

AUDITOR-CONTROLLER/ TREASURER/TAX COLLECTOR



COUNTY OF SAN BERNARDINO

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LARRY WALKER
Auditor-Controller/
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November 25, 2013

Michael J. Scarpello, Director
Registrar of Voters
777 E. Rialto Avenue
San Bernardino, CA 92415-0763

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 Registrar of Voters (ROV) 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 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 ROV 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 field work on July 22, 2013.

Conclusion

We concluded that ROV did not file an annual sensitive equipment inventory list with the County Clerk. We documented our finding and recommendation for improvement in the Finding and Recommendation section of this report.

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

Finding and Recommendation

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, ROV has not filed an annual sensitive equipment inventory list for fiscal years 2011, 2012, and 2013. If an inventory of sensitive equipment is not maintained by ROV as evidenced by its submittal to the County Clerk, ROV cannot ensure that its equipment is safeguarded, increasing the risk of undetected loss.

Recommendation:

We recommend that ROV file the annual 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 items to report for ROV, then ROV should provide the County Clerk with a memo to that effect.

Management's Response:

The Registrar of Voters recognizes the importance of maintaining strong internal controls to protect County owned property. As recommended above, the ROV has established inventory controls of sensitive equipment, and will update and submit its annual inventory list to the County Clerk by June 30 of each year in accordance with County of San Bernardino Policy 11-04 SP3. The ROV 2013 sensitive equipment list was filed with the County Clerk on October 25, 2013.

Auditor's Response:

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

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Respectfully submitted,

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San Bernardino County

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