

YOLO COUNTY FINANCIAL OVERSIGHT AND AUDIT SUBCOMMITTEE

UPDATE - DIVISION OF INTERNAL AUDIT ACTIVITY

To: Members of the Financial Oversight Committee and Audit Subcommittee

From: Mary Khoshmashrab, MSBA, CPA

Re: Update- Division of Internal Audit Activity Quarterly Report

Members of the Financial Oversight and Audit Subcommittee, the following updates are provided for this Quarter:

(a) Provide update on the County risk assessment –

- The CAO Risk Assessment Report was completed in October of 2018. A response was provided by the CAO in January of 2019 and the final report was issued. The FOC, the CAO, and the BOS was provided an electronic copy along with the CAO's response.
- The HHSA Risk Assessment is in progress and moving along well. The staff selected by management to participate (total of 120 randomly selected) were provided a 3 to 4-hour risk assessment training in November and December to help them understanding the consideration of risk and go over the risk assessment survey. The surveys were sent out to participants on January 4th and will close on February 10th. Because the staff time and commitment is limited to portions of time to complete the survey, the survey required the ability for participants to be able to save a partial survey and go back periodically until completed, this created some issues in the settings which needed to be worked out, but staff are now able to save the survey and go back to complete. I will work with HHSA and give them additional time should this be necessary to support full participation in the process. Once the surveys are completed, the results will be compiled and summarized in the RA report format approved by the prior CFO and the FOC when the process started in 2015. It is estimated that the draft will be issued to HHSA management by June 1.
- The next department scheduled to start the process will be the Sheriff's Office.
- The Community Services Department, Probation and Public Defender is recommended for RA process during FY 2019/20.

(b) Provide status update of current in-progress and completed engagements –

- **In progress**
 - Risk Assessment – HHSA – June
 - PA and PG CAP being reviewed and will be vouched - March
 - Sept and Dec Quarterly Treasury Cash Counts – Feb
 - P- Card Audit Report – March
 - P –Card continuous auditing - March
 - Land Fill Cash – March
 - Claims continuous auditing – June
- **Completed**
 - INFOR – Report provided to FOC
 - CAO Risk Assessment – Report provided to FOC
 - Cannabis AUP
 - Probation AUP

- Provided training on OMB Grants Countywide training

(c) **Provide update of any proposed changes to the annual audit plan and audit resources**

- The FOC and Audit Subcommittee approved the Division's Annual Audit Plan in August of 2018. The plan has not materially changed and as of 1-22-2019 the projects budgeted for FY18/19 have been 60% completed. The Audit Plan is updated quarterly and posted on the Division of Internal Audit's Website. The Audit Task List (Annual Audit and Business Plan) is available at the following link:

<https://www.yolocounty.org/home/showdocument?id=56343>

If at any time you would like more information on the plan, or would like to discuss audit activity, please contact me at mary.khoshmashrab@yolocounty and we can arrange a one-on-one meeting.

- We are excited that we received approval for a 2 year Limited Term Auditor II position. David Estrada joined the team in January of 2019. Though David does not have prior audit experience and will take some time to train, David comes to us with a wealth of Yolo County experience gained while working with the Department of Financial Services and Department of Ag. Based on the additional resources, and consideration of training that is anticipated, the additional resources will allow the Division to add additional reviews that have been requested by the Sheriff Lopez, and support and give training around the audits that are already scheduled. Next year's audit plan will incorporate the audit position resources and be used to perform internal control and other operational audits that have been lagging due to limited resources.