

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



ITEM: 2.5  
(ID # 29144)

**MEETING DATE:**  
Tuesday, November 04, 2025

**FROM :** AUDITOR CONTROLLER

**SUBJECT:** AUDITOR-CONTROLLER: Fiscal Year 2025/26 Internal Audit Plan; [District: ALL];  
[\$0]

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

1. Receive and file the Riverside County Auditor-Controller's Office FY 2025/26 Internal Audit Plan.

**ACTION:Consent**

*Ben J. Benoit*

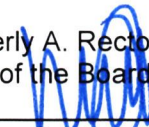
Ben J. Benoit, COUNTY AUDITOR-CONTROLLER 10/23/2025

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**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Gutierrez, seconded by Supervisor Medina 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: November 4, 2025  
xc: Auditor

Kimberly A. Rector  
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>	No
			<b>For Fiscal Year:</b>	N/A

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

**BACKGROUND:**

**Summary**

We prepared the FY 2025/26 Internal Audit Plan in accordance with the International Standards for the Professional Practice of Internal Auditing. The audit plan is consistent with the requirements of California Government Code Sections 1236, 25250, 26920(a) and 26922.

The Internal Audit Plan for fiscal year 2025/26 includes 24 audit projects, six Change of Department Directors, 19 Follow-up audits, and four quarterly verification of assets held by the county treasurer.

**Impact on Citizens and Businesses**

Provide oversight of taxpayer assets.

**SUPPLEMENTAL:**

**Additional Fiscal Information**

N/A

**ATTACHMENTS:**

A: Riverside County Auditor-Controller's Office FY 2025/26 Internal Audit Plan.



**Ben J. Benoit**

**Riverside County Auditor-Controller**

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# **FY 2025/26 Audit Plan**

**November 4, 2025**

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## **Riverside County Auditor-Controller's Office**

### **Internal Audit Division**

### **Audit Plan FY 2025/26**

## **Auditor-Controller Governing Authority**

Established under Government Code Sections 24000 et seq. and Government Code 26900 et seq., the Auditor is an Elected Official with a 4-year term. Subsequent to Government Code Section (§) 26880 et seq. and Board of Supervisors Resolutions dated April 15, 1957, and June 17, 1957, the Auditor Controller's primary duty and responsibility is as chief accounting and disbursing officer of the Riverside County (County). Additionally, the Auditor-Controller is the chief audit executive for the county as established by California Government Code Section (§) 26883 and designated by Resolution No. 83-338 of the County's Board of Supervisors.

## **Independence and Objectivity**

As an elected official, the Auditor-Controller is independent from the County's organizational structure, which allows objective reporting of audit results. The Internal Audits Division is organizationally structured in a manner that assures the independence of audit activities. The Internal Audit Charter along with the California Government Code, clearly provide the Internal Audit activity with the authority to conduct independent audits.

## **Internal Audit Division Mission Statement**

The mission of Internal Audit is to support the County of Riverside achieve its overall service objectives for county citizens by providing independent and objective assessments of business risks, identifying, and recommending internal controls to safeguard assets, improve the reliability and integrity of financial and non-financial information, enhance the efficiency and effectiveness of county operational processes, and ensure compliance with laws, regulations, and policies.

## **Internal Audit Charter**

Internal Audit is established as a function within the Riverside County Auditor-Controller's Office. Pursuant to Government Codes 26883, 25250, and Riverside County Board of Supervisors' Resolution No. 83-338, "Establishing Authority and Declaring Policy For Internal Audits," authorizes the Auditor-Controller to audit the accounts and records of any department, office, board or institution under the control of the Board of Supervisors, and any district keeping funds in the County Treasury. Internal Audit assists all levels of the administration in achieving county objectives by bringing a systematic approach to



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evaluate and improve the effectiveness of risk management, control, and the administrative processes in the following areas:

- Compliance with policies, laws, and regulations
- Safeguarding of assets
- The reliability and integrity of financial and non-financial information
- Efficiency and effectiveness of operations and resource used

### **Objectives and Responsibilities**

The primary objectives of the Internal Audit function are to provide fiscal and operational oversight of county departments and give an independent assessment of county operations. We provide support to the Board of Supervisors and county management in meeting their missions and stewardship responsibilities to the constituents of this county, by conducting audits that provide reliable, independent, objective assessments of the adequacy and effectiveness of internal controls. Internal controls are processes established by management to safeguard assets, maintain the reliability and integrity of financial and non-financial information, promote the efficiency and effectiveness of operational processes, and ensure compliance with laws, regulations, and policies.

Internal Auditing covers a broad range of audit areas including:

- Testing transactions for compliance with accepted business practices.
- Review of internal controls over financial and non-financial operations.
- Operational audits which involve reviews directed towards improving efficiency and cost savings.
- Evaluating risk exposure relating to the achievement of the organization's strategic objectives.
- Evaluating the reliability and integrity of information and the means used to identify, measure, classify, and report such information.
- Evaluating the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on the organization and the county overall.
- Evaluating the internal controls for the safeguarding assets and verifying the existence of such assets.
- Evaluating the effectiveness and efficiency with which resources are employed.
- Reporting significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by the management.



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The Internal Audit function applies the Global Internal Audit Standards to all audits. The development of this audit plan is in compliance with the standards and is driven by legal mandates and information gathered through research.

## Dedication Of Resources to Audit Related Services

The audit plan is based on services provided by Auditor-Controller internal audit professionals. In addition to the audit projects outlined in the audit plans, audit staff will be involved throughout the year in various other audit initiatives and tasks as follows:

**Cash Shortages/Overages.** We will continue to devote time to the reviews of departmental cash shortages and overages throughout the year.

**Review of Special Districts' and Joint Power Authorities' Financials.** The Auditor-Controller has the responsibility to ensure Special Districts and Joint Power Authorities receive an annual financial audit. These audits are generally delegated to public accounting firms. Internal Audit staff monitor the submission of these agencies' financial statements to ensure they are conducted as required by Government Code and review the reports in order to identify any concerns.

**Fraud Hotline Management.** Internal Audit staff performs oversight responsibility of the Fraud Hotline. Responsibilities include the following:

- Ensure fraud incidents are forwarded to department senior management for appropriate response.
- Provide updates to incident reporters.
- Ensure incidents are completed as required.
- Ensure the Fraud Hotline database is updated in a timely manner.
- Conduct reviews and investigations of reported incidents relating to financial and internal control matters as directed by the Fraud, Waste, and Abuse Committee.

**Review of Rates Developed by County Departments.** Internal Audit staff review rate development methodologies used by county departments to develop billable rates for services provided to the public or to other county departments. The Auditor-Controller's Office does not calculate the rates but has been entrusted by the Board of Supervisors to review the reasonableness of the methodology used to develop the rates. In addition, rates are reviewed to ensure compliance with mandated guidelines and government codes.



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## Accomplishments For Fiscal Year 2024/25

During Fiscal Year 2024/25, the Internal Audit Division:

- Completed a total of 53 internal audit projects:
  - ❖ 20 mandated audit reports identifying 77 areas for improvement and containing 207 recommendations to strengthen areas with internal controls.
  - ❖ 29 follow-up audit reports to ensure implementation of a total of 223 prior recommendations issued.
  - ❖ Three treasury asset verification reports and one audit report reviewing the Statement of Assets held by the County Treasurer (audit is conducted by county external auditors).
- Conducted a countywide risk assessment by obtaining input on risk areas from the Board of Supervisors, seven central service departments, and the county's external auditors. The results of our discussions on risk will be part of the audit scopes for Fiscal Year 2025/26 and Fiscal Year 2026/27 audit projects.
- Issued a risk assessment questionnaire and obtained responses from departments that are part of the audit plan for Fiscal Year 2025/26. The responses to the questionnaire received from departments and the results of the countywide risk assessment conducted at the end of Fiscal Year 2024/25 will guide the audit scopes for Fiscal Year 2025/26 audit projects.
- Successfully established a dedicated contract oversight unit, made possible through the continued support of the Board of Supervisors. Staffed by three specialized team members, this unit will now play a vital role in monitoring vendor contract compliance across the county.
- Successfully implemented our new audit management system design to improve operational efficiency, support automation, and improve the quality of reporting.
- Completed the review of rate methodologies for 31 departments.
- Handled 58 new incidents reported through the Fraud, Waste, and Abuse Hotline.
- Compiled the Schedule of Expenditures of Federal Awards for the County's Fiscal Year 2023/24 Single Audit.
- Monitored the audits of 82 special districts and joint power authorities.



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## Status Of Fiscal Year 2024/25 Audit Plan

In Fiscal Year 2024/25, the audit plan included an audit of Perris Valley Cemetery. At the direction of management, this audit has been rescheduled and will be completed in Fiscal Year 2025/26. Additionally, one audit project—an audit of the Executive Office—is currently in progress and is also scheduled for completion in early Fiscal Year 2025/26.

All other audit projects included in the Fiscal Year 2024/25 audit plan are completed with the final audit reports planned for issuance and made public no later than September 9, 2025.

## Fiscal Year 2025/26 Audit Plan

The Internal Audit Plan for FY 2025/26 contains a total of 53 audit projects, which includes 24 mandated audit projects, six Change of Department Directors audits, 19 Follow-up audit projects, and four quarterly verifications of assets held by the County Treasury. The plan is designed to meet the objective of providing a timely and comprehensive scope of audit coverage and constitutes the schedule of audits and other direct audit activities which arise during the year.

The Internal Audit Plan is intended to represent our primary means of providing audit coverage to comply with the requirements of Government Code 1236, 25250, 26920(a), 26922, and Board Resolution 83-338. It also provides broad audit coverage to the various components of the county's business operations.

To address the risks<sup>1</sup>, the Internal Audit Division will be using the results of the countywide risk assessment conducted in Fiscal Year 2025/26 to prioritize the allocation of audit resources. The division has also obtained the input for department specific risks associated with respective operations for departments listed in the audit plan. The risk assessment input has helped identify risks associated with general county and department specific operations, how these risks impact the achievement of organizational objectives, and how respective risks are mitigated.

Our objective is to help instill confidence in the risk management processes by independently and objectively evaluating the internal controls designed and put in place by management to help with overall governance. We are focused on adding value and

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<sup>1</sup> "Risk," for this purpose, does not imply any unwarranted business strategy or lack of management oversight; however, risk is inherent in any business activity ability to meet its stated mission.



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improving the departments' operations by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management and control.

As a result of the countywide risk assessment, general risk areas were identified, and each risk concern addressed by respective participants were categorized into each of the following risk areas:

- Purchasing Processes
- Accounting & Reporting
- HR Benefits & Processes
- Payroll Compliance & Processes
- Service & Contract Monitoring
- Information Technology
- Compliance – Regulations & Board of Supervisors Policies
- Information Security
- Vehicle and Capital Asset Management

We are using the risk assessment questionnaire responses received from departments included in this audit plan to address unique department specific operational risks. This will ensure our continuous assessment of risks related to each county department, and address those risks associated with their unique operations.

### **Mandated Audits**

California Government Code Section 25250 requires the Board of Supervisors to audit the financial accounts and records of all officers having responsibility for the care, management, collection or disbursement of county funds every two years. Government Code Section 26920 and 26922 requires a quarterly count of assets held by the Treasurer. The Auditor-Controller ensures the scope of internal audits includes an examination of the organization's system of internal controls and follow-up on prior audit findings and recommendations.

### **Special Concerns and Other Allocation of Audit Time**

We reserved audit hours to address potential incidents of fraud, waste and abuse and have also allocated audit hours and resources to comply with Board of Supervisors' and management requests.



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## **Audit Initiatives for Fiscal Year 2025/26**

### ***Formation of an Audit Committee***

We are working closely with the Executive Office to implement a new initiative: the establishment of an audit committee. Work on this started last fiscal year and have the framework of how this committee will be formed and the resources needed to move forward as planned. This committee will play a critical role in enhancing the county's governance by providing an independent review of our financial reporting and operational processes. The audit committee will ensure greater transparency, improve risk management, and strengthen our internal controls. With this addition, our reporting process will become more robust and aligned with Global Internal Audit Standards.

### ***Continuous Auditing Program***

With the recent implementation of our audit management system, the Internal Audit Division has continued to make meaningful progress toward the development of a continuous auditing program. Current efforts are focused on identifying key transactions and business processes for ongoing monitoring, laying the groundwork for a more responsive audit approach.

We are working closely with key county departments to move this initiative forward—both on the technical side and in shaping how information will be reported and used.

Once fully developed, the continuous auditing program will enhance our ability to monitor critical activities in near real-time, helping to detect discrepancies early, improve financial accuracy, and strengthen overall risk management. This work reflects the county's ongoing commitment to transparency, accountability, and improving how we manage and safeguard public resources



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**Audit and Other Projects for the Fiscal Year 2025/26**

<i>Department</i>		<i>Reason for Audit (Gov't Code 25250) &amp; Board Resolution 83-338</i>
1.	Child Support Services	Mandated
2.	County Service Areas	Mandated
3.	District Attorney	Mandated
4.	Edward Dean Museum	Mandated
5.	Environmental Health	Mandated
6.	Housing Authority	Mandated
7.	Human Resources	Mandated
8.	Information Technology	Mandated
9.	Office of Economic Development	Mandated
10.	Perris Valley Cemetery	Mandated
11.	Probation	Mandated
12.	Public Defender	Mandated
13.	Public Social Services	Mandated
14.	Regional Parks	Mandated
15.	RUHS Behavioral Health	Mandated
16.	RUHS Medical Center	Mandated
17.	RUHS Public Health	Mandated
18.	Sheriff/Coroner	Mandated
19.	TLMA County Airports	Mandated
20.	TLMA Planning	Mandated
21.	TLMA Transportation	Mandated
22.	Veterans Services	Mandated
23.	Waste Resources	Mandated
24.	Office on Aging	Mandated
25.	Waste Resources	Change of Department Director



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26.	Animal Services	Change of Department Director
27.	Emergency Management Department	Change of Department Director
28.	TLMA Agency	Change of Department Director
29.	Information Technology	Change of Department Director
30.	Facilities Management	Change of Department Director

<b>Follow Up Audits</b>		
31.	Agricultural Commissioner (Report #2025-007)	Follow-up
32.	Animal Services (Report #2025-006)	Follow-up
33.	Assessor County Clerk Recorder (Report #2025-014)	Follow-up
34.	Children and Families Commission (Report #2025-005)	Follow-up
35.	Clerk of Board/BOS (Report #2025-009)	Follow-up
36.	County Counsel (Report #2025-012)	Follow-up
37.	County Facilities District (Report #2025-020)	Follow-up
38.	DPSS, In Home Support Services (Report #2025-016)	Follow-up
39.	Emergency Management (Report #2025-003)	Follow-up
40.	Executive Office (Report #2025-021)	Follow-up
41.	Facilities Management (Report #2025-001)	Follow-up
42.	Fire Department (Report #2025-011)	Follow-up
43.	Housing Workforce Solutions (Report #2025-010)	Follow-up
44.	Purchasing & Fleet Services (Report #2025-002)	Follow-up
45.	Registrar of Voters (Report#2025-013)	Follow-up
46.	TLMA Agency (Report #2025-019)	Follow-up
47.	TLMA Building & Safety (Report# 2025-018)	Follow-up
48.	TLMA Code Enforcement (Report #2025-015)	Follow-up
49.	Treasurer Tax-Collector (Report #2025-017)	Follow-up



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Mandated Reviews		Department	Reason for Review (Gov't Code §26920(a) & §26922)
50.	1st Quarter Treasury Verification	Treasurer-Tax Collector	Mandated
51.	2nd Quarter Treasury Verification	Treasurer-Tax Collector	Mandated
52.	3rd Quarter Treasury Verification	Treasurer-Tax Collector	Mandated
53.	4th Quarter Treasury Verification <i>(Audit of the Statement of Net Position of the Treasurer's Investment Pool is completed by external auditor)</i>	Treasurer-Tax Collector	Mandated