

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



ITEM: 2.6  
(ID # 14551)

MEETING DATE:  
Tuesday, March 02, 2021

FROM : AUDITOR CONTROLLER:

SUBJECT: AUDITOR-CONTROLLER: Internal Audit Report 2021-003: Riverside County Assessor-County Clerk-Recorder Audit, All Districts. [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file Internal Audit Report 2021-003: Riverside County Assessor-County Clerk-Recorder Division Audit

ACTION: Consent


  
Tanya Harris, Assistant Auditor Controller 2/22/2021

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MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Jeffries, seconded by Supervisor Hewitt 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: March 2, 2021  
xc: Auditor

Kecia R. Harper  
Clerk of the Board  
By:   
Deputy



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

**BACKGROUND:**

**Summary**

In accordance with Board of Supervisors Resolution 83-338, we audited the Riverside County Assessor-County Clerk-Recorder. This audit is conducted to provide management and the Board of Supervisors with an independent assessment of internal controls over the authorizations and use of procurement cards.

Please refer to the audit for the conclusion on the results of our audit.

<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>	No
			<b>For Fiscal Year:</b>	n/a

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

**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 2021-003: Riverside County Assessor-County Clerk-Recorder Audit.

  
Stephanie Perez, Principal Management Analyst 2/22/2021



**Internal Audit Report 2021-003**

**Riverside County  
Assessor County Clerk Recorder  
Audit**

**Report Date: March 2, 2021**



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

**Tanya S. Harris, DPA, CPA**  
Assistant Auditor-Controller

March 2, 2021

Peter Aldana  
Assessor-County Clerk-Recorder  
Riverside County Assessor-County Clerk-Recorder  
4080 Lemon Street, 6<sup>th</sup> Floor  
Riverside, CA 92501

**Subject: Internal Audit Report 2021-003: Riverside County Assessor-County Clerk-Recorder Audit**

Dear Mr. Aldana:

In accordance with Board of Supervisors Resolution 83-338, we completed an audit of the Riverside County Assessor-County Clerk-Recorder to provide management and the Board of Supervisors with an independent assessment of internal controls over the authorizations and use of procurement cards.

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.

Our conclusion and details of our audit are documented in the body of this audit report.



**Internal Audit Report 2021-003: Riverside County Assessor-County Clerk-Recorder**

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, MA  
Riverside County Auditor-Controller

By: René Casillas, CPA, CRMA  
Chief Internal Auditor

cc: Board of Supervisors  
Juan Perez, Interim County Executive Officer  
Grand Jury

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**Internal Audit Report 2021-003: Riverside County Assessor-County Clerk-Recorder**

## **Executive Summary**

### **Overview**

The Riverside County Assessor-County Clerk-Recorder's (Assessor) manages all taxable property, provides a variety of public services, and maintains permanent public records on behalf of the County of Riverside. The Assessor has five offices located throughout Riverside County and provides these services with a recommended budget of \$41.1 million for fiscal year 2020-21 and 210 current authorized positions. *County of Riverside, Fiscal Year 2020/21 Adopted Budget, September 2020, 85. Assessor-County Clerk-Recorder, About, Mission Statement, accessed September 23, 2020, [https:// www.asrclkrec.com/ mission-statement](https://www.asrclkrec.com/mission-statement).*

### **Audit Objective**

Our objective is to provide an independent assessment about the adequacy and effectiveness of internal controls over payment processing of monthly procurement card invoices and compliance with the Riverside County Procurement Card Program Procedures Handbook. 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.

### **Audit Scope**

We conducted the audit from July 29, 2020, through September 23, 2020, for operations from July 1, 2018, through September 15, 2020. Following a risk-based approach, our scope initially included the following:

- Procurement Card
- Accuracy of Aumentum Property Listing for Riverside County Owned Properties

Through inquiry, observations, and examination of relevant documentation related to Aumentum Property Listing, we concluded that internal controls over this area is sufficient to provide reasonable assurance that the objective as described above is achieved. We focused our scope to procurement cards.

**Internal Audit Report 2021-003: Riverside County Assessor-County Clerk-Recorder**

**Audit Conclusion**

Based upon the results of our audit, we verified the internal controls over the authorizations and use of procurement cards are adequate and in compliance with county policies and procedures.

**Procurement Card**

The County's Procurement Card program was developed to improve efficiencies associated with the procurement process and reduce the costs associated with making purchases and processing vendor payments. The program requires compliance with current statutes and county procurement procedures and is intended to improve the timely delivery of products and services.

The Riverside County Purchasing & Fleet Services Department (Purchasing) is responsible for managing and monitoring the overall program. Additionally, Purchasing administers the training required for all program participants, establishes and communicates rules and guidelines, oversees participants' compliance with the county's procurement policies and procedures, and coordinates the interface between U. S. Bank and the county. Cardholders are required to comply with the Procurement Card Manual as written by Purchasing. Additionally, cardholders must complete the training prior to being provided with a procurement card.

The procurement card policy has controls developed and implemented that are different than traditional credit cards. The controls ensure the cards can be used only for specific types of purchases with established dollar limits. Additionally, approving officials assigned to each cardholder are required to provide prior approval on the purchases. The cardholder is responsible to verify all purchases once card statement is obtained.

As an integral part of a county department's internal control structure, management within each department is responsible for implementing a system of internal controls that effectively and efficiently performs financial related activities and safeguards assets. The system should provide management with reasonable assurance that assets are properly safeguarded against loss from unauthorized use or theft, and transactions are executed in accordance with management's authorization.

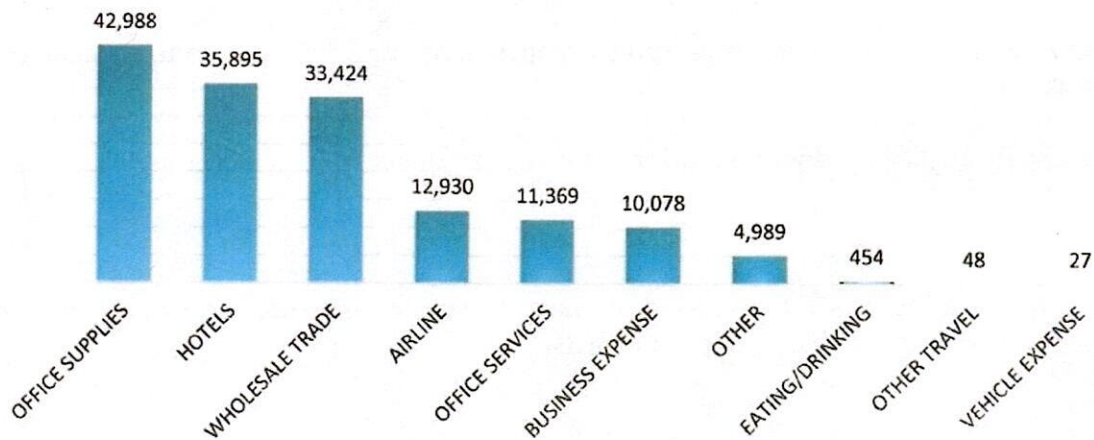


**Internal Audit Report 2021-003: Riverside County Assessor-County Clerk-Recorder**

Assessor had six procurement cardholders, as of June 30, 2020. Procurement card expenditures for the period July 1, 2019, through June 30, 2020, included 689 transactions totaling \$152,202.

The chart below illustrates Assessor procurement card expenditures for the period of July 1, 2019, through June 30, 2020, categorized in the following: airlines, hotels, business expense, office supplies, eating/drinking, office services, wholesale trade, other travel, other, and vehicle expense. Expenditures for the top three merchant groups include office supplies at \$42,988, hotels at \$35,895, and wholesale trade at \$33,424 for a total of \$112,307. These categories make up 74% of the total department procurement card expenditures.

**Assessor Procurement Card Transactions  
(July 1, 2019, through June 30, 2020)**



**Audit Objective**

To provide an independent assessment of internal controls over the authorizations and use of procurement cards.

**Audit Methodology**

To accomplish our objectives, we performed the following:

- Reviewed county policies and procedures, specifically:
  - County of Riverside Procurement Card Program, Procedure Handbook (8/1/2016)

**Internal Audit Report 2021-003: Riverside County Assessor-County Clerk-Recorder**

- Board Policy A-62, *Credit Card Use*
- Board Policy D-1, *Reimbursement for General Travel and Other Actual and Necessary Expenses*
- Obtained and reviewed department policies and other documents to determine compliance with Riverside County's procurement card policies and procedures.
- Obtained and reviewed a listing of all cardholder agreements.
- Analyzed procurement card data pulled from Riverside County financial systems and U.S. Bank for audit period.
- Examined cardholder transaction logs, receipts, and credit card statements.
- Selected a sample of purchased items for physical existence of items.
- Verified for appropriate levels of management review and approval.
- Interviewed key personnel regarding procurement card internal controls and their processes.
- Reviewed supporting documentation for procurement card expenditures.

**Audit Results**

Based on our review, the Assessor has adequate internal controls over the authorizations and use of procurement cards.