

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



ITEM: 2.10
(ID # 20599)

MEETING DATE:

Tuesday, December 13, 2022

FROM : AUDITOR CONTROLLER:

SUBJECT: AUDITOR-CONTROLLER: Internal Audit Report 2023-302 Riverside County Children and Families Commission, Follow-up Audit

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file Internal Audit Report 2023-302: Riverside County Children and Families Commission, Follow-up Audit

ACTION:Consent

Tanya Harris
Tanya Harris, Assistant Auditor Controller 11/29/2022

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Washington, seconded by Supervisor Spiegel and duly carried, IT WAS ORDERED that the above matter is received and filed as recommended.

Ayes: Jeffries, Spiegel, Washington, and Hewitt
Nays: None
Absent: Perez
Date: December 13, 2022
xc: Auditor

Kecia R. Harper
Clerk of the Board

By: *Cindy Jandy*
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
NET COUNTY COST	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
SOURCE OF FUNDS: N/A			Budget Adjustment:	No
			For Fiscal Year:	n/a

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

We completed a follow-up audit of the Riverside County Children and Families Commission. Our audit was limited to reviewing actions taken as of June 01, 2022, to correct findings noted in our original audit report 2021-002 dated March 2, 2021. The original audit report contained three recommendations, all of which required implementation to help correct the reported findings.

Based on the results of our audit, we found that of the three recommendations:

- The three recommendations were implemented.

For an in-depth understanding of the original audit, please refer to the Internal Audit 2021-002 at www.auditorcontroller.org/Divisions/AuditsandSpecializedAccounting/InternalAuditReports.

Impact on Citizens and Businesses

Provide an assessment of internal controls over the audited areas.

SUPPLEMENTAL:

Additional Fiscal Information

Not applicable

ATTACHMENTS:

A: Riverside County Auditor-Controller - Internal Audit Report 2023-302: Riverside County Children and Families Commission, Follow-up Audit.


 Stephanie Perez, Principal Management Analyst 12/1/2022

Internal Audit Report 2023-302

**Riverside County
Children and Families Commission
Follow-up Audit**

Report Date: November 29, 2022



**Office of Paul Angulo, CPA, MA
Riverside County Auditor-Controller
4080 Lemon Street, 11th Floor
Riverside, CA 92509
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www.auditorcontroller.org



COUNTY OF RIVERSIDE
OFFICE OF THE
AUDITOR-CONTROLLER

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Paul Angulo, CPA, MA
Riverside County Auditor-Controller

Tanya S. Harris, DPA, CPA
Assistant Auditor-Controller

November 29, 2022

Tammi Graham
Executive Director
Riverside County Children and Families Commission
585 Technology Court
Riverside, CA 92501

Subject: Internal Audit Report 2023-302: Riverside County Children and Families Commission, Follow-up Audit

Dear Ms. Graham:

We completed the follow-up audit of Riverside County Children and Families Commission. Our audit was limited to reviewing actions taken as of June 1, 2022, to help correct the findings noted in our original audit report 2021-002 dated March 2, 2021.

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 three recommendations, all of which required implementation to help correct the reported findings. Based on the results of our audit, we found that all three recommendations were implemented.

Internal Audit Report 2023-302: Riverside County Children and Families Commission,
Follow-up Audit

Summary of the conditions from the original audit and the results of our review on 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 2021-002 www.auditorcontroller.org/Divisions/AuditsandSpecializedAccounting/InternalAuditReports.

Paul Angulo, CPA, MA
Riverside County Auditor-Controller



By: René Casillas, CPA, CRMA
Deputy Auditor-Controller

cc: Board of Supervisors
Jeff A. Van Wagenen, County Executive Officer
Dave Rogers, Chief Administrative Officer
Grand Jury

Internal Audit Report 2023-302: Riverside County Children and Families Commission,
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Follow-up Audit

Compliance with Procurement Card Policies

Finding 1: Compliance with Procurement Card Policies

First 5 Riverside is not in compliance with the procurement card procedures. We identified the following in our review of procurement cardholder expenditures and supporting documentation:

- Observed 12 instances out of 16 (75%) cardholder monthly statements reviewed in which department approvers did not sign the cardholders' monthly statement of account. Additionally, 16 instances out of 16 cardholder monthly statements reviewed in which department approvers did not sign the cardholders' procurement payment package. According to Procurement Card Program Procedure Handbook, "The Approver's signatures on the Cardholder's Statement of account and the Cardholder's Procurement Payment Package will be evidence of the Approvers acceptance."
- Identified five instances in which expenditures were split between two or more cardholders and as a result, circumvented the procurement card single purchase dollar limit. Per the Procurement Card Program Procedure Handbook, "Purchases must not be split to circumvent dollar limitations."
- Identified a cardholder agreement which listed the same individual as the cardholder and the approver. Per the Procurement Card Program Procedure Handbook, "the certification of all purchases is required by each Cardholder with verification performed by the Cardholders approver before payment is made." Adequate segregation of duties does not exist as the cardholder would be approving their own procurement card expenditures. Per Standard Practice Manual 1001, Internal Control, "duties are divided or segregated so that no one person has complete control over a key function or activity." Allowing employees to be their own approver for expenditures increases the risk of fraud and misappropriation of county funds.

The procurement card program was developed to improve the efficiency of department daily operations and requires compliance with current county policies and procurement procedures. When adequate controls are not in place to ensure compliance with county policies and procedures, there is the potential for misuse or misappropriation of public resources.

**Internal Audit Report 2023-302: Riverside County Children and Families Commission,
Follow-up Audit**

Recommendation 1.1

Provide training for cardholders and approvers who are not in compliance with the procurement card program to ensure compliance with policies and procedures.

Current Status 1.1: Implemented

Recommendation 1.2

Ensure procurement cardholders are in compliance with all aspects of the Riverside County Procurement Card Program Procedure Handbook.

Current Status 1.2: Implemented

Recommendation 1.3

Ensure proper segregation of duties are in place for the authorization of expenditures, mitigate the risk of inappropriate transactions, and adequately safeguard county resources.

Current Status 1.3: Implemented