

**BUTTE COUNTY GRAND JURY REPORT 2008/2009
OFFICE OF THE AUDITOR-CONTROLLER**

SUMMARY

The 2008/2009 Grand Jury visited the Office of the Auditor-Controller (A-C) to learn of the changes made since the 2005/2006 Grand Jury investigated the office and published a report. The Grand Jury would like to compliment David Houser and his staff on the positive changes in the work environment since the Grand Jury Report of 2005/2006. Overall, a positive turnaround has occurred in the A-C's Office. The Grand Jury recommends improvements continue in the areas of team building, cross training, and updating of manuals.

In the reorganization of the A-C's Office, following the 2005/2006 Grand Jury report, some A-C employees left or were transferred to the CFO's Office and other Butte County Departments. A portion of the work load previously performed by the transferred employees did not leave but remained at the A-C's Office. The Grand Jury recommends the A-C and the Chief Financial Officer (CFO) jointly develop a specific plan for resolving the issues regarding the workload not transferred from the A-C's Office to the CFO's Office.

BACKGROUND

In the past three years, the number of employees in the A-C's Office has decreased from thirty six to seventeen. Many duties and responsibilities have been transferred to other departments, such as the Information Systems and the CFO's Office.

The mission of the A-C's Office is to provide public oversight, fiscal leadership, and financial integrity and accountability through effective fiscal monitoring, reporting and safeguarding of public resources. In addition the Office provides service, assistance, and information to the Public, Board of Supervisors, the Administrative Office, County Departments, Employees and Special Districts. The Accounting Section, Property Tax Section, and the Internal Audit Section each fall under the direction of the A-C's Office.

The Accounting Section is responsible for recording all receipts and disbursements of County monies and maintaining budgetary control of various funds and departments. The section reviews all revenue and expenditure contracts for fiscal appropriateness and prepares all required reports. In addition, this section develops and administers the County wide cost plan.

The Property Tax Section performs mandated property tax functions, including tax rate computations, tax bill preparation, and reconciliation of tax charges, tax roll corrections, and special report generation. The section is responsible for distributing the tax proceeds to all government agencies, cities, schools, special districts and the County. In addition, the section provides property tax information and assistance to state, local, county representatives, and to the general public.

The Internal Audit Section assists the County departments in assessing risks, evaluating the internal control system to ensure the efficiency, reliability, and integrity of information in compli-

ance with laws and regulations. The section performs operational, management, performance, and departmental audits as directed by the A-C and provides financial consulting services to the County departments and special districts.

DISCUSSION

All seventeen employees of the A-C's Office were interviewed by the Grand Jury. Some of the current employees were employed in the Auditor's Office during the investigation of the 2005/2006 Grand Jury. Immediately following the release of the 2005/2006 report, the Butte County A-C's Office hit a low point in terms of office morale. One employee described this as "a very painful time. We felt that we had to redeem ourselves in the eyes of our county co-workers." Another employee called the report of 2005/2006 "a real hatchet job"; while a few others agreed with the findings and felt the report was justified.

In the reorganization of the A-C's Office, following the 2005/2006 Grand Jury report, some A-C employees left or were transferred to the CFO's Office and other Butte County Departments. A portion of the work load previously performed by the transferred employees did not leave but remained at the A-C's Office. For example, the duties of cash flow analysis, long term financing and deferred compensation were not transferred. This substantially increased the work load in the A-C's Office. This unfinished transfer of duties created a heavy workload, especially for the Accounting Section. At the time of the interview by the Grand Jury there were two vacancies. As a result of non transferred work load and these vacancies, stress levels seemed to be high within management and staff.

The staff is accomplishing the work with a "can do" attitude. The Property Tax Section has now relocated to the Auditor's office. This group of four employees assists the other sections during peak work load periods.

The employees of the A-C's Office participate in multiple team building activities. It was gratifying to hear employee comments such as, "We are a good team," "We are a family and we are proud of our office," "During peak workloads we pull together and everyone helps," "It's a good place to work."

Intradepartmental assistance appears to be working well. During employee absences, the A-C's office would function more efficiently if a continual cross training program was formally implemented. This would require the updating of the procedural manuals for the accounting and property tax divisions. Individual desk manuals would also be of value when an employee is away on vacation or an extended leave. This would allow almost anyone, at anytime, to fill in, so the work doesn't back up in the A-C's office.

FINDINGS

- F1. A portion of workload scheduled to be transferred from the A-C's Office to the CFO's Office has not yet occurred.

- F2. The Butte County A-C's Office appears to have a positive work environment.
- F3. Currently, there appears to be a lack of cross training in the A-C's Office.
- F4. The division *Procedural Manuals* are outdated.
- F5. There are no individual desk *Procedural Manuals*.

RECOMMENDATIONS

- R1. The A-C and the CFO should jointly develop a specific plan for resolving the issues regarding the workload not transferred from the A-C's Office to the CFO's Office.
- R2. Continue to incorporate "team building" activities to foster the positive work environment.
- R3. Develop a continual cross training program and implementation schedule.
- R4. Update the division *Procedural Manuals*.
- R5. Create and publish individual desk *Procedural Manuals*.

REQUEST FOR RESPONSES

Pursuant to Penal Code Section 933.05, the Grand Jury requests responses as follows:

Butte County Auditor-Controller

Butte County Chief Financial Officer

Butte County Board of Supervisors

The governing bodies indicated above should be aware that the comment or response of the governing body must be conducted subject to the notice, agenda and open meeting requirements of the Brown Act.

Reports issued by the Civil Grand Jury do not identify individuals interviewed. Penal Code Section 929 requires that reports of the Grand Jury not contain the name of any person, or facts leading to the identity of any person who provides information to the Civil Grand Jury. The California State Legislature has stated that it intends the provisions of Penal Code Section 929 prohibiting disclosure of witness identities to encourage full candor in testimony in Civil Grand Jury investigations by protecting the privacy and confidentiality of those who participate in any Civil Grand Jury investigation.
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