



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 9/17/2019

Agenda Placement: 6E

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: Tracy Schulze - Auditor-Controller
Auditor - Controller

REPORT BY: Himmat Bains, Accountant-Auditor II - 707-253-4589

SUBJECT: Internal Audit Report of County-Wide Computer Purchases under \$1,000 for the period of July 1, 2018 to September 30, 2018

RECOMMENDATION

Auditor-Controller requests the Board accept, and instruct the Clerk of the Board to file, the Internal Audit Report for County of Napa's County-Wide Audit of Computer Purchases under \$1,000 for the period of July 1, 2018 to September 30, 2018.

EXECUTIVE SUMMARY

The Internal Audit Section of the Napa County Auditor-Controller's Office has conducted a county-wide audit of computer purchases under \$1,000 from July 1, 2018 to September 30, 2018. Our engagement was to determine if the purchases by departments were approved by Information Technology Services (ITS) and if internal controls were adequately addressed within the purchasing policy and adhered to by all County departments. The engagement was performed in accordance with *International Standards for the Professional Practice of Internal Auditing*. Acceptance of said report is requested.

FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact? No

County Strategic Plan pillar addressed:

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

The Internal Audit Section of the Napa County Auditor-Controller's Office has conducted a county-wide audit of computer purchases under \$1,000 from July 1, 2018 to September 30, 2018. The audit was undertaken upon the request of the ITS department. It was brought to the Auditor-Controller's attention that computer related items below \$1,000, which departments can purchase on their own without going through the purchasing agent, can bypass ITS department's approval. This could lead to inherent IT security risks, since the ITS department might not be aware of devices or software installed within various departments which interact with the county's intranet; therefore, exposing the entire system to higher risk. Our engagement was to determine if the purchases by departments were approved by Information Technology Services (ITS) and if internal controls were adequately addressed within the purchasing policy and adhered to by all County departments. The engagement was performed in accordance with *International Standards for the Professional Practice of Internal Auditing*

Results

It was noted that no policy currently exists that provides directive for departments to obtain ITS approval when purchasing computer related equipment below \$1,000. We recommend the purchasing policy should be updated requiring departments to get approval from the ITS department for all appropriate computer related purchases.

SUPPORTING DOCUMENTS

A . County-Wide Audit Computer Purchases under \$1,000

CEO Recommendation: Approve

Reviewed By: Helene Franchi