

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



ITEM: 2.5
(ID # 29855)

MEETING DATE:
Tuesday, February 10, 2026

FROM : AUDITOR CONTROLLER

SUBJECT: AUDITOR-CONTROLLER: Internal Audit Report 2025-020: Riverside County Office of Economic Development, Community Facilities Districts Audit

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file Internal Audit Report 2025-020: Riverside County Office of Economic Development, Community Facilities Divisions Audit

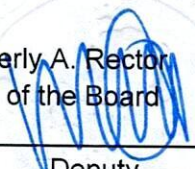
ACTION: Consent


Ben J. Benoit, COUNTY AUDITOR-CONTROLLER 2/4/2026

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: February 10, 2026
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	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
NET COUNTY COST	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
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 Office of Economic Development, Community Facilities Districts. This audit is conducted to provide management and the Board of Supervisors with an independent assessment of internal controls over fund management and service delivery.

Based on the results of our audit, we identified improvement opportunities for internal controls over fund management and service delivery that can help provide reasonable assurance that the department's objectives relating to the area will be achieved. Specifically, the improvement opportunities are as follows: aligning the special tax levy approach with the Special Tax Requirement, developing governing documents to include a process and timeframe for documenting the transfer of maintenance responsibility, formalizing the strategy for managing excess reserve funds, and refining service billing and reconciliation practices.

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

Impact on Citizens and Businesses

Provide an assessment of internal controls over the audited areas.

SUPPLEMENTAL:

Additional Fiscal Information

Not applicable

ATTACHMENTS:

A: Internal Audit Report 2025-020: Riverside County Office of Economic Development, Community Facilities Districts Audit



Office of Ben J. Benoit
Riverside County Auditor-Controller

Number of Findings & Recommendations

High Risk

2 Findings
• 9 Recommendations

Medium Risk

0 Findings

Low Risk

0 Findings

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

Internal Audit Report

2025-020

Riverside County Office of Economic Development,
Community Facilities Districts Audit

February 10, 2026



COUNTY OF RIVERSIDE
OFFICE OF THE AUDITOR-CONTROLLER

BEN J. BENOIT
AUDITOR-CONTROLLER

TANYA S. HARRIS, DPA, CPA | JON JENSEN, CPP
ASSISTANT AUDITOR-CONTROLLER



February 10, 2026

Suzanne Holland
Director of Office of Economic Development
Office of Economic Development, Community Facilities Districts
3403 10th Street, Suite 400
Riverside, CA 92501

Subject: **Internal Audit Report 2025-020: Riverside County Office of Economic Development, Community Facilities Districts Audit**

Dear Ms. Holland:

In accordance with Board of Supervisors Resolution 83-338, we audited the Riverside County Office of Economic Development, Community Facilities Districts to provide management and the Board of Supervisors with an independent assessment of internal controls over fund management and service delivery.

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 2025-020: Riverside County Office of Economic Development, Community Facilities Districts 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.

A handwritten signature in black ink that reads "Ben J. Benoit".

Ben J. Benoit
Riverside County Auditor-Controller

A handwritten signature in blue ink that reads "René Casillas".

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
Don Kent, Chief Financial Officer
Grand Jury



Internal Audit Report 2025-020: Riverside County Office of Economic Development, Community Facilities Districts Audit

Table of Contents

	Page
Executive Summary	4
 Results:	
Fund Management.....	6
Service Delivery.....	13
 Appendix A: Finding Priority Level Classification	 18



Internal Audit Report 2025-020: Riverside County Office of Economic Development, Community Facilities Districts Audit

Executive Summary

Overview

Riverside County Office of Economic Development establishes Community Facilities Districts (Community Facilities Districts) utilizing Government Code 53311-53368.3 for maintenance of facilities and services. Community Facilities Districts is a special tax district provided by State Law that funds public improvements and on-going services within an identified area. Parks, streets, sewer improvements, and public safety services are some of the public improvements and services that may be financed by a community facilities district.

In 1982, Senator Henry Mello and Assemblyman Mike Roos spearheaded the passage of the “Mello-Roos Community Facilities Districts Act of 1982.” This Act authorized local governments and developers to create Community Facilities Districts for the purpose of selling tax-exempt bonds to fund public improvements and collect revenues to pay for public improvements. Also authorized is the collection of revenue to fund services and maintenance.

Community Facilities Districts has an adopted budget of \$3.19 million and utilizes staffing resources from the Riverside County Office of Economic Development, County Service Area budget units. *County of Riverside, Fiscal Year 2024/25 Adopted Budget Volume 1, 284-287.*

Audit Objective

Our objective is to provide management and the Board of Supervisors with an independent assessment about the adequacy and effectiveness of internal controls over fund management and service delivery. 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 HIGHLIGHTS

- Special Tax levy approach needs to be based on the Special Tax Requirement.
- Governing documents to outline a formal process and timeframe for documenting the transfer of maintenance responsibility need to be established.
- A formal methodology and documented plan for utilizing excess reserve funds need to be developed.
- Service delivery billing and reconciliation processes need to be improved.



Internal Audit Report 2025-020: Riverside County Office of Economic Development, Community Facilities Districts Audit

Audit Scope and Methodology

We conducted the audit from February 25, 2025, through June 18, 2025, for operations from July 1, 2022, through June 10, 2025. Using a risk-based approach, our scope included the following:

- Fund Management
- Service Delivery

Audit Conclusion

Based on the results of our audit, we identified improvement opportunities for internal controls over fund management and service delivery that can help provide reasonable assurance that the department's objectives relating to the area will be achieved. Specifically, the improvement opportunities are as follows: aligning the special tax levy approach with the Special Tax Requirement, developing governing documents to include a process and timeframe for documenting the transfer of maintenance responsibility, formalizing the strategy for managing excess reserve funds, and refining service billing and reconciliation practices.



Internal Audit Report 2025-020: Riverside County Office of Economic Development, Community Facilities Districts Audit

Fund Management

Background

Community facilities districts were established under the Mello-Roos Community Facilities Act of 1982¹ to allow local agencies to finance public infrastructure and services in developing areas that would not typically receive such services through general fund revenues. In Riverside County, community facilities districts are formed in unincorporated areas to provide enhanced services such as street lighting, landscape maintenance, stormwater quality improvements, and community amenities. These services are financed through the levy of special taxes paid by property owners within the district boundaries.

Developers coordinate with Riverside County to establish community facilities districts. Developers are responsible for completing landscaping, and delivering other related improvements outlined in the formation documents. Once completed with the required specifications, the respective improvements responsibilities are transferred to Riverside County for ongoing maintenance by Community Services Districts.

At the time of formation, the special tax structure is established based on the estimated cost of services and facilities. These estimates are prepared by an external special tax consultant and documented in the Rate and Method of Apportionment. The Rate and Method of Apportionment defines how special taxes are calculated and assigned to each parcel within the district, typically based on land use or square footage. The special tax is intended to recover the costs of providing services, fund a reserve as defined in the formation documents, cover administrative expenses, and account for anticipated delinquencies.

Objective

To verify the existence and adequacy of internal controls over Community Facilities Districts fund management processes.

Audit Methodology

To accomplish these objectives, we:

- Interviewed department management and personnel to obtain an understanding of the department's fund management processes.

¹ California Government Code §§ 53311–53368.3



Internal Audit Report 2025-020: Riverside County Office of Economic Development, Community Facilities Districts Audit

- Obtained and reviewed the Board Resolution and formation documents for each selected community facilities districts to verify the definition and allowable components of the “Special Tax Requirement,” including estimated costs of services, reserve fund requirement, administrative expenses, and delinquency allowance.
- Obtained a listing of all community facilities districts active and inactive during the audit period.
- Obtained and calculated the Special Tax Reserve Fund Requirement based on the supporting documentation.
- Compared actual reserve balances to the 150% threshold established in the Board Resolution.
- Selected a sample of community facilities district funds and verified whether funds selected complied with fund agreements and legal stipulations.
- Obtained a report of fund transactions during the audit period.
- Selected a sample of fund transactions and verified whether spending aligns with the Community Facility Districts specific allowable uses.
- Determined whether the department has a formal methodology or documented plan in place for utilizing excess funds within the allowable uses defined in the formation documents.
- Obtained documentation regarding the unapproved developer-performed services that led to lower-than-expected spending.
- Verified whether fund reconciliations were prepared.

Finding 1: Reserve Fund Balance

Priority Level: 1²

Resolution of the Board of Supervisors of the County of Riverside of Formation of Community Facilities Districts, Section D, *Method of Apportionment of the Special Tax*, states that commencing with the fiscal year of formation "and for each following Fiscal Year, the Administrator shall levy the Special Tax on all Taxable Property until the amount of Special Tax equals the Special Tax Requirement..." The resolution further defines, "Special Tax Requirement means for each Fiscal Year, that amount required to: (i) pay the estimated cost of Special Tax Services for such Fiscal Year as determined by the County; (ii) fund the Special Tax Reserve Fund

² Please see Appendix A (page 18) for a description of the finding priority level classifications.



Internal Audit Report 2025-020: Riverside County Office of Economic Development, Community Facilities Districts Audit

in an amount equal to the lesser of (a) 20% of the Special Tax Reserve Fund Requirement or (b) the amount needed to fund the Special Tax Reserve Fund up to the Special Tax Reserve Fund Requirement, (iii) pay Administrative Expenses; (iv) pay for anticipated Special Tax delinquencies based on actual delinquencies from the prior Fiscal Year outstanding at the time the annual Special Tax levy is determined; and (v) less a credit for funds available to reduce the annual Special Tax levy as determined by the Administrator.” The *Special Tax Reserve Fund Requirement* is defined as an amount up to 150% of the anticipated annual cost of Special Tax Services for the Base Year.

We sampled 4 out of 41 community facilities districts and determined the following:

- Special Tax funds levied and collected by Community Facilities Districts exceeded the actual expenditures for services and facilities by approximately \$1.4 million and \$1.28 million in Fiscal Years 2022-2023 and 2023-2024, respectively (See Table A). The current tax levy approach applies the maximum authorized rate rather than calculating the levy based on the Special Tax Requirement defined in the formation documents. As a result, reserve balances have continued to accumulate and now exceed 150% of the anticipated annual cost thresholds referenced in Board resolution as a guide for reserve levels (see Table B). Spending remained lower than anticipated due to delays in eligible service activity and capital disbursements. Additionally, a process to assess levy amounts based on actual expenditures, reserve levels, or service timing is not in place. Applying the maximum rate without considering actual services results in reserve levels that exceed what is necessary and reduce alignment with the fiscal intent outlined in the formation guidelines. This could impact the effective administration of community facilities district budgets and increase the risk of noncompliance with formation guidelines, potentially leading to less efficient use of taxpayer resources.
- A formal methodology and clear plan for utilizing funds is not in place. Specifically, the Special Tax Reserve funds maintained by Community Facilities Districts continue to increase as special tax collected exceeds actual expenditures. As of June 30, 2024, the reserve fund balances for the districts sampled exceeded the amount defined in the formation documents by approximately \$1.6 million (See Table B). An internal process to regularly assess whether reserve balances continue to align with district needs or to determine how accumulated funds should be managed has not been established. Additionally, internal policy or guidance to support the management or use of excess reserves is not available. Without a defined process to evaluate reserve levels or guide the use of accumulated funds, long-term planning and financial oversight may be constrained. This may reduce the ability to fully assess whether reserve balances are aligned with district needs and intended purposes.
- A formal process and timeframe for transferring districts maintenance responsibility from developers to Community Facilities Districts is not outlined in the formation documents. There is



Internal Audit Report 2025-020: Riverside County Office of Economic Development, Community Facilities Districts Audit

no standardized method, process, or timeframe to formalize when a district should be accepted for transfer, when maintenance should begin, or to notify Community Facilities Districts, who is responsible for funding and oversight. Existing district ordinances outline the levying of special tax; however, they do not specify requirements for transfer documentation, transition timeframes following development completion, or communication protocols. As a result, key administrative steps are missing or delayed. This is due to the absence of a defined timeframe for the transfer process, which leads to uncertainties and miscommunications. In several cases, districts believed to be pending transfer were confirmed to have been accepted for maintenance with costs billed to Community Facilities Districts. This delays service alignment and increases the accumulation of unused special tax funds that are not promptly directed toward maintenance activities.

Table A: Summary of District Fund Collection and Spending

	CFD 16-1 Citrus Heights	CFD 17-3 Terra Del Ray	CFD 18-1 Tramonte	CFD 20-1 Springbrook	Totals
FY 2022-23					
Revenues	\$ 268,925	\$ 166,586	\$ 272,292	\$ 806,723	\$ 1,514,526
Expenditures	29,168	20,207	20,355	10,002	79,732
Difference	\$ 239,757	\$ 146,379	\$ 251,938	\$ 796,721	\$ 1,434,794
FY 2023-24					
Revenues	\$ 207,886	\$ 193,406	\$ 234,616	\$ 794,832	\$ 1,430,740
Expenditures	50,913	56,873	28,498	10,537	146,821
Difference	\$ 156,972	\$ 136,533	\$ 206,118	\$ 784,295	\$ 1,283,919

Table B: Summary of the Board Approved Accumulated Special Tax Reserve Fund Balances

	Fund Balance as of June 30, 2024	Calculated Board Approved Reserve Fund Requirement	Difference
CFD 16-1 Citrus Heights	\$ 826,266	\$ 262,666	\$ 563,599
CFD 17-3 Terra Del Ray	640,724	233,856	406,868
CFD 18-1 Tramonte	789,990	468,190	321,800
CFD 20-1 Springbrook	1,581,016	1,266,691	314,325
Total Accumulated Fund	\$ 3,837,996	\$ 2,231,403	\$ 1,606,592



Internal Audit Report 2025-020: Riverside County Office of Economic Development, Community Facilities Districts Audit

Recommendation 1.1

Implement a formal, documented process to calculate the annual special tax levy based on the Special Tax Requirement defined in the formation documents.

Management's Response

“Concur. The department's tax roll management consultant, Spicer Consulting Group, will provide a document with guidance on annual assessment calculations based on prior year expenses, anticipated future expenses, and current fund balance.”

Actual/estimated Date of Corrective Action: December 2025

Auditors' Comment

Since the recommendation was implemented prior to the issuance of this report, we will follow up in the near future to ensure it was implemented.

Recommendation 1.2

Develop and approve a formal reserve management departmental policy that defines thresholds for reserve levels, including considerations for emergencies, delinquencies, and future capital needs.

Management's Response

“Concur. The current formation documents suggest reserve should be 150% of operating costs for maintenance and service responsibilities but does not reference including complete replacement costs of facilities due to disasters or emergencies. The department will prepare a policy that influences the reserve fund balance to include replacement of facilities.

Actual/estimated Date of Corrective Action: December 2025

Auditors' Comment

Since the recommendation was implemented prior to the issuance of this report, we will follow up in the near future to ensure it was implemented.



Internal Audit Report 2025-020: Riverside County Office of Economic Development, Community Facilities Districts Audit

Recommendation 1.3

Develop and approve an overarching governing document that establishes a formal transfer process for community facilities districts, including requirements for transfer completion documentation, clear guidance on when and how departments and developers should be notified throughout the process, expected timeframes for transfer following tax levy implementation, and provisions for addressing delays. Incorporate the defined transfer process requirements into future CFD formation ordinances to ensure consistency and long-term alignment with the established standards.

Management's Response

“Partially Concur. Staff will prepare policy documents and amend the MOU between Transportation and CFD Admin to incorporate guidance on reasonable expectations for turnover timeframes and the transfer of revenues collected through CFD assessments. Creating an expected timeframe for transfer or incorporating that expectation into ordinances or any other governing document is unrealistic due to the fact that the private developer is in control of how quickly they address the conditions of approval for County turnover.”

Actual/estimated Date of Corrective Action: April 2026

Recommendation 1.4

Establish written procedures to monitor reserve fund balances and document decisions regarding the use of the excess funds.

Management's Response

“Concur. The department's policies and procedures will include guidance on utilizing reserve fund balances on projects within each specific CFD in line with services approved for that CFD.”

Actual/estimated Date of Corrective Action: December 2025

Auditors' Comment

Since the recommendation was implemented prior to the issuance of this report, we will follow up in the near future to ensure it was implemented.



Internal Audit Report 2025-020: Riverside County Office of Economic Development, Community Facilities Districts Audit

Recommendation 1.5

Conduct a review of current Special Tax Reserve fund balances and develop a documented plan for the use, reallocation, or retention of excess amounts in accordance with formation documents and district priorities. If no permissible use is identified, implement a process to return excess funds to the taxpayers.

Management's Response

“Concur. CFD Admin is creating a policy to guide a Capital Improvement and Replacement Fund for each CFD which will be designed to capture the revenue needed for full replacement of facilities and infrastructure in the event of catastrophic loss due to acts of nature, vandalism, or any other unforeseen circumstance. This policy will ensure funding collected is only utilized for the district and purpose it is collected for as well as provide justification for and guidance for the collection of reserve funds.”

Actual/estimated Date of Corrective Action: February 2026



Internal Audit Report 2025-020: Riverside County Office of Economic Development, Community Facilities Districts Audit

Service Delivery

Background

Community facilities districts authorized under the California Mello-Roos Community Facilities Act of 1982³, provides a legal framework that allows local governments to finance and deliver essential public services and infrastructure. Riverside County currently administers 41 active community facilities districts, with additional districts planned to support future growth and expanded service needs in unincorporated areas. The formation, administration, and oversight of each community facilities district are governed by state law and local policies, including Riverside County Board Policy B-12 and ordinances adopted by the Board of Supervisors.

In Riverside County, services such landscaping, streetlights, parks and monument maintenance, and stormwater quality infrastructure are administered by Community Facilities Districts staff in coordination with the Transportation and Land Management Agency (Agency) and carried out by contractors. While Community Facilities Districts staff are responsible for financial oversight, contract administration, and coordination of service scopes, day-to-day operations, including service implementation, contractor supervision, and quality assurance, are managed by the Agency. Service authorization, including the scope and boundaries of services, is established at the time of district formation. Each district's formation documents define the specific services to be provided and include a Rate and Method of Apportionment, which outlines how special taxes are calculated and levied to fund those services.

Objective

To verify the existence and adequacy of internal controls over Community Facilities Districts service delivery process.

Audit Methodology

To accomplish these objectives, we:

- Obtained an understanding of the department's processes related to the community facilities delivery of services.
- Conducted interviews with department management and staff to gain an understanding of the service delivery processes.

³ California Government Code §§ 53311–53368.3



Internal Audit Report 2025-020: Riverside County Office of Economic Development, Community Facilities Districts Audit

- Obtained and reviewed a list of all community facilities districts, a map of their boundaries, and a listing of approved services to be provided by each community facilities district during the audit period.
- Obtained and reviewed a list of all vouchers related to delivery of services to community facilities districts residents.
- Selected a random sample of four community facilities districts with the largest discrepancies between revenues and expenditures over the past two fiscal years.
- Verified scope of services provided agrees with the approved service offerings and work performed outside of the scope of the contract was approved before service was performed.
- Utilized the county geographic software to verify the address of service locations within each community facilities district's boundaries and the services performed at the address agree with the list of approved services for the service area.
- Verified the service delivery process was subject to active oversight by management.
- Compared the physical location of each streetlight billed to the corresponding formation document and legal stipulations.
- Identified any streetlights listed on the Southern California Edison (Edison) invoices that fall outside the community facilities district's geographic boundaries.
- Obtained and reviewed the Memorandum of Understanding with the Agency, which defines the roles and responsibilities for Community Facilities District services.
- Selected a sample of utility payments and interfund journal entries recorded by Community Facilities Districts and the Agency.

Finding 2: Billing Process

Priority Level: 1⁴

Standard Practice Manual 1001, *Internal Control*, states: "Records are routinely examined and reconciled to determine that transactions were properly processed." Furthermore, the department's *SCEC Streetlight Bill Procedure* states: "The purpose is to ensure each community

⁴ Please see Appendix A (page 18) for a description of the finding priority level classifications.



Internal Audit Report 2025-020: Riverside County Office of Economic Development, Community Facilities Districts Audit

facilities district is being charged for the correct number of streetlights and to ensure the cost has not increased by a large percentage.”

Although a process is in place to review payments and interfund journal entries, we observed instances where processing issues occurred. At the time of our sampling, financial data was available for 36 Community Facilities District projects, although there are currently 41 total projects. Our review was based on the projects with available data, from which we sampled four. We noted the following:

- In two of the four sampled Community Facilities Districts, street names on Edison invoices did not match actual service locations, including references to incorrect or nonexistent streets. This occurred because the initial service requests to Edison were submitted before final street names had been established.
- In one of the four sampled Community Facilities Districts, a streetlight listed on the Edison invoices included a cross street located outside the district’s boundaries. Although an updated streetlight inventory is maintained, billing records have not been reconciled to reflect current district boundaries.
- One incident of duplicate payment, a variance between the approved and paid amounts on a single invoice, and shared costs that were charged across Community Facilities Districts were identified. Current verification procedures do not fully capture all necessary validations for transactions recorded through journal entries initiated by Agency.

Correct billing information and completed reconciliations increase the efficiency of payments, ensure that allocated costs are accurate, and help prevent community facilities district funds from being used for services outside district boundaries.

Recommendation 2.1

Enhance verification procedures by incorporating a validation step to confirm consistency between approved amounts, payment records, and shared cost charged across Community Facilities Districts prior to posting transactions.

Management’s Response

“**Concur.** Inter-fund billing verification procedures will be enhanced to require Simpler financial reports verifying actuals to reimbursement requests.”

Actual/estimated Date of Corrective Action: July 2025



Internal Audit Report 2025-020: Riverside County Office of Economic Development, Community Facilities Districts Audit

Auditors' Comment

Since the recommendation was implemented prior to the issuance of this report, we will follow up in the near future to ensure it was implemented.

Recommendation 2.2

Implement a formal reconciliation process that regularly compares Southern California Edison billing data with the department's internal streetlight inventory.

Management's Response

"Concur. Already in place. SCE invoices are already audited every month."

Actual/estimated Date of Corrective Action: "Already in place"

Auditors' Comment

Since the recommendation was implemented prior to the issuance of this report, we will follow up in the near future to ensure it was implemented.

Recommendation 2.3

Conduct an annual boundary validation review for all utility accounts tied to Community Facilities Districts.

Management's Response

"Partially Concur. There are instances where services such as backbone street lighting is provided that is not within the physical tract boundary of the CFD. The location of utilities provided is already being evaluated monthly with the processing of invoices."

Actual/estimated Date of Corrective Action: "Already in place"

Auditors' Comment

Since the recommendation was implemented prior to the issuance of this report, we will follow up in the near future to ensure it was implemented.



Internal Audit Report 2025-020: Riverside County Office of Economic Development, Community Facilities Districts Audit

Recommendation 2.4

Coordinate with Southern California Edison to update street names once final names are approved by the County.

Management's Response

"Partially Concur. The Department has no issue with making the request to update street names on billing but cannot guarantee SCE will oblige. Previous requests to SCE have gone unresolved and the Department has no recourse."

Actual/estimated Date of Corrective Action: December 2025

Auditors' Comment

Since the recommendation was implemented prior to the issuance of this report, we will follow up in the near future to ensure it was implemented.



Internal Audit Report 2025-020: Riverside County Office of Economic Development, Community Facilities Districts Audit

Appendix A: Finding Priority Level Classification

Priority Level 1	Priority Level 2	Priority Level 3
<p>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.</p>	<p>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.</p>	<p>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.</p>
<p><u>Expected Implementation Date of Recommendation*</u> One to three months</p>	<p><u>Expected Implementation Date of Recommendation *</u> Three to six months</p>	<p><u>Expected Implementation Date of Recommendation *</u> Six to twelve months</p>

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



Riverside County Board of Supervisors
Request to Speak

Submit request to the Clerk of the Board (right of podium), individual speakers are limited to a maximum of three (3) minutes, subject to Board Rules listed on the reverse side of this form. The Board may limit the public input on any item, based on the number of people requesting to speak and the business of the Board.

SPEAKER'S NAME: ERRAL Koschewitz

Address: _____

City: _____ Zip: _____

Phone #: 2.5 Auditor Controller,

Date: _____ Agenda # _____

PLEASE STATE YOUR POSITION BELOW:

Position on "Regular" (non-appealed) Agenda Item:

_____ Support _____ Oppose _____ Neutral

Note: If you are here for an agenda item that is filed for "Appeal", please state separately your position on the appeal below:

_____ Support _____ Oppose _____ Neutral

I give my 3 minutes to: _____

Do you need a Spanish translator? Yes _____ No _____

Parking validations available for speakers only – see Clerk of the Board.

(Revised: 1/27/2026)

BOARD RULES

Requests to Address Board on "Agenda" Items:

You may request to be heard on a published agenda item. Requests to be heard must be submitted to the Clerk of the Board before the scheduled meeting time.

Requests to Address Board on items that are "NOT" on the Agenda:

Notwithstanding any other provisions of these rules, member of the public shall have the right to address the Board during the mid-morning "Oral Communications" segment of the published agenda. Said purpose for address must pertain to issues which are under the direct jurisdiction of the Board of Supervisors. YOUR TIME WILL BE LIMITED TO THREE (3) MINUTES. The Board may limit the public input on any item, based on the number of people requesting to speak and the business of the Board.

Power Point Presentations/Printed Material:

Speakers who intend to conduct a formalized Power Point presentation or provide printed material must notify the Clerk of the Board's Office by 12 noon on the Monday preceding the Tuesday Board meeting, ensuring that the Clerk's Office has sufficient copies of all printed materials and at least one (1) copy of the Power Point CD. Copies of printed material given to the Clerk (by Monday noon deadline) will be provided to each Supervisor. If you have the need to use the overhead "Elmo" projector at the Board meeting, please ensure your material is clear and with proper contrast, notifying the Clerk well ahead of the meeting, of your intent to use the Elmo. **Speakers are prohibited from bringing signs, placards, or posters into the hearing room.**

Individual Speaker Limits:

Individual speakers are limited to a maximum of three (3) minutes. The Board may limit the public input on any item, based on the number of people requesting to speak and the business of the Board. Please step up to the podium when the Chair calls your name and begin speaking immediately. Pull the microphone to your mouth so that the Board, audience, and audio recording system hear you clearly. Once you start speaking, the "green" podium light will light. The "yellow" light will come on when you have one (1) minute remaining. When you have 30 seconds remaining, the "yellow" light will begin flash, indicating you must quickly wrap up your comments. Your time is up when the "red" light flashes. The Chair adheres to a strict three (3) minutes per speaker. ***Note: If you intend to give your time to a "Group/Organized Presentation", please state so clearly at the very bottom of the reverse side of this form.***

Group/Organized Presentations:

Group/organized presentations with more than one (1) speaker will be limited to nine (9) minutes at the Chair's discretion. The organizer of the presentation will automatically receive the first three (3) minutes, with the remaining six (6) minutes relinquished by other speakers, as requested by them on a completed "Request to Speak" form, and clearly indicated at the front bottom of the form.

Addressing the Board & Acknowledgement by Chair:

The Chair will determine what order the speakers will address the Board and will call on all speakers in pairs. The first speaker should immediately step to the podium and begin addressing the Board. The second speaker should take up a position in one of the chamber aisles to quickly step up to the podium after the preceding speaker. This is to afford an efficient and timely Board meeting, giving all attendees the opportunity to make their case. Speakers are prohibited from making personal attacks, and/or using coarse, crude, profane or vulgar language while speaking to the Board members, staff, the public and/or meeting participants. Such behavior, at the discretion of the Board Chair may result in removal from the Board Chambers by Sheriff Deputies.