COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER

KENNETH HAHN HALL OF ADMINISTRATION
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LOS ANGELES, CALIFORNIA 90012-2766
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J. TYLER McCAULEY
AUDITOR-CONTROLLER

May 17, 2007

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

APPROVE ORDINANCE AMENDING THE QUARTERLY AUDITS ORDINANCE
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

Approve, introduce, waive reading, and place on your Board's agenda for adoption the attached ordinance amending Title 2, Chapter 2.10.070 *Quarterly Audits* of the Los Angeles County Code.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

California Government Code Section 26920(a) requires quarterly reviews of the Treasurer's statement of county assets. In 1993, pursuant to California Government Code Section 26920(a), your Board adopted Chapter 2.10.070 of the County Code, *Quarterly Audits,* requiring the County auditor to perform the review of treasury assets. In January 2007, California Government Code Section 26920(a) was amended to allow the county auditor to review, *or cause to be reviewed*, the treasury assets. The amendment also requires the review to be done in accordance with appropriate professional standards. The recommended amendment will make the County Code consistent with State law, and allow flexibility in who performs the quarterly reviews of treasury assets.

Implementation of Strategic Plan Goals

The recommended action is consistent with the Department's mission to safeguard the County's financial integrity and ensure compliance with fiduciary responsibilities and professional mandates.

FISCAL IMPACT/FINANCING

Not applicable.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Your Board adopted section 2.10.070 of the County Code, *Quarterly Audits,* in 1993 to implement California Government Code Section 26920(a) requirement that the auditor conduct quarterly reviews of treasury assets. In January 2007, Government Code Section 26920(a) was amended to allow the auditor to conduct the review, or *cause the review* to be performed. The amendment also broadened the professional standard under which the review must be conducted. The recommended action will bring the County Code in conformance with those Government Code revisions.

The accompanying ordinance was drafted by County Counsel.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Not applicable.

NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORTS

Not applicable.

CONCLUSION

Please return one adopted copy of this letter to the Offices of the County Counsel, Auditor-Controller and the Chief Administrative Office.

Very truly yours,

Tyler McCauley
Auditor-Controller

JTM:MMO:JLS:TK
TTC Government Code Board Letter

Attachments

c: David E. Janssen, Chief Administrative Officer
Raymond g. Fortner, Jr. County Counsel
Sachi A. Hamai, Executive-Officer
Mark J. Saladino, Treasurer and Tax Collector

ANALYSIS

This ordinance amends Chapter 2.10 of Title 2, Administration, of the Los Angeles County Code to conform to changes to state law.

RAYMOND G. FORTNER, JR.
County Counsel

By
THOMAS M. TYRRELL
Principal Deputy County Counsel
Government Services

TMT:htb

10/6/06 (requested)
5/10/07 (revised)

ORDINANCE NO. _____

An ordinance amending Chapter 2.10 of Title 2, Administration, of the Los Angeles County Code, relating to Quarterly Treasurer's Statement; Auditor's review and annual audit.

The Board of Supervisors of the County of Los Angeles ordains as follows:

Section 1. Section 2.10.070 is hereby amended to read as follows:

2.10.070 Quarterly treasurer's statement; auditor's review and annual audit.

A. The treasurer must prepare a quarterly statement of the amount and type of county treasury assets. The auditor must review, <u>or cause to be reviewed, in accordance with appropriate professional standards,</u> the quarterly statement of assets and report the review to the board of supervisors ~~in compliance with the American Institute of Certified Public Accountants' Statements on Standards for Accounting and Review Services~~ including:

1. Counting the cash in the county treasury;

2. Verifying that the treasurer's and auditor's records are reconciled in conformance with Government Code section 26905.

B. The auditor must annually perform or cause to be performed an audit of county treasury assets addressed to the county board of supervisors expressing an opinion whether the treasurer's statement of assets is presented fairly and in accordance with generally accepted accounting principles. The review required by subdivision (a) need not be performed for the period when an audit is conducted in accordance with this subdivision.

C. A copy of the quarterly reviews and the annual audit report must be filed in the office of the clerk of the board of supervisors and a second copy must be posted and maintained in the office of the auditor for at least one quarter.

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