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Redwood City, California 94063-1665

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County of San Mateo
Office of the Controller

Bob Adler
Controller

Juan Ralgoza
Assistant Controller

Shirley Tourel
Deputy Controller

January 2, 2015

San Mateo County Mosquito and Vector Control District
Donna Rutherford, President of the Board of Trustees
1351 Rollins Road
Burlingame, California 94010

Dear Ms. Rutherford,

We have reviewed the matters raised in your letter dated October 28, 2014 (received on November 24, 2014) addressed to the San Mateo County Controller's Office ("Controller"). For reference, your letter, along with R.J. Riccardi Inc.'s ("RJR") agreed-upon procedures report, are attached as Attachment E. Please find attached (Attachments A through D) our detailed responses and supporting documentation addressing each of the issues raised in your letter and RJR's report. These responses were prepared after review of our office's procedures, discussion with the San Mateo County Treasurer, and conversations with the San Mateo County Mosquito & Vector Control District's ("District") fiscal staff.

As the attachments demonstrate in more detail, the issues raised in your letter and the RJR report appear to be based on a misunderstanding of both the function of the County in the District's financial matters and the monthly statements provided by the County to the District. The District is an independent special district in the County of San Mateo ("County"), and the County accordingly plays a limited role in the District's financial transactions. Specifically, the County holds and maintains the District's cash (which earns interest) in accordance with California Health and Safety Code Sections 2076-2077. Pursuant to Section 2076, the District is solely responsible for allowing, issuing, and auditing all payments of the District; neither the County generally nor the Controller specifically plays any role in the approval of payments. At the end of each month, the District sends the Controller the District's check register for that month, and the Controller records the activity into the County's accounting system.

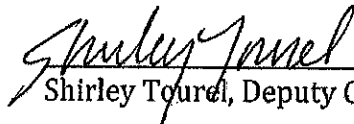
It is the responsibility of the District to maintain its own accounting system, to record and maintain all detailed records of transactions it creates and approves (e.g. checks, electronic fund transfers, payroll activity, deposits made, and invoices issued), and to maintain a system of internal controls related to those activities. Any detailed reports of the District's financial activities should be obtained from the District's own accounting system, as the

County has no information regarding those activities other than what the District provides in its check register.

In this instance, neither District staff nor the RJR auditors contacted our office prior to the issuance of RJR's agreed-upon procedures report in order to gather more information or address any questions they had regarding the financial information provided/available to the District by the County. Had they done so we would have provided an explanation of the County's statements that would have addressed the RJR auditor's concerns and clarified the role of the County in the District's financial transactions.

In the future I encourage and welcome you and your auditors to contact the Controller's Office with any questions you may have regarding the County's statements or role in the District's financial matters. Our office can be reached at (650) 363 4777. Thank you.

Sincerely,


Shirley Tourel, Deputy Controller

Cc:

Rosendo Rodriguez, Interim District Manager
John Beiers, County Counsel
John L. Maltbie, County Manager
San Mateo County LAFCo
San Mateo County Board of Supervisors

Attachment A: Response to RJR's Observations and Recommendations

R.J. Riccardi Inc.'s ("RJR") agreed upon procedures report on the San Mateo County Mosquito and Vector Control District ("District") makes several observations and recommendations on the "County Reporting of ACH/EFT Transactions." The San Mateo County Controller's Office's ("Controller") responses to each of the items are provided below. In order to further illustrate our responses, Attachments B through D provide an example from September 2014 of the typical monthly exchange of documentation between the District and the Controller.

RJR Observation - ACH/EFT transactions are not transparent on the "County Treasury GL Account #1010"¹. The County Treasury General Ledger report provided by the County lumps together many transactions including checks paid and electronic transactions.

This observation incorrectly describes the statements provided by the County to the District and reflects a misreading of those statements. All ACH/EFT transactions are initiated, created, and approved by the District. Every month, the District sends the Controller its check register, which lists the checks paid and ACH/EFT disbursements for the month. Based on the District's check register, the Controller records the disbursement activities into the County's accounting system. The Controller records one transaction for all the checks issued and one transaction for each ACH/EFT item provided in the District's check register.

The Controller provides the District with the Detailed Trial Balance report from the County's accounting system every month. As the Detailed Trial Balance Report for the month of September 2014 (Attachment C) demonstrates, contrary to RJR's observation, checks and electronic transactions are not lumped together; they are recorded separately. Thus, each ACH/EFT transaction recorded in the District's check register (Attachment B page 2) can be traced directly to the September 2014 Detailed Trial Balance report by reviewing all transactions with JE369221 in the Primary Reference field. The ACH/EFT transactions provided in the District's check register can also be traced to the September 2014 Bank Statement, to which the District's finance team has access (see Attachment D pages 2-3).

RJR Observation - There is a separate bank statement that reports some of these transactions but it is unclear if all electronic transfers are reported on the bank statement.

This observation does not involve the Controller's responsibilities in connection with the District's financial transactions. If the District performs monthly reconciliations between

¹ The District's interim finance director indicated, the "County Treasurer GL Account #1010" report that is being referenced in RJR's report is the County's "Detailed Trial Balance".

the bank statement provided by Union Bank, the District's general ledger, and other source documents, all unrecorded items on the bank statement should be identified and be explained (i.e. timing differences). If any differences cannot be explained for a given month, it is the District's responsibility to further investigate and account for the differences.

RJR Recommendation - The District should request and obtain from the County a report of all ACH/EFT payments made each month.

This recommendation inaccurately suggests that the County is the primary repository of the District's ACH/EFT payment data. All ACH/EFT payments are, by statute, initiated, audited, and approved by the District and therefore, the information referenced in this recommendation in fact resides first and foremost with the District. The County plays no role in approving or facilitating the District's ACH/EFT payments. After the ACH/EFT transactions occur, they are recorded in the District's check register, and then provided to the Controller by the District. The Controller then records information from the District's check register into the County's accounting system. As indicated above, the Controller provides the District with a Detailed Trial Balance report every month showing all ACH/EFT payments that have been recorded in the County's accounting system. See Attachment C.

RJR Recommendation - The District should confirm with the County that the vendor's names are accurate. The report should be approved by the General Manager.

This recommendation appears to be based on an erroneous belief that the County independently possesses identifying information regarding, or is somehow responsible for, the District's vendors. The District is statutorily responsible for creating, approving, and auditing check and ACH/EFT payments to its vendors. The Controller does not have any information regarding the details of the District's disbursements or the identity of its vendors other than that contained in the District's check register, which is recorded in the County's accounting system after the disbursements occurred upon receipt of the District's check register.

**Attachment B:
San Mateo County Mosquito Vector Control District Check Register**

**San Mateo County Mosquito & Vector Control
Transactions by Account
As of September 30, 2014**

Type	Date	Num	Name	Amount
1010a - Union Bank Clearing Account				
Bill Pmt -Check	09/09/2014	14824	Charles P. Hansen	-445.18
Bill Pmt -Check	09/09/2014	14825	Dennis J Jewell	-445.18
Bill Pmt -Check	09/09/2014	14826	James Counts	-705.14
Bill Pmt -Check	09/09/2014	14827	Ray Ritts	-445.18
Bill Pmt -Check	09/09/2014	14828	Robert F. Schoeppner	-445.18
Bill Pmt -Check	09/09/2014	14829	Stanley Kamlya	-547.61
Bill Pmt -Check	09/09/2014	14830	Steven L. Jansen	-333.87
Bill Pmt -Check	09/09/2014	14831	78 Fleet - WEX Bank	-136.99
Bill Pmt -Check	09/09/2014	14832	Accountemps	-634.76
Bill Pmt -Check	09/09/2014	14833	Adapco, Inc.	-5,218.92
Bill Pmt -Check	09/09/2014	14834	Airgas Dry Ice	-318.92
Bill Pmt -Check	09/09/2014	14835	Allied Administrators for Delta Dental	-2,691.60
Bill Pmt -Check	09/09/2014	14836	Alpine Helicopter Service Inc	-6,498.00
Bill Pmt -Check	09/09/2014	14837	Amerloan Express	-489.96
Bill Pmt -Check	09/09/2014	14838	AXCIENT	-129.00
Bill Pmt -Check	09/09/2014	14839	Bay Pointe Landscape	-775.00
Bill Pmt -Check	09/09/2014	14840	California Animal Health & Food Safety LS	-161.80
Bill Pmt -Check	09/09/2014	14841	Cintas Corporation #464	-630.34
Bill Pmt -Check	09/09/2014	14842	City of Redwood City	-151.43
Bill Pmt -Check	09/09/2014	14843	Comcast	-220.70
Bill Pmt -Check	09/09/2014	14844	Compu-Data	-1,182.79
Bill Pmt -Check	09/09/2014	14845	De Lage Landen Public Finance	-603.86
Bill Pmt -Check	09/09/2014	14846	Diversified Laboratory Repair	-100.00
Bill Pmt -Check	09/09/2014	14847	Flyers Energy, LLC	-3,354.50
Bill Pmt -Check	09/09/2014	14848	Gralnger	-816.37
Bill Pmt -Check	09/09/2014	14849	Kaiser Foundation Health Plan	-4,958.00
Bill Pmt -Check	09/09/2014	14850	Mallory Safety & Supply LLC	-799.55
Bill Pmt -Check	09/09/2014	14851	Meredith, Weinstein & Numbers, LLP	-1,713.87
Bill Pmt -Check	09/09/2014	14852	O'REILLY AUTO PARTS	-397.44
Bill Pmt -Check	09/09/2014	14853	Office Depot	-191.12
Bill Pmt -Check	09/09/2014	14854	Ole's Carburetor & Electric Inc.	-238.48
Bill Pmt -Check	09/09/2014	14855	Pacific Gas & Electric-558	-2,317.13
Bill Pmt -Check	09/09/2014	14856	Pitney Bowes Inc	-130.80
Bill Pmt -Check	09/09/2014	14857	Portola Valley Feed	-183.95
Bill Pmt -Check	09/09/2014	14858	Recology San Mateo County	-301.05
Bill Pmt -Check	09/09/2014	14859	San Mateo Lawn Mower	-75.60
Bill Pmt -Check	09/09/2014	14860	SCI Consulting Group	-9,754.88
Bill Pmt -Check	09/09/2014	14861	Sharp Electronics Corporation	-805.17
Bill Pmt -Check	09/09/2014	14862	Stericycle, Inc.	-303.11
Bill Pmt -Check	09/09/2014	14863	Townsend & Styer Maintenance Co., LLC	-725.00
Bill Pmt -Check	09/09/2014	14864	U.S. Bank	-15,311.87
Bill Pmt -Check	09/09/2014	14865	UPS	-158.07
Bill Pmt -Check	09/09/2014	14866	Verizon	-711.72
Bill Pmt -Check	09/09/2014	14867	Great-West Life & Annuity Co	-2,110.43
Bill Pmt -Check	09/09/2014	14868	ING Life Insurance & Annuity	-250.00
Bill Pmt -Check	09/09/2014	14869	SM Co. Emp Retirement Assoc	-24,610.11
Bill Pmt -Check	09/09/2014	14870	Angelo Consentino	-150.00
Bill Pmt -Check	09/09/2014	14871	Foley Electric, Inc.	-236.00
Bill Pmt -Check	09/25/2014	14872	Accountemps	-1,134.00

Attachment B:
San Mateo County Mosquito Vector Control District Check Register

**San Mateo County Mosquito & Vector Control
Transactions by Account
As of September 30, 2014**

Type	Date	Num	Name	Amount	
Bill Pmt -Check	09/25/2014	14873	Airgas Dry Ice	-392.52	
Bill Pmt -Check	09/25/2014	14874	Alhambra	-135.78	
Bill Pmt -Check	09/25/2014	14875	Alpine Helicopter Service Inc	-10,010.00	
Bill Pmt -Check	09/25/2014	14876	American Express	-218.17	
Bill Pmt -Check	09/25/2014	14877	AT&T Long Distance	-201.94	
Bill Pmt -Check	09/25/2014	14878	Auto Tech Center	-347.50	
Bill Pmt -Check	09/25/2014	14879	Bay Alarm	-433.92	
Bill Pmt -Check	09/25/2014	14880	Burke, Williams & Sorensen, LLP	-3,075.76	
Bill Pmt -Check	09/25/2014	14881	BVA, Inc.	-26,230.00	
Bill Pmt -Check	09/25/2014	14882	Cardio ENTRIX	-778.03	
Bill Pmt -Check	09/25/2014	14883	Clarke Mosquito Control Products, Inc.	-3,165.57	
Bill Pmt -Check	09/25/2014	14884	Comcast	-100.75	
Bill Pmt -Check	09/25/2014	14885	Compu-Data	-1,560.00	
Bill Pmt -Check	09/25/2014	14886	FedEx	-33.48	
Bill Pmt -Check	09/25/2014	14887	First Call Network, Inc.	-1,275.93	
Bill Pmt -Check	09/25/2014	14888	Flyers Energy, LLC	-3,408.98	
Bill Pmt -Check	09/25/2014	14889	Great-West Life & Annuity Co	-1,360.43	
Bill Pmt -Check	09/25/2014	14890	iNG Life Insurance & Annuity	-250.00	
Bill Pmt -Check	09/25/2014	14891	James Barry	-140.00	
Bill Pmt -Check	09/25/2014	14892	Kone Inc	-1,149.45	
Bill Pmt -Check	09/25/2014	14893	Lampire Biological Laboratories, Inc.	-197.00	
Bill Pmt -Check	09/25/2014	14894	Life Technologies Corporation	-325.91	
Bill Pmt -Check	09/25/2014	14895	Mary Ann Liebert, Inc.	-774.00	
Bill Pmt -Check	09/25/2014	14896	Redwood Trading Post	-308.38	
Bill Pmt -Check	09/25/2014	14897	Regional Government Services	-4,837.55	
Bill Pmt -Check	09/25/2014	14898	Robert Gay	-775.61	
Bill Pmt -Check	09/25/2014	14899	SM Co. Emp Retirement Assoc	-24,100.01	
Bill Pmt -Check	09/25/2014	14900	Standard Insurance Company	-868.96	
Bill Pmt -Check	09/25/2014	14901	U.S. Healthworks Medical Group	-110.00	
Bill Pmt -Check	09/25/2014	14902	Vector-Borne Disease Account	-300.00	
Bill Pmt -Check	09/25/2014	14903	VRS-Catering Connection	-253.90	
Bill Pmt -Check	09/25/2014	14904	AT & T	-814.07	
Bill Pmt -Check	09/25/2014	14905	California Water Service Company	-106.42	
Bill Pmt -Check	09/25/2014	14906	Pacific Gas & Electric-302	-131.94	
Bill Pmt -Check	09/25/2014	14907	Vision Service Plan	-441.60	
TOTAL CHECKS #14824-14907:				-183,484.27	(a)
1010a - Union Bank Clearing Account (Electronic Debits)					
General Journal	09/05/2014	090514A	ADP Fee	-245.25	(b)
General Journal	09/12/2014	09122014A	ADP Payroll & P/R Taxes	-146,861.17	(c)
General Journal	09/19/2014	091914A	ADP Fee	-219.60	(d)
General Journal	09/26/2014	09262014A	ADP Payroll & P/R Taxes	-71,723.68	(e)
TOTAL ELECTRONIC DEBITS:				-219,049.70	
TOTAL 1010a - Union Bank Clearing Account				-402,513.97	Sum of (a)- (e)

Attachment C: San Mateo County Mosquito & Vector Control District Trial Balance - per County Accounting System

COUNTY OF SAN MATEO Verbose D E T A I L E D T R I A L B A L A N C E 09/01/2014-09/30/2014 Page 1
 FRI, DEC 12, 2014, 7:59 AM --req: SONGH-----leg: GL JLR--loc: CONT RWC--job: 8736517 #J4332--prog: GL501 <1.82>--report id: GLTBAL01
 SORT ORDER: Primary Date within SUB ACCT within SUB UNIT

Lg SUB UNIT Title	Director	St Tr	FDGP	FUND	SUB FUND DEPT	DIVISION SECTION	PROGRAM	BUDGET
GL 02706 County Mosquito Abatemen	A	07		02706	02706	00000	00000	00000
SUB ACCT								
0111 Claim on Cash								Balance
	Date	Primary Ref.	Transaction Description		Debit	Credit		
	09/01/14	JE369072	Prior to 09/01/14		6,680,394.36	863,976.18		5,816,418.18
	09/16/14	RJ15CFT2	AutoID: JTMA0014 Job: 8662 JE		818.70			5,817,236.88
	09/19/14	JE368674	Daily Cash Float Tsfr-Op Fe JE		25,488.70			5,842,725.58
	09/30/14	RJ15CFT2	AutoID: JMBA9234 Job: 8653 JE			62.60		5,842,662.98
	09/30/14	JE369221	Daily Cash Float Tsfr-Op Fe JE		12,363.98			5,855,026.96
SUM of (a) - (e)		DR	AutoID: JHSI0024 Job: 8661 JE		6,719,065.74*	402,513.97		5,452,512.99*
		DR	* SUB ACCT Total *			1,266,552.75*		5,452,512.99*
0112 Claim on Cash - Float			Prior to 09/01/14		195,910.91	195,910.91		25,488.70
	09/15/14	TTLCR	AutoID: DUZE9154 Job: 8639 CR		25,488.70			12,363.98
	09/16/14	RJ15CFT2	Daily Cash Float Tsfr-Op Fe JE			25,488.70		
	09/29/14	TTLCR	AutoID: DUZE9294 Job: 8654 CR		12,363.98			12,363.98
	09/30/14	RJ15CFT2	Daily Cash Float Tsfr-Op Fe JE			12,363.98		
		DR	* SUB ACCT Total *		233,763.59*	233,763.59*		
0270 Interest Receivable		DR	Prior to 09/01/14		9,551.59	9,551.59		
		DR	* SUB ACCT Total *		9,551.59*	9,551.59*		
0665 Accrued Salaries and Benefit		CR	Prior to 09/01/14			54,723.29		54,723.29
		CR	* SUB ACCT Total *			54,723.29*		54,723.29*
0813 Fund Balance Available		CR	Prior to 09/01/14		815,619.70	6,472,729.74		5,657,110.04
		CR	* SUB ACCT Total *		815,619.70*	6,472,729.74*		5,657,110.04*
0882 General Reserves		CR	Prior to 09/01/14			770,448.00		770,448.00
		CR	* SUB ACCT Total *			770,448.00*		770,448.00*
0923 Disbursements - Trust Fund			Prior to 09/01/14		863,976.18			863,976.18
(a)	09/19/14	JE368674	Reim UB Fee 08/14 Mos Vec	JE	62.60			864,038.78
(b)	09/30/14	JE369221	SMC Mosquito Ck#14824-14907 JE	JE	183,464.27			1,047,503.05
(c)	09/30/14	JE369221	SMC Mosquito 9/5/14 ADP Fee JE	JE	245.25			1,047,748.30
(d)	09/30/14	JE369221	SMC Mosquito 9/12/14 ADP Ta JE	JE	146,861.17			1,194,609.47
(e)	09/30/14	JE369221	SMC Mosquito 9/19/14 ADP Fe JE	JE	71,219.60			1,194,829.07
		DR	SMC Mosquito 9/26/14 ADP Ta JE	JE	71,723.68			1,266,552.75
		DR	* SUB ACCT Total *		1,266,552.75*			1,266,552.75*
0983 Avg Daily Cash	09/30/14	RJADCB	Average Daily Cash Balance	JE	6,084,622.91			-6,084,622.91
		CR	* SUB ACCT Total *		6,084,622.91*			-6,084,622.91*
0993 Avg Daily Cash	09/30/14	RJADCB	Average Daily Cash Balance	JE	6,084,622.91			6,084,622.91
		CR	* SUB ACCT Total *		6,084,622.91*			6,084,622.91*

NOTE: SUM OF (b) - (e) = \$219,049.70; See Attachment D page 3 for ACH/EFT transactions that cleared Union Bank.

Attachment C: San Mateo County Mosquito & Vector Control District Trial Balance - per County Accounting System

COUNTY OF SAN MATEO Verbose D E T A I L E D T R I A L B A L A N C E 09/01/2014-09/30/2014 Page 2
 FRI, DEC 12, 2014, 7:59 AM --req: SONGH-----leg: GL JL--loc: CONT RWC--job: 8736517 #J4332--prog: GL501 <1.82>--report id: GLTRAL01

SORT ORDER: Primary Date within SUB ACCT within SUB UNIT

SELECT ORG SUB UNIT: 02706

Lg SUB UNIT Title	Director	St Tr	EDGP	FUND	SUB FUND	DEPT	DIVISION	SECTION	PROGRAM	BUDGET
GL 02706 County Mosquito Abatement	A	07	02706	02706	00000	00000	00000	00000	00000	00000
SUB ACCT	Date	Primary Ref.	Transaction Description	Debit	Credit	Balance				
1041 CY SB 813 Secured Supplemental CR			Prior to 09/01/14		2,202.12	2,202.12				
			* SUB ACCT Total *		2,202.12*	2,202.12*				
2451 Misc Services to Cities			Prior to 09/01/14		18,410.91	18,410.91				
09/01/14 JE369072			RECLASS OF FUNDS CR288437	JE	818.70	19,229.61				
09/15/14 CR292331			ABATEMENT SERVICE 24780	CR	75.87	19,305.48				
09/15/14 CR292331			ABATEMENT SERVICE 4402604	CR		29,087.16				
09/15/14 CR292331			ABATEMENT SERVICE 116011	CR		5,773.63				
09/15/14 CR292331			ABATEMENT SERVICE 24345	CR		4,486.44				
09/15/14 CR292331			ABATEMENT SERVICE 122095	CR		129.80				
09/15/14 CR292331			ABATEMENT SERVICE 2324529	CR		163.84				
09/29/14 CR293478			ABATEMENT SERVICE	CR		112.50				
09/29/14 CR293478			ABATEMENT SERVICE	CR		12,251.48				
			* SUB ACCT Total *		52,004.85*	52,004.85*				
2658 All Other Miscellaneous Revenue			Prior to 09/01/14		177,500.00	177,500.00				
09/15/14 CR292331			MISC INCOME 6116370	CR	107.44	177,607.44				
09/15/14 CR292331			MISC INCOME 41579961	CR	4,970.00	182,577.44				
			* SUB ACCT Total *		182,577.44*	182,577.44*				
DR-CR			** SUB UNIT Total **		15,129,176.28*	15,129,176.28*				

Attachment C: San Mateo County Mosquito & Vector Control District Trial Balance -- per County Accounting System

COUNTY OF SAN MATEO Verbose D E T A I L E D T R I A L B A L A N C E 09/01/2014-09/30/2014 Page 3
 FRI, DEC 12, 2014, 7:59 AM --req: SONGH-----leg: GL JL--loc: CONT RWC--job: 8736517 #J4332--prog: GL501 <1.82>--report id: GLTBAL01

SORT ORDER: Primary Date within SUB ACCT within SUB UNIT

SELECT ORG SUB UNIT: 02706

SUB ACCT	Date	Primary Ref.	Transaction Description	Debit	Credit	Balance
DR-CR			GRAND TOTAL	15,129,176.28	15,129,176.28	

Attachment C: San Mateo County Mosquito & Vector Control District Trial Balance -- per County Accounting System

COUNTY OF SAN MATEO Summary D E T A I L E D T R I A L B A L A N C E 09/01/2014-09/30/2014 Page 4
 FRI, DEC 12, 2014, 7:59 AM --req: SONGH-----leg: GL JL--loc: CONT RWC--job: 8736517 #J4332--prog: GL501 <1.82>--report id: GLTBAL01

SORT ORDER: Primary Date within SUB ACCT within SUB UNIT

SELECT ORG SUB UNIT: 02706

SUB ACCT	Date	Primary Ref.	Transaction Description	Debit	Credit	Balance
		02706	County Mosquito Abatement	15,129,176.28	15,129,176.28	
			G R A N D T O T A L	15,129,176.28	15,129,176.28	

Attachment D SMC Mosquito Vector Control District

Bank Statement



**STATEMENT
OF ACCOUNTS**

Page 1 of 3
 COUNTY OF SAN MATEO
 Statement Number: 2740029757
 08/30/14 - 09/30/14

UNION BANK
 CA LOCAL GOV PCA-US CORP 1092
 PO BOX 513840
 LOS ANGELES CA 90051-3840

Customer Inquiries
 800-798-6466

Thank you for banking with us
 since 1992

COUNTY OF SAN MATEO
 SMC MOSQUITO & VECTOR CONTROL DISTRICT
 555 COUNTY CENTER 1ST FLOOR
 REDWOOD CITY CA 94063

- Conveniently access account information and key online services with the Mobile Business Center from Union Bank. Go to m.unionbank.com on your smartphone to check balances, initiate transfers, and approve wires securely. You can also manage stops and returns as well as view and make decisions on Positive Pay exceptions. To learn more, call your treasury relationship manager or contact Treasury Management Sales at 800-883-0285.

Public Fund Checking Summary

Account Number: 2740029757

Days in statement period: Days in statement period: 32

Balance on 8/30	\$		0.00
Total Credits			389,316.55
ZBA credits (16)		389,316.55	
Total Debits			-389,316.55
Checks paid (88)		-170,266.85	
Electronic debits (6)		-219,049.70	
Balance on 9/30	\$		0.00

C R E D I T S

Zero Balance Accounting credits

Date	Description/Location	Reference	Amount
9/2	ZERO BALANCE ACCOUNTING CREDIT 7020010287	99962398	\$ 19,208.41
9/3	ZERO BALANCE ACCOUNTING CREDIT 7020010287	99962233	1,992.29
9/4	ZERO BALANCE ACCOUNTING CREDIT 7020010287	99962215	5,556.11
9/5	ZERO BALANCE ACCOUNTING CREDIT 7020010287	99962265	31,090.93
9/8	ZERO BALANCE ACCOUNTING CREDIT 7020010287	99962238	10,893.41
9/9	ZERO BALANCE ACCOUNTING CREDIT 7020010287	99962120	1,138.38
9/10	ZERO BALANCE ACCOUNTING CREDIT 7020010287	99962062	320.99
9/12	ZERO BALANCE ACCOUNTING CREDIT 7020010287	99962270	150,515.43
9/15	ZERO BALANCE ACCOUNTING CREDIT 7020010287	99962416	34,511.42
9/16	ZERO BALANCE ACCOUNTING CREDIT 7020010287	99962173	18,942.92
9/17	ZERO BALANCE ACCOUNTING CREDIT 7020010287	99962034	33,743.88
9/18	ZERO BALANCE ACCOUNTING CREDIT 7020010287	99962188	4,056.58
9/19	ZERO BALANCE ACCOUNTING CREDIT 7020010287	99962243	531.20
9/22	ZERO BALANCE ACCOUNTING CREDIT 7020010287	99962263	318.92
9/25	ZERO BALANCE ACCOUNTING CREDIT 7020010287	99962106	71,723.68
9/30	ZERO BALANCE ACCOUNTING CREDIT 7020010287	99962267	4,772.00
	16 Zero Balance Accounting credits	Total	\$ 389,316.55

DEBITS

Check Paid

Number	Date	Amount	Number	Date	Amount
14749	9/5	860.78	14833	9/15	5,218.92
14790*	9/8	250.00	14834	9/22	318.92
14791	9/5	25,886.84	14835	9/12	2,691.60
14792	9/4	401.52	14836	9/17	6,498.00
14793	9/8	979.53	14837	9/15	489.96
14794	9/5	318.92	14838	9/12	129.00
14795	9/4	164.84	14839	9/17	775.00
14796	9/8	622.25	14840	9/17	161.90
14797	9/8	209.40	14841	9/17	630.34
14798	9/3	257.04	14842	9/15	151.43
14799	9/2	19,075.81	14843	9/18	220.70
14800	9/5	3,681.02	14844	9/15	1,182.79
14801	9/8	5,163.50	14845	9/17	603.86
14802	9/3	67.24	14846	9/16	100.00
14803	9/3	984.21	14847	9/15	3,354.50
14804	9/4	100.75	14848	9/15	816.37
14805	9/15	260.00	14849	9/15	4,958.00
14806	9/18	851.40	14850	9/15	799.55
14807	9/4	3,980.20	14851	9/15	1,713.87
14808	9/16	328.64	14852	9/18	397.44
14809	9/4	240.00	14853	9/15	191.12
14810	9/9	72.75	14854	9/12	238.48
14811	9/3	53.50	14855	9/16	2,317.13
14812	9/4	136.80	14856	9/17	130.80
14813	9/3	168.75	14857	9/15	183.95
14814	9/10	320.99	14858	9/15	301.05
14815	9/8	3,552.45	14859	9/19	75.60
14816	9/9	902.84	14860	9/15	9,754.88
14817	9/15	183.81	14861	9/15	805.17
14818	9/2	132.60	14862	9/16	303.11
14819	9/9	162.79	14863	9/18	725.00
14820	9/4	532.00	14864	9/16	15,311.87
14821	9/5	98.12	14865	9/15	158.07
14822	9/8	116.28	14866	9/18	711.72
14823	9/3	463.55	14867	9/15	2,110.43
14824	9/12	445.18	14868	9/15	250.00
14825	9/18	445.18	14869	9/17	24,610.11
14826	9/18	705.14	14870	9/12	150.00
14827	9/15	445.18	14871	9/19	236.00
14828	9/16	445.18	14878*	9/30	347.50
14829	9/15	547.61	14879	9/30	433.92
14830	9/17	333.87	14888*	9/30	3,408.98
14831	9/16	136.99	14891*	9/30	140.00
14832	9/15	634.76	14907*	9/30	441.60
88 Checks paid			Total		\$ 170,266.85

* Checks missing in sequence. Out of sequence check numbers may also be located in the Electronic Debits section of your statement.

Electronic debits

Date	Description	Reference	Amount

A

Electronic debits

<i>Date</i>	<i>Description</i>	<i>Reference</i>	<i>Amount</i>	
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	A
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	B
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	B
6 Electronic debits		Total	\$ 219,049.70	

Sum of A = \$146,861.17 and Sum of B = \$71,723.68; See Attachment C page 1.

Daily Ledger Balance

<i>Date</i>	<i>Ledger Balance</i>	<i>Date</i>	<i>Ledger Balance</i>
8/30-9/30	\$ (0.00)		



**San Mateo County
Mosquito and Vector Control District**

1351 Rollins Rd
Burlingame CA 94010
(650) 344-8592 Fax (650) 344-3843
www.smcmad.org

2014 NOV 24 P 4: 16
CONTROLLER'S OFFICE
GENERAL ACCOUNTING

October 28, 2014

Mr. Bob Adler, County Controller
San Mateo County
555 County Center, 4th Floor
Redwood City, CA 94063

Dear Mr. Adler,

Recently the San Mateo County Mosquito and Vector Control District engaged our auditor, R.J. Ricciardi, Inc. to conduct an Internal Control Review and issue an Agreed Upon Procedures Report. This Internal Control Review was previously requested by our Board of Trustees, the San Mateo County LAFCo and other County officials.

Per the enclosed Agreed Upon Procedures Report issued by R.J. Ricciardi, the analysis of the District's Internal Control Program came back with positive results. Our auditor tested the following areas: District policies, transactional related processes (such as disbursements, payroll, and credit cards), and bank statements (including the county statements). Additionally, fraud questionnaires were provided to 10 staff members, District Manager, Finance Director and the Chair of the District's Finance Committee. In the Internal Control Review, no exceptions were found in any of the aforementioned areas with the exception of the reporting that the District receives from the County Controller's Office.

In the attached report, our auditor noted that the County Treasury General Ledger Report provides data in a lump sum view, which does not provide sufficient transparency. Specifically, our auditor noted that with the ACH/EFT transactions, the report was not transparent to decipher how these transactions reconcile back to the bank statements. A recommendation has been made by our auditor to request that the County Controller's office provide the District with reporting that contains greater transparency.

The Board of Trustees of the San Mateo County Mosquito and Vector Control District respectfully request that the San Mateo County Controller's Office work with the District's Finance Department to provide greater transparency on the monthly County Treasury General Ledger Report. The Board has made transparency a priority and requests that the County assist the District in this endeavor.

Respectfully yours,



Donna Rutherford
President of the Board of Trustees

DR/r

Enclosures

CC: Rosendo Rodriguez, Interim District Manager
Board of Trustees, San Mateo County Mosquito & Vector Control District
Shirley Tourel, Deputy Controller
Michael O'Connor, R.J. Ricciardi
John C. Beiers, County Counsel
John L. Maltbie, County Manager
San Mateo County LAFCo
San Mateo County Board of Supervisors

**SAN MATEO COUNTY MOSQUITO
AND VECTOR CONTROL DISTRICT**

**INDEPENDENT ACCOUNTANTS'
REPORT
ON
APPLYING AGREED-UPON
PROCEDURES**

R. J. RICCIARDI, INC.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

Mr. Rosendo Rodriguez, Finance Director
San Mateo County Mosquito and Vector Control District
Burlingame, California

We have performed certain agreed-upon procedures enumerated below for the purpose of assisting the San Mateo County Mosquito and Vector Control District (the District) in determining if their internal controls contain any weaknesses and are working in compliance with the District's written procedures for the period of July 1, 2013 through December 31, 2013. This agreed-upon procedures engagement was conducted in accordance with Attestation Standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the District. Consequently, we make no representation regarding the sufficiency of the procedures which the District has specified in the engagement letter, either for the purpose for which this report has been requested, or for any other purpose. It is further understood that our report will note only areas of concern, if any.

Specific procedures were developed with the agreement of the District and included the following:

1. An entrance conference undertaken on May 13, 2014 with Rosendo Rodriguez, Finance Director and Robert Gay, District Manager to discuss information needed to complete the engagement.
2. We obtained the trial balance for the six month period ending December 31, 2013 and related general ledger for the District.
3. We obtained a copy of the District's written accounting, internal control and fraud preventions policies. We reviewed the policies and there were no noncompliance or areas for improvement that came to our attention for reporting to the District's Governing board.
4. We judgmentally selected a sample of 47 disbursements from the general ledger noted above and trace to supporting documentation and noted disbursements were properly approved prior to payment and properly recorded in the general ledger. No exceptions were noted.
5. We inspected all credit card statements for the first six months of the fiscal year and note the statements were properly approved prior to payment. We also noted the transactions were supported with receipts. No exceptions were noted.
6. We inspected all bank and County statements for the first six months of the fiscal year for electronic transactions and noted the transactions were properly approved prior to payment. We also noted that the bank and County statements and related reconciliations were reviewed by someone outside of the accounting department. Observations were noted and reported on page 3 of this report.
7. We inquired with Rosendo Rodriguez about any used vehicle and equipment sales during the six months ending December 31, 2013. There were no any used vehicle and equipment sales that were brought to our attention for further inspection.

8. We obtained an analytical review of the District's financial statements for the period of July 1, 2013 to December 31, 2013 compared with the first six months of the fiscal year ending June 30, 2013. We inquired about differences with management to determine the basis for the difference. No exceptions were noted.
9. We selected a sample of 10 payroll transactions and traced the payroll costs to the general ledger and the approved employee timesheets. No exceptions were noted.
10. We judgmentally selected 10 employees for interviewing and obtained from each of them a completed fraud questionnaire. We also obtained from the District Manager, Finance Manager and the Chair of the District's Finance committee a completed a fraud questionnaire. No exceptions were noted.

We were not engaged to, and did not perform an audit, the objective of which would be the expression of an opinion, on any of the accounts or items referred to above. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management and the Governing board of the San Mateo County Mosquito and Vector Control District and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

R.J. Ricciardi, Inc.

R.J. Ricciardi, Inc.
Certified Public Accountants

San Rafael, CA
September 22, 2014

Observations and Recommendations

1) County Reporting of ACH/EFT Transactions

We noted on the County Treasury GL Account # 1010 that ACH/EFT transactions are not transparent. There is a separate bank statement that reports some of these transactions but it is unclear if all electronic transfers are reported on the bank statement. The County Treasury General Ledger report provided by the County lumps together many transactions including the checks paid and electronic transactions. The Finance Director reviews the transactions in detail each month but this requires obtaining additional detailed information from the County.

The District should request and obtain from the County a report of all ACH/EFT payments made each month. The District should confirm with the County that the vendors' names are accurate. The report should be approved by the General Manager.