

**2018-2019 Stanislaus County Civil Grand Jury
Participation in the Annual Financial Audit Report
For the Fiscal Year Ended June 30, 2018
Case # 19-21GJ**

SUMMARY

In accordance with California Penal Code Section 925, civil grand juries are required to investigate and report on the operations, accounts, and records of the departments or functions of the county. Therefore the 2018-2019 Stanislaus County Civil Grand Jury (SCCGJ) reviewed the Stanislaus County Audit Report dated June 30, 2018. The audit was completed by Brown Armstrong Accountancy Corporation and presented on March 19, 2019.

GLOSSARY

CAFR	Comprehensive Annual Financial Reports are a set of US government statements comprising the financial report of a state, municipal, or other governmental entity that complies with the accounting requirements published by the Governmental Accounting Standards Board.
OMB	Office of Management and Budget - federal agency that oversees The United States budget and monitors federal spending.
SCCGJ	Stanislaus County Civil Grand Jury.
The Single Audit	The Single Audit is a rigorous organization-wide audit or examination of an entity that expends \$950,000 or more of federal funds received for its operations. This Single Audit is also known as the Office of Management and Budget (OMB) A-133 Audit.
Unmodified Opinion	The auditor's opinion of a financial statement given without reservation. Such an opinion basically states that the auditor finds the entity followed all accounting rules appropriately, and the financial reports are an accurate representation of the entity's financial condition.

BACKGROUND

The June 30, 2018 Stanislaus County Audit Report addresses the Comprehensive Annual Financial Reports, as well as the Single Audit Report. The 2018 CAFR is intended solely to describe the scope of financial internal control testing and to assure the county's financial

statements are error free. The audit includes a sampling of departments and programs within Stanislaus County. This audit report received an unmodified opinion.

The Single Audit addresses compliance with Office of Management and Budget A-133, which applies to the county's major federal programs. All programs in this report received an unmodified opinion; therefore, no corrective actions were recommended by Brown Armstrong Accountancy Corporation. The audit samples included the following: Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), Highway Planning and Construction, Foster Care Title IV E, and the Medical Assistance Program.

Audits conducted of the following agencies and programs resulted in unmodified opinions and to financial statements and internal controls:

- Health Services Agency.
- Inmate Welfare.
- Regional 911.
- Insurance Fraud Program
- North County Corridor Transportation Expressway Authority.
- Stanislaus Animal Services Agency.
- City County Capital Improvement and Financing Agency.
- Tobacco Endowment Investment Fund.
- Public Guardian Agreed Upon Procedures
- Treasury Oversight.*
 - Unmodified Opinion for Report on Internal Control over Financial Reporting
 - *There was one finding on the Treasury's compliance regarding its Investment Policy. The Treasury was back in compliance within 74 days.

METHODOLOGY

Members of the SCCGJ 2018-2019 attended the Entrance Audit Conference on August 6, 2018, and the Exit Audit Conference along with county department heads on March 19, 2019.

Representatives of Brown Armstrong Accountancy Corporation provided copies of the Agenda and supporting documents for the Audit Entrance and Exit meeting to the SCCGJ

members in attendance. SCCGJ used data from the supporting documents in its audit investigation.

FINDINGS

F1. The audit affirmed that the Auditor-Controller is accurately reporting the financial condition of the county.

F2. The audit disclosed that established financial controls are working effectively.

F3. The exit interview disclosed that the Auditor-Controller consistently reviews internal controls to insure they continue to be effective.

F4. The auditor-controller responded appropriately to all questions posed.

COMMENDATIONS

C1. The SCCGJ commends the Auditor-Controller management team for their competent financial management.

INVITED RESPONSES

Stanislaus County Auditor-Controller

Stanislaus County Board of Supervisors

APPENDIX

NEW ACCOUNTING PRONOUNCEMENTS - *Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits other than Pension Plans*