

SUMMARY OF PROCEEDINGS

KERN COUNTY AUDIT ADVISORY COMMITTEE

County Administrative Center
1115 Truxtun Avenue
5th Floor, CAO Large Conference Room
Bakersfield, California 93301

Regular Meeting
Wednesday, July 18, 2022

3:00 P.M.

COMMITTEE ACTION DISPLAYED IN CAPS

The vote is displayed in bold below each item.

CONSENT AGENDA LISTED WITH "CA" WERE CONSIDERED TO BE ROUTINE AND NON-CONTROVERSIAL. NO ADDITIONAL COMMENTS AND APPROVED BY ONE MOTION.

1) Call to order –

MEETING CALLED TO ORDER BY SUPERVISOR MAGGARD AT 3:04 P.M.

Roll call –

COMMITTEE MEMBERS PRESENT: MIKE MAGGARD (VOTING MEMBER), DAVID COUCH (VOTING MEMBER), AND GEOFFREY KING (VOTING MEMBER)

COMMITTEE MEMBERS ABSENT: JORDAN KAUFMAN (NON-VOTING MEMBER) AND RYAN ALSOP (NON-VOTING MEMBER)

COMMITTEE STAFF PRESENT: MARY BEDARD, JEREMY MCNUTT

Others In Attendance: James Zervis, Elsa Martinez, Mark Buonauro, Alex Alva, Saba Hailemichael, Eric Nisbett, Aaron Nance

CA-2) Minutes from June 16, 2021 Kern County Audit Advisory Committee meeting –

APPROVED

KING - COUCH: ALL AYES

- CA – 3) County Administrative Office’s June 30, 2021 and December 31, 2021 Compliance and Accountability Reports–

RECEIVED AND FILED
KING - COUCH: ALL AYES

- CA – 4) Auditor-Controller-County Clerk’s Fraud and Ethics Activity Report for the periods ending June 30, 2021 and December 30, 2021 –

RECEIVED AND FILED
KING - COUCH: ALL AYES

- 5) Proposed change to ordinance to replace Compliance and Accountability Officer position with Chief Financial Officer or designee and replace Information Security Officer position with Chief Information Technology Officer or designee due to staffing reorganizations within the County Administrative Office–

COUNTY ADMINISTRATIVE OFFICE STAFF ELSA MARTINEZ PRESENTED PROPOSED REVISION TO KERN COUNTY ORDINANCE CODE TO REPLACE COMPLIANCE AND ACCOUNTABILITY OFFICER AND INFORMATION SECURITY OFFICER POSITIONS DUE TO STAFFING REORGANIZATION. SHE INDICATED THE PROPOSED CHANGES WOULD ELIMINATE REFERENCE TO CLASSIFICATIONS AND ASSIGN RESPONSIBILITIES WITH CHIEF FINANCIAL OFFICER OR DESIGNEE AND CHIEF INFORMATION TECHNOLOGY OFFICER OR DESIGNEE. THE CHANGES WOULD ALLOW FOR FLEXIBILITY AND TO MITIGATE ANY ATTRITION IN THE FUTURE.

COUCH ASKED IF THIS WAS A PROMOTION.

MARTINEZ RESPONDED THIS CHANGE WOULD NOT RESULT IN PROMOTION.

COUCH ASKED IF THE ITEM WHEN SUBMITTED TO THE BOARD OF SUPERVISORS WOULD INCLUDE AN ORGANIZATION CHART WITH THE RESPONSIBILITY ASSIGNED TO EACH POSITION.

KING ASKED IF ELSA WOULD BE ORGANIZING AND COORDINATING THE DUTIES.

ZERVIS REPLIED THE PROPOSAL WOULD ALLOW THE CHIEF FINANCIAL OFFICER AND CHIEF INFORMATION TECHNOLOGY OFFICER TO COORDINATE AND ASSIGN DUTIES TO OTHER STAFF.

MAGGARD INDICATED THE REASON FOR THE COMPLIANCE AND ACCOUNTABILITY OFFICER WAS TO ENSURE AUDIT RECOMMENDATIONS WERE IMPLEMENTED. THE ROLE WAS CREATED TO PROVIDE OVERSIGHT OF AUDITS AND COMPLIANCE WITH RECOMMENDATIONS. HE ASKED WITH THIS PROPOSAL WHO DO YOU HOLD ACCOUNTABLE.

BEDARD RESPONDED THAT HER OFFICE NOW PERFORMS FOLLOW-UP AUDITS THAT WERE NOT BEING COMPLETED BEFORE.

KING ASKED IF ITEM WOULD INCLUDE AN ORGANIZATIONAL CHART WITH MORE DETAIL WITH CLASSIFICATIONS AND DUTIES ASSIGNED TO CLASSIFICATIONS.

MARTINEZ REPLIED SHE WOULD BE PLEASED TO DO SO. SHE INDICATED THAT WHEN ORGANIZATIONAL CHART IS PROVIDED, SHE CAN DELINEATE DUTIES TO POSITIONS.

KING ASKED IF THERE WAS A POLICY WHICH INDICATED RESPONSIBILITY AND WITH PROPOSED REVISIONS COULD UPDATE THE POLICY.

MARTINEZ REPLIED SHE COULD REVISE POLICY TO CHAPTER 6 OF KERN COUNTY POLICY AND PROCEDURE MANUAL.

CONTINUED TO NEXT MEETING; SPECIAL MEETING TO BE SCHEDULED
KING - COUCH: ALL AYES

- 6) Auditor-Controller-County Clerk's presentation of countywide risk assessment and annual audit plan for fiscal year 2022-23 –

AUDITOR-CONTROLLER-COUNTY CLERK-REGISTRAR OF VOTERS MARY BEDARD PROVIDED A REPORT ON COUNTYWIDE RISK ASSESSMENT AND PROPOSED INTERNAL AUDIT PLAN FOR FISCAL YEAR 2022-23. BEDARD INDICATED SHE DID HIRE TWO ADDITIONAL AUDITORS BUT DID NEED TO HAVE TRAINING. BEDARD ALSO INDICATED SHE LOST ONE SR. ACCOUNTANT BUT WAS ABLE TO PARTIALLY BACKFILL WITH A SR. ACCOUNTANT FROM REPORTING WHO HAS AUDITING EXPERIENCE.

MAGGARD ASKED IF AUDIT DIVISION LOST A DIVISION CHIEF EMPLOYEE.

BEDARD REPLIED THAT SHE DID NOT. BEDARD REPLIED THAT DIVISION CHIEF WAS NOT ABLE TO ATTEND MEETING. BEDARD INDICATED THAT DEPARTMENT WAS HAVING TROUBLE HIRING ACCOUNTANTS. SHE INDICATED THAT SHE WAS ALSO HAVING TROUBLE HIRING FISCAL SUPPORT TECHNICIANS WHICH ARE MORE OF BOOKKEEPING POSITIONS. BEDARD INDICATED THAT SOME AUDIT STAFF WERE BACKFILLING PAYROLL DIVISION. BEDARD INDICATED THAT HOURS FOR AUDITS WERE BASED ON AUDITORS AND AVAILABLE TIME.

KING INDICATED STAFFING RESOURCES WERE THE SAME BUT PLAN HAD 1500 HOURS LESS OF AUDITING WORK. KING ASKED IF DEPARTMENT STAFFS UP TO MITIGATE FUTURE LOSS AND EXPECTED LOSS OF TRANSFER OF POSITIONS. KING ASKED IF DEPARTMENT WAS MAKING SURE THEY WERE STAFFED TO ENSURE AUDIT FUNCTIONS WERE COMPLETED.

ZERVIS INDICATED COUNTY IS REVIEWING POSITIONS INCLUDING FISCAL POSITIONS. HE INDICATED ONCE REVIEW IS COMPLETED REVIEW WILL BE PRESENTED TO THE BOARD OF SUPERVISORS.

COUCH ASKED IF RECOMMENDATION WAS TO ADD FUND TO ADD AUDITORS.

ZERVIS REPLIED THAT DEPARTMENT SHOULD ADDRESS THE FISCAL SUPPORT POSITIONS FIRST AND WOULD RECOMMEND DEPARTMENT REVIEW THOSE POSITIONS TO ENSURE HIGHER CLASSIFICATIONS ARE NOT DOING LOWER-LEVEL WORK.

MARTINEZ REPLIED THAT WHAT DEPARTMENT CAN DO IS HIRE ACCOUNTANT AND ADD FUNDING FOR THE DIFFERENCE BETWEEN A FISCAL SUPPORT TECHNICIAN AND AN ACCOUNTANT.

MAGGARD ASKED IF ITEM COULD BE BROUGHT BACK AFTER REVIEW.

KING ASKED AARON NANCE ABOUT OUTSIDE IT AUDITS FOR SECURITY AND FIREWALLS.

NANCE REPLIED THAT THEY DO HAVE A PENETRATION TEST AND ALSO DO INTERNAL TEST AND REVIEWS.

KING REPLIED THAT HIS OFFICE DOES THAT AS WELL, BUT IF THERE IS AN OVERALL STRUCTURE REVIEW AND AUDIT PERFORMED. KING ASKED IF ENTIRE STRUCTURE WAS BEING EVALUATED.

NANCE REPLIED THAT A THIRD PARTY WAS NOT PERFORMING EVALUATION. HE INDICATED THAT SECURITY OFFICER IS REVIEWING, AND TEST ARE PERFORMED TO IDENTIFY AND MITIGATE RISK.

KING ASKED IF THERE WAS A REPORT SUBMITTED TO BOARD OF THE TEST PERFORMED.

NANCE REPLIED THAT REPORT IS INCLUDED IN THE COMPLIANCE AND ACCOUNTABILITY REPORT BUT THERE WAS NOT A STAND-ALONE REPORT.

CONTINUED TO NEXT MEETING; SPECIAL MEETING TO BE SCHEDULED
KING - COUCH: ALL AYES

- 7) Committee member announcements or reports –

THE MEETING DATE WAS NOT SCHEDULED.

SCHEDULE SPECIAL MEETING AS SOON AS PRACTICABLE.

- 8) Public comment –

NONE

9) Adjourn –

ADJOURN AT 4:11 P.M.

KING - COUCH: ALL AYES