

**Meeting of the
Audit Subcommittee
Yolo County
October 5, 2022
10:00 a.m.**

NOTE: This meeting is being agendized to allow Board Members, staff and the public to participate in the meeting via teleconference, pursuant to Government Code section 54953(e)(1) (as amended by Assembly Bill 361), available at the following [link](#).

Teleconference Options to join Zoom meeting:

By PC: <https://yolocounty.zoom.us/j/89498842323>

Meeting ID: 894 9884 2323
or
By Phone: (408) 638-0968
Meeting ID: 894 9884 2323

Government Code section 54953(e)(1) authorizes local legislative bodies to hold public meetings via teleconference and to make public meetings accessible telephonically or otherwise electronically to all members of the public. Members of the public are encouraged to observe and participate in the teleconference.

Further instructions on how to electronically participate and submit your public comments can be found in the PUBLIC PARTICIPATION note at the end of this agenda.

Meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the meeting materials, should contact Kim Eldredge, Audit Manager at least two (2) working days before the meeting at 530-666-8190 ext. 9204 or kim.eldredge@yolocounty.org.

If you have anything that you wish to be distributed to the Committee and included in the official record, please hand it to a member of County staff who will distribute the information to the members and other staff.

Committee Members:

Chair, Gary Sandy (Board of Supervisors – Voting)
Angel Barajas (Board of Supervisors - Voting)
Vice-Chair, Lawrence Raber (Public Member – Voting)

Yolo County Internal Audit Staff

Kim Eldredge (Audit Manager – Non-voting)
Noemy Mora-Beltran (Senior Auditor – Non-voting)
Navpreet Ghuman (Internal Auditor – Non-voting)

10:00 am Call to Order

- 1. Introductions.**
- 2. Roll Call.**
- 3. Approval of Agenda.**
- 4. Follow-up of items from prior meeting (if any).**
- 5. Public Comment**

This item is reserved for persons wishing to address the Committee on any related matters that are not otherwise on this meeting agenda. Public comments on matters listed on the agenda shall be heard at the time the matter is called. As with all public comment, members of the public who wish to address the Committee are customarily limited to 3 minutes per speaker, but an extension can be provided at the discretion of the chair.

CONSENT AGENDA

- 6. Renew authorization for remote (teleconference/videoconference) meetings by finding, pursuant to Assembly Bill 361, that (a) the COVID-19 pandemic state of emergency is ongoing, and (b) local officials continue to recommend measures to promote social distancing.**
- 7. Approve prior meeting minutes 4/06/2022 and 9/06/2022.**
- 8. Receive Cash Department Audit – District Attorney report (4/08/2022)**
- 9. Receive Cash Department Audit – Health & Human Services Agency report (6/24/2022)**
- 10. Receive Inmate Welfare Fund Agreed Upon Procedures report (7/12/2022)**
- 11. Summary of Audit Reports received by June 30, 2022 – County and Non-County**

REGULAR AGENDA

- 12. Receive staff report on the Fleet Audit report (8/12/2022); (Eldredge/Eide Bailly)**
- 13. Receive staff report on the status of the Division of Internal Audit Activity of current engagements and the release of audit reports since last meeting; (Eldredge)**
- 14. Confirm next meeting date: To be determined**
- 15. Committee Member and Staff Announcements**

Action items and reports from members of the Committee, including announcements, questions to be referred to staff, future agenda items, and reports on meetings and information which would be of interest to the Committee or the public.
- 16. Adjournment (Approximately 11:30 a.m.)**

Public records that relate to any item on the open session agenda for a regular meeting are available for public inspection. Those records that are distributed less than 72 hours prior to the meeting are available for public inspection at the same time they are distributed to all members, or a majority of the members of the Committee. Public records are available for

inspection by contacting Kim Eldredge, Audit Manager at 530-666-8190 ext. 9204 or kim.eldredge@yolocounty.org and meeting materials can be inspected at County offices located at 625 Court Street, Woodland, CA 95695; those interested in inspecting these materials are asked to call 530-666-8190 ext. 9204 to make arrangements. The documents are also available on the County of Yolo Financial Oversight Committee website located at: <https://www.yolocounty.org/general-government/general-government-departments/financial-services/financial-oversight-committee>.

PUBLIC PARTICIPATION **OPTIONS FOR PUBLIC COMMENT**

1. If you are joining the meeting via zoom and wish to make a comment on an item, press the “raise a hand” button. If you are joining the meeting by phone only, press *9 to indicate a desire to make comment. The chair will call you by name or phone number when it is your turn to comment. Speakers will be limited to 3:00 minutes. “Note: If you are joining by zoom and phone, still use the zoom raise a hand button as *9 will not work.
2. If you choose not to observe the Audit Subcommittee meeting but wish to make a comment on a specific agenda item, please submit your comment via email by 5:00 p.m. on the Monday prior to the Committee meeting. Please submit your comment to Kim Eldredge, Audit Manager at kim.eldredge@yolocounty.org. Your comment will be placed into the record at the Committee meeting.
3. If you are watching/listening to the live stream of the Committee meeting and wish to make either a general public comment or to comment on a specific agenda item as it is being heard, you may also submit your comment, limited to 250 words or less, to the Kim Eldredge, Audit Manager at kim.eldredge@yolocounty.org. Every effort will be made to read your comment into the record, but some comments may not be read due to time limitations. Comments received after an agenda item will be made part of the record if received prior to the end of the meeting.

YOLO COUNTY AUDIT SUBCOMMITTEE

MINUTES OF MEETING April 6, 2022

Note: This meeting was held via teleconference, pursuant to the Government Code section 54953(e)(1) (as amended by Assembly Bill 361)

Members present on the call: Gary Sandy (Chair – Supervisor), Larry Raber (Public Member) and Angel Barajas (Supervisor)

Others present on the call: Kim Eldredge, Noemy Mora-Beltran and Navpreet Ghuman (Internal Audit).

Moderator/Recorded by: Noemy Mora-Beltran
Kim Eldredge

- 1) **Call to order.** Gary Sandy called the meeting to order at 10:02 AM with Larry Raber and Angel Barajas in attendance. Quorum was formed.
- 2) **Introductions.** Members and Internal Audit above were on the call.
- 3) **Approval of agenda.**
Agenda amended and approved. (Barajas/Raber)
- 4) **Follow-up of items from 1/27/2022 meeting.** No items for follow-up were discussed.
- 5) **Public comment.** Noemy Mora-Beltran reported that no public comments were received for the record.

Consent Agenda

- 6) Renew authorization for remote (teleconference/videoconference) meetings by finding, pursuant to Assembly Bill 261, that (a) the COVID-19 pandemic state of emergency is ongoing, and (b) local officials continue to recommend measures to promote social distancing.
- 7) Approve prior meeting minutes 1/27/2022.
- 8) Receive Cash Department Audit - Assessor/Clerk-Recorder/Elections report (2/18/2022)
- 9) Receive Annual Reporting of Organizational Independence of the internal audit activity
- 10) Receive Self-Assessment Report on Internal Audit Activity
Consent agenda approved. (Barajas/Raber).

Regular Agenda

11) Receive staff report on the status of the Division of Internal Audit Activity of current engagements and the release of audit reports since last meeting; (Eldredge)

Kim Eldredge provided a status of current engagements: HHSA Dept Cash Audit, Cell Phone Audit, Capital Project Audit – in-progress; CW Accounts Payable Audit, Network and Web Application Tests O/S – planned for May 2022; Inmate Welfare Fund AUP and Fleet Audit – scheduled for April with an anticipated completion date by June 30, 2022; Contract/Procurement Audit and Payroll Follow-up and Access Review Audit O/S - Carry forward due to Infor implementation to CloudSuite and county resources unavailable to provide assistance for docs or interviews. Whistleblower Hotline and Report of Fraud Waste, and Abuse Policy in-progress, working with NAVEX for hotline and developing policy with review from county officials. Larry asked should internal audit monitor the controls, deliverables being met, and timeliness of project completion for these countywide system projects. Kim will talk more with On-Call Audit services for their opinions.

12) Receive staff report on resolution of audit findings and recommendations; (Eldredge)

Kim Eldredge provided a staff report on the resolution of audit findings and recommendations. The internal audit activity implemented a new tracking system within their current electronic workpaper system. The audit team entered the last three years of audit recommendations with cooperation from the departments for status updates. Reporting to the committee will be every six months and an annual report with a comparison from year to year on progress of completion.

13) Approve revised meeting calendar for year 2022.

Proposed Dates	Proposed Time
July 6, 2022	10:00-11:30 am
October 5, 2022	10:00-11:30 am

Kim to add a special meeting in September to go over the countywide risk assessment and three-year audit plan by Baker Tilly. Approved (Barajas/Raber)

14) Confirm next meeting date. The next meeting is scheduled for July 6, 2022, at 10:00-11:30 a.m.

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

16) Adjournment. Meeting adjourned at 11:10 a.m.

YOLO COUNTY AUDIT SUBCOMMITTEE

MINUTES OF SPECIAL MEETING September 6, 2022

Note: This meeting was held via teleconference, pursuant to the Government Code section 54953(e)(1) (as amended by Assembly Bill 361)

Members present on the call: Gary Sandy (Chair – Supervisor), Larry Raber (Public Member) and Angel Barajas (Supervisor)

Others present on the call: Kim Eldredge, Noemy Mora-Beltran and Navpreet Ghuman (Internal Audit) and Adriane McCoy, Tiffany McCoy, Woody Battle, and Yevgen Pavlyk (Baker Tilly).

Moderator/Recorded by: Noemy Mora-Beltran
Kim Eldredge

- 1) **Call to order.** Gary Sandy called the meeting to order at 10:00 AM with Larry Raber in attendance. Angel Barajas arrived later in the meeting. Quorum was formed.
- 2) **Introductions.** Members and Internal Audit above were on the call.
- 3) **Approval of agenda.**
Agenda approved.
MOVED BY: Larry Raber / SECONDED BY: Gary Sandy
AYES: 2
NOES: 0
ABSTAIN: 0
ABSENT: 1
- 4) **Public comment.** Noemy Mora-Beltran reported that no public comments were received for the record.

Regular Agenda

- 5) **Receive Risk Assessment Report and Proposed Three-Year Internal Audit Plan (Baker Tilly/Eldredge)**
Tiffany McCoy from Baker Tilly presented the results of the Countywide Risk Assessment and Three-Year Annual Internal Audit Plan. The firm used eight risk factors when evaluating inherent risks (compliance risk, governance risk, financial/accounting risk, information technology risk, human resources/people risk, production/operations risk, reporting risk, and strategy/planning risk). From their evaluation, four high-level risk themes were found in areas of business systems utilized, funding concerns, staffing demands, and control environment/policies and procedures. Baker Tilly emphasized they will work with internal audit to ensure that additional detail will be added within the RSM tool to include high risk audit projects for future plans. Topic of discussion was accounting estimates for pension obligations and the yolo county landfill and the controls around those estimates and calculations. Kim will reach out to the county’s external auditor to determine if an additional audit project needs to be added within the audit plan.

- 6) **Approve the Proposed Three-Year Internal Audit Plan with recommended changes (Eldredge)**
The Committee approved the plan as amended and subject to changes as necessary. (Raber/Barajas)

MOVED BY: Larry Raber / SECONDED BY: Angel Barajas

AYES: 3

NOES: 0

ABSTAIN: 0

ABSENT: 0

- 7) **Confirm next meeting date.** The next meeting is scheduled for October 5, 2022, at 10:00-11:30 a.m.
- 8) **Committee Member and Staff Announcements.** There were no committee member and staff announcements.
- 9) **Adjournment.** Meeting adjourned at 10:54 a.m.



County of Yolo

www.yolocounty.org

TOM HAYNES

Interim Chief Financial Officer

DEPARTMENT OF FINANCIAL SERVICES

625 Court Street, Room 102

PO BOX 1268

WOODLAND, CA 95776

PHONE: (530) 666-8190

FAX: (530) 666-8215

DFS @ yolocounty.org

- *Financial Strategy Leadership*
- *Budget & Financial Planning*
- *Treasury & Finance*
- *Tax & Revenue Collection*

- *Financial Systems Oversight*
- *Accounting & Financial Reporting*
- *Internal Audit*
- *Procurement*

Transmittal Letter

April 8, 2022

Jeff W. Reisig, Yolo County District Attorney
301 Second Street
Woodland, CA 95695

Re: Internal Control Cash Audit – District Attorney

Dear Mr. Reisig:

The Division of Internal Audit performed an internal control cash audit of the District Attorney's department for the period of February 1, 2021 to January 31, 2022 to determine whether adequate internal control exists to provide reasonable assurance to county management that there is an acceptable level of operational accountability over cash.

We conducted our audit in accordance with the International Standards for the Professional Practice of Internal Auditing. These standards require that we plan and perform the audit to obtain sufficient, reliable, relevant and useful information to provide reasonable assurance that our objective as described above is achieved. An internal audit includes the systematic analysis of information to evaluate and improve the effectiveness of internal controls. We believe this audit provides a reasonable basis for our conclusion.

Internal controls are processes designed to provide management reasonable assurance of achieving efficiency of operations, compliance with laws and regulations, and reliability of financial and non-financial information. Management is responsible for establishing and maintaining adequate internal controls. Our responsibility is to evaluate the internal controls.

Based upon the results of our audit, we identified opportunities for improvement of internal controls relating to gift card inventory, system access, and documentation of procedures.

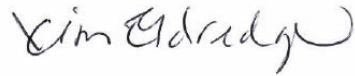
As required, in accordance with auditing standards and the County Audit Follow-up Policy, county management has responded to each finding and recommendation contained in our report. We will follow-up to verify that management implemented the corrective actions.

Yolo County Division of Internal Audit
Transmittal Letter

In regard to auditor's independence, the Internal Audit Division reports administratively to the Chief Financial Officer, but functionally to the Board of Supervisors.

We thank the District Attorney's management and staff for their cooperation; their assistance contributed significantly to the successful completion of this audit.

Sincerely,



Kim Eldredge, CGAP
Audit Manager

Distribution

Tom Haynes, Yolo County, Interim Chief Financial Officer
Chad Rinde CPA, Interim Yolo County Administrator
Sou Xiong, Treasury Manager
Lee Gerney, Chief Technology Officer
Yolo County Audit Subcommittee
Internal Audit Website
Audit File Project No. 2022-29

Yolo County Division of Internal Audit
Table of Contents

Internal Control Cash Audit – District Attorney
Audit No: 2022-29

For the Period: February 1, 2021 to January 31, 2022

Transmittal Letter.....	1
Detailed Findings and Recommendations	4
I. Revolving Cash Fund Accounts	5
II. Cash Receipts.....	6
III. Other Cash Funds and Cash Equivalents	7
Finding #1: Accountability over gift cards	7
IV. System Controls.....	8
Finding #2: Access to the Checkres system.....	8
V. County Policy and Procedures	9
Finding #3: Written procedures	9
VI. Priority Ranking Definitions.....	10

Detailed Findings and Recommendations

Background

The District Attorney's department is responsible for managing the following programs:

- **Criminal Prosecution:** Provides services towards the prosecution of felony and misdemeanor crimes committed in Yolo County by adults and juveniles.
- **Elder Abuse:** Ensures offenders are held accountable for the physical and financial abuse of senior citizens and increases awareness of ways to protect themselves from becoming victims of fraud.
- **Witness Protection:** Ensures the safety of potential witnesses in criminal prosecutions.
- **Charging and Intake:** Reviews referrals from law enforcement agencies and decides whether to charge/reject a case or request further investigation.
- **Consumer Fraud:** Ensures offenders are held accountable, in both criminal and civil courts, for using unfair business practices to defraud consumers.
- **Environmental Protection:** Ensures offenders are held accountable for practices that would damage and endanger the health and safety of Yolo County residents and natural resources.
- **Child Abduction:** Enforces compliance of child custody/visitation orders and assists in locating/returning children maliciously taken through any appropriate civil and criminal proceedings.
- **Neighborhood Court:** Reduces recidivism among offenders in the program and ensures victim and community restoration.
- **Office Traffic Safety (OTS) DUI:** Ensures that driving under the influence of drugs offenders are held accountable and deter the DUI/DUID activity in Yolo County.
- **Fraud Unit:** Increases fraud awareness and investigates and prosecutes fraud violations. The program includes auto insurance fraud and worker's compensation fraud investigations.
- **Victim Services:** Supports victims of crime by allowing their voices to be heard, increasing compensation/supports and increasing wellness.
- **Multi-Disciplinary Interview Center (MDIC):** Coordinates and facilitates a multi-agency response to support child abuse victims and reduce system-inflicted trauma.
- **Conviction & Sentencing Review:** Reviews and investigates claims of innocence raised after a criminal conviction.
- **Yolo Narcotic Enforcement Team (YONET):** Eliminates illegal narcotics from the community and holds offenders accountable for violations of narcotics trafficking laws.

Our review tested the department's cash operations to determine that controls are operating in accordance with the Yolo County Cash Accounting Manual, Government Code, and Best Practice.

Objective, Scope, and Methodology:

The objective of the review was to determine whether adequate internal control exists to provide reasonable assurance to county management that there is an acceptable level of operational accountability over the handling of cash within the department. Operational accountability is achieved when the cash operations operate effectively and efficiently, transactions are executed in accordance with laws, regulations and Board policies and reliable information is generated and reported.

The scope of our audit included the review of the revolving cash fund and cash equivalents for the period of February 1, 2021 to January 31, 2022. This report does not include a full system review of the Checkres System used by the Check Prosecution Unit (Criminal Prosecution).

I. Revolving Cash Fund Accounts

Revolving funds are established by the Department of Financial Services for specific operational needs to facilitate certain expenditure and cash transactions throughout the county departments. The most common types of revolving funds are change funds, petty cash funds and special purpose funds.

The District Attorney's department has an authorized revolving cash fund balance totaling \$1,440 distributed to the programs as follows:

- a. Petty cash fund in the amount of \$200 for tobacco buy money, supplies and food for teenage decoys (Criminal Prosecution/Special Programs)
- b. Petty cash fund in the amount of \$200 to purchase food and supplies needed for the YONET program
- c. Petty cash fund in the amount of \$300 for use by the Fiscal Administration Unit to reimburse small dollar items, postage and office supplies needed on an emergency basis (Criminal Prosecution)
- d. Petty cash fund in the amount of \$100 for use by the clerical area to pay for overdue postage and special mailings (Criminal Prosecution)
- e. Petty cash fund in the amount of \$400 for use by the Child Abduction program for miscellaneous items needed for children
- f. Change fund in the amount of \$40 for use by the front desk to make change for discovery copies (Criminal Prosecution)
- g. Change fund in the amount of \$200 for use by the Check Prosecution Unit to make change for payments received from clients (Criminal Prosecution)

The District Attorney's department also has four (4) outside bank accounts for YONET operations. These accounts are audited annually by external auditors.

In addition, the District Attorney's department has a special appropriation fund of \$5,000 per fiscal year that is made available to the department by the Board of Supervisors as required by Government Code Sec. 29400 Et. Seq. for payments of expenses in criminal cases, detection of crime and civil actions or proceedings.

Audit Objective/Methodology

To determine whether the revolving fund accounts were authorized, expenses applied allowed under policy, and replenishments supported by adequate documentation that funds were received.

To accomplish our objective, the following procedures were performed:

- Verified that the revolving funds agreed to the authorized accountable revolving cash fund balance on file with the Department of Financial Services
- Inquired with management and staff on the petty cash procedures
- Tested a sample of the petty cash and special appropriation fund replenishments to determine compliance with County Policy and Government Code

Based on the procedures performed, the revolving funds agreed to the accountable balance with the Department of Financial Services and the replenishments for the petty cash and special appropriation fund were supported by adequate documentation and the usage of the special appropriation fund complied with Government Code 29400. No petty cash replenishments were made during the audit period for the YONET, Child Abduction and Tobacco programs. The department should review these petty cash funds and determine if the established amounts are still needed for department operations.

II. Cash Receipts

Cash refers to U.S. currency and coins, checks drawn on U.S. banks and written in U.S. dollar values including travelers, cashiers, and certified checks, money orders, credit card sales drafts, Automated Clearing House (ACH) payments, and wire transfers. All of these forms of payment are acceptable by the County. The Chief Financial Officer must grant approval to a department to collect cash on behalf of the County. Departments must follow general cash receipt procedures and recording of transactions in handling of all cash receipts as stated below:

- A cash receipt must be provided for all cash transactions received over the counter.
- Cash collections shall be summarized daily on a cash receipt journal showing date received, amount received, and revenue or other accounts to be credited.
- Cash receipts must be deposited in the County Treasury or other authorized depository bank daily or when the amount on-hand exceeds a safe and reasonable threshold but no less frequently than weekly.
- A deposit transmittal form must accompany all cash receipts.
- Cash receipts that are transported from branch locations to headquarters for deposit must be maintained using a transmittal log or slip.
- Cash overages shall not be netted against cash shortages. Overages shall be deposited into the general ledger account and any shortages be listed on a log showing all relevant information including the date, amount, cashier, and an explanation for the shortage.
- Recording cash receipt transactions (cash register transactions, mail receipts, and credit cards) must be maintained and reconciled to the deposit.

The District Attorney's department has three (3) collection areas at the front desk (discovery copies), Check Prosecution Unit (Criminal Prosecution), and the Neighborhood Court program. Each area reconciles their daily collections and transfers the cash and cash receipts to the Fiscal Admin. staff for further processing of the deposits into the County's Treasury.

Audit Objective/Methodology:

To determine that handling of cash receipts comply with County Policy, funds are adequately safeguarded, and there is a separation of duties among employees handling and reconciling cash.

To accomplish our objective, the following procedures were performed:

- Conducted a cash count of all change funds
- Tested a sample of cash receipts
- Reviewed the cash reconciliation procedures
- Determined whether the cash was secured and locked at all times
- Reviewed the annual revolving cash report for fiscal year 2020-21 for reported cash overages and shortages

Based on the procedures performed, cash on-hand for the front desk, Check Prosecution Unit, and the Neighborhood Court program were supported by adequate documentation, cash receipts were properly deposited within the County Treasury, and funds were adequately secured.

III. Other Cash Funds and Cash Equivalents

Cash equivalents; such as, gift certificates, gift cards, and bus passes may be acquired for use in grant funded or county programs. Approval and purpose of such acquisition must be on file. Departments are required to maintain an inventory for the cash equivalents showing the purchase date, card number, vendor name, amount and expiration (if applicable). Issuance of the inventory items must be documented, and recipients must sign a receipt that the item was received. Total amount per recipient over \$600 within a calendar year must be reported to the Department of Financial Services.

The District Attorney's department maintains an inventory of gift cards to be used as ancillary items needed for the Elder Abuse program. The inventory is maintained by the Fiscal Admin. Unit and then transferred to the program advocates for distribution to clients. All gift cards were purchased in July 2021 with a total value of \$2,875.

Audit Objective/Methodology

To determine that the gift cards are maintained, documented, and agree to the department records. And, that the client signed a receipt for possession of the gift cards.

To accomplish our objective, the following procedures were performed:

- Conducted a count of the gift cards on-hand and traced to the inventory logs
- Determined that the inventory was properly recorded in the general ledger

Finding #1: Accountability over gift cards

Departments are ultimately responsible for the safekeeping of inventory they purchase. Purchases of inventory are charged to the asset inventory account and credited from inventory when used. The inventory account should reflect the "book balance" of inventory on-hand. Physical inventory counts should be taken periodically by someone independent of the purchasing and custody of inventory. Missing items should be investigated and analyzed for possible control deficiencies.

The auditors examined 101 gift cards and reviewed the internal controls over the handling of gift cards and noted the following exceptions:

- Inventory of gift cards is not recorded in the general ledger
- 95% of the gift cards are unused; remaining balance \$2,675

Not recording the inventory of gift cards in the general ledger may result in inaccurate financial data reported on the County's annual financial statements. Gift cards held as inventory and not redeemed within a year may result in a loss of value and increases the risk of potential tracking errors and/or misappropriation of gift cards.

Recommendation 1:

We recommend that the department record the gift card inventory in the general ledger to reflect the actual inventory on-hand in the financial records. It is also recommended that the gift cards be reviewed to determine if they are deemed necessary for program operations.

(Priority 1 Issue – 60 days required corrective action)

Management Response 1

All remaining gift cards will be entered into inventory. Gift cards were purchased with grant funds which grant cycle ended 12/31/21. Gift card can only be used for activities associated with that specific grant and can't be used in any other program or grant. (Anticipated Date of Completion – Gift cards into inventory by 6/30/2022)

IV. System Controls

According to Best Practice and the COSO framework of strong systems of control, departments are responsible for using appropriate systems to record and maintain detail of their accounts, including account activity, history of payments made, and outstanding balances. All documentation and records should be properly managed, maintained, and readily available for examination.

The District Attorney's Check Prosecution Unit (Unit) is responsible for tracking down check writers for non-sufficient fund/closed accounts. The Unit returns the money to the victim/merchant and deters future offenses through a diversion program and possible criminal prosecution at no cost to the victim for using the program. The Unit uses the Checkres system to manage client accounts and record receipts and disbursements.

Audit Objective/Methodology

To review the system accounts associated with the cash handling process to ensure that the District Attorney's department has adequate segregation of duties given the user's role and responsibilities.

To accomplish our objective, the following procedures were performed:

- Obtained a list of system administrators and users
- Compared the list of system administrators and users against the list of employees handling cash
- Obtained a general understanding of the user profile accounts

Finding #2: Access to the Checkres system

Access to the Checkres system is limited to only one user thus creating a segregation of incompatible duties issue. The user has the ability to record payments, distribute payments, and adjust client accounts. The system is a demo version without software maintenance support and is installed on an old computer. According to the department, the software is unable to be transferred to a different computer device.

Improper user access rights and permissions may result in information that is added, deleted, or changed without approval or authorization. Using a software without maintenance support may decrease the program's functionality to keep the software in working order.

Recommendation 2:

We recommend that the department develop a procedure to review system reports that include client account information that maybe added, deleted or changed and have an independent person verify the accuracy of the information on all client account transaction activity. It is also recommended that the department document a plan of continued usage of the unsupported software or migrate to another supported system.

(Priority 1 Issue – 60 days required corrective action)

Management Response 2

The Chief Fiscal Admin Officer can go into CheckRes and review account information, see what was added, payments made, check notes, etc. The program may be on one computer but it's a laptop which can move from office to office. We will be closing the Check Prosecution unit. We are still working out all the logistics but it is anticipated that all bad checks that come to our department will go through Restorative Justice Partnership (RJP). We are hoping to make this transition by July 1, 2022. We do have a few clients that pay monthly but we anticipate that these clients will be transferred into the RJP process. By the time we develop a plan, CheckRes will no longer be used. (Anticipated Date of Completion - No date of corrective actions as CheckRes will not be used beyond July 1, 2022)

V. County Policy and Procedures

The Yolo County Cash Accounting Manual prescribes uniform accounting procedures for county departments pertaining to cash collections, cash revolving funds, other cash funds, cash equivalents and cash losses in accordance with generally accepted accounting principles, laws & regulations and county policies. County employees with cash handling functions are required to read the manual and become familiar with its contents. Individual departments may have more detailed procedures for each cash handling position.

Best Practice recommend that the following processes be documented with step-by-step procedures:

- Handling payments received at the counter and through the mail
- Handling credit card payments
- Recording payments into the cash handling systems
- Reconciling and depositing daily collections
- Handling gift card inventory

Audit Objective/Methodology

To determine if procedures for cash handling confer with standards of internal control, Best Practice, and the Yolo County Cash Accounting Manual.

To accomplish our objective, the following procedures were performed:

- Reviewed policy manuals and procedures for recommended essential components within a Cash Handling Policy
- Verified that the cash handling processes are documented

Finding #3: Written procedures

The District Attorney's department uses the Yolo County Cash Accounting Manual as a guideline on how to handle the petty cash funds and record and reconcile cash receipts. The department also has written procedures for handling the special appropriation fund and for recording and adjusting client accounts in the Checkres system. However, detailed procedures for recording, distributing and performing inventory counts of gift cards are not available.

Not providing staff with the necessary steps to process a transaction may result in procedures not being followed as intended and may allow errors to go undetected.

Recommendation 3:

We recommend that the department develop step-by-step procedures to ensure compliance with County Policy and recommended Best Practice. The procedures should be disseminated to all staff handling gift card inventory.

(Priority 3 Issue – 180 days required corrective action)

Management Response 3

Procedures will be written. (Anticipated Date of Completion 6/30/2022)

VI. Priority Ranking Definitions

Auditors use their professional judgment to assign rankings to recommendations using the criteria and definitions listed below. The purpose of the rankings is to highlight the relative importance of some recommendations over others based on the likelihood of adverse impacts if a corrective action is not taken and the seriousness of the adverse impact that may result. Adverse impacts are situations that have or could potentially undermine or hinder the following:

- a. The quality of services department provides to the community;
- b. The accuracy and completeness of County books, records, or report;
- c. The safeguarding of County asset;
- d. The County's compliance with pertinent rules, regulations, or laws;
- e. The achievement of critical programmatic objectives or program outcomes; and/or,
- f. The cost-effective and efficient use of resources.

Priority 1 Issues

Priority 1 issues are control weaknesses or compliance lapses that are significant enough to warrant immediate corrective action. Priority 1 recommendations may result from weaknesses in the design or absence of an essential procedure or control, or when personnel fail to adhere to the procedure or control. These may be reoccurring or one-time lapses. Issues in this category may be situations that create actual or potential hindrances to the department's ability to provide quality services to the community, and/or present significant financial, reputational, business, compliance, or safety exposures. Priority 1 recommendations require management's immediate attention and corrective action within 60 days of report issuance.

Priority 2 Issues

Priority 2 issues are control weaknesses or compliance lapses that are of a serious nature and warrant prompt corrective action. Priority 2 recommendations may result from weaknesses in the design or absence of an essential procedure or control, or when personnel fail to adhere to the procedure or control. These may be reoccurring or one-time lapses. Issues in this category, if not corrected, typically present increasing exposure to financial losses and missed business objectives. Priority 2 recommendations require management's prompt attention and corrective action within 120 days of report issuance.

Priority 3 Issues

Priority 3 issues are the more common and routine control weaknesses or compliance lapses that warrant timely corrective action. Priority 3 recommendations may result from weaknesses in the design or absence of a procedure or control, or when personnel fail to adhere to the procedure or control. The issues, while less serious than a higher-level category, are nevertheless important to the integrity of the department's operations and must be corrected or more serious exposures could result. Departments must implement Priority 3 recommendations within 180 days of report issuance.



County of Yolo

www.yolocounty.org

TOM HAYNES
Interim Chief Financial Officer

DEPARTMENT OF FINANCIAL SERVICES

625 Court Street, Room 102

PO BOX 1268

WOODLAND, CA 95776

PHONE: (530) 666-8190

FAX: (530) 666-8215

DFS @ yolocounty.org

- *Financial Strategy Leadership*
- *Budget & Financial Planning*
- *Treasury & Finance*
- *Tax & Revenue Collection*

- *Financial Systems Oversight*
- *Accounting & Financial Reporting*
- *Internal Audit*
- *Procurement*

Transmittal Letter

June 24, 2022

Nolan Sullivan, Interim Director Health and Human Services Agency
137 N Cottonwood St
Woodland, CA 95695

Re: Internal Control Cash Audit - Health and Human Services Agency

Dear Mr. Sullivan:

The Division of Internal Audit performed an internal control cash audit of the Health and Human Services Agency for the period of March 1, 2021 to February 28, 2022 to determine whether adequate internal control exists to provide reasonable assurance to county management that there is an acceptable level of operational accountability over cash.

We conducted our audit in accordance with the International Standards for the Professional Practice of Internal Auditing. These standards require that we plan and perform the audit to obtain sufficient, reliable, relevant and useful information to provide reasonable assurance that our objective as described above is achieved. An internal audit includes the systematic analysis of information to evaluate and improve the effectiveness of internal controls. We believe this audit provides a reasonable basis for our conclusion.

Internal controls are processes designed to provide management reasonable assurance of achieving efficiency of operations, compliance with laws and regulations, and reliability of financial and non-financial information. Management is responsible for establishing and maintaining adequate internal controls. Our responsibility is to evaluate the internal controls.

Based upon the results of our audit, we identified opportunities for improvement of internal controls relating to cash handling, bank reconciliations, gift card/bus passes inventory, system access, and documentation of procedures.

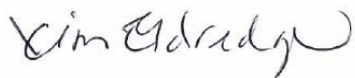
As required, in accordance with auditing standards and the County Audit Follow-up Policy, County Management has responded to each finding and recommendation contained in our report. We will follow-up to verify that management implemented the corrective actions.

Yolo County Division of Internal Audit
Transmittal Letter

In regard to auditor's independence, the Internal Audit Division reports administratively to the Chief Financial Officer, but functionally to the Board of Supervisors.

We thank the Health and Human Services Agency management and staff for their cooperation; their assistance contributed significantly to the successful completion of this audit.

Sincerely,



Kim Eldredge, CGAP
Audit Manager

Distribution

Tom Haynes, Yolo County, Interim Chief Financial Officer
Chad Rinde CPA, Interim Yolo County Administrator
Sou Xiong, Treasury Manager
Lee Gerney, Chief Technology Officer
Yolo County Audit Subcommittee
Internal Audit Website
Audit File Project No. 2022-30

Yolo County Division of Internal Audit
Table of Contents

**Internal Control Cash Audit – Health and Human Services Agency
Audit No: 2022-30**

For the Period: March 1, 2021 to February 28, 2022

Transmittal Letter.....	1
Detailed Findings and Recommendations.....	4
I. Revolving Cash Fund Accounts.....	5
<i>Finding #1: Establishment of petty cash fund at Public Guardian.....</i>	<i>5</i>
<i>Finding #2: Segregation of duties.....</i>	<i>6</i>
II. Cash Receipts.....	7
<i>Finding #3: Payments at the West Sacramento Service Center.....</i>	<i>8</i>
<i>Finding #4: Reconciliation of bank statements.....</i>	<i>8</i>
<i>Finding #5: Terminated employees as check signers</i>	<i>9</i>
III. Other Cash Funds and Cash Equivalents	10
<i>Finding #6: Accountability over bus passes</i>	<i>10</i>
<i>Finding #7: Accountability over gift cards</i>	<i>11</i>
IV. System Controls	13
<i>Finding #8: Access to the VACS system.....</i>	<i>13</i>
V. County Policy and Procedures.....	15
<i>Finding #9: Written procedures.....</i>	<i>15</i>
VI. Priority Ranking Definitions.....	16

Yolo County Division of Internal Audit
Internal Auditor's Report

Detailed Findings and Recommendations

Background

The Yolo County Health and Human Services Agency (HHSA) works to promote the health, safety, and economic stability of Yolo county residents, particularly individuals that are vulnerable, through the administration of more than 60 state and federally mandated programs and services as well as non-mandated programs that improve community well-being. HHSA has a main office in Woodland and a branch location in West Sacramento.

HHSA is divided into five major branches: Administration; Adult & Aging; Child, Youth & Family; Community Health; and Service Centers.

Administration: Maintains fiscal accountability and stability for HHSA, including all aspects of audit and compliance, budgeting, collections, communications, contracts, human resources, issuance of payments, information technology, revenue generation, and strategic planning.

Adult & Aging: Provides adult services programs including mental health, adult protective services, adult residential, behavioral health services, homeless services, substance abuse, and veteran services. The branch also includes the In-Home Supportive Services (IHSS), Public Authority, and Public Guardian programs.

Child, Youth & Family: Provides children services programs including continuous quality improvement, mental health, preventive health, child welfare services (case management system, emergency response, court investigations, intake, training), resource family approvals and support, and transition age youth (TAY).

Community Health: Includes programs for child passenger safety, community planning, emergency medical services, healthy living, infectious disease prevention & control, jail health services, maternal/child/adolescent health promotion, oral health promotion, public health emergency preparedness, tobacco & substance use prevention, and women/infants/children program (WIC).

Service Centers: Provides eligibility programs for adoptions, CalFresh, CalWORKS, Employment Services, County Medical Services Program (CMSP), foster care, and general assistance. The branch also includes other programs for Medi-Cal, staff development, systems management, and Workforce Innovation & Opportunity Act (WIOA).

Our review tested the HHSA's cash operations to determine that controls are operating in accordance with the Yolo County Cash Accounting Manual, Government Code, and Best Practice.

Objective, Scope, and Methodology:

The objective of the review was to determine whether adequate internal control exists to provide reasonable assurance to county management that there is an acceptable level of operational accountability over the handling of cash within HHSA. Operational accountability is achieved when the cash operations operate effectively and efficiently, transactions are executed in accordance with laws, regulations and Board policies and reliable information is generated and reported.

The scope of our audit included the review of the revolving cash fund and cash equivalents for the period of March 1, 2021 to February 28, 2022. We did not review cash handling operations for the Public Guardian operations. This report also does not include a full system review of the Ventura Automated Collection System "VACS" used for client overpayments.

Yolo County Division of Internal Audit
Internal Auditor's Report

I. Revolving Cash Fund Accounts

Revolving funds are established by the Department of Financial Services for specific operational needs to facilitate certain expenditure and cash transactions throughout the county departments. The most common types of revolving funds are change funds, petty cash funds and special purpose funds.

HHSA has an authorized revolving cash fund totaling \$730 to be used as follows:

- a. Petty cash fund in the amount of \$600 for use by the Woodland and West Sacramento offices to reimburse small dollar items purchased for clients and office operations (Administration branch)
- b. Petty cash Fund of \$100 to be used by the Public Authority program for certified mailings and small dollar items (Adult & Aging branch)
- c. Change Fund of \$30 for to make change for payments for the car seat program (Community Health branch)

HHSA also has the following bank accounts:

- a. *Emergency Relief Account* in the amount of \$20,000 to account for expenses incurred for clients with immediate need of shelter, food, clothing, and other emergency issuances.
- b. *Child Welfare Services-Special Needs Fund* for the revenue received from donations that are used for child welfare programs.
- c. *Public Guardian Client Custodial Funds* to manage client investments, estates, burial trust and custodial funds.
- d. *Public Guardian Special Purpose Funds* in the amount of \$3,000 for use in accordance with Government Code Sec. 29460 Et. Seq. for expenses incurred in the administration of any estate when the estate assets are insufficient.

Audit Objective/Methodology

To determine whether the revolving fund accounts were authorized, expenses applied allowed under policy, and replenishments supported by adequate documentation that funds were received.

To accomplish our objective, the following procedures were performed:

- Verified that the revolving funds agreed to the authorized accountable revolving cash fund balance on file with the Department of Financial Services
- Inquired with management and staff on the petty cash procedures
- Tested a sample of the petty cash replenishments to determine compliance with County Policy and Government Code

Based on the procedures performed, the petty cash fund at Woodland office agreed to the accountable balance with the Department of financial Services and replenishments were supported by adequate documentation and complied with County's policy and procedures. No petty cash replenishments were made during the audit period for West Sacramento office. HHSA should review the petty cash fund and determine if the established amount is still needed for program operations.

Finding #1: Establishment of petty cash fund at Public Guardian

Department heads may request the establishment of a revolving fund in writing to the Chief Financial Officer. The request shall state the purpose of the fund, the amount and the custodian of the fund. If the request is

Yolo County Division of Internal Audit
Internal Auditor's Report

granted, the Chief Financial Officer will respond with an approval letter establishing the fund, describing the authorized use of the fund and specifying the custodian.

The Public Guardian program has a \$100 petty cash fund to reimburse small dollar items purchased for the program. The fund was established out of the Public Guardian Special Purpose Funds without approval from the Chief Financial Officer. Cash funds established without proper authorization may result in improper use of the fund and non-compliance with Government Code Sec. 29460.

Recommendation 1:

We recommend that HHSA formally request approval for the establishment of a petty cash fund to the Chief Financial Officer for use by the Public Guardian program and return the amount withdrawn from the Public Guardian Special Purpose back to the proper account. (Priority 1 Issue – 60 days required corrective action)

Management Response 1

Public Guardian was previously separate but has since joined HHSA. Financial operations remained the same as before joining the agency. Staff will research what authority was granted before joining and will either seek permission from CFO if prior authority was not granted or consider closing out the change fund and use purchase cards. (Anticipated Date of Completion – 8/31/2022)

Finding #2: Segregation of duties

Segregation of duties is “key duties and responsibilities that need to be divided or segregated among different people to reduce the risk of error or fraud. This should include separating the responsibilities for authorizing transactions, processing and recording them, reviewing the transactions, and handling any related assets. No one individual should control all key aspects of a transaction or event.”

To minimize the potential for mistakes in cash operations and/or misappropriation of cash, cash duties should be segregated among different individuals so that in all instances one person (preferably a supervisor) will check the work performed by another. Generally, one person should be designated as petty cash custodian. This person disburses petty cash and turns in vouchers to reimburse the fund. Petty cash counts should be made on a periodic basis by someone independent of the petty cash process.

The petty cash fund for the Public Authority program is maintained by three custodians. One of the custodians uses the fund to purchase items as needed and prepares the claim to replenish the fund. The petty cash fund is not reconciled by someone independent of the custodian. Duties that involve one person with control of all aspects of a transaction may cause errors to go unnoticed and provide an opportunity for misappropriation of funds.

Recommendation 2:

We recommend that HHSA review their procedures for handling the petty cash fund for the Public Authority program and ensure that an independent person perform a surprise cash count on a regular basis. In addition, that the cash count sheets be retained for audit purposes. (Priority 1 Issue – 60 days required corrective action)

Management Response 2

Plan to identify a resource to do reconciliation on a regular basis or consider closing out the petty cash. It appears to be infrequently used. (Anticipated Date of Completion 8/31/2022)

Yolo County Division of Internal Audit
Internal Auditor's Report

II. Cash Receipts

Cash refers to U.S. currency and coins, checks drawn on U.S. banks and written in U.S. dollar values including travelers, cashiers, and certified checks, money orders, credit card sales drafts, Automated Clearing House (ACH) payments, and wire transfers. All of these forms of payment are acceptable by the County. The Chief Financial Officer must grant approval to a department to collect cash on behalf of the County. Departments must follow general cash receipt procedures and recording of transactions in handling of all cash receipts as stated below:

- A cash receipt must be provided for all cash transactions received over the counter.
- Cash collections shall be summarized daily on a cash receipt journal showing date received, amount received, and revenue or other accounts to be credited.
- Cash receipts must be deposited in the County Treasury or other authorized depository bank daily or when the amount on-hand exceeds a safe and reasonable threshold but no less frequently than weekly.
- A deposit transmittal form must accompany all cash receipts.
- Cash receipts that are transported from branch locations to headquarters for deposit must be maintained using a transmittal log or slip.
- Cash overages shall not be netted against cash shortages. Overages shall be deposited into the general ledger account and any shortages be listed on a log showing all relevant information including the date, amount, cashier, and an explanation for the shortage.
- Recording cash receipt transactions (cash register transactions, mail receipts, and credit cards) must be maintained and reconciled to the deposit.

Outside banking relationships must also be approved by the Chief Financial Officer to establish an outside banking relationship with a financial institution (bank). Individuals that have the authority to deal directly with the bank should adhere to the following general guidelines:

- All cash must be deposited in accordance with the cash receipts policy.
- A record must be kept of all cash receipts and disbursements. Deposit receipt must be obtained from the bank teller.
- All signature cards must be current.
- Cash in banks must be protected by FDIC insurance.
- Authorized use of the County tax identification number must be obtained in advance from the Chief Financial Officer.
- Outstanding checks must be monitored on a regular basis for stale dated checks.
- Bank reconciliation must be prepared monthly and available for review.

HHSa has three (3) collection areas: Community Health (car seats), Woodland Service Center and West Sacramento Service Center (benefit overpayments). Each location reconciles their collections and transfers the cash and the cash receipts to the Woodland Administration Branch for further processing of the deposits into the County's Treasury.

Audit Objective/Methodology:

To determine that handling of cash receipts comply with County Policy, funds are adequately safeguarded, and there is a separation of duties among employees handling and reconciling cash.

To accomplish our objective, the following procedures were performed:

- Conducted a cash count of all change funds
- Tested a sample of cash receipts
- Reviewed the cash reconciliation procedures

Yolo County Division of Internal Audit
Internal Auditor's Report

- Determined whether the cash and check stock were secured and locked at all times
- Reviewed the annual revolving cash report for fiscal year 2020-21 for reported cash overages and shortages
- Verified that monthly bank reconciliations were properly completed

Finding #3: Payments at the West Sacramento Service Center

Payments received should be immediately recorded on a pre-numbered cash receipt form or control log. Collections should be reconciled at the end of the day to identify any differences. For those departments in which cash receipts are transported from branch locations to headquarters for deposit, accountability over collections must be maintained through the use of a transmittal log or slip. The log shall be signed at the time cash receipts are picked up and at the time delivered. Headquarters shall forward a copy of the log or slip to the branch to verify that the cash receipts were properly received.

Payments at the West Sacramento Service Center are placed in an envelope by the client and dropped in a collection box (drop box) located at the public counter. These payments are sent unopened to the Administration branch for recording into the VACS system and for further processing of the deposit. There is no control log to identify the amount collected to ensure that all collections were accounted for and deposited timely in the County Treasury.

Not maintaining accountability over cash collections may result in cash differences not identified on a timely basis and in the loss of control to determine if payments were deposited into the County treasury.

Recommendation 3:

We recommend that HHSA record payments received through the drop box onto a control log and that the log be reconciled to the cash on-hand before collections are transported to the Administration branch for deposit. (Priority 1 Issue – 60 days required corrective action)

Management Response 3

Controls appear to already be strong in this workflow where a secured dropbox is used for document acceptance from clients who may also drop payments. Any payments are then sealed and secured in a locked banker bag which is transported by county employees from West Sacramento to Woodland. Woodland staff then log the contents. Discussion covered that before the pandemic items were opened and logged by staff in West Sacramento before being sent for transport. We will request that this process begin again once staff are working from West Sacramento again on a regular basis and not working telework schedules. (Anticipated Date of completion 8/31/2022)

Finding #4: Reconciliation of bank statements

Bank reconciliation must be prepared on a monthly basis, documented and signed by the preparer and reviewer and unreconciled balances identified and resolved timely.

The auditors examined bank reconciliations for the months of December 2021, January and February 2022. The following exceptions were noted:

- Bank reconciliations were not signed by the preparer.
- Public Guardian Special Purpose account was not reconciled until April 2022 and used the incorrect bank balance for reconciling.
- Emergency Relief Account and the Child Welfare Services-Special Needs Fund account for December 2021 was not reconciled until February 2022.

Yolo County Division of Internal Audit
Internal Auditor's Report

Not performing timely and proper reconciliation of bank statements may allow errors to go undetected and differences to go unresolved.

Recommendation 4:

We recommend that HHSa provide training to staff in preparing a bank reconciliation. Also that the bank reconciliations be prepared on a monthly basis as prescribed by the Yolo County Cash Accounting Manual and signed by the preparer and reviewer. (Priority 1 Issue – 60 days required corrective action)

Management Response 4

Staff will work to conduct and sign reconciliation monthly (Anticipated Date of Completion 8/31/2022)

Finding #5: Terminated employees as check signers

All check signers should be current. Any employee terminated should be immediately removed from authorized check signer's list.

HHSa has not updated the check signers for the Emergency Relief Account and the Child Welfare Services-Special Needs Fund account. Two employees were terminated in March 2020 and February 2022 and another employee was temporarily assigned to another entity in July 2020 are still listed as check signers with the banks.

Not updating the check signers immediately after an employee terminates or is reassigned provides an opportunity for potential fraudulent activity to occur by allowing unauthorized checks to be processed.

Recommendation 5:

We recommend that HHSa update the check signers with the bank immediately after an employee terminates to ensure only authorized personnel is able to write checks against the bank accounts. (Priority 1 Issue – 60 days required corrective action)

Management Response 5

This is in process and departed staff were being updated for removal at the time of the audit review. We plan to add name review as part of the ongoing bank reconcile process for greater visibility. (Anticipated Date of completion 8/31/2022)

Yolo County Division of Internal Audit
Internal Auditor's Report

III. Other Cash Funds and Cash Equivalents

Cash equivalents: such as, gift certificates, gift cards, and bus passes may be acquired for use in grant funded or county programs. Approval and purpose of such acquisition must be on file. Departments are required to maintain an inventory for the cash equivalents showing the purchase date, card number, vendor name, amount and expiration (if applicable). Issuance of the inventory items must be documented and recipients must sign a receipt that the item was received. Total amount per recipient over \$600 within a calendar year must be reported to the Department of Financial Services.

HHSA maintains an inventory of bus passes for transportation of clients and an inventory of gift cards for use by case workers/program coordinators to procure necessary items; such as, food, clothing and other household items for clients.

Audit Objective/Methodology

To determine that the bus passes and gift cards are maintained, documented, agree to the HHSA's records, and that the client signed a receipt for possession of the bus pass or gift card.

To accomplish our objective, the following procedures were performed:

- Conducted a count of the bus passes and gift cards on-hand and traced to the inventory logs
- Determined that the inventory was properly recorded in the general ledger
- Tested a sample of disbursements to determine compliance with County Policy and procedures

Finding #6: Accountability over bus passes

Departments are ultimately responsible for the safekeeping of inventory they purchase. Purchases of inventory are charged to the asset inventory account and credited from inventory when used. The inventory account should reflect the "book balance" of inventory on-hand. Physical inventory counts should be taken periodically by someone independent of the purchasing and custody of inventory. Missing items should be investigated and analyzed for possible control deficiencies.

Bus passes are mainly used by the Child, Youth & Family branch and Service Centers branch. The bus passes are ordered by the Social Services Client Services program then transferred to each branch where the case workers/program coordinators distribute them to the clients. During the audit period, HHSA had 522 bus passes with a value of \$1,670 in inventory. The auditors reviewed the internal controls over the handling of the bus passes and noted the following exceptions:

- Bus passes are not issued in sequential order
- Bus passes are held 1 to 5 months by the case workers/program coordinators until distributed to the clients
- Control logs do not include client signatures of acknowledgement of receipt of the bus pass

Furthermore, the custodian receives the bus passes from the vendor, records the passes onto the control log and distributes the passes to the case workers/program coordinators without an independent review in the process.

Not maintaining accountability over the bus passes and providing an independent review within the recording and distributing process may result in the misappropriation and/or loss of bus passes.

Yolo County Division of Internal Audit
Internal Auditor's Report

Recommendation 6:

We recommend that HHSA require the case workers/program coordinators to report their number of bus passes issued to clients and the inventory on-hand to assist with reconciling the inventory account for any missing or unused passes. In addition, include a copy of the acknowledgement of receipt of the bus pass from the client for audit purposes. Furthermore, we recommend that a surprise count of the bus pass inventory be performed by a person independent of the custodian and that the count be reconciled to the general ledger and control logs to reflect the inventory on-hand. (Priority 1 Issue – 60 days required corrective action)

Management Response 6

We plan to revisit the process of all gift cards and transit passes making use of our business process analysts. The documentation time between issuing benefits and receiving confirmation by the client needs to be significantly shorter than what we experience today. (Anticipated Date of completion 8/31/2022)

Finding #7: Accountability over gift cards

Departments are ultimately responsible for the safekeeping of inventory they purchase. Purchases of inventory are charged to the asset inventory account and credited from inventory when used. The inventory account should reflect the "book balance" of inventory on-hand. Physical inventory counts should be taken periodically by someone independent of the purchasing and custody of inventory. Missing items should be investigated and analyzed for possible control deficiencies.

The gift card inventory is maintained by the Social Services Client Services program. Gift cards are distributed to the case workers/program coordinators upon request. During the audit period, HHSA had 146 gift cards with a value of \$3,012 in inventory. The auditors reviewed the internal controls over the handling of the gift cards and noted the following exceptions:

- General ledger inventory account did not agree to the gift cards on-hand
- Gift cards purchased between 2018-19 and 2019-20 totaling \$2,412 are still outstanding to Goodwill, Subway, Nugget, Food4Less, Walgreens, and Raley's

Not updating the inventory on-hand to the general ledger may result in inaccurate financial data reported on the County's annual financial statements. Gift cards held as inventory and not redeemed within a year may result in a loss of value and increases the risk of potential tracking errors and/or misappropriation of gift cards.

Recommendation 7:

We recommend that HHSA reconcile the general ledger inventory account against the actual gift cards on-hand to ensure accurate financial records. It is also recommended that the gift cards be reviewed to determine if they are deemed necessary for program operations or should be returned for full value. (Priority 1 Issue – 60 days required corrective action)

Management Response 7

Staff already reconcile monthly all gift cards and match to inventory tracking accounts on the balance sheet. Comments shared that they will never balance in realtime given that gift cards are added and removed frequently but ledger updates are only done one time per month. Expenses are recorded, and inventory value deducted, only after support documentation has been received from program staff who became the custodian after requesting cards from fiscal or earlier custodian. We will work to reduce the time period between issuing cards to program staff and the time when sufficient documentation is returned so that journal entries can be made to record the expense. Physical verification of gift cards in possession versus what is on tracking sheets will be reviewed. In this case multiple gift cards that were written off in an earlier fiscal year with approval were not removed from the safe and destroyed. Gift cards are not returnable for value in most cases is our

Yolo County Division of Internal Audit
Internal Auditor's Report

experience. In rare situations, such as physical bus passes, they can be returned for credit by the listed expiration date, which is already being done. (Anticipated Date of completion 8/31/2022)

Yolo County Division of Internal Audit
Internal Auditor's Report

IV. System Controls

According to Best Practice and the COSO framework of strong systems of control, departments are responsible for using appropriate systems to record and maintain detail of their accounts, including account activity, history of payments made, and outstanding balances. All documentation and records should be properly managed, maintained, and readily available for examination.

HHSA provides benefits to eligible clients through various programs such as, CalWORKS, general assistance, and food stamps. Overpayments are created when any form of benefit is issued in error or occurs from client negligence. The benefit overpayments are maintained in the Ventura Automated Collection System ("VACS"). The VACS system is maintained by a consortium of State and California counties and is interfaced with the CalWIN system (California Welfare Information Network – Eligibility System). The CalWIN system originates the claim for benefit overpayments and the Social Services Client Services program collects and records the payment in VACS.

Audit Objective/Methodology

To review the system accounts associated with the cash handling process to ensure that HHSA has adequate segregation of duties given the user's role and responsibilities.

To accomplish our objective, the following procedures were performed:

- Obtained a list of system administrators and users
- Compared the list of system administrators and users against the list of employees handling cash
- Obtained a general understanding of the user profile accounts

Finding #8: Access to the VACS system

Access controls provide reasonable assurance that access to computer resources (data, equipment, and facilities) is reasonable and restricted to authorized individuals, including effective, protection of information system boundaries, identification and authentication mechanisms, authorization controls, protection of sensitive system resources, audit and monitoring capability, including incident handling, and physical security controls.

The auditors found that six employees from other HHSA programs had access to the VACS system who do not normally handle client payments. One of these employees is on the talent exchange program from the Department of Community Services and has not handled a client payment since February 2020.

Improper user access rights and permissions may result in information that is added, deleted, or changed without approval or authorization.

Recommendation 8:

We recommend that HHSA review the list of system users for the VACS system to ensure that each access permission is assigned appropriately for the job being performed. Additionally, the security and change control reports should be reviewed regularly, actively monitored, logged, and reported accordingly. (Priority 1 Issue – 60 days required corrective action)

Management Response 8

HHSA does not control account creation or deletion for the VACS system. Account management is performed by county central IT. It is standard practice for any staff who have left the county to have their network account login disabled by IT which would inhibit their ability to login and use the VACS system because that

Yolo County Division of Internal Audit
Internal Auditor's Report

platform requires to be installed on a county computer. The person listed on talent exchange has already been removed from having VACS access along with other current employees who no longer need access to the software. Ongoing monitoring of active accounts should be performed in partnership between IT and HHS. (Anticipated Date of completion 8/31/2022)

Yolo County Division of Internal Audit
Internal Auditor's Report

V. County Policy and Procedures

The Yolo County Cash Accounting Manual prescribes uniform accounting procedures for county departments pertaining to cash collections, cash revolving funds, other cash funds, cash equivalents and cash losses in accordance with generally accepted accounting principles, laws & regulations and county policies. County employees with cash handling functions are required to read the manual and become familiar with its contents. Individual departments may have more detailed procedures for each cash handling position.

Audit Objective/Methodology

To determine if procedures for cash handling confer with standards of internal control, Best Practice, and the Yolo County Cash Accounting Manual.

To accomplish our objective, the following procedures were performed:

- Reviewed the policy manuals and procedures for recommended essential components within a Cash Handling Policy
- Verified that the cash handling processes are documented

Finding #9: Written procedures

HHSA uses the Yolo County Cash Accounting Manual as a guideline on how to handle the petty cash funds and record and reconcile cash receipts. However, detailed procedures for handling the revolving funds, bank accounts, and bus pass/gift card inventory, cash payments are not available.

Not providing staff with the necessary steps to process a transaction may result in procedures not being followed as intended and may allow errors to go undetected.

Recommendation 9:

We recommend that HHSA develop step-by-step procedures to ensure compliance with County Policy and recommended Best Practice for the following processes:

- Recording payments into the cash handling systems
- Reconciling and depositing daily collections
- Preparing and printing checks to creditors
- Performing bank reconciliations
- Handling bus pass/gift card inventory

The procedures should be disseminated to all staff handling cash, bus passes, gift cards, and bank accounts. (Priority 3 Issue – 180 days required corrective action)

Management Response 9

HHSA will continue working with our business process analyst team to document procedures. (Anticipated Date of completion 12/31/2022)

Yolo County Division of Internal Audit
Internal Auditor's Report

VI. Priority Ranking Definitions

Auditors use their professional judgment to assign rankings to recommendations using the criteria and definitions listed below. The purpose of the rankings is to highlight the relative importance of some recommendations over others based on the likelihood of adverse impacts if a corrective action is not taken and the seriousness of the adverse impact that may result. Adverse impacts are situations that have or could potentially undermine or hinder the following:

- a. The quality of services department provides to the community;
- b. The accuracy and completeness of County books, records, or report;
- c. The safeguarding of County asset;
- d. The County's compliance with pertinent rules, regulations, or laws;
- e. The achievement of critical programmatic objectives or program outcomes; and/or,
- f. The cost-effective and efficient use of resources.

Priority 1 Issues

Priority 1 issues are control weaknesses or compliance lapses that are significant enough to warrant immediate corrective action. Priority 1 recommendations may result from weaknesses in the design or absence of an essential procedure or control, or when personnel fail to adhere to the procedure or control. These may be reoccurring or one-time lapses. Issues in this category may be situations that create actual or potential hindrances to the department's ability to provide quality services to the community, and/or present significant financial, reputational, business, compliance, or safety exposures. Priority 1 recommendations require management's immediate attention and corrective action within 60 days of report issuance.

Priority 2 Issues

Priority 2 issues are control weaknesses or compliance lapses that are of a serious nature and warrant prompt corrective action. Priority 2 recommendations may result from weaknesses in the design or absence of an essential procedure or control, or when personnel fail to adhere to the procedure or control. These may be reoccurring or one-time lapses. Issues in this category, if not corrected, typically present increasing exposure to financial losses and missed business objectives. Priority 2 recommendations require management's prompt attention and corrective action within 120 days of report issuance.

Priority 3 Issues

Priority 3 issues are the more common and routine control weaknesses or compliance lapses that warrant timely corrective action. Priority 3 recommendations may result from weaknesses in the design or absence of a procedure or control, or when personnel fail to adhere to the procedure or control. The issues, while less serious than a higher-level category, are nevertheless important to the integrity of the department's operations and must be corrected or more serious exposures could result. Departments must implement Priority 3 recommendations within 180 days of report issuance.



Independent Accountant’s Report

Board of Supervisors and Sheriff Tom Lopez
County of Yolo
Woodland, California

We have performed the procedures enumerated below, to assist the County of Yolo (County) in determining compliance related to Penal Code 4025 for the County’s Inmate Welfare Fund for the period of July 1, 2018 through January 31, 2022.

The County has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the County’s compliance with the Penal Code 4025 for the County’s Inmate Welfare Fund, and we will report on findings based on the procedures performed.

The procedures and the associated findings are as follows:

- 1. Select a sample (20 transactions for at least a 70% coverage) of expenditure transactions recorded in the Inmate Welfare Trust Fund from each fiscal year from July 1, 2018 through January 31, 2022. For each expenditure selected, perform the following:
a. Verify that the expenditure was allowable under Title 15 and California Penal Code Section 4025 and used for the benefit, education, and welfare of inmates.
b. Verify that the expenditure was properly approved in accordance with County policies and procedures prior to disbursement.
c. Verify that the expenditure was valid and supported by underlying invoice, contract, purchase order or agreement.

Findings: No exceptions were found as a result of this procedure.

- 2. Select a sample (10 transactions for at least a 70% coverage) of Jail Commissary profit revenues (transfers) recorded in the Inmate Welfare Trust Fund from each fiscal year from July 1, 2018 through January 31, 2022.
a. For each revenue transaction (transfer) selected, review supporting documentation to ensure that the revenues (transfers) are accurate, timely, and calculated correctly based on the net profit of the commissary in accordance with Title 15 and California Penal Code Section 4025.

Findings: No exceptions were found as a result of this procedure.

3. Select a sample (10 transactions for at least a 70% coverage) of Telephone Commission revenues recorded in the Inmate Welfare Trust Fund from each fiscal year from July 1, 2018 through January 31, 2022.
 - a. For each revenue transaction selected, agree revenue amount to underlying deposit and support and verify commission is accurately calculated.

Findings: No exceptions were found as a result of this procedure.

4. Review Board minutes to ensure that itemized report of Inmate Welfare Trust Fund expenditures for the period ending June 30, 2021, was presented to the Board in accordance with Title 15 and California Penal Code Section 4025. Agree report presented to underlying general ledger summary reports to verify amounts presented as accurate.

Findings: No exceptions were found as a result of this procedure

5. Obtain the balance sheets and income statements for each fiscal year from July 1, 2018 through January 31, 2022, perform a fluctuation analysis of all balance sheet and income statements account balances comparing to the prior year's actual and identify any variances exceeding 5% or any unusual variances. Provide management's description or explanation of any variances exceeding 5% or any unusual variances.

Findings: See Appendix A for balance sheet and income statement fluctuation analysis provided by Management. Management responses were provided for the material fluctuations (over 5%) noted in red.

We were engaged by the County to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on determining compliance with Penal Code 4025 for the County's Inmate Welfare Fund. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Board of Supervisors and management of the County and is not intended to be and should not be used by anyone other than these specified parties.


Sacramento, California
July 12, 2022

County of Yolo, California
Appendix A

Account Number	Account Description	6/30/2018 Ending Balances	6/30/2019 Ending Balances	6/30/2020 Ending Balances	6/30/2021 Ending Balances	6/30/2022 Annualized	FY 19 % Change	FY 20 % Change	FY 21 % Change	FY 22 % Change	Management Explanation of variances:
100000-0	CASH IN TREASURY	\$ 38,422	\$ 140,041	\$ 223,689	\$ 398,586	\$ 433,831	264%	60%	78%	9%	Change is the result of operations. Balance is existing balance with the County Treasury as of June 30.
100010-0	CASH GASB 31 FMV DFS ONLY	-	814	3,249	1,835	-	100%	299%	-44%	-100%	Fair market value adjustment from Yolo County Treasury.
112020-0	ACCOUNTS RECEIVABLE-JE	8,065	-	8,136	2,120	-	-100%	100%	-74%	-100%	Accrual for revenue received in July for May and June Commissions. See explanations for variances in revenue section.
200001-0	ACCOUNTS PAYABLE-JE	(21,638)	(38,142)	(13,863)	(18,770)	-	76%	-64%	35%	-100%	AP for invoices paid in July for expenses incurred in May and June. See explanations for variances in expenditures section.
210010-0	DUE TO OTH GOV	-	-	(3,289)	-	-	0%	0%	-100%	0%	Reclass from AP account, accrual for expenses incurred in June and paid in July. See explanations for variances in expenditures section.
210700-148	PRISONERS PERSONAL TRUST	(15,465)	(15,236)	(19,931)	(53,037)	(62,172)	-1%	31%	166%	17%	Variance due to reclassification of accounts.
210700-9999	NON-CASH Y/E TRANS-TRUST FUNDS	-	-	-	(243)	-	0%	0%	0%	-100%	Investment earnings at year end accrual. Amount is nominal, dependent on year end cash balance in prisoners personal trust.
300999-0	UNASSIGNED	51,547	(24,848)	(102,714)	(217,921)	(330,491)	-148%	313%	112%	52%	N/A - Fund Balance
400700-0	INVESTMENT EARNINGS-POOL	(53)	(1,083)	(3,235)	(2,539)	(2,320)	1938%	199%	-22%	-9%	Investment earnings is based on cash balance maintained in fund.
400705-0	GASB 31 FMV - DFS ONLY	-	(814)	(2,435)	1,657	2,729	0%	199%	-168%	65%	Fair market value adjustment from Yolo County Treasury.
400725-0	RENTS & CONCESSIONS - OTHER	(318,930)	(220,010)	(189,118)	(163,967)	(143,621)	-31%	-14%	-13%	-12%	The decrease in revenue is directly linked to jail population, the Average Daily Population for FY2018, 2019, 2020, 2021, and period ending January 31, 2022 are 365, 327, 289, 219, and 274, respectively. There was a sharp decrease in jail population in April of 2020 because the Leinberher Facility closed. The building was demolished and is being reconstructed with a target completion in December of 2022.
404000-0	OTHER SALES - TAXABLE	(232,646)	(177,725)	(199,907)	(165,796)	(145,273)	-24%	12%	-17%	-12%	This is the same explanation as 400725 (above), with the exception that this account also records revenue related to inmate communication. The CPUC capped the rate that can be charged for certain inmate communication and we stopped receiving commission in September of 2021.
404190-0	OTHER MISC REVENUES	(1,505)	(399)	(1)	-	(429)	-74%	-100%	-100%	100%	Unclaimed funds from inmate deposits and money found on the floor.
405100-1421	TRANSFER IN FRM FD 1421	-	-	-	(764)	-	0%	0%	0%	-100%	One time payment for CARES Act Continuity of Operations Reimbursement. Funding received in response to the pandemic for additional costs incurred.
501011-0	INMATE CLOTHING & PERSONAL	13,188	8,077	7,469	2,189	6,354	-39%	-8%	-71%	190%	Inmate clothing and personal item cost fluctuations are entirely dependent on jail population, the Average Daily Population for FY2018, 2019, 2020, 2021, and period ending January 31, 2022 are 365, 327, 289, 219, and 274, respectively.
501040-0	HOUSEHOLD EXPENSE	5,498	5,293	2,357	1,295	906	-4%	-55%	-45%	-30%	Household items cost fluctuations are entirely dependent on jail population, the Average Daily Population for FY2018, 2019, 2020, 2021, and period ending January 31, 2022 are 365, 327, 289, 219, and 274, respectively.
501070-0	MAINTENANCE-EQUIPMENT	39	1,023	2,428	51	1,118	2499%	137%	-98%	2109%	Per review of GL details, the repairs and maintenance items include our copier, postage machine, and john deere lawn mower. These are as needed based on regular service intervals. Overall costs incurred annually are low.
501071-0	MAINTENANCE-BLDG IMPROVEMENT	28,888	18,557	10,294	10,385	8,110	-36%	-45%	1%	-22%	Based on review of the GL details, all costs incurred were charged from Department of General Services for maintenance and repair of the jail facilities. In part, the costs incurred is also dependent on jail population, the higher the population, the more maintenance is necessary; as well as repairs for any damages caused by inmates. The cost decreased further when the Leiberger Facility closed in April of 2020.
501110-0	OFFICE EXPENSE	4,002	584	331	799	7,370	-85%	-43%	141%	822%	Newspaper subscriptions and postage charges that were inadvertently recorded into the incorrect account.

County of Yolo, California
Appendix A

Account Number	Account Description	6/30/2018 Ending Balances	6/30/2019 Ending Balances	6/30/2020 Ending Balances	6/30/2021 Ending Balances	6/30/2022 Annualized	FY 19 % Change	FY 20 % Change	FY 21 % Change	FY 22 % Change	Management Explanation of variances:
501111-0	OFFICE EXP-POSTAGE	9,918	4,950	5,236	4,950	8,486	-50%	6%	-5%	71%	For account 501111 and 501190, these accounts record the cost of the postage machine lease from Pitney Bowes and postage. The usage is dependent on inmate population. Also, at the end of FY 2018, inmates were allowed to use email and messaging communication on tablets which significantly reduced number of mail sent and use of postage.
501130-0	INVENTORY PURCHASES	-	-	-	-	857	0%	0%	0%	100%	Recording of bus pass inventory as recommended in an audit recommendation.
501165-0	PROF & SPEC SVC-OTHER	397,119	265,233	236,374	187,190	178,346	-33%	-11%	-21%	-5%	This account records expenses for professional services received related to providing programs for inmates, such as the GED program, the law library, etc. The other expenses recorded here are the costs for commissary item which we get a portion of the commissions on and is recorded as revenue. One of the reasons for the decrease over the years is attributed to decline in the jail population, the Average Daily Population for FY2018, 2019, 2020, 2021, and period ending January 31, 2022 are 365, 327, 289, 219, and 274, respectively. The less inmates, the less commissary purchases there are. The other reason for the reduced cost is when the pandemic hit, many programs were stopped to prevent the spread of Covid in the jail. Some programs remained where social distancing was possible.
501190-0	RENTS AND LEASES - EQUIPMENT	5,366	2,907	2,964	4,189	4,676	-46%	2%	41%	12%	For account 501111 and 501190, these accounts record the cost of the postage machine lease from Pitney Bowes and postage. The usage is dependent on inmate population. Also, at the end of FY 2018, inmates were allowed to use email and messaging communication on tablets which significantly reduced number of mail sent and use of postage.
501205-0	TRAINING	677	-	-	-	-	-100%	0%	0%	0%	Purchase is for Notary Training for notary services for any inmates who needs documents notarized.
501210-0	MINOR EQUIPMENT	3,745	4,811	3,325	806	-	28%	-31%	-76%	-100%	The largest cost was for a John Deere Zero Turn mower and the last payment ended in August of 2022, it was a lease to buy contract and we purchased it. The mower is used to maintain the landscape; to keep the grass down around the jail perimeter. Other purchases include replacement of TV, other landscape tools and equipment, etc. No purchases of these items were made from July 1, 2021 through January 31, 2022.
501230-0	SPEC DPT EXP- CIRC LIB BKS&PERI	-	4,007	-	-	-	100%	-100%	0%	0%	Purchase of newspaper subscription and lost books, usually recorded in account 201234-program supplies.
501234-0	SPEC DPT EXP- PROGRAM SUPPLIES	2,017	1,683	5,211	4,736	1,259	-17%	210%	-9%	-73%	Purchases in this category vary from year to year, these are purchases for newspapers, Netflix, movies, and various project supplies for inmate entertainment and activities. The most expensive items for the years with higher expenses were payments for Davis Enterprise subscription and Swank Motion Pictures to rights to stream movies.
501249-0	SPEC DPT EXP-OTHER	69	231	-	-	-	233%	-100%	0%	0%	Purchase of newspaper subscription and lost books, usually recorded in account 501234-program supplies.
501250-0	TRANSPORTATION AND TRAVEL	559	523	-	-	-	-6%	-100%	0%	0%	Purchase of bus passes and transportation for released inmates, the recording of these costs were transitioned to account 502000 - Support and Care of Persons.
502000-0	SUPPORT AND CARE OF PERSONS	5,654	4,100	3,500	2,250	857	-27%	-15%	-36%	-62%	Cost of bus passes for inmates when released, they are provided a bus pass if they need one to get to where they need to go. Fairly consistent in cost incurred prior to Covid-19, until the height of the pandemic, there were lower level of inmate population. Inmates who qualified, were released to reduce the spread of Covid-19 in the jails.
502031-0	RETIRE LTD-CAP LEASE OBLG TN	-	178	-	-	-	0%	-100%	0%	0%	Final payment for retirement of a capital leases. Regular lease payments are recorded in the rents and leases expense account.
502049-0	INTEREST LTD-OTHER	-	8	-	-	-	0%	-100%	0%	0%	Final payment for retirement of a capital leases. Regular lease payments are recorded in the rents and leases expense account.

County of Yolo
Summary of Audit Reports – County
Received During Fiscal Year Ending - June 30, 2022

No.	Audit Report Title	Audit Firm	Audit Period	Results and Findings	Date Issued
1	Apportionment and Allocation of Property Tax Revenues	California State Controller	7/01/2017 to 6/30/2021	Findings 2: Reimbursement of property tax administrative costs; Redevelopment Property Tax Fund Deposit	4/26/2022
2	Assessor/Clerk-Recorder/Elections - Internal Control Cash Audit	Division of Internal Audit	12/1/2020 to 11/30/2021	Findings 6: Segregation of duties; cash receipts not timely deposited; voided receipts in the Tyler system not reviewed; control log for mail payments not reconciled; access to the Tyler system not limited; written procedures not available	2/18/2022
3	Countywide Payroll Audit	Division of Internal Audit	7/1/2018 to 9/30/2019	Findings 12: Segregation of duties; payroll security classes not assigned; overtime and compensatory time not pre-approved; overtime and compensatory time not properly recorded; standby pay not monitored; shift differential pay not properly recorded; time not promptly recorded (several prior period payroll adjustments); no system controls for the Workforce Management System and S3 module; County policy on employee timekeeping not updated; payroll processes not documented; record retention policy outdated; no reconciliation of payroll liability accounts	10/1/2021
4	District Attorney - Internal Control Cash Audit	Division of Internal Audit	2/1/2021 to 1/31/2022	Findings 3: Lack of accountability over gift cards; access to the Checkres System not limited; written procedures for gift card inventory not available	4/8/2022
5	Inmate Welfare Fund	Eide Bailly LLP	7/1/2018 to 1/31/2022	No Exceptions	7/12/2022
6	Internal Control Cash Audit – Health and Human Services Agency	Division of Internal Audit	3/1/2021 to 2/28/2022	Findings 9: No approval for establishment of petty cash fund at Public Guardian; segregation of duties for Public Authority petty cash; no control log for payments at the West Sacramento Service Center; bank reconciliations not performed timely and not signed; terminated employees as check signers; no accountability over bus passes; no accountability over gift cards; access to VACS system not limited; written procedures not available	6/24/2022
7	Purchase Card Continuous Audit	Division of Internal Audit	7/1/2020 to 12/31/2020	Findings 6: Lack of supporting documentation; description of business purpose not identified; goods not verified when received; program eligibility and department's policy and procedures for client services needs improvement; purchase card statements not approved by an authorized Approving Official; split transactions	7/21/2021
8	Purchase Card Continuous Audit	Division of Internal Audit	1/1/2021 to 6/30/2021	Findings 7: Lack of supporting documentation; description of business purpose not identified; goods not verified when received; program eligibility and department's policy and procedures for client services needs improvement; purchase card statements not approved by an authorized Approving Official; split transactions; purchase card used for unauthorized purchases	1/20/2022

County of Yolo
 Summary of Audit Reports – County
 Received During Fiscal Year Ending - June 30, 2022

No.	Audit Report Title	Audit Firm	Audit Period	Results and Findings	Date Issued
9	Sheriff-Coroner-Public Administrator Office - Internal Control Cash Audit	Division of Internal Audit	7/1/2020 to 6/30/2021	Findings 8: Segregation of duties; cash receipts not timely deposited; checks not endorsed and mail payments not recorded onto a control log; weekly bank reconciliations of the Civil Trust account not reviewed; outstanding checks for the Civil Trust account not monitored; lack of accountability over bus passes; access to the Teleosoft system not limited; written procedures not available	11/22/2021
10	Treasury Cash Count QE 12/31/2021	Division of Internal Audit	QE 12/31/2021	No Exceptions	1/27/2022
11	Treasury Cash Count QE 3/31/2022	Division of Internal Audit	QE 3/31/2022	No Exceptions	5/3/2022
12	Treasury Cash Count QE 6/30/2022	Division of Internal Audit	QE 6/30/2022	No Exceptions	7/22/2022
13	Treasury Cash Count QE 9/30/2021	Division of Internal Audit	QE 9/30/2021	No Exceptions	11/9/2021
14	Yolo County Department of Child Support Services Final Audit Report	California Department of Child Support Services	7/01/2018 to 6/30/2019	No Exceptions	12/7/2021
15	Yolo County Single Audit Report	Lance, Soll & Lunghard	7/1/2020 to 6/30/2021	Finding 1: Reporting (untimely reporting)	1/31/2022
16	Yolo County Treasury Review	Lance, Soll & Lunghard	QE 3/31/2021	Finding 1: Variances not resolved	8/5/2021
17	Yolo County Treasury Review	Lance, Soll & Lunghard	QE 9/30/2021	Finding 1: Variances not resolved	1/25/2022
18	Yolo County Treasury Review	Lance, Soll & Lunghard	QE 12/31/2021	Finding 1: Variances not resolved	4/29/2022
19	Yolo County Treasury Review	Lance, Soll & Lunghard	QE 6/30/2021	No Exceptions	10/28/2021

County of Yolo
 Summary of Audit Reports - Joint Power Agencies and Other
 Entities Received During Fiscal Year Ending - June 30, 2022

	Audit Report Title	Audit Firm	Audit Period	Results and Findings	Date Issued
1	City of West Sacramento	Crowe LLP	6/30/2021	Unmodified	6/21/2022
2	California Joint Powers Risk Management Authority	Maze & Associates	6/30/2021	Unmodified	12/6/2021
3	Yolo Habitat Conservancy	Lance, Soll & Lunghard, LLP	6/30/2021	Unmodified	3/21/2022
4	Yolo Emergency communications Agency	Richardson & Company	6/30/2021	Unmodified	1/14/2022
5	Yolo County Habitat/Natural Community Conservation Plan Joint Power Agency	Lance, Soll & Lunghard, LLP	6/30/2021	2 findings	3/21/2022
6	Yolo County Housing Authority	CohnReznick	6/30/2021	1 finding	5/27/2022
7	Sacramento Area Council of Governments (SACOG) - Independent Auditor's report	EideBailly	6/30/2021	Unmodified	12/1/2021
8	First 5 Yolo County Children and Families Commission - Financial Statement	Jensen Smith Certified Public Accountants	6/30/2021	Unmodified	10/11/2021
9	Woodland-Davis Clean Water Agency - Basic Financial Statement	Maze and Associates	6/30/2019	Unmodified	8/18/2021
Other Entities					
10	Schools Insurance Authority - Financial Statements	Gilbert and Associates	6/30/2020 & 6/30/2021	Unmodified	10/14/2021
11	Yolo County Children's Alliance	Fritzsche Associates Inc.	6/30/2021	Unmodified - Total Findings 1	1/6/2022

County of Yolo
Summary of Audit Reports – Special Districts
Received During Fiscal Year Ending – June 30, 2022

Audit Report Title	Audit Firm	Audit Period	Results and Findings	Date Issued
Clarksburg Fire Protection- Financial Statements with Independent Auditors Report	Fechter & Company Certified Public Accountants	6/30/2019 6/30/2020	Unmodified – No Findings	1/26/2022
Cacheville Community Service Districts – Financial Statements and Independent Auditor’s Report	Perry, Bunch & Johnston Inc. – A Professional Accountancy Corporation	6/30/2015 6/30/2016 6/30/2017 6/30/2018 6/30/2019	Unmodified – No Findings	06/1/2021
Cacheville Community Service Districts – Financial Statements and Independent Auditor’s Report	Perry, Bunch & Johnston Inc. – A Professional Accountancy Corporation	6/30/2020 6/30/2021	Unmodified – No Findings	05/19/2022
Davis Cemetery- Financial Statements with Independent Auditor’s Report	Fechter & Company Certified Public Accountants	6/30/2016 6/30/2017 6/30/2018	Unmodified – No Findings	02/27/2022
Knights Landing Community Service District – Financial Statements	Eide Bailly Certified Public Accountant & Business Advisor	06/30/2019 06/30/2020	Unmodified-With Findings, with views and planned corrective actions	03/29/2022
Knights Landing Ridge Drainage District Financial Statements and Independent Auditor’s Report	Smith & Newell Certified Public Accountants	12/31/2020	Unmodified – No Findings	12/30/2021
Reclamation District 108 Financial Statements with Independent Auditor’s Report	Smith & Newell Certified Public Accountants	12/31/2020	Unmodified – No Findings	11/26/2021
Reclamation District 108 Single Audit Act Reports and Schedules	Smith & Newell Certified Public Accountants	12/31/2020	Unmodified – with Findings	11/26/2021
Sacramento River West Side Levee Dist Financial Statements & Independent Auditor’ Report	Smith & Newell Certified Public Accountants	06/30/2020	Unmodified-No Findings	11/29/2021
Winters Cemetery District – Financial Statements and Independent Auditor’s Report	Nigro & Nigro – A Professional Accountancy Corporation	6/30/2020 6/30/2021	Unmodified – No Findings	01/15/2022
Yolo Fire Protection – Financial Statements and Independent Auditor’s Report	Perry, Bunch & Johnston Inc. – A Professional Accountancy Corporation	6/30/2015 6/30/2016 6/30/2017 6/30/2018 6/30/2019	Unmodified – No Findings	06/11/2021

County of Yolo
Summary of Audit Reports – Special Districts
Received During Fiscal Year Ending – June 30, 2022

Audit Report Title	Audit Firm	Audit Period	Results and Findings	Date Issued
Yolo Fire Protection – Financial Statements and Independent Auditor’s Report	Perry, Bunch & Johnston Inc. – A Professional Accountancy Corporation	6/30/2020 6/30/2021	Unmodified – No Findings	05/20/2022
Valley Clean Energy Alliance – Financial Statements and Independent Auditor’s Report	James Marta & Co. LLP Certified Public Accountants	06/30/2021 12/31/2021	Unmodified – With Findings	04/07/2022

ASSESSMENT OF INTERNAL CONTROLS AND PROCEDURES
Vehicle Fleet Operations
Internal Audit Report

County of Yolo, California

Submitted By

Eide Bailly LLP

TABLE OF CONTENTS

Executive Summary3
Overview of the Vehicle Fleet Service Operations3
Objective & Scope6
Internal Controls7
Assessment Procedures9
Risk Rating Definitions16
Control Weaknesses Identified and Recommendations17
Conclusion27



Executive Summary

Eide Bailly LLP (“We”, or “Our”) performed an independent assessment of the vehicle fleet operations of the Yolo County (“County”) for the period from April 1, 2021 to March 31, 2022. This review was focused primarily on the operational aspects of the fleet rather than the financial reporting records. Eide Bailly’s procedures were designed to address procedures outlined in the program approved by the County to assess the internal controls over the management of fiscal resources and evaluate maintenance costs, vehicle utilization, and general operations to determine if adequate controls were in place to ensure an efficient and cost-effective vehicle fleet. The procedures described in this report were performed in May and June of 2022.

Our assessment of the business processes, identification of internal controls/weaknesses, and the associated recommendations were developed based on the review of the County’s written policies and procedures (P&Ps), telephone and video conference interviews of key personnel of Fleet Services, as well as detailed testing for sampled assets or related records of the vehicle fleet. The key personnel interviewed included the Fleet Superintendent, the Chief Fiscal Admin Officer, and the Senior Accountant Technician. We also corresponded with the Risk Manager of the County.

Overview of the Vehicle Fleet Operations

The vehicle fleet of Yolo County is administered by Fleet Services which functions within the Public Works division of the County’s Community Services Department. Fleet Services is overseen by the Fleet Superintendent and the directors of the Public Works Division and Community Services Department. The highest level of authority for Fleet Services is the Board of Supervisors, comprised of 5 elected officials, who review and approve the annual financial budget including the procurement of vehicle fleet assets. The County Administrator’s Office prepares the annual budget with the Department of Financial Services, which is presented and approved by the Board of Supervisors.

Fleet Services is an “internal service fund” of the County and per the County’s approved budget, Fleet Services assumes administrative duties to ensure all vehicles are properly reported, managed, and maintained. Fleet Services is also the central point of contact and regulatory interface for vehicle and equipment emissions/environmental compliance; including assuming responsibility as the County’s Responsible Official Affirmation of Reporting, with authority to remove non-compliant equipment from service.

Fleet provides basic information available to Departments with which they can improve their vehicles use, condition and reliability as well as reduce costs and environmental impact. Fleet offers input pertaining to new technology, driver training, and specific vehicle outfitting; as well as vehicle utilization to minimize vehicle purchase, maintenance, and repair costs.

Fleet Services is comprised of approximately 3 Full Time Equivalent staff (“FTE’s”) and 1-2 FTE’s for admin staff; total of approximately 4.5-5 FTE’s.

Key IT Systems:

- CAMS Cost Accounting Management System - A large number of County Public Works Departments use the CAMS system. It is used to track, inventory, and process maintenance requests of the fleet. CAMS is a fully integrated, multi-module cost and project accounting system specifically designed for Public Works/Road Departments to assist with managing all financial and operational aspects of Fleet Services.
- Lawson (Infor) ERP Software - Lawson is used by Yolo County for its accounting and financial reporting. Lawson is a robust ERP software platform that provides GL, accounting, and financial statement functionality as well as modules for other related tasks like AR, AP, Inventory, and Payroll services.

YOLO COUNTY – VEHICLE FLEET OPERATIONS

County Fleet: As of the time of this assessment; the fleet was comprised of approximately 580 units including 434 vehicles and 146 units of equipment with an approximate historical purchase price of \$18.1M and a calculated net book value of approximate \$4M. See table 1 below for details.

Table 1

Asset Type	Qty	Historical Purchase Price	*Approx. Net Book Value (5 year useful life)
Vehicles	434	\$ 16,422,347	\$ 3,562,160
Equipment	146	\$ 1,671,410	\$ 482,819
Total	580	\$ 18,093,757	\$ 4,044,979

*Disclosure: The calculation of net book value was based on a 5 year useful life. Some of the larger assets may have a longer useful life; however, for purposes of this calculation a 5 year useful life was assigned to all of the assets within the Fleet Services asset listing. The calculation was also based on the year of the vehicle as noted on the Fleet Services asset listing. This is an approximate calculation of the fleet’s NBV and does not come from the audited financial statement of the County.

The process for purchasing new vehicles follows the County-Wide Procurement Policy. Various departments throughout the County hold vehicles such as the Sheriff’s department, PPW Roads and Engineering, District Attorney’s Office, Probation Services, Mental Health Services and Department of Child Support Services.

Functional categories of fleet vehicles and equipment by department include (this is not a comprehensive list):

Sheriff’s Office:

- Patrol vehicles
- Full Size SUV vehicles and Trucks
- Detention, Animal Services, and Coroner vehicles
- Off-road: ATV’s & Boats

Probation:

- Sedans - Cops JUV Justice and service units
- SUV’s - Detention service units
- Trailers

Public Works:

- Light vehicles (e.g., cars, ½ ton trucks, vans, SUVs)
- Medium vehicles (e.g., utility trucks, crew trucks, flat-bed trucks)
- Heavy vehicles (e.g., tractor trailer trucks, semi-trucks, dump trucks)
- Sweeper
- Specialty equipment (e.g., road maintenance equipment, liquid asphalt distributors, forklifts)
- Trailers

Public Works heavy equipment:

- Loader/Skid steer loader
- Backhoe loader
- Compactors (definition: A compactor is a machine or mechanism used to reduce the size of material such as waste material or bio-mass through compaction)
- Vibratory roller (definition: A vibratory roller is a compactor having a drum* (roll or horizontal cylinder) used to densify (compact) soil, asphalt, or other materials through the application of combined static and dynamic forces (weight and vibrations) to increase the load-bearing capacity of the surface.)
- General implement tractors

YOLO COUNTY – VEHICLE FLEET OPERATIONS

Table 2 - Below shows an approximate allocation of all vehicles and equipment in the fleet by department as of the time of this assessment.

Vehicles and Equipment by Department:

Qty	Qty Subtotal	Departments or Assigned Location	%	Percentage Subtotal
12		ADMH-MENTAL HEALTH - (MHSA)	2.1%	
31		AGRICULTURE	5.3%	
2		ASSESSOR	0.3%	
6		CANNABIS	1.0%	
15		DEPARTMENT OF CHILD AND SOCIAL SERVICES - (DCSS)	2.6%	
16		DEPARTMENT OF EMPLOYMENT AND SOCIAL SERVICES - (DESS)	2.8%	
1		DEPARTMENT OF FINANCIAL SERVICES - COURIER (DFS)	0.2%	
26		DISTRICT ATTORNEY	4.5%	
3		EMERGENCY MEDICAL SERVICES - (EMS)	0.5%	
1		EMERGENCY PREPAREDNESS	0.2%	
1		ENVIRONMENTAL HEALTH	0.2%	
3		FLEET SERVICES	0.5%	
31		GENERAL SERVICES DEPARTMENT	5.3%	
62		HEALTH AND HUMAN SERVICES - (CAR POOL)	10.7%	
4		INFORMATION TECHNOLOGY/TELCOM	0.7%	
1		LIBRARY	0.2%	
3		OFFICE OF EMERGENCY SERVICES	0.5%	
12		OTHER DEPARTMENTS	2.1%	
2		PUBLIC ASSISTANCE	0.3%	
6		PUBLIC DEFENDER	1.0%	
8		PW - DEPARTMENT INTEGRATED WASTE MANAGEMENT	1.4%	
6		PW - ENGINEERING	1.0%	
15		PW - ENVIRONMENTAL HLTH	2.6%	
8		PW - LANDFILL	1.4%	
24		PW - PARKS AND RESOURCES	4.1%	
85		PW - ROADS MAINT	14.7%	
22		PW - SANITATION	3.8%	
	168	SUBTOTAL - PW		29.0%
14		SHERIFF - ANIMAL SERVICES	2.4%	
22		SHERIFF - BOAT PATROL	3.8%	
1		SHERIFF - CIVIL	0.2%	
4		SHERIFF - CORONER	0.7%	
17		SHERIFF - DETENTION	2.9%	
7		SHERIFF - MANAGEMENT	1.2%	
15		SHERIFF - OTHER	2.6%	
45		SHERIFF - PATROL	7.8%	
49		SHERIFF - PROBATION	8.4%	
	174	SUBTOTAL - SHERIFF		30.0%
580		TOTAL - VEHICLES AND EQUIPMENT	100.0%	

Objective & Scope

The objective of this project was to obtain an understanding of the business processes and procedures of the County's vehicle fleet service operations in order to identify and assess the internal controls and processes to ensure the fleet is operating efficiently and effectively. In order to accomplish the objective, we designed and organized our procedures by the following five functional areas of the fleet operations for its primary process components as given below:

1. Inventory Management

- Purchase, transfer, and sale of the vehicles and equipment
- Tracking mechanism for vehicles and equipment
- Inventory observations for parts
- General accounting processes related to inventory management
- Replacement vehicle process

2. Maintenance Services

- General internal processes and procedures
- Procedures for preventative maintenance, in-house repair services, and outsourced services.
- Work order handling and internal billing for maintenance costs
- Analysis of the department's admin fees process

3. Vehicle Use

- Vehicle usage monitoring and tracking
- Re-assignment of low usage vehicles
- Fuel consumption and mileage monitoring and accounting for fuel cost
- Driving safety guidelines, vehicle use standards, and fleet safety performance
- Fleet credit cards, (e.g. Fuel Cards – Voyager)

4. Security

- Fleet management software – appropriate user access, roles, and responsibilities
- Facility access badges
- Security measures to prevent theft and vandalism

5. Compliance

- Driver / operator license information, requirements, limitations
- Training for drivers / operators. Tracking and documentation of completed trainings
- Vehicle and equipment insurance policies and coverage
- Board's budget principle of a Green Fleet.

Internal Controls

The following internal controls, (“IC”) were identified during the assessment:

Inventory Management Controls:

- IC1. Collaborating with other departments:** Fleet Services works with Department Heads to identify vehicles that need to be replaced or re-assigned during the budget process and throughout the year. Departments are encouraged to check with fleet Services for availability of a vehicle from the garage pool or another County department and consider paying mileage in lieu of purchasing a new vehicle and incurring long-term repair and maintenance costs.
- IC2. Authorization by the Department Head and approval from the County Administrators Office are needed to purchase a new vehicle or equipment:** After it has been determined that the purchase is appropriate and cost-effective in providing the required services, purchase requests for vehicles must be authorized by the Department Head and approved by the County Administrator’s Office.
- IC3. Separation of duties:** County departments do not have access to CAMS; only Fleet Services department staff has access to CAMS. Fleet Services staff does not have access to the accounting records within Lawson.
- IC4. Official forms and documentation for transfers and surplus:** Signed transfer and surplus forms, a joint Fleet Services/Department and Purchasing/DFS effort, are sent to DFS and the Department the vehicle is assigned. DFS sends out asset listings from Lawson for all Department Heads to review and update as needed at the end of the year.
- IC5. Vehicle numbers for tracking:** Fleet Services assigns a number for tracking to each vehicle. Vehicles are also assigned a separate asset and tag number by Purchasing and DFS. Fleet Services will send to DFS the vehicle number they assigned along with other identifying information as applicable (VIN, license plate number, transfers and surplus information) and DFS will include the Fleet’s vehicle number in the tag number.
- IC6. Official Procurement Policy in Writing:** The County has an official “Principles of Procurement” policy, which both departments and Fleet Services follows for their own purchases. The Procurement Division of the DFS provides support, assistances, and oversight regarding purchasing decisions. The Procurement Division is responsible for coordination of solicitations for goods and supplies costing \$5,000 or more. Departments are generally responsible for the coordination of solicitation for services at any amount, and for goods and supplies costing less than \$5,000.

Maintenance Services Controls:

- IC7. Fleet Services will try to regularly service vehicles:** Fleet Services will try to service vehicles approximately every 6 months or twice per year. Maintenance on equipment will vary. The Superintendent will coordinate maintenance activities with other departments.
- IC8. Department Admin Fees are budgeted each year:** Each year, Fleet Services prepares a total, estimated annual overhead charge for the upcoming year as part of the budgeting process. Once the total overhead charge is developed, it is allocated to each department/accounting unit. The allocation is based on the prior year’s actual repair orders by department, (in relation to repair orders for all departments as a whole).

Vehicle Use Controls:

- IC9. Fuel Usage reports are processed from the CAMS system:** These reports can be ran monthly or more frequently based on the report criteria. They show the fuel card number the fuel was charged to and the detailed information such as; the date the fuel was purchased, the number of gallons purchased, and fuel type “Unleaded/Diesel/Other type” purchased, and the total dollar amount of the gas purchase.
- IC10. Low mileage vehicles are reviewed during the budget process with departments:** During the annual review at budget time, around the month of February, Fleet Services will highlight each department’s low use vehicles, which are those with less than 400 miles/month average over the previous year.

Security Controls:

- IC11. Appropriate user access rights to CAMS:** Employees with user access to the CAMS Fleet Module have appropriate access based on their roles.
- IC12. Removal of user access rights to CAMS is done in a timely fashion after termination:** Controls appear to be in place to ensure that user access to CAMS Fleet Module is removed in a timely fashion after termination.

Compliance Controls:

- IC13. A Commercial Driver’s License (“CDL”) is required for PW road maintenance staff that use heavy vehicles:** PW Roads maintenance staff must have a CDL to advance above Assistant Roads Worker and Assistant Road Workers are not allowed to drive vehicles requiring CDL. Vehicles and equipment requiring a CDL are not part of the common pool of County vehicles.
- IC14. Department Heads and the Risk Manager work together to track and monitor CDL’s:** First, the Department Heads or supervisors are responsible to ensure that only employees with CDL’s can operate vehicles that require a CDL. Second, the Risk Manager (“RM”) will confirm that all intended operators have current and valid CDL to operate.
- IC15. Notices of CDL renewals are sent to the Risk Manager from the DMV:** The Department of Motor Vehicles, (“DMV”) will also send out notice to RM when employee’s CDL needs renewing or is suspended. In addition, Yolo County Public Agency Risk Management Insurance Authority (“YCPARMIA”) will run annual checks to ensure an employee’s CDL is valid.
- IC16. Pre-employment drug and alcohol tests performed for CDL drivers:** During the pre-employment of a potential CDL driver, drug and alcohol tests are performed. HR will coordinate the test during the hiring process.
- IC17. Current CDL drivers are subject to random drug and alcohol tests:** Quarterly, YCPARMIA will send a list of employees with CDL that will need tests and the tests are due back to YCPARMIA within approximately 3 months once the names are issued.
- IC18. The DOT Clearinghouse is used to check CDL drivers for possible drug and alcohol violations:** RM will conduct a query annually and upon hire of the Department of Transportation, (“DOT”) Clearinghouse for CDL drivers, for drug and alcohol violations.
- IC19. The Risk Manager will receive an annual report from the DMV listing all CDL drivers that are in need of a physical exam, which is required every two years:** DMV sends out an annual report to the Risk Manager for all CDL employees with info about when physical exams are due. The Risk Manager will maintain these records for compliance purposes and notify departments if there are any exam related issues. HR will schedule the physical examinations with the employee.

Assessment Procedures

For the five functional areas, we reviewed the existing P&Ps related to vehicle fleet operations and performed virtual process walkthroughs with key personnel of Fleet Services to gain an understanding of business processes in all of the five functional areas and identified internal controls for independent evaluation as well as assessed them against the established P&Ps. As a result, we created process narratives describing the processes and procedures in each functional area. The accuracy and completeness of the process narratives were also reviewed by the Fleet Superintendent and the Chief Fiscal Admin Officer. Eide Bailly retained the process narratives for our internal records to support this report.

In addition, we designed and performed the following procedures specifically for each of the five functional areas as well as a high-level overview:

High-Level Overview of Fleet Services

1. The high-level overview involved obtaining and identifying official approved policies and procedures in writing related to Fleet Services, interviewing key stakeholders, and researching benchmark statistics for criteria related to the County and Fleet Service procedures.

The benchmarking statistics are available at the following website:

<https://www.government-fleet.com/operations/10151456/2021-benchmarking-statistics>

Inventory Management

2. Reviewed the County's Procurement Policy and Vehicle Purchases Criteria within the Vehicle Policy document. Then performed virtual walkthroughs of the processes related to procurement, tracking, and accounting for vehicles, equipment, and auto-parts. This included any identified as out-of-services or considered obsolete.
 - a) Eide Bailly noted that a County-wide inventory has never been performed over vehicles and equipment. Instead, individual departments will review and certify asset listings provided by DFS annually to update and reconcile asset listings in Lawson/Infor. As such, it is difficult to determine that the assets included in the CAMS inventory listing utilized by Fleet Services exist, and that the CAMS listing is complete and accurate, as a County-wide inventory has not been conducted and reconciled to CAMS. See the control weaknesses identified and recommendations section of inventory management for more detail.
 - b) Eide Bailly noted that there is no reconciliation performed or interface between CAMS and Lawson (Infor). There is neither a manual reconciliation nor an electronic interface between the two systems. This makes it difficult to determine if the information in the CAMS for inventory and maintenance purposes matches the information in Lawson/Infor for accounting and financial reporting purposes. See the control weaknesses identified and recommendations section of inventory management for more detail.

YOLO COUNTY – VEHICLE FLEET OPERATIONS

3. Reviewed a sample of vehicles and equipment that were *purchased, transferred, sold, auctioned, wrecked, made surplus, or made inactive* to ensure approvals were obtained and vehicles were added and removed in CAMS according to Policies and Procedures. Specifically, we tested purchases, transfers, sales, surplus, and inactive vehicles and equipment during the period April 1, 2021 thru March 31, 2022. We also tested vehicles that were in “wrecked” status within CAMS.

Table 3 - The population and sample sizes for testing are noted below:

Description	Population	Sample Size
Vehicles/Fleet sold during period	23	5
Vehicles/Fleet purchased during period	19	5
Vehicles/Fleet transferred during period	68	10
Vehicles/Fleet that went into "Inactive" status during period	4	2
Surplus	12	3
Wrecked	3	3
Auction	1	1

We performed the following procedures:

- a) Purchased: Inspected vehicle requests or acquisition forms, purchase invoices, and other documents to verify the approval of the purchase and accuracy of the addition.
- b) Transferred: Inspected the underlying transfer request forms to ensure the transfer was authorized and accurate.
- c) Sold and Auctioned: Inspected auction settlement statements, other sales forms, check copies, and approved asset disposal forms to verify approval and accuracy.
- d) Surplus, Inactive, and Wrecked: Inspected documentation and approval forms available indicating that the vehicle or equipment was transferred to surplus status, made inactive, or disposed of due to a wreck.

Controls appeared to be in place and no concerns were noted during this testing procedure.

4. Requested the most recent count sheets for auto-parts to verify that the physical inventory was actually performed by Fleet Services and to verify discrepancies found between the physical inventory and the CAMS system.
 - a) It was noted that official count sheets were not used or retained for the inventory of auto-parts. Therefore, we will make a recommendation to use and retain official count sheets for the inventory of auto-parts. See the control weaknesses identified and recommendations section of inventory management for more details.

Maintenance Services

5. Requested any official Policies and Procedures in writing related to maintenance services performed in-house and outsourced. Then performed virtual walkthroughs of the processes related to maintenance services in order to evaluate those processes against established Policies and Procedures.
 - a) Eide Bailly noted a lack of official approved Policies and Procedures in writing over specific maintenance and repair procedures performed in-house and outsourced. Eide Bailly requested more specific policies and procedures in writing for maintenance, repair operations, and inspections. Also requested an official list of maintenance and repairs performed in-house and those that are outsourced. Fleet Services was not able to provide either. Fleet Services instead will regularly review manufacturer recommendation concerning vehicles service requirements, as well as vehicle histories to predict what service is or will soon be needed. Therefore, there appears to be a lack of official policies in writing regarding what/when maintenance and repair services are to be performed. See the control weaknesses identified and recommendations section of maintenance services for more details.
 - b) In addition, Fleet Services relies heavily on the Fleet Superintendent to coordinate maintenance and repairs. While the Fleet Superintendent, has an impressive 14 years of experience; if the Superintendent was to separate from the County, it would create a significant “knowledge gap” within Fleet Services that would be further exasperated by not having any specific official policies and procedures in writing for Fleet Service staff to follow with regards to maintenance and repair procedures. See the control weaknesses identified and recommendations section of maintenance services for more details.
 - c) Eide Bailly also noted that the last approved official Vehicle Policy in writing was dated in 2013, nearly 10 years ago. Therefore, Eide Bailly will make a recommendation to have a reviewed and updated official approved Vehicle Policy in writing.

6. Obtained and reviewed a sample of work orders to determine if internal billing procedures followed established guidelines and to verify that maintenance procedures were performed. The scope of the period tested was from April 1, 2021 thru March 31, 2022. The work orders were non-statistically sample tested from a population 1,031 work orders and a sample size of 20 work orders, which were haphazardly selected using professional judgement. Eide Bailly tested labor charges, outsourced services, and regular auto-part charges related to the work order. The supporting documents included time-card distribution reports from CAMS, invoices from outsourced automotive vendors, and auto-parts requestion forms. Controls appeared to be in place and no concerns were noted during this testing procedure.

7. Performed an analysis of the department’s admin overhead fees charged to vehicles to ensure they are reasonable.
 - a) Fleet Services charges County Departments a “Fleet Administrative Overhead Charge” to recoup remaining costs other than Fuel and Maintenance, which are direct charged to each department. The Overhead charge is recorded on a quarterly basis in Lawson/Infor within account 501252 in each Department’s Fund. In FY 2022, the charge expense is now recorded in account 501253 within each Department’s Fund.

Once the overhead charge is allocated to each department, one fourth of the charge is posted as an expense in each Department’s Fund and recorded as Revenue in the Fleet Fund, (403799 account). The Fleet administrative Overhead Charge is a budgeted/estimated charge that gets pushed out to the Departments. The total summary of overhead charges by department is included in the County’s “Budget Instructions” which is provided to each department to assist in developing the budget for the upcoming fiscal year.
 - b) We prepared an analytic to test the reasonableness of the department’s admin overhead fees. The scope from April 1, 2021 thru March 31, 2022 was used for this analytic testing, which covered FY Q4 of 2021, (Period from April 1, 2021 thru June 30, 2021) FY Q1 of 2022, (Period from July 1, 2021 thru September 30, 2021) FY Q2 of 2022, (Period from October 1, 2021 thru December 31, 2021) and FY Q3 of 2022, (Period from January 1, 2022 thru March 31, 2022). The analytic involved Eide Bailly recalculating and reviewing total annual Overhead Charge for Fleet Services and the allocation and recording of the Overhead Charge to departments. The charges appeared reasonable based on Eide Bailly’s recalculation and review of the charges.

Vehicle Use

8. Reviewed the Vehicle Use Procedures, Safety Procedures, and Accident and Liability Guidelines within the official Vehicle Policy to gain an understanding of safety guidelines and vehicle use standards.
9. Obtained and reviewed vehicle usage reports to determine if “Low Usage Vehicles” were reassigned as needed.
 - a) First, Eide Bailly requested any official authorized Policy and Procedures in writing over Low Usage Vehicles; however, determined that there is not any official policies or procedures in writing. Therefore, Eide Bailly will make a recommendation to have an official approved policy in writing over Low Usage Vehicles. See the control weaknesses identified and recommendations section of Vehicle Use for more details.
 - b) Second, based on correspondences with the Chief Fiscal Admin Officer, Eide Bailly could expect that vehicles with less than 400 miles/month average annually to be reassigned. Eide Bailly then prepared a Low Mileage Analytic to determine if vehicles were properly identified as “Low Usage” by recalculating the start and end mileages and determining which had below 400 miles/month average annually. We then compared the calculated number of vehicles to be reassigned from the analytic to the number vehicles actually reassigned, which exceeded Eide Bailly’s expectations. See the control weaknesses identified and recommendations section of Vehicle Use for more details.
10. Reviewed fuel consumption reports of vehicles to determine accuracy and timeliness of fuel readings. Evaluated the processes and internal controls in places for refueling activities and economical fuel consumption.
 - a) Monitoring Fuel Consumption and Mileage: Fuel Usage reports can be processed from the CAMS system. These reports can be ran monthly or more frequently based on the report criteria. They show the fuel card number the fuel was charged to and the detailed information such as; the date the fuel was purchased, the number of gallons purchased, and fuel type “Unleaded/Diesel/Other type” purchased, and the total dollar amount of the gas purchase. The fuel information is uploaded into the CAMS system from a CSV file, which comes from the Interstate Fuel. This CSV file is uploaded daily into CAMS by Fleet Services. CAMS maintains both the fuel and milage data of the vehicles.
 - b) Fuel Billing and Reporting: The Senior Accountant Technician will process the monthly fuel journal in Lawson (Infor). Afterwards, the accounting report will be broken-down by budget unit numbers (the accounting units or object codes are set up as Fund-Department-Budget Unit-Cost Center). The Senior Accountant Technician will document the journal number on the top of each budget unit report and send it to the appropriate fiscal contacts, typically Fiscal Officers or Department Heads.
 - c) Fuel Cards and Voyager Fuel Credit Cards: There are two types of fuel cards available at the County: Voyager fuel credit cards and vehicle fuel cards (see step #12 for Voyager fuel credit card testing details).

There are approximately 130 Voyager fuel credit cards issued to drivers and it is noted that all of the Voyager fuel credit cards, other than a Fleet card, are assigned to law enforcement staff; Sheriff’s Office and District Attorney. In addition to the Voyager fuel credit cards, there are also approximately 150 vehicle fuel cards. This makes a total of approximately 280 cards, when adding both the fuel cards and the Voyager fuel credit cards. Vehicle fuel cards and Voyager fuel credit cards are requested by Department Heads. Voyager fuel credit cards are assigned to a specific individual while regular fuel vehicle cards are assigned to individual vehicle numbers. In most cases, the vehicle fuel cards assigned to vehicles are left in the vehicles. The driver is directed to use, check out, or is assigned to use the vehicle with the fuel card in it.
 - d) Eide Bailly requested an official policy in writing over the fuel cards; however, Fleet Services was not able to provide one. Therefore, a recommendation will be made to have an official written approved policies and procedures over all fuel cards. See the control weaknesses identified and recommendations section of Vehicle Use for details.

- e) Eide Bailly also noted that some departments have “miscellaneous fuel cards”, fuel cards that are not assigned to a vehicle but assigned to a department instead, for small equipment or rental vehicles. Card security is dependent on the department that the card is assigned. There does not appear to be any official policy in place to ensure that unassigned cards are kept locked-up in a secure location and checked-out for use. Therefore, this could create an internal control weakness over the security of unassigned cards to departments for small equipment. A recommendation will be made for more formal P&P in writing over the physical security of unassigned cards.
11. Inquired about the monitoring process in place to ensure overall fleet safety performance including the review of critical GPS Data (e.g., speeding, harsh breaking, harsh turning, etc.). No detail testing deemed necessary as most of the vehicles are not equipped with GPS systems.
- a) Per the Chief Fiscal Admin Officer, the following department use GPS tracking data (through Verizon):
 - 85 vehicles Health & Human Services
 - 22 vehicles Roads/Community Services
 - b) In addition, it is noted that the Sheriff’s Office plans to install GPS on their vehicles in the future, most likely in FY 2022-2023.
12. Sample tested Voyager fleet credit cards for accuracy and reasonableness. The Voyager cards were non-statistically sample tested from a population 131 Voyager cards and a sample size of 20 Voyager cards, which were haphazardly selected using professional judgement. Eide Bailly obtained and reviewed account balance information from the Voyager cards, detailed transaction reports, and accounting records to test the accuracy and reasonableness of the transactions. The transactions tested appeared reasonable.

Security

13. Reviewed available Policies and Procedures related to security, focusing on fleet management software user access and security measures in place to prevent theft and vandalism.
- a) Fleet Services currently does not use security access badges to access the main Fleet Services building. Physical keys are used with an “Employees Only” sign in front of the door. While physical keys are great physical control to prevent unauthorized access, security access badges provide additional data for who and when people access the main Fleet Services building. See the control weaknesses identified and recommendations section of security for more details.
14. Obtained the CAMS fleet management software user access report and inspected the list of users to determine if the access has been granted in accordance with employee’s roles and responsibilities and whether the access was disabled timely when the user is terminated. Eide Bailly reviewed the CAMS user access report, termination report, and personnel action form documentation. No concerns were noted.
15. Eide Bailly held discussions with key personnel to identify and verify security measures in place to prevent theft and vandalism and that the measures followed the established guidelines, if any.
- a) There are approximately 580 vehicles and equipment on the CAMS asset list, which was provided to Eide Bailly from Fleet Services. The vehicles are held by a number of different departments and in various physical locations depending on the department.

YOLO COUNTY – VEHICLE FLEET OPERATIONS

- b) The physical security measures in place varies depending on the location. The following chart of physical security measures by location was provided by Fleet Services:

Location	Security	Address	Vehicle Access
County Yard	Gated yard, security patrol	292 West Beamer ST. Woodland, CA	Dept. key control
County Landfill	Gated yard, cameras	44090 Co Rd 28H, Woodland, CA	Dept. key control
Health dept. (Woodland)	Gated and open yards, security patrol	Woodland Ave & W. Beamer St., Woodland, CA	Pool program w/ key control
Health dept. W. Sac	Open lot, security patrol	Triangle Court	PD proximity
Probation/ DA/ Public Def'r	Gated yard, security patrol	Court st. btwn 3rd&4th. Woodland, CA	Dept. key control
Sheriff	Gated yard, cameras	Tony Diaz Dr. Woodland, CA	Dept. key control
DCSS	Gated yard	100 W. Court St. Woodland, CA	Dept. key control
GSD	Gated yard, security patrol	120 West Main St., Woodland, CA	Dept. key control

- c) Per the Fleet Superintendent and Chief Fiscal Admin Officer, the following occurred during the scope of April 1, 2021 thru March 31, 2022:
- The County has had a number of catalytic convertors stolen, vehicles vandalized, and two vehicles stolen; events which occurred at 3 different locations; all fenced, two with video surveillance. The stolen vehicles were noticed, identified and recovered promptly. See the control weaknesses identified and recommendations section of security for more details and recommendation.

Compliance

16. Reviewed the Safety Policy, Driver’s Responsibility Policy, and other compliance related guidelines within the Vehicle Policy.
- Department Heads will identify staffing needs, including the need for equipment operators and drivers requiring commercial driver’s licenses, (“CDL’s”). The County’s vehicles and equipment requiring a CDL are mostly within the PW Roads department, with few other departments having custody of vehicles and equipment requiring a CDL. Vehicles and equipment requiring a CDL are not part of the common pool of County vehicles.
 - A CDL in the State of California is needed to operate any of the following vehicles; a single vehicle with a GVWR over 26,000 lbs, a combination vehicle with a GVWR over 26,000 lbs towing a unit over 10,000 lbs GVWR, or a passenger vehicle designed to carry 16 or more people, (including the driver).
 - After 5 years in the State of California, a CDL will expire and will need to be renewed. This is designed to coincide with the renewal of the driver’s regular license. CDL renewals are not eligible if the driver already has a suspended or lost license. CDL renewals also require that the drivers provide a certified medical examination and complete a necessary knowledge test to maintain the endorsement.
17. Obtained and reviewed a listing of all drivers and operators and reviewed current license/certification status.
- Both Department Head and the Risk Manager, (“RM”) Cha Yang, will track authorized drivers to ensure that they have current drivers licenses to operate the vehicles. The official Vehicle Policy states that a prerequisite for operating a County vehicle is to have a California issued State driver’s License. The driver is also responsible for any citations resulting from operating a County vehicle.
 - Verification of CDL’s: Department Heads or supervisors are responsible to ensure that only employees with CDL’s can operate vehicles that require a CDL. The RM will confirm that all intended operators have current and valid CDL to operate.

YOLO COUNTY – VEHICLE FLEET OPERATIONS

- c) Supervisors will inform RM when they have a new operator. RM adds them to the “Pull Notice” program. DMV sends RM a report on the employee’s driving status and driver’s license class. Once clear, RM will notify the department/supervisor to allow the employee to drive the vehicle or equipment. DMV automatically sends the Yolo County Public Agency Risk Management Insurance Authority (“YCPARMIA”) and RM a notice when there is an issue with the employee’s driver’s license, (suspensions, expirations, violations, etc.). When a CDL is invalid, RM will inform the department to not allow the employee to operate a vehicle until the issue is resolved. The DMV will also send out notice to RM when employee’s CDL needs renewing or is suspended.
18. Inquired about the internal and external trainings required for the drivers and operators as well as drug and alcohol testing. Specifically, for the CDL requirements.
- a) Training: There is a CDL renewal testing requirement in California, according to the State of CA DMV website: <https://www.dmv.com/ca/california/renew-a-cdl-commercial-drivers-license>. It is necessary to recomplete the CDL testing in order to renew the CDL. The general skills and knowledge and skills test for a CDL renewal is required to maintain the endorsement. The written test can take approximately 2-3 hours to complete. In addition, a physical exam is required every two years.
- b) Eide Bailly inquired with the Chief Fiscal Admin Officer and County Risk Manager, and determined that no mandatory trainings are provided to drivers or for CDL endorsement and maintenance. See the control weaknesses identified and recommendations section of compliance for more details.
- c) Drug and Alcohol Testing of CDL Drivers: Currently, there are 22 CDL drivers according to the Chief Fiscal Admin Officer.
- During the pre-employment of a potential CDL driver, drug and alcohol tests are performed. HR will coordinate the test during the hiring process. This was noted as an internal control.
- Current CDL drivers, are subject to random drug and alcohol tests. Quarterly, YCPARMIA will send a list of employees with CDL that will need tests and the tests are due back to YCPARMIA within approximately 3 months once the names are issued. The RM schedules tests through CST Solutions and informs the supervisor of the employee the night before, (not the employee themselves) for the employee to have next morning tests. Employees are given the time and location to show up the day of the test. Supervisors are instructed not to inform the employee until they are ready to send the employee for testing. Emails are sent the night before, because employee shifts start early and the supervisor will confirm receipt of the instructions. This was also noted as an internal control.
- d) DOT Clearinghouse: In January 2020, FMCSA, a division of DOT, launched a “Clearinghouse”, a new database that contains information pertaining to violations of the DOT controlled substances for FTA employees who were hired on and after January 6, 2020. The Clearinghouse provides employers the necessary tools to identify drivers who are prohibited from operating commercial motor vehicles (CMV) based on DOT drug and alcohol program violations and ensure that such drivers receive the required evaluation and treatment before operating on public roads.
- The Clearinghouse rule requires the following:
- Employers must query the Clearinghouse for current and prospective employees' drug and alcohol violations before permitting those employees to operate a commercial motor vehicle (CMV) on public roads.
 - Employers must annually query the Clearinghouse for each driver they currently employ.
 - Employers must register all CDL holders and enter driver information for the past 2.5 years.
- Per Cha Yang, Risk Manager will conduct a query annually and upon hire of the DOT Clearinghouse for CDL drivers, for drug and alcohol violations. This was noted as an internal control.
19. Inspected insurance policies and made inquiries to ensure that all vehicles and equipment were adequately insured for the period covering April 1, 2021 thru March 31, 2022. No concerns were noted.
- a) The Yolo County Public Agency Risk Management Insurance Authority, (“YCPARMIA”) is an intergovernmental agency, risk sharing, joint powers authority, duly formed pursuant to California Government Code; article 6500-6512. The County of Yolo has a deductible of \$5,000 per occurrence according to the coverage.

20. Inquired about the “Board’s budget principle of a Green Fleet” or “Sustainable Fleet” budget principle with Chief Fiscal Admin Officer and Fleet Superintendent, and through review of the vehicles within the CAMS asset listing.
- a) The “Board’s budget principle of a Green Fleet” ties directly to the “Sustainable Fleet” as noted in the budget principles. As stated in b) below; the “Sustainable Fleet” or “Green Fleet” principle is in place to build a green fleet and states that electric vehicles should be purchased over other types of vehicles.
 - b) The following principle below is included in the current board approved budget principles:
 - “**Sustainable Fleet** – Departments shall endeavor to purchase the most environmentally sustainable option when replacing or purchasing new vehicles, starting with electric, then electric-hybrid, hybrid and finally combustion. Hybrid or combustion vehicles will only be considered if there is a compelling business reason.”
 - c) When reviewing the CAMS vehicle and equipment asset listing, it was noted that only one electric vehicle could be identified in the list of approximately 550 vehicles (a Nissan Leaf). There were also a number of hybrid vehicles in the CAMS vehicle listing.
 - d) Outside of the sustainable fleet principle documented in the budget (noted above), it was noted that the County does not have in place official written policies and procedures to supplement and guide the principle in order to achieve the goal of maintaining a sustainable fleet. While the departments are encouraged to procure electric vehicles at time of purchase, there does not appear to be a centralized tracking or oversight mechanism to ensure that this goal is being met, enforced, and performance tracked across departments. Therefore; Eide Bailly has determined that meaningful progress toward this principle does appear to have been achieved. We noted this in the control weaknesses identified and recommendations section as a “Budgeting, Purchasing New Vehicles, and Compliance” issue, because it effects multiple function areas and not just compliance.

Risk Rating Definitions

The following risk rating definitions were used for the observations provided in this report.

High – Control weaknesses and recommendations with a “High” rating are those that are the most critical to reducing various operational risks and improving efficiency and effectiveness within the Department. These items should be addressed by management as a matter of urgency. Either a likelihood and/or an impact is rated high.

Medium – Control weaknesses and recommendations with a “Medium” rating should be addressed as soon as the recommendations rated “high” have been resolved. These items are moderately important to the overall efficiency and effectiveness of the operations. Either a likelihood and/or an impact is rated medium.

Low – Control weaknesses and recommendations with a “Low” rating may represent best practices, items that do not represent high risks to the operations but are the matters for consideration. Either a likelihood and/or an impact is rated low.

Control Weaknesses Identified and Recommendations

#	Risk Rating	Control Weaknesses	Recommendation and Management Response
Budgeting, Purchasing New Vehicles, and Compliance Control Weaknesses:			
1	High	<p><i>Budget principle of switching to Electric vehicles, “Sustainable Fleet”:</i> The County budget principles clearly indicates under “Sustainable Fleet” that vehicles are to be purchased in the following order; starting with electric, electric-hybrid, hybrid, and traditional combustion last. It appears that this budget initiative is not being adhered to, implemented, or communicated to Department Heads outside of the budget documents.</p> <p>We noted this as a Compliance issue, but also noted it within Purchasing since it is directly tied to the budget and purchasing of new vehicles.</p> <p>Note: This affects multiple functional areas; such as compliance, budgeting, purchasing, and inventory management.</p>	<p>Recommendation: Develop County-wide policies and procedures to ensure that this budget principle is met and enforced. This should include the development of mechanisms to track the ongoing performance as well as establish accountability of this budget principle to ensure that electric vehicles (as well as electric stations) are purchased within the County’s Fleet. The established policies and procedures should be adhered to by all staff involved in the County’s vehicle purchasing processes and may be a joint effort by Fleet services and County departments.</p> <p><u>Short-term:</u> As older vehicles need to be replaced, they should be replaced with electric vehicles and electric stations should be installed and budgeted annually. Training should also be provided to drivers.</p> <p><u>Long-term:</u> With the price of gas continuing to significantly increase, the switch to electric will provide a more sustainable fleet in the long-term, which is the goal of this budget principle.</p>
<p>Management Response –</p> <p>Responsible Departments: County Administrator, Financial Services, and Community Services</p> <p>Management partially agrees with this recommendation.</p> <p>Budget principles are developed and approved annually by the Board of Supervisors to provide general guidelines for developing the County’s budget for the upcoming fiscal year. While the budget principles provide an important yardstick for County staff in the course of budget development, they merely represent a statement of what the County would ideally like to achieve through the budget process, and do not carry the same weight and authority of a formal County Policy.</p> <p>While establishing a Countywide policy requiring the purchase and use of electric and/or hybrid vehicles is a laudable goal, there are currently several barriers to implementing such a policy, including insufficient electric vehicle charging infrastructure, higher purchase and different maintenance costs, and vehicle options that may not meet certain department specific service needs. However, inclusion of Sustainable Fleet in the County’s budget principles since January 2020 has resulted in a change in process whereby Fleet Services now provides electrified options to County departments when new vehicles are requested, as well as the infrastructure requirements to charge such vehicles.</p> <p>It should be noted that the Board of Supervisors has also taken several recent actions to address climate change and sustainability, including adoption of a resolution declaring a climate crisis requiring an urgent and inclusive mobilization in Yolo County, creation of the Yolo County Climate Action Commission (YCCAC) to advise the County on implementation of the Yolo County Climate Action Plan, and approval of several early action priority projects to reduce greenhouse gas emissions. One early action priority being considered is contemplation of a Zero Emission Vehicle (ZEV) Master plan that would help to guide this transition methodically across County departments. In addition, the Board of Supervisors approved funding in the 2022-23 Recommended Budget for an update to Yolo County’s Climate Action Plan.</p> <p>As the County continues to make progress on climate sustainability initiatives and reduce or eliminate the barriers to electrification of the County’s vehicle fleet, a Countywide policy regarding the purchase and use of low- or zero-emission vehicles may be considered at a future time however likely would be informed by the aforementioned ZEV master plan. If and when such a policy is approved, procedures to ensure adherence to the policy will also be considered and implemented.</p>			

Inventory Management Control Weaknesses:		
2	High	<p><i>No reconciliations or interface between CAMS and Lawson (Infor):</i> There is neither a manual reconciliation or an electronic interface between the CAMS and Lawson (Infor). Therefore, the information in CAMS for inventory and maintenance purposes may not match the information in Lawson for accounting and financial reporting purposes.</p>
<p>Recommendation: A regular reconciliation should be performed between CAMS and Lawson (Infor) to ensure information agrees and is accurate in both systems. This is recommended to maintain accurate and complete listings for inventory and maintenance purposes of the County’s fleet, as well as financial reporting information.</p> <p>-The CAMS asset inventory listing should also be checked for old vehicles and equipment that no longer exists, and then remove them from the listing.</p> <p>-Once the CAMS asset listing is determined to be accurate (preferably after conducting a County-wide inventory), then the related financial reporting information in Lawson (Infor) should be regularly reconciled to CAMS to ensure the vehicles and equipment within the fixed asset ledger prepared by the Department of Financial Services (DFS) agrees as noted above.</p>		
<p>Management Response –</p> <p>Responsible Department: Community Services</p> <p>Management does not agree with this recommendation.</p> <p>The Lawson/INFOR system and the CAMS function serve distinctly different functions. Therefore, while the County acknowledges there may be some risk to a lack of reconciliation between the two systems related to inventory control of vehicles, a reconciliation would be time consuming, and the cost of implementation and maintenance of a reconciliation is likely to exceed any benefit derived.</p> <p>The Department of Financial Services (DFS) is responsible for maintenance of the INFOR system and accounting and financial reporting. DFS uses Lawson/Infor and they do not rely on CAMS as the system of record.</p> <p>Fleet Services is not responsible for tracking and maintaining the inventory of vehicles for either the department’s assets or the County as a whole’s assets. Infor is the County’s record keeping system therefore all assets are reported, adjusted, certified, or removed from that system. CAMS Fleet module is for service and repair management purposes only. Infor holds all required assets consistent with County policy for Fixed Assets, not just vehicles. Our use of CAMS is to manage vehicle maintenance and process operations and repair billing, i.e., service, repair, and fuel. Fleet does not “track” historical value or depreciation.</p> <p>CAMS is not designed to store all County assets and is not the current purpose of the system. Although, Fleet accounts for the presence of vehicles frequently, specifically at times of service which is the primary method Fleet uses to identify the physical presence of vehicles and equipment. CAMS is a tool which follows vehicle use (through fuel use) and documentation of services and repairs.</p> <p>When a lack of information or discrepancies are identified, multiple sources are investigated to ensure the issue is correctly addressed. The movement of the vehicle during the year seems to be adequate evidence to Fleet that the vehicle exists and is being used as indicated by fuel use, regular services (per Fleet’s schedule) as well as other needs which may include recalls, service calls, or even accident, vandalism or theft. Infor is considered the official inventory, and inventory of fixed assets are performed on a scheduled basis (typically annually) by the Department of Financial Services through request of department personnel to verify their fixed assets (including vehicles) to determine if the official record of the county needs to be modified.</p> <p>Because of the differing purposes of the systems, a reconciliation while possible would like be time consuming and the value of which for organizational purposes is unclear thus likely the cost of performance exceeding the benefit.</p>		

YOLO COUNTY – VEHICLE FLEET OPERATIONS

3	High	<p><i>No County-wide inventory of vehicles and equipment:</i> It was noted that a County-wide physical inventory has not been conducted of vehicles and equipment. Per the County’s Vehicle Policy, "all County vehicles will be properly administered and maintained and administration and maintenance is provided by Fleet Services. Administration includes <u>inventory</u>, reporting, regulatory compliance, and historical documentation." While departments annually review and certify asset listings provided by DFS, these are prepared to verify asset listings in Lawson (Infor), and as noted in CW #2 above, reconciliations are not performed between Lawson (Infor) and CAMs (Fleet Services inventory records). This makes it difficult to conclude that the assets included in the CAMS inventory listing exist and the listing is complete and accurate as a County-wide fleet inventory has not been conducted. Fleet Services tries to service vehicles and equipment on a regular basis and relies on communication with Department Heads as a countermeasure which may uncover discrepancies; however, that does not eliminate the risks involved with not having a County-wide inventory.</p>	<p>Recommendation: Fleet Services should perform a County-wide inventory of vehicles and equipment. This should be performed to ensure the CAMS inventory listings (maintained by Fleet Services) are accurate and complete. A County-wide inventory will also supplement and verify the accuracy of the departments’ annual inventories that are prepared for the DFS for financial reporting. This also provides an opportunity to briefly inspect all of the vehicles and equipment.</p>
---	------	--	---

Management Response

Responsible Department: Community Services and Financial Services

Management partially agrees with this recommendation.

While a County-wide inventory of vehicles and equipment might be ideal, Fleet Services does not currently have the staffing or ability to complete such a physical inspection of County vehicles and equipment on an annual basis and this is likely be repetitive of efforts already conducted.

Processes are already in place for County departments to review and certify physical inspection and inventory of assets under their control on an annual basis, and to make adjustments to fixed asset inventories as needed. Pursuant to the County Policy on Capital Asset Management, the Department of Financial Services maintains an inventory of all capital assets, which is updated annually based on certifications from all departments.

YOLO COUNTY – VEHICLE FLEET OPERATIONS

4	Medium	<p><i>Official Count Sheets not used or retained in auto-parts inventory:</i> Count sheets were not used or retained for the inventory of auto-parts. This makes it difficult to determine that the inventory actually took place and that changes were processed in both CAMS and Lawson (Infor). Fleet Services certifies that an inventory did take place June 2021 and provided a document with changes in quantities on it, but the document had no dates, document parameters, or other official identifying information on it. A recommendation will be made to use official count sheets and retain count sheets for auto-parts in order to show and prove that the inventory took place.</p>	<p>Recommendation: Use and retain official count sheets during the inventory of auto-parts, that includes the certification of the staff who took the inventory, as well as an approver. This will provide an audit trail that the inventory took place.</p>
<p>Management Response</p> <p>Responsible Department: Community Services</p> <p>Management does not agree with this finding.</p> <p>The terminology “count sheets” was not familiar to Fleet staff and repeated requests did not clarify the items. Perhaps a verbal review of the process would have led to a mutual understanding of Fleet Services process on auto parts inventory.</p> <p>Fleet provided a CAMS report called “Shop Inventory Transaction Review” This report includes date inventory was received and issued to/on a department vehicle, retail price of the item, the vendor name, inventory item, location of the item, quantity, and net value of quantity (if ran by date range). This information is very similar to information that would be found on a count sheet except this is an electronic version. If the purpose of count sheets is to track or document parts received and distributed, then CAMS provide this already.</p>			

Maintenance Services Controls:		
5	Medium	<p><i>Lack of official Policies and Procedures in writing over maintenance and repairs:</i> As part of our procedures, we requested more specific policies and procedures in writing for maintenance, repair operations, and inspections. We also requested an official list of maintenance and repairs performed in-house and those that are outsourced. Fleet Services was not able to provide either. There appears to be a lack of official policies in writing regarding what/when maintenance and repair services are to be performed. We also noted that the official Vehicle Policy was written and approved in 2013, which is significantly aged as of this report. In addition, Fleet Services relies heavily on the Fleet Superintendent to coordinate maintenance and repairs. While the Fleet Superintendent has 14 years of experience, if he were to separate from the County, it would create a significant “knowledge gap” within the department. Therefore, we recommend more formal procedures in writing.</p>
<p>Recommendation: Develop official approved policies and procedures in writing for specific maintenance, repair operations, and inspections. Also develop and maintain a comprehensive list of services that are performed in-house and those that are outsourced.</p> <p>The County should update the Vehicle Policy (within the County of Yolo Administrative Policies and Procedures Manual) as it is almost 10 years old.</p>		
<p>Management Response –</p> <p>Responsible Department: Community Services</p> <p>Management partially agrees with this finding.</p> <p>The Fleet module in CAMS assigns each vehicle to the appropriate service schedule based on the vehicle category. Each vehicle category has a list of “PM Services” which provides the service schedule and indication of the depth of the service. For instance, Category A is scheduled every 6 months or 5,000, whichever comes first, and a checklist of services is used by Fleet staff.</p> <p>Community Services agrees to update the County Vehicle Policy in conjunction with County Administrator’s Office and Department of Financial Services to improve the narrative on maintenance and repairs along with related policies and procedures.</p>		

Vehicle Use Controls:			
6	Medium	<p><i>Lack of official Policies and Procedures in writing over Fuel Cards:</i> There is no official policy and procedures in writing over the Voyager fuel credit cards or the vehicle fuel cards.</p>	<p>Recommendation: Develop official, approved policies and procedures in writing over the fuel cards and Voyager fuel credit cards. An emphasis on accountability and security of the cards should be made in the official policies and procedures to help ensure that the fuel cards are not misused, misplaced, or abused. The County should ensure staff that have access to these cards are aware of the standard policies and procedures over fuel cards.</p>
<p>Management Response –</p> <p>Responsible Department: Community Services</p> <p>Management agrees with this finding.</p> <p>The vehicle fuel cards remain with the vehicle and are used to fuel only that vehicle whereas the Voyager fuel cards are assigned to the driver. Card use requires a driver with an assigned personal identification number (PIN). When PINs are assigned, drivers are provided an email from Fleet Services with the procedures and some limits pertaining to the fueling process, such as the steps of the fueling process and that the card is not to be used for purchases other than fuel.</p> <p>CAMS will flag questionable mileage entries and cause Fleet to investigate the apparent error. This is part of the reason Fleet has confidence that the cars getting fuel are county cars. Fleet processes the fuel transactions and bills the departments for their fuel use monthly. The department effectively approves of all transactions when paying their fuel bill.</p> <p>Community Services agrees to update the County Vehicle Policy in conjunction with County Administrator’s Office and Department of Financial Services which will include a section on fuel cards.</p>			

YOLO COUNTY – VEHICLE FLEET OPERATIONS

7	Medium	<p><i>Use of miscellaneous or unassigned fuel cards:</i> Some departments have miscellaneous cards for small equipment or rental vehicles. Card security is dependent on the department that holds the cards. There does not appear to be any official policies or procedures in place provided to departments to ensure that unassigned cards are kept locked-up in a secure location and properly checked-out for use. Therefore, this could create an internal control weakness over the security of these cards issued to departments for small equipment. Eide Bailly will recommend formal Policies and Procedures in writing over the physical security of unassigned cards.</p>	<p>Recommendation: Develop official approved policies and procedures in writing over the “miscellaneous” fuel cards that are assigned to departments for equipment and not assigned to specific vehicles. Specifically, these should include the requirement that cards are properly secured and checked out/in for official use only.</p>
<p>Management Response –</p> <p>Responsible Department: Community Services</p> <p>Management agrees with this finding.</p> <p>Community Services agrees to update the County Vehicle Policy in conjunction with County Administrator’s Office and Department of Financial Services which will include a section on fuel cards. Fleet Services will state in the updated policy that fuel cards are to be locked in a secure location and property checked-out for use, however Fleet Services does have the staffing or ability to monitor other department’s security of the cards so the responsibility will likely remain with departments.</p>			

YOLO COUNTY – VEHICLE FLEET OPERATIONS

8	Medium	<p><i>Lack of official Policies and Procedures in writing over “Low Mileage Usage” vehicles:</i> There are no formal policies or procedures approved and in writing over the review of low usage vehicles. From a review of vehicle listings provided and their respective mileages performed, Eide Bailly calculated and estimated a total of 232 vehicles with average mileage below 400 annually; however, only 114 vehicles were noted as reassigned in a listing provided. In addition, there were a total of 48 vehicles with negative mileage reported. While there may be explanations or reasons for why certain vehicles are not reassigned, as well as negative mileage, the County would benefit from having written policies and procedures related to the reassignment of low mileage vehicles.</p>	<p>Recommendation: Develop official, approved policies and procedures in writing related to the review and reassignment of low mileage vehicles. Specifically, this should document the defined parameters for when vehicles with low usage are to be reassigned as well as the overall review process. Departments should follow the recommendations for reassigned vehicles or provide justification for not reassigning a low mileage vehicle. This will help to reduce the risk that County vehicles are not being reassigned or utilized as efficiently and effectively as possible.</p>
---	--------	---	---

Management Response –

Responsible Departments: County Administrator, Financial Services, and Community Services

Management partially agrees with this finding.

The identification and reporting of low use (mileage) vehicles to each department happens at the beginning stages of budget development process to ensure additional vehicles are not purchased when unnecessary. During the month of January Fleet Services reviews the list of county vehicles and will highlight vehicles that are recommended for replacement including low use (mileage) vehicles, high mileage vehicles, and aged vehicles. Each department receives their recommendations for replacement list prior to the entry of budget requests.

Fleet Services does not have authority over other departments decisions regarding vehicles, therefore if a department decides to continue using a vehicle that was recommended for replacement, Fleet Services will continue to service and maintain the vehicle.

Community Services agrees to update the County Vehicle Policy in conjunction with County Administrator’s Office and Department of Financial Services which will enhance the section on low mileage usage and related policies and procedures to be applied.

YOLO COUNTY – VEHICLE FLEET OPERATIONS

Security Controls:		
9	Low	<p><i>Not all physical locations with department vehicles have security cameras:</i> It was noted per inquiry with Fleet Services that County vehicles have had catalytic convertors stolen, vehicles vandalized, and two vehicles stolen. The stolen vehicles were noticed, identified and recovered promptly, however not all of the physical locations with vehicles and equipment have security cameras to help deter theft or vandalism.</p>
<p>Recommendation: It is recommended to add security cameras to all locations holding vehicles and equipment. We also recommend to add additional physical security controls to those locations as needed to help deter theft or vandalism.</p>		
<p>Management Response –</p> <p>Responsible Departments: General Services and Community Services</p> <p>Management partially agrees with this finding.</p> <p>Fleet Services does not have authority over other departments who store vehicles at their physical department locations rather than at the Fleet corporation yard and the security measures implemented but advises and will bring attention to issues concerning vehicle security, however each department is responsible for securing their own assets from loss, damage, or theft. This includes providing recommendations for preventing catalytic converter thefts.</p> <p>The General Services department agrees that the County as a whole should apply prudent and cost-effective security solutions where the value exceeds the cost however this is not anticipated to be all locations or possible locations that vehicles are stored. Certain proposals are being reviewed for two locations that experienced recent damage to vehicles. In addition, General Services has been developing longer term security options with a security consultant that includes replacement of the existing card key/lock system as well as deployment of additional cameras in select locations.</p>		

YOLO COUNTY – VEHICLE FLEET OPERATIONS

10	Low	<p><i>Security access badges are not used to enter Fleet Services:</i> Fleet Services currently does not use security access badges to access the main Fleet Services building. Physical keys are used with an “Employees Only” sign in front of the door. While physical keys are a great physical control to prevent unauthorized access, security access badges provide additional data for who and when people access the main Fleet Services building. Therefore, we will make a recommendation to use security access badges.</p>	<p>Recommendation: It is recommended to switch from a traditional lock and key system to security access badges for access to the main Fleet Services building.</p>
----	-----	---	---

Management Response –

Responsible Departments: General Services and Community Services

Management partially agrees with this finding.

Fleet services will confer with General Services as to security improvements that can be applied that do not impair operations and whether key cards are necessary at this location. A security study was recently conducted, and General Services is working to secure funding for replacement of the existing card key/lock system across the County.

This location has some specific challenges where a card key system could be costly or administratively burdensome. Fleet must leave the front door unlocked to allow for customers and vendors to come in during business hours. In addition, there are multiple garage bays with large doors. All Community Services staff (including Fleet Services staff) have County issued key cards to access the yard and main building. The parts/inventory room is secured by lock and key to limit access, and only Fleet staff and the Director of Public Works has keys to this room (as well as General Services Department staff). The physical vehicle keys are stored in a key management system and each user has their own pin which limits risk of theft and loss.

Compliance Controls:			
11	Low	<p><i>No mandatory driver training:</i> According to the County Risk Manager, the County requires no mandatory driver training. Based on the Commercial Driver’s License (CDL) renewal testing requirement, we recommend additional training be provided and offered for CDL operators or PW employees that seek to obtain a CDL.</p>	<p>Recommendation: We recommend offering and providing training to CDL drivers for renewal purposes. We also recommend the County provide training to drivers on how to use electric vehicles as needed, especially as more electric vehicles are purchased in the future.</p>
<p>Management Response –</p> <p>Responsible Department: Human Resources</p> <p>Management agrees with this finding.</p> <p>According to the County Vehicle Policy, “departments are responsible for ensuring adequate driver training”. In addition, the Risk Manager in the Human Resources Department oversees all staff that require a Commercial Driver’s License (CDL).</p> <p>As of February 2022, DMV implemented a mandatory training requirement for new CDL applicants. Before February 2022, there was no mandatory training requirement. However, Department of Community Service does send their new CDL applicants to training. The County is compliant with the requirement as drivers were training in February 2022 for the new requirement and no new drivers have joined more recently. Regarding the mandatory CDL training required by DMV for new CDL applicants, Risk Management will work with departments and ensure that new CDL applicants go through the mandatory training. The DMV will not allow any new applicant to test before this training is completed.</p> <p>The County Risk Manager will implement a training course for commercial drivers via the Learning Management system to cover driver safety, defensive driving, and consider other relevant requirements such as how to operate electric vehicles.</p>			

Conclusion

The County and the Fleet Services Department appears to have a good number of well-designed internal controls for efficient and effective operations of the fleet along with the highly qualified and experienced staff, Fleet Superintendent, and the Chief Fiscal Admin Officer who made a noticeable contribution in enhancing our understanding of the vehicle fleet operations of the County. We hope and believe that, at a minimum, addressing and resolving the “High” and “Medium” rated observations and recommendations provided in this independent assessment would directly and positively contribute and add value to the overall efficiency and effectiveness of the operations of the fleet including, but not limited to, an increase in adherence to the “Sustainable Fleet” or “Green Fleet” as stated in the budget principles, an appropriately designed inventory process of vehicles and equipment, more accurate inventory tracking of auto-parts, having more official policies and procedures in writing, an improved fleet utilization review process, improved safety controls over assets, and increased training to improve behavior of the drivers and operators to reduce the risks associated with the safety of the drivers as well as the general public.

CULTURE

THE FOUNDATION OF SUCCESS



Caring for our external and internal clients with a passion to go the extra mile.

Respecting our peers and their individual contributions.

Conducting ourselves with the highest level of integrity at all times.

Trusting and supporting one another.

Being accountable for the overall success of the Firm,
not just individual or office success.

Stretching ourselves to be innovative and creative, while managing the related risks.

Recognizing the importance of maintaining a balance between work and home life.

Promoting positive working relationships.

And, most of all, enjoying our jobs ... and having fun!



What inspires you, inspires us.

eidebailly.com

Yolo County
Division of Internal Audit
Audit Plan - Status of Projects
Fiscal Year 2022-2023

No.	Project No	Type	Name	Entity	Preliminary Scope	Priority	Hours	% Complete	Status	Report Issued	No. of Findings	Internal or Outsource
1	2023-23	Carry Forward FY21-22	Capital Projects	Countywide	Perform a review of county capital projects to identify and test key processes and controls related to contract administration, change order management, project & cost management, and project closeout.	High	320	90%	In-progress; Drafting Report			Yolo
2	2023-17	Carry Forward FY21-22	Accounts Payable	Countywide	Perform a review to evaluate accounts payable internal control processes, review and evaluate transactions for accuracy, identify the cause of processing delays and determine compliance with applicable laws, regulations, policies, and procedures.	High	280	95%	In-progress; Drafting Report			Yolo
3	2023-26	Carry Forward FY21-22	Wireless Communications Devices	Countywide	Perform a review of the county's wireless communication devices to identify areas of risk and opportunities for potential savings.	Med	280	50%	Delayed; Waiting on Procurement for docs			Yolo
4	2023-33	New	Peer Review - Internal Audit	Internal Audit	Prepare documents for Internal Audit Peer Review in accordance with IIA Standards. Peer Review to be performed by Napa County.	High	80	5%	Started Oct-Dec Preparing docs for review			Yolo
5	2023-34	New	Peer Review - Placer County	Internal Audit	Conduct Peer Review of Placer County in accordance with IIA Standards. The review will include interviews, evaluation of documents against standards, and final report.	High	100	5%	Started Oct-Dec Kick-off Mtg 10/04/22			Yolo
6	2023-23	New	FWA Reporting and Hotline	Countywide	Develop a fraud reporting and whistleblower policy and implement hotline.	High	202	25%	Started Oct-Dec			Yolo
7	O/S	New	Subrecipient Compliance Monitoring	Countywide	Assess and document a County-wide fiscal monitoring program, providing recommendations for ongoing fiscal monitoring, and potentially performing some of the 2022/2023 required desk reviews & site visits.	High	350	5%	Started Oct-Dec Kick-off Mtg 10/04/22			Outsource
8	O/S	New	Payroll Processing and Changes CalPERS and payroll taxes	Department Human Resources	Perform a review of payroll processes including the CalPERS contribution and payroll taxes.	High	200	5%	Planned for Oct-Dec Scoping project			Outsource
9	2023-13	New	Cash Count	Department Financial Services - Treasury	Conduct quarterly cash count as required by Government Code Section 26920(a)(1).	Med	14	25%	Quarterly; In-progress 9/30 Qtr			Yolo
10	2023-30	New	Cash Operations	Department Financial Services - Tax Collector	Perform an internal control review to determine whether adequate internal controls exist to provide reasonable assurance to county management that there is an acceptable level of operational accountability over cash.	Med	48	0%	Planned for October			Yolo

Yolo County
Division of Internal Audit
Audit Plan - Status of Projects
Fiscal Year 2022-2023

No.	Project No	Type	Name	Entity	Preliminary Scope	Priority	Hours	% Complete	Status	Report Issued	No. of Findings	Internal or Outsource
11	2023-31	New	Cash Operations	Department Probation	Perform an Internal control review to determine whether adequate internal controls exist to provide reasonable assurance to county management that there is an acceptable level of operational accountability over cash.	Med	48	0%	Planned for October			Yolo
12	2023-28	New	Cash Operations and Accounts Receivable	Department Agriculture	Perform an Internal control review to determine whether adequate internal controls exist to provide reasonable assurance to county management that there is an acceptable level of operational accountability over cash and accounts receivable.	Med	80	0%	Planned for Dec-Jan			Yolo
13	2023-29	New	Cash Operations	Department Library	Perform an Internal control review to determine whether adequate internal controls exist to provide reasonable assurance to county management that there is an acceptable level of operational accountability over cash.	Med	60	0%	Planned for Nov-Dec			Yolo
14	2023-27	New	Juvenile Books & Accounts	Department Probation	Perform a review over the Probation Department's juvenile books and accounts in accordance with the Welfare & Institutions Code Section 275.	Med	20	0%	Planned for January			Yolo
15	2023-37	New	Policies and Procedures	Countywide	Assess the adequacy of documented policy and procedures to determine the impact on knowledge transfer when employees are hired, transfer, resign or retire from the County.	High	200	0%	Planned for January			Yolo
16	2023-16	New	Purchase Card	Countywide	Perform a review to provide reasonable assurance to county management that there is an acceptable level of operational accountability in the purchase card program, including the areas of card management, merchant management, and transaction analysis.	High	80	0%	Planned for January			Yolo
17	2023-25	New	Accounts Receivable	Countywide	Perform an internal control review over accounts receivables.	High	140	0%	Planned for Jan-Feb			Yolo
18	2023-32	New	Fiscal Monitoring	Department Health & Human Services Agency	Perform desk and site fiscal monitoring reviews for County Health & Human Services Agency as required by Code of Federal Regulations 2 CFR part 200 etal.	High	640	0%	Planned for Jan-June			Yolo
19	2023-21	New	Payroll Processing and Changes, Employee Leave/FMLA, and Pay Rates	Department Human Resources	Perform a review of payroll processes including the health benefit calculation, leave balances, and the accuracy of employee pay rates.	High	200	0%	Planned for March			Yolo

Yolo County
Division of Internal Audit
Audit Plan - Status of Projects
Fiscal Year 2022-2023

No.	Project No	Type	Name	Entity	Preliminary Scope	Priority	Hours	% Complete	Status	Report Issued	No. of Findings	Internal or Outsource
20	2023-24	New	Procurement Processes	Department General Services	Assess procurement practices related to oversight, transparency, needs identification, sourcing, strategic purchasing, receiving goods and services and reporting to determine whether the policy is being adhered to and to identify process inefficiencies.	High	220	0%	Planned for Apr-June			Yolo
21	O/S	New	Governance and Strategy	Department Information Technology	Assess the IT strategic planning process. Understand how performance is evaluated, the operating budget is tracked, and resources are consumed.	High	250	0%	To be determined			Outsource
22	O/S	New	Risk Management	Department Information Technology	Assess the practices around IT risk management, including the identification, treatment, tracking and reporting across the County.	High	250	0%	To be determined			Outsource
23	2023-35	Ongoing	Internal Audit Risk Assessment and Audit Planning	Internal Audit	Annual Risk Assessment procedures and developing/updating the three-year Internal Audit Plan based on the results that are updated annually.	N/A	80	0%	Planned for Mar-May			Yolo
24	2023-36	Ongoing	Ad Hoc Audits, Investigations, and Research	Audit Function	Internal Audit is asked by the Board or by Executive management to perform certain audits or research.	N/A	300	10%	Ongoing			Yolo
25	2023-15	Ongoing	Follow-up on Prior Internal Audit Findings	Countywide	Information requests, meetings, and additional verification/testing will be conducted to determine if prior issues have been remediated.	N/A	60	30%	Monthly			Yolo
26	2023-20 2023-11	Ongoing	Financial Oversight Committee and Financial Services Administration	Administration	Administrative support for the Financial Oversight Committee and Audit Subcommittee meetings.	N/A	240	30%	Quarterly 2X			Yolo
27	2023-10 2023-14	Ongoing	Internal Meetings and Planning	Audit Function	General planning, project management meetings, workload and planning reviews required by the IIA standards.	N/A	766	30%	Ongoing			Yolo
28	2023-02 to 2023-09	Ongoing	Staff Benefits and Leave	Other Administration	Required time based on labor bargaining units.	N/A	1170	30%	Ongoing			Yolo
29	2023-12 2023-14 2023-18	Ongoing	Training, Professional Development, Office Non-productive Time	Audit Function	120 hours for training and continuing professional education (CPE) 100 Countywide Fiscal Foundations Series training 312 hours for office time (2 hours/week)	N/A	532	30%	CW Training Planned for Spring CPE Hrs - On Track			Yolo
30	2023-19	Ongoing	Manage Co-Sourced/External Resources	Audit Function	Internal Audit to manage and coordinate with external resources.	N/A	80	30%	Ongoing			Yolo

Total audit & non-audit hours and benefits & leave

7290