

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



**ITEM: 2.9
(ID # 11752)**

MEETING DATE:
Tuesday, January 28, 2020

FROM : AUDITOR CONTROLLER:

SUBJECT: AUDITOR-CONTROLLER: Internal Audit Report 2020-302: Riverside County Environmental Health Department Follow-up Audit, Districts: All. [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file Internal Audit Report 2020-302: Riverside County Environmental Health Department Follow-up Audit

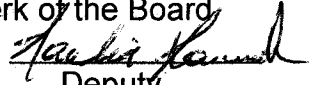
ACTION: Consent


Paul A. Angulo, County Auditor-Controller 1/22/2020

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Date: January 28, 2020
xc: Auditor

Kecia R. Harper
Clerk of the Board
By: 
Deputy

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

BACKGROUND:

Summary

We have completed a Follow-up audit of the Riverside County Environmental Health Department. Our audit was limited to reviewing actions taken as of September 16, 2019, to correct findings noted in our original audit report 2018-009 dated May 29, 2019. The original audit report contained three recommendations, all of which required implementation to help correct the reported findings.

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(continued)

Based upon the results of our audit, we found that of the three recommendations:

- Three of the recommendations were partially implemented.

For an in-depth understanding of the original audit, please refer to Internal Audit Report 2018-009 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 2020-302: Riverside County Environmental Health Department, Follow-up Audit.

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



Stephanie Pore, Principal Management Analyst 1/22/2020

Internal Audit Report 2020-302

**Riverside County Environmental Health
Department, Follow-up Audit**

Report Date: December 16, 2019



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Riverside County Auditor-Controller
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Riverside, CA 92509
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JAN 28 2020

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OFFICE OF THE
AUDITOR-CONTROLLER**

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ACC | **AUDITOR
CONTROLLER**
COUNTY OF RIVERSIDE

Paul Angulo, CPA, MA
Riverside County Auditor-Controller

Oscar Valdez
Assistant Auditor-Controller

December 16, 2019

Keith Jones
Director
Riverside County Environmental Health Department
4065 County Circle Drive
Riverside, CA 92503

Subject: Internal Audit Report 2020-302: Riverside County Environmental Health Department, Follow-Up Audit

Dear Mr. Jones:

We have completed the follow-up audit of Riverside County Department of Environmental Health. Our audit was limited to reviewing actions taken as of September 16, 2019, to help correct the findings noted in our original audit report 2018-009 dated May 29, 2019.

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 three recommendations, all of which required implementation to help correct the reported findings. Based on the results of our audit, we found that of the three recommendations:

- Three of the recommendations were partially implemented.



Internal Audit Report 2020-302: Riverside County Department of Environmental Health, 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 2018-009 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

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Cost Recovery

Finding 1: Lack of incidents tracking and reconciliation

Hazardous Materials does not track or reconcile incident reports submitted to the Fire Department for reimbursement of costs. Standard Practice Manual 1001 (Formerly SPM 104), *Internal Controls*, states, "County departments and agencies shall establish, document and maintain an effective system of internal control", including, "Review and Reconciliation: Records are routinely examined and reconciled to determine that transactions were properly processed." Hazardous Materials rely on the Fire Department to collect costs and submit the status of incidents to hazardous material. Lack of tracking and reconciliation may result in loss of funds which could be due to the county for costs.

Recommendation 1.1

Develop cost recovery procedures to include tracking, reconciliation, and reporting of hazardous materials incident reports.

Current Status 1.1: Partially Implemented

Environmental Health has established procedures involving the systematic matching of journals to deposits created by the Fire Department. The procedures do not include tracking of incident reports with costs incurred per incident by Environmental Health.

Recommendation 1.2

Ensure cost reimbursement for hazardous materials incident reports are tracked and reconciled monthly. This will ensure that funds due to the county are adequately tracked for cost recovery.

Current Status 1.2: Partially Implemented

As of October 31, 2019, the reconciliation we reviewed did not include the tracking of incident reports or costs incurred per incident by Environmental Health.

Inspectors Oversight

Finding 2: Inspectors frequency of inspections

Environmental Health does not have a formal process in place to track, review, and monitor the number of instances field inspectors perform inspections at the same facility. The department relies on GPS equipment installed in the county vehicles used for inspection purposes, phone surveys with food facility managers, and ride-along evaluations with department supervisors, which do not address the frequency of inspections performed at retail food facilities. Standard Practice Manual 1001 (Formerly SPM 104), *Internal Controls*, states, "Well-documented policies and procedures are established and maintained to promote employee understanding of job duties, provide day-to-day guidance to staff..." Not implementing monitoring controls, could impair the inspector's objectivity and independence with restaurants and other businesses inspected.

Recommendation 2

Develop procedures to track, review, and monitor the number of instances a field inspector performs inspections at the same facility.

Current Status 2: Partially Implemented

We reviewed the procedures Environmental Health has developed to ensure adequate evaluation and rotation of facility inspections by field inspectors. We were unable to determine the procedures as no tracking documentation for field inspectors was provided.