



MINUTES OF THE BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

Larry J. Monteilh, Executive Officer  
Clerk of the Board of Supervisors  
383 Hall of Administration  
Los Angeles, California 90012

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On motion of Supervisor Dana, seconded by  
Supervisor Hahn, unanimously carried, the attached  
was adopted.

Attachment

July 24, 1990

0000151



MARK H. BLOODGOOD  
AUDITOR-CONTROLLER

# COUNTY OF LOS ANGELES

DEPARTMENT OF AUDITOR-CONTROLLER

525 HALL OF ADMINISTRATION  
LOS ANGELES, CALIFORNIA 90012  
(213) 974-8301

DANIEL O. IKEMOTO  
CHIEF DEPUTY AUDITOR-CONTROLLER

July 12, 1990

## EXECUTIVE SUMMARY

**RESOLUTION IMPLEMENTING SECTION 29390.1 OF THE  
GOVERNMENT CODE AUTHORIZING THE AUDITOR-CONTROLLER  
TO REPLENISH SHORTAGES UP TO \$10,000 IN COUNTY OFFICERS'  
ACCOUNTS WHERE THERE IS NO PROOF OF FRAUD OR GROSS NEGLIGENCE**

(All Districts — 3 Vote Matter)

**REQUEST:** Authorize the Auditor-Controller to perform the administrative functions of the Board to replenish up to \$10,000 of shortages in accounts where there is no proof of fraud or gross negligence.

**FISCAL  
IMPACT:** Will save the cost of preparing Board resolutions, calendaring, deliberation and administrative enactment.

- ISSUES:**
- Shortages in accounts occur primarily in trust accounts administered by County departments. In the normal course of receiving and paying out trust monies, clerical errors and omissions take place and if collection attempts fail, the County as trustee has an obligation to disburse funds to the rightful owner.
  - Each time a County department requests relief from shortages in its accounts, a Board resolution must be drafted and approved by County Counsel and then placed on the Board agenda for deliberation and approval.
  - Authorizes the Auditor-Controller to perform the administrative functions of the Board to replenish shortages where there is no proof of fraud or gross negligence; expediting County operations with no loss of accountability.
  - Provides for an annual report to the Board giving an account of the shortages reimbursed during the fiscal year.

**IMPACTED  
DEPARTMENTS:** None. Delegation of Board administrative authority to the Auditor-Controller.



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DANIEL O. IKEMOTO  
CHIEF DEPUTY AUDITOR-CONTROLLER

July 12, 1990

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

Dear Supervisors:

**RESOLUTION PURSUANT TO GOVERNMENT CODE SECTION  
29390.1 AUTHORIZING THE AUDITOR-CONTROLLER TO  
REPLENISH SHORTAGES UP TO \$10,000 IN COUNTY OFFICERS'  
ACCOUNTS WHERE THERE IS NO PROOF OF FRAUD OR GROSS NEGLIGENCE**

On November 7, 1961, your Honorable Board adopted a resolution authorizing relief of County officers and employees from liability for shortages in their accounts where there is no proof of fraud or gross negligence and where the loss is not covered by insurance. If your Board, after an investigation and report concurred in by the District Attorney and the Auditor-Controller, approves the coverage of such shortage, it becomes a charge against the General Fund of the County. This action was taken in accordance with the provisions of Section 29390 of the Government Code.

Shortages in accounts occur primarily in trust accounts administered by County departments. In the normal course of receiving and paying out trust monies, clerical errors and omissions take place and if collection attempts fail, the County as trustee has an obligation to disburse funds to the rightful owner.

Your Board's November 7th resolution provides a means to carry out this obligation. However, each time a County department requests relief from shortages in its accounts, a Board resolution must be drafted and approved by County Counsel and then placed on the Board agenda for deliberation and approval.

Section 29390.1 of the Government Code permits your Board, by resolution, to authorize the Auditor-Controller to perform the administrative functions of the Board to replenish shortages where there is no proof of fraud or gross negligence. When ever there is proof of fraud or other

suspect activity, Sections 29390 and 29390.1 become inoperative; these instances are immediately referred to law enforcement agencies.

To reduce processing time and the cost of effecting replenishment of shortages in accounts where there is no proof of fraud or gross negligence, we recommend that your Board delegate this authority up to the amount of \$10,000 to the Auditor-Controller. As the functions involved are administrative in nature and your Board has expressed the desire to eliminate unnecessary Board Agenda items, the adoption by resolution of your Board of the provisions of Section 29390.1 will accomplish this objective while expediting County operations with no loss of accountability to your Board.

At the end of each fiscal year, we will provide a written report to the Board giving an account of the shortages reimbursed during the fiscal year.

The Chief Administrative Officer concurs with this recommendation.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD:

Adopt the attached resolution authorizing the Auditor-Controller to replenish shortages up to \$10,000 in County officers' accounts where there is no proof of fraud or gross negligence.

The Clerk of the Board is requested to transmit two certified copies of the resolution to the County Auditor-Controller.

Respectfully submitted,

*Mark H. Bloodgood*  
MARK H. BLOODGOOD  
AUDITOR-CONTROLLER

MHB:JTM:jb

c: Clerk of the Board (30)

**RESOLUTION IMPLEMENTING SECTION 29390.1 OF THE  
GOVERNMENT CODE AUTHORIZING THE AUDITOR-CONTROLLER  
TO REPLENISH SHORTAGES UP TO \$10,000 IN COUNTY OFFICERS'  
ACCOUNTS WHERE THERE IS NO PROOF OF FRAUD OR GROSS NEGLIGENCE**

**WHEREAS**, Section 29390 of the Government Code provides a means whereby County officers and employees may be relieved of shortages in their accounts where there is no proof of fraud or gross negligence in connection with the shortage and where the loss is not covered by insurance; and

**WHEREAS**, on November 7, 1961, the Board of Supervisors adopted a resolution implementing Section 29390 of the Government Code authorizing relief of officers and employees from liability for shortages in their accounts; and

**WHEREAS**, the Government Code provides that applications for relief from liability for shortages in accounts be made with the Board of Supervisors and that the Board may relieve such shortages by appropriate resolution; and

**WHEREAS**, Section 29390.1 of the Government Code permits the Board of Supervisors to authorize and designate the Auditor-Controller to perform the functions of the Board to relieve officers and employees from liability for shortages in accounts where no proof of fraud or gross negligence exists in connection with the shortages; and

**WHEREAS**, the delegation of such functions for shortages up to \$10,000 to the Auditor-Controller will provide proper safeguards for the monies of the County; and

**WHEREAS**, the Auditor-Controller shall render a written report and give an account to the Board of Supervisors of the shortages replenished at the end of each fiscal year and at such other times as the Board directs;

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Supervisors of the County of Los Angeles that pursuant to the provisions of Section 29390.1 of the Government Code applications for relief of County officers and employees from liability for shortages up to \$10,000 in their accounts, where no proof of fraud or gross negligence exists, shall be made with the Auditor-Controller and he is hereby authorized to perform the functions of the Board to relieve such shortages.

**BE IT FURTHER RESOLVED**, that the Auditor-Controller shall render a written report and give an account to the Board of the officers and employees making application for relief from liability for shortages in accounts, and the amounts thereof, at the end of each fiscal year and at such other times as the Board directs.

The foregoing resolution was, on the 24<sup>th</sup> day of July, 1990, adopted by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

LARRY J. MONTEILH, Executive Officer-  
Clerk of the Board of Supervisors of  
the County of Los Angeles

By \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:

DE WITT W. CLINTON  
County Counsel

By   
Deputy