

**SAN BERNARDINO COUNTY
AUDITOR-CONTROLLER/TREASURER/TAX COLLECTOR
INTERNAL AUDITS DIVISION**



**ARROWHEAD REGIONAL MEDICAL CENTER:
REVIEW OF CERTIFIED STATEMENT OF ASSETS TRANSFERRED
DATE OF TRANSFER— JUNE 1, 2024**

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This office is committed to serving our customers by processing, safeguarding, and providing information regarding the finances and public records of the County. We perform these functions with integrity, independent judgment, and outstanding service. We are accurate, timely, courteous, innovative, and efficient because of our well-trained and accountable staff.

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**Arrowhead Regional Medical Center:
Review of Certified Statement of Assets Transferred**

Review Report Letter	1
Purpose, Scope, Objectives, and Methodology	3
Summary and Conclusion	5



San Bernardino County

Auditor–Controller/Treasurer/Tax Collector

September 27, 2024

Andrew Goldfrach, Chief Executive Officer
Arrowhead Regional Medical Center
400 North Pepper Avenue
Colton, CA 92324

RE: Review of Certified Statement of Assets Transferred
Date of Transfer June 1, 2024

We have completed a review of the Arrowhead Regional Medical Center’s (Department) Certified Statement of Assets Transferred (CSAT) form for the incoming official Andrew Goldfrach, Chief Executive Officer, as of the date of transfer of June 1, 2024. The primary objectives of the review were to determine if the CSAT form was accurate, complete, and filed timely with the Auditor-Controller/Treasurer/Tax Collector (ATC).

Our review determined that the form was not filed in a timely manner. Also, the form was not complete, and there were amounts that could not be verified as accurate.

The Department is responsible for correcting the amounts on the CSAT form within 30 days of receipt of this report. The updated CSAT form should be maintained at the department level and available upon request.

We would like to express our appreciation to the personnel at the Department who assisted and cooperated with us during this engagement.

Respectfully submitted,

Ensen Mason CPA, CFA
Auditor-Controller/Treasurer/Tax Collector
San Bernardino County

By: 

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Purpose

Each County officer or employee in charge of any office, department, service, or institution of the County, and the executive head of each special district whose affairs and funds are under the supervision and control of the Board of Supervisors or for which the Board is ex-officio, is required to make and file with ATC a complete detailed inventory of all property belonging or pertaining to his/her office after assuming the duties of the office.

Departments are responsible for completing their own CSAT form when there is a change in Department Head. The 2018 Internal Controls and Cash Manual (ICCM) Chapter 17-Transfer of Assets and Other Property states that incoming officials must complete and submit the CSAT form and worksheet to the ATC's Internal Audits Division (IAD).

Scope and Objectives

Our review examined the CSAT form completed by the Department for the incoming official Andrew Goldfrach, Chief Executive Officer, as of the date of transfer of June 1, 2024.

The objectives of our review were to determine whether the form was accurate, complete, and filed timely.

Methodology

The CSAT form and supporting documentation provided by the Department were reviewed to verify that the amounts entered on the CSAT form were correctly stated in accordance with the ICCM Chapter 17-Transfer of Assets and Other Property.

Purpose, Scope, Objectives, and Methodology



The following procedures were performed in accordance with the related ICCM requirements:

ICCM Requirement	Procedure Performed
ICCM Chapter 17-2 states that incoming officials must total all money not held in the County Treasury that the department is responsible for.	Department-provided cash amounts were compared to the cash fund control records.
ICCM Chapter 17-2 states that amounts of all fiduciary funds must be reconciled to the amount as of the transfer date.	Auditor obtained fiduciary fund amounts in SAP (Enterprise Financial Management System) and compared to the amounts provided by the Department, if any.
ICCM Chapter 17-3 states that fixed asset amounts from the quarterly equipment, vehicle, and software reports from General Accounting should be reconciled as of the transfer date.	The Department does not utilize SAP asset management for their fixed assets and did not provide other supporting documentation. Therefore, the amount reported for fixed assets could not be verified as accurate.
ICCM Chapter 17-3 states that the department must provide the dollar value and supporting documentation of all other assets.	The Department did not provide supporting documentation for other assets. Therefore, the amount reported for other assets could not be verified as accurate.

Additionally, we determined whether the annual reporting of sensitive equipment was filed with ATC-IAD, a Signature/Fund Custodian Authorization form was submitted to the ATC Accounts Payable Section, and whether the assigned County credit cards and/or Cal-Cards were canceled with the Purchasing Department.

Summary

The Department reported:

Asset	Amount
Cash	\$ 20,400
Fiduciary Funds	-
Fixed Assets	806,198,349
Other Assets	169,167,843

Assigned County credit cards and/or Cal-Cards for the outgoing official were not required to be canceled with the Purchasing Department, as the outgoing official was not assigned any County credit cards and/or Cal-Cards. A sensitive equipment listing has been filed with IAD within the last year.

The following conditions were noted:

- The Department was required to submit the CSAT form no later than July 1, 2024, and the CSAT form was submitted on July 17, 2024, therefore it was 16 days late.
- A Signature/Fund Custodian Authorization form was not submitted to the ATC Accounts Payable Section canceling the outgoing officer's signature authority. The form was submitted to the ATC Accounts Payable Section on July 31, 2024, after IAD followed up with the Department.
- Fiduciary funds were not reported on the CSAT form; however, SAP fiduciary funds as of the date of transfer of June 1, 2024, totaled \$342,428. Therefore, the amount reported on the CSAT form was \$342,428 lower than official County records.
- Fixed assets of \$806,198,349 were reported on the CSAT form; however, the Department did not submit supporting documentation for the amount reported. Additionally, we were unable to verify amounts in SAP as the department does not utilize SAP asset management for their fixed assets. Therefore, the amount reported could not be verified as accurate.
- Other assets of \$169,167,843 were reported on the CSAT form; however, the Department did not submit supporting documentation for the amount reported. Therefore, the amount reported could not be verified as accurate.

Conclusion

The Department's CSAT form for the incoming official Andrew Goldfrach, Chief Executive Officer, with the transfer date of June 1, 2024, was not filed in a timely manner. Also, the form was not complete, and there were amounts that could not be verified as accurate. Additionally, a Signature/Fund Custodian Authorization form was not submitted to the ATC Accounts Payable Section canceling the outgoing officer's signature authority as of the date of transfer, but was submitted on July 31, 2024.

We recommend that the Department investigate the differences and ensure that department records can be reconciled to official County records for all asset categories.