

External Monitoring Reports

of County Departments, Performed by State, Federal, and Other Outside Agencies

Calendar Year 2011



Department External Monitoring

County departments are subject to monitoring by external agencies, primarily the State. The majority of monitoring is performed on State and Federal funding passed through to the County. Monitoring can take place on different levels such as an audit, review, or specific procedures performed on certain processes. The objective of monitoring is primarily to determine whether the County is in compliance with certain legal restrictions that are placed on funding.

In calendar year 2011, there were two Countywide audits performed by the CPA firm Brown Armstrong. One was the Comprehensive Annual Financial Report (CAFR). The CAFR is a financial report that encompasses all funds and component units of the government. (See Auditor-Controller's page in this document for the CAFR summary and results) The other audit performed was the Single Audit. The Single Audit is an audit comprised of both financial and compliance components, of all Federally funded County programs (See individual department pages in this report for Single Audit summaries and results) .

All monitoring of County departments is reported to the Auditor-Controller and has been compiled in this report. As depicted below, the majority of County monitoring takes place in the Health and Social Service Departments where resources are subject to significant legal restrictions.

Department	Pending Issuance	Completed and Received
Agriculture & Cooperative		No Monitoring
Alcohol, Drug, & Mental Health	2	8
Auditor-Controller	0	2
Child Support Services	1	3
Clerk-Recorder-Assessor		No Monitoring
County Counsel		No Monitoring
County Executive Office		No Monitoring
District Attorney	2	1
Fire	1	0
General Services		No Monitoring
Housing/Community Development	1	1
Human Resources	0	1
Parks	0	2
Planning & Development	0	1
Probation	1	2
Public Defender		No Monitoring
Public Health	2	7
Public Works	5	4
Sheriff	0	2
Social Services	4	27
Treasurer Tax Collector	2	2

In this report we have assigned risks to each of the programs based upon audit results. The color coding indicates the following:

RED: Potential for large dollar amount of error or loss, significant lack of monitoring, or wide-spread violation of law.

YELLOW: Potential for moderate dollar amount of error or loss, some violation of policy, other compensating procedures may exist to correct issue.

GREEN: Low dollar amount of error or loss, other compensating procedures exist, or minimal program impact.





The report also lists key conditions including recommendations made by the external monitor and the corrective action taken by the department.

Risk Assessment

Alcohol Drug and Mental Health

In calendar year 2011 Alcohol Drug and Mental Health Services (ADMHS) was subject to 8 external monitorings including:

- ◆ Two monitoring engagements were of the Psychiatric Health Facility (PHF). One monitoring, performed by the State, was for the PHF’s annual licensure, and the second, performed by the Centers for Medicare and Medicaid Services (Federal), was to evaluate compliance with the regulatory Conditions of Participation (COP) to bill Medicare inpatient services.
- ◆ The California External Quality Review Organization (State) performed an annual quality review of services provided under ADMHS’s Mental Health Plan (MHP). Additionally, the MHP’s system was reviewed by the State to verify that services were being provided in compliance with regulations.
- ◆ An outside consulting firm, BENAT Consulting, evaluated ADMHS’ “ShareCare” Billing System’s billing rules and processes.
- ◆ Two State audits were performed, for FYs 04-05 and 05-06, over ADMHS’s Medicaid Cost Reporting and Data Collection Report; these audits evaluated the net allowable Medicaid costs reported by ADMHS. ADMHS was included in the Federal Single Audit performed by Brown Armstrong, in which the allowability of costs and compliance with requirements of the Medicaid program was examined.

Program	Risk
Psychiatric Health Facility (PHF)	
Mental Health Plan (MHP)	
ShareCare Billing System	
Medicaid Costs	

Key Conditions:

1. PHF:
 - ◆ Licensure: Found to be in compliance with regulations, licensure was granted.
 - ◆ COP Audit: The PHF did not meet 16 standards that are required for a PHF. Failing to correct the items identified by the CA DPH will result in an inability to bill Medicare as a free-standing PHF.
2. MHP:
 - ◆ Quality Review: Showed continued improvements over the last 3 years with no significant findings.
 - ◆ System Review: 94% compliance was cited but there was a disallowance of \$29K due to non-compliance with documentation standards.
3. ShareCare System: No significant billing rules or process issues found.
4. Medicaid Costs:
 - ◆ Cost Report 04-05: Total disallowance of approximately \$3.9M. Disallowance of Counseling and Education Centers (CEC) and Multi-agency Integrated Mental Health System of Care (MISC) costs (self disclosure), unallowable administrative fees charged (self disclosure), several contractors (Community Based Organizations, CBOs) did not have sufficient matching funds to justify the amount claimed for Federal Funding, and one contractor did not have published charges.
 - ◆ Cost Report 05-06: Total disallowance of approximately \$2.5M. Disallowance of CEC and MISC costs (self disclosure), unallowable administrative fees charged (self disclosure), and several contractors (CBOs) did not have sufficient matching funds to justify the amount claimed for Federal Funding.
 - ◆ 10-11 Single Audit: No significant findings.

Risk Assessment

Alcohol Drug and Mental Health Continued

Corrective Action Taken:

1. PHF:
 - ◆ Licensure: No corrective action necessary.
 - ◆ COP Audit: ADMHS submitted the required corrective action plan which was approved by the State and subsequently validated by way of an unannounced site visit.
2. MHP:
 - ◆ Quality Review: No corrective action necessary.
 - ◆ System Review: ADMHS will be providing training to medical staff and clinical staff as well as perform on-going monitoring.
3. ShareCare System: No corrective action necessary.
4. Medicaid Costs:
 - ◆ Cost Report 04-05: Amounts returned to the State.
 - ◆ Cost Report 05-06: Amounts to be returned to the State.
 - ◆ 10-11 Single Audit: No corrective action necessary.

Risk Assessment

Auditor-Controller

Brown Armstrong, an external CPA firm, performed an audit of the County's Fiscal Year 10-11 Comprehensive Annual Financial Report (CAFR). The CAFR is a financial report prepared by the Auditor-Controller, that encompasses all funds and component units of the government to determine compliance with Generally Accepted Accounting Principals (including all departments' finances). The Auditor-Controller's Property Tax Division was included in the Treasurer Tax Collector's Property Tax Redemption audit, which was performed by the Auditor-Controller's Internal Audit Division. The audit evaluated compliance requirements governing redemption activities.

Program

Risk

CAFR



Property Tax Redemption



Key Conditions:

1. CAFR: No significant Findings.
2. Property Tax Redemption: The Tax Redemption audit resulted in findings related to a lack of segregation of duties, reconciling issues, and issues with departmental communication and processing.




Corrective Action Taken:

1. CAFR: No corrective action necessary.
2. Property Tax Redemption: The Auditor-Controller and the Treasurer Tax Collector are implementing a new Property Tax System that should rectify some of the problems that were identified in the audit. In addition, the Auditor-Controller is also correcting issues found during the audit along with updating their procedures to enhance controls and improve communication between departments.

Risk Assessment

Child Support Services

In calendar year 2011, two reviews were performed by the State of the Child Support Services (CSS) Department. One review was over the allowability of administrative expenditures claimed, and the other was over CSS' compliance with law, timeliness of case completion, and program administration compliance. CSS was included in the Federal Single Audit performed by Brown Armstrong, in which the compliance over timeliness of establishing paternity and support obligations for child support was examined.

Program	Risk
Administrative Expenditures	
Child Support Compliance Review	
Child Support Enforcement (Single Audit)	

Key Conditions:

1. Administrative Expenditures:
 - ◆ Inappropriate use of grant funds. This was mainly attributed to membership dues paid to an organization substantially engaged in lobbying.
 - ◆ Non-compliance with cash basis of reporting which resulted in prepaid expenditures, totaling \$119,233, included for reimbursement in the incorrect period.
2. Child Support Compliance Review: CSS met all compliance requirements, with one exception where program administration did not meet the minimum requirements in sending statements and notices when a collection or distribution of support was made.
3. Child Support Enforcement (Single Audit): No significant findings.

Corrective Action Taken:

1. Administrative Expenditures:
 - ◆ CSS is complying with the State's request for payment of \$1,130 and, in the future, membership dues to organizations will only be made after ensuring that the organizations are not engaged in lobbying.
 - ◆ CSS will comply with the cash basis of reporting.
2. Child Support Compliance Review: The State is completing the corrective action plan as the finding was due to an issue with the Statewide Child Support System.
3. Child Support Enforcement (Single Audit): No corrective action necessary.

Risk Assessment

District Attorney

In calendar year 2011 the District Attorney was included in the Federal Single Audit performed by Brown Armstrong in which the allowability of costs and compliance with requirements of the Workers' Compensation Insurance Fraud Program was examined.

Program

Workers' Compensation Insurance Fraud

Risk



Key Conditions:

1. Workers' Compensation Insurance Fraud: No significant findings.

Corrective Action Taken:

1. Workers' Compensation Insurance Fraud: No corrective action necessary.

Risk Assessment

Housing and Community Development

In calendar year 2011, Housing and Community Development (HCD) had one Federal onsite visit by the Department of Energy to review the emPowerSBC program, which provides affordable home energy improvements to homeowners. The monitoring was performed to satisfy annual monitoring requirements and to provide technical assistance to HCD for the \$2.4 M grant award through the U.S. Department of Energy Better Buildings program.

Program

emPowerSBC

Risk



Key Conditions:

1. emPowerSBC: No significant findings.

Corrective Action Taken:

1. emPowerSBC: No corrective action necessary.

Risk Assessment

Human Resources

In calendar year 2011, one review was performed by the State over Human Resources' Controlled Substance and Alcohol Testing Program; the review tested compliance with pre-employment drug and alcohol testing for drivers.

Program

Controlled Substance and Alcohol Testing

Risk



Key Conditions:

1. Controlled Substance and Alcohol Testing: One of the 163 records inspected was out of compliance for missing a required form.

Corrective Action Taken:

1. Controlled Substance and Alcohol Testing: Human Resources will ensure that required forms are used and maintained.

Risk Assessment

Parks

In calendar year 2011, there were two Federal reviews performed over Parks' Recreation Resources Management Program (Lake Cachuma). These reviews focused on Parks' compliance with agreements between Parks and Reclamation (part of the US Department of the Interior) for two current projects, where 50-100% of the costs are shared by the Federal Bureau of Reclamation (Reclamation).

Program

Recreation Resources Management

Risk



Key Conditions:

1. Recreation Resources Management:
 - ◆ Parks submitted quarterly financial reports untimely.
 - ◆ Parks was not submitting certified payroll information to Reclamation in accordance with the agreement.

Corrective Action Taken:

1. Recreation Resources Management:
 - ◆ Parks will work to ensure that reports are submitted timely.
 - ◆ Parks was unaware of the requirement to submit certified payroll information. After the review, Parks submitted the payroll information and will continue to submit the information, in accordance with the agreement.

Risk Assessment

Planning and Development

In calendar year 2011, Planning and Development had an independent audit of the Isla Vista Redevelopment Agency's (IVRDA) annual financial report, by the CPA firm Brown Armstrong. All RDAs are required to present an annual financial report to its legislative body within six months of the end of its fiscal year.

Program	Risk
IVRDA	



Key Conditions:

1. IVRDA: The Agency does not monitor all affordable housing projects that are assisted by the Isla Vista Housing Fund, as required by the Health and Safety Code Section 33418.

Corrective Action Taken:

1. IVRDA: The Agency will implement policies and procedures to be in compliance with the requirements under Health and Safety Code Section 33418.

Risk Assessment

Probation

In calendar year 2011, there was one State monitoring of Probation's corrections program for compliance with State training standards. Probation was included in the Federal Single Audit performed by Brown Armstrong, in which the allowability of costs and compliance with requirements for eligibility of participants charged to the Foster Care Program was examined.

Program

Risk

Corrections



Foster Care (Title IV-E)



Key Conditions:

1. Corrections: No conditions found.
2. Foster Care (Title IV-E) (out of a sample size of 60):
 - ◆ Five case files where candidacy was not re-determined in the required six month time frame.
 - ◆ Four case files where case plans were missing required signatures.

Corrective Action Taken:

1. Corrections: No corrective action necessary.
2. Foster Care (Title IV-E): A more efficient method of tracking the required review dates was implemented and compliance reviews are now performed quarterly by managers.

Risk Assessment

Public Health

In calendar year 2011, a Federal review was performed over the allowability of reimbursable Medicare costs claimed in Public Health's Medicare Federal Cost Report. Two State reviews were performed, one for FY 06-07 and the other for FY 07-08, of allowable Medicaid costs claimed on Public Health's Federal Qualified Health Center's (FQHC) Medicaid Reconciliation Reports. Additionally two State audits were performed on Public Health, one over allowability of expenditures claimed for the Emergency Preparedness Program and the other over the allowability of expenditures claimed for the Hospital Preparedness Program. Public Health also had one site visit from the State of their Cancer Detection Program; the site visit assessed contract compliance, scope of work, and compliance with operational requirements for the program. Public Health was included in the Federal Single Audit performed by Brown Armstrong, in which the allowability of costs and compliance with requirements of the Medicaid program was examined.

Program	Risk
Medicare Federal Cost Report	
FQHC	
Emergency Preparedness Program	
Hospital Preparedness Program	
Cancer Detection Program	
Medicaid (Single Audit)	

Key Conditions:

1. Medicare Federal Cost Report: No conditions found, settlements positive to Public Health.
2. FQHC: No conditions found, settlements positive to Public Health.
3. Emergency Preparedness Program: Minor findings related to timely written approval of budget revisions and travel rates; no recoveries.
4. Hospital Preparedness Program: Minor findings related to timely written approval of budget revisions and travel rates; no recoveries.
5. Cancer Detection Program: No conditions found.
6. Medicaid (Single Audit): No conditions found.

Corrective Action Taken:

1. Medicare Federal Cost Report: No corrective action necessary.
2. FQHC: No corrective action necessary.
3. Emergency Preparedness Program: Required prior written approval will be obtained for expenditures as necessary.
4. Hospital Preparedness Program: Required prior written approval will be obtained for expenditures as necessary.
5. Cancer Detection Program: No corrective action necessary.
6. Medicaid (Single Audit): No corrective action necessary.

Risk Assessment

Public Works

In calendar year 2011, two State audits were performed on Public Works. One audit was over the costs claimed for the 2005 storm and the other audit was over the reasonableness of the department's Indirect Cost Rate Proposal. Additionally, an audit was performed by Moss Levy and Hartzheim CPAs, of the Public Transit Fund financial statements and the fund's compliance with California Law. Public Works was included in the Federal Single Audit performed by Brown Armstrong, in which the allowability of costs and compliance with requirements of the Highway Planning Program was examined.

Program	Risk
2005 Storm	
Indirect Cost Rate Proposal (ICRP)	
Public Transit Fund	
Highway Planning	

Key Conditions:

1. 2005 Storm:
 - ◆ Inappropriate procurement procedures utilized in obtaining contract work.
 - ◆ Debris removal claims included unrelated costs (costs incurred during a prior period and unrelated to the disaster).
 - ◆ Unreasonable project costs, specifically engineering and labor fringe benefits.
 - ◆ Lack of Supporting Documentation.
 - ◆ Findings resulted in \$1.7 million in project costs determined to be ineligible for cost reimbursement.
2. ICRP
 - ◆ There was an adjustment of \$415,576 to the amounts used to calculate the ICRP. This adjustment increased the amount of indirect costs allowed.
3. Public Transit Fund
 - ◆ Transit Fund was not an Enterprise Fund as required by the Transportation Development Act.
 - ◆ Farebox ratio (Bus Fare Revenue/Operating Costs) was 6% below the minimum required by the Transportation Development Act.
4. Highway Planning: No significant Findings.

Corrective Action Taken:

1. 2005 Storm: A procurement policy was adopted through the Board of Supervisors to prevent the audit findings from occurring in a future disaster. Public Works has appealed the questioned costs and is waiting on a response from the State.
2. ICRP: Public Works will ensure that all cost components of the ICRP are allowable and calculated correctly.
3. Public Transit Fund:
 - ◆ County will work with SBCAG to identify proper accounting options including use of an Enterprise Fund.
 - ◆ County will evaluate performance of the transit operation to address the ratio.
4. Highway Planning: No corrective action necessary.

Risk Assessment

Sheriff

In calendar year 2011, a State review was performed on the Sheriff's Daily Jail Rate proposal, a rate used to calculate the Sheriff's reimbursement from the State. Additionally, one audit, performed by the Auditor-Controller's Internal Audit Division, over costs claimed in accordance with a grant agreement between the Sheriff and the California Department of Corrections and Rehabilitation (CDCR) for the Sheriff's Re-Entry Program.

Program

Risk

Daily Jail Rate



Re-Entry



Key Conditions:

1. Daily Jail Rate: No conditions found.
2. Re-Entry
 - ◆ Payments for services outside of contract terms and conditions amounting to \$340,927 may be unallowable.
 - ◆ The external agency providing services to the Sheriff's office did not retain certain documentation and monitoring was not performed by the Sheriff's office to ensure that services were documented, resulting in questioned costs.
 - ◆ Payroll reports and other supporting documentation for salary charges were not readily available at the external agency. The agency's controller recreated the supporting documentation that resulted in a \$6,259 variance with amounts originally claimed.

Corrective Action Taken:

1. Daily Jail Rate: No corrective actions necessary.
2. Re-Entry
 - ◆ An additional staff accountant was hired and additional grant money is being used to operate two day reporting centers to ensure compliance with grant and contract terms and conditions. The staff accountant is also responsible for providing real-time grant management as the programs proceed and for ensuring there is adequate documentation for the grants.
 - ◆ The Sheriff will allocate adequate resources to program oversight.

Risk Assessment

Social Services

State Monitorings (26 State monitorings performed throughout the year):

- ◆ Six monitorings were performed over the Medicaid program.
 - ◇ Two over the compliance of individual Medicaid cases chosen for periodic testing.
 - ◇ Three focused reviews over compliance with requirements for: Long Term Care (LTC), Medical Support Enforcement and Re-determination (MSE & RRR), and Negative Case Actions (discontinuances and denials).
 - ◇ One review for the Payment Error Rate Measurement, PERM, which determined if benefit payments were calculated correctly.
- ◆ Sixteen State monitorings were performed on the Supplemental Nutrition Assistance Program, SNAP (Food Stamps).
 - ◇ Fifteen reviews over individual case approvals and denials of eligibility.
 - ◇ One Management Evaluation review over payment accuracy, assessment of County corrective action, program access, and timeliness of application processing.
- ◆ Two State reviews were performed on the Workers Investment Act (WIA) program for compliance with applicable Federal and State laws, regulations, policies, and directives related to grants.
- ◆ One State Review over DSS' usage of the Income Eligibility Verification System (IEVS) which verifies income of applicants.
- ◆ One State Review assessed DSS' compliance with civil rights laws and regulations.

Single Audit

- ◆ DSS was included in the Federal Single Audit performed by Brown Armstrong, in which the allowability of costs and compliance with requirements of the Medicaid, SNAP, WIA, Temporary Assistance for Needy Families (TANF), Adoptions Assistance, and Foster Care programs were examined.

Program	Risk
State Monitorings	
Medicaid	
WIA	
SNAP	
IEVS	
Civil Rights	
Single Audit	
Medicaid	
WIA	
SNAP	
TANF	
Adoption Assistance	
Foster Care	

Key Conditions and Corrective Action on following pages.

Risk Assessment

Social Services Continued

Key Conditions:

State Monitorings

1. Medicaid:
 - ◆ Periodic Reviews:
 - ◇ The State requires corrective action if the error rate is over a 10% threshold. Cases are determined to be errors if they have under/overstated shares of costs, are partially ineligible, or are totally ineligible.
 - ◇ From April 2009—March 2011, 0% - 7.1% of cases were determined to be errors.
 - ◇ From April 2009—March 2011, 0% - 25% of cases had findings, including missing documentation, but were not determined to be errors.
 - ◆ Focused Reviews:
 - ◇ MSE & RRR: No significant findings.
 - ◇ LTC: No significant findings.
 - ◇ Negative Case Action: 8/50 cases tested (16%) were found to have discrepancies due to required Notices of Action (NOA) not being issued, 1/50 (2%) cases were terminated untimely, and 1/50 (2%) had denial reasons in the case file that did not match the CalWIN system.
 - ◆ PERM: 1/6 of the cases tested had an error resulting in an understated share of cost of \$20.
2. WIA:
 - ◆ FY 09-10 Adult and Dislocated Worker Review: Overall the County is meeting applicable WIA/ARRA grant requirements. Instances of noncompliance were related to documentation, board composition, and reasonableness of costs, resulting in questioned costs of \$4,068.
 - ◆ FY 10-11 Youth Review: Overall DSS is meeting applicable WIA/ARRA grant requirements with instances of noncompliance in documentation.
3. SNAP (State):
 - ◆ Management Evaluation Review:
 - ◇ Active error rate (errors with awarding benefits incorrectly to clients):
 - National average error rate is 3.81%.
 - DSS' error rate is 5.10%.
 - ◇ Negative Error Rate (errors with denying or discontinuing benefits to clients):
 - Negative Error Rate of the 39 Counties similar to SBC is 20.8%.
 - DSS' error rate is 20%, resulting from applicants not receiving services they are eligible for, benefits calculated too low, untimely denials, and failure to send notices.
 - ◇ Program Access: Failure to inform or appropriately provide applicants with applications and certain services.
 - ◇ Timeliness for processing expedited service (benefits provided to needy families within 5 days):
 - 90% standard.
 - DSS had 64.5% processed timely for Public Assistance Households.
 - DSS had 86.8% processed timely for Non-Assistance households.
 - ◆ Case Approval and Denial Reviews: 2/15 cases (13%) were incorrect due to not having benefits calculated correctly and not having expedited services provided when clients were eligible.
4. IEVS:
 - ◇ DSS was not using IEVS consistently to verify unreported income.
 - ◇ Documents containing IRS information were kept for periods longer than required and in an unsecure facility.
 - ◇ Fraud Investigation Activity Report was not completed accurately by the District Attorney Welfare Fraud Division.
5. Civil Rights: Multiple findings at all three DSS locations where fixtures, signs, and parking were out of compliance. Most findings were minor, relating to the height and length of objects.

Key Conditions continued on next page.

Risk Assessment

Social Services Continued

Key Conditions Continued:

Single Audit

- ◆ Medicaid: 5/60 case files whereby the County did not timely verify income and property documentation through a required system. 6/60 case files whereby the eligibility information provided by the client did not match the information entered into the system. 5/60 case files whereby the County failed to timely process the client's reapplication form to redetermine eligibility. 25/60 In-home Supportive Services case files whereby the County failed to perform a client reassessment of needs within the 12 month renewal period.
- ◆ WIA: No significant findings.
- ◆ SNAP: 9/60 case files whereby the County inaccurately entered the participant's income into the CalWin system.
- ◆ TANF: 3/60 case files whereby the County inaccurately entered the participant's income into the CalWin System. 11/60 case files whereby the County did not verify income and property documentation through the required system.
- ◆ Adoption Assistance: 3/60 case files whereby the County failed to agree the benefit payment on form AAP-2 to the amount in the CalWin System. 20/60 case files whereby the forms AD 4320 were missing from the files. 17/60 case files whereby the forms AAP-4 were signed by the same person for the Adoption Agency and Welfare Department. 26/60 case files whereby the forms AAP-2 and/or AD4320 were missing the required signatures.
- ◆ Foster Care: 5/60 case files whereby the County inaccurately entered participant's income into the CalWin system. 11/60 case files whereby the County did not verify income and property documentation through the required system.

Corrective Action Taken:

State Monitorings

1. Medicaid: Corrective action was only required by the State for findings in the focused review on Negative Case Action. DSS will increase staff training and guidance related to the findings.
2. WIA:
 - ◆ FY 09-10 Adult and Dislocated Worker Review: DSS has completed required documentation and changed the membership composition the boards to meet the respective requirements. DSS disagreed with the questioned costs and continues to charge the questioned items to ARRA only as the items are utilized.
 - ◆ FY 10-11 Youth Review: DSS will review documentation policies and procedures with staff.
3. SNAP:
 - ◆ Management Evaluation Review: DSS is reviewing documentation policies and procedures with staff, meeting with the CalWin consortium so NOAs contain appropriate reasons, has made updates to policies and procedures, is providing more staff training, and has added a quality assurance unit.
 - ◆ Case Approval and Denial Reviews: Supervisor case reviews will focus more on denials and full case reviews.
4. IEVS: DSS has updated policies and procedures for IEVS, is reviewing policies and procedures with staff, has begun destruction of old IRS information and will be adhering to IRS policy in the future, has secured the location holding IRS data, and has started completing the Fraud Investigation Activity Reports accurately.
5. Civil Rights: Corrective action, as outlined by the State in their report, was taken for items that were not cost prohibitive to DSS.

Single Audit

For the programs with findings in the Single Audit, corrective action taken included the following: Updates to policies and procedures, staff review of policies and procedures, more focus on supervisor case reviews, staffing changes to areas that need improvement, emphasis to staff on documentation, internal review of the use of IEVS, and more staff training.

Risk Assessment

Treasurer Tax Collector

In calendar year 2011, two audits were performed on the Treasurer Tax Collector (TTC) by the Santa Barbara County Auditor-Controller. One audit was over Cash and Investments, which is an audit of the TTC's Statement of Assets at fiscal year end. The other audit was over the TTC's Property Tax Redemption process; which evaluated the reliability and integrity of financial and operational tax redemption records and compliance with laws and regulations governing redemption activities.

Program

Risk

Cash and Investments



Property Tax Redemption



Key Conditions:

1. Cash and Investments: No significant findings.
2. Tax Redemption: The Tax Redemption audit resulted in findings related to a lack of segregation of duties, inadequate systems and processes, and issues with departmental communication and processing.

Corrective Action Taken:

1. Cash and Investments: No corrective actions needed.
2. Tax Redemption: The Treasurer Tax Collector and the Auditor-Controller are currently in the process of implementing a new Property Tax System that should fix many of the problems that were observed during the audit. In addition, the Treasurer Tax Collector is also correcting issues found during the audit along with updating their procedures to enhance controls and improve communication between departments.

