

**Auditor-Controller Response to the FY 2007-2008 Grand Jury Report entitled:  
Ventura County Fire Protection District: Inventory Control Deficiencies**

**Summary:** “The 2007-2008 Ventura County Grand Jury (Grand Jury) reviewed a prior Grand Jury report issued in 2004-2005 titled, ‘Ventura County Fire Protection District Material and Inventory Controls’ that disclosed program deficiencies that ‘left the district vulnerable to misuse and theft of equipment.’ The Ventura County Auditor-Controller (Auditor-Controller) subsequently initiated an Internal Control Self-Assessment Program for the Ventura County (County) agencies/departments to evaluate themselves.”

**Response:** Respectfully disagree. The Grand Jury’s 2004-2005 report did not disclose deficiencies and, in fact, specifically stated that “sufficient controls are in place to ensure that the risk of equipment theft and misuse is effectively managed by VCFPD management and staff.” In addition, no recommendations were made in the Grand Jury’s report. Further, as a matter of clarification, the Grand Jury’s statement that the “Auditor-Controller subsequently initiated an Internal Control Self-Assessment Program” may imply that the CSA Program was a result of the Grand Jury’s report, when it was not. The CSA Program was initiated prior to the Grand Jury’s report.

**R-05:** The District and the Auditor-Controller should inventory all sensitive non-fixed assets including laptop computers. The results of the inventory should be reported to the CEO and BOS.

**Response:** Partially agree. However, implementing this recommendation for the Auditor-Controller would require more audit resources than we have available. Therefore, during our current audit of the District’s management of sensitive non-fixed assets, we focused our inventory efforts on assets that were subject to the thefts. Specifically, we visited all 46 District locations and physically inventoried over 900 computers, including laptops, desktops, and servers which represented 36 percent of the District’s total IT assets. Although auditing procedures generally rely on sampling rather than 100 percent reviews, we expanded our normal auditing procedures for this audit to include all District locations and computers. We believe this procedure sufficiently addressed the concerns raised at the outset of this audit and was the best use of our audit resources. As with every audit, our results will be reported to the CEO and BOS.

**R-06:** The Auditor-Controller should review and recommend improvements to the procedures used by the District to conduct and reconcile its annual physical inventory of fixed assets.

**Response:** Agree. We plan to review the District’s annual inventory procedures during our current audit of the District’s management of sensitive non-fixed assets.

**R-07:** The Auditor-Controller should take an active role in the oversight of the annual physical inventory of fixed assets and sensitive non-fixed assets for the county of Ventura.

**Response:** Partially agree. Although ideal that our office would take an active role during annual inventories, the volume of assets and locations would require at least one additional staff member to implement this recommendation, which may not be financially feasible or efficient.

**R-08:** The Grand Jury recommends that the Auditor-Controller provide audit hours each year, to observe the required annual physical inventory of all County fixed and sensitive non-fixed assets.

**Response:** Partially agree. As stated in our response to R-07 above, implementation of this recommendation would require at least one additional auditor to maintain our current audit service levels. With 27 agencies/departments and over 14,000 fixed assets alone, observing physical inventories of all County fixed and sensitive non-fixed assets is more than our office can bear with current budgetary resources. In addition, because most inventories are scheduled for year-end, several auditors may need to schedule observation time to accommodate overlapping inventory schedules across the 27 departments. As a result, audits in progress may be delayed in favor of the inventory observations, which may not be in the County's best interest.