

MINUTES OF THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



2.13

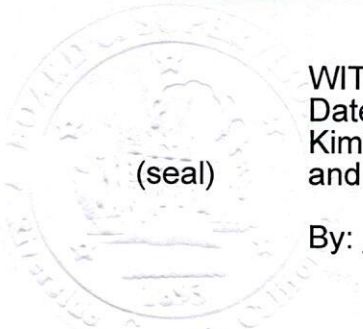
(MT 30877)

On motion of Supervisor Gutierrez, seconded by Supervisor Medina and duly carried, IT WAS ORDERED that the recommendation from the Auditor Controller for Internal Audit Report 2026-317: Riverside County Transportation and Land Management Agency, Follow-up Audit, [District: All], is continued to Tuesday, July 28, 2026, at 9:30 a.m. or as soon as possible thereafter.

Roll Call:

Ayes: Medina, Spiegel, and Gutierrez
Nays: None
Absent: Washington and Perez

I hereby certify that the foregoing is a full true, and correct copy of an order made and entered on July 14, 2026, of Supervisors Minutes.



WITNESS my hand and the seal of the Board of Supervisors
Dated: July 14, 2026

Kimberly A. Rector, Clerk of the Board of Supervisors, in
and for the County of Riverside, State of California.

By: _____ Deputy

AGENDA NO.
2.13

xc: Auditor, COB

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



**ITEM: 2.13
(ID # 30877)**

MEETING DATE:
Tuesday, July 14, 2026

FROM : AUDITOR CONTROLLER

SUBJECT: AUDITOR-CONTROLLER: Internal Audit Report 2026-317: Riverside County Transportation and Land Management Agency, Follow-up Audit, [District: All]; [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file Internal Audit Report 2026-317: Riverside County Transportation and Land Management Agency, Follow-up Audit.

ACTION:Consent


Ben J. Benoit, COUNTY AUDITOR-CONTROLLER 7/7/2026

MINUTES OF THE BOARD OF SUPERVISORS

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

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
NET COUNTY COST	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
SOURCE OF FUNDS: N/A			Budget Adjustment:	No
			For Fiscal Year:	N/A

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

We completed a follow-up audit of the Riverside County Transportation and Land Management Agency. Our audit was limited to reviewing actions taken as of April 30, 2026, to correct findings noted in our original audit report 2025-019 dated September 09, 2025. The original audit report contained 13 recommendations, 13 of which required implementation to help correct the reported findings.

Based on the results of our audit, we found that of the 13 recommendations:

- 10 of the recommendations were implemented.
- 3 of the recommendations were not implemented.

For an in depth understanding of the original audit report, please refer to Internal Audit Report 2025-019 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 Citizens 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 2026-317: Riverside County Transportation and Land Management Agency, Follow-up Audit.



Office of Ben J. Benoit
Riverside County Auditor-Controller

Internal Audit Report

2026-317

Follow-up

13 Recommendations

- ✓ 10 Implemented
- ▶ 0 Partially Implemented
- ✗ 3 Not Implemented



COUNTY OF RIVERSIDE

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

July 14, 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



July 14, 2026

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

Subject: **Internal Audit Report 2026-317: Riverside County Transportation and Land Management Agency, Follow-up Audit**

Dear Ms. Odenbaugh:

We completed the follow-up audit of the Riverside County Transportation and Land Management Agency. Our audit was limited to reviewing actions taken as of April 30, 2026, to help correct the findings noted in our original audit report 2025-019 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 13 recommendations, all of which required implementation to help correct the reported findings. Based on the results of our audit, we found that of the 13 recommendations:

- 10 of the recommendations were implemented.
- 3 of the recommendations were not implemented.



Internal Audit Report 2026-317: Riverside County Transportation and Land Management Agency, 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 2025-019 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 the help and cooperation. The assistance provided contributed significantly to the successful completion of this audit.



Ben J. Benoit
Riverside County Auditor-Controller



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

cc: Board of Supervisors
Jeff A. Van Wagenen, County Executive Officer
Juan Perez, Chief Operating Officer
Don Kent, Chief Finance Officer
Charissa Leach, Assistant Chief Executive Officer
Grand Jury



Internal Audit Report 2026-317: Riverside County Transportation and Land Management Agency, Follow-up Audit

Table of Contents

	Page
Results:	
Badge Access Controls	4
Counter Services	9
Attachments:	
A. Internal Audit Report 2025-019	
B. Status of Findings as Reported by the Riverside County Transportation and Land Management Agency on April 30, 2026	



Badge Access Controls

Finding 1: Badge Access Policies and Procedures

“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 or turnover.’

Formal written policies for badge access controls have not been developed. Although an informal process is in place, the current procedures do not address key areas, such as badge issuance, modification, physical badge storage, temporary badge issuance, and periodic review of badge activity. This occurred because badge access control responsibilities are shared among multiple staff members, and a centralized, documented policy has not been established. Establishing formal, written policies and procedures and centralizing badge access responsibilities would promote consistent application of access controls, enhance accountability, and reduce the risk of unauthorized access or security incidents.”

Recommendation 1.1

“Create a formal, department-wide badge access policy that establishes clear expectations for the issuance, termination, and ongoing management of all badge types, including permanent, temporary, and lost/stolen badges.”

Current Status 1: Implemented

Recommendation 1.2

“Revise the current desk procedures to detail step-by-step processes for issuing, modifying, terminating, and replacing badges. Procedures should include access change workflows, required documentation, storage of physical badges, temporary badge issuance, and periodic audits of badge activity.”

Current Status 1.2: Implemented

Recommendation 1.3

“Communicate the respective policies and procedures to the agency, require written acknowledgment from staff, and establish centralized oversight, assign accountability, and ensure consistent application.”



Internal Audit Report 2026-317: Riverside County Transportation and Land Management Agency, Follow-up Audit

Current Status 1.3: Not Implemented

Although the department has established policies and procedures related to badge access, the department was unable to provide documentation showing that these policies and procedures were communicated to staff or that written acknowledgments were obtained.

Management's Response

"Regarding Policy and Procedure, we have both Policy and Procedure completed and pending Union review for adoption and they will be issued to staff via onboarding once approved by labor unions. Additionally, due to the multiple projects associated with full implementation, we made some late revisions to the request platform configuration and obtained additional reporting capabilities to enhance monitoring leading to a few revisions to policy and procedure. Targeting Union approval by end of June, and full implementation July 1."

Finding 2: Badge Access

"County of Riverside Information Security Standard v2.0, Section 4.16.4, *Personnel Termination*, states 'County Departments and IT Administrators shall upon termination of individual employment: a. disable system access; b. terminate or revoke any authenticators and credentials associated with the individual.' Additionally, National Institute of Standards and Technology's (NIST) Special Publication (SP) 800-12, *An Introduction to Information Security*, Section 10.16, *Personnel Security* (PS), states, 'Organizations ensure that organizational information and systems are protected during and after personnel actions such as terminations or transfers.'

Thirty-nine out of 56 (70%) employees separated from the department did not have their badges deactivated timely, of which three badges were still active as of the fieldwork date. The average delay in deactivation was 27 days, with delays ranging from 2 to 205 days. This was because badge access deactivation requests from the Transportation and Land Management Agency departments were not submitted within 24 hours of employee separation. Allowing badge access to remain active after an employee has separated or transferred from the department exposes the department to risk where unauthorized individuals will continue to have physical access into restricted areas. Even if badges are collected from departing employees, not terminating the access of the badges exposes the department to the risk of active employees using respective badges to gain unauthorized access to restricted areas."



Internal Audit Report 2026-317: Riverside County Transportation and Land Management Agency, Follow-up Audit

Recommendation 2.1

“Ensure badge deactivation requests are submitted and access is disabled within 24 hours of employee separation or transfer from the department. Ensure documentation to support process is maintained.”

Current Status 2.1: Implemented

Recommendation 2.2

“Establish a documented process to perform regular reviews of badge access rights to identify terminated employee accounts that still have active access.”

Current Status 2.2: Implemented

Finding 3: Monitoring Badge Activity

“County of Riverside Facilities Security Specification vl.2, Section 7.1.1, *Physical Security*, states, ‘County facilities are only accessible to authorized individuals with properly coded key cards, authorized keys or access authorization, and access to the premises is by official identification only.’ Additionally, National Institute of Standards and Technology’s (NIST) Special Publication (SP) 800-12, *An Introduction to Information Security*, Section 10.16, *Personnel Security {PS}*, states, ‘Organizations ensure that organizational information and systems are protected during and after personnel actions such as terminations or transfers.’

We identified the following in our review of badge activity:

- 136 instances of badge scan attempts after an employee's separation from the department, of these, 134 (99%) resulted in local facility access being granted using an active badge and 2 (1%) were unsuccessful due to badge deactivation. This was because former employees were rehired as contractors and issued badges under their former employee identification numbers instead of a non-employee classification. In addition, there were data entry errors which contributed to the issue.
- 16 employees were found to have duplicate badges assigned. A process to identify and deactivate duplicate badges has not been implemented. In these cases, employees were issued new badges upon promotion, however their previous badges remained active.
- A centralized log to document and track the status of temporary, lost, stolen badge has not been maintained. We were unable to verify any records, as there were no logs or supporting



Internal Audit Report 2026-317: Riverside County Transportation and Land Management Agency, Follow-up Audit

documents available for review. This is due to the absence of a formal monitoring process for badge tracking.

The absence of monitoring controls over badge processes increases the risk of unauthorized facility access. Badge cards reassigned under separated employee card numbers, duplicate badge assignments, and the absence of centralized tracking mechanism for temporary, lost, or stolen badges undermine the effectiveness of physical access controls and limit the department's ability to detect or respond to potential security incidents.”

Recommendation 3.1

“Establish a documented process to identify and deactivate duplicated badges.”

Current Status 3.1: Implemented

Recommendation 3.2

“Establish a documented process to regularly review badge access activities and address unusual scan attempts.”

Current Status 3.2: Not Implemented

The department has not established a documented process to regularly review badge access activities and address unusual scan attempts. This limits the department's ability to track, monitor, and identify unusual scan attempts for TLMA facilities.

Management’s Response

“Regarding Policy and Procedure, we have both Policy and Procedure completed and pending Union review for adoption and they will be issued to staff via onboarding once approved by labor unions. This will include recently acquired reporting capabilities, and monthly monitoring of access use, issuance, contractor expirations and review etc. Targeting Union approval by end of June, and full implementation July 1.”

Recommendation 3.3

“Develop and implement procedures to ensure former employees rehired as contractors are issued badges under an appropriate non-employee classification.”

Current Status 3.3: Implemented



Internal Audit Report 2026-317: Riverside County Transportation and Land Management Agency, Follow-up Audit

Recommendation 3.4

“Establish a centralized process to log and track the status of lost and stolen badges, supported by formal monitoring procedures.”

Current Status 3.4: Implemented

Recommendation 3.5

“Update the temporary badge log to include fields for personnel name, check-out date and time, check-in date and time, to ensure accurate tracking of badges that are not assigned to specific personnel.”

Current Status 3.5: Not Implemented

The department has not created a temporary badge log that details personnel name, check-out date and time, check-in date and time, to ensure accurate tracking of badges. This limits the department's ability to track temporary badges that are not assigned to specific personnel.

Management's Response

“Created following 5/26 meeting with ACO. Contractor and Temp Badge log created and implemented effective 5/28/2026. Log created for the monitoring, checking in and checking out of TLMA Provisional TEMP Badge # 130524 and any additional TEMP Contractor Badges.

TLMA Project Manager will submit a TLMA Service Now request requesting a TLMA TEMP Contractor Badge for the duration of the project including Contractor Name, contact, project duration, Activate and deactivate dates.

TLMA HR/Support Services will Activate TEMP Badge and issue to assigned technician, logging required information on Badge Issue Log stored on Share point accessible to HR/Support Services staff. Badge will be activated for Project Duration Provided, and Assigned Technician will issue card to contractor Logging Time in and Time out each day of the project.”



Counter Services

Finding 4: Cashier Daily Reconciliation

“Standard Practice Manual 1001, *Internal Control*, states, ‘Records are routinely examined and reconciled to determine that transactions were properly processed.’

Cashier daily reconciliation records were not maintained for two out of the five days {40%} selected for testing. We are unable to determine whether daily cashier reconciliations have been performed by cashiers and reviewed by management. This was due to the current reconciliation process not being subject to regular management oversight. Without regular management monitoring, gaps in the cashier reconciliation process may go undetected, increasing the risk of errors or unauthorized transactions not being identified or addressed in a timely manner.”

Recommendation 4.1

“Implement a requirement for daily cashier reconciliations to be completed and properly documented.”

Current Status 4.1: Implemented

Recommendation 4.2

“Implement routine management evidence of review of cashier reconciliation records to ensure completeness and accuracy.”

Current Status 4.2: Implemented

Finding 5: Counter Services Access Roles

“Standard Practice Manual 1001, *Internal Control*, states, ‘Duties are divided or segregated so that no one person has complete control over a key function or activity.’

Our review of access roles within the Riverside County Financial System identified that all users within the cashier (custody of assets) and accounts receivable (recordkeeping) teams have overlapping system access enabling them to perform both roles. Departmental procedures also reflect this overlap of incompatible roles. Agency configured the current access roles to ensure uninterrupted customer service during lunch breaks or unexpected absences. This configuration may limit the department's ability to detect and prevent unauthorized or erroneous transactions in a timely manner as a single individual can receive payments (custody role) and record them in



Internal Audit Report 2026-317: Riverside County Transportation and Land Management Agency, Follow-up Audit

the accounting system (recordkeeping role), allowing them to misappropriate funds and alter records to conceal the activity.”

Recommendation 5

“Revise and update departmental procedures to ensure individuals with accounts receivable responsibilities are not assigned to prepare deposit slips, promoting effective segregation of incompatible duties.”

Current Status 5: Implemented



Office of Ben J. Benoit
Riverside County Auditor-Controller

**Number of Findings &
Recommendations**

High Risk

- 4** Findings
• 12 Recommendations

Medium Risk

- 1** Findings
• 1 Recommendations

Low Risk

- 0** Findings

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

Internal Audit Report

2025-019

Riverside County
Transportation and Land Management Agency 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 Agency Director
Riverside County Transportation and Land Management Agency
4080 Lemon Street, 14th Floor
Riverside, CA 92501

Subject: **Internal Audit Report 2025-019: Riverside County Transportation and Land Management Agency Audit Report**

Dear Ms. Odenbaugh:

In accordance with Board of Supervisors Resolution 83-338, we audited the Riverside County Transportation and Land Management Agency to provide management and the Board of Supervisors with an independent assessment of internal controls over badge access controls and counter services.

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 2025-019: Riverside County Transportation and Land Management Agency 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, reading "Ben J. Benoit".

Ben J. Benoit
Riverside County Auditor-Controller



A handwritten signature in blue ink, reading "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
Charissa Leach, Assistant Chief Executive Officer
Grand Jury



Internal Audit Report 2025-019: Riverside County Transportation and Land Management Agency Audit

Table of Contents

	Page
Executive Summary	4
 Results:	
 Badge Access Controls	 6
Counter Services	14
 Appendix A: Finding Priority Level Classification	 18



Internal Audit Report 2025-019: Riverside County Transportation and Land Management Agency Audit

Executive Summary

Overview

Riverside County Transportation and Land Management Agency Administration (Agency) provides executive management, purchasing facilities, support services, human resources, fee administration, special projects, records, information management, and fiscal business services to support the Transportation and Land Management Agency departments. Additionally, the Agency offers counter services, which provide cashier services to collect payments for various services, including permit counter staffing, property research information, Permit Process Advisory Services, and public outreach efforts.

Agency has an adopted budget of \$11.4 million for FY 2024-25 and 69 adopted positions. *County of Riverside, Fiscal Year 2024-25 Adopted Budget Volume 1, 331.*

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 badge access controls and counter services. 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 February 20, 2025, through June 5, 2025, for operations from July 1, 2023, through May 30, 2025.

AUDIT HIGHLIGHTS

- Badge access policies need to be developed.
- Badge access procedures need to be revised.
- Separated employee badges need to be deactivated timely.
- Badge scan attempts need to be monitored.
- Duplicate badges need to be identified and deactivated.
- Temporary, lost, and stolen badges need to be logged and tracked.
- Overlapping access roles need to be discontinued to enhance segregation of duties.
- Cashier daily reconciliation needs to be performed and reviewed by management.



Internal Audit Report 2025-019: Riverside County Transportation and Land Management Agency Audit

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

- Badge Access Controls
- Counter Services

Audit Conclusion

Based on the results of our audit, we identified improvement opportunities for internal controls over badge access controls and counter services that can help provide reasonable assurance that the department's objectives relating to these areas will be achieved. Specifically, badge access policies need to be developed, badge access procedures need to be revised, separated employee badges need to be deactivated timely, badge scan attempts need to be monitored, duplicate badges need to be identified and deactivated, and temporary, lost, and stolen badges need to be logged and tracked. Additionally, overlapping access roles need to be discontinued to enhance segregation of duties and daily cashier reconciliation needs to be performed and reviewed by management.

Upon addressing the condition above relating to the excess access roles with management on June 2, 2025, Agency proceeded to resolve this condition and communicated their efforts to improve the adequacy and effectiveness of their internal controls over counter services. We would like to extend our appreciation to the department for being receptive to our evaluation and proactive in implementing the recommendations associated with this area.



Internal Audit Report 2025-019: Riverside County Transportation and Land Management Agency Audit

Badge Access Controls

Background

Access control controls are a crucial component of information security that involves the establishment, maintenance, and enforcement of policies and procedures to manage access to information systems, resources, and physical facilities within an organization. Access controls play a vital role in safeguarding sensitive data, maintaining the integrity of systems, and protecting against unauthorized access or breaches. Access extends to physical access control, ensuring that only authorized personnel can enter secure areas or buildings. It is essential for protecting physical assets and sensitive information stored in physical locations.

Below, we detail some examples of instances where lapses in security measures have occurred:

- Aurora, Illinois, Henry Pratt Company Shooting (2019): A terminated employee, returned to his former job and opened fire, killing five coworkers, and injuring several police officers. Martin had reportedly been fired for disciplinary reasons earlier that day.¹
- Arlington, Virginia – Reagan National Airport (2013): a former contractor used an unreturned Security Identification Display Area (SIDA) security badge to slip into restricted airport areas, leading to his arrest on trespassing and burglary charges.²
- Multnomah County Oregon (2019): A County staff member was dismissed from employment but briefly continued to have access to County records where they were able to obtain the names and social security numbers of 40 clients.³

These incidents highlight the critical importance of rigorous access control policies. Ensuring badges are promptly deactivated and collected after separation, and continuously monitoring access permissions, is essential to prevent such tragedies and maintain security.

Objective

To verify the existence and adequacy of internal controls over Transportation and Land Management Agency's badge access controls.

¹ "Aurora, Illinois, Gunman Who Fatally Shot 5 Vowed to Kill All His Co-Workers If He Was Fired." NBCNews.Com, NBCUniversal News Group, 29 Apr. 2019.

² "Security Badge Breach at Reagan National Airport." NBCWashington.com, NBCUniversal News Group, 24 Apr. 2013.

³ "Press Release: Multnomah County Reports Security Breach after Employee Termination" | Multnomah County. Multnomah County, 2 July 2019.



Internal Audit Report 2025-019: Riverside County Transportation and Land Management Agency Audit

Audit Methodology

To accomplish these objectives, we:

- Obtained and reviewed relevant access control policies and procedures, including Riverside County Board Policy A-58, *Information Security Policy*, and Riverside County Information Security Standard Revision 2.0.
- Conducted interviews with key personnel to gain an understanding of the department's badge access controls and systems.
- Verified whether there was adequate segregation of duties in place relating to the department's badge access controls.
- Obtained a list of all active and terminated department employees during the audit review period.
- Obtained a list of all time-off taken by department employees during the audit review period.
- Verified whether badge access was deactivated within 24 hours of an employee's separation or transfer from the department.
- Obtained a report detailing all badge scan activity across department properties from April 1, 2024, through March 5, 2025 (data was limited to nine months due to report constraints).
- Verified whether separated employees had their badges scanned after their separation date.
- Compared badge scan activities with employee work schedules to verify that building access aligned with scheduled work hours.
- Cross-referenced badge scan activity logs to ensure employees on vacation, sick, holiday, or unpaid leave did not access the building.
- Verified whether the department maintains a tracking log detailing the issuance of temporary badges and records of lost or stolen badges.



Internal Audit Report 2025-019: Riverside County Transportation and Land Management Agency Audit

Finding 1: Badge Access Policies and Procedures

Priority Level: 1⁴

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 or turnover."

Formal written policies for badge access controls have not been developed. Although an informal process is in place, the current procedures do not address key areas, such as badge issuance, modification, physical badge storage, temporary badge issuance, and periodic review of badge activity. This occurred because badge access control responsibilities are shared among multiple staff members, and a centralized, documented policy has not been established. Establishing formal, written policies and procedures and centralizing badge access responsibilities would promote consistent application of access controls, enhance accountability, and reduce the risk of unauthorized access or security incidents.

Recommendation 1.1

Create a formal, department-wide badge access policy that establishes clear expectations for the issuance, termination, and ongoing management of all badge types, including permanent, temporary, and lost/stolen badges.

Management's Response

"**Concur.** The Agency is in the process of expanding access control capabilities, and policy is currently being drafted."

Actual/estimated Date of Corrective Action: "October 31, 2025."

Recommendation 1.2

Revise the current desk procedures to detail step-by-step processes for issuing, modifying, terminating, and replacing badges. Procedures should include access change workflows, required documentation, storage of physical badges, temporary badge issuance, and periodic audits of badge activity.

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



Internal Audit Report 2025-019: Riverside County Transportation and Land Management Agency Audit

Management's Response

"Concur. The Agency is in the process of expanding access control capabilities and training additional staff with procedures currently being drafted."

Actual/estimated Date of Corrective Action: "October 31, 2025."

Recommendation 1.3

Communicate the respective policies and procedures to the agency, require written acknowledgment from staff, and establish centralized oversight, assign accountability, and ensure consistent application.

Management's Response

"Concur. The Agency is in the process of expanding access control capabilities. The policy requires Labor Union review, as well as potential meet and confer. Policies will be distributed to all impacted staff once approved by the Agency Director, County HR Labor Relations, and Unions."

Actual/estimated Date of Corrective Action: "December 31, 2025."

Finding 2: Badge Access

Priority Level: 1⁵

County of Riverside Information Security Standard v2.0, Section 4.16.4, *Personnel Termination*, states "County Departments and IT Administrators shall upon termination of individual employment: a. disable system access; b. terminate or revoke any authenticators and credentials associated with the individual." Additionally, National Institute of Standards and Technology's (NIST) Special Publication (SP) 800-12, *An Introduction to Information Security*, Section 10.16, *Personnel Security* (PS), states, "Organizations ensure that organizational information and systems are protected during and after personnel actions such as terminations or transfers."

Thirty-nine out of 56 (70%) employees separated from the department did not have their badges deactivated timely, of which three badges were still active as of the fieldwork date. The average delay in deactivation was 27 days, with delays ranging from 2 to 205 days. This was because badge access deactivation requests from the Transportation and Land Management Agency departments were not submitted within 24 hours of employee separation. Allowing badge access to remain active after an employee has separated or transferred from the department exposes the department to risk where unauthorized individuals will continue to have physical access into

⁵ Please see Appendix A (page 18) for a description of the finding priority level classifications.



Internal Audit Report 2025-019: Riverside County Transportation and Land Management Agency Audit

restricted areas. Even if badges are collected from departing employees, not terminating the access of the badges exposes the department to the risk of active employees using respective badges to gain unauthorized access to restricted areas.

Recommendation 2.1

Ensure badge deactivation requests are submitted and access is disabled within 24 hours of employee separation or transfer from the department. Ensure documentation to support process is maintained.

Management's Response

"Partially Concur. This process is already in place. However, Agency Employee Resources team depends on department staff to submit/inform changes, terminations, resignations that require approvals, therefore 24 hours is not always achievable. Deactivation procedures and requirements will be included in our Policy and Procedures with the goal to deactivate within 24 Hours of termination."

Actual/estimated Date of Corrective Action: "N/A."

Auditors' Comment

While a procedure is in place, enhancing communication and notification processes between department staff and management could support more consistent adherence to the 24-hour badge deactivation requirement. In the follow-up audit, we will assess whether the department has formalized this process through documented policies and procedures and is maintaining records to demonstrate timely deactivation activities.

Recommendation 2.2

Establish a documented process to perform regular reviews of badge access rights to identify terminated employee accounts that still have active access.

Management's Response

"Concur. Deactivation will be included in our Policy and Procedures with the Goal to deactivate within 24 Hours of termination. In addition to this, we are currently training additional staff to add a secondary layer to capture anyone missed and/or that we were not informed of."

Actual/estimated Date of Corrective Action: "Effective Immediately."



Internal Audit Report 2025-019: Riverside County Transportation and Land Management Agency Audit

Finding 3: Monitoring Badge Activity

Priority Level: 1⁶

County of Riverside Facilities Security Specification v1.2, Section 7.1.1, *Physical Security*, states, "County facilities are only accessible to authorized individuals with properly coded key cards, authorized keys or access authorization, and access to the premises is by official identification only." Additionally, National Institute of Standards and Technology's (NIST) Special Publication (SP) 800-12, *An Introduction to Information Security*, Section 10.16, *Personnel Security (PS)*, states, "Organizations ensure that organizational information and systems are protected during and after personnel actions such as terminations or transfers."

We identified the following in our review of badge activity:

- 136 instances of badge scan attempts after an employee's separation from the department, of these, 134 (99%) resulted in local facility access being granted using an active badge and 2 (1%) were unsuccessful due to badge deactivation. This was because former employees were rehired as contractors and issued badges under their former employee identification numbers instead of a non-employee classification. In addition, there were data entry errors which contributed to the issue.
- 16 employees were found to have duplicate badges assigned. A process to identify and deactivate duplicate badges has not been implemented. In these cases, employees were issued new badges upon promotion, however their previous badges remained active.
- A centralized log to document and track the status of temporary, lost, stolen badge has not been maintained. We were unable to verify any records, as there were no logs or supporting documents available for review. This is due to the absence of a formal monitoring process for badge tracking.

The absence of monitoring controls over badge processes increases the risk of unauthorized facility access. Badge cards reassigned under separated employee card numbers, duplicate badge assignments, and the absence of centralized tracking mechanism for temporary, lost, or stolen badges undermine the effectiveness of physical access controls and limit the department's ability to detect or respond to potential security incidents.

Recommendation 3.1

Establish a documented process to identify and deactivate duplicated badges.

⁶ Please see Appendix A (page 18) for a description of the finding priority level classifications.



Internal Audit Report 2025-019: Riverside County Transportation and Land Management Agency Audit

Management's Response

"Partially Concur. This is already in place and will be included in our Policy and Procedures. Most duplications are a result of internal promotions, and a small overlap which allows time for staff to pick up their new badges without impacting field operations. We plan on scheduling these deactivations where possible, and the additional administrators will also assist in this effort."

Actual/estimated Date of Corrective Action: "Effective Immediately."

Auditors' Comment

We will follow up on this recommendation in our follow-up audit to ensure that procedures to identify and deactivate duplicate badges are in place and operating as intended.

Recommendation 3.2

Establish a documented process to regularly review badge access activities and address unusual scan attempts.

Management's Response

"Concur. This will be included in our Policy and Procedures."

Actual/estimated Date of Corrective Action: "December 31, 2025."

Recommendation 3.3

Develop and implement procedures to ensure former employees rehired as contractors are issued badges under an appropriate non-employee classification.

Management's Response

"Concur. This will be included in our Policy and Procedures and is already corrected and in place."

Actual/estimated Date of Corrective Action: "Effective Immediately."

Recommendation 3.4

Establish a centralized process to log and track the status of lost and stolen badges, supported by formal monitoring procedures.



Internal Audit Report 2025-019: Riverside County Transportation and Land Management Agency Audit

Management's Response

"Concur. This will be included in our Policy and Procedures and the established tracking will be via Service Now Work Order management system to be implemented in coming months."

Actual/estimated Date of Corrective Action: "October 31, 2025."

Recommendation 3.5

Update the temporary badge log to include fields for personnel name, check-out date and time, check-in date and time, to ensure accurate tracking of badges that are not assigned to specific personnel.

Management's Response

"Concur. Already addressed and implemented by requiring Property Management Janitorial and contract staff to be issued a NON EID, and Badge with Photo."

Actual/estimated Date of Corrective Action: "Effective Immediately."



Internal Audit Report 2025-019: Riverside County Transportation and Land Management Agency Audit

Counter Services

Background

Agency provides centralized administrative and operational services, including executive management, purchasing, facilities, support services, human resources, fee administration, special projects, records, information management, and fiscal business services. These services support TLMA departments in fulfilling their missions efficiently.

As part of its operations, Agency offers counter services cashier functions, which are responsible for delivering timely permitting services and high-quality customer support. These services also include permit staffing, property research, ombudsman assistance, and public outreach.

Customers may submit payments through three primary methods: in-person at the counter, online, or by mail. To support these processes, Agency has two distinct teams: the cashier team responsible for receiving and processing payments, and the accounts receivable team, responsible for managing receivables and related accounting data entry functions. Access roles in the Riverside County Financial System should be separated to maintain proper segregation of duties—an essential internal control to prevent unauthorized or improper financial activity.

Segregation of duties is a fundamental internal control principle designed to reduce the risk of errors and irregularities by ensuring that no single individual has control over all aspects of a financial transaction. This typically involves separating responsibilities among different personnel for authorization, custody of assets, and recordkeeping.

Reconciliation is an essential control that ensures collected funds match recorded amounts. In cashier operations, daily reconciliations help detect errors or irregularities, support accurate financial reporting, and protect County resources.

Objective

To verify the existence and adequacy of internal controls over Agency's counter services cashier operations.

Audit Methodology

To accomplish these objectives, we:

- Obtained an understanding of the department's procedures for receiving and processing cash, checks, and cash equivalents at the permit counter and through the mail.



Internal Audit Report 2025-019: Riverside County Transportation and Land Management Agency Audit

- Reviewed the internal controls in place over the receipt, posting, and deposit of customer payments, including mail-handling procedures and dual custody requirements.
- Verified that payments received in person or by mail were supported by proper documentation.
- Tested segregation of duties over cash handling, posting, and reconciliation.
- Verified whether mail containing checks was opened under dual control and logged properly before processing.

Finding 4: Cashier Daily Reconciliation

Priority Level: 1⁷

Standard Practice Manual 1001, *Internal Control*, states, “Records are routinely examined and reconciled to determine that transactions were properly processed.”

Cashier daily reconciliation records were not maintained for two out of the five days (40%) selected for testing. We are unable to determine whether daily cashier reconciliations have been performed by cashiers and reviewed by management. This was due to the current reconciliation process not being subject to regular management oversight. Without regular management monitoring, gaps in the cashier reconciliation process may go undetected, increasing the risk of errors or unauthorized transactions not being identified or addressed in a timely manner.

Recommendation 4.1

Implement a requirement for daily cashier reconciliations to be completed and properly documented.

Management’s Response

“**Partially Concur.** The daily cashier reconciliation has always been in place.

At the close of each business day, the cashier performs a comprehensive reconciliation of the cash register. This process includes:

- Counting the cash in the register
- Reviewing adding machine tapes

⁷ Please see Appendix A (page 18) for a description of the finding priority level classifications.



Internal Audit Report 2025-019: Riverside County Transportation and Land Management Agency Audit

- Completing the daily cash log
- Signing off to confirm accuracy

The following morning, an Accounts Receivable (AR) staff member visits the cashier counter to independently count and verify the cash and completes the following:

- Signs off on the verification
- Prepares a deposit slip
- Makes the deposit with the Treasurer at the designated time
- Scans the TCR & OCR with the backup to Laserfiche
- Attaches the pertaining documents to PeopleSoft for direct journal

Both the cashier and the AR staff member ensure that the cash register retains a fixed amount of \$375 to provide change for future transactions.

This procedure aligns with standard cash handling practices, emphasizing the importance of segregation of duties and dual verification to maintain financial integrity and prevent discrepancies.”

Actual/estimated Date of Corrective Action: “Although this procedure has always been in place, it was inadvertently missed on two instances.”

Auditors’ Comment

Although our walkthroughs indicate that the cashier daily reconciliation process is generally well structured, the absence of supporting documentation for two out of five (40%) days reviewed precluded us from confirming whether the process is consistently implemented as designed.

Recommendation 4.2

Implement routine management evidence of review of cashier reconciliation records to ensure completeness and accuracy.

Management’s Response

“**Partially Concur.** Our daily cash reconciliation process is well established. An accountant compares the daily TCR to both the bank and the Public Land Use System (PLUS) report to ensure accuracy.”

Actual/estimated Date of Corrective Action: “N/A.”



Internal Audit Report 2025-019: Riverside County Transportation and Land Management Agency Audit

Auditors' Comment

As stated above, although our walkthroughs indicate that the cashier daily reconciliation process is generally well structured, the absence of supporting documentation for two out of five (40%) days reviewed precluded us from confirming whether the process is consistently implemented as designed.

Finding 5: Counter Services Access Roles

Priority Level: 2⁸

Standard Practice Manual 1001, *Internal Control*, states, "Duties are divided or segregated so that no one person has complete control over a key function or activity."

Our review of access roles within the Riverside County Financial System identified that all users within the cashier (custody of assets) and accounts receivable (recordkeeping) teams have overlapping system access enabling them to perform both roles. Departmental procedures also reflect this overlap of incompatible roles. Agency configured the current access roles to ensure uninterrupted customer service during lunch breaks or unexpected absences. This configuration may limit the department's ability to detect and prevent unauthorized or erroneous transactions in a timely manner as a single individual can receive payments (custody role) and record them in the accounting system (recordkeeping role), allowing them to misappropriate funds and alter records to conceal the activity.

Recommendation 5

Revise and update departmental procedures to ensure individuals with accounts receivable responsibilities are not assigned to prepare deposit slips, promoting effective segregation of incompatible duties.

Management's Response

"**Concur.** TLMA maintains a procedure requiring segregation of duties. Due to some staff attrition and reassignment of duties to existing staff, some of the responsibilities were overlapping. It is now corrected. An RCIT ticket was submitted to update user roles; the primary cashier and backup cashiers have had the Department Deposit Approver and AR Interface Processor permissions revoked."

Actual/estimated Date of Corrective Action: "June 2, 2025."

⁸ Please see Appendix A (page 18) for a description of the finding priority level classifications.



Internal Audit Report 2025-019: Riverside County Transportation and Land Management Agency Audit

Appendix A: Finding Priority Level Classification

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

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



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 2025-019: Riverside County Transportation and Land Management Agency Audit.

Rania Odenbaugh

Authorized Signature

4/30/26

Date

Finding 1: Badge Access Policies and Procedures

"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 or turnover.'

Formal written policies for badge access controls have not been developed. Although an informal process is in place, the current procedures do not address key areas, such as badge issuance, modification, physical badge storage, temporary badge issuance, and periodic review of badge activity. This occurred because badge access control responsibilities are shared among multiple staff members, and a centralized, documented policy has not been established. Establishing formal, written policies and procedures and centralizing badge access responsibilities would promote consistent application of access controls, enhance accountability, and reduce the risk of unauthorized access or security incidents."

Current Status

Reported Finding Corrected? ☒ Yes ☐ No

Upon Audit findings, we made several adjustments and revised our practices based on the feedback. We have recently completed the implementation of Access Controls on 3 additional floors and Departments which led to additional revisions to Policy and Procedure, which is ready to be submitted to UNION for review and adoption of Policy.

Recommendation 1.1

"Create a formal, department-wide badge access policy that establishes clear expectations for the issuance, termination, and ongoing management of all badge types, including permanent, temporary, and lost/stolen badges."

Management Reply

“Concur. The agency is in the process of expanding access control capabilities, and policy is currently being drafted.”

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).

Revisions pending UNION review and adoption of Policy.

“Revise the current desk procedures to detail step-by-step processes for issuing, modifying, terminating, and replacing badges. Procedures should include access change workflows, required documentation, storage of physical badges, temporary badge issuance, and periodic audits of badge activity.”

Management Reply

“Concur. The Agency is in the process of expanding access control capabilities and training additional staff with procedures currently being drafted.”

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).

Yes, procedures have been implemented with exception of request submission process. We are currently testing Work Order Submission process to draft desk procedures for Processing, updating work orders and tasks as part of an overall Support Services Workload Management.

Recommendation 1.3

“Communicate the respective policies and procedures to the agency, require written acknowledgment from staff, and establish centralized oversight, assign accountability, and ensure consistent application.”

Management Reply

“Concur. The Agency is in the process of expanding access control capabilities. The policy requires Labor Union review, as well as potential meet and confer. Policies will be distributed to all impacted staff once approved by the Agency Director, County HR Labor Relations, and Unions.”

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).

We have recently completed the implementation of Access Controls on 3 additional floors and Departments which led to additional revisions to Policy and Procedure, which is ready to be submitted to UNION for review and adoption of Policy.

Finding 2: Badge Access

"County of Riverside Information Security Standard v2.0, Section 4.16.4, *Personnel Termination*, states 'County Departments and IT Administrators shall upon termination of individual employment: a. disable system access; b. terminate or revoke any authenticators and credentials associated with the individual.' Additionally, National Institute of Standards and Technology's (NIST) Special Publication (SP) 800-12, An Introduction to Information Security, Section 10.16, *Personnel Security (PS)*, states, 'Organizations ensure that organizational information and systems are protected during and after personnel actions such as terminations or transfers.'

Thirty-nine out of 56 (70%) employees separated from the department did not have their badges deactivated timely, of which three badges were still active as of the fieldwork date. The average delay in deactivation was 27 days, with delays ranging from 2 to 205 days. This was because badge access deactivation requests from the Transportation and Land Management Agency departments were not submitted within 24 hours of employee separation. Allowing badge access to remain active after an employee has separated or transferred from the department exposes the department to risk where unauthorized individuals will continue to have physical access into restricted areas. Even if badges are collected from departing employees, not terminating the access of the badges exposes the department to the risk of active employees using respective badges to gain unauthorized access to restricted areas."

Current Status

Reported Finding Corrected?

☒

Yes

☐

No

Upon Audit findings, we made several adjustments and revised our practices based on the feedback. We have recently completed the implementation of Access Controls on 3 additional floors and Departments which led to additional revisions to Policy and Procedure, which is ready to be submitted to UNION for review and adoption of Policy. Additional catches have been implemented within the revised Policy and Procedure to initiate and schedule.

Recommendation 2.1

"Ensure badge deactivation requests are submitted and access is disabled within 24 hours of employee separation or transfer from the department. Ensure documentation to support process is maintained."

Management Reply

"Partially Concur. This process is already in place. However, Agency Employee Resources team depends on department staff to submit/inform changes, terminations, resignations that require approvals, therefore 24 hours is not always achievable. Deactivation procedures and

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requirements will be included in our Policy and Procedures with the goal to deactivate within 24 Hours of termination.”

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).

Upon Audit findings, we made several adjustments and revised our practices based on the feedback. We have recently completed the implementation of Access Controls on 3 additional floors and Departments which led to additional revisions to Policy and Procedure, which is ready to be submitted to UNION for review and adoption of Policy.

Recommendation 2.2

“Establish a documented process to perform regular reviews of badge access rights to identify terminated employee accounts that still have active access.”

Management Reply

“**Concur.** Deactivation will be included in our Policy and Procedures with the Goal to deactivate within 24 Hours of termination. In addition to this, we are currently training additional staff to add a secondary layer to capture anyone missed and/or that we were not informed of.”

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).

As part of our close out procedures, we now cross-reference separations biweekly to ensure we capture any badges missed in the close out and/or resignation/termination process.

Finding 3: Monitoring Badge Activity

“County of Riverside Facilities Security Specification v1.2, Section 7.1.1, *Physical Security*, states, ‘County facilities are only accessible to authorized individuals with properly coded key cards, authorized keys or access authorization, and access to the premises is by official identification only.’ Additionally, National Institute of Standards and Technology’s (NIST) Special Publication (SP) 800-12, *An Introduction to Information Security*, Section 10.16, *Personnel Security {PS}*, states, ‘Organizations ensure that organizational information and systems are protected during and after personnel actions such as terminations or transfers.’

We identified the following in our review of badge activity:

- 136 instances of badge scan attempts after an employee's separation from the department, of these, 134 (99%) resulted in local facility access being granted using an active badge and 2

(1%) were unsuccessful due to badge deactivation. This was because former employees were rehired as contractors and issued badges under their former employee identification numbers instead of a non-employee classification. In addition, there were data entry errors which contributed to the issue.

- 16 employees were found to have duplicate badges assigned. A process to identify and deactivate duplicate badges has not been implemented. In these cases, employees were issued new badges upon promotion, however their previous badges remained active.
- A centralized log to document and track the status of temporary, lost, stolen badge has not been maintained. We were unable to verify any records, as there were no logs or supporting documents available for review. This is due to the absence of a formal monitoring process for badge tracking.

The absence of monitoring controls over badge processes increases the risk of unauthorized facility access. Badge cards reassigned under separated employee card numbers, duplicate badge assignments, and the absence of centralized tracking mechanism for temporary, lost, or stolen badges undermine the effectiveness of physical access controls and limit the department's ability to detect or respond to potential security incidents.”

Current Status

Reported Finding Corrected? ☒ Yes ☐ No

Many of these instances were due to improper structure and set up for returning employees. We have implemented a change to classify returning employees as NON County employees, and establish Contractor as NON EIDs that differentiate from their Terminated EID and profile.

Recommendation 3.1

“Establish a documented process to identify and deactivate duplicated badges.”

Management Reply

“**Partially Concur.** This is already in place and will be included in our Policy and Procedures. Most duplications are a result of internal promotions, and a small overlap which allows time for staff to pick up their new badges without impacting field operations. We plan on scheduling these deactivations where possible, and the additional administrators will also assist in this effort.”

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).

We have started scheduling deactivation upon resignation and termination notices and ensure that we are activating and deactivating old and new badges when issued.

Recommendation 3.2

“Establish a documented process to regularly review badge access activities and address unusual scan attempts.”

Management Reply

“Concur. This will be included in our Policy and Procedures.”

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).

We are currently working with RCIT to determine report accessibility to assist with these efforts. We do not have the staffing and/or reporting capabilities to put a meaningful procedure in place. Work in Progress.

Recommendation 3.3

“Develop and implement procedures to ensure former employees rehired as contractors are issued badges under an appropriate non-employee classification.”

Management Reply

“Concur. This will be included in our Policy and Procedures and is already corrected and in place.”

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).

Many of these instances were due to improper structure and set up for returning employees. We have implemented a change to Classify returning employees as NON-County employees, and establish Contractor NON EIDs that differentiate from their Terminated EID and profile.

Recommendation 3.4

“Establish a centralized process to log and track the status of lost and stolen badges, supported by formal monitoring procedures.”

Management Reply

“Concur. This will be included in our Policy and Procedures and the established tracking will be via Service Now Work Order management system to be implemented in coming months.”

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).

Workload Management System and Pro Watch will be the system of record, and if we are unable to obtain report capabilities, we will be looking to implement a manual logging process. Our team is categorizing in Pro Watch, as well as Service Now in hopes we can pull reports for Lost Stolen, contactor badges etc.

Recommendation 3.5

"Update the temporary badge log to include fields for personnel name, check-out date and time, check-in date and time, to ensure accurate tracking of badges that are not assigned to specific personnel."

Management Reply

"Concur. Already addressed and implemented by requiring Property Management Janitorial and contract staff to be issued a NON EID, and Badge with Photo."

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).

We have begun to require names and photos for janitorial contactors and have implemented a logging procedure for Provisional Badges issued to contractors. All issued contractor badges are provided and returned daily, and TLMA staff are present on sight with contractors at all times, with the exception of Leased Facilities Maintenance and Janitorial Staff assigned per site, and evaluated verified annually.

Finding 4: Cashier Daily Reconciliation

"Standard Practice Manual 1001, *Internal Control*, states, 'Records are routinely examined and reconciled to determine that transactions were properly processed.'"

Cashier daily reconciliation records were not maintained for two out of the five days {40%} selected for testing. We are unable to determine whether daily cashier reconciliations have been performed by cashiers and reviewed by management. This was due to the current reconciliation process not being subject to regular management oversight. Without regular management monitoring, gaps in the cashier reconciliation process may go undetected, increasing the risk of errors or unauthorized transactions not being identified or addressed in a timely manner."

Current Status

Reported Finding Corrected? ☒ Yes ☐ No

Adding machine tapes are now included with the daily cashier reconciliation, which is scanned into Laserfiche, saved to the shared drive, and attached to the TCR when completing the direct journal in PeopleSoft.

Recommendation 4.1

"Implement a requirement for daily cashier reconciliations to be completed and properly documented."

Management Reply

"Partially Concur. The daily cashier reconciliation has always been in place. At the close of each business day, the cashier performs a comprehensive reconciliation of the cash register. This process includes:

- Counting the cash in the register
- Reviewing adding machine tapes
- Completing the daily cash log
- Signing off to confirm accuracy

The following morning, an Accounts Receivable (AR) staff member visits the cashier counter to independently count and verify the cash and completes the following:

- Signs off on the verification
- Prepares a deposit slip
- Makes the deposit with the Treasurer at the designated time
- Scans the TCR & OCR with the backup to Laserfiche
- Attaches the pertaining documents to PeopleSoft for direct journal

Both the cashier and the AR staff member ensure that the cash register retains a fixed amount of \$375 to provide change for future transactions. This procedure aligns with standard cash handling practices, emphasizing the importance of segregation of duties and dual verification to maintain financial integrity and prevent discrepancies."

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).

Adding machine tapes are now included with the daily cashier reconciliation, which is scanned into Laserfiche, saved to the shared drive, and attached to the TCR when completing the direct in journal in PeopleSoft.

Recommendation 4.2

"Implement routine management evidence of review of cashier reconciliation records to ensure completeness and accuracy."

Management Reply

"Partially Concur. Our daily cash reconciliation process is well established. An accountant compares the daily TCR to both the bank and the Public Land Use System (PLUS) report to ensure accuracy."

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 continue to maintain daily reconciliation.

Finding 5: Counter Services Access Roles

"Standard Practice Manual 1001, *Internal Control*, states, 'Duties are divided or segregated so that no one person has complete control over a key function or activity.'

Our review of access roles within the Riverside County Financial System identified that all users within the cashier (custody of assets) and accounts receivable (recordkeeping) teams have overlapping system access enabling them to perform both roles. Departmental procedures also reflect this overlap of incompatible roles. Agency configured the current access roles to ensure uninterrupted customer service during lunch breaks or unexpected absences. This configuration may limit the department's ability to detect and prevent unauthorized or erroneous transactions in a timely manner as a single individual can receive payments (custody role) and record them in the accounting system (recordkeeping role), allowing them to misappropriate funds and alter records to conceal the activity."

Current Status

Reported Finding Corrected? ☒ Yes ☐ No

Upon Audit findings, user roles were reviewed and RCIT ticket was submitted to ensure proper segregation of duties is in place. The cashier no longer prepares deposit slips. Instead, the AR staff member counts the cash in the drawer, totals the checks, runs the necessary reports to validate the drawer balances, prepares the deposit slips, places the cash and checks in a deposit bag, and delivers it to the Treasurer for deposit.

Recommendation 5

"Revise and update departmental procedures to ensure individuals with accounts receivable responsibilities are not assigned to prepare deposit slips, promoting effective segregation of incompatible duties."

Management Reply

"Concur. TLMA maintains a procedure requiring segregation of duties. Due to some staff attrition and reassignment of duties to existing staff, some of the responsibilities were overlapping. It is now corrected. An RCIT ticket was submitted to update user roles; the primary cashier and backup cashiers have had the Department Deposit Approver and AR Interface Processor permissions revoked."

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).

Segregation of duties is appropriately implemented during the last audit finding.