

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

756



FROM: Successor Agency to the Redevelopment Agency

SUBMITTAL DATE:
August 16, 2012

SUBJECT: Notification of the Redevelopment Agency Audit

RECOMMENDED MOTION: That the Board of Supervisors receive and file the SAS 114 Planning Letter/Audit Planning Letter from Teaman, Ramirez & Smith, Inc., Certified Public Accountants, to conduct the final audit of the former Redevelopment Agency for the period ending January 31, 2012.

BACKGROUND:

The Successor Agency to the Redevelopment Agency for the County of Riverside has engaged the services of Teaman, Ramirez & Smith, Inc., Certified Public Accountants, to conduct the final seven month audit of the financial statements for the former Redevelopment Agency, according to the U. S. Generally Accepted Auditing Standards and Government Auditing Standards.

(Continued)

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 35,500	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2012/13

COMPANION ITEM ON BOARD AGENDA: No

SOURCE OF FUNDS: Successor Agency Administrative Funds	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

County Executive Office Signature

**MINUTES OF THE BOARD OF SUPERVISORS OF THE SUCCESSOR AGENCY TO
THE REDEVELOPMENT AGENCY**

On motion of Supervisor Tavaglione, seconded by Supervisor Benoit and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Buster, Tavaglione, Benoit and Ashley
Nays: None
Absent: Stone
Date: August 28, 2012
xc: RDA, EDA, Auditor

Kecia Harper-Ihem
Clerk of the Board
By Deputy

Prev. Agn. Ref.: 4.11 of 7/17/12 | District: ALL | Agenda Number **4.7**

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

FISCAL PROCEDURES APPROVED
 PAUL ANGULO, CPA, AUDITOR-CONTROLLER
 BY: Samuel Wong 8/15/12
 DATE: 8-2-12
 ANITA C. WILLIS

Policy Policy
 Consent Consent
 Dept't Recomm.: Per Exec. Ofc.:

BACKGROUND: (Continued)

This audit will include examination of evidence supporting the amounts and disclosures in the financial statements and evaluate the internal controls, assessment of risk of material misstatement, and determine the extent of further audit procedures

This financial audit is an important activity related to the winding down activities for the former redevelopment agency for the period July 1, 2011 to January 31, 2012. The cost of this financial audit of \$35,500 would be an eligible administrative expense. The administrative budget for the Successor Agency was approved by the Oversight Board on April 5, 2012 and has sufficient funds to cover this expense. The auditor will review financial transactions in order to prepare a separate audited financial statement for the final reporting period of the former Redevelopment Agency for the County of Riverside from July 1, 2011 through January 31, 2012 and this report will be included in the County CAFR as a component unit for this period.

June 29, 2012

Board of Supervisors
Successor Agency of the Redevelopment
Agency for the County of Riverside
County of Riverside, CA

We are engaged to audit the financial statements of the governmental activities and each major fund of the Redevelopment Agency for the County of Riverside (the "Agency") for the period ended January 31, 2012. Professional standards require that we provide you with the following information related to our audit. We would also appreciate the opportunity to meet with you to discuss this information further since a two-way dialogue can provide valuable information for the audit process.

Our Responsibility under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

As stated in our engagement letter dated June 29, 2012, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we will consider the internal control of the Agency. Such considerations will be solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of the Agency's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests is not to provide an opinion on compliance with such provisions.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Our responsibility for *management's discussion and analysis* accompanying the financial statements, as described by professional standards, is to apply certain limited procedures, which primarily consist of inquiries of management regarding the methods of measurement and presentation. However, we are not required to audit the information or express an opinion on it.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the Agency and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Agency or to acts by management or employees acting on behalf of the Agency. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will communicate any internal control related matters that are required to be communicated under professional standards.

We expect to begin our final audit fieldwork on approximately July 23, 2012 and issue our report approximately in September 2012.

This information is intended solely for the use of the Board of Supervisors and management of the Successor Agency and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Teaman Ramirez & Smith, Inc.