

Internal Audit Report 2019-305

**Riverside County
Purchasing and Fleet Services,
Central Mail Division,
Follow-up Audit**

Report Date: March 8, 2019



**Office of Paul Angulo, CPA, MA
Riverside County Auditor-Controller
4080 Lemon Street, 11th Floor
Riverside, CA 92509
(951) 955-3800**

www.auditorcontroller.org



COUNTY OF RIVERSIDE
OFFICE OF THE
AUDITOR-CONTROLLER

County Administrative Center
4080 Lemon Street, 11th Floor
P.O. Box 1326
Riverside, CA 92502-1326
(951) 955-3800
Fax (951) 955-3802

AO | AUDITOR
CONTROLLER
COUNTY OF RIVERSIDE

Paul Angulo, CPA, MA
Riverside County Auditor-Controller

Oscar Valdez
Assistant Auditor-Controller

March 8, 2019

Teresa Summers
Director
Riverside County Purchasing and Fleet Services Department
2980 Washington Street
Riverside, CA 92507

Subject: Internal Audit Report 2019-305: Riverside County Purchasing and Fleet Services Department, Central Mail Division, Follow-Up Audit

Dear Ms. Summers:

We have completed the follow-up audit of Riverside County Purchasing and Fleet Services Department, Central Mail Division. Our audit was limited to reviewing actions taken as of September 27, 2018, to help correct the findings noted in our original audit report 2015-001 dated April 14, 2015.

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 two recommendations, both of which required implementation to help correct the reported findings. Based on the results of our audit, we found that of the two recommendations:

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

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Central Mail Division, Follow-Up Audit**

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 2015-001 at www.auditorcontroller.org/Divisions/-AuditsandSpecializedAccounting/InternalAuditReports.

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

Table of Contents

	Page
Results:	
Expenditures	4
Information Security	5

Expenditures

Finding 1: Inadequate Contracting Procedures

“Central Mail Division’s procedures for contracting for professional services did not comply with County Purchasing Policy. Central Mail Division entered into a contract on January 6, 2013, with a vendor to provide presorting mail services, for the period January 6, 2013, through June 30, 2015, with a maximum contract amount of \$300,000 without the Board of Supervisors approval. These same expenditures for the period January 6, 2013, to June 30, 2014, amounted to \$712,596.

Central Mail Division did not follow the requirement that all contracts with an estimated cost in excess of \$100,000 be submitted to the Board of Supervisors for approval. Failure to follow County Purchasing Policy denies the Board of Supervisors the required oversight and transparency to the residents of Riverside County.”

Recommendation 1

“Ensure anticipated contracts in excess of \$100,000 be submitted to the Board of Supervisors.”

Current Status 1: Implemented

We identified there was only one contract in excess of \$100,000 entered into by Central Mail Division during the review period. Based on our review of the contract, we verified that the contract was submitted to the Board of Supervisors and was approved in accordance with County Purchasing Policy.

Information Security

Finding 2: Timely Termination of Unnecessary Accounts

“Central Mail Division did not terminate, in a timely manner, access to the digital mailing systems for four employees who no longer required access. Our review of the list of personnel with access to the Digital Mailing System against the “Operator Settings” report as of September 5, 2014, disclosed that these four employees were still designated as operators. Central Mail Division indicated this occurred due to an oversight on their part, and that access should have been terminated when processing of payroll advices was transferred to the Auditor-Controller’s Office in June 2014. There is a potential for misuse of County information when unnecessary accounts are active.

As of September 22, 2014, we verified Central Mail Division disabled the system access of the four employees.”

Recommendation 2

“Review user accounts at a minimum semi-annually and immediately disable accounts of individuals who no longer require access to information technology systems.”

Current Status 3: Not Implemented

Based on our review of the Central Mail Divisions proposed procedures for user list reviews, we identified that user lists are required to be reviewed annually. In addition, the Central Mail Division does not document when reviews of user accounts are performed. As a result, we were unable to verify that user accounts are reviewed semi-annually to ensure user accounts are disabled timely.