

Office of
COUNTY AUDITOR-CONTROLLER
Contra Costa County
Martinez, California

April 15, 2005

TO: Alfred M. Granzella, Chairperson, Treasury Oversight Committee

FROM: Stephen J. Ybarra, Auditor-Controller

Audit Staff: Joanne M. Bohren, CPA, Auditor III *JMB*

Paula C. Almeida, Auditor II *PCA*

SUBJECT: Examination of the Activities of the County Treasurer and the Treasury Oversight Committee as Required by Government Code Section 27134

EXECUTIVE SUMMARY

We have examined the accounts, records, and procedures of the County Treasurer (Treasurer) and the records and procedures of the Treasury Oversight Committee (Committee) for the period of January 1, 2004 through December 31, 2004.

We conducted the necessary audit tests and procedures to determine if, within our scope, the following conditions existed:

- There was compliance with Government Code Sections 27131 through 27132.4 that govern the establishment, membership and meetings of the Committee.
- There was compliance with Government Code Section 27133 that governs the establishment, review, and monitoring of investment policy.
- The quality of the Treasurer's investment portfolio complied with applicable laws and administrative requirements governing investments, including Government Code Sections 53601-53607 and 53646 governing authorized investments and the County's Investment Policy.
- Internal controls were adequate to ensure the safeguarding of the financial assets under the Treasurer's control.
- The Treasurer has contracted with financial entities for investment services and safekeeping and restricted investing transactions to brokers and issuers allowed by the County's Investment Policy.
- The Treasurer's Quarterly Investment Reports were accurate.

Examination of the Activities of the County Treasurer and the Treasury Oversight Committee as Required by Government Code Section 27134 (continued)

Based on the results of our audit tests and procedures, we concluded that, in all material respects, these conditions existed.

We appreciate the excellent cooperation and assistance of the Treasurer staff, especially Clarissa Javier, Beverly Rellar and Brice Bins during this audit.

STATUS OF PRIOR AUDIT RECOMMENDATION

<u>RECOMMENDATION</u>	<u>STATUS</u>
Maintain sufficient staffing for segregation of duties or establish compensating internal controls to keep control risk minimized.	Implemented.

cc: William J. Pollacek, Treasurer-Tax Collector