

**Audit Committee Meeting**  
**County of Butte**  
**25 County Center Drive Suite 200**  
**Oroville, CA**  
**Admin Conference Room**  
**November 16, 2017**  
**Minutes**

**Call to Order**

The Butte County Audit Committee meeting was called to order on November 16, 2017 at 2:30pm.

**Committee Members Present:**

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

**Also Present:**

Rich Gonzalez, CliftonLarsonAllen, LLP (CLA)  
Diane Williams, Grand Jury  
Sue Bechtol, Grand Jury  
Susan Struble, Grand Jury  
Donovan Rhinehart, Admin Analyst, Associate

I. **Review and Approve Minutes**

Minutes from May 3, 2017 Audit Committee meeting – Motion made to approve by Peggy Moak, motion seconded by Meegan Jessee. The motion was passed unanimously by the Audit Committee.

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

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

So far the audit is going well. The Auditor provided all the data requested and CLA is compiling the data. So far there are no findings and no adjustments.

The Single Audit, which audits the County's federal programs, is looking good. So far, there are no findings. This year CLA is auditing some social service programs. They are looking at case files and reports submitted for reimbursement.

Programs are audited based on risk assessment. They look at the dollar value of the program and the risk. For example, TANF is usually high risk because it is a large program and there are eligibility requirements. Other programs are audited based on a dollar amount and rotation. If a program is over \$750K they audit it, at least, once every three years.

III. **Consideration for extending CLA Audit Contract 3 years to 6/30/2021 – Meegan Jessee, Deputy CAO**

Meegan stated that we have an existing contract and that we are on the third year with CLA. The County did an RFP prior to that. There are not a lot of audit firms that do this kind of work, in northern California. It is Meegan's recommendation that we continue and extend the contract with CLA. Peggy Moak agreed that the continuity and CLA's familiarity with the County makes for a for efficient audit process.

Shari McCracken made a motion to extend the contract with CLA. Peggy Moak second the motion. All committee members were in favor of extending the contact and none were opposed.

IV. **Report on Investment Pool and Cash Flow Management – Peggy Moak, Treasurer-Tax Collector**

Peggy shared the Investment Report and cover letter indicating that we are in compliance with the investment policy and where we stand in comparison to alternate methods of investment.

Investment reports are posted quarterly on the website.

<http://www.buttecounty.net/treasurertaxcollector/Treasury/TreasurersInvestmentReports.aspx>

The Treasurer's Investment Report –

<http://www.buttecounty.net/Portals/25/Investments/Investment%20Report%20Introduction%206-30-13.pdf>

Investment Pool Oversight Committee –

<http://www.buttecounty.net/treasurertaxcollector/Treasury/InvestmentPoolOversightCommittee.aspx>

Investment Policy –

<https://www.buttecounty.net/Portals/25/Investments/Investment%20Policy/treasurersinvestmentpolicy.pdf>

Every year the Investment Pool Oversight Committee meets in April to review recommended changes to the investment policy. The Board considers and approves the investment policy. The Treasury Oversight Committee is now the Investment Pool Oversight Committee.

V. **Information regarding State Controller Audits – Graciela Gutierrez, Assistant Auditor-Controller**

Graciela discussed SB 448, AB 562 and AB 504.

SB 448 – The State Controller’s Office is reviewing special districts. For special districts that are inactive, they have created a mechanism through LAFCo to dissolve them. The State Controller’s Office created a unit to monitor special districts. If the special districts are not reporting they will be deemed inactive. The State Controller’s Office will begin making recommendations to LAFCo to dissolve, or combine and collapse, the special districts that are inactive.

SB 448 -

[https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill\\_id=201720180SB448](https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201720180SB448)

AB 562 and AB 804 – Are very similar. AB 562 is specific to the state auditor and AB 804 is specific to the state controller. This gives the state auditor and state controller the ability audit local agencies. The Author of AB 804 was from the city of Bell, CA. AB 804 will become effective January 1, 2018.

AB 562 -

[http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=201320140AB562](http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201320140AB562)

AB 804 -

[https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill\\_id=201720180AB804](https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201720180AB804)

The Auditor is going to revisit and tighten up internal controls and requirements of the Special Districts. They will send out a memo saying based on this bill we will require more information from the Special Districts.

VI. **Public Comment**

No Public Comment