



MEMORANDUM

Date: March 23, 2026
TO: Honorable Board of Supervisors
FROM: Chamise Cubbison, Auditor-Controller/Treasurer-Tax Collector
RE: California State Auditor Report 2025-049 Mendocino County

The California State Auditor Report 2025-049 Mendocino County Titled: *It Should Continue to Address Its Strained Financial Condition and Can Improve Several Important Operational Processes*, Issued December 18, 2025 required responses from some County offices, including the Auditor-Controller/Treasurer-Tax Collector (ACTTC) at the following intervals; upon draft issuance, 60 days, 6 months, and one year. The following responses were submitted by the ACTTC for the 60-day reporting time frame – it should be noted that responses are submitted online and limited to 250 words each:

2025-049: Mendocino County: It Should Continue to Address Its Strained Financial Condition and Can Improve Several Important Operational Processes (Released: 12/18/2025)

Select Response Type:

60-Day (due: 02/16/2026)

Recommendation Selected:

3. To recoup unpaid property tax payments to the degree possible, the ACTTC should continue to take steps to resume holding regular default tax property auctions by October 2026. If the ACTTC's Office needs external assistance to hold the auction on time, it should obtain such assistance.

INITIAL REPORT ACTTC Response: ACTTC agrees with this recommendation and is actively working towards this goal. ACTTC has informed the Mendocino County Board of Supervisors that some contract services will be required to complete the auction process.

60-day Response: The ACTTC's Office continues to work on the process of resuming auctions, is continuing to monitor other Counties that are holding auctions soon to gain additional information and is developing a plan for contracting services to assist in Mendocino's required auction processes. The ACTTC has informed the Board of Supervisors that contractors will be used to assist in the upcoming auction. It is not yet determined of the dollar amount of those contracts will require Board approval or if they require a lower purchasing authority level. The

ACTTC anticipates making a determination regarding specific contracting services in the next 30 days.

12. To ensure the consistency and efficiency of its operations, the ACTTC's Office should revise its timeline for creating policies and procedures for key responsibilities, including bank reconciliations and journal entries, by March 2026. It should then follow this timeline.

INITIAL REPORT ACTTC Response: ACTTC agrees with this recommendation and timeline.

60-day Response: The ACTTC's Office is working with the CEO's Office Information Technology Division on software permissioning and the ACTTC's Office is drafting policy and procedure for journal entries. The implementation of bank reconciliation functionality will require re-configuration of the software by the software vendor before the County can begin using the feature. The ACTTC's Office has requested the CEO's Office Information Technology Division request that service from the vendor. The ability to use both features is necessary before it is possible to fully develop the policies and procedures for those two tasks. The ACTTC's Office is evaluating and prioritizing other policies and procedures for key responsibilities and will have a timeline in place by the end of March 2026.

13. To maximize the county's accounting system's capabilities and to ensure consistent documentation of the work its staff perform, the CEO's Office and ACTTC's Office should, by September 2026, collaboratively develop a plan for using more of the system's capabilities. At a minimum, the plan should address electronic processing of journal entries and bank reconciliations. It should also include goals for how the county will use the system, assign responsibility to specific staff for managing the county's efforts to reach those goals, and create deadlines for achieving the goals.

INITIAL REPORT ACTTC Response: ACTTC agrees with this recommendation. ACTTC will request information about the status of the bank reconciliation and journal entry automation projects and make staff available to pursue the completion of these two tasks. ACTTC remains open to discussion about other possible efficiencies that may be realized through system automation. It should be noted that the successful completion of this recommendation is also dependent on successful collaboration with the county executive office and information services.

60-day Response: The CEO's Office and the ACTTC's Office met on January 27, 2026, to discuss each office's roles and responsibilities. The Offices identified three process improvement initiatives to begin efforts to system automation: journal entry processing using automated workflow, interdepartmental billing for service departments, and automated bank reconciliation. The automated bank reconciliation process will require software vendor configuration, which the CEO's Office Information Technology Division is requesting the vendor schedule. The Offices have scheduled monthly meetings to continue monitoring progress on the initiatives and explore additional possible opportunities for efficiencies.

15. To ensure that the ACTTC's Office receives necessary information from departments in a timely manner, the CEO's Office and the ACTTC's Office should, by June 2026, collaborate on a protocol that outlines the key expectations for the timeliness and content of these communications. These offices should meet monthly to coordinate and share information about requests that have gone unfulfilled and to identify successful approaches to sharing information that they can replicate.

INITIAL REPORT ACTTC Response: ACTTC agrees with this recommendation. It should be noted that successful completion of this recommendation is also dependent on successful collaboration with the county executive office.

60-day Response: The CEO's Office and the ACTTC's Office met on January 27, 2026, to outline each Office's roles and responsibilities. The ACTTC's Office is currently working on a policy and procedure outlining the deadlines and expectations for other departments relating to submitting timely and accurate financial information to the ACTTC's Office. The Offices have agreed that the CEO's Office will be included in communications with departments, when a department is not responsive to the ACTTC's Office requests. The CEO's Office has committed to holding department accountable to ensure there are timely and complete responses to the ACTTC's Office. The Offices have scheduled monthly check-in meetings to monitor compliance.

17. To ensure that the county is fully prepared to address future changes resulting from new accounting standards, the ACTTC's Office should, by June 2026, establish a plan for how it will approach these changes. At a minimum, the plan should designate which staff in the ACTTC's Office are responsible for monitoring changes in relevant standards and specify how the office will communicate with other county departments about their responsibilities for gathering, analyzing, and providing required information.

INITIAL REPORT ACTTC Response: ACTTC agrees with this recommendation.

60-day Response: The ACTTC's Office is developing a plan for evaluating new accounting standards and expects to have it documented by June 2026.

Next reporting 06/18/2026