

SUMMARY OF PROCEEDING

KERN COUNTY AUDIT ADVISORY COMMITTEE

County Administrative Center
1115 Truxtun Avenue
3rd Floor Multipurpose Room
Bakersfield, California 93301

Regular Meeting
Wednesday, January 10, 2018

1:00 P.M.

Committee Convened

Committee Action Displayed in Caps

The vote is displayed in bold below each item.

Consent agenda/opportunity for public comment all items listed with a "CA" were considered to be routine and approved by one motion.

1) Call to order –

THE MEETING WAS CALLED TO ORDER BY MIKE MAGGARD AT 1:03 P.M.

2) Roll call –

COMMITTEE MEMBERS PRESENT: MIKE MAGGARD, GEOFFREY KING, RYAN ALSOP, JORDAN KAUFMAN

COMMITTEE MEMBERS ABSENT: DAVID COUCH

COMMITTEE STAFF: MARY BEDARD, MARK NATIONS

Others in Attendance: County Administrative Office: Nancy Lawson, Assistant County Administrative Officer; Elsa Martinez, Deputy County Administrative Officer; Alex Alva, Fiscal and Policy Analyst; Joseph Arriola, Fiscal and Policy Analyst. Auditor-Controller-County Clerk: Susan Rooney, Assistant Auditor-Controller; Tony Jones, Audit Division Chief. Public Health Department: Cheryl Bauer, Accountant III. Public David Fluhart, Havilah resident.

CA-3) Minutes from April 11, 2017 Kern County Audit Advisory Committee meeting –

APPROVED

King – Maggard: 2 Ayes (King – Maggard); 1 Absent (Couch)

- CA – 4) Report on Audit Activity by the Auditor-Controller-County Clerk for the six months ended June 30, 2017 –

RECEIVED AND FILED

King – Maggard: 2 Ayes (King – Maggard); 1 Absent (Couch)

- CA – 5) Fraud and Ethics Activity Report for the six months ended June 30, 2017 –

RECEIVE AND FILE

King – Maggard: 2 Ayes (King – Maggard); 1 Absent (Couch)

- CA – 6) June 30, 2017 Compliance and Accountability Report –

RECEIVED AND FILED

King – Maggard: 2 Ayes (King – Maggard); 1 Absent (Couch)

- 7) Kern County Treasurer-Tax Collector Annual Role and Relationship Letter –

HEARD PRESENTATION BY KAUFFMAN.

KAUFFMAN REPORTED THE ANNUAL ROLE AND RELATIONSHIP LETTER WAS MAILED OUT BY THE TREASURER-TAX COLLECTOR OFFICE TO OUTLINE THE ROLES AND RESPONSIBILITIES AND VERIFY INFORMATION. KAUFFMAN REPORTED TREASURER-TAX COLLECTOR STAFF CALLED AND EMAILED EVERY ACCOUNT HOLDER AND LETTER WILL CONTINUE TO BE MAILED OUT EVERY YEAR.

KING ASKED IF TREASURER-TAX COLLECTOR OFFICE RECEIVED CONFIRMATION OR ACKNOWLEDGMENT FROM ACCOUNT HOLDER.

KAUFFMAN REPLIED TREASURER-TAX COLLECTOR OFFICE DID GET EMAIL CONFIRMATION.

RECEIVED AND FILED

King – Maggard: 2 Ayes (King – Maggard); 1 Absent (Couch)

- 8) Report on Internal Audit Plan for fiscal year 2017-18 –

HEARD PRESENTATION BY BEDARD

BEDARD REPORTED ON AUDIT PLAN AND STAFFING OF AUDITORS. BEDARD REPORTED WHEN AUDIT PLAN WAS PREPARED AUDITOR STAFF CONTAINED

ONE (1) AUDIT DIVISION CHIEF, ONE (1) SENIOR ACCOUNT, AND FIVE (5) AUDITORS. AFTER AUDIT PLAN AUDITOR-CONTROLLER OFFICE HAD ONE (1) DIVISION CHIEF LEAVE, ONE (1) AUDITOR MOVED TO BACKFILL ONE (1) ACCOUNTANT EXPECTED TO RETIRE IN 2018, ONE (1) AUDITOR RELOCATED TO DIFFERENT COUNTY, AND MOVED ONE (1) AUDITOR TO HELP WITH PAYROLL. TONY JONES WAS PROMOTED TO DIVISION CHIEF AND DID NOT BACKFILL SENIOR ACCOUNTANT.

BEDARD REPORTED THE REDUCTION IN AUDITING STAFF IS THE REASON AUDITOR-CONTROLLER-COUNTY CLERK OFFICE DID NOT COMPLETE AUDIT PLAN AS SUBMITTED.

BEDARD REPORTED AUDITOR-CONTROLLER OFFICE DID HIRE ONE AUDITOR AND WILL BE INTERVIEWING FOR ENTRY LEVEL ACCOUNTANTS AND EXPECTED TO ADD TWO (2) TO THREE (3) ACCOUNTANTS.

BEDARD REPORTED ON STATUS OF AUDIT PLAN AND INFORMED COMMITTEE COUNTY-WIDE INVENTORY AUDIT WAS ADDED AND STAFF WILL DO SMALLER AUDITS FOR AUDITOR EXPERIENCE WITH RED BOOK AUDITS. BEDARD ALSO REPORTED AUDITORS ARE ALSO ANTICIPATING TO DO SUBRECIPIENT AUDIT FOR AGING AND ADULT SERVICES, PLANNING FOR PUBLIC WORKS AND WILL NOT PERFORM DENTAL PROVIDER EXAMINATION, PHARMACY PROVIDER EXAMINATION AND MEDICAL PROVIDER EXAMINATION.

KING ASKED BEDARD WHEN HER OFFICE LOOKS AT THE RESPONSIBILITIES AND COVERAGE AND WHAT THE BOARD OF SUPERVISORS REQUIRES HER OFFICE TO DO, IF SHE IS SATISFIED WITH THE COVERAGE TO PERFORM THE WORK THAT IS REQUIRED.

BEDARD REPLIED HER OFFICE IS TRYING TO GET THE WORK DONE WITH THE CURRENT STAFFING AND CAN GET THROUGH THIS CURRENT YEAR.

KING ASKED IF COUNTY ADMINISTRATIVE OFFICE IS EVALUATING AUDIT FUNCTION FOR ADEQUATE COVERAGE FOR WORK THAT IS REQUIRED AND TO ENSURE THERE IS NO SLIP IN INTERNAL CONTROLS.

ALSO RESPONDED CAO IS EVALUATING AND ASKING ALL DEPARTMENTS ABOUT IMPACTS, RISK AND GENERAL FUND EXPOSURE. ALSO REPORTED COUNTY ADMINISTRATIVE OFFICE HAS A GOOD WORKING RELATIONSHIP WITH THE AUDITOR-CONTROLLER'S OFFICE AND IF THERE WAS AN ISSUE MRS. BEDARD WOULD RAISE IT.

MAGGARD ASKED ABOUT THE VACANT AUDITOR POSITIONS.

LAWSON REPORTED THE VACANT SENIOR ACCOUNTANT POSITION WAS BEDARD'S CHOICE.

BEDARD REPORTED KEEPING THE SENIOR ACCOUNTANT VACANT WAS HER CHOICE.

KING REPORTED THE AUDITOR-CONTROLLER OFFICE DOES HAVE TO DEAL WITH SITUATION OF POSITIONS, CUTTING BUDGET AND HAVING TO DO THE WORK, WHICH IS A CONCERN.

MAGGARD REPORTED AUDITOR SHOULD CONSIDER AUDITS, BUDGET AND NON-FILLED POSITION AND EVALUATE RISK. MAGGARD REPORTED HE DID NOT WANT TO HAVE UNDUE RISK.

BEDARD RESPONDED HER STAFF IS CUT THIN THIS YEAR AND COULD MANAGE, BUT COULD NOT KEEP THIS LEVEL GOING.

ALSOP REPORTED AUDITOR-CONTROLLER DOES HAVE A GUIDELINE AND ALL DEPARTMENTS ARE ASKED TO MEET GUIDELINE.

MAGGARD REPORTED IF AUDITOR-CONTROLLER OFFICE IS UNDERSTAFFED, AUDITOR-CONTROLLER NEEDS TO COMMUNICATE THE RISK.

BEDARD REPORTED HER OFFICE DID REDUCE STAFF, BUT POSITIONS THAT WERE BUDGETED WERE NOT ALLOWED TO BE FILLED.

MAGGARD ASKED IF AUDIT COVERAGE WAS ADEQUATE.

ALSOP ASKED BEDARD IF HER OFFICE WAS AT RISK.

BEDARD REPLIED, NOT AT RISK.

LAWSON REPORTED EVERY YEAR DEPARTMENTS ARE ABLE TO PROVIDE A JUSTIFICATION OF REDUCTION AND RISK OR IMPACTS. LAWSON REPORTED BEDARD HAS NOT INDICATED ANY RISK.

JONES REPORTED AUDITOR'S OFFICE IS LOOKED AT AS INTERNAL AUDITORS FOR ALL DEPARTMENTS. JONES REPORTED DEPARTMENTS WERE WORRIED THAT AUDITOR'S OFFICE WOULD NOT BE ABLE TO AUDIT THEM ADEQUATELY. JONES REPORTED THE AUDITOR'S OFFICE IS AN ASSET TO ALL DEPARTMENTS. JONES REPORTED AUDIT DIVISION HAS TO BE AT A MINIMUM AND ARE CURRENTLY BELOW MINIMUM.

MARTINEZ REPORTED A COMPLIANCE REPORT WOULD BE GOING TO BOARD AND IT WOULD BE APPROPRIATE TO EVALUATE AT THAT TIME.

RECEIVED AND FILED

King – Maggard: 2 Ayes (King – Maggard); 1 Absent (Couch)

- 9) Kern County Hospital Authority – Protocol Regarding Audit Report –

HEAR PRESENTATION BY MARTINEZ

RECEIVED AND FILED

King – Maggard: 2 Ayes (King – Maggard); 1 Absent (Couch)

- 10) Proposed revisions to Kern County Administrative Policy and Procedures Manual Chapter 6 to adjust committee meeting schedule –

APPROVED; MAKE RECOMMENDATION TO BOARD OF SUPERVISORS TO ADOPT REVISIONS

HEARD PRESENTATION BY ALVA

RECEIVED AND FILED AND RECOMMENDED ADOPTION TO BOARD OF SUPERVISORS

King – Maggard: 2 Ayes (King – Maggard); 1 Absent (Couch)

- 11) Committee member announcements or reports –

None

- 12) Public comment –

Fluhart Heard

- 13) Adjourn –

Meeting Adjourned at 2:15PM.

King – Maggard: 2 Ayes (King – Maggard); 1 Absent (Couch)

/s/

Alex Alva
Clerk

Audit Advisory Committee