

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

480



FROM: Executive Office

SUBMITTAL DATE:
July 13, 2010

SUBJECT: 2009-10 Grand Jury Report: County of Riverside – Online Administrative Services Information System (OASIS) - Executive Office

RECOMMENDED MOTION: That the Board instructs the Online Administrative Services Information System (OASIS) - Executive Office – within 30 days – to draft the Board's response to the findings and recommendations of the Grand Jury that pertain to the Department's operational areas; and direct the Executive Office to submit draft responses to the Board within 60 days.

BACKGROUND: The attached report has been issued by the Grand Jury.

Section 933 (c) of the Penal Code requires that the Board of Supervisors comment on the Grand Jury's recommendations pertaining to matters under the control of the Board, and that a response be provided to the Presiding Judge of Superior Court within 90 days.

Draft responses received from the affected department will be consolidated and presented for the Board's consideration; the response ultimately approved by the Board will then be forwarded to the Grand Jury as required by statute.

Attachment

30dayOASIS06.10

FINANCIAL DATA	Current F.Y. Total Cost:	\$ N/A	In Current Year Budget:
	Current F.Y. Net County Cost:	\$	Budget Adjustment:
	Annual Net County Cost:	\$	For Fiscal Year:

SOURCE OF FUNDS:	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

County Executive Office Signature

BY:

Jay E. Orr
Jay E. Orr

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Stone, seconded by Supervisor Buster and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Buster, Tavaglione, Stone, Benoit and Ashley
Nays: None
Absent: None
Date: July 13, 2010
xc: E.O., Grand Jury, OASIS, COB

Kecia Harper-Ihem
Clerk of the Board
By: *[Signature]*
Deputy

3.11

Prev. Agn. Ref.:

District:

Agenda Number:

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD

Departmental Concurrence

Policy
 Policy
 Consent
 Consent
 Dept't Recomm.:
 Per Exec. Ofc.:

2009-2010 GRAND JURY REPORT

County of Riverside Online Administrative Services Information System (OASIS)

Background

As the 1990s were coming to a close, Riverside County's government decided that there was a need to replace its out-dated computer system. After a survey of available systems, the county board of supervisors voted in 1999 to spend \$51 million to purchase software manufactured by PeopleSoft, Inc.

The central system came in two parts: financial and human resources. The financial system manages the county's accounting, including general ledger, accounts receivable, accounts payable and purchasing, among others. The human resources system is used principally to pay the county's 18,000 employees biweekly as well as managing the human resource benefits for those employees. PeopleSoft also offers a multitude of modules that add specific functionality to the base system.

PeopleSoft was installed in two stages: the human resources system in July 2001 and the financial system in July 2002. With all its available modules, it was meant to be the only system used by all county departments. Almost a decade later, that goal has not been achieved. Instead, there are 33 additional computer systems spread across 15 departments. These additional systems, both large and small, provide solutions that may not be available in PeopleSoft. One, for example, keeps track of the fuel burned in county cars, vans and trucks. Another manages money that has been invested. A third calculates the cost of all county mail.

Since the beginning the PeopleSoft system has been managed by the Online Administrative Services Information System (OASIS). The department was formed by employees from a variety of county departments, specialists in payroll, accounting, human resources, purchasing and other functions affected by the new system.

OASIS was originally a part of Riverside County Information Technology Department. After two years it was moved to the executive office, which manages all of the county's operations. The chief executive officer stated in 2003 that OASIS should be assigned to another department after two years, but to date it remains in the executive office.

Findings

1. In November 2009, an update to the PeopleSoft payroll software was not tested thoroughly by the OASIS staff. As a result, the normal bi-weekly county payroll of \$29 million soared to \$53 million. Employees with direct deposit were overpaid twice, then saw the money disappear twice, and finally the correct amount was deposited. The county, working through its bank, recalled the erroneous amounts.

The payroll incident highlighted an ongoing problem that user departments have with OASIS. According to testimony, OASIS staff was negligent in not fully testing many computer upgrades and patches. For example, after a recent update, functionality that had existed ceased to be. Users complained about not being involved in the testing to make certain that everything worked as before. OASIS staff tried to return the lost functionality, but in some cases they were not successful.

Moreover, the customer service provided by OASIS has ranged from good to poor, according to a survey conducted by OASIS in January 2010. User departments have complained about the delays in correcting reported problems and responding to requests for system enhancements.

2. When PeopleSoft was installed, OASIS promised that county employees would be able to enter their work time directly into the system, saving the time and the expense of dual entry. The timecard software exists, and it has been used by a small number of county employees for a number of years.

The first step in preparing the county's bi-weekly payroll involves employees entering their time and labor. For some employees, the process is simple and straightforward. Others, however, have a much more complicated task. For example, if an employee is paid from the proceeds of multiple grants, there must be entries for the time spent for each grant. In addition, the county's land-use planners have a procedure similar to attorney billing. For instance, they must allocate their daily work to individual planning proposals so that a developer is properly charged for work performed on a subdivision.

All but two of the county's 52 departments have come up with procedures to record time and labor. Many use a spreadsheet initially to record information. After a supervisor has approved a printout, a clerk re-enters the information into PeopleSoft. In one office with about 220 employees working on multiple grants, the re-entering takes a clerk three days to complete.

3. In the modern business world, money is moved electronically. Employees of larger companies and government entities are paid with direct deposit of funds. The federal or state government electronically moving the amount to a taxpayer's account pays many income tax refunds.

The auditor-controller's office still pays the county's bills by writing checks, known as warrants, and then mailing them. In addition, the treasurer-tax collector must send checks to invest money and to pay amounts owed. The treasurer estimates the county loses between \$13,699 to \$41,096 per day, depending on the prevailing interest rate, by using checks instead of electronic transfer when the department invests money. The treasurer contends that money could be held longer, and invested longer, but still be paid on time with electronic fund transfer.

OASIS and the county's auditor-controller's office are now testing a pilot project to pay cities and special districts electronically their shares of property taxes. The testing of the PeopleSoft software is expected to be completed by July 1, 2010.

4. Testimony revealed that one of the undelivered promises by OASIS was a paperless purchasing process. Vendors could register electronically in order to be included in all appropriate county-bidding opportunities. When the county wanted to purchase something, all bidders who carry the item would be notified electronically of the process. Bids would be submitted electronically, and the best bid selected. After the county takes possession of the item, the vendor would be paid through an electronic fund transfer.

Currently the purchasing department maintains a list of bidders. When the county wants to purchase something, bid specifications must be mailed and, in some cases, published as a legal notice. After a successful bid and after the product or service has been delivered, the vendor must wait for the county to send a payment check. The payment can take as long as 90 days.

The purchasing department has been told by OASIS unit that there is a paperless purchasing module that could be installed at a cost of \$400,000, but the purchasing department is currently testing a different online paperless procurement system that costs nothing. For a fee of \$20,000 the vendor would provide the programming needed to interface the online system to PeopleSoft.

Recommendations

**Riverside County Board of Supervisors
Riverside County Executive Office
Riverside County Auditor-Controller
Riverside County Human Resources Department
Riverside County Purchasing and Fleet Services Department
Online Administrative Services Information System (OASIS)**

1. The county executive office should eliminate OASIS, turning over the financial and payroll functions to the county auditor-controller, the county's accountant, and turning over the human resources system to the human resources department. The major users including the auditor-controller's office, the human resources department and the purchasing department should collaborate to oversee the PeopleSoft system, including the thorough testing of upgrades and patches.

(There already exists a collaboration to operate a major county computer system, the property tax system. The three departments that use the system—the assessor, the treasurer-tax collector and the auditor-controller—share the cost, the staffing and the operation. If one department wants to change something, its staff is responsible for doing so while notifying the others. The system is being replaced, and the three departments are working together on the project.)

2. Employees countywide should be trained to use the timecard software to enter their time and departments should incorporate the procedure as soon as practical. Departments will save money and free up clerks for other duties.
3. The PeopleSoft electronic transfer software package should be implemented for all county departments that pay bills. Vendors would be paid in a more timely fashion with the county using less labor and no postage to pay a bill.
4. The county should proceed with the online paperless procurement system to save money.



RIVERSIDE COUNTY GRAND JURY

(951) 955-8990 OFFICE • (951) 955-8989 FAX

June 23, 2010


Riverside County Board of Supervisors
County Administrative Center
4080 Lemon Street, 1st Floor
Riverside, CA 92501

Subject: 2009-10 Grand Jury Report:
County of Riverside
Online Administrative Services Information System (OASIS)

Dear Board Members:

Please note that Penal Code Section 933 et seq., specifies that you respond within ninety days. Further, it specifies that this report be kept **confidential for a minimum of two working days** prior to public release. The contents of this report will be made public after the close of business **June 25, 2010**.

Sincerely,


John B. Todd, Foreperson
2009-10 Riverside County Grand Jury

JBT:gs
Attach.