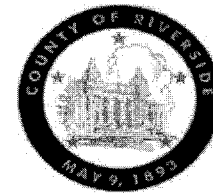


**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



2134

FROM : AUDITOR CONTROLLER::

SUBMITTAL DATE:
October 18, 2016

SUBJECT: Internal Audit Report 2016-001: Riverside County Information Technology Department, Countywide Contract Amendments and Competitive Bidding [District: All]; [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file Internal Audit Report 2016-001: Riverside County Information Technology Department, Countywide Contract Amendments and Competitive Bidding

Consent

Paul Angulo

Paul Angulo, Director of Auditor Controller 10/19/2016

BACKGROUND:

Summary

We have completed a countywide contract amendments and competitive bidding audit, which included the Riverside County Information Technology Department to provide the Board of Supervisors with an independent assessment of internal controls over contract amendments and competitive bidding process. We conducted the audit during the period January 13, 2016 through February 15, 2016 for active contracts during the period July 1, 2013 through August 31, 2015.

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$0	\$0	\$0	\$0
NET COUNTY COST	\$0	\$0	\$0	\$0
SOURCE OF FUNDS: N/A			Budget Adjustment: No	
			For Fiscal Year: N/A	

C.E.O. RECOMMENDATION: APPROVE

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Tavaglione, Washington and Ashley
Nays: None
Absent: Benoit
Date: November 1, 2016
xc: Auditor

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

2-7

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

BACKGROUND:

Summary (continued)

Based upon the results of our audit, we identified opportunities for improvement of internal controls relating to contract amendments. We determined that internal controls over competitive bidding provide reasonable assurance that its objectives relating to this respective area will be achieved. Reasonable assurance recognizes internal controls have inherent limitations, including cost, mistakes, and intentional efforts to bypass internal controls.

We will follow-up to determine if actions were taken to correct the findings noted.

Impact on Residents and Businesses

Provide an assessment of internal controls over the audited areas.

SUPPLEMENTAL:

Additional Fiscal Information

Not Applicable

ATTACHMENT A.

Riverside County Auditor-Controller's Office Internal Audit Report 2016-001: Riverside County Information Technology Department, Countywide Contract Amendments and Competitive Bidding

Internal Audit Report 2016-001

**RIVERSIDE COUNTY
INFORMATION TECHNOLOGY,
COUNTYWIDE CONTRACT AMENDMENTS
AND COMPETITIVE BIDDING**

Report Date: September 7, 2016



**Office of Paul Angulo, CPA, MA
County of Riverside Auditor-Controller
4080 Lemon Street, 11th Floor
Riverside, CA 92509
(951) 955-3800**

www.auditorcontroller.org



COUNTY OF RIVERSIDE
OFFICE OF THE
AUDITOR-CONTROLLER

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AO | AUDITOR
CONTROLLER
COUNTY OF RIVERSIDE

Paul Angulo, CPA, MA
AUDITOR-CONTROLLER

Frankie Ezzat, MPA
ASSISTANT AUDITOR-CONTROLLER

September 7, 2016

Steve Reneker
Chief Information Officer
Riverside County Information Technology Department
4080 Lemon Street, 10th Floor
Riverside, CA 92502

Subject: **Internal Audit Report 2016-001: Riverside County Information Technology Department, Countywide Contract Amendments and Competitive Bidding Process**

Dear Mr. Reneker:

We have completed a countywide audit to provide management and the Board of Supervisors with an independent assessment of internal controls over contract amendments and competitive bidding process. This report assesses the Riverside County Information Technology Department internal controls over the contract amendments and competitive bidding process. We conducted the audit from January 13, 2016 through February 15, 2016 for active contracts during the period July 1, 2013 through August 31, 2015.

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 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 identified opportunities for improvement of internal controls relating to contract amendments. We determined that internal controls over competitive bidding provide reasonable assurance that its objectives relating to this respective area will be achieved. Reasonable assurance recognizes internal controls have inherent limitations, including cost, mistakes, and intentional efforts to bypass internal controls.



Internal Audit Report 2016-001: Riverside County Information Technology Department,
Countywide Contract Amendments and Competitive Bidding Process

As requested, in accordance with paragraph III.C of the Board of Supervisors Resolution 83-338, management responded to the reported conditions and recommendations contained in our report. Management's response is included in the report. We will follow-up to verify that management implemented the corrective actions.

We thank the Riverside County Information Technology Department's 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

Riverside County Information Technology Department (Information Technology) provides reliable, long-term, financially viable, and secure information technology infrastructure and systems to county departments and agencies. Information Technology consists of eight divisions: Administration, Business Relationship Management, Converged Communications Bureau, Data Officer Special Projects, Enterprise Application Bureau, Information Security Office, Office of the Chief Information Officer, and Technology Service Bureau. The Administrative Division consists of Fiscal, Human Resources, Inventory Management Group and Procurement Management Group. The Procurement Management Group is responsible for all aspects of contract management to include preparing amendments to the contracts and managing the competitive bidding process. The Procurement Management Group consists of an Administrative Services Supervisor, Procurement Contract Specialist liaison, Administrative Services Analyst II, Buyer II, Buyer I, Buyer Assistant, and Temporary Administrative Services Analyst I. The Procurement Management Group typically contracts for services such as, software maintenance, hardware maintenance, software licenses, network equipment purchases, telephone purchases, infrastructure material like cables and replacement item.

Pursuant to California Government Code Section 31000, the board of supervisors may contract for special services on behalf of the county, county officer, department, district or court in the county. Riverside County Ordinance 459, indicates, the Board of Supervisors delegates contracting authority to the Purchasing Agent also known as Purchasing and Fleet Services Director. This ordinance authority includes the Purchasing Agents authority to approve contract amendments and the competitive bidding processes.

Purchasing Policy Manual dated, February 1, 2013, requires the Purchasing Agent to notify the Board of Supervisors prior to purchases exceeding \$25,000, made without securing competitive bids and for all purchases exceeding \$1,000. To reflect the changes incorporated into Riverside County Board of Supervisors Ordinance 459.5, which was approved by the Board of Supervisors on May 19, 2015, the Purchasing Policy Manual was revised on August 1, 2015. The revised Purchasing Policy manual increased the notification to the Board of Supervisors for purchases exceeding \$50,000 and raised the informal bid requirement to \$5,000.

Our sample population consists of all contracts that were active during our audit period of July 1, 2013 to August 31, 2015. Most contracts have a one year period of performance with the option to extend the contract for four years. As such, some contracts selected could be as old as calendar year 2008 contracts.

The county does not maintain a system that records all contracts used by county departments. Each department manages their contracts manually or with a computer system, such as a contract management system or spreadsheet/database, or a combination of systems. As such,

**Internal Audit Report 2016-001: Riverside County Information Technology Department,
Countywide Contract Amendments and Competitive Bidding Process**

we utilized the County of Riverside's financial system known as PeopleSoft (PeopleSoft) database to select our sample of contracts for review of amendments and the competitive bidding process. The PeopleSoft database consists of contract records that were updated annually during our audit period. This update creates a new PeopleSoft contract that corresponds with the contract. Therefore, a one year contract with an option to renew four times could have up to five PeopleSoft contracts that correspond to the contract. One-hundred and twenty-eight PeopleSoft contracts used by Information Technology were randomly selected to review. Eighty-two were Information Technology contracts and 46 were countywide contracts. The 82 Information Technology PeopleSoft contracts resulted in 65 vendor contracts. One-hundred and thirty PeopleSoft contracts are associated with the 65 vendor contracts. Although 82 Information Technology PeopleSoft contracts were selected, we reviewed all 130 PeopleSoft contracts to ensure the internal controls were adequate for the 65 contracts. We determined that the 46 countywide contracts would be reviewed during our review of Purchasing Department contract amendments and competitive bidding process since management of the countywide contracts is Purchasing and Fleet Services Department's responsibility.

When a service or item is required, a bid number is established to begin the bidding process. A contract could be awarded to one or several vendors under one bid number. As such, several contracts could be established with one bid number. The PeopleSoft contract corresponds to a specific contract within a bid number. We provided a breakdown of contracts selected for the amendments and competitive bidding review in Attachment A.

Audit Objective

Our audit objective is to provide management and the Board of Supervisors with an independent assessment of the department's internal controls over contract amendments and the competitive bidding process.

Audit Conclusion

Based upon the results of our audit, we identified opportunities for improvement of internal controls relating to contract amendments. We determined that internal controls over competitive bidding provide reasonable assurance that its objectives relating to this respective area will be achieved. Reasonable assurance recognizes internal controls have inherent limitations, including cost, mistakes, and intentional efforts to bypass internal controls.

Amendments

Background

Amendments are formal changes to the terms and conditions, scope of work, specifications or provisions of a contract. Reasons for issuing an amendment include but, are not limited to: revising, deleting, or adding terms, extending the period of performance, and increasing or decreasing cost of the contract. Information Technology used formal amendments and PeopleSoft contracts to amend their contracts.

During our review of contract amendments we determined that nine of the 65 vendor contracts were extended without an amendment. Although, there is no legal requirement for amendments, it is best practices to prepare an amendment, signed by both parties, when an option to extend the period of performance is accepted. This ensures the county and vendor fully understand when a contract ends and payments stop and strengthens legal binding to the contract. However, contracts with terms requiring a written amendment to extend the period of performance should have a formal written amendment signed by both parties.

We identified renewals to the period of performance where it can be beneficial to have prepared an amendment to document the agreement to extend the period of performance between both parties. We provided a breakdown of contracts selected for the amendments and competitive bidding review on Attachment B.

Objective

Our audit objective is to provide Management and the Board of Supervisors with an independent assessment of internal controls over contract amendments processing.

Audit Methodology

To accomplish our objectives, we:

- Identified and reviewed policies, applicable laws, codes, regulations, and ordinances.
- Conducted interviews and performed walk-throughs with office personnel.
- Utilized PeopleSoft queries to identify cost charged to each contract.
- Selected samples of contracts to perform detailed testing of amendments.

Finding 1: Period of Performance

Contract amendments were not prepared to extend the period of performance. Our review of contract amendments disclosed four out of 65 (6%) vendor contracts contained terms requiring

**Internal Audit Report 2016-001: Riverside County Information Technology Department,
 Countywide Contract Amendments and Competitive Bidding Process**

written amendments to extend the period of performance. Following is a summary of vendor contracts that exceeded the period of performance without preparing an amendment:

<u>Contract ID</u>	<u>Vendor</u>	<u>Renewals</u>	<u>Amendments</u>	<u>Variance</u>
ITARC-038	Verizon Select Service	5	0	(5)
PEARC-016	Expedia Power Solutions	1	0	(1)
PEARC-021	Mesa Energy dba Emcor	1	0	(1)
ITARC-114	JTD Consulting Inc.	2	0	(2)

Limited staff was dedicated for contract management; as such, it has been a practice to amend contracts for goods and services by extending the period of performance with a PeopleSoft contract instead of an official amendment signed by both parties. However, not preparing required official amendments, signed by both parties, may result in disputes on when a contract ends and payments stop, which may require legal proceedings to resolve.

Recommendation 1

Prepare a formal amendment signed by both parties for all renewals when contract terms specifically require a written amendment to extend the period of performance.

Management's Response

"Concur".

Actual/estimated Date of Corrective Action: September 1, 2016.

Finding 2: Annual Compensation Allowed

Board of Supervisors approval to increase the annual compensation allowed for some contracts was not obtained. Our review of contract amendments disclosed one of 65 (2%) vendor contracts contained a term on the original Form 11 authorizing the Purchasing Agent to approve cost increase amendments not exceeding the annual Consumer Price Index (CPI) increase. However, one contract charged above the Los Angeles-Riverside-Orange County CPI, All Items, 1982-84=100 for All Urban Consumers annual average without obtaining approval from the Board of Supervisors. Following is the contract that exceeded the CPI threshold:

<u>Contract ID</u>	<u>CPI Period</u>	<u>Increased Amount</u>	<u>Amount Allowed</u>	<u>Variance</u>	<u>POC*</u>	<u>CPI</u>	<u>Variance</u>
ITARC-102	8/1/10-7/31/11	\$604,934	\$560,000	\$44,930	8.0%	1.9%	(6.1)%

* POC - Percentage of Change.

It was believed that the Procurement Contract Specialist had authority to sign amendments that increased cost within ten percent, which is known as the ten percent rule. The ten percent rule would have been allowed if it was stated on the original Form 11; however, it stipulated the use

Internal Audit Report 2016-001: Riverside County Information Technology Department,
 Countywide Contract Amendments and Competitive Bidding Process

of the CPI increase. Increasing the maximum dollar amount of a contract without a formal approval of the Board of Supervisors may result in disputes between the County of Riverside and vendors that require legal proceedings to resolve.

Recommendation 2

Prepare a formal amendment signed by both parties for all increases above the maximum compensation and obtain Board of Supervisors approval on all cost increases greater than the annual CPI increase when required by the Form 11.

Management's Response

"Concur".

Actual/estimated Date of Corrective Action: September 1, 2016.

Finding 3: Maximum Released Expenditures

The annual maximum amount was exceeded without the preparation of an amendment. Our review of contract amendments disclosed five of 65 (8%) vendor contracts expended cost exceeded the annual amounts allowed per the contract without preparing contract amendments to increase the maximum authorized amount. Following is a summary of the contracts that exceeded the maximum authorized amount:

<u>Contract ID</u>	<u>Start Date</u>	<u>End Date</u>	<u>Amount</u>	<u>Expensed</u>	<u>(Over)/Under</u>
PEARC-016	03/01/14	02/28/15	\$325,000	\$428,486	\$(103,486)
ITARC-150	02/05/14	02/05/15	220,000	234,950	(14,950)
ITARC-106**	05/25/11	05/24/12	26,736	42,588	(15,852)
ITARC-106**	05/25/12	05/25/13	26,736	35,348	(8,612)
ITARC-106**	05/24/13	05/25/14	26,736	35,348	(8,612)
Simpler System***	03/15/12	03/14/13	76,200	77,238	(1,162)
Selectron Tech****	07/16/13	06/30/14	27,365	28,140	(775)

** Item is one contract that exceeded the annual allowable amount for three different years.

*** Sole source contracts.

It was believed that amendments were not required if expenditures over the allowable annual amount remained within 10 percent. Exceeding the maximum dollar amount of a contract without a formal approval of the Board of Supervisors may result in disputes between the County of Riverside and vendors that require legal proceedings to resolve.

Internal Audit Report 2016-001: Riverside County Information Technology Department,
Countywide Contract Amendments and Competitive Bidding Process

Recommendation 3

Prepare a formal amendment signed by both parties prior to expenditures exceeding the maximum allowable compensation and obtain Board of Supervisors approval for the cost increase.

Management's Response

"Concur".

Actual/estimated Date of Corrective Action: September 2, 2016.

Draft Internal Audit Report 2016-001
Riverside County Information Technology Department
Report Date: September 7, 2016
Summary of Contracts Selected for Review

<u>Contract ID</u>	<u>PeopleSoft Contract No.</u>		<u>Contract Date</u>	<u>Allowable Amount</u>	<u>Amount Expensed</u>	<u>Contract Amount (Over)/Under</u>
PUARC-645	PEARC-72524-001-003-03/12	(1)	1/19/2007	\$ 109,483,646	\$ 1,181,714	\$ 108,301,932
	PEARC-72524-001-003-01/14					
PUARC-1077	ITARC-72555-001-1/12	(1)	1/30/2009	5,000,000	2,443,477	2,556,523
ITARC-038	ITARC-28070-002-008-01/12	(1)	6/30/2009	11,735,220	2,411,180	9,324,040
ITARC-129	ITARC-28070-003-07/13	(1)	8/2/2012	3,000,000	1,199,382	1,800,618
	ITARC-28070-003-07/14	(1)				
	ITARC-28070-003-07/15					
ITARC-033	ITARC-28748-001-008-11/11	(1)	11/1/2006	1,800,000	955,658	844,342
ITARC-129	ITARC-28070-001-7/13	(1)	8/8/2012	5,000,000	1,900,770	3,099,230
	ITARC-28070-001-7/14	(1)				
	ITARC-28070-001-7/15	(1)				
	ITARC-28070-001-7/16					
Sole Source	ITARC-20800-004-06/11	(1)	6/29/2010	1,667,442	1,335,217	332,225
	ITARC-20800-004-06/14	(1)				
	ITARC-20800-004-06/15	(1)				
Sole Source	ITARC-91829-004-11/14	(1)	5/5/2012	937,450	294,780	642,670
	ITARC-91829-004-11/15	(1)				
ITARC-129	ITARC-28070-002-07/13		9/12/2012	4,000,000	438,796	3,561,204
	ITARC-28070-002-07/14	(1)				
	ITARC-28070-002-07/15	(1)				
	ITARC-28070-002-07/16					
PSEARC-006	ITARC-40503-001-06/15	(1)	6/26/2012	1,000,000	12,336	987,664
	ITARC-40503-001-06/17					
PUARC-1077	ITARC-72555-002-01/12	(1)	1/30/2009	500,000	127,600	372,400
PUARC-645	PEARC-72578-001-02/14	(1)	1/19/2007	109,483,646	1,483,733	107,999,913
	PEARC-72578-001-02/15	(1)				
	PEARC-72578-001-02/16	(1)				
PSEARC-006	PSEC-40503-001-07/13	(1)	6/26/2012	1,000,000	17,963	982,037
	PSEC-40503-001-06/14	(1)				
ITARC-075	ITARC-93639-003-05/11	(1)(2)	4/2/2009	340,000	345,348	(5,348)
ITARC-102	ITARC-20900-002-03/12	(1)	6/28/2011	560,000	200,500	359,500
ITARC-293	ITARC-91365-001-12/14	(1)	12/17/2013	1,774,705	600,512	1,174,193
	ITARC-91365-001-12/15					
Ventura Cnty	ITARC-95605-004-04/16	(1)(2)	6/10/2013	366,059	406,392	(40,333)
ITARC-141	ITARC-20689-001-07/13	(1)	7/26/2012	454,047	213,235	240,812
	ITARC-20689-001-07/14					
	ITARC-20689-001-07/15					
ITARC-260	ITARC-72555-005-06/15	(1)	4/29/2015	700,000	187,710	512,290
	ITARC-72555-005-06/19					
ITARC-260	ITARC-72555-006-6/15	(1)	6/19/2015	698,615	253,746	444,869
	ITARC-72555-006-6/19					
PEARC-016	ITARC-63639-001-02/15	(1)	2/25/2014	647,000	610,780	36,220
	ITARC-63639-001-02/16	(1)				

Draft Internal Audit Report 2016-001
Riverside County Information Technology Department
Report Date: September 7, 2016
Summary of Contracts Selected for Review

<u>Contract ID</u>	<u>PeopleSoft Contract No.</u>		<u>Contract Date</u>	<u>Allowable Amount</u>	<u>Amount Expensed</u>	<u>Contract Amount (Over)/Under</u>
ITARC-150	ITARC-91829-001-02/15	(1)(2)	2/5/2013	\$ 220,000	\$ 234,950	\$ (14,950)
Sole Source	ITARC-90662-004-06/13		11/1/2011	755,000	222,192	532,808
	ITARC-90662-004-06/14	(1)				
	ITARC-90662-004-06/15					
	ITARC-90662-004-06/16					
ITARC-069	ITARC-85000-004-10/12	(1)	3/5/2009	288,371	143,622	144,749
Sole Source	ITARC-92045-001-008-04/11	(1)	4/20/2006	370,384	204,287	166,097
PUARC-1002	ITARC-98527-001-11/12	(1)	11/9/2010	250,000	181,637	68,363
ITARC-180	ITARC-20900-002-06/14	(1)	7/1/2013	957,225	609,385	347,840
	ITARC-20900-002-06/15					
	ITARC-20900-002-06/17					
	ITARC-20900-002-06/18					
ITARC-267	ITARC-73000-001-06/15	(1)	7/1/2014	400,000	75,902	324,098
	ITARC-73000-001-06/17					
ITARC-069	ITARC-85000-004-11/14	(1)	5/19/2009	288,370	209,948	78,422
	ITARC-85000-004-11/15	(1)				
PEARC-021	ITARC-94155-001-09/15	(1)	11/24/2014	550,000	214,909	335,091
	ITARC-94155-001-11/19					
ITARC-219	ITARC-96163-001-03/15	(1)	3/25/2014	200,000	-	200,000
	ITARC-96163-001-03/19					
ITARC-207	ITARC-99022-001-10/14	(1)	11/1/2013	300,000	15,209	284,791
	ITARC-99022-001-10/15					
ITARC-266	ITARC-91551-001-07/15	(1)	6/17/2014	141,876	109,662	32,214
ITARC-118	ITARC-91551-002-11/13	(1)	1/9/2013	664,000	479,515	184,485
	ITARC-91551-002-11/14					
	ITARC-91551-002-11/15					
	ITARC-91551-002-11/17					
ITARC-1002	ITARC-60072-004-11/12		11/9/2010	280,000	138,515	141,485
	ITARC-60072-004-11/13	(1)				
	ITARC-60072-004-11/14	(1)				
	ITARC-60072-004-11/15	(1)				
ITARC-106	ITARC-92004-002-05/12	(1)(2)	5/25/2011	82,436	113,284	(30,848)
ITARC-076	ITARC-93972-005-05/14	(1)	5/8/2009	240,000	65,965	174,035
ITARC-076	ITARC-93972-006-05/14	(1)	5/8/2009	240,000	12,831	227,169
ITARC-199	ITARC-92033-001-12/14	(1)	2/7/2014	105,175	90,988	14,187
	ITARC-92033-001-12/17					
None	ITARC-83900-001-09/12	(1)	9/27/2011	90,000	80,317	9,683
	ITARC-83900-001-09/13					
ITARC-161A	ITARC-72536-002-06/14	(1)	8/7/2013	185,932	53,519	132,413
	ITARC-72536-002-06/15	(1)				
	ITARC-72536-002-06/16					

Draft Internal Audit Report 2016-001
Riverside County Information Technology Department
Report Date: September 7, 2016
Summary of Contracts Selected for Review

<u>Contract ID</u>	<u>PeopleSoft Contract No.</u>	<u>Contract Date</u>	<u>Allowable Amount</u>	<u>Amount Expensed</u>	<u>Contract Amount (Over)/Under</u>
ITARC-114	ITARC-72512-001-11/12	11/16/2011	\$ 180,000	\$ 76,160	\$ 103,840
	ITARC-72512-001-11/13				
	ITARC-72512-001-11/14	(1)			
ITARC-118	ITARC-91551-001-11/13	1/9/2013	664,000	186,174	477,826
	ITARC-91551-001-11/14	(1)			
	ITARC-91551-001-11/15				
	ITARC-91551-001-11/17				
Sole Source	ITARC-92045-001-04/15	2/28/2009	152,400	119,350	33,050
	ITARC-92045-001-04/16	(1)			
Sole Source	OSARC-92045-001-3/13	1/11/2011	152,400	147,212	5,188
	OSARC-92045-001-3/14	(1)			
PUARC-311	ITARC-73084-002-11/14	(1) 1/11/2011	58,605	22,547	36,058
ITARC-161A	ITARC-72536-001-06/14	(1) 7/9/2013	165,000	75,442	89,558
	ITARC-72536-001-06/15				
	ITARC-72536-001-06/16				
ITARC-107	ITARC-05579-001-07/14	(1) 7/17/2013	100,000	60,883	39,117
	ITARC-05579-001-07/15	(1)			
ITARC-120	ITARC-72574-003-11/12	11/1/2011	110,000	3,155	106,845
	ITARC-72574-003-11/14	(1)			
Sole Source	ITARC-92004-001-04/20	(1) 4/29/2015	50,000	48,919	1,081
ITARC-354	ITARC-92045-008-12/16	(1) 7/1/2015	100,000	50,000	50,000
None	ITARC-91551-001-003-08/12	(1) 9/26/2007	36,000	33,049	2,951
Sole Source	ITARC-91829-001-7/13	8/27/2012	54,730	55,505	(775)
	ITARC-91829-001-7/14	(1)(2)			
HRARC-056	HRARC-20477-001-12/14	(1) 12/18/2013	50,000	19,424	30,576
	HRARC-20477-001-12/15				
	HRARC-20477-001-12/16				
ITARC-107	ITARC-05579-001-03/12	(1) 7/17/2012	50,000	19,196	30,804
Sole Source	ITARC-20853-001-05/15	(1) 5/1/2013	50,000	11,092	38,908
	ITARC-20853-001-05/18				
Sole Source	ITARC-20853-001-4/14	(1) 5/1/2013	25,000	11,092	13,908
ITARC-091	ITARC-72559-002-04/11	3/28/2013	600,000	198,513	401,487
	ITARC-72559-002-04/14	(1)			
Sole Source	ITARC-91365-001-06-16	(1) 10/1/1911	40,000	3,400	36,600
None	ITARC-91551-003-07/12	7/1/2011	63,000	22,029	40,971
	ITARC-91551-003-07/14				
	ITARC-91551-003-07/15	(1)			
Sole Source	ITARC-90559-001-06/14	(1) 7/1/2013	30,000	7,566	22,434
	ITARC-90559-001-06/15	(1)			
	ITARC-90559-001-06/18	(1)			

Draft Internal Audit Report 2016-001
Riverside County Information Technology Department
Report Date: September 7, 2016
Summary of Contracts Selected for Review

<u>Contract ID</u>	<u>PeopleSoft Contract No.</u>	<u>Contract Date</u>	<u>Allowable Amount</u>	<u>Amount Expensed</u>	<u>Contract Amount (Over)/Under</u>
ITARC-144	ITARC-20767-001-06/13	6/1/2012	\$ 34,200	\$ 26,100	\$ 8,100
	ITARC-20767-001-06/14	(1)			
	ITARC-20767-001-06/15				
ITARC-174	ITARC-94655-001-06/14	6/17/2013	23,200	6,181	17,019
	ITARC-94655-001-06/15				
	ITARC-94655-001-06/16	(1)			
Totals			\$ 269,270,134	\$ 21,080,455	\$ 248,189,679

Notes:

- (1) PeopleSoft contract selected to test the corresponding contract and its amendments. Although this PeopleSoft contract was selected the other PeopleSoft contracts listed without (1) next to it was also reviewed.
- (2) Exceed the contract annual amount in one or more year(s).

Draft Internal Audit Report 2016-001
Riverside County Purchasing and Fleet Services Department
Report Date: August 17, 2016
Summary of Contract Amendments

<u>Contract ID</u>	<u>PeopleSoft Contract No.</u>	<u>Renewals</u>	<u>Allowable Renewals Amount **</u>	<u>Actual Renewal Amendments</u>	<u>Variance***</u>
PUARC-645	PEARC-72524-001-003-03/12	1	\$5,045,867	1	-
PUARC-1077	ITARC-72555-001-1/12	-	-	-	-
ITARC-038	ITARC-28070-002-008-01/12	2	- *	-	2
ITARC-129	ITARC-28070-003-07/14	2	2,000,000	2	-
ITARC-033	ITARC-28748-001-008-11/11	-	-	-	-
ITARC-129	ITARC-28070-001-7/13	3	3,000,000	3	-
None	ITARC-20800-004-06/11	2	1,111,628	-	2
None	ITARC-91829-004-11/14	1	618,000	-	1
ITARC-129	ITARC-28070-003-07/13	3	3,000,000	2	1
PSEARC-006	ITARC-40503-001-06/15	1	- *	-	1
PUARC-1077	ITARC-72555-002-01/12	-	-	-	-
PUARC-645	PEARC-72578-001-02/14	1	5,045,867	1	-
PSEARC-006	PSEC-40503-001-07/13	1	- *	-	1
ITARC-075	ITARC-93639-003-05/11	-	-	-	-
ITARC-102	ITARC-20900-002-03/12	-	-	-	-
None	ITARC-91365-001-12/14	1	555,205	-	-
None	ITARC-95605-004-04/16	-	-	-	-
ITARC-141	ITARC-20689-001-07/13	2	- *	-	2
ITARC-260	ITARC-72555-005-06/15	1	300,000	-	1
ITARC-260	ITARC-72555-006-6/15	1	300,000	-	1
PEARC-016	ITARC-63639-001-02/15	1	322,000	1	-
ITARC-150	ITARC-91829-001-02/15	-	-	-	-
None	ITARC-90662-004-06/14	3	675,000	-	3
ITARC-069	ITARC-85000-004-10/12	-	-	-	-
None	ITARC-92045-001-008-04/11	-	-	-	-
PUARC-1002	ITARC-98527-001-11/12	-	-	-	-
ITARC-180	ITARC-20900-002-06/14	3	740,000	-	3
ITARC-267	ITARC-73000-001-06/15	1	200,000	-	1
ITARC-069	ITARC-85000-004-11/14	1	144,185	-	1
PEARC-021	ITARC-94155-001-09/15	1	275,000	-	1
ITARC-219	ITARC-96163-001-03/15	1	100,000	-	1
ITARC-207	ITARC-99022-001-10/14	1	150,000	-	1
ITARC-266	ITARC-91551-001-07/15	-	-	-	-
ITARC-118	ITARC-91551-002-11/13	3	498,000	-	3
ITARC-1002	ITARC-60072-004-11/12	3	230,000	-	3
ITARC-106	ITARC-92004-002-05/12	-	-	-	-
ITARC-076	ITARC-93972-005-05/14	-	-	-	-
ITARC-076	ITARC-93972-006-05/14	-	-	-	-
ITARC-199	ITARC-92033-001-12/14	1	39,325	1	-
None	ITARC-83900-001-09/12	1	- *	-	1
ITARC-161A	ITARC-72536-002-06/14	2	130,932	-	2

Draft Internal Audit Report 2016-001
Riverside County Purchasing and Fleet Services Department
Report Date: August 17, 2016
Summary of Contract Amendments

<u>Contract ID</u>	<u>PeopleSoft Contract No.</u>	<u>Renewals</u>	<u>Allowable Renewals Amount **</u>	<u>Actual Renewal Amendments</u>	<u>Variance***</u>
ITARC-114	ITARC-72512-001-11/14	2	\$ 130,000	-	2
ITARC-118	ITARC-91551-001-11/14	3	498,000	-	3
None	ITARC-92045-001-04/16	1	76,200	1	-
None	OSARC-92045-001-3/14	1	76,200	1	-
None	ITARC-73084-002-11/14	-	-	-	-
ITARC-161A	ITARC-72536-001-06/14	2	110,000	-	2
ITARC-107	ITARC-05579-001-07/14	1	50,000	-	1
ITARC-120	ITARC-72574-003-11/14	1	50,000	-	1
None	ITARC-92004-001-04/20	-	-	-	-
ITARC-354	ITARC-92045-008-12/16	-	-	-	-
None	ITARC-91551-001-003-08/12	-	-	-	-
None	ITARC-91829-001-7/14	1	27,365	-	1
HRARC-056	HRARC-20477-001-12/14	2	50,000	-	2
ITARC-107	ITARC-05579-001-03/12	-	-	-	-
None	ITARC-20853-001-05/15	1	25,000	-	1
None	ITARC-20853-001-4/14	-	-	-	-
None	ITARC-72559-002-04/14	1	- *	-	1
None	ITARC-91365-001-06-16	-	-	-	-
None	ITARC-91551-003-07/15	2	42,000	-	2
None	ITARC-90559-001-06/14	2	20,000	-	2
ITARC-144	ITARC-20767-001-06/14	2	25,200	-	2
ITARC-174	ITARC-94655-001-06/14	2	16,000	-	2
Totals		68	\$25,676,974	13	54

Note:

* Contract amount was an aggregate amount. The amendment extended the period of performance without increasing cost.

** Contracts run for one year period of performance with an option to renew for four one year periods. Renewal amount allowed for the additional period of performance beyond the original one year period of performance of the contract.

*** Variance is the difference between total possible renewals that could have been prepared and actual amendments signed by both parties.