

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, August 11, 2022, 10:00 A.M.

County Administration South
601 N. Ross St. Multipurpose Rooms 103/105
Santa Ana, CA 92701

MARK WILLE, CPA
AOC CHAIR
Private Sector Member, Third District

STELLA ACOSTA, CPA
AOC VICE CHAIR
Private Sector Member, Fourth District

SUPERVISOR DOUG CHAFFEE
BOARD CHAIRMAN
Fourth District
Member

SUPERVISOR DON WAGNER
BOARD VICE CHAIRMAN
Third District
Member

FRANK KIM
COUNTY EXECUTIVE OFFICER
Member

DREW ATWATER
Private Sector Member, First District

YVONNE ROWDEN
Private Sector Member, Second District

ROBERT BROWN
Private Sector Member, Fifth District

Non-Voting Members

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

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

Staff

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

Scott Suzuki, CPA
Ronnie Magsaysay
Mari Elias

ATTENDANCE: Mark Wille, AOC Chairman, Private Sector Member
Stella Acosta, AOC Vice Chair, Private Sector Member
Patricia Welch-Foster, Proxy for Supervisor Wagner
Jesus Gaona Perez, Proxy for Supervisor Chaffee
Lala Ragen, Proxy for CEO Frank Kim
Yvonne Rowden, Private Sector Member
Drew Atwater, Private Sector Member
Robert Brown, 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. Mark Wille, Audit Oversight Committee (AOC) Chair, called the meeting to order at 10:00 A.M. Attendance of AOC Members noted above.

2. Approve Audit Oversight Committee Regular Meeting Minutes of May 19, 2022

Mr. Wille asked for a motion to approve the Audit Oversight Committee Regular Meeting Minutes of May 19, 2022.

Motion to approve the Meeting Minutes of May 19, 2022, by Mr. Robert Brown, seconded by Mr. Drew Atwater.

All in favor.

Approved as recommended.

3. Approve Audit Oversight Committee Special Meeting Minutes of June 20, 2022

Mr. Wille asked for a motion to approve the Audit Oversight Committee Special Meeting Minutes of June 20, 2022.

Motion to approve the Meeting Minutes of June 20, 2022, by Mr. Drew Atwater, seconded by Mr. Robert Brown.

All in favor.

Approved as recommended.

4. Receive Presentation by Orange County Employees Retirement Systems (OCERS) Regarding Current and Future Funding

Mr. Steve Delaney, Chief Executive Officer of OCERS, presented regarding current and future funding.

5. 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.

6. Approve Internal Audit Department's Quarterly Status Report and Approve Executive Summary of Internal Audit Reports for the Quarter Ended June 30, 2022

Mr. Aggie Alonso, Director of Internal Audit, presented the Quarterly Status Report and Executive Summary of Internal Audit Reports for the Quarter Ended June 30, 2022.

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Motion to approve Internal Audit Department's Quarterly Status Report and approve Executive Summary of Internal Audit Reports for the Quarter Ended June 30, 2022, by Mr. Robert Brown, seconded by Mr. Drew Atwater.

All in favor.

Approved as recommended.

7. Approve External Audit Activity Status Report for the Quarter Ended June 30, 2022, and Receive Report on Status of External Audit Recommendations Implementation

Mr. Scott Suzuki, Assistant Director, presented the External Audit Activity Status Report for the Quarter Ended June 30, 2022. Mr. Suzuki stated there were no material findings during this reporting period and five findings/issues.

8. Receive Report on Status of Auditor-Controller Mandated Audits for the Quarter Ended June 30, 2022

Mr. Michael Steinhaus, Auditor-Controller Internal Audit Unit Audit Manager, provided a status report of Mandated Audits for the quarter ended June 30, 2022.

9. Receive Auditor-Controller Internal Audit Charter and Fiscal Year 2022-23 Audit Plan

Mr. Frank Davies, Auditor-Controller, stated that the Internal Audit Unit had a Charter but needed several updates. Mr. Davies indicated that Mr. Steinhaus reviewed, updated, and enhanced the Charter, and the revised Charter was approved in November 2021. An internal risk assessment identified high risks within the office and the Internal Audit Unit will be able to look at those areas, time permitting.

10. Receive Report on Status of Performance Audits for the Quarter Ended June 30, 2022

Ms. Lala Ragen, Director, Performance Management and Policy, provided an update of Performance Audits.

11. Update on Treasurer-Tax Collector Performance Audit Subcommittee

Mr. Mark Wille provided an update on the Treasurer-Tax Collector (T-TC) Performance Audit subcommittee meetings. Mr. Wille stated that the department is continuing with the three goals set and the subcommittee should be able to talk about the processes at the next meeting.

12. Discuss Suggested Department Head Training of the Annual Comprehensive Financial Report (ACFR)

Mr. Wille stated that the Annual Comprehensive Financial Report (ACFR) presentation by Eide Bailly was great. Mr. Wille suggested it might be good for the department heads and senior staff to understand the County and how their department fits into it from a financial statement perspective.

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Mr. Davies stated it would be difficult for departments to see themselves in the ACFR because the numbers are cumulative. Mr. Davies said the Popular Annual Financial Report is a good summary and is sent to department heads and legislators. Ms. Shari Freidenrich, Treasurer-Tax Collector, stated department heads to know their budgets because they are part of the yearly budget and Strategic Financial Plan process.

13. Receive Report on eProcurement

Mr. Salvador Lopez, Chief Deputy Auditor-Controller, provided a status update on eProcurement.

14. Receive Internal Audit Department's Fiscal Year 2021-22 Key Performance Indicators Report

Mr. Alonso provided a summary of the results of the Fiscal Year 2021-22 Key Performance Indicators.

15. Receive Report on Internal Audit Department's Independence

Mr. Alonso stated that for the period of July 1, 2021 through June 30, 2022, the Internal Audit Department's internal audit activity has been free from interference in determining the scope of internal auditing, performing work, and communicating results.

16. Receive Update on County IT Projects Quarterly Progress Report

Mr. KC Roestenberg, Chief Information Officer and Chief Technology Officer, provided an update on the IT projects quarterly progress.

PUBLIC COMMENTS: None.

AOC COMMENTS: None

ADJOURNMENT: Meeting adjourned at 11:59 A.M.

NEXT MEETING: Regular Meeting, November 10, 2022 at 10:00 A.M.