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The County of Yuba

GRAND JURY



June 29, 2011

The Honorable Judge Debra Givens
Supervising Judge of the Grand Jury
Superior Court of the State of California
County of Yuba

Dear Judge Givens,

In accordance with the provision of Penal Code 933(a) and on behalf of the entire 2010-2011 Yuba County Civil Grand Jury, I submit this, our Final Report. It is my belief that our report will leave a legacy of which we all can be proud, and serve as a professional standard for future Grand Jury Committees. The topics we selected to investigate, by majority vote, are based on current topical issues or complaints submitted by concerned citizens in the community. As a "watchdog" group we take our investigative role seriously while also looking into various matters of the county and city governments, public jails, special districts, local agencies and schools.

This report is the result of enormous dedication and devotion of eighteen randomly selected citizens of Yuba County. Each juror has dutifully, professionally and ethically fulfilled an oath, taken on June 30, 2010, to act on behalf of all citizens of Yuba County. The Committee Chairpersons have achieved standards and goals which have far exceeded my expectations and those of the position. It is due to their leadership and each committee members' active participation, dedication and teamwork that we have accomplished so much during our year long tenure. I would also like to thank the families of the 2010-2011 Grand Jury members, who have made numerous sacrifices so we could fulfill our duties.

I would like to thank the Judges of the Superior Court associated with the Grand Jury for their guidance and support throughout our year long service. I wish to express thanks especially to Judge Givens for the leadership and guidance extended to us the entire year. Special thanks go to the entire Yuba County Superior Court staff, led by Mr. H. Stephen Konishi, Court Executive Officer, and Ms. Bonnie Sloan. Their availability as well as their leadership and encouragement helped create an environment which made our work possible. To Angil Morris-Jones, County Counsel; Patricia L. Garamone, Chief Deputy County Counsel; Patrick McGrath, District Attorney; Sheriff Steven Durfor, Undersheriff Jerry Reid and Captain Mark Chandless, thank you for your time, patience and availability.

I truly appreciate this opportunity to serve on the Grand Jury and for the honor and privilege of acting as Foreman.

Respectfully submitted,

Mike Boom
2010-2011 Yuba County Grand Jury Foreman

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Report

Financial Hard Times in Yuba County

FINANCIAL HARD TIMES IN YUBA COUNTY

SUMMARY

At their meeting of June 15, 2010, the Board of Supervisors (BOS) discussed the budget deficit for the 2010-2011 fiscal year. The Grand Jury decided to investigate the deficit and related circumstances.

The Grand Jury learned that audit reports for the last four years from the outside auditor indicate that certain material weaknesses involving the internal controls of the office of the Auditor-Controller are uncovered year after year. The Auditor-Controller's office has not brought its accounting practices up to date as directed by the 1999 Government Accounting Standards Board (GASB) Statement 34. Trust Funds have not been closed out and put in identifiable accounts for the purpose of transparency. The Auditor-Controller's office continues to use a "Miscellaneous" account category. Millions of dollars sit in this account until it has been determined into which accounts those dollars should actually be placed. Months can go by before deposits are assigned to the appropriate account. There is no way to obtain an accurate real-time representation of revenues and expenses within the County departments. Choosing to disregard updated tools and techniques prevents any real monitoring or accurate forecasting of the County's financial health. Necessary adjustments are not revealed until it is too late to implement corrective measures to the budget.

During its inquiry, the Grand Jury also found that the existing accounting software system is not being fully utilized. Departments within the County are unable to take advantage of available software and are required to prepare data manually. The information is then forwarded to the Auditor-Controller's office, where it is manually entered into the accounting system. Manual entry of data increases the potential for human error in data entry. Much of the Auditor-Controller's staff resources are devoted to "bookkeeping" tasks, with little or no time devoted to "auditing" tasks.

Transparency and accountability are especially critical during times of economic downturn, such as we are experiencing. More detailed and timely information might have and in fact, may have enabled the County Administrative Officer (CAO) and the Board of Supervisors (BOS) to take actions that potentially would have avoided employee layoffs, reductions of general fund expenditures in most County departments, and pay cuts for County elected officials and managers.

It is the Grand Jury's recommendation that, pursuant to applicable provisions of the Government Codes, the BOS should exercise its authority to ensure that the duties and responsibilities of the office of the Auditor-Controller are faithfully performed. It is further recommended the BOS ensure that current accounting practices are used in the Office of the Auditor-Controller and that those practices are kept current. If the BOS does not believe that there is sufficient authority available to them, this Grand Jury recommends the Board, pursuant to Government Code sections 24009 (b) or 26980(b), pursue changing the office of the Auditor-Controller to an appointed, rather than elected, position, in order to enhance the accountability of the office and the fiscal health of the County.

GLOSSARY

BOS	Board of Supervisors
CAO	County Administrative Officer
GAAP	Generally Accepted Accounting Standards
GASB	Government Accounting Standards Board

BACKGROUND

The Board of Supervisors is the County's governing body. Its responsibilities include adopting the County budget. The Auditor-Controller is the chief accounting officer, entrusted by the residents of Yuba County to provide accounting, budgeting and financial services to the county agencies, school districts, special districts and cities, as defined under Government Code. The Auditor-Controller is also responsible for the payroll of the County's employees.

At the June 15, 2010 BOS meeting, the budget was discussed. The 2010-2011 County budget would have a \$10.6 million deficit, requiring layoffs of 37 County employees, deletion of 20 vacant positions, un-funding of 17 vacant positions, a 5 percent salary reduction for County elected officials and managers, and a 20 percent reduction in general fund expenditures by most County departments. Concessions from various employee associations were also discussed. Further, an emergency resolution authorized the use of the \$4.7 million contingency and reserve funds in order to end the 2009-2010 year with a zero balance, as opposed to a negative balance.

A Supervisor commented the County should have tightened its belt sooner and that more cuts were coming. (The Grand Jury learned through its inquiry that, in fact, a letter from the Treasurer's office dated Dec 8, 2008, also gave such advice.)

Additionally, the annual audit of the County's finances by Gallina, an independent auditing firm, was presented to the BOS during the June 15th meeting. That audit pointed out that certain material weaknesses and significant deficiencies continued to exist in the internal controls of the Office of the Auditor-Controller, even though they had been repeatedly pointed out in the audit reports of previous years. The Auditor-Controller was asked to address the issue at that meeting, but he provided little explanation.

Concerned citizens requested the Grand Jury to inquire regarding the operations within the office of the Auditor-Controller. The Grand Jury determined to conduct the inquiry because of the seriousness of the matter, i.e., many County employees were losing or about to lose their jobs. Effective and efficient operation of the Auditor-Controller's office is essential to the economic health of the County.

APPROACH

The Grand Jury conducted 20 interviews, including:

- Yuba County Auditor-Controller and current Assistant Auditor-Controller
- Partners in two private auditing firms with knowledge of the Yuba County Auditor's office
- Various staff from County departments, including the Auditor-Controller's office
- Several former and current members on the Board of Supervisors
- Various County department heads

The following written material was reviewed:

- Mission Statement and Responsibilities of several other counties' Auditor-Controller's office
- Independent Auditor's Management Reports for the fiscal years ending 2007, 2008, 2009 and 2010
- Independent Auditor's Single Audit Reports for 2007, 2008, 2009 and 2010
- Independent Auditor's Audit Reports for 2007, 2008, 2009 and 2010
- Yuba County Candidate Qualification Form for Auditor-Controller
- Yuba County Grand Jury Final Reports of 2003-2004, 2004-2005, and 2005-2006, and responses to recommendations
- June 15, 2010, Letter to Board of Supervisors from the CAO, with attachments
- Yuba County Administrative Policy & Procedures Manual "Audit and Accounting" Section
- Yuba County Administrative Policy & Procedures Manual "Budget & Financial Policy" section
- Various County department and district correspondence
- Several County departmental interoffice memoranda
- Yuba County Ordinance No. 298 regarding the qualifications of the County Auditor-Controller

- California State Association of Counties County Offices information about the responsibilities of an Auditor-Controller

The Grand Jury studied and referenced the following:

- California Government Code Sections 24009 (b), 26880-26886, 26945-26946 and 26980-26990
- California Penal Code Sections 925 and 933.5

The Grand Jury reviewed the audio recording of the June 15, 2010, Yuba County Board of Supervisors' meeting, and had the applicable portions thereof transcribed by Statewide Transcription Service.

The Grand Jury attended two Yuba County Board of Supervisors' meetings at which the budget was discussed.

The Grand Jury also relied on the assistance of an independent Certified Public Accounting firm, to determine the more significant duties of a County Auditor-Controller and to develop questions to determine if certain duties are being reasonably performed.

DISCUSSION

Each year, Yuba County undergoes an audit of its financial statements by an independent outside auditor. Gallina, LLP, has performed this audit since 2007.

A review of Gallina's Single Audit Reports and Management Reports for the years 2007-2010 identified that certain material weaknesses were recurring each year in the operations of the Auditor-Controller's office. "A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control." (Gallina's Single Audit Report 2009, page 2.) Material weaknesses are reported to the Federal Government, which then sends them to the applicable Federal and State agencies for review. The Federal and State agencies then make determinations as to how to proceed regarding the continued provision of funding of the various programs. Federal and State funds can, and at times are, withheld if it appears that a County is not handling those funds correctly.

Specifically, the 2009 outside audit pointed to recurring problems involving the use of "Trust Funds" and "Miscellaneous" accounts within the General Fund, the Year-End Closing Procedures, and the Journal Entry Process. There are additional problem areas that have been pointed out through the years, but the Grand Jury will focus its report on those above-identified issues.

We will address the identified material weaknesses, respectively, as follows:

Trust Funds

As of 1999, GASB, through its Statement 34, recommended that Trust Funds be closed and monies in them become part of either the General Fund or Special Revenue Funds. The purpose of this recommendation was to have more transparency and accountability and to include those Funds in the budgeting process. The current system only reflects the amounts coming in and going out of the Trust Funds, and does not include any of the details of the transactions. As stated in Gallina's 2009 report, by not using the accounting system to account for the activity of these Trust Funds, the County's general ledger does not translate the information for inclusion in the County's financial report. In addition, because the County does not budget for any activity occurring in these Funds, significant deviations from the adopted budget are not apparent until well after the end of the fiscal year and thus cannot be addressed when they occur. In other words, the County doesn't have an ability to determine or detect when there are deviations, either in additional revenues or additional expenditures, until well after the close of the fiscal year.

Despite continued recommendations to do so, since 1999, the Office of the Auditor-Controller has failed to close the Trust Funds accounts, and funds in such accounts have not been included in the General Fund or Special Revenue Funds.

The Trust Fund monies are not included in the General Fund in an electronic format. They must be manually reviewed to determine what type of funds they contain and then closed into a Special Revenue Fund in order to perform the year end closing of the books. This manual analysis is not done by the Auditor-Controller's office; rather, the outside auditing firm has been performing this task, as an additional assignment, in order to complete the financial statements. Thus, the failure of the office of the Auditor-Controller to manage the Trust Funds as General or Special Revenue Funds within the general ledger system creates extra costs for the County. Manual entry of data subjects this data analysis to greater potential for human error, as well as a lack of timeliness of the final report.

The foregoing is an example of the inefficient use of the electronic accounting software system, as well as additional expenditures to the County.

Miscellaneous Account

Use of a "Miscellaneous" account has continued year after year, despite this practice having been identified as a material weakness in the yearly outside auditor's report. According to Gallina's 2009 Management Report, "The level of detail for classifying transactions should be sufficiently categorized so as to be meaningful to management in making decisions. When charges for services or intergovernmental revenues, both significant revenue sources, are combined with miscellaneous revenues, the resulting balance becomes meaningless." The amounts in the "Miscellaneous" account can be in the millions of dollars.

Recommendations were made by Gallina detailing how to correct this material weakness. The recommendations consisted of modifying each fund's chart of accounts pertaining to revenues, adopting and publishing written guidelines that ensure the accurate classification of revenues by type of revenue source, and doing a monthly review of transactions posted to the "Miscellaneous" account to ensure that revenues get posted to the appropriate revenue accounts in a timely fashion.

Response from the office of the Auditor-Controller to these recommendations indicated that a detailed evaluation would be conducted to determine the extent to which Gallina's recommendations would be implemented.

Gallina's 2010 Management Report indicates that its recommendations had not been implemented by the office of the Auditor-Controller, nor had a detailed evaluation been performed regarding implementation of the recommendations.

This appears to be another example of the continued lack of transparency of the County's finances, as well as a lack of accountability of the office of the Auditor-Controller.

Year End Closing Procedures

Except for larger departments, such as Health & Human Services and the Sheriff's Department, information for payables and receivables for the year end closing of the books is collected by the Auditor-Controller's office, independent of other department participation. Gallina noted that these transactions do not provide enough information to accurately record all adjustments necessary to convert the County's general ledger to a basis which conforms to existing reporting standards. Further, in those cases where participation from departments was solicited, information was not provided soon enough so that adjustments could be posted before the books were closed.

This identified inaccurate and incomplete closing process results in audit adjustments, which are considered a strong indicator of a material weakness in internal controls over financial reporting. In contrast, a closing process that involves input from others and adheres to a well-documented process having assigned responsibilities and due dates results in accurate and complete account balances.

In that regard, Gallina recommended that the year end closing procedures be documented in a checklist that indicates who will perform each procedure and when completion of each procedure is due. To date, there is still no year end closing checklist developed by the office of the Auditor-Controller.

Further, the County's general ledger is not set up in a way that financial statements can be printed out electronically. For approximately 20 years, until fiscal year 2009, the year end closing of the financial statements was done manually by Assistant Auditors. Due to illness, the former Assistant Auditor was not available to perform the year end closing for fiscal year 2009; the County hired an outside consultant to close the books.

This is another example of the inefficient use of the electronic accounting system, unnecessary expenditures to the County, as well as a lack of accountability of the office of the Auditor-Controller.

Journal Entry Process

For the past three years, Gallina has recommended that the County implement the use of a standard journal entry form, available in electronic format, and require all department personnel to complete it in cases where corrections to accounts are required. Currently, the staff in the Auditor-Controller's office manually prepares journal entries in response to requests received from departments sent by email or by notes or memos dropped off at the office. In some cases, journal entries are recorded solely at the discretion of the Auditor-Controller's staff.

Journal entries prepared by the Auditor-Controller's office manually on behalf of, and at the request of, departments use staff resources that could be better utilized elsewhere. Departments are held more accountable for the accuracy of their financial accounts when they are also responsible for preparing corrections using a standard journal entry form which is authorized by department supervisors. Further, corrections which are made by the Auditor-Controller's office in response to a department request may lack proper approval from departmental supervisors whose accounts are being adjusted.

Most County departments are currently not allowed to enter journal entries directly into the accounting system, although the Auditor-Controller stated to the BOS on June 15, 2010, that departments would have journal entry access for fiscal year 2010-2011.

This is another example of the inefficient use of the electronic accounting system, the inefficient use of the Auditor-Controller's staff, the inefficient use of department staff, as well as lack of accountability of the Auditor-Controller.

Inadequate Management of the Auditor-Controller's Office

The Auditor-Controller graduated from Golden Gate University with a degree in business in 1969, and worked as a bookkeeper at the Tudor Warehouse Company in Yuba City. He was elected to the office of the Yuba County Auditor-Controller in January 1975, and has run unopposed (except once) and held office for ten consecutive terms. The Auditor-Controller does not have a CPA certification and/or a certification from the Institute of Internal Auditors showing that he is a designated professional internal auditor. The Auditor-Controller also did not obtain any other credentials in the accounting and auditing field. Until June 30, 2010, there was neither a CPA nor a certified auditor within the office, except for one year.

The Auditor-Controller has not been trained on the County's accounting software system. In fact, he last logged onto it in 2006. Further, only this year has his staff received training on the program via an online training session, although training has been available for years, both online and in person, from the software's developer.

The accounting software system has the capability to allow each department to enter journal entries electronically as they did in the past. However, the Auditor-Controller stopped this practice, and has required each department to manually prepare its financial information, including payroll, which is then sent over to the Auditor-Controller's office to be entered into the program electronically.

The current job descriptions for the staff require considerably more training and education than the staff actually has. Specifically, the job descriptions of all but one of the staff positions require at least two years of college. It does not appear that present staff is encouraged to attend or even provided with opportunities to attend relevant training.

The required qualifications for the Auditor-Controller are set forth in the County Ordinance Code and have not been revised in decades, even though there has been a change in the Government Code requiring continuing education.

At the June 15, 2010, BOS meeting, the Auditor-Controller stated that his Assistant Auditors over approximately the past 20 years were responsible for preparing the year end closing of the books. As a result, when the previous Assistant Auditor became unavailable due to illness, the Auditor-Controller

was not able to take over that job duty and the County was obliged to hire an outside consultant to close them.

There is no policy & procedures manual within the office of the Auditor-Controller describing the procedures for preparing the various accounting/auditing activities, such as cash flow analysis and the year end closing of the books. The lack of a policy & procedures manual has been pointed out by the outside auditor, as well as by the BOS. When asked by BOS members how he would know whether his Assistant Auditors were preparing the end of year closing of the books properly, the Auditor-Controller stated that he relies on the outside auditor to let him know. The Auditor-Controller also told the Grand Jury that there will be no preparation of a policy & procedures manual in his lifetime.

The primary purpose of the Auditor-Controller's office is to conduct audits, not data entry. An audit is an accounting procedure in which financial records are closely inspected to make sure they are accurate. The Government Codes mandate audits for various County departments on a regular basis. However, no internal audits of the County departments have been performed in years, if not decades, other than those involving the office of the Treasurer and the yearly audit of the County by an independent outside auditor. No monthly cash flow analysis is done.

Further, the office of the Auditor-Controller has developed a reputation among County departments of being hard to work with. Requests for reports, information, and phone requests are frequently not answered. Without knowledge of the Auditor-Controller, the former Assistant Auditor secretly provided necessary information to various departments, using the code name "Aunt Melba."

Further, it was reported to the Grand Jury during numerous interviews that the Auditor-Controller spends an insufficient amount of time in his office. This makes him unavailable to supervise his staff or respond immediately to the needs of departments and districts.

Inadequate Oversight of the Auditor-Controller's Office by the Board of Supervisors

On November 30, 1966, the BOS enacted Ordinance No. 298 making California Government Code Section 26945 (Auditor Qualifications) applicable in Yuba County and adopting, by reference, the qualifications listed in that section. See sections 2.43.010 and 2.43.020 of the Yuba County Ordinance Code.

Section 26945.1 of the Government Code addresses the requirement for at least 40 hours of continuing education within every two-year period, and outlines what qualifies as continuing education. Section 26946 of the Government Code then provides the authority for the BOS to adopt this requirement, by unanimous vote with all members present as and prior to the first day of the period for filing declarations of candidacy for the office of Auditor-Controller. To date, the BOS has not voted to include the expanded qualifications requirements for Auditor-Controller.

The Auditor-Controller is presently an elected official. The BOS does not have the same authority over an elected official that it has over an office appointed by the BOS. The BOS, pursuant to California Government Code Section 26882-26886, does have the authority to adopt resolutions requiring the Auditor-Controller to prepare such reports as the BOS deems necessary.

While it is true that elected officials are accountable to the People, it is unrealistic to expect the general public to have knowledge of the internal and, in this case, dysfunctional operations of the County Government. The duties of the Auditor-Controller include researching, preparing, analyzing, and compiling financial data to ensure the accuracy of the County's financial records, as well as scrutinizing the County's financial records for any possible mishandling or fraud. This is indeed a critical component to the economic well-being of the County, especially during difficult economic times. It appears to this Grand Jury that such duties have not been performed in a satisfactory manner by the office of the Auditor-Controller for years. The BOS is aware of the performance of the Office of the Auditor-Controller and has expressed concerns, but does not appear to have exercised its authority under Government Code section 26882-26886. Unless the Board of Supervisors implements appropriate oversight of the office of the Auditor-Controller's office with the authority available pursuant to the applicable Government Code, the problems outlined in this report will not be corrected and will recur.

A board of supervisors has the necessary authority to ensure that appointed department heads perform in an efficient and effective manner. Per Government Code 26980, a BOS may establish an office of Director of Finance (which would consolidate the offices of Auditor-Controller and Treasurer-Tax Collector), if approved by a majority vote of the electorate. The voters could designate that the Director of Finance be appointed rather than elected. Government Code 24009 (b) allows the elective position of Auditor-Controller to be made appointive, without the consolidation with another office, again by majority vote of the electorate.

FINDINGS

- F1. Annual audits of Yuba County's financial statements, performed by outside auditing firms, have repeatedly pointed out recurring material weaknesses within the internal controls of the operations of the Auditor-Controller's office, and corrections to such material weaknesses have not been implemented.
- F2. Trust Funds have not been closed and their monies have not been included in the General Fund or Special Fund Revenue, as required by GASB 34, which was presented in 1998.
- F3. Trust Funds are not electronically entered in the general ledger system.
- F4. The Year End Closing Procedures result in audit adjustments, which are considered a strong indicator of material weakness in internal controls over the financial reporting.
- F5. The "Miscellaneous" account holds millions of dollars which go months without being assigned to the appropriate accounts.
- F6. The general ledger is not set up in a way that financial statements can be printed out electronically.
- F7. Most Departments are prohibited from entering data electronically into the journal entry process.
- F8. The Auditor-Controller has not obtained any form of higher learning achievement since his graduation from Golden Gate University in 1969.

- F9. The Auditor-Controller has received no training, which has been available, on the existing accounting software.
- F10. In all but one position with the office of the Auditor-Controller, some form of college education is required. But up until June 30, 2010, only the Auditor-Controller has such a college degree.
- F11. The criteria for the office of Auditor-Controller in the Yuba County Ordinance Code had not been updated in decades.
- F12. There is no policy & procedures manual detailing how the operations within the Auditor-Controller's office are to be conducted.
- F13. No internal audits by the office of the Auditor-Controller have been performed in the County departments, other than of the Treasurer.
- F14. The Auditor-Controller's office has a reputation of being uncooperative.
- F15. In 1966, the BOS adopted Ordinance No. 298, which outlined the qualifications for the Auditor-Controller in Yuba County. Government Code Section 26945.1 allows the BOS to amend their ordinance and require the Auditor-Controller to obtain 40 continuing education credits every two years.
- F16. The Board of Supervisors has limited authority to adequate oversight of the office of the Auditor-Controller, when that office is filled by an elected official.
- F17. A former Assistant Auditor had to provide financial information secretly to various County departments in order for those departments to prepare their financial analyses.

RECOMMENDATIONS

- R1. Close out the Trust Funds and include those funds electronically into the General Fund or Special Fund Revenue Accounts within the general ledger system.
- R2. Adopt and publish written guidelines that ensure the accurate classification of revenues by type of revenue source.
- R3. Modify each Fund's chart of accounts to correctly identify the revenue.
- R4. Strive to eliminate the use of the "Miscellaneous" account, and do a monthly review of the transactions posted to the "Miscellaneous" account to ensure that revenues get posted to the appropriate revenue accounts in a timely fashion.
- R5. Prepare a checklist for the Year End Closing Procedures, which includes direct input from each department and indicates who will perform each procedure and when completion of each procedure is due.
- R6. Electronically enter the data necessary for the electronic preparation of the year end financial statements.
- R7. Allow departments to enter data electronically into the journal entry process.

- R8. The Board of Supervisors adopt and enforce Government Code Section 26945.1, which requires an Auditor-Controller to obtain 40 hours of continuing education in the accounting field every two years.
- R9. The Auditor-Controller obtain training on the accounting software.
- R10. Hire only applicants whose qualifications meet the job descriptions for those positions within the Auditor-Controller's office.
- R11. Training and education in the accounting field be offered to the Auditor-Controller's staff, and the Auditor-Controller encourage the staff to take advantage of the tuition assistance, when available.
- R12. Amend sections 2.43.010 and 2.43.020 of the Yuba County Ordinance Code to be consistent with sections 26945 through 26946 of the California Government Code.
- R13. Prepare a Policy & Procedures Manual outlining how each operation within the office of the Auditor-Controller is to be conducted.
- R14. Pursuant to Government Code Sections, the Office of the Auditor-Controller perform the mandated audits.
- R15. The staff and management of the Auditor-Controller's office receive customer service training.
- R16. The Board of Supervisors ensure all material weaknesses and significant deficiencies are addressed, resolved and reported to the BOS.
- R17. Pursuant to Government Code Sections 26882-26886, the Board of Supervisors issue resolutions requiring that the office of the Auditor-Controller prepare such reports as the BOS deems necessary.
- R18. Pursuant to Government Code Section 26883, the Board of Supervisors implement a rotating schedule requiring the Auditor-Controller to audit or review the accounts and records of at least one County department each year, in order to determine whether there is adequate supervision of accounting practices and consistency in the application of those practices among County departments.
- R19. The Board of Supervisors adopt a resolution, to place on a ballot, the Office of Auditor-Controller as an appointed position pursuant to Government Code sections 24009 (b) or 26980(b).
- R20. The Board of Supervisors direct staff or an independent consultant to investigate and report on the process of establishing the office of Auditor-Controller as an appointed, rather than elected, position.
- R21. The Grand Jury review the office of the Auditor-Controller next year.

REQUEST FOR RESPONSES

Pursuant to Penal Code Section 933.05, the Grand Jury requests responses as follows:

From the following individuals:

- The Yuba County Auditor-Controller shall respond to Findings F1-F15, and F17, and Recommendations R1-R7 and R9-R15.
- The Yuba County Human Resource Department head shall respond to Findings F10 and F12 and Recommendations R10 and R13.
- The Yuba County Administrative Officer shall respond to Findings F17 and R11.

From the following governing bodies:

- The Yuba County Board of Supervisors shall respond to Findings F1, F13, F15-17 and Recommendations R8, R12-R20.

The governing bodies indicated above should be aware that the comment or response of the governing body must be conducted subject to the notice, agenda and open meeting requirements of the Brown Act.

Reports issued by the Civil Grand Jury do not identify individuals interviewed. Penal Code Section 929 requires that reports of the Grand Jury not contain the name of any person, or facts leading to the identity of any person who provides information to the Civil Grand Jury. The California State Legislature has stated that it intends the provisions of Penal Code Section 929 prohibiting disclosure of witness identities to encourage full candor in testimony in Civil Grand Jury investigations by protecting the privacy and confidentiality of those who participate in any Civil Grand Jury investigation.

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Report

Has a Flood of Money Protected Yuba County?

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