

# YOLO COUNTY FINANCIAL OVERSIGHT COMMITTEE

## MINUTES OF MEETING MAY 8, 2018

County Administration Building, Atrium Training Room  
625 Court Street  
Woodland, CA 95695

Members present: Matt Rexroad (Chair), Duane Chamberlain (Supervisor), Richard Horan (Public), Tamara Ethier (Education), Paul Navazio (Cities), Patrick Blacklock (CAO) and Howard Newens (CFO).

Members excused: Eric Will (Public) and Mary Khoshmashrab (Internal Audit Manager)

Others present: Chad Rinde (Asst. CFO), Sheryl Hardy (Property Tax Supervisor), Edward Burnham (Treasury Manager), Sarah Meacham (PFM), Allison Kaune (PFM), David Showalter (VTD), Karlee Ransom (VTD), Kim Eldredge (Internal Auditor), Noemy Mora-Beltran (Internal Auditor) and Leah Smith (YCOE).

Recorded by Kim Eldredge and Noemy Mora-Beltran.

- 1) Matt Rexroad called the meeting to order at 3:02 PM. Four voting members were present; one voting member late at roll-call. Matt Rexroad, Duane Chamberlain, Tamara Ethier, Richard Horan, Patrick Blacklock, and Howard Newens; a quorum was formed.
- 2) The agenda was reviewed and changed to revise the agenda item #3 to select a chair and co-chair for a new 1 year-term, and added the Independent Auditor's (VTD) "Audit Communication FY2018" to agenda item #7; agenda adopted (Matt and Rich).
- 3) Introductions of members, selection of a chair and co-chair for a new 3 year-term, and notice of one vacant seat presenting Special Districts. Members voted for chair and co-chair commencing at today's meeting with re-election next March. Duane Chamberlain voted as chair and Richard Horan as co-chair. Howard informed members that notice has been posted online by the Yolo County Clerk of the Board for the Special District Member position; vacated by Kyle Lang. Recruitment pending.
- 4) Public comments: There were no public comments.
- 5) Follow-up of items from prior meeting: Approval of the revised FOC Charter provided in advance to members for review and comments. Rich asked that the FOC Charter include revisions discussed at the last meeting 2/06/2018 in regards to Article IV (B)(3) "*A Chair and Vice Chair shall initially be elected for a one-year term, which may be extended by a favorable vote of a majority of members.*" Howard reiterated that the FOC Charter revisions have been revised and in compliance with the ordinance as discussed and went over the revisions in detail. The FOC Charter revisions were approved. (Matt and Rich).
- 6) Approval of the 02/06/18 meeting minutes was accepted and approved (Rich and Matt).

- 7) Independent Auditor's (VTD) reporting on updates on (a) The Single Audit; and (b) status update on audits of the treasury for quarters ended 9/30/2017, 12/31/2017 and 3/31/2018 (reports not issued as final). Dave Showalter (Partner) provided the following updates: **(a) The Single Audit report** for the fiscal year ended 6/30/2017 issued 12/22/2017. Summary of Auditor's Results included reporting of the Financial Statements and Federal Awards; both clean opinions (unmodified) with findings. The Financial Statement Findings addressed the 1) 2017-001-Timely Bank Reconciliations (*County not performing bank reconciliation in a timely manner*); 2) 2017-002-Property Tax (*County does not have a formal documented review process for Prop 8*); 3) 2017-003-Segregation of Duties within the Financial System (*County's financial system (INFOR) where clear segregation of duties does not appear to be in place in order to prevent error or fraud for Procurement, Disbursements and Payroll*). The Federal Awards Finding addressed the Medicaid Cluster-Medical Assistance Program, Medicaid Cluster-In-Home Supportive Services; (*County does not have adequate supporting documentation for initial eligibility determination and timely ongoing eligibility redetermination*). This is a repeat finding and was reported in the FY2016 Single Audit Report as Finding 2016-004. **(b) Status update on the audits of the treasury quarters ended 9/30/2017, 12/31/2017 and 3/31/2018**, Dave stated that the 9/30/2017 report is in quality review at VTD, the 12/31/2017 is on hold until the County completes their bank reconciliations and 3/31/2018 is waiting for the County Internal Audit to complete their cash count procedures.

Dave also provided the required "Audit Communication FY2018" to the committee for the County next year's audit of the CAFR, CalPERS and Single Audit.

Rich asked for more explanation of the timeline of audits and reportable findings instead of waiting until management completes their work. Dave stated that the auditors work with DFS Management of required elements for completion of reports. The Single Audit Report is required to be completed 9 months after the fiscal year and in practice the report is commonly issued in January of the following year. For the quarterly treasury audits, the report is issued 2 months after the County submits to the Yolo County Board of Supervisors and completion of the County Internal Audit cash count review.

- 8) Review Treasury and Cash Investments for First Quarter 2018 (PFM)- Sarah and Allison provided an economic update and overview of the investment portfolio performance for the First Quarter 2018. Rich suggested that for future meetings that only the highlights of quarter be shared.
- 9) Tax Distribution Update- Chad provided a brief overview of the property tax distribution with background on the property tax process, how property taxes are allocated and the 2017-2018 property tax summary.
- 10) Update on internal audit activities- Noemy provided a status update on audits in progress 1) Infor review report, 2) Probation Department AUP anticipated for completion by 5/31/2018; and 3) Cannabis AUP.
- 11) Update of FOC moving to Agenda Quick and the design and development of and FOC public website for better transparency- Chad provided an update of the FOC public website and is working with Mary on the development. The FOC public website should be up and running by the next meeting in August.
- 12) Members confirmed the next meeting date for August 22, 2018 at 3PM.
- 13) Meeting Adjourned at 4:45 PM.