

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



ITEM: 2.2
(ID # 28453)

MEETING DATE:
Tuesday, September 09, 2025

FROM : AUDITOR CONTROLLER

SUBJECT: AUDITOR-CONTROLLER: Internal Audit Report 2025-012: Riverside County Office of County Counsel Audit, [District: All]; [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file Internal Audit Report 2025-012: Riverside County Office of County Counsel Audit

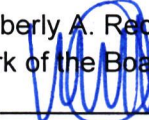
ACTION:Consent


Ben J. Benoit, COUNTY AUDITOR-CONTROLLER 8/7/2025

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Medina, Spiegel, Perez and Gutierrez
Nays: None
Absent: Washington
Date: September 9, 2025
xc: Auditor

Kimberly A. Rector
Clerk of the Board
By: 
Deputy

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

| FINANCIAL DATA | Current Fiscal Year: | Next Fiscal Year: | Total Cost: | Ongoing Cost |
|-----------------------------|-----------------------------|--------------------------|------------------------------|---------------------|
| COST | \$ 0.0 | \$ 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

In accordance with Board of Supervisors Resolution 83-338, we audited the Riverside County Office of County Counsel. This audit is conducted to provide management and the Board of Supervisors with an independent assessment of internal controls over succession planning and billing for services.

Based on the results of our audit, we determined internal controls over billing for services are functioning as designed to help County Counsel achieve its business process objective. However, we identified improvement opportunities for internal controls over succession planning, that can help provide reasonable assurance that the department's objectives relating to the area will be achieved. Specifically, formal internal procedures should be developed to ensure business continuity and facilitate knowledge transfer for critical administrative tasks.

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's Office - Internal Audit Report 2025-012: Riverside County Office of County Counsel Audit.



Office of Ben J. Benoit
Riverside County Auditor-Controller

Number of Findings & Recommendations

High Risk

0 Findings

Medium Risk

1 Findings
• 1 Recommendation

Low Risk

0 Findings

Internal Audit Report

2025-012

Riverside County
Office of County Counsel 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

Minh Tran
County Counsel
Riverside County Office of County Counsel
3960 Orange St, Ste 500
Riverside, CA 92501

Subject: **Internal Audit Report 2025-012: Riverside County Office of County Counsel**

Dear Mr. Tran:

In accordance with Board of Supervisors Resolution 83-338, we audited the Riverside County Office of County Counsel to provide management and the Board of Supervisors with an independent assessment of internal controls over succession planning and billing for 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 2025-012: Riverside County Office of County Counsel 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.

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
Grand Jury



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Internal Audit Report 2025-012: Riverside County Office of County Counsel Audit

Executive Summary

Overview

Riverside County Office of County Counsel (County Counsel) provides legal services to the County of Riverside, offering advisory transaction and litigation support on issues of vital concern to the county and its residents such as health care, public safety, adult and child welfare, land development, environmental protection, real estate, contracts, public finance, taxation, public works, and elections. County Counsel's primary clients are the Board of Supervisors and county agencies, departments, commissions and officers. Legal services are also provided to other public entities within the county, including certain joint powers authorities, school districts, and special districts.

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 succession planning and billing for 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.

County Counsel has an adopted budget of \$6.87 million for FY 2024/25 and 99 adopted county positions. *County of Riverside, Fiscal Year 2024/25 Adopted Budget Volume I, 90.*

AUDIT HIGHLIGHTS

- Written procedures for critical administrative tasks should be developed



Internal Audit Report 2025-012: Riverside County Office of County Counsel Audit

Audit Scope and Methodology

We conducted the audit from March 19, 2025, through April 14, 2025, for operations from July 1, 2023, through April 11, 2025.

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

- Succession Planning
- Billing for Services

Audit Conclusion

Based on the results of our audit, we determined internal controls over billing for services are functioning as designed to help County Counsel achieve its business process objective. However, we identified improvement opportunities for internal controls over succession planning, that can help provide reasonable assurance that the department's objectives relating to the area will be achieved. Specifically, formal internal procedures should be developed to ensure business continuity and facilitate knowledge transfer for critical administrative tasks.



Internal Audit Report 2025-012: Riverside County Office of County Counsel Audit

Succession Planning

Background

Succession planning is a strategic process crucial for ensuring the continuity of leadership within an organization. This process involves identifying and developing internal employees who have the potential to fill key leadership positions. Succession planning is not just about filling vacancies. It is about preparing the county for the future by maintaining a pipeline of capable leaders who can drive the organization forward. It helps maintain the leadership continuity, preserves institutional knowledge, and ensures a smooth transition of critical functions and services provided by key positions within the organization.

All members of management are responsible for individual succession planning efforts. Department and division managers are responsible for implementing the program within their respective areas and should coordinate with Human Resources personnel for effectiveness of succession planning efforts for key leadership positions.

The primary objective of a succession plan is to limit the potential challenges of unexpected terminations or departures from an organization. According to the Government Finance Officers Association¹ (GFOA), “A successful succession plan should place a high priority on planning for a smooth change in such positions. Key components of an integrated succession management approach include workforce planning, succession planning, knowledge management practices, and recruitment and retention practices.”

In the absence of formal guidance over succession planning, the focus of our audit was to ensure that County Counsel had adequate, documented policies and procedures in the event of management or personnel turnover. Specifically, we reviewed the department’s prioritization of complex positions to the department’s ongoing operations, key objectives, and critical system applications used. In addition to reviewing documented policies and procedures associated with these attributes, we also focused on whether the department had established training programs to ensure knowledge is transferred among personnel so, in the event of turnover, the lapse in business continuity is minimized.

The following flowchart illustrates the GFOA’s 10 Steps to Succession Planning² that will help an organization retain key talent and find skilled employees to replace staff members who move on:

¹ Key issues in succession planning. Government Finance Officers Association. (2011, February 28).
<https://www.gfoa.org/materials/key-issues-in-succession-planning>

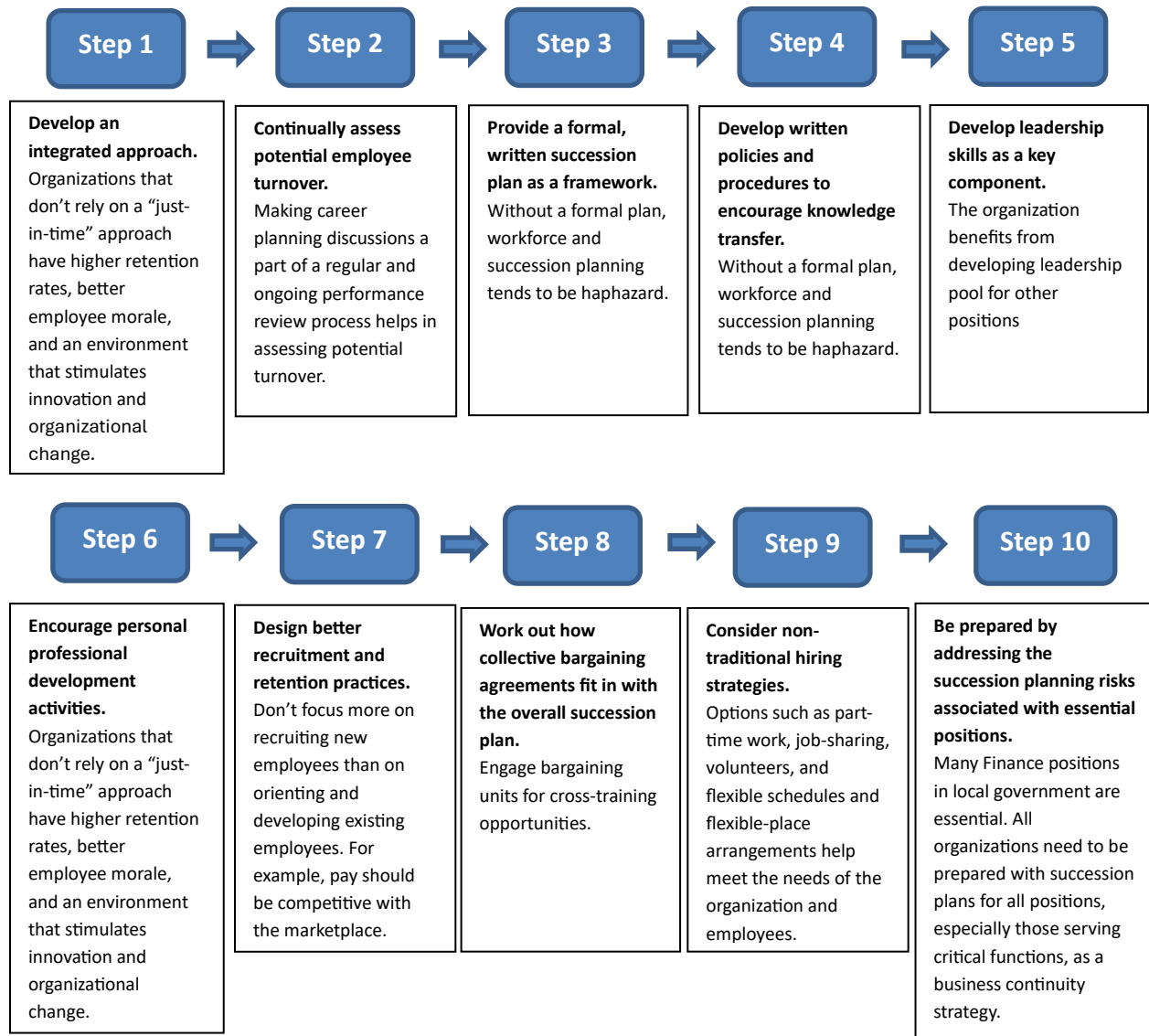
² 10 steps to succession planning. Government Finance Officers Association. (2022, February).
<https://www.gfoa.org/materials/gfr222-10steps>



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Flowchart 1: 10 Steps to Succession Planning

“Succession planning has gotten even more challenging in recent years, given a changing job market, shorter employee tenure, and COVID-19 job turnover-which means that governments should make it an even higher priority. GFOA’s 10 steps to succession planning will help your organization retain key talent and find skilled employees to replace staff members who move on.”³



³ 10 steps to succession planning. Government Finance Officers Association. (2022, February).

<https://www.gfoa.org/materials/gfr222-10steps>



Internal Audit Report 2025-012: Riverside County Office of County Counsel Audit

Objective

To verify the existence and the adequacy of internal controls over County Counsel's succession planning process.

Audit Methodology

To accomplish these objectives, we:

- Obtained an understanding of relevant continuity and succession plans, including GFOA, *Successful Succession Plan*.
- Conducted interviews and performed walk-throughs with department personnel responsible for succession planning.
- Verified whether written procedures exist for routine and critical administrative tasks.
- Identified complex roles critical to departmental operations through interviews with department leadership.
- Assessed adequacy of succession planning procedures by verifying whether complex roles and positions with high turnover have established processes for continuity and effective coverage.

Finding 1: Written Procedures for Critical Administrative Tasks

Priority Level: 2⁴

The Government Finance Officers Association⁵ (GFOA) is a leading association of government professionals that provides the standard guidance to apply in government institutions. Currently, we can't find any available guidance from the Riverside County Human Resource Department, therefore industry best practices from GFOA standards are referenced for consideration and suggestion. GFOA standard best practices state, "Without a formal plan, succession planning tends to take place in a haphazard fashion. A formal plan identifies risks and strategies thereby providing a guiding framework for specific succession initiatives, including how employees are eligible to participate and what being part of the succession plan means." Additionally, the Government Finance Officers Association states, "having a formal plan indicates organization and leadership commitment to succession management, which is critical for success and for sustaining successful planning across political and leadership transitions. The Budget Department

⁴ Please see Appendix A (page 13) for a description of the finding priority level classifications.

⁵ Key issues in succession planning. Government Finance Officers Association. (2011, February 28).

<https://www.gfoa.org/materials/key-issues-in-succession-planning>



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and the Human Resources Department should work together to develop this plan, along with other departments as needed."

County Counsel has identified complex roles essential to its operations. While the department has a Continuity of Operations and Government Plan outlining lines of succession for management positions, it does not yet have written comprehensive strategies for knowledge transfer, workload distribution, and continuity in critical administrative tasks.

A key component of any effective succession plan is the establishment of detailed policies and procedures for tasks performed by personnel in complex roles. These documents provide the foundation for ensuring continuity by capturing essential knowledge, standardizing processes, and enabling successors to assume responsibilities effectively. However, due to the department's focus on meeting immediate operational needs and managing the workload through cross-training, developing standardized documentation to support long-term leadership transitions has not been prioritized.

The absence of detailed policies and procedures for critical roles increase the risk of operational challenges, including the loss of institutional knowledge, inconsistent or delayed execution of critical tasks, and insufficient preparation of successors. Without this foundational documentation, the department's ability to maintain essential functions during turnover or unexpected departures is compromised.

Recommendation 1

Develop and implement formal internal procedures for critical administrative tasks that outline task instructions, oversight responsibilities, and processes for reviewing, approving, and monitoring departmental activities.

Management's Response

"Concur. County Counsel will implement detailed internal procedures only for fiscal administrative tasks that are critical to the operation continuity and succession of the office.

On legal practices, County Counsel already has internal documents that outline succession planning and continuity for legal critical tasks. One example is the detailed list of assignments, which includes the duties and responsibilities for each attorney, outlining the workload distribution, and providing the backup attorneys for operation continuity and succession purposes. No changes will be needed for legal practices."

Actual/estimated Date of Corrective Action: June 9, 2026



Internal Audit Report 2025-012: Riverside County Office of County Counsel Audit

Billing for Services

Background

County Counsel is staffed by attorneys who provide legal services in support of the County's operations and public service functions. The office's primary clients are the Board of Supervisors and county agencies, departments, commissions and officers. Legal services are also provided to other public entities within the county, including certain joint powers authorities, school districts, and special districts.

The Riverside County Board of Supervisors' Policy B-4, *Rates Charged for Current Services*, provides guidance for county departments to recover the actual cost of providing services to other public agencies, organizations, or individuals. In addition, the Board has adopted Policy B-28, *Charges for Internal Services*, to supplement Policy B-4, define the Board's policy regarding charges for internal services provided to county departments and districts, and provide a uniform approach to calculating rates. As stated in Policy B-28, the "Internal Service Fund (ISF) and General Support Service (GSS) departments are responsible for the efficient and effective administration of available resources through the application of sound management practices."

Since County Counsel operates as a GSS department, it must either recover costs through charges to client departments and/or be supported by the county's general fund. In surveying neighboring County Counsel Offices, Riverside County attorney rates and general fund contributions are currently lower than Los Angeles, Orange, San Bernardino, San Diego, and Ventura County. See below for comparison of other counties billable rates, yearly budgets, and general fund contributions outlined in the Riverside County Board of Supervisors meeting agenda (ID# 23643, Item 3.8), held on Tuesday, January 9, 2024.

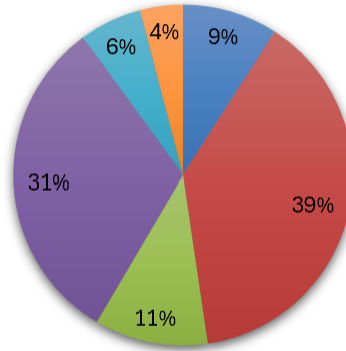
Fiscal Year 2023/2024 Billable Rates, Yearly Budgets and General Fund Contributions

| | <u>Attorney</u> | <u>Budget</u> | <u>General Fund Contribution</u> |
|-------------------------|-----------------|-----------------------|---|
| Los Angeles County | \$272.26 | \$53.8 million | \$17.0 million (32% of total budget) |
| Orange County | \$219.42 | \$12.7 million | \$ 8.4 million (66% of total budget) |
| Riverside County | \$201.68 | \$ 5.7 million | \$ 0.8 million (15% of total budget) |
| San Bernardino County | \$205.00 | \$15.1 million | \$ 4.4 million (29% of total budget) |
| San Diego County | \$270.00 | \$43.9 million | \$22.7 million (52% of total budget) |
| Ventura County | \$259.00 | \$ 8.3 million | \$ 5.5 million (66% of total budget) |



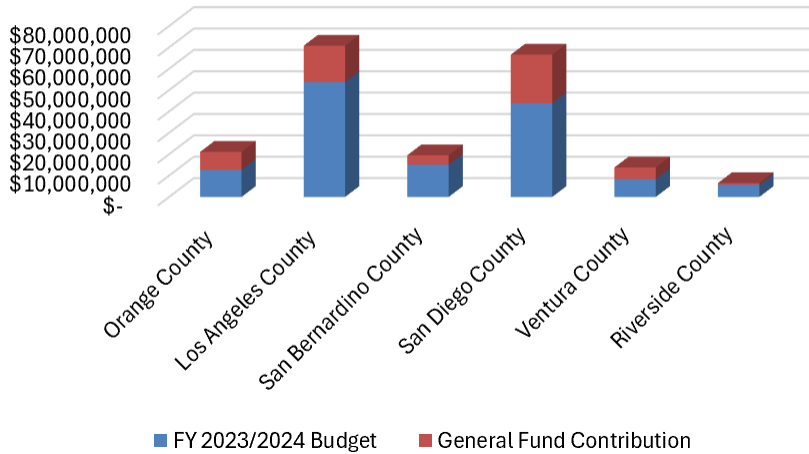
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FY 2023/2024 Budget



- Orange County
- Los Angeles County
- San Bernardino County
- San Diego County
- Ventura County
- Riverside County

General Fund Contribution



Objective

To verify the existence and adequacy of internal controls over County Counsel’s billing for services process.



Internal Audit Report 2025-012: Riverside County Office of County Counsel Audit

Audit Methodology

To accomplish these objectives, we:

- Obtained an understanding of Riverside County Board of Supervisors Policy B-4, *Rates Charged for Current Services*, relating to rates charged for services to other county departments and districts.
- Obtained an understanding of Riverside County Board of Supervisors Policy B-28, *Charges for Internal Services* which provides a uniform approach to calculating rates.
- Reviewed department relevant procedures over system used in billing for services.
- Conducted interviews with key department personnel to gain an understanding of the department's billing for services processes.
- Reviewed billing rates charged by County Counsel and compared them to Board-approved rates to confirm consistency and accuracy.
- Selected a random sample of transactions and verified supporting documentation, including approved invoices and journal entries, for accuracy and completeness.
- Reviewed attorneys time reporting for accuracy, approval, completeness, and timeliness.
- Evaluated the reconciliation process by reviewing supporting documentation and confirming that fee monitoring and reconciliations were performed as intended.

Finding: None Noted

Based on the results of our audit, we determined that internal controls over billing for services provide reasonable assurance that its objective related to this area will be achieved. Reasonable assurance recognizes internal controls have inherent limitations, including cost, mistakes, and intentional efforts to bypass internal controls.



Internal Audit Report 2025-012: Riverside County Office of County Counsel Audit

Appendix A: Finding Priority Level Classification

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

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