

County of Ventura  
AUDITOR-CONTROLLER  
MEMORANDUM

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To: Paul S. Grossgold, Director  
General Services Agency

Date: October 24, 2007

From: Christine L. Cohen

Subject: **AUDIT OF CHANGE IN DIRECTOR – GENERAL SERVICES AGENCY (GSA)**

We have completed our audit of the change in director for GSA. The results of our audit are summarized below.

**BACKGROUND:**

GSA's mission is to provide the highest quality services and management to ensure a safe, healthy, and productive environment for employees and visitors at County facilities. GSA is comprised of the following four departments: Facilities and Materials; Fleet Services; Parks; and Administrative Services. The Facilities and Materials Department includes services in business support, housekeeping and grounds, facility maintenance, and special services. The Fleet Services Department provides central administrative control over the purchase and maintenance of most County vehicles. The Parks Department manages various regional parks in Ventura County. Administrative Services provides overall management and technical support services to GSA.

The current director, Paul S. Grossgold, replaced Paul W. Ruffin as GSA director effective February 6, 2006. GSA is authorized 261 positions for fiscal year (FY) 2007-08 and a combined budget of over \$85 million.

**SCOPE:**

Our overall audit objective was to determine whether appropriate actions had been taken to transfer accountability and administrative functions from the preceding to the succeeding director. Specifically, we verified whether fixed assets, petty cash, change funds, trust funds, and outside bank accounts were properly accounted for and balances were reasonably stated at the time of the change. We verified whether required documents, such as Statements of Economic Interests and signature authorizations, were completed. We reviewed actions taken to update security measures, including the deactivation of access cards and termination of computer access. Also, we confirmed whether County equipment was collected and accounted for properly and whether personal expenses were finalized for the prior director.

The audit was performed in accordance with the *International Standards for the Professional Practice of Internal Auditing* promulgated by the Institute of Internal Auditors. For our audit, we used documents and records for the period July 2006 through August 2007.

**FINDINGS:**

Overall, we found that GSA satisfactorily transferred accountability and administrative functions from the preceding to the succeeding director. We verified that petty cash, change funds, trust funds, and outside bank accounts were properly accounted for and balances were reasonably stated at the time of the change. We confirmed that County equipment was collected and that electronic security controls were properly updated. We also verified that required documents were filed and that personal expenses were finalized.

However, we noted that accountability had not been established over GSA's fixed assets. Summarized below are details of the area where improvement was needed. Management initiated corrective action during the audit as noted.

**Fixed Asset Accountability.** GSA had not transferred accountability of over \$72 million in fixed assets from the preceding to the succeeding director. The preceding director transferred to the County Executive Office effective February 6, 2006, without transferring accountability with a signed receipt to the succeeding director as required by Government Code 24051. Therefore, from February 6 to July 11, 2006, when the succeeding director properly certified the fixed asset inventory, accountability was not established over fixed assets. Management's implementation of proper exit procedures would ensure appropriate transfer of accountability.

**Management Action.** GSA Management stated: "In accordance with the note at the bottom of the 'Affidavit of Annual Inventory of County Property,' the departing director of GSA will acquire from his/her successor a receipt indicating transfer of assets and will file a copy with the Auditor-Controller. As a side note for consideration, we believe it would be helpful to all agencies and departments to have an Administrative Manual policy that provides direction, with a comprehensive checklist, to be used during a change in management to assure compliance with applicable Government codes."

**AUDITOR'S EVALUATION OF MANAGEMENT ACTION:** Overall, we believe that management action was responsive to the audit findings.

We appreciate the cooperation and assistance extended by you and your staff during this audit.

cc: Honorable Linda Parks, Chair, Board of Supervisors  
Honorable Steve Bennett, Board of Supervisors  
Honorable Kathy Long, Board of Supervisors  
Honorable Peter Foy, Board of Supervisors  
Honorable John K. Flynn, Board of Supervisors  
John F. Johnston, County Executive Officer