

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



ITEM: 2.9
(ID # 31341)

MEETING DATE:
Tuesday, September 22, 2026

FROM : AUDITOR CONTROLLER

SUBJECT: AUDITOR-CONTROLLER: Internal Audit Report 2026-013: Riverside County Office on Aging Audit, [District: All]; [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file Internal Audit Report 2026-013: Riverside County Office on Aging Audit

ACTION:Consent

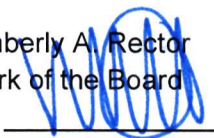

Ben J. Benoit, COUNTY AUDITOR-CONTROLLER 9/9/2026

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Medina, Spiegel, Washington, Perez, and Gutierrez
Nays: None
Absent: None
Date: September 22, 2026
xc: Auditor

Kimberly A. Rector
Clerk of the Board

By: 
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

In accordance with Ordinance No. 1008, we audited the Riverside County Office on Aging. This audit is conducted to provide management and the Board of Supervisors with an independent assessment of internal controls over contract and vendor management, business continuity planning, and succession planning.

Based on the results of our audit, we determined that internal controls over succession planning are functioning as designed to help Office on Aging achieve its business process objectives. However, we have identified improvement opportunities for internal controls over contract and vendor management and business continuity planning that can help provide reasonable assurance that the department's objectives relating to these areas will be achieved. Specifically, employee-to-aid-recipient relationships need to be identified, disclosed, reviewed, documented, and appropriately addressed, recipient eligibility and participant information needs to be periodically verified and validated, contracts need to be established, recorded, and linked to related expenditures, recurring procurement card purchases need to be periodically evaluated to determine whether formal procurement methods are warranted, grant-funded expenditures need to be supported by appropriate documentation prior to payment approval, and business continuity exercises and risk assessments need to be conducted periodically.

Impact on Residents and Businesses

Provide an assessment of internal controls over the audited areas.

SUPPLEMENTAL:

Additional Fiscal Information

Not applicable

ATTACHMENTS:

A: Riverside County Auditor-Controller's Office - Internal Audit Report 2026-013: Riverside County Office on Aging Audit



Office of Ben J. Benoit
Riverside County Auditor-Controller

Number of Findings & Recommendations

High Risk

4

Findings

- 9 Recommendations

Medium Risk

3

Findings

- 8 Recommendations

Low Risk

0

Findings

* Please refer to Appendix A for a classification of the priority levels.

Internal Audit Report

2026-013

Riverside County
Office on Aging Audit

September 22, 2026



COUNTY OF RIVERSIDE
OFFICE OF THE AUDITOR-CONTROLLER

BEN J. BENOIT
AUDITOR-CONTROLLER

TANYA S. HARRIS, DPA, CPA | JON JENSEN, CPP
ASSISTANT AUDITOR-CONTROLLER



September 22, 2026

Rachelle Roman
Director of Office on Aging
Riverside County Office on Aging
3610 Central Avenue, Suite 300
Riverside, CA 92506

Subject: **Internal Audit Report 2026-013: Riverside County Office on Aging Audit**

Dear Ms. Roman:

In accordance with Ordinance No. 1008, we audited the Riverside County Office on Aging to provide management and the Board of Supervisors with an independent assessment of internal controls over contract and vendor management, business continuity planning, and succession planning.

We conducted our audit in accordance with the Global Internal Audit Standards. These standards require that we plan and perform the audit to obtain sufficient, reliable, relevant and useful information to provide reasonable assurance that our objective as described above is achieved. An internal audit includes the systematic analysis of information to evaluate and improve the effectiveness of internal controls. We believe this audit provides a reasonable basis for our conclusion.

Internal controls are processes designed to provide management reasonable assurance of achieving efficiency of operations, compliance with laws and regulations, and reliability of financial and non-financial information. Management is responsible for establishing and maintaining adequate internal controls. Our responsibility is to evaluate the internal controls.

Our conclusion and details of our audit are documented in the body of this audit report.



Internal Audit Report 2026-013: Riverside County Office on Aging Audit

As requested, in accordance with Section 11 of Ordinance No. 1008, management responded to each reported condition and recommendation contained in our report. Management's responses are included in the report. We will conduct follow-up reviews to confirm that management has implemented corrective actions according to the timeframes assigned to each improvement area's priority level or the department's committed timeline to implement. The highest priority ranking will determine the schedule for verifying corrective actions across all identified areas in this report.

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



A handwritten signature in black ink, reading "Ben J. Benoit".

Ben J. Benoit
Riverside County Auditor-Controller



A handwritten signature in blue ink, reading "René Casillas".

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

cc: Board of Supervisors
Jeff A. Van Wagenen, Jr., County Executive Officer
Juan Perez, Chief Operating Officer
Don Kent, Chief Finance Officer
Kimberly Britt, Assistant County Executive Officer
Grand Jury



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Executive Summary

Overview

Riverside County Office on Aging (Office on Aging) coordinates health and wellness programs for the elderly and persons with disabilities to live independently in their homes and communities. All programs and services are provided at no cost to qualified older and disabled adults. Services provided by Office on Aging include care coordination, options counseling, decision support, healthy lifestyle, social engagement community activation, advocacy, coordination and outreach, and community education.

Office on Aging has a recommended budget of \$22.8 million for fiscal year 2026-27 and 89 recommended positions. *County of Riverside, Fiscal Year 2026-27 Recommended Budget Volume I, 171-172.*

Audit Objective

Our objective is to provide management and the Board of Supervisors with an independent assessment about the adequacy and effectiveness of internal controls over contract and vendor management, business continuity planning, and succession planning. Internal controls are processes designed to provide management reasonable assurance of achieving efficiency of operations, compliance with laws and regulations, and reliability of financial and non-financial information. Reasonable assurance recognizes internal controls have inherent limitations, including cost, mistakes, and intentional efforts to bypass internal controls.

Audit Scope and Methodology

We conducted the audit from December 5, 2025, through June 11, 2026, for operations from July 1, 2023, through May 19, 2026.

Using a risk-based approach, our scope included the following:

- Contract and Vendor Management

AUDIT HIGHLIGHTS

- Employee-to-aid-recipient relationships need to be identified, disclosed, reviewed, documented, and appropriately addressed.
- Recipient eligibility and participant information needs to be periodically verified and validated.
- Contracts need to be established, recorded, and linked to related expenditures.
- Recurring procurement card purchases need to be periodically evaluated to determine whether formal procurement methods are warranted.
- Grant-funded expenditures need to be supported by appropriate documentation prior to payment approval.
- Business continuity exercises and risk assessments need to be conducted periodically.



Internal Audit Report 2026-013: Riverside County Office on Aging Audit

- Business Continuity Planning
- Succession Planning

Audit Conclusion

Based on the results of our audit, we determined that internal controls over succession planning are functioning as designed to help Office on Aging achieve its business process objectives. However, we have identified improvement opportunities for internal controls over contract and vendor management and business continuity planning that can help provide reasonable assurance that the department's objectives relating to these areas will be achieved. Specifically, employee-to-aid-recipient relationships need to be identified, disclosed, reviewed, documented, and appropriately addressed, recipient eligibility and participant information needs to be periodically verified and validated, contracts need to be established, recorded, and linked to related expenditures, recurring procurement card purchases need to be periodically evaluated to determine whether formal procurement methods are warranted, grant-funded expenditures need to be supported by appropriate documentation prior to payment approval, and business continuity exercises and risk assessments need to be conducted periodically.



Contract and Vendor Management

Background

Office on Aging administers grant-funded programs that provide goods and services such as food deliveries, in-home support, and other assistance to older adults. To carry out these activities, Office on Aging relies on third-party suppliers to deliver goods and services directly to program participants on behalf of the department. Effective contract and supplier management supports the consistent delivery of these grant-funded services by establishing expectations for service requirements, adequate documentation, and performance oversight.

In addition to formal contracts, Office on Aging also utilizes procurement cards to obtain goods and services needed for program operations and participants. Procurement card purchases require appropriate oversight to ensure purchases are aligned with program needs and established purchasing guidelines. Appropriate oversight helps ensure purchases are properly documented, goods and services are delivered as intended, and supplier activity is monitored for consistency with program objectives and purchasing requirements. Together, these practices promote accountability and support the effective administration of grant-funded resources.

Objective

To verify the existence and adequacy of internal controls over Office on Aging's contract and vendor management processes.

Audit Methodology

To accomplish these objectives, we:

- Obtained and reviewed relevant procurement policies and procedures, including Riverside County's *Purchasing Policy Manual* and *Procurement Card Program Procedure Handbook*, Office on Aging's *Policy, Contract Monitoring*, and California Department of Aging's *Program Guide*.
- Conducted interviews with key personnel to obtain an understanding of the department's contract and vendor management processes.
- Obtained listings of active grant programs, suppliers providing grant-related services, and procurement card transactions for the audit period.
- Analyzed supplier and transaction data to identify trends and areas for further examination.
- Reviewed non-contracted supplier activity to determine whether the nature and frequency of services indicated a need for formal contracts.



- Evaluated contracted suppliers providing grant-related services to assess whether expenditures aligned with grant requirements.
- Evaluated procurement card transactions for appropriateness, supportability, compliance with applicable procurement requirements, and whether procurement methods used were justified.
- Evaluated emergency-related procurement card activity to determine whether exceptions were properly justified, authorized, and monitored.
- Evaluated departmental oversight and monitoring practices for suppliers providing grant-related services, including review of documentation used to verify service delivery and compliance with contractual requirements.
- Compared service-recipient information against departmental employee records to identify potential employee relationships relevant to program participation.

Finding 1: Program Monitoring and Documentation

Priority Level: 1¹

County of Riverside Board Policy C-35, *Standards of Ethical Conduct to Address Fraud, Waste, and Abuse*, states, “In the broadest sense of the meaning, no employee shall engage in a behavior which may appear to be or give rise to a conflict of interest between him or herself and that employee’s official capacity or duties. Should a conflict of interest arise, the employee involved shall report it.” Additionally, “An employee shall disqualify him or herself and refuse to act on any matter in which he or she, a member of his or her immediate family, or another employer of the employee has a financial interest.”

Procedures to identify, document, review, and monitor situations in which employees, or individuals with relationships to employees, apply for or receive department-administered services have not been developed by the department. During our review of program participants, we performed independent data matching using available department records to identify potential employee-to-aid-recipient relationships. This process identified one recipient whose information was consistent with that of a relative of a department employee. Although the employee was not directly involved in administering the recipient's case, documentation demonstrating whether the relationship had been identified, disclosed, reviewed, or evaluated was not available.

Employee relationships with aid recipients can present situations that warrant review to help ensure program decisions remain fair, impartial, and transparent. Formal procedures to identify, evaluate, and document these relationships provide management with a high level of assurance that they are consistently reviewed and appropriately addressed. In the absence of a formal

¹ Please see Appendix A (page 23) for a description of the finding priority level classifications.



process, the department may have limited assurance that employee-to-aid-recipient relationships are identified, evaluated, and managed consistently. Establishing a documented review process would strengthen oversight, support transparency, and reinforce confidence in the impartial administration of the program.

Recommendation 1.1

Develop and implement written procedures that require employee-to-aid-recipient relationships to be identified, disclosed, documented, evaluated, and appropriately addressed.

Management's Response

"Concur. The Department will formalize policy and procedures in accordance with the recommendation. In the single instance identified, the employee's relative received services through the Senior Nutrition Program at a congregate meal site. Riverside County Office on Aging (RCOoA) staff do not determine eligibility for congregate meal participants; eligibility for congregate services is established solely by the contracted nutrition provider at each site. RCOoA staff only conduct eligibility determinations for the Blythe Nutrition Program.

Given this structure, there are circumstances in which an employee may not be aware that a relative is receiving services, particularly when the relative does not disclose that information. This appears to have been the situation in the instance noted. The Department will continue to reinforce expectations regarding impartial service delivery and ensure that providers uphold their responsibilities for determining participant eligibility in accordance with established program requirements."

Actual/estimated Date of Corrective Action: November 1, 2026

Recommendation 1.2

Ensure identified employee-to-aid-recipient relationships are reviewed, documented, and addressed, and that evidence of such reviews is retained.

Management's Response

"Concur. The Department will document compliance efforts in accordance with the recommendation."

Actual/estimated Date of Corrective Action: November 1, 2026



Finding 2: Program Recipient Eligibility and Validation

Priority Level: 1²

California Department of Aging³ identifies eligible program participants as “60 or older and have limited ability to leave home unassisted or to shop for and prepare nutritious meals (AAAs may have additional eligibility criteria); A spouse of a participant (any age); A person with a disability living with a program participant.” Additionally, 2 Code of Federal Regulations (CFR)⁴ Section 200.303, *Internal Controls*, states, “The recipient and subrecipient must: Establish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.” Further, 2 CFR Section 200.403, *Factors affecting allowability of costs*, states, “Except where otherwise authorized by statute, costs must meet the following criteria to be allowable under Federal awards: Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.”

During testing, we identified two recipients with recorded dates of death who continued to receive services after their dates of death. In addition, the department was unable to substantiate the identity of one recipient because sufficient information was not available to verify the recipient's identity.

Formal and consistent procedures to verify recipient eligibility and validate recipient information throughout program participation have not been established. As a result, the department may have limited assurance that changes affecting recipient eligibility are identified and evaluated consistently or that recipient records remain accurate and adequately supported throughout program participation. Strengthening recipient eligibility verification and validation processes would support the accuracy and reliability of recipient records, reinforce program integrity, and provide greater assurance that services are delivered to eligible individuals.

Recommendation 2.1

Develop and implement procedures to verify recipient identity and eligibility at onboarding and periodically throughout program participation.

² Please see Appendix A (page 23) for a description of the finding priority level classifications.

³ “Meal Programs,” California Department of Aging, accessed June 15, 2026, https://www.aging.ca.gov/Programs_and_Services/M Meal_Programs/

⁴ CFR is the official compilation of rules and requirements issued by federal agencies, including the Office of Management and Budget (OMB), and serves as an authoritative source for federal administrative requirements, cost principles, and compliance standards. Specifically, Title 2 CFR Part 200 establishes uniform guidance for managing federal awards, including requirements for internal controls, allowable costs, and program oversight. These regulations provide a foundational framework for ensuring funds are used appropriately, program activities are properly administered, and risks are effectively managed, making the CFR a widely recognized and reliable source for guiding financial management and compliance practices.



Management's Response

"Partially Concur. The Department notes that the California Department of Aging's Program Guide states, 'The AAA shall not require proof of age, citizenship, or disability as a condition of receiving services.' Given this requirement, the Department's ability to implement additional eligibility-verification controls is inherently limited. Nevertheless, the Department will consult with CDA regarding permissible practices and will explore the feasibility of implementing periodic eligibility intervals, provided such measures align with Program Guide requirements and do not impose prohibited documentation standards."

Actual/estimated Date of Corrective Action: November 1, 2026

Recommendation 2.2

Ensure recipient records are periodically reviewed and updated to identify changes that may affect eligibility, including recipient death or other status changes.

Management's Response

"Partially Concur. The Department is committed to working collaboratively with the Auditor-Controller's Office to identify and evaluate cost-effective approaches for implementing the recommendation."

Actual/estimated Date of Corrective Action: November 1, 2026

Finding 3: Contracts for Recurring Goods and Services

Priority Level: 1⁵

Riverside County's *Purchasing Policy Manual* requires that "ALL PO's and invoices (regardless of individual invoice amount) for contracted goods/services MUST be linked to the established [Riverside County Financial System] financials contract to ensure spend compliance with awarded/approved compensation amounts." The *Purchasing Policy Manual* further establishes competitive bidding thresholds by stating that "informal bids may be obtained for purchases of \$5,000 to \$50,000 for goods and/or services" and that "Formal Bids are required for all purchases of commodities and services that exceed \$50,000." For grant-funded activity, the *Purchasing Policy Manual* requires adherence to grant rules, stating that "Purchases made with grant funding will follow all applicable guidelines as outlined in this manual" and that, "The responsibility for advising the Purchasing Department of any grant-related purchasing restrictions or requirements shall remain with the requesting department and grant awardees."

Eight out of 13 (62%) voucher transactions reviewed were not linked to applicable contracts in the Riverside County Financial System. Of the eight unlinked vouchers, five related to grant-

⁵ Please see Appendix A (page 23) for a description of the finding priority level classifications.



funded services that were not linked to the corresponding grant agreement, two were related to County contracts that had not been entered into the financial system, and one involved a recurring purchase that was not linked to a contract.

Complete contract records and consistent linkage of contracts to related voucher transactions support management's ability to monitor contractual commitments, vendor expenditures, and grant-funded activities. Procedures to ensure applicable contracts are executed, recorded in the Riverside County Financial System, and linked to related voucher transactions have not been consistently followed. Additionally, department personnel noted that challenges were encountered in linking voucher transactions to applicable contracts following a countywide upgrade to the Riverside County Financial System. As a result, management may have limited assurance that contract expenditures are consistently associated with the appropriate agreements or that spending is monitored in accordance with contractual and grant requirements. Strengthening these processes would improve expenditure tracking, enhance transparency, and strengthen oversight of contract and grant-related expenditures.

Recommendation 3.1

Ensure all applicable contracts, including grant agreements, annual renewals, and contracts for recurring goods and services, are established and entered into the Riverside County Financial System prior to payment processing.

Management's Response

"Concur. The Department will ensure that all applicable contracts, including grant agreements, annual renewals, and contracts for recurring goods and services, are fully executed and entered into the Riverside County Financial System prior to the processing of any related payments.

The Department will continue reinforcing this requirement through refresher training for applicable staff and by strengthening internal review practices to support consistent compliance with County procurement and financial system standards."

Actual/estimated Date of Corrective Action: September 1, 2026

Recommendation 3.2

Ensure voucher transactions are linked to the corresponding contract within the Riverside County Financial System when processing payments.

Management's Response

"Concur. To support compliance with this recommendation, the Department will provide refresher training to applicable staff members and reinforce existing financial system procedures



to promote accurate contract linkage and alignment with County procurement and contract-management standards.”

Actual/estimated Date of Corrective Action: September 1, 2026

Recommendation 3.3

Enhance procedures to ensure contracts and related voucher transactions are consistently recorded, monitored, and linked within the Riverside County Financial System.

Management’s Response

“**Partially Concur.** The Department will review existing procedures to determine if there are additional opportunities to mitigate oversight while processing transactions. In addition, the Department will seek formal/documented guidance from the Auditor-Controller’s Office regarding processing payments while the existing PeopleSoft Financials system is not functioning as intended.”

Actual/estimated Date of Corrective Action: September 1, 2026

Finding 4: Recurring Procurement Card Purchases

Priority Level: 1⁶

The Riverside County *Procurement Card Program Procedure Handbook* states, “Use of the Procurement Card is not intended to replace effective procurement planning which enables volume discounts.”

Seven out of the 44 (16%) sampled recurring purchase transactions were associated with grant-funded home repair services. These services were funded through a dedicated grant program and were repeatedly purchased using a procurement card rather than through a formal procurement method. While these expenditures were recurring, supported by a dedicated funding source, and obtained from the same supplier, the department had not established a formal contract for obtaining the services.

Periodic evaluation of procurement card activity helps management identify recurring purchasing patterns and determine whether alternative procurement methods would better support operational needs, procurement planning, and contract oversight. Procedures to periodically assess recurring procurement card purchases and cumulative spending to determine whether a more appropriate procurement method should be used have not been established. As a result, recurring service expenditures may continue to be acquired through procurement cards rather than formal procurement methods, limiting visibility into total expenditures and hindering strategic procurement planning. Periodic review of recurring purchases and evaluation

⁶ Please see Appendix A (page 23) for a description of the finding priority level classifications.



of procurement alternatives would strengthen oversight, improve transparency, and support compliance with County procurement requirements.

Recommendation 4.1

Establish a documented policy requiring periodic review of procurement card activity to identify recurring purchases and evaluate whether alternative procurement methods are appropriate.

Management's Response

"Concur. The Department will establish policy and procedures to systematically monitor vendor thresholds and recurring purchasing patterns, while continuing to ensure full adherence to County Purchasing regulations."

Actual/estimated Date of Corrective Action: September 30, 2026

Recommendation 4.2

Develop and implement documented procedures outlining criteria for transitioning recurring purchases to formal procurement methods and how procurement card activity will be reviewed, including review frequency, responsible personnel, and evaluation of cumulative spending.

Management's Response

"Concur. The Department adheres to the Procurement Card Program Procedure Handbook maintained by County Purchasing and Fleet Services and recognizes the importance of strengthening oversight of recurring procurement card activity. Accordingly, the Department concurs with the need to evaluate recurring procurement card purchases and will develop and implement the necessary standard work procedures to ensure consistent review, appropriate procurement method selection, and continued compliance with County requirements."

Actual/estimated Date of Corrective Action: September 30, 2026

Finding 5: Grant Performance Compliance

Priority Level: 2⁷

Riverside County's *Purchasing Policy Manual* requires that "Purchases made with grant funding will follow all applicable guidelines as outlined in this manual" and that, "The responsibility for advising the Purchasing Department of any grant-related purchasing restrictions or requirements shall remain with the requesting department and grant awardees."

⁷ Please see Appendix A (page 23) for a description of the finding priority level classifications.



During our review of grant-related expenditures, we identified a \$96,759 transaction for which incorrect supporting documentation had been uploaded and used for payment processing. Specifically, the documentation maintained in the file did not pertain to the goods received and referenced delivery occurring outside the contract's authorized service area. Although the department subsequently provided documentation supporting the expenditure, the discrepancy was not identified during the review and approval process prior to payment.

Review procedures for grant-related expenditures help ensure that supporting documentation is accurate, complete, and consistent with applicable contract and grant requirements before payments are processed. These procedures were not consistently applied during the review of the transaction noted above. As a result, assurance that supporting documentation is consistently verified before payment processing or that documentation discrepancies are identified and resolved in a timely manner is limited. Consistent application of review and verification procedures would improve the accuracy and reliability of payment documentation, strengthen oversight of grant-funded expenditures, and support compliance with applicable contract and grant requirements.

Recommendation 5.1

Update departmental procedures to include guidance for documenting, communicating, and verifying grant-related requirements throughout the procurement and payment process.

Management's Response

"Do Not Concur. Departmental procedures currently exist to address the finding above. Although this was a single isolated instance of non-compliance, and not representative of a systemic issue validated by additional testing, the Department will review internal procedures with staff members to confirm understanding of existing procedures."

Actual/estimated Date of Corrective Action: September 1, 2026

Recommendation 5.2

Ensure supporting documentation for grant-related expenditures is reviewed and verified for accuracy, completeness, and consistency with applicable contract requirements prior to payment approval.

Management's Response

"Concur. Although this was a single isolated instance of non-compliance, and not representative of a systemic issue validated by additional testing, the Department will review internal procedures with staff members to confirm understanding of existing control procedures for payment approval."



Actual/estimated Date of Corrective Action: September 1, 2026

Business Continuity Planning

Background

A business continuity plan is a critical component of an organization's risk management framework, designed to ensure the continued operation of essential functions during and after a disruptive event. Effective business continuity plans help minimize operational downtime, protect assets and information, and maintain the delivery of key services to stakeholders. Given the increasing risks associated with natural disasters, cyberattacks, pandemics, and other unforeseen disruptions, it is essential that organizations develop, maintain, and routinely test comprehensive continuity plans. A well-designed business continuity plan typically includes strategies for emergency response, communication, data backup and recovery, alternate work arrangements, and coordination with external partners. These plans help safeguard public trust, ensure employee safety, and support long-term organizational resilience by enabling organizations to adapt quickly and recover from adverse events with minimal impact on operations.

Objective

To verify the existence and adequacy of internal controls over Office on Aging's business continuity planning processes.

Audit Methodology

To accomplish these objectives, we:

- Conducted interviews with key personnel to gain an understanding of the department's business continuity planning processes.
- Verified whether there was adequate segregation of duties in place relating to the department's business continuity planning processes.
- Obtained and reviewed the department's business continuity plan to determine whether it was approved by appropriate personnel and includes risk assessments, continuity exercises, emergency procedures, critical systems, backup site information, defined roles and responsibilities, testing activities, and version history.
- Reviewed processes related to data backup and recovery to determine whether they support business continuity objectives.



- Verified whether the department provides training to personnel over business continuity planning processes.

Finding 6: Business Continuity Exercises

Priority Level: 2⁸

Federal Emergency Management Agency's (FEMA) *Continuity Guidance Circular (2024 update)* states, "Organizations should exercise: Continuity plans and procedures to validate the organization's ability to continue its essential functions and services." Additionally, National Institute of Standards and Technology's⁹ (NIST) Special Publication (SP) 800-34 Rev. 1, *Contingency Planning Guide for Federal Information Systems*, Section 3.5, *Plan Testing, Training, and Exercises (TT&E)*, states, "Organizations should conduct TT&E events periodically, following organizational or system changes, or the issuance of new TT&E guidance, or as otherwise needed. Execution of TT&E events assists organizations in determining the plan's effectiveness, and that all personnel know what their roles are in the conduct of each information system plan."

Based on our review of the department's business continuity plan, improvement opportunities were identified to strengthen aspects of the plan and related processes. Specifically, periodic business continuity exercises can be implemented to evaluate the effectiveness of the plan. Policies and procedures governing the development, maintenance, and execution of the plan, including requirements for conducting periodic exercises, have not been established. Without periodic testing and evaluation, the department has limited assurance that business continuity strategies will function as intended during a disruption. Personnel may also be unfamiliar with their roles and responsibilities, and gaps within the business continuity plan may not be identified until an actual event occurs. Conducting periodic exercises and documenting the results would help validate continuity strategies, identify improvement opportunities, strengthen organizational preparedness, and support continuity of operations during disruptive events.

Recommendation 6.1

Establish formal policies and procedures governing the development, maintenance, and execution of the business continuity plan, including requirements for conducting periodic business continuity exercises.

Management's Response

"Concur. The Department will establish formal policies and procedures governing the development, maintenance, and execution of the business continuity plan. These policies will

⁸ Please see Appendix A (page 23) for a description of the finding priority level classifications.

⁹ NIST is a federal agency within the US Department of Commerce whose standards and guidelines on information security, cybersecurity, risk management, and contingency planning are considered authoritative references for risk management and contingency planning. Their standards are critical for identifying and assessing risks, maintaining continuity of critical functions, and strengthening overall operational resilience, making them a reputable source for guiding security practices.



include defined requirements for conducting periodic business continuity exercises to ensure the effectiveness of continuity strategies, strengthen organizational preparedness, and support the Department's ability to maintain essential operations during disruptive events."

Actual/estimated Date of Corrective Action: February 1, 2027

Recommendation 6.2

Develop and implement a formal schedule for conducting periodic business continuity exercises.

Management's Response

"Concur. The Department will develop and implement a formal schedule for conducting periodic business continuity exercises."

Actual/estimated Date of Corrective Action: February 1, 2027

Recommendation 6.3

Document exercise results, including identified gaps, corrective actions, and lessons learned, and incorporate improvements into the business continuity plan.

Management's Response

"Concur. The Department will document exercise results, including identified gaps, corrective actions, and lessons learned, and incorporate improvements into the business continuity plan."

Actual/estimated Date of Corrective Action: February 1, 2027

Finding 7: Business Continuity Plan Risk Assessments

Priority Level: 2¹⁰

FEMA's *Continuity Guidance Circular (2024 update)* states, "Organizations should identify their essential functions, determine the planning factors needed to accomplish those functions, conduct risk assessments for each planning factor, and identify and implement continuity options addressing the areas of greatest vulnerability." Additionally, NIST SP 800-34 Rev. 1, *Contingency Planning Guide for Federal Information Systems*, Appendix C, *Frequently Asked Questions*, states, "The risk management framework (RMF) encompasses a broad range of activities to identify, control, and mitigate risks to an information system during the system development life cycle. Implementing the risk management framework can prevent or reduce the likelihood of natural, human, and environmental threats and limit the consequences of risks in the event of a system disruption."

¹⁰ Please see Appendix A (page 23) for a description of the finding priority level classifications.



Based on our review of the department's business continuity plan, improvement opportunities were identified to strengthen aspects of the plan and related processes. Specifically, periodic risk assessments can be conducted and incorporated into updates of the business continuity plan to ensure it reflects current risks and operating conditions. Policies and procedures governing the development, maintenance, and execution of the business continuity plan, including the requirements for conducting periodic risk assessments, have not been established. Without periodic risk assessments, the department has limited assurance that its business continuity plan reflects current threats, operational changes, and evolving risk conditions. As a result, newly identified vulnerabilities, changes in critical systems or operations, and emerging disruptions may not be timely incorporated into continuity planning efforts. Conducting periodic risk assessments and updating the business continuity plan accordingly would help ensure continuity strategies remain aligned with current operating conditions, strengthen preparedness for disruptive events, and support continuity of operations.

Recommendation 7.1

Establish procedures to conduct periodic risk assessments that consider potential internal and external threats to department operations and ensure the results are incorporated into updates to the business continuity plan.

Management's Response

"Concur. The Department will establish formal procedures for conducting periodic risk assessments that evaluate potential internal and external threats to departmental operations. The results of these assessments will be incorporated into updates of the business continuity plan to ensure continuity strategies remain aligned with current operating conditions, emerging risks, and organizational needs. This approach will strengthen preparedness for disruptive events and support the Department's ability to maintain essential services."

Actual/estimated Date of Corrective Action: February 1, 2027

Recommendation 7.2

Develop and implement a formal schedule for conducting periodic risk assessments.

Management's Response

"Concur. The Department will establish a formal schedule for conducting periodic risk assessments."

Actual/estimated Date of Corrective Action: February 1, 2027



Recommendation 7.3

Maintain documentation of risk assessments, findings, and updates to the business continuity plan.

Management's Response

"Concur. The Department will maintain documentation of risk assessments, findings, and updates to the business continuity plan."

Actual/estimated Date of Corrective Action: February 1, 2027



Succession Planning

Background

Succession planning is a strategic process crucial for ensuring the continuity of leadership within an organization. This process involves identifying and developing internal employees who have the potential to fill key leadership positions. Not only does succession planning focus on filling vacancies, but it can also prepare the department for the future by maintaining a pipeline of capable leaders who can drive the organization forward. Additionally, succession planning helps maintain leadership continuity, preserves institutional knowledge, and ensures a smooth transition of critical functions and services provided by key positions within the department.

All management personnel are responsible for individual succession planning efforts. Department and division managers are responsible for implementing the program within their respective areas and should coordinate with Human Resources personnel for effectiveness of succession planning efforts for key leadership positions. The primary objective of a succession plan is to limit the potential downside to unexpected terminations or departures from an organization. According to the U.S. Government Accountability Office¹¹, "Agencies should focus on current and future needs and develop pools of high-potential staff to meet the organization's long-term goals. They should also identify talent from multiple organizational levels, early in careers or with critical skills, and emphasize developmental or 'stretch' assignments for high-potential employees (in addition to formal training)."

In the absence of formal succession planning guidance, our audit focused on whether Office on Aging had adequate, documented policies and procedures to address management or personnel turnover. We evaluated the department's efforts to identify and prioritize critical positions, key objectives, and critical system applications used. We also reviewed training programs in place to support knowledge transfer and help minimize disruptions to business continuity.

The following flowchart illustrates the Government Finance Officers Association's 10 Steps to Succession Planning¹² that will help an organization retain key talent and find skilled employees to replace staff members who move on:

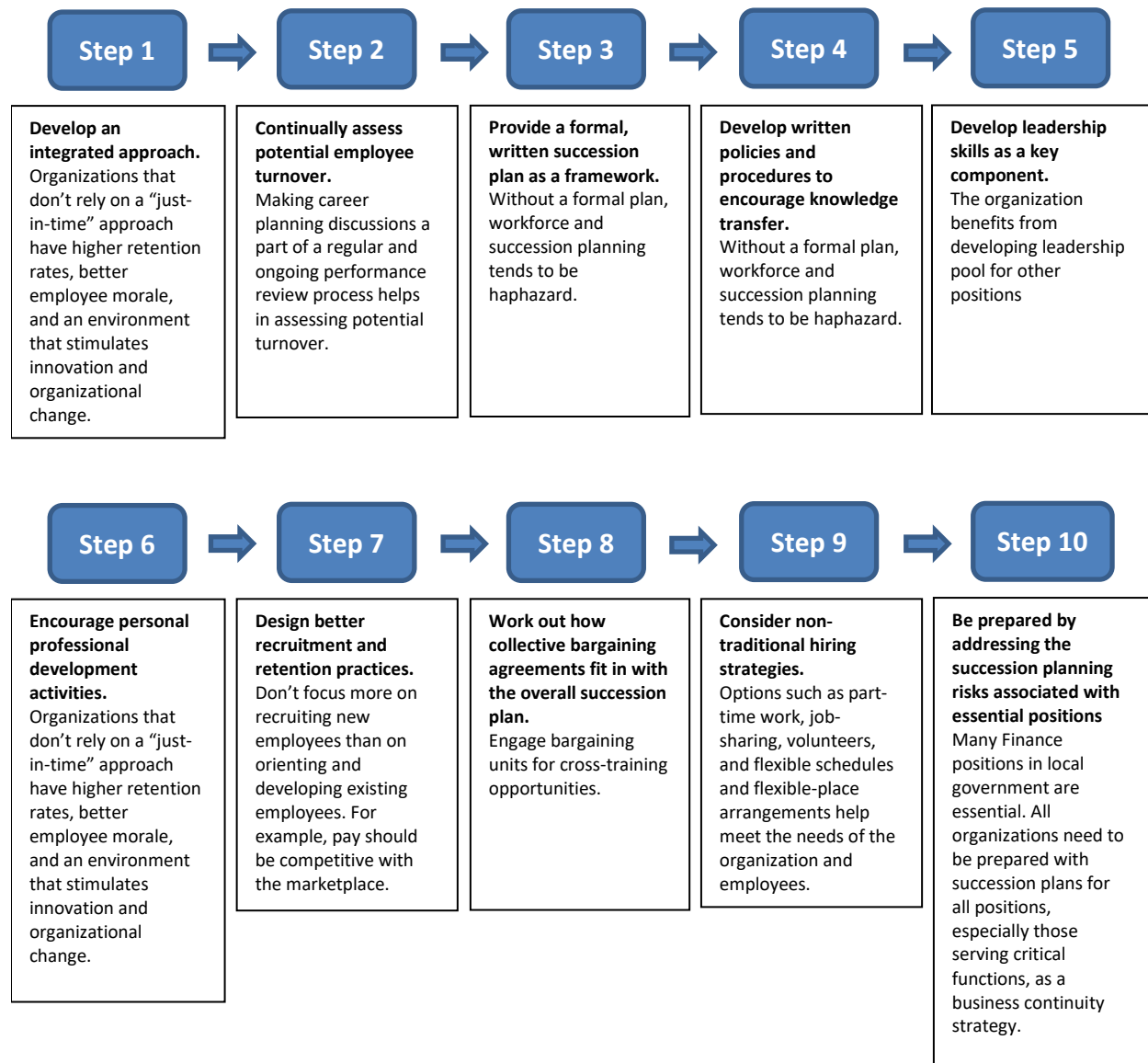
¹¹ "Human Capital Management," U.S. Government Accountability Office, accessed March 10, 2026, <https://www.gao.gov/human-capital-management>.

¹² "10 Steps to Succession Planning," Government Finance Officers Association. (2022, February). <https://www.gfoa.org/materials/gfr222-10steps>.



Flowchart 1: 10 Steps to Succession Planning

“Succession planning has gotten even more challenging in recent years, given a changing job market, shorter employee tenure, and COVID-19 job turnover-which means that governments should make it an even higher priority. GFOA’s 10 steps to succession planning will help your organization retain key talent and find skilled employees to replace staff members who move on.”¹³



¹³ "10 Steps to Succession Planning," Government Finance Officers Association. (2022, February). <https://www.gfoa.org/materials/gfr222-10steps>.



Objective

To verify the existence and adequacy of internal controls over Office on Aging's succession planning processes.

Audit Methodology

To accomplish these objectives, we:

- Conducted interviews with key personnel to gain an understanding of the department's succession planning processes.
- Obtained a listing of employees that separated from the department during the audit review period.
- Identified positions critical to department operations along with key, transferable knowledge and essential systems associated with those roles.
- Assessed the adequacy of succession planning procedures by verifying whether critical roles and positions have established processes for continuity and effective coverage.
- Evaluated whether development and training programs were available to department leadership and staff.

Finding: None Noted

Based on the results of our audit, we determined that internal controls over succession planning provide reasonable assurance that the department's objective related to this area will be achieved. Reasonable assurance recognizes internal controls have inherent limitations, including cost, mistakes, and intentional efforts to bypass internal controls.



Appendix A: Finding Priority Level Classification

Priority Level 1	Priority Level 2	Priority Level 3
These are audit findings that represent the most critical issues that require immediate attention and pose a significant risk to the department's objectives, compliance, security, financial health, or reputation. They may indicate serious control failures, non-compliance with laws or regulations, significant financial errors, or vulnerabilities with severe potential impact. Immediate corrective measures are necessary to mitigate the risks associated with these findings.	These are audit findings that are important and require timely resolution, but their impact is not as severe as Priority Level 1. They may highlight moderate control weaknesses, areas of non-compliance with internal policies and procedures, or financial discrepancies that are significant but are not critical. While they might not pose an immediate threat, they should be addressed promptly to prevent further escalation or potential negative consequences.	These are audit findings that are less critical and generally have a lower impact on the department's objectives, compliance, or operations. They may include minor control deficiencies, procedural deviations with minimal impact, or non-critical administrative errors. While they may not require immediate attention, they should still be acknowledged and addressed within a reasonable timeframe to ensure ongoing improvement and prevent potential accumulation of minor issues.
<u>Expected Implementation Date of Recommendation*</u> One to three months	<u>Expected Implementation Date of Recommendation *</u> Three to six months	<u>Expected Implementation Date of Recommendation *</u> Six to twelve months

* Expected completion to implement recommendation date begins after issuance of final audit report.