



Legislation Text

File #: 2019-0587, **Version:** 1

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

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

Narrative Explanation of Fiscal Impacts:

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

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: