



County of Santa Cruz

AUDITOR-CONTROLLER'S OFFICE

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October 25, 2000

AGENDA: November 14, 2000

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

SUBJECT: AUDIT REPORT ON DISTRICT ATTORNEY'S SPECIAL FUND

Dear Members of the Board:

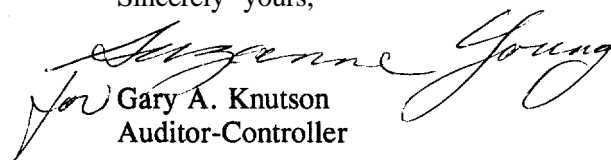
We have completed an audit of the District Attorney's Special Fund receipts and disbursements for the fiscal year ended June 30, 2000. The purpose of our audit was to determine whether the special fund expenditures were appropriate, reported accurately, and whether the internal control over the funds and the financial reporting were adequate.

The special fund was established in accordance with Government Code Section 29400 which requires that the Board of Supervisors provide a special appropriation of at least \$5,000 for counties having a population of 90,000 or greater. The special fund is used to pay the expenses associated with: a) criminal cases arising in the county, b) detection of a crime, and c) civil actions, proceedings, or other matters in which the County is interested.

We found that the receipts and disbursements of the District Attorney'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 improve the accounting for the special fund. We have discussed our recommendations with District Attorney management. We wish to acknowledge the District Attorney 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, District Attorney, Auditor-Controller
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**AUDITOR-CONTROLLER'S REPORT ON THE
DISTRICT ATTORNEY'S SPECIAL FUND
FISCAL YEAR ENDED JUNE 30, 2000**

Auditor-Controller County of Santa Cruz
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AUDITOR-CONTROLLER'S REPORT ON THE
DISTRICT ATTORNEY'S SPECIAL FUND
FISCAL YEAR ENDED JUNE 30, 2000

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AUDITOR-CONTROLLER'S REPORT ON THE
DISTRICT ATTORNEY'S SPECIAL FUND
FISCAL YEAR ENDED JUNE 30, 2000

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PURPOSE AND SCOPE

We have audited the cash receipts, disbursements, and ending balance of the District Attorney's Special Fund, for the fiscal year ended June 30, 2000. 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 financial reporting were adequate. The scope of our examination covered the fiscal year ended June 30, 2000.

SUMMARY OF RESULTS

The results of our examination appear in the attached Schedule of Receipts and Disbursements. We found that the receipts and disbursements of the District Attorney's special fund were reported accurately and the disbursements were appropriate. Internal controls over the fund were generally adequate. There are no material weaknesses in the internal controls, however, we did note the following matters which we believe could be changed to improve the accounting for the special fund:

- We noted that there are no written procedures in place regarding how the special fund should be maintained and what paperwork is required. In the event of staff turnover or illness, these procedures would help maintain consistency. A draft of procedures has been prepared by the department. The draft procedures are not currently implemented and we did not test the procedures during our audit.
- We noted that receipts in the amount of \$1,484.06 were received subsequent to the end of the fiscal year. These receipts were deposited into the checking account rather than being returned to the County's general fund as revenue. Depositing these receipts into the checking account increases the cash available for spending at a level in excess of the Board of Supervisors' appropriated amount.

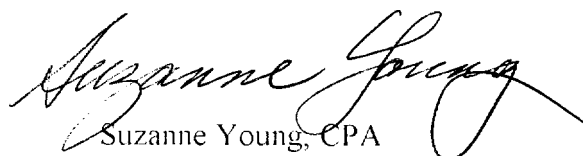
RECOMMENDATIONS

We recommend that the District Attorney:

- 1) Develop and document procedures for the Special Fund. These procedures should include paperwork which is to be maintained, how to handle missing or lost receipts, cash overages and shortages, and year-end procedures.

- 2) Establish a tracking system which would allow:
- a) identification of disbursements which are reimbursable by the State
 - b) verification that reimbursement claims are submitted to the State on a regular and timely basis
 - c) track disbursements that have been reimbursed by the State
 - d) identify disbursements which have yet to be reimbursed by the State
-

This audit was performed by the Santa Cruz County Auditor-Controller's Audit and Systems Division in accordance with The Institute of Internal Auditors' Standards for the Professional Practice of Internal Auditing.


Suzanne Young, CPA
Audit and Systems Manager

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AUDITOR-CONTROLLER'S REPORT ON THE
DISTRICT ATTORNEY'S SPECIAL FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FISCAL YEAR ENDED JUNE 30, 2000

0010

Cash balance			CASH ON HAND
July 1, 1999		\$	<u>0.00</u>
Appropriations			
July 1, 1999	\$ 1 0,000.00		
February 1, 2000	<u>3,832.58</u>		13,832.58
Disbursements	(33,098.65)		
Prior year revenue	1,484.06		
Refunds/deposits	<u>21,979.08</u>		
Net disbursements			<u>(9,635.51)</u>
Cash balance			
June 30, 2000			4,197.07
Refunded to			
General Fund			<u>(4,197.07)</u>
Ending Cash Balance		\$	<u><u>0.00</u></u>

The accompanying notes are an integral part of this schedule

AUDITOR-CONTROLLER'S REPORT ON THE
DISTRICT ATTORNEY'S SPECIAL FUND
NOTES
FISCAL YEAR ENDED JUNE 30, 2000

0011

Note 1: Special Fund

California Government Code Section \$29400 provides that Board of Supervisors shall make available to the District Attorney a special appropriation in the amount of \$5,000 for counties having a population of 90,000 or greater. Additional amounts may be transferred to the special appropriation as approved by the Board. The Special Fund is used to pay the expenses associated with: a) criminal cases arising in the county, b) detection of a crime, and c) civil actions, proceedings, or other matters in which the County is interested.

Note 2: 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.