

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



ITEM
2.18
(ID # 9734)

MEETING DATE:
Tuesday, May 7, 2019

FROM : AUDITOR CONTROLLER:

SUBJECT: AUDITOR-CONTROLLER: Internal Audit Report 2018-304: Riverside County
Economic Development Agency, Facilities Management, Administration, Follow-
up Audit, Districts: All. [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file Internal Audit Report 2018-304: Riverside County Economic
Development Agency, Facilities Management, Administration, Follow-up Audit


ACTION: Consent


Paul A. Angulo, County Auditor-Controller 4/23/2019

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Date: May 7, 2019
xc: Auditor

Kecia Harper
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: Approve

BACKGROUND:

Summary

We have completed a follow-up audit of the Riverside County Economic Development Agency, Facilities Management, Administration. Our audit was limited to reviewing actions taken as of October 30, 2018, to help correct findings noted in our original audit report 2015-005 dated October 13, 2015. The original audit report contained two recommendations, both of which required implementation to help correct the reported findings.

For an in-depth understanding of the original audit, please refer to Internal Audit Report 2015-005 at

www.auditorcontroller.org/Divisions/AuditsandSpecializedAccounting/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 2018-304: Riverside County Economic Development Agency, Facilities Management, Administration, Follow-up Audit.


 Stephanie P. ..., Principal Management Analyst 4/23/2019

Internal Audit Report 2018-304

**Riverside County
Economic Development Agency,
Facilities Management,
Administration
Follow-Up Audit**

Report Date: April 9, 2019



**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**

County Administrative Center
4080 Lemon Street, 11th Floor
P.O. Box 1326
Riverside, CA 92502-1326
(951) 955-3800
Fax (951) 955-3802

ACC | **AUDITOR
CONTROLLER**
COUNTY OF RIVERSIDE

Paul Angulo, CPA, MA
Riverside County Auditor-Controller

Oscar Valdez
Assistant Auditor-Controller

April 9, 2019

Robert Field
Assistant County Executive Officer
Riverside County Economic Development Agency
3403 10th St, Suite 305
Riverside, CA 92501

Subject: Internal Audit Report 2018-304: Riverside County Economic Development Agency, Facilities Management, Administration, Follow-up Audit

Dear Mr. Field,

We have completed the follow-up audit of Riverside County Economic Development Agency, Facilities Management Administration. Our audit was limited to reviewing actions taken as of October 30, 2018, to help correct the findings noted in our original audit report 2015-005 dated October 13, 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 two recommendations, both of which required implementation to help correct the reported findings. Based on the results of our audit, we found that both recommendations were implemented.

Internal Audit Report 2018-304: Riverside County Economic Development Agency, Facilities Management, Administration, Follow-up Audit

Details of the findings from the original audit and the status of the implementation of the recommendations are provided in this report. For an in-depth understanding of the original audit, please refer to Internal Audit Report 2015-005 at www.auditorcontroller.org/Divisions/AuditsandSpecializedAccounting/InternalAuditReports.

Paul Angulo, CPA, MA
Riverside County Auditor-Controller



By: René Casillas, CPA, CRMA
Chief Internal Auditor

cc: Board of Supervisors
George Johnson, County Executive Officer
Grand Jury

Table of Contents

	Page
Results:	
Record Management	4
Non-Capitalized Assets	5

Record Management

Finding 1: Disposition of Records

"The department did not dispose records in accordance with approved retention periods. We requested all record disposition documentation between July 1, 2012, and June 30, 2014; we received no documentation and were told no records were disposed. According to management, there was no program in place to identify records for destruction. Board of Supervisors policy A-43, *County Records Management and Archives Policy*, requires all departments to adhere to Board of Supervisors approved records retention schedules. By not destroying records in accordance with approved retention periods, the County of Riverside fails to meet the Board of Supervisors' goals of saving space, money, time, and labor with the proper preservation and storage of only necessary records. We expanded our review period to include July 1, 2014, through June 30, 2015, and we determined the department disposed records at the end of calendar year 2014. However, the department did not dispose records at the end of FY2014/15 as required per Board of Supervisors approved records retention schedules."

Recommendation 1

"Compare records inventory to Board of Supervisors approved records retention schedules and identify records for disposal. Prepare and submit a Records Management and Archives Program (RMAP) Form 652, Records Disposition Certificate or RMAP Form 784, Records Disposition Certificate - County Departments. Shred only with the proper approvals for all identified records for disposal."

Current Status 1: Implemented

We confirmed Economic Development Agency, Facilities Management, Administration prepared and submitted RMAP Form 784, Records Disposition Certificate to dispose of records in accordance with approved retention periods.

Non-Capitalized Assets

Finding 2: Accountability of Non-Capitalized, Walk-Away Asset Records

"Non-capitalized, walk-away assets were not properly managed in the Asset Module. Our review of 25 non-capitalized, walk-away assets, identified 11 (44%) were reported in the Asset Module but were not on-hand. According to management, non-capitalized, walk-away assets were misplaced during the consolidation of information technology staff with the Riverside County Information Technology Department. Board of Supervisors Policy H-26, *Non-Capitalized Asset Management*, requires departments to track non-capitalized, walk-away assets by using the Asset Module. Not maintaining updated information in the Asset Module may result in loss of control over assets and/or misstating the value of non-capitalized, walk-away assets."

"We re-inventoried the 11 misplaced, non-capitalized, walk-away assets on August 18, 2015, and one asset was on-hand and 10 were still misplaced."

Recommendation 2

"Require responsible staff members to sign hand receipts for non-capitalized, walk-away assets, under their possession on an annual basis as part of the capitalized asset inventory process. Reconcile hand receipts to the Asset Module."

Current Status 2: Implemented

Department conducts an annual inventory of non-capital assets on an annual basis. During the inventory, supervisors review and update the location and condition of the asset.