

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



ITEM: 2.20
(ID # 27719)

MEETING DATE:
Tuesday, May 06, 2025

FROM : AUDITOR CONTROLLER

SUBJECT: AUDITOR-CONTROLLER: Internal Audit Report 2025-009: Riverside County Clerk of the Board of Supervisors Audit, [District: All]; [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file Internal Audit Report 2025-009: Riverside County Clerk of the Board of Supervisors Audit


ACTION:Consent


Ben J. Benoit, COUNTY AUDITOR-CONTROLLER 4/25/2025

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Medina, Spiegel, Washington, Perez and Gutierrez
Nays: None
Absent: None
Date: May 6, 2025
xc: Auditor

Kimberly A. Rector
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 | \$ 0.0 | \$ 0.0 |
| NET COUNTY COST | \$ 0.0 | \$ 0.0 | \$ 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 audited the Riverside County Clerk of the Board of Supervisors. This audit is conducted to provide management and the Board of Supervisors with an independent assessment of internal controls over records retention, assessment appeals process, and succession planning.

Based on the results of our audit, we determined internal controls over the assessment appeals process and succession planning are functioning as designed to help Clerk of the Board achieve its business process objectives. However, we have identified improvement opportunities for internal controls over records retention that can help provide reasonable assurance that the department's objectives relating to this area will be achieved. Specifically, the review and approval of record orders need to be formally documented when submitted in the department's records storage portal and desk procedures need to be updated to include a process to periodically review and verify accuracy of the department's stored records maintained by the records storage contractor.

We will follow-up in one year to determine if actions were taken to correct the findings noted.

Impact on Residents and Businesses

Provide an assessment of internal controls over the audited areas.

SUPPLEMENTAL:

Additional Fiscal Information

Not applicable

ATTACHMENTS:

A: Riverside County Auditor-Controller's Office - Internal Audit Report 2025-009: Riverside County Clerk of the Board of Supervisors Audit



Office of Ben J. Benoit
Riverside County Auditor-Controller

Number of Findings & Recommendations

High Risk

0 Findings

Medium Risk

1 Finding
• 1 Recommendation

Low Risk

1 Finding
• 2 Recommendations

* Please refer to Appendix A for a classification of the priority levels.

Internal Audit Report

2025-009

Riverside County
Clerk of the Board of Supervisors Audit

May 6, 2025



**COUNTY OF RIVERSIDE
OFFICE OF THE AUDITOR-CONTROLLER**

Ben J. Benoit, Auditor-Controller
Tanya S. Harris, DPA, CPA, Assistant Auditor-Controller

4080 Lemon Street, 6th Floor
P.O. Box 1326
Riverside, CA 92502-1326
951-955-3800



May 6, 2025

Kimberly Rector
Clerk of the Board
Riverside County Clerk of the Board of Supervisors
4080 Lemon Street, 1st Floor
Riverside, CA 92501

Subject: Internal Audit Report 2025-009: Riverside County Clerk of the Board of Supervisors Audit

Dear Ms. Rector:

In accordance with Board of Supervisors Resolution 83-338, we audited the Riverside County Clerk of the Board of Supervisors to provide management and the Board of Supervisors with an independent assessment of internal controls over records retention, assessment appeals process, and succession planning.

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 2025-009: Riverside County Clerk of the Board of Supervisors Audit

As requested, in accordance with paragraph III.C of the Board of Supervisors Resolution 83-338, management responded to each reported condition and recommendation contained in our report. Management's responses are included in the report. We will follow-up to verify that management implemented the corrective actions.

We thank you and your staff for the help and cooperation. The assistance provided contributed significantly to the successful completion of this audit.

Ben J. Benoit
Riverside County Auditor-Controller

By: René Casillas, CPA, CRMA
Deputy Auditor-Controller

cc: Board of Supervisors
Jeff A. Van Wagenen, Jr., County Executive Officer
Juan Perez, Chief Operating Officer
Grand Jury



Internal Audit Report 2025-009: Riverside County Clerk of the Board of Supervisors Audit

Table of Contents

| | Page |
|--|--------|
| Executive Summary | 4 |
| Results: | |
| Records Retention..... | 6 |
| Assessment Appeals Process | 10 |
| Succession Planning | 12 |
| Appendix A: Finding Priority Level Classification..... | 15 |



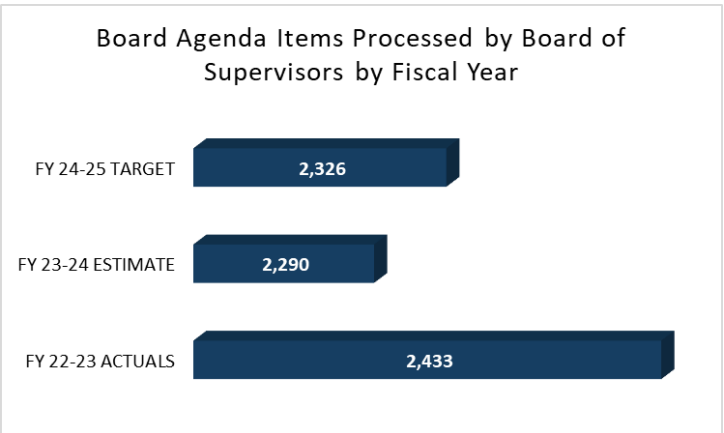
Executive Summary

Overview

Riverside County Board of Supervisors (Board of Supervisors) serves as the county’s governing body, setting policies, enacting legislation, and funding initiatives to enhance health, safety, and quality of life for residents.

Riverside County Clerk of the Board of Supervisors (Clerk of the Board) provides essential administrative support to the Board of Supervisors, ensuring effective legislative operations and public accessibility. Clerk of the Board maintains local ordinances and board policies, and oversees key functions such as records management, public transparency, and the Assessment Appeals Division. The Assessment Appeals Division processes property assessment appeals and supports the County Board of Equalization to ensure fair and equitable property valuations.

**Figure 1: Number of Board Agenda Items Processed
Fiscal Years 2023, 2024, and 2025**



(Data retrieved from *County of Riverside, Fiscal Year 2024/25 Adopted Budget Volume 1, 81*)

Board of Supervisors and Clerk of the Board have an adopted budget of \$16.7 million for FY 2024/25 and 71 adopted positions. *County of Riverside, Fiscal Year 2024/25 Adopted Budget Volume 1, 83-84.*

AUDIT HIGHLIGHTS

- The review and approval of record orders need to be formally documented when submitted in the department’s records storage portal.
- Desk procedures need to be updated to include a process to periodically review and verify accuracy of the department’s stored records maintained by the records storage contractor.



Internal Audit Report 2025-009: Riverside County Clerk of the Board of Supervisors Audit

Audit Objective

Our objective is to provide management and the Board of Supervisors with an independent assessment of the adequacy and effectiveness of internal controls over records retention, assessment appeals process, and succession planning. 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. Reasonable assurance recognizes internal controls have inherent limitations, including cost, mistakes, and intentional efforts to bypass internal controls.

Audit Scope and Methodology

We conducted the audit from August 1, 2024, through January 6, 2025, for operations from July 1, 2022, through December 24, 2024.

Using a risk-based approach, our scope included the following:

- Records Retention
- Assessment Appeals Process
- Succession Planning

Audit Conclusion

Based on the results of our audit, we determined internal controls over the assessment appeals process and succession planning are functioning as designed to help Clerk of the Board achieve its business process objectives. However, we have identified improvement opportunities for internal controls over records retention that can help provide reasonable assurance that the department's objectives relating to this area will be achieved. Specifically, the review and approval of record orders need to be formally documented when submitted in the department's records storage portal¹ and desk procedures need to be updated to include a process to periodically review and verify accuracy of the department's stored records maintained by the records storage contractor.

Upon discussing the condition above with department management relating to documenting the review and approval of record orders¹ on December 23, 2024, Clerk of the Board proceeded to resolve this condition and communicated their efforts to improve the adequacy and effectiveness of their internal controls over records retention. We would like to extend our appreciation to the department for being receptive to our evaluation and proactive in implementing our recommendations associated with this area.

¹ See Finding 1 (page 7-8) for a description of the department's resolution efforts relating to documenting the review and approval of record orders.



Internal Audit Report 2025-009: Riverside County Clerk of the Board of Supervisors Audit

Records Retention

Background

Clerk of the Board maintains critical historical and operational records, including board agendas, minutes, resolutions, ordinances, and assessment appeal documents. These archival records are essential for public research, transparency, and providing access to decades of information that supports government accountability and historical reference. Such records are retained and stored pursuant to the county-wide General Records Retention Schedule, as well as the more department specific Departmental Records Retention Schedule.

Clerk of the Board contracted with an offsite records storage contractor to house records and provide document transportation services per the department's required General Records Retention Schedule and Departmental Records Retention Schedule. The department has given access to authorized staff members to order physical records from an offsite storage facility in response to document requests from constituents. These record orders are submitted using a portal configured by the records storage contractor for which Clerk of the Board can grant or restrict access to employees based on role or job duty.

Objective

To verify the existence and adequacy of internal controls over Clerk of the Board's records retention process.

Audit Methodology

To accomplish these objectives, we:

- Obtained an understanding of department processes over records retention.
- Obtained and reviewed Riverside County Board Policy A-43, *County Records Management and Archives Policy*, which standardizes the maintenance of records and information across all county departments.
- Conducted interviews with key personnel to gain an understanding of the department's records retention process.
- Verified whether there was adequate segregation of duties in place relating to the records retention process.



Internal Audit Report 2025-009: Riverside County Clerk of the Board of Supervisors Audit

- Obtained a copy of the department's most current contract with their records storage contractor and verified whether there was an audit clause in the contract.
- Verified whether the department performs periodic inventory counts of the records maintained by the records storage contractor.
- Verified whether the records storage warehouse and the Clerk of the Board's office had restricted access, adequate security camera coverage, a functional fire suppression system, and electronic backups of records.
- Obtained a current stored records inventory listing from the records storage contractor. Selected a random sample of records for review and verified whether the records physically existed.
- Obtained a listing of record orders from the department's records storage portal and selected a sample of orders for review.
- Verified whether the individual record orders detailed approvals and if the record orders report is reviewed and approved by management.

Finding 1: Review and Approval of Ordering Stored Records

Priority Level: 2²

Standard Practice Manual 1001, *Internal Control*, states that, to maintain an effective system of internal control, "transactions are authorized by a person assigned approval authority." Additionally, Standard Practice Manual 1001, *Internal Control*, states, "duties are divided or segregated so that no one person has complete control over a key function or activity."

Record orders are informally reviewed and approved through email requests prior to submission in the department's records storage portal. Although designated staff are granted authorization to submit record orders, the records storage portal does not have the workflow capability to track approvals and the department's current policies and procedures do not include a process to formally document the review and approval of record orders prior to submission. Formally documenting the review and approval of record orders helps decrease the risk of unauthorized or inappropriate access to records. Implementing a process to formally document the review and approval of record orders enhances transparency and mitigates potential oversight gaps.

On January 6, 2025, Clerk of the Board management provided a new form titled *Authorization Form to Retrieve Boxes from Storage* that addresses the condition above and communicated their efforts to improve the adequacy and effectiveness of their internal controls. Specifically, the form

² Please see Appendix A (page 15) for a description of the finding priority level classifications.



Internal Audit Report 2025-009: Riverside County Clerk of the Board of Supervisors Audit

requests management approval and includes sections such as the requesting staff member's name and title, box number, date of request, management's signature, and date of authorization. In the follow-up audit, we will verify whether record orders are reviewed and approved by department management in accordance with their updated policies and procedures.

Recommendation 1

Ensure personnel adhere to policies and procedures by documenting the review and approval of record orders submitted in the department's records storage portal.

Management's Response

"Concur. Record orders are documented. Authorized staff must get approval from management, and we use an Excel spreadsheet for tracking purposes. Only authorized staff can place orders for records with management approval."

Actual/estimated Date of Corrective Action:

"Completed. The department implemented the *Authorization Form to Retrieve Boxes from Storage* on January 6, 2025."

Finding 2: Maintenance of Stored Records Inventory

Priority Level: 3³

Standard Practice Manual 1001, *Internal Control*, states that, to maintain an effective system of internal control, "equipment, inventories, cash and other property are secured physically, counted periodically, and compared with control records." Additionally, Standard Practice Manual 1001, *Internal Control*, states, "records are routinely examined and reconciled to determine that transactions were properly processed."

As of the fieldwork date, the department's records storage contractor could not locate any of the six records randomly selected for testing at the records storage warehouse. Clerk of the Board's current policies and procedures do not include a process to ensure the records storage contractor maintains an accurate inventory of the department's stored records. Ensuring the records storage contractor maintains an accurate inventory listing is essential to track stored records, ensure timely retrieval, and prevent data loss or unauthorized access, reinforcing overall accountability and reliability. Not maintaining an accurate records inventory hinders the department's ability to provide effective service and causes delays in operations in the event the department must access archived records.

³ Please see Appendix A (page 15) for a description of the finding priority level classifications.



Internal Audit Report 2025-009: Riverside County Clerk of the Board of Supervisors Audit

Recommendation 2.1

Update desk procedures to include a process to periodically review and verify accuracy of the department's stored records maintained by the records storage contractor.

Management's Response

"Concur. The accuracy of our stored records is verified each time an order is placed. We have never encountered an issue with a box missing. Placing a random order for a box does not guarantee that the box pulled during an audit will be present. The county's records storage vendor maintains an inventory of all stored records. The department believes the discrepancy lies with the vendor who assisted the auditors. It should be noted that VRC is a county vendor, and our records were transferred to them by RMAP, the county's records management and archives program."

Actual/estimated Date of Corrective Action:

"Completed. The accuracy of our stored records is verified each time an order is placed. The department implemented an annual process by which a random selection of boxes is ordered to ensure the accuracy of the inventory."

Recommendation 2.2

Ensure personnel adhere to desk procedures by periodically reviewing and verifying accuracy of the department's stored records maintained by the records storage contractor.

Management's Response

"Concur. Same as recommendation 2.1."

Actual/estimated Date of Corrective Action:

"Same as recommendation 2.1."



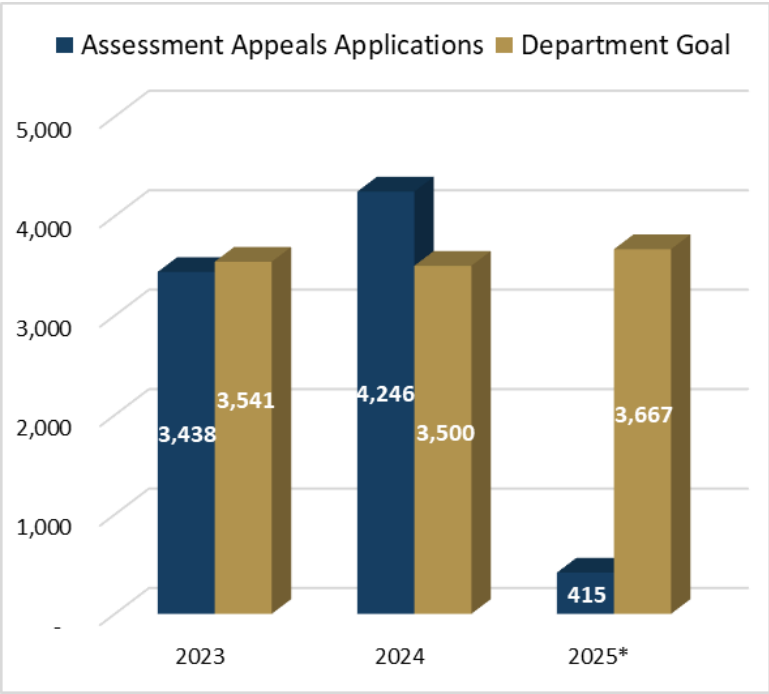
Assessment Appeals Process

Background

Clerk of the Board administers the assessment appeals process, which allows property owners to challenge the valuation of their properties as determined by the Riverside County Assessor-County Clerk-Recorder. This process is governed by the California Revenue and Taxation Code and ensures that property assessments are fair and equitable. Clerk of the Board’s Assessment Appeals Division is responsible for receiving and processing applications for assessment appeals, managing hearing schedules, and providing administrative support to the Assessment Appeals Board and Hearing Officers, who act as the County Board of Equalization.

Clerk of the Board uses a specialized system to track and manage thousands of appeals applications, maintain case records, and ensure compliance with statutory deadlines and procedural requirements. Clerk of the Board is also responsible for issuing written findings of fact when requested, maintaining transparency and consistency in the appeals process.

Figure 2: Assessment Appeals Applications Received and Goals
Fiscal Years 2023, 2024, and 2025



*As of October 2024



Internal Audit Report 2025-009: Riverside County Clerk of the Board of Supervisors Audit

Objective

To verify the existence and adequacy of internal controls over Clerk of the Board's assessment appeals process.

Audit Methodology

To accomplish these objectives, we:

- Obtained an understanding of department processes over assessment appeals and the *Rules of Notice and Procedure of the Assessment Appeals Boards of the County of Riverside*.
- Conducted interviews with key personnel to gain an understanding of the department's assessment appeals process.
- Verified whether there was adequate segregation of duties in place relating to the assessment appeals process.
- Obtained a copy of the most recent third-party assessment appeals audit report and verified whether the department resolved the findings listed in the report.
- Obtained a listing of all assessment appeals applications and staff approval authority levels during the audit review period.
- Selected a random sample of assessment appeals applications for review and verified whether:
 - All documentation was reviewed, approved, accurate, and properly filed.
 - Approved adjustments were calculated and processed.
 - Hearing dates were sequential and consistent.
 - Appeals were conducted in compliance with legal and regulatory requirements.
- Verified whether the addresses and names of assessment appeals applicants did not match the addresses and names of department employees.

Finding: None Noted

Based on the results of our audit, we determined that internal controls over the assessment appeals process provide reasonable assurance that its objective related to this area will be achieved. Reasonable assurance recognizes internal controls have inherent limitations, including cost, mistakes, and intentional efforts to bypass internal controls.



Internal Audit Report 2025-009: Riverside County Clerk of the Board of Supervisors Audit

Succession Planning

Background

Succession planning is a strategic process crucial for ensuring the continuity of leadership within an organization. This process involves identifying and developing internal employees who have the potential to fill key leadership positions. Not only does succession planning focus on filling vacancies, but it can also prepare the department for the future by maintaining a pipeline of capable leaders who can drive the organization forward. Additionally, succession planning helps maintain leadership continuity, preserves institutional knowledge, and ensures a smooth transition of critical functions and services provided by key positions within the department.

All members of management are responsible for individual succession planning efforts. Department and division managers are responsible for implementing the program within their respective areas and should coordinate with Human Resources personnel for effectiveness of succession planning efforts for key leadership positions.

The primary objective of a succession plan is to limit the potential downside to unexpected terminations or departures from an organization. According to the Government Finance Officers Association⁴, "A successful succession plan should place a high priority on planning for a smooth change in such positions. Key components of an integrated succession management approach include workforce planning, succession planning, knowledge management practices, and recruitment and retention practices."

In the absence of formal guidance over succession planning, the focus of our audit was to ensure that Clerk of the Board had adequate, documented policies and procedures in the event of management or personnel turnover. Specifically, we reviewed the department's prioritization of critical positions to the department's ongoing operations, key objectives, and critical system applications used. In addition to reviewing documented policies and procedures associated with these attributes, we also focused on whether the department had established training plans to ensure knowledge is transferred among personnel so, in the event of turnover, the lapse in business continuity is minimized.

The following flowchart illustrates the Government Finance Officers Association's 10 Steps to Succession Planning⁵ that will help an organization retain key talent and find skilled employees to replace staff members who move on:

⁴ "Key Issues in Succession Planning." Government Finance Officers Association. Accessed November 21, 2024. <https://www.gfoa.org/materials/key-issues-in-succession-planning>.

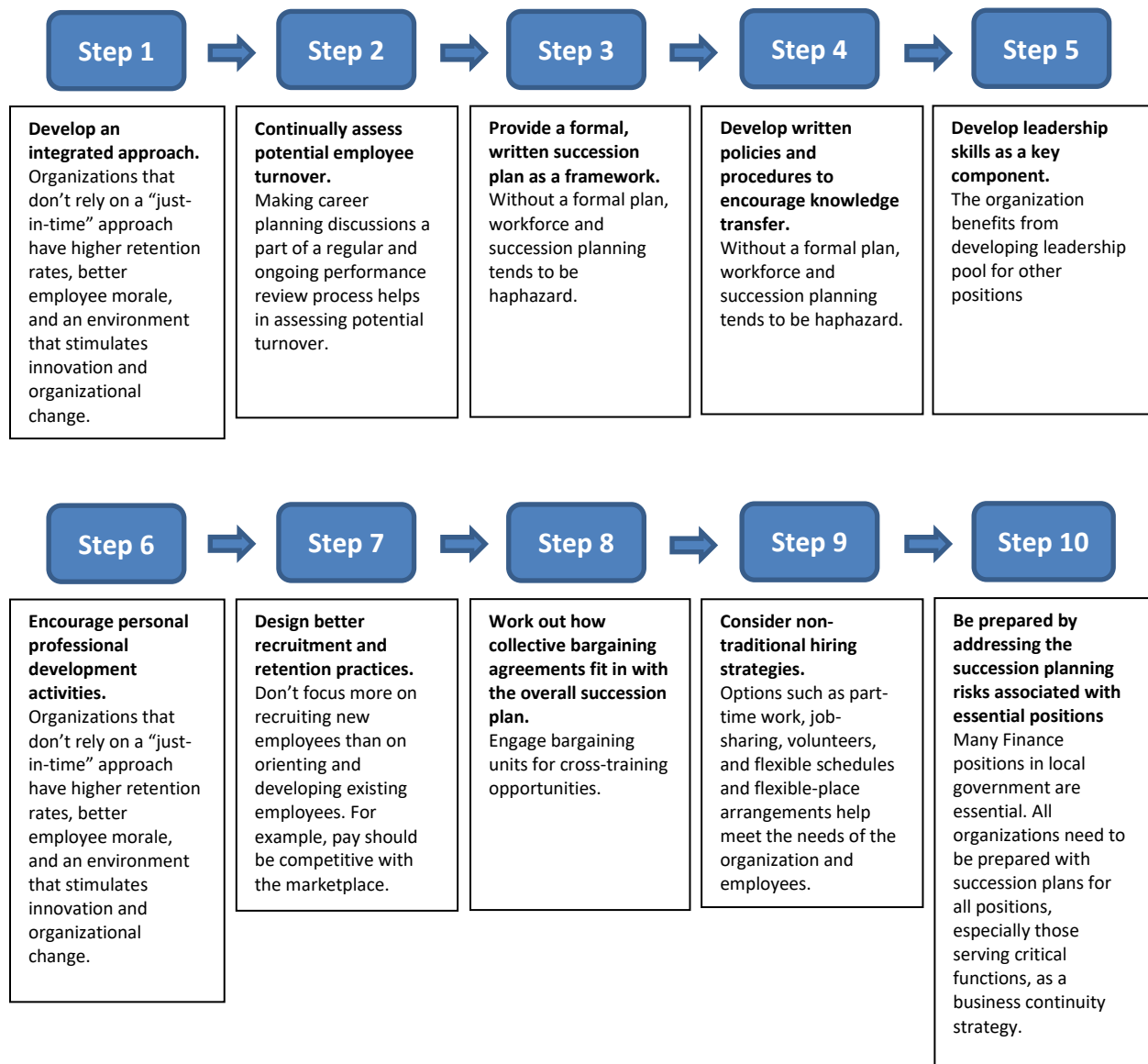
⁵ 10 Steps to Succession Planning. Government Finance Officers Association. (2022, February). <https://www.gfoa.org/materials/gfr222-10steps>



Internal Audit Report 2025-009: Riverside County Clerk of the Board of Supervisors Audit

Flowchart 1: 10 Steps to Succession Planning

*"Succession planning has gotten even more challenging in recent years, given a changing job market, shorter employee tenure, and COVID-19 job turnover-which means that governments should make it an even higher priority. GFOA's 10 steps to succession planning will help your organization retain key talent and find skilled employees to replace staff members who move on."*⁶



⁶ *10 Steps to Succession Planning*. Government Finance Officers Association. (2022, February). <https://www.gfoa.org/materials/gfr222-10steps>



Internal Audit Report 2025-009: Riverside County Clerk of the Board of Supervisors Audit

Objective

To verify the existence and adequacy of internal controls over Clerk of the Board's succession planning process.

Audit Methodology

To accomplish these objectives, we:

- Obtained an understanding of relevant continuity and training plans, including competency and leadership assessments, career development plans, and knowledge identification and transfer strategies.
- Conducted interviews with key personnel to gain an understanding of the department's succession planning process.
- Obtained a listing of employees that separated from the department during the audit review period.
- Identified positions critical to department operations and positions with the highest turnover rates.
- Identified key, transferable knowledge and essential systems tied to identified positions.
- Assessed adequacy of succession planning procedures by verifying whether critical roles and positions with higher turnover have established processes for continuity and effective coverage.

Finding: None Noted

Based on the results of our audit, we determined that internal controls over succession planning provide reasonable assurance that its objective related to this area will be achieved. Reasonable assurance recognizes internal controls have inherent limitations, including cost, mistakes, and intentional efforts to bypass internal controls.



Internal Audit Report 2025-009: Riverside County Clerk of the Board of Supervisors Audit

Appendix A: Finding Priority Level Classification

| Priority Level 1 | Priority Level 2 | Priority Level 3 |
|--|---|---|
| These are audit findings that represent the most critical issues that require immediate attention and pose a significant risk to the department's objectives, compliance, security, financial health, or reputation. They may indicate serious control failures, non-compliance with laws or regulations, significant financial errors, or vulnerabilities with severe potential impact. Immediate corrective measures are necessary to mitigate the risks associated with these findings. | These are audit findings that are important and require timely resolution, but their impact is not as severe as Priority Level 1. They may highlight moderate control weaknesses, areas of non-compliance with internal policies and procedures, or financial discrepancies that are significant but are not critical. While they might not pose an immediate threat, they should be addressed promptly to prevent further escalation or potential negative consequences. | These are audit findings that are less critical and generally have a lower impact on the department's objectives, compliance, or operations. They may include minor control deficiencies, procedural deviations with minimal impact, or non-critical administrative errors. While they may not require immediate attention, they should still be acknowledged and addressed within a reasonable timeframe to ensure ongoing improvement and prevent potential accumulation of minor issues. |
| <u>Expected Implementation Date of Recommendation*</u> One to three months | <u>Expected Implementation Date of Recommendation *</u> Three to six months | <u>Expected Implementation Date of Recommendation *</u> Six to twelve months |

* Expected completion to implement recommendation date begins after issuance of final audit report.