

August 9, 2022

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

JUNE 30, 2022 COMPLIANCE AND ACCOUNTABILITY REPORT**Fiscal Impact: None**

County Ordinance Code 2.01.010 requires the County Administrative Office to report on the Compliance and Accountability function no later than 45 days after June 30, 2022 on departmental compliance issues for the period January 1, 2022 through June 30, 2022.

COMPLIANCE REQUIREMENTS AND RESPONSIBILITIESBoard of Supervisors' Audit Requirements

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

County Department's Response and Corrective Action Plan

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

County Administrative Office's Post Audit Reviews

A responsibility of the County Administrative Office is to monitor and report to your Board the status of a department's compliance after the issuance of an audit report. The County Compliance and Accountability Officer 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 County Compliance and Accountability Officer 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**GROUNDLED & BOUNDLESS**

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. On 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*
County wide Communications- Change of Department Head- Transfer of Inventory	03/15/22	Not Required	Not Required
Fire Department – Change of Department Head- Transfer of Cash and Inventory	03/15/22	Not Required	Not Required
Treasurer- Tax Collector- Statement of Money for Quarter 1 FY 2021-22	05/24/22	Not Required	Not Required
Public Defender for FYE June 30, 2021 and 2020	05/24/22	07/08/2021	A-1
Child Support Services for FYE June 30, 2021 and 2020	06/14/22	Not Required	Not Required
Treasurer- Tax Collector- Statement of Money for Quarter 2 FY 2021-22	06/14/22	Not Required	Not Required

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

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

Report
Kern County Airports
Auditor Controller's Office
Employers' Training Resource
Kern County Fire Department
Kern County General Services Department
Kern County Information Technology Services
Kern County Planning Department
Kern County Sheriff – Coroner- Public Administrator
Countywide - Inventory
Treasurer- Tax Collector- Statement of Money for Quarter 3 FY 2021-22
Treasurer- Tax Collector- Statement of Money for Quarter 4 FY 2021-22
District Attorney – Prior Findings

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

Independent External CPA Auditors

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

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

Report	Board Date	Plan Due Date*	Attachment Page*
Auditor - Controller – Annual Comprehensive Financial Report FYE June 30, 2021	06/28/22	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	06/28/22	Not Required	Not Required
Treasurer-Tax-Collector - Investment Policy Compliance	07/26/22	Not Required	Not Required

* 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 audit are expected to be completed and reported on the next December 31, 2022 Compliance and Accountability Report.

Report
Airports - Passenger Facility Charge Program
Assessor-Recorder - California Electronic Recording Transaction Network Authority
Treasurer-Tax Collector – Deferred Compensation Programs
Public Works - Ford City-Taft Heights Sanitation District Fiscal Year Ended June 30, 2021
Public Works - Kern Sanitation Authority Fiscal Year Ended June 30, 2021
Public Works- County Service Areas Fiscal Year Ended June 30, 2021
Countywide - Single Audit FYE June 30, 2021

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	02/17/22	N/A	04/26/22
Kern County General Services	03/23/22	N/A	06/14/22
Kern County Sheriff V. California Attorney General	05/25/22	07/24/22	08/09/22

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

The following reports were completed during the reporting period, but the responses were not due, so they will be included in the next December 31, 2022 Compliance and Accountability Report:

Report	Report Date	Elected Official Response Date*	Board of Supervisors Response Date
Park Rangers and Security- A Division of Kern County General Services	06/13/22	Not Applicable	Due 09/11/22

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

Information Security Officer

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

Due to departure of the Information Security Officer, no assessment reports were issued during this reporting period.

We have a Deputy Chief Information Security Officer currently serving as the Information Security Officer and he will be engaged in the responsibility and complete the assessment on the Sheriff's Office.

Other External Agencies

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

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

Report	Prepared by	Report Date	Corrective Action Plan*
Aging and Adult Services - Social Security Administration Representative Payee Review	Disability Rights California	12/01/21	Not Required

Behavioral Health and Recovery Services – Substance Abuse Block Grant	California Department of Health Care Services	06/30/22	Not Required
Behavioral Health and Recovery Services- FY 12-13 Short-Doyle Medi-Cal Program Audit	California Department of Health Care Services	05/26/22	Not Required
Department of Human Services – Medi-Cal Renewal	California Department of Health Care Services	12/15/21	Not Required
Department of Human Services 3-day Expedited Services Application Timeliness	California Department of Health Care Services	02/22/22	Received
Department of Human Services –CalFresh Management Evaluation Report FFY 2022	California Department of Social Services	05/26/22	Received
Department of Human Services -Audit of The California Department of Justice’s Child Abuse Central Index (CACI)	California State Auditor	5/31/22	Received
Department of Human Services Adoption Assistance Program (AAP) Monitoring	California Department of Social Services	09/30/21	Received
Employers' Training Resource - Fiscal and Procurement Monitoring PY 2019-20	State of California Employment Development Department	05/02/22	Not Required
Employers’ Training Resource – High Road Construction Carrer: SB1Valley Build Contract Program Year 2021-2022	Fresno Regional Workforce Development Board	07/07/22	Not Required
Public Health Services – Local Enforcement Agency	Department of Resources Recycling and Recovery	05/12/22	Not Required
Public Health Services - Certified Unified Program Agency 2018 Performance Evaluation	California Environmental Protection Agency	07/13/21	Received
Probation - Youth Detention Center, Pathways Academy, Furlough Treatment and Rehabilitation Facility Inspection 2022	Juvenile Justice and Delinquency Prevention Commission	03/02/22	Not Required
Probation - Camp Erwin Owen Inspection	Juvenile Justice and Delinquency Prevention Commission	05/14/22	Not Required
Public Works- California Department of Transportation (Caltrans) Local Assistance Program July 1, 2017 through June 30, 2020	Independent Office of Audits and Investigations	04/12/22	Received
Kern County Probation Department’s Biennial Inspection of James G. Bowles Juvenile Hall, Furlough Treatment and Rehabilitation, Pathways Academy, Larry J. Rhodes Crossroads Facility, and Camp Erwin Own	Board of State and Community Corrections	06/20/22	Not Required

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

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

Report	Prepared by
Aging and Adult Services- Supplemental Nutrition Assistance Program Management Evaluation	California Department of Aging

Employers' Training Resource – Southern Storm Monitoring Review	La Cooperativa Campesina of California
Employers' Training Resource-WIOA Youth Program	State of California Employment Development Department
Employers' Training Resource-WIOA Non-Discrimination and Equal Opportunity	State of California Employment Development Department
Behavioral Health and Recovery Services – FY 13-14 Short-Doyle Medi-Cal Program Audit	California Department of Health Care Services
Behavioral Health and Recovery Services – Mental Health Plan Triennial Reviews	California Department of Health Care Services
Employers' Training Resource - Fiscal and Procurement Monitoring FY 2020-21	State of California Employment Development Department
Employers' Training Resource – Program Monitoring FY 2020-21	State of California Employment Development Department
Auditor-Controller – Kern County's Court Revenue July 1, 2015- June 30, 2019	State Controller
Probation / Public Health Services - 2003/2004 Targeted Case Management Medi-Cal Cost Disallowance Deferral	California Department of Health Care Services

FOLLOW-UP REVIEWS

County Administrative Office's Follow-up Reviews

In addition to the new audits listed in this report that went to your Board in the past six months, separate follow-up report on outstanding, unresolved audit findings from the December 31, 2021 Compliance and Accountability Report that are over six months old are provided as Attachments B and C. Our office continues to work with departments with resolution, pursue adequate documentation of remedial proof, and report to your Board all previous in-progress items until fully resolved. It is imperative that department heads are proactive in this process, as they are ultimately responsible for the success of their department's internal control processes.

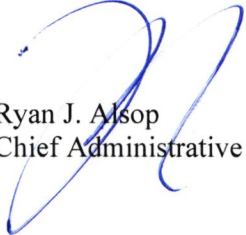
CONCLUSION

The proactive and diligent efforts of the Board of Supervisors, County Administrative Office, auditors, and each County department have been a vital part of providing transparent and accountable County operations. As required by County ordinance, this report provides your Board with an update on audit compliance. This office will continue to work with departments in reaching resolution of the audit findings and report their compliance on the next December 31, 2022 Compliance and Accountability Report.

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Therefore, IT IS RECOMMENDED that your Board receive and file the June 30, 2022 Compliance and Accountability Report.

Sincerely,



Ryan J. Alsop
Chief Administrative Officer

RA:SH:COMPL June 2022 Report

Attachments
cc: All Department Heads

June 30, 2022
COMPLIANCE AND ACCOUNTABILITY
POST AUDIT REVIEW SUMMARY - CURRENT

Report: Public Defender

Audit Period: For Fiscal Years Ended June 30, 2021 and 2020

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

Department [Budget Unit]	Audit Report Date	Finding [Violation]	CAO Comments	Previous Estimated Date of Compliance	Current Status	Current Estimated Date of Compliance
Public Defender [2190]	5/24/2022	Finding: Capital Asset Equipment Inventory and Records [Internal Controls, KCPAPM Chapter 406, 407.8, 537] - Twenty-nine computer equipment assets could not be found and/or identified based on asset listing. Thirty-eight computer equipment assets deemed obsolete were still in inventory. There is a need to delete these assets from inventory list using the Inventory Adjustment Request (IAR). However, the Office is required to get permission from the Department of Justice (DOJ) to remove these assets.	The department is currently implementing a new procedure to ensure obsolete items are disposed of properly and inventory adjustments are processed accurately. The department is also in the process of obtaining the required permission to start an IAR process for the identified issues.	6/30/2022	Pending	12/31/2022

June 30, 2022
COMPLIANCE AND ACCOUNTABILITY
FOLLOW-UP POST AUDIT REVIEW SUMMARY - IN PROGRESS (OVER SIX MONTHS OLD)

Department [Budget Unit]	Audit Report Date	Finding [Violation]	CAO Comments:	Previous Estimated Date of Compliance	Current Status	Current Estimated Date of Compliance
Agriculture and Measurement Standards [2610]	9/28/2021	Finding: Capital Asset Equipment Inventory and Records [Internal Controls, KCPAPM Chapter 406, 407.8, 537] - The following capital asset deficiencies were noted: a) Two assets were entered twice in the capital asset program and four vehicles were not removed from listing. b) Thirty-two assets could not be located or identified from documented information. c) Three obsolete assets were not removed from inventory listing.	The department is in the process of completing Inventory Adjustment Request (IAR) for the identified issues and implementing a new policy and procedure to ensure accurate listing is maintained.	6/30/2022	Pending	12/31/2022
District Attorney [2180]	10/12/2021	Finding: Timeliness of deposits [Internal Control] - The department did not make deposits timely . The recommendation states deposits be made no longer than five days. For material amounts, deposits should be made the same day of receipt.	The department is working on accomplishing this goal. New staff need to be trained to keep up .	6/30/2022	Pending	12/31/2022

June 30, 2022
COMPLIANCE AND ACCOUNTABILITY
FOLLOW-UP POST AUDIT REVIEW SUMMARY - RESOLVED (OVER SIX MONTHS OLD)

Department [Budget Unit]	Audit Report Date	Finding [Violation]	CAO Comments	Previous Estimated Date of Compliance	Current Status	Current Estimated Date of Compliance
District Attorney [2180]	10/12/2021	Finding: Timeliness of Critical Information to Auditor-Controller's Office [Internal Control, Resolution No. 69-58, Government Code 25253,29000 and 25250] - The department did not provide the requested information to the Auditor-Controller's Office timely for financial reporting purposes and audit compliance.	The department implemented a process to monitor deadlines and provide requested information timely; The most recent information request has been provided to the Auditor-Controller's Office timely.	6/30/2022	Achieved	Completed
District Attorney [2180]	10/12/2021	Finding: Purchasing Card Certification [Kern County Administrative Policy and Procedures Manual (KCAPP) Chapter 518.15] - The following purchasing card deficiencies were noted: a) 152 purchasing card transactions were not certified timely (within 45 days of the statement cycle close date). b) 4 transactions were not approved by management timely (within 45 days of the statement cycle close date).	The department implemented a process to insure all employees certify timely. Recent transactions have been certified timely.	6/30/2022	Achieved	Completed
Human Resources Division [1310]	5/25/2021	Finding: Purchasing Card Certification [Kern County Administrative Policy and Procedures Manual (KCAPP) Chapter 518.15] - The following purchasing card deficiencies were noted: a) Budget Unit 1310: eighteen purchasing card transactions were not certified timely (within 45 days of the statement cycle close date). b) Budget Unit 8960: 38 transactions were not certified timely (within 45 days of the statement cycle close date).	The department implemented a process to ensure all purchase card transactions are certified timely. On September 28, 2021, the Auditor-Controller reported to your Board , that their most recent review indicated the recommendation was implemented and no major concerns were noted.	6/30/2022	Achieved	Completed
Human Resources Division [1310]	5/25/2021	Finding: Certification of Insurance Coverage [Internal Controls] - Seven contracts did not have proof of current insurance coverage.	The department implemented a process to track contract insurance certificates. On September 28, 2021, the Auditor-Controller reported to your Board , that their most recent review indicated the recommendation was implemented and no major concerns were noted.	6/30/2022	Achieved	Completed
Auditor-Controller [1110]	6/8/2021	Finding: Code of Ethics [Policy] - Internal Audit Division staff have not been reviewing and signing Code of Ethics statement annually.	The department implemented a process for annual review and signature.	6/30/2022	Achieved	Completed
Auditor-Controller [1110]	6/8/2021	Finding: Policies [Institute of Internal Auditors Standard 2040] - Internal Audit Division did not have signed formal policies for the Code of Ethics Acknowledgement Statement, the Internal Audit Division Audit Plan and Risk Assessment, Internal Audit Division Continuing Professional Development policies, Quality Assurance and Improvement Program.	The department developed formal the Code of Ethics Acknowledgement Statement, Internal Audit Division Audit Plan and Risk Assessment, Internal Audit Division Continuing Professional Development policies, Quality Assurance and Improvement Program . The Chief Audit Executive signed the policy.	6/30/2022	Achieved	Completed

June 30, 2022
COMPLIANCE AND ACCOUNTABILITY
FOLLOW-UP POST AUDIT REVIEW SUMMARY - RESOLVED (OVER SIX MONTHS OLD)

Department [Budget Unit]	Audit Report Date	Finding [Violation]	CAO Comments	Previous Estimated Date of Compliance	Current Status	Current Estimated Date of Compliance
Library [6210]	10/12/2021	Finding: Purchasing Card Certification [Kern County Administrative Policy and Procedures Manual (KCAPP) Chapter 518.15] - Eighty-nine transactions were not certified timely (within 45 days of the statement cycle close date).	The department implemented a new process to ensure all employees certify purchasing transactions timely. Recent transactions have been certified timely.	12/31/2021	Achieved	Completed
Library [6210]	10/12/2021	Finding: Capital Asset Equipment Inventory and Records [Internal Controls, KCPAPM Chapter 406, 407.8] - Two items noted as lost or disposed of by departments were included in department's inventory listing.	The department implemented a new process to ensure obsolete items are disposed of properly and inventory adjustments are processed accurately. The department prepared IAR to remove identified items.	12/31/2021	Achieved	Completed
Agriculture and Measurement Standards [2610]	9/28/2021	Finding: Purchasing Card Certification [Kern County Administrative Policy and Procedures Manual (KCAPP) Chapter 518.15] - Fifty-three transactions were not certified timely (within 45 days of the statement cycle close date).	The department implemented a process to ensure all employees certify purchase card transactions timely. Recent transactions have been certified timely.	6/30/2022	Achieved	Completed
Agriculture and Measurement Standards [2610]	9/28/2021	Finding: Contracts [Internal Controls] - Eleven contract payments were not submitted timely (average lag time was 175 days from due date).	The department implemented a new process to track contracts and ensure payments are processed timely. Recent contract payments were processed timely.	6/30/2022	Achieved	Completed