Response to Grand Jury Report Form

Report Title: Sonoma County Purchasing - Big Dollars with Low Operational Oversight

Report Date: May 11, 2026

Response by: Rebecca Hermosillo Title: Chairperson

Agency/Department Name: Sonoma County Board of Supervisors

FINDINGS:

[List numbers: F1- F10]

I (we) agree with the findings numbered: **3, 9, 10**

I (we) disagree wholly or partially with the findings numbered: **1, 2, 4, 5, 6, 7, 8**

(Attach a statement specifying any portions of the findings that are disputed with an explanation of the reasons.)

RECOMMENDATIONS:

[List numbers: R1 – R11]

- Recommendations numbered: ________________________________ have been implemented.
  (Attach a summary describing the implemented actions.)
- Recommendations numbered: **1, 2, 3, 6, 7** have not yet been implemented but will be implemented in the future.
  (Attach a timeframe for the implementation.)
- Recommendations numbered: **4, 5, 8, 10, 11** require(s) further analysis.
  (Attach an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or director of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. ***This timeframe shall not exceed six months from the date of publication of the Grand Jury report.)***
- Recommendations numbered: **9** will not be implemented because they are not warranted or are not reasonable.
  (Attach an explanation.)

Date: ____________________ Signed: ____________________

Findings:

F1. Most recommendations from the internal and the external audits completed in 2023 have not been implemented. Unaddressed, these findings could have financial and operational impacts to County taxpayers.

Response: Partially Disagree

Disputed Portion: "Most recommendations from the internal and the external audits completed in 2023 have not been implemented"

Explanation: Many recommendations from the Internal Audit have been implemented. The internal audit report from 2023, using data from 2019/2020, had 8 findings with 27 recommendations. Over 60% of the recommendations have been implemented or partially implemented. The remaining recommendations require significant increases to staffing and technological resources, beyond existing county resources and/or additional analysis for implementation consideration. With regard to recommendations from the Civic Initiatives report, many recommendations have already been implemented, were addressed in Response to that Audit, or are currently underway, including revision of goods and services procedures, and development of proposals for CAL-Card processes that are expected to be completed within the next calendar year.

F2. Current purchasing and contract controls are insufficient to confirm that the approved purchasing process is followed. Without appropriate oversight of the purchasing process, there is undue financial and operational risk to Sonoma County.

Response: Partially Disagree

Disputed Portion: "Current purchasing and contract controls are insufficient to confirm that the approved purchasing process is followed."

Explanation: Purchasing controls do exist and are adequate to ensure that required processes are abided. Controls include the recently-implemented Self-Identification of procurement tool using the 'Authority Type' drop down on requisition window within Enterprise Financial System. Other control and oversight mechanisms derive from checks and approvals in the financial system through monetary thresholds for payment processing, review and approvals by managers and purchasing unit staff, requirements to establish a purchasing order, Board of Supervisor approval for contracts over delegated signature authority, and Single/Sole Sources Waiver process.

F3. Significant consequences for noncompliance with purchasing policies and procedures do not exist. Without consequences, County departments and agencies are not held accountable for their actions related to purchasing.

Response: Agree

F4. Limited purchasing procedures exist to guide individual departments in meeting applicable requirements. Lacking effective procedures, departments may not comply with County policy and may cause financial losses.

Response: Partially Disagree

Disputed Portion: "Limited purchasing procedures exist to guide individual departments in meeting applicable requirements."

Explanation: Purchasing has detailed policies, procedures, and work-flow tools for various types of procurements readily available for all departments/divisions. Pre-recorded trainings are also available, as well as regular communication and check-ins conducted by Purchasing liaisons with department procurement staff.

F5. While departments are responsible for much of their purchasing needs, they have not received comprehensive training. This can result in noncompliance with purchasing policies and procedures and financial loss.

Response: Partially Disagree

Disputed Portion: "While departments are responsible for much of their purchasing needs, they have not received comprehensive training."

Explanation: All departments have training opportunities and resources available and trainings on new topics are brought on average once per quarter. Agree that additional trainings would be beneficial.

F6. The Purchasing group reports to the Director of Sonoma Public Infrastructure which creates the appearance of a conflict of interest and may affect the independence of the Purchasing group.

Response: Disagree

Explanation: Purchasing's location within the County's general services and operations department is consistent with many other county entities across the state. Under the Sonoma County Code, the Purchasing Agent has legal authorities independent of any other departmental director, including the Director of Sonoma Public Infrastructure, notwithstanding the Purchasing Division's organizational situation within the Public Infrastructure Department.

To the extent of any actual or apparent conflicts on procurement matters involving Public Infrastructure, the CEO and County Counsel are involved on case-by-case basis to provide outside support and independent judgment.

F7. The Purchasing group is part of a large department, and its organizational placement may limit the Purchasing group's effectiveness in obtaining appropriate support from Sonoma County leadership for needed changes.

Response: Partially Disagree

Disputed Portion: "...organizational placement may limit the Purchasing group's effectiveness in obtaining appropriate support from Sonoma County leadership for needed changes"

Explanation: SPI leadership has prioritized recent revisions and improvements in response to identified needs, including instituting revisions to Policies and obtaining increased delegated authorities for basic operational procurements.

F8. Sonoma County is not in compliance with the minimum qualifications requirement set forth in the job description that the Purchasing Agent (PA) have or acquire appropriate professional certification. Furthermore, high turnover in the PA position and the decision to hire a Purchasing Agent without demonstrated knowledge or experience in public procurement may have a negative impact to the group's ability to effectively oversee purchasing and lead in implementing changes.

Response: Disagree

Explanation: At the time of Grand Jury inquiry, the Purchasing Agent did not yet possess the certification, but the certification was in progress and was still within the allowed time period for obtaining such. The Purchasing Agent does meet the minimum requirements to hold the role and timely obtained the required certification (ISM CPSM Certification) set forth in the job description. All applicants for County positions must meet established minimum qualifications under the job specification and are screened and approved by Central Human Resources.

F9. Sonoma County lacks a full-cycle, integrated contract and procurement management system that would support the efficient implementation and tracking of Purchasing activities. Without such a tool, the procurement process may be inefficient and miss opportunities to make better and more cost-effective purchase and contract decisions.

Response: Agree

F10. Recommendations from internal and external audit reports to improve Sonoma County purchasing processes may require additional resources. If additional staff and budget are not allocated, then some recommended actions to manage financial and operational risk may not be feasible to achieve.

Response: Agree

__**Recommendations:**__

R1. Direct the County Executive Office to review the purchasing Internal Audit report issued in 2023 and the 2023 report from Civic Initiatives LLC to determine further recommendations and appropriate timeframe for implementation. This should be completed by 12/31/26.

Response: Implemented in the future

Explanation and Timeframe: CEO shall provide a written update to the Board by 12/31/26. Update shall include what recommendations or measures are being focused on, and estimated timeframe for when Board action (if needed) is expected or when implementation will be started/completed.

R2. Direct the County Executive Office to implement processes to review and confirm that updated Purchasing policies and procedures are followed by individual departments. This should be completed by 12/31/26, and annually thereafter.

Response: Implemented in the future

Explanation and Timeframe: The Purchasing Division will recommend a process to review and confirm compliance. The CEO will direct departments to review and confirm with SPI and the Purchasing Division that policies and procedures are followed. Departments and the Purchasing Division will be required to confirm to the CEO compliance by 12/31/26.

R3. Direct the County Executive Office to identify the actions taken by individual departments to confirm purchasing policies and procedures are followed. This should be completed by 12/31/26.

Response: Implemented in the future

Explanation and Timeframe: The CEO and Purchasing Division will develop a process for departments to provide confirmation on how departments have reaffirmed that current purchasing policies and procedures are being followed. Departments shall provide a written update to the CEO on actions taken by 12/31/26.

R4. Direct the County Executive Office to evaluate options presented by the Internal Audit report and the Civic Initiatives LLC report to create checks and balances for purchasing compliance. The solution selected or created should include a method to improve department accountability in following purchasing policies and procedures. This evaluation should be completed by 12/31/26 and the implementation of the selected plan should be by 12/31/27.

Response: Further Analysis Required

Explanation and Timeframe: Staff will review the Internal Audit and Civic Initiatives LLC reports to consider if any recommendations should be implemented, considering among other things organizational needs, identified priorities, and resource options and constraints. Analysis will be completed by 12/31/26.

R5. Direct the County Executive office to create comprehensive purchasing procedures and communicate them to individual departments. These should be of similar quality to the procedures prepared by Civic Initiatives LLC. This should be completed by 12/31/26.

Response: Further analysis required

Explanation and Timeframe: Purchasing has detailed policies and procedures. SPI and the Purchasing Division previously initiated a review and update of all Purchasing Policies and Procedures; that project remains underway. Staff will evaluate current policies and procedures taking into account the Civic Initiatives recommendations, considering among other things organizational needs, identified priorities, and resource options and constraints. Analysis of changes to current procedures and identifying next steps will conclude by 12/31/2026.

R6. Direct the County Executive office to require that each department and agency provide the Purchasing group with the names of individuals responsible for purchasing and contracting. Additionally, a method to keep this list current should be implemented. This should be completed by 12/31/26.

Response: Implemented in the future

Explanation and Timeframe: The CEO, in conjunction with the Purchasing Division, will develop a list of names of individuals who conduct purchasing and contracting in their respective departments. This will be completed by 12/31/26.

R7. Direct the County Human Resources and Purchasing groups to work together to provide comprehensive purchasing training that covers contracts and the purchase of goods and services. This training should be provided to all individuals responsible for purchasing and/or contracting and should be completed by 6/30/27.

Response: Implemented in the future

Explanation and Timeframe: Purchasing training is available to all departments. Purchasing Division will work with Central HR to identify appropriate trainings for specific job roles and implement training and tracking procedures by 6/30/2027.

R8. Direct the County Executive Office to consider options to relocate the Purchasing Group within the County organizational structure to alleviate the appearance of any conflict of interest and increase proximity to the leadership. This should be completed by 12/31/26.

Response: Further analysis required

Explanation and Timeframe: The CEO will review the Internal Audit, the Civic Initiatives Report, and other resources, including conducting stakeholder outreach, to consider whether the Purchasing Division should be relocated, considering among other things organizational needs, best practices among comparable public agencies, and resource options and constraints. Because a review of this magnitude will take considerable time, it will be completed by 12/31/2027.

R9. Direct the Chief Executive Office to ensure that Department Heads comply with approved hiring practices related to minimum qualification requirements by 12/31/26.

Response: Will not be implemented as recommendation is not warranted

Explanation: Such processes are currently in place. Sonoma County's centralized Human Resources Department and decentralized departmental human resources divisions and partners currently have processes in place to ensure that new hires meet minimum qualification requirements.

R10. Direct the County Executive office to revisit the procurement software proposal previously presented to the CEO, including figures for any potential cost savings to the County. This should be completed by 12/31/26.

Response: Further analysis required

Explanation and Timeframe: Staff will evaluate the currently utilized software and consider available replacement options for operational impact as well as cost analysis. Because an evaluation of this magnitude will take considerable time, it will be completed by 12/31/2027.

R11. Direct the Chief Executive Office to provide appropriate resources to implement changes recommended in the internal and external audit reports issued in 2023 and this Grand Jury report. This should be completed by 3/31/27.

Response: Further analysis required

Explanation and Timeframe: The CEO will work with the Purchasing Division to review the various audit reports and consider potential resources needed to strengthen the Purchasing function. Should additional resources be recommended, these will be presented to the Board through the standard resources request process during FY 27/28 budget development.