

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



ITEM  
2.4  
(ID # 7830)

**MEETING DATE:**

Tuesday, September 11, 2018

**FROM :** AUDITOR CONTROLLER:

**SUBJECT:** AUDITOR-CONTROLLER: Internal Audit Report 2018-011: Riverside University Health System, Behavioral Health, Medical Center; Public Health, Registered Sex Offender Audit, District: All. [\$0]

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Receive and file Internal Audit Report 2018-011: Riverside University Health System, Behavioral Health, Medical Center, Public Health, Registered Sex Offender Audit

**ACTION:** Consent


  
Paul A. Angulo, County Auditor-Controller 8/16/2018

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**MINUTES OF THE BOARD OF SUPERVISORS**

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

Ayes: Jeffries, Washington, Perez and Ashley  
Nays: None  
Absent: Tavaglione  
Date: September 11, 2018  
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**

In accordance with Board of Supervisors Resolution 83-338, we completed an audit of the Riverside University Health System, Behavioral Health, Medical Center, Public Health to provide management and the Board of Supervisors with an independent assessment of internal controls over registered sex offender background checks process.

<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>	\$ 0	\$ 0	\$ 0	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS: N/A</b>			<b>Budget Adjustment: No</b>	
			<b>For Fiscal Year: N/A</b>	

**C.E.O. RECOMMENDATION:** Approve

**BACKGROUND:**

**Summary (continued)**

Based upon the results of our audit we identified opportunities for improvement of internal controls relating to the background check processes for Riverside County.

**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 2018-011: Riverside University Health System, Behavioral Health, Medical Center, Public Health, Registered Sex Offender Audit.

  
 Stephanie Powell, Principal Management Analyst      9/5/2018

**Internal Audit Report 2018-011**

**Riverside University Health System,  
Behavioral Health, Medical Center,  
Public Health,  
Registered Sex Offender Audit**

**Report Date: August 14, 2018**



**Office of Paul Angulo, CPA, MA  
Riverside County Auditor-Controller  
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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

August 14, 2018

Zareh Sarrafian  
Assistant County Executive Officer  
Riverside University Health System  
26520 Cactus Avenue  
Moreno Valley, CA 92555

**Subject: Internal Audit Report 2018-011: Riverside University Health System, Behavioral Health, Medical Center, and Public Health, Registered Sex Offender Audit**

Dear Mr. Sarrafian:

In accordance with Board of Supervisors Resolution 83-338, we completed an audit of the Riverside County Department of Public Social Services, Riverside University Health System, Medical Center, Behavioral Health, and Public Health to provide management and the Board of Supervisors with an independent assessment of internal controls over registered sex offender background checks process.

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 and non-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 the background check processes for Riverside County.

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



**Internal Audit Report 2018-011: Riverside University Health System, Behavioral Health, Medical Center, Public Health, Registered Sex Offender Audit**

We thank the Riverside University Health System Behavioral Health, Medical Center and Public Health 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  
Chief Internal Auditor

cc: Board of Supervisors  
Executive Office  
Grand Jury

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## Executive Summary

### Overview

When sexual violence occurs in the workplace, the effects may include one or more of the following: a decrease in job performance, increase in absenteeism, increase in employee turnover and the potential loss of funds due to lawsuits. Since instances of sexual violence does not only occur employee to employee within the organization, but may also be directed at the people the organization is meant to serve. The loss of reputation and public trust can be costly and difficult to overcome.

According to a study performed by the University Of Iowa College Of Public Health, the cost of sexual violence in 2009 had an estimated cost of \$5.8 billion total. This same study concluded that the cost alone, attributed to the loss of work, was estimated to be \$132.9 million of the total.<sup>1</sup> Further, in a 1994 study, the cost for sexual harassment for a two year period was \$327 million in the federal government which includes job turnover, sick leave, harassment and productivity losses.<sup>2</sup> Given these statistics, the potential financial liability can affect the operations of any organization.

California Megan's Law, enacted in 1996, mandates the California Department of Justice inform the public about registered sex offenders. Local law enforcement agencies are authorized to report to the public any registrants posing a threat to its safety. The impact of this law prompted all states in the U.S. to have some form of Megan's Law. Additionally, the Dru Sjodin National Sex Offender Public website provides the locations of registered sex offenders in each state.<sup>3</sup> This website was created as a result of the enactment of law H.R. 4772, the Adam Walsh Child Protection and Safety Act of 2006.

The Riverside County Auditor-Controller believes the work environment plays a fundamental role in well-being and safety of its employees and for the people it serves. Since Riverside County employees are placed in a position of trust to deliver services to some of the most vulnerable citizens, elderly and dependent adults and children, Riverside County must always exercise due diligence when hiring employees. Our objective is to ensure Riverside County is conducting thorough registered sex offender background checks for all internal and external candidates for employment. Departments were selected based on the demographics served. The following departments were included in the scope of our audit:

<sup>1</sup> Yang, J., Zhang, N., Miller, T. R., & LeHew, B. (2012). University of Iowa, *Costs of sexual violence in Iowa* (2009), Accessed May 21, 2018, <https://www.public-health.uiowa.edu/iprc/wp-content/uploads/2016/03/Cost-Sexual-Violence-Iowa-FINAL-1.pdf>

<sup>2</sup> U.S. Merit Systems Protection Board. (1995). U.S. Merit Systems Protection Board, *Sexual Harassment in the federal workplace: Trends, progress, continuing challenges*. Accessed May 21, 2018, <https://www.mspb.gov/MSPBSEARCH/viewdocs.aspx?>

<sup>3</sup> Retrieved from <https://www.nsopw.gov/en-US/Home/DruSjodin>

**Internal Audit Report 2018-011: Riverside University Health System, Behavioral Health, Medical Center, Public Health, Registered Sex Offender Audit**

- Riverside County Department of Public Social Services
- Riverside University Health System, Behavioral Health
- Riverside University Health System, Medical Center
- Riverside University Health System, Public Health

In summary, we audited these departments out of concern for public safety, for employee safety and for possible cost to the county because these employees come into contact with patients. This report only includes the results of the departments under the Riverside University Health System. The results for DPSS will be provided in a separate report.

**Audit Objective**

Our objective is to provide management and the Board of Supervisors with an independent assessment about the adequacy and effectiveness of internal controls over background checks processes, specifically as it relates to registered sex offenders. 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.

**Audit Scope and Methodology**

We conducted the audit from October 6, 2017, through March 26, 2018, for operations from July 1, 2015, through February 6, 2018. Our audit was focused on four Riverside County Departments which includes: Department of Public Social Services, Riverside University Behavioral Health, Medical Center, and Public Health. We tested 8,050 current employees from these four departments by entering each name in the registered sex offender websites from the State of California and the National Registry.

**Audit Conclusion**

Based upon the results of our audit, we identified opportunities for improvement of internal controls relating to the background check process for Riverside County.



## Background Checks

### Background

Riverside County Board of Supervisors Policy, C-33, *Background Check Policy*, states "Background and reference checks are used to verify information provided by the applicant and to obtain additional information (i.e., a criminal record and/or significant job-related problems in prior employment) to determine suitability for the position for which they are being considered." Further, according to the policy, these checks are performed utilizing two services, a "Live Scan criminal records check," which is an examination of all California State and local records, as well as federal level records which searches convictions nationwide. The need for the federal level checks came as a result of a request for federal level checks from a county department as some departments were performing their own checks using their own Live Scan accounts. On October 4, 2011, Board Resolution 2011-258, *Authorizing Background Checks and Live Scan Services*, at the federal level, was adopted reflecting Penal Code Sections 11105(b) (11) and 13300(b) (11) as it grants the departments the necessary authorization to conduct federal level checks.

Individuals with criminal convictions are not precluded from employment. However, the options for employment are limited. As such, due diligence is on the County of Riverside to ensure all potential job candidates selected for employment have completed background checks. Those who have not been rehabilitated could pose a threat to the county's operations. Historically, a relapse in previous patterns of criminal behavior can occur at any point. The U.S. Department of Justice, in their special report titled, "2018 Update on Prisoner Recidivism: A 9-year Follow-up Period (2005-2014)," shows a high percentage of state prisoners that are released, continue to commit crimes between year one and year nine. Consistently vetting potential job candidates through a federal level check establishes better controls in the background check process.

Currently, background checks are completed for new employees and for existing employees promoting to other positions in the county. Riverside County Human Resources determines, through a series of steps whether an internal employee should complete Live Scan and/or federal level checks. This is determined based on the department's requirement, the job classification, and/or the length of time since the last background check. Additionally, Riverside County officials are notified when a current employee's name is reported for convictions in federal and all state level courts. However, employees hired prior to 2011, have not changed job classifications, and have not promoted, federal level checks have not been completed. It is important to note, that our conversations with the California Department of Justice reveal that although the Federal Bureau of Investigations (FBI) background checks is a highly extensive background check, its information is highly dependent on the facts provided by respective states.

Our audit results revealed names of current Riverside County employees with matching dates of births in the California Megan's Law and Dru Sjodin National Sex Offender Public websites. We contacted the agencies as well the states posting the names in the registries in an effort to confirm the identities of the individuals. We were either directed to submit a public information request or denied access to any information. Additionally, we contacted Riverside County District Attorney's

Internal Audit Report 2018-011: Riverside University Health System, Behavioral Health, Medical Center, Public Health, Registered Sex Offender Audit

Office to verify the names but due to legal restraints, we were not able to confirm identities of these individuals through the measures available.

### Objective

Our objective is to provide management and the Board of Supervisors with an independent assessment of internal controls over the background check process as it relates specifically to California Megan's Law and Dru Sjodin National Sex Offender Public websites.

### Audit Methodology

To accomplish these objectives, we:

- Identified and reviewed applicable board policies, board resolutions, and Human Resources' policies
- Reviewed California Megan's Law, the Adam Walsh Child Protection and Safety Act of 2006, and the Dru Sjodin law, National Sex Offender Public websites
- Conducted interviews with personnel from Riverside County Human Resources Department
- Utilized Riverside County Human Resources Management System queries to identify current employees for Riverside University Health System Medical Center, Behavioral Health, Public Health and Riverside County Department of Public Social Services
- Entered the names of all current employees identified from each selected department in the California Megan's Law and the Dru Sjodin National Sex Offender Public websites
- Contacted state agencies from California and Florida that manage the registered sex offender databases for their respective state to seek their assistance
- Researched the extent of background services provided by state and federal agencies

### Finding 1: *Names Found on Sex Offenders Database*

We identified two current county employee's names with matching dates of birth in the California Megan's Law and Dru Sjodin National Sex Offender Public websites. Riverside County Board of Supervisors Policy, C-33, *Background Check Policy*, states, "Background and reference checks are used to verify information provided by the applicant and to obtain additional information (i.e., a criminal record and/or significant job-related problems in prior employment) to determine suitability for the position for which they are being considered." We entered the names of 8,050 current county employees (from four departments referenced above) in the two websites which resulted in two names with matching dates of birth of registered sex offenders identified in both websites. We could not positively confirm whether the names on the registry databases were for

Internal Audit Report 2018-011: Riverside University Health System, Behavioral Health, Medical Center, Public Health, Registered Sex Offender Audit

those of the Riverside County employees. However, we bring this up to highlight the importance of including registered sex offender background checks for all county employees.

#### **Recommendation 1**

Ensure all departments request Riverside County Human Resources complete sex offenders background checks on all potential candidates both internally and externally, particularly for employees coming into contact with patients.

#### **Management's Response**

**"Partially Concur.** All RUHS departments have required federal level background clearances which includes sex offender background checks on all potential candidates both internally and externally as adopted by the Board of Supervisors effective July 1, 2016. The audit states that it identified two current county employee's names with matching dates of birth in the California Megan's Law and Dru Sjodin National Sex Offender Public websites. RUHS worked with HR and upon further review determined that the two individuals listed on the sex offender websites are not the same individuals as the two county employees hired prior to 2016 with a similar name."

Actual/Estimated Date of Corrective Action: **July 1, 2016**

#### **Auditor's Response**

The taxpayer remains financially exposed until Riverside University Health System corrects this problem.

#### **Finding 2: *Background Checks Policy Does Not Address Universal Inclusion***

Federal level background clearances which includes sex offender background checks have not been conducted on all employees. Riverside County Board Resolution 2011-258, *Authorizing Background Checks and Live Scan Services*, grants the departments the necessary authorization to conduct federal level checks. Riverside County department heads were notified on May 23, 2016, about the adoption of the use of federal level checks throughout the county which was effective July 1, 2016. This supplementary component would be included with the Live Scan criminal background checks. Although the county is authorized to complete these checks, federal level checks for current employees are only performed when an employee is promoted. Not having universal inclusion of conducting federal level background checks (with the inclusion of registered sex offender checks) for all current employees, is negating management the necessary information it must have about its employees to ensure a safe work environment and the prevention of negative impacts to business operations.

#### **Recommendation 2**

Request Riverside County Human Resources to conduct federal level background checks on all its employees, specifically to those that have remained in the same positions for years.

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**Management's Response**

"Concur. RUHS will work with HR to explore if this recommendation is possible within the current labor agreements and determine the most efficient way to ensure the desired goal of the audit recommendation is met."

Actual/Estimated Date of Corrective Action: **TBD, estimated completion date will be determined in consultation with HR.**

**Auditor's Response**

The Office of the Auditor-Controller asks that the Riverside University Health System take a leadership role to ameliorate this considerable financial exposure and do what is right rather than find itself in reactive mode. The Office of the Auditor-Controller believes this much is owed to the taxpayers and Riverside University Health System's patients.

**Riverside County Board of Supervisors  
Request to Speak**

Submit request to Clerk of Board (right of podium),  
Speakers are entitled to three (3) minutes, subject  
Board Rules listed on the reverse side of this form.

**SPEAKER'S NAME:** PAUL ANGULO

**Address:** CAC  
(only if follow-up mail response requested)

**City:** RIV **Zip:** 92502

**Phone #:**                     

**Date:** 9/11/18 **Agenda #** 2.4

**PLEASE STATE YOUR POSITION BELOW:**

**Position on "Regular" (non-appealed) Agenda Item:**

**Support**       **Oppose**       **Neutral**

**Note:** If you are here for an agenda item that is filed  
for "Appeal", please state separately your position on  
the appeal below:

**Support**       **Oppose**       **Neutral**

**I give my 3 minutes to:** N/A

## **BOARD RULES**

### **Requests to Address Board on "Agenda" Items:**

You may request to be heard on a published agenda item. Requests to be heard must be submitted to the Clerk of the Board before the scheduled meeting time.

### **Requests to Address Board on items that are "NOT" on the Agenda:**

Notwithstanding any other provisions of these rules, member of the public shall have the right to address the Board during the mid-morning "Oral Communications" segment of the published agenda. Said purpose for address must pertain to issues which are under the direct jurisdiction of the Board of Supervisors. **YOUR TIME WILL BE LIMITED TO THREE (3) MINUTES.**

### **Power Point Presentations/Printed Material:**

Speakers who intend to conduct a formalized Power Point presentation or provide printed material must notify the Clerk of the Board's Office by 12 noon on the Monday preceding the Tuesday Board meeting, insuring that the Clerk's Office has sufficient copies of all printed materials and at least one (1) copy of the Power Point CD. Copies of printed material given to the Clerk (by Monday noon deadline) will be provided to each Supervisor. If you have the need to use the overhead "Elmo" projector at the Board meeting, please insure your material is clear and with proper contrast, notifying the Clerk well ahead of the meeting, of your intent to use the Elmo.

### **Individual Speaker Limits:**

**Individual speakers are limited to a maximum of three (3) minutes.** Please step up to the podium when the Chairman calls your name and begin speaking immediately. Pull the microphone to your mouth so that the Board, audience, and audio recording system hear you clearly. Once you start speaking, the "green" podium light will light. The "yellow" light will come on when you have one (1) minute remaining. When you have 30 seconds remaining, the "yellow" light will begin flash, indicating you must quickly wrap up your comments. Your time is up when the "red" light flashes. The Chairman adheres to a strict three (3) minutes per speaker. **Note: If you intend to give your time to a "Group/Organized Presentation", please state so clearly at the very bottom of the reverse side of this form.**

### **Group/Organized Presentations:**

Group/organized presentations with more than one (1) speaker will be limited to nine (9) minutes at the Chairman's discretion. The organizer of the presentation will automatically receive the first three (3) minutes, with the remaining six (6) minutes relinquished by other speakers, as requested by them on a completed "Request to Speak" form, and clearly indicated at the front bottom of the form.

### **Addressing the Board & Acknowledgement by Chairman:**

The Chairman will determine what order the speakers will address the Board, and will call on all speakers in pairs. The first speaker should immediately step to the podium and begin addressing the Board. The second speaker should take up a position in one of the chamber aisles in order to quickly step up to the podium after the preceding speaker. This is to afford an efficient and timely Board meeting, giving all attendees the opportunity to make their case. Speakers are prohibited from making personal attacks, and/or using coarse, crude, profane or vulgar language while speaking to the Board members, staff, the general public and/or meeting participants. Such behavior, at the discretion of the Board Chairman may result in removal from the Board Chambers by Sheriff Deputies.