

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



ITEM: 2.2  
(ID # 24057)

MEETING DATE:  
Tuesday, January 30, 2024

FROM : AUDITOR CONTROLLER:

SUBJECT: AUDITOR-CONTROLLER: Internal Audit Report 2024-318: Riverside County Facilities Management, Follow-up Audit, All Districts. [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file Internal Audit Report 2024-318: Riverside County Facilities Management Follow-up Audit.

ACTION: Consent

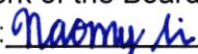
  
Ben J. Benoit, COUNTY AUDITOR-CONTROLLER 1/20/2024

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MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington and Perez and Gutierrez  
Nays: None  
Absent: None  
Date: January 30, 2024  
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 the Riverside County Facilities Management. Our audit was limited to reviewing actions taken as of August 9, 2023, to correct findings noted in our original audit report 2023-004 dated February 28, 2023. The original audit report contained ten recommendations, all of which required implementation to help correct the reported findings.

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

- Five of the recommendations were implemented.
- Five of the recommendations were not implemented.

For an in-depth understanding of the original audit, please refer to Internal Audit Report 2023-004 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 2024-318: Riverside County Facilities Management, Follow-up Audit.



Office of Ben J. Benoit  
Riverside County Auditor-Controller

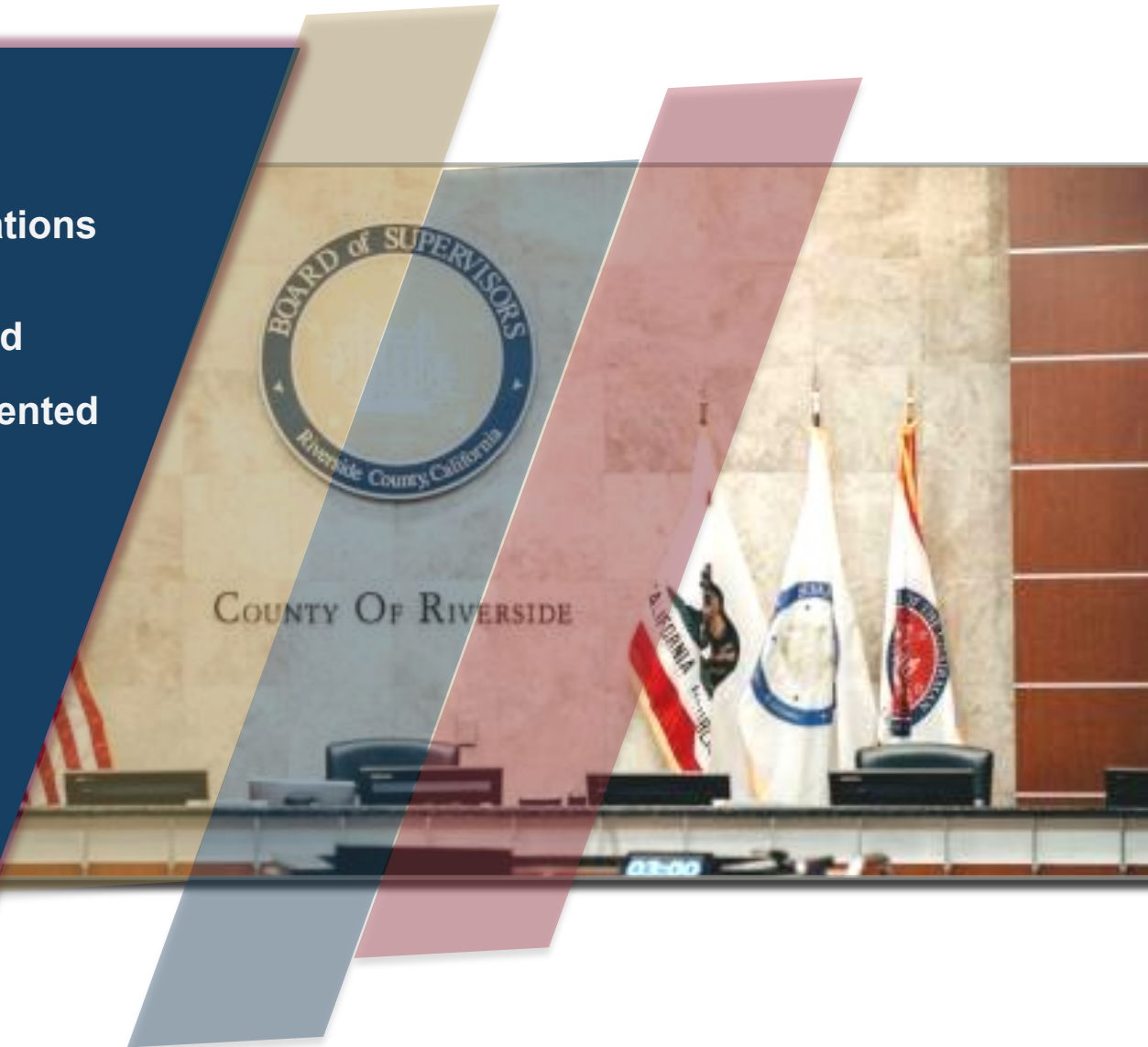
# Internal Audit Report

## 2024-318

Follow-up

10 Recommendations

- ✓ 5 Implemented
- ✗ 5 Not Implemented



**Riverside County  
Facilities Management,  
Follow-up Audit**

January 30, 2024



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

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

4080 Lemon Street, 11<sup>th</sup> Floor  
P.O. Box 1326  
Riverside, CA 92502-1326  
951-955-3800



January 30, 2024

Rose Salgado  
Director  
Riverside County Facilities Management  
3133 Mission Inn Ave  
Riverside, CA 92507

**Subject: Internal Audit Report 2024-318: Riverside County Facilities Management, Follow-up Audit**

Dear Ms. Salgado:

We completed the follow-up audit of Riverside County Facilities Management. Our audit was limited to reviewing actions taken as of August 9, 2023, to help correct the findings noted in our original audit report 2023-004 dated February 28, 2023.

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

- Five recommendations were implemented.
- Five recommendations were not implemented.

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 2023-004 included as "Attachment A" of this audit report along with our department status letter as "Attachment B."



**Internal Audit Report 2024-318: Riverside County Facilities Management, Follow-up Audit**

You can also find the original audit report at <https://auditorcontroller.org/divisions/internal-audit>.

We thank you and your staff for your 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 2024-318: Riverside County Facilities Management, Follow-up Audit

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## Internal Audit Report 2024-318: Riverside County Facilities Management, Follow-up Audit

### GASB 87 Lease Reporting Compliance

#### **Finding 1: Policies and Procedures for GASB 87**

“Written policies and procedures over the management of leases to ensure proper and accurate classification for GASB 87 reporting purposes had not been documented as of June 22, 2022. Standard Practice Manual 1001, *Internal Control* states that, to maintain an effective system of internal control, ‘well-documented policies and procedures are established and maintained to promote employee understanding of job duties, provide day-to-day guidance to staff and help ensure continuity during employee absences or turnover.’ Policies and procedures had not been developed as GASB 87 reporting requirements had recently come into effect. This can lead to a lapse in productivity and accuracy of a process in the event that the department experiences unplanned turnover.

As of October 31, 2022, Facilities Management provided a draft copy of the proposed policy that will be implemented over this area.”

#### **Recommendation 1**

“Ensure policies and procedures for the reporting guidelines include processes needed to ensure the proper classification of GASB 87 leases are documented and always updated as processes change.”

#### **Current Status 1: Implemented**



## Internal Audit Report 2024-318: Riverside County Facilities Management, Follow-up Audit

### Purchasing Processes

#### Finding 2: Purchase Orders

“We identified 27 of 8,194 instances (<1%), totaling \$1,550,342 where purchase orders were split and non-compliant 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.’ This process was not closely monitored for compliance. The splitting of purchase orders is non-compliant with requisitions and approving controls put in place to ensure county purchasing policies are followed and mitigates the risks of unaligned practices with county purchasing process objectives. Splitting purchase orders increases the risk that formal bid requirements will not be properly performed which limits the department's ability to ensure the best use of taxpayer dollars.”

#### Recommendation 2.1:

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

#### Current Status 2.1: Implemented

#### Recommendation 2.2:

“Ensure personnel with purchasing responsibilities are trained on purchasing authority limitations set forth in the Riverside County *Purchasing Policy Manual*.”

#### Current Status 2.2: Implemented

#### Recommendation 2.3

“Increase purchasing authority limitation for the individual buyers to ensure limitations are not exceeded.”

#### Current Status 2.3: Implemented





## Internal Audit Report 2024-318: Riverside County Facilities Management, Follow-up Audit

### **Finding 3: Contract Monitoring**

“We identified 22 of 51(43%) vouchers sampled that were not linked to a county contract as required. Expenditures were made from vendors with existing county contracts without linking the expenditures to the existing contracts. Standard Practice Manual 1001, *Internal Controls*, states, ‘safeguarding of assets’ and ‘ensuring accuracy, reliability, and timeliness of financial records and reports’ are internal controls used to, ‘provide reasonable assurance regarding the achievement of objectives.’ Contracts are established between Riverside County and vendors to procure goods/ services and typically include pricing agreements, terms and conditions, and limits on expenditures. Expenditures were not closely monitored to assure they were linked to contracts respectively. Linking expenditures to contracts is a control designed to ensure contract limitations are monitored, reduce the risk of expenditures exceeding the contract limit, and ensure that departments are within the contract's terms and conditions. Additionally, by not linking expenditures to contracts, management is unable to closely monitor contract expenditures, impacting their ability to negotiate future contract pricing.”

#### **Recommendation 3.1:**

“Develop policies and procedures to ensure expenditures are linked to existing county contracts.”

#### **Current Status 3.1: Implemented**

#### **Recommendation 3.2:**

“Ensure expenditures are linked to existing county contracts.”

#### **Current Status 3.2: Not Implemented**

Twenty out of 20 (100%) vouchers sampled that were not linked to existing county contracts as required.

#### **Management’s Response:**

“The Department experienced a delay in implementation. Central Purchasing conducted the training in March 2023 to ensure the FM Purchasing Team understood the process. Additionally, during this time the PeopleSoft Application had undergone an upgrade. During the upgrade some vendor contracts would not link to the purchase orders. To date, this continues to be an issue that Central Purchasing is working through. The FM Purchasing Team continues to link contracts to purchase orders when the system allows.”



## Internal Audit Report 2024-318: Riverside County Facilities Management, Follow-up Audit

### System Access Controls

#### **Finding 4: Timely Termination and Monitoring of Access Rights**

“A process to monitor whether access rights to system applications are terminated in a timely manner are not in place. We identified the following in our review of Active Directory and non-Active Directory accounts:

##### *Active Directory*

Of the 13 individuals tested, we were unable to determine whether access rights were terminated in a timely manner for 12 (91.3%) of the individuals as the department does not track when an employee’s access is terminated. For one individual, we were able to determine that termination occurred 64 days after departure from department.

##### *Non-Active Directory*

For the two system applications chosen for testing that were not linked to active directory, we were unable to determine if access rights were terminated in a timely manner for three of the individuals tested, the department does not monitor when the employee’s access is terminated. For one individual, we were able to determine that termination occurred 55 days after departure from department.

County of Riverside Information Security Standard v1.0, Section 4.1, *Account and Access Management*, states, ‘Accounts for terminated or transferred employees shall be disabled or removed on the day of termination or transfer.’ The department does not have written policies and procedures to monitor and ensure user accounts for terminated or transferred employees are disabled or removed on the day of termination or transfer. Monitoring account terminations helps ensure that account deactivations are carried out properly and in a timely manner and assists management in identifying areas where additional improvement and training is needed. Maintaining active directory access rights open after employment has ended exposes the department to risk where information maintained in department systems can be continuously accessed by individuals who no longer have a right or need to know. Depending on the sensitivity of the information maintained by department systems, it can create administrative issues and have a financial impact if held liable.”

#### **Recommendation 4.1:**

“Develop a process to document when user access rights are terminated within system applications.”



## Internal Audit Report 2024-318: Riverside County Facilities Management, Follow-up Audit

### **Current Status 4.1: Not Implemented**

The department is in the process of establishing a centralized system for documenting the deactivation dates of access rights and for reconciling terminated access requests with Riverside County Information Technology. This reporting system will be tailored to each application used within the department.

### **Management's Response:**

"The Department experienced a delay in implementation. In the last several months, Human Resources in collaboration with County Information Technology has developed a report for Facilities Management that reflects termed or transferred employees that have not had their security rights removed. The Department is currently utilizing this report as part of its reconciliation process. Additionally, at the point of employee onboarding and separation, the Department is utilizing a checklist. The checklist will assist in ensuring all applicable actions are taken at hire and separation. At separation this includes the disabling of e-mail accounts, system access, and application deactivation. Lastly, the department has developed procedures to be shared with Supervisors and Managers about the process."

### **Recommendation 4.2:**

"Develop a process to monitor account deactivation dates to ensure compliance with County of Riverside Information Security Standard v.10, Section 4.1, *Account and Access Management*."

### **Current Status 4.2: Not Implemented**

The department is currently in the process of establishing a centralized system for documenting the deactivation dates of access rights and for reconciling terminated access requests with Riverside County Information Technology. This reporting system will be tailored to each application used within the department.

### **Management's Response:**

"The Department experienced a delay in implementation. In the last several months, Human Resources in collaboration with County Information Technology has developed a report for Facilities Management that reflects termed or transferred employees that have not had their security rights removed. The Department is currently utilizing this report as part of its reconciliation process. Additionally, at the point of employee onboarding and separation, the Department is utilizing a Checklist. The checklist will assist in ensuring all applicable actions are taken at hire and separation. At separation this includes the disabling of e-mail accounts,



## **Internal Audit Report 2024-318: Riverside County Facilities Management, Follow-up Audit**

system access, and application deactivation. Lastly, the department has developed procedures to be shared with Supervisors and Managers about the process.”

### **Recommendation 4.3:**

“Ensure compliance with County of Riverside Information Security Standard v1.0, Section 4.1, *Account and Access Management*, by disabling system access rights on the day of an employee’s termination or transfer from the department.”

### **Current Status 4.3: Not Implemented**

The department is currently in the process of establishing a centralized system for documenting the deactivation dates of access rights and for reconciling terminated access requests with Riverside County Information Technology. This reporting system will be tailored to each application used within the department.

### **Management’s Response:**

“The Department experienced a delay in implementation. In the last several months, Human Resources in collaboration with County Information Technology has developed a report for Facilities Management that reflects terminated or transferred employees that have not had their security rights removed. The Department is currently utilizing this report as part of its reconciliation process. Additionally, at the point of employee onboarding and separation, the Department is utilizing a Checklist. The checklist will assist in ensuring all applicable actions are taken at hire and separation. At separation this includes the disabling of e-mail accounts, system access, and application deactivation. Lastly, the department has developed procedures to be shared with Supervisors and Managers about the process.”

### **Recommendation 4.4:**

“Develop policies and procedures to ensure the disabling of Active Directory accounts are requested and approved within 24 hours of an employee’s termination or transfer from the department.”

### **Current Status 4.4: Not Implemented**

The department is currently in the process of establishing a centralized system for documenting the deactivation dates of access rights and for reconciling terminated access requests with Riverside County Information Technology. This reporting system will be tailored to each application used within the department.



## Internal Audit Report 2024-318: Riverside County Facilities Management, Follow-up Audit

### **Management's Response:**

“The Department experienced a delay in implementation. In the last several months, Human Resources in collaboration with County Information Technology has developed a report for Facilities Management that reflects termed or transferred employees that have not had their security rights removed. The Department is currently utilizing this report as part of its reconciliation process. Additionally, at the point of employee onboarding and separation, the Department is utilizing a Checklist. The checklist will assist in ensuring all applicable actions are taken at hire and separation. At separation this includes the disabling of e-mail accounts, system access, and application deactivation. Lastly, the department has developed procedures to be shared with Supervisors and Managers about the process.”