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

ITEM
2.6
(ID # 3704)

MEETING DATE:
Tuesday, March 14, 2017

FROM : AUDITOR CONTROLLER:

SUBJECT: AUDITOR-CONTROLLER: Internal Audit Report 2017-325: Riverside County Transportation and Land Management Agency, Code Enforcement Department, Abandoned Vehicle Abatement Program, Follow-up Audit [District: All]; [$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file Internal Audit Report 2017-325: Riverside County Transportation and Land Management Agency, Code Enforcement Department, Abandoned Vehicle Abatement Program, Follow-up Audit.

ACTION: Consent

Paul Angulo, Director of Auditor Controller 3/1/2017

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Tavaglione, 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 and Ashley
Nays:	None
Absent:	None
Date:	March 14, 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:	Ongoing 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: N/A	

C.E.O. RECOMMENDATION: [CEO use]

BACKGROUND:

Summary

We have completed a follow-up audit of Riverside County Transportation and Land Management Agency, Code Enforcement Department, Abandoned Vehicle Abatement Program. Our audit was limited to reviewing actions taken as of December 13, 2016, to correct the findings noted in our original audit report 2014-020 dated August 5, 2014.

The original audit report contained one recommendation, which required implementation to help correct the reported finding. Based on the results of our audit, we determined that the Riverside County Transportation and Land Management Agency, Code Enforcement Department has adequately implemented the recommendation.

For an In-depth understanding of the original audit, please refer to Internal Audit Report 2014-020 at www.auditorcontroller.org/Divisions/InternalAudit/InternalAuditReports.aspx.

Impact on Residents and Businesses

Provide an assessment of internal controls over the audited areas.

SUPPLEMENTAL:

Additional Fiscal Information

Not applicable

ATTACHMENT A. Internal Audit Report 2017-325: Riverside County Transportation and Land Management Agency, Code Enforcement Department, Abandoned Vehicle Abatement Program, Follow-up Audit.

Internal Audit Report 2017-325

Riverside County Transportation and Land Management Agency, Code Enforcement Department, Abandoned Vehicle Abatement Program, Follow-up Audit

Report Date: January 3, 2017

Office of Paul Angulo, CPA, MA
Riverside County 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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AUDITOR CONTROLLER
COUNTY OF RIVERSIDE

Paul Angulo, CPA, MA
Riverside County Auditor-Controller

Frankie Ezzat, MPA
Assistant Auditor-Controller

January 3, 2017

Juan C. Perez,
Director
Riverside County Transportation and Land Management Agency
4080 Lemon St., 14th Floor
Riverside, CA 92504

Subject: Internal Audit Report 2017-325: Riverside County Transportation and Land Management Agency, Code Enforcement Department, Abandoned Vehicle Abatement Program, Follow-up Audit

Dear Mr. Perez:

We have completed a follow-up audit of Riverside County Transportation and Land Management Agency, Code Enforcement Department, Abandoned Vehicle Abatement Program. Our audit was limited to reviewing actions taken as of December 13, 2016, to correct the findings noted in our original audit report 2014-020 dated August 5, 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 recommendation, which required implementation to help correct the reported finding. Based on the results of our audit, we determined that the Riverside County Transportation and Land Management Agency, Code Enforcement Department has adequately implemented the recommendation.

Detailed status of the finding identified in the original audit is provided in the body of this report. For an in-depth understanding of the original audit, please refer to Internal Audit Report 2014-020 at www.auditorcontroller.org/Divisions/InternalAudit/InternalAuditReports.aspx.

AUDITOR CONTROLLER
COUNTY OF RIVERSIDE

Internal Audit Report 2017-325: Riverside County Transportation and Land Management Agency, Code Enforcement Department, Abandoned Vehicle Abatement Program, Follow-up

We appreciate the cooperation and assistance extended to us by staff of the Riverside County Transportation and Land Management Agency, Code Enforcement Department. 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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Abandoned Vehicle Abatement Program

Finding 1: Support for Expenditures: VC 9250.7(b); VC 9250.7(e)

Not all expenditures for the Abandoned Vehicle Abatement (AVA) program were adequately supported or approved. We tested thirteen expenditures from July 1, 2011, through June 30, 2013, and identified three (or 23%) that were without support and one (or 8%) that was not approved by the Riverside County Abandoned Vehicle Abatement Service Authority (Authority) members. Of the three unsupported expenditures two were unsupported cost estimates, and the third one could not be found due to its age. Riverside County Transportation and Land Management Agency, Code Enforcement Department (Code Enforcement) indicated that estimates were used because it was too time-consuming to track expenditures for the mailing of Notice Forms, etc. The lack of supporting documentation for member's expenditures associated with program administration and obtaining proper approvals for expenditures may result in the State Controller's Office suspending the Authority's authorization to collect the service fees.

Recommendation 1

Track actual program costs and ensure all administration fees are properly approved by members of the Authority.

Current Status: Implemented

Code Enforcement revised their procedures to track actual program costs and when expenditures require allocation, an allowable methodology based on actual code enforcement cases was developed to allocate expenditures. In addition the revised procedures ensure administration fees are approved by Authority members during the AVA Board of Directors meetings.