

OFFICE OF AUDITS & ADVISORY SERVICES



GRANT AND CONTRACT MANAGEMENT AUDIT

FINAL REPORT

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County of San Diego

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JUAN R. PEREZ
CHIEF OF AUDITS

May 31, 2022

TO: Ernest J. Dronenburg, Jr.
Assessor/Recorder/County Clerk

FROM: Juan R. Perez
Chief of Audits

FINAL REPORT: GRANTS AND CONTRACT MANAGEMENT AUDIT

Enclosed is our report on the Grants and Contract Management Audit. As there are no findings and recommendations in the report, no audit response is required.

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:RC:nb

Enclosure

c: Ebony N. Shelton, Deputy Chief Administrative Officer/Chief Financial Officer
Tracy Drager, Auditor and Controller
Judy Ying, Group Finance Director, Finance and General Government Group

INTRODUCTION

Audit Objective The Office of Audits & Advisory Services (OAAS) completed an audit of Grants and Contract Management. The objective of the audit was to assess whether the internal controls over the Assessor/Recorder/County Clerk’s (ARCC) grants/contract management and monitoring practices are adequately designed and operating effectively to mitigate risks and ensure compliance with applicable laws and regulations.

Background Contract Administration involves all activities performed by County employees after the contract has been awarded to determine how well the contractor met the requirements of the contract. It assures the County gets what it paid for. The specific nature and extent of contract administration varies from contract to contract. Factors influencing the degree of contract administration include the nature of the work and the experience of the staff involved. Contract administration starts with developing clear, concise performance-based statements of work (SOW) to the extent possible and preparing a contract administration plan that cost effectively measures the contractors’ performance and provides documentation to pay accordingly and accurately.

Some employees have contract administration responsibilities for their departments. Department heads designate these staff members as Contract Officer Representatives (CORs) for one or more contracts. Employees designated as CORs must obtain a COR Certification via training through the Department of Purchasing and Contracting. The purpose of COR certification is to ensure that all CORs acquire competencies that are essential to performing the functions of a COR. Additionally, Active CORs must complete continuing education requirements and refresh their training on a periodic basis. It is the responsibility of each COR to know their training requirements and monitor the progress of their COR certification.

ARCC had 18 contracts, which included seven service contracts, one supply contract, eight software contracts and licenses, and two equipment and maintenance agreements for a total contract value of \$17,662,301.

Audit Scope & Limitations The scope of the audit included a review of ARCC’s contract monitoring, contract invoice approval and payment process, and COR designation, certification, and training requirements for FY 2019-20 to current. ARCC had no active grants to review during the scope period.

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.

Methodology

OAAS performed the audit using the following methods:

- Compared ARCC Contract Officer Representative's (COR) Monitoring Tools against vendor contracts to verify adequate monitoring by the COR.
- Verified that staff that managed ARCC contracts were designated contract representatives and had taken the required contract trainings hours.
- Inspected vendor payment documentation and contract pricing schedules to validate the accuracy of vendor payments.
- Analyzed vendor payment data for duplicate contract payments.

AUDIT RESULTS

Summary

Within the scope of the audit, the internal controls over ARCC's grant/contract management and monitoring practices appear to be adequately designed and operating as intended.

Office of Audits & Advisory Services

C Compliance R Reliability E Effectiveness A Accountability T Transparency E Efficiency

VALUE