



HEALTH SERVICES AGENCY
ADMINISTRATION

COUNTY OF SANTA CRUZ

HEALTH SERVICES AGENCY

POST OFFICE BOX 962, 1080 EMELINE AVENUE
SANTA CRUZ, CA 95061-0962
(408) 454-4066 FAX: (408) 454-4488
TDD: (408) 454-4123

October 6, 1998

AGENDA: October 20, 1998

Board of Supervisors
County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

SUBJECT: REQUEST TO REPLACE CASH SHORTAGE

Dear Members of the Board:

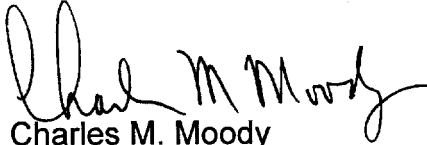
The Health Services Agency (HSA) is requesting authorization to replace a cash shortage of \$242.27 in the Children's Mental Health petty cash fund. These funds are used to reimburse staff for a variety of therapeutic activities designed to help maintain seriously emotionally disturbed children in their family's home, thereby avoiding costly out of home placements. On August 5, 1997, the custodian of the petty cash fund left the funds in a bank bag in her desk before departing on vacation. Upon her return on August 19, 1997, she discovered that the petty cash funds were missing. A police report was filed on that day and the Auditor-Controller's Office was notified.

The Internal Audits Section of the Auditor-Controller's Office investigated the situation, reviewed petty cash fund records and HSA's internal controls. Although neither the Police nor Internal Audits was able to determine the exact cause of the disappearance, several weaknesses were identified in cash control which may have contributed to the shortage. As a result, HSA has modified its internal procedures by centralizing the funds within HSA Administration and revising the record keeping procedures. Copies of these procedures in draft were provided to the Auditor-Controller's office before being prepared in final form.

It is, therefore, RECOMMENDED that your Board:

1. Authorize replacement of a cash shortage in the amount of \$242.27 from current Mental Health appropriations.

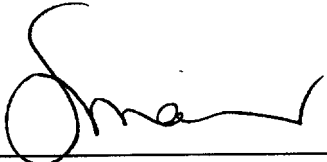
Sincerely,



Charles M. Moody
Health Services Agency Administrator

CM:GK

RECOMMENDED:



Susan A. Mauriello
County Administrative Officer

cc: County Administrative Office
Auditor-Controller
County Counsel
HSA Administration
Community Mental Health