

THOMAS O. MAHON
COUNTY AUDITOR-CONTROLLER

CHRISTINE L. COHEN
ASSISTANT AUDITOR-CONTROLLER



CHIEF DEPUTIES:
CAROL A. ABELLA
BARBARA J. LOPEZ
DWAYNE L. McWATERS
JAMES M. TAMEKAZU

COUNTY OF VENTURA CAO
RECEIVED
95 AUG 29 AM 8:36

COUNTY AUDITOR-CONTROLLER

GOVERNMENT CENTER
Administration Building, L #1540
800 South Victoria Avenue
Ventura, CA 93009
Telephone: (805) 654-3152

August 27, 1996

The Honorable Robert C. Bradley
Presiding Judge
Ventura County Superior Court
800 South Victoria Avenue
Ventura, CA 93009

Dear Judge Bradley:

SUBJECT: RESPONSES TO THE 1995-96 GRAND JURY REPORT

In compliance with California Penal Code section 933(c) the following response to the Grand Jury Report is submitted.

General Services Agency (GSA) Purchasing, Purchase Order Checks (POC)

The following are responses to recommendations made for Purchase Order Checks (POCs) that relate to the Auditor-Controller's Office:

2. Recommendation. Department trust accounts should be established for unplanned/emergency purchases, and one-time purchases under \$600. The accounts should be maintained by each department and monitored by the Auditor-Controller's Office. A "Request for Payment" (RFP) should be prepared by individual departments and audited by the County Controller's Office to replenish their trust fund.

Response. We support his proposal but on a limited basis. It appears that the intent here is to reduce/avoid the use of POCs. We support the elimination of POCs and are working with Purchasing toward that end. Under development is the use of Purchase Cards and the greater delegation of purchasing authority to the departments. The proposed trust funds are in effect large petty cash accounts which would tie up considerable cash and

The Honorable Robert C. Bradley
August 27, 1996
Page 2

not provide as effective a control as the solutions currently being developed. We believe that the recommendation has use in certain circumstances but should be severely restricted.

6. Recommendation. A security procedure must be established to protect against fraudulent use of procurement cards when they become available.

Response. We agree with the recommendation. Procedures have been developed whereby the cardholder's supervisor will review and approve all purchases. The Auditor-Controller's Office will also receive a copy of the invoice for review before processing payment.

7. Recommendation. A regular financial audit should be performed monthly on the POC account as long as this procedure is being used.

Response. We believe the intent of this recommendation is currently being met. The Auditor-Controller's Office reviews copies of all issued POCs on a weekly basis for appropriateness. The Auditor-Controller's Office also reviews the POC reconciliation prepared by GSA Central Accounting.

Proposition 172 First Final Report January 1996

Enclosed is a copy of our response to the Grand Jury's April 10, 1996, 2nd Interim Final Report.

Sincerely,



THOMAS O. MAHON
Auditor-Controller

TOM:ma:1646

Enclosure

cc: Honorable John K. Flynn
Honorable Maggie Kildee
Honorable Susan K. Lacey
Honorable Judy Mikels
Honorable Frank Schillo, Chair
M. L. "Lin" Koester, CAO