

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, February 16, 2023, 10:00 A.M.

County Administration South
601 N. Ross St. County Conference Center 104/106
Santa Ana, CA 92701

MARK WILLE, CPA

AOC CHAIR
Private Sector Member, Third District

SUPERVISOR DONALD P. WAGNER

BOARD CHAIRMAN
Third District
Member

FRANK KIM

COUNTY EXECUTIVE OFFICER
Member

STELLA ACOSTA

Private Sector Member, Fourth District

DREW ATWATER

AOC VICE CHAIR
Private Sector Member, First District

SUPERVISOR ANDREW DO

BOARD VICE CHAIRMAN
First District
Member

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:

Andrew Hamilton, CPA
Shari Freidenrich, CPA
Aggie Alonso, CPA

Staff

Deputy County Counsel:
AOC Clerk:

Ronnie Magsaysay
Mari Elias

ATTENDANCE: Mark Wille, AOC Chairman, Private Sector Member
Drew Atwater, AOC Vice Chairman, Private Sector Member
Patricia Welch-Foster, Proxy for Supervisor Wagner
Hung Le, Proxy for Supervisor Do
Frank Kim, County Executive Officer/Michelle Aguirre, County Financial Officer
Yvonne Rowden, Private Sector Member
Stella Acosta, Private Sector Member
Robert Brown, Private Sector Member

PRESENT: James Kim, Proxy for Shari Freidenrich, Treasurer-Tax Collector
Andrew Hamilton, 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 November 10, 2022

Mr. Wille asked for a motion to approve the Audit Oversight Committee Regular Meeting Minutes of November 10, 2022.

Motion to approve the Regular Meeting Minutes of November 10, 2022, by Mr. Robert Brown, seconded by Mr. Drew Atwater.

All in favor.

Approved as recommended.

3. Approve Audit Oversight Committee Regular Meeting Schedule for 2023

Mr. Wille asked for a motion to approve the Audit Oversight Committee Regular Meeting Schedule for 2023.

Motion to approve the Audit Oversight Committee Regular Meeting Schedule for 2023, by Mr. Robert Brown, seconded by Mr. Drew Atwater.

All in favor.

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 Quarterly Status Report and Approve Executive Summary of Internal Audit Reports for the Quarter Ended December 31, 2022

13. Discuss Social Services Agency Second Follow-Up Report

14. Receive Update on Fiscal Year 2022-23 Annual Risk Assessment & Audit Plan

Mr. Aggie Alonso, Internal Audit Director, presented the Quarterly Status Report and Executive Summary of Internal Audit Reports for the Quarter Ended December 31, 2022. For ease of discussion, items 5, 13, and 14 were combined.

Mr. An Tran, Social Services Agency Director, answered questions regarding the two outstanding recommendations after the second follow-up audit.

Motion to approve Internal Audit Department's Quarterly Status Report and approve Executive Summary of Internal Audit Reports for the Quarter Ended December 31, 2022, by Mr. Drew Atwater, seconded by Ms. Stella Acosta.

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All in favor.

Approved as recommended.

6. Approve External Audit Activity Status Report for the Quarter Ended December 31, 2022, and Receive Report on Status of External Audit Recommendations Implementation

Mr. Michael Dean, Senior Audit Manager, presented the External Audit Activity Status Report for the Quarter Ended December 31, 2022. Mr. Dean stated there were no material findings during this reporting period.

Motion to approve External Audit Activity Status Report for the Quarter Ended December 31, 2022, and Receive Report on Status of External Audit Recommendations Implementation, by Mr. Robert Brown, seconded by Ms. Yvonne Rowden.

All in favor.

Approved as recommended.

7. Receive Report on Status of Auditor-Controller Mandated Audits for the Quarter Ended December 31, 2022

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

At 10:41 AM., Mr. Frank Kim had to leave, with Ms. Michelle Aguirre stepping in as Proxy.

8. Receive Report on Status of Performance Audits for the Quarter Ended December 31, 2022

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

9. Receive Update on Implementation for Governmental Accounting Standards Board (GASB) Standard 96

Ms. Claudia Vincent, Auditor-Controller General Accounting Manager, presented on GASB 96, which pertains to subscription-based information technology.

10. Receive and File Results of the RFP Panel Selection for the Independent Auditing and Related Services Covering Fiscal Years Ending June 30, 2023, 2024, and 2025, to Be Presented to the Board of Supervisors for Contract Approval.

Ms. Maribel Garcia, Auditor-Controller Procurement Manager, presented the results of the Request for Proposals panel selection for the independent auditing and related services.

11. Receive Report on eProcurement

Mrs. Michelle Aguirre, Chief Financial Officer, provided a status update on eProcurement.

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12. Receive Update on County IT Projects Quarterly Progress Report

Mr. KC Roestenberg, Chief Information Officer, provided an update on the IT projects quarterly progress. Mr. Roestenberg also introduced Mr. Ed Althof, Chief Technology Officer, to the AOC.

15. Receive Update on Internal Control Training Program

Mr. Alonso stated the second version of Internal Audit's Internal Control Training will be available countywide in March.

16. Discuss Training of New Audit Oversight Committee Members

Mr. Wille discussed training to be provided to newly appointed AOC Members. For now, several public sector members remain as holdovers, until a new person is appointed. Training will be held in accordance with the Brown Act, regardless of whether there is a quorum or not.

PUBLIC COMMENTS: None.

AOC COMMENTS: Mr. Alonso provided an update regarding the External Quality Assessment and indicated that several surveys were sent out and asked the AOC to please reply.

Mr. Andrew Hamilton, Auditor-Controller, stated he was looking forward to his time on the AOC and thanks the AOC for being so welcoming.

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

NEXT MEETING:

Regular Meeting, May 17, 2023 at 10:00 A.M.