

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



ITEM: 2.5  
(ID # 30275)

**MEETING DATE:**  
Tuesday, April 28, 2026

**FROM :** AUDITOR CONTROLLER

**SUBJECT:** AUDITOR-CONTROLLER: Internal Audit Report 2026-307: Riverside County Transportation and Land Management Agency, Code Enforcement Department, Follow-up Audit, [District: All]; [\$0]

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

1. Receive and file Internal Audit Report 2026-307: Riverside County Transportation and Land Management Agency, Code Enforcement Department, Follow-up Audit.

**ACTION:**Consent

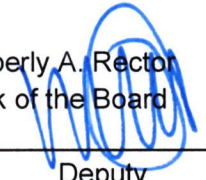
  
Ben J. Benoit, COUNTY AUDITOR-CONTROLLER 4/16/2026

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**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Washington, seconded by Supervisor Perez 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: April 28, 2026  
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: No</b>	
			<b>For Fiscal Year: N/A</b>	

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

**BACKGROUND:**

**Summary**

We completed a follow-up audit of the Riverside County Transportation and Land Management Agency, Code Enforcement Department. Our audit was limited to reviewing actions taken as of January 16, 2026, to correct findings noted in our original audit report 2025-015 dated September 09, 2025. The original audit report contained five recommendations, all of which required implementation to help correct the reported findings.

Based on the results of our audit, we found that of the five recommendations, all were implemented.

For an in depth understanding of the original audit report, please refer to Internal Audit Report 2025-015 included as an attachment to this follow-up audit report or it can also be found at <https://auditorcontroller.org/divisions/internal-audit/reports>.

**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 - Internal Audit Report 2026-307: Riverside County Transportation and Land Management Agency, Code Enforcement Department, Follow-up Audit.



Office of Ben J. Benoit  
Riverside County Auditor-Controller

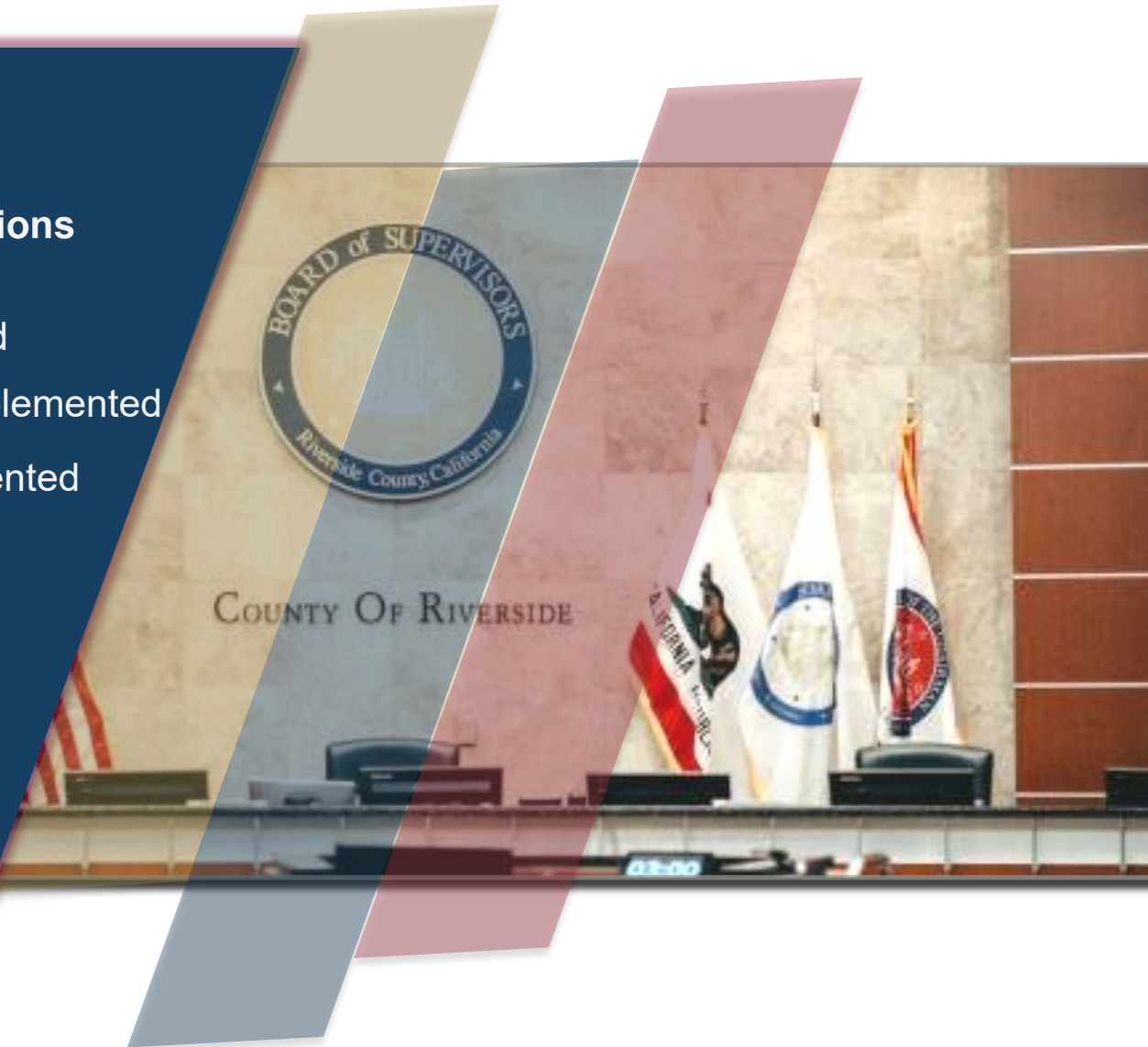
# Internal Audit Report

## 2026-307

### Follow-up

#### 5 Recommendations

- ✓ 5 Implemented
- ▶ 0 Partially Implemented
- ✗ 0 Not Implemented



**Riverside County  
Transportation and Land Management Agency,  
Code Enforcement Department,  
Follow-up Audit**

April 28, 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



April 28, 2026

Rania Odenbaugh  
TLMA Director

Riverside County Transportation and Land Management Agency, Code Enforcement Department  
4080 Lemon Street, 14<sup>th</sup> Floor  
Riverside, CA 92501

Subject: **Internal Audit Report 2026-307: Riverside County Transportation and Land Management Agency, Code Enforcement Department, Follow-up Audit**

Dear Ms. Odenbaugh:

We completed the follow-up audit of Riverside County Transportation and Land Management Agency, Code Enforcement Department. Our audit was limited to reviewing actions taken as of January 16, 2026, to help correct the findings noted in our original audit report 2025-015 dated September 9, 2025.

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 reasonable assurance that our objective, as described in the preceding paragraph, is achieved. Additionally, the standards require that we conduct the audit to provide sufficient, reliable, and relevant evidence to achieve the audit objectives. We believe the audit provides a reasonable basis for our conclusion.

The original audit report contained five recommendations, all of which required implementation to help correct the reported findings. Based on the results of our audit, we found that of the five recommendations, all were implemented.



**Internal Audit Report 2026-307: Riverside County Transportation and Land  
Management Agency, Code Enforcement Department, Follow-up Audit**

A summary of the conditions from the original audit and the results of our review on the status of the implementation of the recommendations are provided in this report. For an in-depth understanding of the original audit, please refer to Internal Audit Report 2025-015 included as "Attachment A" of this audit report along with your department status letter as "Attachment B." You can also find the original audit report at <https://auditorcontroller.org/divisions/internal-audit/reports>.

We thank you and your staff for your 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, County Executive Officer  
Juan Perez, Chief Operating Officer  
Don Kent, Chief Finance Officer  
Charissa Leach, Assistant County Executive Officer  
Grand Jury



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## Non-Capital Asset Management

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### Finding 1: Non-Capital Asset Compliance

“County of Riverside Board of Supervisor’s Policy H-26, *Non-Capitalized Asset Management*, states, ‘Non-capitalized assets which are small, mobile, easily converted for personal use, and have a fair market value of at least \$200 are classified as ‘walk-away assets...’ Each department shall ensure compliance with this policy by tracking walk-away assets using the county’s Asset Management Module... Departments may use another established system to ensure the accountability of non-fixed assets...’ Additionally, Government Finance Officers Association recommends that governments should implement an asset tracking system appropriate to the value and portability of assets, even if not capitalized, to safeguard public property.

Thirteen out of 40 (33%) non-capital assets randomly selected for testing were not at the locations reported in the department’s internal non-capital asset listing. Additionally, one out of 11 assets identified during fieldwork was not being tracked by the department. The department also does not use external asset tags to identify non-capital assets. Instead, the department relies on serial numbers, which are not always visible or accessible. As a result, these assets are not readily identifiable, making it difficult to determine their assigned custodian, physical location, or movement across workspaces. These conditions were attributed to outdated location records following a recent office relocation, an oversight during a leadership transition that led to the exclusion of an asset from the inventory listing, and assets being in the process of surplus preparation. Gaps in accurate location records and tracking of non-capital assets affect the ability to maintain effective oversight. This increases the risk of misplacement, loss, or unauthorized use, and impacts the availability of non-capital assets needed for operational efficiency.”

#### Recommendation 1.1

“Ensure all-noncapital assets are identified, tagged, and properly tracked to maintain accurate records of ownership and location.”

#### Current Status 1.1: Implemented

#### Recommendation 1.2

“Update desk procedures to include a clear, documented process for tracking non-capital assets, including timely updates of asset locations and verification of departmental ownership.”

#### Current Status 1.2: Implemented



## **Finding 2: Non-Capital Asset Inventory**

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“Government Finance Officers Association recommends that governments implement asset tracking systems appropriate to the value and portability of assets, even if not capitalized, and that such systems include routine monitoring to safeguard public resources. Additionally, the United States Government Accountability Office’s Standards for Internal Control in the Federal Government (Green Book), Principle 10, Design Control Activities, states, ‘Management establishes physical control activities to secure and safeguard vulnerable assets’ and ‘periodically counts and compares such assets to control records.’

The department does not formally document its annual non-capital asset inventory counts. The most recent non-capital asset inventory count occurred in January 2024; however, there was no evidence of the preparer's signature, date of completion, or supervisory review and approval. A standardized process or written procedures need to be developed for conducting, documenting, and reviewing periodic non-capital asset inventory counts. The absence of a clear and consistent process for tracking inventory activity increases the risk that discrepancies between recorded and actual non-capital assets may go undetected. These gaps in oversight elevate the risk of noncapital asset loss, misstatements, and delays in locating needed equipment and supplies, which can hinder operational efficiency.”

### **Recommendation 2.1**

“Establish and implement a clear, documented process for conducting annual non-capital asset inventory counts, including clear roles, responsibilities, and timeframes.”

### **Current Status 2.1: Implemented**

### **Recommendation 2.2**

“Develop and implement standardized documentation requirements for inventory counts, such as requiring the preparer’s signature, date of completion, and evidence of supervisory review and approval.”

### **Current Status 2.2: Implemented**

### **Recommendation 2.3**

“Update desk procedures to incorporate the standardized non-capital asset inventory process and documentation requirements.”

### **Current Status 2.3: Implemented**



Office of Ben J. Benoit  
Riverside County Auditor-Controller

**Number of Findings & Recommendations**

**High Risk**

**0** Findings

**Medium Risk**

**2** Findings  
• 5 Recommendations

**Low Risk**

**0** Findings

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

# Internal Audit Report

2025-015

Riverside County  
Transportation and Land Management Agency,  
Code Enforcement Department Audit

September 9, 2025



COUNTY OF RIVERSIDE  
OFFICE OF THE AUDITOR-CONTROLLER

BEN J. BENOIT, AUDITOR-CONTROLLER  
TANYA S. HARRIS, DPA, CPA,  
ASSISTANT AUDITOR-CONTROLLER



September 9, 2025

Rania Odenbaugh

TLMA Director

Riverside County Transportation and Land Management Agency, Code Enforcement Department

4080 Lemon Street, 14th Floor

Riverside, CA 92501

Subject: **Internal Audit Report 2025-015: Riverside County Transportation and Land Management Agency, Code Enforcement Department Audit**

Dear Ms. Odenbaugh:

In accordance with Board of Supervisors Resolution 83-338, we audited the Riverside County Transportation and Land Management Agency, Code Enforcement Department to provide management and the Board of Supervisors with an independent assessment of internal controls over non-capital asset management and grant compliance.

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 2025-015: Riverside County Transportation and Land Management Agency, Code Enforcement Department 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 your 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  
Charissa Leach, Assistant County Executive Officer  
Grand Jury



**Internal Audit Report 2025-015: Riverside County Transportation and Land Management Agency, Code Enforcement Department Audit**

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## Internal Audit Report 2025-015: Riverside County Transportation and Land Management Agency, Code Enforcement Department Audit

### Executive Summary

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#### Overview

Riverside County Transportation and Land Management Agency, Code Enforcement Department (Code Enforcement) works to protect public health, safety, and quality of life by enforcing ordinances related to land use, zoning, and property conditions. Common compliance matters include accumulated rubbish, excessive outside storage, inoperative or abandoned vehicles, substandard or unpermitted structures, unsafe and unpermitted excavation/grading, zoning violations, unlawful cannabis dispensaries and cultivation, as well as state and federal water quality acts. Code Enforcement is funded through a net cost allocation from the general fund, as well as cost recovery efforts including the flat fee program, court ordered settlement agreements, grant programs, development agreements, and transient occupancy taxes.

Code Enforcement has an adopted budget of \$18.5 million for FY 2024/25 and 81 authorized positions. *County of Riverside, Fiscal Year 2024/25 Adopted Budget Volume I, 341.*

#### 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 non-capital asset management and grant compliance. 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

- Non-capital assets need to be accurately tracked and monitored.
- Periodic non-capital asset inventory counts need to be formally documented.



## **Internal Audit Report 2025-015: Riverside County Transportation and Land Management Agency, Code Enforcement Department Audit**

### **Audit Scope and Methodology**

We conducted the audit from February 19, 2025, through May 27, 2025, for operations from July 1, 2022, through April 4, 2025. Using a risk-based approach, our scope included the following:

- Non-Capital Asset Management
- Grant Compliance

### **Audit Conclusion**

Based on the results of our audit, we determined internal controls over grant compliance are functioning as designed to help Code Enforcement achieve its business process objectives. However, we have identified improvement opportunities for internal controls over non-capital asset management that can help provide reasonable assurance that the department's objectives relating to this area will be achieved. Specifically, non-capital assets need to be accurately tracked and monitored, and periodic non-capital asset inventory counts need to be formally documented.



## Internal Audit Report 2025-015: Riverside County Transportation and Land Management Agency, Code Enforcement Department Audit

### Non-Capital Asset Management

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#### Background

Non-capital assets, also known as “walk-away” assets, are tangible items that do not meet county capitalization thresholds but still require safeguarding due to their portability, value, or sensitivity. These assets may include, but are not limited to, laptop computers, personal digital assistants, global positioning system receivers, and cellular telephones – all of which are vulnerable to loss, theft, or misuse if not properly tracked. While not recorded in the capital asset ledger, non-capital assets are often maintained through departmental tracking systems or inventories. Effective management of non-capital assets involves identifying items subject to tracking, labeling or tagging where appropriate, maintaining accurate records of location and custody, and conducting periodic physical inventories to confirm existence and condition. Adequate internal controls in this area help ensure accountability and promote responsible stewardship of public property.

#### Objective

To verify the existence and adequacy of internal controls over Code Enforcement’s non-capital asset management.

#### Audit Methodology

To accomplish these objectives, we:

- Conducted interviews with key personnel to gain an understanding of the department’s non-capital asset management processes.
- Obtained an understanding of Board Policy Number H-26, *Non-Capitalized Asset Management*, and applicable standards over non-capital asset management.
- Verified whether there was adequate segregation of duties in place relating to non-capital asset management processes.
- Obtained a listing of all non-capital assets internally tracked by the department.
- Selected a random sample of non-capital assets and verified physical existence, location, asset tag, serial number, and operational condition.



## Internal Audit Report 2025-015: Riverside County Transportation and Land Management Agency, Code Enforcement Department Audit

- Identified additional non-capital assets during fieldwork and verified whether they were included in the department's internal asset tracking listing.
- Assessed the adequacy of physical security controls in areas where non-capital assets were stored or used.
- Obtained a listing of non-capital assets disposed of during the audit review period and selected a sample for review.
- Verified whether asset disposals were properly documented and processed in accordance with Board Policy H-26.
- Selected a random sample of months within the audit review period and verified whether periodic inventory counts were performed and supported by documentation evidencing review and approval.

### Finding 1: Non-Capital Asset Compliance

Priority Level: 2<sup>1</sup>

County of Riverside Board of Supervisor's Policy H-26, *Non-Capitalized Asset Management*, states, "Non-capitalized assets which are small, mobile, easily converted for personal use, and have a fair market value of at least \$200 are classified as 'walk-away assets...' Each department shall ensure compliance with this policy by tracking walk-away assets using the county's Asset Management Module... Departments may use another established system to ensure the accountability of non-fixed assets..." Additionally, Government Finance Officers Association recommends that governments should implement an asset tracking system appropriate to the value and portability of assets, even if not capitalized, to safeguard public property.<sup>2</sup>

Thirteen out of 40 (33%) non-capital assets randomly selected for testing were not at the locations reported in the department's internal non-capital asset listing. Additionally, one out of 11 assets identified during fieldwork was not being tracked by the department. The department also does not use external asset tags to identify non-capital assets. Instead, the department relies on serial numbers, which are not always visible or accessible. As a result, these assets are not readily identifiable, making it difficult to determine their assigned custodian, physical location, or movement across workspaces. These conditions were attributed to outdated location records following a recent office relocation, an oversight during a leadership transition that led to the exclusion of an asset from the inventory listing, and assets being in the process of surplus

<sup>1</sup> Please see Appendix A (page 13) for a description of the finding priority level classifications.

<sup>2</sup> Government Finance Officers Association, *Control Over Items That Are Not Capitalized: Best Practice* (GFOA, 2019), <https://www.gfoa.org/materials/control-over-items-that-are-not-capitalized>



## Internal Audit Report 2025-015: Riverside County Transportation and Land Management Agency, Code Enforcement Department Audit

preparation. Gaps in accurate location records and tracking of non-capital assets affect the ability to maintain effective oversight. This increases the risk of misplacement, loss, or unauthorized use, and impacts the availability of non-capital assets needed for operational efficiency.

### Recommendation 1.1

Ensure all non-capital assets are identified, tagged, and properly tracked to maintain accurate records of ownership and location.

### Management's Response

**“Partially Concur.** The department already maintains the record, updates and tracks non-capital Assets under \$200. The inventory count is done annually. However, it's also important to consider the administrative burden tagging all non-capital assets under \$200 may create. In some cases, implementing risk-based tracking criteria could better balance asset management.”

**Actual/Estimated Date of Corrective Action:** The department did not provide an actual/estimated date of corrective action.

### Recommendation 1.2

Update desk procedures to establish a clear, documented process for tracking non-capital assets, including timely updates of asset locations and verification of departmental ownership.

### Management's Response

**“Concur.** The department will update desk procedures to include a clear, documented process for tracking non-capital assets to help verify departmental ownership and asset locations.”

**Actual/Estimated Date of Corrective Action:** October 1, 2025

## Finding 2: Non-Capital Asset Inventory

Priority Level: 2<sup>3</sup>

Government Finance Officers Association recommends that governments implement asset tracking systems appropriate to the value and portability of assets, even if not capitalized, and that such systems include routine monitoring to safeguard public resources.<sup>4</sup> Additionally, the

<sup>3</sup> Please see Appendix A (page 13) for a description of the finding priority level classifications.

<sup>4</sup> Government Finance Officers Association, Control Over Items That Are Not Capitalized: Best Practice (GFOA, 2019), <https://www.gfoa.org/materials/control-over-items-that-are-not-capitalized>



## Internal Audit Report 2025-015: Riverside County Transportation and Land Management Agency, Code Enforcement Department Audit

United States Government Accountability Office's *Standards for Internal Control in the Federal Government* (Green Book), Principle 10, *Design Control Activities*, states, "Management establishes physical control activities to secure and safeguard vulnerable assets" and "periodically counts and compares such assets to control records."

The department does not formally document its annual non-capital asset inventory counts. The most recent non-capital asset inventory count occurred in January 2024; however, there was no evidence of the preparer's signature, date of completion, or supervisory review and approval. A standardized process or written procedures need to be developed for conducting, documenting, and reviewing periodic non-capital asset inventory counts. The absence of a clear and consistent process for tracking inventory activity increases the risk that discrepancies between recorded and actual non-capital assets may go undetected. These gaps in oversight elevate the risk of non-capital asset loss, misstatements, and delays in locating needed equipment and supplies, which can hinder operational efficiency.

### Recommendation 2.1

Establish and implement a clear, documented process for conducting annual non-capital asset inventory counts, including clear roles, responsibilities, and timeframes.

### Management's Response

"**Concur.** The department will create a documented process with clearly defined roles, responsibilities, and timelines to help ensure the annual inventory of non-capital assets is completed accurately."

**Actual/Estimated Date of Corrective Action:** October 1, 2025

### Recommendation 2.2

Develop and implement standardized documentation requirements for inventory counts, such as requiring the preparer's signature, date of completion, and evidence of supervisory review and approval.

### Management's Response

"**Concur.** The department will standardize documentation, including the preparer's signature, completion date, and supervisor review to improve accountability."

**Actual/Estimated Date of Corrective Action:** October 1, 2025



## **Internal Audit Report 2025-015: Riverside County Transportation and Land Management Agency, Code Enforcement Department Audit**

### **Recommendation 2.3**

Update desk procedures to incorporate the standardized non-capital asset inventory process and documentation requirements.

### **Management's Response**

“**Concur.** The department will update desk procedures to reflect the standardized non-capital asset inventory process and documentation requirements to help ensure consistency and provide guidance for staff.”

**Actual/Estimated Date of Corrective Action:** October 1, 2025



## Internal Audit Report 2025-015: Riverside County Transportation and Land Management Agency, Code Enforcement Department Audit

### Grant Compliance

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#### Background

In FY 2022/23 and 2023/24, Code Enforcement received grants to support ongoing programs that promote public health, safety, environmental stewardship, and neighborhood revitalization within the county. These funds help ensure compliance with state and federal regulations through targeted code enforcement activities. Specifically, grant programs provided funding for inspecting and abating illegal waste tire sites, enforcing property maintenance codes in low- to moderate-income neighborhoods, and remediating illegal solid waste dumping on agricultural lands while also supporting administrative functions necessary to implement these programs effectively and in alignment with the awarding agencies' requirements.

Grant compliance is an essential process in adhering to established terms and conditions within the framework of awarded grants. This process plays a critical role in fostering effective partnerships, ensuring the delivery of quality services, and maximizing the value derived from grant-funded initiatives. Grant compliance involves an understanding of the stipulated terms and conditions, encompassing project scope, budgetary constraints, and reporting requirements. Departments can enhance compliance by validating satisfactory project performance, ensuring timely execution of grant-related activities, maintaining comprehensive documentation, and conducting thorough reviews and approvals of financial disbursements associated with the grant. The adherence to grant compliance procedures assists with sustaining positive relationships with funding entities, promoting efficient utilization of grant resources, and achieving the intended outcomes of the grant-funded initiatives.

#### Objective

To verify the existence and adequacy of internal controls over Code Enforcement's grant compliance processes.

#### Audit Methodology

To accomplish these objectives, we:

- Obtained an understanding of department processes and procedures over grant compliance.
- Conducted interviews with key personnel to gain an understanding of the department's grant compliance processes.



## Internal Audit Report 2025-015: Riverside County Transportation and Land Management Agency, Code Enforcement Department Audit

- Obtained all relevant grant agreements and verified whether grants were monitored and administered according to the agreements.
- Obtained a listing of all grant expenditures claimed during the audit review period.
- Selected a sample of grant claims for review and verified whether they were accurately processed and in compliance with the grant agreements.
- Verified whether Code Enforcement complied with additional grant requirements such as recordkeeping, reporting, and administration.

Finding: None Noted

Based on the results of our audit, we determined that internal controls over grant compliance provide reasonable assurance that the department's objectives 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 2025-015: Riverside County Transportation and Land Management Agency, Code Enforcement Department 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><b><u>Expected Implementation Date of Recommendation*</u></b> One to three months</p>	<p><b><u>Expected Implementation Date of Recommendation *</u></b> Three to six months</p>	<p><b><u>Expected Implementation Date of Recommendation *</u></b> Six to twelve months</p>

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



# Attachment B

## COUNTY OF RIVERSIDE

Transportation and Land Management Agency

Rania Odenbaugh  
TLMA Agency Director



Transportation

Planning

Building & Safety

Code Enforcement

Aviation

*The following are the current status of the reported findings and planned corrective actions contained in Internal Audit Report 2025-015: Transportation and Land Management Agency, Code Enforcement Department Audit.*

*Rania Odenbaugh*

Rania Odenbaugh,  
TLMA Agency Director  
Authorized Signature

Date 1/16/2026

### Finding 1: Non-Capital Asset Compliance

“County of Riverside Board of Supervisor’s Policy H-26, *Non-Capitalized Asset Management*, states, ‘Non-capitalized assets which are small, mobile, easily converted for personal use, and have a fair market value of at least \$200 are classified as ‘walk-away assets...’ Each department shall ensure compliance with this policy by tracking walk-away assets using the county’s Asset Management Module... Departments may use another established system to ensure the accountability of non-fixed assets...’ Additionally, Government Finance Officers Association recommends that governments should implement an asset tracking system appropriate to the value and portability of assets, even if not capitalized, to safeguard public property.<sup>2</sup>”

Thirteen out of 40 (33%) non-capital assets randomly selected for testing were not at the locations reported in the department’s internal non-capital asset listing. Additionally, one out of 11 assets identified during fieldwork was not being tracked by the department. The department also does not use external asset tags to identify non-capital assets. Instead, the department relies on serial numbers, which are not always visible or accessible. As a result, these assets are not readily identifiable, making it difficult to determine their assigned custodian, physical location, or movement across workspaces. These conditions were attributed to outdated location records following a recent office relocation, an oversight during a leadership transition that led to the exclusion of an asset from the inventory listing, and assets being in the process of surplus preparation. Gaps in accurate location records and tracking of non-capital assets affect the ability to maintain effective oversight. This increases the risk of misplacement, loss, or unauthorized use, and impacts the availability of non-capital assets needed for operational efficiency.”

### Current Status

Reported Finding Corrected?  Yes  No

**The department implemented corrective measures to strengthen non-capital asset inventory practices. The updated desk procedure now formalizes the process for assignment, location tracking, and verification of departmental ownership.**

### Recommendation 1.1

Ensure all-noncapital assets are identified, tagged, and properly tracked to maintain accurate records of ownership and location.

#### Management Reply

“Partially Concur. The department already maintains the record, updates and tracks non-capital Assets under \$200. The inventory count is done annually. However, it's also important to consider the administrative burden tagging all non-capital assets under \$200 may create. In some cases, implementing risk-based tracking criteria could better balance asset management.”

#### Current Status

Corrective Action:  Fully Implemented  Partially Implemented  Not Implemented

Description of the corrective action taken (or pending action and estimated date of completion for planned corrective action that is partially or not implemented).

***The department already maintains the record and tracks non-capital Assets of \$200. Although, they are not tagged and entered in Peoplesoft, they are tracked in an Excel spreadsheet with their serial and model number, and person and location they are assigned to.***

### Recommendation 1.2

Update desk procedures to include a clear, documented process for tracking non-capital assets, including timely updates of asset locations and verification of departmental ownership.

#### Management's Reply

“Concur. The department will update desk procedures to include a clear, documented process for tracking non-capital assets to help verify departmental ownership and asset locations.”

#### Current Status

Corrective Action:  Fully Implemented  Partially Implemented  Not Implemented

Description of the corrective action taken (or pending action and estimated date of completion for planned corrective action that is partially or not implemented).

***The department currently maintains an established Non-Capital Asset Desk Procedure that documents the process for tracking non-capital assets, including assignment, location tracking, and verification of departmental ownership. This desk procedure is actively used and is reviewed and updated as operational processes change or as new asset-related workflows are implemented. The department will continue to refine and update the desk procedure as needed to ensure accuracy, consistency, and ongoing compliance with County asset management requirements. (Attachment 1)***

## Finding 2: Non-Capital Asset Inventory

“Government Finance Officers Association recommends that governments implement asset tracking systems appropriate to the value and portability of assets, even if not capitalized, and that such systems include routine monitoring to safeguard public resources. Additionally, the United States Government Accountability Office’s Standards for Internal Control in the Federal Government (Green Book), Principle 10, Design Control Activities, states, ‘Management establishes physical control activities to secure and safeguard vulnerable assets’ and ‘periodically counts and compares such assets to control records.’”

The department does not formally document its annual non-capital asset inventory counts. The most recent non-capital asset inventory count occurred in January 2024; however, there was no evidence of the preparer’s signature, date of completion, or supervisory review and approval. A standardized process or written procedures need to be developed for conducting, documenting, and reviewing periodic non-capital asset inventory counts. The absence of a clear and consistent process for tracking inventory activity increases the risk that discrepancies between recorded and actual non-capital assets may go undetected. These gaps in oversight elevate the risk of noncapital asset loss, misstatements, and delays in locating needed equipment and supplies, which can hinder operational efficiency.”

### Current Status

Reported Finding Corrected?  Yes  No

***Finding has been corrected. See below and attached documents.***

### Recommendation 2.1

Establish and implement a clear, documented process for conducting annual non-capital asset inventory counts, including clear roles, responsibilities, and timeframes.

### Management Reply

“Concur. The department will create a documented process with clearly defined roles, responsibilities, and timelines to help ensure the annual inventory of non-capital assets is completed accurately.”

### Current Status

Corrective Action:  Fully Implemented  Partially Implemented  Not Implemented

Description of the corrective action taken (or pending action and estimated date of completion for planned corrective action that is partially or not implemented).

***The department has implemented corrective actions to formally document and strengthen non-capital asset inventory controls. The department now utilizes a Code Enforcement Property Acknowledgement Form to document non-capital asset assignments. This form requires the preparer's signature and date of completion and is reviewed and approved by the Administrative Services Manager, establishing documented accountability and supervisory oversight. (Attachment 2)***

## Recommendation 2.2

Develop and implement standardized documentation requirements for inventory counts, such as requiring the preparer's signature, date of completion, and evidence of supervisory review and approval.

### Management Reply

"Concur. The department will standardize documentation, including the preparer's signature, completion date, and supervisor review to improve accountability."

Current Status

Corrective Action:  Fully Implemented  Partially Implemented  Not Implemented

Description of the corrective action taken (or pending action and estimated date of completion for planned corrective action that is partially or not implemented).

***In addition, the department has implemented a Standard Operating Procedure (SOP) for Non-Capitalized Asset Inventory and Monitoring, which provides a standardized process for conducting, documenting, and reviewing periodic non-capital asset inventory counts. The SOP defines inventory frequency, documentation requirements, reconciliation procedures, and supervisory review responsibilities to ensure consistency and compliance with internal control standards. (Attachment 3)***

## Recommendation 2.3

Update desk procedures to incorporate the standardized non-capital asset inventory process and documentation requirements.

### Management Reply

"Concur. The department will update desk procedures to reflect the standardized non-capital asset inventory process and documentation requirements to help ensure consistency and provide guidance for staff."

**Current Status**

Corrective Action:  Fully Implemented  Partially Implemented  Not Implemented

Description of the corrective action taken (or pending action and estimated date of completion for planned corrective action that is partially or not implemented).

***The department updated the Non-Capital Asset Desk Procedure that documents the process for tracking non-capital assets, including assignment, location tracking, and verification of departmental ownership. This desk procedure is actively used and is reviewed and updated as operational processes change or as new asset-related workflows are implemented. The department will continue to refine and update the desk procedure as needed to ensure accuracy, consistency, and ongoing compliance with County asset management requirements.***