

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



ITEM: 2.6
(ID # 18495)

MEETING DATE:
Tuesday, March 08, 2022

FROM : AUDITOR CONTROLLER:

SUBJECT: AUDITOR-CONTROLLER: Internal Audit Report 2022-304: Riverside University Health System, Public Health Follow-up Audit [District: All]; [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file Internal Audit Report 2022-304: Riverside University Health Systems, Public Health Follow-up Audit

ACTION: Consent


Tanya Harris, Assistant Auditor Controller 2/25/2022

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Spiegel, 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: March 8, 2022
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

We completed a follow-up audit of the Riverside University Health Systems, Public Health. Our audit was limited to reviewing actions taken as of December 30, 2021, to correct findings noted in our original audit report 2020-005 dated March 12, 2020. The original audit report contained 4 recommendations, all of which required implementation to help correct the reported findings.

Please see report for audit results.

Impact on Residents and Businesses

Provide an assessment of internal controls over the audited areas.

SUPPLEMENTAL:

Additional Fiscal Information

Not applicable

ATTACHMENTS:

A: Riverside County Auditor-Controller - Internal Audit Report 2022-304: Riverside University Health Systems, Public Health Follow-up Audit.

Internal Audit Report 2022-304

**Riverside County
Riverside University Health Systems, Public
Health Department
Follow-up Audit**

Report Date: March 8, 2022



**Office of Paul Angulo, CPA, MA
Riverside County Auditor-Controller
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www.auditorcontroller.org



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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

March 8, 2022

Kim Saruwatari
Director
Riverside University Health System, Public Health
4065 County Circle Drive
Riverside, CA 92503

Subject: Internal Audit Report 2022-304: Riverside University Health System, Public Health Follow-up Audit

Dear Ms. Saruwatari:

We completed the follow-up audit of Riverside University Health System - Public Health. Our audit was limited to reviewing actions taken as of December 30, 2021, to help correct the findings noted in our original audit report 2020-005 dated March 12, 2020.

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 four recommendations, all of which required implementation to help correct the reported findings. Based on the results of our audit, we found that all four of the recommendations were not implemented.

**Internal Audit Report 2022-304: Riverside University Health Systems, Public Health,
Follow-up Audit**

Summary of the conditions from the original audit and the results of our review on 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 2020-005 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
Jeff A. Van Wagenen, County Executive Officer
Grand Jury

**Internal Audit Report 2022-304: Riverside University Health Systems, Public Health,
Follow-up Audit**

Table of Contents

	Page
Results:	
Outreach Event Inventories	4
Cost Recovery	5
Attachments:	
A. Internal Audit Report 2020-005	
B. Status of Findings as Reported by Riverside University Health Systems, Public Health on December 30, 2021	

**Internal Audit Report 2022-304: Riverside University Health Systems, Public Health,
Follow-up Audit**

Outreach Event Inventories

Finding 1: Outreach Event Inventories

Public Health does not have a standardized inventory process for program staff to conduct inventory counts after each outreach event. In addition, there is no management review of the inventories on a regular basis. Inventories are tracked by the event associated to each outreach program. Staff for the programs conducting the outreach follow their own individual inventory system and process for tracking items. As a result, the lack of a standardized and uniform process results in inaccurate inventory on hand for subsequent events. Standard Practice Manual 1001, *Internal Controls*, "County departments and agencies shall establish, document and maintain an effective system of internal controls for promoting effectiveness and efficiency of operations." The lack of an effective inventory process can lead to the theft or misappropriation of county inventory items.

Recommendation 1.1

Establish policies and procedure to document the outreach event inventory process.

Current Status 1.1: Not Implemented

Riverside University Health System, Public Health (Public Health) has not developed policies or procedures for the outreach event inventory process. The department stated their plan will be to establish these policies by June 30, 2022.

Recommendation 1.2

Procedures should include reviewer signature and date when the inventory counts and validations are completed.

Current Status 1.2: Not Implemented

Public Health has not developed policies or procedures for the outreach event inventory process. The department stated their plan will be to establish these policies by June 30, 2022.

**Internal Audit Report 2022-304: Riverside University Health Systems, Public Health,
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Cost Recovery

Finding 2: Lack of supporting documentation for recovered cost

Public Health was not able to provide supporting documentations for the revenues received from the clinics via journal entries. Standard Practice Manual 1001, *Internal Controls*, "County departments and agencies shall establish, document and maintain an effective system of internal controls to routinely review and reconcile that transactions were properly processed." Riverside University Health clinics do not provide supporting documentation for revenues collected for Public Health services. Lack of internal controls over revenues could result in the loss of funds collected on behalf of Public Health.

Recommendation 2.1

Establish procedures to request and review supporting documentation for revenues received from the clinics.

Current Status 2.1: Not Implemented

Public Health has not developed procedures to request and review supporting documentation for revenues received from the clinics. The department stated their plan will be to establish these procedures by June 30, 2022.

Recommendation 2.2

Work with Federally Qualified Health Center clinics to obtain back up documentation supporting the journal entries for services provided and the revenue received from the clinics.

Current Status 2.2: Not Implemented

Public Health has continued to work with the Federally Qualified Health Center clinics to obtain appropriate back up supporting journal entries however has not fully implemented a review or reconciliation process. The department stated this process should be completed by June 30, 2022.