

Internal Audit Report 2019-302

**Riverside County
Assessor-County Clerk-Recorder
County Clerk-Recorder Division
Follow-up Audit**

Report Date: December 26, 2018



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COUNTY OF RIVERSIDE

Paul Angulo, CPA, MA
Riverside County Auditor-Controller

December 26, 2018

Peter Aldana
Assessor-County Clerk-Recorder
Riverside County Assessor-County Clerk-Recorder
2724 Gateway Drive
Riverside, CA 92507

Subject: Internal Audit Report 2019-302: Riverside County Assessor-County Clerk-Recorder, County Clerk-Recorder Division, Follow-up Audit

Dear Mr. Aldana:

We have completed the follow-up audit of Riverside County Assessor-County Clerk-Recorder. Our audit was limited to reviewing actions taken as of September 20, 2018, to help correct the findings noted in our original audit report 2015-020 dated October 1, 2015.

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 two recommendations, all of which required implementation to help correct the reported findings. Based on the results of our audit, we found that of the two recommendations made in the original audit report, both were partially implemented.

Details of the findings from the original audit and 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 2015-020 at www.auditorcontroller.org/Divisions-/AuditsandSpecializedAccounting/InternalAuditReports.

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We appreciate the cooperation and assistance provided by the staff of the Riverside County Assessor-County Clerk-Recorder during this follow-up audit.

Paul Angulo, CPA, MA
Riverside County Auditor-Controller



By: René Casillas, CPA, CRMA
Chief Internal Auditor

cc: Board of Supervisors
George Johnson, County Executive Officer
Grand Jury

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Revenue

Finding 1: Required Board Approval to Change Fees

"The County Clerk-Recorder Division was not in compliance with Board of Supervisors' (Board) Policy B-4, *Rates Charged for Account Services*, which requires Board approval to change an existing fee for services. Rather than charging a \$10 fee as authorized by County Ordinance Number 729, the County Clerk-Recorder Division reduced the certified copy fee for fictitious business statement to two dollars (\$2) without a public hearing or Board approval. According to the County Clerk-Recorder Division, the \$10 fee included \$2 for photo copying and \$8 for research. After implementing the fee, they discovered no research time was involved in the service. Therefore, they reduced the fee to \$2. In addition, they are aware the fee requires Board approval which they plan to obtain in their upcoming fee study."

Recommendation 1.1

"Request for immediate approval for the \$2 fee or change the rate to \$10."

Current Status 1.1: Partially Implemented

The Riverside County Assessor-County Clerk-Recorder has submitted a fee schedule to the Auditor-Controllers Office for review. As of report date, the fee schedule has not been approved by the Board of Supervisors.

Recommendation 1.2

"Ensure any fee adjustment is approved by the Board of Supervisors prior to its implementation."

Current Status 1.2: Partially Implemented

As stated in "Current Status 1" above, the fee schedule has been submitted but has not been approved by the Board of Supervisors.