

RESPONSE TO GRAND JURY REPORT FORM

Report Title: The Marin County Treasurer's Office

Report Date: June 22, 2007

Response by: Michael Smith Title: Treasurer, Marin County

FINDINGS

- I (we) agree with the findings numbered: F1 through F7
- I (we) disagree wholly or partially with the findings numbered: _____

(Attach a statement specifying any portions of the findings that are disputed; include an explanation of the reasons therefor.)

RECOMMENDATIONS

- Recommendations numbered _____ have been implemented.
(Attach a summary describing the implemented actions.)
- Recommendations numbered R1, R2, R3, R5 have not yet been implemented, but will be implemented in the future.
(Attach a timeframe for the implementation.)
- Recommendations numbered R4 require further analysis.
(Attach an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or director of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of publication of the grand jury report.)
- Recommendations numbered _____ will not be implemented because they are not warranted or are not reasonable.
(Attach an explanation.)

Date: 6-6-07 Signed: 

Number of pages attached 5

**Marin County Treasurer-Tax Collector
Public Administrator – County Clerk**

Response to Findings and Recommendations from Grand Jury's June 22, 2007 report –
The Marin County Treasurer's Office

FINDINGS

- F1. The Treasurer's Office is generally well run, well managed and staffed by competent and dedicated staff.**

Response: Agree

- F2. The new MERIT accounting system, as currently configured, does not fully support the Treasurer's arrangement with its banks to prevent fraudulent check cashing. This requires maintaining a separate system for this purpose. MERIT is also deficient in its ability to support daily reconciling of checks issued.**

Response: Agree

- F3. There are not adequate policies or procedures for the timely and acceptably documented transfer of delinquent balances to Central Collections. Policies are also inadequate to assure timely billing by County departments.**

Response: Agree

- F4. Central Collections needs procedures for managing their aged balances, including relief from uncollectible accounts.**

Response: Agree

- F5. Marin is unusual in having the Registrar of Voters report to the Treasurer, an elected official. Practically no other county in California has such an arrangement.**

Response: Agree

- F6. Departments within the Treasurer's Office that have regular public contact are scattered throughout the building, making public access difficult.**

Response: Agree

- F7. Additional storage and workspace is needed throughout the Treasurer's Office.**

Response: Agree

- R1. The Treasurer and the Auditor-Controller collaborate to make revisions to the MERIT system so that Treasury can continue to prevent fraudulent check cashing and allow for daily reconciliation of County funds.**

Response: Agree

The recommendation has not yet been implemented, but will be implemented in the future.

The new MERIT accounting system, as currently configured, does not fully support the treasurer's requirement to prevent fraudulent check cashing and to reconcile checks issued. To date, we have continued with our old system to meet our requirements. We want to turn off our old system but can not until the new MERIT system is fully functional. This year, the MERIT project management has been transferred to the county's Information Services and Technology Department (IT) from the County Auditor. While IT is now heading up the project, the County Auditor continues to be involved. At this time, we are working with IT and the County Auditor to address the Grand Jury's recommendations and our other treasury needs. The timeframe to do such is uncertain, however, it is a high priority item with IT.

- R2. The County Administrator, Treasurer and Auditor-Controller establish written countywide policies and procedures for surrendering delinquent balances to Central Collections.**

Response: Agree

The recommendation has not been implemented, but will be implemented in 2007/08.

The Central Collections unit within the Treasurer's department was established in 1994 for criminal justice accounts. Accounts included Public Defender services, Juvenile Hall detention fees, court returned checks and Jail Booking fees. In the following year the collections unit was expanded as a service for county departments.

It has been the practice of the Treasurer's office to provide collection services for departments who request our assistance. However, we do not require departments to do so particularly where their own recovery efforts are sufficient.

In addition to providing collection services, the unit also assists smaller departments with billing/payment processing.

We agree that written policy and procedures are needed. However, the policy/procedures will vary for each department as the account types vary. As such, we will develop procedure i.e. memo of understanding for our services currently provided with an emphasis on timely referral to the collection's unit. The procedure will also address aging and relief from accountability/collections. We will interact with the County Auditor and Administrator in developing countywide collection policies and procedures with the goal of completing such within six months.

R3. The Treasurer and the Auditor-Controller establish written policies and procedures within the Collections Department to handle the increased flow of delinquent accounts.

Response: Agree

The recommendation has not yet been implemented but will be implemented in fiscal year 2007/08.

We understand this recommendation follows from the Grand Jury's Finding F4. Accounts within central collections have accumulated. It is our practice to continue collection where possible irrespective of the account's age. However, we agree on the need to manage aged balances including relief from accountability and possible write-off.

We will incorporate this recommendation for departments who are currently receiving collection services as discussed in Recommendation R2. Of note, the Grand Jury's recommendation is aligned with one of our Performance Measurement objectives within our 2007-08 budget (copy attached).

We will coordinate with the Auditor-Controller.

R4. The Board of Supervisors takes the necessary steps to make the Registrar of Voters an appointee of the Board with a freestanding department.

Response: Agree

The recommendation is a matter for the County Administrator and Treasurer to recommend and the Board of Supervisors to decide. As the County Treasurer, I am in agreement with the Grand Jury's finding and support their recommendation for the Board of Supervisors to make the Registrar of Voters an appointee with a freestanding department.

The recommendation is in keeping with the Treasurer's 2005-06 budget initiative to establish a separate elections department. The Treasurer-Tax Collector-Public Administrator-County Clerk duties, which includes duties as a retirement board trustee, chair of the county's 457 Deferred Compensation Program and chair of the Marin Housing Authority's loan committee, have grown in workload in all areas. Concurrently, elections workload has grown with new voting equipment requirements and new state and federal laws such the Treasurer is at a point in overall and overlapping workload such that the Registrar's function should be separated to become its own department.

To that end, the County in 2006-07 upon the Treasurer's recommendation added the position of Registrar of Voter including reorganization of positions within elections office. It is now positioned with its own budget center to become a freestanding department.

While the current arrangement is working, it is not an organization structure that best serves our community. The registrar should not be under the direction of one elected official, but should be an appointee that reports to the Board of Supervisors to avoid any potential conflict of interest.

Since taking on the registrar's functions, the Treasurer and Assistant Treasurer have navigated Marin through what has been a most demanding time for election officials. We are proud of the paper based optical scan voting system we installed in 1999 (at a time when all others were concerned with Y2K) that continues to serve our voters today.

R5. The County Administrator, with input from the Treasurer, rearranges the Treasurer's offices to provide easier public access and more efficient space for staff and storage.

Response: Agree

We have submitted requests to the County Administrator's office to update our tax collection workspace with ergonomic furniture and better utilization of the limited space that we occupy. This request also includes a plan for a shared public counter with the Assessor's office. Additionally, our need for workspace is a concern for the entire department particularly in our Public Administrator and Treasurer's areas.

Performance Measurement Programs

Department Comments:

As the population of Marin County ages, it is important to educate the community on the benefits of estate planning. Increasing community awareness should prevent an increase in the number of estates that end up in public trust, which will allow the department to maintain the high level of service it currently provides. Creating and updating an informative website will allow the Public Administrator's Office to more broadly distribute relevant estate planning information to the public.

For more information on the "Public Administrator," see page 198.

Central Collections

Objective 1: Increase the accuracy of information on County departmental collection assignments submitted in order to more efficiently pursue collection accounts

MEASURES	FY 2005-06 Actual	FY 2006-07 Estimate	FY 2007-08 Estimate
Workload Measures			
Number of staff hours to create and modify template	n/a	260	156
Percentage of requests submitted electronically by departments	n/a	3%	50%

Department Comments:

The Central Collections Unit assists in the financial support of County programs and services by collecting outstanding revenue owed to County departments. This objective and corresponding measures were designed to increase the accuracy of departments' requests to Central Collections, thereby increasing the efficiency of the process and decreasing the time that it takes for staff to process the requests. Ultimately, this should allow Central Collections to pursue an increasing number of collection accounts.

Objective 2: Increase the number of paid in full collection accounts to the County each fiscal year

MEASURES	FY 2005-06 Actual	FY 2006-07 Estimate	FY 2007-08 Estimate
Workload Measures			
Number of accounts worked annually	n/a	8,000	8,200
Effectiveness Measures			
Percentage of accounts resolved annually	n/a	77%	82%

Department Comments:

Please refer to Department Comments under Objective 1.

For more information on "Treasurer-Tax Collector / Central Collections," see page 197