



BOARD OF SUPERVISORS, COUNTY OF MADERA

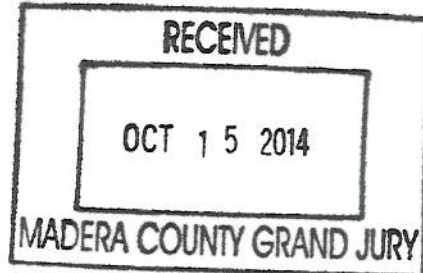
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August 19, 2014



The Honorable D. Lynn Jones
Presiding Judge
Madera, County Superior Court
209 W. Yosemite Avenue
Madera, CA 93637

Subject: Response to the 2013-14 Grand Jury Report entitled "Madera County Auditor – Controller Office Final Report."

Honorable Judge Jones:

Pursuant to the California Penal Code 933.05, the Madera County Board of Supervisors submits this response to the findings and recommendations in the 2013-14 Madera County Grand Jury Report entitled, "Madera County Auditor – Controller Office Final Report." See Attachment #1.

The Board of Supervisors notes that the Grand Jury investigation, and the citizen complaint regarding the Madera County Auditor–Controller office that gave rise to the investigation, occurred prior to the June 2014 election at which time a new Auditor-Controller was elected. The prior Auditor-Controller, Marcia Hall, immediately resigned her position following the election. The Auditor-Controller Elect, Todd Miller, has since been appointed to finish the remainder of Ms. Hall's term. The Board is mindful of the fact that the Auditor-Controller office is in a period of transition and that Mr. Miller is currently familiarizing himself with the office, his staff, and the issues to be addressed within his office. Consequently, the Board's responses are, in part, reflective of the state of the Auditor-Controller's office at the time of the investigation and may not accurately reflect the current state of the office.

The following are the Grand Jury's findings and recommendations and the Board of Supervisors' responses:

Finding 1:

The Auditor's management style is top down and autocratic causing undue tension and low morale of the staff.

Response:

Partially disagree with the finding per California Penal Code 933.05 (a) (2). Given the recent change in the Auditor-Controller position, the management style of the prior Auditor-Controller, and effect thereof on the office, would seem to be moot.

Finding 2:

The County needs more degreed accountants for the Auditor's department.

Response:

Agree with the finding per California Penal Code 933.05 (a) (1).

Finding 3:

The attempt of the Auditor to change practices has been inhibited by the inherited culture.

Response:

Agree with the finding per California Penal Code 933.05 (a) (1).

Finding 4:

The review of approximately 16,000 line items delayed the timely preparation of the Single Audit.

Response:

Agree with the finding per California Penal Code 933.05 (a) (1).

Finding 5:

The Auditor has implemented procedures and policies to improve the financial record keeping and reporting for the County which will enable the timely filing of Single Audits in future years.

Response:

Agree with the finding per California Penal Code 933.05 (a) (1).

Finding 6:

Lack of timely filing of the Single Audit has caused the county to lose the opportunity to apply for grants. Some grants have been lost entirely or in part due to lack of filing the Single Audit in a timely manner. Delays in receiving grants can result in extra cost to the county.

Response:

Agree with the finding per California Penal Code 933.05 (a) (1).

Finding 7:

The IFAS software is inadequate for the needs for the county's financial record keep and reporting.

Response:

Partially disagree with the finding per California Penal Code 933.05 (a) (2). The Auditor-Controller has responded to this Finding and stated:

"The IFAS software had not been updated for several years and, therefore, the County was not operating with the most recent version. The County is now in the process of the update and will be able to re-assess the adequacy of the software after the updates have been fully installed."

The response of the Auditor-Controller to the above Finding is considered appropriate and is submitted as the Board of Supervisors response.

Finding 8:

The lack of ongoing training and supervision of personnel in the accurate entry of data resulted in substantial staff time to correct past data errors.

Response:

Agree with the finding per California Penal Code 933.05 (a) (1).

Finding 9:

The loss of senior staff members prior to the Auditor's appointment in January, 2012 inhibited the timely filing of the 2011 Single Audit.

Response:

Agree with the finding per California Penal Code 933.05 (a) (1).

Finding 10:

There was a delay of one year in the payment to the independent outside auditor who was owed by the county the sum of \$21,000 for additional work to complete the 2011 Single Audit.

Response:

Partially disagree with the finding per California Penal Code 933.05 (a) (2). The Auditor-Controller has responded to this Finding and stated:

The longest delay in paying the independent auditor was five months for \$12,000. During this payment delay the auditors continued to work.

The response of the Auditor-Controller to the above Finding is considered appropriate and is submitted as the Board of Supervisors response.

Finding 11:

Because of the additional time invested in attempting to complete the Single Audit, the Auditor did not have available time or staff to perform the financial watch dog function over other county departments.

Response:

Partially disagree with the finding per California Penal Code 933.05 (a) (2). The Auditor-Controller has responded to this Finding and stated:

"The watchdog function was delayed due to lack of qualified personnel to plan and conduct internal audits. The newly appointed Auditor-Controller has met with County CAO and Board of Supervisors to request a new position and funding to hire an experienced government internal auditor."

The response of the Auditor-Controller to the above Finding is considered appropriate and is submitted as the Board of Supervisors response.

Finding 12:

The County is rated as a financial High Risk agency by the SCO requiring additional work and an increase in fees for the independent auditor to complete the Single Audits.

Response:

Partially disagree with the finding per California Penal Code 933.05 (a) (2). The Auditor-Controller has responded to this Finding and stated:

"While the County may be rated a financial High Risk agency there is no indication that this has resulted in additional work within the Auditor-Controller's office or to the independent outside auditor."

The response of the Auditor-Controller to the above Finding is considered appropriate and is submitted as the Board of Supervisors response.

Finding 13:

Because the County is under sanctions by the SCO, the County is inhibited from applying for grants or from receiving some pass-through funds.

Response:

Agree with the finding per California Penal Code 933.05 (a) (1).

Finding 14:

The investigation revealed that morale is low in the Auditor's office.

Response:

Agree with the finding per California Penal Code 933.05 (a) (1).

Finding 15:

The Auditor's office has: insufficient training of staff; minimal empowerment of staff; an unclear chain of command; and inadequate communication through regularly scheduled meetings of entire staff. This has inhibited the Auditor's Office from performing all of its intended functions in a timely manner.

Response:

Agree with the finding per California Penal Code 933.05 (a) (1).

Recommendation 1:

Madera County should immediately obtain a financial software package to meet the needs of the Auditor-Controller and other county departments.

Response:

The recommendation has not yet been implemented, but will be implemented in the future. In a separate response, the Madera County Auditor-Controller responded to Recommendation 1 and stated:

"The current financial software was under utilized by the Auditor-Controller's office and other departments were not properly trained to use the system. The County has recently upgraded to the current version of the software and will be receiving training in August from the software vendor. This software is used by 21 other government entities in California. The purchase of a new software package was investigated and, at of cost in excess of \$2 million, is not feasible at this time."

The response of the Auditor-Controller to the above Recommendation is considered appropriate and is submitted as the Board of Supervisors response.

Recommendation 2:

The Auditor-Controller should request funds for sufficient degreed accountants in order to meet the needs of the Auditor-Controller and other county departments.

Response:

The recommendation has been implemented. In a separate response, the Madera County Auditor-Controller responded to Recommendation 2 and stated:

"The Auditor-Controller's office has positions open for degreed accountants and has been trying to recruit for those positions."

The response of the Auditor-Controller to the above Recommendation is considered appropriate and is submitted as the Board of Supervisors response.

Recommendation 3:

The Auditor-Controller conduct regularly scheduled staff meetings to build teamwork and inform the staff of upcoming activities, changes, and new initiatives impacting the department.

Response:

The recommendation has been implemented. In a separate response, the Madera County Auditor-Controller responded to Recommendation 3 and stated:

"The Auditor-Controller has already implemented this with bi-weekly staff meetings."

The response of the Auditor-Controller to the above Recommendation is considered appropriate and is submitted as the Board of Supervisors response.

Recommendation 4:

The Auditor-Controller should perform regularly scheduled employee evaluations per Madera County Code 2.60.440.

Response:

The recommendation has not yet been implemented, but will be implemented in the future. In a separate response, the Madera County Auditor-Controller responded to Recommendation 4 and stated:

"The new Auditor-Controller will endeavor to timely conduct employee evaluations."

The response of the Auditor-Controller to the above Recommendation is considered appropriate and is submitted as the Board of Supervisors response.

Recommendation 5:

The BoS contract for an outside managerial study of the Auditor-Controller's office to examine and make recommendations regarding supervisory practices, staffing, systems, procedures, and employee morale.

Response:

The Recommendation requires further analysis. In the coming months, the Board of Supervisors will work with the new County Auditor-Controller in order to identify issues within the Auditor Controller's office and develop appropriate measures to address all issues.

Sincerely,



Tom Wheeler, Chairman
Madera County Board of Supervisors
Attachments