The Honorable Christopher R. Chandler
Presiding Judge of the Superior Court of California
County of Sutter
446 Second Street
Yuba City, California 95991

Dear Judge Chandler:

Submitted herewith is the combined Auditor-Controller’s and Assistant Auditor-Controller’s response to the 2010-2011 Grand Jury Report (subject: Misallocation of Bradley Burns and Transportation Tax Fund Deposits, June 23, 2011). Penal Code §933(c) and §933.05 require elected officers to respond within 60 days to the findings and recommendations of the Grand Jury. This response is submitted directly to you pursuant to Penal Code §933.05.

We commend the individual members of the Grand Jury for their public service.

We share the Grand Jury’s concerns in making Sutter County government work better. We are looking forward to working constructively and positively with the Board of Supervisors and the County Administrator’s Office to implement improvements with the objective of increasing the County’s efficiency and effectiveness.

By law the Auditor-Controller as an elected officer is also required to send a copy of this report to the Sutter County Board of Supervisors, after which they will have another 30 days to write their response. I am complying with that requirement. I trust that this combined response will likewise be distributed to all recipients of the Grand Jury’s report and all recipients of the Board of Supervisor’s response.

Sincerely,

Robert E. Stark, CPA
Auditor-Controller

Cc: Information copy to Sutter County Board of Supervisors per Penal Code §933.05.
Sutter County Auditor-Controller’s Response to 2010-2011 Grand Jury Report:

Misallocation of Bradley Burns and Transportation Tax Fund Deposits

This is the combined response of Auditor-Controller Robert Stark and Assistant Auditor-Controller Ronda Putman, each of whom received a copy of the report.

**First Finding** (in order presented)

“The Sutter County Grand Jury finds the county receives electronic funds transfers from the state for a variety of purposes. The County Auditor-Controller, Mr. Stark, is then responsible for determining the breakdown of those monies and transfers the funds into county accounts.”

**Combined Response to first finding**—We agree.

**First Recommendation** (in order presented)

“The Sutter County Grand Jury recommends the Auditor-Controller’s Office continue to scrutinize the deposits.”

**Combined Response to first recommendation**—This has been implemented. This is and will continue to be standard office procedure.

**Second Finding** (in order presented)

“The Sutter County Grand Jury finds the Auditor-Controller’s Office reversed the sales tax allocations for the Local Transportation Fund and the county General Fund. This error was the result of an unintentional reversal of the account numbers by an accountant clerk.”

**Combined Response to second finding**—We agree. However it should be noted that the position title is “accountant,” not “accountant clerk.”

**Second Recommendation** (in order presented)

“The Sutter County Grand Jury recommends the Auditor-Controller’s Office be responsible for policy and procedures to prevent error in deposits from happening in the future.”

**Combined Response to second recommendation**—This recommendation is implemented within the Auditor-Controller’s Office. Spreadsheets have been designed to track state revenue and reconcile year-to-date totals as received.

**Third Finding** (in order presented)
“The Sutter County Grand Jury finds that Ms. Putman acted within the realm of her position as the Assistant Auditor-Controller to audit the differences in the dollar amounts in the accounts of the Local Transportation Fund and the General Fund.”

Combined Response to third finding— We agree.

Third Recommendation (in order presented)

“The Sutter County Grand Jury recommends the departments be responsible for their own accounts by using the deposit permits from the Auditor-Controller’s Office to verify their deposits.”

Combined Response to third recommendation— This recommendation has always been an established control but was “superseded” by the County Administrator’s Office as reported by the Grand Jury on page 16: “This clearly demonstrated the controls designated by Mr. Stark for all county departments have been superseded by the County Administrator Officer, Ms. Larsen” [italics added]. Therefore, because this is not a change from current procedure no further action is required for implementation. Deposit permits are available/provided to all departments to facilitate the reconciliation of accounts for which they are responsible.

Fourth Finding (in order presented)

“The Sutter County Grand Jury finds the Auditor-Controller’s Office and the County Administrator’s Office each conducted their own investigation into the misallocation of tax funds.”

Combined Response to fourth finding— We agree.

Fourth Recommendation (in order presented)

“The Sutter County Grand Jury recommends the line of communication between departments be open and approachable.”

Combined Response to fourth recommendation— This has been implemented to the extent for which the Auditor-Controller’s Office is able since it involves other departments. We will continue to work to improve the quality and timeliness of our communication.

Fifth Finding (in order presented)

“The Sutter County Grand Jury finds the lapse of time between February 18 through April 19, 2010 to be excessive in regard to making the necessary corrections.”

Combined Response to fifth finding— We agree and acknowledge this did take what seems to have been an excessive amount of time to make the corrections. However, this was a complex
issue which needed to be researched and there were other extenuating business and personal circumstances at the time which caused the delay.

Fifth Recommendation (in order presented)

“The Sutter County Grand Jury recommends corrections are made more promptly.”

Combined Response to fifth recommendation— Auditor-Controller’s staff has been informed of the recommendation, which we consider adequate implementation. If a similar situation occurs in the future with a potential budgetary impact the County Administrator’s Office will be timely notified.

Sixth Finding (in order presented)

“The Sutter County Grand Jury finds Mr. Stark’s policies of controls were deemed unnecessary for the general revenue budget unit by the County Administrator Officer because it is monitored and managed by the County Administrator’s Office staff.”

Combined Response to sixth finding— We agree.

Sixth Recommendation (in order presented)

“The Sutter County Grand Jury recommends that each department be held responsible for the accuracy of the deposits for their accounts made by the Auditor-Controller’s Office.”

Combined Response to sixth recommendation— This recommendation appears to be directed to the Board of Supervisors which is responsible for the supervision of the various county departments. Accordingly, the Auditor-Controller’s Office will take no action to implement this recommendation without direction from the Board of Supervisors.

Seventh Finding (in order presented)

“The Sutter County Grand Jury finds the Board of Supervisors approved a budget amendment & directed the Auditor-Controller to make all adjustments, and were finalized by October 6, 2010. (Minutes Approved on May 18, 2010, Book 3-J page 469.)”

Combined Response to seventh finding— We agree.

Seventh Recommendation (in order presented)

“The Sutter County Grand Jury recommends the county departments work together, to be more proficient, with their interdepartmental communication skills, to minimize the amount of time for problem solving.”
Combined Response to seventh recommendation—The Auditor-Controller’s Office has already implemented this recommendation within the office. Proficiencies in communication skills among Auditor-Controller employees in grammar, writing and speaking skills are emphasized in employee evaluations. At staff meetings training opportunities are encouraged such as courses on grammar, office communications and report writing. Training in oral communication and public speaking is encouraged by participation in organizations such as Toastmasters International. Discussions at staff meetings frequently include topics such as appropriate email communication and telephone etiquette. When considering job applicants, much weight is given to proficiency in communication and interpersonal relations.

Submitted by,

Robert E. Stark, CPA
Auditor-Controller

Ronda G. Putman
Assistant Auditor-Controller

July 20, 2011