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firms for the last 4 years. The only deviation from the audit requirement was that the years 2001 and 2002 were combined in one report.

Recommendations

IVCSD should improve its methods for informing its customers and the local community of the programs and services it provides by:

1. Publicizing progress on current projects explaining their benefits and costs.
2. Making audit results available to the public and/or giving notice of their availability.
3. Advertising for available employment opportunities.
4. Providing a means for the public to express their concerns.

COMMUNITY SERVICE DISTRICT SPECIAL ELECTIONS

Function

The Community Services Districts (CSD) provides the following services to the inhabitants of their districts:

6. Water
7. Sanitation
8. Fire Protection (Sometimes)
9. Ambulance Service (Sometimes)
10. Public Works – including road and building maintenance

Background

In order for CSD's to make changes in the services they provide and how and to whom they provide their services, special elections are required. It is important that these elections are held so that those affected can express their opinions and thus determine whether or not the changes are to be made in the manner proposed.

Findings

The board of directors of a CSD may order a special election at any time it is faced with a decision that it believes requires one. Examples of situations in which special elections might be required include district boundary changes, changes in who receives services, changes in fees for services provided, changes in how services are provided, provision of new services, and deletion of existing services.

To hold an election, the CSD board makes a request to the Plumas County Clerk-Recorder. The matter is then presented to the Plumas County Board of Supervisors

(BOS) for approval. The BOS must pass a resolution authorizing the election. The election is then scheduled according to that resolution and the ballots are prepared and distributed to the voters affected by the matter(s) being considered.

The total cost of the election is borne entirely by the district. The cost varies widely depending upon when and how the election is held. A polling place special election costs about \$13,000. A mail-in special election costs about \$10,500. An election held as part of a general election costs a small fraction of the cost of either type of special election.

Recommendations

The Grand Jury recommends that:

1. The CSD carefully consider the costs of holding an election versus the benefits of the matter being considered.
2. Due to the costs involved, the CSD consider the cost versus benefits of holding a special election instead of waiting until the next general election.

PLUMAS COUNTY AUDITOR/CONTROLLER.

Function

The Grand Jury reviewed the Audit/Controller Department to determine if internal controls and procedures are in place to provide assurance of the control structure.

Background

In order to gather the information necessary to assess the Audit/Controller department the Grand Jury has interviewed the Auditor/Controller and the independent external auditor. The Grand Jury has reviewed the *County of Plumas, California Management Report for The Year Ending June 30, 2004* and the *County of Plumas California Annual Financial Report As Of June 30, 2004 With Independent Auditor's Report*. The Grand Jury has also reviewed the budget process.

Findings

1. In reading the two (2) reports noted above the Grand Jury became aware that were five (5) conditions mentioned that required a corrective action plan. The conditions mentioned were as follows:
 - a. The 2003 Series A cash had not been reconciled to the fiscal agent statement or properly recorded in the general ledger
 - b. .Some program information required for the preparation of the Schedule of Federal Expenditures was not provided by the responsible departments in a timely manner.

- c. The Independent Auditor noted that the county reflects the solid Waste Planning and Operations as a special revenue fund instead of an enterprise fund.
 - d. The depreciation schedule for senior transit buses did not include an acquisition date for the vehicles. Depreciation appears to be based on the model year of the vehicle rather than the acquisition date of the vehicle.
 - e. The County Workers Compensation internal service fund had a deficit fund balance of \$1,572,431 on June 30, 2004. Adequate reserves are necessary to ensure that the county is able to meet its self insurance obligations.
2. In response to an article in the Feather River Bulletin stating that the position of budgetary officer was being transferred from the County Administrative Officer to the Auditor/Controller the Grand Jury reviewed the reason for this change.

Recommendations

1. In the *County of Plumas, California Management Report For The Year Ending June 30, 2004* the Independent Auditor has made recommendations to correct the five (5) conditions mentioned. These recommendations are clear and specific and need to be put in place as soon as possible. It is to be noted that at the time of the presentation of the Independent Auditor's report the Auditor/Controller had already implemented the Cash with Fiscal Agent condition and partially implemented the Transportation System Accounting. The Auditor/Controller will raise the Workers Compensation rates to ensure adequate reserves. That will leave the Depreciation on Transit Buses and Classification of Solid Waste Planning and Operation to be implemented. It is important the Board of Supervisors monitor these items to ensure their completion.
2. The establishment of an Audit Committee is an acceptable and widely used tool in other counties to aid in the process of monitoring county operations. The Grand Jury recommends that The Board of Supervisors seek to establish such a committee. The members should include at least two (2) members of the Board of Supervisors, two (2) members of the Grand Jury, and the Auditor/controller.
3. The Auditor/Controller has been instrumental in preparing the budget in years past and at the time of this report is the most knowledgeable person in the process. The Auditor/Controller must cross-train his staff and any other persons (in the county with a need to know) in the process of the budget preparation to ensure continuity in this process under all circumstances.

PLUMAS COUNTY HUMAN RESOURCES

Function

Human Resources administers implementation of *The Personnel Rules of Plumas County*. The purpose of these rules is to provide a consistent, equitable, and efficient program of personnel administration.

It has come to the attention of the Grand Jury that the problem with the lack of interaction of the Human Resources Department is common in many other departments. A well run and efficient Human Resources Department is the key to the success of all other county functions.

Findings

The Grand Jury findings are that:

1. Nepotism is an ongoing issue within the county. The appearance of nepotism is as harmful as the actual fact itself.
2. People are hired to fill vacant positions that do not meet the County's job qualifications as described in the Plumas County Job description's qualifications. The results are poor performance and employee problems.
3. Department managers do not follow proper procedures for disciplinary and termination action resulting in wrongful termination claims and issues involving the employee's union. These actions are very costly and should be avoided. The training provided to department managers in the appropriate ways to handle employees with stress leave, disciplinary action, and termination procedures is inadequate.

Recommendations

1. Human Resources must monitor all employee job positions to insure that there are no family members working in the same department and equally important, that no family members are working in departments that share confidential information or that would have a conflict of interest.
2. All job applications should receive approval by Human Resources before hiring can take place. It is the responsibility of Human Resources to see that each applicant meets the qualifications of the position for which they are applying. Each applicant must have a reference check performed by Human Resources. These actions would eliminate the hiring of non-qualified persons.
3. It is the responsibility of Human Resources to provide training to all managers and supervisor to handle disciplinary problems in the proper manner. This training can be done by conducting classes and by providing the managers and supervisors with a management handbook that spells out the correct procedures to follow in all cases of disciplinary actions.