

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

704



**FROM:** Auditor-Controller

**SUBMITTAL DATE:**  
June 29, 2015

**SUBJECT:** Internal Audit Report 2015-027: Riverside County Assessor-County Clerk-Recorder, Change of Department Head [District: All]; [\$0]

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Receive and file Internal Audit Report 2015-027: Riverside County Assessor-County Clerk-Recorder, Change of Department Head

**BACKGROUND:**

**Summary**

We have completed an audit of Riverside County Assessor-County Clerk-Recorder, Change of Department Head, to provide management and the Board of Supervisors with an independent assessment of internal controls over the transfer of capital assets and revolving funds when there is a change of department head. The audit covered the period December 31, 2014 through May 21, 2015.

(Continued on page 2)

*Paul Angulo*  
Paul Angulo, CPA, CGMA, MA  
County Auditor-Controller

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	Consent <input checked="" type="checkbox"/> Policy <input type="checkbox"/>
NET COUNTY COST	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	

**SOURCE OF FUNDS:** N/A

**Budget Adjustment:** No  
**For Fiscal Year:** n/a

**C.E.O. RECOMMENDATION:**

APPROVE

BY: *Samuel Wong 7/23/15*  
Samuel Wong

County Executive Office Signature

**MINUTES OF THE BOARD OF SUPERVISORS**

Departmental Concurrence

- A-30
- Positions Added
- 4/5 Vote
- Change Order

Prev. Agn. Ref.:

District: ALL

Agenda Number:

**2-29**

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**  
**FORM 11:** Internal Audit Report 2015-027: Riverside County Riverside County Assessor-County Clerk-Recorder, Change of Department Head [District: All]; [\$0]

**DATE:** June 29, 2015

**PAGE:** Page 2 of 2

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**BACKGROUND:**

**Summary (continued)**

Based upon the results of our audit, we determined the revolving funds and capital assets were transferred to the new Riverside County Assessor-County Clerk-Recorder and the appropriate paper work filed with the Riverside County Auditor-Controller.

**Impact on Citizens and Businesses**

Provide an assessment of internal controls over the audited areas.

**SUPPLEMENTAL:**

**Additional Fiscal Information**

Not applicable

**ATTACHMENTS:**

A: County of Riverside Auditor-Controller's Office - Internal Audit Report 2015-027: Riverside County Assessor-County Clerk-Recorder, Change of Department Head

**Internal Audit Report 2015-027**

**Riverside County Assessor-County Clerk-  
Recorder, Change of Department Head**

**Report Date: June 29, 2015**



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**ACO** | **AUDITOR  
CONTROLLER**  
**COUNTY OF RIVERSIDE**

**Paul Angulo, CPA, CGMA, MA  
Auditor-Controller**

**Frankie Ezzat, MPA  
Assistant Auditor-Controller**

June 29, 2015

Peter Aldana, Assessor-County Clerk-Recorder  
2724 Gateway Drive  
Riverside, CA 92507

**Subject: Final Internal Audit Report 2015-027: Riverside County Assessor-County Clerk-Recorder, Change of Department Head**

Dear Mr. Aldana:

We have completed an audit of the Riverside County Assessor-County Clerk-Recorder. In an effort to provide independent, objective, and reliable assessments of internal controls to the Board of Supervisors and management in accordance with Board of Supervisors Resolution 83-338, we conducted a Change of Department Head audit. This audit is conducted to ensure accountability over the transfer of revolving funds and capital assets from the predecessor to the new department head. The audit covered the period of December 31, 2014 through May 21, 2015.

We conducted our audit in accordance with the International Standards for the Professional Practice of Internal Auditing. These standards require that we plan and perform the audit to obtain sufficient, reliable, relevant and useful information to provide reasonable assurance that our objective as described above is achieved. An internal audit includes the systematic analysis of information to evaluate and improve the effectiveness of internal controls. We believe this audit provides a reasonable basis for our conclusion.

Internal controls are processes designed to provide management reasonable assurance of achieving efficiency of operations, compliance with laws and regulations, and reliability of financial and non-financial information. Management is responsible for establishing and maintaining adequate internal controls; our responsibility is to evaluate the internal controls.

Based upon the results of our audit, we determined the revolving funds and capital assets were transferred to the new Riverside County Assessor-County Clerk-Recorder and the appropriate paper work filed with the Riverside County Auditor-Controller.

**Draft Internal Audit Report 2015-027: Riverside County Assessor-County Clerk-Recorder, Change of Department Head**

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We thank the Riverside County Assessor-County Clerk-Recorder management and staff for their cooperation; their assistance contributed significantly to the successful completion of this audit.

Paul Angulo, CPA, CGMA, MA  
Riverside County Auditor-Controller



By: René Casillas, CPA, CRMA  
Interim Chief Internal Auditor

cc: Board of Supervisors  
Executive Office  
District Attorney  
Grand Jury

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## Executive Summary

### Overview

The Office of the Assessor-County Clerk-Recorder consists of four divisions, Assessor, County Clerk-Recorder, Records Management and Archives Program (RMAP), and County of Riverside Enterprise Solutions for Property Taxation (CREST).

The primary responsibility of the Assessor division is to value taxable property. This is accomplished by locating all taxable property in Riverside County, identifying owners, and describing the property. The Assessor determines a value for all taxable property and applies applicable legal exemptions and exclusions. The Assessor completes an assessment roll showing details of property assessed values for all property and maintains records and provides access, as granted by law, to the assessment roll.

The County Clerk-Recorder is charged with the responsibility of examining, recording, imaging, indexing, and archiving all official records that are recorded and filed within the County of Riverside. Additionally, they maintain custody of permanent records as well as providing public access to information regarding land and land ownership. The Recorder is also the local registrar of marriages and maintains copies of vital records (certificates) of births, deaths, and marriages occurring in Riverside County.

### Audit Objective

Our audit objective is to provide management and the Board of Supervisors with an independent assessment of internal controls over the transfer of revolving funds and capital assets when there is a change of department head.

### Audit Conclusion

Based upon the results of our audit, we determined the revolving funds and capital assets were transferred to the new Riverside County Assessor-County Clerk-Recorder and the appropriate paper work filed with the Riverside County Auditor-Controller.

## Revolving Funds

### Background

Under the authority of Government Code Section 29320-29334, the Riverside County Board of Supervisor's adopted Board Resolution 74-156 on May 14, 1974, authorizing the establishment of a revolving fund, under the custodianship of a county officer, for use on official county business. The Board of Supervisors adopted Board Resolution 83-338, authorizing the Riverside County Auditor-Controller to audit revolving funds of any officer accountable for such resources upon transfer of such resources to a new officer.

The Riverside County Assessor-County Clerk-Recorder had 3 revolving funds, #10, #53, and #120 each with an authorized balance of \$10,000, \$5,000, and \$200 respectfully. Upon transfer of revolving fund #120, the revolving fund was closed and the \$200 returned to the Treasury.

### Objective

To determine if the required forms for the transfer of accountability of revolving funds from the predecessor to the new appointed department head were completed, and properly filed with the Riverside County Auditor-Controller's Office.

### Audit Methodology

- To accomplish our objectives, we:
- Reviewed Riverside County Auditor-Controller Standard Practice Manual Form AR-1, *Revolving Fund Request Order & Change Form* for the establishment and transfer of the revolving funds.
- Determined the date of the department head change.
- Verified the number of revolving funds authorized for the department.
- Obtained the AR-1, *Revolving Fund Request Order & Change Form* for each authorized revolving fund filed with the Auditor-Controller's Office.

### Results

We reviewed and verified Riverside County Auditor-Controller Standard Practice Manual Form AR-1, *Revolving Fund Request Order & Change Form*, was completed and filed with the Riverside County Auditor-Controller's Office for the transfer of custodianship of the revolving funds to the new department head.



## Capital Assets

### Background

Capital assets are tangible assets of significant value which have a utility that extends beyond the current year, and are broadly classified as land (valued at \$1 or more), buildings and improvements, infrastructure, and equipment (acquisition cost of \$5,000 or greater).

Per the Riverside County Auditor-Controller's Standard Practice Manual, Policy Number 912, upon retirement or termination of a department head, accountability for capital assets must be transferred to the new or acting department head and notification filed with the Riverside County Auditor-Controller's Office.

As of December 27, 2014, the time the new department head acknowledged receipt of capital assets from the outgoing officer, the Riverside County Assessor-County Clerk-Recorder maintained 333 capital assets in the Riverside County financial system asset module, consisting of computer equipment, printers, copiers, scanners, and servers with the combined acquisition cost of \$7,070,522.

### Objective

To determine if the required Standard Practice Manual Form AM-1, *The Inventory of County Property for Capital Assets*, for the transfer of accountability of capital assets from the predecessor to the new appointed department head was completed and properly filed with the Riverside County Auditor-Controller's Office.

### Audit Methodology

To accomplish our objectives, we:

- Obtained an understanding of board policies and applicable standards.
- Determined the date of the department head change.
- Verified proper forms were completed for transfer of accountability of capital assets and submitted to the Riverside County Auditor-Controller's Office.

### Results

Based upon the results of our testing, we verified the appropriate forms were completed and properly filed with the Auditor-Controller's Office for the transfer of capital assets.