



## Legislation Details (With Text)

**File #:** 2019-0587  
**Type:** Consent Calendar Item **Status:** Agenda Ready  
**File created:** 4/17/2019 **In control:** Auditor-Controller-Treasurer-Tax Collector  
**On agenda:** 5/21/2019 **Final action:**  
**Title:** Compliance Audit: Transient Occupancy Tax Operator Collections & Remittances, Calendar Year Ended 12/31/16  
**Sponsors:** Auditor-Controller-Treasurer-Tax Collector  
**Indexes:**  
**Attachments:** 1. Summary Report, 2. Audit Report

Date	Ver.	Action By	Action	Result
5/21/2019	1	Board of Supervisors	Approved as recommended	Pass

**To:** Board of Supervisors of Sonoma County  
**Department or Agency Name(s):** Auditor-Controller-Treasurer-Tax Collector  
**Staff Name and Phone Number:** Kristin Muelrath 565-3660  
**Vote Requirement:** Majority  
**Supervisory District(s):** Countywide

**Title:**  
Compliance Audit: Transient Occupancy Tax Operator Collections & Remittances, Calendar Year Ended 12/31/16

### Recommended Actions:

Review and accept the Compliance Audit: Transient Occupancy Tax Operator Collections & Remittances, Dated December 31, 2016

### Executive Summary:

The Auditor-Controller-Treasurer-Tax Collector's Internal Audit Division performed a Compliance audit of the Transient Occupancy Tax Operator Collections & Remittances for the calendar year ending December 31, 2016.

### Discussion:

Internal audit reviewed a total of 11 operator establishments. Operators were selected at the request of the TOT Administration of the Auditor-Controller-Treasurer-Tax Collector's office.

The purpose of this audit report is to furnish management with an independent and objective analysis, recommendations, and other information concerning the activities reviewed. The audit report is a tool to help management identify and implement improvements.

The audit included a total of 11 entities which were selected by the TOT Administration. The audit covered the period January 1, 2016 through December 31, 2016. The scope of the work encompassed reviewing records of transactions subject to the TOT as well as interviewing the management and staff of operators responsible for the maintenance of financial and guest management systems.

**Results:**

For the period January 1, 2016 to December 31, 2016, nine (9) of the eleven (11) operators audited reported a total of \$13.79 million in taxable receipts and paid \$1,241,900 in TOT. All nine (9) generally remitted TOT owed to the County in a timely manner and complied with the TOT ordinance. Two (2) operators did not maintain records as required by the Ordinance and, as a result, we were unable to determine the degree to which these two operators complied with the Ordinance. TOT Administration estimated the amounts due from these two operators, assuming full occupancy for an entire year, as described on page 8 of the attached audit report. We reviewed their calculation for compliance with the Sonoma County Tot Ordinance 5823 Section 12-17 and the California State Controller's County Tax Collectors' Reference Manual. ACTTC staff will pursue resolution and collection of the tax due with the two (2) operators that did not maintain records in accordance with standard policies and procedures.

**Prior Board Actions:**

None

**FISCAL SUMMARY**

<b>Expenditures</b>	<b>FY 18-19 Adopted</b>	<b>FY19-20 Projected</b>	<b>FY 20-21 Projected</b>
Budgeted Expenses			
Additional Appropriation Requested			
<b>Total Expenditures</b>			
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>			

**Narrative Explanation of Fiscal Impacts:**

<b>Staffing Impacts:</b>			
<b>Position Title (Payroll)</b>	<b>Monthly Salary Range (A - I Step)</b>	<b>Additions (number)</b>	<b>Deletions (number)</b>

**Narrative Explanation of Staffing Impacts (If Required):**

**Attachments:**

Compliance Audit: Transient Occupancy Tax Operator Collections & Remittances for the Calendar Year Ending December 31, 2016

**Related Items “On File” with the Clerk of the Board:**