

**YOLO COUNTY FINANCIAL OVERSIGHT COMMITTEE**

**MINUTES OF MEETING AUGUST 22, 2018**

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

Members present: Matt Rexroad (Supervisor), Richard Horan (Vice-Chair Public), Crissy Huey (Education), Patrick Blacklock (CAO), Eric Will (Public), and Howard Newens (CFO).

Members excused: Duane Chamberlain (Chair - Supervisor) and Paul Navazio (Cities).

Others present: Mary Khoshmashrab (Internal Audit Manager), Chad Rinde (Asst. CFO), Edward Burnham (Treasury Manager), Allison Kaune (PFM), Denny Cheuk (VTD), and Josh Iverson (Accounting Manager).

Recorded by Mary Khoshmashrab.

- 1) Vice-Chair Rich Horan called the meeting to order at 3:05 PM. Four voting members were present; Matt Rexroad, Richard Horan, Crissy Huey, and Eric Will and two non-voting; Patrick Blacklock, and Howard Newens; a quorum was formed.
- 2) The agenda was reviewed and approved with one revision to agenda item #7b (VTD) treasury report quarter ended 3/31/2018 reported was provided; agenda adopted (Eric/Crissy).
- 3) Introductions were given by members and Vice-Chair Horan noted that Supervisor Chamberlain and Paul Navazio as absent.
- 4) Public comments: There were no public comments.
- 5) Follow-up of items from prior meeting: Howard reminded the committee of the vacant special district member seat. Howard noted that Duane was asked to reach out to the districts to seek interest. Patrick noted that he would reach out to the Yolo County Flood Control District and see if there is interest.
- 6) Approval of the 05/08/18 meeting minutes was accepted and approved with the noted correction on item #7 the Single Audit issue date was changed from 12/22/2017 to 3/26/2018 (Matt/Crissy).
- 7) Independent Auditor's (VTD) reported on updates on (a) The CAFR; and (b) status update on audits of the treasury for quarters ended 9/30/2017, 12/31/2017 and 3/31/2018 (reports have all been issued as final and provided to the committee). Denny Cheuk provided the following updates (a) The CAFR for the fiscal year ended 6/30/2018 interim worked was completed in May and included test of controls, preliminary work, and background understanding and updates. At this time there are no findings to report. The remainder of the work will be completed at the end of November to early December. The Single Audit will follow with fieldwork starting sometime in January of 2019. (b) Rich asked for an update and was provided a response regarding the timelines of the reconciliations and the treasury reports. Edward explained that reports are becoming more timely as bank reconciliation backlogs are being completed and cleared. This is contributed to a new bank and

having several accounts rather than one main account. This helps distribute the reconciliations to various staff and provides for more timely reconciliations while still ensuring a central oversight by the Treasury Manger, which was also a concern for Rich.

- 8) Review Treasury and Cash Investments for Second Quarter 2018 (PFM)- Allison provided an economic update and overview of the investment portfolio performance for the Second Quarter 2018. Rich suggested that for future meetings that pie charts provide both dollar and percentage as it would help with the visual by adding total dollar amounts. Additional request included consideration of local economic data; however, the impact of the local economic in regards to the investments may not directly correlate the objectives and oversight of the treasury pool. County staff will discuss necessary information with PFM for future presentations.
- 9) Update on internal audit activities- Mary provided a status update on internal audit activity (a) an annual confirmation of auditor independence was provided to members, which included the divisions reporting structure, audit report disclosures on independence, and engaging with the audit subcommittee; audit risk was discussed in regards to the annual audit plan, and members were invited to contact internal audits to discuss areas of risk for consideration; (b) audits completed included AUP reports on Cannabis and Probation, a status on the progress of the Infor engagement that is nearing completion; (c) an update on the completion of the division's website and subpages; ( e ) changes on the treasury review process and plans that include an annual review of DFS system controls over treasury; and (f) reporting of audits received by departments and other entities that have been performed by external auditors or auditors at the federal and state level of government.
- 10) Update of FOC website- Mary shared that the committee's website was fully implemented and included various subpages for the agenda and agenda items, member's information, meeting information, and other useful guidance that provides for better transparency. Rich suggested additional information be added such as public conduct and other meeting information that would help to highlight that the public is welcome, and actions that are taken.
- 11) Members confirmed the next meeting date for November 06, 2018 at 3PM in the CAO Conference Room, 625 Court Street, Woodland CA, Administrative Building, Second Floor.
- 12) Meeting Adjourned at 4:05 PM.

### **Audit Subcommittee Quarterly Meeting**

**Attendees:** Supervisor Rexroad and Mary Khoshmashrab, Internal Audit Manager

**Absent:** Supervisor Chamberlain

Items Discussed:

- 1) Risk Consideration – Supervisor Rexroad shared areas of risk from a Board perspective that may carry higher inherent or control risk. These areas included HHSA and Sheriff Department due to the nature and size of the Department's business, including assurance that the Corrective Action Plans (CAPs) for both departments that resulted from the Public Guardian and Administrator review would be tracked, tested, and followed-up with on an ongoing basis until the CAPs' were completed and satisfied.
- 2) Available Resources – Mary discussed the need for additional resources that is necessary in order for the County to provide sufficient auditing and review services to help lower overall risk and provide continuous monitoring.

- 3) Communication with the Board by way of the Audit Subcommittee was discussed. The two board members that make up the audit subcommittee are the means by which information is carried from the division to the board, and from the board to the audit division. Supervisor's may also directly reach out division and audit staff for additional discussion; and if necessary a means by which the Internal Audit Manager may have a direct link to the Board should she or he believe it were necessary.
- 4) Annual discussion of the auditor's independence, risk consideration, and the board approved audit charter was reviewed for understanding and confirmed in accordance with professional auditing standards.
- 5) Auditor will incorporate risk consideration where plausible into the annual audit plan. No other actions came out of the closed meeting.
- 6) Meeting adjourned at 5:05PM.