

# Response to Grand Jury Report

Report Title: **PROPOSITION 172 FUNDS**

Report Date: March 31, 2016

Response by: Lloyd Weer, Auditor-Controller

## Findings

I (we) agree with the findings numbered: xxx

I (we) disagree wholly or partially with the findings numbered: **F1,2,3,4**

*Attach a statement specifying the findings or portions of the findings that are disputed, and include an explanation of the reasons therefor.*

## Recommendations

Recommendations numbered **R1,2** have been implemented.

*Attach a statement describing the implement actions.*

Recommendations numbered **R3** have not yet been implemented, but will be implemented in the future.

*Attach a statement with the schedule for implementation(s).*

Recommendations numbered xxx require further analysis.

*Attach an explanation, and the scope and parameters of the analyses or studies, and a timeframe for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of publication of the grand jury report.*

Recommendations numbered xxx will not be implemented because they are not warranted or are not reasonable.

*Attach an explanation.*

Signature: Lloyd Weer Date: 03/31/16

Number of pages attached:   2  

## **FINDINGS**

F1. The current method of budgeting the distribution of Proposition 172 funds to County government public safety is not transparent, either to the public or to the County agencies eligible to receive these funds.

***The Auditor-Controller disagrees partially with this finding. The current method of budgeting the Prop 172 revenue funds works well in our County and has been in place for over 20 years. To make it easier for the public to follow, I would support changing the format in the County's budget book to clearly identify the four public safety departments that receive Prop 172 funding.***

F2. This lack of transparency violates the spirit of the original proposition and could be easily rectified by a simple alteration to the format of the County budget.

***The Auditor-Controller disagrees partially with this finding. To make it easier for the public to follow, I would support changing the format in the County's budget book to clearly identify the four public safety departments that receive Prop 172 funding.***

F3. The Auditor-Controller has been able to demonstrate the appropriate distribution of Proposition 172 Funds to municipalities within the County. However, the Auditor-Controller has been unable to demonstrate that the remaining Proposition 172 revenues have been entirely distributed to County public safety agencies as required.

***The Auditor-Controller partially disagrees with this finding. This was demonstrated to the Grand Jury through the County's Net County Cost (NCC) method of budgeting. The remaining Prop 172 revenue funds are deposited into Budget Unit 1000 Non Departmental Revenues. From here they are distributed to the four public safety departments through their annual NCC assignments. The MOE calculation confirms that the Prop 172 funds have been properly distributed.***

F4. The failure to update the MOE calculation annually as required, has placed the County in a position of non-compliance with State requirements.

***The Auditor-Controller disagrees with this finding. The MOE calculations have been prepared as required. Each and every MOE calculation has clearly shown the County is in compliance with State Requirements.***

## RECOMMENDATIONS

R1. The CEO and the Auditor-Controller adopt a method of budgeting Proposition 172 funds to County government public safety in a manner that is transparent to the public and to affected agencies, and employ this method for FY2016-2017 and subsequent budget cycles. (F1-F3)

***This recommendation has been implemented. Beginning with the 2016/17 budget process, Public Safety departments have been instructed to budget their full distribution of Prop 172 funds as a separate revenue line item in their Budget Unit.***

R2. The new budgeting method clearly demonstrates the full distribution of Proposition 172 funds to County public safety agencies. (F1-F3)

***This recommendation has been implemented. Beginning with the 2016/17 budget process, Public Safety departments have been instructed to budget their full distribution of Prop 172 funds as a separate revenue line item in their Budget Unit.***

R3. The Auditor-Controller resume performing the MOE calculation annually and report on its completion to the Board of Supervisors annually as well. (F4)

***This recommendation has not yet been implemented, but will be in the future. Beginning with the 2016/17 budget process, Auditor-Controller will work with the CEO's office to determine the best way to present the MOE calculation as part of the final budget process.***