

Grand Jury Report Response Form

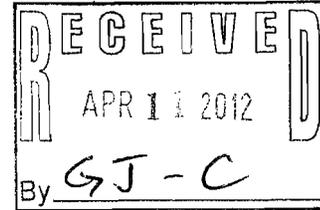
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Grand Jury Report Title: City Treasurer Functional Review

Dated: January 12, 2012

Response Form Submitted By:

Andrew T. Suihkonen, CPA
Treasurer, City of Vacaville
650 Merchant Street
Vacaville, CA 95688



(Memo: E-Mailed to: cmstrickland@solano.courts.ca.gov)

I have reviewed the report and submit my responses to the FINDINGS portion of the report as follows:

I Agree with all three findings numbered #20, #21, & #22

I have reviewed the report and submit my responses to the RECOMMENDATIONS portion of the report as follows:

I agree completely with the Recommendations for findings #20 and #22.

I do not entirely agree with Recommendation #21. The City of Vacaville is working to meet the spirit of this item and I have contacted the Offices of Lois Wolk and Mariko Yamada to have Section 41004 of the code reviewed and possibly amended. Please see the attached.

I have completed the above responses and have attached the following number of pages to this response form:

Number of pages attached: 2

I am emailing word documents and a scanned pdf file to Presiding Judge Paul Beeman at the following address: cmstrickland@solano.courts.ca.gov.

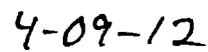
I am mailing originals to:

Solano County Grand Jury
600 Union Avenue
Fairfield, CA 94533

Respectfully,

Andrew T. Suihkonen, CPA
Treasurer, City of Vacaville







ESTABLISHED 1850

CITY OF VACAVILLE

650 MERCHANT STREET
VACAVILLE, CALIFORNIA 95688-6908
www.cityofvacaville.com

STEVE HARDY Mayor
DILENNA HARRIS Councilmember

RON ROWLETT Vice Mayor
CURTIS HUNT Councilmember

MITCH MASHBURN Councilmember

April 5, 2012

To: Honorable Judge Paul Beeman
600 Union Avenue
Fairfield, CA 94533

From: Andrew T. Suihkonen, CPA
City Treasurer, City of Vacaville

Re: *Response to Grand Jury Report "City Treasurer Functional Review"*

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Honorable Judge Beeman,

As mandated by California Penal Code section 933.05 I am responding to the findings and recommendations contained in the 2011/2012 Grand Jury Report concerning the City Treasurer Functional Review.

Finding 20 (as numbered in the report)

The City of Vacaville does not have a single formal document that clearly and succinctly identified the functions, duties, and responsibilities required of the City Treasurer.

Recommendation 20

City of Vacaville identify and formalize in a single document the functions, duties, and responsibilities required of the City Treasurer.

Response to Finding 20

The City Treasurer agrees with the finding. City staff is working on this document and expects it to be adopted at a future City Council Meeting.

Finding 21

The City of Vacaville Treasurer did not issue accounting reports required by California Government Code Section 41004 which stated "Regularly, at least once each month, the city treasurer shall submit to the city clerk a written report and accounting of all receipts, disbursements, and fund balances. He shall file a copy with the legislative body".

Recommendation 21

City of Vacaville Treasurer ensure that the monthly reporting requirements identified by California Government Code 41004 are performed.

Response to Finding 21

The City Treasurer agrees with the finding. The monthly reports currently issued do not report the fund balances of the various funds. This Grand Jury report found that not one city in Solano County is currently in full compliance with Code Section 41004. Code Section 41004 was written in 1953 and consists of just two short sentences and, unfortunately, those sentences no longer makes sense. Preliminary review indicates full compliance would generate up to 8,000 pages of paper per month (and many, many man-hours of work) to provide this information to the City Council. City staff is working with the software developer to potentially provide this information electronically to those who wish to read it. Although I agree we are not in full compliance with Code Section 41004 I believe full compliance would not be cost effective. In today's economy businesses and governments (at all levels) must be careful of waste.

In the world of "Auditing" there is a term "SALY" (pronounced Sally) that refers to following audit procedures not because they are justifiable, but because they were done the year before ("Same As Last Year"). I fear this is what Section 41004 is forcing us to do. City governments have many safeguards in place to reduce errors and defalcations. They use internal auditors, the elected treasurer, and the annual audit by the independent certified public accountants. I do not believe the lack of providing monthly fund balances adds any significant risk.

I have written to Senator Lois Wolk and Assembly Member Mariko Yamada to request a review of the code section. In the meantime, I believe the work of the city staff in attempting to provide a digital report meets the "Spirit" of the code.

Finding 22

The City of Vacaville's organization chart incorrectly showed the City Treasurer reporting to the City Council. As an elected official, the City Treasurer answers directly to the electorate.

Recommendation 22

City of Vacaville review and revise, as needed, the City's organization chart to accurately reflect the City Treasurer's position and role in city government.

Response to Finding 22

The City Treasurer agrees with this finding. City staff has revised the organization chart.

Respectfully Submitted,



Andrew T. Suihkonen, CPA
Treasurer, City of Vacaville