

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



ITEM: 2.5  
(ID # 22248)

MEETING DATE:  
Tuesday, June 27, 2023

FROM : AUDITOR CONTROLLER:

SUBJECT: AUDITOR-CONTROLLER: Internal Audit Report 2023-322: Riverside University Health System, Behavioral Health, Follow-up Audit

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file Internal Audit Report 2023-322: Riverside University Health System, Behavioral Health, Follow-up Audit

ACTION: Consent

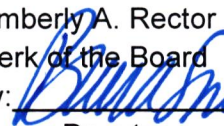
  
Ben J. Benoit, COUNTY AUDITOR-CONTROLLER 6/7/2023

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MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington, Perez and Gutierrez  
Nays: None  
Absent: None  
Date: June 27, 2023  
xc: Auditor- Controller

Kimberly A. Rector  
Clerk of the Board  
By:   
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: N/A</b>			<b>Budget Adjustment:</b>	No
			<b>For Fiscal Year:</b>	n/a

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

**BACKGROUND:**

**Summary**

We completed a follow-up audit of Riverside University Health System, Behavioral Health. Our audit was limited to reviewing actions taken as of February 16, 2023, to correct findings noted in our original audit report 2022-013 dated June 7, 2022. 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:

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

For an in-depth understanding of the original audit, please refer to Internal Audit Report 2022-013 included as an attachment to this follow-up audit report or it can also be found at <https://auditorcontroller.org/divisions/internal-audit/reports>.

**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 2023-322: Riverside University Health System, Behavioral Health, Follow-up Audit.

**Internal Audit Report 2023-322**

**Riverside University Health System  
Behavioral Health  
Follow-Up Audit**

**Report Date: June 27, 2023**



**Office of Ben J. Benoit  
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**[www.auditorcontroller.org](http://www.auditorcontroller.org)**



**COUNTY OF RIVERSIDE  
OFFICE OF THE  
AUDITOR-CONTROLLER**

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**Ben J. Benoit**  
Riverside County Auditor-Controller

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

June 27, 2023

Dr. Matthew Chang  
Director  
Riverside University Health System, Behavioral Health  
4095 County Circle Drive  
Riverside, CA 92503

**Subject: Internal Audit Report 2023-322: Riverside University Health System,  
Behavioral Health, Follow-up Audit**

Dear Dr. Chang:

We completed the follow-up audit of Riverside University Health System, Behavioral Health. Our audit was limited to reviewing actions taken as of February 16, 2023, to help correct the findings noted in our original audit report 2022-013 dated June 7, 2022.

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:

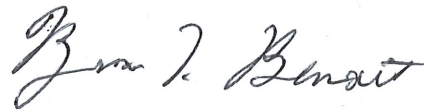
- Three of the recommendations were implemented.
- One of the recommendations was not implemented.



**Internal Audit Report 2023-322: Riverside University Health System, Behavioral Health, 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 2022-013 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

Internal Audit Report 2023-322: Riverside University Health System, Behavioral Health, Follow-up Audit

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**Internal Audit Report 2023-322: Riverside University Health System, Behavioral Health, Follow-up Audit**

**Purchasing Processes**

**Finding 1: Purchase Orders**

“We identified 144 of 7,578 instances, totaling \$12,469,942, where purchase orders were not in compliance with low value purchase authority limitations of \$25,000 per day per vendor for expenditures against contracted vendors. Additionally, we identified 24 of 1,578 instances, totaling \$320,949, where purchase orders were not in compliance with low value purchase authority limitations of \$5,000 per day per vendor for expenditures against non-contracted vendors. The *Purchasing Policy Manual* states, ‘low value purchase authority allows departmental staff the ability to issue LVPOs up to the amount of \$5,000 per day per vendor and issues purchase orders up to the dollar value of \$25,000 against existing PeopleSoft Contracts.’ The *Purchasing Policy Manual* further states, ‘attempts to split orders, where the purpose is keeping total cost of each order down below bid limits, and failure to combine orders when practical for the best interest of the County in order to circumvent the limitations, is prohibited.’ Personnel was not fully aware of purchasing order limitations. The splitting of purchase orders circumvents requisitions and approving controls put in place to ensure compliance with county purchasing policies and mitigates risks of inappropriate purchasing practices. The splitting of purchase orders also circumvents the formal bid requirements designed to ensure the best use of taxpayer dollars.”

**Recommendation 1.1**

“Develop a process to maintain compliance with purchasing authority limitations set forth in the Riverside County *Purchasing Policy Manual*.”

**Current Status 1.1: Not Implemented**

In our testing to verify compliance with the Riverside County *Purchasing Policy Manual*, we identified 81 of 1,806 instances, totaling \$8,608,126, where purchase orders were not in compliance with the per day, per vendor purchase authority limitations for contracted vendors. Additionally, we identified 20 of 787 instances, totaling \$147,953, where purchase orders were not in compliance with the per day, per vendor purchase authority limitations for non-contracted vendors. We emphasize the need to ensure compliance with county policy to mitigate the risks associated with this practice and to stay in alignment with the objectives the *Purchasing Policy Manual* is set to achieve.



**Internal Audit Report 2023-322: Riverside University Health System, Behavioral Health, Follow-up Audit**

**Management's Response**

"Riverside University Health System - Behavioral Health (RUHS-BH) follows the Riverside County's purchasing policies and procedures. RUHS-BH utilizes Behavioral Health service providers to provide behavioral health services to residents throughout the County of Riverside. Service providers are required to submit their monthly invoices for services provided in the previous month by the fifth day of the following month and paid on a Net 30. Purchase Orders (PO) are generated as the approved invoices are received to draw funds from the PeopleSoft Contract. Many times, multiple invoices from the same service provider are submitted all at once. RUHS-BH Purchasing unit will create a PO for each one of these invoices. Although it may appear that purchases are being split because several POs were created with the same accounting date and for the same vendor, these invoices are in fact separate invoices provided under the same service contracts.

Invoice instances not in compliance with the purchase authority were primarily for service vendors that submit multiple invoices each month and are processed simultaneously. Individually, these invoices comply with purchasing authority, however, they appear to exceed authority limits once aggregated over a period of time. This invoicing practice occurs with RUHS-BH staffing contracts, where separate invoices are received for each provider working in the clinics, jails and hospital.

To resolve this issue RUHS will combine these invoices into a single PO and ensure the approving purchasing agent has the required purchasing authority levels. Implementation of this practice will include training of the purchasing staff and follow up monitoring by the material management Supervisor to ensure compliance with the purchasing policies and procedures. This will allow Behavioral Health to comply with the requirement and resolve this finding and thereby eliminating the appearance of circumvention."

**Recommendation 1.2**

"Ensure personnel with purchasing responsibilities are trained on the Riverside County Purchasing Policies."

**Current Status 1.2: Implemented**



Internal Audit Report 2023-322: Riverside University Health System, Behavioral Health, Follow-up Audit

Service to Community

Finding 2: Appointment Access Timing

“We identified 29 of 80 instances (36%) where an initial assessment appointment was not offered within timely access standards. The 29 instances that were identified were, on average, 6 days outside of the timely access standards, with the longest time past due being 19 days. Table B above summarizes CCR Title 28, § 1300.67.2.2 *Timely Access to Non-Emergency Health Care Services*, which lists various appointment types by need and by urgency and provides a standard that establishes a timeframe in which a behavioral health clinic must offer an initial assessment appointment date. Department staff were relying on the periodic reviews from the state over their compliance with the program requirements. Since state reviews did not address issues of noncompliance with program requirements, department continued its practice as needed to deliver the services. Not offering initial assessment appointments in a timely manner can result in critical patient mental health declines between date of first contact and date of initial assessment appointment.”

Recommendation 2.1

“Develop a process to maintain compliance with initial assessment appointment offerings set forth in state standards, and ensure it is reflected in the department’s internal written procedures.”

Current Status 2.1: Implemented

Recommendation 2.2

“Ensure personnel are properly trained and possess knowledge on the state standards relating to their functions.”

Current Status 2.2: Implemented