

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

322



FROM: County Auditor-Controller

SUBMITTAL DATE:
September 22, 2011

SUBJECT: County of Riverside, Auditor-Controller's Internal Audit Plan for Fiscal Year 2011/12.

RECOMMENDED MOTION: Receive and file Auditor-Controller's Internal Audit Plan for Fiscal Year 2011/12.

BACKGROUND:

We have prepared an Internal Audit Plan for FY2011/12 in accordance with the International Standards for the Professional Practice of Internal Auditing. The audit plan is consistent with meeting the requirements of California Government Codes 1236 and 25250.

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

Policy

Consent

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

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Buster, Tavaglione, Stone and Ashley
Nays: None
Absent: Benoit
Date: October 4, 2011
xc: Auditor

Kecia Harper-Ihem
Clerk of the Board
By: *Kecia Harper-Ihem*
Deputy

2.8

Prev. Agn. Ref.: | **District:** ALL | **Agenda Number:**



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

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**INTERNAL AUDIT PLAN
For
FISCAL YEAR 2011/12**

The primary goal of the Internal Audit function is to ensure taxpayer confidence and assurance; and to provide support to the Board of Supervisors and county management in accomplishing their missions and stewardship responsibilities by conducting audits that provide reliable, independent, objective assessments of the adequacy and effectiveness of internal controls. Internal controls are processes established by management designed to safeguard county assets and resources, maintain the reliability and integrity of financial information, promote the efficiency and effectiveness of operational processes, and ensure compliance with laws, regulations and policies.

The Internal Audit function applies the International Standards for the Professional Practice of Internal Auditing to all audits performed to meet the county's expectation for reliable, independent and objective audits. These standards require that we affirm our independence annually and follow ethical and professional standards.

In our effort to provide independent, objective, and reliable assessments of internal controls to the Board of Supervisors and management in accordance with Board of Supervisors Resolution 83-338, an annual internal audit plan is developed. The development of the annual Internal Audit Plan is driven by legal mandates, risk assessments, and information gathered through consultations with county management. While continuing to meet the mandate of performing a biennial audit of each department in accordance with California Government Code 25250, we intend to increase our focus on identifying opportunities for reducing costs and optimizing revenues as well as mitigating other significant exposures.

The Internal Audit Plan for fiscal year 2011/12 includes 37 audit projects, 11 of which are fiscal year 2010/11 projects that are in progress and will be completed in the current fiscal year. Fourteen new projects have been scheduled for fiscal year 2011/12, while 12 are follow-up audits of prior audit findings. We allocated hours to comply with Board of Supervisors' and management requests and provided coverage for conducting our key initiatives including assistance to the Fraud, Waste and Abuse Prevention Committee for the administration and investigation of reports received through the county's Fraud, Waste and Abuse Prevention Program.

As part of our commitment to quality, we will initiate a comprehensive county-wide risk assessment this year. This risk assessment will assist county management to identify and mitigate risks affecting their departments due to budget reductions, changes in key positions and other issues departments are faced with. The last comprehensive countywide risk assessment was completed in April 2001 and was one of the basis used to develop the Internal Audit five year plan.

In compliance with California Government Code 1236, the audits performed by the Auditor-Controller are conducted in accordance with the International Standards for the Professional Practice of Internal Auditing. These standards require the performance of an independent external quality assurance review (peer review) every five years. The Auditor-Controller's Office participates in the State Association of County Auditor's peer review program. This program keeps the cost of peer reviews to a minimum by reciprocal peer review agreements. We completed a peer review of the San Luis Obispo County during August 2007.

Audit Project Distribution by Project Type:	Number of Projects
FY 11/12 Projects	
Mandated audits	14
Mandated follow-up audits	12
Risk Based audits	0
Sub-total	26
FY10/11 audits in progress	11
Total	37

Breakdown of FY 11/12 projects by department/activity

Agricultural Commissioner
Auditor-Controller
Clerk of the Board
Clerk of the Board, Follow-up
Community Health Agency, Public Health Follow-up
Countywide Ghost Employees
Countywide Gift Cards
Department of Child Support Services
Department of Public Social Services
Department of Public Social Services-Community Action
District Attorney
Economic Development Agency
Economic Development Agency, Facilities Management
Executive Office
Fire Contract City Rates, Follow-up
Fire Administration, 2 nd Follow-up
Fire Vehicle Fleet, Follow-up

Human Resources GPO Contracts
Human Resources Short Term Disability, Follow-up
Mental Health and RCRMC Arlington Campus, Follow-up
Office on Aging, Follow-up
Probation, Follow-up
Public Defender, Follow-up
Purchasing Blanket Purchase Orders
Registrar of Voters
Riverside County Regional Medical Center Computer Disposal, Follow-up
Riverside County Regional Medical Center Purchasing & Materials Management, Follow-up
Riverside County Regional Medical Center OR Materials Management, Follow-up
Riverside County Regional Medical Center Pharmacy Materials Management, Follow-up
Sheriff's Contract City Rates
Sheriff's Vehicle Fleet
Transportation and Land Management Agency, Code Enforcement, Follow-up
Treasurer-Tax Collector 4Q '11
Treasurer-Tax Collector 1Q '12
Treasurer-Tax Collector 2Q '12
Treasurer-Tax Collector 3Q '12
Treasurer-Tax Collector 4Q '12