



Office of the Auditor-Controller
COUNTY OF HUMBOLDT

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Via electronic mail distribution

Date: September 10, 2021

To: The Honorable Board of Supervisors, The Honorable Elected and Appointed Department Heads, and County Fiscal Staff

From: Karen Paz Domínguez, Auditor-Controller

Subject: Payroll Function Placement – Bi-Weekly Report No. 1

Dear Esteemed Board of Supervisors, Elected and Appointed Department Heads and County Fiscal Staff:

Thank you for the privilege of your time.

On behalf of Human Resources Director Linda Le, Acting Assistant CAO/CFO Cheryl Dillingham, Scott Johnson from MGO and myself, we humbly submit Bi-Weekly Report No. 1 for your perusal.

This bi-weekly report is related to the Board's decision to transfer the County's payroll function to the Office of the Auditor-Controller and covers work performed from August 25, 2021 through September 10, 2021.

Work conducted August 25, 2021 through September 10, 2021

- The Payroll Transition Leadership Team, comprised of Scott Johnson (Partner at MGO), Acting Assistant CAO/CFO Cheryl Dillingham, Human Resources Director Linda Le, and myself, met on August 25, 2021, September 2, 2021, and September 9, 2021, to discuss the following:
 - ✓ Transition and development of a work plan.
 - ✓ Expanding business process mapping with clear roles and responsibilities.
 - ✓ Position control management and audit of position control [Per Ms. Dillingham, a business practice review of Position Control had been discussed over the past 20 years and has yet to be implemented.]
 - ✓ Meet with Koa Hills to provide HR transactional support services.
 - ✓ Proper business process controls, including appropriate segregation of duties.
- Operational Team (A-C, HR and CAO-IT)
 - ✓ The operational team met on August 26, 2021 in preparation of Supplemental Payroll processing, which was scheduled for 9/3/2021.
 - ✓ Discussion of special supplemental checks
 - ✓ Anticipation of any corrections

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- Main Payroll Preparation for 9/10/21 Pay Date
 - ✓ Coordination and delivery of countywide communication regarding early time recordation due to the Labor Day Holiday (Monday, 9/6/2021)
 - ✓ Operational team met and continued the discussion of roles and responsibilities
 - ✓ Opened recruitments for vacant Payroll Specialist, Payroll Services Supervisor, Accounting Systems Analyst and Payroll Service Manager
 - ✓ Operational team continued the dialogues with various partners: Corvel/Workers Compensation Third Party Administrator, MGO, and Koa Hills to understand various benefits integration practices and procedures
 - ✓ Successfully and timely issued paychecks to 2,073 employees

- Human Resources
 - ✓ Continuation of internal dialogues to ensure proper internal segregation of duties
 - ✓ Discussion of Personnel Position Action Form (“PPAFs”) flow and data entry into Finance Enterprise
 - ✓ Discussion with Koa Hills to continue human resources transactional tasks/activities

The team is committed to a seamless transition. As we continue to review and develop updated Standard Operating Procedures to modernize payroll, we recognize there will be many opportunities for improvements as well as corrections that needed to be completed. We ask for your continued support and patience during this transition. Please be advised the bi-weekly report will be distributed every other Friday, beginning with this first report due on September 10, 2021.

We thank you for your tremendous support during this transition.

Respectfully,

Karen Paz Domínguez
Auditor-Controller

CC: Scott Johnson, Partner, MGO
Cheryl Dillingham, Acting Assistant CAO/CFO
Linda Le, HR /Risk Management