

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

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**To:** Marty Robinson, Director  
Resource Management Agency

**Date:** June 21, 2006

**From:** Christine L. Cohen

**Subject:** CHANGE IN DEPARTMENT HEAD AUDIT - RESOURCE MANAGEMENT AGENCY (RMA)

We have completed our audit of the change in department head for RMA. The results of our audit are summarized below.

**BACKGROUND:**

RMA is made up of the following five divisions: Building and Safety (BDS); Planning; Environment Health (EH); Weights and Measures (WEM); and Operations. BDS protects the public against hazards associated with the construction, use, and occupancy of buildings and structures. Planning protects the health, safety, and welfare of the general public through administration and enforcement of the County General Plan. EH performs mandated activities of enforcing orders and ordinances of the Board of Supervisors and State statutes related to environmental health. WEM ensures equity for buyer and seller in commercial transactions to protect the rights of both. Operations provide general administration to RMA.

The preceding director retired effective July 8, 2005, and the current RMA director assumed the position on July 11, 2005. RMA was authorized 184 positions for fiscal year (FY) 2005-06 and a combined budget of over \$19 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, and trust funds 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. We confirmed whether County equipment was collected and accounted for properly and whether personal expenses were finalized for the prior director. Also, we reviewed current procedures used for taking credit card payments and evaluated the benefit of accepting these types of transactions. 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 November 2005 through March 2006.

**FINDINGS:**

Overall, we found that RMA satisfactorily transferred accountability and administrative functions from the preceding to the succeeding director. We verified that petty cash, change funds, and trust funds 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. Further, we confirmed that the credit card payment process was reasonable.

However, we noted that accountability had not been established over RMA's fixed assets. We also noted that improvements were needed to ensure collection of the County issued identification (ID) badge and timely deactivation of the County issued access card and key fob. Further, procedures need to be established to ensure proper filing of California Form 700, *Statement of Economic Interests*. Summarized below are details of the areas where improvements were needed. Management initiated corrective action during the audit as noted.

1. **Fixed Asset Accountability.** RMA had not transferred accountability of \$207,522 in fixed assets from the preceding to the succeeding director. The preceding director retired effective July 8, 2005, without transferring accountability with a signed receipt to the succeeding director as required by Government Code 24051. Therefore, from July 8, 2005, when the preceding director properly certified the fixed asset inventory, through the date of this audit report, accountability was not established over fixed assets.

**Management Action.** RMA Management stated: "The form 'Affidavit of Annual Inventory of County Property' will be filed with the Auditor-Controller prior to July 10, 2006. The submission of this form will establish accountability of the fixed assets with the new RMA director."

2. **Exit Procedures.** RMA's employee exit procedures were in need of improvement to limit inappropriate access to County facilities and ensure that necessary forms were completed upon a change in director. The proper use of an exit checklist would ensure the collection of County property, timely deactivation of access cards, and timely filing of necessary documentation.

- A. **County ID Badge.** RMA could not account for the County issued ID badge for the former director. Chapter IV(B) of the 2005 Ventura County Administrative Policy Manual requires that each department be responsible for retrieving an employee's ID badge prior to the effective date of separation. Without compliance, former employees could inappropriately obtain access to County buildings. Badges do not contain an expiration date and could be used for prolonged periods. Retrieving employees' badges upon separation prevents improper use of badges by former County employees and is vital to the maintenance of a secure workplace.

**Management Action.** RMA Management stated: "A new termination/exit form will be developed for use in RMA. A section will be added to that form that will record when the I.D. badge was returned and destroyed."

- B. **County Access Card.** RMA had not deactivated the former director's access card and key fob, which allowed access to the Hall of Administration offices, in a timely manner. Chapter IV(B) of the 2005 Ventura County Administrative Policy Manual requires that each department be responsible for notifying the General Services Agency to revoke an individual's electronic access. Although the access card and key fob were not used after the former director's retirement and access was revoked in December 2005, timely deactivation is necessary to maintain workplace security.

**Management Action.** RMA Management stated: "A new termination/exit form will be developed for use in RMA. A section will be added to the form that will note the date the access card and key fob were returned and deactivated."

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- C. **Statement of Economic Interests.** RMA had not filed Form 700, *Statement of Economic Interests*, for the preceding and succeeding director in a timely manner with the Clerk of the Board. Form 700 informs the public about potential conflicts of interests and is required to be filed within 30 days after assuming or leaving office. Although the preceding director retired on July 8, 2005, and the succeeding director assumed office on July 11, 2005, Form 700 was not filed for either director until 6 months later on January 13, 2006 and January 12, 2006, respectively.

**Management Action.** RMA Management stated: "There is currently a process in place within the Resource Management Agency to update the 'Statement of Economic Interests' form on an annual basis. In order to ensure filing requirements are met, the new termination/exit form will contain a section that will ask if a revised form is required."

**OVERALL EVALUATION OF MANAGEMENT ACTION:** Overall, we believe that management actions were responsive to the audit findings. Management planned to complete corrective action by July 31, 2006.

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 Judy Mikels, Board of Supervisors  
Honorable John K. Flynn, Board of Supervisors  
John F. Johnston, County Executive Officer