

Office of the Auditor-Controller  
**Contra Costa County**

**Robert R. Campbell**  
Auditor-Controller




**Harjit S. Nahal**  
Assistant Auditor-Controller

625 Court Street  
Martinez, California 94553-1282  
Phone (925) 335-8600  
Fax (925) 646-2649

February 10, 2020

TO: Internal Operations Committee

FROM: Robert R. Campbell, Auditor-Controller  
By: Joanne Bohren, CPA, Auditor-Controller Division Manager 

SUBJECT: Internal Audit – Annual Report

---

The Board of Supervisors adopted a policy on June 27, 2000, directing the Auditor-Controller to annually report to the Internal Operations Committee on the proposed schedule of Internal Audit examinations for the following calendar year. The attached "*Schedule of Internal Audit Examinations*" provides the proposed examination schedule for 2020, and the attached "*Schedule of Internal Audit Examinations for 2019*" summarizes the status of the 2019 examinations.

In 2019, the Internal Audit Division completed all thirty-one (31) of the scheduled examinations.

**Examination Report General Findings**

There is an overall lack of adherence to several of the County's administrative requirements. Many of the departmental examinations included the following recommendations:

- Comply with the Administrative Bulletins established for the cash collection process, inventories of capital assets, incentives for County programs and services, County volunteer programs, and petty cash;
- Adhere to the procurement card manual;
- Adhere to the Contra Costa County Purchasing Guide; and,
- Adhere to the Municipal Advisory Council (MAC) Fiscal Procedures and Board of Supervisors Resolution 2011/497, "Adopting policy governing appointments to, formation of, and requirement of boards, committees, and commissions that are advisory to the Board of Supervisors."

**Procurement Card**

The quarterly procurement card review continues to reflect compliance issues in the use of the card for recurring payments, gifts, services, memberships, printing services, internet, meal payments, and use of procurement cards by non-cardholders. Per the Procurement Card Manual, Section V.G., the use of a procurement card for recurring payments, gifts, services, memberships, printing services, internet, and meals is prohibited. Per Section V.M., of the Procurement Card Manual, the

---

only individual authorized to use the Procurement Card is the cardholder whose name appears on the card. Cardholders are also prohibited from using the procurement card for purchases not authorized in the County's Administrative Bulletins. Additionally, the required supporting documentation for payments often is missing or inadequate.

### **2020 Scheduled Examinations**

The Auditor-Controller Division Manager of the Internal Audit division and the Auditor-Controller performed a thorough review of existing and recurring examinations as well as identifying potential new examinations that should be incorporated in the 2020 schedule. The emphasis and priority in scheduling examinations is based on the perceived risk to the County. The schedule is composed of legally required examinations, such as the Treasury cash counts, reoccurring examinations, and new examinations. Twenty-eight (28) examinations have been scheduled for calendar year 2020.

Legally required examinations have their basis in government code. Reoccurring examinations have a preferred cycle attached to them based on their perceived amount of inherent risk. If a concern comes to the attention of the Auditor-Controller Division Manager or the Auditor-Controller, a reoccurring examination may be planned prior to it being due based on the preferred cycle.

The County's financial operations are subject to audit by a firm of independent external auditors, Macias Gini & O'Connell, LLP, Certified Public Accountants (MGO). The external auditors are responsible for performing an annual audit of the general-purpose financial statements of the County and the Public Financing Authority. The external auditors also perform an annual "Single Audit" of the County's federal financial-assistance programs. Other independent auditors perform annual audits of the Contra Costa County Housing Authority, state grant programs, and the FIRST 5 Contra Costa Children and Families Commission.

Attachments

**Schedule of Internal Audit Examinations  
Calendar Year 2020**

Department		Historical		Prefd.	Scheduled	Exam
Project Description		Estimated	Last Done	Examination	For	Hours
		Hours	Through	Cycle (yrs)	2020	2020
<b><u>Risk Management</u></b>						
0043	General Department Examination	250	05/14	2	X	250
<b><u>Auditor-Controller</u></b>						
0105	Revolving/Cash Diff. Fund & Shortage Report (fiscal year)	60	06/19	1 (Law)	X	60
0116	Medical & Dental Premium Payments	220	04/14	2	X	220
0037	Misc A-C duties (ie Petty Cash ICQ; Relief of Shortage; Increase/New Petty Cash; Recons)	60		1	X	60
<b><u>Treasurer-Tax Collector</u></b>						
0151	Treasury Cash & Investments - 1st qtr	50	03/19	1/4 (Law)	X	50
0151	Treasury Cash & Investments - 2nd qtr	50	05/19	1/4 (Law)	X	50
0151	Treasury Cash & Investments - July 1	50	07/19	1/4 (Law)	X	50
0151	Treasury Cash & Investments - 3rd qtr (Auditor recommendation)	50	08/19	1/4 (Law)	X	50
0151	Treasury Cash & Investments - 4th qtr	50	11/19	1/4 (Law)	X	50
0151-A	Tax Collector Cash on Hand - 1st qtr	20	03/19	1/4	X	20
0151-A	Tax Collector Cash on Hand - 2nd qtr	20	05/19	1/4	X	20
0151-A	Tax Collector Cash on Hand - July 1	20	07/19	1/4	X	20
0151-A	Tax Collector Cash on Hand - 3rd qtr	20	08/19	1/4	X	20
0151-A	Tax Collector Cash on Hand - 4th qtr	20	11/19	1/4	X	20
0154	Supplemental Tax Collection	200	12/13	2	X	200
0172	Treasury Oversight Committee (calendar year)	175	12/17	1 (Law)	X	175
<b><u>Clerk-Recorder</u></b>						
3551	General Department Examination	420	05/15	2	X	420
<b><u>Probation</u></b>						
3081	General Department Examination	240	01/18	2 (Law)	X	240
<b><u>Agriculture</u></b>						
3351	General Department Examination	120	03/13	4	X	120
<b><u>Conservation and Development (DCD)</u></b>						
3571	General Department Examination	500	04/12	2	X	500
<b><u>Public Works</u></b>						
0791	Craft inventories and Custodial Supplies Inventory (combined)	100	06/14	3	X	100
0632	Vehicle Inventory	150	06/13	3	X	150
<b><u>Purchasing</u></b>						
1493	Procurement Card Program - 4th qtr	110	12/19	1/4 (CAO)	X	110
1493	Procurement Card Program - 1st qtr	110	03/20	1/4 (CAO)	X	110
1493	Procurement Card Program - 2nd qtr	110	06/20	1/4 (CAO)	X	110
1493	Procurement Card Program - 3rd qtr	110	09/20	1/4 (CAO)	X	110
<b><u>Veterans Affairs</u></b>						
0580	General Department Examination (Do in 2020; Giftcards)		NEW	5	X	100
<b><u>Contra Costa Fire Protection District</u></b>						
9502	General Department Examination	300	03/14	2	X	200

### Schedule of Internal Audit Examinations for 2019

Department		Last Done	Prefd.	Scheduled	Estimated	Exam
Project Description		Through	Examination	For	Hours	Hours
			Cycle (yrs)	2019	2019	2019
<b>Completed Examinations as Scheduled</b>						
<b>Board of Supervisors</b>						
1103	District 3 General Department Audit (Including MACs)	06/16	4	X	100.00	95.00
<b>Auditor-Controller</b>						
0105	Revolving/Cash Diff. Fund & Shortage Report (fiscal year)	06/18	1 (Law)	X	60.00	3.00
0007	General Department Audit	12/10	4	X	250.00	198.50
0112	Fund 8109	01/10	5		100.00	101.00
0113	Miscellaneous Trust Funds	01/10	4	X	320.00	296.00
0037	Misc A-C duties (ie Petty Cash ICQ; Relief of Shortage; Increase/New Petty Cash; Recons)	06/18	1	X	60.00	22.00
<b>Treasurer-Tax Collector</b>						
0151	Treasury Cash & Investments - 1st qtr (2019)	03/19	1/4 (Law)	X	50.00	19.50
0151	Treasury Cash & Investments - 2nd qtr (2019)	05/19	1/4 (Law)	X	50.00	21.00
0151	Treasury Cash & Investments - July 1 (2019)	07/19	1/4 (Law)	X	50.00	20.00
0151	Treasury Cash & Investments - 3rd qtr (Auditor recommendation) (2019)	08/19	1/4 (Law)	X	50.00	26.50
0151	Treasury Cash & Investments - 4th qtr (2018)	11/19	1/4 (Law)	X	50.00	26.00
0151-A	Tax Collector Cash on Hand - 1st qtr (2019)	03/19		X	20.00	5.00
0151-A	Tax Collector Cash on Hand - 2nd qtr (2019)	05/19		X	20.00	6.00
0151-A	Tax Collector Cash on Hand - July 1 (2019)	07/19		X	20.00	8.00
0151-A	Tax Collector Cash on Hand - 3rd qtr (2019)	08/19		X	20.00	8.50
0151-A	Tax Collector Cash on Hand - 4th qtr (2019)	11/19		X	20.00	8.00
0172	Treasury Oversight Committee (calendar year)	12/18		X	175.00	155.00
<b>County Counsel</b>						
0030	General Department Audit	New	5	X	120.00	86.00
<b>Public Defender</b>						
2431	General Departmental Audit	04/09	5	X	120.00	267.50
<b>Sheriff-Coroner</b>						
2552	Revolving Fund	05/12	2	X	100.00	129.20
3591	Coroner	01/10	5	X	120.00	241.00
<b>Health Services</b>						
5402	Hospital and Clinics (Collections and Petty Cash)	06/15	2	X	200.00	252.20
<b>Employment &amp; Human Services</b>						
5001	Workforce Services Division	01/09	2	X	325.00	429.70
0111	Welfare Accounting (formerly w/Auditor Controller)	07/12	3	X	240.00	249.50
<b>County Libraries</b>						
6201	General Departmental Audit	12/12	4	X	275.00	247.20

## Schedule of Internal Audit Examinations for 2019

			Prefd.	Scheduled	Estimated	Exam
Department		Last Done	Examination	For	Hours	Hours
Project Description		Through	Cycle (yrs)	2019	2019	2019
	<b>Public Works</b>					
1492	Capital Leases	06/13	3	X	240.00	311.50
	<b>Purchasing:</b>					
1493	Procurement Card Program - 4th qtr	12/18	1/4 (CAO)	X	110.00	122.00
1493	Procurement Card Program - 1st qtr	03/19	1/4 (CAO)	X	110.00	128.00
1493	Procurement Card Program - 2nd qtr	06/19	1/4 (CAO)	X	110.00	105.00
1493	Procurement Card Program - 3rd qtr	09/19	1/4 (CAO)	X	110.00	97.00
	<b>Crockett-Carquinez FPD</b>					
9650	General Departmental Audit	12/09	5	X	100.00	128.50