

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



ITEM  
3.14  
(ID # 3016)

**MEETING DATE:**

Tuesday, December 6, 2016

**FROM :** COUNTY COUNSEL:

**SUBJECT:** COUNTY COUNSEL: Adoption of Resolution No. 2016-235 Approving the Temecula-Elsinore-Anza-Murrieta Resource Conservation District's Request to Replace the Annual Audit Requirement Pursuant to Government Code Section 26909 with an Audit Conducted Every Third Year and Other Special Financial Reporting. Districts 1 and 3 [\$0]

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

1. Adopt Resolution No. 2016-235, Resolution of the Board of Supervisors of the County of Riverside Approving Temecula-Elsinore-Anza-Murrieta Resource Conservation District's ("TEAM RCD") Request to Replace the Annual Audit Requirement Pursuant to Government Code Section 26909 with an Audit Conducted Every Third Year and Other Special Financial Reporting; and
2. Direct the Clerk of the Board to notify TEAM RCD of the action taken.

**ACTION:** Policy

**BACKGROUND:**

**Summary**

TEAM RCD is a resource conservation district. In compliance with Government Code section 26909, TEAM RCD has been having prepared an annual audit of its accounts and records and has been providing such

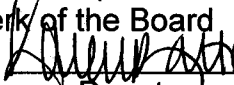
FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ N/A	\$ N/A	\$ N/A	\$ N/A
NET COUNTY COST	\$ N/A	\$ N/A	\$ N/A	\$ N/A
SOURCE OF FUNDS: N/A			Budget Adjustment: No	
			For Fiscal Year: N/A	

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

**MINUTES OF THE BOARD OF SUPERVISORS**

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

Ayes: Jeffries, Tavaglione, Washington and Ashley  
Nays: None  
Absent: Benoit  
Date: December 6, 2016  
xc: Co.Co., TEAM RCD, Auditor

Kecia Harper-Ihem  
Clerk of the Board  
By:   
Deputy

3.14

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

**BACKGROUND:**

**Summary (continued)**

annual audit to the County Auditor-Controller. The cost of annual audit has been increasing, and currently the lowest bid would cost TEAM RCD more than \$6,000 for a single year's audit, which is a significant percentage of TEAM RCD's annual revenues.

Pursuant to Government Code Section 26909(b)(3), a special district such as TEAM RCD may, by unanimous request of its Board of Directors and with the unanimous approval of the County Board of Supervisors, replace the annual audit requirement with an audit conducted at specific intervals, as recommended by the County Auditor, to be completed at least once every five years.

Subject to the County Board of Supervisor's unanimous approval, TEAM RCD Board of Directors approved Resolution No. 2016-03 to replace the annual audit requirement with: (1) an audit to take place every third year, covering that year's accounts and records; (2) a yearly financial compilation and review prepared by a certified public accounting firm; and (3) quarterly management reports.

The President of TEAM RCD has conferred with the Office of County Auditor-Controller regarding this proposal, and the Office of County Auditor-Controller does not object. TEAM RCD requests that the Board of Supervisors approve the replacement of TEAM RCD's annual audit requirement as specified above.

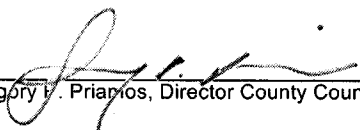
**Impact on Residents and Businesses**


N/A

**ATTACHMENTS:**

1. Board of Supervisors Resolution No. 2016-235
2. Temecula-Elsinore-Anza-Murrieta Resource Conservation District Certificate of Secretary (p. 1); Temecula-Elsinore-Anza-Murrieta Resource Conservation District Resolution No. 2016-03 (pp. 2-4)

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

  
Gregory V. Priamos, Director County Counsel 11/15/2016

  
Tina Grande, Principal Management Analyst 11/29/2016

  
Paul Angulo, Director of Auditor Controller 11/15/2016

2  
3 RESOLUTION NO. 2016-235

4  
5 RESOLUTION OF THE BOARD OF SUPERVISORS OF THE  
6 COUNTY OF RIVERSIDE APPROVING THE TEMECULA-  
7 ELSINORE-ANZA-MURRIETA RESOURCE CONSERVATION  
8 DISTRICT'S REQUEST TO REPLACE THE ANNUAL AUDIT  
9 REQUIREMENT PURSUANT TO GOVERNMENT CODE SECTION  
10 26909 WITH AN AUDIT CONDUCTED EVERY THIRD YEAR AND  
11 OTHER SPECIAL FINANCIAL REPORTING

12  
13 WHEREAS, the Temecula-Elsinore-Anza-Murrieta Resource Conservation District  
14 ("TEAM RCD") is a resource conservation district created and authorized pursuant to California Public  
15 Resources Code section 9001 et seq. and located entirely within the County of Riverside ("County"); and

16 WHEREAS, in compliance with Government Code section 26909, TEAM RCD has been  
17 having prepared an annual audit of its accounts and records and has been providing such annual audit to the  
18 County Auditor-Controller; and

19 WHEREAS, pursuant to Government Code section 26909(b)(3), a special district such as  
20 TEAM RCD may, by unanimous request of the governing board of the special district and with unanimous  
21 approval of the County Board of Supervisors, replace the annual audit required under Government Code  
22 section 26909 with an audit conducted at specific intervals, as recommended by the County auditor, to be  
23 completed at least once every five years; and

24 WHEREAS, per TEAM RCD, the cost for annual audit has been increasing, and currently  
25 the lowest bid would cost TEAM RCD more than \$6,000 for a single year's audit, which is a significant  
26 percentage of TEAM RCD's annual revenues;

27 WHEREAS, the President of TEAM RCD has conferred with the Office of County Auditor-  
28 Controller regarding the proposal to replace TEAM RCD's annual audits with: (1) an audit to take place

FORM APPROVED-COUNTY COUNSEL  
BY: *Tammy V. Lieu* 11/8/2016 DATE  
TAMMY V. LIEU

1 every third year, covering that year's accounts and records; (2) a yearly financial compilation and review  
2 prepared by a certified public accounting firm; and (3) quarterly management reports;

3 WHEREAS, the Office of the County Auditor-Controller does not object to TEAM RCD's  
4 proposal, and in the event the County Auditor-Controller expresses concerns regarding issues within the  
5 compilations or finds anomalies of financial concerns with the submitted records at any time and orders an  
6 audit of any TEAM RCD's financial records, TEAM RCD will have prepared and provide such audit in a  
7 timely manner; and

8 WHEREAS, on October 13, 2016, TEAM RCD Board of Directors approved TEAM RCD  
9 Resolution No. 2016-03, Resolution of the Temecula-Elsinore-Anza-Murrieta Resource Conservation  
10 District Approving the Replacement of the Annual Audit Requirement Pursuant to Government Code  
11 Section 26909 with an Audit Conducted Every Third Year and Other Specified Financial Reporting And  
12 Requesting Riverside County Board of Supervisors' Approval of Same ("Resolution No. 2016-03");

13 WHEREAS, TEAM RCD Resolution No. 2016-03 requests the County Board of  
14 Supervisors to unanimously approve the replacement of TEAM RCD's annual audit requirement under  
15 Government Code section 26909 as specified in such Resolution; now, therefore

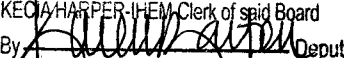
16 BE IT RESOLVED AND ORDERED by the Board of Supervisors of the County of  
17 Riverside, State of California, in regular session assembled on December 6, 2016, that the Board of  
18 Supervisors unanimously approves TEAM RCD's request to replace its annual audit requirement under  
19 Government Code section 26909 with: (1) an audit to take place every third year, covering that year's  
20 accounts and records; (2) a yearly financial compilation and review prepared by a certified public  
21 accounting firm; and (3) quarterly management reports; and

22 BE IT FURTHER RESOLVED AND ORDERED that this Resolution shall take effect  
23 immediately upon its adoption.

24 ROLL CALL:

25 Ayes: Jeffries, Tavaglione, Washington and Ashley  
26 Nays: None  
27 Absent: Benoit

The foregoing is certified to be a true copy of a  
resolution duly adopted by said Board of Super-  
visors on the date therein set forth.

KECIA HARPER-JHEM Clerk of said Board  
By:  Deputy