



August 10, 2021

Board of Supervisors
Kern County Administrative Center
1115 Truxtun Avenue
Bakersfield, CA 93301

JUNE 30, 2021 COMPLIANCE AND ACCOUNTABILITY REPORT
Fiscal Impact: None

County Ordinance Code 2.01.010 requires the County Administrative Office to report on the Compliance and Accountability function no later than 45 days after June 30, 2021 on departmental compliance issues for the period January 1, 2021 through June 30, 2021.

COMPLIANCE REQUIREMENTS AND RESPONSIBILITIES

Board of Supervisors' Audit Requirements

Government Code Section 25250 requires the Board of Supervisors to at least biennially examine and audit, or cause to be audited, the financial accounts and records of all officers having responsibility for the care, management, collection, or disbursement of money belonging to the County or money received or disbursed by them under authority of law. The Board has selected to have the Auditor-Controller perform some of those audits on its behalf, and considers the engagements performed by others such as independent external Certified Public Accountants (CPA) auditors, Grand Jury, Information Security Officer, and other agencies to fulfill the requirements. In general, they aim to determine the accuracy of information, provide insight, and propose recommendations to improve. The scope depends on the focus and extent of a particular engagement that may be based on financial, compliance, operational, or investigative and may vary significantly depending on the department.

County Department's Response and Corrective Action Plan

County departments are responsible for responding directly to auditors and developing a corrective action plan to mitigate findings and attain the recommendations. The corrective action plan is required to be submitted to the County Administrative Office within 45 days of an audit report. All departments responded and/or submitted their required corrective action plans for their audits listed in this report. Additionally, the departments must also provide documentation including written procedures that will help to improve the internal controls that contributed to the findings.

County Administrative Office's Post Audit Reviews

A responsibility of the County Administrative Office is to monitor and report to your Board the status of a department's compliance after the issuance of an audit report. The County Compliance and Accountability Officer reviews audit findings and recommendations with departments, identifies probable solutions to the weaknesses and deficiencies identified, and ensures the resolution is documented. Most departments achieve compliance on findings identified in the audit reports within the first six months. If a specific finding is not completely achieved or documented, it is indicated as "In Progress" and the County Compliance and Accountability Officer continues to work with the department until remediated. The County Administrative Office performs follow-up reviews and provides an update on "In Progress" items on the next Compliance and Accountability Report to your Board.

AUDIT, REVIEW, ASSESSMENT, AGREED UPON PROCEDURE, MONITORING, AND OTHER ENGAGEMENTS

Auditor-Controller

The Board of Supervisors, by resolution dated June 13, 1956, adopted Government Code Section 26883 that gave the Board of Supervisors the power to require the Auditor-Controller to perform the audits of any department, office, board, or institution under the Board of Supervisor’s control. To fulfill the Government Code requirements and provide additional fiscal oversight, the Auditor-Controller primarily performs compliance audits of each County department based on an audit plan approved by the Board of Supervisors. The compliance audits include assessing the adequacy of internal controls and examining, on a test basis, compliance with statutory requirements and the policies and procedures applicable to the department. On April 2017, the Auditor-Controller transitioned to audits of compliance and internal controls in conformance with the Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing. The standards require that they perform their engagements with proficiency and due professional care; that the internal audit function is subject to a program of quality assurance; and that the results of engagements are communicated. On occasion, the Auditor-Controller’s audit division has also performed additional auditing services and other agreed upon procedures.

The post audit review summaries, if required, are provided in Attachment A for the following audits that had audit reports issued by the Auditor-Controller and/or corrective action plans due during this reporting period:

Report	Board Date	Plan Due Date*	Attachment Page*
Treasurer-Tax Collector – Statement of Money	01/26/21	Not Required	Not Required
Board of Trade – Prior Findings	01/26/21	Not Required	Not Required
Farm and Home Advisor	01/26/21	Not Required	Not Required
Assessor-Recorder	02/09/21	Not Required	Not Required
Animal Services	02/23/21	04/09/21	A-1
Clerk of the Board of Supervisors	03/09/21	Not Required	Not Required
Board of Supervisors	04/27/21	Not Required	Not Required
Public Works – Kern Regional Transit	04/27/21	Not Required	Not Required
Countywide Inventory	05/11/21	06/25/21	A-2
Treasurer-Tax Collector	05/25/21	Not Required	Not Required

* A corrective action plan or attachment is not required for reports that did not include any findings.

The following reports issued by the Auditor-Controller did not have a corrective action plan due during this reporting period; however, they will be included in the next December 31, 2021 Compliance and Accountability Report:

Report	Board Date	Plan Due Date*	Attachment Page*
District Attorney	05/25/21	07/09/21	Not Applicable
Human Resources	05/25/21	07/09/21	Not Applicable
County Counsel	05/25/21	07/09/21	Not Applicable

As of June 30, 2021, the Auditor-Controller had also begun fieldwork on other audits that were not completed or still under their review before finalizing. The following in progress audits are expected to be completed and reported on the next December 31, 2021 Compliance and Accountability Report:

Report
Countywide Employee Performance Evaluation Reports
Aging and Adult Services
Countywide - Assets
Kern County Library
Agriculture and Measurement Standards
County Administrative Office

Independent External CPA Auditors

On June 4, 2019, the Board of Supervisors approved the selection of independent external CPA auditors Clifton Larson Allen LLP for the FYE June 30, 2019, 2020, 2021 to perform audits specified in the Request for Proposal. The independent external CPA auditors primarily perform financial audits for additional fiscal oversight and other requirements, including the Government Code. Financial audits express opinions on the financial statements in accordance with Generally Accepted Auditing Standards and Government Auditing Standards. Standards require that they perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The auditor considers internal controls relevant to the preparation and fair presentation of the financial statements to design appropriate audit procedures, but not for the purpose of expressing an opinion on the effectiveness of the internal controls. On occasion, the independent external CPA auditors also perform additional auditing services and other agreed upon procedures.

Clifton Larson Allen issued the following reports and/or their corrective action plans were due during this reporting period:

Report	Board Date	Plan Due Date*	Attachment Page*
Assessor-Recorder – California Electronic Recording Transaction Network Authority	Not Applicable	Not Required	Not Required
Airport Passenger Facility Charge Program	04/27/21	Not Required	Not Required
Public Works – County Service Areas Fiscal Year Ended June 30, 2019	04/27/21	Not Required	Not Required
Public Works – Ford City-Taft Heights Sanitation District Fiscal Year Ended June 30, 2019	04/13/21	Not Required	Not Required
Public Works – Kern Sanitation Authority Fiscal Year Ended June 30, 2019	04/13/21	Not Required	Not Required
Auditor-Controller-Comprehensive Annual Financial Report		Not Required	Not Required
Countywide – Single Audit	04/27/21	Not Required	Not Required

* A corrective action plan or attachment is not required for reports that did not include any findings.

As of June 30, 2021, Clifton Larson Allen has completed all audits required under the agreement as of June 30, 2020. They will begin fieldwork in late August for those audits required as of June 30, 2021. The audits are expected to be completed and reported on the next December 31, 2021 Compliance and Accountability Report.

Grand Jury

Government Code affirms that financial examinations or audits may be performed in coordination with the investigations conducted by the Grand Jury. The Board of Supervisors may resolve to accept the Grand Jury reports in lieu of its own separate examination if such reports are found to fulfill some or all the requirements of the Government Code. Upon the issuance of a report, the Board of Supervisors and a department's elected official, if applicable, must respond to the Presiding Judge within 90 and 60 days, respectively.

The following report was issued by the Grand Jury and/or the responses provided during this reporting period:

Report	Report Date	Elected Official Response Date*	Board of Supervisors Response Date
Sheriff's Office Property and Evidence Facility	05/10/21	06/29/21	08/10/21

* An elected official response is not applicable for departments that have an appointed (not elected) department head.

Information Security Officer

Kern County Ordinance Section 2.01.010 appointed the Information Security Officer with the responsibility to conduct security assessments of the County's security environment. The security assessment covers all information technology (IT) environments for the security posture and defense in-depth protection. The assessment includes different technologies, such as, networking, servers, workstations, mobile devices, wireless networks, and security standards. The multiple layers of security configurations and maintenance cover different threat vectors of the IT environment. The requirements also ensure departments are protecting the minimum standard level of security enforced through the Kern County IT Policy and Standards.

The following assessment report was issued by the Information Security Officer and/or corrective action plan due during this reporting period.

Report	Report Date	Corrective Action Plan
Information Technology Services (includes services provided to Airports, Agriculture and Measurement Standards, Animal Services, Assessor, Auditor-Controller-County Clerk, Board of Trade, County Administrative Office, Clerk of the Board, District Attorney, Employers' Training Resource, Farm and Home, General Services, Grand Jury, Human Resources, Library, Public Defender, Public Works, Planning and Natural Resources, and Veterans)	6/30/2021	Completed

As of June 30, 2021, the Information Security Officer had also begun fieldwork on other assessments that were not completed or still under review before finalizing. The following in progress assessments are expected to be completed and reported on the next December 31, 2021 Compliance and Accountability Report:

Report
Sheriff

Other External Agencies

In addition to the above-mentioned reports, other reports have been issued from other external agencies. They include audits, reviews, assessments, agreed upon procedures, monitoring, and other reports that aim to determine the accuracy of information, provide insight, or recommendations to improve. Typically, they are primarily performance based but may vary significantly depending on the scope of the engagement and may also be financial or compliance based. The departments are responsible for filing the reports with the Board of Supervisors, County

Administrative Office, and Auditor-Controller. The departments are also required to respond directly to the agency within 30 days and are expected to resolve all findings and/or recommendations identified.

The following reports were received by other external agencies during this reporting period and/or corrective action plans due during this reporting period:

Report	Prepared by	Report Date	Corrective Action Plan*
Aging and Adult Services – In Home Supportive Services Quality Assurance Monitoring	California Department of Social Services	12/01/2020	Received
Sheriff – Interagency Child Abuse and Neglect Investigation Reports Program	California State Controller	12/23/2020	Received
Agriculture and Measures Standards – Pierce’s Disease Control, Plant Health Pest Prevention Services, and Citrus Pest Disease Prevention Agreements	California Department of Food and Agriculture	1/11/2021	Received
Behavioral Health and Recovery Services – External Quality Review	Behavioral Health Concepts, Inc.	2/5/2021	Not Required
Department of Human Services – School Nutrition Evaluation	California Department of Education	2/8/2021	Not Required
Aging and Adult Services – In Home Supportive Services Program Funding	California State Auditor	2/25/2021	Received
Employers’ Training Resource - WIOA – Financial and Procurement Management for July 2020 – June 30, 2021	La Cooperativa Campesina of California	3/23/2021	No Required
Employers’ Training Resource – Workforce Innovation and Opportunity Act Opioid Crisis Contract	Merced County Department of Workforce Investments	3/3/2021	Received
Employers’ Training Resource – WIOA Program Year 2019-20	State of California Employment Development Department	4/8/2021	Not Required
Employer Training Resource -Workforce Accelerator Fund 6.0	Fresno Regional Workforce Development Board	2/8/2021	Not Required
Employers’ Training Resource - WIOA Program Year 2018-19	State of California Employment Development Department	3/8/2021	Not Required
Probation – 2016-17 Targeted Case Management Medi-Cal Cost Report	Department of Health Care Services	1/14/2021	Received
Probation – Camp Ewin Owen Annual Inspection	Juvenile Justice and Delinquency Prevention Commission	3/13/2021	Not Required
Probation – James G. Bowles Juvenile Hall, Furlough Treatment and Rehabilitation, Pathways Academy Annual Inspection	Juvenile Justice and Delinquency Prevention Commission	6/12/2021	Not Required
Probation/Public Health Services – 2018-19 Targeted Case Management Non-Expanded Medi-Cal Cost Interim Settlement	California Department of Health Care Services	9/23/2020	Not Required

Department of Human Services – CalFresh Management Evaluation FFY 2021	California Department of Social Services	2/08/2021	Received
Fire Department – Department of Homeland Security Expenditures	U.S. Department of Homeland Security FEMA	2/05/2021	Received
Public Works – Road Expenditure July 1, 2017 through June 30, 2019	California State Controller	3/16/2021	Not Required
Department of Human Services - Medi-Cal Renewal	California Department of Health Care Services	Closed	Not Required

* A corrective action plan is not required for reports that did not include any findings.

The following reports completed by other external agencies did not have a corrective action plan, if required, due during this reporting period; however, they will be included in the next December 31, 2021 Compliance and Accountability Report:

Report	Prepared by	Report Date	Plan Due Date*
Employers’ Training Resource – Prison to Employment Support Services Earn and Learn	County of San Joaquin Employment and Economic Development Department	7/27/2021	9/10/2021
Department of Human Services – Social Security Administration Representative Payee Review	Disability Rights California	7/20/2021	8/21/2021

As of June 30, 2021, external agencies had also begun fieldwork on other audits that were not completed or still under their review before finalizing. The following were in progress and are expected to be completed and reported on the next December 31, 2021 Compliance and Accountability Report:

Report	Prepared by
Employers’ Training Resources - Southern Storm Monitoring Review	La Cooperativa Campesina of California
Employers’ Training Resources – WIOA Youth Program	State of California Employment Development Department
Employers’ Training Resources – WIOA Non-Discrimination and Equal Opportunity	State of California Employment Development Department
Employers’ Training Resources – Fiscal and Procurement Monitoring FY 2019-20	State of California Employment Development Department
Employers’ Training Resources – Fiscal and Procurement Monitoring FY 2020-21	State of California Employment Development Department
Employers’ Training Resources – Program Monitoring FY 2020-21	State of California Employment Development Department
Department of Human Services - Medi-Cal Renewal	California Department of Health Care Services
Public Health Services - Certified Unified Program Agency Evaluation	California Environmental Protection Agency
Public Health Services - Local Enforcement Agency Evaluation	Department of Resources Recycling and Recovery
Behavioral Health and Recovery Services - Payment Error Rate Measurement	California Department of Health Care Services
Behavioral Health and Recovery Services – Mental Health Services Act Fiscal Year 2011-12	California Department of Health Care Services

Behavioral Health and Recovery Services – Substance Abuse Block Grant	California Department of Health Care Services
Public Works - California Department of Transportation (Caltrans) Local Assistance Program July 1, 2017 through June 30, 2020	Independent Office of Audits and Investigations
Aging and Adult Services - Supplemental Nutrition Assistance Program Management Evaluation	California Department of Aging
Agriculture and Measurement Standards - Asian Citrus Psyllid Agreement	United States Department of Agriculture
Aging and Adult Services - Social Security Administration Representative Payee Review	Disability Rights California
Probation / Public Health Services - 2003/2004 Targeted Case Management Medi-Cal Cost Disallowance Deferral	California Department of Health Care Services
Probation / Public Health Services - 2018/2019 Targeted Case Management Non-Expanded Medi-Cal Cost Interim Settlement	California Department of Health Care Services

FOLLOW-UP REVIEWS

County Administrative Office’s Follow-up Reviews

In addition to the new audits listed in this report for the past six months, our office continues to work with departments, pursue adequate documentation of remediation, and report issues until fully resolved. It is imperative that department heads are proactive in this process, as they are ultimately responsible for the success of their department’s internal control processes. There were no unresolved audit findings from the June 30, 2020 Compliance and Accountability Report to follow-up and report on Attachments B or C during this reporting period.

CONCLUSION

The proactive and diligent efforts of the Board of Supervisors, County Administrative Office, auditors, and each County department have been a vital part of providing transparent and accountable County operations. As required by County ordinance, this report provides your Board with an update on audit compliance. This office will continue to work with departments in reaching resolution of the audit findings and report their compliance on the next December 31, 2021 Compliance and Accountability Report.

Therefore, IT IS RECOMMENDED that your Board receive and file the June 30, 2021 Compliance and Accountability Report.

Sincerely,

 Ryan J. Alsop
 Chief Administrative Officer

RA: EM:COMPL June 2021 Report

Attachments

cc: All Department Heads

JUNE 30, 2021
 COMPLIANCE AND ACCOUNTABILITY
 POST AUDIT REVIEW SUMMARY - CURRENT

Report: Animal Services
 Audit Period: For Fiscal Years Ended June 30, 2020 and 2019

Corrective Action Plan Received: Yes
 Issued by: Kern County Auditor-Controller

Department [Budget Unit]	Audit Report Date	Finding [Violation]	CAO Comments	Previous Estimated Date of Compliance	Current Status	Current Estimated Date of Compliance
Animal Services [2760]	2/28/2021	Finding: Payroll [Policy] - The department had not completed nine required employee performance reports and did not complete a change of employment status for one employee on extended leave.	The department is working on ensuring all employee performance reports are completed timely. Due to the impacts of COVID-19 on the availability of staff on-site, reports were delayed.	N/A	Pending	12/31/2021
Animal Services [2760]	2/28/2021	Finding: Vehicle Home Retention [Policy] - Thirty six monthly home retention logs were not properly completed by employees.	The department is currently implementing an electronic submittal of logs to verify that they are properly completed by employees.	N/A	Pending	12/31/2021
Animal Services [2760]	2/28/2021	Finding: Check Receipt Log [Internal Control] - The check receipt log was not being used consistently and ten checks were deposited but not logged.	The department is currently training staff to ensure receipt logs are completed correctly.	N/A	Pending	12/31/2021

**JUNE 30, 2021
COMPLIANCE AND ACCOUNTABILITY
POST AUDIT REVIEW SUMMARY - CURRENT**

**Report: Countywide Inventory
Audit Period: For Fiscal Years Ended June 30, 2020 and 2019**

**Corrective Action Plan Received: Yes
Issued by: Kern County Auditor-Controller**

Department [Budget Unit]	Audit Report Date	Finding [Violation]	CAO Comments	Previous Estimated Date of Compliance	Current Status	Current Estimated Date of Compliance
Fire Department [2415]	5/11/2021	Finding: Logistics Division: Inventory [Internal Control] - During the fiscal yearend inventory counts, several discrepancies were identified between inventory counts and records for the logistic division.	The department is currently working to ensure inventory is properly counted in more regular basis.	N/A	Pending	12/31/2021
Fire Department [2415]	5/11/2021	Finding: Logistics Division: Lag of segregation of duties [Internal Control] - one person maintain control of ta subledger used to track personal protective equipment and the assets.	The department will not keep subledgers and will ensure segregation of duties for assets.	N/A	Pending	12/31/2021
General Services Division [1610]	5/11/2021	Finding: Garage Division Inadequate Control Environment [Internal Control] - The division did not coordinate the inventory count with the auditor or provided the appropriate inventory count sheets.	The division will ensure coordination with the Auditor prior to the next inventory count.	N/A	Pending	12/31/2021
General Services Division [1610]	5/11/2021	Finding: Garage Division Inadequate and Incomplete Inventory listing [Internal Control] - During the fiscal yearend inventory counts, several discrepancies were identified between inventory counts and records. In addition, due to the organization of the warehouse, auditor was unable to locate items.	The division is currently working to ensure inventory is properly counted.	N/A	Pending	12/31/2021

**JUNE 30, 2021
COMPLIANCE AND ACCOUNTABILITY
FOLLOW-UP POST AUDIT REVIEW SUMMARY - IN PROGRESS (OVER SIX MONTHS OLD)**

Department [Budget Unit]	Audit Report Date	Finding [Violation]	CAO Comments:	Previous Estimated Date of Compliance	Current Status	Current Estimated Date of Compliance
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Not applicable - no findings over six months old remained in progress at January 1, 2021 and June 30, 2021.

**JUNE 30, 2021
COMPLIANCE AND ACCOUNTABILITY
FOLLOW-UP POST AUDIT REVIEW SUMMARY - RESOLVED (OVER SIX MONTHS OLD)**

Department [Budget Unit]	Audit Report Date	Finding [Violation]	CAO Comments	Previous Estimated Date of Compliance	Current Status	Current Estimated Date of Compliance
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Not applicable - no findings over six months old remained in progress at December 31, 2020 needing resolution by June 30, 2021