

YOLO COUNTY AUDIT COMMITTEE

MINUTES OF MEETING JULY 30, 2020

Note: This meeting was held via teleconference, pursuant to the Governor's Executive Order N-29-20 (March 17, 2020).

Members present on the call: Gary Sandy (Chair - Supervisor), Duane Chamberlain (Supervisor)

Members excused: None.

Others present on the call: Kim Eldredge, Noemy Mora-Beltran, David Estrada, Douglas Port (Internal Audit), Ryan Pistochini (Procurement Manager) and Lawrence Raber (Public).

Moderator: David Estrada

Recorded by: Kim Eldredge

- 1) **Call to order.** Gary Sandy called the meeting to order at 10:00 AM with Duane Chamberlain in attendance. Quorum was formed.
- 2) **Introductions.** Members and public above were on the call.
- 3) **Approval of agenda.** Kim Eldredge reported that a change has been made to the next meeting date to September 17, 2020. The agenda was reviewed and approved; agenda adopted (Chamberlain/Sandy).
- 4) **Follow-up of item from 5/06/2020 meeting.** There were no follow-up items open from prior meeting.
- 5) **Public comment.** Kim Eldredge reported that no public comments were received for the record.
- 6) **Approval of the 5/06/2020 meeting minutes.** Accepted and approved (Chamberlain/Sandy).
- 7) **Receive staff report of the overview of purchase card activity and status update of audit recommendations for the Countywide Purchase Card Audit (5/28/2019) and Purchase Card Continuous Auditing Report (7/13/2020) from Procurement Manager (Mora-Beltran/Pistochini).** Noemy Mora-Beltran provided the Committee with an overview of the Countywide Purchase Card Audit and Purchase Card Continuous Auditing Report. The overview of the purchase card activity included a summary of purchase card transactions by department; transaction summary by merchant "Top 10 Merchants" for FY2016-17, 2017-18 & 2018-19; detail of items purchased by merchant; purchase card program findings and recommendations under each audit and continuous auditing report, and the status of audit recommendations. Ryan Pistochini, Procurement Manager was available to answer any questions from the Committee and discuss his status of corrective actions on the audit recommendations. Concerns were raised by the Committee on the number of purchase cards issued and exceptions found within the reports for noncompliance with County policy and procedures and lack of supporting documentation. Mr. Pistochini committed to continue to reduce the number of purchase cards and provide a training to cardholders before 12/31/2020. Also the Committee requested that Internal Audit review and provide a 6-month purchase card activity report for the period of 7/1/2020 to 12/31/2020.

8) **Receive status report on the Closeout of the FY19/20 Audit Plan and discuss the Proposed Audit Plan FY20/21 (Eldredge).**

Kim Eldredge provided the Committee with a summary of projects completed in FY19/20 and major accomplishments. Total Budget Hours 7,750 in audit plan, Actual Hours spent 7,008, and ended fiscal year with 3.5 FTEs. Major accomplishments included completing the first Purchase Card Continuous Auditing Report; 4-Countywide Trainings to support Countywide Fiscal Foundations Series (On-Demand videos (Preparing for an audit, Data Analytics Part I & II and Ethics & Fraud); Countywide Preliminary Cash Risk Assessment with the selection of 2 high risk departments for audit; Special Reviews Food Bank, Revenue Cash Shortage, Yolo Transit District; Landfill Cash Audit, and Treasury Wire/ACH Review. In addition, the audit team formalized their process for the resolution of audit recommendations by reporting department status and fieldwork follow-ups performed quarterly to the Audit Committee.

9) **Approve the Proposed Audit Plan FY20/21 with recommended changes (Eldredge)**

The Division of Internal Audit performed a risk assessment that included discussion with members of the Board, the County Administrator and department executive management regarding risk considerations. We distributed a risk assessment survey for input on their perspective of risk at the county and areas of audit interest in department business operations. A risk score card was also used to identify high risk departments relative to the following risk factors of the proposed budget, number of staff, number of audit findings and date of the last audit. We ranked and tabulated the results to develop a risk-based audit plan. Because of the limited staffing resources, we evaluated all audit requests based on our risk assessment criteria. Special request audits from the Board and department heads were considered for inclusion in the audit plan.

Proposed Audit Plan FY20/21; Accepted and Approved (Sandy/Chamberlain).

Category	Budget Hours	Notes
County-wide & Department Audits	1,820	CW-Accounts Payable Audit, CW-Contract/Procurement Audit, Cash Audit-Sheriff, Accounts Receivable Audit, Follow-up Reviews-CAP, Whistleblower Hotline, and Carry Forward Audits (CW-Payroll)
Continuous Auditing Program	340	Purchase Card and Payroll
County-wide Risk Assessment-Preliminary	120	Accounts Receivable
Special Projects	918	COVID-19 Cost Tracking, Telecommuting Audit, Contingency Reserve, and Carry Forward Projects (YC Transit and Food Bank)
Audit Functions	1,352	Various DIA Admin, Staff-CPE, Countywide Trainings, and Electronic Workpapers
Administration	432	DFS Admin and FOC/AC Support
Other Admin Per MOU	1,258	County Holidays and Earned Leave Balances
Total Budget Hours	6,240	

10) **Confirm next meeting date.** The next meeting is scheduled for September 17, 2020 at 10:00-11:30 a.m.

11) **Committee Member and Staff Announcements.** There were no committee member and staff announcements.

12) **Adjournment.** Meeting adjourned at 11:00 a.m.