

certain deficiencies in internal control that they consider to be significant deficiencies, one of which related to a prior period adjustment to record a State advance as revenue upon receipt and the other one related to a misstatement of Transit Fund revenues and expenses due to a timing difference in compilation of the Transportation Development Act financial statements. All prior year recommendations from FY19/20 were successfully implemented.

The Committee reviewed and commented on the FY 2020-21 Audit Plan for the Internal Audit Division of the Auditor-Controller's Office. In addition, the Committee received the semi-annual Whistleblower Program activity report.

The Assistant Auditor-Controller apprised the Committee of internal audit projects completed and in process and the resulting observations and recommendations. Projects included, but were not limited to, the following:

- Quarterly Treasury reviews
- Year-end inventory reviews and follow-up reviews (Animal Services, Document Solutions, DPW Roads, Fleet)
- Departmental head change review (District Attorney, Child Support Services, Health & Human Services)
- Departmental head change follow-up reviews (District Attorney)
- Confidential document reviews
- Countywide payroll review (routine monitoring)
- Credit card reviews (routine monitoring and countywide program audit)
- Accounts payable invoices (routine monitoring)
- Departmental reviews (DPW Roads, Fleet, Parks)
- Asset forfeiture program reviews (District Attorney, Sheriff)
- Countywide gift cards and non-capital assets review
- Public guardian/public administrator review
- Special district financial statement audits (Penryn Fire, Colfax Cemetery)
- Whistleblower cases (including opening to the public in April 2021)

CONCLUSION

Based on the conversations with CliftonLarsonAllen, the Auditor-Controller, and the Assistant Auditor-Controller, the Committee believes that the County's system of internal controls is in place and operating effectively and its financial reporting processes are adequate to ensure the financial statements fairly present its financial position.

Copies of the County's Comprehensive Annual Financial Report, County's Single Audit Report and Report to the Board of Supervisors have previously been submitted to your Board. In addition, copies of all other audit reports issued by CPA firms or the Internal Audit Division have been presented to the Audit Committee and are available to the full Board upon request. All Internal Audit reports are published on the Auditor-Controller's website.