



**Final
Report**

County of San Diego, California

Auditor and Controller

HHSA - Agency Contract Support Officers' Transition Audit

Office of **A**udits & **A**dvisory **S**ervices

July 2008
Report No. A08-012



COUNTY OF SAN DIEGO

INTER-DEPARTMENTAL CORRESPONDENCE

July 10, 2008

TO: Rick Wanne, MA, MFT, Deputy Director
Agency Contract Support
Health and Human Services Agency

FROM: Kenneth J. Mory
Chief of Audits

FINAL REPORT: HHSA - AGENCY CONTRACT SUPPORT OFFICERS' TRANSITION AUDIT

Enclosed is our report on the HHSA - Agency Contract Support Officers' Transition Audit. 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.

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

KENNETH J. MORY
Chief of Audits

AUD:KMW:aps

Enclosure

c: Nick Macchione, Director, Health and Human Services Agency
Donald F. Steuer, Chief Financial Officer
Tracy M. Sandoval, Assistant Chief Financial Officer/Auditor and Controller
Terry Hogan, Group Finance Director, Health and Human Services Agency

HHSA - AGENCY CONTRACT SUPPORT OFFICERS' TRANSITION AUDIT

In accordance with the County Charter, the Office of Audits & Advisory Services (OAAS) has completed an officers' transition audit for the Health and Human Services Agency (HHSA) - Agency Contract Support (ACS). 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 HHSA - Agency Contract Support. Diana Francis and Rick Wanne were required to file outgoing and incoming officers' reports, respectively, as of January 4, 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 objective 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 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 of minor equipment. The intent of this audit is to assist the County to continuously improve the management of assets and liabilities and to strengthen the County's ability to provide high quality public services.

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, the incoming and outgoing officers filed complete and reasonably accurate reports in compliance with California law and the County's regulatory requirements, except for the following item:

Finding I: Incomplete Minor Equipment

A test of minor equipment revealed that a digital camera observed on site was not included on the Minor Equipment and Books Inventory Certificate. Per the HHSA-Financial and Support Services (FSSD) Fixed Asset and Minor Equipment Policy, minor equipment should be identified, controlled, and reported on the Triennial Minor Equipment Inventory. The digital camera was purchased on September 26, 2005 but not reported on the latest triennial physical inventory taken on October 2006. While the value of this item is low, the risk of

misappropriation is increased as equipment as this is highly susceptible to theft or misuse. The accuracy of inventory lists is important because it provides incoming directors a snapshot of the fiscal position of the organization, which impacts budgeting and spending decisions.

RECOMMENDATIONS

OAAS recommends the following actions to strengthen controls related to reporting and protection of assets:

1. Make the necessary adjustment to the Minor Equipment and Books Inventory Listing to correct the discrepancy reported in this audit.
2. Improve the minor equipment recording procedures to ensure that when an item is purchased, the new item is recorded on the physical inventory list.

COMMENDATION

The Office of Audits & Advisory Services commends and sincerely appreciates the courteousness and cooperation extended by the HHSA - Agency Contract Support officers and staff throughout this audit.

AUDIT TEAM

Kathleen Whitehead, Auditor I

DEPARTMENT RESPONSE



County of San Diego

NICK MACCHIONE, FACHE
DIRECTOR

RICK WANNE, MA, MFT
DEPUTY DIRECTOR

HEALTH AND HUMAN SERVICES AGENCY

AGENCY CONTRACT SUPPORT
1255 IMPERIAL AVENUE, STE. 200 SAN DIEGO, CA 92101-2417
619.444.2000 • FAX: 619.444.2734

July 2, 2008

RECEIVED

JUL 09 2008

OFFICE OF AUDITS &
ADVISORY SERVICES

TO: Kenneth J. Mory
Chief of Audits

FROM: Rick Wanne, MA, MFT, Deputy Director
Agency Contract Support

RESPONSE TO OAAS AUDIT REPORT NO. A08-012 DATED JUNE 23, 2007; HHS - AGENCY CONTRACT SUPPORT OFFICERS' TRANSITION AUDIT

The following corrective actions have been implemented and completed in response to the recommendations listed in the above report

Recommendation 1

Make the necessary adjustment to the Minor Equipment and Books Inventory Listing to correct the discrepancy reported in this audit

Status

This recommendation has been implemented. The digital camera has been added to the Minor Equipment and Books Inventory

Recommendation 2

Improve the minor equipment recording procedures to ensure that when an item is purchased, the new item is recorded on the physical inventory list.

Status

This recommendation has been implemented. ACS has improved its recording procedures to ensure all minor equipment purchased is recorded on the physical inventory list. This function has been re-assigned to ACS administrative staff with oversight by the Financial Reviews Unit

Ken Mory, Chief Audits
July 2, 2008
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Please accept these responses as satisfying the above recommendations. Should you have any questions or require further information regarding this letter please contact me at (619) 338-2409.



RICK WANNE, MA, MFT, Deputy Director
Agency Contract Support

RW, JMH did

cc: Nick Macchione, Director, Health & Human Services Agency (HHS)
Paula Landau-Cox, Director of Operations, HHS
Terry Hogan, Finance Director, HHS

County Of San Diego
Health and Human Services Agency
Materials and Supplies / Minor Equipment, Books

INVENTORY as of _____ Inventory Low Org.

Sheet _____ of _____ Priced by _____

Called by _____ Location _____ (enter Dept Name) Extended by _____

INVENTORY as of June 2008 _____

Called by _____ Location _____ (enter Dept Name) Priced by _____ Low Org.

Called by _____ Location Mills bldg Swt 720 Priced by Mindy Ripley

Entered by Deborah Duffin Examined Jeannie Hufford

Unit	Description	Price	Quantity	Extension
EA	Art Work (under \$100)	\$50.00		\$0.00
EA	Art Work (under \$500)	\$250.00		\$0.00
EA	Art Work (under \$1,000)	\$500.00		\$0.00
EA	Automatic External Defibrillator (AED)	\$2,200.00		\$0.00
EA	AV Cart	\$175.00		\$0.00
EA	AV Cart with cabinet	\$650.00		\$0.00
EA	Bar Code Laser Reader	\$300.00		\$0.00
EA	Bed (except hospital)	\$300.00		\$0.00
EA	Bed, Hospital	\$700.00		\$0.00
EA	Benches	\$150.00		\$0.00
EA	Blackberry hand held communication devices	\$450.00	4.00	\$1,800.00
EA	Bookcase (wood) 2 shelf	\$300.00	2.00	\$600.00
EA	3 shelf	\$350.00	2.00	\$700.00
EA	4 shelf	\$400.00	1.00	\$400.00
EA	5 shelf	\$450.00		\$0.00
EA	Bookcase (Metal) 2 shelf	\$250.00	6.00	\$1,500.00
EA	3 shelf	\$300.00	20.00	\$6,000.00
EA	4 shelf	\$350.00	3.00	\$1,050.00
EA	5 shelf	\$400.00	5.00	\$2,000.00
EA	Bookrack (open back)	\$60.00		\$0.00
EA	Books - Manuals	\$30.00	1.00	\$30.00
EA	Books, Bound	\$94.00	1.00	\$94.00
EA	Books, Paperback	\$10.00		\$0.00
EA	bulletin boards, 4' X 6"	\$120.00		\$0.00
EA	bulletin boards, 4' X 8"	\$150.00		\$0.00
EA	Bulletin Board, Enclosed	\$300.00		\$0.00
EA	Calculator	\$80.00		\$0.00
EA	Camera, 35 millimeter	\$300.00		\$0.00
EA	Camera, Digital	\$230.00	1.00	\$230.00
EA	Camera, Polaroid	\$150.00		\$0.00
EA	Camera, Video	\$1,000.00	1.00	\$1,000.00
EA	Car seats	\$80.00		\$0.00
EA	Cart, Mail	\$300.00		\$0.00
EA	Cassette Recorder	\$80.00		\$0.00
EA	Chair, Executive	\$108.00	1.00	\$108.00
EA	Chair, Patio/Coffee Rm.	\$60.00		\$0.00
EA	Chair, Ergonomic	\$300.00		\$0.00
EA	Chair, Side	\$90.00	7.00	\$630.00
EA	Chair, Tag, Side Arm	\$130.00	3.00	\$390.00
EA	Chair, Steno	\$125.00	25.00	\$3,125.00

AUD179

AMOUNT FORWARD \$ _____

County Of San Diego
Health and Human Services Agency
Materials and Supplies / Minor Equipment, Books

INVENTORY as of _____ Inventory Low Org.

Sheet _____ of _____ Priced by _____
(enter Dept Name)

Called by _____ Location _____ Extended by _____

INVENTORY as of June 2008 _____ Low Org.

Called by _____ Location Mills bldg Swt 720 Priced by Mindy Ripley

Entered by Deborah Duffin Examined Jeannie Hufford

Unit	Description	Price	Quantity	Extension
EA	Changing tables	\$250.00		\$0.00
EA	Check Writer	\$400.00		\$0.00
EA	Cell Phones	\$100.00		\$0.00
EA	Coffee Table	\$200.00		\$0.00
EA	Cots	\$50.00		\$0.00
EA	Couch	\$300.00		\$0.00
EA	Credenza	\$750.00	5	\$3,750.00
EA	Crib, Baby	\$250.00		\$0.00
EA	Date Stamp - Electric	\$250.00		\$0.00
EA	Desk, executive	\$1,800.00	1.00	\$1,800.00
EA	Desk, metal	\$1,160.00	4.00	\$4,640.00
EA	Desk, wood	\$500.00	22.00	\$11,000.00
EA	Desk, Stand up	\$2,200.00		\$0.00
EA	Dictation/Transcription Equipment (Small)	\$180.00	1.00	\$180.00
EA	Dishwasher, commercial	\$3,500.00		\$0.00
EA	Display Boards, Portable	\$300.00		\$0.00
EA	DVD Player	\$300.00		\$0.00
EA	Dynamo Address and Folder labeler	\$259.00	1.00	\$259.00
EA	Easels	\$200.00		\$0.00
EA	Electronic Message Board	\$500.00		\$0.00
EA	Ergonomic Workstations (Platforms)	\$700.00		\$0.00
EA	Facsimile Machine (FAX)	\$420.00	1.00	\$420.00
EA	Fan, Floor, Pedestal	\$85.00		\$0.00
EA	File cabinet, rolling 1 drawer	\$200.00		\$0.00
EA	File cabinet, rolling 2 drawer	\$300.00		\$0.00
EA	File Cabinet, 2 Drawer, Wooden, Executive,	\$380.00	1	\$380.00
EA	File Cabinet, 3 Drawer, Wooden, Executive,	\$500.00		\$0.00
EA	File Cabinet, 4 Drawer, Wooden, Executive,	\$750.00		\$0.00
EA	File Cabinet, Vertical, 2 Drawer	\$255.00	9.00	\$2,295.00
EA	File Cabinet, Vertical, 4 Drawer	\$350.00		\$0.00
EA	File Cabinet, Vertical, 5 Drawer	\$550.00	11.00	\$6,050.00
EA	File Cabinet, Lateral, 2 Drawer	\$250.00	14.00	\$3,500.00
EA	File Cabinet, Lateral, 3 Drawer	\$375.00	1.00	\$375.00
EA	File Cabinet, Lateral, 4 Drawer	\$610.00	10.00	\$6,100.00
EA	File Cabinet, Lateral, 5 Drawer	\$660.00	10.00	\$6,600.00
EA	Flags (US or California)	\$75.00		\$0.00
EA	Freezer	\$600.00		\$0.00
EA	Hand Trucks	\$90.00		\$0.00
EA	Headsets (Plantronics)	\$170.00	1.00	\$170.00
EA	Heaters	\$50.00		\$0.00

AUD179

AMOUNT FORWARD \$ _____

County Of San Diego
Health and Human Services Agency
Materials and Supplies / Minor Equipment, Books

INVENTORY as of _____ Inventory Low Org.

Sheet _____ of _____ Priced by _____
(enter Dept Name)
Called by _____ Location _____ Extended by _____

INVENTORY as of June 2008 Low Org.

Called by _____ Location Mills bldg Swt 720 Priced by Mindy Ripley

Entered by Deborah Duffin Examined Jeannie Hufford

Unit	Description	Price	Quantity	Extension
EA	Hole Punch, electric	\$75.00	10.00	\$750.00
EA	Keyboard Trays, Ergonomic	\$300.00	1.00	\$300.00
EA	Laptop, county owned	\$1,200.00		\$0.00
EA	LCD Projector (Proxima)	\$4,500.00		\$0.00
EA	Lectern	\$400.00		\$0.00
EA	Literature forms organizers	\$400.00		\$0.00
EA	Microfiche Read/Print	\$1,500.00		\$0.00
EA	Microwave	\$300.00		\$0.00
EA	Modular Workstation, type 1 6' x6 Workstation w/ 65" high partitions Description: 24" deep work surface w/ 1 - 3 drawer pedestal, 1- 2 drawer pedestal, keyboard tray,1- shelf, 1 storage bin, 2- task lights, and ergonomic operator's chair	\$4,200.00		\$0.00
EA	Modular Workstation, type 2 7' x7' Workstation w/ 65" high partitions Description: 30" deep work surface w/ 1 - 3 drawer pedestal, 1- 2 drawer pedestal, keyboard tray,1- shelf, 1 storage bin, 2- task lights, and ergonomic operator's chair	\$4,500.00		\$0.00
EA	Smaller Modular Workstation, type 3 Workstation w/partitions; Description: 24" deep work surface w/file cabinet, keyboard tray,1- shelf, task lights, and ergonomic operator's chair	\$3,500.00		\$0.00
EA	Workstation, Executive U-shaped, Wooden (including storage, task lighting, etc.)	\$4,000.00		\$0.00
EA	Organizer, Desk top, wood or metal	\$200.00		\$0.00
EA	Oven	\$500.00		\$0.00
EA	Pager	\$50.00		\$0.00
EA	PDA	\$400.00		\$0.00
EA	pencil sharpeners, electric	\$40.00		\$0.00
EA	Photo Copiers, Console, small, Owned only	\$2,000.00		\$0.00
EA	Photo Copiers, Console, med, Owned only	\$4,500.00		\$0.00
EA	Photo Copiers, Desk Top, Owned only	\$800.00		\$0.00
EA	Playroom furniture	\$200.00		\$0.00
EA	Press Drill	\$3,900.00		\$0.00
EA	Projector/Overhead	\$150.00		\$0.00
EA	Projector Screen, portable	\$140.00		\$0.00
EA	Projector Screen; ceiling mounted	\$800.00		\$0.00
EA	Proxima	\$1,200.00	1.00	\$1,200.00
EA	Public Address System	\$1,100.00		\$0.00
EA	Record Player	\$300.00		\$0.00

AUD179

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Health and Human Services Agency
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Sheet _____ of _____ Priced by _____

Called by _____ Location _____ (enter Dept Name) Extended by _____

INVENTORY as of June 2008 _____ Low Org.

Called by _____ Location Mills bldg Swt 720 Priced by Mindy Ripley

Entered by Deborah Duffin Examined Jeannie Hufford

Unit	Description	Price	Quantity	Extension
EA	exam tables	\$850.00		\$0.00
EA	Good Lite (Vision Tester)			\$0.00
EA	Hemogrolinometer			\$0.00
EA	Otoscope	\$500.00		\$0.00
EA	POS device			\$0.00
EA	Scales - Adult (Health-O-Meter)	\$200.00		\$0.00
EA	Scales - Baby	\$325.00		\$0.00
EA	incubator			\$0.00
EA	AUDIOMETRIC MACHINES	\$900.00		\$0.00
				\$0.00
				\$72,272.00
			Grand Total	

AUD179

AMOUNT FORWARD \$ _____