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

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

MINUTES OF THE BOARD OF SUPERVISORS

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
- X 3 Not Implemented

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

July 14, 2026

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.

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

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Results:

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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."

Current Status 1.3: <u>Not Implemented</u>

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."

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 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

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 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