

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



FROM: Supervisors Ashley and Tavaglione

SUBMITTAL DATE: July 26, 2005

SUBJECT: INDEPENDENT ANNUAL AUDIT AND OVERSIGHT OF TAX APPORTIONMENTS

RECOMMENDED MOTION:

That the Board of Supervisors direct the Executive Office to write a Response for Proposals (RFP) that would seek the services of an independent accounting firm to conduct an annual audit of the county tax apportionments. That the Board also create a five-member committee composed of representatives of the taxing agencies and appointed by the Board of Supervisors to review this audit and report to the Board for approval of the audit.

BACKGROUND:

That Board has a responsibility to the citizens and the taxing agencies of the county to provide a transparent procedure for verifying the Teeter Fund tax apportionments.

In order to accomplish this the county should hire an independent, certified public accounting firm to provide an annual audit of the tax apportionments. This audit would validate the status of the fund and its apportionment formula and make certain it is accurate and in compliance with all current laws.

This audit would then be reviewed by a five-member committee. Each supervisor would appoint one committee member who would represent a taxing agency in the supervisor's district. The committee would report to the Board after reviewing the audit and the Board would act on the committee's recommendations.

The selection of the independent accounting firm and the appointment of the committee members should be reviewed every three years by the Board to ensure that the standards and transparency for this process is still being met .

Legally, the funding for the audit can be taken out of the apportionment of taxes proceeds. Therefore, the funding for this annual audit should come out of the Auditor-Controller's budget.

The Executive Office should report back to the Board within two months with an RFP for review and approval.

MARION ASHLEY
Supervisor, 5th District

JOHN TAVAGLIONE
Supervisor, 2nd District