



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 9/9/2014

Agenda Placement: 7V

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: Tracy Schulze - Auditor-Controller
Auditor - Controller

REPORT BY: Paul Reyes, Accountant-Auditor II - 253-4589

SUBJECT: Internal Audit Report - Napa County - Napa Special Investigations Bureau - Special Investigation
Revolving Fund

RECOMMENDATION

Auditor-Controller requests the Board accept, and instruct the Clerk of the Board to file, the internal audit report for the Napa County - Napa Special Investigations Bureau - Special Investigations Revolving Fund for the fiscal year ended June 30, 2013.

EXECUTIVE SUMMARY

The Internal Audit Section of the Napa County Auditor-Controller's Office has audited the financial statements of the Napa County - Napa Special Investigations Bureau - Special Investigations Revolving Fund for the fiscal year ended June 30, 2013. Acceptance of said internal audit report is requested.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

Staff conducted an audit of the Napa Special Investigations Bureau's Special Investigations Revolving Fund for the fiscal year ended June 30, 2013 in accordance with auditing standards generally accepted in the United States of America and as stipulated in the engagement letter with the Napa Special Investigations Bureau (Department), a Joint Powers Agency. The purpose of the audit is to provide assurance to the Napa County Board of Supervisors that the Department is in compliance with the establishing resolution and pertinent Federal, State and Local laws.

Results of the Engagement: Based on our audit for the fiscal year ended June 30, 2013, we noted the following exceptions as identified below:

Revolving Fund Authority - The Memorandum of Understanding establishing the revolving fund was not fully executed as of the date of the audit report. The Memorandum of Understanding was subsequently finalized on June 24, 2014.

Inappropriate Funding Source - Payments totaling \$10,000 for informant services was funded from Community Services Fund instead of the Asset Forfeiture Fund. The Community Services Fund was reimbursed by the Asset Forfeiture Fund during the fiscal year ended June 30, 2014.

Please see the attached Audit Report for a detailed description of the findings, recommendations, and management responses. We did not review the Department's response and, accordingly, we express no opinion on it.

SUPPORTING DOCUMENTS

A . Audit Report

CEO Recommendation: Approve

Reviewed By: Helene Franchi