

# County of San Bernardino

Auditor-Controller/Treasurer/Tax Collector  
Internal Audits Section

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## Preschool Services Department: Competitive Contract Bidding Audit



**Oscar Valdez**  
**Auditor-Controller/Treasurer/Tax Collector**  
268 West Hospitality Lane  
San Bernardino, CA 92415-0018  
(909) 382-3183  
Website: [www.sbcounty.gov/atc](http://www.sbcounty.gov/atc)  
Fraud, Waste & Abuse Hotline: (800) 547-9540

# Auditor-Controller/Treasurer/Tax Collector

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*The San Bernardino County Auditor-Controller's 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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## Audit Team

**Denise Mejico**

Chief Deputy Auditor

**Mary Barber, CPA**

Internal Audits Manager

**Rachel Ayala**

Supervising Internal Auditor III

**Darren Scott**

Internal Auditor II

**Sakura Younger**

Accountant III



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# AUDITOR-CONTROLLER/ TREASURER/TAX COLLECTOR



268 West Hospitality Lane, Fourth Floor  
San Bernardino, CA 92415-0018 • (909) 387-8322 • Fax (909) 890-4045

268 West Hospitality Lane, First Floor  
San Bernardino, CA 92415-0360 • (909) 387-8308 • Fax (909) 890-5797

**Matt Brown**  
Assistant Auditor-Controller/Treasurer/Tax Collector

**John Johnson**  
Assistant Auditor-Controller/Treasurer/Tax Collector

**April 5, 2016**

**Diana Alexander, Director**

Preschool Services Department  
662 S. Tippecanoe Avenue  
San Bernardino, CA 92415-0630

## **SUBJECT: COMPETITIVE CONTRACT BIDDING AUDIT**

In compliance with Article V, Section 6, of the San Bernardino County Charter and County Policy 05-20 entitled Internal Operational Auditing, we have completed an audit of the Preschool Services Department for the period of July 1, 2012 through June 30, 2013. The objective of the audit was to determine whether the Preschool Services Department was following County procedures for competitive bidding as outlined in the Procurement Manual and County Policy. We conducted our audit in accordance with the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors.

Our audit determined that overall the policies and procedures in place are generally effective to maintain adequate internal controls over the competitive contract bidding process.

We sent a draft report to the Department on March 10, 2016 and discussed the results of the audit with management on March 18, 2016.

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

Respectfully submitted,

**Oscar Valdez**

Auditor-Controller/Treasurer/Tax Collector  
San Bernardino County

By:



**Denise Mejico**  
Chief Deputy Auditor

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### Background

The Preschool Services Department (PSD) operates the County's preschool programs which improve the well-being of children, empower families and strengthen communities. PSD offers a full array of child development and family support services which include: Health (medical and dental screenings and follow-up), access to prenatal and postpartum care, nutrition education, mental health/behavioral services and support groups and food and nutrition services.

PSD administers the federal Head Start and Early Head Start programs, California Department of Education State Preschool program, and the Child and Adult Care Food Program in 43 locations throughout the County of San Bernardino. All programs are fully funded from Federal and State sources with no local cost.

#### Preschool Services Real Estate Leases

County Policy 12-02 states, "*The County's Real Estate Services Division ("RESD") has the authority and responsibility to negotiate all leases of privately owned real property for County or District use.*" PSD uses RESD to assist in locating, procuring and negotiating leases used for all the location needs for the Department.

PSD relies on RESD to keep the necessary procurement documentation including the competitive analysis conducted at lease inception and renewal, copies of the lease contract, and any background documentation regarding the acquisition of the lease.

#### Family Services Contracts

PSD utilizes the Human Services Administrative Support Division (Human Services) to contract with various vendors to provide these family support services.

PSD relies on Human Services to keep the necessary procurement documentation including the competitive analysis of proposals, copies of the service contract, and any background documentation related to the contract.



### **Scope and Objective**

Our audit examined the contracts for services and site leases of the Preschool Services Department during the period of July 1, 2012 through June 30, 2013.

The objective of our audit was to determine whether the department was following County procedures for competitive bidding as outlined in the Procurement Manual and County Policy.

### **Methodology**

To achieve the audit objectives, we performed procedures including but not limited to:

- Reviewing policies and procedures.
- Interviewing County employees that were directly involved in the acquisition of contracts and leases for the Preschool Services Department.
- Examining supporting documentation.