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July 28, 1999

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Honorable Charles Campbell
Presiding Judge of the Superior Court
Ventura County Hall of Justice
800 South Victoria Avenue
Ventura, CA 93009

Dear Judge Campbell:

The enclosed represents the response of the Auditor-Controller's Office to the 1998-99 Ventura County Grand Jury report titled: *The Ventura County Adopted Budget Book Review*.

Before addressing each conclusion in the report, I would like to clarify that the Adopted Budget Book is prepared in accordance with the regulations issued by the State Controller and found in the Code of Regulations. This book is used mostly by the technicians in the field, and not originally structured to provide information to the public. We have made additions to this book over the years to make it more readable, and are seriously considering creating a second book that would be more tailored to the needs of the public. Cost has been a consideration, which has not permitted us to do this in the recent past.

Thank you for the opportunity to respond to this report. If you have any questions, please contact me at 654-3151.

Sincerely,

Thomas O. Mahon
Auditor-Controller

TOM:ya:2250

Enclosure

cc: M. L. Lin Koester, Chief Administrative Office

RESPONSE TO GRAND JURY REPORT

Conclusion	Response
1. The book needs tabs.	Concur. Cost has been a factor, as this would add \$2.50 to the cost of each book.
2. The book needs an Executive Summary, Introduction, and Summary. There should be a description of the book and instructions for using it.	Concur. We will coordinate with the Chief Administrative Office to include an executive summary, introduction, and summary. Time permitted, we will also include a section of instructions on how to use the book.
3. Page numbers for the pie charts, w-y chart, and bar chart should appear in the index (table of contents). They should be explained and correlated with the data they represent.	Concur.
4. The consolidated Budget Summary, on Page 1, is bewildering. The reason for consolidating all of the funds into those four specific funds needs an explanation.	Concur. The consolidation is done at the direction of the State Controller, and allows them to summarize similar information from all counties reports.
5. The origin of all the amounts on Page 1 should be revealed.	Concur. This can be accomplished through the instruction guide and/or footnotes.
6. The pie chart titled, "Financial Requirements - All Funds" on Page 2 of the Budget Book, Figure 5, is an orphan. Its purpose should be stated, as well as the source of the data consolidated by it. The significance of those specific seven funds, while there are so many other funds, should be stated.	Concur. This can be accomplished through the instruction guide and/or footnotes.
7. The other four pie charts, w-y chart, and bar chart should also be explained and correlated with relevant data.	Concur. This can be accomplished through the instruction guide and/or footnotes.
8. There should be an explanation as to why the thirteen funds used in Schedule 1 ("Summary of County Budget") summarize the County Budget.	Concur. This can be accomplished through the instruction guide and/or footnotes.
9. The source of all of the data used in Schedule 1 should be identified.	Concur. This can be accomplished through the instruction guide and/or footnotes.
10. The approved funding levels that have been increased in Schedule 1 should be explained.	Partially concur. There will be limitation to the amount of information that can practically be presented in this document.
11. Schedules that do not contain data should not be included in the Book.	Partially concur. There are some schedules that are included with historical information only. This is done to insure that prior year information is still consistent. We will review whether it continues to be necessary to reflect this information.
12. Since the Ventura County Financial Management System (VCFMS) works with 86 funds, they should all appear in the Budget book.	Do not concur. The Ventura County Financial Management System includes funds that are not under the control of the Board of Supervisors, but are tracked because the cash is invested with the Treasurer. It would not be appropriate to reflect all these funds in the County's budget book.
13. State and federal funds transferred to Ventura County, and limitations on those funds, should be identified.	Partially concur. This conclusion goes beyond the budgetary aspects and limitations, if any, are determined when the accounting requirements are established.
14. Since Schedules 5 and 9 are not formatted in accordance with the requirements established by the State Controller, the inconsistencies and errors identified, in these schedules, in the "findings" section, above, should be corrected.	Do not concur. The regulations on the structure of these schedules are found in the Code of Regulations. There are no errors or inconsistencies identified in these schedules.
15. Schedule 9 should point to Schedules 5, 5A, and 5B for revenue sources.	Partially concur. We will review this in the development of the instruction guide.
16. The 1998-99 Budget Book's glossary of budget terms needs more terms.	Concur.