves. If the fire sprinklers were activated, the Archives would be heavily damaged, if not destroyed outright. Acid-free storage boxes were in abundance and a primary means of protection of materials from light, dust and moisture. The ability of the proper storage box to preserve the material cannot be understated. However, there is not much that boxes can do to protect the valuables from a discharge from the standard-type sprinkler system now employed at the Archives. For archival use, the sprinkler systems are customarily the Victaulic or *dry* type. In a dry system the piping between the valve and sprinklers is filled with pressurized air or nitrogen rather than water. A sprinkler-head opening causes air pressure to drop. When the pressure deteriorates in the pipes sufficiently, the valve clapper is allowed to open, flooding the lines with water. This system prevents the entire collection from being soaked.

The storage area of the Archives was an open warehouse-type interior with metal shelving located below and open to sprays of water from overhead fire sprinklers. The shelving meets San Bernardino City codes and was inspected by the City Fire Marshal when installed. However, two equipment standards were lacking. One, cross bracing between standing metal shelving and two, the addition of bungee-style strapping across the shelf openings to reduce the incident of materials falling in case of an earthquake.

The expansion of the Archives to adjacent offices as they become vacant would increase the volume of materials stored at the archives. The current contents of materials held by Historical Archives and by other County departments necessitates expansion of storage area. The Archives currently hold about 60% to 65% Auditor/Controller-Recorder (ACR) records, and the remainder belong to other departments. Some departments hold their own historical documents in less than satisfactory storage areas.

Security consists of ACR-hired private agency 7 AM to 7 PM. There was an every-other-hour check of the premises, and the security personnel was shared with the main ACR building across the street. After 7 PM, the Archives relied on burglar and fire alarms monitored by an agency. The ACR building manager would be called in case of an alarm anytime during the night. Two staff were on duty during business hours. The Archives maintained a policy that absolutely no one can remove material of any kind from the archives. However, there were no security cameras in the archives. The staff wore personal alarms. Archivists stressed the importance of a video recording security system.

The public was not allowed in the storage area and must wear cotton gloves when inspecting materials. Many of the very oldest books needed restoration. Technology exists that allows old material to be digitized for public use. There was no computer database of materials and the resulting handling of documents contributed to excessive wear on the original document. Staff says they were shopping for software to facilitate creation of a document database.

Staffing was an original concern of the Grand Jury when it noticed that the organizational chart for ACR showed only one employee working at the archives. There were four positions allocated, but three were unfilled. ACR sent two employees on a part-time basis to the Archives at different times of the day, so no one was there alone. No approval from the County Administrative Officer (CAO) to interview and hire anyone to fill the empty positions has been received by the ACR. Archivist literature states that it is important to secure the old documents from public mishandling and that knowledgeable people are necessary to protect the documents.

FINDINGS

1. The current environmental climate and control is not adequate for historical document preservation.
2. Nearly all of the documents are vulnerable to damage from the fire sprinkler

system if that system activates. The current fire sprinkler system is not appropriate for historical document preservation.

3. Metal shelving is not adequately braced to protect valuable documents from falls during an earthquake.
4. The Historical Archives are in need of additional storage space.
5. The addition of a video security system will enhance document and employee protection.
6. The Historical Archives does not have a program in place to digitize, catalog, and backup its historical documents.
7. The Historical Archives is understaffed and in need of full-time employees.

RECOMMENDATIONS

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| 09-12 | Upgrade environmental controls to approximate archival climate conditions. (Finding 1) |
| 09-13 | Modify the County Historical Archives fire sprinkler system and change to the zone type, dry charge system. (Finding 2) |
| 09-14 | Add security bracing between shelves and straps across shelf openings to help decrease damage to documents during an earthquake. (Finding 3) |
| 09-15 | Expand the square footage of the Historical Archives as adjacent space becomes available. (Finding 4) |
| 09-16 | Upgrade security measures with the addition of a video security and surveillance system. (Finding 5) |
| 09-17 | Digitize, catalog, and backup all historical documents. (Finding 6) |
| 09-18 | Fill the three vacant positions at the Archives with permanent employees. (Finding 7) |

INTERNAL AUDITS DIVISION

BACKGROUND

By mandate of the County Charter, the Internal Audits Division of the Auditor/Controller-Recorder (ACR) Office performs audits of all County departments, offices,

agencies and special districts. Though not distinguished in the Charter, these audits are determined to be operational, performance, and financial in content. These audits provide management with objective appraisals as to the status of operations of the audited organizations, and evaluate internal controls and assess business risks.

The Grand Jury reviewed audits from three different calendar quarters and interviewed staff from seven different departments including the Auditor/Controller-Recorder Office, Board of Supervisors (BOS), and the County Administrative Officer (CAO). Some staff interviewed are not familiar with the blue-bound books published each quarter. All audits are conducted in compliance with the referenced County Charter, and the Board of Supervisor's Policy Statement on Internal Operational Auditing. The Grand Jury review shows that all audits were accomplished according to professional standards.

FINDINGS

1. The San Bernardino County Policy Manual states that all departments "will be subjected to an annual internal operational audit." As an "essential element of management control" the Policy further states the function "must be carried out regularly and properly under the general direction of the County Administrative Officer."

Furthermore, the County Charter, amended by Charter Amendments adopted through November 7, 2006, in Article V, Section 6, states that "thorough audits from time-to-time, and not less than annually" will be accomplished for all departments under the control of the Board of Supervisors. Nowhere does the Charter reference, differentiate, or even acknowledge the Risk-Based Internal Audit Plan approved by the Board of Supervisors in February of 2003. The Risk-Based Plan divides the County departments into three classifications known as "High Risk," "Moderate Risk" and "Low Risk." This Plan establishes a different practice and picture of the auditing process than the Charter displays.

2. A review of the Internal Audits ending June 30, 2008, September 30, 2008, and December 31, 2008, by the Grand Jury, shows varied responses from management to the findings of the auditors. ACR and department management quite often maintain that the difficulty of enforcement of recommendations is due to habits and procedures established out of complacency and ignorance. Throughout, there is a constant practice of ACR referring to the *Internal Controls and Cash Manual* (ICCM) with specific chapters and pages. Also throughout, there is a constant response from management that the Manual is not available in the department. Evidence has shown the Grand Jury that even if the Manual were available, policy is often disregarded. Language used throughout the ICCM is more "advisory" than "directory" with no presence of giving command.
3. Oversight of Internal Operational audits by the Board of Supervisors and the County Administrators Officer to ensure enforcement of ACR's Findings and Recommendations has not been required and is not being accomplished. Recent

reviews of audits by the Grand Jury show rhetorical and representative Responses to ACR Recommendations as opposed to specific Responses and problem-solving conclusions to ensure compliance. Grand Jury review further indicates that County management and supervisory controls on administering Auditor recommendations need to be strengthened.

Without enforcement, compliance to Recommendations is nonexistent.

4. The Grand Jury learned during review of the audit reports that cash handling controls within the County departments are not always effective. While some departments have video surveillance cameras operating at some of their locations, other locations are lacking this security tool.

RECOMMENDATIONS

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| 09-19 | Amend the Charter to include language to establish the numbers and names of the audit classifications, and the time frame the various audit classifications are to be accomplished. (Finding 1) |
| 09-20 | Revise the ICCM to be commanding instead of instructional. Replace the words should and must with the word will . The Grand Jury recommends Manual language that encourages support to management and supervisors, while giving instructions and direction to staff. (Finding 2) |
| 09-21 | Establish oversight of internal operational audits along with the ACR office to ensure enforcement. Continued follow-up by ACR as done currently, along with a review each quarter from the Board of Supervisors and County Administration Officer to support department management in compliance with written procedures and policies. (Finding 3) |
| 09-22 | Install video surveillance cameras at all cash-handling locations in all departments throughout the County to safeguard against cash-handling overages and shortages and to ensure better security for County employees and the general public. (Finding 4) |

COMPLAINTS COMMITTEE



COMPLAINTS COMMITTEE



Front row le t to rig t:

Rod Rupp, Dr. Peter Bulza, Sandra Shahan, Dr. Izar Martinez

Back row le t to rig t:

Franklin J. Browning, Tom Hale, Dr. Harry Stavros

COMPLAINTS COMMITTEE

This year's Complaints Committee received 43 complaints from May 15, 2008, through April 30, 2009. The committee reviewed all 43 to determine if they met the proper criteria, were properly formatted, and were within our jurisdiction.

Fifteen of the 43 complaints were determined to be within the Grand Jury's jurisdiction and met all requirements. Those 15 complaints were investigated. The remaining complaints were deemed not within our jurisdiction due to various reasons. Two complaints belonged in Los Angeles County.

Of the 15 valid complaints, one went to the Administrative Committee for investigation, four went to the Human Services Committee, four went to the Public and Support Services Committee, three went to the Law and Justice Committee, and one was forwarded to the Audit/Fiscal Committee. The remaining two are being referred to the incoming Grand Jury, as well as complaints received after May 1, 2009.

The Grand Jury welcomes anyone to submit a complaint. Complaints need to be on the proper Grand Jury Complaint form, which can be obtained on our website or by calling our office. All completed complaints will be reviewed by the Grand Jury.

ECONOMIC DEVELOPMENT COMMITTEE



ECONOMIC DEVELOPMENT COMMITTEE



Front row le t to rig t:

Jan Flammang, Roger D. Trussell, Joyce P. Seeger, Dr. Izar Martinez,
Sandra Shahan

Back row le t to rig t:

Franklin J. Browning, Ron Brooks, John R. Saathoff

ECONOMIC DEVELOPMENT COMMITTEE

The Economic Development Committee has the responsibility to investigate the County departments which comprise the County Economic Development Agency as follows:

Economic Development Department
Department of Workforce Development
Redevelopment Agency
Department of Community Development and Housing

Subcommittees were formed to review the performance of each department. Visitations were made to all of the above. The department heads and staff that we met were cooperative, professional, knowledgeable and dedicated. The actions of the Economic Development Committee resulted in the following final reports:

Economic Development Agency
Redevelopment Agency

ECONOMIC DEVELOPMENT AGENCY

WORKFORCE DEVELOPMENT DEPARTMENT

BACKGROUND

The Workforce Development Department is one of four departments within the Economic Development Agency (EDA). The main function of this department is to create jobs working with public and private partners. The Grand Jury made four visitations to this department, three of which are included in this report. They were the One Stop Resource Center in Rancho Cucamonga, San Bernardino International Airport (IVEDA), and the Southern California Logistics Airport (SCLA) in Victorville (Victor Valley Economic Development Agency - VVEDA).

FINDINGS

1. The Grand Jury found Workforce Development Department functioning well despite the economic downturn. It has developed a proactive job placement base in the One Stop Employment Centers. The agency currently operates these centers in three strategic locations of the County: Rancho Cucamonga (visited by the Grand Jury), San Bernardino and Victorville. The Rancho Cucamonga location is a full-employment center that screens applicants for the best job suited to the individual. Job placements are based on the applicant's training and experience. The Center also offers enhanced career training and retraining for career changes where applicable. This training is fully-funded by the Federal Government.

The Department solicits and maintains a list of numerous industry and business companies who partner with the County in order to place customers in employment. The Department is active in expanding areas of opportunity with a group of 11 individuals from Workforce Development who search the field and are required to make 44 new contacts per month. The quota for the department is 500 new listings per month.

The Resource Room has a large number of computers which customers use for testing, training, job search of their data banks, completing applications and other tasks. Several Center employees are in the room to assist in computer usage. These resources are above and beyond those supplied by the State Employment Development Department (EDD). In addition, the department works in conjunction with IVEDA and VVEDA. Applicants are usually interviewed by a placement specialist and have the goal of one hour to complete the original application.

2. The Grand Jury visited IVEDA and VVEDA. Both airports are in a functional capacity, but operating differently. Both airports cooperate with the EDA to support satellite business and industries which benefit from air, rail and trucking transport. IVEDA plans to operate as a completely functional passenger airport by the end of 2009. A fully operational terminal with shops and restaurants is powered and

online. VVEDA is equipped to handle aircraft from small general aviation to the Airbus E-380. This includes a repair service and paint shop for all sizes. A recently opened school trains Airframe and Powerplant (A&P) mechanics to fill an increasing nationwide need. Surrounding businesses and industries help to expand the job base and create opportunity for growth.

COMMENDATION

The Grand Jury found a highly functioning Workforce Development Department whose vision focuses on a strong, proactive job placement for its clients. Eleven employees of the Workforce Development Department are in the field, making contact with prospective employers. These employees generate in excess of 500 new listings each month. During these challenging economic times this is a commendable effort.

The services being provided by the One Stop Employment Resource center to individuals seeking employment exceed the services provided by the State Employment Development Department.

REDEVELOPMENT AGENCY

CEDAR GLEN

BACKGROUND

The Cedar Glen Disaster Recovery Project Area (CGDRPA) was created under special legislation in 2004 after the Old Fire of 2003. It had previously been declared a Federal Disaster Area in 2003, but additional rains and flooding occurred in 2004. Area boundaries were determined based upon primary and secondary damage reports.

San Bernardino County approved a \$10 million loan to the Redevelopment Agency to be repaid by generated tax increments. Only \$2.4 million was appropriated in December 2005 and \$4.9 million was appropriated in November 2008, with the remainder in a contingency fund.

Disaster recovery area time limits are drastically shorter than for other projects.

- 10 years to implement programs and conduct activities (versus 30 years)
- 10 years to incur debt (versus 20 years)
- 30 years to repay debt (versus 45 years)

County departments working in conjunction are as follows:

- Special Districts for road and water design and improvements, maintenance and operations
- Building and Safety for extension of building fee waivers
- Planning for lot merger requirement
- Tax Collector for tax-defaulted property sale
- California Department of Housing (CDH) Community Development Block Grant (CDBG) \$3 million grant from State

Three housing programs are available:

- Housing Rehabilitation Grant
- Housing Rehabilitation Loan Program
- Land Use Services Grant

FINDINGS

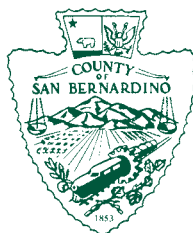
1. Commercial programs and mandatory debris clean-up are in development.
2. There is a ten-year time limit for completion of the Cedar Glen Disaster Recovery Project Area because it is a Federal disaster area.

3. Only five years remain to complete the project as a result of delays due to problems and finances with water rights.
4. Some residents feel they are not informed by Redevelopment about plans, progress, and meetings, even though Redevelopment stated that notices have been posted.

RECOMMENDATIONS

- 09-23 All agencies involved take into consideration these time restraints and complete the project within the time limit or get an extension. (Findings 2 and 3)
- 09-24 Provide direct mailings to residents regarding plans, progress, and meetings to ensure that everyone residing in the project area is informed on a regular basis. (Finding 4)

HUMAN SERVICES COMMITTEE



HUMAN SERVICES COMMITTEE



Front row left to right:

Robert Romero, Dr. Peter Bulza, Jan Flammang, Joyce P. Seeger,
Becki Hernandez-Powell

Back row left to right:

Samuel Ferry, Roger D. Trussell, Patricia Swangel, Dr. Harry Stavros,
Tom Hale

HUMAN SERVICES COMMITTEE

The Human Services Committee had the responsibility of reviewing these departments within the Human Services Group:

Department of Aging and Adult Services
Child Support Services
Children's Services
Performance, Education & Resource Centers
Preschool Services
Transitional Assistance Department
Veterans Affairs Department

Areas of specific review included the following:

Veterans Affairs
Foster Care/Adoption

The Committee would like to thank each of these departments for cooperating with the Grand Jury and for providing professional and compassionate service to County residents.

The Human Services Committee submits reports on the following topics:

Homeless Advocacy
Homeless Coalition
Elder Abuse

In addition, several letters of complaint triggered one Human Services subcommittee to spend more than 1,000 hours during the 2008-2009 Grand Jury term. This subcommittee investigated financial fraud and physical neglect of senior citizens with the assistance of the DA's office.