

Humboldt County Audit Committee

Committee Members: Virginia Bass, Board of Supervisors, Chair Mike Wilson, Board of Supervisors, Vice-Chair Corey Weber, Representative of Schools Cheryl Dillingham, Public Member Mychal Evenson, Public Member	County Advisory Staff: Elishia Hayes, County Administrative Officer Karen Paz Dominguez, Auditor-Controller John Bartholomew, Treasurer-Tax Collector
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**Minutes**

September 23, 2021

10:30 a.m. to 12:00 p.m.

**SPECIAL MEETING – VIRTUAL**

A. Call to Order – **the meeting was called to order at 10:35 a.m.**

B. Roll Call

**Members Present:** Supervisor Virginia Bass, Supervisor Mike Wilson, Cheryl Dillingham, Mychal Evenson, Corey Weber

**Advisory Staff Present:** CAO Elishia Hayes, Treasurer Tax Collector John Bartholomew, and Auditor Controller Karen Paz Dominguez

C. Approval of July 22, 2021 Audit Committee Minutes – **the minutes of the July 22, 2021 Audit Committee meeting were approved as submitted.**

D. Public Comment – **There was no public comment**

E. Administrative Matters

1. Update on the 19-20 Single Audit – **CAO Elishia Hayes updated the committee and noted that the county received notification from CliftonLarsonAllen (CLA) that they are withdrawing from completion of the audit to allow the organization to prioritize its efforts on current year accounting matters and until such time that the county can provide all of the requested audit documentation prior to December 31, 2021, which would allow field work to begin in February, 2022.**

**Rich Gonzales from CliftonLarsonAllen (CLA) also updated the committee on the status of CLA as it relates to the 19/20 audit.**

**Auditor Controller Karen Paz Dominguez updated the committee on the status of the AC's office in terms of providing the requested audit documentation needed for completion of the 19-20 Single Audit.**

2. Update on the 20-21 Year-End-Closing – Auditor Controller Karen Paz Dominguez updated the committee on the work her office is doing with MGO in developing a cash bank reconciliation for the county.

**Questions/Comments:**

- Treasurer Tax Collector John Bartholomew noted that he needs feedback on interest apportionment and requested that things be closed sequentially
  - Trevis Green, DHHS – discussed a letter of concern submitted to the Audit Committee and issues with delays in getting journal entries completed (there are over 300 still outstanding)
  - Corey Weber asked a question of Scott Johnson related to the Humboldt County office of Education (HCOE) and schools related to work MGO is doing on the 19/20 or 20/21 audit. Mr. Johnson recommended meeting offline to discuss or answer questions.
  - Cheryl Dillingham – noted that funds transactions/entries posted to FY 19/20 after the year has been closed will require adjustments.
  - Mychal Evenson questioned whether the 12/31/21 date is a realistic date to have all of the required audit documentation completed and Mr. Johnson responded that he believes it is an achievable goal.
  - Rich Gonzales expressed concern about the 12/31/21 date and whether this is an achievable goal.
  - CAO Hayes questioned when MGO would be done with their work. Scott Johnson stated he would check in with his team and provide an update to when the work will be complete.
3. Update on the Payroll Transition to the Auditor Controller’s Office – **in the absence of Auditor Controller Karen Paz Dominguez, Scott Johnson from MGO updated the committee on the payroll transition from Human Resources to the Auditor Controller’s office, noting that there have been impacts to the process resulting from lack of staff in the Human Resources and Auditor Controller’s office.**

**Questions/Comments:**

- Mychal Evenson asked if MGO works with HR and AC Staff to identify skill gaps.....Mr. Johnson responded .....yes
- Cheryl Dillingham declined to comment as she has had minimal involvement in the payroll transition process which doesn’t allow her to comment on the process.
- Connie Beck, DHHS Director stressed the importance of communication and noted that non responsiveness to emails is problematic for her department and staff.....it is causing a high level of anxiety...tracking emails and not responding to them is not appropriate.

**Scott Johnson (MGO) responded and indicated that they are working on a more transparent communication plan to address this issue. He also reported that the payroll transition process is being handled in three phases: 1) transition/stabilization, 2) communication and interaction with staff involved in the process, 3) long-term evaluation of Franchise Enterprise to finalize Payroll/HR process.**

- **CAO Elishia Hayes reported that an email is being set up for the public to comment and communicate with the Audit Committee.**
- **Treasurer Tax Collector John Bartholomew discussed the art of communication and how critical communication is to working together successfully.**

**F. Adjourn – the meeting was adjourned at 12:00 noon.**