



# County of Santa Cruz 0029

## AUDITOR-CONTROLLER'S OFFICE

701 OCEAN STREET, SUITE 100, SANTA CRUZ, CA 950604073  
(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

January 25, 2000

AGENDA: February 15.2000

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

**SUBJECT: AUDIT REPORT ON SHERIFF'S SPECIAL FUND**

Dear Members of the Board:

We have completed an audit of the Sheriff's Special Fund receipts and disbursements for the fiscal year ended June 30, 1999. The purpose of our audit was to determine whether the special fund expenditures were appropriate, reported accurately, and whether the internal control over the funds and the financial reporting were adequate.

We found that the receipts and disbursements of the Sheriff's Special Fund were reported accurately and the disbursements were appropriate. Internal controls over the funds are adequate. There are no material weaknesses in the internal controls. However, we have made specific recommendations to management to improve the effectiveness of the controls. We have discussed our recommendations with the Sheriff who reported that he has taken the necessary steps to implement our recommendations. His response to the audit report is attached.

We wish to acknowledge the Sheriff and his staff for their assistance and cooperation during the audit process. There is no further action required by your Board at this time:

IT IS THEREFORE RECOMMENDED that your Board accept and file this report

Sincerely yours,

  
Gary A. Knutson  
Auditor-Controller

Attachment

cc: CAO, Sheriff, Auditor-Controller

**REPORT ON AUDIT OF**  
**SHERIFF'S SPECIAL FUND**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 1999**

Auditor-Controller County of Santa Cruz  
701 Ocean Street, Santa Cruz, CA 95060  
(831) 454-2500 Fax: (831) 454-2660

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# County of Santa Cruz

0032

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### Auditor's Report

August 24, 1999

### BOARD OF SUPERVISORS

County of Santa Cruz

Santa Cruz, CA

We have audited the accompanying statement of receipts and disbursements of the Sheriffs special fund for the fiscal year ended June 30, 1999. This fund is required by Government Code Section 29430 et seq. It is used for expenses incurred in criminal cases arising in the county, and for investigative operations.

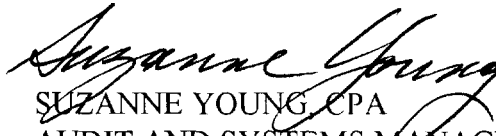
We conducted our audit in accordance with the *Standards for the Professional Practice of Internal Auditing* published by the Institute of Internal Auditors. The purpose of our audit was to determine whether the special fund expenditures were appropriate, reported accurately, and whether the internal control over the funds and the financial reporting were adequate. An audit includes examining, on a test basis, evidence supporting the amounts reported in the financial statement.

In the performance of our audit we verified the balance of cash on hand, made an accounting of all the receipts and disbursements for the period under review, and reconciled the receipts and disbursements of the fund to the approved appropriation. We examined documentation for the disbursements, the refund of unexpended money to the County treasury, and reviewed the claim for the amount appropriated for the fiscal year 1999-2000.

We found that receipts and disbursements of the Sheriffs special fund were reported accurately and were appropriate, except for interest earned during the year. Interest earned on the checking account had not been deposited with the County as revenue. The interest was subsequently deposited in the treasury.

Internal controls over the funds were generally adequate. There were no material weaknesses in the internal controls.

In our opinion, the accompanying statement presents fairly, in all material respects, the receipts and disbursements of the Sheriffs special fund for the year ended June 30, 1999, on the basis of accounting described in Note 1.

  
SUZANNE YOUNG, CPA  
AUDIT AND SYSTEMS MANAGER

**SHERIFF'S SPECIAL FUND  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

Cash on hand as of July 1, 1998 (Interest earned as of 6/30/98)			\$180.76
Appropriation July 1, 1998	\$16,000.00		
Interest earned 7/1/98-6/24/99	<u>328.26</u>		
Total Receipts		\$16,328.26	
Net Disbursements		<u>15,958.26</u>	
Unexpended balance			550.76
Refimded to General Fund			<u>66.20</u>
Cash on hand June 30, 1999 (Note 2)			<u><u>\$484.56</u></u>

SHERIFF'S SPECIAL FUND  
NOTES TO THE FINANCIAL STATEMENT  
August 24, 1999

0035

Note 1:        Basis of Accounting

The Special Fund utilizes the cash basis of accounting. This means that receipts and disbursements are recognized when the cash transactions take place rather than when the revenues are earned or expenses incurred.

Note 2:        Subsequent Event

The balance was deposited to the County General Fund on September 16, 1999.

# COUNTY OF SANTA CRUZ

INTER-OFFICE CORRESPONDENCE

DATE: 12/13/99

0036

TO: Suzanne Young & Edith Driscoll- Auditor Controller's Office

FROM: Paul Crawford, Sheriff's Office

SUBJECT: Response To Your Draft Of Audit Findings For The Sheriff's Special Fund, FY 98/99.

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I have met with Lt. Mike Lillis to review the findings of the Audit of the Sheriff's Special Funds and we are in agreement with findings and recommendations that you have provided.

On 9/16/99 I deposited the accrued interest into the General Fund as revenue as you recommended in the draft of the Audit. This action complies with recommendation #1. I also revised existing fiscal close-out procedures in September of 1999 to include your recommendations on the deposit of accrued interest. These close-out procedures however do not fully comply with item #2 of your recommendations. Lt Lillis has agreed to develop and implement a complete set of written procedures on the maintenance of the Special Fund, These procedures will be forwarded to you as soon as Lt. Lillis has completed them

Thanks for your recommendations and we appreciate your work on the audit.