FROM: AUDITOR CONTROLLER:

SUBJECT: AUDITOR-CONTROLLER: Internal Audit Report 2019-308: Riverside County Agricultural Commissioner’s Office, Control Environment, Follow-up Audit, District: All. [$0]

RECOMMENDED MOTION: That the Board of Supervisors:
1. Receive and file Internal Audit Report 2019-308: Riverside County Agricultural Commissioner's Office, Control Environment, Follow-up Audit

ACTION: Consent

[Signature]
Paul A. Angulo, County Auditor-Controller 5/5/2019

MINUTES OF THE BOARD OF SUPERVISORS
BACKGROUND:

Summary
We have completed a follow-up audit of the Riverside County Agricultural Commissioner's Office. Our audit was limited to reviewing actions taken as of January 29, 2019 to correct findings noted in our original audit report 2017-003 dated June 2, 2017. The original audit report contained three recommendations, all of which required implementation to help correct the reported findings.

Based upon the results of our audit, we found that of the three recommendations:

- One of the recommendations was implemented
- One of the recommendations was partially implemented
- One of the recommendations was not implemented

For an in-depth understanding of the original audit, please refer to Internal Audit Report 2017-003 at www.auditorcontroller.org/Divisions/AuditsandSpecializedAccounting/InternalAuditReports.

Impact on Residents and Businesses
Provide an assessment of internal controls over the audited areas.

SUPPLEMENTAL:

Additional Fiscal Information
Not applicable

ATTACHMENT A.  Riverside County Auditor-Controller – Internal Audit Report 2019-308: Riverside County Agricultural Commissioner's Office, Control Environment, Follow-up Audit
Internal Audit Report 2019-308

Riverside County
Agricultural Commissioner’s Office,
Control Environment,
Follow-up Audit

Report Date: April 23, 2019

Office of Paul Angulo, CPA, MA
Riverside County Auditor-Controller
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April 23, 2019

Ruben Arroyo
Agricultural Commissioner / Sealer of Weights and Measures
Riverside County Agricultural Commissioner’s Office
3403 10th Street, Suite 701
P. O. Box 1089
Riverside, CA 92502

Subject: Internal Audit Report 2019-308: Riverside County Agricultural Commissioner's Office, Control Environment, Follow-Up Audit

Dear Mr. Arroyo:

We have completed the follow-up audit of the Agricultural Commissioner’s Office. Our audit was limited to reviewing actions taken as of January 29, 2019, to help correct the findings noted in our original audit report 2017-003 dated June 2, 2017.

We conducted our audit in accordance with the International Standards for the Professional Practice of Internal Auditing. These standards require that we plan and perform the audit to obtain reasonable assurance that our objective, as described in the preceding paragraph, is achieved. Additionally, the standards require that we conduct the audit to provide sufficient, reliable, and relevant evidence to achieve the audit objectives. We believe the audit provides a reasonable basis for our conclusion.

The original audit report contained three recommendations, all of which required implementation to help correct the reported findings. Based on the results of our audit, we found that of the three recommendations:

- One of the recommendations was implemented
- One of the recommendations was partially implemented
- One of the recommendations was not implemented
Internal Audit Report 2019-308: Riverside County Agricultural Commissioner's Office, Control Environment, Follow-up Audit

Details of the findings from the original audit and the status of the implementation of the recommendations are provided in this report. For an in-depth understanding of the original audit, please refer to Internal Audit Report 2017-003 at www.auditorcontroller.org/Divisions/Audits-andSpecializedAccounting/InternalAuditReports.

Paul Angulo, CPA, MA
Riverside County Auditor-Controller

By: René Casillas, CPA, CRMA
Chief Internal Auditor

cc: Board of Supervisors
    George Johnson, County Executive Officer
    Grand Jury
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Performance Evaluations

Finding 1: Performance Evaluations

"Our review of performance evaluations for 13 of 44 employees for the period of July 1, 2014 through December 6, 2016, disclosed the following:

- Six employees' probationary performances were not completed. According to the department, the department never performed evaluations for employees during their probationary period.
- One employee's annual performance was not completed. According to the department, the employee had two promotions and her annual performance due date continued to get pushed back, so the supervisor was never flagged by the system to complete an evaluation for her. Subsequent to the completion of fieldwork, the department completed the annual performance of the subject employee.
- One employee's annual performance did not have the "Evaluation Signature" form indicating the employee's, the supervisor's, and the department head's signatures, evidencing review discussion of employee's performance evaluation. According to the department, the employee's supervisor forwarded the form to the then Assistant Agricultural Commissioner.

Monitoring controls to ensure performance evaluations are completed for all employees are not in place for some of the functional areas within Agricultural Commissioner's Office. Delayed performance evaluations may delay achievement of the department's overall missions since employees play a key role in the achievement of the mission. Furthermore, the strengths and areas of improvement for employees to align themselves with the overall missions and goals of Agricultural Commissioner's Office are not formally conveyed."

Recommendation 1

"Complete all performance evaluations when required."

Current Status 1: Not Implemented

We selected a sample of active employees and reviewed their most current performance evaluations. Based on our review, it was noted that the Agricultural Commissioner's Office completed evaluations for only two of the five employees that we chose for our testing. Due to the lack of consistency with completing annual employee evaluations, this recommendation was not implemented.
Exit Interviews

Finding 2: Exit Interviews

"Agricultural Commissioner’s Office did not conduct exit interviews for three out of five when employees concluded employment with the department. County of Riverside Policy C-22, Exit Interview, states, "...upon separation, prior to leaving the county, the department will offer the employee an exit interview with the department head or designee." The purpose of the policy is to "determine and document the reasons employees leave the county, to provide an opportunity for the airing of unresolved issues and to solicit constructive feedback to improve the county." Without receiving feedback from employees, Agricultural Commissioner’s Office does not obtain information that could potentially help improve overall culture of the department."

Recommendation 2

"Ensure all separated employees complete an exit interview or document why an exit interview form was not completed."

Current Status 2: Partially Implemented

We selected a sample of inactive employees and tested whether an exit interview was conducted at their time of departure from the County. We noted that the Agricultural Commissioner’s Office only conducted exit interviews for two of the five employees we chose for our testing. Of the three employees who did not participate in an exit interview, two were terminated without notice and one retired. The department did not document why retired employee did not complete the exit interview form. This recommendation was partially implemented.
Formal Succession Planning

Finding 3: Formal Succession Planning

"Agricultural Commissioner's Office does not have a written succession plan. Formal plans would identify risks and strategies providing a basis for specific succession initiatives, including how employees are eligible to participate. In addition, transfer of knowledge is a critical component of succession management. Written procedures should be in place to formalize the transfer of knowledge from management and key personnel to successors. Without a succession plan, an organization may not have a means of ensuring that services important to its operations are maintained when management or key personnel changes occur."

Recommendation 3

"The Agricultural Commissioner's Office should implement a formal written succession plan for management and key personnel."

Full Disclosure:

*While the County does not have a formal policy, it is a leading business practice to develop a formal succession plan.*

Current Status 3: Implemented

Riverside County Agricultural Commissioner's Office implemented corrective action by producing a formal, written succession plan. The plan lists several position titles and corresponding employees, along with the retirement status of those employees. There are details that explain how many employees are currently available to fill a specific position vacancy should another employee retire or leave the department. In addition, the plan lists several employee programs that aid in professional development such as reimbursements for passing licensing exams and multiple trainings that are provided to help pass the Commissioner/Deputy written and oral exam.