

February 7, 2023

Board of Supervisors
Kern County Administrative Center
1115 Truxtun Avenue
Bakersfield, CA 93301

December 31, 2022 COMPLIANCE AND ACCOUNTABILITY REPORT**Fiscal Impact: None**

County Ordinance Code 2.01.010 requires the County Administrative Office to report on the Compliance and Accountability function no later than 45 days after December 31, 2022 on departmental compliance issues for the period July 1, 2022 through December 31, 2022.

COMPLIANCE REQUIREMENTS AND RESPONSIBILITIESBoard of Supervisors' Audit Requirements

Government Code Section 25250 requires the Board of Supervisors to at least biennially examine and audit, or cause to be audited, the financial accounts and records of all officers having responsibility for the care, management, collection, or disbursement of money belonging to the County or money received or disbursed by them under authority of law. The Board has selected to have the Auditor-Controller perform some of those audits on its behalf, and also considers the engagements performed by others such as independent external Certified Public Accountants (CPA) auditors, Grand Jury, Chief Information Technology Officer, and other agencies to fulfill the requirements. In general, they aim to determine the accuracy of information, provide insight and propose recommendations to improve. The scope depends on the focus and extent of a particular engagement that may be based on financial, compliance, operational, or investigative and may vary significantly depending on the department.

County Department's Response and Corrective Action Plan

County departments are responsible for responding directly to auditors and developing a corrective action plan to mitigate findings and attain the recommendations. The corrective action plan is required to be submitted to the County Administrative Office within 45 days of an audit report. All departments responded and/or submitted their required corrective action plans for their audits listed in this report. Additionally, the departments must also provide documentation including written procedures that will help to improve the internal controls that contributed to the findings.

County Administrative Office's Post Audit Reviews

A responsibility of the County Administrative Office is to monitor and report to your Board the status of a department's compliance after the issuance of an audit report. The Compliance division reviews audit findings and recommendations with departments, identifies probable solutions to the weaknesses and deficiencies identified, and ensures the resolution is documented. Most departments achieve compliance on findings identified in the audit reports within the first six months. If a specific finding is not completely achieved or documented, it is indicated as "In Progress" and the Compliance division continues to work with the department until remediated. The County Administrative Office performs follow-up reviews and provides an update on "In Progress" items on the next Compliance and Accountability Report to your Board.

GROUND  BOUNDLESS

AUDIT, REVIEW, ASSESSMENT, AGREED UPON PROCEDURE, MONITORING, AND OTHER ENGAGEMENTS

Auditor-Controller

The Board of Supervisors, by resolution dated June 13, 1956, adopted Government Code Section 26883 that gave the Board of Supervisors the power to require the Auditor-Controller to perform the audits of any department, office, board or institution under the Board of Supervisor's control. To fulfill the Government Code requirements and provide additional fiscal oversight, the Auditor-Controller primarily performs compliance audits of each County department based on an audit plan approved by the Board of Supervisors. The compliance audits include assessing the adequacy of internal controls and examining, on a test basis, compliance with statutory requirements and the policies and procedures applicable to the department. In April 2017, the Auditor-Controller transitioned to audits of compliance and internal controls in conformance with the Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing. The standards require that they perform their engagements with proficiency and due professional care; that the internal audit function is subject to a program of quality assurance; and that the results of engagements are communicated. On occasion, the Auditor-Controller's audit division has also performed additional auditing services and other agreed upon procedures.

The post audit review summaries, which are required if the audit report contains findings and recommendations, are provided in Attachment A. The following audits had audit reports issued by the Auditor-Controller and/or corrective action plans due during this reporting period:

Report	Board Date	Plan Due Date*	Attachment Page*
Planning and Natural Resources for FYE June 30, 2021 and 2020	10/11/22	Not Required	Not Required
Treasurer- Tax Collector- Statement of Money for Quarter 3 FY 2021-22	10/11/22	Not Required	Not Required
Sheriff-Coroner-Public Administrator for FYE June 30, 2021 and 2020	10/11/22	11/25/22	A-1
Treasurer- Tax Collector- Statement of Money for Quarter 4 FY 2021-22	11/29/22	Not Required	Not Required

* A corrective action plan or attachment is not required for reports that did not include any findings.

As of December 31, 2022, the Auditor-Controller had also begun fieldwork on other audits that were not completed or still under their review before finalizing. The following in progress audits are expected to be completed and reported on the next June 30, 2023 Compliance and Accountability Report:

Report
Kern County Airports
County Administrative Office
Employers' Training Resource
Kern County Fire Department
Kern County General Services Department
Kern County Information Technology Services
Countywide- Assets
Countywide - Inventory
Countywide- Employee Performance Evaluation
Countywide- Purchase Card Transaction
Treasurer-Tax Collector- Statement of Money for Quarter 1 & 2 FY 2022-23
Public Defender – Prior Findings

Report
Kern County Library – Prior Findings
Agriculture and Measures Standards- Prior Findings

Independent External CPA Auditors

On June 4, 2019, the Board of Supervisors approved the selection of independent external CPA auditors Clifton Larson Allen LLP to perform audits specified in the Request for Proposal. The independent external CPA auditors primarily perform financial audits for additional fiscal oversight and other requirements, including the Government Code. Financial audits express opinions on the financial statements in accordance with Generally Accepted Auditing Standards and Government Auditing Standards. Standards require that they perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The auditor considers internal controls relevant to the preparation and fair presentation of the financial statements to design appropriate audit procedures, but not for the purpose of expressing an opinion on the effectiveness of the internal controls. On occasion, the independent external CPA auditors also perform additional auditing services and other agreed upon procedures.

Clifton Larson Allen issued the following reports and/or their corrective action plans were due during this reporting period:

Report	Board Date	Plan Due Date*	Attachment Page*
Treasurer-Tax Collector – Deferred Compensation Programs FYE June 30, 2021	9/13/22	Not Required	Not Required
Countywide Single Audit FYE June 30, 2021	10/11/22	11/25/22	Received
Automobile, Worker’s Compensation, Disability, and Healthcare Insurance Programs FYE June 30, 2022	10/25/22	Not Required	Not Required
Kern County Department of Public Health Proposition 10 – Black Infant Health for FYE June30, 2022	11/29/22	Not Required	Not Required
Kern County Department of Public Health Proposition 10 – Nurse Family Partnership for FYE June30, 2022	11/29/22	Not Required	Not Required
Kern County Department of Public Health Proposition 10 – Medically Vulnerable Care Coordination for FYE June30, 2022	11/29/22	Not Required	Not Required

* A corrective action plan or attachment is not required for reports that did not include any findings.

The following reports completed by Clifton Larson Allen did not have a corrective action plan, if required, due during this reporting period; however, they will be included in the next June 30, 2023 Compliance and Accountability Report:

Report	Prepared by	Report Date	Plan Due Date*
Airports- Passenger Facility Charge Program	Clifton Larson Allen	12/19/22	02/25/23
Assessor – Recorder- California Electronic Recording Transaction Network Authority	Clifton Larson Allen	10/28/22	02/25/23

Clifton Larson Allen had begun fieldwork on audits that were not completed or still under their review before finalizing. The following in progress audits are expected to be completed and reported on the next June 30, 2023, Compliance and Accountability Report.

Report
Public Works - Ford City-Taft Heights Sanitation District Fiscal Year Ended June 30, 2021
Public Works - Kern Sanitation Authority Fiscal Year Ended June 30, 2021
Public Works- County Service Areas Fiscal Year Ended June 30, 2021
Probation / District Attorney / Sheriff - California Office of Emergency Services, Board of State and Community Corrections, Office of Traffic Safety, Department of Justice, and Parks and Recreation Grants Fiscal Year Ended June 30, 2022

Grand Jury

Government Code affirms that financial examinations or audits may be performed in coordination with the investigations conducted by the Grand Jury. The Board of Supervisors may resolve to accept the Grand Jury reports in lieu of its own separate examination if such reports are found to fulfill some or all of the requirements of the Government Code. Upon the issuance of a report, the Board of Supervisors and a department's elected official (if applicable) must respond to the Presiding Judge within 90 and 60 days, respectively.

The following reports were issued by the Grand Jury and/or the responses provided during this reporting period:

Report	Report Date	Elected Official Response Date*	Board of Supervisors Response Date
Park Rangers and Security- A Division of Kern County General Services	06/13/22	N/A	8/23/22

* An elected official response is not applicable for departments that have an appointed (not elected) department head.

The following reports were completed during the reporting period, but the responses were not due, so they will be included in the next June 30, 2023 Compliance and Accountability Report:

Report	Report Date	Elected Official Response Date*	Board of Supervisors Response Date
Aging and Adult Services- Senior Care Services	11/15/22	N/A	2/13/23
Kern County Public Works- Transformation of Trash in Kern County	12/15/22	N/A	3/15/23

* An elected official response is not applicable for departments that have an appointed (not elected) department head.

Information Security

Kern County Ordinance Section 2.01.010 assigns the function of Information Security to the County Administrative Office, under the responsibility of the Chief Information Technology Officer or designee. The Chief Information Officer or designee is tasked with the responsibility to conduct security assessments of the County's security environment. The security assessment covers all information technology (IT) environments for the security posture and defense in-depth protection. The assessment includes different technologies, such as, networking, servers, workstations, mobile devices, wireless networks, and security standards. The multiple layers of security configurations and maintenance cover different threat vectors of the IT environment. The requirements also ensure departments are protecting the minimum standard level of security enforced through the Kern County IT Policy and Standards.

As of December 31, 2022, the Chief Information Technology Officer initiated fieldwork on assessments that were not completed and are in progress. The following in progress assessments are expected to be completed and reported on the next June 30, 2023 Compliance and Accountability Report:

Report
Sheriff
Probation
Information Technology Services
District Attorney

Other External Agencies

In addition to the above-mentioned reports, other reports have been issued from other external agencies. They include audits, reviews, assessments, agreed upon procedures, monitoring, and other reports that aim to determine the accuracy of information, provide insight, or recommendations to improve. Typically, they are primarily performance based but may vary significantly depending on the scope of the particular engagement and may also be financial or compliance based. Departments are responsible for filing these reports with the Board of Supervisors, County Administrative Office, and Auditor-Controller. Departments are also required to respond directly to the agency within 30 days and are expected to resolve all findings and/or recommendations identified.

The following reports were issued by other external agencies during this reporting period and/or corrective action plans due during this reporting period:

Report	Prepared by	Report Date	Corrective Action Plan*
Employers' Training Resource – WIOA Program Financial and Procurement Management Systems Applicable to La Cooperativa's Programs FY 2021-22	La Cooperativa Campesina of California	5/25/22	Not Required
Probation Domestic Violence/ VAWA Grant Subaward Performance Assessment Report	Cal OES	5/31/22	Not Required
Probation Targeted Case Management Medi-Cal Cost Report Review FYE 6/30/2019	California Department of Health Care Services	7/28/22	Not Required
Employers' Training Resource - Fiscal and Procurement Monitoring FY 2020-21	State of California Employment Development Department	8/16/22	Not Required
Department of Human Services – Transitional Housing Program Annual Report Review	California Department of Housing and Community Development	8/18/22	Not Required
Environmental Health Services Certified Unified Program Agency (CUPA) 2021 Performance Evaluation	California Environmental Protection Agency	8/23/22	10/24/22
Probation – Kern Cross Roads Facility Inspection 2022	Juvenile Justice and Delinquency Prevention Commission	8/27/22	Not Required
Probation –Apex Academy Facility Inspection 2022	Juvenile Justice and Delinquency Prevention Commission	8/27/22	Not Required
Behavioral Health and Recovery Services – Mental Health Plan Triennial Reviews	California Department of Healthcare Services	9/7/22	11/6/22
Behavioral Health and Recovery Services – FY 13-14 Short-Doyle Medi-Cal Cost Audit	California Department of Healthcare Services	10/6/22	Not Required

Report	Prepared by	Report Date	Corrective Action Plan*
Aging and Adult Services- Quality Assurance Monitoring Review of In-Home Supportive Services (IHSS) Program	Department of Social Services	11/8/2022	Received
Employers' Training Resource – Program Monitoring FY 2020-21	State of California Employment Development Department	11/09/22	Not Required
Department of Human Services Work Incentive Nutritional Supplement (WINS) Work Participation Rate Data Review	California Department of Social Services	11/09/22	Not Required
Employers' Training Resource – Fiscal Systems Monitoring Review for Program Year 2021-22	State of California Employment Development Department	11/21/22	Not Required
Department of Human Services - CalFresh Employment and Training (E&T) Program Management Evaluation	California Department of Social Services	11/28/22	Not Required
Auditor-Controller – Kern County's Court Revenue July 1, 2015- June 30, 2019	State Controller	12/1/2022	Not Required
Behavioral Health and Recovery Services Medi-Cal Specialty Mental Health Services Waiver Program Quality Review	Behavioral Health Concepts, Inc, External Quality Organization	12/9/22	Not Required
Aging and Adult Services- Supplemental Nutrition Assistance Program Management Evaluation	California Department of Aging	12/12/2022	Not Required

* A corrective action plan is not required for reports that did not include any findings.

As of December 31, 2022, external agencies had also begun fieldwork on other audits that were not completed or still under their review before finalizing. The following audits were in progress and are expected to be completed and reported on the next June 30, 2023 Compliance and Accountability Report:

Report	Prepared by
Employers' Training Resources – Southern Storm Monitoring Review	State of California Employment Development Department
Employers' Training Resource-WIOA Youth Program	State of California Employment Development Department
Employers' Training Resource-WIOA Non-Discrimination and Equal Opportunity	State of California Employment Development Department
Department of Human Services Federal Fiscal Year 2023 CalFresh Management Evaluation	California Department of Human Services
Auditor-Controller-County Clerk- Apportionment and Allocation of Property Tax Revenues Audit	State Controller's Office
Behavioral Health and Recovery Services – FY 14-15 Short-Doyle Medi-Cal Cost Audit	California Department of Health Care Services
Aging Adult Services Nutrition Services Program	Health and Human Services, Office of Inspector General
Probation / Public Health Services - 2003/2004 Targeted Case Management Medi-Cal Cost Disallowance Deferral	California Department of Health Care Services

Report	Prepared by
Department of Human Services Social Security Representative Payee	Disability Rights of California Agency
Probation - Targeted Case Management Program for the individuals at Jeopardy of Negative Health or Psycho-Social Outcomes Target Population	California Department of Health Care Services

FOLLOW-UP REVIEWS

County Administrative Office's Follow-up Reviews

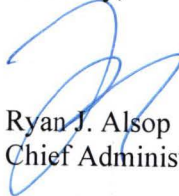
In addition to the new audits listed in this report that went to your Board in the past six months, separate follow-up report on outstanding, unresolved audit findings from the June 30, 2022 Compliance and Accountability Report that are over six months old are provided as Attachments B and C. Our office continues to work with departments with resolution, pursue adequate documentation of remedial proof, and report to your Board all previous in-progress items until fully resolved. It is imperative that department heads are proactive in this process, as they are ultimately responsible for the success of their department's internal control processes.

CONCLUSION

The proactive and diligent efforts of the Board of Supervisors, County Administrative Office, auditors, and each County department have been a vital part of providing transparent and accountable County operations. As required by County ordinance, this report provides your Board with an update on audit compliance. This office will continue to work with departments in reaching resolution of the audit findings and report their compliance on the next June 30, 2023 Compliance and Accountability Report.

Therefore, IT IS RECOMMENDED that your Board receive and file the December 31, 2022 Compliance and Accountability Report.

Sincerely,



Ryan J. Alsop
Chief Administrative Officer

RA-SH-COMPL December 2022 Report

Attachments

cc: All Department Heads

December 31, 2022
COMPLIANCE AND ACCOUNTABILITY
POST AUDIT REVIEW SUMMARY - CURRENT

Report: Sheriff-Coroner-Public Administrator
Audit Period: For Fiscal Years Ended June 30, 2021 and 2020

Corrective Action Plan Received: Yes
Issued by: Kern County Auditor-Controller

Department [Budget Unit]	Audit Report Date	Finding [Violation]	CAO Comments	Previous Estimated Date of Compliance	Current Status	Current Estimated Date of Compliance
Sheriff [2210]	10/11/2022	Finding: Signature Authorization Cards [Internal Controls, Administrative Bulletin No. 23] - Signature Authorization cards for seven former employees were not revoked timely. The lag time between retirement or termination of employees and removing of the authorization was between 53 to 515 days.	The Sheriff's Office has implemented a notification mechanism to inform responsible parties to revoke signature authorization cards upon separation of County employment.	N/A	Achieved	Completed

DECEMBER 31, 2022
COMPLIANCE AND ACCOUNTABILITY
FOLLOW-UP POST AUDIT REVIEW SUMMARY - IN PROGRESS (OVER SIX MONTHS OLD)

Department [Budget Unit]	Audit Report Date	Finding [Violation]	CAO Comments:	Previous Estimated Date of Compliance	Current Status	Current Estimated Date of Compliance
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Not applicable - no findings over six months old remained in progress at June 30, 2022 and December 31, 2022.

December 31, 2022
COMPLIANCE AND ACCOUNTABILITY
FOLLOW-UP POST AUDIT REVIEW SUMMARY - RESOLVED (OVER SIX MONTHS OLD)

Department [Budget Unit]	Audit Report Date	Finding [Violation]	CAO Comments	Previous Estimated Date of Compliance	Current Status	Current Estimated Date of Compliance
District Attorney [2180]	10/12/2021	Finding: Timeliness of deposits [Internal Control] - The department did not make deposits timely . The recommendation states deposits should be made no longer than five days. For material amounts, deposits should be made the same day of	The department's current practice is to make daily deposits during business days as much as possible.	12/31/2022	Achieved	Completed
Public Defender [2190]	5/24/2022	Finding: Capital Asset Equipment Inventory and Records [Internal Controls, KCPAPM Chapter 406, 407.8, 537] - Twenty-nine computers could not be found and/or identified based on asset listing. Thirty-eight computers deemed obsolete were still in inventory. There is a need to delete these assets from the inventory list using the Inventory Adjustment Request (IAR). However, the Office is required to get permission form the Department of Justice (DOJ) to remove these assets.	The department implemented a new procedure to ensure obsolete items are disposed of properly and inventory adjustments are processed accurately.	12/31/2022	Achieved	Completed
Agriculture and Measurement Standards [2610]	9/28/2021	Finding: Capital Asset Equipment Inventory and Records [Internal Controls, KCPAPM Chapter 406, 407.8, 537] - The following capital asset deficiencies were noted: a) Two assets were entered twice in the capital asset program and four vehicles were not removed from listing. b) Thirty-two assets could not be located or identified from documented information. c) Three obsolete assets were not removed from inventory listing.	The department has been working through the identified finding and has been adjusting and removing inventory as required. Assets have been located. The department is committed to update inventory listing timely and ensure obsolete items are disposed of properly and information is accurately and completely documented.	12/31/2022	Achieved	Completed