

**Audit Committee Meeting**  
**County of Butte**  
**25 County Center Drive Suite 200**  
**Oroville, CA**  
**Admin Conference Room**  
**April 9, 2018**  
**Minutes**

**Call to Order**

The Butte County Audit Committee meeting was called to order on April 9, 2018 at 3:00pm.

**Committee Members Present:**

Maureen Kirk, Supervisor  
Shari McCracken, Interim CAO  
Dave Houser, Auditor Controller  
Peggy Moak, Treasurer-Tax Collector  
Meegan Jessee, Deputy Administrative Officer

**Also Present:**

Graciela Gutierrez, Assistant Auditor-Controller  
Rich Gonzalez, CliftonLarsonAllen, LLP (CLA) by phone  
Donovan Rhinehart, Admin Analyst, Associate

I. **Review and Approve Minutes**

Minutes from November 16, 2017 Audit Committee meeting were reviewed. A motion was made to approve the minutes by Shari McCracken and seconded by Peggy Moak. The motion was passed unanimously by the Audit Committee.

II. **Recognition of Graciela Gutierrez**

Dave Houser recognized Graciela Gutierrez for her hard work in taking over the CAFR and working with CLA to remap new engagement software using the BEAR structure. Graciela recognized that there were lessons learned and that it was a team effort. Graciela gave credit to others in the Auditor's office, County & Rich Gonzalez of CLA.

III. **Update from CliftonLarsonAllen, LLP (CLA)**

Rich Gonzalez, CLA presented the status of the FY 16/17 audit.

Comprehensive Annual Financial Reports and Single Audit Reports -  
<http://www.buttecounty.net/auditor/FinancialReports.aspx>

CLA provided a clean opinion with reasonable assurance. The FY 16/17 Comprehensive Annual Financial Report (CAFR) was issued to GFOA (Government Finance Officers Association) for an award.

CLA reported two findings in the Single Audit Report. The first finding was for the reconciliation of a worker's compensation fund. There was one month of disbursement that was not recorded in the GL. CLA reported the finding because the amount was considered material.

The second finding was in accounts payable. A department held an invoice too long and did not notify the Auditor-Controller. The Auditor Controller's office was not aware that the invoice was outstanding. The invoice was processed in the wrong fiscal year & had to be accrued back to the correct year.

According to Graciela, new procedures have been implemented to avoid these types of scenarios in the future.

IV. **Payroll Clearing Fund**

Meegan Jessee announced that the County has asked CLA to look at the Payroll Clearing Fund - 1420. The County is requesting assistance with reconciliation of the fund.

The Payroll Clearing Fund is used when CalPERS bills the County for insurance. The County collects funds one month prior to receiving the insurance premium. During that period the employment status of employees can change making it a cumbersome process for payroll to manage.

CLA has been asked to review this process.

V. **Public Comment**

No Public Comment