



*Final  
Report*

# County of San Diego, California

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## Auditor and Controller

### Air Pollution Control District Officers' Transition Audit

Office of Audits & Advisory Services

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June 2009  
Report No. A09-025



# COUNTY OF SAN DIEGO

## INTER-DEPARTMENTAL CORRESPONDENCE

June 3, 2009

TO: Robert Kard, Air Pollution Control Officer  
Air Pollution Control District

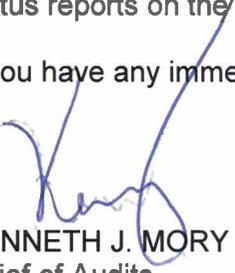
FROM: Kenneth J. Mory  
Chief of Audits

FINAL REPORT: AIR POLLUTION CONTROL DISTRICT OFFICERS' TRANSITION AUDIT  
(FERNANDEZ TO ABREU)

Enclosed is our report on the Air Pollution Control District Officers' Transition Audit (Fernandez to Abreu). The report includes various audit findings and recommendations.

We have reviewed your responses and have attached them to the audit report. The actions taken and planned, in general, are responsive to the findings and recommendations in the report. As required under Board Policy B-44, we respectfully request that you provide quarterly status reports on the implementation progress of the recommendations.

If you have any immediate concerns about the report, please contact me at (858) 495-5662.

  
KENNETH J. MORY  
Chief of Audits

AUD:JK:aps

Enclosure

c: Chandra L. Wallar, Deputy Chief Administrative Officer, Land Use and Environment Group  
Donald F. Steuer, Chief Financial Officer  
Tracy M. Sandoval, Assistant Chief Financial Officer/Auditor and Controller  
Kathleen A. Flannery, Group Finance Director, Land Use and Environment Group

## **AIR POLLUTION CONTROL DISTRICT OFFICERS' TRANSITION AUDIT**

In accordance with the County Charter, the Office of Audits & Advisory Services (OAAS) has completed an officers' transition audit for the Air Pollution Control District (APCD). The OAAS conducts such an audit when County officers leave and assume office to determine if certain affidavits, authorizations, disclosures, and reports are properly completed and processed. These actions provide for an orderly transition of officers, establish proper accountability for public assets and promote the County's General Management System (GMS), including its key disciplines of accountability, fiscal stability, regional leadership, and continuous improvement.

Accordingly, we audited the reports filed by the outgoing and incoming officers of the APCD. Raymond Fernandez and Rosa Abreu were required to file outgoing and incoming officers' reports, respectively, as of March 28, 2008. The reports are the responsibility of the officer who signs them. Our purpose is to provide an opinion on the reports based upon our audit.

### **AUDIT SCOPE AND METHODOLOGY**

The audit scope is to determine whether the outgoing and incoming officials took appropriate actions and filed complete and reasonably accurate reports as County officers in compliance with California Codes and the County's regulatory requirements as explained in the instruction letter provided to each officer. To determine that the reports are reasonably accurate and to provide assurance for the incoming officer, we tested controls designed to establish accountability for the fixed assets, minor equipment, revolving fund, agency fund, and accounts receivable.

This audit was conducted in accordance with auditing standards prescribed by the Institute of Internal Auditors, Inc., as required by California Government Code, Section 1236.

### **AUDIT RESULTS**

In our opinion, except as follows, the outgoing and incoming officers filed complete and reasonably accurate reports in compliance with California law and the County's regulatory requirements in connection with an officer's transition.

#### **Finding: Accounts Receivable Are Understated**

Fees and grants funds receivable are zero amounts on the transition Detail of Accounts Receivable – Year End Report (AUD Form 505) because accruals for accounts receivable as of the transition date did not occur. APCD staff have drafted an accounts receivable report corrected to \$490,877.81 as an initial step in response to the following recommendation items.

### **RECOMMENDATION**

File a revised transition report for accounts receivable with correct amounts. Provide internal policies and procedures for accrual accounting of accounts receivable (fees and grants) that include steps for determining and reporting the amounts as of officers' transition dates.

### **COMMENDATION**

The Office of Audits & Advisory Services commends and sincerely appreciates the courtesousness and cooperation extended by the Air Pollution Control District's officers and staff throughout this audit.

### **AUDIT TEAM**

Joseph Kelly, Jr., Senior Auditor



**Air Pollution Control Board**

Greg Cox	District 1
Dianne Jacob	District 2
Pam Slater-Price	District 3
Ron Roberts	District 4
Bill Horn	District 5

March 16, 2009

**RECEIVED**

**MAR 17 2009**

**OFFICE OF AUDITS &  
ADVISORY SERVICES**

**TO:** Kenneth Mory, Chief of Audits  
Auditor and Controller

**FROM:** Robert Kard, Director - Air Pollution Control Officer  
Air Pollution Control District

**RESPONSE TO FINAL DRAFT REPORT OF THE AIR POLLUTION CONTROL DISTRICT'S  
OFFICERS' TRANSITION AUDIT**

On behalf of the Air Pollution Control District (District), I wish to express our appreciation of the professionalism shown by your staff in conducting this audit.

The audit determined that the District's accounts receivables for the transition dates of March 28, 2008, and April 13, 2008, were understated.

For the audit, the District obtained and submitted the Accounts Receivables Report from Oracle showing a zero balance. The District did not accrue revenue in Oracle for the Environmental Protection Agency (EPA) grants as the electronic wire transfer of revenue occurred within two days of the claim submission.

The following is our response to the recommended action:

**Recommendation:** *File a revised transition report for accounts receivables with the correct amounts. Provide internal policies and procedures for accrual accounting of accounts receivables (fees and grants), that include steps for determining and reporting the amounts as of the officers' transition dates.*

**Response:** The District submitted the revised signed transition reports for accounts receivables and internal policies and procedures to Joseph Kelly of the Audits Division on March 11, 2009. Effective March 2009, the District will accrue revenues upon submission of claim reimbursements for the grants in order to comply with the audit recommendation.

If you have any questions, please contact Cecilia Redondo, Group Program Manager, at 858-586-2607.

Sincerely,

**ROBERT KARD**  
Director - Air Pollution Control Officer

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10124 Old Grove Road , San Diego, California 92131-1649 • (858) 586-2600  
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