

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



ITEM: 2.3
(ID # 17742)

MEETING DATE:
Tuesday, December 07, 2021

FROM : AUDITOR CONTROLLER:

SUBJECT: AUDITOR-CONTROLLER: Internal Audit Report 2022-002: Riverside County Department of Child Support Services Audit

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file Internal Audit Report 2022-002: Riverside County Department of Child Support Services Audit

ACTION:Consent

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Perez seconded by Supervisor Hewitt 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: December 7, 2021
xc: Auditor

Kecia R. 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
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: N/A			Budget Adjustment:	No
			For Fiscal Year:	n/a

C.E.O. RECOMMENDATION: Approve.

BACKGROUND:

Summary

In accordance with Board of Supervisors Resolution 83-338, we audited of the Riverside County Department of Child Support Services. This audit is conducted to provide management and the Board of Supervisors with an independent assessment of internal controls over purchasing processes and state mandated reporting.

Our conclusion and details of our audit are documented in the body of this audit report.

Impact on Residents and Businesses

Provide an assessment of internal controls over the audited areas.

Additional Fiscal Information

Not applicable

ATTACHMENT A. Riverside County Auditor-Controller's Office - Internal Audit Report 2022-002: Riverside County Department of Child Support Services Audit

Internal Audit Report 2022-002

**Riverside County
Department of Child Support Services
Audit**

Report Date: December 7, 2021



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

Tanya S. Harris, DPA, CPA
Assistant Auditor-Controller

December 7, 2021

Kimberly Britt
Director
Riverside County Department of Child Support Services
2001 Iowa Ave
Riverside, CA 92507

Subject: Internal Audit Report 2022-002: Riverside County Department of Child Support Services Audit

Dear Ms. Britt:

In accordance with Board of Supervisors Resolution 83-338, we audited the Department of Child Support Services to provide management and the Board of Supervisors with an independent assessment of internal controls over purchasing processes and state mandated reporting.

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.

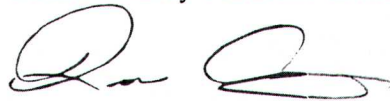
Internal controls are processes designed to provide management reasonable assurance of achieving efficiency of operations, compliance with laws and regulations, and reliability of financial and non-financial information. Management is responsible for establishing and maintaining adequate internal controls. Our responsibility is to evaluate the internal controls.

Our conclusion and details of our audit are documented in the body of this audit report.

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Services Audit**

Since the audit resulted in no findings or recommendation, there is no requirement for a response in accordance with Board of Supervisors Resolution 83-338.

Paul Angulo, CPA, MA
Riverside County Auditor-Controller



By: René Casillas, CPA, CRMA
Chief Internal Auditor

cc: Board of Supervisors
Jeff A. Van Wagenen, Jr., County Executive Officer
Grand Jury

**Internal Audit Report 2022-002: Riverside County Department of Child Support
Services Audit**

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Executive Summary

Overview

The Riverside County Department of Child Support Service (Child Support Services) administers Title IV-D of the Social Security Act with oversight from federal and state levels. Assistance is provided to families through the following services:

- Establishing paternity
- Locating non-custodial parents
- Obtaining child and medical support orders from the court
- Enforcing, modifying, collecting, and distributing child support

Child Support Services has a recommended budget of \$44 million for FY 2021-22 and 330 recommended positions. *County of Riverside, Fiscal Year 2021-22 Recommended Budget, 128.*

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 purchasing processes and state mandated reporting. 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. Reasonable assurance recognizes internal controls have inherent limitations, including cost, mistakes, and intentional efforts to bypass internal controls.

Audit Scope and Methodology

We conducted the audit from June 30, 2021, through August 19, 2021, for operations from July 1, 2019, through July 21, 2021. Following a risk-based approach, our scope initially included the following:

- Child Support Adjustments
- Customer Inquiry and Resolution
- Lodging Expenditures
- Purchasing Processes
- State Mandated Reporting

Through inquiry, observations, and limited examination of relevant documentation, it was determined through a risk assessment of the business processes for child support

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adjustments, customer inquiry and resolution, and lodging expenditures, that the risk exposure to Child Support Services associated with these processes are well mitigated with internal controls and are functioning as designed. Therefore, we focused our audit scope to internal controls over purchasing processes and state mandated reporting.

Audit Conclusion

Based upon the results of our audit, we determined Riverside County Department of Child Support internal controls over their purchasing process and state mandated reporting provide reasonable assurance that its objectives relating to these areas will be achieved. Reasonable assurance recognizes internal controls have inherent limitations, including cost, mistakes, and intentional efforts to bypass internal controls.

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Purchasing Process

Background

The Riverside County Purchasing and Fleet Services Department is responsible for implementing policies and procedures set forth in the Purchasing Policy Manual (September 1, 2016). The Director of Purchasing is the Purchasing Agent for Riverside County. Purchasing authority is granted to Riverside County staff, varying in levels of position and amount. See Table A for a summary of delegation of purchasing authority.

Table A: Delegation of Purchasing Authority

Position	Purchase Order Authority	PO's Against PeopleSoft Contracts
Low Value Purchase Authority (LVPA)	\$5,000 per day per vendor	\$25,000 per day per vendor
Buyer I	\$25,000 per day per vendor	\$100,000 per day per vendor
Buyer II	\$50,000 per day per vendor	\$100,000 per day per vendor

Expenditures of \$5,000 or greater, require departments to seek at least three written quotes from potential vendors to ensure the best use of taxpayer dollars. The Purchasing Manual describes split purchase orders as follows, "Deliberate attempts to split orders, where the purpose is keeping total cost of each order down below bid limits, and failure to combine orders when practical for the best interest of the County in order to circumvent the limitations, is prohibited and may result in disciplinary actions reduced or suspended purchasing authority."

Objective

To verify the adequacy and existence of internal controls over purchasing processes.

Audit Methodology

To accomplish these objectives, we:

- Obtained an understanding of board policies and applicable standards.
- Obtained a listing of all expenditures for Child Support Services.

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- Obtained a listing of all Child Support Services staff with delegated purchasing authority.
- Analyzed department expenditure data for the audit period to determine whether applicable discounts were captured.
- Analyzed department expenditure data for the audit period to determine whether there were instances of split purchase orders at the \$5,000 and \$25,000 limitations.

Finding: None Noted

Based upon the results of our audit, we determined internal controls over purchasing processes provide reasonable assurance that its objective related to this area will be achieved.

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State Mandated Reporting

Background

Child Support Services' operations are primarily funded from state and federal sources. Family Code 17600 and 45 Code of Federal Regulations (CFR) §302 require that local agencies maintain operational efficiency and fiscal accountability to ensure child support enforcement activities are in accordance with Title IV-D requirements. Child Support Services validates data pertaining to collections, disbursements, program performance, and expenditures. Receipt of funding is dependent on the accuracy and timeliness in data reporting to the California Department of Child Support Services.

Objective

To verify the adequacy and existence of internal controls over state mandated reporting.

Audit Methodology

To accomplish these objectives, we:

- Obtained an understanding of California Department of Child Support Services financial and operational reporting policies.
- Interviewed department management and staff to obtain an overview of the state and federal reporting requirements.
- Selected a sample of monthly reports.
- Reviewed documentation for completeness and timeliness.
- Verified appropriate levels of management reviews and approvals.

Finding: None Noted

Based upon the results of our audit, we determined internal controls over state mandated reporting provide reasonable assurance that its objective related to this area will be achieved.