

County Audit Committee Meeting

Wednesday, June 22, 2022

10:00 a.m.

<https://lakecounty.zoom.us/j/92662866693?pwd=Y3BsY1JLT3ZVb0s1RUJxaUtXZmJSUT09>

Meeting ID: 926 6286 6693

Passcode: 869462

Agenda

1. Call to order
2. Approval of Minutes-June 14, 2021 meeting
3. Presentation of audits FY 20/21
 - a. Lake County Housing Commission Report – pending external auditor
 - b. County Single Audit Report -
<http://www.lakecountyca.gov/Assets/Departments/Auditor/Financial+Reporting/Single+Audit/2021++Single+Audit+Report.pdf>
 - c. County Annual Comprehensive Financial Report -
<http://www.lakecountyca.gov/Assets/Departments/Auditor/Financial+Reporting/CAFR/2021ACFR.pdf>
4. Review of Committee Purpose and Bylaws
5. Special Audits – Scope of Work
 - a. Treasury bank reconciliation
 - b. Lake County Successor RDA
6. Selection of Committee Chair and Vice Chair for 22/23
7. Open Discussion
8. Adjourn

For additional information, please contact Cathy Saderlund, Auditor-Controller at 263-2312.

County Audit Committee
Minutes – Draft
June 14, 2021

Call to order: 2:05 p.m.
Members present: Carol Huchingson, Cathy Saderlund, Tina Scott, and Ron Nagy.
Absent: Beverly Hill, Tom Marquet,
Guests: Todd Metcalf, Scott DeLeon, Stephen Carter

1. Meeting was called to order at 2:05 p.m. Four members present, two absent.
2. April 15, 2021 meeting minutes. Motion by Carol, second by Tina (ayes-4, absent-2)
3. Audit Findings and Recommendations.

Cathy thanked departments for attendance. Introduced Committee bylaws that require department head participation in finding discussion. Explanation of finding material weakness classification.

Finding 2020 – 001 was presented by Cathy as described in Section II – Financial Statement Findings of the County 2020 Audit Report . Financial statements corrected and corrective action plan in place prior to release of audit. Director Metcalf asked for clarification of timing of reporting grant revenue. Cathy explained modified accrual, full accrual and offered to provide further assistance to the department, as needed. Stephen described the circumstances surrounding unreported PILT revenue and indicated additional department checks and balances have been put in place to augment the corrective action plan.

Finding 2020 – 002 was presented by Cathy as described in Section II – Financial Statement Findings of the County 2020 Audit Report. Financial statements corrected and corrective action plan in place prior to release of audit. Director DeLeon stated that the CIP identified for Public Works was not funded by Public Works. Cathy explained that information available to the Auditor-Controller’s Office was that it was a public project and that it was reported by Public Works staff on year end project notifications to Auditor-Controller. Director DeLeon offered to add a process in Public Works that would automatically supply the Auditor-Controller’s Office with any and all *Notice of Completions* prepared. Cathy asked Carol if the distribution of *Notice of Completion* documents as a result of Board action could include a copy to the Auditor-Controller’s Office. Both items were added to the corrective action plan.

4. Cathy suggested next meeting to be tentatively scheduled for March 2022, as long as 2021 audit is completed by December 31, 2021.
5. Meeting adjourned at 2:35 p.m.

OFFICIAL TITLE: LAKE COUNTY AUDIT COMMITTEE

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DATE FORMED: 2/9/99

EXPIRATION: ONE-YEAR TERMS TO BE APPOINTED BY THE BOARD OF SUPERVISORS AND THE GRAND JURY

~~NO. OF MEMBERS:~~ SIX (6) MEMBERS - ONE (1) MEMBER OF THE BOARD OF SUPERVISORS, THE COUNTY ADMINISTRATIVE OFFICER; THE COUNTY AUDITOR-CONTROLLER, TWO MEMBERS OF THE GRAND JURY AND ONE MEMBER OF THE GENERAL PUBLIC (APPOINTED BY THE BOARD OF SUPERVISORS) - ALL MEMBERS SERVE FOR ONE YEAR EXCEPT THE MEMBER FROM THE GENERAL PUBLIC, WHICH IS A TWO YEAR TERM

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AUTHORITY: BOARD OF SUPERVISORS ~~RESPONSIBILITY-~~

~~RESPONSIBLE: DEPT.~~ BOARD OF SUPERVISORS/GRAND JURY

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PURPOSE: ADVISORY POWERS ONLY: TO ASSIST IN ADMINISTRATION OF THE COUNTY'S ANNUAL INDEPENDENT AUDIT; TO ENSURE CONTINUITY IN SELECTING AND WORKING WITH INDEPENDENT AUDITORS

UPDATED: December 3, 2002 – BOS
June 22, 2022 – Committee, July XX, 2022 BOS

MEMBERSHIP:

COUNTY SUPERVISOR

~~Anthony Farrington~~ As Assigned

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COUNTY ADMINISTRATIVE OFFICER

~~Matt Perry~~Current

COUNTY AUDITOR-CONTROLLER

~~Cathy Saderlund~~Current

GRAND JURY

2 Members- Appointed by the Grand Jury

GENERAL PUBLIC

Ronald Nagy
6505 Hohape Avenue
Kelseyville, CA 95453
279-9483

(Term expiring 1/1/20~~23~~44)

Lake County Audit Committee Bylaws

RECC:\IED

MAR 15 20.12

LCI\KJ AUDITOR.CONTROLLER

I. Name

The name of this organization shall be the Lake County Audit Committee.

II. Membership

Section 1: This Committee shall consist of six members, all of whom are residents of Lake County. Representation shall consist of: two members of the Lake County Grand Jury, one member of the Board of Supervisors, the County Administrative Officer, the County Auditor-Controller and one member of the general public.

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Section 2: The Lake County Board of Supervisors shall appoint a member of the Board of Supervisors to serve on the committee. The Lake County Grand Jury shall appoint two members to serve on the Committee. Appointments shall be made annually.

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Section 3: A vacancy on the Committee shall exist upon the death, resignation, or termination of qualification for which the appointment was made.

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III. Officers

Section 1: The officers of the Committee shall consist of a Chairperson, who shall be the County Auditor-Controller, and Vice- Chairperson, who shall be the County Administrative Officer. The ~~Board~~ Chairperson shall provide a secretary to take minutes at all Committee meetings.

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Section 2: The duties of the officers shall be as follows:

1. The Committee Chairperson shall preside over meetings of the Committee and shall be ~~shall be~~ the official representative of the Committee in presenting reports to the Board of Supervisors and shall coordinate the Committee's activities and may appoint appropriate subcommittees or ad hoc committees.
2. The Vice-Chairperson shall assume the duties of the Chairperson in his or her absence.

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IV. Meetings

The Committee shall meet as necessary, upon a minimum of three days advance notice to all committee members. The presence of at least fifty percent of the current membership shall constitute a quorum. A majority vote of the Committee's membership shall be required to take any action. There shall not be voting by proxy

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or other indirect representation. Committee meetings shall be held in compliance with the Brown Act.

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V. Powers

The powers of the Committee shall be advisory only and it shall not be empowered to bind the Lake County Board of Supervisors, the Lake County Grand Jury or other County officers. It is the responsibility of the Board of Supervisors to give bona fide, good faith considerations to the recommendations and resolutions of the Committee.

VI. Duties

The duties of the Committee shall include the following:

Section 1: The Committee shall be responsible for selecting an independent audit firm to audit the County's financial records.

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Section 2: The Committee shall meet with the audit firm as necessary prior to, during and after the annual Audit Report has been prepared.

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Section 3: The Committee shall review the findings of the Audit Report and shall meet with County department heads relative to the report, as necessary. Department heads shall be required to respond to Audit findings by indicating one of the following:

1-3. The respondent agrees with the finding.

2-4. The respondent disagrees wholly or partially with the finding, in which case the responder shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefor.

The department head shall also report to the Committee one of the following actions:

1. The Audit recommendation has been implemented, with a summary regarding the implemented action.
2. The Audit recommendation has not yet been implemented, but will be implemented in the future, with a time frame for implementation.
3. The Audit recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a time frame for the matter to be prepared for discussion by the department head with the Audit Committee.

4. The Audit recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation thereof. If a department head declines to implement the recommendation in the Audit Report, the Committee shall report this to the Board of Supervisors and the Grand Jury. The Committee may recommend that further investigation or specific actions be taken by either the Board of Supervisors or Grand Jury.

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VII. Committees

Standing or ad hoc committees may be formed for purposes as may be determined by majority vote of Committee membership or by appointment by the Chairperson.

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~~VIII. Election of Officers~~

~~Section 1: The Committee shall elect or reelect a Committee Chairperson and Vice-Chairperson at its first meeting of each calendar year.~~

~~IX.VIII. Amendments~~

Amendments to the bylaws may be enacted by first informing each member in writing of the proposed amendments at least three days prior to a meeting. This shall be followed by an affirmative vote of not less than two-thirds of the board membership present at the next full board meeting. Any proposed amendment must be ratified by majority action of the Lake County Board of Supervisors to take effect.

~~Amended by Board of Supervisors December 3, 2002~~

