



# STANISLAUS COUNTY CIVIL GRAND JURY

PO Box 3387 – Modesto, CA 95353 – (209) 558-7766 – Fax (209) 558-8170

May 18, 2018

**CONFIDENTIAL – DELIVERY VIA EMAIL**

To Whom It May Concern:

The Stanislaus County Civil Grand Jury has completed the attached report titled “Participation in the Annual Financial Audit Report.”

Your response to the jury’s findings and recommendations must be submitted to the Presiding Judge of the Superior Court, the Honorable Ricardo Cordova, at PO Box 3488, Modesto, CA 95353. Submit a hard copy and an electronic copy of your response. Enclosed are guidelines that may be helpful as you prepare your response.

Sincerely,

*Laurie M. Overly*  
Laurie Overly, Foreperson  
2017-2018 Civil Grand Jury

Attachment: Report 18-35GJ

Distribution Information	
<input checked="" type="checkbox"/> Electronic Copy	<input type="checkbox"/> In person
<i>Liz King</i> Liz King, Board of Supervisors Secretary	<u>May 18, 2018</u> Date

BOARD OF SUPERVISORS  
2017-2018 Stanislaus County Civil Grand Jury  
Participation in the Annual Financial Audit Report  
For the Fiscal Year Ended June 30, 2017  
Case #18-35GJ

**SUMMARY**

In accordance with California Penal Code Section 925, civil grand juries are required to investigate and report on the operations, accounts, and records of the departments or functions of the county. Therefore the 2017-2018 Stanislaus County Civil Grand Jury (SCCGJ) reviewed the Stanislaus County Audit Report dated June 30, 2017. The audit was completed by Brown Armstrong Accountancy Corporation.

**GLOSSARY**

**Comprehensive Annual Financial Reports (CAFR)** A set of US government statements comprising the financial report of a state, municipal, or other governmental entity that complies with the accounting requirements published by the Governmental Accounting Standards Board.

**SCCGJ** Stanislaus County Civil Grand Jury.

**The Single Audit** The Single Audit is a rigorous organization-wide audit or examination of an entity that expends \$950,000 or more of federal funds received for its operations. This Single Audit is also known as the Office of Management and Budget (OMB) A-133 Audit.

**Unmodified Opinion** The auditor's opinion of a financial statement given without reservation. Such an opinion basically states that the auditor finds the entity followed all accounting rules appropriately, and the financial reports are an accurate representation of the entity's financial condition.

**BACKGROUND**

The June 30, 2017 Stanislaus County Audit Report addresses the CAFR, as well as the Single Audit Report. The 2017 CAFR is intended solely to describe the scope of financial internal control testing and to assure the county's financial statements are error free. The audit includes a sampling of departments and programs within Stanislaus County. This audit report received an unmodified opinion.

The Single Audit addresses compliance with OMB A-133, which applies to the county's major federal programs. All programs in this report received an unmodified opinion; therefore, no corrective actions were recommended by Brown Armstrong Accountancy Corporation. The audit samples included the following: Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), Highway Planning and Construction, Foster Care Title IV-E, and the Medical Assistance Program.

Audits conducted of the following agencies and programs resulted in unmodified opinions and to financial statements and internal controls:

- Health Services Agency.
- Inmate Welfare.
- Regional 911.
- Insurance Fraud.
- North County Corridor Transportation Expressway Authority.
- Stanislaus Animal Services Agency.
- City County Capital Improvement and Financing Agency.
- Treasury Oversight Report.
- Tobacco Endowment Investment Fund.

## **METHODOLOGY**

Members of the SCCGJ 2017-2018 attended the Entrance Audit Conference on August 23, 2017, and the Exit Audit Conference along with county department heads on March 21, 2018. The Master Agreement for Professional Services provided by Brown Armstrong Accountancy Corporation was reviewed. The SCCGJ questioned various aspects of the audit including disbursement control at the department level. The SCCGJ attendees were satisfied with all answers provided by the Auditor-Controller.

## **FINDINGS**

F1. The audit disclosed that the Auditor-Controller is accurately reporting the financial condition of the county.

F2. The audit disclosed that financial controls are working effectively.

F3. The exit interview disclosed that the Auditor-Controller reviews internal controls to insure they continue to be effective.

**COMMENDATIONS**

CI. The SCCGJ commends the Auditor-Controller management team for their competent financial management.

**INVITED RESPONSES**

Stanislaus County Auditor-Controller

Stanislaus County Board of Supervisors

## **HOW TO RESPOND TO FINDINGS & RECOMMENDATIONS**

### **Responses**

The California Penal Code §933( c) specifies both the deadline by which responses shall be made to the Civil Grand Jury Final Report recommendations, and the required content of those responses.

### **Deadline for Responses**

All agencies are directed to respond to the Presiding Judge of the Stanislaus County Superior Court,

- Not later than 90 days after the Civil Grand Jury submits a final report on the operations of a public agency, the governing body of that agency shall respond to the findings and recommendations pertaining to the operations of their agency.
- Not later than 60 days after the Civil Grand Jury submits a final report on the operation of a County agency, the elected head governing that agency shall respond to the findings and recommendations pertaining to the operations of their agency.
- Information copies of responses pertaining to matters under the control of a county officer or agency are to be sent to the Board of Supervisors.
- A copy of all responses to the Civil Grand Jury reports shall be place on file with the clerk of the public agency and the Office of the County Clerk, or the city clerk when applicable.
- One copy shall be placed on file with the applicable Civil Grand Jury by, and in the control of, the currently impaneled Grand Jury, where it shall be maintained for a minimum of five years.

### **Content of Responses**

For each Civil Grand Jury findings and recommendations, the responding person or entity shall report one of the following actions:

- The respondent agrees with the finding.

- The respondent disagrees wholly or partially with the finding and shall include an explanation.
- The recommendation has been implemented, with a summary regarding the implemented action.
- The recommendation has not been implemented, but will be implemented in the future, with a time frame for implementation.
- The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a time frame if it is to be implemented later.
- The recommendation will not be implemented because it is unwarranted or unreasonable, with supportive explanation.

**Respond to:**

Responses to the Civil Grand Jury's findings and recommendations are sent in the form of an original hard copy and an electronic copy (Microsoft Word or PDF) to:

**The Honorable Ricardo Cordova, Presiding Judge  
Superior Court of California, County of Stanislaus  
PO Box 3488  
MODESTO, CA 95353**