

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



**ITEM: 2.8
(ID # 15445)**

MEETING DATE:

Tuesday, June 08, 2021

FROM : AUDITOR CONTROLLER:

SUBJECT: AUDITOR-CONTROLLER: Internal Audit Report 2021-016 Riverside County TLMA
Change of Department Head Audit, All Districts. [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file Internal Audit Report 2021-016: Riverside County Transportation and Land Management Agency, Change of Department Head Audit

ACTION:Consent


Tanya Harris, Assistant Auditor Controller 6/2/2021

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Washington, seconded by Supervisor Spiegel 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: June 8, 2021
xc: Auditor

Kecia R. Harper
Clerk of the Board

By: 
Deputy

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

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0	\$ 0	\$ 0	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: N/A			Budget Adjustment:	No
			For Fiscal Year:	N/A

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

In accordance with Board of Supervisors Resolution 83-338, we completed a change of department head audit of the Riverside County Transportation and Land Management Agency. This audit is conducted to provide management and the Board of Supervisors with an independent assessment of internal controls over the transfer of capital assets.

Please see report for audit results.

Impact on Residents and Businesses

Provide an assessment of internal controls over the audited areas.

Additional Fiscal Information

Not Applicable

ATTACHMENT A: Riverside County Auditor-Controller's Office - Internal Audit Report 2021-016: Riverside County Transportation and Land Management Agency, Change of Department Head Audit.


Stephanie Perez, Principal Management Analyst 6/2/2021

Internal Audit Report 2021-016

**Riverside County
Transportation and Land
Management Agency
Change of Department Head Audit**

Report Date: June 8, 2021



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Riverside County Auditor-Controller
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**ACC AUDITOR
CONTROLLER
COUNTY OF RIVERSIDE**

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

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

June 8, 2021

Charissa Leach
Assistant County Executive Officer
Riverside County Transportation and Land Management Agency
4080 Lemon Street, 9th Floor
Riverside, CA 92501

**Subject: Internal Audit Report 2021-016: Riverside County Transportation and Land
Management Agency, Change of Department Head Audit**

Dear Ms. Leach:

In accordance with Board of Supervisors Resolution 83-338, we completed a change of department head audit for Riverside County Transportation and Land Management Agency. This audit is conducted to ensure accountability over the transfer and safeguarding of capital assets from the predecessor to the newly appointed department head.

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.



**Internal Audit Report 2021-016: Riverside County Transportation and Land Management Agency,
Change of Department Head Audit**

Since the audit resulted in no findings or recommendation, there is no requirement for a response in accordance with Board of Supervisors Resolution 83-338.

Paul Angulo, CPA, MA
Riverside County Auditor-Controller

By: René Casillas, CPA, CRMA
Chief Internal Auditor

cc: Board of Supervisors
Jeff A. Van Wagenen, County Executive Officer
Grand Jury

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Executive Summary

Overview

The Riverside County Transportation and Land Management Agency (TLMA) consists of the following departments: Administrative Services, Aviation, Building and Safety, Code Enforcement, Environmental Programs, Planning, and Transportation. TLMA oversees the design, operation, and maintenance of 2,248 miles of county-maintained roads and 108 bridges. TLMA has an adopted budget of \$286.2 million for Fiscal Year 2020/21 and has 526 authorized positions to fulfill their mission. *County of Riverside, Fiscal Year 2020/21 Adopted Budget, Volume 1, 313.*

Audit Objective

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

Audit Conclusion

Based upon the results of our audit, we determined internal controls are in place to ensure the safeguarding and timely transfer of capital assets to the newly appointed department director.

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 512, *Transfer of Accountability on Capital Assets*, it states that 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 March 11, 2021, the time the new director was appointed, TLMA maintained 11,003 capital assets in the Riverside County financial system asset management module, consisting of vehicles, equipment, buildings, software, street infrastructure and land with the combined acquisition cost of \$2.9 billion.

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 newly appointed department head was completed and properly filed with the Riverside County Auditor-Controller's Office. Also, to assess the adequacy of internal controls over the safeguarding of capital assets.

Audit Methodology

To accomplish these objectives, we:

- Obtained an understanding of board policies and applicable standards.
- Established 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.

**Internal Audit Report 2021-016: Riverside County Transportation and Land Management Agency,
Change of Department Head Audit**

- Selected a sample of capital assets to verify adequate internal controls exist over the safeguarding of assets.
- Selected a sample of capital assets and verified its existence.
- Verified proper forms were completed for the retirement of capital assets.

Finding 1: None Noted