

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

DEPT: Auditor-Controller

BOARD AGENDA #: *B-2

AGENDA DATE: March 28, 2017

SUBJECT:

Acceptance of Accountant's Report on the Stanislaus County Treasurer's Statement of Assets as of December 27, 2016

BOARD ACTION AS FOLLOWS:

No. 2017-125

On motion of Supervisor Withrow, Seconded by Supervisor Olsen
and approved by the following vote,

Ayes: Supervisors: Olsen, Withrow, Monteith, DeMartini, and Chairman Chiesa

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:


PAM VILLARREAL, Assistant Clerk

File No.

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

DEPT: Auditor-Controller

BOARD AGENDA #: *B-2

Urgent

Routine

AGENDA DATE: March 28, 2017

CEO CONCURRENCE: *phx*

4/5 Vote Required: Yes No

JK

SUBJECT:

Acceptance of Accountant's Report on the Stanislaus County Treasurer's Statement of Assets as of December 27, 2016

STAFF RECOMMENDATIONS:

1. Accept the Accountant's Report on the Stanislaus County Treasurer's Statement of Assets as of December 27, 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 December 27, 2016.

Acceptance of Accountant's Report on the Stanislaus County Treasurer's Statement of Assets as of December 27, 2016

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 December 27, 2016. Total cash and investments as reported on the Treasurer's Statement of Assets were \$1,312,458,428 as of December 27, 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 DECEMBER 27, 2016



Attachment A

AUDITOR-CONTROLLER

Lauren Klein, CPA
Auditor-Controller

1010 10TH Street, Suite 5100, Modesto, CA 95354
PO Box 770, Modesto, CA 95353-0770
Phone: 209.525.6398 Fax: 209.525.7507

ACCOUNTANT'S REPORT



February 27, 2017

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 December 27, 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 December 27, 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 **December 27, 2016**

Cash and Investments per Auditor-Controller	\$	<u>1,312,458,428</u>
Cash in Treasury Per Cash Count:		
Cash on Hand:		
Currency and Coin	\$	156,592
Active Bank Deposits		145,670,303
California Local Agency Indebtedness		4,990,000
Commercial Paper		99,453,950
Local Agency Investment Fund		65,000,000
Medium Term Corporate Notes		41,747,468
Money Market Funds		5,000,000
Negotiable CD's		100,000,000
U. S. Treasury and Federal Agency Securities		<u>850,440,115</u>
Total Cash and Investments in Treasury	\$	<u>1,312,458,428</u>