

Audit Committee Meeting
June 8, 2020

Minutes

Call to Order

The Butte County Audit Committee meeting was called to order on June 8, 2020 at 1:00 PM by Supervisor Lucero.

Committee Members Present:

Debra Lucero, Supervisor
Shari McCracken, CAO
Graciela Gutierrez, Auditor-Controller
Troy Kidd, Treasurer-Tax Collector
Meegan Jessee, Deputy Administrative Officer

Also Present:

Rich Gonzalez, CliftonLarsenAllen (CLA)
Donovan Rhinehart, Admin Analyst

I. Review and Approve Minutes

Minutes from November 12, 2019 Audit Committee meeting were reviewed. A motion was made to approve the minutes by Graciela Gutierrez and seconded by Troy Kidd. The motion passed 4 ayes and 0 nays with Meegan Jessee abstaining since she was absent from the November 12, 2019 meeting.

November 12, 2019 Minutes –
<http://www.buttecounty.net/administration/Audit-Committee>

II. Report from CliftonLarsonAllen (CLA) on 2019 CAFR

Rich Gonzalez, CLA – The purpose of the audit is to express an opinion on the financial statements and to provide reasonable assurance that statements are not materially misstated.

The audit approach has four steps –

- 1) Planning - This is when CLA requests items needed to perform the audit from County Staff. Items such as - trial balance, schedules and debt agreements.

- 2) System Evaluation – This is when CLA reviews and tests internal controls. They design audit programs based on risk. They look at accounts such as cash, long-term debt, capital assets, revenue and expenses.
- 3) Testing and Analysis – This is when CLA performs fieldwork remotely and on site. With the portal, they are able to perform more of fieldwork from their office. This is when they perform a majority of testing and execute their audit plan.
- 4) Reporting – This involves reviewing reports and communicating any findings or recommendations to management and the Audit Committee.

There were no significant standards this year to implement. As far as non-standard type items there were Camp Fire transactions, which caused significant variances. The Landfill fund had charges that nearly tripled and expenses nearly doubled.

The audit deliverable are the Country Annual Financial Report (CAFR) and Single Audit Report

For the CAFR CLA issued an unmodified / clean opinion with no findings.

The Single Audit Report is an audit of federal programs. CLA selects programs based on risk. They take into account factors such as the dollar amount and complexity of programs. They tested TANF, Medi-Cal Assistance program and Disaster Grants. They had no findings with these programs.

III. **Update on Review of Payroll Clearing Fund 1420**

Graciela Gutierrez provided an update on fund 1420. There is a subcommittee that is developing a policy and procedure. The committee had a question that needs to be vetted. They got clarification, which resulted in a change in direction. More discussion is needed regarding the policy. A meeting is scheduled on Wednesday. They hope to have a draft by the next Audit Committee meeting.

IV. **Public Comment**

No Public Comment

The meeting was adjourned at 1:16pm