

**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

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

INVITED RESPONSES

Stanislaus County Auditor-Controller

Stanislaus County Board of Supervisors