

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



**ITEM**  
2.19  
(ID # 9745)

**MEETING DATE:**  
Tuesday, May 7, 2019

**FROM :** AUDITOR CONTROLLER:

**SUBJECT:** AUDITOR-CONTROLLER: Internal Audit Report 2019-309: Riverside County  
TLMA, Building and Safety Department, Control Environment, Follow-up Audit,  
District: All. [\$0]

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

1. Receive and file Internal Audit Report 2019-309: Riverside County TLMA, Building and Safety Department, Control Environment, Follow-up Audit

**ACTION:** Consent

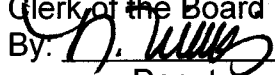
  
Paul A. Angulo, County Auditor-Controller 4/29/2019

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**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Jeffries, seconded by Supervisor Perez and duly carried by unanimous vote, IT WAS ORDERED that the above matter is received and filed as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt  
Nays: None  
Absent: None  
Date: May 7, 2019  
xc: Auditor

Kecia Harper  
Clerk of the Board  
By:   
Deputy

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

<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
<b>NET COUNTY COST</b>	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
<b>SOURCE OF FUNDS: N/A</b>			<b>Budget Adjustment:</b>	<b>No</b>
			<b>For Fiscal Year:</b>	<b>n/a</b>

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

**BACKGROUND:**

**Summary**

We have completed a Follow-up audit of Riverside County TLMA, Building and Safety Department. Our audit was limited to reviewing actions taken as of January 29, 2019, to correct findings noted in our original audit report 2017-015 dated September 28, 2017. The original audit report contained two recommendations, all of which required implementation to help correct the reported findings.

Based on the results of our audit, we found that of the two recommendations:

- Two of the recommendations were implemented

For an in-depth understanding of the original audit, please refer to Internal Audit Report 2017-015 at

[www.auditorcontroller.org/Divisions/AuditsandSpecializedAccounting/InternalAuditReports](http://www.auditorcontroller.org/Divisions/AuditsandSpecializedAccounting/InternalAuditReports).

**Impact on Residents and Businesses**

Provide an assessment of internal controls over the audited areas.

**SUPPLEMENTAL:**

**Additional Fiscal Information**

Not applicable

**ATTACHMENT A.**

Riverside County Auditor-Controller - Internal Audit Report 2019-309: Riverside County TLMA, Building and Safety Department, Control Environment Follow-up Audit.

  
Stephanie P. ..., Principal Management Analyst 4/29/2019

**Internal Audit Report 2019-309**

**Riverside County  
Transportation and Land Management Agency,  
Building and Safety Department,  
Control Environment,  
Follow-up Audit**

**Report Date: April 22, 2019**



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**COUNTY OF RIVERSIDE**  
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**AO** | **AUDITOR**  
**CONTROLLER**  
**COUNTY OF RIVERSIDE**

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

**Oscar Valdez**  
**Assistant Auditor-Controller**

April 22, 2019

Juan Perez  
TLMA Director  
Riverside County TLMA, Building and Safety  
4080 Lemon Street, 9<sup>th</sup> Floor  
Riverside, CA 92502

**Subject: Internal Audit Report 2019-309: Riverside County TLMA, Building and Safety Department, Control Environment, Follow-up Audit**

Dear Mr. Perez:

We have completed the follow-up audit of Riverside County TLMA, Building and Safety Department. Our audit was limited to reviewing actions taken as of January 29, 2019, to help correct the findings noted in our original audit report 2017-015 dated September 28, 2017.

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 reasonable assurance that our objective, as described in the preceding paragraph, is achieved. Additionally, the standards require that we conduct the audit to provide sufficient, reliable, and relevant evidence to achieve the audit objectives. We believe the audit provides a reasonable basis for our conclusion.

The original audit report contained two recommendations, all of which required implementation to help correct the reported findings. Based on the results of our audit, we found that of the two recommendations:

- Two of the recommendations were implemented

Internal Audit Report 2019-309: Riverside County Riverside County TLMA, Building and Safety  
Department, Control Environment, Follow-up Audit

Details of the findings from the original audit and the status of the implementation of the recommendations are provided in this report. For an in-depth understanding of the original audit, please refer to Internal Audit Report 2017-015 at [www.auditorcontroller.org/Divisions/-AuditsandSpecializedAccounting/InternalAuditReports](http://www.auditorcontroller.org/Divisions/-AuditsandSpecializedAccounting/InternalAuditReports).

Paul Angulo, CPA, MA  
Riverside County Auditor-Controller



By: René Casillas, CPA, CRMA  
Chief Internal Auditor

cc: Board of Supervisors  
George Johnson, County Executive Officer  
Grand Jury

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## **Performance Evaluations**

### **Finding 1: Performance Evaluations**

"Board of Supervisors Policy, C-21, Employee Performance Evaluation Reports, Section 3 (b) states, '...regular employees of Riverside County shall be evaluated on an annual basis, approximately on the anniversary of their initial employment with the county or on the anniversary of promotion or entry into their current job classification.' Annual performance evaluations were not completed timely for two of the six employees we reviewed in our sample. According to department officials, the turnover with the Building & Safety staff and the completion of projects have delayed the completion of the performance evaluations. Delayed performance evaluations can deter the achievement of the department's overall mission and goals since it documents the areas the employees need to improve and gives them the opportunity to enhance their performance."

### **Recommendation 1**

"Annually complete all performance evaluations."

### **Current Status 1: Implemented**

Building and Safety Department implemented corrective action by completing annual performance evaluations in a timely manner. For our testing, we selected a sample of active employees and reviewed their most current performance evaluations. We noted the evaluations were performed timely and had the proper signatures and approvals.

## **Formal Succession Plan**

### **Finding 2: Formal Succession Plan**

"Building and Safety does not have a formal written succession plan. Formal plans would identify risks and strategies, providing a basis for specific succession initiatives, including how employees are able to participate. In addition, transfer of knowledge is a critical component of succession management. Written procedures formalize the experience-transfer from management and key personnel to successors. Without a succession plan, an organization may not have the means to ensure continuity of core services upon the departure of key personnel."

### **Recommendation 2**

"Develop a formal written succession plan for management and key personnel."

### **Full Disclosure:**

*While the County does not have a formal policy, it is a leading business practice to develop a formal succession plan.*

### **Current Status 2: Implemented**

Building and Safety Department implemented corrective action by developing a formal, written succession plan dated, October 1, 2018. The plan contains information for successful succession planning including the requirements necessary to be eligible for certain positions, the identification of key positions that are to be filled in the near future, and potential successors and their qualifications.