

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



ITEM
2.9
(ID # 3285)

MEETING DATE:
Tuesday, January 24, 2017


FROM : AUDITOR CONTROLLER:

SUBJECT: Internal Audit Report 2017-310: Riverside University Health System –
BEHAVIORAL HEALTH, PUBLIC GUARDIAN, Countywide Revolving Funds,
Follow-up [District: All]; [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file Internal Audit Report 2017-310: Riverside University Health System – Behavioral Health, Public Guardian, Countywide Revolving Funds, Follow-up

ACTION: Consent


Paul Angulo, Director of Auditor Controller 1/5/2017

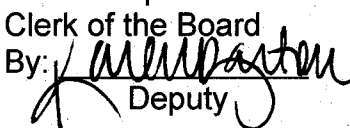
FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0	\$ 0	\$ 0	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: N/A			Budget Adjustment: No	
			For Fiscal Year: N/A	

C.E.O. RECOMMENDATION:

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, Washington and Ashley
Nays: None
Absent: Tavaglione
Date: January 24, 2017
xc: Auditor

Kecia Harper-Ihem
Clerk of the Board
By: 
Deputy

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

BACKGROUND:

Summary

We have completed a Follow-up Audit of the Riverside University Health System – Behavioral Health, Public Guardian, Countywide Revolving Funds. Our audit was limited to reviewing actions taken as of November 3, 2016, to correct findings noted in our original audit report 2014-002 dated August 12, 2014.

The original audit report contained one recommendation, which required implementation to help correct the reported finding. For an in-depth understanding of original audit, please refer to Internal Audit Report 2014-002 at <http://www.auditorcontroller.org/Divisions/InternalAudit/InternalAuditReports>.

Our follow-up audit found that the one recommendation made in the original audit report was fully implemented.

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 - Internal Audit Report 2017-310: Riverside University Health System – Behavioral Health, Public Guardian, Countywide Revolving Funds, Follow-up

Internal Audit Report 2017-310

**Riverside University Health System—
Behavioral Health, Public Guardian,
Countywide Revolving Funds, Follow-up**

Report Date: November 23, 2016



**Office of Paul Angulo, CPA, MA
Riverside County Auditor-Controller
4080 Lemon Street, 11th Floor
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AUDITOR-CONTROLLER**

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AO | AUDITOR
CONTROLLER
COUNTY OF RIVERSIDE

Paul Angulo, CPA, MA
Riverside County Auditor-Controller

Frankie Ezzat, MPA
Assistant Auditor-Controller

November 23, 2016

Steve Steinberg
Director
Riverside University Health System – Behavioral Health
4095 County Circle Drive
Riverside, CA 92503

Subject: Internal Audit Report 2017-310: Riverside University Health System – Behavioral Health, Public Guardian, Countywide Revolving Funds, Follow-up

Dear Mr. Steinberg:

We have completed the first Follow-up Audit of Riverside University Health System – Behavioral Health, Public Guardian, Countywide Revolving Funds, Follow-up. Our audit was limited to reviewing actions taken as of November 3, 2016, to correct the findings noted in our original audit report 2014-002 dated August 12, 2014.

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, and relevant evidence to achieve the audit objectives. We believe the audit provides a reasonable basis for our opinion.

The original audit report contained one finding and one recommendation to correct the finding. We reviewed the implementation of the recommendation to ensure the finding was no longer occurring. For an in-depth understanding of the original audit, please refer to Internal Audit Report 2015-004 at www.auditorcontroller.org/Divisions/InternalAudit/InternalAuditReports.

Our follow-up audit found that the one recommendation made in the original audit report was fully implemented.

Detailed status of the finding identified in the original audit and the status of the implementation of the respective recommendation is provided in the body of this report.

Internal Audit Report 2017-310: Riverside University Health System – Behavioral Health, Public Guardian, Follow-up

We appreciate the cooperation and assistance extended to us by staff of the Riverside University Health System – Behavioral Health, Public Guardian. Their assistance contributed significantly to the successful completion of the audit.

Paul Angulo, CPA, MA
Riverside County Auditor-Controller



By: René Casillas, CPA, CRMA
Interim Chief Accountant

cc: Board of Supervisors
Executive Office
Grand Jury

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Public Guardian

Finding 1: Approval of Bank Reconciliations

Based on our review, the department did not properly review/approve the revolving fund bank reconciliations performed during our audit period. We examined all twenty-four months of bank reconciliations from July 1, 2011, to June 30, 2013, and determined 18 (75%) of the reconciliations were prepared by a senior accountant and reviewed by an accountant II. The department exercised proper segregation of duties by having a different accountant in the department review the bank reconciliation. However, the approver/reviewer was not at a higher level than the preparer of the bank reconciliations. Failure to properly review/approve bank account reconciliations may result in concealment of fraudulent activity such as stolen cash or checks.

Recommendation 1:

Provide completed bank reconciliations and supporting documentation to an approver/reviewer of equal or higher position with the authority to take appropriate action as required per department policy.

Current Status: Implemented

Bank statement reconciliations are prepared by an accountant and were reviewed by a supervising accountant until July 2015, when they began being reviewed by an administrative manager.