

# S U M M A R Y M I N U T E S



REGULAR MEETING OF THE AUDIT OVERSIGHT COMMITTEE  
ORANGE COUNTY, CA

Thursday, May 13, 2021, 10:00 A.M.

Meeting Held by Teleconference

**\*\*PURSUANT TO THE PROVISIONS OF CALIFORNIA GOVERNOR'S EXECUTIVE ORDER N-29-20, ISSUED ON MARCH 17, 2020, THIS MEETING WILL BE HELD BY TELECONFERENCE ONLY\*\***

**ROBERT BROWN (2023)**  
AOC CHAIR  
Private Sector Member, Fifth District

**MARK WILLE, CPA (2025)**  
AOC VICE CHAIR  
Private Sector Member, Third District

**SUPERVISOR ANDREW DO**  
BOARD CHAIRMAN  
First District  
Member

**SUPERVISOR DOUG CHAFFEE**  
BOARD VICE CHAIRMAN  
Fourth District  
Member

**FRANK KIM**  
COUNTY EXECUTIVE OFFICER  
Member

**DREW ATWATER (2025)**  
Private Sector Member, First District

**YVONNE ROWDEN (2023)**  
Private Sector Member, Second District

**STELLA ACOSTA, CPA (2023)**  
Private Sector Member, Fourth District

## **Non-Voting Members**

Treasurer-Tax Collector:  
Auditor-Controller:  
Internal Audit Director:

Shari Freidenrich, CPA  
Frank Davies, CPA  
Aggie Alonso, CPA

## **Staff**

Assistant Internal Audit Director:  
Deputy County Counsel:  
AOC Clerk:

Scott Suzuki, CPA  
Ronnie Magsaysay  
Mari Elias

ATTENDANCE: Robert Brown, AOC Chairman, Private Sector Member  
Mark Wille, AOC Vice Chair, Private Sector Member  
Chris Gaarder, Proxy for Supervisor Do  
Jessica Guerrero, Proxy for Supervisor Chaffee  
Michelle Aguirre, Proxy for CEO Frank Kim  
Yvonne Rowden, Private Sector Member  
Stella Acosta, Private Sector Member

PRESENT: Shari Freidenrich, Treasurer-Tax Collector  
Frank Davies, Auditor-Controller  
Aggie Alonso, Internal Audit Director  
Ronnie Magsaysay, Deputy County Counsel  
Mari Elias, AOC Clerk

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## 1. Roll call

Mr. Robert Brown, Audit Oversight Committee (AOC) Chair, called the meeting to order at 10:05 A.M. Attendance of AOC Members noted above.

Treasurer-Tax Collector Shari Freidenrich had to leave the meeting at approximately 10:55 AM. No impact to quorum.

## 2. Approve Audit Oversight Committee Regular Meeting Minutes of February 11, 2021

Mr. Brown asked for a motion to approve the Audit Oversight Committee Regular Meeting Minutes of February 11, 2021 with an amendment noting that Public Sector Member Drew Atwater was present at the February 11, 2021 meeting.

**Motion to approve the Meeting Minutes of February 11, 2021 as amended by Mr. Mark Wille, seconded by Mr. Chris Gaarder.**

**Via roll call, seven in favor; one absent.**

**Approved as recommended.**

## 3. Approve Audit Oversight Committee Special Meeting Minutes of March 18, 2021

Mr. Brown asked for a motion to approve the Audit Oversight Committee Regular Meeting Minutes of March 18, 2021.

**Motion to approve the Meeting Minutes of March 18, 2021 by Mr. Mark Wille, seconded by Ms. Jessica Guerrero.**

**Via roll call, seven in favor; one absent.**

**Approved as recommended.**

## 4. Receive Report on Required Communication from External Auditors

Mr. Roger Alfaro, Partner at Eide Bailly, discussed attachments reflecting Eide Bailly's status on audits in progress, as well as those recently completed.

## 5. Approve Internal Audit Department's FY 2020-21 3rd Quarter Status Report and Approve Executive Summary of Internal Audit Reports for the Quarter Ended March 31, 2021

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Mr. Aggie Alonso, Director of Internal Audit, presented the 3rd Quarter Status Report and Executive Summary of Internal Audit Reports for the Quarter Ended March 31, 2021. The Internal Audit Department (IAD) issued three final reports, six follow-up reports, and four draft reports during this period.

**Motion to approve the Internal Audit Department's FY 2020-21 3rd Quarter Status Report and Approve Executive Summary of Internal Audit Reports for the Quarter Ended March 31, 2021 by Mr. Mark Wille, seconded by Ms. Jessica Guerrero.**

**Via roll call, seven in favor; one absent.**

**Approved as recommended.**

## **6. Approve Internal Audit Department's Annual Risk Assessment & Audit Plan for FY 2021-22**

Mr. Aggie Alonso, Director of Internal Audit, presented the Internal Audit Department's Internal Audit Department's Annual Risk Assessment & Audit Plan for FY 2021-22. Mr. Alonso indicated that the department completes a general risk assessment and an information technology risk assessment. This Audit Plan includes 24 high priority audits and has the resources to address 18 of those audits.

**Motion to approve the Internal Audit Department's Annual Risk Assessment & Audit Plan for FY 2021-22 by Mr. Chris Gaarder, seconded by Ms. Stella Acosta.**

**Via roll call, seven in favor; one absent.**

**Approved as recommended.**

## **7. Approve Quarterly External Audit Activity Status Report for the Quarter Ended March 31, 2021 and Receive Report on Status of External Audit Recommendations Implementation**

Mr. Scott Suzuki, Assistant Director of Internal Audit, presented the External Audit Recommendations Implementation and Quarterly External Audit Activity Status Report for the Quarter Ended March 31, 2021. For the reporting period, there were no new material issues reported by departments.

**Motion to approve the Quarterly External Audit Activity Status Report for the Quarter Ended March 31, 2021 by Mr. Mark Wille, seconded by Ms. Michelle Aguirre.**

**Via roll call, seven in favor; one absent.**

**Approved as recommended.**

## **8. Discuss Budget Resource Requirements for Performance Audit, Auditor-Controller, and Internal Audit Department**

Ms. Michelle Aguirre, Chief Financial Officer, stated that the Performance Audit budget is included in the CEO budget for contract services. Auditor-Controller's budget allows the department to continue current level of service and the Budget Office is working with the department regarding the ability to fill vacant positions. Internal Audit Department will have the ability to fill a Staff Specialist position.

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## 9. Receive Report on Status of Auditor-Controller Mandated Audits

Mr. Frank Davies, Auditor-Controller, introduced Michael Steinhaus, Audit Manager, to present a status of Mandated Audits for the Quarter Ended March 31, 2021.

## 10. Receive Report on Status of Performance Audits

Ms. Lilly Simmering, Deputy County Executive Officer, provided a status update of Performance Audits.

## 11. Receive Report on TeamMate+ Upgrade

Mr. Scott Suzuki, Assistant Director of Internal Audit, provided an update of the TeamMate+ upgrade implementation status. The department anticipates the transition to the upgraded system to occur by the end of June 2021, allowing all FY 2021-22 audits to be in the new system.

## 12. Receive Report on OCIT and Internal Audit Department Collaboration

Mr. Joel Golub, Chief Information Officer, provided a report with information on current and future collaborations between OCIT and the Internal Audit Department.

**PUBLIC COMMENTS:** None

**AOC COMMENTS:** Mr. Wille asked for a status update of the eProcurement system. Ms. Aguirre indicated that the goal is to submit a request for this strategic priority during the 2021 Strategic Financial Plan (mid-October), with potential funding for FY 2022-23.

Ms. Aguirre stated that the Orange County Employees Retirement System (OCERS) valuation will be ready in August and offered to have OCERS CEO Steve Delaney present at the next Audit Oversight Committee. Mr. Brown agreed that this should be added to the next meeting's agenda.

**ADJOURNMENT:** Meeting adjourned at 11:52 a.m.

**NEXT MEETING:**

Regular Meeting, August 19, 2021, at 10:00 a.m.