

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

502



FROM: Riverside County Auditor-Controller

SUBMITTAL DATE:
August 3, 2016

SUBJECT: Internal Audit Report 2016-029: Riverside County Emergency Management Department, Change of Department Head, [District: All]; [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file Internal Audit Report 2016-029: Riverside County Emergency Management Department, Change of Department Head

BACKGROUND:

Summary

We have completed an audit of the Riverside County Emergency Management Department, Change of Department Head to provide independent, objective, and reliable assessment of internal controls to the Board of Supervisors and management in accordance with Board of Supervisors' Resolution 83-338. This audit was conducted to ensure accountability over the transfer of capital assets from the predecessor to the newly appointed department head. Based upon the results of (Continued on page 2)

Departmental Concurrence

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

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	Consent <input checked="" type="checkbox"/> Policy <input type="checkbox"/>
NET COUNTY COST	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	

SOURCE OF FUNDS: N/A

Budget Adjustment: No
For Fiscal Year: n/a

C.E.O. RECOMMENDATION:

APPROVE

BY: *Stephanie Persi*
Stephanie Persi

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Tavaglione, Washington, Benoit and Ashley
Nays: None
Absent: None
Date: September 13, 2016

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

PrexcAgn. Ref.: Auditor | **District:** ALL | **Agenda Number:**

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

2-1

SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: Internal Audit Report 2016-029: Riverside County Emergency Management Department, Change of Department Head, [District: All]; [\$0]

DATE: August 3, 2016

PAGE: Page 2 of 2

BACKGROUND:

Summary (continued)

our audit, we determined the capital assets were transferred to the new director of the Riverside County Emergency Management Department in a timely manner and adequate internal controls are in place over the transfer of capital assets.

Impact on Citizens and Businesses

Provide an assessment of internal controls over the audited areas.

SUPPLEMENTAL:

Additional Fiscal Information

Not applicable

ATTACHMENTS:

A: Riverside County Auditor-Controller Internal Audit Report 2016-029: Riverside County Emergency Management Department, Change of Department Head

Internal Audit Report 2016-029

**Riverside County Emergency Management
Department, Change of Department Head**

Report Date: August 3, 2016



**Office of Paul Angulo, CPA, MA
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ACC | AUDITOR
CONTROLLER
COUNTY OF RIVERSIDE

Paul Angulo, CPA, MA
Riverside County Auditor-Controller

Frankie Ezzat, MPA
Assistant Auditor-Controller

August 12, 2016

Ms. Kimberly Saruwatari, Director
Emergency Management Department
4210 Riverwalk Pkwy
Riverside, CA 92505

Subject: Internal Audit Report 2016-029: Riverside County Emergency Management Department, Change of Department Head

Dear Ms. Saruwatari:

We have completed an audit of the Riverside County Emergency Management Department. In an 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, we conducted a Change of Department Head audit. This audit is conducted to ensure accountability over the transfer of revolving funds and capital assets from the predecessor to the new appointed department head. The audit covered the period of July 1, 2015 through May 30, 2016.

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 information to provide reasonable assurance that our objective as described above is achieved. An internal audit includes the systematic analysis of information to evaluate and improve the effectiveness of internal controls. We believe this audit provides a reasonable basis for our conclusion.

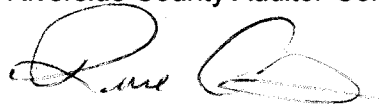
Internal controls are processes designed to provide management reasonable assurance of achieving efficiency of operations, compliance with laws and regulations, and reliability of financial and non-financial information. Management is responsible for establishing and maintaining adequate internal controls. Our responsibility is to evaluate the internal controls.

Based upon the results of our audit, we determined the capital assets were transferred to the new director of the Riverside County Emergency Management Department in a timely manner and adequate internal controls are in place over the transfer of capital assets.

Internal Audit Report 2016-029: Riverside County Emergency Management Department, Change of Department Head

We thank the Riverside County Emergency Management Department management and staff for their cooperation. Their assistance contributed significantly to the successful completion of this audit.

Paul Angulo, CPA, MA
Riverside County Auditor-Controller



By: René Casillas, CPA, CRMA
Interim Chief Internal Auditor

cc: Board of Supervisors
Executive Office
Grand Jury

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Executive Summary

Overview

The County of Riverside must be prepared to respond to and recover from emergencies and natural disasters. To be prepared, all county departments must be actively engaged in emergency management planning, training, exercise and real-world responses.

“On May 12, 2015 the Board of Supervisors approved the creation of the Riverside County Emergency Management Department (EMD). This action consolidated Riverside County Fire Office of Emergency Services (OES), Public Health Emergency Preparedness and Response (PHEPR) and the Riverside County Emergency Medical Services Agency (REMSA) under one EMD. As a result, Riverside County has a single, comprehensive, all-hazard emergency management program that is better positioned to protect and support residents before, during, and after an emergency.

The mission of the Emergency Management Department is to be a leader in emergency management to ensure the safety and security of the residents and visitors of Riverside County and to facilitate and support county government and stakeholder efforts to mitigate, prepare for, respond to, and recover from natural and human caused emergencies and disasters. EMD also functions as the Operational Area Coordinator for the Emergency Management Mutual Aid (EMMA) System and the Medical/Health Mutual Aid System. In addition, EMD is designated the Regional Disaster Medical Health Coordinator for Region VI.” (*County of Riverside Emergency Management Department 90 day report to the Board of Supervisors, September 21, 2015 Board of Supervisor workshop meeting, Agenda Item 1-3, p. 1*)

Since the creation and as of the date of this report the Emergency Management Department does not have an authorized Revolving Fund. As a result, our results focus on capital assets.

Audit Objective

Our audit objective is to provide management and the Board of Supervisors with an independent assessment of internal controls over the transfer of revolving funds and capital assets when there is a change in department head.

Audit Conclusion

Based upon the results of our audit, we determined the capital assets were transferred to the new director of the Riverside County Emergency Management Department in a timely manner and adequate internal controls are in place over the transfer of capital assets.

Capital Assets

Background

Capital assets are tangible assets of significant value which have a utility that extends beyond the current year, and are broadly classified as land (valued at \$1 or more), buildings and improvements, infrastructure, and equipment (acquisition cost of \$5,000 or greater).

Per the Riverside County Auditor-Controller's Standard Practice Manual, Policy Number 515 (previously Policy Number 912), upon retirement or termination of a department head, accountability for capital assets must be transferred to the new or acting department head and notification filed with the Riverside County Auditor-Controller's Office.

Objective

To determine if the required Standard Practice Manual Form AM-1, *The Inventory of County Property for Capital Assets*, for the transfer of accountability of capital assets from the predecessor to the new appointed department head was completed and properly filed with the Riverside County Auditor-Controller's Office.

Audit Methodology

To accomplish our objectives, we:

- Obtained an understanding of board policies and applicable standards.
- Established the date of the department head change.
- Verified proper forms were completed for transfer of accountability of capital assets and submitted to the Riverside County Auditor-Controller's Office.

Results

As of July 1, 2015, the time the new director was appointed, and the Riverside County Emergency Management Department was established, capital assets were maintained under the Riverside County Public Health and Riverside County Fire Departments in the Riverside County financial system asset module. On February 11, 2016 the Emergency Management Department accepted a transfer of 121 capital assets consisting of vehicles, trailers, generators, tents, computer equipment, and medical equipment with the a combined acquisition cost of \$2,095,725 from the Riverside County Public Health Department. On May 23, 2016 the Emergency Management Department accepted a transfer of 29 capital assets consisting of vehicles, trailers, shelters, and computer equipment with the a combined acquisition cost of \$936,331 from the Riverside County Fire Department.

Internal Audit Report 2016-029: Riverside County Emergency Management Department, Change of Department Head

The Riverside County Auditor-Controller Standard Practice Manual Form AM-6, *Capital Asset Transfer*, were completed and submitted to the Riverside County Auditor-Controller's Office on March 9, 2016 and May 24, 2016.

Based upon the results of our testing, we verified the appropriate forms were completed and properly filed for the transfer of capital assets.