

**County of Ventura**  
**AUDITOR-CONTROLLER**  
**MEMORANDUM**

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**To:** Honorable Steven Hintz, Treasurer-Tax Collector **Date:** December 30, 2011

**From:** Christine L. Cohen

**Subject:** **AUDIT OF POSTELECTION CHANGE IN DEPARTMENT HEAD FOR THE  
TREASURER-TAX COLLECTOR**

We have completed our audit of the postelection change in department head for the Treasurer-Tax Collector ("TTC"). The results of our audit are summarized below.

### **BACKGROUND**

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The TTC is responsible for administering the County's financing and investment programs and acts as a depositor for departments/agencies, school districts, and special districts. Additional responsibilities include collecting various taxes, such as secured and unsecured property taxes, and conducting public auctions and sealed bid sales on tax-defaulted properties.

The current TTC department head, Steven Hintz, was elected in November 2010 and formally sworn into office on January 3, 2011. Don Hansen, Assistant TTC, was designated as the interim, acting TTC from July 18 through December 31, 2010. TTC was authorized 36 positions for fiscal year 2011-12 and a combined budget of over \$4.8 million.

### **SCOPE**

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Our overall audit objective was to determine whether appropriate actions had been taken to transfer accountability and administrative functions from the interim TTC department head to the elected TTC department head. Specifically, we:

- verified that required documents, such as the *Oath of Office* and signature authorizations, were completed;
- determined whether the interim TTC's payroll compensation for acting department head assignment pay was appropriate;
- verified that expenses incurred by the interim TTC department head in the months prior to the change in department head were appropriate;
- confirmed that fixed assets were accounted for properly; and
- determined whether TTC properly implemented corrective actions to address certain tax-defaulted property issues noted in our prior audit report dated August 31, 2011.

We performed audit tests and evaluations using documents provided by TTC, the County Clerk and Recorder, the County Assessor, the Auditor-Controller's Office, and the County Executive Office-Human Resources Division ("CEO-HR").

The audit was performed in conformance 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 August 2002 through October 2011.

## **FINDINGS**

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Overall, we found that TTC satisfactorily transferred accountability and administrative functions from the interim TTC department head to the elected TTC department head. We confirmed that the *Oath of Office* and signature authorizations were filed in a timely manner. In addition, we verified that expenses incurred by the interim TTC department head in the months prior to the change in department head were appropriate. We also verified that TTC properly implemented corrective actions to address certain tax-defaulted property issues noted in our prior audit.

However, we noted that accountability was not always properly established over TTC's fixed assets in accordance with the California Government Code. Following are details of the area where improvement was needed. TTC management initiated corrective action during the audit as noted.

**Fixed Asset Accountability.** Accountability was not always properly established for the department's \$500,000 in fixed assets. California Government Code Section 24051 requires: 1) transfer of fixed asset accountability with a signed receipt from the preceding to the succeeding department head; and 2) all department heads to file fixed asset inventories under oath no later than July 10 of each year. However, fixed asset accountability was not transferred with a signed receipt upon the change in department head in January 2011. In addition, the current TTC's 2011 fixed asset affidavit was submitted on August 18, 2011, more than one month after the deadline.

**Management Action.** TTC management stated: "The Treasurer-Tax Collector does not disagree with the finding. More attention will be paid to the requirement in the future."

## **AUDITOR'S EVALUATION OF MANAGEMENT ACTION**

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We believe that management actions taken or planned were responsive to the audit finding. TTC management planned to complete corrective action by December 14, 2011.

## **ADDITIONAL LIMITED AUDIT PROCEDURES**

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Our audit also disclosed a matter that pertained to the CEO-HR, which is presented to TTC management in this report for informational purposes only. Specifically, we noted that the CEO-HR had not taken sufficient action to ensure the timely revocation of acting department head assignment pay for the interim TTC. Because this matter was not reflective of or contingent upon action taken by TTC, our concerns will be addressed to the CEO-HR in a separate report. Therefore, a response from TTC management regarding this matter is not required.

Honorable Steven Hintz, Treasurer-Tax Collector

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

cc: Honorable Linda Parks, Chair, Board of Supervisors

Honorable John C. Zaragoza, Vice Chair, Board of Supervisors

Honorable Steve Bennett, Board of Supervisors

Honorable Kathy Long, Board of Supervisors

Honorable Peter C. Foy, Board of Supervisors

Michael Powers, County Executive Officer