

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, November 4, 2021, 10:00 A.M.

MEETING HELD IN PERSON
County Conference Center
425 West Santa Ana Boulevard
Santa Ana, CA 92701

ROBERT BROWN
AOC CHAIR
Private Sector Member, Fifth District

MARK WILLE, CPA
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
Private Sector Member, First District

YVONNE ROWDEN
Private Sector Member, Second District

STELLA ACOSTA, CPA
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
Jessica Guerrero, Proxy for Supervisor Chaffee
Michelle Aguirre, Proxy for CEO Frank Kim
Yvonne Rowden, Private Sector Member
Drew Atwater, 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 10:00 A.M. Attendance of AOC Members noted above.

10. Discuss Assembly Bill 361 and Brown Act Teleconferencing Requirements

Mr. Ronnie Magsaysay, Deputy County Counsel, provided an explanation regarding Assembly Bill 361 and impacts to Brown Act teleconferencing requirements.

2. Approve Audit Oversight Committee Regular Meeting Minutes of August 19, 2021

Mr. Brown asked for a motion to approve the Audit Oversight Committee Regular Meeting Minutes of August 19, 2021.

Motion to approve the Meeting Minutes of August 19, 2021 by Mr. Mark Wille, seconded by Ms. Michelle Aguirre.

Five in favor, two absent, one abstention.

Approved as recommended.

3. 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.

4. Approve Internal Audit Department's FY 2021-22 1st Quarter Status Report and Approve Executive Summary of Internal Audit Reports for the Quarter Ended September 30, 2021

Mr. Aggie Alonso, Director of Internal Audit, presented the 4th Quarter Status Report and Executive Summary of Internal Audit Reports for the Quarter Ended June 30, 2021. The Internal Audit Department (IAD) issued six final reports and one pre-draft/draft report during this period.

Motion to approve the Quarterly External Audit Activity Status Report for the Quarter Ended September 30, 2021 and Receive Report on Status of External Audit Recommendations Implementation by Mr. Mark Wille, seconded by Mr. Drew Atwater.

Six in favor, two absent.

Approved as recommended.

5. Approve Quarterly External Audit Activity Status Report for the Quarter Ended September 30, 2021 and Receive Report on Status of External Audit Recommendations Implementation

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Mr. Scott Suzuki, Assistant Director, presented the First Quarter Status Report and Executive Summary of Internal Audit Reports for the quarter ended September 30, 2021. There were no material findings during this reporting period.

Motion to approve the Quarterly External Audit Activity Status Report for the Quarter Ended September 30, 2021 and Receive Report on Status of External Audit Recommendations Implementation by Mr. Mark Wille, seconded by Mr. Drew Atwater.

Six in favor, two absent.

Approved as recommended.

6. Receive Report on Status of Auditor-Controller Mandated Audits

Mr. Frank Davies, Auditor-Controller, introduced Michael Steinhaus, Mandated Audits Manager. Mr. Steinhaus provided a status report of the Mandated Audits for the quarter ended September 30, 2021.

7. Receive Report on Status of Performance Audits

Ms. Lilly Simmering, Deputy County Executive Officer, provided a status report of Performance Audits for Fiscal Year 2019-20 and FY 2020-21.

8. Receive Update on Treasurer-Tax Collector Performance Audit Subcommittee

Mr. Mark Wille, Audit Oversight Committee Vice Chair, provided an update on the Treasurer-Tax Collector (T-TC) Performance Audit subcommittee meeting. Mr. Wille stated that he's meeting with Ms. Aguirre, Ms. Freidenrich, and Mr. Kim on a regular basis to ensure T-TC has the resources needed to implement the recommendations. Ms. Aguirre added that T-TC and the subcommittee are in the right track and making progress, but it will take time.

11. Receive Update on Internal Control Training Program

Mr. Alonso stated that Internal Audit's Internal Control Training is live on Eureka, the county's talent management system. The training is voluntary and consists of three self-study courses that focus on key internal controls and business processes.

9. Receive Update on Actions Taken to Address Systematic Issues Identified in Internal Audit's Information Technology Reports and Update on Critical County IT Systems Upgrades

Mr. Joel Golub, Chief Information Officer, provided an update on systematic issues identified in Internal Audit's IT reports and how OCIT works with departments to address those issues.

12. Election of Officers

Mr. Brown asked for recommendations for the election of AOC Officers.

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Motion to nominate Mr. Mark Wille as AOC Chair by Mr. Robert Brown, seconded by Mr. Drew Atwater.

Six in favor; two absent.

Approved as recommended.

Mr. Brown asked for a recommendation for the AOC Vice Chair.

Motion to nominate Ms. Stella Acosta as AOC Vice Chair by Mr. Mark Wille, seconded by Ms. Jessica Guerrero.

Six in favor; two absent.

Approved as recommended.

PUBLIC COMMENTS: Ms. Michelle Rubio, labor representative assigned to Auditor-Controller and Treasurer-Tax Collector from the Orange County Employees Association (OCEA), stated that she was happy to hear that there is a subcommittee in response to the Treasurer-Tax Collector Performance Audit. Ms. Rubio stated that OCEA conducted its own survey of OCEA employees at T-TC and would be reaching out to Ms. Freidenrich to discuss the results. Ms. Rubio stated this information should be considered by the subcommittee and offered to meet with the subcommittee.

AOC COMMENTS: Mr. Wille stated that Mr. Brown did a fabulous job as the AOC Chair for the last two years and thanked Mr. Brown for his hard work. Mr. Brown thanked the AOC and indicated that it has been an honor and a pleasure to serve as the AOC Chair.

ADJOURNMENT: Meeting adjourned at 11:39 A.M.

NEXT MEETING:

Regular Meeting, February 10, 2022 at 10:00 A.M.