

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



**ITEM: 2.4**  
(ID # 30470)

**MEETING DATE:**  
Tuesday, June 02, 2026

**FROM :** AUDITOR CONTROLLER

**SUBJECT:** AUDITOR-CONTROLLER: Internal Audit Report 2026-012 Riverside County Transportation and Land Management Agency, Aviation Division Audit, [District: All]; [\$0]

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

1. Receive and file Internal Audit Report 2026-012: Riverside County Transportation and Land Management Agency, Aviation Division Audit

**ACTION:Consent**

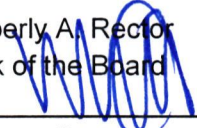
  
Ben J. Benoit, COUNTY AUDITOR-CONTROLLER 5/20/2026

---

**MINUTES OF THE BOARD OF SUPERVISORS**

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

Ayes: Medina, Spiegel, Washington, Perez, and Gutierrez  
Nays: None  
Absent: None  
Date: June 2, 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:</b> | No                  |
|                             |                             |                          | <b>For Fiscal Year:</b>   | n/a                 |

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

**BACKGROUND:**

**Summary**

In accordance with Board of Supervisors Resolution 83-338, we audited the Riverside County Transportation and Land Management Agency, Aviation Division, to provide management and the Board of Supervisors with an independent assessment of internal controls lease operation and security, and grant management.

Based on the results of our audit, we determined that internal controls over grant management are functioning as designed to help Aviation achieve its business process objective. However, we identified improvement opportunities for internal controls over the management of lease operations and security that can help provide reasonable assurance that the department's objectives relating to them will be achieved. Specifically, developing procedures and detailed guidelines would support documentation for lease terminations, waitlists, and fee waivers.

We will follow up to determine if actions were taken to correct the findings noted.

**Impact on Residents and Businesses**

Provide an assessment of internal controls over the audited areas.

**SUPPLEMENTAL**

**Additional Fiscal Information**

Not Applicable

**ATTACHMENT:**

A: Riverside County Auditor-Controller - Internal Audit Report 2026-012 Riverside County Transportation and Land Management Agency, Aviation Division Audit



Office of Ben J. Benoit  
Riverside County Auditor-Controller

### Number of Findings & Recommendations

#### High Risk

**0** Findings  
• # Recommendations

#### Medium Risk

**1** Findings  
• 2 Recommendations

#### Low Risk

**0** Findings

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

# Internal Audit Report

2026-012

Riverside County  
Transportation and Land Management Agency,  
Aviation Division Audit

June 2, 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



June 2, 2026

Rania Odenbaugh  
TLMA Agency Director  
Riverside County Transportation and Land Management Agency, Aviation Division  
4080 Lemon Street, 14th Floor  
Riverside, CA 92501

Subject: **Internal Audit Report 2026-012: Riverside County Transportation and Land Management Agency, Aviation Division Audit**

Dear Ms. Odenbaugh:

In accordance with Board of Supervisors Resolution 83-338, we audited the Riverside County Transportation and Land Management Agency, Aviation Division to provide management and the Board of Supervisors with an independent assessment of internal controls over lease operation and security and grant management.

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 a 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 internal controls.

Our conclusion and details of our audit are documented in the body of this audit report.



## Internal Audit Report 2026-012: Riverside County Transportation and Land Management Agency, Aviation Division 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 conduct follow-up reviews to confirm that management has implemented corrective actions according to the timeframes assigned to each improvement area's priority level. The highest priority ranking will determine the schedule for verifying corrective actions across all identified areas in this report.

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  
Don Ken, Chief Finance Officer  
Charissa Leach, Assistant County Executive Officer  
Grand Jury



**Internal Audit Report 2026-012: Riverside County Transportation and Land Management Agency, Aviation Division Audit**

**Table of Contents**

---

|  | <b>Page</b> |
|--|-------------|
| <b>Executive Summary</b> .....                                 | <b>5</b>    |
| <b>Results:</b>  |             |
| Lease Operation and Security .....                             | 7           |
| Grant Management .....   | 11          |
| <b>Appendix A: Finding Priority Level Classification</b> ..... | <b>13</b>   |



## Internal Audit Report 2026-012: Riverside County Transportation and Land Management Agency, Aviation Division Audit

### Executive Summary

---

#### Overview

Riverside County Transportation and Land Management Agency, Aviation Division (Aviation) manages five airports: Blythe, Hemet Ryan, French Valley, Jacqueline Cochran, and Chiriaco Summit encompassing over 5,000 acres of land and provide aviation facilities and services to private and corporate tenants, aircraft users, and businesses. Aviation utilizes grants from the Federal Aviation Administration and California Department of Transportation (Caltrans) for capital improvement projects for each airport.

Aviation has an adopted budget of \$7.09 million for FY25/26 and 15 authorized positions to execute their responsibilities. *County of Riverside, FY 2025-2026 Adopted Budget, Volume 1, 328.*

#### Audit Objective

Our objective is to provide management and the Board of Supervisors with an independent assessment of the adequacy and effectiveness of internal controls over lease operation and security and grant management. Internal controls are processes designed to provide management reasonable assurance of achieving efficiency of operations, compliance with laws and regulations, and reliability of financial and non-financial information. Reasonable assurance recognizes internal controls have inherent limitations, including cost, mistakes, and intentional efforts to bypass internal controls.

#### Audit Scope and Methodology

We conducted the audit from October 2, 2025, through January 26, 2026, for operations from July 1, 2023, through January 9, 2026. Using a risk-based approach, our scope included the following:

#### AUDIT HIGHLIGHTS

- Developing procedures would support documentation for lease terminations, waitlists, and fee waivers.



## **Internal Audit Report 2026-012: Riverside County Transportation and Land Management Agency, Aviation Division Audit**

- Lease Operation and Security
- Grant Management

### **Audit Conclusion**

Based on the results of our audit, we determined that internal controls over grant management are functioning as designed to help Aviation achieve its business process objective. However, we identified improvement opportunities for internal controls over the management of lease operation and security that can help provide reasonable assurance that the department's objectives relating to them will be achieved. Specifically, developing procedures and detailed guidelines would support documentation for lease terminations, waitlists, and fee waivers.



## Internal Audit Report 2026-012: Riverside County Transportation and Land Management Agency, Aviation Division Audit

### Lease Operation and Security

---

#### Background

Aviation is managing airport properties across the County's aviation facilities, including the administration of leases and licenses for aeronautical and non-aeronautical uses. Lease operations play a key role in ensuring airport property is assigned, monitored, and maintained in accordance with County ordinances, Federal Aviation Administration requirements, and grant assurances. These activities support operational efficiency, revenue generation, and regulatory compliance across the County's airport system.

Lease operation responsibilities include coordinating lease execution, maintaining tenant records, administering waitlists, assessing fees, and conducting inspections related to leased airport property. These functions require clearly defined processes to ensure consistent application of lease terms, equitable treatment of tenants, and proper documentation to support decision-making and oversight. Further, in order to better manage the potential tenant request, Aviation started charging the waitlist fees in 2025 to help cover the administration cost and improve services.

Lease operation and security is essential to confirm that leased areas meet established standards before occupancy and throughout the lease term, including during lease transitions and final inspections.

Policies and procedures that are regularly updated provide the foundation for consistent lease administration. Documented processes related to final lease inspections, historical waitlist management, and fee waiver determinations help promote transparency, accountability, and continuity of operations. Clear guidance in these areas supports staff in performing their duties consistently and helps reduce the risk of inconsistent practices, incomplete records, or misinterpretation of requirements.

#### Objective

To verify the existence and adequacy of internal controls over Aviation's lease operation and security at Riverside County airports.



## Internal Audit Report 2026-012: Riverside County Transportation and Land Management Agency, Aviation Division Audit

### Audit Methodology

To accomplish these objectives, we:

- Conducted interviews and performed walkthroughs with department personnel responsible for leases, operational and security processes.
- Obtained and reviewed County of Riverside Ordinance 861, *Establishing Procedures and Limited Delegation of Authority for Leases and Licenses of Real Property*. and Standard Practice Manual SPM 306 Accounts Receivable Collection and Write Off Policy.
- Verified whether adequate segregation of duties exists for lease origination, maintenance, security, and termination activities.
- Obtained a listing of all lease agreements during the audit period.
- Verified whether lease agreements complied with regulatory requirements, were approved by management, and had adequate terms and conditions for audit and indemnification.
- Obtained the lease waitlist and verified the lessee selection originated in the correct order from the waitlist.
- Reviewed selected lease agreements for completeness, required authorizations, insurance coverage, lease period compliance, and rate compliance with established schedules.
- Evaluated termination controls, including timely lease closure, airport gate access revocation, and documentation of termination checklists.
- Obtained lease balance report and reviewed overdue balances and verified delinquent accounts escalated for recovery and that notices of delinquency are documented.
- Obtain listing of active and terminated employees and lessees, compared to airport perimeter access list to identify unauthorized access.
- Reviewed safety and security incident logs to confirm incidents are reported, logged, tracked, and considered for lease renewals.



## Internal Audit Report 2026-012: Riverside County Transportation and Land Management Agency, Aviation Division Audit

### Finding 1: Documentation for Lease Operation

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

Standard Practice Manual 1001, *Internal Control* states “Well-documented policies and procedures are established and maintained to promote employee understanding of job duties, provide day-to-day guidance to staff and help ensure continuity during employee absences and turnover.” Additionally, Policy A-43, County Record Management, *Record Retention*, states that “records needed for audit purposes are to be retained until the audit is complete and audit exceptions are resolved.”

Opportunities exist to strengthen documentation and record retention practices for key lease-related activities. Specifically, existing guidance does not define requirements for documenting lease termination inspections, establishing and supporting late fee waiver decisions, or retaining historical tenant waitlist records.

Having defined documentation standards and consistently following the standards ensures operational practices are transparent and remain within business operational objectives.

Without clearly defined and consistently applied documentation standards, practices may vary and limit the level of consistency and transparency across these activities. For example, documenting final inspections would better support the department in addressing tenant damages or residual property. Similarly, establishing criteria for late fee waivers would help promote consistent application and provide clearer support for decisions. In addition, retaining tenant waitlist records would enhance auditability and improve the department’s ability to respond to inquiries, particularly when fees are associated with waitlist placement.

Developing and implementing standardized procedures for these activities would improve consistency, enhance transparency, and support accountability across lease operations.

#### Recommendation 1.1

Develop procedures to establish inspection checklists, and guidelines for management of waitlist fees, ensuring consistent application, and clear tenant communications.

#### Management's Response:

“**Partially Concur.** The Division concurs that documenting hangar condition at lease termination is appropriate and supports consistent lease administration. A tenant termination checklist is

---

<sup>1</sup> Please see Appendix A (page13) for a description of the finding priority level classifications



## **Internal Audit Report 2026-012: Riverside County Transportation and Land Management Agency, Aviation Division Audit**

currently in use, however the Division will add photos of the property at the termination of each hangar lease to better capture facility condition.

With respect to waitlist fee management, the process is straightforward. Tenants and prospective tenants requesting placement on the hangar waitlist are required to pay the established \$75 fee as adopted by the Board on June 19, 2025. Because the fee structure is fixed, no additional guidelines are necessary.”

**Actual/Estimated Date of Corrective Action:** May 1, 2026.

### **Auditor’s Comment**

Historically, waitlist placement was administered without an established fee structure, and selections were determined based on economic benefit criteria. Following the adoption of the Board-approved \$75 fee, which encompasses the collection of waitlist fees, it is essential that the new process be thoroughly documented in formal procedures.

While the fee structure is standardized, the operational methodology for managing the waitlist (including how applicants are added, how priority or sequence is established, and how movement within the list is tracked) is not captured in written guidance.

Establishing and documenting procedures aligned with the current operating model will promote consistent and transparent administration of the waitlist. These procedures should incorporate defined steps for applicant intake, assignment and maintenance of sequential order, documentation of tenant interest, and preservation of an auditable history of all waitlist activities.

### **Recommendation 1.2**

Comply with Board Policy A-43, *County Records Management Policy*, by maintaining historical records of all lease-related activities, including final inspections, late fee waivers, and waitlist management, to enhance audit tracking and support public record requests.

### **Management's Response:**

“**Concur.** The Division will maintain records created in the normal course of business and comply with Board Policy A-43. “

**Actual/Estimated Date of Corrective Action:** May 1, 2026.



## Internal Audit Report 2026-012: Riverside County Transportation and Land Management Agency, Aviation Division Audit

### Grant Management

---

#### Background

In FY 2023/24 and 2024/25, Aviation received grants of \$20 million to support capital improvement projects across four out of five county airports. These funds help ensure safety and compliance with Federal Aviation Agency regulations through targeted project improvements. Specifically, grant programs provided funding for rehabilitation of airport aprons, taxi lanes, taxiways, runway lighting, and visual guidance systems while also supporting administrative functions necessary to implement and oversee these projects in alignment with the awarding agencies' requirements.

Grant management 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 aviation services, and maximizing the value derived from grant-funded initiatives. Grant management 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 management 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 Aviation's grant management 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 2026-012: Riverside County Transportation and Land Management Agency, Aviation Division Audit

- Obtained all relevant grant agreements for the selected grants 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 the Aviation division complied with additional grant requirements such as recordkeeping, reporting, and administration.

**Finding: None Noted**

**Priority Level: N/A**

Based on the results of our audit, we determined that internal controls over grant management 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 2026-012: Riverside County Transportation and Land Management Agency, Aviation Division 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><br/>One to three months</p>  | <p><b><u>Expected Implementation Date of Recommendation *</u></b><br/>Three to six months</p>  | <p><b><u>Expected Implementation Date of Recommendation *</u></b><br/>Six to twelve months</p>   |

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