

SUMMARY OF PROCEEDING

KERN COUNTY AUDIT ADVISORY COMMITTEE

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

Regular Meeting
Wednesday, February 6, 2019

1:30 P.M.

COMMITTEE CONVENED

COMMITTEE ACTION DISPLAYED IN CAPS

The vote is displayed in bold below each item.

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

1) Call to order –

THE MEETING WAS CALLED TO ORDER BY MIKE MAGGARD AT 1:35 P.M.

2) Roll call –

COMMITTEE MEMBERS PRESENT: DAVID COUCH, MIKE MAGGARD, JORDAN KAUFMAN, GEOFFREY KING.

COMMITTEE MEMBERS ABSENT: RYAN ALSOP.

COMMITTEE STAFF PRESENT: MARY BEDARD, MARGO RAISON.

Others in attendance: County Administrative Office: Nancy Lawson, Assistant County Administrative Officer; Katrina Balbuena, Compliance and Accountability Officer; Elsa Martinez, Chief Deputy County Administrative Office; Aimee Espinoza, Senior Fiscal and Policy Analyst, Alex Alva, Fiscal and Policy Analyst. Auditor-Controller-County Clerk: Tony Jones, Audit Division Chief.

CA – 3) Minutes from January 10, 2018 Kern County Audit Advisory Committee meeting –

APPROVED

KING - COUCH: ALL AYES

CA – 4) Report on Audit Activity by the Auditor-Controller-County Clerk for the six months ended December 31, 2017 –

RECEIVED AND FILED
KING - COUCH: ALL AYES

- CA – 5) Report on Audit Activity by the Auditor-Controller-County Clerk for the six months ended June 30, 2018 –

RECEIVED AND FILED
KING - COUCH: ALL AYES

- CA – 6) Report on Audit Activity by the Auditor-Controller-County Clerk for the six months ended December 31, 2018 –

RECEIVED AND FILED
KING - COUCH: ALL AYES

- CA – 7) December 31, 2017 Compliance and Accountability Report –

RECEIVED AND FILED
KING - COUCH: ALL AYES

- CA – 8) June 30, 2018 Compliance and Accountability Report –

RECEIVED AND FILED
KING - COUCH: ALL AYES

- CA – 9) Fraud and Ethics Activity Report for the six months ended December 31, 2017 –

RECEIVED AND FILED
KING - COUCH: ALL AYES

- CA – 10) Fraud and Ethics Activity Report for the six months ended June 30, 2018 –

RECEIVED AND FILED
KING - COUCH: ALL AYES

- CA – 11) Fraud and Ethics Activity Report for the six months ended December 31, 2018 –

RECEIVED AND FILED
KING - COUCH: ALL AYES

- 12) Presentation by the Auditor-Controller-County Clerk regarding countywide risk assessment and annual audit plan, for fiscal year 2018-19 –

HEARD PRESENTATION BY BEDARD.

KING ASKED BEDARD IF SHE WAS ABLE TO FULLY MEET REQUIREMENT WITH CURRENT STAFFING, OR IF AUDIT PLAN WAS BEHIND SCHEDULE.

BEDARD RESPONDED SHE HAS TALKED TO BUDGET ANALYST AND WOULD BE HIRING ONE MORE ACCOUNTANT. BEDARD RESPONDED, IF SHE COULD GET ONE MORE ACCOUNTANT DEPARTMENT WOULD BE IN GOOD SHAPE.

MAGGARD ASKED BEDARD IF STAFFING WAS NOT SUFFICIENT WOULD SHE BE COMFORTABLE GOING TO BOARD.

BEDARD RESPONDED, YES, IF IT TURNED OUT SHE NEEDED MORE STAFF SHE WOULD FEEL COMFORTABLE ASKING THE BOARD.

LAWSON REPORTED DEPARTMENTS WOULD BE RECEIVING GUIDELINE IN FEBRUARY TO PREPARE BUDGET FOR FY 2019-20 AND BOARD OF SUPERVISORS WILL RECEIVE JUSTIFICATION LETTERS FROM DEPARTMENTS WITH ANY IMPACTS AT GUIDELINE.

KING ASKED WHAT WOULD HAPPEN IF AUDITOR-CONTROLLER DOES REPORT IMPACTS.

MARTINEZ RESPONDED THAT DEPARTMENTS ARE ON FOUR-YEAR PLAN, SO GUIDELINE SHOULD NOT BE A SURPRISE TO THE AUDITOR-CONTROLLER'S OFFICE.

MARTINEZ REPORTED AUDITOR IS NOW FOLLOWING RED BOOK AND HAS STARTED DOING FOLLOW-UP AUDITS. MARTINEZ REPORTED BALBUENA, THE COMPLIANCE AND ACCOUNTABILITY OFFICER, HAS BEEN COMPLETING FOLLOW-UP AUDITS SO, AUDITOR-CONTROLLER'S OFFICE DOES NOT HAVE TO PERFORM FOLLOW-UP REPORTS.

BEDARD DISAGREED. BEDARD REPORTED THE RESPONSIBILITY OF FOLLOW-UP IS WITH THE CHIEF AUDITOR.

KING REPORTED THERE IS A NEED TO FOLLOW-UP TO MAKE SURE DEPARTMENTS ARE IN COMPLIANCE. KING ASKED IF REPORTS ARE FILED ON FOLLOW-UP AUDITS.

BEDARD REPORTED AUDITOR-CONTROLLER FOLLOWS UP EVERY SIX MONTHS AND REPORTS ARE SUBMITTED TO THE BOARD ON FOLLOW-UP AUDITS.

MARTINEZ REPORTED DEPARTMENTS HAVE 45 DAYS TO RESPOND TO THE COMPLIANCE OFFICER.

JONES REPORTED DEPARTMENTS ARE CORRECTING ISSUES WHILE AUDITORS ARE OUT IN THE FIELD AND DO NOT WAIT SIX MONTHS TO START CORRECTING ISSUES.

KING ASKED IF DEPARTMENTS IGNORE THE FINDINGS IN REPORTS.

JONES RESPONDED, NOT ANYMORE.

MAGGARD REPORTED PREVIOUSLY THERE WERE RECURRING ISSUES AND BOARD APPROVED THE ACCOUNTABILITY OFFICER TO DEAL WITH THE ISSUES AND IF DEPARTMENTS DID NOT CORRECT ISSUES IT WOULD BE PART OF ANNUAL PERFORMANCE EVALUATION.

MARTINEZ REPORTED COMPLIANCE OFFICER IS REPORTING ON FOLLOW-UP AUDITS AND OTHER COMPLIANCE ISSUES.

MAGGARD ASKED MARTINEZ IF SHE SUGGESTED A CHANGE IN POLICY.

MARTINEZ REPORTED SOME PARTS OF THE POLICY MIGHT NEED TO BE ADJUSTED TO MAKE FOLLOW-UP AUDITS THE RESPONSIBILITY OF THE AUDITOR-CONTROLLER AND CHANGE ORDINANCE FOR COMPLIANCE TO SHIFT TO EXTERNAL AUDITS.

MAGGARD REQUESTED AUDITOR-CONTROLLER AND COMPLIANCE OFFICER REVIEW POLICY AND WORK ON ANY NECESSARY CHANGES TO POLICY.

KING ASKED IF POLICY COULD BE FOR AUDITOR-CONTROLLER TO HAVE RESPONSIBILITY BUT ALLOW TO DELEGATE IF RESOURCES ARE LIMITED.

COUCH RECALLED SOME ISSUE WAS GOING ON AND BOARD WAS NOT RECEIVING THE LEVEL OF SERVICE FROM THE AUDITOR-CONTROLLER, SO THE CAO PROVIDED THE SERVICE.

BALBUENA REPORTED THERE WAS A PUBLIC HEALTH ISSUE AND THE QUESTION WAS ASKED, "WHERE ARE THE AUDITORS" AND IT TURNED OUT THE DEPARTMENT WAS NOT AUDITED IN APPROXIMATELY FIVE YEARS.

COUCH REPORTED IF ORDINANCE COULD BE FOR AUDITOR-CONTROLLER TO FOLLOW-UP BUT WITH ABILITY TO DELEGATE TO COUNTY ADMINISTRATIVE OFFICE.

KING REPORTED COUNTY DOES NEED POLICY ON FOLLOW-UP.

MARTINEZ REPORTED FOLLOW-UP COULD BE PLACED ON AUDIT PLAN.

BALBUENA AGREED.

HEARD PRESENTATION;DISCUSSED;RECEIVED AND FILED
KING - COUCH: ALL AYES

- 13) Presentation by the Auditor-Controller-County Clerk regarding status of internal audit plan for fiscal year 2018-19 –

HEARD PRESENTATION; DISCUSSED WITH ITEM 12 BY BEDARD.
RECEIVED AND FILED
KING - COUCH: ALL AYES

- 14) Report on external audit services and discussion on Request for Proposal –

HEARD PRESENTATION BY BEDARD.

BEDARD REPORTED DEPARTMENT WAS IN EARLY STAGES OF RFP. BEDARD REPORTED DEPARTMENTS INVOLVED WERE COUNTY ADMINISTRATIVE OFFICE, TREASURER-TAX COLLECTOR AND AUDITOR-CONTROLLER'S OFFICE.

KING REPORTED LAST TIME AUDIT COMMITTEE WAS EXCLUDED FROM PROCESS BECAUSE IT WAS TOO LATE IN THE PROCESS.

MAGGARD ASKED IF DEPARTMENT WAS COMFORTABLE WITH BRINGING IT BACK TO COMMITTEE IN EARLY APRIL OR MAY.

BALBUENA REPORTED MEETING COULD BE SCHEDULED IN APRIL.

HEARD PRESENTATION AND PROVIDED DIRECTION TO RETURN BACK IN APRIL.

KING - COUCH: ALL AYES

- 15) Committee member announcements or reports –

NONE

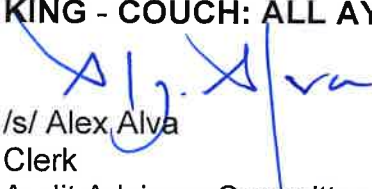
- 16) Public comment –

NO ONE HEARD

- 17) Adjourn –

Meeting Adjourned at 2:15 P.M.

KING - COUCH: ALL AYES


/s/ Alex Alva

Clerk

Audit Advisory Committee