

Kern County Administrative Office



County Administrative Center

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JOHN NILON

County Administrative Officer

January 10, 2012

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

DECEMBER 31, 2011 COMPLIANCE AND ACCOUNTABILITY REPORT

Fiscal Impact: None

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

COMPLIANCE

Post Audit Reviews

The responsibility of the County Administrative Office is to monitor and report to your Board the status of a department's compliance with policy and regulations after the issuance of an audit report. This fiscal year, the County Administrative Office developed and implemented a new post audit review process that includes the Administrative Analysts reviewing audit findings with departments, ensuring procedures are documented and identifying probable solutions to the internal control weaknesses identified in the Auditor-Controller's departmental audit reports. The new review process was retroactively applied to those audits that have been issued since the last Compliance and Accountability Report dated May 10, 2011. The reviews represent the status of the departments' remediation efforts as of December 31, 2011.

Departments are required to provide written procedures that will help to improve the internal controls that contributed to the findings. While the department may have implemented a corrective process, if the procedure was not documented (for purposes of the post audit review), compliance was considered still in progress. Department heads are responsible for developing a corrective action plan. All departments have submitted plans as required for this report with the exception of the District Attorney that indicated that it did not believe the ordinance applied to its audit findings.

Most of the departments have achieved compliance with the findings identified in the audit reports. If compliance was not achieved for a specific finding by December 31, it is indicated as "In progress" and the analyst will be following up on the status within 30 days. In addition, the analyst will strive to assist the department with remediation by the anticipated date of compliance indicated on the summary. An update on "In progress" items for all departments will be provided in the June 30, 2012 Compliance and Accountability Report to your Board.

The Fire and Animal Control Departments had extensive audit findings. The Fire Department's report is reflective of activity from fiscal years 2008 and 2009. The Auditor-Controller has recently completed field work for fiscal year 2010. The Animal Control Department also continues to address internal control weaknesses. The Auditor-Controller is completing field work on this department as well. It is anticipated there will be repeat findings for both departments. The departments struggle with staff turn-over and the development of written procedures. Animal Control has met with representatives from the Chameleon system and improvements in security have been implemented. While improvements were made, there are still limitations in the system that may contribute to future findings. The analysts will continue to assist the departments with implementing the corrective action plans that have been proposed.

The post audit review summaries are attached for the following departments that had audit reports issued during this reporting period:

Department	Audit Report Date	Summary Page #	Department	Audit Report Date	Summary Page #
Fire	11/30/2010	1	KMC –Accounts Payable	6/14/2011	13
Probation	5/3/2011	2	KMC – Inventory	6/14/2011	14
DSA –Administration	5/10/2011	3	District Attorney	6/28/2011	15
Engineering, Surveying & Permit Services	5/24/2011	5	Animal Control	8/9/2011	17
County Counsel	6/7/2011	7	Aging & Adult Services	9/20/2011	20
Ag and Measurements	6/7/2011	8	Airports	9/20/2011	21
Department of Human Services	6/7/2011	9	Personnel	9/27/2011	22
Planning	6/7/2011	10	Library	10/4/2011	23
Treasurer-Tax Collector	6/7/2011	12			

GOVERNMENT ACCOUNTABILITY ORDINANCE UPDATE

The Kern County Government Accountability Ordinance 2.01.010 has been reviewed to determine if any changes are necessary to accommodate the newly implemented post audit review process. It has been determined that the process in place conforms and complies with the current presentation of the ordinance and no changes are deemed necessary at this time.

HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA)

The Health Insurance Portability and Accountability Act (HIPAA) of 1996 applies to all entities that use, generate or process health information and includes rules to assure that patient information remains private. All covered entities must comply with the regulations regarding protection of personal health information. Kern Medical Center, Mental Health and Public Health Services Departments are covered by HIPAA. As the administrator of the County health plan, the County Administrative Office also comes under the jurisdiction of HIPAA. While each of the covered County departments has privacy officials, the law requires one central public contact for HIPAA-related privacy issues. Your Board designated an Administrative Analyst as the County Privacy Officer. The County Privacy Officer has worked with the departments to address and resolve any complaints that have been identified to the Officer and the required corrective action plans have been developed. In addition, administrative requirements have been reviewed with each department to ensure that the County is complying.

RED FLAGS

The Fair and Accurate Credit Transactions Act of 2003 requirements, also known as the “Identity Theft Red Flags Rule”, became effective November 1, 2009, and is enforced by the Federal Trade Commission (FTC). This federal program is designed to protect and provide awareness to the public regarding the requirements of creditors with accounts covered by these rules that are now required to do more than just provide data security. Red Flags rules and programs are designed to detect when stolen information has been used to purchase goods or services.

On August 18, 2009, your Board was apprised that Kern Medical Center, Mental Health Services, and Public Health Services Departments were identified as requiring implementation of a Red Flags program under the guidelines established by the FTC. Each department created a Red Flags written policy and training program, which was presented to and approved by your Board on December 15, 2009. In 2010, the “Red Flags Clarification Act” was published, which

narrowed the term "creditor" to exempt those situations where the provider performs the services and thereafter bills the recipient of the service and does not use consumer reports, furnish information to consumer reporting agencies, or those that extend the credit. Although this currently exempts both Mental Health and Public Health Departments from program requirements, future actions such as using a collection agency for outstanding balances would, in fact, define the departments in question as "creditors" and would then require the departments to re-implement the Red Flags program. Kern Medical Center, however, does enforce their Red Flags policy and has submitted their 2011 annual Red Flags report to the County Administrative Office. There were no reportable actions identified during this reporting period.

ETHICS

CODE OF CONDUCT

The County Administrative Office is in the process of developing a Code of Conduct to be applicable to all County employees. The Code is a central guide and reference for users in support of day-to-day decision making. It is meant to clarify the County's mission, values and principles, linking them with standards of professional conduct. In practice, it is used interchangeably with a Code of Ethics.

In Section 406(c), the Sarbanes-Oxley Act defines "code of ethics" as such standards as are reasonably necessary to promote: 1) honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships; 2) full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the issuer; and 3) compliance with applicable governmental rules and regulations.

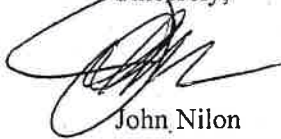
The proposed County of Kern Code of Conduct will be presented to your Board this fiscal year.

CONCLUSION

As required by County ordinance, this report provides your Board with an update on departments' compliance with County policies and procedures as identified through the audit process. This office will continue to assist departments in reaching resolution of the audit findings. The County Administrative Office looks forward to presenting to your Board the proposed Code of Conduct that strives to promote core practices of good government and key behaviors of trustworthy leaders.

Therefore, IT IS RECOMMENDED that your Board receive and file this report.

Sincerely,



John Nilon
County Administrative Officer

JN:NL:BUD_COMP Dec 2011 Report

Attachments

cc: All Departments

DECEMBER 31, 2011
COMPLIANCE AND ACCOUNTABILITY
POST AUDIT REVIEW SUMMARY

Budget Unit: 2415
Department: Fire
Audit Issued: November 30, 2010

Corrective Action Plan Received: Yes

Policy/Regulation	Violation/Finding	CAO Comments:	Compliance Status at 12/31/2011	Estimated Date of Compliance
1 Kern County Policy & Procedures Manual, Chapter 4	Vehicle Spare Parts, Materials, Warehouse Materials and Supplies Inventory Not Current	The department has now hired a full-time Automotive Parts Storekeeper and has increased security in order to limit access to the storeroom. In addition to these measures, the department is performing random audits to improve accuracy. Written policy is being developed.	In progress	2/29/2012
2 Kern County Policy & Procedures Manual, Chapter 4	Capital Assets and Equipment Inventory Not Current, Inventory Adjustment Requests Needed, Incomplete or Missing Data on Records	The Department has reconciled the 24 items not accounted for during the audit and has determined that some items have been moved to different locations and are accounted for, and some items have been removed from inventory but Inventory Adjustment Requests have not been completed. The Department is working on a formal written procedure to ensure all items over \$500 are captured in the inventory system and that an annual inventory audit of all items is performed. The Department now inputs computer equipment into the Numara TrackIT system with the date of acquisition/cost.	In progress	2/29/2012
3 Kern County Policy & Procedures Manual, Chapter 5	Purchasing Card Procedures Not Followed, Purchases Split to Avoid Limits	The ASO is to conduct detailed review of all card purchases. Purchase card limits have been reviewed and modified as appropriate. All staff with purchasing cards will receive additional training. Written policy is being developed.	In progress	2/29/2012
4 Kern County Policy & Procedures Manual, Chapter 16	Safety - Emergency Preparedness Plan Not Available	The Department has prepared a draft Emergency Preparedness Plan from which the Department will provide training to all staff on all components of this plan.	In progress	2/29/2012
5 N/A	Financial Internal Control Weakness: Contract Compliance	The Department has adopted the Auditor's recommendation to maintain insurance policies on all contracts and is in the process of obtaining current documentation for those not on file. The department is currently in the process of developing formal written procedures addressing this weakness.	In progress	2/29/2012
6 N/A	Financial Internal Control Weakness: Voided Receipts	The department is preparing a written procedure to be included in a departmental policy manual and will train staff on the correct procedure for voiding receipts.	In progress	2/29/2012
7 N/A	Financial Internal Control Weakness: Accounts Receivable not reconciled with Collection Agency reports	The department now reconciles all records monthly to those of the collection agency. Written policy is being developed.	In progress	2/29/2012

DECEMBER 31, 2011
COMPLIANCE AND ACCOUNTABILITY
POST AUDIT REVIEW SUMMARY

Budget Unit: 2340
Department: Probation
Audit Issued: May 5, 2011

Corrective Action Plan Received: Yes

Policy/Regulation	Violation/Finding	CAO Comments:	Compliance Status at 12/31/2011	Estimated Date of Completion
1 Kern County Policy & Procedures Manual, Chapter 5 Section 523	Petty cash not correctly monitored and expenses not reimbursed timely. Need for funds to be evaluated.	The department reviewed the need for all petty cash funds. Funds have been reduced. Staff has been informed to submit receipts timely and reimburse the funds immediately.	Achieved	Completed
2 Administrative Bulletin No. 1	Cash difference fund not used correctly.	Overages and shortages are reported separately. The department is in discussion with the Auditor on the development of a departmental policy.	in progress	1/31/2012
3 Kern County Policy & Procedures Manual, Chapter 5 Section 519.6	A transaction exceeded the limit for purchasing cards.	Purchasing card limits were reviewed and increased where appropriate. The ASO is now responsible for detailed reviews of all purchase card transactions.	Achieved	Completed
4 N/A	<i>Financial Internal Control Weakness:</i> Receipts not properly voided.	The department has reviewed the correct procedure with all employees using 'B' receipts. Two recent voids were tested and proper voiding was confirmed.	Achieved	Completed

DECEMBER 31, 2011
COMPLIANCE AND ACCOUNTABILITY
POST AUDIT REVIEW SUMMARY

Budget Unit: 2730
Department: Development Services Agency
Audit Issued: May 10, 2011

Corrective Action Plan Received: Yes

Policy/Regulation	Violation/Finding	CAO Comments:	Compliance Status at 12/31/2011	Estimated Date of Completion
1 Kern County Policy & Procedures Manual, Chapter 3, Sections 304, 305.2, 306, 310	Three claims from the sample did not accurately calculate reimbursement for meals. Meals were provided, but the per diem rate for those meals was not deducted from the per diem amount for that day. One claim submitted for mileage reimbursement did not match the mileage log. Two claims did not accurately calculate reimbursement for lodging. Two claims submitted for travel reimbursement were not signed by the employee.	The department has created procedures for the submission of travel claims requiring the inclusion of supporting documentation. In addition the department has implemented review procedures for travel claims to ensure reimbursement for travel expenses is accurate.	Achieved	Completed
2 Kern County Policy & Procedures, Chapter 5, Section 519	Four purchase card transactions did not have supporting documentation. Fourteen purchase card transactions were not in compliance with County policy. Six transactions were not certified by cardholder. Six transactions did not include sales tax and were not reported to the Auditor-Controller for payment	Departmental procedures regarding purchasing cards have been established and the department has identified staff responsible for documenting and ensuring compliance with purchasing card usage rules.	Achieved	Completed
3 Kern County Policy & Procedures Manual, Chapter 4, Section 406	Equipment not properly accounted for.	The department has created an inventory tracking system and has identified staff responsible for maintaining the system. The department has also established procedures to dispose of items no longer needed by the department.	Achieved	Completed
4 Kern County Policy & Procedures Manual, Administrative Bulletin No. 2	The department overcharged other departments for services rendered. The department allocated individual expenses to other departments and allocated same expenses on quarterly billings.	The department has created written procedures and established allocation calculations consistent with Administrative Bulletin No. 2.	Achieved	Completed

Budget Unit: 2730

Department: Development Services Agency

Audit Issued: May 10, 2011

Corrective Action Plan Received: Yes

Policy/Regulation	Violation/Finding	CAO Comments:	Compliance Status at 12/31/2011	Estimated Date of Compliance
5 N/A	<i>Financial Internal Control Weakness:</i> The department did not reconcile its revenue to the County's records.	Current year revenues have been reconciled to date. Ongoing concern: The department's present staffing is insufficient to meet the Auditor's recommendation on a regular basis. The department has adopted a temporary management plan to hire extra help employees twice per year to perform reconciliations. The department has identified a permanent solution to hire an additional staff person. The department will evaluate the feasibility of hiring an additional permanent staff member in the FY 2012-13 budget process.	Achieved	Completed
6 N/A	<i>Financial Internal Control Weakness:</i> There were nine findings related to accounts payable	The recommendation for these findings has been implemented.	Achieved	Completed

DECEMBER 31, 2011
COMPLIANCE AND ACCOUNTABILITY
POST AUDIT REVIEW SUMMARY

Budget Unit: 1900
Department: ESPS
Audit Issued: May 24, 2011

Corrective Action Plan Received: Yes

Policy/Regulation	Violation/Finding	CAO Comments:	Compliance Status at 12/31/2011	Estimated Date of Compliance
1 Government Code Section 25257 and 25258	The department had not filed relief from accountability since 2004. A vast majority of accounts receivable were over one year past due with no activity.	The department has submitted accounts deemed uncollectible to the Board of Supervisors for relief from accountability for both ESPS and BID. The department will seek relief from accountability for Code Compliance for accounts deemed uncollectible in January of 2012. The department has provided documented internal procedures for seeking annual relief from accountability.	In progress	1/31/2012
2 Kern County Policy & Procedures Manual Section 1115.2	The department did not maintain vehicle home retention documentation in compliance with County policy	The department has established a written procedure in compliance with County policy. The department requires documentation explaining the basis under which home retention determination was made. The department head has signed and dated each document.	Achieved	Completed
3 Kern County Policy & Procedures Manual, Chapter 2, Section 207	Proper approvals for time reported on timesheets not documented.	The department has begun requiring the usage of Form 24s for overtime and time off requests and the process has been documented.	Achieved	Completed
4 N/A	<i>Financial Internal Control Weakness</i> : Improperly assessed late penalty.	The department is no longer charging penalties on accounts. Many older accounts that were charged penalties will be submitted for relief from accountability, the department will reverse out the penalties at the time the BOS approves relief from accountability on applicable accounts. The department ceased charging the fee in January of 2010 and anticipates that using this method to clear those assessed fees will result in complete compliance by fiscal year 2013-14.	In progress	FY 2013-14
5 N/A	<i>Financial Internal Control Weakness</i> : One receipt book could not be located.	There was one finding in this area and the recommendation has been implemented.	Achieved	Completed
6 N/A	<i>Financial Internal Control Weakness</i> : Accounts receivable: The previous audit had found one account with a balance that was not given proper credit after the department received the payment. The account still indicates the outstanding balance.	There was one finding in this area and the recommendation has been implemented.	Achieved	Completed

Budget Unit: 1900
 Department: ESPS
 Audit Issued: May 24, 2011

Corrective Action Plan Received: Yes

Policy/Regulation	Violation/Finding	CAO Comments:	Compliance Status at 12/31/2011	Estimated Date of Compliance Completed
7 N/A	<i>Financial Internal Control Weakness:</i> Building permit fees consist of many service fees. Some fees are fixed amounts, whereas some are designed as "variable" in the fee schedule. Inspectors or technicians subjectively charge the variable fees according to the activities that were performed. However the department lacks written procedures on verification and/or approval.	There was one finding in this area and the recommendation has been implemented.	Achieved	Completed
8 N/A	<i>Financial Internal Control Weakness:</i> Checks received in outlying areas were not immediately endorsed upon receipt.	There was one finding in this area and the recommendation has been implemented.	Achieved	Completed

DECEMBER 31, 2011
COMPLIANCE AND ACCOUNTABILITY
POST AUDIT REVIEW SUMMARY

Corrective Action Plan Received: Yes

Budget Unit: 1210 & 1910
Department: County Counsel & Risk Management
Audit Issued: June 7, 2011

Policy/Regulation	Violation/Finding	CAO Comments:	Compliance Status at 12/31/2011	Estimated Date of Completion
1 Kern County Policy & Procedures Manual, Chapter 16	No Emergency Preparedness Plan (EPP)	Department has updated the EPP and has developed written procedures to ensure recurring verification/upkeep of EPP, IIPP, and MSDS.	Achieved	Completed
2 Kern County Policy & Procedures Manual, Chapter 5	Statements not certified timely, unauthorized users, sales tax not reported	Department has developed written procedures to ensure staff is trained properly and will be monitored for appropriate Purchasing Card use.	Achieved	Completed
3 Kern County Policy & Procedures Manual, Chapter 3	Travel reimbursements (overpayments and disallowable claims)	Department had over-reimbursed employees for travel expenses. Department has revised procedures to include requirements for back-up documentation to verify accuracy and require approval from Business Manager, Risk Manager, or Department Head for all claims.	Achieved	Completed
4 Administrative Bulletin 23	Signature Card files are not kept current	Department has implemented additional corrective action to periodically check status of Signature Card files and has revised written procedures.	Achieved	Completed
5 N/A	Financial Internal Control Weakness: Revenue recording, receipting and deposit process, timely invoicing	There were 3 minor findings (one partial repeat) in these areas and all recommendations have been implemented.	Achieved	Completed
6 N/A	Financial Internal Control Weakness: Drivers' license and insurance information not kept current	There was one minor finding in this area and the recommendation has been implemented.	Achieved	Completed
7 N/A	Financial Internal Control Weakness: Accounting controls (accounts receivable and relief of accountability)	One minor finding in this area centered on Workers' Compensation claims and uncollectable revenues. The department believes Board Resolution #2005-490 allows the department to settle claims through an internal subrogation process without seeking relief. The department has explained to the Auditor-Controllers' Office the process and the Auditor has indicated that it is acceptable.	Achieved	Completed

DECEMBER 31, 2011
COMPLIANCE AND ACCOUNTABILITY
POST AUDIT REVIEW SUMMARY

Corrective Action Plan Received: Yes

Budget Unit: 2610
Department: Ag & Measurement Standards
Audit Issued: June 7, 2011

Policy/Regulation	Violation/Finding	CAO Comments:	Compliance Status at 12/31/2011	Estimated Date of Compliance
1 Kern County Policy & Procedures Manual, Chapter 11	Fuel card usage not correctly monitored.	The department has updated a listing of cards and assigned vehicles. Monthly reconciliations are performed. The department has prepared a written policy for use by staff.	Achieved	Completed
2 Kern County Policy & Procedures Manual, Chapter 3	Travel not reimbursed accurately.	An over reimbursement has been repaid to the department. Back-up documentation is attached to all claims.	Achieved	Completed
3 Kern County Policy & Procedures Manual, Chapter 4	Inventory Adjustment Requests (IAR) not completed when removing equipment from inventory.	Inventory list has been updated and two IARs completed.	Achieved	Completed
4 Kern County Policy & Procedures Manual, Chapter 4	Capital Asset list does not include acquisition date and needs to be reconciled to Auditor's list.	The department has reconciled its capital assets list and all items now include the date of acquisition.	Achieved	Completed
5 N/A	<i>Financial Internal Control Weakness:</i> Adjustments to accounts receivable not handled properly.	The department has developed a form to be completed when adjustments are made. A supervisor signs the form and appropriate documentation is	Achieved	Completed

DECEMBER 31, 2011
COMPLIANCE AND ACCOUNTABILITY
POST AUDIT REVIEW SUMMARY

Corrective Action Plan Received: Yes

Budget Unit: 5120
Department: Human Services
Audit Issued: June 7, 2011

Policy/Regulation	Violation/Finding	CAO Comments:	Compliance Status at 12/31/2011	Estimated Date of Compliance
1 Kern County Administrative Policy & Procedures Manual Section 904	Department did not code all fixed asset purchases to the proper fixed asset accounts in the 8000 key.	The department has trained requisitioning staff and has developed written procedures that include proper approval paths in place to catch this error prior to encumbrance.	Achieved	Completed
2 Ordinance Code 2.02, Kern County Administrative Policy & Procedures Manual Section 142, Fair Political Practice Commission guidelines	Department did not file all Form 700 statements within 30 days of designated employees assuming and leaving office.	The department requests forms for those designated staff leaving office, as part of supervisor's employee "exit" procedures (included on checklist). The department also files attempted correspondence with employees that do not comply.	Achieved	Completed
3 Kern County Administrative Policy & Procedures Manual Section 408.2	Department failed to put a County asset tag on a fixed asset and had serial number inconsistencies between items and records.	The department corrected the serial number inconsistencies and has established a written procedure for additional oversight and semi-annual review of fixed asset items.	Achieved	Completed
4 N/A	Financial Internal Control Weakness: Capital asset accounting (8000 key not established), payroll processing (Stand-by Pay not calculated correctly)	There were 2 minor findings in these areas and all recommendations have been implemented.	Achieved	Completed
5 N/A	Financial Internal Control Weakness: Current MOU not in place for cost-recovery charges (for program/space agreement with ETR)	There was one minor finding in this area. The department has a review procedure in place to track expiring MOUs, has updated two MOUs referenced in the finding. Department is currently working with ETR on renewal of one outstanding MOU.	In progress	1/10/2012
6 N/A	Financial Internal Control Weakness: Department is not currently providing onsite monitoring of contracted providers.	There was one minor finding in this area. The department performs internal reviews of program activity, but external, "on-site" financial reviews were not performed. Department has indicated that staff was not available to perform this function, but will work with the CAO to address this issue in the FY 2012-13 budget process.	In progress	FY 2012-13

DECEMBER 31, 2011
COMPLIANCE AND ACCOUNTABILITY
POST AUDIT REVIEW SUMMARY

Budget Unit: 2750 **Corrective Action Plan Received: Yes**
Department: Planning and Community Development
Audit Issued: June 7, 2011

Policy/Regulation	Violation/Finding	CAO Comments:	Compliance Status at 12/31/2011	Estimated Date of Compliance
1 Government Code Section 25257 and 25258	Accounts receivable included many accounts over four years old that the department did not expect to collect. There were discrepancies between the departments accounts and Financial Credit Network (FCN) collection agency records. The department also recieved payment on one account assigned to the collection agency but did not notify the collection agency.	The department will submit all accounts currently deemed uncollectible to the Board of Supervisors in January of 2012. The department has provided documented internal procedures for reconciliations between the departments records and the Financial Credit Network.	In progress	1/31/2012
2 Ordinance Code Section 17.90.030	The department was not monitoring or reviewing that park development fees collected and disbursed are in accordance with County Ordinance 17.90.030	The Tehachapi Valley Recreation and Park District has hired an outside firm to prepare the necessary reports as required by ordinance. The department is working with the district to ensure that they meet the requirements of the impact fee adoption.	In progress	Undetermined
3 County Policy and Procedures, Chapter 5, Section 519	Four purchase card transactions did not have supporting documentation. Four purchase card transactions were not in compliance with County policy. Twelve monthly statements were not signed by cardholder or by approver.	Departmental procedures regarding purchasing cards have been established and the department has identified staff responsible for documenting and ensuring compliance with purchasing card usage rules.	Achieved	Completed
4 Land Division Ordinance 18.25.040 and Government Code Section 65943	Nineteen checks approximating \$66,399 were not deposited. Lag time to deposit for 26% of checks reviewed was between 12-120 days. Checks were being withheld from deposit until approval of plan application was confirmed. Four checks were not properly endorsed. Four checks were not properly recorded on incoming mail log.	The department has developed a documented comprehensive process to deal with the receipt of checks, including when it is appropriate to accept a check, documentation of checks received by the department and return procedures if the department should not accept a check.	Achieved	Completed
5 County Policy and Procedures, Chapter 2, Section 207	Proper approvals for time reported on timesheets not documented.	The department has begun requiring the usage of Form 245 for overtime and time off requests and the process has been documented.	Achieved	Completed
6 County Policy and Procedures, Chapter 3, Sections 305.2	Department reimbursed employee actual cost of meal and paid employee per diem.	The department has created procedures for the submission of travel claims requiring the inclusion of supporting documentation. In addition the department has implemented review procedures for travel claims to ensure reimbursement for travel expenses is accurate.	Achieved	Completed

Budget Unit: 2750

Department: Planning and Community Development

Audit Issued: June 7, 2011

Corrective Action Plan Received: Yes

Policy/Regulation	Violation/Finding	CAO Comments:	Compliance Status at 12/31/2011	Estimated Date of Compliance
7 County Policy and Procedures, Chapter 4, Section 406	Equipment not properly accounted for.	The department has created an inventory tracking system and has identified staff responsible for maintaining the system. The department has also established procedures to dispose of items no longer needed by the department.	Achieved	Completed
8 County Policy and Procedures, Chapter 13, Section 1306	The department did not complete project by the date specified in the grant agreement and reports were not submitted on dates specified in the grant. Claims were not submitted as specified in the grant agreement.	The department has identified staff responsible for grant administration and has implemented written procedures to ensure compliance with future grant agreements.	Achieved	Completed
9 N/A	<i>Financial Internal Control Weakness:</i> a) The department was not reconciling its trust accounts monthly to the trust fund cash balance maintained by the Auditor-Controller-County Clerk. b) The department did not enforce separation of trust fund duties in order to maintain adequate internal control procedures.	The department will have all reconciliations up to date by mid-January. The department's present staffing is insufficient to meet the Auditor's recommendation on a regular basis. The department has adopted a temporary management plan to hire extra help employees twice per year to perform reconciliations. The department has identified a permanent solution would be to hire an additional staff person. The department will evaluate the feasibility of hiring an additional permanent staff member in the FY 2012-13 budget process.	In progress	Undetermined
10 N/A	<i>Financial Internal Control Weakness:</i> The department did not reconcile its revenue and expenditures to the County's records.	Current year revenues and expenditures have been reconciled to date. The department's present staffing is insufficient to meet the Auditor's recommendation on a regular basis. The department has adopted a temporary management plan to hire extra help employees twice per year to perform reconciliations. The department has identified a permanent solution would be to hire an additional staff person. The department will evaluate the feasibility of hiring an additional permanent staff member in the FY 2012-13 budget process.	In progress	Undetermined
11 N/A	<i>Financial Internal Control Weakness:</i> There were two findings related to contract monitoring and administration.	The recommendation for these findings has been implemented.	Achieved	Completed
12 N/A	<i>Financial Internal Control Weakness:</i> There were five findings related to accounts payable	The recommendation for these findings has been implemented.	Achieved	Completed

DECEMBER 31, 2011
COMPLIANCE AND ACCOUNTABILITY
POST AUDIT REVIEW SUMMARY

Budget Unit: 1120
Department: Treasurer-Tax Collector
Audit Issued: June 7, 2011

Corrective Action Plan Received: Yes

Policy/Regulation	Violation/Finding	CAO Comments:	Compliance Status at 12/31/2011	Estimated Date of Completion
1 Kern County Policy & Procedures Manual, Chapter 5	Cell Phone list and payments	Department corrected the items that had not been removed from the online system. Department has been retrained to routinely check the online system for any inaccuracies.	Achieved	Completed
2 Kern County Policy & Procedures Manual, Chapter 5	Purchasing Card	Documents are kept for verification purposes & unpaid sales tax (on out-of-state purchases) are reported online to Auditor-Controller. These were isolated incidents. The department has not yet written a policy addressing the weaknesses to mitigate the cause of this finding.	In progress	2/29/2012
3 N/A	Financial Internal Control Weakness: Voided receipts	There was one finding in this area. The recommendation has been implemented and a written procedure developed.	Achieved	Completed
4 N/A	Financial Internal Control Weakness: Separation of Duties	There was one finding in this area. The recommendation has been implemented and a written procedure developed.	Achieved	Completed

DECEMBER 31, 2011
COMPLIANCE AND ACCOUNTABILITY
POST AUDIT REVIEW SUMMARY

Budget Unit: 8997
Department: Kern Medical Center - Accounts Payable
Audit Issued: June 14, 2011

Corrective Action Plan Received: Yes

Policy/Regulation	Violation/Finding	CAO Comments:	Compliance Status at 12/31/2011	Estimated Date of Compliance
1 Kern County Policy & Procedures Manual Chapter 3, Section 316.1	Employee was reimbursed for a book as part of the required continuing education. The book did not become part of KMC's library as required by County policy and Department's Policy No. ADM-LD-620	The department has a policy in place and it is available to employees on the department's intranet site. Department intends to review policy with employees when employees request authorization to travel.	Achieved	Completed
2 Administrative Bulletin No. 23	Department did not keep signature cards on file with the Auditor-Controller's Office current.	Department has updated the signature cards and has assigned staff to update as change of employment status are completed.	Achieved	Completed
3 N/A	<i>Financial Internal Control Weakness:</i> Department needs to implement a review system to ensure that accounts payable accruals and reverse accruals are recorded accurately and completely.	Department needs to complete written accounts payable cut off policies and assign staff to review accounting transactions prior to posting in the financial records.	In progress	3/31/2012
4 N/A	<i>Financial Internal Control Weakness:</i> The department must ensure that adjustments of accounts and reconciliations between KMC's Financial System and County's financial system are completed properly.	Department needs to assign staff to properly investigate difference between systems. Currently, staff has a significant amount of work as systems are not integrated and all reconciliations are manually performed.	In progress	3/31/2012
5 N/A	<i>Financial Internal Control Weakness:</i> Capture all patient overpayments and reclassify balances as payables.	Department disagrees with recommendation as credit balances are not an overpayment; rather, a credit needs to be reviewed for proper discount. Department indicates that Auditor's recommendation could be viewed by Medical Auditors as fraud. Further discussion with the Auditor is needed.	In progress	Unknown
6 N/A	<i>Financial Internal Control Weakness:</i> Properly account for lag of payment, proper usage of purchase orders, purchase order terms, insurance certificates requirements, and proper usage of correct expenditures accounts.	The Department has worked with County Counsel to create purchase order terms and conditions that are hospital related instead of generic. Recommendation for lag time for payment will not be implemented; as purchase order and contract dictate the payment terms. Also the availability of cash delays payments to vendors.	In progress	Unknown
7 N/A	<i>Financial Internal Control Weakness:</i> Enter correct information in department financial system to properly account for transactions.	Department will assign staff to review transactions for accuracy. Department will work with Auditor-Controller staff to find solution for the unnecessary need to duplicate claims for payments in two systems.	In progress	4/30/2012

DECEMBER 31, 2011
COMPLIANCE AND ACCOUNTABILITY
POST AUDIT REVIEW SUMMARY

Budget Unit: 8997
 Department: Kern Medical Center - Inventory
 Audit Issued: June 14, 2011

Corrective Action Plan Received: Yes

Policy/Regulation	Violation/Finding	CAO Comments:	Compliance Status at 12/31/2011	Estimated Date of Compliance
1 N/A	<i>Financial Internal Control Weakness:</i> Inventory count at the Operating Room was never performed as the Department expense those items instead of reporting as inventory in the Financial Statements.	The department scheduled an inventory count at June 30, 2011; however, due to deficiencies during the count the Auditor will not render an opinion of the value of the inventory. Department will engage a different vendor prior to June 30, 2012 and assign staff to follow and properly count the inventory at June 30, 2012.	In progress	6/30/2012
2 N/A	<i>Financial Internal Control Weakness:</i> Department needed to ensure that inventory cost are properly recorded in the inventory system to properly value inventory at year end.	The department has not fully implemented this recommendation. Sales tax was not included in the calculation of cost. Department will provide Auditor-Controller with the methodology to include sales taxes in the inventory calculation since the current system does not add the value to individual items.	In progress	6/30/2012
3 N/A	<i>Financial Internal Control Weakness:</i> Inventory in the Operating Room includes items for which KMC has not paid vendor. Existing practice is for vendors to bill has items have been used, making it appear that items are on consignment.	The department has attempted to modify purchase orders with vendor to reflect existing payment practice without avail. Vendor is only willing to modify purchase order to indicate that KMC is responsible for lost/damage/used products. Department is currently working with County Counsel to draft appropriate language.	In progress	1/30/2012
4 N/A	<i>Financial Internal Control Weakness:</i> Department needs to ensure that count of inventory is accurate and reliable.	The department has implemented this recommendation. Inventory count for narcotics as of June 30, 2011 was completed without exceptions.	Achieved	Completed

DECEMBER 31, 2011
COMPLIANCE AND ACCOUNTABILITY
POST AUDIT REVIEW SUMMARY

Budget Unit: 2180
Department: District Attorney
Audit Issued: June 28, 2011

Corrective Action Plan Received: No

Policy/Regulation	Violation/Finding	CAO Comments:	Compliance Status at 12/31/2011	Estimated Date of Compliance
1 Kern County Policy & Procedures Manual, Chapter 5	Expenditures: Paying bills timely, Maintaining receipts, Paying sales tax, Correct use of purchasing cards, Following terms of contracts, etc.	The department provided a memo to staff reminding them to follow County policy. However, detailed procedures for staff to follow demonstrating the department's understanding of how to minimize internal weaknesses was not available.	In progress	2/29/2012
2 Kern County Policy & Procedures Manual, Chapter 5	Cash Handling and Bank Reconciliation	Previous collections have been reconciled. The program is now being outsourced through a company called Corrective Solutions.	Achieved	Completed
3 Administrative Bulletin No. 4	Revenue and Accounts Receivable: Charging correct fees for disclosure information.	A conflict exists between the recommendation and legal requirements for disclosure. The department is exploring options. The department indicated it will be taking fee changes to the Board prior to the FY 12-13 budget.	In progress	4/1/2012
4 Kern County Policy & Procedures Manual, Chapter 1 and 4, State regulations	Statement of Economic Interest, triennial inventory affidavit, certificates of compliance	A Form 700 has been completed and submitted for the employee noted in the audit. The department's inventory records are being maintained and the department intends to submit the affidavit timely next year. A written procedure was distributed to appropriate staff.	Achieved	Completed
5 Kern County Policy & Procedures Manual, Chapter 4	Equipment Inventory	An inventory was completed and adjustments made to the department's equipment list. Written instruction was provided to appropriate staff.	Achieved	Completed
6 Kern County Policy & Procedures Manual, Chapter 2	Payroll	The department indicates payroll corrections were completed. The CAO has requested verification.	In progress	1/31/2012
7 Administrative Bulletin No. 1	Cash Management and Controls	A written departmental policy has been completed and distributed to appropriate staff explaining the correct process for voiding a receipt and explaining the current fee charges. Per the ASO, the \$6 reimbursement for ineligible expense was repaid. The recommendations related to Check Busters are no longer needed as the service is being outsourced.	Achieved	Completed
8 Kern County Policy & Procedures Manual, Chapter 16	Safety: No Emergency Preparedness Plan	An Emergency Preparedness Plan is being distributed and training will be provided.	In progress	2/29/2012

Budget Unit: 2180
 Department: District Attorney
 Audit Issued: June 28, 2011

Corrective Action Plan Received: No

Policy/Regulation	Violation/Finding	CAO Comments:	Compliance Status at 12/31/2011	Estimated Date of Compliance
9 Administrative Bulletin No. 10	Cell Phone Usage: Personal Use Certifications not completed, More economical plans available.	The Sprint plan used by the department is a flat rate; therefore, the department believes there is no additional cost to the County for personal use. Personal use certifications are not completed because of the flat rate. The Auditor identified that the Sprint plan costs approximately \$5,000 more than a plan with AT&T. Therefore, it is not the most economical. The plan covers the investigator phones and the department believes them to be more secure for this purpose. The department indicated that it will be working with Purchasing to develop language to revise the policy to mitigate the finding.	In progress	Unknown
10 N/A	Financial Internal Control Weakness: Revenue and Funds Reconciliation	Collections are now reviewed monthly. Supporting documentation for all adjustments will be maintained by the ASO. The most recent reconciliation has been requested to verify current status.	In progress	2/29/2012

DECEMBER 31, 2011
COMPLIANCE AND ACCOUNTABILITY
POST AUDIT REVIEW SUMMARY

Corrective Action Plan Received: Yes

Budget Unit: 2760
Department: Animal Control
Audit Issued: August 9, 2011

Policy/Regulation	Violation/Finding	CAO Comments:	Compliance Status at 12/31/2011	Estimated Date of Completion
1 Government Code Section 25257 and 25258	Accounts deemed uncollectible were not taken to the Board of Supervisors for relief from accountability.	The department submitted all accounts currently deemed uncollectible to the Board of Supervisors on October 11, 2011.	Achieved	Completed
2 Administrative Bulletin #6	Deposit shortages not handled properly.	The department has developed internal procedures to comply with Administrative Bulletin #6 so that shortages are handled properly.	Achieved	Completed
3 Generally Accepted Accounting Principles and State guidelines	Misclassification of revenue.	The department updated the Chameleon system to reflect the appropriate revenue key. The department created a written procedure requiring daily review during EROD preparation.	Achieved	Completed
4 Administrative Bulletin #1	Deposit overages not handled properly.	The department has developed internal procedures to comply with Administrative Bulletin #1 to properly handle overages.	Achieved	Completed
5 Ordinance Code Section 8.13.120	Inappropriate charging of fees.	The department has ceased charging fees that have not been approved by the Board of Supervisors and included in the department's fee schedule. The department has reviewed Chameleon and corrected all fee amounts that were not consistent with the department's fee schedule.	Achieved	Completed
6 Administrative Bulletin #10	Cell phone usage not certified as personal.	The department has obtained re-certifications from the employees and has received reimbursement for those cell phone charges originally not certified as personal.	Achieved	Completed
7 Kern County Policy & Procedures Manual, Chapter 3, Sections 302.5 and 303.2	Travel over 5 days not approved by the Board of Supervisors.	The department has developed an internal procedure to ensure that all appropriate approvals are obtained prior to out-of-county travel occurring. The department has implemented this process and documented it in a formal written procedure.	Achieved	Completed
8 Kern County Policy & Procedures Manual, Chapter 4, Section 406	Equipment not properly accounted for.	The department has developed and implemented a written procedure to govern equipment purchase, disposal, and usage. The department is in the process of taking an inventory count to determine what, if any, equipment remains unaccounted for.	in progress	2/28/2012
9 Kern County Policy & Procedures Manual, Chapter 2, Section 207	Proper approvals for time reported on timesheets not documented.	The department is now requiring documented supervisor approval for overtime and time off requests.	Achieved	Completed

Corrective Action Plan Received: Yes				Compliance Status at 12/31/2011	Estimated Date of Compliance
Policy/Regulation	Violation/Finding	CAO Comments:			
10 Kern County Policy & Procedures Manual, Chapter 11, Section 1115.2	Home retention documentation not on file.	The department has created a file and put appropriate department head approval on file for home retention. The department is requiring employees to submit monthly usage logs.		Achieved	Completed
11 Kern County Policy & Procedures Manual, Chapter 11, Section 1107.2	Fuel credit card receipts not obtained.	The department implemented a procedure requiring all fuel credit card receipts be turned in to the appropriate supervisory personnel before payment is made on the fuel invoice.		Achieved	Completed
12 Kern County Policy & Procedures Manual, Chapter 1, Section 142	Form 700 not filed for all designated employees.	The department consolidated this function with Public Health Services, and the payroll unit now tracks the receipts of all Form 700s.		Achieved	Completed
13 N/A	Financial Internal Control Weakness: Revenue recording, receipting, and deposit process.	There were eight findings in this area and all recommendations have been fully implemented.		Achieved	Completed
14 N/A	Financial Internal Control Weakness: Safeguarding of Cash	There were four findings in this area and all recommendations have been implemented.		Achieved	Completed
15 N/A	Financial Internal Control Weakness: Accounts Receivable	There were four findings in this area and all but two recommendations have been implemented. The department is in the process of reviewing all accounts sent to collections for accuracy, and as the review takes place, is currently marking accounts as sent to collections in Chameleon. The department is currently reconciling Chameleon accounts sent to collections with those that are currently held by the collection agency.		In progress	2/28/2012
16 N/A	Financial Internal Control Weakness: Contract Compliance	There were seven findings in this area and all but one recommendation have been implemented. The department is in the process of reviewing contract terms to determine if services rendered or received, reporting requirements, and annual compensation need to be adjusted.		In progress	6/30/2012
17 N/A	Financial Internal Control Weakness: Voiding Procedures	There were three findings in this area and all recommendations have been implemented.		Achieved	Completed
18 N/A	Financial Internal Control Weakness: Trust and Special Revenue Funds	There were three findings in this area and all but one recommendation have been implemented. The department is preparing a Board letter requesting the transfer of the 10% due to the County of the City of Bakersfield licensing funds.		In progress	1/31/2012
19 N/A	Financial Internal Control Weakness: Bank Reconciliation	There was one finding in this area and the recommendation has been implemented.		Achieved	Completed
20 N/A	Financial Internal Control Weakness: Missing Receipt Books	There were two findings in this area and the recommendation has been implemented.		Achieved	Completed

Corrective Action Plan Received: Yes

Budget Unit: 2760
 Department: Animal Control
 Audit Issued: August 9, 2011

Policy/Regulation	Violation/Finding	CAO Comments:	Compliance Status at 12/31/2011	Estimated Date of Compliance Completed
21 N/A	Financial Internal Control Weakness: Controlled Substance Inventory	There were three findings in this area and all recommendations have been implemented.	Achieved	Completed
22 N/A	Financial Internal Control Weakness: Dog License and Vaccine Inventory	There were two findings in this area and one recommendation has been implemented and the department has received written clarification that due to the immaterial value and constant usage of the vaccinations, the department does not need to key an inventory system of them at this time.	Achieved	Completed

DECEMBER 31, 2011
COMPLIANCE AND ACCOUNTABILITY
POST AUDIT REVIEW SUMMARY

Corrective Action Plan Received: Yes

Budget Unit: 5610
 Department: Aging & Adult Services
 Audit Issued: September 20, 2011

Policy/Regulation	Violation/Finding	CAO Comments:	Compliance Status at 12/31/2011	Estimated Date of Completion
1 Kern County Policy & Procedures Manual Section 1107.2	Department processed payments to Voyager System for fuel charges without proper verification against back-up documentation	The department has implemented a system that follows the recommendation of the Auditor. The department can produce reports for each individual employee that lists the charges associated with the fuel card, that can then be cross referenced against invoices and individual receipts that are to be kept by employees.	Achieved	Completed
2 Kern County Policy & Procedures Manual Section 1106.2, 1118.1, 1118.2, and 1120.1	Department's file of Driver's License & Auto Insurance information was not up-to-date	The department now maintains a list of individuals who are not authorized to operate vehicles for County business. Only those with properly updated information can submit claims for reimbursement.	Achieved	Completed
3 Kern County Policy & Procedures Manual Section 519.3 and 519.5	County policy on use of purchasing cards was violated	The department has acknowledged the findings that occurred due to staff error, and all staff have now been trained on the proper policy.	Achieved	Completed
4 N/A	Financial Internal Control Weakness: Accounts Payable	Department now has a documented work procedure that lists step by step how to properly address accounts payable transactions.	Achieved	Completed
5 N/A	Financial Internal Control Weakness: Trust Fund Deposits and Disbursements	Each of the findings were isolated events. The department is now keeping supporting documentation. Funds from Trust Fund 28001 are being transferred per auditor's recommendation.	Achieved	Completed
6 N/A	Financial Internal Control Weakness: Separation of Duties over IHSS provider payments	The current CMIPS system does not allow the department to separate employee's technical access to the creation and payments to IHSS providers. However, the department does separate the roles/functions internally. The State will be taking over the function and the department will no longer be responsible for time sheets for service providers starting May 2012, resolving this issue.	In progress	5/1/2012

DECEMBER 31, 2011
COMPLIANCE AND ACCOUNTABILITY
POST AUDIT REVIEW SUMMARY

Budget Unit: 8995
Department: Airports
Audit Issued: September 20, 2011

Corrective Action Plan Received: Yes

Policy/Regulation	Violation/Finding	CAO Comments:	Compliance Status at 12/31/2011	Estimated Date of Completion
1 County Policy & Procedures, Chapter 3	Travel reimbursements (inadequate documentation, incorrect reimbursements)	Department did not have adequate supporting documentation and had under-reimbursed an employee. The department has implemented corrective action for additional review and established written procedures requiring supporting documentation prior to approval.	Achieved	Completed
2 County Policy & Procedures, Chapter 11	County vehicles, Vehicle Home Retention (VHR)	Department was not current on VHR assignments and did not have current monthly logs VHR assignees. The department has established written procedures for additional review/oversight of VHR.	Achieved	Completed
3 County Policy & Procedures, Chapter 5	Purchasing Cards	Department did not have adequate supporting documentation, was not current on monthly certifications, and was not correctly applying sales tax. Department has established written procedures to include additional oversight for transactions.	Achieved	Completed
4 Administrative Bulletin 23	Signature Card files are not kept current	Department has implemented additional corrective action to annually check status of Signature Card files and has revised written procedures.	Achieved	Completed
5 County Policy & Procedures, Chapter 1	Conflict of Interest acknowledgments are not kept current	Department has implemented additional corrective action to annually check status of Conflict of Interest records and has revised written procedures.	Achieved	Completed
6 California Administrative Code of Regulations, Title 8, Section 3203	No Injury & Illness Prevention Plan (IIPP)	Department does not have IIPP. A draft document in progress.	In progress	Unknown
7 N/A	Financial Internal Control Weakness: Revenue recording, receipting/deposit process and cash handling, payroll, claims processing (sales tax)	There were 3 findings (one partial repeat) and 3 minor findings in these areas and all recommendations have been implemented.	Achieved	Completed
8 N/A	Financial Internal Control Weakness: Accounting controls (trust fund register)	Department intends to discontinue use of the Trust Fund System and will work with the Auditor-Controller to process the necessary accounting entries to close the automated trust accounts.	In progress	2/1/2012

DECEMBER 31, 2011
COMPLIANCE AND ACCOUNTABILITY
POST AUDIT REVIEW SUMMARY

Corrective Action Plan Received: Yes

Budget Unit: 1310
Department: Personnel
Audit Issued: September 27, 2011

Policy/Regulation	Violation/Finding	CAO Comments:	Compliance Status at 12/31/2011	Estimated Date of Compliance
1 Kern County Policy & Procedures Manual Section 1120 & 306	Department lacked a procedure for travel claims ensuring employees were in continuous compliance with license & insurance requirements, were using the most economical mode of transportation, ensuring claims were signed and had proper support for purpose of travel.	Department developed a list of names that were sent to risk management. They also developed a procedure where employee names & driver's license numbers are checked monthly for compliance and changed the process for travel claims to ensure they are done correctly.	Achieved	Completed
2 Administrative Bulletin #2	Charges and fees regarding Service Award Reimbursement and clerical costs charged to SEIU.	Working with the Auditor, the department has established a new method for calculating costs for Service Award Reimbursement. All charges beginning FY 11-12 will be accurate to this new method. Department also maintains a document tracking SEIU charges.	Achieved	Completed
3 Kern County Policy & Procedures Manual Section 207	Written documentation for approved time off and extra time worked	The department now maintains all written documentation for approved time off and extra hours. All special pays will be created by one employee and verified by a different employee for accuracy. The overpayments that occurred have been recovered.	Achieved	Completed
4 Kern County Policy & Procedures Manual Section 142	Conflict of Interest	Department has established its own conflict of interest policy, requires employees to certify they have reviewed & understood the policy, and keeps the certification in the employee's file.	Achieved	Completed
5 N/A	Financial Internal Control Weakness: Cash Handling & Revenue Reconciliation	The department has developed a written policy on endorsing checks and distributed it to all employees. They also created a spreadsheet to compare values from different sources for revenue reconciliation purposes.	Achieved	Completed
6 N/A	Financial Internal Control Weakness: Accounts Receivable	Department has developed a document to track all unpaid invoices, SEIU address lists, and updated the contact information as previously given emails went unchecked. All SEIU billings are now current.	Achieved	Completed
7 N/A	Financial Internal Control Weakness: Trust Fund Deposits and Disbursements	Department now stamps all documents upon receipt. One overpayment to a claimant has been repaid.	Achieved	Completed

DECEMBER 31, 2011
COMPLIANCE AND ACCOUNTABILITY
POST AUDIT REVIEW SUMMARY

Corrective Action Plan Received: Yes

Budget Unit: 6210
Department: Library
Audit Issued: October 4, 2011

Policy/Regulation	Violation/Finding	CAO Comments:	Compliance Status at 12/31/2011	Estimated Date of Completion
1 Administrative Bulletin 13	Donation acceptance by Board of Supervisors for items over \$2,500	Department has implemented additional corrective procedures and has developed internal policies. Department is working in conjunction with CAO's Office for all donations received. Items over \$2,500 are being submitted to the Board of Supervisors for approval.	Achieved	Completed
2 Kern County Policy & Procedures Manual, Chapter 3	Travel reimbursements (overpayments)	Department had over-reimbursed employees for travel expenses (per diem meals). Department has revised procedures to include requirements for back-up documentation to verify accuracy and ensure appropriate staff are trained.	Achieved	Completed
3 Administrative Bulletin 23	Signature Card files are not kept current	Department has implemented additional corrective action to annually check status of Signature Card files and has revised written procedures.	Achieved	Completed
4 Kern County Policy & Procedures Manual, Chapter 5	Petty cash used for unauthorized purchases	Department purchased an item (quilt) with petty cash which was classified as "furniture" and is not considered an allowable purchase. Department has revised written procedures to specify unauthorized items.	Achieved	Completed
5 Kern County Policy & Procedures Manual, Chapter 5	Purchasing Card (split transactions, monthly certifications)	Department was not certifying statements monthly and split transactions on purchase to avoid limits. Department has revised written procedures to include oversight, reprimands, and training for violations.	Achieved	Completed
6 N/A	Financial Internal Control Weakness: Revenue recording, receipting and deposit process, tracking employee hours	There were 5 findings and 2 minor findings in these areas (7 total, 1 repeat). All recommendations have been implemented and written procedures developed.	Achieved	Completed
7 N/A	Financial Internal Control Weakness: Inventory records and proof of insurance for contracts not kept current	There were 2 minor findings in these areas. All recommendations have been implemented and written procedures developed.	Achieved	Completed
8 N/A	Financial Internal Control Weakness: Accounting controls (deposits and accounts receivable)	One repeat minor finding in this area centered on limitations of tracking monies due in the SJVLS Horizon library check-out software. The department is not aware of any way to accurately track accounts receivable by patron in the current system. The department will work with the SJVLS to address this issue.	In progress	Unknown



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LISA S. GREEN
DISTRICT ATTORNEY

January 5, 2012

MARK E. PAFFORD
CHIEF DEPUTY DISTRICT ATTORNEY

Nancy Lawson
Assistant CAO
County Administrative Office
1115 Truxtun Avenue
Bakersfield CA 93301

Received by Clerk of the Board	
Additional Material for	
Board Agenda Date of:	Item No.
1-10-12	Pm 23
SD 1 ☒	CAO ☒
SD 2 ☒	County Counsel ☒
SD 3 ☒	
SD 4 ☒	
SD 5 ☒	

Dear Ms. Lawson:

I am writing to address your concerns regarding my office's failure to provide a corrective action plan regarding the audit for the years 2009-2010. You indicated in your e-mail of January 3, 2012 that my office was the only one of seventeen departments not to provide such a plan and you would need to note a reason in your report. You seemed dissatisfied with the response of my Administrative Officer, Scott Johnson, wherein in an e-mail to Sandra Quigley dated December 29, 2011 he responded that the ordinance did not seem applicable to the audit findings. I fully agree with Mr. Johnson's response, but please allow me to clarify further.

Kern County Code of Ordinance, section 2.10.010, subsection (C) specifically states you are responsible as the chief compliance and accountability officer "for implementing and enforcing policies and procedures aimed at ensuring transparent and accountable county operations that comply with federal and state laws and regulations as well as county ordinances, and administrative and department procedures, including board directives." Further on in that same section it states the department head shall file a written plan of corrective action with you "after written notice of non-compliance with the foregoing laws and regulations." This has been interpreted by Mr. Johnson and other members of my staff to mean we need only file a corrective action plan for a violation of "laws and regulations," of which the District Attorney's Office had none.

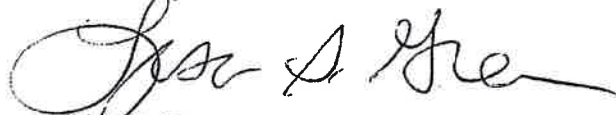
While the audit did reveal certain shortcomings in office procedures (all of which have now been addressed), nothing rose to the level of a violation of the law or a regulation. Therefore I do not believe I need to submit a corrective action plan. Moreover, even if my interpretation is incorrect, I find it somewhat incongruous that I should have to submit a corrective action plan for minor audit violations, all of which occurred during my predecessor's administration. To ask me to do more is, in my opinion, a waste of my time that could be better used to do the job I was elected to do.

Ms. Nancy Lawson
January 5, 2012
Page 2

Finally, I am offended by the inclusion in the report of the matter regarding the cell phones used by the Bureau of Investigation. Countless hours were spent on meetings between members of my office and the Auditor-Controller's Office regarding cell phones, Sprint v. AT&T. The issue of cell phones was NOT a part of the audit but the Auditor Controller's Office chose to include it in the audit rather than do a separate report to the Board of Supervisors. Although I think they were well-intentioned in that regard, I think it is safe to say we do not agree on the cell phone issue. I do take issue with the statement that my office's use of Sprint cell phones is costing the County of Kern \$5,000 per year. That simply is not true. I would ask you to remove that portion of your report that references cell phones, as it was not an audit finding.

In conclusion, I would like it noted that the memorandums submitted by Mr. Johnson in response to the audit findings reflect my agreement with the steps taken to remedy issues that arose during Mr. Jagel's administration. If you would like to discuss any of these issues further, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lisa S. Green".

Lisa S. Green
District Attorney

cc: Sandra Quigley
Scott Johnson
John Nilon
Jon McQuiston
Zack Scrivner
✓ Mike Maggard
Ray Watson
Karen Goh