

County of San Bernardino

Auditor-Controller/Treasurer/Tax Collector
Internal Audits Section

District Attorney Department: Vehicle Follow Up Audit



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Auditor-Controller/Treasurer/Tax Collector

Mission Statement

The San Bernardino County Auditor-Controller's Office is committed to serving our customers by processing, safeguarding, and providing information regarding the finances and public records of the County. We perform these functions with integrity, independent judgment, and outstanding service. We are accurate, timely, courteous, innovative, and efficient because of our well-trained and accountable staff.

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May 11, 2018

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SUBJECT: VEHICLE FOLLOW UP AUDIT

In compliance with Article V, Section 6, of the San Bernardino County Charter and County Policy 05-20 entitled Internal Operational Auditing, we have completed a follow-up audit of the District Attorney Department (Department)'s vehicles as of January 23, 2018. The objective of the audit was to determine whether the recommendation for the finding in the District Attorney Vehicle Audit, issued on March 16, 2017, has been implemented. We conducted our audit in accordance with the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors.

We have provided a status of the audit finding identified in the original audit report issued on March 16, 2017. The recommendations from the original audit report have been partially implemented.

We sent a draft report to the Department on May 1, 2018. The Department's response to the current status of our recommendations are included in this report.

We would like to express our appreciation to the personnel at the District Attorney Department who assisted and cooperated with us during this engagement.

Respectfully submitted,

Oscar Valdez

Auditor-Controller/Treasurer/Tax Collector

San Bernardino County

By

Denise Mejico

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District Attorney Department Vehicle Follow Up Audit

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Scope and Objective

Our audit examined the Department's vehicle tracking and monitoring process as of the date of fieldwork, January 23, 2018.

The objective of this follow-up audit was to determine whether the Department implemented the recommendations contained in the prior audit report, *District Attorney Vehicle Audit*, issued on March 16, 2017.

Methodology

In achieving the audit objectives, the following audit procedures were performed, including but not limited to:

- Interview of District Attorney Department management
- Examination of original source documents and system generated reports.



Prior Finding 1: Supervisors are not monitoring or tracking their department vehicles.

According to the Internal Controls and Cash Manual (ICCM), Chapter 2, the premise of an effective internal control structure is the Department's control environment, which includes elements such as management's philosophy and operating style and personnel policies and practices. Management should establish internal controls and communicate them to the operating personnel. To be effective, internal controls should be continuously monitored by management to determine that they are operating as intended or are modified to reflect changes in conditions.

The following conditions were noted:

- The Department does not keep written logs to track and record when non-take home vehicles are checked out or returned by employees.
- Mileage reports are not being requested by the supervisors nor is mileage usage reviewed for reasonableness.
- Fuel usage reports are not being requested by the supervisors nor is fuel usage reviewed for reasonableness.

There is no supervisory oversight of employee vehicles. The risk of unauthorized usage of County vehicles increases when there is no supervisory oversight of the Department vehicles, especially those without Global Positioning System (GPS) tracking devices.

Recommendation:

We recommend that supervisors regularly monitor their staff's vehicles to ensure they are only being used for business purposes. This review of vehicles should also be documented in writing. In addition, mileage and fuel usage reports should be requested from the Fleet Management Department and reviewed on a regular basis to identify any irregular usage.

Current Status: Partially Implemented

The Department has begun obtaining mileage and fuel reports from Fleet Management, and sending them to department supervisors for their review. The month we originally selected for testing (October 2017) was not sent to supervisors for their review until the start of our audit (January 2018), therefore there was no documentation of supervisors regularly monitoring their staff's vehicles through these reports as of our date of fieldwork. However, the



Department was able to provide documentation that supervisor review was performed on a regular basis for earlier months.

Management's Response:

Since the date of the finalized audit on March 16, 2017, the District Attorney's Office has implemented the recommendations made by the Auditor-Controller.

Each month Fleet Management emails the mileage and fuel usage reports to the District Attorney's Office. Staff then emails the reports to all supervisors who manage employees that drive County vehicles. The supervisors are instructed to review the reports for any mileage or fuel abnormalities, discrepancies or irregularities. They are also instructed to submit an email indicating their findings. These emails are retained within a computer file.

The auditor selected the month of October 2017 for testing. For this month, there was an unexplained delay with receiving the reports and sending them out to District Attorney supervisors. This was an anomaly, and we will take whatever measures we can to ensure that it does not occur again in the future.

Auditor's Response:

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