

AUDIT SUMMARY



FY 2020 Audit Results

22 MARCH 2022



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Audited Departments



WATER
OPERATIONS



CUSTOMER
SERVICES



FINANCIAL
SERVICES



ENGINEERING



PUBLIC AFFAIRS



ADMINISTRATIVE
SYSTEMS



HUMAN
RESOURCES

| Water Operations Performance Audit - Scorecard | | | | | | | |
|--|---|---|---------------------|--------------------------|----------------------|---------------------------|--------------|
| No | Performance Indicator | Definition | Source | Lower than Planned Range | Within Planned Range | Higher than Planned Range | Score |
| Work Performance | | | | | | | Score |
| 1 | Results from the 10 Key Performance Indicators for the Fiscal Year. | The 10 KPI's are scored 3 points for an ADP that is higher than planned range; 2 points for within planned range; and 1 point for lower than planned range. | CMMS | Lower than Planned Range | Within Planned Range | Higher than Planned Range | 67% |
| Verify Accurate Reporting of Work | | | | | | | Score |
| 2 | Work Reporting Accuracy. | Percent of accurate work reporting and entry. Points of focus includes as applicable: Activity Number, Project Number, Employee Name, Labor Hours, Equipment Hours, Parts/Materials, and Work Quantity. | CMMS | 89% or Less | 90% to 94% | Greater than 95% | 87% |
| Management Process | | | | | | | Score |
| 3 | Two Week Scheduling, Data Entry, & Monthly Status | Percent of compliance with meeting the deadline dates for submitting the 2 week schedule, work reporting data entry, and holding the monthly work status meeting. | Electronic Document | 89% or Less | 90% to 94% | Greater than 95% | 100% |
| Accuracy of Assets | | | | | | | Score |
| 4 | Affirm quarterly asset verification meetings. | Review and affirm quarterly asset meetings occurred on time. Should be completed at 100%. | Manual Files | Less than 100% | N/A | 100% | N/A |
| Water Quality | | | | | | | Score |
| 5 | Verify monthly water quality test reports submitted to California Division of Drinking Water | Review and affirm monthly water quality reports sent to DDW submitted on time. Email confirmation attached to each monthly report. | Manual Files | Less than 100% | N/A | 100% | 100% |
| Production Duty Operator | | | | | | | Score |
| 6 | Comparison of the submission time of the emailed Production Duty Checklist to the agreed upon time requirements in the Production System Operation Plan. Documented on the daily performance log. | Percent of work shifts where all emails/checklists were submitted on time. | Manual File | 93% or Less | 94% to 96% | 97% or Greater | 49% |
| 7 | Comparison of the submission time of the Weekly Water Supply Forecast to the agreed upon time requirements in the Production System Operation Plan. Documented on the weekly performance log. | Percent of Weekly Water Supply Forecasts that were submitted on time. | Manual File | Less than 100% | N/A | 100% | 26% |

| Water Operations Performance Audit - Scorecard | | | | | | | |
|--|---|---|-----------------------------------|--------------------------|----------------------|-----------------------------------|----------------------------------|
| No | Performance Indicator | Definition | Source | Lower than Planned Range | Within Planned Range | Higher than Planned Range | Score |
| Fleet Compliance | | | | | | | Score |
| 8 | Quarterly CHP/BIT Completed | Compare planned CHP/BIT schedule for fleet to actual results. Should be completed at 100%. | Manual Files | Less than 100% | N/A | 100% | Less than 100% |
| 9 | Annual SMOG Testing | Compare planned SMOG Checks schedule for fleet to actual results. Should be completed at 100%. | Manual Files | Less than 100% | N/A | 100% | 100% |
| 10 | Annual Opacity Testing | Compare planned Opacity Testing schedule for fleet to actual results. Should be completed at 100%. | Manual Files | Less than 100% | N/A | 100% | 100% |
| Review of Compliance Documentation | | | | | | | Score |
| 11 | Review of Regulatory Compliance Reports. Auditor to randomly select and confirm three (3) reports have been completed and submitted to appropriate regulatory agencies. | Three (3) randomly selected reports completed and submitted on time at 100%. | Manual Files | Less than 100% | N/A | 100% | 100% |
| Action Plan Compliance | | | | | | | Score |
| 12 | Review of all action plans associated with the Root Cause Analysis. Confirm that an action plan exists and that progress is being made towards completion. | Percent of resolved actions for all plans and confirmed by signature of Department Manager and General Manager. | Electronic Document | 79% or Less | 80% to 89% | 90% or Greater | Zero Root Causes to review (N/A) |
| 13 | Review of all action plans associated with the Annual Water Operations Audit. Confirm that an action plan exists and that progress is being made towards completion. | Percent of resolved actions for all plans and confirmed by signature of Department Manager and General Manager. | Electronic Document | 79% or Less | 80% to 89% | 90% or Greater | N/A |
| Continuous Improvement | | | | | | | Score |
| 14 | Review of the overall score from the previous audit year. | Measure of overall department performance compared to the previous audit year. | Previous year's Performance Audit | 5% or Less | -4% to +4% | 5% and Greater OR Maintained Gold | N/A |
| Overall Performance Scale | | | | 59% or Less | 60%-89% | 90%-100% | |
| | | | | | 69% | | |
| Overall Performance Score | | | | | | | 69% |

Water Operations Recommendations

No. 2 – Work Reporting Accuracy
 Provide (re) training for work entry
 Provide single location to store forms
 Require auditor to provide a summary of errors in work entries

No. 5 – Verify monthly water quality test reports submitted to California Division of Drinking Water (CDDW)
 Document specific timing requirements for monthly reports in the Audit Guide.

No. 6 – Comparison of the submission time of the emailed Production Duty Checklist to the agreed upon time requirements.
 Document submission time standards. Use an excel function to determine on-time/tardiness of all submissions to reduce audit time and human calculation errors.

No. 7 – Comparison of the submission time of the Weekly Water Supply Forecast to the agreed upon time requirements
 Organize the files within the fiscal year folder to clearly indicate each week's submission. Update the PSOP with time requirements for submission of the Water Supply Forecast. Clarify that forecasts must be submitted on the Monday of the week that it covers.

No. 8 – Quarterly CHP/BIT Completed
 Ensure all employees are trained to use, submit, and close out work orders containing the necessary dates and information. Label and provide all work orders for this indicator to the Auditor

No. 11 – Review of Regulatory Compliance Reports. Auditor to randomly select and confirm three (3) reports have been completed and submitted to appropriate regulatory agencies.
 Provide a count of all reports and consider increasing the sample size.
 Define "on time" and the due dates for each type of report selected. Clearly indicate due dates on the report or in a comprehensive spreadsheet. State that the due dates of certifications must fall within the July 1 – June 30 fiscal year timeframe to be considered.

| Customer Service Performance Audit - Scorecard | | | | | | | |
|--|---|--|-----------------------------------|--------------------------|----------------------|--|--------------------------------------|
| No | Performance Indicator | Definition | Source | | | | Score |
| Work Performance | | | | | | | |
| 1 | Results from the Key Performance Indicators for the Fiscal Year. | The KPI's are scored 3 points for an ADP that is higher than planned range; 2 points for within planned range; and 1 point for lower than planned range. | CMMS | Lower than Planned Range | Within Planned Range | Higher than Planned Range | 67% |
| Verify Accurate Reporting of Work | | | | | | | |
| 2 | Work Reporting Accuracy | Percent of accurate work reporting and entry | CMMS | 89% or Less | 90% to 94% | 95% or Greater | 77% |
| Management Process | | | | | | | |
| 3 | Two Week Scheduling, Data Entry, & Monthly Status | Percent of compliance with meeting the deadline dates for submitting the 2 week schedule, work reporting data entry, and holding the monthly work status meeting | Electronic Document | 89% or Less | 90% to 94% | Greater than 95% | 52% |
| Customer Satisfaction | | | | | | | |
| 4 | Overall result of the annual Customer Service Audit | Overall Key Performance Indicator Score | Elite Customer Service Audit | 71% or Less | 72% to 89% | 90% or Greater | 86% |
| Action Plan Compliance | | | | | | | |
| 5 | Review of all action plans associated with the Annual Customer Services Performance Audit. Confirm that an action plan exists and that progress is being made towards completion. | Percent of <u>resolved</u> actions for all plans | Electronic Document | 79% or Less | 80% to 89% | 90% or Greater | N/A |
| Continuous Improvement | | | | | | | |
| 6 | Review of the overall score from the previous audit year. | Measure percent change of overall department performance score compared to the previous audit year. | Previous year's Performance Audit | -5% or Lower | -4% to +4% | 5% and Greater OR Maintained Gold Status | N/A |
| Overall Performance Scale | | | | 59% or Less | 60%-89% | 90%-100% | |
| | | | | | 64% | | Overall Performance Score 64% |

- WATER OPERATIONS
- CUSTOMER SERVICES
- FINANCIAL SERVICES
- ENGINEERING
- PUBLIC AFFAIRS
- ADMIN SERVICES
- HUMAN RESOURCES

Customer Services Recommendations

No. 3 – Two-Week Scheduling, Data Entry, & Monthly Status

Staff performance data must be input into the Computerized Maintenance Management System on time. Monthly work status meeting must be held on time.

General

Include additional indicators, such as Customer Service Cost per Account – or ratio of employees to active accounts.

Include a final score from the Customer Services Audit Report, such as overall KPI score, and compare with Industry Standard and Best Practice scores.

Create a score for the level of improvement that the Department has made on the overall score in the **Customer Services Audit Report** from the prior year.

| Finance Performance Audit - Scorecard | | | | | | | |
|--|---|---|--|--------------------------|----------------------|---------------------------|---|
| No | Performance Indicator | Definition | Source | | | | |
| Work Performance | | | | | | | Score |
| 1 | Results from the 5 Key Performance Indicators for the Fiscal Year | The KPI's are scored 3 points for an UPH that is lower than planned range; 2 points for within planned range; and 1 point for higher than planned range. | CMMS | Lower than Planned Range | Within Planned Range | Higher than Planned Range | 87% |
| Verify Accurate Reporting of Work | | | | | | | Score |
| 2 | Work Reporting Accuracy | Percent of accurate work reporting and entry. Points of focus includes as applicable: Activity Number, Project Number, Employee Name, Labor Hours, Equipment Hours, Parts/Materials, and Work Quantity. | CMMS | 89% or Less | 90% to 94% | 95% or Greater | 85% |
| Management Process | | | | | | | Score |
| 3 | Two Week Scheduling, Data Entry, & Monthly Status | Percent of compliance with meeting the deadline dates for submitting the 2 week schedule, work reporting data entry, and holding the monthly work status meeting | Electronic Document | 89% or Less | 90% to 94% | Greater than 95% | 96% |
| Review of Financial System | | | | | | | Score |
| 4 | Verification of New Accounts | Verify documentation and approval of new accounts. Identify accounts within the Chart of Accounts that were established with corresponding documentation for the fiscal year | Change of Account Log book and signed request form. Financial System | 89% or Less | 90% to 99% | 100% | 100% |
| Monthly Close | | | | | | | Score |
| 5 | Monthly Close Documentation | Verify the signed monthly close checklist for Projects and Expense Accounts and corresponding financial statements | Monthly Close Checklist and Financial Statements | Less than 100% | N/A | 100% | Miss - no checklist developed with supporting information |

| Finance Performance Audit - Scorecard | | | | | | | |
|---------------------------------------|--|--|--|--|--|--|-------|
| No | Performance Indicator | Definition | Source | | | | Score |
| Financial Investments | | | | | | | |
| 6 | Investment Performance (PARS/OPEB Trust) | Rate of Return on Investments (Pension Trust & OPEB Trust). Performance tied to S&P 500 for the fiscal year timeframe. | Treasury Status Report on Investments | Less than 90% of Rate of Return | +/- 10% of S&P 500 Rate of Return | Greater than 110% of Rate of Return | 67% |
| 7 | Investment Performance (Other Investments) | Rate of Return on Investments (Other Investments). Performance tied to LAIF for the fiscal year timeframe. | Treasury Status Report on Investments | Less than 90% of Rate of Return | +/- 10% of LAIF Rate of Return | Greater than 110% of Rate of Return | 135% |
| 8 | Cash on Hand | The amount of cash on hand. Measured at the end of the fiscal year. Adjusted for any Board approved actions. | Fourth Quarter Financial Update Report | Less than 95% of Budgeted Cash on Hand | +/- 5% of Budgeted Amount Cash on Hand | Greater than 105% of Budgeted Cash on Hand | 104% |
| 9 | Days Cash | The number of days Mesa Water® can fully operate with no revenue. Measured at the end of the fiscal year. Adjusted for any Board approved actions. | Fourth Quarter Financial Update Report | Less than 95% of Budgeted Days | +/- 5% of Budgeted Days Cash | Greater than 105% of Budgeted Days | 102% |
| 10 | Debt Coverage Ratio | Ratio of cash available for debt servicing to interest, principal and lease payments. Measured at the end of the fiscal year. Adjusted for any Board approved actions. | Fourth Quarter Financial Update Report | Less than 95% of Debt Ratio | +/- 5% of Board Approved Debt Ratio | Greater than 105% of Debt Ratio | 185% |
| Action Plan Compliance | | | | | | | |
| 11 | Review of all action plans associated with the Annual Financial Services Performance Audit. Confirm that an action plan exists and that progress is being made towards completion. | Percent of resolved actions for all plans | Electronic Document | 79% or Less | 80% to 89% | 90% or Greater | N/A |
| Continuous Improvement | | | | | | | |
| 12 | Review of the overall score from the previous audit year. | Measure percent change of overall department performance score compared to the previous audit year. | Previous year's Performance Audit | -5% or Lower | -4% to +4% | 5% and Greater OR Maintained Gold Status | N/A |
| Overall Performance Scale | | | | 59% or Less | 60%-89% | 90%-100% | |
| | | | | | 68% | | |
| | | | | Overall Performance Score | | | 68% |

Financial Services Recommendations

General

Move Indicator Nos 6-10 to into a general District-wide category that reflects the financial aspects of the Board and the whole organization.

Indicator No. 10 - File completed projects in a timely manner should be added to Financial Services for future audits. This shared performance indicator would create and measure a functional relationship between Engineering and Financial Services.

No. 2 – Work Reporting Accuracy
Same as previous group. Clearly document work reporting standards and perform daily quality control.

No. 5 – Monthly Close Documentation
Develop a checklist with supporting information to enable the Auditor to review and score the performance compared with the target.
Establish what actions and documentation are needed to perform a monthly close.

No. 8 - Cash on Hand and No. 9 - Days Cash
Review the ranges of these two indicators. Exceeding a certain percentage of cash on hand or days cash may signify ill use of funds. This should be considered when setting the range for a gold score.

No. 11 – Review of Action Plans for the Previous Audit Year
LAC recommends that this indicator not be scored until all data and a full action plan is available for FY 2022-23.

| Engineering Performance Audit - Scorecard | | | | | | | |
|---|---|--|---------------------|----------------|------------|------------------|--------------|
| No. | Performance Indicator | Definition | Source | | | | |
| Verify Accurate Reporting of Work | | | | | | | Score |
| 1 | Work Reporting Accuracy | Percent of accurate work reporting and entry from sample. Points of focus includes as applicable: Activity Number, Project Number, and Labor Hours | CMMS | 89% or Less | 90% to 94% | 95% or Greater | 92% |
| Management Process | | | | | | | Score |
| 2 | Two Week Scheduling, Data Entry, & Monthly Status | Percent of compliance with meeting the deadline dates for submitting the 2 week schedule, work reporting data entry, and holding the monthly work status meeting | Electronic Files | 89% or Less | 90% to 94% | Greater than 95% | 70% |
| Engineering Projects | | | | | | | Score |
| 3 | Project Hours | Percent of labor hours directly associated with Capital and Expense Projects compared to available hours less leave. | CMMS | 69% or Less | 70% to 79% | 80% or Greater | 89% |
| 4 | Construction Inspections | Percent of construction inspections performed within 3 business days of request, Documentation of inspection request and actual occurrence | Manual Files & CMMS | 89% or Less | 90% to 94% | 95% to 100% | 81% |
| 5 | Contract Management | Cost of construction contract change orders in Capital Program projects to less than 5% of the total value of open construction contracts | Financial System | 10% or Greater | 9% to 6% | 5% or Less | 17% |
| 6 | Efficiency of Plan Check | Percent of plans reviewed within 15 business days | Manual Files | 89% or Less | 90% to 94% | 95% to 100% | 98% |
| | | | | | | | 8 |

| Engineering Performance Audit - Scorecard | | | | | | | |
|---|---|--|-----------------------------------|---------------------|----------------|--|----------------------------------|
| No. | Performance Indicator | Definition | Source | | | | |
| 7 | Efficiency of Contract Award for Construction or Professional Services | Average time from Committee/Board approval to securing contract signature | Records | 46 Days or Greater | 45 to 31 Days | 30 Days or Less | Data Inconclusive |
| 8 | Project Management | Projects less than \$400,000: Labor/Construction Management Cost as a percent of the total contract cost | Financial System | 30% or Greater | 29% to 16% | 15% or Less | 15% |
| 9 | Project Management | Projects greater than \$400,000: Labor/Construction Management Cost as a percent of the total contract cost | Financial System | 20% or Greater | 19% to 11% | 10% or Less | 13% |
| 10 | File completed projects in a timely manner, within three months of project close out. | Length of time that projects are filed with Financial Services to begin formal project closing process. Confirm dates on the Project Closeout Checklist. | Manual Files | 120 Days or Greater | 119 to 90 Days | 89 Days or Less | No projects completed in FY19-20 |
| Action Plan Compliance | | | | | | | Score |
| 11 | Review of all action plans associated with the Annual Engineering Performance Audit. Confirm that an action plan exists and that progress is being made towards completion. | Percent of resolved actions for all plans and confirmed by signature of Department Manager and General Manager. | Electronic Files | 79% or Less | 80% to 89% | 90% or Greater | N/A |
| Continuous Improvement | | | | | | | Score |
| 12 | Review of the overall score from the previous audit year. | Measure percent change of overall department performance score compared to the previous audit year. | Previous year's Performance Audit | -5% or Lower | -4% to +4% | 5% and Greater OR Maintained Gold Status | N/A |
| Overall Performance Scale | | | | 59% or Less | 60%-89% | 90%-100% | |
| | | | | | 63% | | Overall Performance Score |
| | | | | | | | 63% |
| | | | | | | | 9 |

Engineering Recommendations

Indicator No. 1 – Work Reporting Accuracy

Allow the Principal Engineer to perform daily quality control of the work reports before submitting for input into the CMMS.

Auditor should report what the errors were in the work reports.

No. 2 – Two-Week Scheduling, Data Entry, & Monthly Status

Monthly status meeting must be held.

No. 4 – Construction Inspections

Include the request date and the scheduled inspection date, Review forms after the inspection to ensure the inspections are marked complete.

Jobs with multiple inspections should be added to the request form. Clarify that only the first inspection is required to be performed within 3 business days.

No. 6 – Efficiency of Plan Check

Submitted information must have forms for all contracts. This includes average time from Committee/Board approval to securing contract signature.

No. 7 – Efficiency of Contract Award for Construction or Professional Services

Signature dates must be provided along with the signatures on the contract form/document. The form must include the time from Committee/Board approval to securing contract signature to calculate the average. Manager should ensure the contract has a signature and date.

Indicator Nos. 8 & 9 – Project Management

The Audit Guide should detail how to calculate the Project Management percentage.

$$\text{Project Management} = (\text{Labor Direct} + \text{Labor Overhead} + \text{Construction Management}) / (\text{Construction} + \text{Design})$$

No. 10 – File completed projects in a timely manner

The Project Closeout Checklist must be provided to the Auditor to score this indicator. Therefore, a process should also be in place prior to the fiscal year.

| Public Affairs Performance Audit - Scorecard | | | | | | | |
|--|--|---|-----------------------------------|--------------|------------|--|--------------------------------------|
| No | Performance Indicator | Definition | Source | | | | Score |
| Public Awareness | | | | | | | |
| 1 | Mesa Water® Brand Identity | Percent of respondents who correctly identify Mesa Water® as their water provider (unaided awareness) | Annual Customer Opinion Survey | 39% or Less | 40% to 70% | 71% or Greater | 47% |
| 2 | Mesa Water® Brand Recognition | Percent of respondents who have an overall awareness of Mesa Water® (unaided awareness + aided awareness) | Annual Customer Opinion Survey | 69% or Less | 70% to 89% | 90% or Greater | 93% |
| Communication | | | | | | | |
| 3 | Communication Efforts | Percent of respondents who are <u>very satisfied</u> with Mesa Water®'s efforts to communicate with customers | Annual Customer Opinion Survey | 69% or Less | 70% to 89% | 90% or Greater | 59% |
| Product Satisfaction | | | | | | | |
| 4 | Good Tasting Water | Percent of respondents who believe that Mesa Water provides water that tastes good. | Annual Customer Opinion Survey | 79% or Less | 80% to 94% | 95% or Greater | 87% |
| Action Plan Compliance | | | | | | | |
| 5 | Review of all action plans associated with the Annual Public Affairs Performance Audit, Confirm that an action plan exists and that progress is being made towards completion. | Percent of <u>resolved</u> actions for all plans | Electronic Document | 79% or Less | 80% to 89% | 90% or Greater | N/A |
| Continuous Improvement | | | | | | | |
| 6 | Review of the overall score from the previous audit year. | Measure percent change of overall department performance score compared to the previous audit year. | Previous year's Performance Audit | -5% or Lower | -4% to +4% | 5% and Greater OR Maintained Gold Status | N/A |
| Overall Performance Scale | | | | 59% or Less | 60%-89% | 90%-100% | |
| | | | | | 67% | | Overall Performance Score 67% |

- WATER OPERATIONS
- CUSTOMER SERVICES
- FINANCIAL SERVICES
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- PUBLIC AFFAIRS
- ADMIN. SERVICES
- HUMAN RESOURCES

Public Affairs Recommendations

General
 Include additional indicators, such as measures from the True North Customer Survey.
 Track the number/percent of residents attending events to residents served. Establish a goal to increase attendance at events scheduled at the MWRF Public Outreach Center.

| Administrative Services Performance Audit - Scorecard | | | | | | | |
|---|---|---|-----------------------------------|--------------------------|----------------------|--|-------------------------------|
| No | Performance Indicator | Definition | Source | | | | Score |
| Work Performance | | | | | | | Score |
| 1 | Results from the 3 Key Performance Indicators for the Fiscal Year. | The KPI's are scored 3 points for an HPU that is lower than planned range; 2 points for within planned range; and 1 point for higher than planned range. | CMMS | Lower than Planned Range | Within Planned Range | Higher than Planned Range | 67% |
| Verify Accurate Reporting of Work | | | | | | | Score |
| 2 | Work Reporting Accuracy | Percent of accurate work reporting and entry | CMMS | 89% or Less | 90% to 94% | 95% or Greater | 100% |
| Management Process | | | | | | | Score |
| 3 | Two Week Scheduling, Data Entry, & Monthly Status | Percent of compliance with meeting the deadline dates for submitting the 2 week schedule, work reporting data entry, and holding the monthly work status meeting. | Electronic Document | 89% or Less | 90% to 94% | Greater than 95% | 88% |
| Transparency | | | | | | | Score |
| 4 | Board and Committee Meeting Minutes | Publish Draft Minutes within 45 days of the each Board and Committee Meeting. | Website Report | 99% or Less | N/A | 100% | Data unavailable from website |
| 5 | Website Transparency | Verify and affirm that select items are posted on the Mesa Water® website and are current | Website Report | 99% or Less | N/A | 100% | 100% |
| Open Meeting Compliance | | | | | | | Score |
| 6 | Board and Committee Packets | Post to website all Board and Committee Packets within 72 hours of regular meeting or 24 hours for a special meeting. | Website Report | 99% or Less | N/A | 100% | 91% |
| 7 | Public Records Requests Compliance | Response to all public records requests within 10 days of receipt of request | Manual Files | 99% or Less | N/A | 100% | 100% |
| Action Plan Compliance | | | | | | | Score |
| 8 | Review of all action plans associated with the Annual Administrative Services Performance Audit. Confirm that an action plan exists and that progress is being made towards completion. | Percent of <u>resolved</u> actions for all plans | Electronic Document | 79% or Less | 80% to 89% | 90% or Greater | N/A |
| Continuous Improvement | | | | | | | Score |
| 9 | Review of the overall score from the previous audit year. | Measure percent change of overall department performance score compared to the previous audit year. | Previous year's Performance Audit | -5% or Lower | -4% to +4% | 5% and Greater OR Maintained Gold Status | N/A |
| Overall Performance Scale | | | | 59% or Less | 60%-89% | 90%-100% | |
| | | | | | 62% | | |
| Overall Performance Score | | | | | | | 62% |

Administrative Services Recommendations

No. 3 – Two-Week Scheduling, Data Entry, & Monthly Status
 Two-week schedules need to be submitted on time.

No. 4 – Board and Committee Meeting Minutes
 No reports were provided. The data and score are inconclusive. LAC recommends the Board provide a waiver for this indicator where it is impacted by any website/report failures in future audits.
 Confirm the length of time required to publish the Board and Committee meeting minutes, Determine the number of days and make them consistent in both documents.

No. 6 – Board and Committee Packets
 Separate data provided for Board and Committee Packets from the Board and Committee Meeting Minutes. Improve the website report to provide information in a clean and concise manner.
 Day and time of meetings should be made evident in the generated report and whether the 24/72-hour timeframe includes weekends or weekdays only.

No. 7 – Public Records Request Compliance
 LAC recommends that any records requests from other government agencies not be included in the public records request documentation provided for the audit review. Compliance with these requests is not required by California law in the same way and should not be scored in this category.

| Human Resources Performance Audit - Scorecard | | | | | | | | | | |
|---|---|--|--|----------------------------------|------------------------|--|--|--|---------------|-----|
| No | Performance Indicator | Definition | Data Source | | | | | | Score | |
| Employee Development | | | | | | | | | | |
| 1 | Professional Development Participation | Percentage of Employees participating in Tuition/Education/Certification Reimbursement Programs divided by the number of employees eligible | Electronic Document | 9% or Less | 10% to 15% | 16% or Greater | | | 17% | |
| 2 | Time To Fill | The amount of time that it takes to fill a vacant position. Average number of business days elapsed between requisition date and offer acceptance. | NeoGov | 91 Days or Greater | 90 - 80 Days | 79 Days or Less | | | 64 | |
| Employee Recruitment | | | | | | | | | | |
| 3 | Job Offer Ratio | Percent of offers accepted to offers made | NeoGov | 69% or Less | 70% to 74% | 75% or Greater | | | 63% | |
| 4 | Temporary Staff Utilization | Average duration of time using temporary staff | Human Resource Information System | 181 Days or Greater | 180 - 91 Days | 90 Days or Less | | | 174 | |
| Employee Retention | | | | | | | | | | |
| 5 | Turnover Rate | Monitoring employee voluntary and involuntary movement out of the organization | Human Resource Information System | 9% or Greater | 8% to 4% | 3% or Less | | | 13% | |
| Employee Engagement | | | | | | | | | | |
| 6 | Annual Employee Performance Evaluations | All employees receive their annual review by September 30 | Human Resource Information System | 94% or Less | 95% to 99% | 100% | | | 97% | |
| 7 | Annual Employee Engagement Survey | Overall Mesa Water® score from the 12 Question Gallup Poll measuring the work environment. | Gallup Poll Report | Below 33rd Percentile | 33rd - 66th Percentile | 66th Percentile or Greater | | | Not Performed | |
| Health & Benefits | | | | | | | | | | |
| 8 | Experience Modification Rate | Insurance driven metric used to represent a business prior workers comp claims and potential for future injuries | ACWA-IPFA Worker's Comp Program Renewal Notification | 1.00 or Greater | 0.99 to 0.80 | 0.79 or Less | | | 1.04 | |
| Action Plan Compliance | | | | | | | | | | |
| 9 | Review of all action plans associated with the Annual Human Resources Performance Audit. Confirm that an action plan exists and that progress is being made towards completion. | Percent of resolved actions for all plans | Electronic Document | 79% or Less | 80% to 89% | 90% or Greater | | | N/A | |
| Continuous Improvement | | | | | | | | | | |
| 10 | Review of the overall score from the previous audit year. | Measure percent change of overall department performance score compared to the previous audit year. | Previous year's Performance Audit | -5% or Lower | -4% to +4% | 5% and Greater OR Maintained Gold Status | | | N/A | |
| Overall Performance Scale | | | | 59% or Less | 63% | 90%-100% | | | | |
| | | | | Overall Performance Score | | | | | | 63% |


Human Resources Recommendations

General Recommendations
 LAC recommends including additional indicators to score Human Resources' performance. Like other departments, Human Resources should use data collected from MaintStar to develop KPIs, which may also be used as additional indicators in the Performance Audit.

No. 4 – Temporary Staff Utilization
 LAC recommends using HRchitect or other human resources consulting firm(s) to confirm the Gold-Green-Red performance range.


No. 5 – Turnover Rate
 LAC recommends revising the ranges of turnover rates in the scoring that more closely reflect industry performance.
 Consider a range of 6% or less for gold, 7 to 15% for green, and 16% or greater for red.

Overview




WATER OPERATIONS

| | | |
|-------------|---------|----------|
| 50% or Less | 60%-80% | 90%-100% |
| | | |
| | 55% | |




CUSTOMER SERVICES

| | | |
|-------------|---------|----------|
| 50% or Less | 60%-80% | 90%-100% |
| | | |
| | 65% | |




FINANCIAL SERVICES

| | | |
|-------------|---------|----------|
| 50% or Less | 60%-80% | 90%-100% |
| | | |
| | 60% | |




ENGINEERING

| | | |
|-------------|---------|----------|
| 50% or Less | 60%-80% | 90%-100% |
| | | |
| | 7% | |




PUBLIC AFFAIRS

| | | |
|-------------|---------|----------|
| 50% or Less | 60%-80% | 90%-100% |
| | | |
| | 15% | |



ADMINISTRATIVE SERVICES

| | | |
|-------------|---------|----------|
| 50% or Less | 60%-80% | 90%-100% |
| | | |
| | 92% | |



HUMAN RESOURCES

| | | |
|-------------|---------|----------|
| 50% or Less | 60%-80% | 90%-100% |
| | | |
| | 6% | |

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Overall Score: 65%

| Department | Score |
|-------------------------|------------|
| Customer Service | 64% |
| Financial Services | 68% |
| Water Operations | 69% |
| Engineering | 63% |
| Public Affairs | 67% |
| Administrative Services | 62% |
| Human Resources | 63% |
| Average | 65% |

Procedural Review: Performance audit is thorough and does a great job of measuring each department's performance. Procedure is straightforward for auditor and will provide a consistent picture of performance change over time for Mesa Water. Some minor adjustments are necessary as given in recommendations.

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Overall
Recommendations

Work Reporting Accuracy

- Provide re-training for work entry
- Provide *single location to store forms*
- Require auditor to provide a summary of errors in work entries
- Have all *data organized* before audit
- Revise the Performance Audit Process Guide to clarify scoring levels to ensure there are no gaps between scores.

(e.g., Gold = 10% or less and Green = Greater than 10% to 19% rather than Gold = 10% or less and Green = 11% to 19%) *AND/OR* use 10% rather than 10.2%

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Overall
Recommendations

- Incorporate a similar performance audit scoring spreadsheet with indicators for Mesa Water as a whole entity, particularly for performance measures that span multiple departments.
- Create a standard to determine the final score for the organization.
- Develop an “Improvement Indicator” to show performance over the previous audit year

| | | | | | | |
|----|--|---|-------------------|-------|-----------|--------|
| | Performance Improvement | | | | | |
| 12 | Comparison of performance score relative to previous fiscal year | Current fiscal year performance compared to previous year | Performance Audit | Lower | No Change | Higher |

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Overall
Recommendations

Additional indicators from AWWA that could be included for overall performance:

Customer accounts per employee
Customer accounts per employee = number of accounts / the number of full-time equivalents

Millions of gallons per day (MGD) water delivered per employee
MGD water delivered per employee = average MGD delivered / number of full-time equivalents





Disruption rate (more than 12 hours)
Disruption rate = Number of customers experiencing disruption (in thousands)/number of active customer accounts

Distribution system water loss
Distribution water loss (%) = 100 [volume distributed – (volume billed + volume unbilled but authorized)/volume distributed]

Water distribution system integrity
Water distribution system integrity rate = 100 (annual total number of leaks + annual total number of breaks)/ total miles of distribution piping

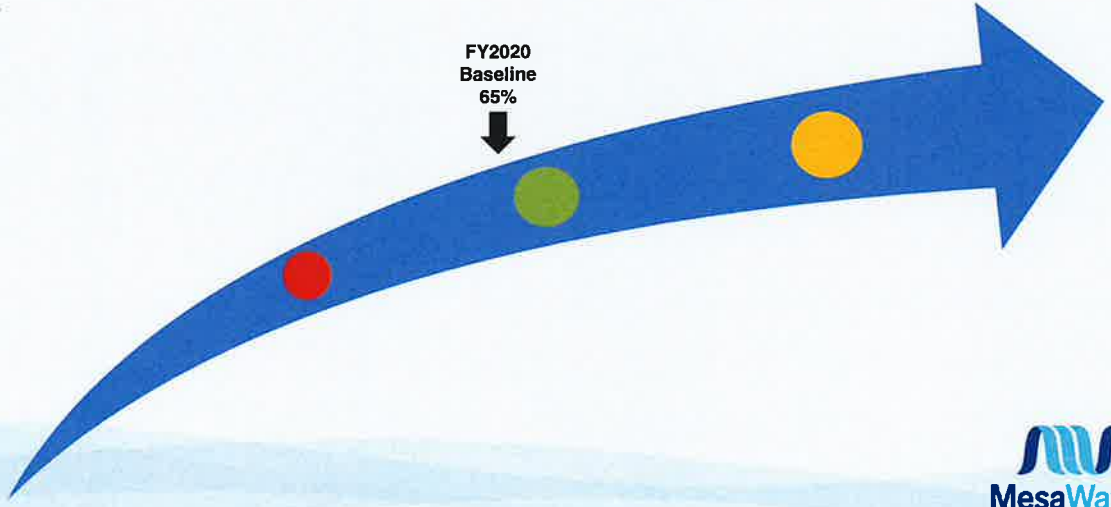
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What's Next


-  Met with General Manager to review draft document and made recommended changes
-  Met with Senior Leadership to review results
-  Submitted final document to Senior Leadership and present to Board
-  Begin FY 2023 Performance Audit

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Annual Performance Audit: The Road to Gold



FY2020 Baseline 65%



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Questions?

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