

COUNTY OF NAPA
Comments Pertaining to the
Management Report
As of June 30, 2006

COUNTY EXECUTIVE OFFICER

BOARD OF SUPERVISORS' MEETING MINUTES

Condition

Government Code 25150 requires the following: (a) Except as otherwise provided in subdivision (b), within 10 days after each session of the board of supervisors, it shall cause to be published a fair statement of all its proceedings. (b) In lieu of the requirements imposed by subdivision (a), the board of supervisors may provide copies of agendas and summaries of proceedings to every newspaper, radio and television station, and library in the county, and to any other person who requests such information.

During the audit, we noted the County did not have available the minutes of the Board of Supervisors' weekly sessions dating back to August of 2005.

Recommendation

We recommend the County publish the minutes of each Board of Supervisors' session within 10 days of each session as required in the Government Code.

County Executive Officer Response

We agree with the Auditor's recommendation. As of August 30, 2007, all Board of Supervisors minutes through June 26, 2007 have been approved by the Board and published. Minutes for all meetings through August 21, 2007 will be approved on September 18, 2007 and the Clerk of the Board of Supervisors is developing a plan to insure that the statutory requirement is met.

COUNTY EXECUTIVE OFFICER/AUDITOR-CONTROLLER

ACCOUNTING FOR GOVERNMENTAL TRUST FUNDS

Condition

The County adopted the provisions of GASB Statement No. 34 (GASB 34), *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as of July 1, 2002. GASB 34 states that assets held for the government

should no longer be reported in fiduciary funds, but rather in governmental or proprietary funds, as appropriate. During our review of the County's trust funds, we determined the County is properly reporting trust funds that belong to the County within the primary government as required by GASB 34; however, the County is relying on electronic spreadsheets to compile the cash activity and balances of approximately 100 funds to reclassify these funds for financial reporting.

Currently, these trust funds are being reported in trust accounts within the County's accounting system. Due to the structure of these trust accounts within the accounting system, the County is not able to fully utilize the capabilities of its accounting system to generate reports necessary for financial reporting and budgeting of these trust funds and has to rely on electronic spreadsheets for summarizing the activity of each of these funds. For example, the County is not able to generate Revenue and Expenditure Budgetary Status Reports by account or generate a summary of activity by revenue and expense type for a particular fund without manually summarizing the activity. In addition, we noted that payments were being made directly out of this fund without any budgetary consequences since revenues and disbursements are not compared against the adopted budget unless the funds are transferred from the trust funds to an existing governmental fund.

Recommendation

We recommend that the Auditor-Controller's office consider utilizing its accounting system to account for the activity of governmental trust funds rather than the labor-intensive process of relaying data into spreadsheets and to budget for trust fund activity. To implement this process, the Auditor-Controller's office will need to close out the governmental trust funds from the trust funds where they are currently being reported and either combine the balances with an existing governmental fund or create new funds utilizing the existing governmental fund structure.

Auditor-Controller's Response

We concur with the Recommendation. The Auditor-Controller and the County Executive Office continues to discuss this issue and are moving forward in the process of reviewing each fund to determine which functional group each will be budgeted under. This will allow the financial system to prepare budgetary statements and eliminate the need for the spreadsheet process. Our plan is to have the process completed prior to budget adoption for the fiscal year 2008-2009.

County Executive Officer Response

We concur with the Auditor-Controller's response.

TIME STUDY COMPILATION FOR COUNTY EXPENSE CLAIM

Condition

We tested the PIN codes (sometimes referred to as time study codes) which were recorded by employees against the compilation of the hours for input into the County Expense Claim. We noted the following conditions: (1) one time study was not signed by the employee; (2) the supervisory time was not handled correctly on another time study; and (3) no time study was completed or signed for one supervisory employee.

Recommendation

We recommend that the Department review the errors in completion and recording of the time studies for the County Expenses and determine if (1) they are isolated exceptions; and or (2) procedures can be implemented to prevent the recurrence of the exceptions.

Health & Human Services Director Response

The Department concurs with the Auditor's recommendation and will proceed accordingly.

FOSTER CARE – TITLE IV-E, CFDA 93.658

Condition

We tested twenty-four Foster Care cases and noted one case where the child was placed with a relative through the County Probation Department. The Probation Department obtained a Department of Justice clearance but not an FBI clearance or a Child Abuse Index Clearance. The Probation Department was not aware that the FBI and Child Abuse Index clearances were required.

Recommendation

We recommend that the County require that all Foster Care criminal records clearances be performed by the County Foster Care Licensing Department. If that is not possible, we recommend that training be provided to Probation Officers who perform required Foster Care criminal background checks.

Chief Probation Officer Response

Chief Probation Officer's response: It is true that the one case reviewed had an error in the records that were requested. Staff in this case did not include all the required checks. However, it is not true that Probation was unaware of this requirement. The case reviewed was done by a new probation officer who had not completed training and the supervisor did not double check the form before it went in. All other cases were

reviewed and found to be done correctly. Staff was given a refresher training to assure that all staff are aware of the requirements. Supervisors are now reviewing forms to assure they are completed accurately. Probation will continue to do their own criminal records clearances and are all fully trained in the requirements.

Director, Health & Human Services Response

The Department concurs with the response of the Chief Probation Officer that a transfer of this function to the Child Welfare Services Agency is not necessary to address this incident or to prevent such incidents from recurring. The Child Welfare Services Division is currently revising its own procedures relating to the monitoring of regulatory compliance with respect to Title IV-E placements. The Probation Department is collaborating on this initiative and, while procedures have not been finalized, the current plan is to include both Health and Human Services Agency and Probation placement files in a random, retrospective quality assurance review.