

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

332



FROM: County Auditor-Controller

SUBMITTAL DATE:
January 18, 2011

SUBJECT: Internal Audit Report 2011-0317: Economic Development Agency (EDA) Housing Authority, Follow-up

RECOMMENDED MOTION: Receive and file Internal Audit Report 2011-0317: Economic Development Agency (EDA) Housing Authority, Follow-up.

BACKGROUND: The Internal Audit Division of the Auditor-Controller's Office has completed a follow-up audit of the EDA Housing Authority. The audit was limited to reviewing actions taken to correct the one finding referenced in our Internal Audit Report 2008-010 dated September 24, 2008.

Based upon the results of the audit, the department implemented internal controls to correct the finding referenced in our Internal Audit Report 2008-010 dated September 24, 2008.

Departmental Concurrence

Paul Angulo
Paul Angulo, CPA, MA
County Auditor-Controller

**FINANCIAL
DATA**

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

SOURCE OF FUNDS: N/A

Positions To Be Deleted Per A-30	<input type="checkbox"/>
Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

BY:

Karen L. Johnson
Karen L. Johnson

County Executive Office Signature

Dep't Recomm.:	<input type="checkbox"/> Policy
Per Exec. Ofc.:	<input type="checkbox"/> Policy
	<input checked="" type="checkbox"/> Consent
	<input checked="" type="checkbox"/> Consent

Prev. Agn. Ref.:

District: All

Agenda Number:

2.4



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

County Administrative Center
4080 Lemon Street, 11th Floor
P.O. Box 1326
Riverside, CA 92502-1326
(951) 955-3800
Fax (951) 955-3802



**COUNTY OF RIVERSIDE
AUDITOR-CONTROLLER**

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

December 6, 2010

Mr. Robert Field, Director
Assistant County Executive Officer/EDA
County of Riverside
Economic Development Agency
3403 Tenth Street, 3rd Floor
Riverside, CA 92502

Subject: Internal Audit Report 2011-317: Economic Development Agency (EDA) Housing Authority, Follow-up

Dear Mr. Field,

We have completed a follow-up audit of the EDA Housing Authority. Our audit was limited to reviewing actions taken to correct the one finding referenced in our Internal Audit Report 2008-010 dated September 24, 2008.

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 two findings, one of which required corrective action and therefore was reviewed as part of this audit. For an in-depth understanding of the original audit, please refer to Internal Audit Report 2008-010 at www.auditorcontroller.org.

During this follow-up audit, we determined the audit finding as originally reported in Internal Audit Report 2008-010 was not correct.

Finding 2 (As Originally Reported): The current schedule for depositing rental receipts, as described earlier in this report, is not compliant with the Auditor-Controller Standard Practice Manual III-E-1-3.1 (Daily Deposit of Cash) requiring that deposits be made daily. The delay in depositing rental receipts lengthens the time Housing Authority will get "bad check" bank notification which could impact the timely resolution of overdue tenant accounts. Furthermore, keeping of rental collections overnight increases the risk of loss.

Finding 2 (Revised): The department did not establish adequate procedures for the performance of rent collection duties and related actions. Such actions include sending out notices and eviction letters to the tenants. As a result, notices and eviction letters were not issued timely.

Current Status: **Corrected.** Through detailed audit testing, we were able to verify the department implemented appropriate controls to ensure that notices and eviction letters were sent timely and appropriately as well as the timely deposit of rental collections.

We appreciate the cooperation and assistance extended to us by management and staff of the Housing Authority during this follow-up audit. Their assistance contributed significantly to the successful completion of the audit.

Robert E. Byrd, CGFM
Auditor-Controller



By: Melissa S. Bender, CIA
Audit Manager

cc: Board of Supervisors
Executive Office
Grand Jury