

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



ITEM
2.13
(ID # 3668)

MEETING DATE:

Tuesday, March 7, 2017

FROM : AUDITOR CONTROLLER:

SUBJECT: AUDITOR-CONTROLLER: Internal Audit Report 2017-311: Riverside County
Transportation and Land Management Agency, Transportation Department,
Purchase Order Compliance Follow-up Audit [District: All]; [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file Internal Audit Report 2017-311: Riverside County
Transportation and Land Management Agency, Transportation Department,
Purchase Order Compliance Follow-up Audit.

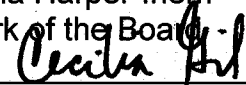
ACTION: Consent


Paul Angulo, Director of Auditor Controller 2/23/2017

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Tavaglione, Washington and Ashley
Nays: None
Absent: None
Date: March 7, 2017
xc: Auditor

Kecia Harper-Ihem
Clerk of the Board
By: 
Deputy

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

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Original Cost:
COST	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
NET COUNTY COST	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
SOURCE OF FUNDS: N/A			Budget Adjustment:	No
			For Fiscal Year:	2016

C.E.O. RECOMMENDATION: APPROVE

BACKGROUND:

Summary

We have completed a follow-up audit of the Riverside County Transportation and Land Management Agency, Transportation Department, Purchase Order Compliance. Our audit was limited to reviewing actions taken as of December 12, 2016, to correct findings noted in our original audit report 2014-004 dated March 4, 2016.

The original audit report contained one recommendation, which required implementation to help correct the reported finding. Based on the results of our audit, we found that the one recommendation was implemented.

For an in-depth understanding of the original audit, please refer to Internal Audit Report 2014-010 at www.auditorcontroller.org/Divisions/InternalAudit/InternalAuditReports

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 2017-311: Riverside County Transportation and Land Management Agency, Transportation Department, Purchase Order Compliance Follow-up Audit.


Stephanie Pasi 2/28/2017

Internal Audit Report 2017-311

**Riverside County Transportation and Land
Management Agency, Transportation
Department, Purchase Order Compliance
Follow-Up Audit**

Report Date: December 15, 2016



**Office of Paul Angulo, CPA, MA
Riverside County Auditor-Controller
4080 Lemon Street, 11th Floor
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www.auditorcontroller.org



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

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**ACO | AUDITOR
CONTROLLER
COUNTY OF RIVERSIDE**

Paul Angulo, CPA, MA
Riverside County Auditor-Controller

Frankie Ezzat, MPA
Assistant Auditor-Controller

December 15, 2016

Juan C. Perez
Director
Transportation and Land Management Agency
4080 Lemon Street, 14th Floor
Riverside, CA 92501

Subject: Internal Audit Report 2017-311: Riverside County Transportation and Land Management Agency, Transportation Department, Purchase Order Compliance Follow-Up Audit

Dear Mr. Perez:

We have completed a follow-up audit of the Riverside County Transportation and Land Management Agency, Transportation Department Purchase Order Compliance. Our audit was limited to reviewing actions taken as of December 12, 2016, to correct the findings noted in our original audit report 2014-004 dated March 4, 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 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 conclusion.

The original audit report contained one recommendation, which required implementation to help correct the reported finding. Based on the results of our audit, we found that the one recommendation was implemented.

Details of the findings identified in the original audit and the status of the implementation of respective recommendations are provided in the body of this report. For an in-depth understanding of the original audit, please refer to Internal Audit Report 2014-004 at www.auditorcontroller.org/Divisions/InternalAudit/InternalAuditReports.



**Internal Audit Report 2017-311: Riverside County Transportation and Land Management Agency,
Transportation Department, Purchase Order Compliance Follow-up Audit**

We appreciate the cooperation and assistance extended to us by staff of the Riverside County Transportation and Land Management Agency during this follow-up audit. 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 Internal Auditor

cc: Board of Supervisors
Executive Office
Grand Jury

Purchase Order Compliance

Finding 1: Timely Issuance of Purchase Orders

Four of thirty-five (11%) purchase orders reviewed were requested and issued after invoices were received from vendors. Riverside County Transportation and Land Management Agency personnel believed they had a contract with the vendor, but no such contract existed. Per Riverside County Purchasing Manual, no goods or services over \$400 should be authorized for purchase until a valid purchase order has been issued. This intermittent compliance with purchasing requirements could result in purchasing unauthorized or inappropriate supplies and services.

Recommendation 1:

We recommend the Transportation and Land Management Agency review its approval process for purchases to ensure staff issues a purchase order prior to purchasing supplies and services.

Current Status 1: Implemented

During our follow-up audit we noted that a fulltime Procurement Contract Specialist was hired to assist with contract management. Transportation and Land Management Agency also instituted quarterly meetings with all its component departments to review the status of contracts and is notifying all departments with regards to their expiring contracts.