

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

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**To:** Honorable Dan Goodwin, Assessor

**Date:** February 1, 2012

**From:** Christine L. Cohen

**Subject:** VALIDATION OF THE 2010 CONTROL SELF-ASSESSMENT FOR THE ASSESSOR

We have completed our engagement to validate the internal controls reported in the Assessor's 2010 Control Self-Assessment (CSA). The results of our validation are summarized below.

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**BACKGROUND**

Under the County's *Internal Control Policy*, departments are required to formally assess the adequacy of internal controls at least once every 3 years and report the results to the Auditor-Controller's Office for review and validation. The 2010 CSA for the Assessor was fully submitted on January 14, 2011.

The Assessor is responsible for completing all tax assessment activities mandated under the California Constitution and Revenue and Taxation code. These activities include producing the Annual Assessment Roll and multiple Supplemental Assessment rolls in a timely, fair, and cost-effective manner. The Assessor was authorized 137 positions and a budget of \$13.4 million for fiscal year 2011-12.

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**SCOPE**

Our overall objective was to evaluate, on a test basis, the information reported in the Assessor's CSA. Specifically, we:

- verified that selected internal controls described in the department's CSA existed and were operating effectively (i.e., as intended); and
- verified that the department completed the planned internal control improvement actions described in the department's CSA.

We performed tests and evaluations using documents and records provided by the Assessor for the period June 2008 through December 2011. The engagement was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing* promulgated by The Institute of Internal Auditors.

This engagement does not provide an opinion on the design and implementation of the department's overall system of internal control.

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**VALIDATION RESULTS**

Our validation confirmed that the selected internal controls were in place and operating effectively as reported in the department's CSA. We also confirmed that all identified internal control improvement actions were either

completed or in progress. As a result of the engagement, the Assessor also identified an additional internal control improvement action. Following are details of our validation results.

1. **Control Existence and Operating Effectiveness.** Of the 10 reported internal controls we selected for validation, we found that all 10 internal controls existed as reported by the department and were operating effectively. For example, we found that the Assessor has established and implemented:
  - Segregation of duties over cash receipts.
  - Procedures for appropriate review and approval of transactions, including:
    - Budget transfers.
    - Payment of invoices.
    - Procurement card charges.
    - Adding/changing employee access to data/databases.
    - Employee time entry.
  - A written code of ethics and processes to ensure annual submission of *Statements of Economic Interests* for applicable employees.
  - Staff training and competency standards consistent with program and service delivery goals.
2. **Status of Planned Improvement Actions.** Of the department's two planned internal control improvement actions, we found that one action has been completed and one is in progress. Specifically, the Assessor has separated the responsibility for comparing current to prior period payroll amounts from other payroll-related duties. In addition, the Assessor, in conjunction with the Auditor-Controller and Treasurer-Tax Collector, plans to contract for and implement a new property tax information system over a 5-year installation period, with completion estimated in 2017.
3. **Additional Internal Control Improvement Action.** During the course of the validation engagement, the Assessor initiated a review of the Assessor's Office physical security measures and is considering additional internal control improvement actions. Specifically, the Assessor has requested that the General Services Agency determine available options for adding key and/or badge access locks to further enhance office security. The Assessor plans to review the security upgrade options and costs, and determine which improvement actions to undertake by June 30, 2012.

This report does not contain items requiring a response from Assessor management.

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

cc: Honorable John C. Zaragoza, Chair, Board of Supervisors  
Honorable Peter C. Foy, Vice Chair, Board of Supervisors  
Honorable Steve Bennett, Board of Supervisors  
Honorable Linda Parks, Board of Supervisors  
Honorable Kathy Long, Board of Supervisors  
Michael Powers, County Executive Officer