

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



ITEM: 2.5
(ID # 23516)

MEETING DATE:
Tuesday, November 28, 2023

FROM : AUDITOR CONTROLLER:

SUBJECT: AUDITOR-CONTROLLER: Internal Audit Report 2024-308: Riverside University Health System, Behavioral Health Follow-up Audit, All Districts. [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file Internal Audit Report 2024-308: Riverside University Health System, Behavioral Health, Follow-up Audit

ACTION:Consent

Ben J. Benoit

Ben J. Benoit, COUNTY AUDITOR-CONTROLLER

11/13/2023

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Washington, 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: November 28, 2023
xc: Auditor Controller

Kimberly A. Rector
Clerk of the Board

By: *Cindy J. Rector*
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:

BACKGROUND:

Summary

We completed a follow-up audit of the Riverside University Health System, Behavioral Health department. Our audit was limited to reviewing actions taken as of July 3, 2023, to correct findings noted in our original audit report 2021-202 dated December 8, 2020. 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 three recommendations:

- Two recommendations were implemented.
- One recommendation was not implemented.

For an in-depth understanding of the original audit, please refer to Internal Audit Report 2022-202 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 2024-308: Riverside University Health System, Behavioral Health, Follow-up Audit.

Office of Ben J. Benoit
Riverside County Auditor-Controller

4080 Lemon Street, 11th Floor

Riverside, CA 92509

(951) 955-3800

Internal Audit Report 2024-308

Follow-up

3 Recommendations

- ✓ 2 Implemented
- ▶ 0 Partially Implemented
- ✗ 1 Not Implemented



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

November 28, 2023



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

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Ben J. Benoit
County Auditor-Controller

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

November 28, 2023

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

**Subject: Internal Audit Report 2024-308: 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 July 3, 2023, to help correct the findings noted in our original audit report 2021-202 dated December 8, 2020.

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 of the three recommendations:

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

Internal Audit Report 2024-308: 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 2021-202 included as "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 Jr., County Executive Officer
Dave Rogers, Chief Administrative Officer
Grand Jury

Internal Audit Report 2024-308: Riverside University Health System, Behavioral Health, Follow-up Audit

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Internal Audit Report 2024-308: Riverside University Health System, Behavioral Health, Follow-up Audit

Capital Assets

Finding 1: Capital Asset Oversight

“Behavioral Health is not properly tracking capital assets. We tested 29 (11.6%) of the total 249 assets and noted the following:

- Sixteen assets did not have asset tags provided by the Auditor-Controller's Office affixed to track and identify it as a county asset.
- Four assets were surplus by the department, but required documentation was not submitted to the Auditor-Controller's Office.
- Two assets were located at physical locations that differ from the location noted in the Riverside County financial system, did not have asset tags affixed, were not being used by the department, and had not been surplus by the department.
- Two assets serial number did not match the Riverside County financial system.
- One asset was located at the Arlington ITF facility and was not able to be physically verified.

Standard Practice Manual 513, *Capital Asset Tags*, states, ‘Each department is responsible for the tagging and tracking of all movable assets.’ In addition, Standard Practice Manual 514, *Disposal of Capital Asset*, states ‘all capital assets that are being disposed of or are not being used, are obsolete and/ or beyond repair, are to be disposed of.’ Capital assets were not adequately tagged or tracked by the department. By not adequately accounting for its assets, or properly identifying them in the Riverside County financial system, an over or understatement of capital assets occurs.”

Recommendation 1

“Ensure capital assets are properly tracked and disposed of in accordance with Standard Practice Manual 513, *Capital Asset Tags* and Standard Practice Manual 514, *Disposal of Capital Asset*.”

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Current Status 1: Not Implemented

We selected 21 capital assets to review, the results of our testing determined:

- Three assets were not adequately tracked as they were not at their designated addresses reported in the Riverside County financial system.
- Three assets did not have an asset tag number physically or visibly on the asset.
- Four assets could not be located.
- Ten assets did not have an asset tag number listed in the Riverside County financial system.
- One capital asset located on site had not been reported in the Riverside County financial system.

Management Response:

“RUHS-BH recognizes the importance of properly tracking capital assets, and therefore utilizes Department asset tags to track all assets in addition to the use of ACO issued asset tags for capital assets that crosswalk to the ACO asset numbers. The RUHS-BH Facilities Team manages capital assets and closely reviews, verifies, and maintains the capital asset records, allowing the team to immediately correct problems such as missing tags, or movement of assets and ensure compliance with ACO Standard Practice Manual 513.”

Revolving Fund

Finding 2: Revolving Fund Transfer of Accountability

“Riverside County Behavioral Health did not complete and file the Standard Practice Manual Form AR-1, *Revolving Fund Request Order & Change Form* after the new director was appointed effective September 7, 2018. *Riverside County Board of Supervisors Board Resolution 74-156, Section 7*, states, ‘In the event that the officer having a revolving fund is succeeded by another person of whom a like fund is established, the fund may be transferred by said officer to his successor....’ Additionally, Standard Practice Manual 603 states ‘a change in Department Head requires a new AR-1 Form to be completed

Internal Audit Report 2024-308: Riverside University Health System, Behavioral Health, Follow-up Audit

is succeeded by another person of whom a like fund is established, the fund may be transferred by said officer to his successor....' Additionally, Standard Practice Manual 603 states 'a change in Department Head requires a new AR-1 Form to be completed acknowledging the amount of the Department's Revolving Fund and the departments designated custodian.' The submission of an updated Form AR-1 to the Auditor-Controller's Office, ensures and documents transfer of accountability for public funds by the new department director."

Recommendation 2

"Ensure the SPM Form AR-1 requesting a change in custodian is completed and filed with the Riverside County Auditor-Controller's Office, as soon as there is a change in director."

Current Status 2: Implemented

Stale Checks

Finding 3: Stale Dated Check

"Four of the 69 outstanding checks on the monthly reconciliations of the revolving fund where outstanding beyond six months and not stale dated under department records. Government code §29802 states that any warrant issued is void if not presented to the county treasury for payment within six months after its issuance date. The department voids its checks intermittently causing stale dated checks to remain in the reconciliation as outstanding items. As a result, the department's bank balance is inflated, and the risk of errors increases over time if stale dated checks are not adequately identified."

Recommendation 3

"Ensure all outstanding checks that are six months or older are removed from the register and added back to the bank balance monthly."

Current Status 3: Implemented