



**Contra
Costa
County**

To: Board of Supervisors
From: INTERNAL OPERATIONS COMMITTEE
Date: March 19, 2019

Subject: REPORT FROM THE AUDITOR-CONTROLLER'S OFFICE ON THE SCHEDULE OF FINANCIAL AUDITS FOR 2019

RECOMMENDATION(S):

ACCEPT report on the Auditor-Controller's audit activities for 2018 and APPROVE the proposed schedule of financial audits for 2019.

FISCAL IMPACT:

There is no fiscal impact related to providing input into the annual audit schedule. The financial auditing process may result in positive and negative fiscal impacts, depending on the audit findings.

BACKGROUND:

The Internal Operations Committee was asked by the Board in 2000 to review the process for establishing the annual schedule of audits, and to establish a mechanism for the Board to have input in the development of the annual audit schedule and request studies of departments, programs or procedures. The IOC recommended a process that was adopted by the Board on June 27, 2000, which called for the IOC to review the schedule of audits proposed by the Auditor-Controller and the County Administrator each December. However, due to the preeminent need during December for the Auditor to complete the Comprehensive Annual Financial Report, the IOC, some years ago, rescheduled

☒ APPROVE

☐ OTHER

☐ RECOMMENDATION OF CNTY
ADMINISTRATOR

☒ RECOMMENDATION OF BOARD
COMMITTEE

Action of Board On: **03/19/2019** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor
Candace Andersen, District II Supervisor
Federal D. Glover, District V Supervisor

ABSENT: Diane Burgis, District III Supervisor
Karen Mitchoff, District IV Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: March 19, 2019

David Twa, County Administrator and Clerk of the Board of Supervisors

By: Stephanie Mello, Deputy

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consideration of the Auditor’s report to February of each year.

BACKGROUND: (CONT'D)

Attached is a report from the Auditor-Controller reviewing the department's audit activities for 2018 and transmitting the proposed schedule of financial audits for 2019, which are already in progress.

To provide continuity from the prior year report, in 2018, the Auditor's Office found an overall lack of adherence to several of the County's administrative requirements for cash collection; discharge of delinquent accounts; inventories of materials, supplies and capital assets; and petty cash. The Auditor also found noncompliance with procurement card policies, contracting policies and procedures, and MAC fiscal procedures. Supervisor Andersen commented last year that staff compliance with the procurement card policies might be improved if an FAQ (frequently asked questions) document was made available on the Intranet. Purchasing Manager David Gould had clarified that procurement card training is provided once to new card holders.

Joanne Bohren presented the report to the Internal Operations Committee on March 11, 2019, with Supervisor Andersen present, and explained that the department was unable to complete some of the scheduled audits due to a high incidence of staff turnover. She noted that the training curve for new audit staff is two-three years, but that positions are being filled.

ATTACHMENTS

2019 Internal Audit Report