

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



ITEM: 2.5  
(ID # 22448)

MEETING DATE:  
Tuesday, July 11, 2023

FROM : AUDITOR CONTROLLER:

SUBJECT: AUDITOR-CONTROLLER: Internal Audit Report 2023-320: Riverside County Office on Aging, Follow-up Audit, District: All. [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file Internal Audit Report 2023-320: Riverside County Office on Aging Follow-up Audit

ACTION: Consent

*Ben J. Benoit*

Ben J. Benoit, COUNTY AUDITOR-CONTROLLER 6/30/2023

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MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Perez and Gutierrez  
Nays: None  
Absent: Washington  
Date: July 11, 2023  
xc: Auditor-Controller

Kimberly A. Rector  
Clerk of the Board

By: *Kimberly A. Rector*  
Deputy

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

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

**C.E.O. RECOMMENDATION:** Approve

**BACKGROUND:**

**Summary**

We completed a follow-up audit of the Riverside County Office on Aging. Our audit was limited to reviewing actions taken as of March 22, 2023, to correct findings noted in our original audit report 2021-017 dated July 20, 2021. The original audit report contained nine recommendations, all of which required implementation to help correct the reported findings.

**BACKGROUND:**

**Summary (continued)**

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

- Five of the recommendations were implemented.
- Two of the recommendations were partially implemented.
- One of the recommendations was not implemented.
- One of the recommendations was no longer applicable.

Please see report for audit results.

**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 2023-320: Riverside County Office on Aging Follow-up Audit.

**Internal Audit Report 2023-320**

**Riverside County  
Office on Aging  
Follow-up Audit**

**Report Date: July 11, 2023**



**Office of Ben J. Benoit  
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**COUNTY OF RIVERSIDE**  
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**Ben J. Benoit**  
Riverside County Auditor-Controller

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

July 11, 2023

Jewel Lee  
Director  
Riverside County Office on Aging  
3610 Central Ave  
Riverside, CA 92506

**Subject: Internal Audit Report 2023-320: Riverside County Office on Aging, Follow-up Audit**

Dear Ms. Lee:

We completed the follow-up audit of Riverside County Office on Aging. Our audit was limited to reviewing actions taken as of March 22, 2023, to help correct the findings noted in our original audit report 2021-017 dated July 20, 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 nine recommendations, all of which required implementation to help correct the reported findings. Based on the results of our audit, we found that of the nine recommendations:

- Five of the recommendations were implemented.
- Two of the recommendations were partially implemented.
- One of the recommendations was not implemented.
- One of the recommendations was no longer applicable.

**Internal Audit Report 2023-320: Riverside County Office on Aging, 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 2021-017 included at "Attachment A" of this audit report along with your department status letter as "Attachment B." You can also find the original audit report at <https://auditorcontroller.org/divisions/internal-audit/reports>.

We thank you and your staff for the help and cooperation. The assistance provided contributed significantly to the successful completion of this audit.



Ben J. Benoit  
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

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## Materials Aid Referrals

### Finding 1: Material Aid Referral Supporting Documentation

“Documentation supporting qualifying factors for people receiving material aid are not in compliance with program guidelines. We identified deficiencies in 14 (77%) out of 18 referrals in our review with the following issues:

- Three (17%) referrals did not have comprehensive assessments documented in the GetCare case management system.
- Three (17%) referrals did not have the income and expenses documented in the GetCare case management system.
- Five (28 %) referrals did not provide past due bills for utility assistance.
- Five (28%) referrals did not have proof of payment for product or services documented in the GetCare case management system.
- Six (33%) referrals did not have the required follow-up documented within 30 day of receiving aid in the GetCare case management system.

Office on Aging's *Material Aid Processing Procedures* requires comprehensive assessments, income and expenses and past due bills for material aid referrals to be documented in the GetCare case management system. Once material aid has been provided, proof of payment and consumer follow-up within 30 days should be documented in the GetCare case management system. Furthermore, California Code of Regulations, Title 22 (Social Security), Division 1.8, Chapter 3, Section 7250 requires each Area on Aging establish administrative practices that develop and maintain ‘a system of monitoring internal organizational activities to ensure the achievement of Area on Aging objectives and to include documentation that the monitoring is occurring.’ Lack of required assessments and proper document retention occurred due to non-compliance with policies. Inadequate documentation weakens the internal controls designed within the program to help ensure program compliance, maintain the integrity of qualifications to receive aid, ensure program efficiency and effectiveness, reduce the risk of program aid abuse, and reduce the risk of reporting inaccuracies.”

**Internal Audit Report 2023-320: Riverside County Office on Aging, Follow-up Audit**

**Recommendation 1.1**

“Ensure Office on Aging maintains adequate supporting documentation in the GetCare case management system in accordance with program guidelines and documented process requirements.”

**Current Status 1.1: Implemented**

**Recommendation 1.2**

“Ensure Office on Aging performs the required follow-up and documents within 30 days as required by material aid processing guidelines.”

**Current Status 1.2: Implemented**

**Finding 2: Internal Controls over Gift Card Management**

“The management and reconciliation of gift cards are not centralized in the fiscal operations. Through a review of gift cards received from outside organizations or purchased with county procurement cards, we identified gift cards were not tracked to show who received them as well as the purpose for their use. This occurred as fiscal operations relied upon the case management staff to maintain the details which were not consistent and not in compliance with county policies. Standard Practice Manual 1001, *Internal Controls*, states, ‘Records are routinely examined and reconciled to determine that transactions were properly processed.’ Lack of sufficient reconciliation and tracking can result in gift cards not being provided to intended users and used for unauthorized purposes. Strong internal controls over these areas are necessary since these types of items are cash equivalents and therefore considered an area of high risk for theft.”

**Recommendation 2**

“Ensure department staff complies with Standard Practice Manual 1001, *Internal Controls* by maintaining adequate internal controls for maintaining inventory, tracking, and reconciliation of all gift card activities.

**Current Status 2: Implemented**



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**Nutrition Program Monitoring**

**Finding 3: Assessment Monitoring**

“Office on Aging is not monitoring the completion of initial and routine assessments which determines eligibility of meal consumers. We identified the following in our review of 60 congregate meal consumers and 60 home delivered meal consumers:

- 22 (37%) congregate meal consumers and seven (12%) home delivered meal consumers did not have an initial assessment documented in GetCare.
- 31 (52%) home delivered meal consumers are currently receiving services and did not have a reassessment completed within the previous three months as required.

Per Office on Aging's contract agreement, service providers are required to perform initial assessment of participant nutritional risk, annual assessment of participant nutritional risk for congregate meal consumers, and quarterly assessment of participant nutritional risk for home delivered meal consumers. The completed assessments are made available in the GetCare case management system, which allows Office on Aging to monitor completed assessments. Consumer assessments were not completed as a result of service provider noncompliance with contract agreement and inadequate monitoring by Office on Aging. When proper review of assessments is not in place, Office on Aging is not compliant with state and federal requirements, impacting program objectives, and can result in a loss of program funding.”

**Recommendation 3**

“Ensure Office on Aging develops a process to follow up with service providers on completing required assessments that determines eligibility for initial and ongoing meal services.”

**Current Status 3: Not Implemented**

We identified the following in our review of 30 congregate meal consumers and 25 home delivered meal consumers. Based on our review, 12 (40%) congregate meal consumers and 6 (24%) home delivered meal consumers did not have a reassessment completed within the required program timeframe.

**Internal Audit Report 2023-320: Riverside County Office on Aging, Follow-up Audit**

**Management's Response:**

"The department continues to work with nutrition providers to implement several key strategies to address assessment compliance, including enhancements to the department's contract monitoring tools and processes, regular review of provider assessment data, and revising contract language to allow the department greater recourse for provider noncompliance. The department will also implement quarterly Joint Operations Meetings with nutrition providers to address compliance and provide regular education on program requirements."

**Finding 4: Great Plates Delivered Program Eligibility**

"Twenty-five (15%) out of 171 consumers received meals they were not eligible for in at least one of the three months selected for testing. The consumers identified in our testing received aid through a federal funded program called Great Plates, in addition to Office on Aging's congregate or home delivered meal program. The Federal Emergency Management Agency's Public Assistance program is funding Great Plates Delivered for the purpose of providing meals to adults 65 and older or adults 60-64 who are at high-risk, and unable to access meals from their home. California Governor's Office of Emergency Services, Great Plates Delivered Program Guidance states, 'Participants must not be currently receiving assistance from other state or federal nutrition assistance programs.' Lack of adherence to the Great Plates Delivered program requirements occurred as the department did not validate applicants against records for those already receiving congregate or home delivered meal services. This can result in loss of funding for costs incurred not otherwise available to the department."

**Recommendation 4**

"Ensure Office on Aging is adequately screening applicants to verify they meet Great Plates Delivered eligibility requirements."

**Current Status 4: No Longer Applicable**

The Great Plates Delivery Program ended on December 30, 2020, as such, it falls outside the scope of our audit review period. Additionally, there was no information available to review and confirm implementation of the recommendation. Our audit review period covered July 20, 2021, through March 22, 2023.

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**Finding 5: Contracting for Professional Services**

“Office on Aging did not comply with the Riverside County Purchasing Policy Manual which requires professional services exceeding \$100,000 receive Board of Supervisors approval. We reviewed expenditures for meal services during the period of the audit and identified two vendors, one with annual aggregate expenditures of \$108,422 and one vendor with annual aggregate expenditures of \$550,104. The department's need to provide services to the demographic it served during the pandemic, exposed the need to develop a plan that will allow them to respond to any future emergencies in a manner that is appropriate, within county policies and procedures, as well as all respective laws and regulations. Obtaining services without a binding contract increase the risk of loss of funds or services as well as unenforceable terms and conditions.”

**Recommendation 5**

“Ensure procurement activities are compliant with the Riverside County Purchasing Policy Manual and vendors are not contracted without adequate approval from the Board of Supervisors.”

**Current Status 5: Implemented**

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Procurement Cards

Finding 6: Compliance with Procurement Cards

“Office on Aging is not in compliance with the procurement card procedures. We identified the following in our review of procurement card expenditures and supporting documentation:

- Noncontracted services expenditures noted under finding five (pg. 12) of this audit report and totaling over \$650,000, were made with the procurement card, without the required competitive bidding, circumventing county purchasing policies, and weakening the internal controls within the procurement card program and purchasing policies overall. Riverside County Procurement Card Program Procedures states, ‘Use of the procurement card requires the Cardholder to adhere to all County of Riverside acquisition regulations, polices, and procedures, including competitive procurement requirements. This highlights the departments need to draft a comprehensive business continuity plan that ensures compliance with county policies, procedures, and legal requirements while they carry out their department mission and service objectives during emergency scenarios.
- In three vouchers tested, procurement cards were used to purchase gift cards with an aggregate value of \$10,455. The Procurement Card Program Procedure Handbook restricts purchasing of gift cards using procurement cards. While gift cards may be necessary and appropriate, they are considered "cash equivalent" as they can easily be converted to cash. By purchasing gift cards with procurement cards, the risk of fraud and inadequate use of county resources increases, and the internal controls established within the procurement card program are weakened.
- 114 instances where expenditures were split between two cardholders to circumvent the procurement card single purchase dollar limit. Per the Procurement Card Program Procedure Handbook, ‘Purchases must not be split to circumvent dollar limitation.’
- Meals purchased for clients on procurement cards are not adequately tracked and reconciled. In a review of logs for 1,600 purchased meals, approximately 18% did not have supporting documentation for who received a meal. Riverside County Procurement Card Program Procedure Handbook requires procurement cardholders provide ‘Original sales receipts and detailed invoices.’

## Internal Audit Report 2023-320: Riverside County Office on Aging, Follow-up Audit

- Six vouchers were approved by a staff member other than the designated approving official or billing official. Riverside County Procurement Card Program Procedure Handbook states, 'The approver will have received the required Procurement Program Card training and signed the card holder agreement form.'
- Three instances of the statement of account not signed by the cardholder. Riverside County Procurement Card Program Procedure Handbook states, 'The Cardholders' signatures on the Statement of Account and the Cardholder's Procurement Card Payment Package will be evidence of the Cardholders completion of the required reconciliation process.'
- One instance of the procurement card utilized for a personal purchase. Riverside County Procurement Card Program Procedure Handbook, Department Accounting Office Responsibilities, states, 'The Department Accounting Office is to review supporting documentation to ensure that it is adequate to justify each purchase, and that all purchases comply with County and Department procedures,' and the Controls section states, "This procurement card at no time is to be used for personal purchases."

Procurement card usage for restricted purchases, split purchases, lack of supporting documentation and improper approvals occurred due to department oversight and need for proper planning. When internal controls are not in place, procurement card usage results in noncompliance with county policies and procedures and may result in excess expenditures over appropriations and misuse of county resources."

### **Recommendation 6.1**

"Ensure procurement cardholders comply with restricted uses as they relate to the Riverside County Procurement Card Program Procedure Manual."

### **Current Status 6.1: Partially Implemented**

Based on our review, we found two instances where expenditures were split between two transactions and were not in compliance with procurement card single purchase dollar limit. There has been improvement since the original audit. However, these instances indicate additional compliance is necessary to align with riverside County Procurement Card Program Procedures Handbook.

**Internal Audit Report 2023-320: Riverside County Office on Aging, Follow-up Audit**

**Management's Response:**

"All necessary improvements have been made related to this finding, with the exception of a single employee issue which was out of compliance. The department will continue to require staff with procurement cards to attend required training to ensure compliance with County policies."

**Recommendation 6.2**

"Ensure procurement card approval responsibilities are designated and approvals are completed by the authorized individuals."

**Current Status 6.2: Implemented**

**Recommendation 6.3**

"Ensure procurement cardholders attend procurement card training and comply with all county procurement policies and procedures."

**Current Status 6.3: Partially Implemented**

Based on our review, one (20%) out of five employees selected for testing did not attend procurement card training, despite the findings highlighted in the original report. The respective employee completed the training in 2007 and the most recent update to the Procurement card policy was in 2016. Attending procurement card training is vital for promoting compliance.

**Management's Response:**

"All necessary improvements have been made related to this finding, with the exception of a single employee issue which was out of compliance. The department will continue to require staff with procurement cards to attend required training to ensure compliance with County policies."