

DEPARTMENT: Administration BY: Janet Hogan

PHONE: 966-3222

RECOMMENDED ACTION AND JUSTIFICATION:

(Policy Item: Yes \_\_\_ No x)

Resolution accepting audit report for the period ending June 30, 1996, with responses from departments.

BACKGROUND AND HISTORY OF BOARD ACTIONS:

The Audit Report for the period ending June 30, 1996, by the County's contract auditor, Willis & Walsh, has been received and distributed to the Board of Supervisors and other public agencies. Each department has responded to the recommendations by the Auditors in the Management Report, and those responses have been compiled in the attached report. All recommendations have been or will be implemented in this fiscal year.

This action accepts the audit report for the period ending June 30, 1996.

LIST ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:

The Board may opt to not accept the audit report if it finds that it is not adequate as contracted.

<b>COSTS:</b> ( x ) Not Applicable A. Budgeted Current FY \$ B. Total Anticipated Costs \$ C. Required Additional Funding \$ D. Internal Transfers \$ <b>SOURCE:</b> ( ) 4/5ths Vote Required \$ A. Unanticipated Revenues \$ B. Reserve for Contingencies \$ C. Source Description: _____ Balance in Reserve for Contingencies ,if approved: _____		<b>SPECIAL INSTRUCTIONS:</b> List the attachments and number the pages consecutively: Responses to audit report _____ _____ _____ _____ _____ _____ _____ _____ _____
<b>CLERKS USE ONLY:</b> Res. No. <u>98-94</u> Ord. No. _____ Vote - Ayes: <u>5</u> Noes: _____ Absent: _____ Abstained: _____ <u>hwy</u> Approved ( ) Denied ( ) Minute Order Attached ( ) No Action Necessary The foregoing instrument is a correct copy of the original on file in this office Date: _____ ATTEST: _____ MARGIE WILLIAMS, Clerk of the Board County of Mariposa, State of California BY: _____ Deputy		<b>ADMINISTRATIVE OFFICER'S RECOMMENDATION:</b> This item on agenda as: <input checked="" type="checkbox"/> Recommended <input type="checkbox"/> Not Recommended <input type="checkbox"/> For Policy Determination <input type="checkbox"/> Submitted with Comment <input type="checkbox"/> Returned for Further Action Comment: _____ _____ _____ CAO's Initials: <u>JK</u>

**RECOMMENDATIONS OF  
WILLIS & WALSH, Certified Public Accountants  
MARIPOSA COUNTY'S CONTRACT AUDITOR  
and  
RESPONSES TO THE  
COUNTY OF MARIPOSA MANAGEMENT LETTER  
JUNE 30, 1996**

**AIR POLLUTION**

**OBSERVATION:** We noted the department was not listing receipt numbers on the deposit permits. We also noted that no monthly cash statement was submitted to the Auditor for the month of June.

**RECOMMENDATION:** We recommend the department indicate receipt numbers on the deposit permit. We also recommend the department submit a monthly cash statement to the Auditor's Office even in months of no collections.

**RESPONSE:** The recommendations made by the Auditor have been implemented.

**BUILDING**

**OBSERVATION:** During our audit we noted the department is not indicating receipt numbers on the deposit permit.

**RECOMMENDATION:** We recommend the department identify which sequence of receipts makes up a deposit and indicate this on the deposit permit.

**RESPONSE:** The recommendation made by the Auditor has been implemented.

**COMMUNITY SERVICES  
TRANSIT**

**OBSERVATION:** We counted \$166 in collections at the time of our audit. The accountability per receipts was \$165; the fund was over by \$1.

**RECOMMENDATION:** We feel the cash overage was due to minor clerical oversight and will be resolved with greater attention to detail.

**RESPONSE:** We will pay closer attention to detail in counting and receipting funds to preclude a future occurrence.

**DISTRICT ATTORNEY**  
**CRIMINAL DIVISION**

**OBSERVATION:** We observed that the composition and the receipt number supporting the deposit were not listed on the deposit permit.

**RECOMMENDATION:** We recommend that the deposit permit should indicate the receipt numbers and composition of the deposit.

**RESPONSE:** The recommendation has been reviewed and implemented.

**PUBLIC ADMINISTRATOR**

**OBSERVATION:** It is our understanding that the District Attorney is the Public Administrator, but the County Treasurer is the assistant and handles all of the transactions.

**RECOMMENDATION:** None.

**RESPONSE:** The observation is incorrect as the Treasure/Tax Collector was designated as the Public Administrator in accordance with Ordinance No. 868, adopted December 21, 1993. This correction was also submitted in our response to the 1995 Management Report prepared by Willis & Walsh.

**FIRE**

**OBSERVATION:** The petty cash fund balance of \$43 was counted at the time of our audit. The cash plus vouchers for \$88 were \$81 over the authorized petty cash fund of \$50.

**RECOMMENDATION:** We believe the petty cash overage was due to clerical oversight and should be resolved with greater attention to detail.

**RESPONSE:** We have completed our review of the petty cash fund and have determined that the error was due in part to oversight, but also to lack of training provided by the department head. Subsequent review and training are providing the Senior Office Assistant with the performance expectations and resulting increased attention to detail.

## PARKS AND RECREATION

**OBSERVATION:** The petty cash fund of \$40 was under by \$10. The amount should be \$50.

**RECOMMENDATION:** We feel the variance in petty cash was due to minor clerical error and will be resolved with greater attention to detail.

**RESPONSE:** Please be advised that the \$10 in petty cash that was not in the Recreation Office at the time of the audit, was assigned to the Coulterville pool as change for the cash box. The \$10 was removed from the box by persons unknown.

The Coulterville pool now has a lockable cabinet where cashiers can secure the cash box and receipt book if called away from their station. This past summer of 1996 no incidents of this type occurred.

## PLANNING COMMISSION

**OBSERVATION:** We noted that sequential receipt numbers were not indicated on the deposit permits.

**RECOMMENDATION:** We recommend the department indicate which receipts support the deposit into the County Treasury. This can be done directly on the deposit permit.

**RESPONSE:** The recommendation made by the Auditor has been implemented.

## SHERIFF

**OBSERVATION:** The special appropriation fund had a zero balance at the time of our audit. There was no log of disbursements from this fund.

**RECOMMENDATION:** We believe there would be no breach of security if disbursements from the special fund were authorized by an appropriate signature.

**RESPONSE:** All authorized disbursements from the Special Appropriation Fund will be indicated by an authorized signature from either my Operation or Administrative Captains. Additionally, they will note the use of said appropriations as depicted in Government Code Section 29435 (a) (b) (c).

Government Code Section 29435.... Use of Appropriation

The Sheriff may use the appropriation for:

- (a) His expenses incurred in criminal cases arising in the County.
- (b) Expenses necessarily incurred by him in the preservation of peace.
- (c) Expenses necessarily incurred by him in the suppression of crime.

## COUNTY AUDITOR

**OBSERVATION:** Each department is required to provide an annual inventory of fixed assets to the County Auditor. At the time of our audit the current year additions had not been reconciled to the departmental fixed asset accounts in the accounting records.

**RECOMMENDATION:** We recommend that department heads be trained to reconcile fixed asset expenditures in the general ledger to the departmental inventory lists. Each department should be required to correct any discrepancies.

**RESPONSE:** This statement is essentially the same as what was reported in the 1995 audit, however, I feel our method of inventory tracking greatly improved over the prior year which the current statement by Willis & Walsh does not recognize. In the 1995-96 fiscal year, we did reconcile all of the equipment fixed assets which, in 1994-95 had discrepancies. The only problem we have left to correct is proper recording of structures and improvements which, until now, were recorded under an inconsistent method of account numbering/recording. During the 1996-97 year we have set up new sequencing of account numbers to separately account for expenditures for structures and improvements. We just implemented this change in the month of April 1997.

**OBSERVATION:** Some of the schedules are kept on a manual basis and are not reflected in the computer system resulting in incomplete computer generated reports.

**RECOMMENDATION:** Items kept on a manual basis should be recorded in the computer system. Some of these items include: accounts and loans receivable, and cash reconciliation.

**RESPONSE:** This observation refers to the fact that, although our recording of loans receivable were documented and accurate, we needed to record those receivables in the general ledger of our automated system in order that when a report is printed off the system, all details are on the report. During the last year or so, my office has been working to develop complete financial reporting on our extending reporting features of the computer system. I believe that within the next year we should complete our extending reporting conversion and this would, of course, include complete recording of receivables.