

# OFFICE OF AUDITS & ADVISORY SERVICES



## HHSA AGENCY CONTRACT SUPPORT OFFICERS' TRANSITION AUDIT

*FINAL REPORT*

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TREASURER-TAX COLLECTOR

January 24, 2013

**TO:** Patricia Kay Danon, Deputy Director  
HHSA – Agency Contract Support

**FROM:** Juan R. Perez  
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. We have reviewed your responses to our recommendations and have attached them to the audit report. The actions taken, in general, are responsive to the recommendations in the report.

Thank you for the courteousness and cooperation extended to the Office of Audits & Advisory Services during the course of the audit.

If you have any questions, please contact me at (858) 495-5661.

**JUAN R. PEREZ**  
Chief of Audits

AUD:KM:aps

Enclosure

c: Nick N. Macchione, Director, Health & Human Services Agency  
Tracy M. Sandoval, General Manager/Auditor and Controller  
Michael Van Mouwerik, Executive Finance Director, Health & Human Services Agency

## INTRODUCTION

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<b>Audit Objective</b>	The Office of Audits & Advisory Services (OAAS) has completed an officers' transition audit for the Health and Human Services Agency's Agency Contract Support (ACS). The objective of the audit was to determine if there is reasonable assurance that the outgoing officer, Richard Wanne, and incoming officer, Patty K. Danon, took appropriate actions and filed required reports as of August 24, 2012 in compliance with California Codes, County regulatory requirements, and County policies and procedures. These requirements were explained in the instruction letter provided to each officer.
<b>Background</b>	The County Charter requires that the OAAS conduct such an audit when County officers leave or 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; transparency and ethical conduct; fiscal stability; and continuous improvement and innovations.
<b>Audit Scope &amp; Limitations</b>	<p>The reports are the responsibility of the officer who signs them. The OAAS' responsibility is to provide an opinion on the reports based upon the audit.</p> <p>This audit was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing prescribed by the Institute of Internal Auditors as required by California Government Code, Section 1236.</p>
<b>Methodology</b>	OAAS reviewed all the reports filed by the outgoing and incoming officers, obtained supporting documentation, and performed limited internal control testing.

## AUDIT RESULTS

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<b>Summary</b>	In our opinion, there is reasonable assurance that the outgoing and incoming officers took appropriate actions and filed required reports in compliance with California Codes, County regulatory requirements, and County policies and procedures in connection with an officer's transition. However, the exception described below was noted:
<b>Finding I:</b>	<p><b>Management Oversight of Portable Electronic Devices Should Be Strengthened</b></p> <p>Adequate controls appear to be in place to track, monitor, and safeguard portable electronic devices. However, ACS management does not consistently monitor compliance with these controls. For example, OAAS noted that while a log book to record the use of portable electronic devices is in place, staff does not consistently complete the log book when electronic devices are checked out. As a result, there is no clear accountability over these assets.</p>

In addition, OAAS found that a camera was missing and management could not immediately locate the asset. After fieldwork was completed, ACS indicated that the camera was later found.

Documenting and monitoring the accountability of assets is a preventive measure designed to safeguard portable electronic devices. Lack of compliance with this control activity increases the risk of asset misappropriation, misuse, or loss.

**Recommendation:** To strengthen controls around safeguarding of portable electronic devices, ACS management should ensure compliance with established controls by monitoring completion of the log book and conducting inventory checks of these assets.

Office of Audits & Advisory Services



VALUE

**DEPARTMENT'S RESPONSE**



# County of San Diego

NICK MACCHIONE, FACHE  
DIRECTOR

HEALTH AND HUMAN SERVICES AGENCY

PATTY KAY DANON  
AGENCY CONTRACT SUPPORT DIRECTOR

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January 22, 2013

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JAN 23 2013

TO: Juan R. Perez  
Chief of Audits

OFFICE OF AUDITS &  
ADVISORY SERVICES

FROM: Patricia Kay Danon, Deputy Director  
HHSA – Agency Contract Support

DEPARTMENT RESPONSE TO AUDIT RECOMMENDATIONS: HHSA – AGENCY CONTRACT SUPPORT  
OFFICERS' TRANSITION AUDIT

**Finding I:** Management Oversight of Portable Electronic Devices Should be Strengthened

**OAAS Recommendation:** To strengthen controls around safeguarding of portable electronic devices, ACS management should ensure compliance with established controls by monitoring completion of the log book and conducting inventory checks of these assets.

**Action Plan:** Agency Contract Support (ACS) is in receipt of the audit recommendations and agrees there is an opportunity to strengthen the monitoring of portable electronic devices. To that end, ACS has taken the following steps:

1. Revised the monitoring log book to include manager and/or director signatures and implemented regular reviews by managers and/or director of the log book to ensure staff is utilizing it properly and portable electronic devices are safeguarded appropriately.
2. Included a review of the audit findings at the ACS staff meeting on January 9, 2013 and expectations for all staff to ensure safeguarding of portable devices.

**Planned Completion Date:** This has been completed as of January 9, 2013.

**Contact Information for Implementation:** Patty Kay Danon, Deputy Director and Paulina Martinez, Administrative Services Manager.

If you have any questions, please contact me at (619) 338-2409.

Patty Kay Danon  
Deputy Director

cc: Nick Macchione, Director, Health & Human Services Agency  
Tracy Sandoval, General Manager/Auditor & Controller  
Michael Van Mouwerik, Executive Finance Director, Health & Human Services Agency