

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

320



**FROM:** County Auditor-Controller

**SUBMITTAL DATE:**  
June 6, 2006

**SUBJECT:** Internal Auditor's Report #2006-307 – Human Resources Temporary Assistance Pool Follow-up Audit

**RECOMMENDED MOTION:** Receive and file Internal Auditor's Report #2006-307 – Human Resources Temporary Assistance Pool Follow-up Audit.

**BACKGROUND:** The Auditor-Controller completed a follow-up audit of the Riverside County Human Resources Temporary Assistance Pool. Our primary objective was to determine if management implemented corrective action and resolved the findings identified in Internal Auditor's Report #2004-022, dated January 19, 2005. We performed tests and evaluated management's corrective actions to determine if the findings identified in Internal Auditor's Report #2004-022 were mitigated through the implementation of adequate internal controls.

Based upon the results of our follow-up audit, we determined management took action that was sufficient to correct the findings reported in Internal Auditor's Report #2004-022.

Departmental Concurrence

*Robert E. Byrd*  
for Robert E. Byrd  
County Auditor-Controller

|                       |                               |      |                         |     |
|-----------------------|-------------------------------|------|-------------------------|-----|
| <b>FINANCIAL DATA</b> | Current F.Y. Total Cost:      | \$ 0 | In Current Year Budget: | N/A |
|                       | Current F.Y. Net County Cost: | \$ 0 | Budget Adjustment:      | N/A |
|                       | Annual Net County Cost:       | \$ 0 | For Fiscal Year:        | N/A |

|                             |   |                          |
|-----------------------------|---|--------------------------|
| <b>SOURCE OF FUNDS:</b> N/A | <b>Positions To Be Deleted Per A-30</b> | <input type="checkbox"/> |
|                             | <b>Requires 4/5 Vote</b>                | <input type="checkbox"/> |

**C.E.O. RECOMMENDATION:** RECEIVE & FILE

**County Executive Office Signature** *Dennis C. Hardin*

- Dep't Recomm.:  Policy
- Per Exec. Ofc.:  Consent
- Policy
- Consent



**OFFICE OF THE  
COUNTY AUDITOR-CONTROLLER**

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**Robert E. Byrd, CGFM**  
AUDITOR-CONTROLLER

**Ivan M. Chand, CGFM**  
ASSISTANT AUDITOR-  
CONTROLLER

June 6, 2006

Mr. Ronald Komers  
Assistant County Executive Officer/Human Resources Director  
4080 Lemon Street  
Riverside, CA 92502

Subject: Internal Auditor's Report #2006-307 – Human Resources Temporary Assistance Pool (TAP) Follow-Up Audit

Dear Mr. Komers:

We have completed a follow-up audit of Human Resources Temporary Assistance Pool. We conducted the audit during the period February 14, 2006 through March 27, 2006, for operations of January 2005 through February 2006.

Our primary objective was to determine if management implemented corrective action and resolved the findings identified in Internal Auditor's Report #2004-022, dated January 19, 2005. A summary of those findings and recommendations is attached to this letter.

We conducted our audit in accordance with auditing standards established by the Institute of Internal Auditors. These standards require that we plan and perform the audit to provide sufficient, competent, and relevant evidence to achieve the audit objectives. We believe the audit results provide a reasonable basis for our conclusion.

We performed tests and evaluated management's corrective actions to determine if the findings identified in Internal Auditor's Report #2004-022 were mitigated through the implementation of adequate internal controls.

Based upon the results of our follow-up audit, we determined management took timely action that was sufficient to address and correct the findings reported in Internal Auditor's Report #2004-022.

We thank the Human Resources' staff for their cooperation during this audit. Their assistance contributed significantly to the successful completion of the audit.

ROBERT E. BYRD, CGFM  
Auditor-Controller

  
By: Michael G. Alexander, MBA, CIA  
Chief Internal Auditor

cc: Executive Office  
Human Resources, Barbara Olivier

- Finding 1** Reporting errors resulted in incorrect payroll deductions. Specifically:
- Payroll deductions for Old-Age, Survivors, and Disability Insurance (OASDI) were made from TAP employees even though the employee had not exceeded 1,000 hours within a fiscal year. OASDI is a required payroll deduction only if and when a TAP employee exceeds 1,000 hours in a fiscal year; and,
  - A retired employee, rehired as a temporary employee, contributed to 401(a). According to the California Public Employees' Retirement Law, Part 3, Chapter 3, Article 2, Section 20303, any persons receiving pensions, retirement allowances or other payments from any other source on account of service rendered to an employer other than the state and while they were not in state service, are not members of any other retirement or pension system because of that receipt.
- Recommendation 1** Develop a monitoring procedure for spot checking or supervisory review of the 401(a), CalPERS and Hours reports (700 and 1,000) to ensure correct contributions are made to the proper entity.
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- Finding 2** Clear guidelines were not established to ensure timely and accurate enrollment of TAP employees into the CalPERS retirement system.
- Recommendation 2** Upon receiving clear guidelines from CalPERS regarding their recommended tracking and processing methodology, develop new guidelines to ensure compliance with relevant regulations.
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- Finding 3** Departments were not routinely maintaining the interview documents nor were they required to return these documents to TAP Administration. TAP employees were often offered permanent positions with the department or other TAP assignments; in some cases a decision had to be made whether to retain a TAP employee. The absence of this documentation could cause the loss of qualified staff or the inadvertent retention of an undesirable employee. A good business practice will be to maintain personnel documents describing an employee's qualification to perform a job.
- Recommendation 3** Develop a procedures requiring departments to maintain interview and screening documents for TAP employees. In addition, submit copies to TAP Administration for filing in the individual TAP personnel files.