



**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

OFFICE OF COUNTY INVESTIGATIONS
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CONNIE YEE
CHIEF DEPUTY AUDITOR-CONTROLLER

October 10, 2025

TO: Fesia A. Davenport
Chief Executive Officer

FROM: Greg Hellmold, Chief *Greg Hellmold*
Office of County Investigations

SUBJECT: **IMPROVEMENT OPPORTUNITIES NOTED DURING
LIMITED REVIEW #2023-19904**

NUMBER OF RECOMMENDATIONS	
PRIORITY 1	0
CORRECTIVE ACTION REQUIRED WITHIN 90 DAYS	
PRIORITY 2	1
CORRECTIVE ACTION REQUIRED WITHIN 120 DAYS	
PRIORITY 3	0
CORRECTIVE ACTION REQUIRED WITHIN 180 DAYS	

During a limited review involving the Chief Executive Office's (CEO or Department) Office of Emergency Management (OEM), we noted that OEM could strengthen its internal controls over inventory management during disasters and emergencies. Please see Attachment I, *Table of Findings and Recommendations for Corrective Action*, for details of our observations and related recommendations.

Review of Report

We discussed our report with OEM management. The Department's response (Attachment II) indicates general agreement with our findings and recommendations.

We thank OEM management and staff for their cooperation and assistance during our review. If you have any questions, please contact me at (213) 893-0243 or ghellmold@auditor.lacounty.gov. Your staff may contact Kenneth Diaz, Supervising Investigator, at (213) 948-2936 or kdiaz@auditor.lacounty.gov.

GH:SL:KD:jf
IOR-2023-19904

Attachments (2)

c: Oscar Valdez, Auditor-Controller
Audit Committee
Audit Division

LOS ANGELES COUNTY AUDITOR-CONTROLLER

Attachment I
Page 1 of 2

Robert G. Campbell
ASSISTANT AUDITOR-CONTROLLER

Greg Hellmold
DIVISION CHIEF

OFFICE OF COUNTY INVESTIGATIONS

Report #IOR-2023-19904

CHIEF EXECUTIVE OFFICE IMPROVEMENT OPPORTUNITIES NOTED DURING LIMITED REVIEW #2023-19904

BACKGROUND

The Office of Emergency Management (OEM) leads countywide efforts in emergency preparedness, response, recovery, and mitigation to ensure public safety and resilience. OEM develops and maintains emergency plans, conducts training, and ensures compliance with State and federal guidelines.

During emergencies, OEM activates and operates the County/Operational Area (OA) Emergency Operations Center (EOC), which serves as the central hub for coordinating multi-agency response efforts. The EOC manages resource allocation, facilitates interagency communication, and provides critical updates to the public. It also oversees disaster response activities such as shelter operations and recovery funding, while implementing mitigation strategies to mitigate future risks. Depending on the incident, representatives, liaisons, and other personnel from OA organizations may be integrated into the EOC structure. Core EOC functions include coordination, communication, resource management, and the collection, analysis, and dissemination of information.

During the COVID-19 pandemic, the EOC partnered with various agencies to procure and distribute N95 masks and other personal protective equipment (PPE) to frontline workers and healthcare providers. The Internal Services Department (ISD) served as the designated purchasing agent for PPE, while the EOC coordinated distribution with the support of third-party contractors managing warehousing, logistics, and fulfillment.

TABLE OF FINDINGS AND RECOMMENDATIONS FOR CORRECTIVE ACTION

ISSUE

RECOMMENDATION

<p>1 Inadequate Contract Monitoring and Oversight - During an investigation related to missing PPE, we found that the EOC lacked sufficient controls to accurately verify and track all PPE inventory purchased during the COVID-19 pandemic (2020-2021). This indicates weaknesses in inventory management and contract oversight.</p> <p>County Fiscal Manual (CFM) Section 1.0.2, Management's Ownership for Internal Controls, states that managers who have overall ownership and management of individual business processes (i.e., the business owner) should develop and implement internal controls. These include controls designed to timely identify and mitigate significant risks, ensure activities are executed as intended, highlight inadequate processes, address control breakdowns, and communicate to key stakeholders the effectiveness of the activity.</p> <p>CFM Section 5.2.0 requires management to ensure proper internal controls over the receipt, payment, and maintenance of inventory records. Specifically:</p>	<p>Priority 2 – OEM management, in consultation with ISD and other EOC stakeholders/agencies, develop and implement policies and procedures to ensure that emergency supply inventory records are accurate, complete, and updated in a timely manner. These procedures should include requirements for conducting reconciliations at consistent and frequent intervals, and should establish alternative verification methods when physical counts are limited or not feasible.</p> <p>Department Response: Agree Implementation Date: January 15, 2026</p>
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Priority Ranking: Recommendations are ranked from Priority 1 to 3 based on the potential seriousness and likelihood of negative impact on the Agency's operations if corrective action is not taken.

TABLE OF FINDINGS AND RECOMMENDATIONS FOR CORRECTIVE ACTION	
ISSUE	RECOMMENDATION
<ul style="list-style-type: none"> Ensuring that items received are recorded timely and accurately in inventory records. Accounts Payable matching with the requisition or purchase order, receiving documents, and the invoice prior to payment. Maintaining a perpetual inventory to the extent it is feasible. <p>CFM Section 5.3.2, Internal Controls Over Annual Physical Inventories, requires departmental management to ensure that year-end physical inventory counts are conducted and compared to perpetual inventory records by employees who are independent of the storekeeper and those responsible for maintaining the records.</p> <p>Impact: Without accurate tracking and verification, the County risks:</p> <ul style="list-style-type: none"> Losing financial assets due to unaccounted inventory. Ineffective management of critical PPE supplies, which are essential during emergencies. Damage to public trust in the County's ability to protect and manage emergency resources. <p>These control weaknesses were worsened by the operational pressures and urgency of the COVID-19 response.</p> <p>Strengthening these internal controls and oversight mechanisms is crucial to improving readiness for future emergencies and safeguarding resources.</p>	

For more information on our auditing process, including recommendation priority rankings, the follow-up process, and management's responsibility for internal controls, visit auditor.lacounty.gov/audit-process-information.

Priority Ranking: Recommendations are ranked from Priority 1 to 3 based on the potential seriousness and likelihood of negative impact on the Agency's operations if corrective action is not taken.

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COUNTY OF LOS ANGELES

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CHIEF EXECUTIVE OFFICER

Fesia A. Davenport

October 7, 2025

TO: Greg Hellmold
Office of County Investigations

FROM: Fesia A. Davenport 
Chief Executive Officer

**RESPONSE TO AUDITOR-CONTROLLER FINDINGS AND RECOMMENDED
CORRECTIVE ACTIONS – REPORT #2023-19904**

In September 2025, the Office of County Investigations issued a report evaluating the Los Angeles County's Emergency Operations Center's (EOC) ability to verify and track Personal Protective Equipment procured during COVID-19. The Office of Emergency Management (OEM), in collaboration with the Internal Services Department and other EOC stakeholders, will convene to establish and implement controls to track, reconcile, and provide oversight when third-party warehouse solutions are used during disasters. We agree this recommendation will strengthen inventory management and contract oversight.

OEM has reviewed the Auditor-Controller's report and concurs with the findings and recommendations. Attached is the collaborative corrective action plan developed by key EOC responders responsible for logistics, oversight, and disaster management.

Should you have any questions concerning this matter, please contact Leslie Luke, Deputy Director of the Office of Emergency Management, at (323) 980-2269 or lluke@ceooem.lacounty.gov.

FAD:JMN:ADC
KM:LL:md

Attachment



"To Enrich Lives Through Effective And Caring Service"

ATTACHMENT

**CHIEF EXECUTIVE OFFICE
IMPROVEMENT OPPORTUNITIES NOTED DURING
LIMITED REVIEW #2023-19904
DEPARTMENT ACTION PLAN/RESPONSE**

ISSUE 1: INADEQUATE CONTRACT MONITORING AND OVERSIGHT

Auditor-Controller Recommendation	The Office of Emergency Management (OEM), in consultation with Internal Services Department (ISD) and other Emergency Operations Center (EOC) stakeholders/agencies, develop and implement policies and procedures to ensure that emergency supply inventory records are accurate, complete, and updated in a timely manner. These procedures should include requirements for conducting reconciliations at consistent and frequent intervals and should establish alternative verification methods when physical counts are limited or not feasible.
Priority	PRIORITY 2
Agree/Disagree	Agree
Department Action Plan¹	<p>OEM, ISD and the Department of Human Resources (DHR) will collaborate on developing a process to address monitoring, oversight, and inventory management when the disaster requires the County to use a third-party warehouse. Third-party warehousing has never been needed by the EOC before COVID-19. When the disaster dictates the need, the EOC will request the Logistics Section of the EOC to secure warehousing space. What needs to be developed now will be working with DHR to develop roles and responsibilities of a Disaster Service Worker (DSW) who will be deployed to the warehouse to monitor inventory, provide oversight, product verification, and reconciliation for delivery and pick up. Roles and responsibilities will be developed in a position checklist to provide to the DSW when requested.</p> <p>If the disaster meets the need for warehousing, then the DSW will be activated and deployed to the warehouse. Most activations in the County do not require warehousing requests from the EOC. The developed process will be added to the EOC Logistics Section Chief's roles and responsibilities and coordinated with the Logistic Section Personnel Unit to request and deploy the DSW.</p>
Planned Implementation Date	January 15, 2026
Additional Information (optional)²	

¹ In this section the Department should only describe the efforts they plan to take to implement the recommendation. The Department should include any other information in the Additional Information section that follows.

² In this section the Department can provide any background or clarifying information they believe is necessary.