



**COUNTY OF RIVERSIDE**  
**OFFICE OF THE**  
**AUDITOR-CONTROLLER**

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September 19, 2023

Honorable Judith C. Clark  
Presiding Judge  
Superior Court of California, County of Riverside  
4050 Maint Street  
Riverside, CA 92501

Reference: Response to 2022-2023 Civil Grand Jury's Report: County of Riverside Risk  
Associated with the Lack of Vendor Management

Honorable Judge Clark:

Pursuant to California Penal Code Section 933 et seq., please find enclosed the response of the Riverside County Auditor-Controller's Office to the above entitled Grand Jury Report.

The Riverside County Auditor-Controller's Office is only responding to finding F7 and respective recommendations R6 and R7. Request for responses on all other findings and recommendations have been addressed with respective department managing the Department of Purchasing and Fleet Management. As it relates to finding F7 and related recommendations R6 and R7 of the above reference Grand Jury report, the Auditor-Controller's Office does not agree with Grand Jury's finding but will consider its recommendations to further enhance the internal audit approach to vendor management.

Signed: Ben J. Benoit

Name: Ben J. Benoit

Title: County Auditor-Controller

**Grand Jury Finding #7:**

The Grand Jury finds in the review of Internal Audit reports issued from 2017 through 2023, it was determined Internal Audits performed only one audit (issued in 2023) which focused on Purchasing policies and procedures. The audit highlighted several significant findings relating to "Purchasing Processes," "Purchase Orders" and "Contract Monitoring."

**Response to Grand Jury Finding #7**

Respondent does not agree with the finding.

The Auditor-Controller's Internal Audit Division routinely performs evaluations on county departments, commencing with an evaluation of whether purchasing policies and procedures should be part of the audit scope within and respective audit project. If, during the initial assessment of the audit, it is ascertained that there are no noteworthy issues related to purchasing, they are excluded from further evaluation of respective processes. However, if the preliminary evaluation of internal controls suggests the presence of concerns or potential findings, the audit's scope is broadened to include an assessment of whether the subject department has adhered to purchasing policies and procedures.

Also, the audit reports issued by Internal Audit Division of the Auditor-Controller's Office in Fiscal Years 2020-21 and 2021-22 included purchasing policies and procedures within the audit scope. See the list of audits below for reference:

- Internal Audit Report 2022-013 - Behavioral Health Department Audit
- Internal Audit Report 2022-016 - Transportation (TLMA) Department Audit
- Internal Audit Report 2022-018 - Sheriff/Coroner Department Audit
- Internal Audit Report 2022-019 - Economic Development - County Service Area Audit
- Internal Audit Report 2022-021 - Riverside University Health System - Medical Center
- Internal Audit Report 2021-011 - Fire Department Audit
- Internal Audit Report 2021-018 - Registrar of Voters Audit
- Internal Audit Report 2021-020 - Emergency Management Department Audit

**Grand Jury Recommendation #6:**

The Grand Jury recommends the Purchasing Division and Internal Audits, incorporate vendor management audits to review processes and ensure contracts contain adequate provisions for oversight; that vendors are held accountable for compliance with requirements; that the County's contract administrators are fulfilling their required roles. Performing a vendor management audit can help highlight potential risks, inefficiencies, and compliance issues, before they become a problem.

**Response to Grand Jury Recommendation #6:**

Vendor management audits are already being performed by the Internal Audit Division.

The Internal Audit Division will continue to include aspects of vendor management in the audit scope of most audit projects. A risk assessment of department operations will be the primary guide as to whether we do a full audit on this topic. The risk assessment will be further enhanced in collaboration with the Purchasing and Fleet Management Department (Purchasing). We currently hold routine meetings with Purchasing to deliberate on strategies for enhancing internal controls related to vendor management. Through this established procedure, we intend to enhance the implementation of this recommendation by instituting a structured approach for conducting vendor management audits. This approach will involve specifying the particular tasks to be carried out by each entity involved.

**Grand Jury Recommendation #7:**

The Grand Jury recommends Internal Audits adopt the Institute of Internal Auditors six primary elements of vendor management and expand the annual audit plan to include these for all County departments.

**Response to Grand Jury Recommendation #7:**

The Auditor-Controller's Internal Audit follows the International Professional Practices Framework published by the Institute of Internal Auditors.

The six primary elements of vendor management recommended by the Grand Jury already represents best practices which the Internal Audit Division currently follows and will continue to be used to assess if there is potential risk with each department at the beginning of each audit. This approach will be further enhanced in collaboration with Purchasing through the periodic meetings we will continue to have.