

Shasta County Grand Jury

2001-02 Reports

- Audit Report for the Year Ended June 30, 2001
- Shasta County Auditor-Controller
- Crystal Creek Regional Boys' Camp
- Shasta County Detention Annex
- Shasta County Juvenile Hall
- Shasta County Main Jail
- Shasta County Mental Health
- Railroad Operations in Shasta County
- Redding Police Department
- Sugar Pine Conservation Camp
- Shasta Mosquito and Vector Control District
- Grand Jury's Analysis of the Responses

SHASTA COUNTY AUDIT REPORT FOR THE YEAR ENDED JUNE 30, 2001

REASON FOR INQUIRY:

Government Code Section 25250 requires the county board of supervisors to conduct an annual audit of all county accounts and Government Code Section 3100 allows a “contract auditor” to perform the audit. Penal Code Section 925 requires the grand jury to annually examine the accounts and records of the county, Penal Code Section 926 allows the grand jury and the board of supervisors to enter into a joint contract employing a contract auditor whose audit satisfies both requirements.

BACKGROUND:

The Shasta County fiscal year 2001-2002 final budget adopted by the Board of Supervisors on September 11, 2001, totals \$321,446,357, including:

- \$276,890,479 for general operating funds
- \$31,833,394 in internal service and enterprise funds
- \$12,722,484 for special districts governed by the Board of Supervisors

The Shasta County Grand Jury and the Shasta County Board of Supervisors have formed a “Joint Audit Committee” consisting of the Shasta County Grand Jury Foreperson, members of the Grand Jury Audit and Finance Committee, the county Auditor-Controller, the county Treasurer-Tax Collector, County Counsel, County Administrative Officer (CAO) and one member of the Board of Supervisors. The Joint Audit Committee is responsible for negotiating the joint audit contract, monitoring the performance of the contract auditor and reviewing the contract auditor’s report.

On April 25, 2000, the Board of Supervisors and the 1999/2000 Grand Jury entered into a contract with the auditing firm of Vavrinek, Trine, Day and Company, LLP, 8270 Aspen Street, Rancho Cucamonga, CA. This contract expires following the completion of the fiscal year 2001-2002 audit.

Audit reports for fiscal year 2000-2001 submitted by Vavrinek, Trine, Day and Company, dated November 16, 2001, were reviewed by the Grand Jury Audit and Finance Committee. The reports state “...generally accepted Government Auditing Standards...” were followed during the audit. The documents consisted of the Annual Audit Report, the Financial Statements Report, the Treasury Oversight Committee Report and the Management Report for the fiscal year ended June 30, 2001. The Annual Audit Report consists of a review of county balance sheets, fund balances, individual financial statements, revenue funds, capital project funds, expenditures of Federal Awards, internal controls, etc., with accompanying narrative reports. The contract auditor’s proposed audit calendar and an attached memorandum identifying the areas to be audited and the audit schedule for the months of May, August, November and December 2001 were also reviewed.

METHOD OF REVIEW:

Interviews were conducted with:

- Shasta County Administrative Officer
- Shasta County Auditor-Controller
- Shasta County Assistant Auditor-Controller
- Representatives from Vavrinek, Trine, Day and Company, LLP

The Grand Jury reviewed the following materials:

- Request for Proposals for Professional Auditing Services, RFP#97-12
- Contract for services with Vavrinek, Trine, Day and Company, LLP
- Contract auditor's Management Report for the year ended June 30, 2001
- Contract auditor's Audit Report for the year ended June 30, 2001
- Contract auditor's Treasury Oversight Committee Report for year ended June 30, 2001
- Contract auditor's Financial Statements Report for year ended June 30, 2001
- The County of Shasta Final Budget, Fiscal Year 2001-2002
- Contract Auditor's Management report and Annual Audit Report for the year ended June 30, 2000

On February 6, 2002, the Joint Audit Committee conducted an exit interview with the contract auditor. During the interview, the county's financial position and internal controls, and the contract auditor's prior recommendations, current recommendations, and responsibility to maintain contact with the CAO were discussed.

FINDINGS:

1. The Shasta County Administrative Officer has the primary responsibility to distribute the contract auditor's report to all county offices affected by recommendation(s) made by the contract auditor. The county Auditor-Controller notifies the affected county department head of the recommendation(s) prior to the completion of the final contract auditor's report as a courtesy. Ideally, the department head and/or their personnel are made aware of the issues likely to result in a recommendation during the audit process.
2. The contract auditor's "tests" of the general-purpose Financial Statements "for the fiscal year ended June 30, 2001...disclosed no instance of noncompliance that are (sic) required to be reported under Government Auditing Standards..."
3. The contract auditor found no material weaknesses involving the internal controls regarding financial reporting
4. Federal funding for county programs was audited using the required federal guidelines, OMG Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. The contract auditor found Shasta County complied "...in all material respects..." with the requirements for each major federal program.
5. The contract auditor made five recommendations as a result of the audit. On February 6, 2002, the County Auditor/Controller told the Joint Audit Committee all recommendations had been implemented except one, (Inventory, Fleet Management), which is in the implementation process. The pending recommendation is addressed to Fleet Management, a department answerable to the County Administrative Officer. The recommendation suggests implementation

of an inventory system that monitors operating equipment, parts, and fuels on a quarterly basis. Additional monitoring controls were recommended for inventory items considered as high risk for loss. The County Auditor/Controller's office is tasked with auditing the completed inventory system.

6. There were four recommendations made by the contract auditor during the previous audit (fiscal year ended June 2000). The current year contract auditor's Management Report shows all four recommendations have been implemented.
7. During the exit interview on February 6, 2002, the contract auditor stated the Shasta County Auditor-Controller's Office provided all required information and has established "...excellent..." internal control systems.
8. There are no policies and procedures directing the activities of the Joint Audit Committee. The Shasta County Grand Jury identified the need for policies and procedures for the committee and related the need to the CAO.
9. The Audit and Finance Committee of the Shasta County Grand Jury drafted proposed Policies and Procedures for the Joint Audit Committee. The proposed policies and procedures have been provided to the County Administrative Officer for submission to the Joint Audit Committee for consideration and adoption.
10. The Joint Audit Committee has not, to date, adopted a policy regarding the longevity of a contract auditor's contract.
11. Vavrink, Trine, Day and Company have been conducting contract audits of Shasta County for over five years.

RECOMMENDATIONS:

1. The Shasta County Board of Supervisors should ensure that the recommendation regarding inventories of Fleet Management's equipment, parts and fuels be fully implemented within 90 days of the Grand Jury's Report.
2. The Shasta County Board of Supervisors shall ensure that the County Administrative Officer submits proposed policies and procedures to the Joint Audit Committee at its first meeting during Fiscal Year 2002/2003.
3. The Joint Audit Committee should initiate a Request for Proposal to establish a contract with a new auditing firm.
4. The Joint Audit Committee shall annually review the performance of the contract auditor to determine if the contract should be continued for another year.

RESPONSE REQUIRED:

Shasta County Board of Supervisors

RESPONSE INVITED:

Shasta County Administrative Officer
Shasta County Auditor-Controller



SHASTA COUNTY

BOARD OF SUPERVISORS

1815 Yuba Street, Suite 1
Redding, California 96001
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SUPERIOR COURT OF CALIFORNIA
COUNTY OF SHASTA
ADMINISTRATION OFFICE
SHASTA COUNTY CLERK

DAVID A. KEHOE, DISTRICT 1
IRWIN FUST, DISTRICT 2
GLENN HAWES, DISTRICT 3
MOLLY WILSON, DISTRICT 4
PATRICIA A. "TRISH" CLARKE, DISTRICT 5

The Honorable James Ruggiero
Presiding Judge, Shasta County Courts
1500 Court Street, Room 205
Redding CA 96001

October 8, 2002

Re: Response of Board of Supervisors to Fiscal Year 2001/2002 Grand Jury Report

Dear Judge Ruggiero:

The Shasta County Board of Supervisors appreciates the time and dedication which the 2001/2002 Grand Jurors contributed to their charge. The following findings and recommendations are under serious consideration and discussions are being held regarding solutions to any unresolved problems.

Responses to Findings & Recommendations

A. Audit and Finance Committee:

The Board of Supervisors concurs with the 11 findings of the Grand Jury regarding the Audit & Finance Committee.

Recommendations and Responses:

Recommendation #1.

The Shasta County Board of Supervisors should ensure that the recommendation regarding inventories of Fleet Management's equipment, parts and fuels be fully implemented within 90 days of the Grand Jury's Report.

Response to Recommendation #1.

The Board of Supervisors concurs and is happy to report that the recommendation regarding inventories of the Fleet Management equipment, parts, and fuels has been implemented.

Recommendation #2.

The Shasta County Board of Supervisors shall ensure that the County Administrative Officer submits proposed policies and procedures to the Joint Audit Committee at its first meeting during Fiscal Year 2002/2003.

FILED

OCT 16 2002

ANN REED, CLERK
By S. Greenhaw *S. Greenhaw*
Deputy Clerk

Hon. James Ruggiero, Presiding Judge
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Response to Recommendation #2.

The County Administrative Officer has indicated the proposed policies and procedures for the Joint Audit Committee will be presented for approval at the first meeting of the Joint Audit Committee in Fiscal Year 2002-2003.

Recommendation #3.

The Joint Audit Committee should initiate a Request for Proposal to establish a contract with a new auditing firm.

Response to Recommendation #3.

A Request for Proposals (RFP) for a new auditing firm will be prepared and presented by staff at the first meeting of the Joint Audit Committee for the committee's consideration.

Recommendation #4.

The Joint Audit Committee shall annually review the performance of the contract auditor to determine if the contract should be continued for another year.

Response to Recommendation #4.

The Board of Supervisors concurs that the Joint Audit Committee should annually review the performance of the contract auditor for continuation of the contract on a yearly basis or for initiation of a new RFP for a new auditing firm.

B. Health/Education/Social Services Committee:
Shasta County Mental Health Department

Recommendations and Responses:

The Shasta County Board of Supervisors concurs with the 11 findings of the Grand Jury.

Recommendation #1.

The Board of Supervisors should support the development of a regional partnership between the Shasta County Mental Health Department, a private non-profit or for-profit organization, and a licensed medical facility to provide additional inpatient beds for treatment of mental health disease. This entity could serve the general population's need for acute psychiatric care and medical detoxification. The county could also contract for services with such an entity, thereby relieving pressure on existing facilities and staff.

Response to Recommendation #1:

The Board concurs with the Grand Jury's recommendation #1. The implementation, however, is larger than just the County response. To truly develop a reasonable partnership would require entities outside of County government to step forward and become active participants. This has been tried in other counties in the past and has often not been successful, due to the profit motive of the other entities involved.

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Technical assistance has been requested from the California Mental Health Directors Association and a work plan is currently being developed. The Mental Health Department will be directed to respond to the Board of Supervisors regarding this recommendation within a six-month period.

Recommendation #2

The Mental Health Department and the county should also encourage private sector development of a licensed psychiatric facility in Shasta County for treatment of youth in need of acute mental health care services.

Response to Recommendation #2:

The Board of Supervisors concurs that a licensed psychiatric facility for youth is badly needed; however previous attempts to encourage private developers to become involved in this arena have been unsuccessful. The Board will direct the Mental Health Director to include this in his report to the Board, as indicated in recommendation #1.

Recommendation #3.

In order to provide adequate mental health care, the county administration should find ways to meet the workforce needs of this department. They should explore creative ways of recruiting additional qualified professionals, including the use of signing bonuses or other incentives, using professional recruiters, offering stipends for higher level education for current staff, ensuring that salaries are competitive, and supporting local paraprofessional training programs. The Board of Supervisors needs to support the efforts of the department to develop training and educational programs and facilitate the pursuit of advanced degrees by employees in order to promote and retain qualified staff.

Financing for these programs would come from outside funding sources and department revenue and would have no fiscal impact on the county's general fund. In fact, investment in incentive programs would save the County some of the costs of turnover and recruitment and result in increased efficiencies and reduced liability costs.

Response to Recommendation #3.

The Shasta County Board of Supervisors has consistently supported the efforts of the department that developed training and educational programs as well as facilitate the pursuit of advanced degrees by employees in order to promote and retain qualified staff. The Board of Supervisors has utilized outside recruiting professionals; however, given the Redding location, which includes two major hospitals, recruiting nurses and healthcare professionals remains difficult. The department is currently working with labor bargaining groups in an attempt to move to 12-hour shifts, which was one of the requests of the nursing and medical staff. Unfortunately, many medical professionals, including nurses, prefer to work in other environments where the salaries are very similar to those that we can offer. It should be recognized that the Board of Supervisors has given several raises to nurses that the general rank and file employees did not receive.

Recommendation #4.

The Board of Supervisors should institute a protocol that ensures that the Mental Health Board complies with the statutory requirement that it submit an annual report on the needs and performance of the County's mental health system. The report should be reviewed by the Mental

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Health Director and submitted to the Board of Supervisors by April 1 of each calendar year. The report should include an evaluation of the local mental health program and recommendations for improving the mental health system. The Board of Supervisors should also ensure compliance with the other requirements listed in California Government Code 5604.2(a).

Response to Recommendation #4.

The Shasta County Board of Supervisors concurs with Recommendation #4. The Chairman of the Board is currently a member of the Mental Health Advisory Board and indicates that the required report will be submitted to the Board of Supervisors by April 1 of every calendar year.

Recommendation #5.

The Mental Health Board needs to develop an organizational structure within the Board that will allow it to focus on priorities and accomplish more towards improving mental health services in the community. In order for the Board to effectively perform its duties, it must be an advocate for those who use the system and for the department. It must partner with the Mental Health Director and his staff to ensure that the best services are available for those who use the system. The officers of the Board must encourage active participation by all members of the Board so that the leadership is not solely responsible for accomplishing all of the work of the Board. Each committee should meet on a regular basis and report to the full Board at each regular meeting. Recommendations from committees should be incorporated into the annual report to the Board of Supervisors.

Response to Recommendation #5.

The Shasta County Board of Supervisors concurs with Recommendation #5, and in reviewing the recent notes of the Mental Health Advisory Board, these recommendations are being taken seriously and addressed at the meetings.

Recommendation #6.

The Board of Supervisors should encourage ongoing dialogue between the private medical community and the Mental Health Department and support any recommendations that will improve the efficiencies in serving the needs of the community.

Response to Recommendation #6.

The Shasta County Board of Supervisors concurs with Recommendation #6 and observes that both psychiatrists and mental health professionals are striving to have better communications with the private medical community.

Recommendation #7.

The Board of Supervisors and the Mental Health Board should recommend that the current Mental Health-Medical Community Partnership Solution Project Task Force evolve into a permanent body which meets on a quarterly basis to effect communication and solutions to common problems. A reorganization of the Task Force may be necessary because of the large number of original participants who are no longer taking part in the commission of its duties.

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Response to Recommendation #7.

The Shasta County Board of Supervisors will refer this matter to the Mental Health Department and request a report within 60 days as to the status of the Mental Health Medical Community Partnership Solution Project Task Force.

C. Shasta County Auditor-Controller:

The Shasta County Board of Supervisors concurs with findings #1 through #16 of the Grand Jury Final Report.

Grand Jury recommendations:

The Shasta County Board of Supervisors shall respond to recommendations 1-5 and 9-13.

Recommendation #1.

The Board of Supervisors should amend Ordinance No. 477 to incorporate California Government Code Section 26945's current list of qualifications and specify that any further amendments be applicable to Shasta County.

Response to Recommendation #1.

Shasta County will agendize Ordinance #477 for discussion and possible amendments to include changes to Government Code #26945. The current Auditor-Controller meets the minimum qualifications of Government Code #26945.

Recommendation #2.

The Board of Supervisors should support any future state legislation that increases the professional standards for qualifications for the office of Auditor-Controller.

Response to Recommendation #2.

The Board of Supervisors will support legislation that increases qualifications for the Auditor-Controller.

Recommendation #3.

The Board of Supervisors should adopt California Government Code Section 26945.1, requiring the Auditor-Controller to complete continuing education requirements.

Response to Recommendation #3.

The Board of Supervisors will agendize for action the adoption of Government Code #26945.1 for discussion within 60 days. The current Auditor-Controller attends continuing education classes that meet the requirements of Government Code #26945.1.

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Recommendation #4.

The Board of Supervisors should exercise its authority granted in California Government Code Sections 25303 to ensure that this officer faithfully performs his duties. The Board should require the Auditor-Controller to appear monthly to report upon the status of his office.

Response to Recommendation #4.

All elected department heads will be invited to appear before the Board of Supervisors on a quarterly basis. The decision will rest with the elected official.

Recommendation #5.

Pursuant to California Penal Code Section 927, the Board of Supervisors should request that the 2002-2003 Grand Jury investigate and report upon the salary of the Auditor-Controller and other elected officials. This investigation should include a benchmark study of comparable counties as established by the Grand Jury.

Response to Recommendation #5.

This recommendation will not be adopted at this time. The salaries of the Auditor-Controller and elected officials are the purview of the Shasta County Board of Supervisors and are set after reviewing many factors including the labor negotiations of those individuals employed in the department.

Recommendation #9.

The Board of Supervisors should direct staff to report upon the advisability, feasibility, and process of establishing the office of Auditor-Controller as an appointed, rather than elected, position.

Response to Recommendation #9.

This matter was discussed by the Board of Supervisors at their August 5, 1997 meeting (See attached Board Report). The action considered was the possible consolidation of the office of the Auditor-Controller and Treasurer-Tax Collector-Public Administrator into one office: Director of Finance. The Board decided at that meeting not to move forward with the consolidation. As the Auditor-Controller has recently been re-elected to a four-year term commencing January 1, 2003, the discussion of an appointed (as opposed to elected) Auditor-Controller seems premature at this time. The Board will agendize this matter in approximately 30 months for discussion at a full study session prior to the next election for this position.

Recommendation #10.

The Board of Supervisors should authorize a qualified outside contract auditor to conduct a management audit of the Auditor-Controller's Office. Due to the urgency of this matter, the cost of the audit should be included in the Fiscal Year 2002-2003 County Budget. If it is not feasible to specifically budget for the expense in Fiscal Year 2002-2003, then the audit should be paid for out of the County Contingency Fund.

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Response to Recommendation #10.

The Board of Supervisors has directed staff to initiate a Request for Proposals (RFP) to perform a management audit. County Administrative Office staff have indicated this will be issued within the next 60 days.

Recommendation #11.

The Board of Supervisors should ensure that the timeline issued by the California State Controller for separating the funds for vehicle replacement and vehicle maintenance within the Fleet Management Division of Support Services has been met.

Response to Recommendation #11.

Assistant Auditor-Controller Connie Regnell indicates in a memo dated October 4, 2002 (copy attached) that fleet operations, replacement costs, and fuel are now in separate budget categories.

Recommendation #12.

The Auditor-Controller should continue to work diligently on a solution for dealing with vehicle maintenance cost accounting that will be satisfactory to the Director of Support Services, the Shasta County Board of Supervisors, and the California State Controller.

Response to Recommendation #12.

The vehicle maintenance cost accounting has been satisfactorily agreed upon between the Director of Support Services, the Auditor's office and the California State Controller.

Recommendation #13.

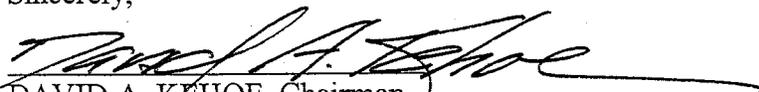
Pursuant to California Government Code Section 26883, the Board of Supervisors should implement a rotating schedule requiring the Auditor-Controller to audit or review the accounts and records of one or more County departments each year in order to determine whether there is adequate supervision of accounting practices and consistency in the application of those practices among County departments.

Response to Recommendation #13.

The Board of Supervisors will not implement a rotating schedule requiring the Auditor-Controller to review particular departments as this appears to be an infringement on his authority as an elected official. The Board will, however, keep its options open if certain departments become a concern.

This concludes the response of the Shasta County Board of Supervisors to the FY 2001/2002 Grand Jury Final Report.

Sincerely,


DAVID A. KEHOE, Chairman
Board of Supervisors

Copy: Members, Grand Jury
Ann Reed, County Clerk
Attachments: 4

SHASTA COUNTY AUDITOR-CONTROLLER

REASON FOR INVESTIGATION:

California Penal Code Section 928 authorizes the Grand Jury to investigate and report upon the needs of all county officers in the county, including the abolition or creation of offices and the method or system of performing the duties thereof. California Penal Code Section 925 authorizes the Grand Jury to investigate and report on the operations, accounts, and records of the officers, departments, or functions of the county.

BACKGROUND:

The Shasta County Auditor-Controller is the chief accounting officer of the county. The Auditor-Controller is entrusted by the citizens of this county to prescribe and exercise general supervision over the accounting forms and the method of keeping the accounts of all county offices, departments and institutions under the control of the board of supervisors and of all districts whose funds are kept in the county treasury. The Office of the Auditor-Controller is also responsible for the payroll of the county's approximately 2,335 employees.

The Shasta County Auditor-Controller, as an elected official, is ultimately answerable to the voters. However, the Shasta County Board of Supervisors has authority to supervise the official conduct of county officers such as the Auditor-Controller.

Voters in several counties throughout the state have approved the consolidation of county fiscal offices by establishing the office of director of finance, which has the responsibilities of both the auditor-controller and treasurer-tax collector. The director of finance, an appointed position, is subject to the direction and control of the Board of Supervisors. The 1996-1997 Shasta County Grand Jury recommended that the Shasta County Board of Supervisors conduct an evaluation of the feasibility of combining the offices of Auditor-Controller and Treasurer-Tax Collector into a single appointed office of Director of Finance, subject to the same oversight and review as other county employees. The Board of Supervisors did not conduct the recommended study.

Qualifications for the office of auditor are addressed in California Government Code Section 26945, which currently states:

"No person shall hereafter be elected or appointed to the office of county auditor of any county unless the person meets at least one of the following criteria:

- a) The person possesses a valid certificate issued by the California Board of Accountancy under Chapter 1 (commencing with Section 5000) of Division 3 of the Business and Professions Code showing the person to be, and a permit authorizing the person to practice as, a certified public accountant or as a public accountant.
- b) The person possess a baccalaureate degree from an accredited university, college, or other four-year institution, with a major in accounting or its equivalent, as described in subdivision (a) of Section 5081.1 of the Business and Professions Code, and has served within the last five years in a senior fiscal management position in a county, city, or other public agency, a private

firm, or a nonprofit organization, dealing with similar fiscal responsibilities, for a continuous period of not less than three years.

- c) The person possesses a certificate issued by the Institute of Internal Auditors showing the person to be a designated professional internal auditor, with a minimum of 16 college semester units, or their equivalent, in accounting, auditing, or finance.
- d) The person has served as county auditor, chief deputy county auditor, or chief assistant county auditor for a continuous period of not less than three years.”

In 1969, the Shasta County Board of Supervisors enacted Ordinance No. 477 making Section 26945 applicable in Shasta County and adopting, by reference, the qualifications listed in that section. However, in 1969, Section 26945 did not include the language of subsection (c) quoted above. Nor did Ordinance No. 477 indicate whether any later amendments to section 26945’s list of qualifications would be automatically effective within Shasta County.

METHOD OF INVESTIGATION:

The Grand Jury conducted 25 interviews including:

- Shasta County Auditor-Controller and Assistant Auditor-Controller
- Monterey County Deputy County Executive Officer
- Various staff from county departments
- Several former and current employees of the Auditor-Controller’s office
- Several staff members from special districts

The following written material was reviewed:

- Shasta County Auditor-Controller’s Mission Statement and Responsibilities
- Auditor-Controller’s Office Chart of Direct Supervision
- California State Controller’s Annual Report
- Shasta County Clerk’s Summary of Qualifications and Requirements for Nomination for the Office of Auditor and the Office of Treasurer-Tax Collector-Public Administrator
- Shasta County Grand Jury Final Report of 1996-1997 and responses to recommendations
- Monterey County Civil Grand Jury Final Report of 1997-98
- County of Alameda, Internal Control Standards, Patrick O’Connell, Alameda County Auditor-Controller, January, 1999
- Statement of Votes - Direct Primary Election of June 2, 1998, and Shasta County Candidate Guide - Primary Election of March 5, 2002, prepared by Shasta County Clerk/Registrar of Voters
- Various County department and district correspondence
- Several county departmental interoffice memoranda
- County of Shasta Office of the Auditor-Controller Accounting Procedure Manual
- County of Shasta Audit Management Report for the fiscal year ended June 30, 2000

- County of Shasta Audit Management Report for the fiscal year ended June 30, 2001
- Statement of Economic Interests (California Form 700)

The Grand Jury studied and referenced the following:

- California Government Code Sections 26880-26886 and 26900-26945.1
- 45 California Jurisprudence Third, Municipalities, Section 414
- California Penal Code Sections 925 and 933.5

The Grand Jury viewed two videos of Shasta County Board of Supervisors' meetings.

The Grand Jury attended:

- Three Shasta County Board of Supervisors' meetings.
- Two workshops presented by the Office of the Auditor-Controller

FINDINGS:

1. Shasta County Ordinance No. 477, enacted May 12, 1969, and still in effect, made California Government Code Section 26945 apply to Shasta County, but that ordinance has not been amended to reflect any of the subsequent changes to Government Code 26945.
2. When first elected in 1998, the current Shasta County Auditor-Controller met the minimum qualification criterion of Ordinance No. 477 (Government Code Section 26945(d)), that of continuous employment in a county deputy-auditor position for three years. While the Shasta County Auditor-Controller attended a California State University, majoring in business, he did not earn a degree.
3. The current Auditor-Controller does not possess a certification of public accountancy and is not authorized to sign official audits. The Shasta County Auditor-Controller's office has only one Certified Public Accountant (CPA) on staff.
4. California Government Code Section 26945.1, if adopted by a county, requires that any person serving in the capacity of county auditor must complete at least 40 hours of qualifying continuing education for each two-year period in office. The Shasta County Board of Supervisors has not adopted this section.
5. California Government Code Section 25303 provides that the board of supervisors shall supervise the official conduct of all county officers and see that all county officers faithfully perform their duties. However, the Board of Supervisors cannot direct the specific manner in which these duties are performed.
6. For the past 20 years, incumbents running for re-election to the office of Auditor-Controller have run unopposed.
7. A board of supervisors has more control over an appointed department head than an elected one. Under state law, a board of supervisors may establish an office of Director of Finance (which would consolidate the offices of Auditor-Controller and Treasurer-Tax Collector) if approved by a majority vote of the electorate. The voters could designate that the Director of Finance would be appointed rather than elected. State law also allows the elective position of Auditor to be made appointive, without the consolidation with another office, again by majority vote.

8. California Penal Code Section 927 provides that the grand jury may, and when requested by the board of supervisors shall, investigate and report upon the needs for increase or decrease in salaries of county-elected officials.
9. The Board of Supervisors is the sole authority to approve budget reviews and salary adjustments for the office of Auditor-Controller. Since the 1998 election of the current Auditor-Controller, the Board of Supervisors has approved eight salary increases for Shasta County's elected officials in four separate packages, with the raises for the Auditor-Controller through January 12, 2003, reflected in the following chart:

Approved by Board of Supervisors	Effective Date	Annual Salary Auditor-Controller	Percentage Increase
November 10, 1998	January 3, 1999	\$75,348	3.50%
November 10, 1998	July 4, 1999	77,580	2.50%
November 10, 1998	September 26, 1999	79,580	2.50%
January 11, 2000	January 16, 2000	81,864	3.00%
December 19, 2000	January 14, 2001	84,300	3.00%
December 19, 2000	January 13, 2002	88,524	5.00%
January 15, 2002	January 13, 2002	91,152	3.00%
December 19, 2000	January 12, 2003	94,800	4.00%

10. While investigating this department, it was reported to the Grand Jury during numerous interviews that the Auditor-Controller spends an insufficient amount of time in his office. This makes him unavailable to supervise his staff or respond immediately to needs of departments or districts.
11. The current Auditor-Controller has reported on his Statement of Economic Interests (California Form 700) that he holds outside employment.
12. The Office of Auditor-Controller has had a personnel turnover rate of over 60 percent during the past three years, which is twice the county average of 10% per year. In 1999, four new employees were hired and six left the office. In 2000, seven new employees were hired and six left the office. In 2001, four new employees were hired and three left the office. This does not include those who transferred to other county departments. Of the 26 staff members who were in this department in 1999, only nine remain.
13. The Auditor-Controller's office has failed to process claims for payment for numerous departments and individuals in a timely manner. The Accounting Procedure Manual of the Shasta County Auditor-Controller, page CH-7, issued in 2002, states, "Orders for Payment forwarded to the Auditor-Controller will be processed for payment within three to four days of receipt".
14. During the course of this investigation, the Grand Jury found that there has been a lack of communication and cooperation between the Auditor-Controller and at least six county departments and agencies. County departments/staff have indicated the Auditor-Controller does not sufficiently communicate in writing with departments regarding fiscal decisions and accounting procedures.
15. The Auditor-Controller has made decisions that unnecessarily conflict with departmental needs and has not resolved issues in a timely or efficient manner.

These decisions have resulted in adverse financial consequences to the departments' budgets. Some of the Auditor-Controller's accounting policies have had an adverse effect on fiscal operations of county departments and agencies. In one example, the Auditor-Controller failed to resolve two accounting issues in the Fleet Management Division of the Department of Support Services. In 1994 and subsequent years, the California State Controller made a finding that the co-mingled funds for vehicle replacement and vehicle maintenance in Shasta County needed to be separated. As of March 30, 2002, neither the previous Auditor-Controller nor the current Auditor-Controller had separated the funds. The second issue has to do with how rates are established to charge the various departments for vehicle maintenance. Because of the lack of resolution of these issues, as of February 28, 2002, the Auditor-Controller had not processed any of the billings from the Fleet Management Division to the county departments for vehicle maintenance for the fiscal year which began July 1, 2001. The lack of resolution of these issues by the Auditor-Controller has been detrimental to the fiscal health of Shasta County because it resulted in unbilled expenses that were not being reimbursed by Federal and state agencies.

16. California Government Code 26883 provides that the board of supervisors "...shall have the power to require that the county auditor-controller shall audit the accounts and records of any department..." in the county. This option has not been exercised by the Shasta County Auditor's Office during the current auditor's term.

RECOMMENDATIONS:

1. The Board of Supervisors should amend Ordinance No. 477 to incorporate California Government Code Section 26945's current list of qualifications and specify that any further amendments be applicable to Shasta County.
2. The Board of Supervisors should support any future state legislation that increases the professional standards for qualifications for the office of Auditor-Controller.
3. The Board of Supervisors should adopt California Government Code Section 26945.1, requiring the Auditor-Controller to complete continuing education requirements.
4. The Board of Supervisors should exercise its authority granted in California Government Code Sections 25303 to ensure that this officer faithfully performs his duties. The Board should require the Auditor-Controller to appear monthly to report upon the status of his office.
5. Pursuant to California Penal Code Section 927, the Board of Supervisors should request that the 2002-2003 Grand Jury investigate and report upon the salary of the Auditor-Controller and other elected officials. This investigation should include a benchmark study of comparable counties as established by the Grand Jury.
6. The Auditor-Controller should spend more time in performance of his duties in order to be more available to staff, to other departments and members of the public.
7. The Auditor-Controller should foster a work environment that facilitates the retention of qualified employees. The Auditor-Controller should establish a policy

- that encourages employees to pursue education leading to advanced degrees and/or professional certifications. The Auditor-Controller should institute a reorganization plan for the department including review of job titles and salary ranges that will attract and retain additional qualified employees.
8. The Auditor-Controller should process county claims for payment in a timely manner as prescribed in the Shasta County Auditor-Controller Procedure Manual.
 9. The Board of Supervisors should direct staff to report upon the advisability, feasibility, and process of establishing the office of Auditor-Controller as an appointed, rather than elected, position.
 10. The Board of Supervisors should authorize a qualified outside contract auditor to conduct a management audit of the Auditor-Controller's Office. Due to the urgency of this matter, the cost of the audit should be included in the county budget for the 2002-2003 fiscal year. If it is not feasible to specifically budget for the expense in fiscal year 2002-2003, then the audit should be paid for out of the county contingency fund.
 11. The Board of Supervisors should ensure that the time line issued by the California State Controller for separating the funds for vehicle replacement and maintenance within the Fleet Management Division of Support Services has been met.
 12. The Auditor-Controller should continue to work diligently on a solution for dealing with vehicle maintenance cost accounting that will be satisfactory to the Director of Support Services, the Shasta County Board of Supervisors, and the California State Controller.
 13. Pursuant to California Government Code Section 26883, the Board of Supervisors should implement a rotating schedule requiring the Auditor-Controller to audit or review the accounts and records of one or more county departments each year in order to determine whether there is adequate supervision of accounting practices and consistency in the application of those practices among county departments.

RESPONSES REQUIRED:

The Shasta County Board of Supervisors shall respond as to Recommendations 1-5 and 9-13.

The Shasta County Auditor-Controller shall respond as to Recommendations 6-8 and 12.



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SHASTA COUNTY CLERK

SHASTA COUNTY

SUPERIOR COURT OF CALIFORNIA
COUNTY OF SHASTA

ADMINISTRATION OFFICE

OFFICE OF THE AUDITOR-CONTROLLER

Courthouse, Room 104
Redding, California 96001
Phone (530) 225-5771

RICK GRAHAM
AUDITOR-CONTROLLER

CONNIE REGNELL
ASST. AUDITOR-CONTROLLER

August 27, 2002

Honorable James Ruggiero
Presiding Judge of Superior Court
1500 Court Street
Redding, CA 96001

Presiding Judge Ruggiero:

Penal Code Section 933 requires elected officers to respond to Grand Jury findings and recommendations that pertain to matters under their control. The response to the 2001/02 Grand Jury Final Report (Report) is filed in compliance with that requirement.

It is always my intention, when communicating with others, to keep my statements simple, clear, short, and concise. However, due to the subject matter and relative length of the Report, relating to the Auditor-Controller's Office functions, I find it necessary to respond in greater detail in order to achieve clarity, and, I hope, to be constructive on the issues discussed.

We regard highly the purpose of the Grand Jury. Their reports are generally issued with good intentions. However, in my opinion this reports seriously flawed presentations of recommendations were made based upon incorrect assumptions and lack of knowledge on the subjects they tried to address. Furthermore, our concern with this year's report is the failure of the Grand Jury to review any of their findings or recommendations with our office prior to issuance of the report. An exit conference would serve to verify the validity of the proposed comments, or to remove them entirely.

Respectfully,

Rick Graham
Auditor-Controller

Attachment

FILED

SEP 04 2002

ASHLAND CLERK

BY S. GREGORY *S. Gregory*

CLERK

Before responding to specific portions in this report, I feel compelled to comment on this year's Local Government Committee. My contact with Grand juror members over the past several years found most to be dedicated citizens who worked hard to understand the issues and process of local government.

In contrast, during the preparation of my response, I concluded this committee chose to either ignore or misrepresent interviews and information provided to them by the Auditor's staff, including such information that would have refuted many findings. Obviously, in my opinion, the facts would have been in direct conflict to this reports many misstatements and untruths. The fact is they never met with me regarding personal or departmental issues except for a brief introductory visit with me and my assistant to obtain a quick overview of the functions of this office. It is also apparent to me that the 2001/02 Local Government Committee didn't even talk to, or read the report of the 2001/02 Audit Committee's report for which the Auditor's Office received the highest acknowledgement.

As an elected official, the citizens of the County of Shasta expect me to always speak freely and openly about our concerns and problems. I hope those that have great influence and the resulting opportunity to influence public opinion to be more objective and forthright when performing their duties and drawing conclusions.

The following is my response to the 2001/2002 Grand Jury Report.

Grand Jury Finding 1. Shasta County Ordinance No. 477, enacted May 12, 1969, and still in effect, made California Government Code Section 26945 apply to Shasta County, but that ordinance has not been amended to reflect any of the subsequent changes to Government Code 26945.

Auditor Response to Finding 1 - Disagree. Shasta County Code 2.36.030 states "The provisions of Article IV, Chapter 4, Part 3, Division 2, Title 3 of the Government Code (Sections 26945 and 26946) relating to qualifications of the office of county auditor are effective within this county." It is the Auditor's opinion that this code section was written in such a way that it relates, at all times, to the most current GC 26945 and 26946. Which would make subsequent amendments unnecessary.

Grand Jury Finding 2 – Auditor agrees with finding.

Grand Jury Finding 3. The current Auditor-Controller does not possess a certification of public accountancy and is not authorized to sign official audits. The Shasta County Auditor-Controller's office has only one Certified Public Accountant (CPA) on staff.

Auditor Response to Finding 3 – Disagree. This finding by the Grand Jury addresses the authority of the auditor to sign audits. It represents that, because the Auditor does not

possess a certification of public accountancy that the Auditor is not authorized to sign official county audits. This is incorrect. Government Code Section 26883 states, in part, "...county auditor-controller shall audit the accounts and records of any department, office, board or institution...The county auditor-controller's report on any such audit shall be filed with the board of supervisors." Government Code Section 26909, states in part, "...The county auditor shall make an annual audit of accounts and records of every special purpose district within the county...". As referenced in Finding 1, Government Code Section 26945, requirements for office of Auditor-Controller; it is not a requirement for the Auditor to be a CPA.

The Shasta County Board of Supervisors adopted Resolution 77-225, August, 1977, giving the Auditor-Controller clear authority for Government Code Section 26883. Clearly, the State Legislature has provided the county auditor-controller authority to execute official audits within the County of Shasta. Government Code Section 26909, makes specific reference to "the county auditor" and "a certified public account or public accountant" as persons authorized to make annual audits. The logical interpretation of the statute is that the Legislature recognizes that a county auditor is not necessarily required to be a CPA or PA, yet he may perform audits.

Grand Jury Findings 4-9 - Auditor agrees with findings

Grand Jury Finding 10. While investigating this department, it was reported to the Grand Jury during numerous interviews that the Auditor-Controller spends an insufficient amount of time in his office. This makes him unavailable to supervise his staff or respond immediately to needs of departments or districts.

Auditor Response to Finding 10 – Disagree. The Auditor-Controller is the Chief Accounting Officer of the County, elected to serve the entire County. Delegation of authority was established upon taking office, January 1999, providing continuity of the department and to be responsive to all agencies in the absence of upper level staff. This delegation has lead to many confirmations, leading to receiving, "Awards of Excellence", presented by the California State Controller, and a "no mistakes" audit of the Property Tax Apportionment and Allocation System, by the California State Controller, for July 1, 1995, through June 30, 2000, including an audit of our Education Revenue Augmentation Fund(ERAF) shift credit calculation, which was published August, 2001. Furthermore, we continually receive unqualified opinions on the audits performed, and nothing of any material nature has ever been found wrong with our accounting systems, internal controls, records or reports. Within this same Grand Jury Report by the Audit & Finance Committee, the findings in reference to the June 30, 2001 contract audit of the Financial Statements, cited such references as "...disclosed no instance of noncompliance that are required to be reported under Government Auditing Standards", "...no material weaknesses involving the internal controls regarding financial reporting" and that the contract auditor found Shasta County complied in all material respects with the requirements for each major federal program audited for Federal funding. The Auditor-Controller has always made himself accessible utilizing all available means of communication; direct line with emergency paging, mobile

telephone, pager, and e-mail. All request to meet with staff, or other departments are accommodated immediately or at their next convenience. Since the Grand Jury did not discuss this issue with the Auditor it is impossible to address these specific allegations.

Grand Jury Finding 11 – Auditor agrees with finding

Grand Jury Finding 12. The Office of Auditor-Controller has had a personnel turnover rate of over 60 percent during the past three years, which is twice the county average of 10% per year. In 1999, four new employees were hired and six left the office. In 2000, seven new employees were hired and six left the office. In 2001, four new employees were hired and three left the office. This does not include those who transferred to other county departments. Of the 26 staff members who were in this department in 1999, only nine remain

Auditor Response to Finding 12 – Disagree in part. The retention factors and turnover had been investigated by a previous Grand Jury that issued a report in 2000/2001 citing, “There was no evidence to indicate any semblance of unfair treatment of the employees within the Shasta County Auditor-Controller’s Office.” The Auditor disagrees with the statement that the turnover figures stated do not include transfer to other department. Not only has a large number of this department’s staff recently transferred to other departments, over the years many county departments and other outside agencies have recognized a benefit to hiring the Auditor-Controller’s staff that are already experienced, qualified, and have demonstrated excellent work ethic. We are proud of the staff members who have advanced and now holding important positions as County Budget Officer, Principal Administrative Analyst, Chief Financial Officer – Superior Court, Director of Finance – Glenn County, Deputy Director of Public Works, Accountant Auditor - SHASCOM, as well as many upper level accountants in Public Health, Social Services, Mental Health, and Housing Department to mention a few. Twelve of fifteen new hires between 1999 and 2002 are still within the Auditor-Controller’s Office. And, due to the fact that personnel issues are confidential, we will not elaborate on the reasons, other than transfers and advancement, why employees have left the office.

Grand Jury Finding 13. The Auditor-Controller’s office has failed to process claims for payment for numerous departments and individuals in a timely manner. The Accounting Procedure Manual of the Shasta County Auditor-Controller, page CH-7, issued in 2002, states, “Orders for Payment forwarded to the Auditor-Controller will be processed for payment within three to four days of receipt”.

Auditor Response to Finding 13 – Disagree in part. The office of the Auditor-Controller processes more than 200,000 claims for payment per year. Upon receipt of the Grand Jury Report, we did a time study of the claims turn around time. As described in more detail in the background and finding section for recommendation #8, we determined that 93% of all claims received were processed in ten (10) calendar days or less. We believe this to be a timely manner. We also, reviewed Government Code Section 29742 that requires the Auditor-Controller to retain a claim for a minimum of three days prior to

payment. Based on our review and findings the internal accounting procedure manual will be amended to the more realistic goal of processing claims in seven (7) to ten (10) calendar days.

Grand Jury Finding 14. During the course of this investigation, the Grand Jury found that there has been a lack of communication and cooperation between the Auditor-Controller and at least six county departments and agencies. County departments/staff have indicated the Auditor-Controller does not sufficiently communicate in writing with departments regarding fiscal decisions and accounting procedures.

Auditor Response to Finding 14 – Disagree. The Auditor-Controller believes he communicates openly with all departments, Districts, and individuals requesting information. Since the Grand Jury did not discuss this issue with the Auditor it is impossible to address these specific six allegations.

Grand Jury Finding 15. The Auditor-Controller has made decisions that unnecessarily conflict with departmental needs and has not resolved issues in a timely or efficient manner. These decisions have resulted in adverse financial consequences to the departments' budgets. Some of the Auditor-Controller's accounting policies have had an adverse effect on fiscal operations of county departments and agencies. In one example, the Auditor-Controller failed to resolve two accounting issues in the Fleet Management Division of the Department of Support Services. In 1994 and subsequent years, the California State Controller made a finding that the co-mingled funds for vehicle replacement and vehicle maintenance in Shasta County needed to be separated. As of March 30, 2002, neither the previous Auditor-Controller nor the current Auditor-Controller had separated the funds. The second issue has to do with how rates are established to charge the various departments for vehicle maintenance. Because of the lack of resolution of these issues, as of February 28, 2002, the Auditor-Controller had not processed any of the billings from the Fleet Management Division to the county departments for vehicle maintenance for the fiscal year which began July 1, 2001. The lack of resolution of these issues by the Auditor-Controller has been detrimental to the fiscal health of Shasta County because it resulted in unbilled expenses that were not being reimbursed by Federal and state agencies.

Auditor Response to Finding 15 – Disagree. As the Chief Accounting Officer for Shasta County, it is the Auditor-Controller's responsibility to ensure accounting compliance with Federal and State guidelines. The California State Controller prescribes accounting policies based on the guidelines of the Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB). The Auditor-Controller prescribes the procedures to comply with those established policies. Furthermore, the specific reference to the finding by the State Controller during their audit is stated inaccurately. The State Controller's actual finding all related to the excess retained earnings being reported and inadequacies in their billing and cost accounting procedures of funds for vehicle maintenance and replacement. The department of Fleet Management was reluctant to change prior policies and procedures from billing charges based on budgetary requirements, to billing for actual costs incurred. The Federal Office

of Management and Budget Analysis (OMB) requires in Circular A-87, that billed services must be adjusted to actual allowable costs at least annually. To ensure accountability and accuracy of records, and to safeguard the County's revenue for reimbursable costs, the Auditor-Controller had no choice but to stop the posting of non-negotiated rates by Fleet Management. The billing and reporting changes that were required in order to receive the negotiated approval of the State Controller's Office for continued expense reimbursement by Federal and State agencies took more time and effort than either department anticipated. February, 2002, the Shasta County Board of Supervisors directed Fleet Management to implement the changes necessary for the Auditor-Controller to successfully negotiate billing rates with the State Controller which met required guidelines. The Board of Supervisors received the State Controller's approved plan on July 23, 2002. Fleet Management needs have been resolved and all accounting transactions are current.

Grand Jury Finding 16. California Government Code 26883 provides that the board of supervisors "...shall have the power to require that the county auditor-controller shall audit the accounts and records of any department..." in the county. This option has not been exercised by the Shasta County Auditor's Office during the current auditor's term.

Auditor Response to Finding 16 – Disagree. This is not a true statement. The County Administrative Officer requested the audit of two departments during this Auditor's term. The results of such audits are submitted to the Board of Supervisors. In addition to the formally requested audits, the Internal Audit division completes numerous audits, submitted to the Board of Supervisors, including the annual audit certifying the County Assessor's AB719 Report to the California Legislature, and the audit of more than 100 trust funds that required new recognition based on the new governmental reporting requirements. Required compliance and fiscal departmental reports are audited monthly, quarterly and annually that totaled 156 separate departmental audits for fiscal year 2001/02 alone. If this committee had reviewed prior Grand Jury requests, specifically the previous year, they would have found a request of the 2000/01 Grand Jury for the audit of "Report of Compliance – CA AID to Airports Program" such audit was completed by the Auditor's office, and presented to the Grand Jury December 6, 2000.

RECOMMENDATIONS

Grand Jury Recommendation 1. The Board of Supervisors should amend Ordinance No. 477 to incorporate California Government Code Section 26945's current list of qualifications and specify that any further amendments be applicable to Shasta County.

Auditor, Background and findings - Shasta County already implemented when they codified Ordinance No 477 as part of the Shasta County Code. (See Auditor's Response to Finding 1)

Grand Jury Recommendation 2. The Board of Supervisors should support any future state legislation that increases the professional standards for qualifications for the office of Auditor-Controller.

Auditor, Background and findings – Recommendation requires further analysis. The Auditor supports the highest of professional standards already established in Government Code. However, any blanket support of adopting legislation automatically, is not consistent with the current Board of Supervisor's procedure of thoroughly analyzing legislature before adoption.

Grand Jury Recommendation 3. The Board of Supervisors should adopt California Government Code Section 26945.1, requiring the Auditor-Controller to complete continuing education requirements.

Auditor, Background and findings – This recommendation is already being met. The California State Controller's Office is mandated by Government Code Section 12422 to summons county auditors to an annual meeting to discuss matters pertaining to the duties of county auditors throughout the state. The State Controller and the County Auditors' Association of California utilize this conference to provide approved continuing education credits. During this past two years the Auditor has obtained 67.5 credits of continuing education.

Grand Jury Recommendation 6. The Auditor-Controller should spend more time in performance of his duties in order to be more available to staff, to other departments and members of the public

Auditor, Background and findings – The Auditor-Controller represents that procedures have always been in place to effectively administer his duties and provide his staff with support and direction. This includes the deputizing of appropriate staff in order to comply with Government Code Section requirements to meet all Legislative deadlines.

As the elected official, the Auditor-Controller is the Chief Accounting Officer of all agencies that deposit funds in the County Treasury. The following is a sampling of the Auditor-Controller and his staff's efforts and dedication for serving all the county agencies: I have either been in attendance or available in my office when needed for 42 of the 44 regular scheduled meetings of the Shasta County Board of Supervisors. This enables the Board of Supervisors to call upon me, which they have many times, to address an issue before them; I attended all thirteen of the required (GC 27132), Treasurers Oversight Committee meetings; I have attended all County budget hearings. Furthermore, as requested by the Board, on December 11, 2001, the Auditor-Controller conducted a workshop on how my office interacts with county departments. To provide explanation of the Auditor's duties, I have, upon request, met with management or attended board meetings of the following districts or agencies: Anderson Fire Protection District, Burney Fire Protection District, Burney Cemetery District, Burney Basin Mosquito Abatement District, Fall River Mills RCD, Fall River Mills Cemetery District, Cottonwood Fire Protection District, Happy Valley Fire Protection District, Halcumb

Cemetery District, Shasta Mosquito and Vector Control District, Children and Family First Commission, Local Area Formation Commission (LAFCO), Shasta County Office of Education, City of Shasta Lake, Castella Fire Protection District, Shasta Lake Fire Protection District, to list a few. My contact has provided Special Districts the opportunity to utilize "on-line inquiry" to the centralized accounting system. Such access provides each board the most current data available. The following districts have taken advantage of this opportunity: Shasta Lake Fire Protection District, Shasta Mosquito/Vector Control District, Burney Basin Mosquito Abatement District, Burney Fire Protection District, and Burney Cemetery District. I commend the action of their management and Directors.

Grand Jury Recommendation 7. The Auditor-Controller should foster a work environment that facilitates the retention of qualified employees. The Auditor-Controller should establish a policy that encourages employees to pursue education leading to advanced degrees and/or professional certifications. The Auditor-Controller should institute a reorganization plan for the department including review of job titles and salary ranges that will attract and retain additional qualified employees.

Auditor, Background and findings – The Auditor-Controller contends that the staff, continued education, and organization has always been and will continue to be his highest priority.

The Auditor-Controller's office is currently staffed with the highest level of professionals. The management staff has an education and experience level which include; Certified Public Accountant, accounting degrees, and more than 80 combined years of governmental accounting. Staff members are encouraged to attend training seminars when available, and as County policy states, enhances their current position of employment. In addition, there are several staff members that are continuing their education for personal growth and advancement.

It was, also, recommended that the Auditor-Controller institute a reorganization plan, including review of job titles and salary ranges. The Auditor-Controller recognizes the need to appropriately compensate staff for their professional level of performance. The discussions will continue with Personnel and the County Administrative Office; the most recent request was in January 2002. Complying with Personnel's request, the Auditor-Controller's office conducted a survey of like Counties, and submitted the results for consideration. This office will continue to submit requests and justification for salary and classification studies in the Auditor-Controller's office, especially within the professional level of Accountants and Supervising Accountants.

Grand Jury Recommendation 8. The Auditor-Controller should process county claims for payment in a timely manner as prescribed in the Shasta County Auditor-Controller Procedure Manual.

Auditor, Background and findings – The Auditor-Controller's office will continue to provide all agencies depositing funds in the treasury with a centralized claims auditing

service as prescribed throughout Government Code Sections 29700-29749. A review of the claims process confirmed the Auditor-Controller's office is complying with the manual, except for the stated number of days. The following analysis of the claims process will provide an overview of the legislated procedures as prescribed by the Auditor-Controller (GC 26881).

Government Code prescribes the method by which all county claims are processed and disbursed from the County Treasury. This process begins when a claim for payment is received by the Auditor's accounts payable division from the originating department or agency. Government Code Section 29702, requires department heads authorization on claims before submittal to the Auditor-Controller's office. There are many steps in the claims payment process. The vendor bills the county department receiving the goods or services. The departmental accounting staff prepares a claim for submittal to the Auditor-Controller's office. Once claims arrive in our office, they are date stamped and audited, reviewing compliance. This involves auditing a claim to ensure that it complies with the government code, county code and policies approved in the Shasta County Administrative Manual, contracts, purchasing policies, resolutions, and all other applicable requirements. It also involves auditing to ensure that duplicate payments are not being processed, appropriate authorization is given by the submitting department head, the mathematical calculations are correct, and that all accounts utilized are in compliance with the State Controller's recommendations. Once a claim is audited, and the determination is made as to whether the claim must wait for Board of Supervisor specific approval at a regular scheduled meeting, or the authority has been delegated, by resolution, to the Auditor-Controller. Finally, the claim is verified within the accounting system, pending the appropriate authorization level, the check is then printed and mailed by the Auditor-Controller's office.

However, recognizing that the Auditor-Controller's office processed more than 200,000 claims for payment during fiscal year 2001/2002, a random sampling of 122 claims were pulled for a study of our turn around time. The turn around time was calculated from the date an audit clerk stamped in the claim, when received in the Auditor-Controller's office, until the date the check was mailed. The study of turn around time was based on actual calendar days without making adjustments for weekends, holidays, or type of claim. The results were; 77% of the claims were processed in seven (7) calendar days or less, and 93% were processed in ten (10) calendar days or less. After review of process and Government Code Section 29742 that cites the Auditor "shall not issue his warrant for any claim that has not been on file in his office for at least three days", and the above mentioned turn around study, the Shasta County Auditor-Controller's Procedure Manual will be amended to reflect the more realistic goal of processing claims in seven (7) to ten (10) calendar days.

Grand Jury Recommendation 9. The Board of Supervisors should direct staff to report upon the advisability, feasibility, and process of establishing the office of Auditor-Controller as an appointed, rather than elected, position.

Auditor, Background and findings – Many past Board of Supervisors of the County of Shasta have been asked to review an appointed Auditor. My recollection of these reviews is they would normally lead to a few basic conclusions that the citizens of the County of Shasta support an “Elected” Auditor. Two primary reasons being:

- A strong “checks and balance” is guaranteed.
- Many mandated functions and responsibilities relate to agencies such as independent special districts, cities and school districts that are not controlled by the Board of Supervisors.

My own experience bears out these conclusions. Many of Shasta County’s independent special districts and commissions have relied upon this Auditor’s independent support, and the expertise provided to them at crucial times in their development.

Grand Jury Recommendation 10. The Board of Supervisors should authorize a qualified outside contract auditor to conduct a management audit of the Auditor-Controller’s Office. Due to the urgency of this matter, the cost of the audit should be included in the county budget for the 2002-2003 fiscal year. If it is not feasible to specifically budget for the expense in fiscal year 2002-2003, then the audit should be paid for out of the county contingency fund.

Auditor, Background and findings – Additional implementation is not necessary. The Auditor-Controller’s office is already the most audited office in the County. We not only have an annual audit performed by the Joint County/Audit Committee’s outside contracted auditors, but we also are constantly audited by our internal auditors and by a multitude of federal and state auditors. The annual audit includes a review of compliance with all requirements of laws, regulations, contracts, and grants and then a report is issued. The outside auditors approved contract requires them to also report on areas broader than the financial statements conformity with generally accepted accounting principals, but also includes a review of internal controls. The most recent report issued for year ended June 30, 2001, states, “...in our (outside auditor) opinion County of Shasta complied in all material respects.”

Grand Jury Recommendation 11. The Board of Supervisors should ensure that the time line issued by the California State Controller for separating the funds for vehicle replacement and vehicle maintenance within the Fleet Management Division of Support Services has been met.

Auditor, Background and findings - Implemented as detailed in response to finding #15. The submitted report of July 23, 2002 included the separation of funds, supported by Auditor-Controller and Fleet Management.

Grand Jury Recommendation 12. The Auditor-Controller should continue to work diligently on a solution for dealing with vehicle maintenance cost accounting that will be

satisfactory to the Director of Support Services, the Shasta County Board of Supervisors, and the California State Controller.

Auditor, Background and findings – Implemented – The Auditor-Controller has been working to resolve all findings relating to Fleet Management, both by the State Controller and on the annual audit performed by the Joint County/Grand Jury Audit Committee's selected outside auditors. The Auditor-Controller's staff was continually made available to assist Fleet Management with their findings. The Auditor-Controller has received and presented to the Board of Supervisors the State Controller's Office – Bureau of Payments final approval of Fleet Management's proposal, dated July 16, 2002. For additional information regarding the California State Controller's audit issues involving Fleet Management, refer to finding #15 of this response.

Grand Jury Recommendation 13. Pursuant to California Government Code Section 26883, the Board of Supervisors should implement a rotating schedule requiring the Auditor-Controller to audit or review the accounts and records of one or more county departments each year in order to determine whether there is adequate supervision of accounting practices and consistency in the application of those practices among county departments.

Auditor, Background and findings – Implementation favored by Auditor-Controller. However, the Joint County/Grand Jury Audit Committee's outside contract auditor has been providing the County a rotating audit schedule of departments annually. The contract auditor reviewed this procedure with the Joint County/Grand Jury Audit Committee as recently as May 28, 2002.



SHASTA COUNTY
BOARD OF SUPERVISORS

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SUPERIOR COURT OF CALIFORNIA
COUNTY OF SHASTA
ADMINISTRATION OFFICE
SHASTA COUNTY CLERK

DAVID A. KEHOE, DISTRICT 1
IRWIN FUST, DISTRICT 2
GLENN HAWES, DISTRICT 3
MOLLY WILSON, DISTRICT 4
PATRICIA A. "TRISH" CLARKE, DISTRICT 5

The Honorable James Ruggiero
Presiding Judge, Shasta County Courts
1500 Court Street, Room 205
Redding CA 96001

October 8, 2002

Re: Response of Board of Supervisors to Fiscal Year 2001/2002 Grand Jury Report

Dear Judge Ruggiero:

The Shasta County Board of Supervisors appreciates the time and dedication which the 2001/2002 Grand Jurors contributed to their charge. The following findings and recommendations are under serious consideration and discussions are being held regarding solutions to any unresolved problems.

Responses to Findings & Recommendations

A. Audit and Finance Committee:

The Board of Supervisors concurs with the 11 findings of the Grand Jury regarding the Audit & Finance Committee.

Recommendations and Responses:

Recommendation #1.

The Shasta County Board of Supervisors should ensure that the recommendation regarding inventories of Fleet Management's equipment, parts and fuels be fully implemented within 90 days of the Grand Jury's Report.

Response to Recommendation #1.

The Board of Supervisors concurs and is happy to report that the recommendation regarding inventories of the Fleet Management equipment, parts, and fuels has been implemented.

Recommendation #2.

The Shasta County Board of Supervisors shall ensure that the County Administrative Officer submits proposed policies and procedures to the Joint Audit Committee at its first meeting during Fiscal Year 2002/2003.

FILED

OCT 16 2002

ANN REED, CLERK
By S. Greenhaw *S. Greenhaw*
Deputy Clerk

Hon. James Ruggiero, Presiding Judge
Response to FY 2001/2002 Grand Jury Report
October 8, 2002 - Page 2

Response to Recommendation #2.

The County Administrative Officer has indicated the proposed policies and procedures for the Joint Audit Committee will be presented for approval at the first meeting of the Joint Audit Committee in Fiscal Year 2002-2003.

Recommendation #3.

The Joint Audit Committee should initiate a Request for Proposal to establish a contract with a new auditing firm.

Response to Recommendation #3.

A Request for Proposals (RFP) for a new auditing firm will be prepared and presented by staff at the first meeting of the Joint Audit Committee for the committee's consideration.

Recommendation #4.

The Joint Audit Committee shall annually review the performance of the contract auditor to determine if the contract should be continued for another year.

Response to Recommendation #4.

The Board of Supervisors concurs that the Joint Audit Committee should annually review the performance of the contract auditor for continuation of the contract on a yearly basis or for initiation of a new RFP for a new auditing firm.

B. Health/Education/Social Services Committee:
Shasta County Mental Health Department

Recommendations and Responses:

The Shasta County Board of Supervisors concurs with the 11 findings of the Grand Jury.

Recommendation #1.

The Board of Supervisors should support the development of a regional partnership between the Shasta County Mental Health Department, a private non-profit or for-profit organization, and a licensed medical facility to provide additional inpatient beds for treatment of mental health disease. This entity could serve the general population's need for acute psychiatric care and medical detoxification. The county could also contract for services with such an entity, thereby relieving pressure on existing facilities and staff.

Response to Recommendation #1:

The Board concurs with the Grand Jury's recommendation #1. The implementation, however, is larger than just the County response. To truly develop a reasonable partnership would require entities outside of County government to step forward and become active participants. This has been tried in other counties in the past and has often not been successful, due to the profit motive of the other entities involved.

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Technical assistance has been requested from the California Mental Health Directors Association and a work plan is currently being developed. The Mental Health Department will be directed to respond to the Board of Supervisors regarding this recommendation within a six-month period.

Recommendation #2

The Mental Health Department and the county should also encourage private sector development of a licensed psychiatric facility in Shasta County for treatment of youth in need of acute mental health care services.

Response to Recommendation #2:

The Board of Supervisors concurs that a licensed psychiatric facility for youth is badly needed; however previous attempts to encourage private developers to become involved in this arena have been unsuccessful. The Board will direct the Mental Health Director to include this in his report to the Board, as indicated in recommendation #1.

Recommendation #3.

In order to provide adequate mental health care, the county administration should find ways to meet the workforce needs of this department. They should explore creative ways of recruiting additional qualified professionals, including the use of signing bonuses or other incentives, using professional recruiters, offering stipends for higher level education for current staff, ensuring that salaries are competitive, and supporting local paraprofessional training programs. The Board of Supervisors needs to support the efforts of the department to develop training and educational programs and facilitate the pursuit of advanced degrees by employees in order to promote and retain qualified staff.

Financing for these programs would come from outside funding sources and department revenue and would have no fiscal impact on the county's general fund. In fact, investment in incentive programs would save the County some of the costs of turnover and recruitment and result in increased efficiencies and reduced liability costs.

Response to Recommendation #3.

The Shasta County Board of Supervisors has consistently supported the efforts of the department that developed training and educational programs as well as facilitate the pursuit of advanced degrees by employees in order to promote and retain qualified staff. The Board of Supervisors has utilized outside recruiting professionals; however, given the Redding location, which includes two major hospitals, recruiting nurses and healthcare professionals remains difficult. The department is currently working with labor bargaining groups in an attempt to move to 12-hour shifts, which was one of the requests of the nursing and medical staff. Unfortunately, many medical professionals, including nurses, prefer to work in other environments where the salaries are very similar to those that we can offer. It should be recognized that the Board of Supervisors has given several raises to nurses that the general rank and file employees did not receive.

Recommendation #4.

The Board of Supervisors should institute a protocol that ensures that the Mental Health Board complies with the statutory requirement that it submit an annual report on the needs and performance of the County's mental health system. The report should be reviewed by the Mental

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Health Director and submitted to the Board of Supervisors by April 1 of each calendar year. The report should include an evaluation of the local mental health program and recommendations for improving the mental health system. The Board of Supervisors should also ensure compliance with the other requirements listed in California Government Code 5604.2(a).

Response to Recommendation #4.

The Shasta County Board of Supervisors concurs with Recommendation #4. The Chairman of the Board is currently a member of the Mental Health Advisory Board and indicates that the required report will be submitted to the Board of Supervisors by April 1 of every calendar year.

Recommendation #5.

The Mental Health Board needs to develop an organizational structure within the Board that will allow it to focus on priorities and accomplish more towards improving mental health services in the community. In order for the Board to effectively perform its duties, it must be an advocate for those who use the system and for the department. It must partner with the Mental Health Director and his staff to ensure that the best services are available for those who use the system. The officers of the Board must encourage active participation by all members of the Board so that the leadership is not solely responsible for accomplishing all of the work of the Board. Each committee should meet on a regular basis and report to the full Board at each regular meeting. Recommendations from committees should be incorporated into the annual report to the Board of Supervisors.

Response to Recommendation #5.

The Shasta County Board of Supervisors concurs with Recommendation #5, and in reviewing the recent notes of the Mental Health Advisory Board, these recommendations are being taken seriously and addressed at the meetings.

Recommendation #6.

The Board of Supervisors should encourage ongoing dialogue between the private medical community and the Mental Health Department and support any recommendations that will improve the efficiencies in serving the needs of the community.

Response to Recommendation #6.

The Shasta County Board of Supervisors concurs with Recommendation #6 and observes that both psychiatrists and mental health professionals are striving to have better communications with the private medical community.

Recommendation #7.

The Board of Supervisors and the Mental Health Board should recommend that the current Mental Health-Medical Community Partnership Solution Project Task Force evolve into a permanent body which meets on a quarterly basis to effect communication and solutions to common problems. A reorganization of the Task Force may be necessary because of the large number of original participants who are no longer taking part in the commission of its duties.

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Response to Recommendation #7.

The Shasta County Board of Supervisors will refer this matter to the Mental Health Department and request a report within 60 days as to the status of the Mental Health Medical Community Partnership Solution Project Task Force.

C. Shasta County Auditor-Controller:

The Shasta County Board of Supervisors concurs with findings #1 through #16 of the Grand Jury Final Report.

Grand Jury recommendations:

The Shasta County Board of Supervisors shall respond to recommendations 1-5 and 9-13.

Recommendation #1.

The Board of Supervisors should amend Ordinance No. 477 to incorporate California Government Code Section 26945's current list of qualifications and specify that any further amendments be applicable to Shasta County.

Response to Recommendation #1.

Shasta County will agendize Ordinance #477 for discussion and possible amendments to include changes to Government Code #26945. The current Auditor-Controller meets the minimum qualifications of Government Code #26945.

Recommendation #2.

The Board of Supervisors should support any future state legislation that increases the professional standards for qualifications for the office of Auditor-Controller.

Response to Recommendation #2.

The Board of Supervisors will support legislation that increases qualifications for the Auditor-Controller.

Recommendation #3.

The Board of Supervisors should adopt California Government Code Section 26945.1, requiring the Auditor-Controller to complete continuing education requirements.

Response to Recommendation #3.

The Board of Supervisors will agendize for action the adoption of Government Code #26945.1 for discussion within 60 days. The current Auditor-Controller attends continuing education classes that meet the requirements of Government Code #26945.1.

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Recommendation #4.

The Board of Supervisors should exercise its authority granted in California Government Code Sections 25303 to ensure that this officer faithfully performs his duties. The Board should require the Auditor-Controller to appear monthly to report upon the status of his office.

Response to Recommendation #4.

All elected department heads will be invited to appear before the Board of Supervisors on a quarterly basis. The decision will rest with the elected official.

Recommendation #5.

Pursuant to California Penal Code Section 927, the Board of Supervisors should request that the 2002-2003 Grand Jury investigate and report upon the salary of the Auditor-Controller and other elected officials. This investigation should include a benchmark study of comparable counties as established by the Grand Jury.

Response to Recommendation #5.

This recommendation will not be adopted at this time. The salaries of the Auditor-Controller and elected officials are the purview of the Shasta County Board of Supervisors and are set after reviewing many factors including the labor negotiations of those individuals employed in the department.

Recommendation #9.

The Board of Supervisors should direct staff to report upon the advisability, feasibility, and process of establishing the office of Auditor-Controller as an appointed, rather than elected, position.

Response to Recommendation #9.

This matter was discussed by the Board of Supervisors at their August 5, 1997 meeting (See attached Board Report). The action considered was the possible consolidation of the office of the Auditor-Controller and Treasurer-Tax Collector-Public Administrator into one office: Director of Finance. The Board decided at that meeting not to move forward with the consolidation. As the Auditor-Controller has recently been re-elected to a four-year term commencing January 1, 2003, the discussion of an appointed (as opposed to elected) Auditor-Controller seems premature at this time. The Board will agendize this matter in approximately 30 months for discussion at a full study session prior to the next election for this position.

Recommendation #10.

The Board of Supervisors should authorize a qualified outside contract auditor to conduct a management audit of the Auditor-Controller's Office. Due to the urgency of this matter, the cost of the audit should be included in the Fiscal Year 2002-2003 County Budget. If it is not feasible to specifically budget for the expense in Fiscal Year 2002-2003, then the audit should be paid for out of the County Contingency Fund.

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Response to Recommendation #10.

The Board of Supervisors has directed staff to initiate a Request for Proposals (RFP) to perform a management audit. County Administrative Office staff have indicated this will be issued within the next 60 days.

Recommendation #11.

The Board of Supervisors should ensure that the timeline issued by the California State Controller for separating the funds for vehicle replacement and vehicle maintenance within the Fleet Management Division of Support Services has been met.

Response to Recommendation #11.

Assistant Auditor-Controller Connie Regnell indicates in a memo dated October 4, 2002 (copy attached) that fleet operations, replacement costs, and fuel are now in separate budget categories.

Recommendation #12.

The Auditor-Controller should continue to work diligently on a solution for dealing with vehicle maintenance cost accounting that will be satisfactory to the Director of Support Services, the Shasta County Board of Supervisors, and the California State Controller.

Response to Recommendation #12.

The vehicle maintenance cost accounting has been satisfactorily agreed upon between the Director of Support Services, the Auditor's office and the California State Controller.

Recommendation #13.

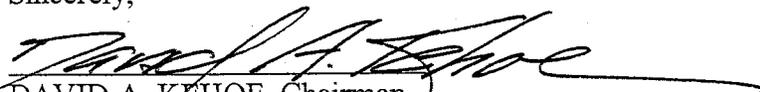
Pursuant to California Government Code Section 26883, the Board of Supervisors should implement a rotating schedule requiring the Auditor-Controller to audit or review the accounts and records of one or more County departments each year in order to determine whether there is adequate supervision of accounting practices and consistency in the application of those practices among County departments.

Response to Recommendation #13.

The Board of Supervisors will not implement a rotating schedule requiring the Auditor-Controller to review particular departments as this appears to be an infringement on his authority as an elected official. The Board will, however, keep its options open if certain departments become a concern.

This concludes the response of the Shasta County Board of Supervisors to the FY 2001/2002 Grand Jury Final Report.

Sincerely,


DAVID A. KEHOE, Chairman
Board of Supervisors

Copy: Members, Grand Jury
Ann Reed, County Clerk
Attachments: 4

SHASTA COUNTY DETENTION ANNEX

REASON FOR INQUIRY:

California Penal Code Section 919 mandates that the grand jury inquire into the condition and management of all public prisons located within the County.

BACKGROUND:

The Detention Annex opened in 1982 to provide a minimum-security facility for sentenced inmates. The Annex, which is operated by the Shasta County Sheriff's Office, includes facilities for inmate education and housing. Additionally there is an office, workshop, storage building and a car wash area.

The Sheriff conducts two separate but related programs at this location. One is a minimum-security dormitory where the inmates perform work in the community each day, usually for governmental entities. The other is a work release program where the inmates live at home and report to the facility for community service work. Each inmate in the work release program has his own schedule with workdays planned around either jobs or schooling. To participate in the work release program, inmates are required to pay up to \$20 a day, depending on their income.

In 1996 the dormitory was closed due to budget constraints. It was reopened in May 2000 providing additional bed space for inmates from the main jail. The current average daily population is approximately 59 with the maximum allowed being 66 inmates.

METHOD OF INQUIRY:

The Grand Jury toured the Detention Annex Work Facility on October 8, 2001 and January 8, 2002.

The Grand Jury reviewed the following documents:

- Inmate Rules and Regulations
- Shasta County Sheriff's Quarterly Report

The Grand Jury interviewed the following:

- Shasta County Sheriff
- One Captain from the Sheriff's Office
- One Lieutenant from the Sheriff's Office

FINDINGS:

1. The Detention Annex Work Facility benefits the community by providing services to a variety of agencies throughout the county. In addition, inmates farm an adjacent five-acre parcel to produce fruits and vegetables for the main jail kitchen. Excess produce is donated to non-profit organizations. A bicycle renovation program provides refurbished bicycles to area children at no cost.
2. Bathrooms showed signs of deferred maintenance, rust and water leakage. The Grand Jury spoke to the Captain about the leakage. A subsequent inspection confirmed corrective work had been completed.

RECOMMENDATIONS:

None

RESPONSE REQUIRED:

None

SHASTA COUNTY JUVENILE HALL

REASON FOR INQUIRY:

California Penal Code Section 919 mandates that the Grand Jury inquire into the condition and management of all public prisons located within the County.

BACKGROUND:

The Shasta County Juvenile Hall was built in 1958 to detain youth up to 18 years old. The original facility provides space for the Juvenile Probation Office, Juvenile Court and Detention Unit A. Unit A houses maximum-security minors and contains eight single occupancy “wet” cells, which include a toilet, sink, and drinking fountain.

An addition built in 1988, housing Units B & C, provided 6,000 square feet of additional space including double occupancy “dry” cells with centrally located restrooms for each unit. There is a dayroom for general population dining, inclement weather recreation, and daily inmate orientation. Outdoor facilities include basketball and volleyball courts, a vegetable garden, and an animal husbandry area.

The average daily population of the Juvenile Hall is 55, with the average length of stay being 26 days. The typical ratio of boys to girls is 4:1.

Minors housed in Units B and C attend school onsite in three portable classrooms. Basic subjects are taught five hours a day, five days a week. Students rotate between the three classrooms to simulate the public school class structure. Minors in Unit A are confined to the dayroom for school instruction.

The California Forensic Medical Group (CFMG), under contract with Shasta County, provides medical care. All minors receive a complete physical examination within 96 hours of booking, including immunizations as needed. One full-time nurse is on site and a physician visits the facility twice a week. A psychiatrist and two mental health counselors provide services for minors with mental health needs and/or management of medication. Family visitation and participation in counseling is encouraged and may be court mandated.

The Juvenile Hall facility staffing consists of:

- Division Director
- Supervising group counselors
- Full-time group counselors
- Extra-help group counselors
- Food services supervisor
- Full-time cooks
- Extra-help cooks
- Secretary
- Full-time teachers
- Teachers’ aides

METHOD OF INQUIRY:

The Grand Jury toured the Juvenile Hall detention facility on November 12, 2001. Information was provided by the Chief Probation Officer, the Division Director, and the Superior Court Judge assigned to juvenile court. There were subsequent interviews conducted with the Division Director on January 17 and May 6, 2002.

Documents reviewed were:

- Shasta County Juvenile Hall Facility Description
- Juvenile Hall General Information 2001-2002
- Juvenile Hall Monthly Report, October 2001
- Juvenile Hall Orientation Manual

FINDINGS:

1. Upon entering the facility, minors are provided an orientation manual explaining their rights and obligations.
2. A grant funded by the Board of Corrections was obtained for construction improvements that will add 2400 square feet to the facility, further increasing capacity by 12 residents. In addition, an 800 square-foot classroom is planned for use by minors in Unit A. The work is scheduled to be completed by fall, 2003.
3. On the date of the tour, approximately one third of the total population were being treated with psychotropic medications for mental health and emotional needs.
4. Adherence to the rules and good behavior is rewarded by incentives including early release and special privileges.

RECOMMENDATIONS:

None

RESPONSE REQUIRED:

None

SHASTA COUNTY JUVENILE HALL

REASON FOR INQUIRY:

California Penal Code Section 919 mandates that the Grand Jury inquire into the condition and management of all public prisons located within the County.

BACKGROUND:

The Shasta County Juvenile Hall was built in 1958 to detain youth up to 18 years old. The original facility provides space for the Juvenile Probation Office, Juvenile Court and Detention Unit A. Unit A houses maximum-security minors and contains eight single occupancy “wet” cells, which include a toilet, sink, and drinking fountain.

An addition built in 1988, housing Units B & C, provided 6,000 square feet of additional space including double occupancy “dry” cells with centrally located restrooms for each unit. There is a dayroom for general population dining, inclement weather recreation, and daily inmate orientation. Outdoor facilities include basketball and volleyball courts, a vegetable garden, and an animal husbandry area.

The average daily population of the Juvenile Hall is 55, with the average length of stay being 26 days. The typical ratio of boys to girls is 4:1.

Minors housed in Units B and C attend school onsite in three portable classrooms. Basic subjects are taught five hours a day, five days a week. Students rotate between the three classrooms to simulate the public school class structure. Minors in Unit A are confined to the dayroom for school instruction.

The California Forensic Medical Group (CFMG), under contract with Shasta County, provides medical care. All minors receive a complete physical examination within 96 hours of booking, including immunizations as needed. One full-time nurse is on site and a physician visits the facility twice a week. A psychiatrist and two mental health counselors provide services for minors with mental health needs and/or management of medication. Family visitation and participation in counseling is encouraged and may be court mandated.

The Juvenile Hall facility staffing consists of:

- Division Director
- Supervising group counselors
- Full-time group counselors
- Extra-help group counselors
- Food services supervisor
- Full-time cooks
- Extra-help cooks
- Secretary
- Full-time teachers
- Teachers’ aides

METHOD OF INQUIRY:

The Grand Jury toured the Juvenile Hall detention facility on November 12, 2001. Information was provided by the Chief Probation Officer, the Division Director, and the Superior Court Judge assigned to juvenile court. There were subsequent interviews conducted with the Division Director on January 17 and May 6, 2002.

Documents reviewed were:

- Shasta County Juvenile Hall Facility Description
- Juvenile Hall General Information 2001-2002
- Juvenile Hall Monthly Report, October 2001
- Juvenile Hall Orientation Manual

FINDINGS:

1. Upon entering the facility, minors are provided an orientation manual explaining their rights and obligations.
2. A grant funded by the Board of Corrections was obtained for construction improvements that will add 2400 square feet to the facility, further increasing capacity by 12 residents. In addition, an 800 square-foot classroom is planned for use by minors in Unit A. The work is scheduled to be completed by fall, 2003.
3. On the date of the tour, approximately one third of the total population were being treated with psychotropic medications for mental health and emotional needs.
4. Adherence to the rules and good behavior is rewarded by incentives including early release and special privileges.

RECOMMENDATIONS:

None

RESPONSE REQUIRED:

None

SHASTA COUNTY MAIN JAIL

REASON FOR INQUIRY:

California Penal Code Section 919 mandates that the Grand Jury inquire into the condition and management of all public prisons located within the County.

BACKGROUND:

The existing building was completed in August 1984. It was originally designed to hold 237 inmates. Most cells were double bunked during the next 10 years, increasing the jail capacity to 381 inmates.

In 2001 the main jail processed 10,333 inmates with the highest daily inmate population being 350. The Sheriff's Office works closely with the Probation Department to help avoid overcrowding of the main jail. The Sheriff's Office provides a quarterly report to the Shasta County Courts detailing early release of inmates to avoid overcrowding. Alternative programs to incarceration include Work Release, Home Electronic Confinement, Community Parole and Supervised Own Recognizance.

Staffing at the main jail is as follows:

- One captain
- One lieutenant
- One administrative secretary
- Five sergeants
- Thirty-six male deputies and nine female deputies
- Four senior service officers and twenty-one service officers
- One support services manager
- Eight cooks

California Forensic Medical Group (CFMG) provides medical service for the main jail.

The CFMG contract for fiscal year 2001-2002 is \$974,895.

METHOD OF INVESTIGATION:

The Grand Jury toured the facility September 10, 2001.

The Grand Jury interviewed the following:

- One male and one female inmate
- Shasta County Sheriff
- One Shasta County Captain
- One Shasta County Lieutenant

The Grand Jury reviewed the following documents:

- Shasta County Main Jail tour and inspection fact sheet
- Shasta County Sheriff's Quarterly Report
- Board of Corrections biennial inspection report
- Jail inmate orientation handbook

- Medical services contract for inmates of Shasta County detention facilities
- Expansion plan feasibility study

FINDINGS:

1. The Grand Jury found the Shasta County Main Jail to be a clean, orderly and well run facility.
2. Section 4021 of the Penal Code requires a female custodial person to be available to supervise female inmates 24 hours a day. The Main Jail meets this requirement, although recruitment of female deputies has become increasingly difficult.
3. The Sheriff's Office anticipates 35% of its staff will be retiring within the next three years while, at the same time, recruitment of deputy sheriffs has become increasingly difficult, particularly to work in the jail. To enhance recruitment and retention, in December 2001, the Board of Supervisors approved the Sheriff's proposal to replace some 62 Shasta County deputy sheriffs employed at the Main Jail and Annex with correctional officers. Deputy sheriffs currently assigned to the detention facilities would be transitioned to field assignments over a three-year period as substitute correctional officers are recruited. The transition is currently underway and, when complete, will result in savings of over \$800,000 annually due to reduced salary and training requirements for correctional officers.

RECOMMENDATIONS:

None

RESPONSES REQUIRED:

None

SHASTA COUNTY MENTAL HEALTH

REASON FOR INVESTIGATION:

Penal Code 925 empowers the Grand Jury to investigate and report on the operations, accounts and records of the officers, departments or functions of the county. The Grand Jury chose to review the Shasta County Mental Health Department because of its importance to the well being of the community. As part of its investigation, the Grand Jury also reviewed the functions and operations of the Shasta County Mental Health Board, which provides citizens' oversight of the county's mental health program.

BACKGROUND:

The mission of the Shasta County Mental Health Department is "...to enable people experiencing severe and disabling mental illnesses and children with serious emotional disturbances to access services and programs that assist them ... to better control their illnesses, to achieve their personal goals, and to develop skills and support leading to their living the most constructive and satisfying lives possible in the least restrictive available settings in Shasta County". The Mental Health Department provides both inpatient and outpatient services. The department is housed in the old county hospital building which was built in the 1930's and added on to several times. The department occupies approximately 57,000 square feet of the 80,000 square-foot building, including a 15-bed psychiatric hospital.

The department served well over 5,000 clients during fiscal year 2000/2001: of those clients, 1,370 were youth, 3,484 were adults, and 203 were older adults (65 or older). The psychiatric hospital admitted 871 patients and the average length of stay was 5 days. The Shasta County Alcohol and Drug Program, as a division of the Shasta County Mental Health Department, provides services to those impacted by the use and abuse of alcohol and drugs.

The County's general fund is the source of only 1.4% of this department's total revenues. The department has outside revenue sources that include Medi-Cal, Medicare, state realignment and vehicle licensing fees, and federal and state grants.

In 1986, the California Legislature passed the Bronzan-McCorquodale Act which mandates that a Mental Health Board be established in each county as a public body designed to provide local oversight of the county's mental health programs.

Services Provided:

Acute Psychiatric Hospitalization
Medication Assessment &
Management
Psychological Assessment
Psychotherapy
Therapeutic Behavioral Services
Case Management
Day Treatment and Socialization
Alcohol & Drug Program

Staffing:

193 (Mental Health)
40 (Alcohol & Drug)

Budget for Fiscal Year 2001/2002:

\$19,352,218 (Mental Health)
\$ 2,456,051 (Alcohol & Drug)

METHOD OF INVESTIGATION:

The Grand Jury toured the Shasta County Mental Health Department and the Psychiatric Hospital twice, attended meetings of the Mental Health Board, and conducted interviews with the following:

- The Interim Director
- The newly appointed Director
- Two Deputy Directors
- The Alcohol and Drug Program Director
- The Chief Administrative Officer of Shasta County
- The chairman and members of the Shasta County Mental Health Board
- A member of the Board of Supervisors

The Grand Jury obtained and reviewed the following documents:

- Department Organization Charts
- Department Mission Statements
- Department informational brochures
- Staffing and patient census summaries
- Departmental budget charts
- Shasta County Mental Health Department Admission/Discharge Procedures
- Survey Procedures and Guidelines for Psychiatric Hospitals
- California Department of Mental Health Psychiatric Health Facility Laws and Regulations
- Little Hoover Commission Study on Mental Health Care for Children
- Mental Health Board agendas, minutes and attachments
- Statutes regarding Mental Health Advisory Boards
- Interim Director's Reports and Director's Reports to the Mental Health Board
- California Department of Mental Health Focus Group Report for Shasta County, September 11, 2001
- Shasta County Children's Policy Council Annual Report 2000-2001
- 1997/98 Grand Jury Report on Shasta County Alcohol and Drug Program
- Annual Report of Alcohol and Drug Program for Shasta County
- Report on Survey of Current and Former Psychiatrists and Staff, May 2, 2001
- Documents from Shasta County Mental Health-Medical Community Partnership Solution Project Task Force, February through June, 2001

FINDINGS:

1. The Shasta County Psychiatric Hospital is the only facility in Shasta County that specifically provides inpatient mental health care to those in need. The hospital is licensed for 15 beds. The county has additional beds available under contracts with Napa State Hospital, several private non-profit and for-profit agencies, as well as public and private board and care facilities and other residential facilities. The space available is often inadequate to meet the needs of the community as these beds are almost always filled to capacity.

2. There is a statewide shortage of acute mental health care facilities for children and youth in California. Currently there is no such facility specifically for children or youth available in Shasta County.
3. There is a shortage of private sector resources for the treatment of mental illness in the community and a shortage of private sector psychiatrists.
4. There is a shortage of facilities available in Shasta County for medical detoxification.
5. Because of California state licensing requirements, it would be difficult and impractical for Shasta County to expand its psychiatric hospital. The hospital is currently licensed for 15 beds as a freestanding psychiatric health facility by California mandates that limit them to 16 beds or less. Increasing the number of beds would lead to the county losing this license and the federal participation funding.
6. The Shasta County Mental Health Department is attempting to address a human resource shortage in the areas of mental health professionals, nurses and social workers. At the beginning of 2001 there were 35 vacancies in the department. The administration is working with educational institutions to develop training programs and internships and with their own staff to provide continuing education programs.
7. The administrators of the Shasta County Mental Health Department are instituting a re-organization of the department that includes better utilization of state and federal funding resources, better access by mental health patients to medical care, more emphasis on interagency services, and more private sector contracting for services.
8. California Government Code 5604 requires each community mental health service to have a Local Mental Health Board and specifies the makeup of the board. The Shasta County Mental Health Board is made up of 15 volunteer members appointed by the Board of Supervisors. Membership is made up of consumers of mental health services, family members of consumers, representatives of the community, and a member of the Board of Supervisors.
9. The Shasta County Mental Health Board has adopted bylaws that reflect the statutory requirements as outlined in California Government Code 5604. Government Code 5604.2(a)(5) specifically requires the Mental Health Board to submit an annual report to the Board of Supervisors on the needs and performance of the county's mental health system. The Grand Jury was unable to find any evidence that this report had been submitted by the Shasta County Mental Health Board in at least the last five years.
10. The purpose of the Mental Health Board should be to insure that the community's mental health needs are being adequately met. The Grand Jury found that the Board lacks focus in establishing priorities that would lead to accomplishing that purpose. The Board appears to be trying to facilitate a number of projects, but needs more direction from the leadership and participation from all members in order to meet its goals.
11. The Shasta County Mental Health-Medical Community Partnership Solutions Project Task Force was formed in 2001 to identify problems and recommend solutions regarding mental health care in the community. The Task Force is made

up of members of the private medical community, members of the Shasta County Mental Health Board, staff members of the Shasta County Mental Health Department, a member of the Shasta County Board of Supervisors, a staff member from the Shasta County Administrative Office, members of the private non-profit sector, members of law enforcement, members of other community groups, a member of the County Counsel's office, members of the Public Guardian's Office, staff from the Shasta Community Health Center, and other members of the community. Some of the recommendations that came out of this dialogue, such as facilitating the transfer of medical records, have been implemented and are beneficial to the department and the community. Continuing participation from the private medical community is essential to the further success of this Task Force.

RECOMMENDATIONS:

1. The Board of Supervisors should support the development of a regional partnership between the Shasta County Mental Health Department, a private non-profit or for-profit organization, and a licensed medical facility to provide additional inpatient beds for treatment of mental health disease. This entity could serve the general population's need for acute psychiatric care and medical detoxification. The county could also contract for services with such an entity, thereby relieving pressure on existing facilities and staff.
2. The Mental Health Department and the County should also encourage private sector development of a licensed psychiatric facility in Shasta County for treatment of youth in need of acute mental health care services.
3. In order to provide adequate mental health care, the county administration should find ways to meet the workforce needs of this department. They should explore creative ways of recruiting additional qualified professionals, including the use of signing bonuses or other incentives, using professional recruiters, offering stipends for higher level education for current staff, ensuring that salaries are competitive, and supporting local para-professional training programs. The Board of Supervisors needs to support the efforts of the department to develop training and educational programs and facilitate the pursuit of advanced degrees by employees in order to promote and retain qualified staff. Financing for these programs would come from outside funding sources and department revenue and would have no fiscal impact on the county's general fund. In fact, investment in incentive programs would save the county some of the costs of turnover and recruitment and result in increased efficiencies and reduced liability costs.
4. The Board of Supervisors should institute a protocol that ensures that the Mental Health Board complies with the statutory requirement that it submit an annual report on the needs and performance of the county's mental health system. The report should be reviewed by the Mental Health Director and submitted to the Board of Supervisors by April 1 of each calendar year. The report should include an evaluation of the local mental health program and recommendations for improving the mental health system. The Board of Supervisors should also ensure compliance with the other requirements listed in California Government Code 5604.2(a).

5. The Mental Health Board needs to develop an organizational structure within the Board that will allow it to focus on priorities and accomplish more towards improving mental health services in the community. In order for the Board to effectively perform its duties, it must be an advocate for those who use the system and for the department. It must partner with the Mental Health Director and his staff to ensure that the best services are available for those who use the system. The officers of the Board must encourage active participation by all members of the Board so that the leadership is not solely responsible for accomplishing all of the work of the Board. Each committee should meet on a regular basis and report to the full board at each regular meeting. Recommendations from committees should be incorporated into the annual report to the Board of Supervisors.
6. The Board of Supervisors should encourage ongoing dialogue between the private medical community and the Mental Health Department and support any recommendations that will improve efficiencies in serving the needs of the community.
7. The Board of Supervisors and the Mental Health Board should recommend that the current Mental Health-Medical Community Partnership Solution Project Task Force evolve into a permanent body which meets on a quarterly basis to effect communication and solutions to common problems. A reorganization of the Task Force may be necessary because of the large number of original participants who are no longer taking part in the commission of its duties.

RESPONSE REQUIRED:

Shasta County Board of Supervisors

RESPONSES INVITED:

Director, Shasta County Department of Mental Health
Shasta County Mental Health Board

COMMENDATION:

The Shasta County Mental Health Department, under interim leadership for six months and under new leadership this year, shows a high level of dedication to its purpose. During the Grand Jury investigation, the department was very responsive, highly professional, and generous with their time and information.



SHASTA COUNTY BOARD OF SUPERVISORS

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SUPERIOR COURT OF CALIFORNIA
COUNTY OF SHASTA
SHASTA COUNTY CLERK
ADMINISTRATION OFFICE

DAVID A. KEHOE, DISTRICT 1
IRWIN FUST, DISTRICT 2
GLENN HAWES, DISTRICT 3
MOLLY WILSON, DISTRICT 4
PATRICIA A. "TRISH" CLARKE, DISTRICT 5

The Honorable James Ruggiero
Presiding Judge, Shasta County Courts
1500 Court Street, Room 205
Redding CA 96001

October 8, 2002

Re: Response of Board of Supervisors to Fiscal Year 2001/2002 Grand Jury Report

Dear Judge Ruggiero:

The Shasta County Board of Supervisors appreciates the time and dedication which the 2001/2002 Grand Jurors contributed to their charge. The following findings and recommendations are under serious consideration and discussions are being held regarding solutions to any unresolved problems.

Responses to Findings & Recommendations

A. Audit and Finance Committee:

The Board of Supervisors concurs with the 11 findings of the Grand Jury regarding the Audit & Finance Committee.

Recommendations and Responses:

Recommendation #1.

The Shasta County Board of Supervisors should ensure that the recommendation regarding inventories of Fleet Management's equipment, parts and fuels be fully implemented within 90 days of the Grand Jury's Report.

Response to Recommendation #1.

The Board of Supervisors concurs and is happy to report that the recommendation regarding inventories of the Fleet Management equipment, parts, and fuels has been implemented.

Recommendation #2.

The Shasta County Board of Supervisors shall ensure that the County Administrative Officer submits proposed policies and procedures to the Joint Audit Committee at its first meeting during Fiscal Year 2002/2003.

FILED

OCT 16 2002

ANN REED, CLERK
By S. Greenhaw
Deputy Clerk

Hon. James Ruggiero, Presiding Judge
Response to FY 2001/2002 Grand Jury Report
October 8, 2002 - Page 2

Response to Recommendation #2.

The County Administrative Officer has indicated the proposed policies and procedures for the Joint Audit Committee will be presented for approval at the first meeting of the Joint Audit Committee in Fiscal Year 2002-2003.

Recommendation #3.

The Joint Audit Committee should initiate a Request for Proposal to establish a contract with a new auditing firm.

Response to Recommendation #3.

A Request for Proposals (RFP) for a new auditing firm will be prepared and presented by staff at the first meeting of the Joint Audit Committee for the committee's consideration.

Recommendation #4.

The Joint Audit Committee shall annually review the performance of the contract auditor to determine if the contract should be continued for another year.

Response to Recommendation #4.

The Board of Supervisors concurs that the Joint Audit Committee should annually review the performance of the contract auditor for continuation of the contract on a yearly basis or for initiation of a new RFP for a new auditing firm.

B. Health/Education/Social Services Committee:
Shasta County Mental Health Department

Recommendations and Responses:

The Shasta County Board of Supervisors concurs with the 11 findings of the Grand Jury.

Recommendation #1.

The Board of Supervisors should support the development of a regional partnership between the Shasta County Mental Health Department, a private non-profit or for-profit organization, and a licensed medical facility to provide additional inpatient beds for treatment of mental health disease. This entity could serve the general population's need for acute psychiatric care and medical detoxification. The county could also contract for services with such an entity, thereby relieving pressure on existing facilities and staff.

Response to Recommendation #1:

The Board concurs with the Grand Jury's recommendation #1. The implementation, however, is larger than just the County response. To truly develop a reasonable partnership would require entities outside of County government to step forward and become active participants. This has been tried in other counties in the past and has often not been successful, due to the profit motive of the other entities involved.

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October 8, 2002 - Page 3

Technical assistance has been requested from the California Mental Health Directors Association and a work plan is currently being developed. The Mental Health Department will be directed to respond to the Board of Supervisors regarding this recommendation within a six-month period.

Recommendation #2

The Mental Health Department and the county should also encourage private sector development of a licensed psychiatric facility in Shasta County for treatment of youth in need of acute mental health care services.

Response to Recommendation #2:

The Board of Supervisors concurs that a licensed psychiatric facility for youth is badly needed; however previous attempts to encourage private developers to become involved in this arena have been unsuccessful. The Board will direct the Mental Health Director to include this in his report to the Board, as indicated in recommendation #1.

Recommendation #3.

In order to provide adequate mental health care, the county administration should find ways to meet the workforce needs of this department. They should explore creative ways of recruiting additional qualified professionals, including the use of signing bonuses or other incentives, using professional recruiters, offering stipends for higher level education for current staff, ensuring that salaries are competitive, and supporting local paraprofessional training programs. The Board of Supervisors needs to support the efforts of the department to develop training and educational programs and facilitate the pursuit of advanced degrees by employees in order to promote and retain qualified staff. Financing for these programs would come from outside funding sources and department revenue and would have no fiscal impact on the county's general fund. In fact, investment in incentive programs would save the County some of the costs of turnover and recruitment and result in increased efficiencies and reduced liability costs.

Response to Recommendation #3.

The Shasta County Board of Supervisors has consistently supported the efforts of the department that developed training and educational programs as well as facilitate the pursuit of advanced degrees by employees in order to promote and retain qualified staff. The Board of Supervisors has utilized outside recruiting professionals; however, given the Redding location, which includes two major hospitals, recruiting nurses and healthcare professionals remains difficult. The department is currently working with labor bargaining groups in an attempt to move to 12-hour shifts, which was one of the requests of the nursing and medical staff. Unfortunately, many medical professionals, including nurses, prefer to work in other environments where the salaries are very similar to those that we can offer. It should be recognized that the Board of Supervisors has given several raises to nurses that the general rank and file employees did not receive.

Recommendation #4.

The Board of Supervisors should institute a protocol that ensures that the Mental Health Board complies with the statutory requirement that it submit an annual report on the needs and performance of the County's mental health system. The report should be reviewed by the Mental

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Health Director and submitted to the Board of Supervisors by April 1 of each calendar year. The report should include an evaluation of the local mental health program and recommendations for improving the mental health system. The Board of Supervisors should also ensure compliance with the other requirements listed in California Government Code 5604.2(a).

Response to Recommendation #4.

The Shasta County Board of Supervisors concurs with Recommendation #4. The Chairman of the Board is currently a member of the Mental Health Advisory Board and indicates that the required report will be submitted to the Board of Supervisors by April 1 of every calendar year.

Recommendation #5.

The Mental Health Board needs to develop an organizational structure within the Board that will allow it to focus on priorities and accomplish more towards improving mental health services in the community. In order for the Board to effectively perform its duties, it must be an advocate for those who use the system and for the department. It must partner with the Mental Health Director and his staff to ensure that the best services are available for those who use the system. The officers of the Board must encourage active participation by all members of the Board so that the leadership is not solely responsible for accomplishing all of the work of the Board. Each committee should meet on a regular basis and report to the full Board at each regular meeting. Recommendations from committees should be incorporated into the annual report to the Board of Supervisors.

Response to Recommendation #5.

The Shasta County Board of Supervisors concurs with Recommendation #5, and in reviewing the recent notes of the Mental Health Advisory Board, these recommendations are being taken seriously and addressed at the meetings.

Recommendation #6.

The Board of Supervisors should encourage ongoing dialogue between the private medical community and the Mental Health Department and support any recommendations that will improve the efficiencies in serving the needs of the community.

Response to Recommendation #6.

The Shasta County Board of Supervisors concurs with Recommendation #6 and observes that both psychiatrists and mental health professionals are striving to have better communications with the private medical community.

Recommendation #7.

The Board of Supervisors and the Mental Health Board should recommend that the current Mental Health-Medical Community Partnership Solution Project Task Force evolve into a permanent body which meets on a quarterly basis to effect communication and solutions to common problems. A reorganization of the Task Force may be necessary because of the large number of original participants who are no longer taking part in the commission of its duties.

Hon. James Ruggiero, Presiding Judge
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Response to Recommendation #7.

The Shasta County Board of Supervisors will refer this matter to the Mental Health Department and request a report within 60 days as to the status of the Mental Health Medical Community Partnership Solution Project Task Force.

C. Shasta County Auditor-Controller:

The Shasta County Board of Supervisors concurs with findings #1 through #16 of the Grand Jury Final Report.

Grand Jury recommendations:

The Shasta County Board of Supervisors shall respond to recommendations 1-5 and 9-13.

Recommendation #1.

The Board of Supervisors should amend Ordinance No. 477 to incorporate California Government Code Section 26945's current list of qualifications and specify that any further amendments be applicable to Shasta County.

Response to Recommendation #1.

Shasta County will agendaize Ordinance #477 for discussion and possible amendments to include changes to Government Code #26945. The current Auditor-Controller meets the minimum qualifications of Government Code #26945.

Recommendation #2.

The Board of Supervisors should support any future state legislation that increases the professional standards for qualifications for the office of Auditor-Controller.

Response to Recommendation #2.

The Board of Supervisors will support legislation that increases qualifications for the Auditor-Controller.

Recommendation #3.

The Board of Supervisors should adopt California Government Code Section 26945.1, requiring the Auditor-Controller to complete continuing education requirements.

Response to Recommendation #3.

The Board of Supervisors will agendaize for action the adoption of Government Code #26945.1 for discussion within 60 days. The current Auditor-Controller attends continuing education classes that meet the requirements of Government Code #26945.1.

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Recommendation #4.

The Board of Supervisors should exercise its authority granted in California Government Code Sections 25303 to ensure that this officer faithfully performs his duties. The Board should require the Auditor-Controller to appear monthly to report upon the status of his office.

Response to Recommendation #4.

All elected department heads will be invited to appear before the Board of Supervisors on a quarterly basis. The decision will rest with the elected official.

Recommendation #5.

Pursuant to California Penal Code Section 927, the Board of Supervisors should request that the 2002-2003 Grand Jury investigate and report upon the salary of the Auditor-Controller and other elected officials. This investigation should include a benchmark study of comparable counties as established by the Grand Jury.

Response to Recommendation #5.

This recommendation will not be adopted at this time. The salaries of the Auditor-Controller and elected officials are the purview of the Shasta County Board of Supervisors and are set after reviewing many factors including the labor negotiations of those individuals employed in the department.

Recommendation #9.

The Board of Supervisors should direct staff to report upon the advisability, feasibility, and process of establishing the office of Auditor-Controller as an appointed, rather than elected, position.

Response to Recommendation #9.

This matter was discussed by the Board of Supervisors at their August 5, 1997 meeting (See attached Board Report). The action considered was the possible consolidation of the office of the Auditor-Controller and Treasurer-Tax Collector-Public Administrator into one office: Director of Finance. The Board decided at that meeting not to move forward with the consolidation. As the Auditor-Controller has recently been re-elected to a four-year term commencing January 1, 2003, the discussion of an appointed (as opposed to elected) Auditor-Controller seems premature at this time. The Board will agendize this matter in approximately 30 months for discussion at a full study session prior to the next election for this position.

Recommendation #10.

The Board of Supervisors should authorize a qualified outside contract auditor to conduct a management audit of the Auditor-Controller's Office. Due to the urgency of this matter, the cost of the audit should be included in the Fiscal Year 2002-2003 County Budget. If it is not feasible to specifically budget for the expense in Fiscal Year 2002-2003, then the audit should be paid for out of the County Contingency Fund.

Hon. James Ruggiero, Presiding Judge
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October 8, 2002 - Page 7

Response to Recommendation #10.

The Board of Supervisors has directed staff to initiate a Request for Proposals (RFP) to perform a management audit. County Administrative Office staff have indicated this will be issued within the next 60 days.

Recommendation #11.

The Board of Supervisors should ensure that the timeline issued by the California State Controller for separating the funds for vehicle replacement and vehicle maintenance within the Fleet Management Division of Support Services has been met.

Response to Recommendation #11.

Assistant Auditor-Controller Connie Regnell indicates in a memo dated October 4, 2002 (copy attached) that fleet operations, replacement costs, and fuel are now in separate budget categories.

Recommendation #12.

The Auditor-Controller should continue to work diligently on a solution for dealing with vehicle maintenance cost accounting that will be satisfactory to the Director of Support Services, the Shasta County Board of Supervisors, and the California State Controller.

Response to Recommendation #12.

The vehicle maintenance cost accounting has been satisfactorily agreed upon between the Director of Support Services, the Auditor's office and the California State Controller.

Recommendation #13.

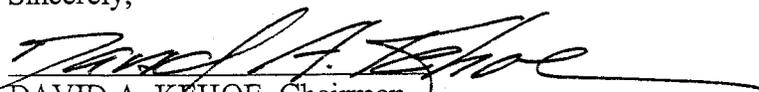
Pursuant to California Government Code Section 26883, the Board of Supervisors should implement a rotating schedule requiring the Auditor-Controller to audit or review the accounts and records of one or more County departments each year in order to determine whether there is adequate supervision of accounting practices and consistency in the application of those practices among County departments.

Response to Recommendation #13.

The Board of Supervisors will not implement a rotating schedule requiring the Auditor-Controller to review particular departments as this appears to be an infringement on his authority as an elected official. The Board will, however, keep its options open if certain departments become a concern.

This concludes the response of the Shasta County Board of Supervisors to the FY 2001/2002 Grand Jury Final Report.

Sincerely,


DAVID A. KEHOE, Chairman
Board of Supervisors

Copy: Members, Grand Jury
Ann Reed, County Clerk
Attachments: 4



SHASTA COUNTY

DEPARTMENT OF MENTAL HEALTH
Don Kingdon, Ph.D., Director

AUG 23 2002
Administrative Officer
Shasta County

ATTACHMENT #1 of 4
=====

2640 Breslauer Way
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Redding, CA 96049-6048
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(530) 225-5977 (FAX)

TO: H. Doug Latimer
Shasta County Administrative Officer

DATE: August 19, 2002

FROM: Don Kingdon, Ph.D. *Don*
Director of Mental Health Services

SUBJECT: Shasta County Department of Mental Health Responses to the 2001-2002
Shasta County Grand Jury Final Report Findings and Recommendations

Findings

The members of the Grand Jury who conducted the investigation of Shasta County Mental Health Services and the Alcohol and Drug Program Division were thoughtful and thorough in their approach. In general, we agree with their findings, which highlighted the shortage of acute psychiatric hospital beds, especially for children.

The limitation on federal financial participation for psychiatric facilities exceeding 16 beds was well understood by the Grand Jury members and represents an impediment to responsible expansion of existing county beds.

The concerns regarding the human resource shortages are shared by the department and are especially of concern in the area of licensed staff positions. The approved reorganization was designed to address licensed staff issues by expanding the supervision structure for entry level staff and developing a career ladder to encourage retention of experienced clinicians.

The findings regarding the Mental Health Board were reviewed by the Mental Health Board Executive Committee and are a priority for the new Mental Health Board Chairman Terrence Starr. He will be developing consensus strategies to assure that the Board meets its statutory responsibilities, as well as the need for enhanced efficiency in the committee structure.

The Mental Health Department remains firmly committed to continuing the dialogue and partnership with the local medical community to assure adequate public and private resources for the treatment of mental illness and substance abuse in Shasta County.

I would like to thank the members of the Grand Jury for their genuine interest in improving access to mental health services in our community.

Recommendations and Responses

1. *The Board of Supervisors should support the development of a regional partnership between the Shasta County Mental Health Department, a private non-profit or for-profit organization, and a licensed medical facility to provide additional inpatient beds for treatment of mental health disease. This entity could serve the general population's need for acute psychiatric care and medical detoxification. The county could also contract for services with such an entity, thereby relieving pressure on existing facilities and staff.*

Response

Shasta County Mental Health, along with representatives of other superior region county mental health departments, has made the development of additional inpatient psychiatric beds a priority for the coming year. As a result, the superior region county mental health directors have approached the California Mental Health Directors Association (CMHDA) with a request for technical assistance in the area, which has been granted. To develop a regional psychiatric facility or to redirect current general hospital beds to this purpose will require the cooperative effort of local, state, and private sector representatives (see attached report by the California Institute for Mental Health: *Psychiatric Hospital Beds in California: Reduced Numbers Create System Slow-Down and Potential Crisis, August 30, 2001*). To assure that this process continues, technical assistance has been developed and a work plan is being negotiated for submission to the CMHDA. The Director of Shasta County Mental Health will keep the Shasta County Board of Supervisors informed as to the progress achieved in this area through its Mental Health Board Liaison, David A. Kehoe.

2. *The Mental Health Department and the county should also encourage private sector development of a licensed psychiatric facility in Shasta County for treatment of youth in need of acute mental health care services.*

Response

The development of acute psychiatric hospital resources for youth is a part of the activities specified in the response to the Grand Jury's Finding No. 1. In addition, Shasta County Mental Health is working closely with private sector providers to develop and maintain resources to manage crisis situations for youth in the community and to prevent psychiatric hospitalization when appropriate. These resources include contract services currently available to provide intensive support in family homes and schools. Services are limited based on third party payer requirements and family eligibility for benefits, thus access can be a problem in some cases. These services are designed to offer a safe and appropriate alternative to admission to a licensed adult facility whenever possible. When admission is necessary to the Shasta Psychiatric Hospital to prevent harm to self or others, special attention is provided to each child to assure separation from adult patients and the involvement of family to facilitate the transition home.

Shasta County Department of Mental Health Responses to the
2001-2002 Shasta County Grand Jury Final Report Recommendations

August 19, 2002

Page 3

3. *In order to provide adequate mental health care, the county administration should find ways to meet the workforce needs of this department. They should explore creative ways of recruiting additional qualified professionals, including the use of signing bonuses or other incentives, using professional recruiters, offering stipends for higher level education for current staff, ensuring that salaries are competitive, and supporting local paraprofessional training programs. The Board of Supervisors needs to support the efforts of the department to develop training and educational programs and facilitate the pursuit of advanced degrees by employees in order to promote and retain qualified staff. Financing for these programs would come from outside funding sources and department revenue and would have no fiscal impact on the county's general fund. In fact, investment in incentive programs would save the county some of the costs of turnover and recruitment and result in increased efficiencies and reduced liability costs.*

Response

On April 23, 2002, the Shasta County Board of Supervisors approved a department reorganization that addressed many of the issues raised in this finding, either directly or indirectly. The approval of the Mental Health Department reorganization allowed for competitive salary adjustments, redirection of current management and support resources to focus on recruitment and retention, and the development of continuing education incentives for current and new employees. Using existing resources, the department has implemented many of the Grand Jury's recommendations and is working closely with the Shasta County Personnel Department to address workforce issues through increased flexibility and innovative approaches to staffing the hospital. Many of the changes implemented emphasize increased supervision of entry level clinicians, as well as the development of incentives for experienced staff to remain with the department.

4. *The Board of Supervisors should institute a protocol that ensures that the Mental Health Board complies with the statutory requirement that it submit an annual report on the needs and performance of the county's mental health system. The report should be reviewed by the Mental Health Director and submitted to the Board of Supervisors by April 1 of each calendar year. The report should include an evaluation of the local mental health program and recommendations for improving the mental health system. The Board of Supervisors should also ensure compliance with the other requirements listed in California Government Code 5604.2(a).*

Response

The Shasta County Director of Mental Health Services will work with the Shasta County Mental Health Board to implement the recommended action, including the development and submission of an annual report to the Board of Supervisors that includes an evaluation of and suggestions for improving the mental health system.

5. *The Mental Health Board needs to develop an organizational structure within the Board that will allow it to focus on priorities and accomplish more towards improving mental health services in the community. In order for the Board to effectively perform its duties, it must be an advocate for those who use the system and for the department. It must partner with the Mental Health Director and his staff to ensure that the best services are available for those who use the system. The officers of the Board must encourage active participation by all members of the Board so that the leadership is not solely responsible for accomplishing all of the work of the Board. Each committee should meet on a regular basis and report to the full Board at each regular meeting. Recommendations from committees should be incorporated into the annual report to the Board of Supervisors.*

Response

The Shasta County Mental Health Board, under its current chairman Terrence Starr, will develop an organizational structure that emphasizes the development of priorities for improving mental health services in the community. The current committee structure will be modified to allow for active participation of members and regular reporting to the full board for recommended actions. The recently elected Chairman is committed to instituting the recommendations of the Grand Jury and has scheduled a half-day away to focus on the committee structure and a process for the development of an annual report.

6. *The Board of Supervisors should encourage ongoing dialogue between the private medical community and the Mental Health Department and support any recommendations that will improve the efficiencies in serving the needs of the community.*

Response

Attempts to maintain a dialogue with the local medical community are being made at a number of levels:

- a. In cooperation with the County Administrative Office and the Board of Supervisors, contacts have been instituted with both medical centers to develop improved procedures for coordinating involuntary treatment referrals to the Shasta Psychiatric Hospital.
- b. Shasta County Mental Health is participating in two collaborative initiatives with rural health consortiums to increase cooperation and mutual access to services in Shasta County.
- c. Administrators and staff of the Mental Health Department are also maintaining regular contact with staff of the Shasta Community Health Center to improve the

Shasta County Department of Mental Health Responses to the
2001-2002 Shasta County Grand Jury Final Report Recommendations

August 19, 2002

Page 5

current referral processes and to expand private sector psychiatric resources to the community.

- d. The department's attempts to engage the Northern California Rehabilitation Hospital in the development of acute medical/psychiatric beds were not successful, but the Behavioral Health Corporation, a potential private partner, continues to express interest in a local or regional approach to expanded resources.

7. *The Board of Supervisors and the Mental Health Board should recommend that the current Mental Health-Medical Community Partnership Solution Project Task Force evolve into a permanent body which meets on a quarterly basis to effect communication and solutions to common problems. A reorganization of the Task Force may be necessary because of the large number of original participants who are no longer taking part in the commission of its duties.*

Response

The recommendation to make the Mental Health-Medical Community Partnership Solution Project Task Force a permanent body needs further study. With the recent dissolution of the Shasta-Trinity Medical Society and the culture of independence in the local medical community, representative leadership is difficult to achieve. As a result, meetings that do not have the sanction of a local medical society may have little value in addressing general health care-community issues. The Mental Health Board should consider further review of the issues associated with the development of ongoing dialogue with the health care community, including encouraging physician support of the development of a medical society.

DK:jl

Attachment

*Psychiatric Hospital Beds in California:
Reduced Numbers Create System
Slow-Down and Potential Crisis*

August 30, 2001

*A Report from the
California Institute for Mental Health*

Dr. Peter Forster, President of Gateway Psychiatric Services, was Principal Author of this report. Krista Wissing and other GPS staff contributed to this report. Dr. Soleng Tom and the Review Committee provided consultation throughout the duration of creating the report.

Review Committee: Sandra Naylor Goodwin, PhD;
Gale Bataille, MSW; Robert Egnew, MSW, MPH;
Larry Poaster, PhD; Catherine Geary, LCSW;
Thomas Sullivan, LCSW; Patricia Ryan; Gary Pettigrew

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Acute Psychiatric Services in California

*A Preliminary Evaluation with Recommendations for
Future Assessment and Immediate Action Prepared
for the California Institute for Mental Health*

Executive Summary

In 1995, California consolidated the administration of its two mental health Medi-Cal systems into one system to be administered by the local county. The Department of Mental Health (DMH) and other stakeholders, including the California Mental Health Directors Association (CMHDA) developed a Health Care Financing Administration (HCFA) waiver plan that, it was hoped, would lead to lower expenditures on inpatient care and, therefore, more money to provide needed community based care. It was believed that local administration, with flexibility and integration into local systems of care would provide greater efficiency and effectiveness.

Among the factors leading to this conclusion was the belief that "cost-based" reimbursement for psychiatric hospitalization was most likely higher than "market based" reimbursement. In the following years, counties were very effective at negotiating lower rates for inpatient hospital days.

Under financial pressure due to reduced reimbursements from all sources, a saturation of the market, and increased regulatory pressure, there was a major consolidation of hospitals. There was also movement by some hospitals from non-profit to for profit entities. Many of these for profit hospitals also became publicly traded.

The administrators of these larger organizations were increasingly focused on "the bottom line." From a strictly financial standpoint,

psychiatric inpatient beds looked less attractive. First, reimbursements from counties and managed behavioral healthcare organizations had been consistently declining. Some hospitals, classified as "IMDs" continued to be barred from federal financial participation.¹ Second, the potential liabilities of these units continued increasing (e.g., HCFA audits of billing for Medicare), as did regulatory requirements (HCFA requirements concerning seclusion and restraint and county utilization review systems).

In addition, national and regional economic forces led to a critical shortage of qualified mental health staff for inpatient psychiatric units.

With very little community discussion or planning, many hospital inpatient units, and, indeed, entire psychiatric hospitals, were closed.

Fortunately, counties did reinvest inpatient hospital savings into community-based care, and generally perceive that this reinvestment did result in reductions in inpatient care for traditional community mental health clients, such as those with schizophrenia, bipolar disorder and severe recurrent depression.

Unfortunately, both in California and nationally, there were significant increases in the number of dually diagnosed clients (those with substance abuse), and patients behaviorally disordered due to organic dysfunction who required inpatient hospitalization because alternative services were not available. This shift in the inpatient population may have contributed to an increase in administrative days that further reduced hospital reimbursement.

As a result of these trends, there is now a shortage of inpatient psychiatric beds in California as well as a lack of adequate capacity of the existing mental health system to provide alternative

¹ Under the federal Medicaid program, facilities that are considered "Institutions for Mental Disease" or "IMDs" are currently prohibited from being reimbursed by Medicaid for patients between the ages of 22 and 64. IMDs are defined as licensed acute care facilities, nursing facilities or residential treatment programs with more than 16 beds that have 50 percent or more of their licensed beds designated for the treatment of persons with mental illness or substance abuse disorders. (Refer to page 12 for more information.)

care for those clients with more severe and urgent need for care. Significant licensing and regulatory barriers also contribute to the lack of alternative care capacity. In addition, the overall crisis in lack of affordable housing exacerbates the pressure on placement alternatives.

This shortage appears to be most severe and pervasive for children (ages 1 through 12) and adolescents (ages 13 to 18). Adult shortages vary from region to region. Los Angeles is the exception, with shortages only for sub-specialty care.

There is a general belief among mental health professionals that there are significant opportunities to develop additional community based alternatives to hospitalization. This includes crisis services with a residential component that might prevent hospitalization; community based facilities that could manage some patients currently being treated in skilled nursing facilities; and specialized programs for persons with organic brain syndromes.

This report suggests both short-term and long-term strategies for addressing the situation, as well as areas for further study. Short-term strategies include the following:

1. Develop and strengthen partnerships and regional initiatives at multiple levels:
 - (a) Set up discussions with California hospitals through the California Healthcare Association (CHA) in order to identify steps that could be taken immediately and in the long run in order to improve the availability of hospital beds
 - (b) Set up workgroup(s) with providers of alternative services, such as crisis residential (California Association of Social Rehabilitation Agencies), crisis stabilization (CHA) and special residential treatment programs (children and adolescents, geriatric patients), to identify barriers to expansion of services and to create a statewide action plan to address those barriers

2. Conduct a real-time inventory of beds to assess and monitor acute bed numbers and demand.
3. Conduct an assessment of the use of administrative day beds to determine the types of alternatives needed to resolve placement needs. Identify populations of patients in need of hospital alternative programs that do not currently exist (e.g., sub-acute psychiatric rehabilitation beds for behaviorally disordered adults with brain injuries). Determine state, regional and local responsibilities/solutions.

In addition to sustaining many of these short-term solutions on a long-term basis, the following long-term strategies are proposed:

1. Collaborate with DMH to identify regulatory and legal barriers to developing and implementing alternative programs and create a legislative agenda for change.
2. Open alternative placement programs. Consideration should be given to contracting with providers of existing programs.
3. Form partnerships with national organizations such as the National Association of State Mental Health Program Directors, the National Association of County Behavioral Health Directors, and the National Association of Psychiatric Health Systems, to develop a national legislative strategy to eliminate the Institute for Mental Disease (IMD) federal exclusion.
4. Work with DMH to clarify an appropriate audit mechanism for administrative day determinations that is compatible with standards of practice in psychiatric hospitals and consistent with Health Care Financing Administration (HCFA) regulations.
5. Strengthen the role of regional organizations of mental health plans in meeting the needs of acute psychiatric patients by developing special programs for community-based care.
6. Utilize partnerships to negotiate longer and more uniform contracts with hospitals.

7. Identify ways to reduce the administrative costs of operating hospitals by developing more standard and streamlined ways of accomplishing the goals of utilization review and ensure that the least restrictive and most effective treatment is provided to patients.

One of the clearest findings from this very preliminary analysis is that there needs to be more sustained attention to the analysis of existing data and prediction from that data of future needs in the system.

Since the implementation of the Freedom of Choice waiver in California, the Department of Mental Health has acquired better and better data about service utilization. Unfortunately, as is often the case in public systems, the resources to analyze this data have not kept up with the need to do so.

The costs of not addressing this problem will be measured not just in wasted Medicaid dollars, as individual providers respond to shortages by raising their rates, but also in human suffering due to lack of appropriate care. Some recommendations for further data analysis are identified at the end of this report.

RAILROAD OPERATIONS IN SHASTA COUNTY

BACKGROUND/REASON FOR INVESTIGATION:

The Union Pacific Railroad is a prominent transportation link traversing central Shasta County. This transportation link is vital to interstate commerce. Railroad operations impact the activities of many in the county, especially as trains pass through the cities of Anderson, Redding and Shasta Lake. Unfortunately, accidents occur between trains and the general public, sometimes resulting in fatalities. As such, the Grand Jury felt it appropriate under California Penal Code Section 925 to investigate the regulatory authority, if any, that local governments have over railroad operations. In particular, the Grand Jury questioned if a Redding ordinance limiting the speed of trains to 45 mph through the city limits is enforceable. This ordinance, originally adopted in 1965, appears to be inconsistent with more recent federal regulations regarding train speed limits.

METHOD OF INVESTIGATION:

At the request of the Grand Jury, the Shasta County District Attorney provided a detailed legal opinion regarding the authority of local government over railroad operations as it relates to train speed limits. An interview was conducted with a Union Pacific Railroad representative. Other resources included Redding City ordinances and the Code of Federal Regulations.

FINDINGS:

1. Federal regulations {49 C.F.R. 213.9(a)} adopted under the Federal Railroad Safety Act of 1970 establish the maximum allowable operating speeds for all freight and passenger trains for each class of track on which they travel. The maximum allowable operating speed increases with each class of track, with ranges from Class 1 to Class 9.
2. Union Pacific railroad tracks traveling through Shasta County, including Redding, are Class 4 tracks. The maximum allowable speed for Class 4 tracks is 60 mph for freight trains and 80 mph for passenger trains.
3. Federal law regarding train speed limits preempts any local ordinance.
4. The 1965 City of Redding ordinance limiting train speeds to 45 mph through the city limits has been preempted by federal law and, therefore, is not binding on the railroad.
5. The above notwithstanding, the Union Pacific Railroad has established, by internal policy, a maximum speed limit of 45 mph for all trains traveling through the downtown Redding area.

RECOMMENDATION:

1. In light of more recent federal regulations, the Grand Jury recommends the City of Redding review its 1965 ordinance limiting train speeds. If warranted, the City of Redding should consider repealing said ordinance.

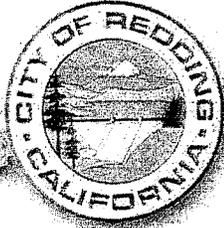
RESPONSE REQUIRED:

Redding City Council

RECEIVED

JUL 19 2002

CITY OF REDDING



SUPERIOR COURT OF CALIFORNIA
COUNTY OF SHASTA
ADMINISTRATION OFFICE

OFFICE OF THE CITY COUNCIL

777 Cypress Avenue, Redding, CA 96001

P.O. Box 496071, Redding, CA 96049-6071

530.225.4447 FAX 530.225.4463

Pat Kight, Mayor

Mark H. Cibula, Vice Mayor

David L. McGeorge, Council Member

Michael J. Pohlmeier, Council Member

Mary Leas Stegall, Council Member

July 17, 2002
B-080-600-800

FILED

JUL 29 2002

ANN REED CLERK
By S. Greenhaw *S. Greenhaw*
Deputy Clerk

The Honorable Judge James Ruggerio
Shasta Superior Court
1500 Court Street
Redding, CA 96001

Dear Judge Ruggerio:

The Redding City Council wishes to thank you and the Grand Jury for your review of trains traveling through Redding and our Police Department complaint procedures.

As a follow-up to the Grand Jury Final Report, we have referred the railroad operations issue to our City Attorney for consideration of a repeal of the ordinance regarding train speed through the City of Redding.

We were particularly pleased to read the results of your investigation on citizen complaints coming into our Police Department. We also believe our procedures are good ones and we were pleasantly surprised how well we compare with other police agencies of similar size.

Thank you again for the work you and the Grand Jury do for our entire County.

Sincerely,

A handwritten signature in cursive script that reads "Pat Kight".

Pat Kight
Mayor

REDDING POLICE DEPARTMENT

REASON FOR INVESTIGATION:

California Penal Code Section 925a provides that the Grand Jury may at any time examine the books and records of any incorporated city located in the county. Since the Redding Police Department (RPD) had not been the subject of a general investigation for over ten years, the Grand Jury felt it timely to conduct a review with emphasis on citizen complaints and the internal affairs investigation process.

Section 832.5(a) of the Penal Code requires, "Each department or agency in this state which employs peace officers shall establish a procedure to investigate citizen's complaints against the personnel of such departments or agencies, and shall make a written description of the procedure available to the public."

BACKGROUND:

The mission of the Redding Police Department is to work in partnership with the community to protect life and property, solve neighborhood problems, and enhance the quality of life in our city. RPD employs 110 sworn peace officers along with 50 full time and 20 part-time civilian staff. The Chief of Police is appointed by and reports to the City Manager. Departmental organization consists of three divisions: Field Operations, Investigations, and Administrative Services, each overseen by a Division Commander with the rank of Captain. RPD's annual budget of \$15.2 million for the 2001/02 fiscal year represents 35% of Redding's general fund budget.

METHOD OF INVESTIGATION:

The Grand Jury interviewed:

- Redding Chief of Police
- RPD Division Commanders
- A Shasta County Public Defender
- A private investigator
- A Shasta County deputy district attorney
- A private criminal defense attorney
- Shasta County Jail management

The Grand Jury obtained and reviewed:

- General Orders Manual, Redding Police Department
- Instructions Manual, Redding Police Department
- Redding Police Department's Mission Statement
- Department organizational charts
- Redding Crime Statistics Reports
- Redding Police Department informational brochures
- Statistical data regarding complaints for the past five years
- Statewide citizen complaint statistics
- Five typical internal investigation files selected at random

FINDINGS:

1. The Redding Police Department has prepared a written description of the department's procedures to investigate complaints along with instructions on how to commend or complain about a police department employee. The Commendation or Complaint brochure is available in the lobby of RPD.
2. Formal complaints are investigated in accordance with Penal Code Section 832.5 and established RPD procedures. The supervisor taking the complaint provides the complainant with a copy of their statement. The complainant is required to sign a Personnel Complaint and Procedures Report, which defines the right to make a complaint and the law regarding false accusations. The complaint is assigned to an investigating officer who conducts an inquiry and prepares a report of findings. The Chief of Police reviews and approves the results of all internal affairs investigations. Complainants are notified of the disposition of the complaint in writing; however, any disciplinary actions taken against the officer are confidential. The Grand Jury found the internal affairs investigation process to be professional, thorough, objective and well documented.
3. Of the 48 citizen complaints investigated in the past five years, ten were sustained and discipline administered; the remaining 38 were either exonerated, not sustained, or unfounded. The following table is a summary of citizen complaints filed against RPD for the past five calendar years:

Year	Citizen Complaints	Sustained
1997	17	5
1998	11	3
1999	4	2
2000	9	0
2001	7	0
Five-Year Total	48	10

4. During the past five years, the RPD averaged 10 citizens' complaints per year. The annual statewide rate for citizen complaints against peace officers averaged 57 complaints per 100,000 population, with eight being sustained.
5. Pursuant to section 13020 of the Penal Code, the Redding Police Department must report to the State Attorney General at the end of each calendar year regarding the disposition of citizen complaints.
6. The RPD Commendation or Complaint brochure provides information on other means of recourse if a complainant is dissatisfied with the results of an investigation. The other means referenced include contacting the City Council, City Manager, District Attorney's Office, the California Department of Justice or the Federal Bureau of Investigation. The brochure does not reference the Grand Jury as an alternate means of recourse.
7. Statistical data on the number of commendations received is not maintained by RPD. However, during the calendar year 2001, the Redding Police Department replied to over 100 letters of appreciation or commendation on behalf of its employees.

8. It is Department policy, when recruiting new officers, to have a member of the public participate on the interview selection panel. In addition to the police academy, successful applicants are required to complete a 10 to 17 week in-house orientation and training program before being allowed to patrol unaccompanied.
9. Police officer recruitment has become more challenging with fewer candidates applying for RPD openings than in previous years. However, some officers are opting to transfer from urban areas at a substantial cut in pay in exchange for the rural life style of the north state.
10. RPD has adopted a “Ride-Along” program that provides the general public an opportunity to ride with a patrol officer for several hours during the normal course of duties. This program enables the participant a first-hand look at local law enforcement in action. Participants must complete a Release of Liability Agreement prior to the ride along.

RECOMMENDATIONS:

Redding Police Department’s Commendation or Complaint brochure should also reference the Shasta County Grand Jury as an alternate means of recourse.

RESPONSE REQUIRED:

The Redding City Council

RESPONSE INVITED:

The Redding Chief of Police

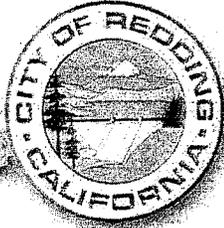
COMMENDATIONS:

The Redding Police Department is a professional, well-managed and progressive organization that provides exceptional public safety for the community

RECEIVED

JUL 19 2002

CITY OF REDDING



SUPERIOR COURT OF CALIFORNIA
COUNTY OF SHASTA
ADMINISTRATION OFFICE

OFFICE OF THE CITY COUNCIL

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July 17, 2002
B-080-600-800

FILED

JUL 29 2002

ANN REED CLERK
By S. Greenhaw *S. Greenhaw*
Deputy Clerk

The Honorable Judge James Ruggerio
Shasta Superior Court
1500 Court Street
Redding, CA 96001

Dear Judge Ruggerio:

The Redding City Council wishes to thank you and the Grand Jury for your review of trains traveling through Redding and our Police Department complaint procedures.

As a follow-up to the Grand Jury Final Report, we have referred the railroad operations issue to our City Attorney for consideration of a repeal of the ordinance regarding train speed through the City of Redding.

We were particularly pleased to read the results of your investigation on citizen complaints coming into our Police Department. We also believe our procedures are good ones and we were pleasantly surprised how well we compare with other police agencies of similar size.

Thank you again for the work you and the Grand Jury do for our entire County.

Sincerely,

A handwritten signature in cursive script that reads "Pat Kight".

Pat Kight
Mayor

SUGAR PINE CONSERVATION CAMP

REASON FOR INQUIRY:

California Penal Code Section 919 mandates that the Grand Jury inquire into the condition and management of all public prisons located within the County.

BACKGROUND:

The Sugar Pine Conservation Camp, one of 41 conservation camps in the state, is jointly operated by the California Department of Corrections (CDC) and the California Department of Forestry (CDF). The inmate population consists of approximately 120 minimum-security male felons, all of whom are selected from the California Correctional Center in Susanville. The facility's primary function is to provide a labor force for statewide fire suppression and to perform a wide variety of local public works and community projects.

METHOD OF INQUIRY:

The Grand Jury toured Sugar Pine Conservation Camp on November 27, 2001. An interview, general discussion and orientation took place with the CDC Camp Commander, CDF Division Chief, Camp Battalion Chief, Assistant Camp Commander, and related support staff. In addition, two inmates were made available to discuss facility operations.

FINDINGS:

1. Sugar Pine and other conservation camps are unique within the state's criminal justice system in their structure and intent. These camps provide a valuable public service, while at the same time allowing substantial cost efficiencies for state and local governments.

RECOMMENDATIONS:

None

RESPONSE REQUIRED:

None

COMMENDATION:

The CDC Camp Commander and the CDF Division Chief, along with the camp staff, are commended for providing a valuable community service, and for operating a professional, efficient, and effective facility. In addition, the California Department of Corrections and the California Department of Forestry should be recognized for their cooperative efforts and team approach resulting in a very successful joint agency program.

SHASTA MOSQUITO AND VECTOR CONTROL DISTRICT

RESPONSES REQUIRED:

The Shasta County Board of Supervisors shall respond as to Recommendations 1-5 and 9-13. The Shasta County Auditor-Controller shall respond as to Recommendations 6-8 and 12.

REASON FOR REVIEW:

California Penal Code Section 933.5 gives a grand jury the authority to review special districts. There is no record of a prior review of the Shasta Mosquito and Vector Control District by a grand jury.

BACKGROUND:

In the 1800's large portions of California were practically uninhabitable because of problems caused by mosquitoes. Large numbers of gold rush miners came into the Shasta County area in the 1850's and were stricken with malaria. Fort Reading (a military station that was located a few miles east of Anderson) was abandoned in 1856 because of widespread sickness and death caused by malaria.

Legislation authorizing the organization of mosquito abatement districts was passed in 1915. This law was incorporated into the California Health and Safety Code and is still the legal authority under which mosquito control work is done today. This law also gave districts reliable funding through local property tax rates that could be adjusted, as necessary, to provide the adequate resources needed to protect the public's health.

In 1919 the Redding Mosquito Abatement District was formed after Shasta County citizens petitioned the Board of Supervisors. In the 1920's, the Anderson, Clear Creek and Cottonwood Mosquito Abatement Districts were formed. These four districts were consolidated in the 1950's to form the Shasta Mosquito and Vector Control District, with the Balls Ferry area annexed in 1975 and the Palo Cedro area in 1976. There are now three mosquito and vector control districts within the boundaries of Shasta County. The other two county districts are Pine Grove District in McArthur and the Burney Basin District. Shasta Mosquito and Vector Control District encompasses approximately 387 square miles including the incorporated cities of Anderson, Redding, and the City of Shasta Lake. These special districts were established to fund organized mosquito control activities

for public health protection against malaria, yellow fever, and Dengue fever; recently, their focus has broadened to include protection against the West Nile Virus. Water treatment by these districts also provides protection against heartworm disease in dogs and cats. Districts are regulated by U.S. Environmental Protection Agency (EPA) standards and interact with the following:

- The Centers for Disease Control and Prevention (CDC)
- American Association of Pesticide Safety Educators
- The National Pesticide Telecommunications Network
- American Mosquito Control Association
- Vector Control Joint Powers Agency

In March 2001 the United States Court of Appeals for the Ninth Circuit issued a decision that the use of a registered pesticide by a mosquito and vector control district would require a National Pollutant Discharge Elimination System (NPDES) permit which would require additional testing of treated water to conform to the Clean Water Act. In July 2001 the California State Water Resources Control Board interpreted this ruling to include aquatic pesticides previously approved by the Environmental Protection Agency for use by mosquito and vector control districts. The Shasta Mosquito and Vector Control District has joined with other districts in California to contest this interpretation.

In April 2002 the EPA issued a finding that a NPDES permit is not presently necessary but the issue would be reviewed further before the end of March 2003.

METHOD OF REVIEW:

Interviews were conducted with:

- The SMVCD manager
- The district biologist
- A mosquito control technician
- Shasta County health officials

The Grand Jury reviewed the following materials:

- Little Hoover Commission Report, Special Districts: Relics of the Past or Resources of the Future?, May 2000
- Media publications
- Materials published by SMVCD
- SMVCD Audited Financial Statements dated June 30, 2000
- William C. Hazeleur, “State of California Commission on Local Governance for the 21st Century”, January 21, 1999 http://www.clg21.ca.gov/hazeleur_test.html (January 20, 2002)

The Grand Jury attended four District board meetings.

FINDINGS:

1. Public services provided by the District include the distribution of public informational brochures and the availability of staff to conduct educational seminars. SMVCD participates in community activities and presentations.
2. The District strives to respond to calls from the public within 24 hours.
3. SMVCD operates independently of Shasta County, except for the following:
 - a. The County assesses, bills, and collects property taxes for the District
 - b. The District deposits its funds with the Shasta County Treasurer
 - c. The Auditor-Controller processes the District’s board-approved claims for payment and mailing
4. The District is funded from a share of property taxes and a special assessment.
5. A five-member board of trustees governs the District. Two members are appointed by the Shasta County Board of Supervisors, and one each by the city councils of Anderson, Redding and City of Shasta Lake. Board members serve four-year terms with reappointment at the discretion of the appointing agency. The combined service of the current board is over 50 years.

6. The District staff totals 13 full time and 2 to 4 seasonal employees. All personnel with the exception of the office secretary are licensed vector control technicians. In addition to on-the-job training, application technicians are required to attend continuing education classes.
7. If the District were required to obtain a NPDES permit and because water would have to be tested before and after each application, the laboratory testing could cost from \$800 to \$1000 per application of chemicals. The District performs approximately 1000 applications per year; testing costs could potentially double the District's annual budget.
8. The District effectively treats identified water areas and continuously monitors for signs of encephalitis, malaria, Dengue fever, and West Nile Virus.
9. At the time of this review, the District did have a personnel manual but did not have an operational manual. The District refers to the California Health and Safety Code for operational guidance.

RECOMMENDATION:

1. Complete an operational manual for District use.

RESPONSE REQUIRED:

Shasta Mosquito and Vector Control District Board of Trustees

COMMENDATION:

Shasta Mosquito and Vector Control District is recognized for their thorough and diligent response toward vector control needs.

Shasta Mosquito and Vector Control District

MANAGER • WILLIAM C. HAZELEUR

DISTRICT OFFICE • 19200 LATONA ROAD, ANDERSON, CA 96007

MAILING ADDRESS • P.O. BOX 990331, REDDING, CA 96099-0331

PHONE (530) 365-3768 • FAX (530) 365-0305

Web Page <http://www.snowcrest.net/mosquito/index.html>

e-mail: mosquito@snowcrest.net

FILED

AUG 28 2002

ANN REED, CLERK

By S. Greenhaw *S. Greenhaw*
Deputy Clerk

August 20, 2002

The Honorable Judge James Ruggerio
The Superior Court of Shasta County
1500 Court Street,
Redding, CA 96001

Dear Judge Ruggerio,

This letter is in response to the 2001-2002 Grand Jury Final Report. The District Board of Trustees of the Shasta Mosquito and Vector Control District would like to take this opportunity to compliment the 2001-2002 Grand Jury for their thoroughness and fairness in the review of our District operations. We believe the Jurors performed their tasks in a professional and courteous manner.

The Grand Jury recommended the District "complete an operational manual for District use". The District has extensive policies and procedures concerning personnel matters, purchasing, safety and operations. We are in the process of developing a "Procedure Manual" concerning payment of bills, payroll processing instructions, and method used for compiling various reports. This Manual at present is about 70% complete and should be totally compiled by the beginning of 2003. We think that this manual is what the recommendations apply to.

Sincerely,

Marvin Bennett

Mr. Marvin Bennett
Board President
District Board of Trustees
Shasta Mosquito & Vector Control District
P.O. Box 990331
Redding, CA 96099-0331

RECEIVED

AUG 28 2002

SHASTA COUNTY CLERK

**REVIEW OF RESPONSES TO RECOMMENDATIONS FROM
THE 2001/2002 SHASTA COUNTY GRAND JURY
FINAL REPORT**

Each year the Grand Jury, in its various reports, makes specific recommendations aimed at the improvement of operations of local government. Responses to the recommendations are required from the elected department head of an agency and/or the agency's governing board. The responses are submitted to the subsequent Grand Jury.

What follows is a list of the seven reports from the 2001/2002 Grand Jury Final Report which included recommendations requiring a response. Under the heading of the name of each report are the Grand Jury's recommendations from the 2001/2002 report, the departments head's and or/governing board's responses to those recommendations (printed here verbatim), and the current Grand Jury's comments concerning those responses.

Name of Report: **Shasta County Audit Report for the Year Ended
June 30, 2001**

Recommendations of the 2001/2002 Grand Jury:

1. The Shasta County Board of Supervisors should ensure that the recommendation regarding inventories of Fleet Management's equipment, parts, and fuels be fully implemented within 90 days of the Grand Jury's Report.
2. The Shasta County Board of Supervisors shall ensure that the County Administrative Officer submits proposed policies and procedures to the Joint Audit Committee at its first meeting during Fiscal Year 2002/2003.
3. The Joint Audit Committee should initiate a Request for Proposal to establish a contract with a new auditing firm.
4. The Joint Audit Committee shall annually review the performance of the contract auditor to determine if the contract should be continued for another year.

Response of Board of Supervisors:

1. The Board of Supervisors concurs and is happy to report that the recommendation regarding inventories of the Fleet Management equipment, parts, and fuels has been implemented.
2. The County Administrative Officer has indicated the proposed policies and procedures for the Joint Audit Committee will be presented for approval at the first meeting of the Joint Audit Committee in Fiscal Year 2002-2003.
3. A Request for Proposals (RFP) for a new auditing firm will be prepared and presented by staff at the first meeting of the Joint Audit Committee for the committee's consideration.
4. The Board of Supervisors concurs that the Joint Audit Committee should annually review the performance of the contract auditor for continuation of the contract on a yearly basis or for initiation of a new RFP for a new auditing firm.

Review of Responses by 2002/2003 Grand Jury:

1. The recommendation has been implemented.
2. The policies and procedures were approved by the Joint Audit Committee on October 29, 2002.
3. At a December 19, 2002, meeting of the Joint Audit Committee, it was decided to extend the contract with the current contract auditor for one additional year.
4. The Joint Audit Committee will continue to review the performance of the contract auditor on a yearly basis.

Name of Report: Redding Police Department

Recommendations of the 2001/2002 Grand Jury:

1. Redding Police Department's Commendation or Complaint brochure should also reference the Shasta County Grand Jury as an alternate means of recourse.

Response of Redding City Council:

1. In the latest revision of the complaint brochure, the Grand Jury was referenced as an alternate means of recourse as recommended.

Review of Responses by 2002/2003 Grand Jury:

1. The recommendation has been implemented.

Name of Report: Shasta County Mental Health Department

Recommendations of the 2001/2002 Grand Jury:

1. The Board of Supervisors should support the development of a regional partnership between the Shasta County Mental Health Department, a private non-profit or for-profit organization, and a licensed medical facility to provide additional inpatient beds for treatment of mental health disease. This entity could serve the general population's need for acute psychiatric care and medical de-toxification. The county could also contract for services with such an entity, thereby relieving pressure on existing facilities and staff.
2. The Mental Health Department and the County should also encourage private sector development of a licensed psychiatric facility in Shasta County for treatment of youth in need of acute mental health care services.

3. In order to provide adequate mental health care, the county administration should find ways to meet the workforce needs of this department. They should explore creative ways of recruiting additional qualified professionals, including the use of signing bonuses or other incentives, using professional recruiters, offering stipends for higher level education for current staff, ensuring that salaries are competitive, and supporting local para-professional training programs. The Board of Supervisors needs to support the efforts of the department to develop training and educational programs and facilitate the pursuit of advanced degrees by employees in order to promote and retain qualified staff. Financing for these programs would come from outside funding sources and department revenue and would have no fiscal impact on the county's general fund. In fact, investment in incentive programs would save the county some of the costs of turnover and recruitment and result in increased efficiencies and reduced liability costs.
4. The Board of Supervisors should institute a protocol that ensures that the Mental Health Board complies with the statutory requirement that it submit an annual report on the needs and performance of the county's mental health system. The report should be reviewed by the Mental Health Director and submitted to the Board of Supervisors by April 1 of each calendar year. The report should include an evaluation of the local mental health program and recommendations for improving the mental health system. The Board of Supervisors should also ensure compliance with the other requirements listed in California Government Code 5604.2(a).
5. The Mental Health Board needs to develop an organizational structure within the Board that will allow it to focus on priorities and accomplish more towards improving mental health services in the community. In order for the Board to effectively perform its duties, it must be an advocate for those who use the system and for the department. It must partner with the Mental Health Director and his staff to ensure that the best services are available for those who use the system. The officers of the Board must encourage active participation by all members of the Board so that the leadership is not solely responsible for accomplishing all of the work of the Board. Each committee should meet on a regular basis and report to the full board at each regular meeting. Recommendations from committees should be incorporated into the annual report to the Board of Supervisors.
6. The Board of Supervisors should encourage ongoing dialogue between the private medical community and the Mental Health Department and support any recommendations that will improve efficiencies in serving the needs of the community.
7. The Board of Supervisors and the Mental Health Board should recommend that the current Mental Health-Medical Community Partnership Solution Project Task Force evolve into a permanent body which meets on a quarterly basis to effect communication and solutions to common problems. A reorganization of the Task Force may be necessary because of the large number of original participants who are no longer taking part in the commission of its duties.

Response of Board of Supervisors:

1. The Board concurs with the Grand Jury's recommendation #1. The implementation, however, is larger than just the County response. To truly develop a reasonable partnership would require entities outside of County government to step forward and become active

- participants. This has been tried in other counties in the past and has often not been successful due to the profit motive of the other entities involved.
2. The Board of Supervisors concurs that a licensed psychiatric facility for youth is badly needed; however, previous attempts to encourage private developers to become involved in this arena have been unsuccessful. The Board will direct the Mental Health Director to include this in his report to the Board, as indicated in recommendation #1.
 3. The Shasta County Board of Supervisors has consistently supported the efforts of the department that developed training and educational programs as well as facilitate the pursuit of advanced degrees by employees in order to promote and retain qualified staff. The Board of Supervisors has utilized outside recruiting professionals; however, given the Redding location, which includes two major hospitals, recruiting nurses and healthcare professionals remains difficult. The department is currently working with labor bargaining groups in an attempt to move to 12-hour shifts, which was one of the requests of the nursing and medical staff. Unfortunately, many medical professionals, including nurses, prefer to work in other environments where the salaries are very similar to those that we can offer. It should be recognized that the Board of Supervisors has given several raises to nurses that the general rank and file employees did not receive.
 4. The Shasta County Board of Supervisors concurs with Recommendation #4. The Chairman of the Board is currently a member of the Mental Health Advisory Board and indicates that the required report will be submitted to the Board of Supervisors by April 1 of every calendar year.
 5. The Shasta County board of supervisors concurs with Recommendation #5, and in reviewing the recent notes of the Mental Health Advisory Board, these recommendations are being taken seriously and addressed at the meetings.
 6. The Shasta County Board of Supervisors concurs with Recommendation #6 and observes that both psychiatrists and mental health professionals are striving to have better communications with the private medical community.
 7. The Shasta County Board of Supervisors will refer this matter to the Mental Health Department and request a report within 60 days as to the status of the Mental Health Medical Community Partnership Solution Project Task Force.

Response of Shasta County Mental Health Department:

1. Shasta County Mental Health, along with representatives of other superior region county mental health departments, has made the development of additional inpatient psychiatric beds a priority for the coming year. As a result, the superior region county mental health directors have approached the California Mental Health Directors Association (CMHDA) with a request for technical assistance in the area, which has been granted. To develop a regional psychiatric facility or to redirect current general hospital beds to this purpose will require the cooperative effort of local, state, and private sector representatives. To assure that this process continues, technical assistance has been developed and a work plan is being negotiated for submission to the DMHDA. The Director of Shasta County Mental Health will keep the Shasta County board of Supervisors informed as to the progress achieved in this area through its Mental Health Board Liaison, David A. Kehoe.
2. The development of acute psychiatric hospital resources for youth is a part of the activities specified in the response to the Grand Jury's Finding No. 1. In addition, Shasta County

Mental Health is working closely with private sector providers to develop and maintain resources to manage crisis situations for youth in the community and to prevent psychiatric hospitalization when appropriate. These resources include contract services currently available to provide intensive support in family homes and schools. Services are limited based on third party payer requirements and family eligibility for benefits, thus access can be a problem in some cases. These services are designed to offer a safe and appropriate alternative to admission to a licensed adult facility whenever possible. When admission is necessary to the Shasta Psychiatric Hospital to prevent harm to self or others, special attention is provided to each child to assure separation from adult patients and the involvement of family to facilitate the transition home.

3. On April 23, 2002, the Shasta County Board of Supervisors approved a department reorganization that addressed many of the issues raised in this finding, either directly or indirectly. The approval of the Mental Health Department reorganization allowed for competitive salary adjustments, redirection of current management and support resources to focus on recruitment and retention, and the development of continuing education incentives for current and new employees. Using existing resources, the department has implemented many of the Grand Jury's recommendations and is working closely with the Shasta County Personnel Department to address workforce issues through increased flexibility and innovative approaches to staffing the hospital. Many of the changes implemented emphasize increased supervision of entry level clinicians, as well as the development of incentives for experienced staff to remain with the department.
4. The Shasta County Director of Mental Health Services will work with the Shasta County Mental Health Board to implement the recommended action, including the development and submission of an annual report to the Board of Supervisors that includes an evaluation of and suggestions for improving the mental health system.
5. The Shasta County Mental Health Board, under its current chairman Terrence Starr, will develop an organizational structure that emphasizes the development of priorities for improving mental health services in the community. The current committee structure will be modified to allow for active participation of members and regular reporting to the full board for recommended actions. The recently elected Chairman is committed to instituting the recommendations of the Grand Jury and has scheduled a half-day away to focus on the committee structure and a process for development of an annual report.
6. Attempts to maintain a dialogue with the local medical community are being made at a number of levels:
 - a. In cooperation with the County Administrative Office and the Board of Supervisors, contacts have been instituted with both medical centers to develop improved procedures for coordinating involuntary treatment referrals to the Shasta Psychiatric Hospital.
 - b. Shasta County Mental Health is participating in two collaborative initiatives with rural health consortiums to increase cooperation and mutual access to services in Shasta County.
 - c. Administrators and staff of the Mental Health Department are also maintaining regular contact with staff of the Shasta Community Health Center to improve the current referral processes and to expand private sector psychiatric resources to the community.
 - d. The department's attempts to engage the Northern California Rehabilitation Hospital in the development of acute medical/psychiatric beds were not successful, but the

Behavioral Health Corporation, a potential private partner, continues to express interest in a local or regional approach to expanded resources.

7. The recommendation to make the Mental Health-Medical Community Partnership Solution Project Task Force a permanent body needs further study. With the recent dissolution of the Shasta-Trinity Medical Society and the culture of independence in the local medical community, representative leadership is difficult to achieve. As a result, meetings that do not have the sanction of a local medical society may have little value in addressing general health care-community issues. The Mental Health Board should consider further review of the issues associated with the development of ongoing dialogue with the health care community, including encouraging physician support of the development of a medical society.

Review of Responses by 2002/2003 Grand Jury:

1. The response of the Board of Supervisors and the response of the Mental Health Department are adequate.
2. The response of the Board of Supervisors and the response of the Mental Health Department are adequate.
3. The response of the Board of Supervisors and the response of the Mental Health Department are adequate.
4. The response of the Board of Supervisors and the response of the Mental Health Department are adequate. The annual report was submitted to the Board of Supervisors on April 1, 2003.
5. The response of the Board of Supervisors and the response of the Mental Health Department are adequate.
6. The response of the Board of Supervisors and the response of the Mental Health Department are adequate.
7. The response of the Board of Supervisors and the response of the Mental Health Department are adequate. The Mental Health Department provided the Board of Supervisors with a report regarding the status of the Mental Health-Medical Community Partnership Solution Project Task Force on December 6, 2002.

Name of Report: Railroad Operations in Shasta County

Recommendations from the Grand Jury:

1. In light of more recent federal regulations, the Grand Jury recommends the City of Redding review its 1965 ordinance limiting train speeds. If warranted, the City of Redding should consider repealing said ordinance.

Response of Redding City Council:

1. As a follow-up to the Grand Jury Final Report, we have referred the railroad operations issue to our City Attorney for consideration of a repeal of the ordinance regarding train speed through the City of Redding.

Review of Response by 2002/2003 Grand Jury:

1. The response of the Redding City Council is adequate. The matter is under consideration by the City Attorney.

Name of Report: Shasta County Auditor-Controller

Recommendations of the 2001/2002 Grand Jury:

1. The Board of Supervisors should amend Ordinance No. 477 to incorporate California Government Code Section 26945's current list of qualifications and specify that any further amendments be applicable to Shasta County.
2. The Board of Supervisors should support any future state legislation that increases the professional standards for qualifications for the office of Auditor-Controller.
3. The Board of Supervisors should adopt California Government Code Section 26945.1, requiring the Auditor-Controller to complete continuing education requirements.
4. The Board of Supervisors should exercise its authority granted in California Government Code Sections 25303 to ensure that this officer faithfully performs his duties. The Board should require the Auditor-Controller to appear monthly to report upon the status of his office.
5. Pursuant to California Penal Code Section 927, the Board of Supervisors should request that the 2002-2003 Grand Jury investigate and report upon the salary of the Auditor-Controller and other elected officials. This investigation should include a benchmark study of comparable counties as established by the Grand Jury.
6. The Auditor-Controller should spend more time in performance of his duties in order to be more available to staff, to other departments and members of the public.
7. The Auditor-Controller should foster a work environment that facilitates the retention of qualified employees. The Auditor-Controller should establish a policy that encourages employees to pursue education leading to advanced degrees and/or professional certifications. The Auditor Controller should institute a reorganization plan for the department including review of job titles and salary ranges that will attract and retain additional qualified employees.
8. The Auditor-Controller should process county claims for payment in a timely manner as prescribed in the Shasta County Auditor-Controller Procedure Manual.

9. The Board of Supervisors should direct staff to report upon the advisability, feasibility, and process of establishing the office of Auditor-Controller as an appointed, rather than elected, position.
10. The Board of Supervisors should authorize a qualified outside contract auditor to conduct a management audit of the Auditor-Controller's Office. Due to the urgency of this matter, the cost of the audit should be included in the county budget for the 2002-2003 fiscal year. If it is not feasible to specifically budget for the expense in fiscal year 2002-2003, then the audit should be paid for out of the county contingency fund.
11. The Board of Supervisors should ensure that the timeline issued by the California State Controller for separating the funds for vehicle replacement and vehicle maintenance within the Fleet Management Division of Support Services has been met.
12. The Auditor-Controller should continue to work diligently on a solution for dealing with vehicle maintenance cost accounting that will be satisfactory to the Director of Support Services, the Shasta County Board of Supervisors, and the California State Controller.
13. Pursuant to California Government Code Section 26883, the Board of Supervisors should implement a rotating schedule requiring the Auditor-Controller to audit or review the accounts and records of one or more county departments each year in order to determine whether there is adequate supervision of accounting practices and consistency in the application of those practices among county departments.

Response of Board of Supervisors:

1. Shasta County will agendaize Ordinance #477 for discussion and possible amendments to include changes to Government Code #26945. The current Auditor-Controller meets the minimum qualifications of Government Code #26945.
2. The Board of Supervisors will support legislation that increases qualifications for the Auditor-Controller.
3. The Board of Supervisors will agendaize for action the adoption of Government Code #26545.1 for discussion within 60 days. The current Auditor-Controller attends continuing education classes that meet the requirements of Government Code #26945.1.
4. All elected department heads will be invited to appear before the Board of Supervisors on a quarterly basis. The decision will rest with the elected official.
5. This recommendation will not be adopted at this time. The salaries of the Auditor-Controller and elected officials are the purview of the Shasta County Board of Supervisors and are set after reviewing many factors including the labor negotiations of those individuals employed in the department.
6. No response required.
7. No response required.
8. No response required.
9. This matter was discussed by the Board of Supervisors at their August 5, 1997 meeting. The action considered was the possible consolidation of the office of the Auditor-Controller and Treasurer-Tax Collector-Public Administrator into one office: Director of Finance. The Board decided at that meeting not to move forward with the consolidation. As the Auditor-Controller has recently been re-elected to a four-year term commencing January 1, 2002, the discussion of an appointed (as opposed to elected) Auditor-Controller seems premature at this time. The Board will agendaize this matter in approximately 30 months for discussion at a full study session prior to the next election for this position.

10. The Board of Supervisors has directed staff to initiate a Request for Proposals (RFP) to perform a management audit. County Administrative Office staff have indicated this will be issued within the next 60 days.
11. Assistant Auditor-Controller Connie Regnell indicates in a memo dated October 4, 2002 that fleet operations, replacement costs, and fuel are now in separate budget categories.
12. The vehicle maintenance cost accounting has been satisfactorily agreed upon between the Director of Support Services, the Auditor's office and the California State Controller.
13. The Board of Supervisors will not implement a rotating schedule requiring the Auditor-Controller to review particular departments as this appears to be an infringement on his authority as an elected official. The Board will, however, keep its options open if certain departments become a concern.

Response of Auditor-Controller:

1. Shasta County already implemented when they codified Ordinance No. 477 as part of the Shasta County Code.
2. Recommendation requires further analysis. The Auditor supports the highest of professional standards already established in Government Code. However, any blanket support of adopting legislation automatically, is not consistent with the current Board of Supervisor's procedure of thoroughly analyzing legislature before adoption.
3. This recommendation is already being met. The California State Controller's Office is mandated by Government Code Section 12422 to summons county auditors to an annual meeting to discuss matters pertaining to the duties of county auditors throughout the state. The State Controller and the county Auditors' Association of California utilize this conference to provide approved continuing education credits. During this past two years the Auditor has obtained 67.5 credits of continuing education.
4. No response required.
5. No response required.
6. The Auditor-Controller represents that procedures have always been in place to effectively administer his duties and provide his staff with support and direction; this includes the deputizing of appropriate staff in order to comply with Government Code Section requirements to meet all Legislative deadlines. (etc.)
7. The Auditor-Controller contends that the staff, continued education, and organization has always been and will continue to be his highest priority. The Auditor-Controller's office is currently staffed with the highest level of professionals. The management staff has an education and experience level which include: Certified Public Accountant, accounting degree, and more than 80 combined years of government accounting. Staff members are encouraged to attend training seminars when available, and as County policy states, enhance their current position of employment. In addition, there are several staff members that are continuing their education for personal growth and advancement. It was also recommended that the Auditor-Controller institute a reorganization plan, including review of job titles and salary ranges. The Auditor-Controller recognizes the need to appropriately compensate staff for their professional level of performance. The discussions will continue with Personnel and the County Administrative Office; the most recent request was in January 2002. Complying with Personnel's request, the Auditor-Controller's office conducted a survey of like counties, and submitted the results for consideration. This office will continue to submit requests and

justification for salary and classification studies in the Auditor-Controller's office, especially within the professional level of Accountants and Supervising Accountants.

8. The Auditor-Controller's office will continue to provide all agencies depositing funds in the treasury with a centralized claims auditing service as prescribed throughout Government Code Section 29700-29749. A review of the claims process confirmed the Auditor-Controller's office is complying with the manual, except for the stated number of days. The following analysis of the claims process will provide an overview of the legislated procedures as prescribed by the Auditor-Controller (GC 26881).

Government Code prescribes the method by which all county claims are processed and disbursed from the County Treasury. This process begins when a claim for payment is received by the Auditor's accounts payable division from the originating department or agency. Government code Section 29702 requires department heads authorization on claims before submittal to the Auditor-Controller's office. There are many steps in the claims payment process. The vendor bills the county department receiving the goods or services. The departmental accounting staff prepares a claim for submittal to the Auditor-Controller's office. Once claims arrive in our office, they are date stamped and audited, reviewing for compliance. This involves auditing a claim to ensure that it complies with the government code, county code and policies approved in the Shasta County Administrative Manual, contracts, purchasing policies, resolutions, and all other applicable requirements. It also involves auditing to ensure that duplicate payments are not being processed, appropriate authorization is given by the submitting department head, the mathematical calculations are correct, and that all accounts utilized are in compliance with the State Controller's recommendations. Once a claim is audited, and the determination is made as to whether the claim must wait for Board of Supervisor specific approval at a regular scheduled meeting, or the authority has been delegated, by resolution, to the Auditor-Controller. Finally, the claim is verified within the accounting system, pending the appropriate authorization level, the check is then printed and mailed by the Auditor-Controller's office.

However, after review of process and Government Code Section 29742 that cites the Auditor "Shall not issue his warrant for any claim that has not been on file in his office for at least three days", the Shasta County Auditor-Controller's Procedure Manual will be amended to reflect the more realistic goal of processing claims in seven (7) to ten (10) calendar days.

9. Many past Board of Supervisors of the County of Shasta have been asked to review an appointed Auditor. My recollection of these reviews is they would normally lead to a few basic conclusions that the citizens of the County of Shasta support an "Elected" Auditor. Two primary reasons being:
 - A strong "checks and balance" is guaranteed.
 - Many mandated functions and responsibilities relate to agencies such as independent special districts, cities and school districts that are not controlled by the Board of Supervisors.

My own experience bears out these conclusions. Many of Shasta County's independent special districts and commissions have relied upon this Auditor's independent support, and the expertise provided to them at crucial times in their development.

10. Additional implementation is not necessary. The Auditor-Controller's office is already the most audited office in the County. We not only have an annual audit performed by the Joint County/Audit Committee's outside contracted auditors, but we also are constantly audited by

our internal auditors and by a multitude of federal and state auditors. The annual audit includes a review of compliance with all requirements of laws, regulations and contracts , and grants and then a report is issued. The outside auditors approved contract requires them to also report on areas broader than the financial statements conformity with generally accepted accounting principals, but also includes a review of internal controls. The most recent report issued for year ended June 30, 2001, states, "in our opinion County of Shasta complied in all material respects."

11. Implemented as detailed in response to finding #15. The submitted report of July 23, 2002 included the separation of funds, supported by Auditor-Controller and Fleet Management.
12. Implemented – The Auditor-Controller has been working to resolve all findings relating to Fleet Management, both by the State Controller and on the annual audit performed by the Joint County/Grand Jury Audit Committee's selected outside auditors. The Auditor-Controller's staff was continually made available to assist Fleet Management with their findings. The Auditor-Controller has received and presented to the Board of Supervisors the State Controller's Office Bureau of Payments final approval of Fleet Management's proposal, dated July 16, 2002. For additional information regarding the California State Controller's audit issues involving Fleet Management, refer to finding #15 of this response.
13. Implementation favored by Auditor-Controller. However, the Joint County/ Grand Jury Audit Committee's outside contract auditor has been providing the County a rotating audit schedule of departments annually. The contract auditor reviewed this procedure with the Joint County/Grand Jury Audit Committee as recently as May 28, 2002.

Review of Responses by 2002/2003 Grand Jury:

1. The response of the Board of Supervisors is adequate, but as of May 1, 2003, Ordinance No. 477 has not been amended. The response of the Auditor-Controller was in disagreement with the response and proposed action of the Board of Supervisors.
2. The response of the Board of Supervisors and the response of the Auditor-Controller are adequate.
3. The response of the Board of Supervisors is adequate, but as of May 1, 2003, Ordinance No. 477 has not been amended to incorporate Government Code Section 26945.1.
4. The response of the Board of Supervisors is adequate.
5. The response of the Board of Supervisors is adequate.
6. The response of the Auditor-Controller is adequate.
7. The response of the Auditor-Controller is adequate.
8. The Auditor-Controller has revised the Procedure Manual to reflect the more lengthy time involved in processing claims.
9. The response of the Board of Supervisors and the response of the Auditor-Controller are adequate.
10. The response of the Board of Supervisors is adequate, but as of May 1, 2003, the management audit has not been performed. The response of the Auditor-Controller is not responsive to the recommendation, which refers to a management audit rather than a financial audit.
11. The response of the Board of Supervisors and the response of the Auditor-Controller are adequate.

12. The response of the Board of Supervisors and the response of the Auditor-Controller are adequate.
13. The response of the Board of Supervisors and the response of the Auditor-Controller are adequate.

Name of Report: Shasta Mosquito and Vector Control District

Recommendation of the 2001/2002 Grand Jury:

1. Complete an operational manual for District use.

Response of Shasta Mosquito and Vector Control District Board of Trustees:

1. The District has extensive policies and procedures concerning personnel matters, purchasing, safety and operations. We are in the process of developing a "Procedure Manual" concerning payment of bills, payroll processing instructions, and method used for compiling various reports.

Review of Response by 2002/2003 Grand Jury:

1. The response of the Shasta Mosquito and Vector Control District Board of Trustees is adequate. The minutes of the January 21, 2003 board meeting show approval by the board of the completion of the District Procedure Manual.