

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



ITEM: 2.5
(ID # 28008)

MEETING DATE:
Tuesday, June 10, 2025

FROM : AUDITOR CONTROLLER

SUBJECT: AUDITOR-CONTROLLER: Internal Audit Report 2025-324: Riverside County Office of the District Attorney, Follow-up Audit, [District: All]; [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file Internal Audit Report 2025-324: Riverside County Office of the District Attorney, Follow-up Audit


ACTION:Consent


Ben J. Benoit, COUNTY AUDITOR-CONTROLLER 6/4/2025

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Medina, Spiegel, Washington, Perez and Gutierrez
Nays: None
Absent: None
Date: June 10, 2025
xc: Auditor

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: Approve

BACKGROUND:

Summary

We completed a follow-up audit of the Riverside County Office of the District Attorney. Our audit was limited to reviewing actions taken as of February 27, 2025, to correct findings noted in our original audit report 2024-020 dated November 5, 2024. The original audit report contained six recommendations, all of which required implementation to help correct the reported findings.

Based on the results of our audit, we found that of the six recommendations, all six were implemented.

For an in-depth understanding of the original audit, please refer to Internal Audit Report 2024-020 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 2025-324: Riverside County Office of the District Attorney, Follow-up Audit.



Office of Ben J. Benoit
Riverside County Auditor-Controller

Internal Audit Report

2025-324

Follow-up

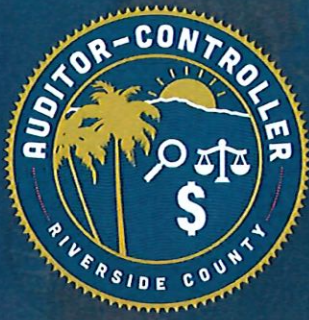
6 Recommendations

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



Riverside County
Office of the District Attorney
Follow-up Audit

June 10, 2025



COUNTY OF RIVERSIDE
OFFICE OF THE AUDITOR-CONTROLLER

BEN J. BENOIT, AUDITOR-CONTROLLER
TANYA S. HARRIS, DPA, CPA,
ASSISTANT AUDITOR-CONTROLLER



June 10, 2025

Michael Hestrin
District Attorney
Riverside County Office of the District Attorney
3960 Orange Street, 10th Floor
Riverside, CA 92501

Subject: **Internal Audit Report 2025-324: Riverside County Office of the District Attorney,
Follow-up Audit**

Dear Mr. Hestrin:

We completed the follow-up audit of the Riverside County Office of the District Attorney. Our audit was limited to reviewing actions taken as of February 27, 2025, to help correct the findings noted in our original audit report 2024-020 dated November 5, 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 six recommendations, all of which required implementation to help correct the reported findings. Based on the results of our audit, we found that of the six recommendations, all six were implemented.



Internal Audit Report 2025-324: Riverside County Office of the District Attorney, 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 2024-020 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 2025-324: Riverside County Office of the District Attorney, Follow-up Audit

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- A. Internal Audit Report 2024-020
- B. Status of Findings as Reported by Office of the District Attorney on February 27, 2025



Internal Audit Report 2025-324: Riverside County Office of the District Attorney, Follow-up Audit

Contract Monitoring

Finding 1: Retention of Supplier Certificates of Insurance

“The general insurance provisions within the contract agreements selected for testing state, ‘CONTRACTOR shall not commence operations until the COUNTY has been furnished original Certificate (s) of Insurance and certified original copies of endorsements and if requested, certified original policies of insurance including all endorsements and any and all other attachments as required in this Section.’ Additionally, ‘In the event of a material modification, cancellation, expiration, or reduction in coverage, this Agreement shall terminate forthwith, unless the County of Riverside receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverage’s set forth herein and the insurance required herein is in full force and effect.’

Riverside County Purchasing and Fleet Services’ online training, Insurance 101 (March 7, 2024), states, ‘any entity including sole proprietors, corporations, non-profit corporations, etc. who is hired to perform a specific service [must provide liability of insurance].’ Additionally, ‘[insurance should be requested] when there’s a pending or active agreement in place, [for] annual renewable agreements, when there is a risk of liability to the County, and when assessing the type of risk associated with [a department’s] procurement.’

District Attorney does not retain copies of contractually required certificates of insurance from suppliers for the purposes of tracking and monitoring coverage and effective dates. A process to collect and retain copies of required certificates of insurance from suppliers in the event of coverage expiration or renewal is not in place. The lack of retaining copies of certificates of insurance exposes the department to potential liabilities and compliance issues as it increases the risk of coverage expiring unknowingly. In the event of an insurance-related claim, the county may be held financially liable if adequate insurance documentation is not on file or if coverage expires.”

Recommendation 1.1

“Develop a process to ensure that certificates of insurance are collected from suppliers contracted with the department and retained for tracking and monitoring.”

Current Status 1.1: Implemented



Internal Audit Report 2025-324: Riverside County Office of the District Attorney, Follow-up Audit

Recommendation 1.2

“Develop a process to track and monitor expiration dates for supplier certificates of insurance.”

Current Status 1.2: Implemented

Finding 2: Contract Monitoring

“Standard Practice Manual 1001, Internal Controls, states, ‘safeguarding of assets’ and ‘ensuring accuracy, reliability, and timeliness of financial records and reports’ are internal controls used to, ‘provide reasonable assurance regarding the achievement of objectives.’

We identified 49 out of 49 expenditure transactions sampled were not linked to an existing county contract. Payments to suppliers with existing contracts were not properly linked to those specific contracts in the Riverside County Financial System. Contracts are established between Riverside County and suppliers to procure goods/services and typically include pricing agreements, terms and conditions, and limits on expenditures. Expenditures were not closely monitored to assure the associated vouchers were linked to their respective contracts. Additionally, the department stated that the current version of the Riverside County Financial System requires manual expenditure linking which may lead to an increased risk of clerical errors or input oversight. Linking expenditures to contracts is a control designed to ensure contract limitations are monitored, reduce the risk of expenditures exceeding the contract limit, and ensure that departments are operating within the contract’s terms and conditions. Additionally, by not linking expenditures to contracts, management is unable to closely monitor contract expenditures, impacting their ability to negotiate future contract pricing.”

Recommendation 2.1

“Ensure expenditures are linked to existing county contracts.”

Current Status 2.1: Implemented

Recommendation 2.2

“Develop policies and procedures to ensure expenditures are linked to existing county contracts.”

Current Status 2.2: Implemented



Internal Audit Report 2025-324: Riverside County Office of the District Attorney, Follow-up Audit

Physical Security Controls

Finding 3: Monitoring and Review of Access Logs

“County of Riverside Facilities Security Specification v1.2, Section 7.1.1, Physical Security, states, ‘County facilities are only accessible to authorized individuals with properly coded key cards, authorized keys or access authorization, and access to the premises is by official identification only.’ Additionally, NIST SP 800-12, An Introduction to Information Security, Section 10.16, Personnel Security, states, ‘Organizations ensure that organizational information and systems are protected during and after personnel actions such as terminations or transfers.’

Documentation with evidence of a formal review and approval process over badge access logs is not maintained. District Attorney can produce badge access logs that track the usage of access control badges within the facilities maintained by the department. However, the department does not formally document whether the badge access logs were reviewed and approved. As such, we cannot determine whether the review or approval of badge access logs is performed. District Attorney does not have a process in place to formally review and approve badge access logs for the facilities in which they maintain. Not documenting the formal review and approval of badge access logs impacts accountability by not assigning responsibility over monitoring facility access. Additionally, not formally reviewing and approving badge access logs increases the risk of undetected, unauthorized access to sensitive or restricted areas within the department's premises.”

Recommendation 3.1

“Ensure badge access log reports are formally reviewed and approved by management.”

Current Status 3.1: Implemented

Recommendation 3.2

“Revise existing policies and procedures to establish and maintain a timeframe in which the department's badge access log reports are reviewed and approved by management.”

Current Status 3.2: Implemented

Attachment A



Office of Ben J. Benoit
Riverside County Auditor-Controller

Number of Findings & Recommendations

High Risk

- 2** Findings
• 4 Recommendations

Medium Risk

- 1** Findings
• 2 Recommendations

Low Risk

- 0** Findings

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

Internal Audit Report

2024-020

Riverside County Office of the District Attorney Audit

November 5, 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, 11th Floor
P.O. Box 1326
Riverside, CA 92502-1326
951-955-3800



November 5, 2024

Michael Hestrin
District Attorney
Riverside County Office of the District Attorney
3960 Orange Street, 10th Floor
Riverside, CA 92501

Subject: Internal Audit Report 2024-020: Riverside County Office of the District Attorney Audit

Dear Mr. Hestrin:

In accordance with Board of Supervisors Resolution 83-338, we audited the Office of the District Attorney to provide management and the Board of Supervisors with an independent assessment of internal controls over contract monitoring, physical security controls, and grant compliance.

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.



Final Internal Audit Report 2024-020: Riverside County Office of the District Attorney 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



Final Internal Audit Report 2024-020: Riverside County Office of the District Attorney Audit

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Executive Summary

Overview

The Riverside County Office of the District Attorney (District Attorney) is committed to acting on behalf of the people by enforcing the law, protecting the innocent, and safeguarding the rights of all to ensure that justice is done on behalf of the community. District Attorney is comprised of over 800 attorneys, investigators, victim specialists, and support staff who serve 2.5 million residents across Riverside County. Additionally, District Attorney handles an average of 53,000 criminal cases each year while working with every component of the criminal justice system.

District Attorney has an adopted budget of \$208.4 million for FY 2024-25 and 892 adopted positions. *County of Riverside, Fiscal Year 2024-25 Adopted Budget Volume 1, 221.*

Audit Objective

Our objective is to provide management and the Board of Supervisors with an independent assessment about the adequacy and effectiveness of internal controls over contract monitoring, physical security controls, and grant compliance. Internal controls are processes designed to provide management reasonable assurance of achieving efficiency of operations, compliance with laws and regulations, and reliability of financial and non-financial information. Reasonable assurance recognizes internal controls have inherent limitations, including cost, mistakes, and intentional efforts to bypass internal controls.

Audit Scope and Methodology

We conducted the audit from February 16, 2024, through July 3, 2024, for operations from July 1, 2022, through June 25, 2024.

AUDIT HIGHLIGHTS

- Certificates of insurance need to be retained from suppliers contracted with the department.
- Invoices and related expenditures need to be linked to existing county contracts.
- Badge access logs need to be reviewed for anomalies and approved by department management.



Final Internal Audit Report 2024-020: Riverside County Office of the District Attorney Audit

Using a risk-based approach, our scope included the following:

- Contract Monitoring
- Physical Security Controls
- Grant Compliance

Audit Conclusion

Based on the results of our audit, internal controls over grant compliance are functioning as designed to help District Attorney achieve its business process objectives. However, we identified improvement opportunities for internal controls over contract monitoring and physical security controls that can help provide reasonable assurance that the department's objectives relating to these areas will be achieved. Specifically, certificates of insurance need to be retained from suppliers contracted with the department, invoices and related expenditures need to be linked to existing county contracts, and badge access logs need to be reviewed for anomalies and approved by department management.



Contract Monitoring

Background

The Riverside County *Purchasing Policy Manual* (December 31, 2021) defines a contract as “an agreement or purchase order for the purchase or disposal of commodities or services.” The *Purchasing Policy Manual* further states, “purchase contracts shall be entered into only after it has been determined that prices to be paid are reasonable considering all of the circumstances pertaining to the particular purchase under consideration” which includes “price reasonableness [which] can be established through [competitive bidding and] supported [through a] ... cost analysis.” The terms and conditions of county contracts identify the rights and responsibilities of the parties involved. Terms and conditions include, but are not limited to the following: payment, penalties, record retention, confidentiality, scope of services, and inspection of services.

Contract monitoring is a key process of ensuring compliance with a contract’s established terms and conditions. This process is crucial in maintaining effective partnerships, ensuring quality services, and achieving optimal value from supplier relationships. Contract monitoring consists of understanding the terms and conditions and the scope of work. Departments can promote contract compliance through validation of satisfactory work performance, ensuring timely performance of contracted work, maintaining adequate documentation, and proper review and approval of invoices prior to payment to a contractor.

Objective

To verify the existence and adequacy of internal controls over District Attorney’s contract monitoring processes.

Audit Methodology

To accomplish these objectives, we:

- Obtained an understanding of department processes and procedures over contract monitoring.
- Conducted interviews with key personnel to gain an understanding of the department’s contract monitoring processes.
- Obtained and reviewed a listing of all suppliers associated with District Attorney during the audit review period. Randomly selected a sample of suppliers to determine if adequate controls exist over contract monitoring.



Final Internal Audit Report 2024-020: Riverside County Office of the District Attorney Audit

- Examined contract agreements to ensure compliance with terms.
- Reviewed vouchers for completeness, accuracy, payment timeliness, adequate managerial approval, and adequate supporting documentation.

Finding 1: Retention of Supplier Certificates of Insurance

Priority Level: 1¹

The general insurance provisions within the contract agreements selected for testing state, "CONTRACTOR shall not commence operations until the COUNTY has been furnished original Certificate (s) of Insurance and certified original copies of endorsements and if requested, certified original policies of insurance including all endorsements and any and all other attachments as required in this Section." Additionally, "In the event of a material modification, cancellation, expiration, or reduction in coverage, this Agreement shall terminate forthwith, unless the County of Riverside receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverage's set forth herein and the insurance required herein is in full force and effect."

Riverside County Purchasing and Fleet Services' online training, *Insurance 101* (March 7, 2024), states, "any entity including sole proprietors, corporations, non-profit corporations, etc. who is hired to perform a specific service [must provide liability of insurance]." Additionally, "[insurance should be requested] when there's a pending or active agreement in place, [for] annual renewable agreements, when there is a risk of liability to the County, and when assessing the type of risk associated with [a department's] procurement."

District Attorney does not retain copies of contractually required certificates of insurance from suppliers for the purposes of tracking and monitoring coverage and effective dates. A process to collect and retain copies of required certificates of insurance from suppliers in the event of coverage expiration or renewal is not in place. The lack of retaining copies of certificates of insurance exposes the department to potential liabilities and compliance issues as it increases the risk of coverage expiring unknowingly. In the event of an insurance-related claim, the county may be held financially liable if adequate insurance documentation is not on file or if coverage expires.

¹ Please see Appendix A (page 15) for a description of the finding priority level classifications.



Final Internal Audit Report 2024-020: Riverside County Office of the District Attorney Audit

Recommendation 1.1

Develop a process to ensure that certificates of insurance are collected from suppliers contracted with the department and retained for tracking and monitoring.

Management's Response

"Partially Concur. As part of preliminary contract negotiations supporting documentation, such as insurance coverage, is obtained from the awarded contractor. However, the department does not monitor expiration dates of the required insurance documentation as there is reliance on the language of the agreement which states as indicated above that coverage must be maintained for the duration of the contract.

The District Attorney's Office will review the current protocol as it relates to Departmental specific contracts and rely on County Purchasing Department to furnish proof of insurance for Countywide contracts.

A Departmental Desk procedure will be developed by the purchasing team which will incorporate a specific timeline of the quarterly review process. The review will audit existing Departmental specific contracts. This procedure will be reviewed and approved by DA executive management."

Actual/Estimated Date of Corrective Action: December 31, 2024

Recommendation 1.2

Develop a process to track and monitor expiration dates for supplier certificates of insurance.

Management's Response

"Concur. A Departmental Desk procedure will be developed by the purchasing team which will incorporate a specific timeline of the quarterly review process. The review will audit existing Departmental specific contracts. This procedure will be reviewed and approved by DA executive management."

Actual/Estimated Date of Corrective Action: December 31, 2024



Final Internal Audit Report 2024-020: Riverside County Office of the District Attorney Audit

Finding 2: Contract Monitoring

Priority Level: 2²

Standard Practice Manual 1001, *Internal Controls*, states, “safeguarding of assets” and “ensuring accuracy, reliability, and timeliness of financial records and reports” are internal controls used to, “provide reasonable assurance regarding the achievement of objectives.”

We identified 49 out of 49 expenditure transactions sampled were not linked to an existing county contract. Payments to suppliers with existing contracts were not properly linked to those specific contracts in the Riverside County Financial System. Contracts are established between Riverside County and suppliers to procure goods/services and typically include pricing agreements, terms and conditions, and limits on expenditures. Expenditures were not closely monitored to assure the associated vouchers were linked to their respective contracts. Additionally, the department stated that the current version of the Riverside County Financial System requires manual expenditure linking which may lead to an increased risk of clerical errors or input oversight. Linking expenditures to contracts is a control designed to ensure contract limitations are monitored, reduce the risk of expenditures exceeding the contract limit, and ensure that departments are operating within the contract’s terms and conditions. Additionally, by not linking expenditures to contracts, management is unable to closely monitor contract expenditures, impacting their ability to negotiate future contract pricing.

Recommendation 2.1

Ensure expenditures are linked to existing county contracts.

Management’s Response

“Concur. Prior to the PeopleSoft 9.2 conversion, all potential linkages were automatically made to the existing county contracts as applicable. Post the conversion, this became a manual process and was not performed consistently. The department has since taken the necessary steps to ensure those linkages occur within the system. An internal review of all District Attorney specific contracts will be made which includes the verification that expenditures are properly attributed to the existing contract.

A Departmental Desk procedure will be developed by the purchasing team which will incorporate a specific timeline of the quarterly review process. The review will audit existing Departmental specific contracts. This procedure will be reviewed and approved by DA executive management.”

Actual/Estimated Date of Corrective Action: December 31, 2024.

² Please see Appendix A (page 15) for a description of the finding priority level classifications.



Final Internal Audit Report 2024-020: Riverside County Office of the District Attorney Audit

Recommendation 2.2

Develop policies and procedures to ensure expenditures are linked to existing county contracts.

Management's Response

"Concur. The final procedure on ensuring that expenditures are linked to existing county contracts will be developed and finalized by December 31, 2024."

Actual/Estimated Date of Corrective Action: December 31, 2024.



Physical Security Controls

Background

Badge access controls serve as a fundamental component in establishing and maintaining a secure physical environment within the organization. The implementation of badge access controls is essential for regulating and monitoring entry and exit points, aligning with the overarching objective of fortifying the organization's security infrastructure. The utilization of unique identification badges or electronic access cards contributes to the establishment of an effective internal control system, ensuring that access permissions are configured in adherence to county security policies and regulatory standards. By assessing the functionality of the badge access system, the department can identify any potential vulnerabilities or inefficiencies and determine enhancements that bolster the county's overall physical security controls.

Objective

To verify the existence and adequacy of internal controls over District Attorney's physical security controls.

Audit Methodology

To accomplish these objectives, we:

- Obtained an understanding of department processes and procedures over physical security controls.
- Interviewed key personnel regarding the department's employee and supplier badge access termination and access change processes.
- Verified whether there was adequate segregation of duties in place relating to badge access controls.
- Obtained a listing of department employees and suppliers whose badge access was disabled during the audit review period, as well as a report that details the dates in which the badges were disabled.
- Verified whether badge access was terminated within 24 hours of an employee's separation or transfer from the department and whether badge access was terminated from suppliers no longer conducting business with the department.



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Finding 3: Monitoring and Review of Access Logs

Priority Level: 1³

County of Riverside Facilities Security Specification v1.2, Section 7.1.1, Physical Security, states, "County facilities are only accessible to authorized individuals with properly coded key cards, authorized keys or access authorization, and access to the premises is by official identification only." Additionally, NIST SP 800-12, An Introduction to Information Security, Section 10.16, Personnel Security, states, "Organizations ensure that organizational information and systems are protected during and after personnel actions such as terminations or transfers."

Documentation with evidence of a formal review and approval process over badge access logs is not maintained. District Attorney can produce badge access logs that track the usage of access control badges within the facilities maintained by the department. However, the department does not formally document whether the badge access logs were reviewed and approved. As such, we cannot determine whether the review or approval of badge access logs is performed. District Attorney does not have a process in place to formally review and approve badge access logs for the facilities in which they maintain. Not documenting the formal review and approval of badge access logs impacts accountability by not assigning responsibility over monitoring facility access. Additionally, not formally reviewing and approving badge access logs increases the risk of undetected, unauthorized access to sensitive or restricted areas within the department's premises.

Recommendation 3.1

Ensure badge access log reports are formally reviewed and approved by management.

Management's Response

"Partially Concur. The District Attorney's Office has a Dispatch Center that monitors all failed access attempts 'live' throughout the day. We also have security cameras located at every entrance and exit and in our restricted areas. These cameras are monitored by our Dispatchers and security guard personnel. Furthermore, the District Attorney's Office currently has a process in place to review badge access logs for the facilities which we maintain. DA Human Resources notifies Bureau Admin when personnel are no longer with the office and the access card is immediately confiscated by management. Upon this notification, the access card is then disabled within 24 hours once notification is received.

However, there is no process in place to regularly review vendor's status and their access cards. The DAO will implement this procedure within existing protocol to review monthly."

³ Please see Appendix A (page 15) for a description of the finding priority level classifications.



Final Internal Audit Report 2024-020: Riverside County Office of the District Attorney Audit

Actual/Estimated Date of Corrective Action: November 30, 2024.

Recommendation 3.2

Revise existing policies and procedures to establish and maintain a timeframe in which the department's badge access log reports are reviewed and approved by management.

Management's Response

"Concur. The DAO is currently in the process of revising existing policies and procedures to formally establish a monthly review of badge access. Management or designee will cross reference the monthly employee roster with the list of former employees provided by DA HR. The monthly review will also verify vendor status and their access badges."

Actual/Estimated Date of Corrective Action: November 30, 2024.



Final Internal Audit Report 2024-020: Riverside County Office of the District Attorney Audit

Grant Compliance

Background

In FY 2021-22 and 2022-23, District Attorney received over \$55.5 million and \$62.6 million, respectively, in grant funding from federal and state agencies for the purposes of achieving their objectives and operating several of their ongoing programs that focus on crime prevention, education, and awareness.

Grant compliance is an essential process in adhering to established terms and conditions within the framework of awarded grants. This process plays a critical role in fostering effective partnerships, ensuring the delivery of quality services, and maximizing the value derived from grant-funded initiatives. Grant compliance involves an understanding of the stipulated terms and conditions, encompassing project scope, budgetary constraints, and reporting requirements. Departments can enhance compliance by validating satisfactory project performance, ensuring timely execution of grant-related activities, maintaining comprehensive documentation, and conducting thorough reviews and approvals of financial disbursements associated with the grant. The adherence to grant compliance procedures assists with sustaining positive relationships with funding entities, promoting efficient utilization of grant resources, and achieving the intended outcomes of the grant-funded initiatives.

Objective

To verify the existence and adequacy of internal controls over District Attorney's grant compliance processes.

Audit Methodology

To accomplish these objectives, we:

- Obtained an understanding of department processes and procedures over grant compliance.
- Interviewed key personnel regarding the department's grant compliance process.
- Obtained a listing of all active and inactive grants awarded to the department during the audit review period. Randomly selected a sample of grants awarded to the department and obtained all relevant grant agreements.
- Obtained a listing of all expenditures claimed for the selected grants. Randomly selected a sample of grant expenditures for review and verified whether expenditures or services provided



Final Internal Audit Report 2024-020: Riverside County Office of the District Attorney Audit

were allowed, reported timely, reviewed, accurate, and had sufficient supporting documentation.

Finding: None Noted

Based on the results of our audit, we determined that internal controls over grant compliance provide reasonable assurance that its objectives related to this area will be achieved. Reasonable assurance recognizes internal controls have inherent limitations, including costs, mistakes, and intentional efforts to bypass internal controls.



Appendix A: Finding Priority Level Classification

Priority Level 1	Priority Level 2	Priority Level 3
<p>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.</p>	<p>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.</p>	<p>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.</p>
<p><u>Expected Implementation Date of Recommendation*</u> One to three months</p>	<p><u>Expected Implementation Date of Recommendation *</u> Three to six months</p>	<p><u>Expected Implementation Date of Recommendation *</u> Six to twelve months</p>

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

Attachment B



MICHAEL A. HESTRIN
DISTRICT ATTORNEY

OFFICE OF
THE DISTRICT ATTORNEY
COUNTY OF RIVERSIDE

February 27, 2025

TO: Auditor-Controller's Office
Internal Audit Division

FROM: Michael Hestrin, District Attorney
Riverside County Office of the District Attorney

SUBJECT: Reply to Draft Internal Audit Report 2024-020: Riverside County Office of the District Attorney Audit

Finding 1: Retention of Supplier Certificates of Insurance

The general insurance provisions within the contract agreements selected for testing state, "CONTRACTOR shall not commence operations until the COUNTY has been furnished original Certificate (s) of Insurance and certified original copies of endorsements and if requested, certified original policies of insurance including all endorsements and any and all other attachments as required in this Section." Additionally, "In the event of a material modification, cancellation, expiration, or reduction in coverage, this Agreement shall terminate forthwith, unless the County of Riverside receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverage's set forth herein and the insurance required herein is in full force and effect."

Riverside County Purchasing and Fleet Services' online training, *Insurance 101* (March 7, 2024), states, "any entity including sole proprietors, corporations, non-profit corporations, etc. who is hired to perform a specific service [must provide liability of insurance]." Additionally, "[insurance should be requested] when there's a pending or active agreement in place, [for] annual renewable agreements, when there is a risk of liability to the County, and when assessing the type of risk associated with [a department's] procurement."

District Attorney does not retain copies of contractually required certificates of insurance from suppliers for the purposes of tracking and monitoring coverage and effective dates. The department does not have a process in place to collect and retain copies of required certificates of insurance from suppliers in the event of coverage expiration or renewal. The lack of retaining copies of certificates of insurance exposes the department to potential liabilities and compliance issues as it increases the risk of coverage expiring unknowingly. In the event of an insurance-related claim,

the county may be held financially liable if adequate insurance documentation is not on file or if coverage expires.

Current Status

Reported Finding Corrected: Yes

Recommendation 1.1

Develop a process to ensure that certificates of insurance are collected from suppliers contracted with the department and retained for tracking and monitoring.

Management's Response: Partially Concur

As part of preliminary contract negotiations supporting documentation, such as insurance coverage, is obtained from the awarded contractor. However, the department does not monitor expiration dates of the required insurance documentation as there is reliance on the language of the agreement which states as indicated above that coverage must be maintained for the duration of the contract.

The District Attorney's Office will review the current protocol as it relates to Departmental specific contracts and rely on County Purchasing Department to furnish proof of insurance for Countywide contracts.

A Departmental Desk procedure will be developed by the purchasing team which will incorporate a specific timeline of the quarterly review process. The review will audit existing Departmental specific contracts. This procedure will be reviewed and approved by DA executive management.

Actual/Estimated Date of Corrective Action: December 31, 2024

Current Status: Fully Implemented

The District Attorney's Office has developed a process to ensure certificates of compliance are collected from suppliers and kept current. This process involves a review upon execution of the contract as well as a quarterly assessment to ensure *departmental specific* certificates of compliance and other liability information are reviewed on a quarterly basis. The next quarterly review will occur after March 31, 2025

See attached desk procedure

Implementation Date: January 1, 2025

Recommendation 1.2

Develop a process to track and monitor expiration dates for supplier certificates of insurance.

Management's Response: Concur

A Departmental Desk procedure will be developed by the purchasing team which will incorporate a specific timeline of the quarterly review process. The review will audit existing Departmental specific contracts. This procedure will be reviewed and approved by DA executive management.

Actual/Estimated Date of Corrective Action: December 31, 2024

Current Status: Fully Implemented

Departmental Desk procedure was finalized on 1/1/2025.

Implementation Date: January 1, 2025

Finding 2: Contract Monitoring

Standard Practice Manual 1001, *Internal Controls*, states, “safeguarding of assets” and “ensuring accuracy, reliability, and timeliness of financial records and reports” are internal controls used to, “provide reasonable assurance regarding the achievement of objectives.”

We identified 49 out of 49 expenditure transactions sampled were not linked to an existing county contract. Payments to suppliers with existing contracts were not properly linked to those specific contracts in the Riverside County Financial System. Contracts are established between Riverside County and suppliers to procure goods/services and typically include pricing agreements, terms and conditions, and limits on expenditures. Expenditures were not closely monitored to assure the associated vouchers were linked to their respective contracts. Additionally, the department stated that the current version of the Riverside County Financial System requires manual expenditure linking which may lead to an increased risk of clerical errors or input oversight. Linking expenditures to contracts is a control designed to ensure contract limitations are monitored, reduce the risk of expenditures exceeding the contract limit, and ensure that departments are operating within the contract’s terms and conditions. Additionally, by not linking expenditures to contracts, management is unable to closely monitor contract expenditures, impacting their ability to negotiate future contract pricing.

Recommendation 2.1

Ensure expenditures are linked to existing county contracts.

Current Status: Fully Implemented

Departmental Desk procedure was finalized on 1/1/2025.

Implementation Date: 1/1/2025

Management’s Response: Concur

Prior to the PeopleSoft 9.2 conversion, all potential linkages were automatically made to the existing county contracts as applicable. Post the conversion, this became a manual process and was not performed consistently. The department has since taken the necessary steps to ensure those linkages occur within the system. An internal review of all District Attorney specific contracts will be made which includes the verification that expenditures are properly attributed to the existing contract.

A Departmental Desk procedure will be developed by the purchasing team which will incorporate a specific timeline of the quarterly review process. The review will audit existing Departmental specific contracts. This procedure will be reviewed and approved by DA executive management.

Actual/Estimated Date of Corrective Action: December 31, 2024.

Current Status: Fully Implemented

Departmental Desk procedure was finalized on 1/1/2025.

The District Attorney's Office has developed an internal desk procedure to be utilized by members of the purchasing team upon the execution of purchase orders for contracts which overarching procurements agreements are in place. The procedure highlights specific steps to be taken to ensure all vendor related costs are offset from authorization limits.

See attached desk procedure

Implementation Date: January 1, 2025

Recommendation 2.2

Develop policies and procedures to ensure expenditures are linked to existing county contracts.

Management's Response: Concur

The final procedure on ensuring that expenditures are linked to existing county contracts will be developed and finalized by December 31, 2024.

Actual/Estimated Date of Corrective Action: December 31, 2024.

Current Status: Fully Implemented

Departmental Desk procedure was finalized on 1/1/2025.

Implementation Date: January 1, 2025

Finding 3: Monitoring and Review of Access Logs

County of Riverside Facilities Security Specification v1.2, Section 7.1.1, *Physical Security*, states, “County facilities are only accessible to authorized individuals with properly coded key cards, authorized keys or access authorization, and access to the premises is by official identification only.” Additionally, NIST SP 800-12, *An Introduction to Information Security*, Section 10.16, *Personnel Security*, states, “Organizations ensure that organizational information and systems are protected during and after personnel actions such as terminations or transfers.”

Documentation with evidence of a formal review and approval process over badge access logs is not maintained. District Attorney can produce badge access logs that track the usage of access control badges within the facilities maintained by the department. However, the department does not formally document whether the badge access logs were reviewed and approved. As such, we cannot determine whether the review or approval of badge access logs is performed. District Attorney does not have a process in place to formally review and approve badge access logs for the facilities in which they maintain. Not documenting the formal review and approval of badge access logs impacts accountability by not assigning responsibility over monitoring facility access. Additionally, not formally reviewing and approving badge access logs increases the risk of undetected, unauthorized access to sensitive or restricted areas within the department's premises.

Recommendation 3.1

Ensure badge access log reports are formally reviewed and approved by management.

Management's Response: Partially Concur

The District Attorney's Office has a Dispatch Center that monitors all failed access attempts “live” throughout the day. We also have security cameras located at every entrance and exit and in our restricted areas. These cameras are monitored by our Dispatchers and security guard personnel. Furthermore, the District Attorney's Office currently has a process in place to review badge access logs for the facilities which we maintain. DA Human Resources notifies Bureau Admin when personnel are no longer with the office and the access card is immediately confiscated by **management**. Upon this notification, the access card is then disabled within 24 hours once notification is received.

However, there is no process in place to regularly review vendor's status and their access cards. The DAO will implement this procedure within existing protocol to review monthly.

Current Status: Fully Implemented

See updated procedures attached

Implementation Date: January 31, 2025

Recommendation 3.2

Revise existing policies and procedures to establish and maintain a timeframe in which the department's badge access log reports are reviewed and approved by management.

Reported Finding Corrected: Yes

Management's Response: Concur

The District Attorney Bureau of Investigations have updated their existing policy and procedures to include both preparation and review level for the access logs which are now documented and maintained for thirty (30) days.

Details of the updated policy include HR verification of vendors, review of active agreements where applicable, and retainment of access cards for at least six (6) months. The report is generated every 30 days, which is reviewed and approved subsequently by Bureau Management.

See updated procedures attached.

Current Status: Fully Implemented

Implementation Date: January 31, 2025

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