

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

414



FROM: County Auditor-Controller

SUBMITTAL DATE:
March 10, 2010

SUBJECT: Internal Audit Report 2010-301: Community Health Agency, Environmental Health, Franchise Fees Follow-up.

RECOMMENDED MOTION: Receive and file Internal Audit Report 2010-301: Community Health Agency, Environmental Health, Franchise Fees Follow-up.

BACKGROUND: The Auditor-Controller has completed a follow-up audit of the Community Health Agency, Environmental Health's franchise fees process. Our audit was limited to reviewing actions taken as of February 11, 2010, to correct one finding referenced in Internal Audit Report 2008-002 dated October 23, 2008.

Based upon the results of our audit, we determined the Community Health Agency, Environmental Health fully corrected the one finding noted.

Robert E. Byrd
Robert E. Byrd
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:

RECEIVE AND FILE

BY: *Rob Rockwell*
Rob Rockwell

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Stone, seconded by Supervisor Benoit and duly carried, IT WAS ORDERED that the above matter is received and filed as recommended.

Ayes: Buster, Stone, Benoit and Ashley

Nays: None

Absent: Tavaglione

Date: April 6, 2010

xc: Auditor, CHA-Environmental Health

Kecia Harper-Ihem

Clerk of the Board

By: *Kecia Harper-Ihem*
Deputy

2.8

Prev. Agri. Ref.: ATTACHMENTS FILED **District:** **Agenda Number:**

WITH THE CLERK OF THE BOARD

Departmental Concurrence

Policy

Consent

Dept't Recomm.:
Per Exec. Ofc.:

COPY



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

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**COUNTY OF RIVERSIDE
AUDITOR-CONTROLLER**

Robert E. Byrd, CGFM
AUDITOR-CONTROLLER

Bruce Kincaid, MBA
ASSISTANT
AUDITOR-CONTROLLER

March 10, 2010

Steve Van Stockum, Director
Community Health Agency, Environmental Health
4065 County Circle Drive
Riverside, CA 92503

Subject: Internal Audit Report 2010-301: Community Health Agency, Environmental Health,
Franchise Fees Follow-up

Dear Mr. Van Stockum:

We have completed a follow-up audit of Community Health Agency, Environmental Health's franchise fees process. Our audit was limited to reviewing actions taken, as of February 11, 2010, to correct the one finding referenced in our Internal Audit Report 2008-002 dated October 23, 2008. For an in-depth understanding of the original audit, please refer to Internal Audit Report 2008-002 at www.auditorcontroller.org.

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, relevant and useful evidence to achieve the audit objective. We believe the audit provides a reasonable basis for our conclusion.

The original audit report contained one finding, which required corrective action and; therefore, was reviewed as part of this audit. This follow-up report is a summary of the current status of the one finding identified in the original audit.


Franchise Fees, Environmental Health

Finding 1: The department does not have a method in place to validate the gross revenues received by franchisees. Franchisees are not required to submit supporting documentation, such as computer generated reports, invoices, or any other sufficient evidence along with the Franchise Report Form Template to validate the accuracy of the revenue received.

Current Status 1: Fully Corrected. In May 2009, Environmental Health notified each of the 13 franchisees of the updated procedures regarding the county's requirement to provide supporting documentation to accompany the franchise fees paid with the quarterly franchise fee reports. Beginning in August 2009, Environmental Health received supporting documentation from all 13 franchisees to validate the gross revenues received by the franchisees. Environmental Health staff verifies the quarterly franchise fees revenue due through quarterly reports received and verification of supporting documentation including random testing of 25 addresses.

We appreciate the cooperation and assistance extended to us by staff of the Community Health Agency, Environmental Health. Their assistance contributed significantly to the successful completion of the follow-up audit.

ROBERT E. BYRD, CGFM
Auditor-Controller

A handwritten signature in black ink, appearing to read 'Michael G. Alexander', written over a horizontal line.

By: Michael G. Alexander, MBA, CIA
Deputy Auditor-Controller

cc: Dr. Erik Frykman, Community Health Agency
Board of Supervisors
Executive Office
Grand Jury