



February 9, 2021

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

DECEMBER 31, 2020 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 December 31, 2020 on departmental compliance issues for the period July 1, 2020 through December 31, 2020.

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 also 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 - Tourism Hotel Occupancy Tax	07/28/20	Not Required	Not Required
Treasurer-Tax Collector - Statement of Money	08/18/20	Not Required	Not Required
Public Works	09/15/20	Not Required	Not Required
Veterans Service	09/15/20	Not Required	Not Required

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

As of December 31, 2020, 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 audit are expected to be completed and reported on the next June 30, 2021 Compliance and Accountability Report:

Report
Public Works - Kern Regional Transit
District Attorney
Countywide - Assets
Human Resources
Clerk of the Board
County Counsel / Risk Management
Animal Services
Farm and Home
Human Resources - Claims Processed by Pharmacy Plan
Human Resources - Claims Processed by Medical Plan
Agriculture and Measurement Standards
Countywide - Inventory
Board of Trade - Prior Findings
County Administrative Office
Assessor-Recorder

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*
Probation / District Attorney / Sheriff - California Office of Emergency Services, Board of State and Community Corrections, Office of Traffic Safety, Department of Justice, and Parks and Recreation Grants	09/01/20	Not Required	Not Required
Public Health Services - Prop 10 Medically Vulnerable Care	11/17/20	Not Required	Not Required
Public Health Services - Prop 10 Black Infant Health	11/17/20	Not Required	Not Required
Public Health Services - Prop 10 Nurse Family Partnership	11/17/20	Not Required	Not Required
Public Health Services - Prop 10 Successful Application Stipend	11/17/20	Not Required	Not Required
Treasurer-Tax Collector - Deferred Compensation	12/08/20	Not Required	Not Required
District Attorney - Auto, Workers' Compensation, Disability and Healthcare Insurance Fraud Programs	12/08/20	Not Required	Not Required

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

As of December 31, 2020, Clifton Larson Allen had begun fieldwork on audits that were not completed or still under their review before finalizing. The following in progress audit are expected to be completed and reported on the next June 30, 2021 Compliance and Accountability Report.

Report
Assessor-Recorder - California Electronic Recording Transaction Network Authority
Public Works - County Services Areas
Public Works - Ford City-Taft Heights Sanitation District
Public Works - Kern Sanitation Authority
Auditor-Controller - Comprehensive Annual Financial Report
Countywide - Single Audit

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 of 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 reports were 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 - Warrants	05/21/20	06/23/20	08/18/20
Indigent Defense Program	06/11/20	Not Applicable	08/18/20
Aging and Adult Services	06/12/20	Not Applicable	08/18/20
Human Resources	08/20/20	Not Applicable	10/13/20

* 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 reports were issued by the Information Security Officer and/or corrective action plans due during this reporting period:

Report	Report Date	Corrective Action Plan*
Department of Human Services	08/01/20	Not Required
Treasurer-Tax Collector	08/12/20	Not Required

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

As of December 31, 2020, 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 June 30, 2021 Compliance and Accountability Report:

Report
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)
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 particular 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*
Human Resources - Public Transit Drug and Alcohol Compliance Review	RLS & Associates, Inc.	02/24/20	Received
Public Health Services - Public Health Emergency Preparedness and Hospital Preparedness Program Grant Compliance Audit	California Department of Public Health	05/06/20	Received
District Attorney - Memorandum of Understanding with Department of Human Services for Welfare Fraud Investigation	Brown Armstrong Accountancy Corporation	05/21/20	Received
Department of Human Services - Social Security Administration Representative Payee Review	Disability Rights California	06/01/20	Received
Sheriff - Peace Officer Standards and Training Program	California State Controller	07/13/20	Not Required
Probation / Public Health Services - 2014/2015 Targeted Case Management Medi-Cal Limited Audit Blue Cover Report	California Department of Health Care Services	07/24/20	Not Required
Department of Human Services - CalFresh Application Processing Timeliness	California Department of Social Services	08/07/20	Received
Child Support Services - CS 356 Administrative Expenditure Claim	California Department of Child Support Services	08/18/20	Not Required
Probation - Kern Crossroads Facility Inspection	Juvenile Justice Commission	08/29/20	Not Required
Probation - School Nutrition Programs Off-site Local Agency Procurement Review	California Department of Education	09/01/20	Not Required
Department of Human Services - Resource Family Approval Annual Review	California Department of Social Services	09/09/20	Received
Employers' Training Resource - Workforce Innovation and Opportunity Act Temporary Housing Program Operation Monitoring Review	La Cooperativa	09/30/20	Not Required
Assessor - Assessment Practices Survey Report	California State Board of Equalization	10/09/20	Received
Probation / Public Health Services - 2016/2017 Targeted Case Management Medi-Cal Limited Audit Blue Cover Report	California Department of Health Care Services	11/18/20	Not Required
Department of Human Services - California Work Opportunity and Responsibility to Kids Eligibility Case File Review	California Department of Social Services	12/08/20	Not Required
Aging and Adult Services - Fiscal and Compliance Audit of the Planning and Service Area 33	California Department of Aging	12/18/20	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 June 30, 2021 Compliance and Accountability Report:

Report	Prepared by	Report Date	Plan Due Date*
Aging and Adult Services - In-Home Supportive Services Quality Assurance Monitoring	California Department of Social Services	12/01/20	01/15/21
Sheriff - Interagency Child Abuse and Neglect Investigation Reports Program	California State Controller	12/23/20	02/06/21

As of December 31, 2020, 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 June 30, 2021 Compliance and Accountability Report:

Report	Prepared by
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
Employers' Training Resource - Workforce Accelerator Fund 6.0 Grant	Fresno Regional Workforce Development Board
Public Health Services - Local Enforcement Agency Evaluation	Department of Resources Recycling and Recovery
Behavioral Health and Recovery Service - Payment Error Rate Measurement	California Department of Health Care Services
Aging and Adult Services - Supplemental Nutrition Assistance Program Management Evaluation	California Department of Aging
Employers' Training Resource - Annual Fiscal and Procurement	California Employment Development Department
Behavioral Health and Recovery Services - External Quality Review	Behavioral Health Concepts, Inc.
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
Aging and Adult Services - In-Home Supportive Services Program Funding	California State Auditor
Public Works - Road Expenditures	California State Controller
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
Agriculture and Measurement Standards - Pierce's Disease Control, Plant Health Pest Prevention Services, and Citrus Pest Disease Prevention Agreements	California Department of Food and Agriculture
Department of Human Services - CalFresh Management Evaluation	California Department of Social Services

Department of Human Services - School Nutrition Program	California Department of Education
Department of Human Services - Social Security Administration Representative Payee Review	Disability Rights California
Employers' Training Resource - Workforce Innovation and Opportunity Act Opioid Crisis Contract	Merced County Department of Workforce Investment

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 June 30, 2021 Compliance and Accountability Report.

Therefore, IT IS RECOMMENDED that your Board receive and file the December 31, 2020 Compliance and Accountability Report.

Sincerely,



Ryan J. Alsop
Chief Administrative Officer

RA:KB.COMPL Dec 2020 Report

Attachments
cc: All Department Heads

DECEMBER 31, 2020
 COMPLIANCE AND ACCOUNTABILITY
 POST AUDIT REVIEW SUMMARY - CURRENT

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 audits were issued with findings that required corrective action during this December 31, 2020 reporting period.

**DECEMBER 31, 2020
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 June 30, 2020 and December 31, 2020.

DECEMBER 31, 2020
 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 June 30, 2020 needing resolution by December 31, 2020.