

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



ITEM: 2.4
(ID # 23515)

MEETING DATE:
Tuesday, November 28, 2023

FROM : AUDITOR CONTROLLER:

SUBJECT: AUDITOR-CONTROLLER: Internal Audit Report 2024-315: Riverside County Department of Animal Services, Change of Department Head, Follow-up Audit, All Districts. [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file Internal Audit Report 2024-315: Riverside County Department of Animal Services, Change of Department Head, Follow-up Audit

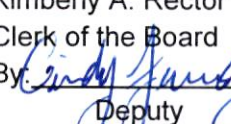
ACTION:Consent


Ben J. Benoit, COUNTY AUDITOR-CONTROLLER 11/13/2023

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Washington, seconded by Supervisor Spiegel 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 Gutierrez
Nays: None
Absent: None
Date: November 28, 2023
xc: Auditor Controller

Kimberly A. Rector
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:

BACKGROUND:

Summary

We completed a change of department head follow-up audit of the Department of Animal Services. Our audit was limited to reviewing actions taken as of July 5, 2023, to correct findings noted in our original audit report 2022-024 dated July 12, 2022. The original audit report contained five recommendations, all of which required implementation to help correct the reported findings.

Based on the results of our follow-up audit, we found that out of the five recommendations all were implemented.

For an in-depth understanding of the original audit, please refer to Internal Audit Report 2022-024 included as an attachment to this follow-up audit report, or it can also be found at <https://auditorcontroller.org/divisions/internal-audit/reports>.

Impact on Citizens 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 2024-315: Riverside County Department of Animal Services Follow-up Audit.

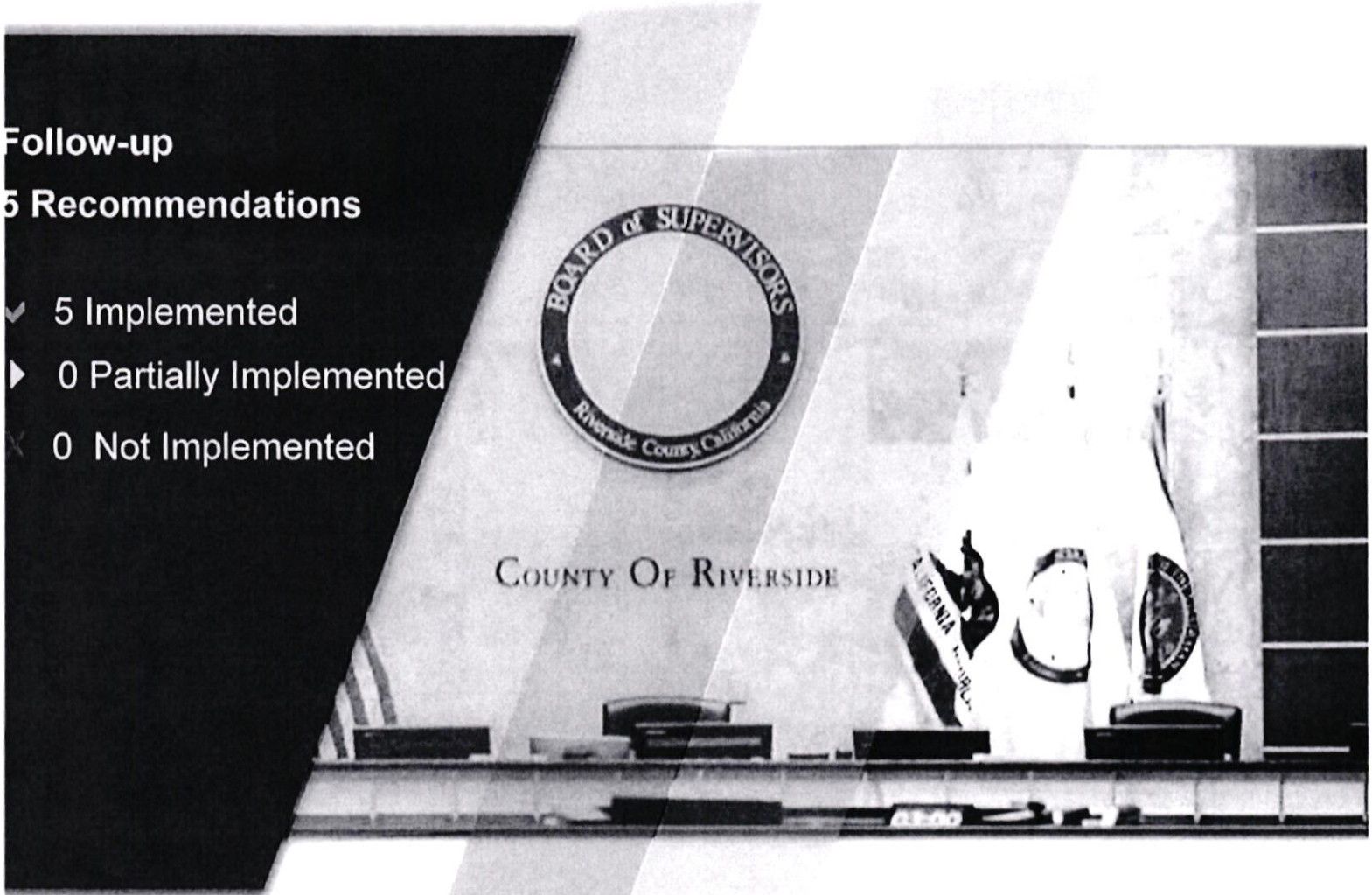
Office of Ben J. Benoit
Riverside County Auditor-Controller
4080 Lemon Street, 11th Floor
Riverside, CA 92509
(951) 955-3800

Internal Audit Report 2024-315

Follow-up

5 Recommendations

- ✓ 5 Implemented
- ▶ 0 Partially Implemented
- ✗ 0 Not Implemented



Riverside County Department
of Animal Services
Follow-up Audit

November 28, 2023



**COUNTY OF RIVERSIDE
OFFICE OF THE AUDITOR-CONTROLLER**

Ben J. Benoit, Auditor-Controller
Tanya S. Harris, DPA, CPA, Assistant Auditor-Controller

4080 Lemon Street, 11th Floor
P.O. Box 1326
Riverside, CA 92502-1326
951-955-3800



November 28, 2023

Erin Gettis
Director
Riverside County Department of Animal Services
6851 Van Buren Blvd
Jurupa Valley, CA 92509

**Subject: Internal Audit Report 2024-315: Riverside County Department of Animal Services,
Change of Department Head, Follow-up Audit**

Dear Ms. Gettis:

We completed the follow-up audit of the Department of Animal Services. Our audit was limited to reviewing actions taken as of July 5, 2023, to help correct the findings noted in our original audit report 2022-024 dated July 12, 2022.

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 five recommendations, all of which required implementation to help correct the reported findings. Based on the results of our audit, we found that out of the five recommendations all were implemented.

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 2022-024 included as "Attachment A" of this audit report along with your department status letter as "Attachment B."



Internal Audit Report 2024-315: Riverside County Department of Animal Services, Change of Department Head, Follow-up Audit

You can also find the original audit report at <https://auditorcontroller.org/divisions/internal-audit/reports>.

We thank you and your staff for the help and cooperation. The assistance provided contributed significantly to the successful completion of this audit.

Ben J. Benoit
Riverside County Auditor-Controller

By: René Casillas, CPA, CRMA
Deputy Auditor-Controller

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



Internal Audit Report 2024-315: Riverside County Department of Animal Services, Change of Department Head, Follow-up Audit

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Internal Audit Report 2024-315: Riverside County Department of Animal Services, Change of Department Head, Follow-up Audit

Revolving Funds

Finding 1: Revolving Fund Compliance

“Based upon the result of our audit, we identified the following deficiencies as it relates to the revolving fund:

- Monthly fund balance reconciliations were not timely conducted. During our review of the revolving fund reconciliation documentation, we identified 2 out of 4 monthly reconciliations were not timely performed. In addition, cash count at 3 sites were conducted and certified at different weeks of the reconciling month which did not provide a snapshot of the fund balance at the time the reconciliation was performed. Standard Practice Manual 603, *Revolving Funds*, states, ‘The Custodian must reconcile the Revolving Fund on a monthly basis. The reconciliation ensures that the sum of outstanding reimbursements, cash, and compiled receipts is equal to the original amount of the Fund.’ In addition, Standard Practice Manual 1001, *Internal Controls*, also states, ‘Records are routinely examined and reconciled to determine that transactions were properly processed.’ The department's cash count and reconciling process was not standardized and functioning effectively. Adopting a process that ensures consistent and timely revolving fund balance reconciliation will enable department to timely detect and correct any discrepancies and ensure compliance with the county policy.
- Department is not in compliance with its own policy as it relates to the cash handling training requirement. In our review of the cash shortage/ overage, we found the 2 cash shortage events in which staff reporting the cash shortage did not attend the refresher cash handling course. County of Riverside Animal Services Policy 000-24, *Cash Box Issuance*, states, ‘Employee who is authorized to sign out cash box must attend a cash handling course. Anytime a shortage or overage is noted, the individual who signed the cash box cash out and their supervisor, during the shift where the overage/ shortage occurred, shall be required to attend a refresher cash handling course.’ Cash handling staff did not complete the required refresher training due to department oversight, as such training requirement was not fulfilled and documented. Cash handling training is provided to employees who directly handle cash on daily operations to ensure compliance with department policies and how to handle, secure, and process cash.”

Recommendation 1.1

“Establish a formal procedure over the revolving fund monthly reconciliation process in accordance with the Standard Practice Manual 603, *Revolving Fund*, and Standard Practice Manual 1001, *Internal Controls*.



Internal Audit Report 2024-315: Riverside County Department of Animal Services, Change of Department Head, Follow-up Audit

Current Status 1.1: Implemented

Recommendation 1.2

“Ensure cash handling training is conducted and documented in accordance with Animal Services Department Policy 000-24, *Cash Box Issuance*.”

Current Status 1.2: Implemented

Capital Assets

Finding 2: Capital Asset Compliance

“We identified the following deficiencies in our review of capital assets:

- The assigned asset tags were not affixed to the assets. Three out of 14 selected capital assets were found without county asset tag affixed. Standard Practice Manual 513, *Asset Tags*, states, ‘County departments, agencies, special districts and authorities are required to properly tag individual capital asset in order to maintain proper control over owned asset’, and ‘tags should stay with the asset until it is retired.’ Tagging of capital asset is an internal control designed to provide a method for identifying capital assets and aid in the annual capital asset physical inventory.
- Capital asset certifications and asset management listing did not reflect the asset physical inventory. Our physical inventory review identified the following discrepancies:
 - Five (35.7%) out of 14 selected assets in the vehicle categories in which Fleet Services department issued asset tracking number to Animal Services. However, the asset tracking number attached to these assets did not match with the asset management module tag number records.
 - Two (14.3%) out of 14 reviewed assets in which the serial number did not match with the serial number entered in the asset management module.
 - One capital asset was found at Animal Services location that did not belong to department. This asset was reported as missing and was removed in the asset management module by Riverside County Information Technology Department.



Internal Audit Report 2024-315: Riverside County Department of Animal Services, Change of Department Head, Follow-up Audit

Standard Practice Manual 515, *Capital Asset Certifications*, states, 'In accordance with California Government Code section 24051, the head of each entity shall file with the County Auditor-Controller a complete capital asset inventory, under oath, showing in detail all capital assets (i.e., buildings, and equipment) in the entity's possession at the close of business on June 30th of each fiscal year. This constitutes taking a complete physical inventory of all Capital Assets and certifying the results.' When assets are not accounted for or properly identified in the asset module, they could result in an understatement or overstatement of capital assets.

The capital asset policy was developed to improve the efficiency of tracking assets. We have addressed the issues regarding the capital asset tags and physical inventory with the department in the past and would like to draw attention on the controls over this area to ensure department compliance with the county policies and procedures."

Recommendation 2.1

"Ensure capital assets are affixed with a county tag in accordance with the Standard Practice Manual 513, *Asset Tags*."

Current Status 2.1: Implemented

Recommendation 2.2

"Ensure capital asset information is entered in PeopleSoft Asset Module in accordance with the Standard Practice Manual 513, *Asset Tags*."

Current Status 2.2: Implemented

Recommendation 2.3

"Establish procedures to perform annual physical inventory of all capital assets in the department's possession in accordance with the Standard Practice Manual 515, *Capital Asset Certification*."

Current Status 2.3: Implemented

Attachment A

Internal Audit Report 2022-024

Riverside County Department of Animal Services,
Change of Department Head Audit

Report Date: July 12, 2022



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
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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

July 12, 2022

Erin Gettis
Animal Services Director
Riverside County Department of Animal Services
6851 Van Buren Blvd
Jurupa Valley, CA 92509

Subject: Internal Audit Report 2022-024: Riverside County Department of Animal Services, Change of Department Head Audit

Dear Ms. Gettis:

In accordance with Board of Supervisors Resolution 83-338, we completed a Change of Department Head audit for Riverside County Department of Animal Services. This audit is conducted to assess internal controls over the transfer and safeguarding of revolving funds and capital assets when there is a change in department head.

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.

**Internal Audit Report 2022-024: Riverside County Department of Animal Services,
Change of Department Head Audit**

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

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
Dave Rogers, Chief Administrative Officer
Grand Jury

Internal Audit Report 2022-024: Riverside County Department of Animal Services,
Change of Department Head Audit

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Internal Audit Report 2022-024: Riverside County Department of Animal Services,
Change of Department Head Audit

Executive Summary

Overview

Riverside County Department of Animal Services (Animal Services) is part of public works and community services that focuses on providing animal sheltering and field services for 17 contract cities and unincorporated areas of the county. Animal Services has an adopted budget of \$ 23.1 million for FY2021-22 and has 171 authorized positions to execute its responsibilities. *County of Riverside Fiscal Year 2021-22, Adopted Budget Volume 1, May 2022, 287.*

Audit Objective

Our audit objective is to provide management and the Board of Supervisors with an independent assessment of internal controls over the transfer and safeguarding of revolving funds and capital assets when there is a change in department head.

Audit Conclusion

Based upon the results of our audit, we determined:

- Internal controls are in place to ensure the safeguarding and timely transfer of revolving funds to the newly appointed department director. However, the internal controls to ensure the safeguarding of revolving fund are not in place. Specifically, monthly fund balance reconciliation was not timely conducted, and department is not in compliance with its own policy as it relates to the cash handling training requirement.
- Internal controls are in place to ensure the timely transfer of capital assets. However, Internal controls over capital assets are not operating effectively to provide reasonable assurances that its objectives relating to these areas will be achieved. Specifically, the assigned asset tags were not affixed to the assets, and capital asset listing did not reflect the asset physical inventory.

Internal Audit Report 2022-024: Riverside County Department of Animal Services,
Change of Department Head Audit

Revolving Funds

Background

Under the authority of Government Code Section 29320-29334, the Riverside County Board of Supervisor's adopted Board Resolution 74-156 on May 14, 1974, authorizing the establishment of a revolving fund, under the custodianship of a county officer, for use on official county business. The Board of Supervisor's adopted Board Resolution 83-338 on November 1, 1983, authorizing the Riverside County Auditor-Controller to audit revolving funds of any officer accountable for such resources upon transfer of such resources to a new officer.

The Riverside County Department of Animal Services has one revolving fund, with an authorized balance of \$1,990, maintained in the form of petty cash and cash drawer. The petty cash is primarily used to pay for emergency purchases such as supplies and animal food under \$100 per transaction. The reserved revolving fund cash drawer is used to process daily customers payments for animal shelter services provided by department.

Objective

To determine if the required forms for the transfer of accountability of revolving funds from the predecessor to the new appointed department director were completed, and properly filed with the Riverside County Auditor-Controller's Office. Also, to assess the adequacy of internal controls over the safeguarding of the revolving fund.

Audit Methodology

To accomplish these objectives, we:

- Reviewed Riverside County Auditor-Controller Standard Practice Manual Form AR-1, *Revolving Fund Request Order & Change Form*, for the establishment and transfer of the revolving fund.
- Interviewed key personnel and reviewed department procedures over the revolving fund.
- Verified revolving fund reconciliations were prepared.

**Internal Audit Report 2022-024: Riverside County Department of Animal Services,
Change of Department Head Audit**

- Performed a surprise cash count and reconciled to the fund assignment amounts without exception.
- Verified adequate segregation of duties existed.

Finding 1: Revolving Fund Compliance

Based upon the result of our audit, we identified the following deficiencies as it relates to the revolving fund:

- Monthly fund balance reconciliations were not timely conducted. During our review of the revolving fund reconciliation documentation, we identified 2 out of 4 monthly reconciliations were not timely performed. In addition, cash count at 3 sites were conducted and certified at different weeks of the reconciling month which did not provide a snapshot of the fund balance at the time the reconciliation was performed. Standard Practice Manual 603, *Revolving Funds*, states, "The Custodian must reconcile the Revolving Fund on a monthly basis. The reconciliation ensures that the sum of outstanding reimbursements, cash, and compiled receipts is equal to the original amount of the Fund." In addition, Standard Practice Manual 1001, *Internal Controls*, also states, "Records are routinely examined and reconciled to determine that transactions were properly processed." The department's cash count and reconciling process was not standardized and functioning effectively. Adopting a process that ensures consistent and timely revolving fund balance reconciliation will enable department to timely detect and correct any discrepancies and ensure compliance with the county policy.
- Department is not in compliance with its own policy as it relates to the cash handling training requirement. In our review of the cash shortage/overage, we found the 2 cash shortage events in which staff reporting the cash shortage did not attend the refresher cash handling course. County of Riverside Animal Services Policy 000-24, *Cash Box Issuance*, states, "Employee who is authorized to sign out cash box must attend a cash handling course. Anytime a shortage or overage is noted, the individual who signed the cash box cash out and their supervisor, during the shift where the overage/shortage occurred, shall be required to attend a refresher cash handling course." Cash handling staff did not complete the required refresher training due to department oversight, as such training requirement was not fulfilled and documented. Cash handling training is provided to employees who directly handle cash on daily

**Internal Audit Report 2022-024: Riverside County Department of Animal Services,
Change of Department Head Audit**

operations to ensure compliance with department policies and how to handle, secure, and process cash.

Recommendation 1.1

Establish a formal procedure over the revolving fund monthly reconciliation process in accordance with the Standard Practice Manual 603, *Revolving Fund*, and Standard Practice Manual 1001, *Internal Controls*.

Management's Response:

"Partially Concur. Parts of the revolving fund are located at three different locations. These are Jurupa Valley, Thousand Palms, and Blythe shelters. Animal Services would concur that the three funds were not always reconciled on the same day, and sometimes several weeks apart. However, the funds were reconciled every month. Since the funds are at different locations it should not affect the accuracy of the count regardless of the day.

Animal Services is in the process of instituting a specific day each month to perform the cash count and completion of the reconciliation form that is sent to the Jurupa Valley Accounts Receivable Supervisor. Animal Services will initiate the second Monday of each month, or the next day if it is holiday to have the reconciliation completed."

Actual/Estimated Date of Corrective Action: **July 2022**

Recommendation 1.2

Ensure cash handling training is conducted and documented in accordance with Animal Services Department Policy 000-24, *Cash Box Issuance*.

Management's Response:

"Concur. We concur with the finding and will reemphasize the procedures to all staff involved in the reconciliation process. The procedures were overlooked due to change of staffing in the Accounts Receivable and Collections staff."

Actual/Estimated Date of Corrective Action: **July 20, 2022**

Internal Audit Report 2022-024: Riverside County Department of Animal Services,
Change of Department Head Audit

Capital Assets

Background

Capital assets are tangible assets of significant value which have a utility that extends beyond the current year, and are broadly classified as land (valued at \$1 or more), buildings and improvements, infrastructure, and equipment (acquisition cost of \$5,000 or greater).

Per the Riverside County Auditor-Controller's Standard Practice Manual, Policy Number 512, *Transfer of Accountability on Capital Assets*, it states that upon retirement or termination of a department director, accountability for capital assets must be transferred to the new or acting department director and notification filed with the Riverside County Auditor-Controller's Office.

As of March 10, 2022, the time the new director was appointed and acknowledged receipt of capital assets from the outgoing officer, Animal Services maintained total number of 92 capital assets in the Riverside County financial system asset management module, consisting of radio devices, trailers, vehicles, machines, and equipment, with the combined acquisition cost of \$1.2 million.

Objective

To determine if the required Standard Practice Manual Form AM-1, *The Inventory of County Property for Capital Assets*, for the transfer of accountability of capital assets from the predecessor to the new appointed department director was completed and properly filed with the Riverside County Auditor-Controller's Office. Also, to assess the adequacy of internal controls over the safeguarding of capital assets.

Audit Methodology

To accomplish these objectives, we:

- Obtained an understanding of board policies and applicable standards.
- Established the date of the department head change.

**Internal Audit Report 2022-024: Riverside County Department of Animal Services,
Change of Department Head Audit**

- Verified proper forms were completed for transfer of accountability of capital assets and submitted to the Riverside County Auditor-Controller's Office.
- Selected a sample of capital assets to verify adequate internal controls exist over the safeguarding of assets.
- Selected a sample of capital assets and verified its existence and is in the location reported by the department.

Finding 2: Capital Asset Compliance

We identified the following deficiencies in our review of capital assets:

- The assigned asset tags were not affixed to the assets. Three out of 14 selected capital assets were found without county asset tag affixed. Standard Practice Manual 513, *Asset Tags*, states, "County departments, agencies, special districts and authorities are required to properly tag individual capital asset in order to maintain proper control over owned assets", and "tags should stay with the asset until it is retired." Tagging of capital asset is an internal control designed to provide a method for identifying capital assets and aid in the annual capital asset physical inventory.
- Capital asset certifications and asset management listing did not reflect the asset physical inventory. Our physical inventory review identified the following discrepancies:
 - Five (35.7%) out of 14 selected assets in the vehicle categories in which Fleet Services department issued asset tracking number to Animal Services. However, the asset tracking number attached to these assets did not match with the asset management module tag number records.
 - Two (14.3%) out of 14 reviewed assets in which the serial number did not match with the serial number entered in the asset management module.
 - One capital asset was found at Animal Services location that did not belong to department. This asset was reported as missing and was removed in the asset management module by Riverside County Information Technology Department.

**Internal Audit Report 2022-024: Riverside County Department of Animal Services,
Change of Department Head Audit**

Standard Practice Manual 515, *Capital Asset Certifications*, states, "In accordance with California Government Code section 24051, the head of each entity shall file with the County Auditor-Controller a complete capital asset inventory, under oath, showing in detail all capital assets (i.e. buildings, and equipment) in the entity's possession at the close of business on June 30th of each fiscal year. This constitutes taking a complete physical inventory of all Capital Assets and certifying the results." When assets are not accounted for or properly identified in the asset module, they could result in an understatement or overstatement of capital assets.

The capital asset policy was developed to improve the efficiency of tracking assets. We have addressed the issues regarding the capital asset tags and physical inventory with the department in the past and would like to draw attention on the controls over this area to ensure department compliance with the county policies and procedures.

Recommendation 2.1

Ensure capital assets are affixed with a county tag in accordance with the Standard Practice Manual 513, *Asset Tags*.

Management's Response:

"**Concur.** We concur that non-vehicle capital assets should have an asset tag attached. We would point out that two of the items (forklifts) were issued tags and the asset tags were, at one point, attached to the forklifts. Over time, these tags came off the asset. These assets sit in a warehouse and are used outside of the warehouse. They are subject to severe vibrations during operations and are subject to changing temperatures through the year since they are not in a controlled environment. Animal Services will emphasize the importance of verification of the asset tag in future verifications conducted by various staff. New tags will be requested to replace the missing ones.

The third asset mentioned above was removed along with another server and both have been removed from the asset list."

Actual/Estimated Date of Corrective Action: **August 2022**

Recommendation 2.2

Ensure capital asset information is entered in PeopleSoft Asset Module in accordance with the Standard Practice Manual 513, *Asset Tags*.

**Internal Audit Report 2022-024: Riverside County Department of Animal Services,
Change of Department Head Audit**

Management's Response:

"Concur. Animal Services concurs that all assets listed in the PeopleSoft Asset Module should have accurate information listed. The two assets listed above are X-ray machines. These assets are comprised of several parts and each part has its own serial number. Some serial numbers are behind attached panels and not visible without taking the panels off. Animal Services is in the process of locating visible serial numbers and having them changed in the PeopleSoft Asset Module to ensure they match with the PeopleSoft Asset Module.

RCIT controlled items have been problematic as no clear demarcation lines have been established to determine how servers located at our facilities will be handled. First issue is we pay for them have a trouble ticket issued to have them installed, but no notification is given to Animal Services when they are being installed. Whoever issues the trouble ticket gets a response after the fact. We are currently in communications with RCIT management on how to record the information necessary for us to list the item in the asset module. We also require our asset tracking staff member to get pictures of the asset, asset tag, and serial number for our records."

Actual/Estimated Date of Corrective Action: **November 2022**

Recommendation 2.3

Establish procedures to perform annual physical inventory of all capital assets in the department's possession in accordance with the Standard Practice Manual 515, *Capital Asset Certification*.

Management's Response:

"Concur. Animal Services has a process in place to have our capital assets verified. This process will be reemphasized to staff that do the actual verification. Many of our staff members have changed roles and are new to the asset verification process."

Actual/Estimated Date of Corrective Action: **July 2022**



RIVERSIDE COUNTY

Department of Animal Services

Erin Gettis, Director

Dr. Kim Youngberg, Deputy Director

27 JUN -7 11:12:25

The following are the current status of the reported findings and planned corrective actions contained in Internal Audit Report 2022-024: Riverside County Department of Animal Services, Change of Department Head Follow-Up Audit.


Authorized Signature

7-5-23
Date

Finding 1: Revolving Fund Compliance

Based upon the result of our audit, we identified the following deficiencies as it relates to the revolving fund:

- Monthly fund balance reconciliations were not timely conducted. During our review of the revolving fund reconciliation documentation, we identified 2 out of 4 monthly reconciliations were not timely performed. In addition, cash count at 3 sites were conducted and certified at different weeks of the reconciling month which did not provide a snapshot of the fund balance at the time the reconciliation was performed. Standard Practice Manual 603, *Revolving Funds*, states, "The Custodian must reconcile the Revolving Fund on a monthly basis. The reconciliation ensures that the sum of outstanding reimbursements, cash, and compiled receipts is equal to the original amount of the Fund." In addition, Standard Practice Manual 1001, *Internal Controls*, also states, "Records are routinely examined and reconciled to determine that transactions were properly processed." The department's cash count and reconciling process was not standardized and functioning effectively. Adopting a process that ensures consistent and timely revolving fund balance reconciliation will enable department to timely detect and correct any discrepancies and ensure compliance with the county policy.
- Department is not in compliance with its own policy as it relates to the cash handling training requirement. In our review of the cash shortage/ overage, we found the 2 cash shortage events in which staff reporting the cash shortage did not attend the refresher cash handling course. County of Riverside Animal Services Policy 000-24, *Cash Box Issuance*, states, "Employee who is authorized to sign out cash box must attend a cash handling course. Anytime a shortage or overage is noted, the individual who signed the cash box cash out and their supervisor, during the shift where the overage/ shortage occurred, shall be required to attend a refresher cash handling course." Cash handling staff did not complete the required refresher training due to department oversight, as such training requirement was not fulfilled and documented. Cash handling training is provided to employees who directly handle cash on daily operations to ensure compliance with department policies and how to handle, secure, and process cash.

Current Status

Reported Finding Corrected?	X	Yes	No
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Department of Animal Services

Erin Gettis, Director

Dr. Kim Youngberg, Deputy Director

Implemented.

Recommendation 1.1

Establish a formal procedure over the revolving fund monthly reconciliation process in accordance with the Standard Practice Manual 603, *Revolving Fund*, and Standard Practice Manual 1001, *Internal Controls*.

Management Reply

"Partially Concur. Parts of the revolving fund are located at three different locations. These are Jurupa Valley, Thousand Palms, and Blythe shelters. Animal Services would concur that the three funds were not always reconciled on the same day, and sometimes several weeks apart. However, the funds were reconciled every month. Since the funds are at different locations it should not affect the accuracy of the count regardless of the day.

Animal Services is in the process of instituting a specific day each month to perform the cash count and completion of the reconciliation form that is sent to the Jurupa Valley Accounts Receivable Supervisor. Animal Services will initiate the second Monday of each month, or the next day if it is holiday to have the reconciliation completed."

Actual/Estimated Date of Corrective Action: July 2022

Current Status

Corrective Action Fully Implemented Partially Implemented Not Implemented

Description of the corrective action taken (or pending action and estimated date of completion for planned corrective action that is partially or not implemented).

Monthly reconciliations are completed on the same day at all three locations, except for the month of March. The current supervisor has been trained on the process and is responsible for requiring each location to perform the reconciliation on the same day. However, the day of the month may change from month to month since staff are not always available at each location every day.

Recommendation 1.2

Ensure cash handling training is conducted and documented in accordance with Animal Services Department Policy 000-24, *Cash Box Issuance*.

Management Reply

"Concur. We concur with the finding and will reemphasize the procedures to all staff involved in the reconciliation process. The procedures were overlooked due to change of staffing in the Accounts Receivable and Collections staff."

Actual/Estimated Date of Corrective Action: July 20, 2022

Riverside County
DEPARTMENT OF ANIMAL SERVICES
6851 Van Buren Blvd, Jurupa Valley, CA 92509
(951) 358-7387 • FAX (951) 358-7300 • TDD (951) 358-5124
Website: www.rcdas.org



Department of Animal Services

Erin Gettis, Director

Dr. Kim Youngberg, Deputy Director

Current Status

Corrective Action: Fully Implemented Partially Implemented Not Implemented

Description of the corrective action taken (or pending action and estimated date of completion for planned corrective action that is partially or not implemented).

The overage/shortage course has been reemphasized to staff that reconcile the deposits. These are then turned over to another staff member to perform the training.

Finding 2: Capital Asset Compliance

We identified the following deficiencies in our review of capital assets:

- The assigned asset tags were not affixed to the assets. Three out of 14 selected capital assets were found without county asset tag affixed. Standard Practice Manual 513, *Asset Tags*, states, "County departments, agencies, special districts and authorities are required to properly tag individual capital asset in order to maintain proper control over owned assets", and "tags should stay with the asset until it is retired." Tagging of capital asset is an internal control designed to provide a method for identifying capital assets and aid in the annual capital asset physical inventory.
- Capital asset certifications and asset management listing did not reflect the asset physical inventory. Our physical inventory review identified the following discrepancies:
 - Five (35.7%) out of 14 selected assets in the vehicle categories in which Fleet Services department issued asset tracking number to Animal Services. However, the asset tracking number attached to these assets did not match with the asset management module tag number records.
 - Two (14.3%) out of 14 reviewed assets in which the serial number did not match with the serial number entered in the asset management module.
 - One capital asset was found at Animal Services location that did not belong to department. This asset was reported as missing and was removed in the asset management module by Riverside County Information Technology Department.

Standard Practice Manual 515, *Capital Asset Certifications*, states, "In accordance with California Government Code section 24051, the head of each entity shall file with the County Auditor-Controller a complete capital asset inventory, under oath, showing in detail all capital assets (i.e., buildings, and equipment) in the entity's possession at the close of business on June 30th of each fiscal year. This constitutes taking a complete physical inventory of all Capital Assets and certifying the results." When assets are not accounted for or properly identified in the asset module, they could result in an understatement or overstatement of capital assets.

The capital asset policy was developed to improve the efficiency of tracking assets. We have addressed the issues regarding the capital asset tags and physical inventory with the department in the past and would like to draw attention on the controls over this area to ensure department compliance with the county policies and procedures.

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Current Status

Reported Finding Corrected? Yes No

All assets currently have the county asset tag or vehicle number issued by Fleet Services. Serial numbers have been updated to match the asset as well.

Recommendation 2.1

Ensure capital assets are affixed with a county tag in accordance with the Standard Practice Manual 513, *Asset Tags*.

Management Reply

"Concur. We concur that non-vehicle capital assets should have an asset tag attached. We would point out that two of the items (forklifts) were issued tags and the asset tags were, at one point, attached to the forklifts. Over time, these tags came off the asset. These assets sit in a warehouse and are used outside of the warehouse. They are subject to severe vibrations during operations and are subject to changing temperatures through the year since they are not in a controlled environment. Animal Services will emphasize the importance of verification of the asset tag in future verifications conducted by various staff. New tags will be requested to replace the missing ones.

The third asset mentioned above was removed along with another server and both have been removed from the asset list."

Actual/Estimated Date of Corrective Action: August 2022

Current Status

Corrective Action: Fully Implemented Partially Implemented Not Implemented

Description of the corrective action taken (or pending action and estimated date of completion for planned corrective action that is partially or not implemented).

Replacement asset tags were requested and placed on the each of the forklifts and the asset tag information was updated in the Asset Management Module.

Recommendation 2.2

Ensure capital asset information is entered in PeopleSoft Asset Module in accordance with the Standard Practice Manual 513, *Asset Tags*.

Management Reply

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"Concur. Animal Services concurs that all assets listed in the PeopleSoft Asset Module should have accurate information listed. The two assets listed above are X-ray machines. These assets are comprised of several parts and each part has its own serial number. Some serial numbers are behind attached panels and not visible without taking the panels off. Animal Services is in the process of locating visible serial numbers and having them changed in the PeopleSoft Asset Module to ensure they match with the PeopleSoft Asset Module.

RCIT controlled items have been problematic as no clear demarcation lines have been established to determine how servers located at our facilities will be handled. First issue is we pay for them have a trouble ticket issued to have them installed, but no notification is given to Animal Services when they are being installed. Whoever issues the trouble ticket gets a response after the fact. We are currently in communications with RCIT management on how to record the information necessary for us to list the item in the asset module. We also require our asset tracking staff member to get pictures of the asset, asset tag, and serial number for our records."

Actual/Estimated Date of Corrective Action: November 2022

Current Status

Corrective Action: Fully Implemented Partially Implemented Not Implemented

Description of the corrective action taken (or pending action and estimated date of completion for planned corrective action that is partially or not implemented).

The information has been updated in the asset management module.

Recommendation 2.3

Establish procedures to perform annual physical inventory of all capital assets in the department's possession in accordance with the Standard Practice Manual 515, *Capital Asset Certification*.

Management Reply

"Concur. Animal Services has a process in place to have our capital assets verified. This process will be reemphasized to staff that do the actual verification. Many of our staff members have changed roles and are new to the asset verification process."

Actual/Estimated Date of Corrective Action: July 2022

Current Status

Corrective Action: Fully Implemented Partially Implemented Not Implemented

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The Fixed/Capital assets are now verified by the Fiscal unit each fiscal year. They are required to verify the information in the asset management module matches with the asset.