



A Tradition of Stewardship  
A Commitment to Service

Auditor-Controller

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Tracy A. Schulze  
Auditor-Controller

July 13, 2011

**FILED**

JUL 27 2011

Clerk of the Napa Superior Court  
By: C. Brennan  
Deputy

The Honorable Diane M. Price  
Presiding Judge  
Superior Court of the State of California  
County of Napa  
825 Brown Street  
Napa, CA 94559

RE: 2010-2011 Grand Jury Report  
Napa County's Financial Gatekeeper - The Auditor-Controller

Dear Judge Price:

Thank you for your report on Napa County's Financial Gatekeeper - The Auditor-Controller. I truly appreciate the hard work and dedication the members of the 2010-2011 Grand Jury put towards this effort.

In accordance with Section 933(a) of the California Penal Code, please find the attached Auditor-Controller responses as requested to findings 1, 2, 3, 4, 5, and 6, and recommendations 1, 2, 3, 4, and 5. If you have any additional questions or need any further information, please do not hesitate to contact me at 707-299-1733.

Sincerely,

Handwritten signature of Tracy A. Schulze in cursive.

Tracy A. Schulze  
Auditor-Controller

Cc: Judith Bernat, Forewoman 2010-2011 Napa County Grand Jury  
Napa County Board of Supervisors  
Nancy Watt, Napa County Executive Officer

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Napa Superior Court

**Napa County**  
**Responses to Grand Jury Report**  
**Napa County's Financial Gatekeeper The Auditor-Controller**  
**Fiscal Year 2010-2011**

**Responses to Findings:**

**Finding #1.** The County does not provide formal training for grant procedures and application writing.

***Response, County Auditor-Controller.*** The Auditor-Controller agrees with this finding as it pertains to a county-wide training. Department Heads have the ability to send their employees to grant writing training if the costs are within their training appropriations.

**Finding #2.** The Auditor-Controller is using an excessive number of accounts (about 3500) in its chart of accounts.

***Response, County Auditor-Controller.*** The Auditor-Controller agrees with this finding.

**Finding #3.** Personal credit cards are being used for some purchases by Napa County employees.

***Response, County Auditor-Controller.*** The Auditor-Controller agrees with this finding.

**Finding #4.** The County is not using CAL-Card

***Response, County Auditor-Controller.*** The Auditor-Controller agrees with this finding.

**Finding #5.** The "Procure to Pay" process of PeopleSoft® is under-utilized.

***Response, County Auditor-Controller.*** The Auditor-Controller agrees with this finding.

**Finding #6.** The Auditor-Controller does not publish a brief summary of the County's financial condition.

***Response, County Auditor-Controller.*** The Auditor-Controller agrees with this finding.

**Napa County**  
**Responses to Grand Jury Report**  
**Napa County's Financial Gatekeeper The Auditor-Controller**  
**Fiscal Year 2010-2011**

**Responses to Recommendations:**

**Recommendation #1** County departments start to use the CAL-Card

*Response, County Auditor-Controller.* This recommendation requires further analysis due to the potential risks associated with county issued credit cards. There are definite efficiencies and advantages to using the CAL-Card, however allowing all departments to use them may not be in the best interest of the County. The Auditor-Controller supports very limited and highly controlled use of the CAL-Card and is in the process of recommending a pilot program for a small number of departments with policies approved by the Board of Supervisors prior to program implementation. The Auditor-Controller anticipates implementation of this pilot program by December 2011, pending available resources.

**Recommendation #2** The PeopleSoft® "Procure to Pay" process be fully configured and implemented for use by all County Departments by the end of the fiscal year 2011-2012.

*Response, County Auditor-Controller.* The recommendation has not yet been implemented, but will be implemented in the future. This has been a collective initiative of the Auditor-Controller, the Information Technology Officer, and the Purchasing Manager. There are many design steps and procedures to create in order for implementation to be successful, such as automated workflow and imaging of documents. There is also a considerable amount of training that needs to be conducted for all County departments, to ensure consistent and informed use of the system. The Auditor-Controller anticipates the entire process to be implemented by the end of fiscal year 2012-2013, pending available resources.

**Recommendation #3** The Auditor-Controller implement a consolidated chart of accounts of 500 or less within one year.

*Response, County Auditor-Controller.* The recommendation has not yet been implemented, but will be implemented in the timeframe stated. The revised, consolidated, chart of accounts will be used beginning with fiscal year 2012-2013.

**Napa County**  
**Responses to Grand Jury Report**  
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**Fiscal Year 2010-2011**

**Responses to Recommendations - Continued:**

**Recommendation #4** The Auditor-Controller publish an annual printed summary providing a brief overview of the County's financial condition within one year.

***Response, County Auditor-Controller.*** The recommendation has not yet been implemented, but will be implemented by the January 31, 2012, for the County's financial statements covering fiscal year 2010-2011, pending available resources.

**Recommendation #5** The Auditor-Controller include on the County's website an annual summary providing a brief overview of the County's financial condition within one year.

***Response, County Auditor-Controller.*** The recommendation has not yet been implemented, but will be implemented by the January 31, 2012, for the County's financial statements covering fiscal year 2010-2011, pending available resources.