

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



ITEM: 2.10  
(ID # 27898)

MEETING DATE:  
Tuesday, May 20, 2025

FROM : AUDITOR CONTROLLER

SUBJECT: AUDITOR-CONTROLLER: Internal Audit Report 2025-329: Riverside County Human Resources Department, Change of Department Head, Follow-up Audit, [District: All],[0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file Internal Audit Report 2025-329: Riverside County Human Resources Department, Change of Department Head, Follow-up Audit

ACTION:Consent


  
Ben J. Benoit, COUNTY AUDITOR-CONTROLLER 5/9/2025

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MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Medina, Spiegel, Washington, Perez and Gutierrez  
Nays: None  
Absent: None  
Date: May 20, 2025  
xc: Auditor

Kimberly A. Rector  
Clerk of the Board  
By:   
Deputy

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

<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
<b>NET COUNTY COST</b>	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
<b>SOURCE OF FUNDS:</b> N/A			<b>Budget Adjustment:</b> No	
			<b>For Fiscal Year:</b> N/A	

**C.E.O. RECOMMENDATION:** Approve

**BACKGROUND:**

**Summary**

We completed the follow-up audit of the Riverside County Human Resources Department. Our audit was limited to reviewing actions taken as of February 26, 2025, to correct findings noted in our original audit report 2024-026 dated December 3, 2024. The original audit report contained 12 recommendations, all of which required implementation to help correct the reported findings.

Based on the results of our audit, we found that of the 12 recommendations:

- 11 of the recommendations were implemented.
- 1 of the recommendations was not implemented.

For an in-depth understanding of the original audit, please refer to Internal Audit Report 2024-026 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 2025-329: Riverside County Human Resources Department, Change of Department Head, Follow-up Audit.





Office of Ben J. Benoit  
Riverside County Auditor-Controller

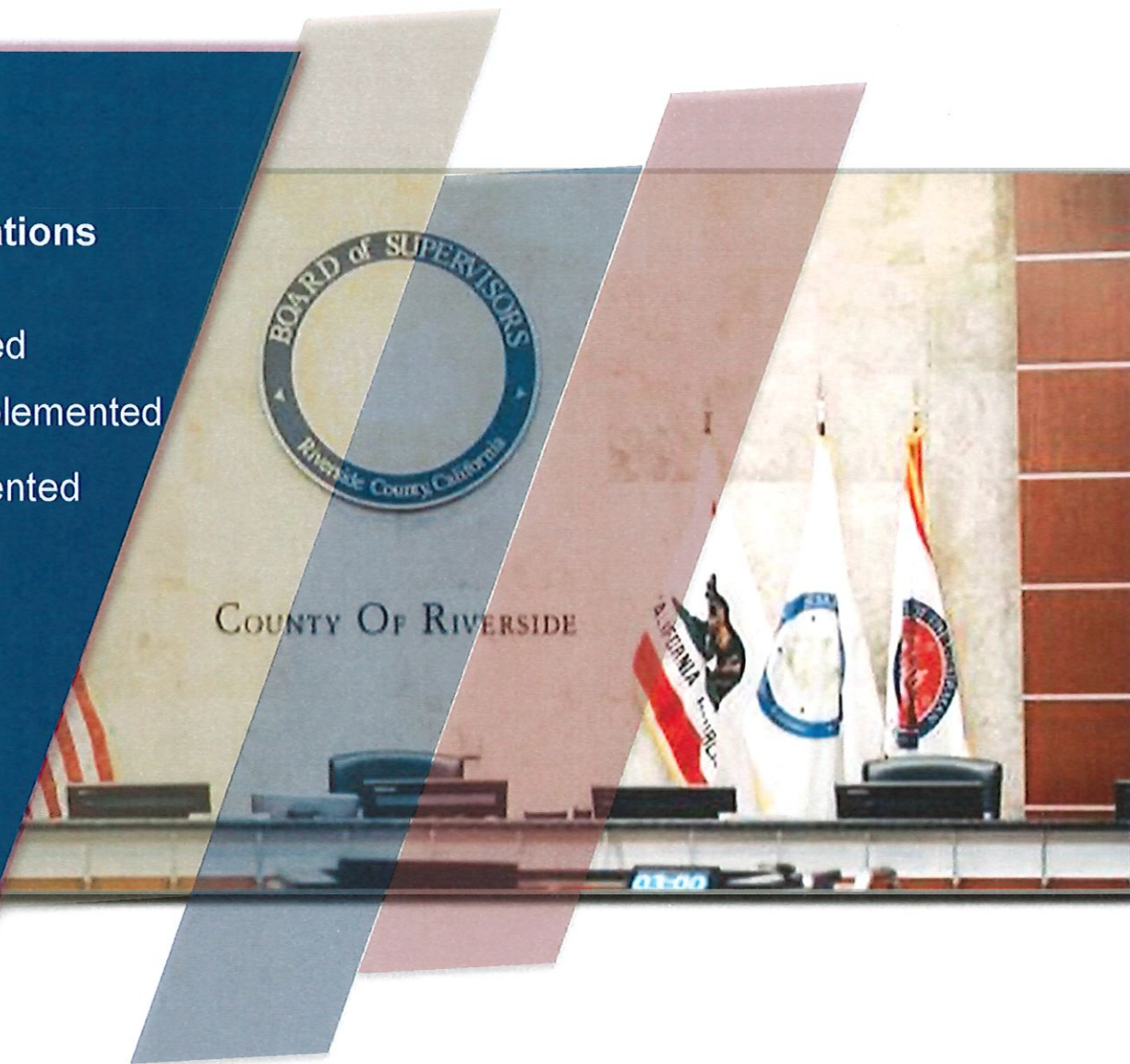
# Internal Audit Report

## 2025-329

### Follow-up

### 12 Recommendations

- ✓ 11 Implemented
- ▶ 0 Partially Implemented
- ✗ 1 Not Implemented



Riverside County Human Resources Department,  
Change of Department Head,  
Follow-up Audit

May 20, 2025



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

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

4080 Lemon Street, 6<sup>th</sup> Floor  
P.O. Box 1326  
Riverside, CA 92502-1326  
951-955-3800



May 20, 2025

Tami Douglas-Schatz  
Human Resources Director  
Riverside County Human Resources Department  
4080 Lemon Street, 7th Floor  
Riverside, CA 92501

**Subject: Internal Audit Report 2025-329: Riverside County Human Resources Department,  
Change of Department Head, Follow-up Audit**

Dear Ms. Douglas-Schatz:

We completed the follow-up audit of the Riverside County Human Resources Department. Our audit was limited to reviewing actions taken as of February 26, 2025, to help correct the findings noted in our original audit report 2024-026 dated December 3, 2024.

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 12 recommendations, all of which required implementation to help correct the reported findings. Based on the results of our audit, we found that of the 12 recommendations:

- 11 of the recommendations were implemented.
- 1 of the recommendations was not implemented.





**Internal Audit Report 2025-329: Riverside County Human Resources Department, Change of Department Head, Follow-up Audit**

A 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 2024-026 included as "Attachment A" of this audit report along with your department status letter as "Attachment B." 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, County Executive Officer  
Juan Perez, Chief Operating Officer  
Grand Jury



Internal Audit Report 2025-329: Riverside County Human Resources Department, Change of Department Head, Follow-up Audit

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## Internal Audit Report 2025-329: Riverside County Human Resources Department, Change of Department Head, Follow-up Audit

### Revolving Funds

#### Finding 1: Revolving Fund Utilization and Replenishments

“Standard Practice Manual 603, *Revolving Funds*, states, ‘Revolving Fund purchases must be submitted for reimbursement within sixty (60) days from the date on the receipt and must be summarized on the AP-9 Form (Revolving Fund Request for Replenishment).’ Additionally, ‘Departments should regularly review, at least annually, the need, size, and use of their Revolving Funds and change fund(s). It is recommended that departments close or reduce the amount of Revolving Fund or change funds that have had little or no activity within a reasonable period of time.’

After review of the department’s revolving funds, we identified the following in Table A below:

**Table A: Results Summary – Revolving Fund Utilization and Replenishments**

Revolving Fund	Observations
A	Revolving fund A has not been used since November 2022.
	Revolving fund A has outstanding transactions awaiting replenishment that occurred from January 2020 to June 2024.
B	Revolving fund B has been used once since its inception in May 2021.
	Revolving fund B has outstanding transactions awaiting replenishment that occurred from November 2021 to June 2024.

The department has expressed it may no longer need revolving fund A, and its business processes over its replenishments is not enforced. For revolving fund B, the authorized balance was initially overestimated, and the department was not following the Standard Practice Manuals governing its replenishments. Not reviewing and adjusting revolving fund balances, as well as not processing revolving fund replenishments within the required timeframe, leads to inefficient resource allocation, potential misuse of funds, and non-compliance with established policies.”

#### Recommendation 1.1

“Conduct a review of revolving fund A and B and determine whether changes should be made based on the reason for the establishment of the revolving fund, the authorized amount originally



## Internal Audit Report 2025-329: Riverside County Human Resources Department, Change of Department Head, Follow-up Audit

requested, or the nature of the fund assignment used on Standard Practice Manual Form AR-1, *Revolving Fund Request Order & Change Form.*”

### Current Status 1.1: Implemented

### Recommendation 1.2

“Promptly address and resolve outstanding replenishments in revolving fund A and B.”

### Current Status 1.2: Not Implemented

Revolving Fund A and B continue to have outstanding transactions awaiting replenishment. We identified the following during our review:

- As of January 31, 2025, Revolving Fund A had \$3,027 in outstanding transactions awaiting replenishment, occurring between January 2020 and January 2025.
- As of February 28, 2025, Revolving Fund B had \$11,187 in outstanding transactions awaiting replenishment, occurring between November 2021 and November 2024.

### Management’s Response

All revolving funds will be replenished by the end of the current fiscal year. In alignment with the recommendations provided by the Auditor-Controller’s Office (ACO), each fund will be reviewed and either closed or reduced to more accurately reflect actual operational needs. Moving forward, the department will implement more restrictive controls and conduct regular reviews to ensure ongoing compliance with ACO guidelines and best fiscal practices.

### Recommendation 1.3

“Develop policies and procedures to ensure revolving fund replenishments are processed timely to ensure compliance with Standard Practice Manual 603, *Revolving Funds.*”

### Current Status 1.3: Implemented





## Internal Audit Report 2025-329: Riverside County Human Resources Department, Change of Department Head, Follow-up Audit

### Finding 2: Revolving Fund Reconciliations

“Standard Practice Manual 603, *Revolving Funds*, states, ‘The Custodian must reconcile the Revolving Fund on a monthly basis. Reconciliation ensures that the sum of outstanding reimbursements, cash, and compiled receipts is equal to the original amount of the Fund.’ Additionally, ‘Reconciliations must be properly reviewed and approved by a supervisor, with sufficient segregation of duties expected. For auditing purposes, retain complete reconciliation, reimbursement, and replenishment records for your departmental files.’

After reviewing the department’s revolving fund reconciliations, we identified the following:

- Reconciliation packets for the monthly review of revolving fund A were not signed by the preparer and did not indicate the date they were completed.
- Reconciliations were only completed on a yearly basis for revolving fund B. Additionally, they were not signed by the preparer and did not indicate the date they were completed.
- Reconciliation packets for revolving fund A and B were not reviewed and approved by department management.
- The daily bank balance for revolving fund A was not readily available as of the fieldwork date. As such, we were not able to reconcile the fund balance during our site visit.
- The department does not maintain an internal daily check register or ledger to track the balance of revolving fund A and B.

Adequate supporting documentation over revolving fund reconciliations is not maintained by the department. Additionally, the department’s current policies and procedures over maintaining revolving funds can include additional details to ensure reconciliations are performed in compliance with Standard Practice Manual 603, *Revolving Funds*. Performing revolving fund reconciliations monthly and maintaining adequate supporting documentation decreases the risk of errors and unauthorized transactions, improves the integrity of the department’s financial reporting, and provides an accurate measurement of revolving fund balances.”

### Recommendation 2.1

“Ensure compliance with Standard Practice Manual 603, *Revolving Funds*, by documenting the preparation date, review, and approval of revolving fund reconciliations.”

### Current Status 2.1: Implemented



## Internal Audit Report 2025-329: Riverside County Human Resources Department, Change of Department Head, Follow-up Audit

### Recommendation 2.2

"Update policies and procedures to include documenting the preparation date, review, and approval of revolving fund reconciliations."

**Current Status 2.2:** Implemented

### Recommendation 2.3

"Ensure compliance with Standard Practice Manual 603, *Revolving Funds*, by performing reconciliations monthly and maintaining adequate documentation that supports the reconciling line items."

**Current Status 2.3:** Implemented

### Recommendation 2.4

"Ensure the revolving fund custodian is authorized and has access to manage the revolving fund bank account."

**Current Status 2.4:** Implemented





## Internal Audit Report 2025-329: Riverside County Human Resources Department, Change of Department Head, Follow-up Audit

### Capital Asset Management

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#### Finding 3: Capital Asset Management

“Standard Practice Manual 505, *Accounting for: Equipment*, states, ‘In the event an asset is to be moved from one location to another or from one department to another, Form AM-6 must be completed. Once the asset has been moved, the location change must be noted in the PeopleSoft Asset Management Module.’ Additionally, Standard Practice Manual 513, *Capital Asset Tag*, states, ‘An asset tag will be distributed once the Auditor-Controller's Office (ACO) receives the completed Form AM-5 ... Tags should stay with the capital asset until it is retired.’

Six out of six capital assets randomly selected for testing were not in the locations reported in the asset management module. Additionally, four out of the six capital assets (67%) tested did not have affixed county asset tags. The discrepancies were due to the department not using separate location IDs for the different floors being occupied, not tracking the movement of traveling assets, and not enforcing procedures relating to capital assets management. Properly accounting for capital assets, maintaining accurate location records, and updating asset information ensures reliable asset tracking, prevents overstatements or understatements, and guarantees assets are readily available.”

#### Recommendation 3.1

“Ensure asset tags are affixed to the assigned assets in accordance with the Standard Practice Manual 513, *Capital Asset Tag*.”

#### Current Status 3.1: Implemented

#### Recommendation 3.2

“Ensure all capital assets, including those routinely moved to support business operations, are properly tracked.”

#### Current Status 3.2: Implemented

#### Recommendation 3.3

“Update policies and procedures to establish a clear process for tracking assets and updating their locations within specified timeframes.”

#### Current Status 3.3: Implemented



**Internal Audit Report 2025-329: Riverside County Human Resources Department, Change of Department Head, Follow-up Audit**

**Recommendation 3.4**

“Develop a process to reconcile capital assets recorded in the Riverside County Financial System’s asset management module with any internal asset tracking systems to ensure accurate reporting of all capital assets.”

**Current Status 3.4: Implemented**

**Recommendation 3.5**

“Update policies and procedures to include a process for reconciling capital assets recorded in the Riverside County Financial System’s asset management module with any internal asset tracking systems.”

**Current Status 3.5: Implemented**





## Attachment A

Office of Ben J. Benoit  
Riverside County Auditor-Controller

### Number of Findings & Recommendations

#### High Risk

**3**

Findings

• 12 Recommendations

#### Medium Risk

**0**

Findings

#### Low Risk

**0**

Findings

\* Please refer to Appendix A for a classification of the priority levels.

# Internal Audit Report

2024-026

Riverside County  
Human Resources Department,  
Change of Department Head Audit

December 3, 2024





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

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

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



December 3, 2024

Tami Douglas-Schatz  
Human Resources Director  
Riverside County Human Resources Department  
4080 Lemon Street, 7<sup>th</sup> Floor  
Riverside, CA 92501

**Subject: Internal Audit Report 2024-026: Riverside County Human Resources Department,  
Change of Department Head Audit**

Dear Ms. Douglas-Schatz:

In accordance with Board of Supervisors Resolution 83-338, we completed a Change of Department Head audit for the Riverside County Human Resources Department. This audit is conducted to assess internal controls over the transfer and safeguarding of revolving funds and capital asset management 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 2024-026: Riverside County Human Resources Department, 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.

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  
Juan Perez, Chief Operating Officer  
Grand Jury





Internal Audit Report 2024-026: Riverside County Human Resources Department, Change of Department Head Audit

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## Internal Audit Report 2024-026: Riverside County Human Resources Department, Change of Department Head Audit

### Executive Summary

#### Overview

Riverside County Human Resources Department (Human Resources) provides central support to Riverside County employees throughout their employment cycle. Human Resources services include the recruitment of permanent and temporary positions, employee relations, leave management, risk management, insurance, and the maintenance of employee benefits.

Human Resources has an adopted budget of \$366.9 million for FY 2024-25 and 5,714 adopted positions. *County of Riverside, Fiscal Year 2024-25 Adopted Budget Volume 1, 196.*

#### 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 on the results of our audit, we have identified improvement opportunities for internal controls over revolving funds and capital asset management that can help provide reasonable assurance that the department's objectives relating to these areas will be achieved. Specifically, the improvement opportunities are as follows: Review the need, size, and use of fund authorized balances and ensure replenishments are performed timely, improve revolving fund reconciliation processes and procedures, and improve the tracking and monitoring of capital assets.

#### AUDIT HIGHLIGHTS

- Revolving fund authorized balances need to be reviewed for need, size, and use, and replenishments need to be performed timely.
- Revolving fund reconciliation processes and procedures can be improved.
- The tracking and monitoring of capital assets can be improved.



## Internal Audit Report 2024-026: Riverside County Human Resources Department, Change of Department Head Audit

### Revolving Funds

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#### 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.

Human Resources has two revolving funds, "revolving fund A" and "revolving fund B." Revolving fund A has an authorized balance of \$3,300 which is maintained in the form of a bank account. Revolving fund B has an authorized balance of \$50,000, of which \$5,000 is maintained in the form of petty cash and \$45,000 is maintained in the form of a bank account. Revolving fund A was established for Exclusive Care (healthcare) related costs. Revolving fund B and petty cash was established for risk management-related payouts.

#### Objective

To determine if the required forms for the transfer of accountability of revolving funds from the predecessor to the new appointed department head 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 funds.

#### 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 funds.
- Interviewed key personnel and reviewed department procedures over the revolving funds.
- Verified whether revolving fund reconciliations were prepared.
- Performed a surprise cash count and reconciled to the fund assignment amounts without exception.





## Internal Audit Report 2024-026: Riverside County Human Resources Department, Change of Department Head Audit

- Verified whether adequate segregation of duties existed.

### Finding 1: Revolving Fund Utilization and Replenishments

Priority Level: 1<sup>1</sup>

Standard Practice Manual 603, *Revolving Funds*, states, "Revolving Fund purchases must be submitted for reimbursement within sixty (60) days from the date on the receipt and must be summarized on the AP-9 Form (Revolving Fund Request for Replenishment)." Additionally, "Departments should regularly review, at least annually, the need, size, and use of their Revolving Funds and change fund(s). It is recommended that departments close or reduce the amount of Revolving Fund or change funds that have had little or no activity within a reasonable period of time."

After review of the department's revolving funds, we identified the following in Table A below:

*Table A: Results Summary – Revolving Fund Utilization and Replenishments*

Revolving Fund	Observations
A	Revolving fund A has not been used since November 2022.
	Revolving fund A has outstanding transactions awaiting replenishment that occurred from January 2020 to June 2024.
B	Revolving fund B has been used once since its inception in May 2021.
	Revolving fund B has outstanding transactions awaiting replenishment that occurred from November 2021 to June 2024.

The department has expressed it may no longer need revolving fund A, and its business processes over its replenishments is not enforced. For revolving fund B, the authorized balance was initially overestimated, and the department was not following the Standard Practice Manuals governing its replenishments. Not reviewing and adjusting revolving fund balances, as well as not processing revolving fund replenishments within the required timeframe, leads to inefficient resource allocation, potential misuse of funds, and non-compliance with established policies.

<sup>1</sup> Please see Appendix A (page 15) for a description of the finding priority level classifications



## **Internal Audit Report 2024-026: Riverside County Human Resources Department, Change of Department Head Audit**

### **Recommendation 1.1**

Conduct a review of revolving fund A and B and determine whether changes should be made based on the reason for the establishment of the revolving fund, the authorized amount originally requested, or the nature of the fund assignment used on Standard Practice Manual Form AR-1, *Revolving Fund Request Order & Change Form*.

#### **Management's Response**

**"Concur.** Human Resources concurs with the recommendation of the Auditor Controller. On October 1, 2024, HR scheduled meetings with HR Executives and account Custodians to discuss the Revolving Funds. This discussion will include fund management and replenishment as part of ongoing efforts to remedy findings."

**Actual/Estimated Date of Corrective Action:** January 1, 2025

### **Recommendation 1.2**

Promptly address and resolve outstanding replenishments in revolving fund A and B.

#### **Management's Response**

**"Concur.** Human Resources concurs with the recommendation of the Auditor Controller. On October 1, 2024, HR scheduled meetings to discuss the Revolving Funds with HR Executives and account Custodians. This discussion will include fund management and replenishment as part of ongoing efforts to remedy findings."

**Actual/Estimated Date of Corrective Action:** January 1, 2025

### **Recommendation 1.3**

Develop policies and procedures to ensure revolving fund replenishments are processed timely to ensure compliance with Standard Practice Manual 603, *Revolving Funds*.

#### **Management's Response**

**"Concur.** Human Resources concurs with the recommendation of the Auditor Controller. On October 1, 2024, HR scheduled meetings HR Executives and account Custodians to discuss the Revolving Funds. This discussion will include fund management and replenishment as part of ongoing efforts to remedy findings."





## Internal Audit Report 2024-026: Riverside County Human Resources Department, Change of Department Head Audit

Actual/Estimated Date of Corrective Action: January 1, 2025

### Finding 2: Revolving Fund Reconciliations

Priority Level: 1<sup>2</sup>

Standard Practice Manual 603, *Revolving Funds*, states, "The Custodian must reconcile the Revolving Fund on a monthly basis. Reconciliation ensures that the sum of outstanding reimbursements, cash, and compiled receipts is equal to the original amount of the Fund." Additionally, "Reconciliations must be properly reviewed and approved by a supervisor, with sufficient segregation of duties expected. For auditing purposes, retain complete reconciliation, reimbursement, and replenishment records for your departmental files."

After reviewing the department's revolving fund reconciliations, we identified the following:

- Reconciliation packets for the monthly review of revolving fund A were not signed by the preparer and did not indicate the date they were completed.
- Reconciliations were only completed on a yearly basis for revolving fund B. Additionally, they were not signed by the preparer and did not indicate the date they were completed.
- Reconciliation packets for revolving fund A and B were not reviewed and approved by department management.
- The daily bank balance for revolving fund A was not readily available as of the fieldwork date. As such, we were not able to reconcile the fund balance during our site visit.
- The department does not maintain an internal daily check register or ledger to track the balance of revolving fund A and B.

Adequate supporting documentation over revolving fund reconciliations is not maintained by the department. Additionally, the department's current policies and procedures over maintaining revolving funds can include additional details to ensure reconciliations are performed in compliance with Standard Practice Manual 603, *Revolving Funds*. Performing revolving fund reconciliations monthly and maintaining adequate supporting documentation decreases the risk of errors and unauthorized transactions, improves the integrity of the department's financial reporting, and provides an accurate measurement of revolving fund balances.

<sup>2</sup> Please see Appendix A (page 15) for a description of the finding priority level classifications





## Internal Audit Report 2024-026: Riverside County Human Resources Department, Change of Department Head Audit

### Recommendation 2.1

Ensure compliance with Standard Practice Manual 603, *Revolving Funds*, by documenting the preparation date, review, and approval of revolving fund reconciliations.

#### Management's Response

"Concur. Human Resources concurs with the recommendation of the Auditor Controller. On October 1, 2024, HR implemented an ongoing operational change to ensure all revolving funds are documenting the preparation date, review and approval of revolving fund reconciliations. This operational change is being implemented by the HR Finance Division. The Division is now including fund management and reconciliation as a standard practice of day-to-day operations, as part of ongoing efforts to address audit findings in updated policies and procedures."

**Actual/Estimated Date of Corrective Action:** Initial implementation October 1, 2024, and will be ongoing.

### Recommendation 2.2

Update policies and procedures to include documenting the preparation date, review, and approval of revolving fund reconciliations.

#### Management's Response

"Concur. Human Resources concurs with the recommendation of the Auditor Controller. On October 1, 2024, HR implemented an ongoing operational change by ensuring all revolving funds are documenting the preparation date, review and approval of revolving fund reconciliations. HR Finance Division has included fund management and reconciliation as part of ongoing efforts to address audit findings in updated policies and procedures."

**Actual/Estimated Date of Corrective Action:** October 1, 2024

### Recommendation 2.3

Ensure compliance with Standard Practice Manual 603, *Revolving Funds*, by performing reconciliations monthly and maintaining adequate documentation that supports the reconciling line items.



## **Internal Audit Report 2024-026: Riverside County Human Resources Department, Change of Department Head Audit**

### **Management's Response**

"Concur. Human Resources concurs with the recommendation of the Auditor Controller. On October 1, 2024, HR implemented an ongoing operational change by ensuring all revolving funds are documenting the preparation date, review and approval of revolving fund reconciliations. HR Finance Division has included fund management and reconciliation as part of ongoing efforts to address audit findings in updated policies and procedures."

**Actual/Estimated Date of Corrective Action:** October 1, 2024

### **Recommendation 2.4**

Ensure the revolving fund custodian is authorized and has access to manage the revolving fund bank account.

### **Management's Response**

"Do not concur. At the time of Audit custodians had access to revolving fund bank account."

**Actual/Estimated Date of Corrective Action:** N/A

### **Auditor's Comment**

When performing fieldwork at the department's main office on July 16, 2024, the revolving fund custodian was unable to provide revolving fund A's daily bank balance. As such, we were not able to reconcile the fund balance during our site visit. In the follow-up audit, we will perform the same audit procedure to reconcile the fund balance during our site visit.





## Internal Audit Report 2024-026: Riverside County Human Resources Department, Change of Department Head Audit

### Capital Asset Management

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#### 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 head, accountability for capital assets must be transferred to the new or acting department head and notification filed with the Riverside County Auditor-Controller's Office.

As of April 22, 2024, the time the new department head was appointed and acknowledged receipt of capital assets from the outgoing officer, Human Resources maintained 24 capital assets in the Riverside County Financial System's asset management module, consisting of 22 pieces of equipment and 2 software licenses, with the combined acquisition cost of \$967,276.

#### 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 head 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 over capital asset management.
- Conducted interviews with department management to gain an understanding of the capital asset management processes.
- Established the date of the department head change.
- Verified whether proper forms were completed for transfer of accountability of capital assets and submitted to the Riverside County Auditor-Controller's Office.





## Internal Audit Report 2024-026: Riverside County Human Resources Department, Change of Department Head Audit

- Obtained a listing of current capital assets tracked in the asset management module.
- Selected a sample of capital assets to verify existence and whether adequate internal controls exist over the safeguarding of assets.
- Identified additional capital assets during field review and traced the capital assets to the asset management module to verify accurate reporting.

### Finding 3: Capital Asset Management

Priority Level: 1<sup>3</sup>

Standard Practice Manual 505, *Accounting for: Equipment*, states, "In the event an asset is to be moved from one location to another or from one department to another, Form AM-6 must be completed. Once the asset has been moved, the location change must be noted in the PeopleSoft Asset Management Module." Additionally, Standard Practice Manual 513, *Capital Asset Tag*, states, "An asset tag will be distributed once the Auditor-Controller's Office (ACO) receives the completed Form AM-5 ... Tags should stay with the capital asset until it is retired."

Six out of six capital assets randomly selected for testing were not in the locations reported in the asset management module. Additionally, four out of the six capital assets (67%) tested did not have affixed county asset tags. The discrepancies were due to the department not using separate location IDs for the different floors being occupied, not tracking the movement of traveling assets, and not enforcing procedures relating to capital assets management. Properly accounting for capital assets, maintaining accurate location records, and updating asset information ensures reliable asset tracking, prevents overstatements or understatements, and guarantees assets are readily available.

#### Recommendation 3.1

Ensure asset tags are affixed to the assigned assets in accordance with the Standard Practice Manual 513, *Capital Asset Tag*.

#### Management's Response

"Concur. Human Resources concurs with the Auditor Controller's Recommendation. The Department will verify capital asset tags on current assets and ensure they stay in place until the asset is retired. Missing capital asset tags will be reported to the HR Finance Division. In instances of missing capital asset tags, HR Finance will request a replacement and note the missing tag in

<sup>3</sup> Please see Appendix A (page 15) for a description of the finding priority level classifications



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the PeopleSoft Capital Asset Management module. This standardized process will be implemented in November and will proceed going forward."

**Actual/Estimated Date of Corrective Action: November 28, 2024**

**Recommendation 3.2**

Ensure all capital assets, including those routinely moved to support business operations, are properly tracked.

**Management's Response**

"Concur. Human Resources concurs with the Auditor Controller's Recommendation. The Department now maintains and tracks capital assets in Service Now Asset Management. For traveling assets used in the field, e.g. such as in our Safety Division, which supports Departments Countywide and travels to other locations, HR Administrative Services will implement a log to track the movement of the fitness testers as they move from one testing site to another. The department will educate and work with the Safety Division and other similarly situated divisions managing capital assets to ensure policies and procedures are enforced. HR will perform quarterly reviews of its assets to monitor any changes. HR intends to announce new procedures and tracking log in the upcoming All Managers Meeting scheduled for the month of November."

**Actual/Estimated Date of Corrective Action: November 28, 2024**

**Recommendation 3.3**

Update policies and procedures to establish a clear process for tracking assets and updating their locations within specified timeframes.

**Management's Response**

"Concur. Human Resources Concurs with the Auditor Controller's Recommendation. In November of 2024, the Department intends to update the procedures surrounding this and will implement a tracking mechanism to ensure managers and staff managing capital assets, including traveling assets are properly tracked when assets are moved from one location to another. HR Administrative Services will track these assets in Service Now and notify HR Finance when non traveling assets have been moved to a new location on a quarterly basis. HR Administrative Services has created a log template for divisions to document the whereabouts of traveling assets in line with their fitness testing schedules."





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**Actual/Estimated Date of Corrective Action: November 28, 2024**

**Recommendation 3.4**

Develop a process to reconcile capital assets recorded in the Riverside County Financial System's asset management module with any internal asset tracking systems to ensure accurate reporting of all capital assets.

**Management's Response**

"Concur. Human Resources concurs with Auditor Controller's Recommendations. During year-end asset certification HR Finance and HR Asset Management team will be sure to reconcile asset transactions. Request a report from Service Now from the Administrative Services Officer for internal tracking and compare to people soft for accurate reporting of all capital assets. HR Finance Division has asset management systems and County asset management systems reconciliation as part of ongoing efforts to address audit findings in updated policies and procedures."

**Actual/Estimated Date of Corrective Action: October 1, 2024**

**Recommendation 3.5**

Update policies and procedures to include a process for reconciling capital assets recorded in the Riverside County Financial System's asset management module with any internal asset tracking systems.

**Management's Response**

"Concur. Human Resources concurs with Auditor Controller's Recommendations. During year-end asset certification HR Finance and HR Asset Management team will be sure to reconcile asset transactions. Procedures have been updated to annually request a report from Service Now from the Administrative Services Officer for internal tracking and compare to people soft for accurate reporting of all capital assets. HR Finance Division has asset management systems and County asset management systems reconciliation as part of ongoing efforts to address audit findings in updated policies and procedures."

**Actual/Estimated Date of Corrective Action: October 1, 2024**





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## Appendix A: Finding Priority Level Classification

Priority Level 1	Priority Level 2	Priority Level 3
These are audit findings that represent the most critical issues that require immediate attention and pose a significant risk to the department's objectives, compliance, security, financial health, or reputation. They may indicate serious control failures, non-compliance with laws or regulations, significant financial errors, or vulnerabilities with severe potential impact. Immediate corrective measures are necessary to mitigate the risks associated with these findings.	These are audit findings that are important and require timely resolution, but their impact is not as severe as Priority Level 1. They may highlight moderate control weaknesses, areas of non-compliance with internal policies and procedures, or financial discrepancies that are significant but are not critical. While they might not pose an immediate threat, they should be addressed promptly to prevent further escalation or potential negative consequences.	These are audit findings that are less critical and generally have a lower impact on the department's objectives, compliance, or operations. They may include minor control deficiencies, procedural deviations with minimal impact, or non-critical administrative errors. While they may not require immediate attention, they should still be acknowledged and addressed within a reasonable timeframe to ensure ongoing improvement and prevent potential accumulation of minor issues.
<u>Expected Implementation Date of Recommendation*</u> One to three months	<u>Expected Implementation Date of Recommendation *</u> Three to six months	<u>Expected Implementation Date of Recommendation *</u> Six to twelve months

\* Expected completion to implement recommendation date begins after issuance of final audit report.

# MEMORANDUM



**DATE:** February 26, 2025  
**TO:** René Casillas, Deputy Auditor Controller  
 Emad Mousa, Senior Internal Auditor  
**FROM:** Tami Douglas-Schatz  
**RE:** Internal Audit Report 2025-329 – Riverside County Human Resources Department –  
 Change of Department Head, Follow-Up Audit

The following are the current status of the reported findings and planned corrective actions contained in Internal Audit Report 2024-026: Riverside County Human Resources Department, Change of Department Head Audit.

Authorized Signature Tami Douglas-Schatz Date 2/26/25

## Finding 1: Revolving Fund Utilization and Replenishments

"Standard Practice Manual 603, *Revolving Funds*, states, 'Revolving Fund purchases must be submitted for reimbursement within sixty (60) days from the date on the receipt and must be summarized on the AP-9 Form (Revolving Fund Request for Replenishment).' Additionally, 'Departments should regularly review, at least annually, the need, size, and use of their Revolving Funds and change fund(s). It is recommended that departments close or reduce the amount of Revolving Fund or change funds that have had little or no activity within a reasonable period of time.'

After review of the department's revolving funds, we identified the following in Table A below:

**Table A: Results Summary – Revolving Fund Utilization and Replenishments**

Revolving Fund	Observations
A	Revolving fund A has not been used since November 2022.
	Revolving fund A has outstanding transactions awaiting replenishment that occurred from January 2020 to June 2024.
B	Revolving fund B has been used once since its inception in May 2021.
	Revolving fund B has outstanding transactions awaiting replenishment that occurred from November 2021 to June 2024.

The department has expressed it may no longer need revolving fund A, and its business processes over its replenishments is not enforced. For revolving fund B, the authorized balance was initially overestimated, and the department was not following the Standard Practice Manuals governing its replenishments. Not reviewing and adjusting revolving fund balances, as well as not processing revolving



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fund replenishments within the required timeframe, leads to inefficient resource allocation, potential misuse of funds, and non-compliance with established policies.”

#### Current Status

Reported Finding Corrected? ☒ Yes ☐ No

Fund A is closing as Exclusive Care is sunseting.

#### Recommendation 1.1

“Conduct a review of revolving fund A and B and determine whether changes should be made based on the reason for the establishment of the revolving fund, the authorized amount originally requested, or the nature of the fund assignment used on Standard Practice Manual Form AR-1, *Revolving Fund Request Order & Change Form*.”

#### Management's Response

“**Concur.** Human Resources concurs with the recommendation of the Auditor Controller. On October 1, 2024, HR scheduled meetings with HR Executives and account Custodians to discuss the Revolving Funds. This discussion will include fund management and replenishment as part of ongoing efforts to remedy findings.”

Actual/Estimated Date of Corrective Action: January 1, 2025

#### 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).

Revolving Fund A closure documents are being routed for signature and submission to the Auditor-Controller's Office and Treasurer-Tax Collector. With the sunset of Exclusive Care, no further replenishment will occur (see attached). Revolving Fund B is a dedicated fund for the Sheriff's Department, allowing Risk Management to proactively manage potential liability exposure by ensuring readily available funds to address incidents or accidents as they arise. Risk Management is currently working with the Sheriff's Department to determine an agreed-upon format for Revolving Fund B. As of now, the fund has a balance of \$34K. Once it reaches \$25K, it will be maintained at a lower amount and replenished as needed to sustain the \$25K balance.



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## Recommendation 1.2

"Promptly address and resolve outstanding replenishments in revolving fund A and B."

### Management's Response

"**Concur.** Human Resources concurs with the recommendation of the Auditor Controller. On October 1, 2024, HR scheduled meetings to discuss the Revolving Funds with HR Executives and account Custodians. This discussion will include fund management and replenishment as part of ongoing efforts to remedy findings."

**Actual/Estimated Date of Corrective Action:** January 1, 2025

### 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).**

Revolving Fund A closure documents are being routed for signature and submission to the Auditor-Controller's Office and Treasurer-Tax Collector. With the sunset of Exclusive Care, no further replenishment will occur (see attached). The Human Resources Risk Division is currently working with the Sheriff's Department to determine an agreed-upon format for Revolving Fund B. As of now, the fund has a balance of \$34K. Once it reaches \$25K, it will be maintained at a lower amount and replenished as needed to sustain the \$25K balance.

## Recommendation 1.3

"Develop policies and procedures to ensure revolving fund replenishments are processed timely to ensure compliance with Standard Practice Manual 603, *Revolving Funds*."

### Management's Response

"**Concur.** Human Resources concurs with the recommendation of the Auditor Controller. On October 1, 2024, HR scheduled meetings HR Executives and account Custodians to discuss the Revolving Funds. This discussion will include fund management and replenishment as part of ongoing efforts to remedy findings."

**Actual/Estimated Date of Corrective Action:** January 1, 2025

### 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).**

Please see the attached.

## **Finding 2: Revolving Fund Reconciliations**

"Standard Practice Manual 603, *Revolving Funds*, states, 'The Custodian must reconcile the Revolving Fund on a monthly basis. Reconciliation ensures that the sum of outstanding reimbursements, cash, and compiled receipts is equal to the original amount of the Fund.' Additionally, 'Reconciliations must be properly reviewed and approved by a supervisor, with sufficient segregation of duties expected. For auditing purposes, retain complete reconciliation, reimbursement, and replenishment records for your departmental files.'"

After reviewing the department's revolving fund reconciliations, we identified the following:

- Reconciliation packets for the monthly review of revolving fund A were not signed by the preparer and did not indicate the date they were completed.
- Reconciliations were only completed on a yearly basis for revolving fund B. Additionally, they were not signed by the preparer and did not indicate the date they were completed.
- Reconciliation packets for revolving fund A and B were not reviewed and approved by department management.
- The daily bank balance for revolving fund A was not readily available as of the fieldwork date. As such, we were not able to reconcile the fund balance during our site visit.
- The department does not maintain an internal daily check register or ledger to track the balance of revolving fund A and B.

Adequate supporting documentation over revolving fund reconciliations is not maintained by the department. Additionally, the department's current policies and procedures over maintaining revolving funds can include additional details to ensure reconciliations are performed in compliance with Standard Practice Manual 603, *Revolving Funds*. Performing revolving fund reconciliations monthly and maintaining adequate supporting documentation decreases the risk of errors and unauthorized transactions, improves the integrity of the department's financial reporting, and provides an accurate measurement of revolving fund balances."

### **Current Status**

**Reported Finding Corrected?**

☒ Yes

☐ No



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Please see the attached.

### Recommendation 2.1

"Ensure compliance with Standard Practice Manual 603, *Revolving Funds*, by documenting the preparation date, review, and approval of revolving fund reconciliations."

### Management's Response

"**Concur.** Human Resources concurs with the recommendation of the Auditor Controller. On October 1, 2024, HR implemented an ongoing operational change to ensure all revolving funds are documenting the preparation date, review and approval of revolving fund reconciliations. This operational change is being implemented by the HR Finance Division. The Division is now including fund management and reconciliation as a standard practice of day-to-day operations, as part of ongoing efforts to address audit findings in updated policies and procedures."

**Actual/Estimated Date of Corrective Action:** Initial implementation October 1, 2024, and will be ongoing.

### 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).**

Please see the attached.

### Recommendation 2.2

"Update policies and procedures to include documenting the preparation date, review, and approval of revolving fund reconciliations."

### Management's Response

"**Concur.** Human Resources concurs with the recommendation of the Auditor Controller. On October 1, 2024, HR implemented an ongoing operational change by ensuring all revolving funds are documenting the preparation date, review and approval of revolving fund reconciliations. HR Finance Division has included fund management and reconciliation as part of ongoing efforts to address audit findings in updated policies and procedures."



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**Actual/Estimated Date of Corrective Action:** October 1, 2024

**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).**

Please see the attached.

**Recommendation 2.3**

"Ensure compliance with Standard Practice Manual 603, *Revolving Funds*, by performing reconciliations monthly and maintaining adequate documentation that supports the reconciling line items."

**Management's Response**

"**Concur.** Human Resources concurs with the recommendation of the Auditor Controller. On October 1, 2024, HR implemented an ongoing operational change by ensuring all revolving funds are documenting the preparation date, review and approval of revolving fund reconciliations. HR Finance Division has included fund management and reconciliation as part of ongoing efforts to address audit findings in updated policies and procedures."

**Actual/Estimated Date of Corrective Action:** October 1, 2024

**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).**

Please see the attached.

**Recommendation 2.4**

"Ensure the revolving fund custodian is authorized and has access to manage the revolving fund bank account."

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### Management's Response

"Do not concur. At the time of Audit custodians had access to revolving fund bank account."

Actual/Estimated Date of Corrective Action: N/A

### 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).

Please see the attached.

### Finding 3: Capital Asset Management

"Standard Practice Manual 505, *Accounting for Equipment*, states, 'In the event an asset is to be moved from one location to another or from one department to another, Form AM-6 must be completed. Once the asset has been moved, the location change must be noted in the PeopleSoft Asset Management Module.' Additionally, Standard Practice Manual 513, *Capital Asset Tag*, states, 'An asset tag will be distributed once the Auditor-Controller's Office (ACO) receives the completed Form AM-5 ... Tags should stay with the capital asset until it is retired.'

Six out of six capital assets randomly selected for testing were not in the locations reported in the asset management module. Additionally, four out of the six capital assets (67%) tested did not have affixed county asset tags. The discrepancies were due to the department not using separate location IDs for the different floors being occupied, not tracking the movement of traveling assets, and not enforcing procedures relating to capital assets management. Properly accounting for capital assets, maintaining accurate location records, and updating asset information ensures reliable asset tracking, prevents overstatements or understatements, and guarantees assets are readily available."

### Current Status

Reported Finding Corrected? ☐ Yes ☒ No

This has been partially corrected.

### Recommendation 3.1

"Ensure asset tags are affixed to the assigned assets in accordance with the Standard Practice Manual 513, *Capital Asset Tag*."





**Concur.** Human Resources concurs with the Auditor Controller's Recommendation. The Department will verify capital asset tags on current assets and ensure they stay in place until the asset is retired. Missing capital asset tags will be reported to the HR Finance Division. In instances of missing capital asset tags, HR Finance will request a replacement and note the missing tag in the PeopleSoft Capital Asset Management module. This standardized process will be implemented in November and will proceed going forward."

**Corrective Action:** ☐ Fully Implemented ☒ Partially Implemented ☐ Not Implemented

This has been partially implemented. Since the last reporting, the Department has since learned that it is not possible to obtain capital asset tag replacements for missing capital tags. The whereabouts and reason for the missing capital assets identified in the Audit Findings is unknown. The Department has instead implemented an updated labeling system to ensure the capital asset number and unique asset identifiers remain attached to the asset for internal tracking purposes. Please see the below example of two assets currently missing capital tags.

\*Capital asset tag missing- per Finance replacement tag from ACO is not available. Attached label to asset containing Capital Asset tag and unique identifiers, see below.



“Ensure all capital assets, including those routinely moved to support business operations, are properly tracked.”



### Management's Response

**"Concur.** Human Resources concurs with the Auditor Controller's Recommendation. The Department now maintains and tracks capital assets in Service Now Asset Management. For traveling assets used in the field, e.g. such as in our Safety Division, which supports Departments Countywide and travels to other locations, HR Administrative Services will implement a log to track the movement of the fitness testers as they move from one testing site to another. The department will educate and work with the Safety Division and other similarly situated divisions managing capital assets to ensure policies and procedures are enforced. HR will perform quarterly reviews of its assets to monitor any changes. HR intends to announce new procedures and tracking log in the upcoming All Managers Meeting scheduled for the month of November."

**Actual/Estimated Date of Corrective Action:** November 28, 2024

### 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 Department worked with the Safety Division in December of 2024, to develop and implement a tracking system for their Portacount Fitness Testers, which are constantly traveling from one site to another to accommodate the Sheriff's Department fitness training schedule. Due to the constant moving nature of these specific assets, it would be difficult to update the Asset Management Module on a weekly or monthly basis. The location of the asset could change each and every day, even potentially on an hourly basis if the Safety Coordinator is traveling to different sites. As a result, the Department utilizes Service Now for internal controls to easily update and maintain traveling asset information. The Department has implemented a SharePoint log that is maintained by Safety Division staff to track traveling assets as they move from testing sites. To review the SharePoint created please visit the [Portacount Log Sheet](#) for the current location.

### Recommendation 3.3

"Update policies and procedures to establish a clear process for tracking assets and updating their locations within specified timeframes."

### Management's Response

**"Concur.** Human Resources Concurs with the Auditor Controller's Recommendation. In November of 2024, the Department intends to update the procedures surrounding this and will implement a tracking mechanism to ensure managers and staff managing capital assets, including traveling assets are properly tracked when assets are moved from one location to another. HR Administrative Services will track these assets in Service Now and notify HR Finance when non traveling assets have been moved to a new location on a quarterly basis. HR Administrative Services has created a log template for divisions to document the whereabouts of traveling assets in line with their fitness testing schedules."





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**Actual/Estimated Date of Corrective Action:** November 28, 2024

**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).**

Policies and procedures regarding tracking traveling assets have been updated. Additionally, the Safety Division created a log in SharePoint that is shared with HR Administrative Services. The tracking log was implemented as of December of 2024.

**Recommendation 3.4**

"Develop a process to reconcile capital assets recorded in the Riverside County Financial System's asset management module with any internal asset tracking systems to ensure accurate reporting of all capital assets."

**Management's Response**

"Concur. Human Resources concurs with Auditor Controller's Recommendations. During year-end asset certification HR Finance and HR Asset Management team will be sure to reconcile asset transactions. Request a report from Service Now from the Administrative Services Officer for internal tracking and compare to people soft for accurate reporting of all capital assets. HR Finance Division has asset management systems and County asset management systems reconciliation as part of ongoing efforts to address audit findings in updated policies and procedures."

**Actual/Estimated Date of Corrective Action:** October 1, 2024

**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).**

This process occurs at year-end during the annual capital asset certification, which will occur on, or around, June 30, 2025.



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### Recommendation 3.5

"Update policies and procedures to include a process for reconciling capital assets recorded in the Riverside County Financial System's asset management module with any internal asset tracking systems."

### Management's Response

"**Concur.** Human Resources concurs with Auditor Controller's Recommendations. During year-end asset certification HR Finance and HR Asset Management team will be sure to reconcile asset transactions. Procedures have been updated to annually request a report from Service Now from the Administrative Services Officer for internal tracking and compare to people soft for accurate reporting of all capital assets. HR Finance Division has asset management systems and County asset management systems reconciliation as part of ongoing efforts to address audit findings in updated policies and procedures."

**Actual/Estimated Date of Corrective Action:** October 1, 2024

### 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).**

Please see the attached.

