34

DEPARTMENT OF FINANCE

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April 7, 1988
FA:88048:BM:KMF

CITY MANAGER'S OFFICE
RECEIVED
APR 13 1988

City Council
Sacramento, CA

Honorable Members in Session:

SUBJECT: Audit of City of Sacramento's Office of Criminal Justice Planning Grants

SUMMARY

Touche Ross, our external auditors, have completed an examination of the program statements of status of cash of the City of Sacramento, for the State of California, Office of Criminal Justice Planning Grant Number GV-86017901-00, Grant Number DS-32-1-85 and the related statements of approved budget and cumulative expenditures for the grant periods July 1, 1986 to December 31, 1987 and July 1, 1985 to July 31, 1986.

This report is for Council information and requires no action.

Respectfully submitted,

Betty Masuoka

BETTY MASUOKA
Director of Finance

APPROVED FOR COUNCIL INFORMATION:

Walter J. Slipe

WALTER J. SLIPE
City Manager

FILED
APR 19 1988
BY THE CITY COUNCIL
OFFICE OF THE CITY CLERK

April 19, 1988
All Districts

Touche Ross

34

**CITY OF SACRAMENTO**

OFFICE OF CRIMINAL JUSTICE PLANNING GRANTS

REPORT ON EXAMINATION OF

PROGRAM STATEMENTS

GV-86017901-00

July 1, 1986 to December 31, 1987

DS-32-1-85

July 1, 1985 to July 31, 1986

# CITY OF SACRAMENTO
# OFFICE OF CRIMINAL JUSTICE PLANNING GRANTS

## TABLE OF CONTENTS

Touche Ross & Co.
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**Touche Ross**

January 22, 1988

Honorable Mayor
Members of the City Council
City Manager
City of Sacramento
Sacramento, California

We have examined the program statements of status of cash of the City of Sacramento, California, for the State of California, Office of Criminal Justice Planning (OCJP) grant number GV-86017901-00 and grant number DS-32-1-85 and the related statements of approved budget and cumulative expenditures for the grant periods July 1, 1986 to December 31, 1987, and July 1, 1985 to July 31, 1986. Our examinations were made in accordance with generally accepted auditing standards; the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, promulgated by the Comptroller General of the United States, as they pertain to financial and compliance audits; and certain provisions of the OCJP Subgrantee Handbook and, accordingly, included such tests of the accounting records and such other auditing procedures as were considered necessary in the circumstances.

As described in Note A, the policy of the City is to prepare program statements on the basis of accounting practices prescribed by OCJP. These practices differ in some respects from generally accepted accounting principles. Accordingly, the accompanying statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles. This report is intended solely for filing with OCJP and is not intended for any other purpose.

In our opinion, the program statements referred to above present fairly the status of cash of the City of Sacramento, California, for the State of California, Office of Criminal Justice Planning, grant number GV-86017901-00 as of December 31, 1987, and DS-32-1-85 as of July 31, 1986, and the approved budget and cumulative expenditures for the periods indicated, on the basis of accounting described in Note A, which basis has been applied in a consistent manner.

Based on our examinations, we found that, for the items tested, the City complied with the material terms and conditions of the grant award agreements. Further, for items not tested, nothing came to our attention to indicate that the City had not complied with the material compliance terms and conditions of the grant award agreements.

Touche Ross & Co

Certified Public Accountants

Touche Ross

## CITY OF SACRAMENTO

## STATEMENTS OF STATUS OF CASH

| | Office of Criminal Justice Planning Grants | |
|---|---|---|
| | Grant GV-86017901-00 | Grant DS-32-1-85 |
| | July 1, 1986 to December 31, 1987 | July 1, 1985 to July 31, 1986 |
| State cash received | $79,556 | $158,561 |
| State expenditures | 79,556 | 158,561 |
| Cash on hand due to OCJP at end of grant period | $ | $ |

See notes to program statements.

## CITY OF SACRAMENTO

## STATEMENTS OF APPROVED BUDGET AND CUMULATIVE EXPENDITURES

| | Office of Criminal Justice Planning Grants | | | |
|---|---|---|---|---|
| | Grant GV-86017901-00 | | Grant DS-32-1-85 | |
| | July 1, 1986 to December 31, 1987 | | July 1, 1985 to July 31, 1986 | |
| | Budget | Expenditures | Budget | Expenditures |
| Personal services | $ 51,838 | $51,746 | $147,529 | $127,773 |
| Employee benefits | 26,388 | 26,385 | 51,923 | 42,704 |
| Travel | 2,924 | 1,425 | 1,436 | 1,436 |
| Consulting services | | | 4,000 | 4,000 |
| Operating expenses | 1,450 | | 49,420 | 35,499 |
| Equipment | 32,400 | | | |
| | $115,000 | $79,556 | $254,308 | $211,412 |
| State funded percentage | | 100% | | 75% |
| Expenditures claimed | | $79,556 | | $158,561 |

See notes to program statements.

CITY OF SACRAMENTO
OFFICE OF CRIMINAL JUSTICE PLANNING GRANTS

NOTES TO PROGRAM STATEMENTS

From July 1, 1986 to December 31, 1987 (GV-86017901-00)
and July 1, 1985 to July 31, 1986 (DS-32-1-85)

## A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting**

The program statements are prepared on the basis of accounting practices prescribed by the State Office of Criminal Justice Planning (OCJP). These practices differ in some respects from generally accepted accounting principles. Accordingly, the accompanying statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

The grants awarded to the City of Sacramento were used to assist the Sacramento Police Department in developing various criminal apprehension/resistance programs.

The sources of funding were provided by both the OCJP and were matched by the City of Sacramento at prescribed grant percentages.

## B. RECONCILIATION OF RECEIPTS TO FINAL FORM 201

Receipts reported by the City of Sacramento in the final Form 201 differ from the receipts reported in the statements of status of cash as follows:

| | Grant Number | |
|---|---|---|
| | GV-86017901-00 | DS-32-1-85 |
| As reported on final Form 201 | $70,677 | $152,280 |
| Payment by OCJP to the City of Sacramento subsequent to filing of final Form 201 | 8,879 | 6,281 |
| | $79,556 | $158,561 |

## C. UNPAID OBLIGATIONS

At December 31, 1987, unpaid obligations under grant number GV-86017901-00 consisted of $22,640 for acquisition of equipment and $1,299 for operating expenses. These obligations were incurred but not paid during the extended grant period and, in accordance with OCJP guidelines, have not been included in expenditures for the grant period ending December 31, 1987.

Touche Ross

## CITY OF SACRAMENTO
## OFFICE OF CRIMINAL JUSTICE PLANNING GRANTS

### COMMENTS ON COMPLIANCE AND INTERNAL CONTROL

We have examined the program statements of the City of Sacramento, California, for the State of California, Office of Criminal Justice Planning (OCJP) grant number GV-86017901-00 for the grant period July 1, 1986 to December 31, 1987, and grant number DS 32-1-85 for the grant period July 1, 1985 to July 31, 1986, and have issued our report thereon dated January 22, 1988. As part of our examination, we made a study and evaluation of the system of internal accounting control of the City to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards and the standards for financial and compliance audits contained in the United States General Accounting Office "Standards for Audit of Governmental Organizations, Programs, Activities and Functions."

For the purpose of this report, we have classified the significant internal accounting controls in the following categories: cash receipts, cash disbursements, and payroll. The purpose of our study and evaluation was to determine the nature, timing, and extent of the auditing procedures necessary for expressing an opinion on the entity's program statements. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole or on any of the categories of controls identified above.

The management of the City of Sacramento is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of statements in accordance with generally accepted accounting principles. Because of inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

CITY OF SACRAMENTO
OFFICE OF CRIMINAL JUSTICE PLANNING GRANTS

COMMENTS ON COMPLIANCE AND INTERNAL CONTROL (Continued)

Our study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal accounting control of the City of Sacramento, California, taken as a whole or on any of the categories of controls identified in the first paragraph. Our study and evaluation disclosed no conditions that we believe to be a material weakness.

This report is intended solely for the use of management and the Office of Criminal Justice Planning and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the City of Sacramento, California, is a matter of public record.

Touche Ross & Co.

Certified Public Accountants