



Clerk of the Board of Supervisors
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(805) 568-2240

BOARD OF SUPERVISORS AGENDA LETTER

Department Name:

Auditor-Controller

Department Number:

061

Agenda Date:

June 23, 2026

Placement:

Administrative Agenda

Estimated Time:

N/A

Continued Item:

No

If Yes, date from:

N/A

Vote Required:

No Vote Required

TO: Board of Supervisors

FROM: Department Director(s): Betsy M. Schaffer, CPA, CFE, CPFO



CONTACT: Joel W. Boyer, CPA,

Internal Audit Chief, 805-568-2456

SUBJECT: Tax Redemption Officer Audit Report for July 1, 2020 through June 30, 2023

Concurrences:

County Counsel Concurrence:

As to form: N/A

Auditor-Controller Concurrence:

As to form: Yes

Other Concurrence:

As to form: N/A

Recommended Actions:

That the Board of Supervisors:

- a) Receive and file the Auditor-Controller's Tax Redemption Officer Audit Report for the period of July 1, 2020 through June 30, 2023.

b) Determine that the above actions are not a project under the California Environmental Quality Act (CEQA) pursuant to §15378(b)(4) of the CEQA Guidelines because they consist of the creation of government funding mechanisms which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

Summary Text:

The audit report was prepared in accordance with California Revenue and Taxation Code (California RTC) §4108.5. The overall purpose of the audit was to evaluate whether the County's Tax Redemption Officer operated in compliance with California RTC during the period of July 1, 2020 through June 30, 2023. Upon the conclusion of the audit, Internal Audit was able to provide reasonable assurance that the Tax Redemption Officer operated in compliance during the period in scope.

Background:

The Tax Redemption Officer is a role designated to the County's Tax Collector by California RTC §4105. The Tax Redemption Officer is responsible for maintaining the County's Tax Redemption Roll, an official record of secured property taxes that have become tax defaulted. Tax bills that have not been paid by June 30th are transferred to the Redemption Roll where fees, penalties, costs, and interest are incurred and accrued. A defaulted property can be unpaid for five years before it is subject to the notice of power to sell. To satisfy the tax lien, the Tax Redemption Officer has the right to auction the property after issuing proper notice to the taxpayer.

Discussion:

During testing, Internal Audit identified two (2) observations;

1) The Tax Redemption Officer went above and beyond in their pursuit of delinquent tax collection by conducting frequent and persistent outreach with delinquent taxpayers as a means to a) ensure taxes owed to the County were received and recognized as soon as possible, and b) the taxpayer themselves had several opportunities to become current on their delinquent taxes before permanently losing their property through the Treasurer-Tax Collector's (TTC's) power-of-sale.

2) Process improvement opportunities exist regarding the establishment of formal, written procedures to be used by all TTC staff involved in the tax redemption process. Currently, procedures are performed by TTC staff with institutional knowledge and have no formal written County-level guidance. Employing formalized guidance will allow the TTC to maintain and update their processes with consideration to changes in California RTC standards, fluctuations in staffing availability, and internal controls improvements identified year over year.

Performance Measure:

The Tax Redemption Officer administers the tax redemption process in accordance with California RTC, including proper maintenance of the County's redemption roll, accurate calculations of amounts due, complete and accurate processing of redemption payments, managing installment plans, issuing certificates of redemption, and carrying out required notices and collection activities.

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Contract Renewals:

N/A

Fiscal and Facilities Impacts:

N/A

Staffing Impacts:

N/A

Special Instructions:

N/A

Attachments:

Attachment A – Tax Redemption Officer Audit for July 1, 2020 through June 30, 2023

Attachment B – Tax Redemption Officer Audit Summary Slide Deck

Contact Information:

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