

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

937



FROM: County Auditor-Controller

SUBMITTAL DATE:
July 29, 2010

SUBJECT: Internal Audit Report 2010-005: Riverside County Agricultural Commissioner's Office.

RECOMMENDED MOTION: Receive and file Internal Audit Report 2010-005: Riverside County Agricultural Commissioner's Office.

BACKGROUND: The Auditor-Controller's Office has completed an audit of the Riverside County Agricultural Commissioner's Office. We conducted the audit during the period March 15, 2010, through April 25, 2010, for operations of January 1, 2007, to April 25, 2010. Our objective was to provide management and the Board of Supervisors with an independent assessment about the adequacy of internal controls over the department's processes and fiscal procedures. Specifically, the internal controls over: information security, records retention and the Weights and Measures program.

(Continued)

Bruce Kincaid
BRUCE KINCAID: ASST. AUD. - CONTROLLER
for 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 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION:

APPROVE

BY:

Karen L. Johnson
Karen L. Johnson

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Buster, Tavaglione, Stone, Benoit and Ashley
Nays: None
Absent: None
Date: August 31, 2010
xc: Auditor, Ag. Commissioner

Kecia Harper-Ihem
Clerk of the Board

By: *Kecia Harper-Ihem*
Deputy

Prev. Agn. Ref:

District: A11

Agenda Number:

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

2.19

Departmental Concurrence

Policy ☐

Policy ☐

Consent ☒

Consent ☒

Dept's Recomm.:

Per Exec. Ofc.:

BACKGROUND continued:

Based upon the results of our audit, internal controls over the Weights and Measures program are adequate and effective. Per recently amended Board of Supervisors' policies A-43 (County Records Management and Archives Policy) and A-58 (Enterprise Information Systems Security Policy), the Agricultural Commissioner's Office is in the process of making needed improvements over the security of information and records retention.



County of Riverside

INTERNAL AUDIT REPORT

2010-005

Riverside County Agricultural Commissioner's Office

July 29, 2010

Office of
Robert E. Byrd, CGFM
County Auditor-Controller

4080 Lemon Street
P.O. Box 1326
Riverside, CA 92502-1326



**RIVERSIDE COUNTY
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**

**Bruce Kincaid, MBA
ASSISTANT
AUDITOR-CONTROLLER**

July 29, 2010

Mr. John Snyder, Agricultural Commissioner
Riverside County Agricultural Commissioner's Office
4080 Lemon Street
Riverside, CA 92501

Subject: **Internal Audit Report 2010-005: Riverside County Agricultural Commissioner's Office**

Dear Mr. Snyder:

We have completed an audit of the Riverside County Agricultural Commissioner's Office. We conducted the audit during the period March 15, 2010, through April 25, 2010, for operations of January 1, 2007, to April 25, 2010.

Our objective was to provide management and the Board of Supervisors with an independent assessment about the adequacy of internal controls over the department's processes and fiscal procedures. Specifically, the internal controls over: information security, records retention, and the Weights and Measures program.

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 sufficient, reliable, relevant and useful evidence to provide reasonable assurance that our objective as described in the preceding paragraph is achieved. An audit includes examining, on a test basis, evidence about the adequacy and effectiveness of internal controls, compliance with applicable government codes and regulations, and performing such other procedures, as we considered necessary. We believe the audit provides a reasonable basis for our conclusion.

Internal controls are a process designed to provide management reasonable assurance of achieving efficiency of operations, compliance with laws and regulations, and reliability of financial information. Management is responsible for establishing and maintaining adequate internal controls; our responsibility is to express a conclusion on the internal controls based upon our audit.

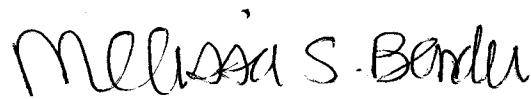
Based upon the results of our audit, internal controls over the Weights and Measures program are adequate and effective. Per recently amended Board of Supervisors' policies A-43 (County Records Management and Archives Policy) and A-58 (Enterprise Information Systems Security

Policy), the Agricultural Commissioner's Office is in the process of making needed improvements over the security of information and records retention.

Throughout the audit, we discussed the results contained in this report, as well as comments and suggestions of lesser significance, with the appropriate level of management.

We thank the Riverside County Agricultural Commissioner's Office management and staff for their cooperation, their assistance contributed significantly to the successful completion of the audit.

Robert E. Byrd, CGFM
County Auditor-Controller

A handwritten signature in black ink that reads "Melissa S. Bender". The signature is written in a cursive, flowing style.

By: Melissa S. Bender, CIA
Audit Manager

cc: Board of Supervisors
Executive Office
Grand Jury

Table of Contents

	Page
Executive Summary.....	1
Results:	
Weights and Measures.....	2
Information Security and Records Retention	4

Executive Summary

Overview

The stated mission of the Riverside County Agricultural Commissioner's Office is to protect and promote the agricultural industry of the county and its environment, ensuring the health and safety of the county's citizens, and fostering confidence and equity in the marketplace through education and the fair and uniform enforcement of laws, regulations, and ordinances enacted by the people of the state of California and the County of Riverside.

Each Agricultural Commissioner is charged with the protection of California agriculture, protection of the environment, as well as protection of the public's health and safety. These goals are accomplished through the management of programs designed to achieve the Agricultural Commissioner's mission through a combination of public outreach, industry education and various regulatory actions when appropriate. Examples of these programs are pest exclusion, detection, eradication and management, pesticide use enforcement, seed certification and nursery inspection.

Each year county Weights and Measures officials inspect and test packaged commodities and commercially used devices. Transactions derived from the use of such devices are also inspected for accuracy. In addition to inspection activities, Weights and Measures officials provide education and training to the public as well as the regulated industries.

Overall Objective

Our audit objective was to provide management and the Board of Supervisors with an independent assessment about the adequacy of internal controls over the department's processes and fiscal procedures. Specifically, the internal controls over: information security, records retention, and the Weights and Measures program.

Overall Conclusion

Based upon the results of our audit, internal controls over the Weights and Measures program are adequate and effective. Per recently amended Board of Supervisors' policies A-43 (County Records Management and Archives Policy) and A-58 (Enterprise Information Systems Security Policy), the Agricultural Commissioner's Office is in the process of making needed improvements over the security of information and records retention.

Weights and Measures

Background

The Agricultural Commissioner's Office provides a variety of services under the Weights and Measures program.

County Weights and Measures officials inspect and test various types of commercial weighing and measuring devices throughout the county. Examples of some of the types of devices inspected are gasoline dispensers, propane/butane meters, electric meters, taximeters, and scales. Each meter type requires special testing equipment that can determine the volume, distance, etc.

Businesses are required to register their devices with the Agricultural Commissioner's Office and devices are to be inspected for accuracy. Once the device passes inspection, the device is affixed with an official county seal.

The Agricultural Commissioner's Office has a quantity control program that is charged with verifying that businesses charge the correct amount when customers make retail purchases, checking packages for accuracy of net content statements, and enforcement of federal fair packaging and labeling act requirements.

Objectives

Our detailed audit objectives were to:

- Evaluate the billing process to ensure billing for licenses are valid, the authorized rates were billed to the customers and the appropriateness of the collection and deposit procedures;
- Evaluate the billing process to determine if reasonable steps were taken to identify and bill all businesses within the County of Riverside; and
- Evaluate the inspection process to determine if an adequate number of inspections were completed.

Audit Methodology

To accomplish our objectives, we:

- Conducted interviews and performed walkthroughs with department personnel;
- Identified and reviewed applicable laws, codes, and regulations, Board of Supervisors' ordinances, and policies and procedures;
- Evaluated the current inspection process and conducted an analysis of the number of inspections completed; and

- Selected a sample of invoices to perform detailed testing.

Results

Three county ordinances guide the Weights and Measures program: Ordinance 599 (Weights and Measures Commercial Device Registration), Ordinance 620 (Weights and Measures Non-Commercial Device Registration) and Ordinance 832 (Weights and Measures Scanner and Packer Registration).

The department bills annually for the commercial and non-commercial devices on a calendar year basis with the invoices generated and distributed by December 31st of each year. The scanner program is billed annually on a fiscal year basis with the invoices generated and distributed by June 30th of each year. All payments are received at the main office except for a minimal amount of delinquent payments that are paid in the field. The department has procedures in place to ensure the appropriate collection of these payments.

Information Security and Records Retention

Background

The Agricultural-Commissioner's Office utilizes two software programs to maintain their electronic business records. The two primary software applications used by the Agricultural Commissioner's Office are Agricultural Resources, used by the Phytosanitary program, and the Equimetric system used by Weights and Measures.

Objectives

Our detailed audit objectives were to determine:

- The adequacy of internal controls over sensitive data stored electronically or by hard copy within the department;
- The adequacy of internal controls over sensitive information;
- The adequacy of internal controls over the disclosure of sensitive information;
- The adequacy of internal controls over the destruction or deletion of information; and
- The adequacy of internal controls over records retention.

Audit Methodology

To accomplish our objectives, we:

- Conducted interviews and observed operating procedures of department personnel;
- Identified and reviewed laws, codes, and regulations, Board of Supervisors' ordinances, applicable policies and procedures;
- Obtained and understood policy and procedures regarding information security;
- Performed testing to ensure internal controls were adequate over security of information; and
- Determined the nature of information stored by the department.

Results

We conducted interviews, observed procedures and reviewed documents during the audit. Information maintained in both systems is not considered sensitive as it only contains client or business name address, and payment history; however, this information is needed for businesses purposes.

Passwords met Board of Supervisors' Policy A-58 (Enterprise Information Systems Security Policy) requirements and computers were programmed to lock and enter sleep mode after 15 minutes of inactivity. Back-ups are performed and the ability to restore from the back-ups is tested and documented.

Based upon our review, the Agricultural Commissioner's Office is working with the Assessor-County-Clerk-Recorder's Office to ensure pertinent information is maintained and or destroyed in accordance with the county's records retention policies.

The department maintains hard-copy historical information that has not been converted to an electronic record in accordance with Board Policy A-43 (County Records Management and Archive Policy). Without electronic records, original records of business and or historical value may be accidentally misplaced, given out, or may deteriorate over time. Prior to completion of our audit, we verified that the department is working with the Assessor-County-Clerk-Recorder's Office to preserve all required documents.