



643

# County of Santa Cruz

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## AUDITOR-CONTROLLER'S OFFICE

701 OCEAN STREET, SUITE 100, SANTA CRUZ, CA 95060-4073  
(831) 454-2500 FAX (831) 454-2660

GARY A. KNUTSON, AUDITOR-CONTROLLER

Chief Deputy Auditor-Controllers

Pam Silbaugh, Accounting  
Suzanne Young, Audit and Systems  
Kathleen Hammons, Budget and Tax

June 1, 1999

B/S AGENDA: 6/8/99

BOARD OF SUPERVISORS

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

Dear Board Members:

SUBJECT: REPORT ON AUDIT OF OFFICE OF CRIMINAL JUSTICE GRANTS

Attached is our report on the audit of the Office of Criminal Justice Planning(OCJP) grants to Santa Cruz County for the Statutory Rape Vertical Prosecution Program Grant No. SR97020440 and the Anti-Drug Enforcement Program Grant No. DC97080440 administered by the District Attorney for the fiscal year ended June 30, 1998. Our examination included a review of the internal control structure as it relates to the OCJP Programs. We noted no matters involving the internal control structure and its operation that we consider to be a material weakness.

We have discussed our findings and recommendations with District Attorney management and staff. The District Attorney's Office was provided with a copy of our report but has not yet prepared a response. Board Resolution No. 220-84 requires that:

“Audit reports shall be filed with the Board of Supervisors along with the written comments of the audited county department including comments pertaining to the implementation of internal audit recommendations.”

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IT IS THEREFORE RECOMMENDED THAT YOUR BOARD:

- 1) Accept and file this report, and
- 2) Request that the District Attorney implement the recommendations in the report and respond to your Board on or before August 10, 1999.

Respectfully submitted,



GARY A. KNUTSON  
Auditor-Controller

GK:SY  
Attachment

cc: CAO  
District Attorney  
Auditor-Controller  
ocjp98. bd2

REPORT ON AUDIT OF  
OFFICE OF CRIMINAL JUSTICE PLANNING GRANTS  
FOR THE FISCAL YEAR EKDED  
JUNE 30.1998

Auditor-Controller County of Santa Cruz  
701 Ocean Street, Santa Cruz, CA 95060  
(83 1) 454-2500 Fax: (83 1) 454-2660

SANTA CRUZ COUNTY DISTRICT ATTORNEY  
OFFICE OF CRIMINAL JUSTICE PLANNING GRANTS

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## Independent Auditor's Report

January 14, 1999

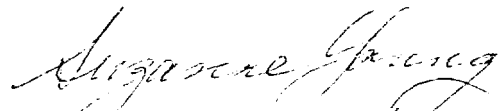
Board of Supervisors  
County of Santa Cruz  
701 Ocean Street  
Santa Cruz, CA 95060

We have audited the accompanying special purpose statement of approved budget and cumulative expenditures, statement of costs claimed, audited and questioned costs, and the related statement of status of cash of the Office of Criminal Justice Planning(OCJP) grants to Santa Cruz County for the Statutory Rape Vertical Prosecution Program Grant No. SR97020440 and the Anti-Drug Enforcement Program Grant No. DC97080440, as of and for the year ended June 30, 1998. These schedules are the responsibility of the County of Santa Cruz Office of Criminal Justice Planning Grants' management. Our responsibility is to express an opinion on these schedules based on our audit.

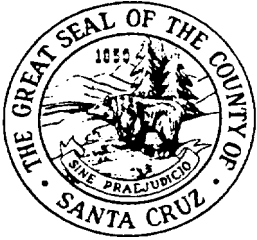
We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statements referred to above present fairly, in all material respects, the financial position of the County of Santa Cruz Office of Criminal Justice Planning Grants, as of June 30, 1998, and the related statements for the periods then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 1999 on our consideration of the County of Santa Cruz Office of Criminal Justice Planning Grants' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.



Suzanne Young, CPA  
Chief Deputy Auditor-Controller



# County of Santa Cruz

AUDITOR-CONTROLLER'S OFFICE  
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GARY A. KNUTSON, AUDITOR-CONTROLLER

**Chief Deputy Auditor-Controllers**

Pam Silbaugh, Accounting  
Suzanne Young, Audit and Systems  
Kathleen Hammons, Budget and Tax

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

January 14, 1999

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

We have audited the special purpose statements of the Office of Criminal Justice Planning(OCJP) grants to Santa Cruz County for the Statutory Rape Vertical Prosecution Program Grant No. SR97020440 and the Anti-Drug Enforcement Program Grant No. DC97080440, as of and for the year ended June 30, 1998, and have issued our report thereon dated January 14, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the County of Santa Cruz Office of Criminal Justice Planning Grants' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

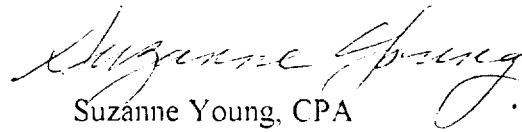
Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of Santa Cruz Office of Criminal Justice Planning Grants' internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and do not provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operations that we consider to be reportable conditions.

Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the County of Santa Cruz Office of Criminal Justice Planning Grants' ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as listed on page 14.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses.

This report is intended for the information of management and the Office of Criminal Justice Planning. However, this report is a matter of public record and its distribution is not limited.

  
Suzanne Young, CPA  
Chief Deputy Auditor- Controller



SANTA CRUZ COUNTY DISTRICT ATTORNEY  
OFFICE OF CRIMINAL JUSTICE PLANNING GRANTS

Status of Cash  
June 30, 1998

	Statutory Rape Vertical Prosecution Program <u>Grant No. SR97020440</u>	Anti-Drug Abuse Enforcement Program <u>Grant No. DC97080440</u>
Cummulative Cash Received from the Office of Criminal Justice Planning	\$138,103	\$243,823
Grant Funds Claimed but not yet received	<u>0</u>	<u>0</u>
Total Grants Received	138,103	243,823
Office of Criminal Justice Planning Expenditures	<u>138,103</u>	<u>243,823</u>
Cash on Hand	<u><u>\$138,103</u></u>	<u><u>\$243,823</u></u>

SANTA CRUZ COUNTY DISTRICT ATTORNEY  
OFFICE OF CRIMINAL JUSTICE PLANNING GRANTS

Statement of Approved Budget and Cumulative Expenditures  
June 30, 1998

		Statutory Rape Vertical Prosecution Program Grant # SR97020440		
		Expenditures		
		Budget	Claimed	Balance
Personal Services		\$297,897	\$135,336	\$162,561
Operating Expenses		11,105	2,767	8,338
Total		\$309,002	\$138,103	\$170,899

SANTA CRUZ COUNTY DISTRICT ATTORNEY  
OFFICE OF CRIMINAL JUSTICE PLANNING GRANTS

Statement of Approved Budget and Cumulative Expenditures  
June 30, 1998

	Anti-Drug Abuse Enforcement Program Grant # DC97080440		
	Expenditures		
	Budget	Claimed	Balance
Personal Services	\$244,331	\$238,674	\$5,657
Operating Expenses	6,108	1,775	4,333
Equipment	5,400	3,374	2,026
Total	<u>\$255,839</u>	<u>\$243,823</u>	<u>\$12,016</u>

SANTA CRUZ COUNTY DISTRICT ATTORNEY  
OFFICE OF CRIMINAL JUSTICE PLANNING GRANTS

Statement of Costs Claimed, Audited and Questioned Costs  
June 30, 1998

	Statutory Rape Vertical Prosecution Program Grant # SR97020440		
	<u>Costs Claimed</u>	<u>Audited Costs</u>	<u>Questioned Costs</u>
Personal Services	\$135,336	\$132,305	\$3,031
Operating Expenses	2,767	2,332	435
Total	<u>\$138,103</u>	<u>\$134,637</u>	<u>\$3,466</u>

SANTA CRUZ COUNTY DISTRICT ATTORNEY  
OFFICE OF CRIMINAL JUSTICE PLANNING GRANTS

Statement of Costs Claimed, Audited and Questioned Costs  
June 30, 1998

	Anti-Drug Abuse Enforcement Program Grant # DC97080440		
	Costs Claimed	Audited Costs	Questioned Costs
Personal Services	\$238,674	\$234,536	\$4,138
Operating Expenses	1,775	1,674	101
Equipment	3,374	3,374	0
Total	<u>\$243,823</u>	<u>\$239,584</u>	<u>\$4,239</u>

STATE of CALIFORNIA  
 REPORT OF EXPENDITURES  
 AND REQUEST FOR FUNDS  
 OCJP-201 (REV. 4-93)

OFFICE OF CRIMINAL JUSTICE PLANNING

MAIL TO: 1130 K STREET, SUITE 300 **650**  
 SACRAMENTO, CA 95814  
 ATTN ACCOUNTING BRANCH

Instructions on reverse side

(1) GRANTEE <b>SANTA CRUZ COUNTY DISTRICT ATTORNEY'S OFFICE</b>		(2) GRANT AWARD NUMBER <b>SR 97020440</b>	
(3) ADDRESS <b>701 OCEAN STREET, ROOM 200</b>		(4) REQUEST NUMBER <b>(5)</b>	
<b>SANTA CRUZ, CA 95060</b>		(5) FINAL REPORT <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
(6) PROJECT TITLE <b>STATUTORY RAPE VERTICAL PROSECUTION PROGRAM</b>		(7) REPORT PERIOD <input checked="" type="checkbox"/> MONTHLY <input type="checkbox"/> QUARTERLY	
(8) GRANT PERIOD <b>FROM 07-01-97 to 06-30-99</b>		OCJP USE ONLY	
(9) CONTACT PERSON <b>GLORIA QUINTERO - PROJECT FISCAL OFFICER</b>		RECEIVED	DATE
(10) PHONE NUMBER <b>(408) 454-2548</b>		AUDITED	DATE

(11) GRANT FUNDS	%	BUDGET	FUNDS PREVIOUSLY REQUESTED	BALANCE AVAILABLE	(12) FUNDS CURRENTLY REQUESTED
FEDERAL	%				
FEDERAL MATCH	%				
STATE	100%	309,002	100,495	208,507	37,607
STATE MATCH	%				
<b>TOTAL</b>	<b>100%</b>	<b>309,002</b>	<b>100,495</b>	<b>208,507</b>	<b>37,607</b>

CATEGORY	(13) APPROVED BUDGET	(14) CURRENT EXPENDITURES	(15) TOTAL EXPENDITURES TO DATE	(16) BALANCE
(A) PERSONAL SERVICES	297,897	36,686	135,336	162,561
(B) OPERATING EXPENSES	11,195	922	2,767	8,338
(C) EQUIPMENT				
<b>TOTALS</b>	<b>309,002</b>	<b>37,608</b>	<b>138,103</b>	<b>170,899</b>

I HEREBY CERTIFY THAT I AM THE DULY APPOINTED, QUALIFIED, AND ACTING FINAAL OFFICER OF THE HEREIN NAMED AGENCY; I HAVE NOT VIOLATED ANY OF ME PROVISIONS OF SECTION 1090 OF THE GOVERNMENT CODE IN INCURRING THE EXPENDITURES REPORTED IN THIS REQUEST NOR IN ANY OTHER WAY; THAT SECTIONS 1090 TO 1096 OF THE GOVERNMENT CODE WILL NOT BE VIOLATED IN ANY WAY IN THE EXPENDITURE OF THE FUNDS AVANCCD PURSUANT TO THIS REQUEST; AND THAT THE REQUEST IS IN ALL RESPECTS TRUE, CORRECT, AND IN ACCORDANCE WITH PROGRAM PROVISIONS. I FURTHER CERTIFY THAT ALL FUNDS HERE REQUESTED AFTER THE EXPIRATION DATE OF THIS CONTRACT ARE FOR THE PURPOSE OF LIQUIDATING OBLIGATIONS LEGALLY INCURRED UNDER, AND DURING, THE UFE OF THIS CONTRACT.

(17) TYPED NAME	SIGNATURE	DATE
PROJECT DIRECTOR <b>ARTHUR DANNER III, DISTRICT ATTORNEY</b>		<b>JULY 02, 1998</b>
FINANCIAL OFFICER <b>GLORIA QUINTERO</b>		<b>JULY 02, 1998</b>
REGIONAL / LOCAL PLANNING DIRECTOR		

TC	FFY	REF DOC #	CURR DOC #	INDEX	OBJ	AGY	PCA	AMOUNT	PROJECT #
231			C	9200	702	01		.00	
232					706				
471			C	9200	702	06		.00	
					706				
210				9200	702	01		.00	
					706				

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STATE OF CALIFORNIA  
**REPORT OF EXPENDITURES  
 AND REQUEST FOR FUNDS**  
 OCJP-201 (REV. 4-93)

OFFICE OF CRIMINAL JUSTICE PLANNING

MAIL TO: 1130 K STREET, SUITE 300  
 SACRAMENTO, CA 95814  
 ATTN ACCOUNTING BRANCH

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Instructions on reverse side

(1) GRANTEE <b>SANTA CRUZ COUNTY DISTRICT ATTORNEY'S OFFICE</b>		(2) GRANT AWARD NUMBER <b>DC 97080440</b>	
(3) ADDRESS <b>710 OCEAN STREET, ROOM 200</b>		(4) REQUEST NUMBER <b>(5)</b>	
(5) FINAL REPORT <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO		(7) REPORT PERIOD c 1 MONTHLY <input checked="" type="checkbox"/> QUARTERLY	
(6) PROJECT TITLE <b>SANTA CRUZ, CA 95060</b>		OCJP USE ONLY	
(8) GRANT PERIOD FROM <b>07-01-97</b> TO <b>06-30-99</b>		DATE	INITIAL
(9) CONTACT PERSON <b>GLORIA QUINTERO - PROJECT FISCAL OFFICER</b>		RECEIVED	SCHEDULE
(10) PHONE NUMBER <b>(831) 454-2548</b>		AUDITED	

(11) GRANT FUNDS	%	BUDGET	FUNDS PREVIOUSLY REQUESTED	BALANCE AVAILABLE	(12) FUNDS CURRENTLY REQUESTED
FEDERAL	Y.				
FEDERAL MATCH	%				
STATE	100 %	<b>513,952</b>	<b>192,446</b>	<b>327,506</b>	<b>51,377</b>
STATE MATCH	%				
<b>TOTAL</b>	<b>100%</b>	<b>519,952</b>	<b>192,446</b>	<b>327,506</b>	<b>51,377</b>

CATEGORY	(13) APPROVED BUDGET	(14) CURRENT EXPENDITURES	(15) TOTAL EXPENDITURES TO DATE	(16) BALANCE
(A) PERSONAL SERVICES	504,167	46,417	238,674	255,493
(B) OPERATING EXPENSES	7,923	1,586	1,775	6,148
(C) EQUIPMENT	7,862	3,374	3,374	4,488
<b>TOTALS</b>	<b>519,952</b>	<b>51,377</b>	<b>243,823</b>	<b>276,129</b>

I HEREBY CERTIFY THAT I AM THE DULY APPOINTED, QUALIFIED, AND ACTING FINAAL OFF CER OF THE HEREIN NAMED AGENCY; I HAVE NOT VIOLATED ANY OF THE PROVISIONS OF SECTION 1090 OF THE GOVERNMENT CODE IN INCURRING THE EXPENDITURES REPORTED IN THIS REQUEST NOR IN ANY OTHER WAY; THAT SECTIONS 1090 TO 1096 OF THE GOVERNMENT CODE WILL NOT BE VIOLATED IN ANY WAY IN THE EXPENDITURE OF THE FUNDS ADVANCED PURSUANT TO THIS REQUEST; AND THAT THE REQUEST IS IN ALL RESPECTS TRUE, CORRECT, AND IN ACCORDANCE WITH PROGRAM PROVISIONS. I FURTHER CERTIFY THAT ALL FUNDS HERE REQUESTED AFTER THE EXPIRATION DATE OF THIS CONTRACT ARE FOR THE PURPOSE OF LIQUIDATING OBLIGATIONS LEGALLY INCURRED UNDER, AND DURING, THE LIFE OF THIS CONTRACT.

(17) TYPED NAME	SIGNATURE	DATE
PROJECT DIRECTOR <b>ARTEUR DANNER III, DISTRICT ATTORNEY</b>		<b>JULY 21, 1998</b>
FINANCIAL OFFICER <b>GLORIA QUINTERO</b>		<b>JULY 21, 1998</b>
REGIONAL / LOCAL PLANNING DIRECTOR		

OCJP USE ONLY									
FFY	REF DOC #	CIJRR DOC #	INDEX	OBJ	AGY	PCA	AMOUNT	PROJECT #	
1		C	9200	702 708	01		.00		
471		C	9200	702 708	08		.00		
210			9200	702 708	01		.00		

SANTA CRUZ COUNTY DISTRICT ATTORNEY  
OFFICE OF CRIMINAL JUSTICE PLANNING GRANTS

Notes to Financial Statements  
June 30, 1998

Note I: Description of Program

The Santa Cruz County District Attorney's Anti-Drug Enforcement Vertical Prosecution Program Grant is an Office of Criminal Justice Planning Grant. The term of this grant was for the fiscal period 1997/1998, but was subsequently extended for one additional fiscal year. This interim report covers the period 1997/1998 and does incorporate the modified budget amounts for the entire 1997/1999 period. During the Fiscal Year 1997/1998 the \$255,839 grant financed salary and benefit costs of two Assistant District Attorneys, and a DA Inspector to investigate and reduce the adverse impact and effects of illicit drug activities.

The Statutory Rape Vertical Prosecution Program is also an Office of Criminal Justice Planning Grant. The term of this grant was for the fiscal period 1997/1998, but was subsequently extended for one additional fiscal year. This interim report covers the period 1997/1998 and does incorporate the modified budget amounts for the entire 1997/1999 period. During the Fiscal Year 1997-1998 the \$150,000 grant financed the salary and benefit costs of an Assistant District Attorney and a DA Inspector- to investigate and vertically prosecute incidents of adults who have unlawful sexual relations with a minor as defined in Penal Code §261.5.

Referrals to both programs are vertically investigated by the District Attorney's Office and all prosecutions are handled by the grant Attorneys who are generally responsible for complaint filing, preliminary hearings, pre-trial appearances and motions, sentencing and probation/parole violations. The grant Inspector interviews witnesses, victims and their families, and provide follow-up as the case progresses.

Note 2: Summary of Significant Accounting Policies

The accompanying statements have been prepared on the accrual basis in conformity with the State of California, Office of Criminal Justice Planning (OCJP) instructions. The "Status of Cash" and "Statement of Approved Budget and Cumulative Expenditures" have been prepared from the reports submitted to OCJP. The basis of accounting utilized in preparation of this report may differ from generally accepted accounting principles. Accordingly, the accompanying statements are not intended to present the financial position and the results of operations in conformity with generally accepted accounting principles.



Note 3 : Basis of Accounting

Basis of Accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of Accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Revenues and expenditures incurred for OCJP grants are recorded on a cash basis system of accounting. Under cash basis system, revenue is not recognized when it is earned but rather only when the payment is received. Similarly, expenses are recognized when they are paid, not when they are incurred.

Note 4: Questioned vs. Disallowed Costs

Questioned costs are those costs which are in excess of the grant budget, require additional support from the grantee or which require an allowability interpretation by the granting agency. Costs questioned result from audit procedures applied on a sample basis and may not represent total costs that may have been questioned if all expenditures had been tested. Disallowed costs are those costs in which there is evidence beyond a reasonable doubt that a project is in violation of legislative or regulatory requirements or specific grant conditions. There were no disallowed costs.

Our audit resulted in the questioned costs shown below for the period ending June 30, 1998

	<u>Statutory Rape Grant</u>	<u>Anti-Drug Abuse Grant</u>
Personal Services	\$3,031	\$4,138
Operating Expenses	<u>435</u>	<u>101</u>
	<u>\$3,466</u>	<u>\$4,239</u>

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SANTA CRUZ COUNTY DISTRICT ATTORNEY  
OFFICE OF CRIMINAL JUSTICE PLANNING GRANTS

Schedule of Findings and Questioned Costs  
for the Year Ended June 30, 1998

1. Payroll Documentation

There were \$2,160 in payroll costs claimed without supporting documentation for the Anti-Drug Abuse Grant. Costs of \$1,978 and \$3,031 were claimed in excess of actual costs for the Anti-Drug Abuse and Statutory Rape Grants respectively. Furthermore, grant eligible expenditures for attorneys' salaries were not claimed for the Anti-Drug Abuse program. Grant eligible expenditures for attorneys' salaries exceeded the original OCJP grant budget. A line item budget change could have moved funds from another line item to increase the budget for attorneys' salaries.

Recommendation

We recommend that the District Attorney assign someone to review the claims and supporting documentation before submitting the claim to OCJP. We also recommend that close attention be paid to OCJP grant budget and actual expenditures. This will ensure that budget changes can be made in a timely manner, and all eligible expenditures are claimed.

2. Operating Expenditures

There were \$648 in eligible travel costs which were not claimed for the Statutory Rape program. Costs of \$101 and \$435 were incurred which had no supporting documentation for the Anti-Drug Abuse and Statutory Rape programs respectively.

Recommendation

We recommend that the District Attorney's Office monitor OCJP grant budgets and expenditures. This would alert the agency to travel which has been budgeted, and therefore, eligible for reimbursement by OCJP. We again, recommend that someone review the claims and supporting documentation before submitting the claim to OCJP.