

July 30, 2024

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

JUNE 30, 2024 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 June 30, 2024, on departmental compliance issues for the period January 1, 2024, through June 30, 2024.

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 financial, compliance, operational, or investigative in nature 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

The 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.

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*
Treasurer-Tax Collector – Statement of Money for Quarter 1 FY 2023-24	2/27/24	Not Required	Not Required
Treasurer-Tax Collector – Statement of Money for Quarter 2 FY 2023-24	5/7/24	Not Required	Not Required
Countywide Audit of Purchasing Card Transactions FYE June 30, 2022 and 2021	5/7/24	6/21//24	A-1

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

The following report issued by the Auditor-Controller did not have a corrective action plan due during this reporting period; however, it will be included in the next December 31, 2024 Compliance and Accountability Report:

Report	Board Date	Plan Due Date	Attachment Page*
Fire Department for FYE June 30, 2022 and 2021	06/25/24	08/09/24	Not Applicable

* An attachment page is not applicable for reports that corrective action plans were not due during this reporting period.

As of June 30, 2024, the Auditor-Controller had additional pending audits that were not yet completed. Due to staffing issues, the Auditor-Controller's Office has not been able to maintain the regular department audit schedule. We have been in contact with Auditor-Controller and the plan to mitigate the delays including issuing the current audits in-progress and re-evaluating the way audits are performed going forward to ensure a more active presence in departments and a more focused review of high-risk areas. We will provide a status update on the following in-progress audits and any additional developments for the December 31, 2024 Compliance and Accountability Report:

Report
Airports – Prior Findings
Airports – Special Audit
Animal Services – Special Audit
Countywide Audit of Purchasing Card Transactions for Fiscal Year 2022-23

Countywide Capital Assets for Fiscal Year 2022-23
Countywide Grants as of June 30, 2023
Countywide Inventory for Fiscal Year 2023-24
Treasurer-Tax Collector – 3 rd and 4 th Quarter Cash Count

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 certain audits after the Request for Proposals process. 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 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*
Public Works – Kern Sanitation Authority for FYE June 30, 2021 and 2020	2/13/24	Not Required	Not Required
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, 2023	5/7/24	Not Required	Not Required
Auditor-Controller – Annual Comprehensive Financial Report FYE June 30, 2023	5/7/24	6/21/24	A-2
Airports – Passenger Facility Charge Program FYE June 30, 2023	5/7/24	6/21/24	A-3

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

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 December 31, 2024, Compliance and Accountability Report.

Report
Assessor-Recorder – California Electronic Recording Transaction Network Authority FYE June 30, 2023
Treasurer-Tax Collector – Investment Policy Compliance
Countywide Single Audit FYE June 30, 2023
Treasurer-Tax Collector – Deferred Compensation Programs FYE June 30, 2023
Public Works – Ford City-Taft Heights Sanitation District Fiscal Year Ended June 30, 2023 and 2022
Public Works – Kern Sanitation Authority Fiscal Year Ended June 30, 2023 and 2022
Public Works – County Service Areas Fiscal Year Ended June 30, 2023 and 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
Kern County Fire Department – The Effects of Illegal Fireworks	2/7/24	N/A	4/23/24
Kern County Probation Department – Youth Service Bureau	3/18/24	N/A	5/21/24

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

The following reports were issued during the reporting period, but the responses were not due, so they will be included in the next December 31, 2024 Compliance and Accountability Report:

Report	Report Date	Elected Official Response Date*	Board of Supervisors Response Date
Kern County and Bakersfield City Park Rangers – A Tale of Two Programs	5/22/24	7/21/24	8/20/24
Kern County Sheriff's Office Work Release Program – Providing Our Communities with Safe Workers	6/12/24	8/11/24	9/10/24
Roadway Marking Retroreflectivity – Nighttime Visibility on Kern County Roadways	6/13/24	N/A	9/11/24
Inyokern Community Service District – A Plethora of Inaction	6/25/24	N/A	9/23/24

* 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 of conducting security assessments of the County's security environment. The security assessment covers all information technology (IT) environments' controls that provide security defense and a proactive security posture. 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 June 30, 2024, the following assessment reports were issued by the Chief Information Technology Officer and corrective action plans due during this reporting period:

Report	Report Date	Corrective Action Plan
District Attorney – Kern Regional Crime Laboratory	3/10/24	Received

As of June 30, 2024, 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 December 31, 2024 Compliance and Accountability Report:

Report
County Administrative Office
Countywide Communications
Farm and Home
General Services
Grand Jury
Human Resources

Other External Agencies

In addition to the above-mentioned reports, other reports have been issued by 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*
Behavioral Health and Recovery Services – California Work Opportunity and Responsibility to Kids Program Memorandum of Understanding with Department of Human Services Agreed-Upon Procedure	Brown Armstrong Certified Public Accountants	10/23/23	Received
Behavioral Health and Recovery Services – Drug Medi-Cal Organized Delivery System and Mental Health Plan External Quality Review	Behavioral Health Concepts, Inc, External Quality Organization	11/28/23	Not Required
Department of Human Services – CalFresh Management Evaluation Review for Federal Fiscal Year (FFY) 2024	California Department of Social Services	12/15/23	Received
Sheriff – Board of State and Community Corrections (BSCC) 2023-2024 Inspection of Central Receiving, Pre-Trial, and Justice Facility	Board of State and Community Corrections	1/9/24	Not Required
Behavioral Health and Recovery Services – FY 2014-15 Short-Doyle Medi-Cal Cost Audit	California Department of Healthcare Services	2/7/24	Not Required
Aging and Adult – Financial Support Review (FSR) for FY 2023-24	California Department of Aging	2/9/24	Not Required

Report	Prepared by	Report Date	Corrective Action Plan*
Employee Training Resources – Workforce Innovation Opportunity Act (WIOA) Fiscal, Procurement, and Program Review For FY 2023-24	California Employment Development Department	2/20/24	Not Required
Probation – Youth Detention Center, Pathways Academy, Furlough Treatment and Rehabilitation Facilities Inspection 2024	Juvenile Justice and Delinquency Prevention Commission	3/5/24	Not Required
Employee Training Resource – National Farmworker Jobs Program Grant Review for FY 2023-24	United States Department of Labor	4/2/24	Not Required
Aging and Adult – Social Security Representative Payee Review	Disability Rights of California Agency	4/4/24	Not Required
Department of Human Services – CalFresh Employment and Training (E&T) Management Evaluation for Federal Fiscal Year (FFY) 2023	California Department of Social Services	4/11/24	Received
Aging and Adult – CalFresh Healthy Living (CFHL) Program Management Evaluation	California Department of Aging	4/12/24	Not Required
Aging and Adult – Planning Service Area Compliance and Financial Audit for FYE June 30, 2021 and 2020	California Department of Aging	4/17/24	Not Required
Employee Training Resource – Farm and Food Workers Relief Program, Dislocated Worker, Rapid Response and Temporary Housing Programs Review for FY 2023-24	La Cooperativa Campesina de California	5/15/24	Not Required
Department of Human Services – Social Security Representative Payee	Disability Rights of California	5/16/24	Not Required
Probation – Targeted Case Management (TCM) Cost Report Interim Reconciliation for FYE June 30, 2023	California Department of Health Care Services	5/30/24	Not Required
Probation – Camp Erwin Own Facility Inspection 2024	Juvenile Justice and Delinquency Prevention Commission	6/4/24	Not Required

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

As of June 30, 2024, 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 December 31, 2024 Compliance and Accountability Report:

Report	Prepared by
Behavioral Health and Recovery Services – FY 2015-16 Short-Doyle Medi-Cal Cost Audit	California Department of Health Care Services
Aging and 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
Auditor-Controller – Employment Tax Return Examination for Calendar Year 2021	Internal Revenue Service
District Attorney – Workers Compensation Insurance Fraud Grant Program	California Department of Insurance
District Attorney – Automobile Insurance Fraud Grant Program	California Department of Insurance
District Attorney – Disability and Healthcare Insurance Fraud Grant Program	California Department of Insurance
Sheriff – Mandated Cost Claims for Domestic Violence Arrest Policies and Standards Program	State Controller’s Office
Aging and Adult – In-Home Supportive Services (IHSS) Timely Reassessment Standards	California Department of Social Services

FOLLOW-UP REVIEWS

County Administrative Office’s Follow-up Reviews

The audits listed above were filed with your Board in the past six months. Additional follow-up reporting on outstanding, unresolved audit findings from the December 31, 2023 Compliance and Accountability Report and prior would be reported as Attachments B and C. Our office continues to work with departments on resolution, pursuing adequate documentation of remedial proof, and will 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 vital in 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 December 31, 2024 Compliance and Accountability Report.

Therefore, IT IS RECOMMENDED that your Board receive and file the June 30, 2024 Compliance and Accountability Report.

Sincerely,



Elsa T. Martinez
Interim Chief Administrative Officer

EM:SH:COMPL June 2024 Report

Attachments

cc: All Department Heads

June 30, 2024
COMPLIANCE AND ACCOUNTABILITY
POST AUDIT REVIEW SUMMARY - CURRENT

Report: County Purchase Card Transaction
Audit Period: FYE June 30, 2022 and 2021

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
Aging and Adult Services [5610]	5/7/2024	Finding: 27 purchase card transactions were certified but not reviewed. [Internal Controls , Kern County Policy and Administrative Procedures Manual section 518.15 (KCAPP 518.15)]	Department assigned an employee to notify P-Card users, reviewer and management when transactions are ready to certify. 35 days from the initial notification, the Administrative Services Officer (ASO) will review all transactions to ensure all transactions are certified and reviewed.	N/A	Achieved	12/31/2024
Agriculture and Measurement Standards [2610]	5/7/2024	Finding: 17 purchase card transactions were certified but not reviewed. County card was inadvertently used for personal use on 14 transactions totaling \$358.09. [Internal Controls , Kern County Policy and Administrative Procedures Manual section 518.15 (KCAPP 518.15)]	The root cause of the problem was oversight. To ensure card holders certify timely, one employee is assigned to receive bank statement and remind card holders to provide the backup. All current transactions are certified and reviewed. The employee who inadvertently used County card for personal use has surrendered the card and County was reimbursed for the cost.	N/A	Achieved	12/31/2024
Airports [8995]	5/7/2024	Finding: 734 out of 1,097 (67%) purchase card transactions were certified after 45 days of the statement date. [Internal Controls , Kern County Policy and Administrative Procedures Manual section 518.15 (KCAPP 518.15)]	The department has been working diligently to certify and review all transaction timely. A desk manual has been created to help with the process. All transactions since the period under audit has been certified and reviewed within 45 days.	N/A	Achieved	Completed
Animal Services [2760]	5/7/2024	Finding: 501 out of 847 (59%) purchase card transactions were certified after 45 days of the statement date. [Internal Controls , Kern County Policy and Administrative Procedures Manual section 518.15 (KCAPP 518.15)]	The Business Manager will monitor transaction certification and approval. A Fiscal Support Technician has been trained to approve transactions and will send email reminders to card holders to notify of approval deadlines. There are still transactions that have been certified and reviewed late. Monitoring will continue until timely certification and approval is achieved.	N/A	Pending	12/31/2024
Board of Supervisors District 2 [1012]	5/7/2024	Finding: 36 out of 66 (55%) purchase card transactions were certified after 45 days of the statement date. Additionally, 14 transactions were not reviewed (Department approved) [Internal Controls , Kern County Policy and Administrative Procedures Manual section 518.15 (KCAPP 518.15)]	Staffing changes delayed the certification and approval. Staff has been trained and a secondary approver has been designated so all transactions are approved on time. There are still transactions that have been certified and reviewed late. Monitoring will continue until timely certification and approval is achieved.	N/A	Pending	12/31/2024

June 30, 2024
COMPLIANCE AND ACCOUNTABILITY
POST AUDIT REVIEW SUMMARY - CURRENT

Report: County Purchase Card Transaction
Audit Period: FYE June 30, 2022 and 2021

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
Board of Supervisors District 4 [1014]	5/7/2024	Finding: 23 out of 59 (39%) purchase card transactions were certified after 45 days of the statement date. [Internal Controls, Kern County Policy and Administrative Procedures Manual section 518.15 (KCAPPM 518.15)]	Staffing changes delayed the certification and approval. Staff has been trained and a secondary approver has been designated so all transactions are approved on time. There are still transactions that have been certified and reviewed late. Monitoring will continue until timely certification and approval is achieved.	N/A	Pending	12/31/2024
Board of Supervisors District 5 [1015]	5/7/2024	Finding: 9 out of 31 (29%) purchase card transactions were certified after 45 days of the statement date. Additionally, 8 transactions were not reviewed (Department approved) [Internal Controls, Kern County Policy and Administrative Procedures Manual section 518.15 (KCAPPM 518.15)]	Staffing changes delayed the certification and approval. Staff has been trained and a secondary approver has been designated so all transactions are approved on time. There are still transactions that have been certified and reviewed late. Monitoring will continue until timely certification and approval is achieved.	N/A	Pending	12/31/2024
District Attorney Forensic Services [2200]	5/7/2024	Finding: 414 out of 470 (88%) purchase card transactions were certified after 45 days of the statement date. Additionally, 13 transactions were not reviewed (Department approved). [Internal Controls, Kern County Policy and Administrative Procedures Manual section 518.15 (KCAPPM 518.15)]	The reason for the delay was staff shortage. The department hired one employee to help with the certification of transactions. Additionally, a backup employee was assigned and a notice was sent to everyone involved. Improvements in timely certification has been shown in the recent transactions. However, there are still transactions that have been certified and reviewed late. Monitoring will continue until timely certification and approval is achieved.	N/A	Pending	12/31/2024
Fire [2415]	5/7/2024	Finding: 3,686 out of 6,383 (58%) purchase card transactions were certified after 45 days of the statement date. Two card holders exceeded the annual limit, and in 10 instances the vendor limit of \$50,000 was exceeded. [Internal Controls, Kern County Policy and Administrative Procedures Manual section 518.15 (KCAPPM 518.15)]	Staff responsible for certifying and approving purchase card transactions have been educated on the 45 day certification and approval requirements. Assigned staff will track spending by user against their approved limits and vendor spending using transaction data available in AuditorNet. Timely Certification has been achieved; however, the fiscal year 2023-24 transactions show exceeding annual and vendor limits. Monitoring will continue until compliance is fully achieved.	N/A	Pending	12/31/2024

June 30, 2024
COMPLIANCE AND ACCOUNTABILITY
POST AUDIT REVIEW SUMMARY - CURRENT

Report: County Purchase Card Transaction
Audit Period: FYE June 30, 2022 and 2021

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
General Services [1610]	5/7/2024	Finding: 2412 out of 4,393 (55%) purchase card transactions were certified after 45 days of the statement date. Additionally, 55 transactions were not reviewed (Department approved) [Internal Controls, Kern County Policy and Administrative Procedures Manual section 518.15 (KCAPPM 518.15)]	The department created an internal deadline to certify and review purchase card transactions within ten business days . Calendar reminders have been set to assist staff with tracking the deadlines. The department's Administrative Services Officer (ASO) will follow up with assigned reviewers and approvers to ensure timely certification.	N/A	Achieved	Completed
General Services Construction Services [1640]	5/7/2024	Finding: 23 out of 68 (34%) purchase card transactions were certified after 45 days of the statement date. [Internal Controls , Kern County Policy and Administrative Procedures Manual section 518.15 (KCAPPM 518.15)]	The department created an internal deadline to certify and review purchase card transactions within ten business days . Calendar reminders have been set to assist staff with tracking the deadlines. The department's Administrative Services Officer (ASO) will follow up with assigned reviewers and approvers to ensure timely certification. There are still transactions that have been certified and reviewed late. Monitoring will continue until timely certification and approval is achieved.	N/A	Pending	12/31/2024
Probation [2340]	5/7/2024	Finding: 2,170 out of 2,417 (90%) purchase card transactions were certified after 45 days of the statement date. [Internal Controls , Kern County Policy and Administrative Procedures Manual section 518.15 (KCAPPM 518.15)]	The department sent out instructions to purchase card holders to immediately start certifying their transactions upon receiving an email from the Auditor's office and not wait to get paper statements. The instructions include the date by which transactions are certified and backup documents are submitted to Accounts Payable staff. Consequences of failure to certify by the due date will result in notifying the card holder's supervisor and possible suspension of additional purchases. Additionally, quarterly update to management from assigned employees regarding purchase card certification by card holders is implemented. Improvement in timely certification is seen due to the new process. However, there are still late certifications and approval. Monitoring will continue until full compliance is achieved.	N/A	Pending	12/31/2024

June 30, 2024
COMPLIANCE AND ACCOUNTABILITY
POST AUDIT REVIEW SUMMARY - CURRENT

Report: County Purchase Card Transaction
Audit Period: FYE June 30, 2022 and 2021

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
Public Health [4110]	5/7/2024	Finding: 445 out of 1,733 (26%) purchase card transactions were certified after 45 days of the statement date. [Internal Controls , Kern County Policy and Administrative Procedures Manual section 518.15 (KCAPPM 518.15)]	The department assigned the Public Health Program Manager of Fiscal division to ensure certifications are done timely. The process will include to inform P-Card Users' supervisors of any non-compliance and to follow up weekly. Multiple employee failures to comply will result in removing the P-Card. There are still late certifications and approval. Monitoring will continue until full compliance is achieved.	N/A	Pending	12/31/2024
Veterans Services [5510]	5/7/2024	Finding: 8 purchase card transactions were not certified and 10 purchase card transactions were not reviewed. T [Internal Controls , Kern County Policy and Administrative Procedures Manual section 518.15 (KCAPPM 518.15)]	The Business Manager will verify all transactions for the prior year are certified before certifying the current transactions	N/A	Achieved	Completed

June 30, 2024
COMPLIANCE AND ACCOUNTABILITY
POST AUDIT REVIEW SUMMARY - CURRENT

Report: Annual Comprehensive Financial Report (ACFR)
Audit Period: For Fiscal Years Ended June 30, 2023

Corrective Action Plan Received: Yes
Issued by: Independent External CPA Auditors

Department [Budget Unit]	Audit Report Date	Finding [Violation]	CAO Comments	Previous Estimated Date of Compliance	Current Status	Current Estimated Date of Compliance
Auditor- Controller [1110]	4/10/2024	Finding: Accounts Receivable was overstated in general fund by \$10,659,629	CAO Comments Property tax revenue that should have been recognized in Fiscal year 2023-24 was recognized in Fiscal year 2022-23. This recognition did not meet GAAP revenue recognition Criteria. Revenue should be recognized when it is available within 60 days after the close of fiscal year. To respond to this error, additional procedures like revenue analytics will be performed to identify possible misstatements.	N/A	Pending	12/31/2024
Auditor- Controller [1110]	4/10/2024	Finding: Amounts that should have been recorded as transfers between funds were recorded as Salaries and Benefits expenditures.	Journal entry to transfer money from various funds to Pension obligation Bonds (POBs) debt service fund was missed. In order to prevent this from happening again a checklist will be prepared and utilized by senior accountant to ensure all entries are completed.	N/A	Pending	12/31/2024

June 30, 2024
COMPLIANCE AND ACCOUNTABILITY
POST AUDIT REVIEW SUMMARY - CURRENT

Report: Airports Passenger Facility Charge Program
Audit Period: For Fiscal Years Ended June 30, 2023

Corrective Action Plan Received: Yes
Issued by: Independent External CPA Auditors

Department [Budget Unit]	Audit Report Date	Finding [Violation]	CAO Comments	Previous Estimated Date of Compliance	Current Status	Current Estimated Date of Compliance
Airports [8995]	5/7/2024	The department did not submit quarterly reporting to the carriers timely for the period of 7/1/2022 to 9/30/2022. In addition, submissions of receipts and expenditures to the Federal Aviation Agency (FAA) on the SOAR system was not completed timely for the same period. Additionally, there is no review procedure in place in preparing and submitting these reports.	The Finance Manager is on track for submitting quarterly reports to the carriers timely except for the first quarter of fiscal year 2023-24. A procedure was added to add a second employee to review the reports before they are submitted.	N/A	Pending	12/31/2024

June 30, 2024
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
General Services [1610]	9/12/2023	Finding: Accruing Grants Revenue [Internal Controls, Kern County Policy and Procedures Manual section 909.1 and 909.4]The department did not accrue grant revenue for fiscal years 2019-20, 2020-21 and 2021-22. The total revenue was \$135,320.14	An accountant position was added whose duties include revenue generation, project tracking and grant monitoring and reimbursements. The accountant will also review grant expenses with construction staff to ensure billings and accruals are done timely. However, in fiscal year 2022-23, grant revenue in an amount of \$216,718 was not accrued. Compliance will continue until procedures are fully implemented.	6/30/2024	Pending	12/31/2024
General Services [1610]	9/12/2023	Finding: Claims Lag Time [Admin bulletin NO.9. California Government Code section 927.4]The department has not processed invoice payments for twenty two of 89 claims selected for review. The responsible parties did not submit the invoices to the accounts payable staff timely.	The division had high turn-over. Now the division is fully staffed. Procedures are updated to include the division's Manager or designee to review invoices within 24 hours of receipt and confirm goods/services are received and approved invoices for payment are processed within 48 hours. Lag has improved; however, the current late processing of claims is about 2.63% . Compliance will be monitored and reported.	6/30/2024	Pending	12/31/2024
Animal Services [2760]	10/10/2023	Finding: Six Employee Performance Reports (EPRs) not conducted timely [Internal Controls , Kern County Policy and Administrative Procedures Manual section 136 (KCAPPM 136)]	The department created a procedure and assigned an employee to distribute, follow up and track completed and outstanding EPRs. The department is still not current on EPRs. Compliance will continue to be monitored.	6/30/2024	Pending	12/31/2024
County Counsel [1210]	10/10/2023	Finding: Nine Employee Performance Reports (EPRs) not conducted timely [Internal Controls , Kern County Policy and Administrative Procedures Manual section 136 (KCAPPM 136)]	Reminders are sent to each supervisor a week before EPR due date. Process have been enhanced to have a quarterly report provided to the County Counsel, Assistant County Counsel, and Administrative Coordinator for review and follow-up accordingly. The department is still not current on EPRs. Compliance will continue to be monitored.	6/30/2024	Pending	12/31/2024
Risk Management [1910]	10/10/2023	Finding: Three Employee Performance Reports (EPRs) not conducted timely [Internal Controls , Kern County Policy and Administrative Procedures Manual section 136 (KCAPPM 136)]	Reminders are sent to each supervisor a week before EPR due date. Process have been enhanced to have a quarterly report provided to the County Counsel, Assistant County Counsel, and Administrative Coordinator for review and follow-up accordingly. The department is still not current on EPRs. Compliance will continue to be monitored.	6/30/2024	Pending	12/31/2024

June 30, 2024
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
Elections [1420]	10/10/2023	Finding: Three Employee Performance Reports (EPRs) not conducted timely [Internal Controls , Kern County Policy and Administrative Procedures Manual section 136 (KCAPPM 136)]	An employee is assigned to notify supervisors of upcoming EPRs and to track the status of all EPRs in a tracking document. Another employee is cross trained as a backup. The log of outstanding EPRs will be distributed at a weekly management meeting. Department head will be notified of all delinquent EPRs for appropriate action. The department is still not current on EPRs. Compliance will continue to be monitored.	6/30/2024	Pending	12/31/2024
Employer's Training Resource [5923]	10/10/2023	Finding: 13 Employee Performance Reports (EPRs) not conducted timely [Internal Controls , Kern County Policy and Administrative Procedures Manual section 136 (KCAPPM 136)]	The department assigned an employee and a backup to notify supervisors and distribute, collect, and track the status of all EPRs. The department also enhanced protocol to notify the Department head and all division heads of all EPRs that are past due. The department is still not current on EPRs. Compliance will continue to be monitored.	6/30/2024	Pending	12/31/2024
Fire [2415]	10/10/2023	Finding: 37 Employee Performance Reports (EPRs) not conducted timely [Internal Controls , Kern County Policy and Administrative Procedures Manual section 136 (KCAPPM 136)]	The department has assigned an employee to monitor EPR status and follow up as needed by sending an email copying raters, their direct supervisor and the applicable Managers. The department is still not current on EPRs. Compliance will continue to be monitored.	6/30/2024	Pending	12/31/2024
General Services [1610]	10/10/2023	Finding: Five Employee Performance Reports (EPRs) not conducted timely [Internal Controls , Kern County Policy and Administrative Procedures Manual section 136 (KCAPPM 136)]	The department updated procedures to create an excel worksheet to track outstanding EPRs. A Senior Human Resources specialist is assigned to distribute, collect, maintain , send reminders and notify managers when EPRs are overdue. The department is still not current on EPRs. Compliance will continue to be monitored.	6/30/2024	Pending	12/31/2024
Library [6210]	10/10/2023	Finding: 44 Employee Performance Reports (EPRs) not conducted timely [Internal Controls , Kern County Policy and Administrative Procedures Manual section 136 (KCAPPM 136)]	The department assigned an Office Services Coordinator to distribute EPRs to the employee supervisor and implemented email reminders until EPRs are completed and received. The department is still not current on EPRs. Compliance will continue to be monitored.	6/30/2024	Pending	12/31/2024

June 30, 2024
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
Public Works [8954]	10/10/2023	Finding: 55 Employee Performance Reports (EPRs) not conducted timely [Internal Controls, Kern County Policy and Administrative Procedures Manual section 136 (KCAPPM 136)]	A Fiscal Support Technician and Fiscal Support Specialist have been assigned the responsibility of tracking and monitoring the department's EPRs. Human Resources Manager is ultimately responsible for working with managers and supervisors to assist them in completing EPRs in a timely manner. Notices and calendar events will be sent to managers and supervisors to remind them of upcoming EPRs. A tracking spreadsheet will be maintained and a log of overdue EPRs will be provided to the Division's Assistant Director. The department is still not current on EPRs. Compliance will continue to be monitored.	6/30/2024	Pending	12/31/2024
Public Health [4110]	8/22/2023	County made adjustment to the Schedule of Expenditures of Federal Awards (SEFA) for Epidemiology Laboratory Capacity for infectious Diseases grant. Epidemiology Laboratory Capacity was increased by \$3,412,458. The County incorrectly included in the fiscal year cost a portion of payroll costs which were predominantly incurred during the prior year.	The department has improved its process for analyzing federal expenditures and has added management review of the SEFA prior to submission. The department will attend training when available and the department will provide payroll costs as instructed in future SEFAs. Single Audit Report for FY 2022-23 has not been issued to verify compliance.	6/30/2024	Pending	12/31/2024
County Administrative Office [1020]	8/22/2023	County made adjustment to SEFA for Emergency Rental Assistance . Rental Assistance was decreased by \$2,501,610 .	Department will work with outside auditor to ensure reporting is properly reflected and appropriate documentation is available. Single Audit Report for FY 2022-23 has not been issued to verify compliance.	6/30/2024	Pending	12/31/2024

June 30, 2024
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
General Services [1610]	9/12/2023	Finding: Emergency and Safety Procedures [Internal Controls, Kern County Policy and Procedures Manual section 1602, 1604, 1607] - The department's Emergency Preparedness Plan does not have all the components required; Evacuation drill has not been performed; evacuation maps are not posted; employees don't know where Safety Data Sheets are located and could not answer what the acronym IIPP (Injury Illness Prevention Program) stands for.	Building wide evacuation drills were not conducted during the pandemic, but on October 19, 2023, County departments conducted a facility evacuation drill. The department updated its Emergency Preparedness plan to include all the required components. Evacuation maps are posted in all the locations.	6/30/2024	Achieved	Completed
Information Technology Services [1160]	10/10/2023	Finding: 41 Employee Performance Reports (EPRs) not conducted timely [Internal Controls , Kern County Policy and Administrative Procedures Manual section 136 (KCAPPM 136)]	The department has assigned Office Services Specialist to notify and track all EPRs that each supervisor is responsible to perform. Another employee is cross trained as a backup. Protocol was enhanced to inform the Chief Information Officer and designee, of all supervisors that have not completed their EPRs timely. All EPRs are current.	6/30/2024	Achieved	Completed

June 30, 2024
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
Airports [8994] [8995]	8/22/2023	Audit Adjustment of \$756,259 was needed to accrue missed revenue. Financial reporting requirements for two airport grants were not submitted timely (SF-425)	The department created a Master Grant Control file that tracks expenses and helps ensure reimbursement claims that were not submitted before the end of the fiscal year get accrued appropriately. The department created a Master Grant Control file that tracks cost and reporting dates for each grant. Airports finance manager is responsible for timely reports. The department's accountant is cross trained as well. Required reports were prepared and submitted for FY 2023 timely. Financial Audit Report for FY 2022-23 has no finding related to this department.	6/30/2024	Achieved	Completed
Special Services [1040]	8/22/2023	Audit Adjustment of \$3,208,041 was needed to accrue missed revenue in general fund.	These funds come from Permanent Local Housing Allocation grant from Housing and Community Development (HCD). It took longer to get reimbursement than in the past, and the contact was non responsive. Since September of 2023, new contact was assigned at the agency. Revenue will be accrued once the request for funds is made. Financial Audit Report for FY 2022-23 has no finding related to this department.	6/30/2024	Achieved	Completed
Behavioral Health and Recovery Services [4120] [4130]	8/22/2023	Audit Adjustment of \$5,060,505 was needed to accrue revenue in Behavioral Health and Recovery Services fund; audit adjustment of \$1,052,501 was needed for overstatement of unavailable revenue.	Supervisor of the unit responsible for revenue accrual will hold meetings after the County Year-end training to ensure the staff understands the direction given and will set-up calendar reminders for deadlines. Financial Audit Report for FY 2022-23 has no finding related to this department.	6/30/2024	Achieved	Completed

June 30, 2024
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
Community Development [5940]	8/22/2023	Audit Adjustment of \$519,487 and \$211,146 was needed to accrue revenue and audit adjustment of \$519,847 to accrue unrecorded expenditure in the Community Development fund.	Department will ensure timely communication between vendors, subrecipients and other County departments and will request project progress estimates from them monthly. Financial Audit Report for FY 2022-23 has no finding related to this department.	6/30/2024	Achieved	Completed
Human Services [5120]	8/22/2023	Audit Adjustment of \$35,816,492 for realignment funding recorded as unearned revenue in Human Services fund.	The department will continue to book the revenue as unearned and send applicable backup to Reporting division of the Auditor's office as instructed. The department's realignment revenue is unique and requires Auditor to use additional back-up, like remittance for advances to properly identify and book the correct amount of unearned revenue instead of using FMS numbers. Financial Audit Report for FY 2022-23 has no finding related to this department.	6/30/2024	Achieved	Completed
Auditor- Controller County Local Revenue Funds [2300] [4142] [5300]	8/22/2023	Audit adjustment of \$2,194,689 in the County Local Revenue fund and Governmental Activities were needed to accrue unrecorded revenue.	The department will train staff tasked with year-end accruals. Staff will attend Realignment revenue related trainings when they are available. Staff will also monitor realignment revenue received and meet quarterly with County Administrative Office staff to discuss realignment related issues and concerns to determine expected revenue. Financial Audit Report for FY 2022-23 has no finding related to this revenue source. A finding from other revenue source is indicated for this department which will be monitored separately.	6/30/2024	Achieved	Completed

June 30, 2024
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
Fire [2415]	8/22/2023	Audit adjustment of \$640,547 was needed to accrue unrecorded expenditure in fire fund. Revenue in an amount of \$1,799,978 was reclassified to Intergovernmental revenue from Other Revenue in Fire fund. Audit adjustment of \$2,361,443 to reclassify amounts recorded in Other Revenue that should have been eliminated as a result of interfund sale and purchase of assets in fire fund.	The department will review fiscal year-end expenditures to ensure compliance with proper accrual and seek Auditor's guidance as necessary. The department will review the nature of revenue received to ensure proper classification. Financial Audit Report for FY 2022-23 has no finding related to this department.	6/30/2024	Achieved	Completed
Auditor- Controller [1110]	8/22/2023	Capital Assets and Net Position was understated for costs incurred in prior period that were not properly capitalized. Leases were recognized in the government wide and the airport fund financial statements for leases that did not meet all the criteria for GASB 87. Others that should have been recognized had not. Lease liability overstated in government wide financial statement by \$3,759,017 and airport fund by \$1,112,081. Lease liability in government wide financial statements was understated by \$3,137,962 and lease receivable was understated in the airport fund by \$269,194	The Auditor's office changed capital asset requirements during year-end to make sure departments understood and had a way to capture equipment as work in progress for items that were purchased but haven't been outfitted for use. The Auditor's office is using LeaseQuery to allow departments to enter, update and track their leases. Auditor-Controller will review and approve leases once submitted by departments. Financial Audit Report for FY 2022-23 has no finding related to Capital Assets and Leases.	6/30/2024	Achieved	Completed
Planning [2750]	8/22/2023	Deposits for oil and gas permits (\$17,106,747) were recognized as revenues in prior year rather than being recorded as deposits from others (liability) until revenue recognition criteria has been met in accordance with GAAP.	Currently fund 24010 collects oil and gas, time and material and consultant contract and cumulative impact charges. Money will be recorded as liability until it is earned. Financial Audit Report for FY 2022-23 has no finding related to this department.	6/30/2024	Achieved	Completed