



Agenda Date: 10/3/2006
Agenda Placement: 6P

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: Pamela Kindig - Auditor-Controller
Auditor - Controller

REPORT BY: Stephen Owen, Accountant-Auditor II, 253-4589

SUBJECT: Reports - Napa County - Mary Arnold Trust Fund Audit Report; and County of Marin, County of Sonoma, County of Napa and the Workforce Investment Board Monitoring Reports

RECOMMENDATION

Auditor-Controller requests the Board accept, and instruct the Clerk of the Board to file the following Monitoring Reports:

1. County of Napa, Department of Probation, Mary Arnold Trust Fund Audit Report for the Fiscal Year ended June 30, 2005;
2. County of Sonoma, Human Services Department, Projects Inclusion & COMPASS/CHOICE Monitoring Report for July 1, 2005 to September 29, 2006;
3. County of Marin, Health and Human Services, Projects Inclusion & COMPASS/CHOICE Monitoring Report for July 1, 2005 to September 29, 2006;
4. County of Napa, Health and Human Services, Projects Inclusion & COMPASS/CHOICE Monitoring Report for October 1, 2003 to September 29, 2006; and
5. County of Napa, Health and Human Services Agency, Workforce Investment Board, Training & Employment Center Division, Workforce Investment Act Funds Monitoring Report for July 1, 2005 to June 30, 2006.

EXECUTIVE SUMMARY

The Internal Audit Section of the Napa County Auditor-Controller's Office has monitored and audited the financial statements of the following. Acceptance of said audit reports is requested.

1. County of Napa, Department of Probation, Mary Arnold Trust Fund Audit Report for the fiscal year ended June 30, 2005;
2. County of Sonoma, Human Services Department, Projects Inclusion & COMPASS/CHOICE, County of Napa Agreement Number 6592, July 1, 2005 to September 29, 2006, Monitoring Report;
3. County of Marin, Health And Human Services, Projects Inclusion & COMPASS/CHOICE, County of Napa Agreement Number 6566, July 1, 2005 to September 29, 2006 Monitoring Report;

4. County of Napa, Health And Human Services, Projects Inclusion & COMPASS/CHOICE, County of Napa Inter-Departmental Agreement, October 1, 2003 to September 29, 2006 Monitoring Report; and
5. County of Napa, Health and Human Services Agency, Workforce Investment Board, Training & Employment Center Division, Workforce Investment Act Funds, July 1, 2005 to June 30, 2006 Monitoring Report.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

Revolving Fund and Departmental Audits

Staff conducted the following audits in accordance with auditing standards generally accepted in the United States of America and as stipulated in the engagement letter with the respective agencies:

1. County of Napa, Department of Probation, Mary Arnold Trust Fund Audit Report for the fiscal year ended June 30, 2005;
2. County of Sonoma, Human Services Department, Projects Inclusion & COMPASS/CHOICE, County of Napa Agreement Number 6592, July 1, 2005 to September 29, 2006, Monitoring Report;
3. County of Marin, Health And Human Services, Projects Inclusion & COMPASS/CHOICE, County of Napa Agreement Number 6566, July 1, 2005 to September 29, 2006 Monitoring Report;
4. County of Napa, Health And Human Services, Projects Inclusion & COMPASS/CHOICE Monitoring Report for October 1, 2003 to September 29, 2006; and
5. County of Napa, Health and Human Services Agency, Workforce Investment Board, Training & Employment Center Division, Workforce Investment Act Funds, July 1, 2005 to June 30, 2006 Monitoring Report.

Results of the Audits and Monitoring: Audit and monitoring reports may contain findings in any of the following three categories:

1. Noncompliance
2. Material Internal Control Weakness
3. Immaterial Internal Control Weakness

The findings noted during the respective audits have been summarized below:

Mary Arnold Trust Fund

Category 1: Noncompliance - no findings
Category 2: Material Internal Control Weakness - no findings
Category 3: Immaterial Internal Control Weakness - two (2) findings

County of Sonoma, Inclusion & COMPASS/CHOICE

Category 1: Noncompliance - three (3) findings
Category 2: Material Internal Control Weakness - one (1) finding
Category 3: Immaterial Internal Control Weakness - no findings

County of Marin, Inclusion & COMPASS/CHOICE

Category 1: Noncompliance - no findings
Category 2: Material Internal Control Weakness - one (1) finding
Category 3: Immaterial Internal Control Weakness - no findings

County of Napa, Inclusion & COMPASS/CHOICE

Category 1: Noncompliance - one (1) finding
Category 2: Material Internal Control Weakness - no findings
Category 3: Immaterial Internal Control Weakness - no findings

Workforce Investment Board

Category 1: Noncompliance - one (1) finding
Category 2: Material Internal Control Weakness - no findings
Category 3: Immaterial Internal Control Weakness - no findings

Please see the attached Management Comments for a detailed description of the findings, recommendations and responses.

SUPPORTING DOCUMENTS

- A . Mary Arnold Management Comments
- B . Sonoma Management Comments
- C . Marin Management Comments
- D . Napa Management Comments
- E . WIB Management Comments

CEO Recommendation: Approve

Reviewed By: Maiko Klieman