

**Meeting of the  
Audit Subcommittee  
Yolo County  
February 6, 2023  
8:30 a.m.**

NOTE: This meeting is being agendaized 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/88377481288>

Meeting ID: 883 7748 1288

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By Phone: (408) 638-0968

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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](mailto: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)

**2:00 pm 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 10/05/2022.**

**REGULAR AGENDA**

8. **Discuss Yolo County Internal Audit Peer Review report (Eldredge)**
9. **Review Yolo County Internal Audit Charter revisions, approve changes, and recommend for approval by the Yolo County Board of Supervisors (Eldredge)**
10. **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)**
11. **Discuss remote meetings pursuant to Brown Act and approve future meeting locations; (Eldredge)**
12. **Approve meeting calendar for 2023**

<b>Preferred Month</b>	<b>Proposed Time</b>
April 19, 2023	10:00-11:00 am
July 19, 2023	10:00-11:00 am
October 25, 2023	10:00-11:00 am

13. **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.

**14. Adjournment (Approximately 3:00 p.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](mailto: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](mailto: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](mailto: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 October 5, 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), David Showalter, David Morris, and Karlee Ransom (Eide Bailly).

**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. (Raber/Sandy)
- 4) **Follow-up items from prior meetings (if any).** No items from 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 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

Consent agenda approved. (Raber/Sandy)



## Regular Agenda

- 12) **Receive staff report on the Fleet Audit report (8/12/2022); (Eldredge/Eide Bailly)**  
David Morris from Eide Bailly provided a presentation of the Fleet Audit to the committee. Several control weaknesses were noted with eleven audit recommendations. Gary Sandy requested that a meeting be scheduled with both supervisors to discuss next steps. Kim Eldredge will schedule meetings with each supervisor in a separate meeting.
- 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)**  
Kim Eldredge provided a status of current engagements: CF Capital Projects and CW Accounts Payable-drafting reports; Peer Review-Napa and Yolo-started; Whistleblower Hotline-kickoff completed with anticipated completion date by Jan/Feb; Subrecipient Compliance Monitoring project-kickoff conducted later today; and Payroll Processing project began scoping project. Limited scope cash audits will be started next week.
- 14) **Confirm next meeting date:** To be determined
- 15) **Committee Member and Staff Announcements.** There were no committee member and staff announcements.
- 16) **Adjournment** (Approximately 10:50 a.m.)

Yolo County Internal Audit  
External Quality Assessment (Peer Review)  
Internal Audit Activity

For the fiscal year ended June 30, 2022

Report Date: January 4, 2022

Napa County  
Auditor-Controller  
Internal Audit Report



A Tradition of Stewardship  
A Commitment to Service

Tracy A. Schulze, CPA  
Auditor-Controller

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## Engagement Team

Paul Phangureh, CPA, CIA, CGAP	Internal Audit Manager
Jennifer Phu	Staff Auditor
Susan MacDonald	Staff Auditor

## Executive Summary

The *International Standards for the Professional Practice of Internal Auditing (Standards)* requires that an external quality assessment of an internal audit activity must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organization. The qualified assessor or assessment team must demonstrate competence in both the professional practice of internal auditing and the quality assessment process. The quality assessment can be accomplished through a full external assessment or a self-assessment with independent validation.

At the request of Yolo County's Chief Audit Executive (CAE), the internal audit section of the Napa County Auditor-Controller's Office (Napa County Internal Audit) has completed an external quality assessment (peer review) over Yolo County's internal audit activity for the fiscal year ended June 30, 2022. We conducted our external quality assessment in conformance with the *International Standards for the Professional Practice of Internal Auditing (Standards)* established by the Institute of Internal Auditors (IIA). These *Standards* require that we identify, analyze, evaluate, and document sufficient information and evidence to achieve our objectives; and that the internal audit activity be independent, objective, and perform engagements with proficiency and due professional care.

After Yolo County created a Department of Finance through Measure H, approved by the voters in 2012, its Board of Supervisors established a Financial Oversight Committee (FOC) and appointed a Chief Financial Officer (CFO). The FOC is comprised of two members of the Board of Supervisors (who also serve on the Audit Sub-Committee), a representative from the Yolo County Office of Education, a representative from a city in Yolo County, a representative from a special district in the County, and two members from the public (one of which serves on the Audit Sub-Committee). The FOC performs its duties in an advisory role to the Board of Supervisors and has no direct authority over the CFO, County Officers, or staff regarding the County's financial operations. Under Article II of the FOC Charter, dated February 11, 2021, the FOC has the authority to provide oversight on (1) treasury operations, (2) leadership and independence over the monitoring, review, and audit of the County's business activities, and (3) ensure accountability and transparency over the budgetary and tax distribution process.

Yolo County Internal Audit reports *administratively* to the CFO and *functionally* to the Audit Sub-Committee, which was reestablished under the FOC Charter in 2021. The Audit Sub-Committee is empowered to oversee the work of the internal audit activity and has responsibilities normally performed by the Board of Supervisors including the approval of the Internal Audit Charter. The Audit Sub-Committee is comprised of two members of the Board of Supervisors and one member from the public.



## Executive Summary (continued)

Yolo County Internal Audit provides assurance and consulting services. The team is comprised of three full-time employees (staff auditor, senior auditor, and audit manager). The internal audit activity follows the *International Standards for the Professional Practice of Internal Auditing (Standards)* promulgated by the Institute of Internal Auditors (IIA).

### **Opinion as to Conformance with the *Standards* and the Code of Ethics**

It is our overall opinion that the internal audit activity generally conforms with the *Standards* and the Code of Ethics. **Exhibit A – Evaluation Summary** shows a detailed list of conformance with individual standards and the Code of Ethics. The quality assessment team identified opportunities for improvement, details of which are provided in this report.

The IIA's Quality Assessment Manual suggests a scale of three ratings when evaluating internal audit activity conformance to the *Standards* and the Code of Ethics:

- Generally Conforms (GC): internal audit activity has a charter, policies, and processes that are judged to be in conformance with the *Standards* and the Code of Ethics. This rating means successful internal audit practices are being utilized.
  
- Partially Conforms (PC): internal audit activity deficiencies are noted and judged to deviate from the *Standards* and the Code of Ethics, but these deficiencies did not preclude the internal audit activity from performing its responsibilities in an acceptable manner. This rating means that the internal audit activity has gaps to conformance with the *Standards* and/or the Code of Ethics.
  
- Does Not Conform (DNC): internal audit activity deficiencies are judged to be so significant as to seriously impair or preclude the internal audit activity from performing adequately in all or in significant areas of its responsibilities. This rating means that the internal audit activity does not conform with the *Standards* and/or the Code of Ethics.

A detailed description of conformance criteria can be found in **Exhibit B – Rating Definitions**.

## Objectives, Scope, and Methodology

The primary objectives of this quality assessment were to assess the internal audit activity's conformance to the *Standards* and the Code of Ethics. We also evaluated the internal audit activity's effectiveness in carrying out its mission (as set forth in the Internal Audit Charter and expressed in the expectations of Yolo County's management); identified successful internal audit practices demonstrated by Yolo County Internal Audit; and identified opportunities for continuous improvement to enhance the efficiency and effectiveness of the infrastructure, processes, and the value to Yolo County.

The scope included review of audit engagement workpapers, administrative documents, interviews and surveys with staff, and comparison of current practices to those recommended by the *Standards* for the fiscal year ended June 30, 2022.

Napa County Internal Audit utilized the Institute of Internal Auditors' (IIA) Quality Assessment Manual (2017) to assess Yolo County's internal audit activity conformance with the *Standards* and the Code of Ethics.

These *Standards* are comprised of two main categories: Attribute and Performance Standards. Attribute and Performance Standards apply to all internal audit services.

- *Attribute Standards (1000-1322)* address the attributes of the organization and individuals performing internal auditing.
- *Performance Standards (2000-2600)* describe the nature of internal auditing and provide quality criteria against which the performance of these services can be measured.

## Summary of Observations

The internal audit environment where the external assessment was performed is well structured and progressive, where the *Standards* are understood, the Code of Ethics is being applied, and management endeavors to provide useful audit tools and implement appropriate practices. Consequently, comments and recommendations are intended to build on this foundation already in place. Observations are divided into three categories:

- Successful Internal Audit Practice,
- Gaps to Conformance with the Standards and Code of Ethics, and
- Opportunities for Continuous Improvement

Successful Internal Audit Practices describes where internal audit is operating in a particularly effective or efficient manner when compared to the practice of internal auditing demonstrated in other internal audit activities. We identified the following *Standards* that fall into this category:

- **Standards 1100 – Independence and Objectivity**

The CAE meets bi-weekly with the CFO and quarterly with the Audit Sub-Committee. The CAE also confirmed the organizational independence of the internal activity with the Audit Sub-Committee.

- **Standards 1210 – Proficiency**

Yolo County Internal Audit collectively possesses or obtains the knowledge, skills, and other competencies needed to perform its responsibilities.

- **Standards 1230 – Continuing Professional Development**

All members of Yolo County Internal Audit completed at least 40 hours of continuing professional education as of June 30, 2022 and staff are encouraged to pursue certifications promulgated by the Institute of Internal Auditors or the Association of Certified Fraud Examiners.

- **Standards 2320 – Analysis and Evaluation**

Yolo County Internal Audit utilizes computer-assisted audit techniques (CAATs), which provide analysis of a larger population of data and unbiased evaluations against multiple factors.



## Summary of Observations (continued)

- **Standards 2330 – Documenting Information**

Yolo County Internal Audit documents sufficient, reliable, and useful information to support the engagement results and conclusion. They use RSM's Auditor Assistant software to manage its audit workpapers, which helps create consistency in documentation and assist in workflow review for each engagement.

- **Standard 2500 – Monitoring Progress**

The CAE launched a follow-up module through RSM's Auditor Assistant software that enables system generated email reminders to be sent to the responsible manager and executive officers for a status update on their corrective action plans. The CAE also maintains "All Issues Summary Report" to monitor the progress on management's corrective actions plans.

Gaps to Conformance with the *Standards* or the Code of Ethics describes internal audit activity that is operating in a manner that falls short of achieving one or more major objectives, with the *Standards* or the Code of Ethics that results in an opinion for an individual standard of "partially conforms" or "does not conform." We identified the following *Standards* that fall into this category.

- None

Opportunities for Continuous Improvement describes ways internal audit can enhance the efficiency or effectiveness of the infrastructure, processes, and value to their organization. These items do not indicate a lack of conformance with the *Standards* or the Code of Ethics, but rather offer suggestions on how to better align with criteria defined in the *Standards* or the Code of Ethics. We identified the following *Standards* that fall into this category.

- **Standard 1000 – Purpose, Authority, and Responsibility**

Consider presenting an annual summary of audit reports completed as well as the status of audit recommendations to the full Board of Supervisors. The Internal Audit Charter is also due for a review and presentation to the Board of Supervisors.



## Summary of Observations (continued)

- **Standard 1311 – Internal Assessments**

Consider adopting additional Key Performance Indicators (KPIs) that can help measure engagement efficiencies (i.e., average days between end of fieldwork and manager's review) and engagement effectiveness (i.e., percentage of audit observations that are accepted or not contested).

- **Standard 2100 – Nature of Work**

Consider expanding on performance audits with audit procedures that include assessments of program effectiveness (i.e., meeting the objectives or goals of the program), economy (i.e., keeping the cost low), and efficiencies (i.e., getting the most out of available resources) in its annual audit plan.

## Detail – Successful Internal Audit Practices

- **Standard 1100 – Independence and Objectivity**

All members of Yolo County Internal Audit are independent. The CAE confirmed the organizational independence of the internal activity with the Audit Sub-Committee on April 6, 2022. In addition, independence is evaluated and documented at the engagement level during planning for each engagement. Furthermore, the CAE has direct and unrestricted access to Department Heads, the Chief Financial Officer (CFO), the Audit Sub-Committee, and the Board of Supervisors. The CAE meets at least bi-weekly with the CFO and quarterly with the Audit Sub-Committee.

- **Standard 1210 – Proficiency**

Yolo County Internal Audit staff possess the knowledge, skills and other competencies required to effectively carry out their professional responsibilities. If an engagement required skills or knowledge that the team was lacking, the CAE contracted with qualified “on-call” auditors from CPA firms to assist or perform the audit.

- **Standard 1230 – Continuing Professional Development**

To enhance internal audit knowledge, skills, and other competencies, all members of Yolo County Internal Audit completed at least 40 hours of continuing professional education as of June 30, 2022. Based on interview results, staff feels supported and encouraged by management to obtain professional certifications such as the Certified Fraud Examiner.

- **Standard 2320 – Analysis and Evaluation**

Yolo County Internal Audit uses Computer Assisted Audit Techniques (CAATs) for data analytics and sample-based testing. Engagements workpapers show the use of CAATs, which can help auditors identify trends and spot anomalies. The use of CAATs results were also incorporated in audit reports, which can help streamline the readers’ understanding of the data.

- **Standard 2330 – Documenting Information**

Yolo County Internal Audit documents sufficient, reliable, and useful information to support the engagement results and conclusion. They use RSM’s Auditor Assistant software to store its electronic work papers in one central location, manage audit

## **Detail – Successful Internal Audit Practices** (continued)

### ▪ **Standard 2330 – Documenting Information** (continued)

activities in real time, and generate notifications to appropriate individuals regarding workpaper status and audit findings. The use of this software helps create consistency in documentation and assist workflow review for each engagement. The CAE controls access to engagement records.

### ▪ **Standard 2500 – Monitoring Progress**

The CAE monitors each audit recommendation by requesting a status on corrective action plans, reviewing supporting documentation provided by the department, and inquiring with department personnel. On February 2022, the CAE launched a follow-up module through RSM's Auditor Assistant software to help streamline the monitoring process. The CAE establishes a target date for completion based on management's responses in the final internal audit report. A timeline is then automatically generated, and a system generated email reminder is sent to the responsible manager and executive officers three times prior to the target date. The system will also continue to track past due corrective actions and send monthly notifications until the finding are resolved.

The CAE maintains an 'All Issue Status' report that provides information on findings, recommendations, management responses, and status. The CAE communicated the status of corrective action plans to County management and the Audit Sub-Committee through a memo titled 'Resolution of Audit Findings and Recommendations' on April 6, 2022.

## **Detail – Gaps to Conformance with the Standards or the Code of Ethics**

- None

## Detail – Opportunities for Continuous Improvement

### 1. Standard 1000 – Purpose, Authority, and Responsibility

#### *Observation*

*Standard 1000 - Purpose, Authority, and Responsibility* requires the “Chief Audit Executive to *periodically review* the internal audit charter and *present* it to senior management and the Board for approval. Final approval of the internal audit charter resides with the Board.” We noted that the Yolo County Internal Audit Charter (Charter) was last approved by the Board of Supervisors on July 28, 2015.

According to Article IV of the Charter, the CAE reports *functionally* to the Audit Sub-Committee and *administratively* to the Chief Financial Officer. The Financial Oversight Committee Charter describes functional duties of the Audit Sub-Committee which includes approving the Charter.

#### *Recommendations*

We recommend the CAE annually review the Charter to reaffirm that it continues to enable the internal audit activity to accomplish its objectives. We did note updates to the Charter are warranted such as adding a section on the Quality Assurance Improvement Program (QAIP).

We recommend the CAE request the Audit Sub-Committee to agree on the frequency with which they want to review and reaffirm or revise the Charter. At the very least, the Charter should be reviewed and presented once every five years to be in conformance with the *Standards*.

When presenting the Charter to the Audit Sub-Committee, we recommend the CAE initially discuss and then formally present the Charter to the Audit Sub-Committee for approval.

Although *functional* duties were delegated to the Audit Sub-Committee, we recommend certain reports should also be presented for review and file to the full Board of Supervisors such as an annual summary of audits reports completed as well as the status of audit recommendations and any updates to the Charter. This will allow for greater input from management and the Board of Supervisors, improve communication flow between the full Board of Supervisors, and provide greater visibility to the internal audit function.



## Detail – Opportunities for Continuous Improvement (continued)

### 1. Standard 1000 – Purpose, Authority, and Responsibility (continued)

#### *Internal Audit's Response and Corrective Action Plan*

The Chief Audit Executive concurs. The Yolo County Internal Audit Charter is currently being reviewed and any revisions of the Charter will be presented to the Audit Subcommittee for recommendation and approval by the Yolo County Board of Supervisors. Other suggested reports such as an annual summary of audits completed as well as the status of audit recommendations will be considered.

### 2. Standard 1311 – Internal Assessments

#### *Observation*

*Standard 1311 Internal Assessments* requires ongoing monitoring of the internal audit activity. While mechanisms used for ongoing monitoring are in place to measure the efficiency and effectiveness of the internal audit activity, there are additional Key Performance Indicators (KPIs) that Yolo County Internal Audit can incorporate to further validate its conformance with the *Standards* and the Code of Ethics.

Based on interviews and survey results with staff, management, and board members, as well as a review of KPI results, there were mixed reviews over engagements' efficiencies and effectiveness.

#### *Recommendation*

We recommend Yolo County Internal Audit consider adopting additional KPIs to specifically measure engagements' efficiencies and effectiveness. For example, tracking the average days between end of fieldwork and manager's review can provide insights to the timeliness of workpaper review. Similar, tracking the percentage of audit observations that are accepted or not contested can illustrate the effectiveness of the internal function.

## **Detail – Opportunities for Continuous Improvement** (continued)

### **2. Standard 1311 – Internal Assessments** (continued)

#### *Internal Audit's Response and Corrective Action Plan*

The Chief Audit Executive concurs. The Yolo County Internal Audit Activity has recently implemented an electronic workpaper system whereas timeliness of workpaper review and completion can be monitored more effectively. Additional KPIs are being explored.

### **3. Standard 2100 – Nature of Work**

#### *Observation*

*Standard 2100 Nature of Work* states that the internal audit activity must evaluate and contribute to the improvement of the organization's governance, risk management, and control processes using a systematic, disciplined, and risk-based approach. Internal audit's credibility and value are enhanced when auditors are proactive, and their evaluations offer new insights and consider future impact.

Based on the results of surveys and interviews with staff, senior management, and board members as well as an analysis of the audit plan results, we found that the majority of the engagements completed in-house were related to internal control objectives. The CAE has expressed that insufficient staffing in terms of resources and skills has prevented some more complex audits to be completed in-house.

#### *Recommendation*

We recommend the CAE expand on performance audits with audit procedures that include assessments of program effectiveness (i.e., meeting the objectives or goals of the program), economy (i.e., keeping the cost low), and efficiencies (i.e., getting the most out of available resources) in its annual audit plan.

The CAE should also request staffing resources to allow audit engagements to focus on programs/functions that present a higher risk factor to the County and a mix of audits that can offer new insights.

**Detail – Opportunities for Continuous Improvement** (continued)

**3. Standard 2100 – Nature of Work** (continued)

*Internal Audit’s Response and Corrective Action Plan*

The Chief Audit Executive concurs. Starting with FY23/24, the CAE will consider performance audits that include program effectiveness and result audit objectives in its annual audit plan. Gaps in staffing resources will be discussed with county management and the Audit Subcommittee.

Recently, the Yolo County Internal Audit had a more robust countywide risk assessment performed to identify high risk areas to the County and have incorporated the auditable areas within their FY22-23 Audit Plan approved by the Audit Subcommittee on 9/06/2022.

  
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Tracy A. Schulze, CPA  
Auditor-Controller

**Team Members:**

Paul Phangureh, CPA, CIA, CGAP  
Susan MacDonald

Internal Audit Manager  
Staff Auditor

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*This report is a matter of public record and is intended solely for the information and use of the Yolo County’s Internal Audit Division, Chief Financial Officer, County Administrator, Financial Oversight Committee, Audit Sub-Committee, and the Board of Supervisors.*



**Exhibit A – Evaluation Summary**

	GC	PC	DNC
<b>Overall Evaluation</b>	X		

<b>Attribute Standards (1000 through 1300)</b>		GC	PC	DNC
1000	Purpose, Authority, and Responsibility	X		
1010	Recognizing Mandatory Guidance in the Internal Audit Charter	X		
1100	Independence and Objectivity	X		
1110	Organizational Independence	X		
1111	Direct Interaction with the Board	X		
1112	Chief Audit Executive Roles Beyond Internal Auditing	X		
1120	Individual Objectivity	X		
1130	Impairment to Independence or Objectivity	X		
1200	Proficiency and Due Professional Care	X		
1210	Proficiency	X		
1220	Due Professional Care	X		
1230	Continuing Professional Development	X		



**Exhibit A – Evaluation Summary (continued)**

Attribute Standards (1000 through 1300)		GC	PC	DNC
1300	Quality Assurance and Improvement Program	X		
1310	Requirements of the Quality Assurance and Improvement Program	X		
1311	Internal Assessments	X		
1312	External Assessments	X		
1320	Reporting on the Quality Assurance and Improvement Program	X		
1321	Use of “Conforms with the <i>International Standards for the Professional Practice of Internal Auditing</i> ”	X		
1322	Disclosure of Nonconformance	X		

**Exhibit A – Evaluation Summary (continued)**

Performance Standards (2000 through 2600)		GC	PC	DNC
2000	Managing the Internal Audit Activity	X		
2010	Planning	X		
2020	Communication and Approval	X		
2030	Resource Management	X		
2040	Policies and Procedures	X		
2050	Coordination and Reliance	X		
2060	Reporting to Senior Management and the Board	X		
2070	External Service Provider and Organizational Responsibility for Internal Auditing	X		
2100	Nature of Work	X		
2110	Governance	X		
2120	Risk Management	X		
2130	Control	X		

**Exhibit A – Evaluation Summary** (continued)

Performance Standards (2000 through 2600)		GC	PC	DNC
2200	Engagement Planning	X		
2201	Planning Considerations	X		
2210	Engagement Objectives	X		
2220	Engagement Scope	X		
2230	Engagement Resource Allocation	X		
2240	Engagement Work Program	X		
2300	Performing the Engagement	X		
2310	Identifying Information	X		
2320	Analysis and Evaluation	X		
2330	Documenting Information	X		
2340	Engagement Supervision	X		
2400	Communicating Results	X		
2410	Criteria for Communicating	X		
2420	Quality of Communications	X		
2421	Errors and Omissions	X		

**Exhibit A – Evaluation Summary (continued)**

Performance Standards (2000 through 2600)		GC	PC	DNC
2430	Use of “Conducted in Conformance with the <i>International Standards for the Professional Practice of Internal Auditing</i> ”	X		
2431	Engagement Disclosure of Nonconformance	X		
2440	Disseminating Results	X		
2450	Overall Opinions	X		
2500	Monitoring Progress	X		
2600	Communicating the Acceptance of Risks	X		

Code of Ethics		GC	PC	DNC
	Code of Ethics	X		



## **Exhibit B – Rating Definitions**

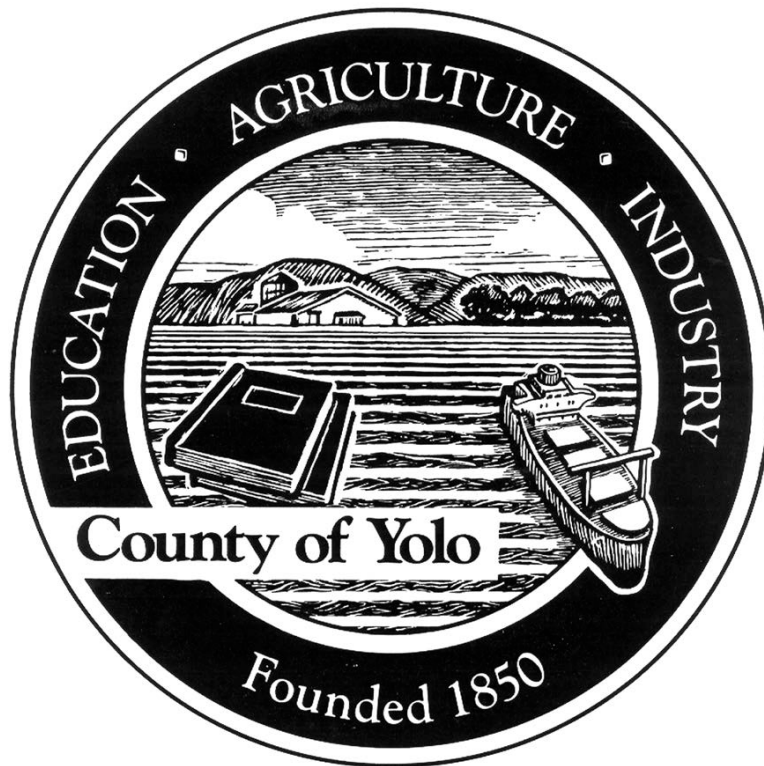
**GC – “Generally Conforms”** means that the assessor or the assessment team has concluded that the relevant structures, policies, and procedures of the activity, as well as the processes by which they are applied, comply with the requirements of the individual standard or elements of the Code of Ethics in all material respects. For the sections and major categories, this means that there is general conformity to a majority of the individual standard or element of the Code of Ethics and at least partial conformity to the others within the section/category. There may be significant opportunities for improvement, but these should not represent situations where the activity has not implemented the *Standards* or the Code of Ethics and has not applied them effectively or achieved their stated objectives. As indicated above, general conformance does not require complete or perfect conformance, the ideal situation, or successful practice, etc.

**PC – “Partially Conforms”** means that the assessor or assessment team has concluded that the activity is making good-faith efforts to comply with the requirements of the individual standard or elements of the Code of Ethics or a section or major category, but falls short of achieving some major objectives. These will usually represent significant opportunities for improvement in effectively applying the *Standards* or the Code of Ethics and/or achieving their objectives. Some deficiencies may be beyond the control of the internal audit activity and may result in recommendations to senior management or the board of the organization.

**DNC – “Does Not Conform”** means that the assessor or assessment team has concluded that the internal audit activity is not aware of, is not making good-faith efforts to comply with, or is failing to achieve many or all of the objectives of the individual standard or element of the Code of Ethics or a section or major category. These deficiencies will usually have a significantly negative impact on the internal audit activity’s effectiveness and its potential to add value to the organization. These may also represent significant opportunities for improvement, including actions by senior management or the board of the organization.

**N/A – “Not Applicable”**

# Yolo County



## Internal Audit Charter

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## I. Purpose and Mission

The purpose of Yolo County's internal audit activity is to provide independent, objective assurance and consulting services designed to add value and improve Yolo County's operations. The mission of internal audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. The internal audit activity helps Yolo County accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

## II. Standards for the Professional Practice of Internal Auditing

The internal audit activity will govern itself by adherence to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the *International Standards for the Professional Practice of Internal Auditing*, and the Definition of Internal Auditing. The chief audit executive will report periodically to senior management and the audit committee regarding the internal audit activity's conformance to the Code of Ethics and the *Standards*.

## III. Authority

The chief audit executive will report functionally to the audit committee and administratively (i.e., day-to-day operations) to the chief financial officer. To establish, maintain, and assure that Yolo County's internal audit activity has sufficient authority to fulfill its duties, the audit committee will:

- Approve the internal audit activity's charter.
- Approve and monitor the risk-based internal audit plan.
- Ensure the timely monitoring and resolution of audit findings.
- Receive communications from the chief audit executive on the internal audit activity's performance relative to its plan and other related matters.
- Make appropriate inquiries of management and the chief audit executive to determine whether there is inappropriate scope or resource limitations.
- In concert with the CFO, at a minimum of annually, review the scope and effectiveness of internal audit activity, participate in the appointment and removal of the chief audit executive, and participate in the performance evaluation of the chief audit executive.

The chief audit executive will have unrestricted access to, and communicate and interact directly with, the audit committee, including in private meetings without management present.

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The audit committee authorizes the internal audit activity to:

- Have full, free, and unrestricted access to all functions, records, property, and personnel pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of records and information.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques required to accomplish audit objectives, and issue reports.
- Obtain assistance from the necessary personnel of Yolo County, as well as other specialized services from within or outside Yolo County, in order to complete the engagement.

## IV. Independence and Objectivity

The chief audit executive will ensure that the internal audit activity remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content. If the chief audit executive determines that independence or objectivity may be impaired in fact or appearance, the details of impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively and in such a manner that they believe in their work product, that no quality compromises are made, and that they do not subordinate their judgment on audit matters to others.

Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgment, including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing any operational duties for Yolo County or its affiliates.
- Initiating or approving transactions external to the internal audit activity.
- Directing the activities of any Yolo County employee not employed by the internal audit activity, except to the extent that such employees have been appropriately assigned to auditing teams or to otherwise assist internal auditors.

Where the chief audit executive has or is expected to have roles and/or responsibilities that fall outside of internal auditing, safeguards will be established to limit impairments to independence or objectivity.



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Internal auditors will:

- Disclose any impairment of independence or objectivity, in fact or appearance, to appropriate parties.
- Exhibit professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid being unduly influenced by their own interests or by others in forming judgments.

The chief audit executive will confirm to the audit committee, at least annually, the organizational independence of the internal audit activity.

The chief audit executive will disclose to the audit committee any interference and related implications in determining the scope of internal auditing, performing work, and/or communicating results.

## V. Scope of Internal Audit Activities

The scope of internal audit activities encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments to the audit committee, management, and outside parties on the adequacy and effectiveness of governance, risk management, and control processes for Yolo County. Internal audit assessments include evaluating whether:

- Risks relating to the achievement of Yolo County's strategic objectives are appropriately identified and managed.
- The actions of Yolo County's officers, directors, employees, and contractors are in compliance with Yolo County's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations or programs are consistent with established goals and objectives.
- Operations or programs are being carried out effectively and efficiently.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact Yolo County.
- Information and the means used to identify, measure, analyze, classify, and report such information are reliable and have integrity.
- Resources and assets are acquired economically, used efficiently, and protected adequately.

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The chief audit executive will report periodically to senior management and the audit committee regarding:

- The internal audit activity's purpose, authority, and responsibility.
- The internal audit activity's plan and performance relative to its plan.
- The internal audit activity's conformance with The IIA's Code of Ethics and *Standards*, and action plans to address any significant conformance issues.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by, the audit committee.
- Results of audit engagements or other activities.
- Resource requirements.
- Any response to risk by management that may be unacceptable to Yolo County.

The chief audit executive also coordinates activities, where possible, and considers relying upon the work of other internal and external assurance and consulting service providers as needed. The internal audit activity may perform advisory and related client service activities, the nature and scope of which will be agreed with the client, provided the internal audit activity does not assume management responsibility.

Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during engagements. These opportunities will be communicated to the appropriate level of management.

## VI. Responsibility

The chief audit executive has the responsibility to:

- Submit, at least annually, to senior management and the audit committee a risk-based internal audit plan for review and approval.
- Communicate to senior management and the audit committee the impact of resource limitations on the internal audit plan.
- Review and adjust the internal audit plan, as necessary, in response to changes in Yolo County's business, risks, operations, programs, systems, and controls.
- Communicate to senior management and the audit committee any significant interim changes to the internal audit plan.
- Ensure each engagement of the internal audit plan is executed, including the establishment of objectives and scope, the assignment of appropriate and adequately supervised resources, the documentation of work programs and testing results, and the communication of engagement results with applicable conclusions and

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recommendations to appropriate parties.

- Follow up on engagement findings and corrective actions, and report periodically to senior management and the audit committee any corrective actions not effectively implemented.
- Ensure the principles of integrity, objectivity, confidentiality, and competency are applied and upheld.
- Ensure the internal audit activity collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the internal audit charter.
- Ensure trends and emerging issues that could impact Yolo County are considered and communicated to senior management and the audit committee as appropriate.
- Ensure emerging trends and successful practices in internal auditing are considered.
- Establish and ensure adherence to policies and procedures designed to guide the internal audit activity.
- Ensure adherence to Yolo County's relevant policies and procedures unless such policies and procedures conflict with the internal audit charter. Any such conflicts will be resolved or otherwise communicated to senior management and the audit committee.
- Ensure conformance of the internal audit activity with the *Standards*, with the following qualifications:
  - If the internal audit activity is prohibited by law or regulation from conformance with certain parts of the *Standards*, the chief audit executive will ensure appropriate disclosures and will ensure conformance with all other parts of the *Standards*.
  - If the *Standards* are used in conjunction with requirements issued by the Statutes of the State of California, *Government Auditing Standards* issued by the Comptroller General of the United States, and generally accepted auditing standards promulgated by the American Institute of Certified Public Accountants, the chief audit executive will ensure that the internal audit activity conforms with the *Standards*, even if the internal audit activity also conforms with the more restrictive requirements.

## VII. Quality Assurance and Improvement Program

The internal audit activity will maintain a quality assurance and improvement program that covers all aspects of the internal audit activity. The program will include an evaluation of the internal audit activity's conformance with the *Standards* and an evaluation of whether internal auditors apply The IIA's Code of Ethics. The program will also assess the efficiency and effectiveness of the internal audit activity and identify opportunities for improvement.

The chief audit executive will communicate to senior management and the audit committee on the internal audit activity's quality assurance and improvement program, including results of internal assessments (both ongoing and periodic) and external assessments conducted at least

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once every five years by a qualified, independent assessor or assessment team from outside Yolo County.

BOARD OF SUPERVISORS  
Yolo County, California

To: Fin. Svcs. ✓

CONSENT CALENDAR

Excerpt of Minute Order No. 15-86 Item No. 16, of the Board of Supervisors' meeting of July 28, 2015.

MOTION: Chamberlain. SECOND: Saylor. AYES: Provenza, Chamberlain, Villegas, Saylor, Rexroad.

16.

Approve an updated Internal Audit Charter. (No general fund impact)  
(Newens)

Approved recommended action on Consent.



# County of Yolo

www.yolocounty.org

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To: Supervisor Matt Rexroad, Chair  
and Members of the Board of Supervisors

## Consent-General Government # 16.

### Board of Supervisors Meeting

### Financial Services

**Meeting Date:** 07/28/2015

**Brief Title:** Internal Audit Charter

**From:** Howard Newens, Chief Financial Officer, Financial Services

**Staff Contact:** Mary Khoshmashrab, Internal Audit Manager, Financial Services, x9210

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### Subject

Approve an updated Internal Audit Charter. (No general fund impact) (Newens)

### Recommended Action

Approve the attached Internal Audit Charter to replace the Audit Charter and Policy Statement adopted on 2/16/1999.

### Strategic Plan Goal(s)

Provide fiscally sound, dynamic and responsive services

### Reason for Recommended Action/Background

On February 16, 1999, the Board of Supervisors approved an Audit Charter and Policy Statement that defined the role and responsibilities of the audit function in the County. Since then, evolution of the internal audit profession, as well as the recent structural change in the finance function in the County have necessitated a wholesale revision of this governing document.

After extensive research, staff recommends a new proposed charter for the internal audit function (Att A - Internal Audit Charter) that reflects conformance with all applicable standards issued by the Institute of Internal Auditors and the U.S. Government Accountability Office, and that matches the current organization of the finance function in the County.

The charter sets forth the purpose, scope, authority and responsibilities of the internal audit function; the document also explains the relationship between the internal auditors and the Board of Supervisors through its audit sub-committee, as well as the relationship with management and the Financial Oversight Committee.

### Collaborations (including Board advisory groups and external partner agencies)

The charter was submitted for review by members of the Financial Oversight Committee and their comments were taken into account in the final draft attached.

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### Fiscal Information

No Fiscal Impact

Fiscal Impact of this Expenditure

Total cost of recommended action

Amount budgeted for expenditure

Additional expenditure authority needed \$0

On-going commitment (annual cost)

Source of Funds for this Expenditure

General Fund \$0

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**Attachments**

Att. A. Internal Audit Charter

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**Form Review**

**Inbox**

Financial Services (Originator)

Howard Newens

Ivan Vonk

Patrick Blacklock

Form Started By: Mary Khoshmashrab

Final Approval Date: 07/15/2015

**Reviewed By**

Howard Newens

Howard Newens

Ivan Vonk

Patrick Blacklock

**Date**

07/14/2015 03:54 PM

07/15/2015 10:22 AM

07/15/2015 10:26 AM

07/15/2015 01:35 PM

Started On: 06/25/2015 01:46 PM

# Yolo County



## Internal Audit Charter

*July 2015*

*Approved By the Board of Supervisors on July 28, 2015*



## Article I

### **Definitions, Names, and Authority**

- This document is referred to herein as the “Charter.”
- The County of Yolo is referred to herein as the “County”.
- The County’s Audit Sub-Committee (Committee) members are board appointed and serve a two-year term. The Committee consists of two members of Board of Supervisors that serve concurrently on the Financial Oversight Committee, the Chief Financial Officer or designee, and the County Administrator or designee. The Audit Committee’s roles and responsibilities are defined in this Charter. The Committee serves as advisory to the full Board of Supervisors.
- The County’s Management referred to herein to mean all levels of management at the County.
- The County’s Internal Audit Division performs internal and external auditing activities and reports to the Committee. This Division is herein referred to as the “Internal Audits”.
- The Internal Audit Manager of the Internal Audit Division is herein referred to as the “Chief Auditor”. The Chief Auditor is a senior position responsible for effectively managing Internal Audit’s internal audit activities in accordance with this Charter and with the Definition of Internal Auditing, the Code of Ethics, and the Standards as defined within the International Standards for the Professional Practice of Internal Auditing, and other professional standards.
- The County Administrator, Chief Financial Officer (CFO), the Chair of the Board of Supervisors, the Chair of the Committee, and the Chief Auditor are herein referred to as “Acknowledging Officers” in regards to their role in overseeing the internal audit activity.
- The International Standards for the Professional Practice of Internal Auditing herein referred to as the “ISPPA is the authoritative standards for the practice of internal auditing. These authoritative standards are produced by the International Internal Auditing Standards Board (IIASB).”

The ISPPA is recognized as the authoritative standards and promulgated by the *Institute of Internal Auditors (IIA)* as *internal audit standards for internal auditing*, referred to herein as the “Standards.” While this Charter is not intended to fully reiterate the Standards, it is intended to be consistent with the Standards and should be interpreted in a manner consistent with those standards. The Standards not directly incorporated into this Charter shall nonetheless be fully and appropriately applicable to the County’s Internal Audits. The County’s Internal Audit Division also considers guidance from industry practices and other relevant sources as deemed appropriate and reasonable in relation to the County’s needs, including but not limited to the Generally Accepted Government Auditing Standards (GAGAS), Generally Accepted Auditing Standards (GAAS), California Government Code, Administrative Manuals, and other applicable authorities.

### **Authority**

Passage of Senate Bill (SB) 1452 resulted in updates to internal auditing standards for state and local agencies and establishes a process enabling the Legislature to be informed when State Auditor recommendations are being ignored or not implemented by agencies. Additionally, it creates a framework to protect internal auditors from intimidation while providing them with a process to have audit expectations reported if audit findings are suppressed by management.

Further, the passage amends Government Code (GC) section 1236 to state that all city, county, and district auditors conduct their work under the general and specified standards prescribed by the Institute

of Internal Auditors or the Government Auditing Standards issued by the Comptroller General of the United States, as appropriate.

The passage amends Government Code section 1237 to require all state and local agencies with an aggregate spending of fifty million dollars or more annually to consider establishing an ongoing audit function; and the passage adds Government Code section 8546.2 to require all state and local government entities, including any special districts, to provide updates on the progress in implementing any recommendations made by the State Auditor, at intervals prescribed by the State Auditor.

The County's Internal Audit Division has selected the Internal Auditing Standards as a primary basis for planning and conducting its audit activities. Therefore, such standards are incorporated by reference into this Charter.

Additionally, the county or its agencies will incorporate and consider, where applicable guidance from other relevant sources. Therefore, in conducting its audit activities, the County's Internal Audit Division will also consider sources including, but not limited to: Generally Accepted Government Auditing Standards (GAGAS), Generally Accepted Auditing Standards (GAAS), the California Government Code, the County's Administrative Manuals, the County's established policies and procedures, and other applicable authorities.

## **Article II**

### **Section 1 - Purpose of this Charter**

This Board of Supervisors approved and adopted Charter establishes the responsibilities, reporting lines, and protocols of the Internal Audit Division; it establishes the County's objective and provides for uninhibited and complete discretion to fulfill its objective, with procedural remedies to remediate obstacles and issues. This Charter also delineates the reporting lines of the Internal Audit Division, the roles and approval of the Financial Oversight Committee (FOC) and Audit Sub-Committee, and acceptance by the Chief Auditor.

### **Section 2 - Objective of the Independent Committee**

The County established an Audit Sub-Committee (Committee) that consist of elected officials to further ensure independence around the internal audit functions. The internal audit functions are designed to include timely reporting of significant issues to appropriate oversight authorities. The Committee's members consist of the two board members that also serve on the Financial Oversight Committee. The Committee serves as an advisory to the full Board of Supervisors. The Committee will help to ensure the internal audit division is independent of management. Specific responsibilities of the Committee vary depending on the form of review, type of reporting requirements, or the matter under consideration. The Committee has authority to request a review be conducted and/or authorize investigations into any matter within its scope of responsibility. It is specifically empowered to appoint and oversee the work of the public accounting firm employed by the County to perform the annual audit, and to resolve disagreements between management and the auditing firm regarding any audit findings or recommendations.

### **Section 3 - Objective of the Internal Audit Division**

The objective of the Internal Audit Division is to serve as the County's oversight function that objectively evaluates and recommends improvements to the County's internal control structure, prioritizing its efforts by continuously facilitating an objective risk assessment. This objective is consistent with that as defined by the Standards. The Committee and Acknowledging Officers recognize the importance of an internal/external audit function and adopt this objective for the County's Internal Audit Division.

The Internal Audit Division also performs external reviews of contracts or service programs of entities that are awarded funds overseen by the County. The Internal Audit Division performs investigative or special reviews at the request of The Committee, Management, and/or in accordance with various laws, statues, and regulations such as the California Government Codes, and regulations, and other applicable authorities.

Additionally, the Internal Audit Division performs non-auditing consulting services, works with management in supporting the tone set at the top, evaluates and analyses data, reviews processes for efficiency, provides guidance, training and development to the county and its government components, and provides subject expert guidance to internal and external customers, etc.

## **Article III**

### **Section 1 - Responsibility and Protocols**

The Committee recognizes that it is ultimately responsible for establishing and monitoring the risk tolerance of County. The Chief Auditor shall from time to time advise the Committee on existing and evolving governance practices as could be best suited for the County. The Acknowledging Officers recognize that management is responsible for the County's internal control structure, and thus is also responsible for creating and maintaining an adequate system to serve as the basis for designing, monitoring, and evaluating its internal control structure. To evaluate management's internal control systems, the Internal Audit Division shall be provided with uninhibited and complete:

- discretion to fulfill its objective; and
- access to all organizational records, data, information, assets, and personnel.

The Chief Auditor shall have open and direct access to the County's Administrator, Board of Supervisors, the Chief Financial Officer, the County Management, the Committee, and the County's staff.

The Chief Auditor shall be free to document and communicate without interference or influence, specific policies and procedures best suited for managing the Internal Audit Division.

The County's Management and staff shall be obligated to respond to the Internal Audit Division's inquiries and recommendations, formal and informal, and in a timely and diligent manner. Excessive requirements for management authorizations or permissions are deemed to inhibit access. The Chief Auditor has the discretion to disclose and refrain from disclosing any reasons for requests placed upon management and staff.

The Chief Auditor shall report disagreements with management and instances in which a request for access or response is not granted or provided in a reasonable time, format, and manner to the Committee.

The Internal Audit Division shall hold data and information obtained during the course of its audit activities with due care and the appropriate level of confidentiality. The Chief Auditor shall, for good cause, have authority to grant, limit, and restrict access to work papers and records.

### **Section 2a – Scope and Duties of the Internal Audit Division- Audit Services**

The auditors shall have authority to conduct financial and performance audits of all departments, divisions, boards, activities, agencies and programs of the entity in order to independently and objectively determine whether:

1. Activities and programs being implemented have been authorized by the appropriate governing laws or codes, state or local law, or applicable federal law or regulations.
2. Activities and programs are in compliance, properly conducted, and funds expended in accordance with the applicable laws.
3. The county's departments, divisions, or agencies are acquiring, managing, protecting, and using its resources, including public funds, personnel, property, equipment, and space, economically, efficiently, equitably, and effectively, and in a manner consistent with the objectives intended by the authorizing entity or enabling legislation.
3. The entity, programs, activities, functions, or policies are effective, including the identification of any causes of inefficiencies or uneconomical practices.
4. The desired result or benefits are being achieved.
5. Financial and other reports are being provided that disclose fairly, accurately, and fully all information required by law, to ascertain the nature and scope of programs and activities, and to establish a proper basis for evaluating the programs and activities including the collection of, accounting for, and depositing of revenues and other resources.
6. Management has established adequate operating and administrative procedures and practices, fiscal and accounting systems, and an adequate system of controls or internal management controls; and
7. Indications of fraud, abuse, waste, misappropriation, or illegal acts are valid and need further investigation.

### **Section 2b – Scope and Duties of the Internal Audit Division- Non-Audit Services**

The Internal Audit Division supports the tone at the top by offering the County's Management and staff the following non-audit services:

1. Provides non-auditing consulting, guidance and recommendations;
2. Provides training and development on fiscal policies, systems of controls, or other processes;
3. Analysis of data, reviews of program processes, and provides insight on financial forecasting and projections;
4. Reviews and makes recommendations on contracts, or other program agreements;
5. Reviews processes and procedures to improve efficiency and ensure source documents are sufficient and supportive of funds expended;
6. Assists in developing automated tracking systems and design support upon request;

7. Provides guidance and/or review of management's strategic plans to ensure alliance with the overall County's plan; and
8. Provides internal and external customer support on subject matters, etc.

### **Section 3 – Risk Assessment and Planning**

The Chief Auditor shall facilitate and conduct a risk assessment process to assist management to logically identify key risks within the County and its components, and shall annually present and discuss the risk assessment to the County Administrator, the Chief Financial Officer, and the Committee to receive input and feedback. As part of the aforementioned process, the Chief Auditor shall receive direction and input from the Chief Financial Officer, and the Committee as to the risk factors that the Committee deems most important to the County. The Chief Auditor shall then develop an annual audit plan based on a management self-risk assessment and overall countywide risk assessment, and present the audit plan to the Committee for its review, input, and approval. Annually, the Chief Auditor shall present the results of a continuous monitoring of identified risk and the status of management's corrective actions to the Committee, with necessary adjustments proposed to the audit plan for its review, input, and approval. The Committee and Chief Auditor recognize that the audit plan shall be continuously risk-based, and not coverage-based, and optimal audit plans continuously change in response to shifting perceptions and outcomes of risk.

The Committee recognizes that the internal auditors competently achieve the objective of an internal audit function with the probability and timeliness of risk identification generally being in direct proportion to that risk's impact on the organization. As such, it is further recognized that:

- Timeliness is relevant to the Committee's risk tolerance and prioritization within the risk assessment; and
- The identification of risks is subject to change and interpretation; therefore the standard of competence does not ever require certain and complete identification of any and all risks.

## **Article IV**

### **Section 1 – Objectivity and Reporting Structure**

The Chief Auditor is fully accountable and reports functionally directly to the Committee. The Committee will meet with the Chief Auditor at least semi-annually in general session and privately, ideally in person but nonetheless through any other reasonable means. For administrative purposes, the Chief Auditor reports directly to the Chief Financial Officer.

The Internal Audit Division shall not assume organizational responsibilities or authority outside County, and therefore will not:

- assume organizational responsibilities
- perform management functions, procedures, reporting, tracking and accounting
- design or execute controls or processes
- render organizational decisions

Similarly, the Internal Audit Division shall not in any way utilize its resources to relieve or subsidize other persons or functions in the County that would create an impairment of independence.

The Committee and the Chief Auditor recognize that activities that are performed by the Internal Audit Division and are of an objective nature including repetitive audits, audits “required” of management, and audits that take on more of a monitoring function rather than an assessment, shall not serve as a substitute for management controls, as an adequate internal control structure should not dictate the performance of any audit.

The Chief Auditor shall disclose to the Chief Financial Officer and the Committee, any and all requested, proposed, and performed activities that are deemed as not taking the form of an objective internal audit activity, for their acceptance or rejection.

Management shall not separately and distinctly allocate the cost of the Internal Audit Division to other County cost centers. However, cost associated with a particular audit, review or other services may be charged directly to an entity based on the published rate per hour or charged by project.

### **Section 2 – Independence**

When establishing an audit function, it is very important to be explicit in protecting auditors’ impartiality and objectivity in conducting their work so decision-makers and the public can rely on audit findings and recommendations. For example, managers of functions that may be audited should not have authority over the work of auditors. In order to be independent in fact/matter and appearance, auditors must be free from conflicts of interest and free from interference in how the work is conducted and reported. Auditors must have systems in place to identify, safeguard against, or report threats to independence. The Government Auditing Standards identify seven types of threats to independence that the Division of Audit shall endeavor to avoid:

- Self-interest threat - the threat that a financial or other interest will inappropriately influence an auditor’s judgment or behavior;
- Self-review threat - the threat that an auditor or audit organization that has provided nonaudit services will not appropriately evaluate the results of previous judgments made or services performed as part of the nonaudit services when forming a judgment significant to an audit;
- Bias threat - the threat that an auditor will, as a result of political, ideological, social, or other convictions, take a position that is not objective;
- Familiarity threat - the threat that aspects of a relationship with management or personnel of an audited entity, such as a close or long relationship, or that of an immediate or close family member, will lead an auditor to take a position that is not objective;
- Undue influence threat - the threat that external influences or pressures will impact an auditor’s ability to make independent and objective judgments;
- Management participation threat - the threat that results from an auditor’s taking on the role of management or otherwise performing management functions on behalf of the entity undergoing an audit; and
- Structural threat - the threat that an audit organization’s placement within a government entity, in combination with the structure of the government entity being audited, will impact the audit.

### **Section 3 - Competence**

The Chief Auditor shall document and communicate specific requirements for professional credentials, including education and certifications, experience, and ongoing professional development. The Chief Financial Officer, the Committee, and the Chief Auditor recognize that the

practice of internal auditing can be competently executed by individuals of a variety of experiences and credentials. The Internal Audit Division shall be comprised of a sufficient number of individuals with internal control credentials and/or experience, and ideally of a variety of credentials and/or experiences. The Chief Auditor shall determine the minimum amount of relevant training required for the internal audit practitioners (in accordance with government code, principals, and the standards). The Chief Auditor shall have documented applicable procedures in place that deliver appropriate supervision, coaching, performance appraisals, and training to the internal audit practitioners within the Internal Audit Division.

The Chief Auditor shall continuously and annually review the general level of compliance to the key components of the adopted standards and the function's policies and procedures. Annual reviews shall be based on key attributes deemed most important by the Chief Auditor and the Committee. Such reviews shall take the form of a condensed internal self-assessment.

Additionally, the Chief Auditor shall ensure that there is a periodic assessment of comprehensive compliance to the key components of the adopted standards and the function's policies and procedures.

The results of the periodic assessment shall be presented to the Committee by the Chief Auditor and administrative report-direct for an internal assessment or the third party representative when a third party performs the assessment.

## **Article V**

### **Fraud**

The Committee recognizes that management is responsible for controls to reasonably prevent and detect fraud. Furthermore, the Committee recognizes that internal audit practitioners and therefore the Internal Audit Division are not responsible to identify fraud.

The Committee and the Chief Auditor recognize that internal audit practitioners should be competent to consider fraud risks that result from reviews of the line functions at the County and the government components as well as factors external to the County for the purposes of continuous audit planning and project planning and scoping. Moreover, should the auditor become aware of potential fraud during a review, the auditor would be expected to report the matter to the Committee, and the appropriate management, and further investigate the matter.

Management shall be responsible to report to the Chief Auditor and the Committee any and all suspected incidences of fraud reasonably believed to have occurred. The Chief Auditor shall perform and monitor all investigations and determine if the reported incident is substantiated. Management shall provide regular updates to the Chief Auditor for all suspected and actual incidences of fraud, whether or not investigations are conducted as a result. This will aid the Chief Auditor in maintaining awareness of all potential risks and control weaknesses within the County, particularly to help to determine and recommend improvements to internal controls to reduce future vulnerability; and contemplate new audit procedures that may be deemed necessary to be performed in future audit work to assess the risk of repeated or similar fraud.

## Article VI

### **Reporting and Follow-Up**

The Chief Auditor shall have procedures in place to ensure that reported conclusions and opinions are supported with adequate, competent, and sufficient internal audit work.

The Chief Auditor *shall not issue an opinion* on the internal control structure. The Committee recognizes that an organization's internal control structure is comprised of and affected by many internal and external activities and elements, all of which are subjected to variability in effectiveness. The Committee further recognizes that any opinion on the overall internal control structure of an organization would be inherently subject to excessive uncertainty, regardless of the adequacy, competency, and sufficiency of internal audit work.

The Internal Audit Division shall communicate results of its work and otherwise known issues to management and the Committee. The Chief Auditor shall form and report appropriate opinions based on audit evidence. Management shall provide responses to issues in a prompt and efficient manner. Written reports shall be distributed to the County Administrator, the Chief Financial Officer, the Board of Supervisors, and the Committee, if appropriate for reports containing significant issues or when there is a disagreement with management other than minor in nature. The Chief Auditor shall provide summary information to the Committee pertaining to issues resulting from internal audit procedures as well as known issues outside of internal audits scope of review. Additionally, the Chief Auditor shall provide the Committee with an annual assessment as to the effectiveness of management's attention to resolving internal control issues.

The Committee shall approve the processes pertaining to follow-up audit procedures, if appropriate. The Chief Auditor shall have procedures in place to track, monitor, and evaluate the status of internal control issues with a tracking mechanism and with consideration to the risk of each issue and the cost and benefit of various audit procedure alternatives.

## Article VII

### **Amendments**

Amendments shall be brought to the Board of Supervisors for approval as needed.



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

No.	AA No	AUDTRACK No	Type	Name	Entity	Preliminary Scope	Priority	Hours	% Complete	Status	Report Issued	No. of Findings	Internal or Outsource
1	2021-0025	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	95%	In-progress; Drafting report exit planned for February			Yolo
2	2021-0026	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 exit planned for February			Yolo
3	2022-055	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; Reassing scope of work			Yolo
4	N/A	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	100%	Completed			Yolo
5	N/A	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	100%	Completed			Yolo
6	N/A	2023-23	New	FWA Reporting and Hotline	Countywide	Develop a fraud reporting and whistleblower policy and implement hotline.	High	202	90%	Finalizing internal procedures; Go Live "March 2023"			Yolo
7	N/A	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	95%	In-progress; Moss Adams drafting report			Outsource
8	N/A	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%	Not Started: Reassing scope of work			Outsource
9	2023-0083 2023-0084 2023-0085 2023-0086	2023-13	New	Cash Count	Department Financial Services - Treasury	Conduct quarterly cash count as required by Government Code Section 26920(a)(1).	Med	14	75%	Quarterly; Completed 6/30, 9/30 & 12/31 Qtrs	7/22/2022 10/21/2022 1/13/2023	0	Yolo
10	2023-0078	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	95%	In-progress; Drafting report exit planned for February			Yolo

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

No.	AA No	AUDTRACK No	Type	Name	Entity	Preliminary Scope	Priority	Hours	% Complete	Status	Report Issued	No. of Findings	Internal or Outsource
11	2023-0077	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	95%	In-progress; Drafting report exit planned for February			Yolo
12	2023-0076	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 Apr - June			Yolo
13	2023-0079	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	10%	In-progress			Yolo
14	2023-0080	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%	Not Started; wait for new Fiscal Officer			Yolo
15	2023-0082	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 March			Yolo
16	2023-0081	2023-16	New	Purchase Card	Countywide-Cont Audit	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 Feb-March Add review of Pcard program and additional 80 hrs			Yolo
17	2023-0091	2023-25	New	Accounts Receivable	Countywide	Perform an internal control review over accounts receivables.	High	140	0%	Planned for Apr-June			Yolo
18	2023-0087	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	2023-0092	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
20	2023-0093	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

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

No.	AA No	AUDTRACK No	Type	Name	Entity	Preliminary Scope	Priority	Hours	% Complete	Status	Report Issued	No. of Findings	Internal or Outsource
21	N/A	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	N/A	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%	Scoping project			Outsource
23	N/A	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	10%	Started			Yolo
24	N/A	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	N/A	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	50%	Monthly			Yolo
26	N/A	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	50%	Quarterly 2X			Yolo
27	N/A	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	50%	Ongoing			Yolo
28	N/A	2023-02 to 2023-09	Ongoing	Staff Benefits and Leave	Other Administration	Required time based on labor bargaining units.	N/A	1170	50%	Ongoing			Yolo
29	N/A	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	50%	CW Training Planned for Spring CPE Hrs - On Track			Yolo
30	N/A	2023-19	Ongoing	Manage Co-Sourced/External Resources	Audit Function	Internal Audit to manage and coordinate with external resources.	N/A	80	50%	Ongoing			Yolo

**Total audit & non-audit hours and benefits & leave**

**7290**



# COUNTY OF YOLO

Office of the County Council

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## MEMORANDUM

TO: All Local Legislative Bodies subject to the Ralph M. Brown Act

FROM: Philip J. Pogledich, County Counsel  
Eric May, Senior Deputy County Counsel

DATE: November 30, 2022

SUBJECT: Brown Act Compliance in 2023: Limited Options for Remote Participation

The simplified procedures that many bodies subject to the Ralph M. Brown Act (“Brown Act”) have relied on during the COVID-19 pandemic are set to expire on February 28, 2023. This memorandum provides updated guidance regarding remote meetings pursuant to the Brown Act after those procedures expire.

Since the beginning of the pandemic, many local legislative bodies<sup>1</sup> have been meeting remotely under authority granted by the Governor by executive order (since rescinded) and, more recently, pursuant to the simplified approach included in Assembly Bill 361 (“AB 361”). This will soon change. As described in a previous memo by this Office, AB 361 applies only during a state of emergency proclaimed by the Governor. *See* Gov. Code § 54953(e). A local emergency proclamation is insufficient. Governor Newsom will lift the state of emergency that has been in place since the early days of the COVID-19 pandemic on February 28, 2023.<sup>2</sup> When that occurs, the simplified procedures authorized by AB 361 will become off-limits.

**With the expiration of the Governor’s emergency proclamation, local legislative bodies will have to return to in-person meetings, with limited exceptions discussed herein, by March 1, 2023.**

Members will have only two options for participating remotely, each of which has significant drawbacks compared to the current state of affairs.

The first option is for members to participate remotely pursuant to the longstanding teleconference provisions of the Brown Act. A table included as **Attachment A** to this memo outlines how to use this

<sup>1</sup> The Brown Act applies to “legislative bodies,” which the Act defines as including (i) a governing body of a local agency or local body created by state or federal statute, (ii) a commission, committee, board, or other body of a local agency, whether permanent or temporary, decision-making or advisory, created by a legislative body. *See* Gov. Code § 54952.

<sup>2</sup> <https://www.gov.ca.gov/2022/10/17/governor-newsom-to-end-the-covid-19-state-of-emergency/>.

approach, which has also been addressed in prior Brown Act memos by this office. This approach has long been disfavored and little-used because, among other things, it requires members participating remotely to list the address where they will participate on the agenda, and to accommodate the public at that location. Also, this option requires at least a quorum to be present within the geographic area covered by the legislative body, which further diminishes its practical value.<sup>3</sup>

The second option is to follow the rules set forth in Assembly Bill 2449 (2022) (“AB 2449”), a recent law that amended the Brown Act to allow remote participation for “just cause” or in an “emergency circumstance.” The circumstances that qualify as “just cause” or an “emergency circumstance” are narrow. A table included as **Attachment B** to this memo summarizes the requirements of AB 2449. AB 2449 also limits how frequently the “just cause” and “emergency circumstance” grounds can be used and imposes a number of other requirements that limit its practical value, including that at least a quorum must meet in the same location and accommodate public participation at that site. If a member joins the meeting remotely pursuant to AB 2449, then the public must also be afforded an opportunity to observe the meeting remotely and remotely address the body. If all members are physically present, then the opportunity for remote public participation is not required, though AB 2449 does not prevent a legislative body from providing the hybrid option to the public if the body so chooses.

Altogether, AB 2449 is most likely to be useful in facilitating participation by a legislative body member who falls temporarily ill or otherwise physically unable to attend meetings for a short period of time, but the new law does not provide the flexibility to meet remotely that many Brown Act bodies have relied on over the last two years. The February 28, 2023 expiration of the Governor’s emergency proclamation will require local legislative bodies to return to in-person meetings, and the exceptions that allow remote participation are of limited practical value. Hopefully the Legislature will further consider ways to ease the barriers to remote participation—particularly for local advisory bodies—and bring the Brown Act into the 21<sup>st</sup> Century.

Any questions about this memo or can be directed to:

Phil Pogledich  
County Counsel  
[Philip.pogledich@yolocounty.org](mailto:Philip.pogledich@yolocounty.org)

Or to:

Eric May  
Senior Deputy County Counsel  
[Eric.may@yolocounty.org](mailto:Eric.may@yolocounty.org)

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<sup>3</sup> Under the Yolo County Code, a “quorum” is defined as “...a majority of the *appointed* members of any board, commission or committee (i.e., not including vacancies)[.]” (Yolo County Code § 2-2.3606, emphasis added.) This definition does not apply if it is in conflict with a resolution or ordinance adopted by the Board of Supervisors for a specific advisory board, commission, or committee. Also, if the Board has approved bylaws for a General Plan Citizens Advisory Committee that contain a conflicting definition of “quorum,” the bylaws control.

November 30, 2022

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While e-mail communications are preferred, you may also call 530-666-8172 and ask to speak with either of the above attorneys.

# ATTACHMENT A

## ATTACHMENT A

<b>General Brown Act Teleconferencing Requirements</b> [Gov. Code § 54953(b)]	
<b>Summary</b>	<ul style="list-style-type: none"><li>• Can be used any time, but requirements (particularly for public participation) are somewhat impractical</li></ul>
<b>Agendas</b>	<ul style="list-style-type: none"><li>• Agendas <b>must</b> be posted at each teleconference location where a legislative body member is present</li><li>• All teleconference locations must be listed on the agenda</li></ul>
<b>Public Participation</b>	<ul style="list-style-type: none"><li>• Each teleconference location <b>must</b> be accessible to the public, and the public <b>must</b> be allowed to offer comments from each location</li><li>• Additional teleconference locations may also be offered for the convenience of participants</li><li>• All teleconference locations must be ADA-compliant</li></ul>
<b>Quorum</b>	<ul style="list-style-type: none"><li>• At least a quorum of the legislative body <b>must</b> be present within the agency's territory</li></ul>



## **ATTACHMENT B**

**ATTACHMENT B**

<b>AB 2449 Rules (in effect through December 31, 2025) [Gov. Code § 54953(f)]</b>	
<b>Summary</b>	Can be used only in the event of “ <b>just cause</b> ” or an “ <b>emergency circumstance.</b> ” Though defined in AB 2449, these terms overlap to a degree and it will not always be clear which is more appropriate to use (which in turn, has implications due to the annual caps mentioned below).
<b>Just Cause</b>	<p>“<b>Just cause</b>” is defined as any of the following: (1) childcare or caregiving for a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires remote participation; (2) a contagious illness that prevents the member from attending in person; (3) a need related to a disability not otherwise accommodated; or (4) travel while on official business of the legislative body or a state or local agency.</p> <p>Can be used for no more than <b>two meetings</b> per calendar year. Unlike the “emergency circumstance” exception, approval by the legislative body is not required.</p>
<b>Emergency Circumstance</b>	<p>An “<b>emergency circumstance</b>” is defined as a physical or family medical emergency that prevents a member from attending in person.</p> <p>There is no specific limit on the number of times an “emergency circumstance” can be used, but the annual cap described below limits its use generally. Reliance on the “emergency circumstance” ground for remote participation <b>must be specifically approved</b> by legislative body as an action item. A request can be added to an agenda at beginning of meeting if needed, and must be acted on at the beginning of the meeting.</p>
<b>Annual Caps</b>	A member cannot participate remotely for more than <b>three consecutive months or 20% of the regular meetings</b> in a calendar year (i.e. “just cause” and “emergency circumstances” combined). If the body regularly meets fewer than 10x/annually, member cannot participate remotely in more than two meetings.
<b>Notice and Agenda Requirements</b>	Affected member must <b>notify the legislative body</b> (notice to the Clerk is sufficient) of their need to appear remotely as soon as possible, and no later than the start of the meeting, together with a “ <b>general description</b> ” of the grounds for remote participation. The general description need not exceed 20 words or identify any medical diagnosis or disability, or any

	<p>other personal medical information that is exempt from disclosure under other laws.</p> <p>The request to appear remotely pursuant to the emergency exception should be placed on the posted agenda, if possible. If insufficient time to place the request on the agenda when it is posted 72 hours prior to the meeting, the body can still take action on the request pursuant to Government Code § 54954.2(b)(4).</p> <p>Agendas <b>do not</b> need to be posted at each teleconference location.</p>
<p><b>Member and Public Participation</b></p>	<ul style="list-style-type: none"> <li>• A member attending remotely must participate through both audio and visual technology.</li> <li>• When a vote is taken, the member must disclose if someone over the age of 18 is in the same room and their relationship to that person.</li> <li>• Public participation <b>must</b> allow for either a call-in option or an internet-based service option to directly address the body in real-time during public comment.</li> <li>• Local agencies <b>do not</b> need to allow public participation at each (or any) location where members are joining remotely, but instead must “clearly advertise” how members of the public can participate on the agenda. Agencies must, however, allow for public attendance and participation at the <b>primary</b> meeting location where the quorum is present.</li> <li>• In the event the meeting broadcast is disrupted, the meeting <b>must</b> pause until it is restored.</li> </ul>
<p><b>Quorum</b></p>	<p>A quorum of the legislative body members must participate in person at a <b>single physical location</b> within the body’s territory, as identified on the agenda. The location must be open to the public and ADA compliant.</p>