



**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

OFFICE OF COUNTY INVESTIGATIONS
KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 514
LOS ANGELES, CALIFORNIA 90012-3557

ARLENE BARRERA
AUDITOR-CONTROLLER

OSCAR VALDEZ
CHIEF DEPUTY AUDITOR-CONTROLLER

ASSISTANT AUDITOR-CONTROLLERS:

KAREN LOQUET
CONNIE YEE

March 1, 2022

TO: Christina R. Ghaly, M.D., Director
Department of Health Services

FROM: Robert G. Campbell, Chief
Office of County Investigations

SUBJECT: **DEPARTMENT OF HEALTH SERVICES – IMPROVEMENT OPPORTUNITIES NOTED DURING LIMITED REVIEW (REPORT #IOR-2018-14061) – FIRST AND FINAL FOLLOW-UP REVIEW**

We completed a follow-up review of the Department of Health Services (DHS or Department) Improvement Opportunities Report dated June 4, 2019 (Report #IOR-2018-14061). As summarized in Table 1, DHS fully implemented the recommendation to improve internal controls over toner cartridges and printer supplies at their High Desert Regional Health Center.

Table 1 - Results of First Follow-up Review

PRIORITY RANKINGS	TOTAL RECOS	RECOMMENDATION IMPLEMENTATION STATUS		
		FULLY IMPLEMENTED	PARTIALLY IMPLEMENTED	NOT IMPLEMENTED
PRIORITY 1	0	0	0	0
PRIORITY 2	1	1	0	0
PRIORITY 3	0	0	0	0
TOTAL	1	1	0	0
				0

For details of our review and the Department’s corrective actions see Attachment. Since DHS implemented the one and only recommendation, this is our first and final follow-up.

We thank DHS management and staff for their cooperation and assistance during our review. If you have any questions please contact me at (213) 893-0058 or via e-mail at rcampbell@auditor.lacounty.gov, or your staff may contact Supervising Investigator Tim Takara at (213) 893-0918 or via e-mail at ttakara@auditor.lacounty.gov.

RGC:GH:TT:jlc
Attachment

c: Arlene Barrera, Auditor-Controller
Audit Committee
Audit Division

REPORT #F1-2018-14061

LOS ANGELES COUNTY AUDITOR-CONTROLLER

Oscar Valdez
CHIEF DEPUTY AUDITOR-CONTROLLER

Robert Campbell
DIVISION CHIEF

Office of County Investigations

Report #F1-2018-14061

**DEPARTMENT OF HEALTH SERVICES
IMPROVEMENT OPPORTUNITIES NOTED DURING LIMITED REVIEW (#IOR-2018-14061)
FIRST AND FINAL FOLLOW-UP REVIEW**

	RECOMMENDATION	A-C COMMENTS
1	<p>Priority 2 – Department of Health Services (DHS) management implement procedures and controls, such as incorporating copier and printer supplies into their warehouse inventory tracking system, to ensure that copier and printer supply inventories are safeguarded from theft or loss.</p> <p>Original Issue/Impact: DHS High Desert Regional Health Center (HDRHC) does not have an adequate inventory control system for copier and printer supplies as required by County Fiscal Manual Section 5.2.2. Specifically, DHS does not track receipt and usage of copier and printer supplies inventory received from the Managed Print Services contract vendor.</p>	<p>Recommendation Status: Implemented</p> <p>DHS management provided documentation indicating that they implemented procedures with the Print Services contract vendor at HDRHC, which creates a just-in-time inventory system at each facility within their regional network and eliminates the need to maintain inventory to track. Specifically, when a requestor orders toner or other supplies, the Print Services contract vendor ships the item to the location and their own associate retrieves and installs each item in the necessary machine upon notification of tracked delivery. Any supplies that are not ready for immediate installation are stored in a designated locked cabinet at the facility that only the Print Services contract vendor can access.</p>

We conducted our review in conformance with the International Standards for the Professional Practice of Internal Auditing. For more information on our auditing process, including recommendation priority rankings, the follow-up process, and management’s responsibility for internal controls, visit auditor.lacounty.gov/audit-process-information.

Priority Ranking: Recommendations are ranked from Priority 1 to 3 based on the potential seriousness and likelihood of negative impact on the Agency’s operations if corrective action is not taken.