

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

708



**FROM:** Executive Office

**SUBMITTAL DATE:**  
April 15, 2015

**SUBJECT:** 2014-15 Grand Jury Report: Riverside County Information Technology - Internal Audit Report

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Instruct Riverside County Information Technology to forward to the Executive Office, within 30 days, a draft of the Board's response to the findings and recommendations of the Grand Jury that pertain to the Department's operational areas and direct the Executive Office to submit draft responses to the Board within 60 days.

**BACKGROUND:** The attached report has been issued by the Grand Jury.

Section 933 (c) of the Penal Code requires that the Board of Supervisors comment on the Grand Jury's recommendations pertaining to matters under the control of the Board and that a response be provided to the Presiding Judge of the Superior Court within 90 days.

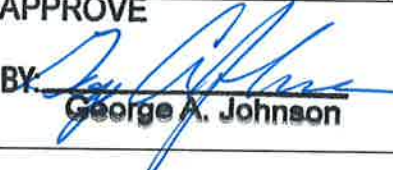
Draft responses received from the affected department will be considered and presented for the Board's consideration; the response ultimately approved by the Board will then be forwarded to the Grand Jury as required by statute.

Departmental Concurrence

30dayRCIT04.15.docx

<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost:</b>	<b>POLICY/CONSENT (per Exec. Office)</b>
<b>COST</b>	\$ N/A	\$	\$	\$	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
<b>NET COUNTY COST</b>	\$	\$	\$	\$	

<b>SOURCE OF FUNDS:</b>	<b>Budget Adjustment:</b>
	<b>For Fiscal Year:</b>

**C.E.O. RECOMMENDATION:** APPROVE  
 BY:   
 County Executive Office Signature George A. Johnson

**MINUTES OF THE BOARD OF SUPERVISORS**

- A-30
- 4/5 Vote
- Positions Added
- Change Order

**Prev. Agn. Ref.:** \_\_\_\_\_ **District:** \_\_\_\_\_ **Agenda Number:** \_\_\_\_\_

**3-3**



## RIVERSIDE COUNTY GRAND JURY

(951) 955-8990 OFFICE • (951) 955-8989 FAX

April 7, 2015

Jay Orr, Riverside County Executive Officer  
4080 Lemon Street, 4<sup>th</sup> Floor  
Riverside, CA 92501

Subject: 2014-2015 Grand Jury Report: Riverside County Information Technology  
- Internal Audit Report

Dear Mr. Orr:

Please note that Penal Code Section 933 et seq. specifies that you file a response with the following agencies within ninety days.


**Harold W. Hopp, Presiding Judge**  
**Superior Court of California, County of Riverside**  
4050 Main Street  
Riverside, CA 92501

**Riverside County Grand Jury**  
Post Office Box 829  
Riverside, CA 92502

**Riverside County Clerk-Recorder**  
2720 Gateway Drive  
Riverside, CA 92507

Further, it specifies that this report be kept **confidential for a minimum of two working days** prior to public release. The contents of this report will be made public after the close of business **April 9, 2015**.

Sincerely,

  
Michael J. Pernarelli, Sr., Foreperson  
2014-15 Riverside County Grand Jury

MJP:gs  
Attach.

# 2014-2015 GRAND JURY REPORT

## Riverside County Information Technology Internal Audit Report

### Background

The Riverside County Information Technology (RCIT) provides an extensive array of technology solutions and service to over 38 internal departments throughout the County of Riverside. The Riverside County Auditor-Controller (Auditor-Controller) is the chief accounting and disbursement officer responsible for budget control, disbursements, receipts and financial reporting. The office was established to provide various accounting and property tax administration services for the county, special districts, schools and cities. The key divisions of the Auditor-Controller include administration, general accounting and reporting, property tax, payroll, information technology and internal audits/specialized accounting.

The Internal Audit Division is responsible for audits of all departments and certain agencies within Riverside County's jurisdiction.

The Auditor-Controller's Office completed an audit of RCIT. The audit objective is to provide RCIT management and the Riverside County Board of Supervisors (BOS) with an independent assessment of RCIT's compliance with Board Policy A-58, which states in part:

*It is the policy of Riverside County to protect the Riverside County information in accordance with all applicable laws, governmental regulations and accepted best practices to minimize information security risk; ensuring the right information is available to the right people at the right time...*

### Methodology

This report was developed from the following:

- Reviewed Board of Supervisors, County of Riverside Resolution No. 83-338
- Reviewed Riverside County, Board of Supervisors Information Security Policy A-58

- Reviewed Internal Audit Report 2013-011; Riverside County Information Technology
- Reviewed other Riverside County Internal Audit Reports
- Reviewed County of Riverside, Board of Supervisors Policy Conduct of, and Response to, Management Audits Policy A-33
- Reviewed California Penal Code Sections 888-945
- Interviewed the Riverside County Auditor-Controller
- Obtained information from Riverside County Information Technology
- Obtained information from Riverside County Clerk of the Board

## Findings:

### RCIT Non-Compliance

1. During the period July 1, 2012, through June 30, 2013, the Auditor-Controller performed an internal audit of RCIT. The Internal Audit Report 2013-011 was completed and submitted to the BOS on November 26, 2014, and placed on the BOS agenda for January 06, 2015.

BOS Resolution No. 83-338 III C states in part:

*...The head of a county entity audited will reply in writing to the Auditor-Controller to the specific audit findings and recommendations. The reply will be made within 30 calendar days of receipt of the written findings and recommendations.*

As of the date of this report, RCIT has not complied with a written response as mandated in BOS Resolution No. 83-338 III C. The Internal Audit Report 2013-011 indicated the Auditor-Controller would submit the audit report to the BOS without RCIT's written response.

### County Executive Officer Failure to Enforce

2. The County Executive Officer is not enforcing BOS Resolution No. 83-338 III C and BOS Policy A-33, Responses to All Audit Reports, requiring RCIT to reply in writing.

### County Counsel Interference

3. On January 21, 2015, The Riverside County Grand Jury (Grand Jury) requested RCIT to provide the Grand Jury with a copy of its written reply to the Internal Audit Report 2013-011. RCIT failed to comply, and informed the Grand Jury verbally as well as facsimile from the RCIT Interim CIO, dated January 21, 2015, that the Office of County Counsel Riverside County (County Counsel) had advised them to have all Grand Jury requests and questions directed to RCIT in writing, for County Counsel to review all requests in advance.

California Penal Code §921 states, in part:

*The grand jury is entitled to free access...of all public records within the county.*

California Penal Code §925 states in part:

*The grand jury shall investigate and report on the operations, accounts, and records of the officers, departments, or functions of the county...*

### Distribution of Audit Reports

4. The Grand Jury has not received Internal Audit Reports from the Auditor-Controller in several years.

BOS Resolution No. 83-338 III D states in part:

*...Audit reports, except for request audits, shall be addressed to the head of the entity audited, with copies to the Board of Supervisors, Administrative Officer, District Attorney, and the Grand Jury. For requested audits, the report will be addressed to the proper authority requesting the audit (unless a different addressee is desired by the requester), with copies to the Board of Supervisors, Administrative Officer, District Attorney, and Grand Jury...*

## Recommendations:

**Riverside County Board of Supervisors  
Jay Orr, County Executive Officer, Riverside County  
Paul Angulo, Riverside County Auditor-Controller  
Office of County Counsel, County of Riverside  
Christopher Hans, Interim Chief Information Officer,  
Riverside County Information Technology**

### RCIT Non-Compliance

1. RCIT shall comply with Resolution No. 83-338 III C and submit a written reply to the Auditor-Controller.

### County Executive Officer Failure to Enforce

2. The County Executive Officer shall enforce Resolution No. 83-338 III C along with BOS Policy A-33 (see Attachment A).

### County Counsel Interference

3. County Counsel shall recognize the Grand Jury as an independent body, which operates autonomously, once impaneled.

To assist in the understanding of the civil functions, scope of responsibilities and powers of the Grand Jury, County Counsel shall complete additional training from the State of California, Office of the Attorney General on Sections 888-945 of the California Penal Code.

### Distribution of Audit Reports

4. In accordance to BOS Resolution No. 83-338 III D, the Auditor-Controller shall provide copies of all Internal Audit Reports to the Grand Jury.

Report Issued: 04/07/2015  
Report Public: 04/09/2015  
Response Due: 07/06/2015