

John Wayne Airport Audit Response

Auditor Name: Weaver

FY 2023-24

John Wayne Airport Recommendation: Policy and Procedure Evaluation			
<p>Finding 1 – Policy and Procedure Evaluation: Key activities to mitigate risk or achieve organizational objectives across divisions are not well defined within JWA policies and procedures. John Wayne Airport Response to Finding 1: Disagrees partially with the finding. John Wayne Airport is required to comply with the rules, regulations, and orders of the Federal Aviation Administration (FAA) and Transportation Safety Administration (TSA) with respect to all operations of the Airport. JWA receives and successfully passes an annual inspection from the FAA and TSA on compliance with the rules, regulations, and orders in place that includes documented standard operating procedures for high-valued activities. In addition, JWA utilizes applicable documented Countywide policies and procedures. As needed, JWA has created and continues to add documented policies and procedures for other activities not addressed by federal regulation or County mandate. However, JWA will update documented policy and procedures to reflect changes over the recent years.</p>			
Recommendation	Response	John Wayne Airport Divisions/Manager	Notes/Implementation Timeline
<p>JWA Management should initiate an organization-wide review of each division’s critical policies and procedures to ensure key activities are clearly defined, the purpose, roles and responsibilities, and procedures are clearly identified, and alignment of overarching governing policies and performance indicators when applicable.</p>	<p>The recommendation has been implemented. John Wayne Airport’s review of critical policies and procedures is ongoing. As of this FY JWA has revisited and have updated many policies and procedures and will continue to do so. The Airport will document in policies for each division its responsibility for an operational process’s objectives and related risks. Each division, with guidance from management, will determine the policies and procedures necessary to operate the process based on the objectives and related risks for the operational process. The documented policies and procedure will contain the appropriate level of detail to allow management to effectively monitor the activity.</p>	<p>Department wide</p>	<p>Implementation of the recommendation will be ongoing.</p>

John Wayne Airport Recommendations: Process and Control Evaluation

Finding 2 – Process and Control Evaluation: JWA does not have a formal process in place to periodically review employee training or skills, nor provide personalized training programs to address skill or knowledge gaps.

John Wayne Airport Response to Finding 2: Disagrees wholly with the finding. A formal process is in place as John Wayne Airport follows and complies with the County’s recruitment rules and policies. JWA’s employee recruitment announcements adhere to the County requirement to include the minimum and desirable qualifications. The County’s Human Resource Services Department, independent of JWA, review each position application and determine if an applicant meets the minimum qualifications. JWA follows and complies with the County’s requirement to recruit, select, and advance employees based on their ability to perform essential job duties. JWA’s recruitment process is monitored by the County’s Human Resource Services Department.

Recommendation	Response	John Wayne Airport Divisions/Manager	Notes/Implementation Timeline
While progress is underway to improve the identification of employee training needs, JWA Leadership should continue to engage in analysis of employees across the organization and identify specific development needs by employee classifications and functional groups.	The recommendation has been implemented. On October 20, 2023, JWA commenced a study group of 25 staff members to prepare for a 180-question, multiple-choice examination to become a Certified Member (CM) of the American Association of Airport Executives. The CM examination assesses a candidate’s understanding of the fundamental aspects of airport operations, making it a valuable indicator of their competence in the aviation field. In addition, JWA employees are eligible and encouraged by JWA management to participate in the County’s educational and professional reimbursement program and industry trainings and conferences. The program grants interested JWA employees with access to reimbursement up to \$10,000 for qualified expenses such as schooling, professional development, and members in professional associations.	Department wide	Implementation of the recommendation will be ongoing.

John Wayne Airport Recommendations: Process and Control Evaluation			
Finding 3 – Process and Control Evaluation: A defined airport-wide succession plan for critical functions does not currently exist for JWA.			
John Wayne Airport Response to Finding 3: Disagrees wholly with the finding. The County’s recruitment rules and policies prohibit John Wayne Airport from implementing a strategy to pass leadership roles down to another employee or group of employees as the Airport’s selection process is intended to be competitive.			
Recommendation	Response	John Wayne Airport Divisions/Manager	Notes/Implementation Timeline
JWA leadership should implement a formal succession planning process to ensure that the organization maintains a workforce that collectively possesses the core competencies and skills needed to accomplish its strategic objectives, including cross training, and assigned back-ups of key positions.	The recommendation will not be implemented. JWA is prohibited from passing leadership roles down to another employee or group of employees as the selection process is intended to be competitive. However, JWA is committed and continues to identify and develop new potential leaders who can compete for leadership roles when they become vacant. In respect to cross training and assigned backups of key positions, JWA accomplishes this objective to comply with the rules, regulations, and orders of the Federal Aviation Administration (FAA) and Transportation Safety Administration (TSA) with respect to all operations of the Airport.	Department wide	Restricted from implementing the recommendation by County recruitment rules and policies.

John Wayne Airport Recommendations: Process and Control Evaluation			
<p>Finding 4 – Process and Control Evaluation: JWA lacks established systems development processes to ensure new systems and changes to existing systems or critical processes are implemented in a way that maximizes user value and reduces risk exposure.</p> <p>John Wayne Airport Response to Finding 4: <i>Agrees with the finding. John Wayne Airport does not have a documented systems development process.</i></p>			
Recommendation	Response	John Wayne Airport Divisions/Manager	Notes/Implementation Timeline
JWA management should develop formal and documented systems development and change management processes that identify all changes to the baseline configuration of significant systems and amount and nature of centralized oversight of change management activities.	<i>The recommendation has not yet been implemented but will be implemented in the future. John Wayne Airport will develop a documented systems development process.</i>	JWA Innovation and Technology Division	<i>The recommendation will be implemented by August 31, 2024.</i>

John Wayne Airport Recommendations: Process and Control Evaluation			
<p>Finding 5 – Process and Control Evaluation: There is no documented agreement between Orange County Public Works (OCPW) and JWA Facilities Management to define expectations and service level requirements for maintenance and execution of capital improvement projects, including timelines, expected outcomes, and required specifications.</p> <p>John Wayne Airport Response to Finding 5: <i>Agrees partially with the finding. John Wayne Airport does not have a MOU with OC Public Works for maintenance and capital improvement projects.</i></p>			
Recommendation	Response	John Wayne Airport Divisions/Manager	Notes/Implementation Timeline
<p>County Executive, OCPW, and JWA leadership should coordinate efforts to develop and implement a documented Memo of Understanding (MOU) or other service level agreement that specifies service level requirements and expectations for significant maintenance and capital improvement processes.</p>	<p><i>The recommendation has not yet been implemented but will be implemented in the future. John Wayne Airport will work towards implementing measures (not limited to MOU) to address expectations and service level requirements for maintenance and execution of capital improvement projects.</i></p>	<p><i>Department wide</i></p>	<p><i>The recommendation will be implemented by December 31, 2024.</i></p>

John Wayne Airport Recommendations: Process and Control Evaluation			
<p>Finding 6 – Process and Control Evaluation: There is no clear and documented process in place for maintaining vendor information once a contract is in place.</p> <p>John Wayne Airport Response to Finding 6: Agrees partially with the finding. John Wayne Airport’s documented agreements with vendors include terms and conditions, under the Section Q - “Change in Ownership, Litigation Status, Conflicts with County Interests,” that require contractors to notify the County in writing any time there is a change with the contractor. However, JWA does not have a official internal policy and procedures to manage change in vendor information.</p>			
Recommendation	Response	John Wayne Airport Divisions/Manager	Notes/Implementation Timeline
<p>When changes to vendor information are required, the contract manager or accounts payable personnel should work with procurement personnel to submit necessary changes to the County Auditor-Controller.</p>	<p>The recommendation has not yet been implemented but will be implemented in the future. John Wayne Airport will develop a documented policy and procedure for contractor changes that do not require a contract amendment pursuant to County policy.</p>	<p>JWA Finance Administration Division</p>	<p>The recommendation will be implemented by August 31, 2024.</p>

John Wayne Airport Recommendations: Process and Control Evaluation			
<p>Finding 7 – Process and Control Evaluation: JWA and the County practices currently pay vendor invoices as they are submitted by vendors. However, there is not documented process to proactively monitor AP invoices due dates to identify aged vendor invoices.</p> <p>John Wayne Airport Response to Finding 7: Agrees partially with the finding. John Wayne Airport does not pay invoices as they are submitted by vendors. The Airport requires a designated staff member to review the invoice and indicate if the goods and services were received. If not all the goods and services were received the designated staff member provides a detailed explanation. Invoices must be certified by a designated staff member prior to payment. JWA has a process to identify aged vendor invoices and forward the results to division executive management for follow-up action. However, JWA does not have a documented policy and procedure for the process.</p>			
Recommendation	Response	John Wayne Airport Divisions/Manager	Notes/Implementation Timeline
JWA and County management should jointly implement consistent monitoring procedures to ensure prompt payment and monitor aged invoices.	The recommendation has not yet been implemented but will be implemented in the future. John Wayne Airport will develop a documented policy and procedure to identify and monitor aged vendor invoices.	JWA Finance Administration Division	The recommendation will be implemented by August 31, 2024.

John Wayne Airport Recommendations: Organizational Skills Assessment			
<p>Finding 8 – Organizational Skills Assessment: Opportunities exist to improve higher educational attainment and credentials. JWA developed a survey of employees across all divisions in June 2023 to obtain feedback from employees regarding professional development and training needs and has developed preliminary training plans for select individuals.</p> <p>John Wayne Airport Response to Finding 8: <i>Agrees partially with the finding. John Wayne Airport conducted a survey to understand the professional development and training needs for their employees.</i></p>			
Recommendation	Response	John Wayne Airport Divisions/Manager	Notes/Implementation Timeline
The JWA Airport Director should continue to assess specific credentials and educational opportunities to elevate the level of professional certification and education attainment of the management team assessed.	<i>The recommendation has been implemented. JWA employees are eligible and encouraged by JWA management to participate in the County’s educational and professional reimbursement program. The program grants interested JWA employees with access to reimbursement up to \$10,000 for qualified expenses such as schooling, professional development, and members in professional associations.</i>	<i>Department wide</i>	<i>Implementation of the recommendation will be ongoing.</i>

John Wayne Airport Recommendations: Organizational Skills Assessment			
<p>Finding 9 – Organizational Skills Assessment: While JWA has experienced and competent financial and administrative managers, as well as airport operations managers, there is limited knowledge sharing to ensure well-rounded business acumen of airport functions and interrelated processes within administrative positions.</p> <p>John Wayne Airport Response to Finding 9: <i>Agrees partially with the finding. John Wayne Airport has not provided knowledge sharing experience of airport operations to administrative staff. However, JWA has rotated Airport Operations Officers through a position that offers administrative and procurement experiences for approximately one-year.</i></p>			
Recommendation	Response	John Wayne Airport Divisions/Manager	Notes/Implementation Timeline
<p>The JWA Airport Director should implement knowledge share and cross-training opportunities across departments to ensure administrative supervisors and managers receive a well-rounded understanding of interrelated processes and key resources of the organization.</p>	<p><i>The recommendation has been implemented. On October 20, 2023, JWA commenced a study group of 25 staff members to prepare for a 180-question, multiple-choice examination to become a Certified Member of the American Association of Airport Executives. The Certified Member (CM) examination assesses a candidate’s understanding of the fundamental aspects of airport operations, making it a valuable indicator of their competence in the aviation field.</i></p>	<p><i>Department wide</i></p>	<p><i>Implementation of the recommendation will be ongoing.</i></p>

John Wayne Airport Recommendations: Organizational Skills Assessment			
<p>Finding 10 – Organizational Skills Assessment: Access to professional development and training opportunities have historically been inadequate for line employees and require a consistent approach to professional development.</p> <p>John Wayne Airport Response to Finding 10: Disagrees wholly with the finding. JWA employees are eligible and encouraged by JWA management to participate in the County’s educational and professional reimbursement program. The program grants interested JWA employees with access to reimbursement up to \$10,000 for qualified expenses such as schooling, professional development, and members in professional associations.</p>			
Recommendation	Response	John Wayne Airport Divisions/Manager	Notes/Implementation Timeline
<p>The JWA Airport Director, in coordination with Human Resources and divisional management, should conduct an initial needs assessment of trainings required to address gaps in knowledge, skills, and abilities, provide identified training as a result, and provide resources for targeted annual continuing education in the long term.</p>	<p>The recommendation has been implemented. On October 20, 2023, JWA commenced a study group of 25 staff members to prepare for a 180-question, multiple-choice examination to become a Certified Member of the American Association of Airport Executives. The Certified Member (CM) examination assesses a candidate’s understanding of the fundamental aspects of airport operations, making it a valuable indicator of their competence in the aviation field. JWA has also increased participation in industry conferences and trainings to keep up with everchanging aviation industry.</p>	<p>Department wide</p>	<p>Implementation of the recommendation will be ongoing.</p>

John Wayne Airport Recommendations: Performance Metric Assessment			
<p>Finding 11 – Professional Metric Assessment: JWA currently does not have a holistic strategic or business plan specifically for JWA airport services and operations that align with the goals and objectives of the organization and industry best practices that result in developed and monitored Key Performance Indicators (KPIs). JWA initiated a strategic planning process in May 2023 with the hiring of a Strategic Operations Manager.</p> <p>John Wayne Airport Response to Finding 11: <i>Agrees with the finding. John Wayne Airport does not presently have a process to monitor developed Key Performance Indicators.</i></p>			
Recommendation	Response	John Wayne Airport Divisions/Manager	Notes/Implementation Timeline
<p>JWA should continue efforts to develop a strategic or business plan specific to the airport. JWA should ensure appropriate leadership commitment and involvement that includes broader County input to facilitate open communication and alignment with the County’s strategic plan and industry best practices for airports operations. Following the development of a strategic or business plan, KPIs should be clearly defined and measured for outcomes.</p>	<p><i>The recommendation has not yet been implemented but will be implemented in the future. John Wayne Airport commenced a project to develop Key Performance Indicators for each Airport division on November 2, 2023. The project will include a process to update and monitor the KPI results.</i></p>	<p>Department wide</p>	<p><i>The recommendation will be implemented by December 31, 2024.</i></p>