

# AUDITOR-CONTROLLER/ TREASURER/TAX COLLECTOR



COUNTY OF SAN BERNARDINO

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**LARRY WALKER**  
Auditor-Controller/  
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November 13, 2013

Tom Hudson, Director  
Land Use Services  
385 N. Arrowhead Avenue, 1<sup>st</sup> Floor  
San Bernardino, CA 92415-0187

## **SUBJECT: AUDIT OF SENSITIVE EQUIPMENT INVENTORY LISTS**

### **Introductory Remarks**

In compliance with Article V, Section 6, of the San Bernardino County Charter and County Policy 02-02, entitled Internal Operational Auditing, we have completed an audit of the Department of Land Use Services (LUS) to determine whether a sensitive equipment list was filed with the County Clerk as required by County Policy 11-04 SP3. We conducted our audit in accordance with the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors.

### **Background**

County Policy 11-04 SP3, Procurement of Goods, Supplies and Equipment- Equipment Control, requires all County departments to file a sensitive equipment list with the County Clerk by June 30 of each year. Sensitive equipment is defined as all equipment purchased at a cost of less than \$5,000. This policy was effective as of August 26, 2011 and was established to assure the Board of Supervisors, County management, and the public that appropriate control is maintained over County-owned property below the fixed asset level of \$5,000.

### **Objectives, Scope and Methodology**

Our overall objective was to determine whether the LUS had filed an annual sensitive equipment list with the County Clerk in compliance with County Policy 11-04 SP3, Procurement of Goods, Supplies, and Equipment – Equipment Control.

Our audit included examination of original source documents received from all county departments by the County Clerk from January 1, 2011 through the date of our fieldwork on July 22, 2013.

### **Conclusion**

We concluded that the Department filed a sensitive equipment inventory list with the County Clerk during fiscal year 2012. However, LUS has not subsequently filed an updated list as of July 22, 2013. We documented our finding and recommendation for improvement in the Finding and Recommendation section of this report.

We sent a draft report to LUS on August 28, 2013. The Department's response to our recommendation is included in this report.

**Finding: Sensitive equipment inventory list was not filed annually with the County Clerk.**

County of San Bernardino Policy 11-04 SP3 – Procurement of Goods, Supplies and Equipment-Equipment Control was adopted and was subsequently revised on August 26, 2011 to assure the Board of Supervisors, County management, and the public that appropriate control is maintained over County-owned property below the fixed asset level of \$5,000. Once a department establishes inventory controls of sensitive equipment, a department's inventory list shall be updated on an annual basis and filed with the County Clerk by June 30 of each year. According to the County Clerk, LUS filed a sensitive equipment inventory list with the County Clerk on September 15, 2011. However, no subsequent annual list was filed through the date of our fieldwork on July 22, 2013. If an inventory of sensitive equipment is not maintained by LUS as evidenced by its submittal to the County Clerk, LUS cannot ensure that its equipment is safeguarded, increasing the risk of undetected loss.

**Recommendation:**

We recommend that LUS file an updated sensitive equipment inventory list with the County Clerk within 90 days and subsequently file by June 30 of each year. If there are no sensitive equipment to report for LUS, then LUS should provide the County Clerk with a memo to that effect.

**Management's Response:**

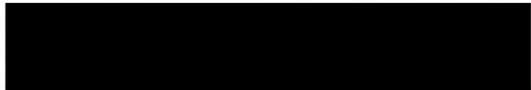
The department concurs with the recommendation. The department will submit the sensitive equipment inventory list to the County Clerk within 90 days and subsequently file the report by June 30 each year.

**Auditor's Response:**

The Department's planned actions will correct the deficiency noted in the finding.

Respectfully submitted,

Larry Walker  
Auditor-Controller/Treasurer/Tax Collector  
San Bernardino County

By:   
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