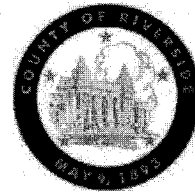


SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



ITEM  
2.8  
(ID # 3708)

MEETING DATE:

Tuesday, March 14, 2017

FROM : AUDITOR CONTROLLER:

SUBJECT: AUDITOR-CONTROLLER: Internal Audit Report 2017-322: Riverside County Sheriff's Office, Office of the Public Administrator, Follow-up Audit, [District: All]; [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file Internal Audit Report 2017-322: Riverside County Sheriff's Office, Office of the Public Administrator, Follow-up Audit

ACTION: Consent

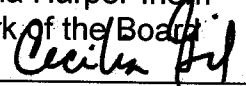
  
Paul Angulo, Director of Auditor Controller 3/2/2017

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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**

<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$ partial year	\$ full year	\$ 0.0	\$ 0.0
<b>NET COUNTY COST</b>	\$ partial year	\$ full year	\$ 0.0	\$ 0.0
<b>SOURCE OF FUNDS:</b> N/A			<b>Budget Adjustment:</b> No	
			<b>For Fiscal Year:</b> N/A	

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

**BACKGROUND:**

**Summary**

We have completed a follow-up audit of the Riverside County Sheriff's Office, Office of the Public Administrator. Our audit was limited to reviewing actions taken as of December 4, 2014, to correct findings noted in our original audit report 2014-016 dated August 20, 2014.

The original audit report contained two recommendations, all of which required implementation to help correct the reported findings. Based on the results of our audit, we found that the two recommendations were implemented.

For an in-depth understanding of the original audit, please refer to Internal Audit Report 2014-016 at [www.auditorcontroller.org/Divisions/InternalAudit/InternalAuditReports](http://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 2017-322: Riverside County Sheriff's Office, Office of the Public Administrator, Follow-up Audit

**Internal Audit Report 2017-322**

**Riverside County Sheriff's Office, Office of  
the Public Administrator, Follow-Up Audit**

**Report Date: December 30, 2016**



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

**[www.auditorcontroller.org](http://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 30, 2016

Stanley Sniff  
Riverside County Sheriff  
Riverside County Sheriff's Department  
4095 Lemon Street  
Riverside, CA 92501

**Subject: Internal Audit Report 2017-322: Riverside County Sheriff's Office, Office of the  
Public Administrator, Follow-up Audit**

Dear Sheriff Sniff:

We have completed the follow-up audit of Riverside County Sheriff's Office, Office of the Public Administrator. Our audit was limited to reviewing actions taken as of December 4, 2014, to help correct the findings noted in our original audit report 2014-016 dated August 20, 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 conclusion.

The original audit report contained two recommendations, all of which required implementation to help correct the reported findings. Based on the result of our audit, we found that the two recommendations were implemented.

Details of the findings in the original audit and the status of the implementation of respective recommendations are provided in this report. For an in-depth understanding of the original audit, please refer to Internal Audit Report 2014-016 at [www.auditorcontroller.org/Divisions/InternalAudit/InternalAuditReports](http://www.auditorcontroller.org/Divisions/InternalAudit/InternalAuditReports).

**Internal Audit Report 2017-322: Riverside County Sheriff's Office, Office of the Public  
Administrator, Follow-up Audit**

We appreciate the cooperation and assistance provided by the staff of the Office of the Public Administrator 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

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## **Estate Management**

### **Finding 1: Calculation of Interest**

The Public Administrator currently calculates the interest to be applied to each estate by averaging the interest rates from four financial institutions at the end of each month. All estate funds are pooled into four bank accounts at the same banking institution, which consist of a checking, savings and two certificate of deposit accounts. The interest rate for one of the accounts is .355% while the other three accounts have an interest rate of .150%. California Probate Code Section 7642 indicates "the public administrator shall credit each estate with the highest rate of interest or dividends that the estate would have received if the funds available for deposit had been individually and separately deposited." The California Court of Appeal ruled that the phrase "highest rate of interest," as used in Probate Code Section 7642, referred to the highest rate in the institution where the funds are actually invested.

Probate Code Section 7642 also notes that interest or dividends credited to the account of the public administrator in excess of the amount credited to the estates shall be deposited in the county general fund. An incorrect calculation of the interest to be applied to each estate could result in possible loss of revenue to the general fund.

### **Recommendation 1**

We recommend that the Public Administrator credit each estate with the highest rate of interest or dividends that the estate would have received if the funds available for deposit had been individually and separately deposited.

### **Current Status 1: Implemented**

The Public Administrator no longer calculates the interest to be applied to each estate by averaging the interest rates from four financial institutions. The Public Administrator uses the interest tiers provided by the banking institution in which the estate funds are held for deposit. After distribution of the interest to the estates, any residual banking estate interest is deposited into the Riverside County General Fund.

## **Records Management**

### **Finding 2: Destruction of Records**

The Public Administrator did not submit a Records Management and Archives Policy *Authorized Signature List* (Form 691) designating an individual or individual's responsibility for implementing County retention procedures. In addition, the Public Administrator did not obtain proper approval for records destruction by submitting a *Records Disposition Certificate - RMAP* (Form 652) or a *Records Disposition Certificate - County Depts. SHRED ONLY* (Form 784) to Records Management and Archives Program. The Public Administrator could not provide documentation to support the destruction of case files prior to April 2014. This was the result of Public Administrator's unfamiliarity with the requirement to complete a Form 691, authorizing an individual for approving destruction requests with RMAP or the requirement to submit RMAP Forms 652 or 784 for destruction of documents requests.

The Public Administrator partially filled out Form 784, part II for the FY2004/05 case records, but did not indicate the start and end dates, or complete part I. For the records that were destroyed, there was no one present to witness the destruction of the records or maintain records to show proof of destruction. The records were placed in locked bins for vendor pick up; however, no Public Administrator personnel witnessed the destruction.

Destroying documentation without the proper approvals and oversight may hinder the availability and accessibility of documents in accordance with applicable law and subject the records to possible theft or exposure of sensitive information.

### **Recommendation 2**

The Public Administrator should submit the required RMAP Form 691 and obtain approval for records destruction via a properly completed RMAP Form 784.

### **Current Status 2: Implemented**

The Public Administrator has submitted Records Management and Archives Policy *Authorized Signature List* (Form 691) designating an individual or individual's responsibility for implementing County retention procedures. In addition, the Public Administrator has obtained approval for records destruction by submitting *Records Disposition Certificate - County Depts. SHRED ONLY* (Form 784) Part II to the Records Management and Archives Program.

### **Recommendation 2.1**

The Public Administrator should assign the Records Manager to observe and document the destruction of records.



Internal Audit Report 2017-322: Riverside County Sheriff's Office, Office of the Public  
Administrator, Follow-up Audit

**Current Status 2.1: Implemented**

The Public Administrator has designated an employee as a records manager to witness and manage the destruction of records on site.