

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
BOARD ACTION SUMMARY

DEPT: Auditor-Controller

BOARD AGENDA #: \*B-2

AGENDA DATE: November 22, 2016

**SUBJECT:**

Acceptance of Accountant's Report on the Stanislaus County Treasurer's Statement of Assets as of September 21, 2016

**BOARD ACTION AS FOLLOWS:**

No. 2016-570

On motion of Supervisor Withrow, Seconded by Supervisor O'Brien  
and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Withrow, DeMartini, and Chairman Monteith

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1)  Approved as recommended


2)  Denied

3)  Approved as amended

4)  Other:

MOTION:

ATTEST:

  
ELIZABETH A. KING, Clerk of the Board of Supervisors

File No.

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
AGENDA ITEM**

DEPT: Auditor-Controller  
Urgent  Routine

BOARD AGENDA #: \*B-2

AGENDA DATE: November 22, 2016

CEO CONCURRENCE: *pht*

4/5 Vote Required: Yes  No

*SPK*

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**SUBJECT:**

Acceptance of Accountant's Report on the Stanislaus County Treasurer's Statement of Assets as of September 21, 2016

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**STAFF RECOMMENDATIONS:**

1. Accept the Accountant's Report on the Stanislaus County Treasurer's Statement of Assets as of September 21, 2016.

**DISCUSSION:**

Government Code Section 26920(a) mandates the County Auditor-Controller review the Treasurer's Statement of Assets in the County Treasury at least once each quarter. The review shall be accomplished and a report issued to the Board of Supervisors in accordance with the appropriate professional standards, as determined by the County Auditor-Controller.

Government Code Section 26920(b) further mandates the County Auditor-Controller perform or cause to be performed an audit of the assets in the County Treasury at least annually and express an opinion whether the Treasurer's Statement of Assets is presented fairly and in accordance with Generally Accepted Accounting Principles. To meet this annual audit requirement, the County determined the annual external financial audit complies with this mandate.

Additionally, Government Code Sections 53601 and 53635 provide restrictions and guidelines to define the type of investments authorized, maturity limitations, portfolio diversification (maximum percent of portfolio), credit quality standards, and purchase restrictions. All investments held in the County Treasury are physically reviewed for compliance during the quarterly review to ensure conformity with Government Code.

The purpose of the County Auditor-Controller's review was to determine whether cash and investments held by the Treasurer, and as shown on the statement as attached, were as stated.

Based on the review, the statement presents, in all material respects, the Treasurer's Statement of Assets of the County of Stanislaus as of September 21, 2016.

Acceptance of Accountant's Report on the Stanislaus County Treasurer's Statement of Assets as of September 21, 2016

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Upon acceptance of the Chairman of the Board, the report will be distributed to the Clerk of the Board as required by Government Code Section 26922.

**POLICY ISSUE:**

Government Code Section 26920(a) requires a quarterly review of the County Treasurer's Statement of Assets be performed by the County Auditor-Controller. The Stanislaus County Treasurer's Investment Policy and Government Code Sections 53601 and 53635 provide the guidelines on authorized investments and percentage limits on those investments.

**FISCAL IMPACT:**

There is no fiscal impact for the acceptance of the Accountant's Report on the Stanislaus County Treasurer's Statement of Assets as of September 21, 2016. Total cash and investments as reported on the Treasurer's Statement of Assets were \$1,028,195,927 as of September 21, 2016.

**BOARD OF SUPERVISORS' PRIORITY:**

The recommended action is in alignment with the Board's priority for the Efficient Delivery of Public Services by complying with mandated statutes.

**STAFFING IMPACT:**

Existing Internal Audit staff performs the audit work required by Government Code Section 26920(a).

**CONTACT PERSON:**

Cara Kiely, CPA

Manager III

Telephone: 209-525-6502

**ATTACHMENT(S):**

A. Stanislaus County Treasurer's Statement of Assets

Attachment A

**STANISLAUS COUNTY  
TREASURER'S STATEMENT OF ASSETS**

AS OF SEPTEMBER 21, 2016



**Lauren Klein**  
Auditor-Controller

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Phone: 209.525.6398 Fax: 209.525.6487

**ACCOUNTANT'S REPORT**

November 7, 2016

Board of Supervisors  
County of Stanislaus  
Modesto, CA

We have reviewed the Treasurer's Statement of Assets of the County of Stanislaus, California as of September 21, 2016, as required by California Government Code Sections 26920(a) and 26922. The County Treasurer is responsible for the Statement of Assets. The purpose of the review was to determine whether cash and investments held by the Treasurer, and as shown on the statement, were as stated.

Our review was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*, published by the Institute of Internal Auditors. These standards require that we plan and perform the review to provide sufficient, reliable, and useful evidence to achieve the objectives.

The Auditor-Controller is mandated by various statutes within the California Government Code to perform certain accounting, auditing, and financial reporting functions. These activities, in themselves, necessarily impair the auditor's independence. Although the Auditor-Controller is statutorily obligated to maintain the accounts of departments, districts or funds that are contained within the County Treasury, we believe adequate safeguards and divisions of responsibility exist.

Based on our review, the statement referred to above presents, in all material respects, the Treasurer's Statement of Assets of the County of Stanislaus as of September 21, 2016.

Cara Kiely  
Certified Public Accountant  
Internal Audit Manager  
Auditor-Controller's Office  
County of Stanislaus

Attachment A

STANISLAUS COUNTY  
TREASURER'S STATEMENT OF ASSETS  
As of **September 21, 2016**

Cash and Investments per Auditor-Controller	\$	<u>1,028,195,927</u>
Cash in Treasury Per Cash Count:		
Cash on Hand:		
Currency and Coin	\$	60,514
Active Bank Deposits		34,275,407
California Local Agency Indebtedness		4,990,000
Commercial Paper		39,831,467
Medium Term Corporate Notes		106,728,809
Money Market Funds		250,000
Negotiable CD's		120,000,000
U. S. Treasury and Federal Agency Securities		<u>722,059,730</u>
Total Cash and Investments in Treasury	\$	<u>1,028,195,927</u>