Stanislaus County Civil Grand Jury
Stanislaus County Audit
Case #11-31GJ

SUMMARY:

The 2010/2011 Stanislaus County Civil Grand Jury reviewed the 2010 Audit of Stanislaus County as per 925 of the California State Penal Code. The audit was conducted by the firm of Brown and Armstrong which are certified public accountants. The Stanislaus County Civil Grand Jury finds that the results of the audit prove that the accounting policies of Stanislaus County are being followed and that the office of the Stanislaus County Auditor-Controller has excellent leadership and management. Finally, the Stanislaus County Civil Grand Jury recommends that the staffing within the Stanislaus County Auditor-Controllers office not be reduced below the anticipated July 1, 2011 staffing level of thirty-three full time employees.

GLOSSARY:

Unqualified Opinion**:**	Auditor's opinion of a financial statement, given without any reservations. Such an opinion basically states that the auditor feels the company followed all accounting rules appropriately and that the financial reports are an accurate representation of the company's financial condition.
Qualified Opinion:	Qualified Opinion report is issued when the auditor encountered one of two types of situations which do not comply with generally accepted accounting principles, however the rest of the financial statements are fairly presented.
California Penal Code § 925	Requirement of Grand Juries to conduct audits of Special Legislative Districts.

METHODOLOGY OF INVESTIGATION:

The review of the 2010 Stanislaus County Audit was conducted by receiving a briefing from the accounting company of Brown and Armstrong. An interview of the Stanislaus County Auditor-Controller was also completed.

FINDINGS:

F1: An Unqualified Opinion on the Comprehensive Annual Financial Report was obtained.

F2: An Unqualified Opinion on the Health Services Agency Audit was obtained.

F3: An Unqualified Opinion on the Inmate Welfare Audit was obtained.

F4: An Unqualified Opinion on the Regional 911 Audit was obtained.

F5: An Unqualified Opinion on the Redevelopment Agency Audit was obtained.

F6: An Unqualified Opinion on the Insurance Fraud Program was obtained.

F7: An Unqualified Opinion on the North County Corridor Transportation Expressway Authority was obtained.

F8: A Qualified Opinion on Federal Compliance over Major Federal Program and on Internal Control over Federal Compliance was obtained. Two instances of non-compliance were detected and two minor audit findings were reported. All four findings have been addressed to the satisfaction of the Stanislaus County Civil Grand Jury.

F9: In order to maintain the quality of compliance to accounting policies as reported in the 2010 Stanislaus County Audit, the Stanislaus County Auditor-Controller felt that the staffing level of thirty-three full time employees was the minimum number necessary to accomplish this. The staffing level of forty-three full time employees was in place during the last audit time period of July 2009 through June 2010.

RECOMMENDATIONS

The Stanislaus County Civil Grand Jury recommends the following:

R1 – R8: The Stanislaus County Board of Supervisors should publicly recognize the outstanding efforts of the staff within the Stanislaus County Auditor-Controllers office.

R1 – R8: The Chief Executive Officer of Stanislaus County should commend the directors of each Stanislaus County Department for adhering to the accounting policies of Stanislaus County.

R9: The Stanislaus County Board of Supervisors should carefully and critically analyze any recommendation to reduce staffing in the Stanislaus County Auditor-Controllers department.

REQUESTS FOR RESPONSES:

No responses required.

This report of case #11-31GJ is issued by the 2010-2011 Stanislaus County Civil Grand Jury with the following exception: no members of the grand jury volunteered to recuse themselves due to a perceived conflict of interest.

Reports issued by the Civil Grand Jury do not identify individuals interviewed. Penal Code § 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 § 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