

Internal Audit Report 2019-313

**Riverside County
Transportation and Land Management Agency
Transportation Department
Follow up Audit**

Report Date: June 27, 2019



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Subject: Internal Audit Report 2019-313: Riverside County Transportation and Land Management Agency, Transportation Department, Follow-up Audit

Dear Mr. Perez:

We have completed the follow-up audit of the Riverside County Transportation and Land Management Agency, Transportation Department. Our audit was limited to reviewing actions taken as of May 30, 2019, to help correct the findings noted in our original audit report 2017-014 dated November 9, 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 one recommendation, which required implementation to help correct the reported finding. Based on the results of our audit, we found that the one recommendation was implemented.

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Transportation Department, 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 original audit report # 2017-014 at www.auditorcontroller.org/Divisions/AuditsandSpecializedAccounting/InternalAuditReports.

Paul Angulo, CPA, MA
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By: René Casillas, CPA, CRMA
Chief Internal Auditor

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

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Change Orders

Finding 1: Approving Change Orders

“Change orders were not consistently approved by an authorized approver. Our review of 43 contracts disclosed 12 contained an average of 13 change orders that were not approved by the Board of Supervisors, Purchasing Agent, or the Director of Transportation (as authorized by Riverside County Resolution No. 2011-015 and pursuant to California Streets and Highways Code Section 2006.1). It was believed that the Assistant Director of Transportation had the authority to sign change orders. However, Resolution No. 2011-015 specifically assigns the approval authority to the Director of Transportation. Due to the high visibility and general interest of the public concerning major construction projects, improperly approving change orders could result in possible litigation if project cost is questioned by the public and it is discovered that portions of the project were not properly approved.”

Recommendation 1

“During the audit period, the Assistant Director of Transportation was appointed Director of Transportation. This should solve the issue of proper approval of change orders. However, due to the high visibility and the public’s interest in transportation projects, the department should ensure that all future special delegations of authority approved by the Board of Supervisors are followed.”

Current Status 1: Implemented

The Riverside County Board of Supervisors approved the adoption of Resolution No. 2018-009 amending Resolution 2011-015 on July 31, 2018. The resolution authorizes the Director of Transportation, the Deputy Director of Transportation, or registered Civil Engineer acting under the direction of the Director of Transportation, to execute change orders for the department.