

Internal Audit Report 2019-304

**Riverside County Clerk of the Board
Follow-up Audit**

Report Date: December 26, 2018



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Paul Angulo, CPA, MA
Riverside County Auditor-Controller

December 26, 2018

Kecia Harper-Ihem
Clerk of the Board
Riverside County Clerk of the Board
4080 Lemon Street, 1st Floor
Riverside, CA 92501

Subject: Internal Audit Report 2019-304: Riverside County Clerk of the Board, Follow-up Audit

Dear Ms. Harper-Ihem:

We have completed the follow-up audit of Riverside County Clerk of the Board. Our audit was limited to reviewing actions taken as of October 10, 2018, to help correct the findings noted in our original audit report 2017-004 dated July 31, 2017.

We conducted our audit in accordance with the International Standards for the Professional Practice of Internal Auditing. These standards require that we plan and perform the audit to obtain reasonable assurance that our objective, as described in the preceding paragraph, is achieved. Additionally, the standards require that we conduct the audit to provide sufficient, reliable, and relevant evidence to achieve the audit objectives. We believe the audit provides a reasonable basis for our conclusion.

The original audit report contained four recommendations, all of which required implementation to help correct the reported findings. Based on the results of our audit, we found that of the four recommendations:

- One of the recommendations was implemented
- Three of the recommendations were not implemented

Details of the findings from the original audit and the status of the implementation of the recommendations are provided in this report. For an in-depth understanding of the original audit, please refer to Internal Audit Report 2017-004 at www.auditorcontroller.org/Divisions/AuditsandSpecializedAccounting/InternalAuditReports.

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We appreciate the cooperation and assistance provided by the staff of the Clerk of the Board during this follow-up audit.

Paul Angulo, CPA, MA
Riverside County Auditor-Controller



By: René Casillas, CPA, CRMA
Chief Internal Auditor

cc: Board of Supervisors
George Johnson, County Executive Officer
Grand Jury

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Control Environment

Finding 1: Performance Evaluations

“The Clerk of the Board performance management process was not consistently performed as required. Board of Supervisors Policy C-21, *Employee Performance Evaluation Reports*, Section 3 (b) requires “...regular employees of Riverside County shall be evaluated on an annual basis, approximately on the anniversary of their initial employment with county or on the anniversary of promotion or entry into their current job classification.” Our review of performance evaluations for nine of 19 employees for the period July 1, 2014, through December 27, 2016, disclosed that seven employee annual performance evaluations were never completed while two were completed in 2016. Monitoring controls to ensure performance evaluations are completed for all employees are not in place for the majority of the functional areas within the Clerk of the Board. The absence of performance evaluations hinder the achievement of the department’s overall missions since employees play a key role in the achievement of the mission. Furthermore, the strengths and areas of improvement for employees to align themselves with the overall mission and goals of the Clerk of the Board are not formally being conveyed.”

Recommendation 1

“Complete all performance evaluations as required under Board of Supervisors Policy C-21, *Employee Performance Evaluation Reports*.”

Current Status 1: Not Implemented

Finding 2: Formal Succession Planning

“The Clerk of the Board does not have a written succession plan. Formal plans would identify risks and strategies, thereby providing a background for specific succession initiatives, including how employees are eligible to participate. In addition, transfer of knowledge is a critical component of succession management that strengthens the control environment to be able to achieve its overall mission. Without a succession plan, an organization may not have a means of ensuring that important services are maintained when management or key personnel changes occur.”

Recommendation 2

“The Clerk of the Board should implement a formal written succession plan for management and key personnel.”

Current Status 2: Not Implemented

Finding 3: Written Acknowledgment of Standards of Ethical Conduct

“The Clerk of the Board did not ensure that all employees provided written acknowledgement on the receipt of policy relating to the standards of ethical conduct. One out of eight employee files reviewed, who had been with the department for nine months, did not acknowledge that they were aware of standards of ethical conduct. Riverside County Board Policy C-35, *Standards of Ethical Conduct to Address Fraud, Waste and Abuse*, requires “department shall have all current employees provide written acknowledgment that they received and read this policy at the time of hire.” The purpose of the ethical code of conduct is to establish the minimum requirement for conduct, and behavioral expectations rather than specific activities. When these expectations are not communicated, organizations may lack the discipline and structure to ensure objectives are achieved. Furthermore, leading practices for a good control environment recommends employees in any organization sign an acknowledgement annually to ensure compliance with the code of ethics policy.”

Recommendation 3.1

“Management ensures employees read and acknowledge in writing the standards on ethical conduct.”

Current Status 3.1: Implemented

Clerk of the Board implemented corrective action after the estimated date as stated in the original audit. Audit report 2017-004 states the “actual/estimated date of corrective action: June 30, 2018.” Of the six employees tested,

- Five signed the written acknowledgment in September 2018
- One signed the written acknowledgment in October 2018

Recommendation 3.2

“Management to implement the leading practice of having all its employees sign an acknowledgement of receipt, regarding the county’s code of ethical conduct annually.”

Current Status 3.2: Not Implemented

The Clerk of the Board provides support directly to public officials and information to the general public. The sensitive nature of information and tasks completed by the department requires employees to maintain the highest ethical standards. We strongly encourage the department to implement an annual or biennial acknowledgment for all employees.