



# Shasta County

## BOARD OF SUPERVISORS

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June 27, 2017

The Honorable Gary Gibson  
Presiding Judge, Shasta County Superior Court  
1500 Court St., Rm. 205  
Redding, CA 96001

Dear Judge Gibson:

**Re: Response of Board of Supervisors to Fiscal Year 2016-2017 Grand Jury Report:  
Shasta County Joint Audit Committee**

The Shasta County Board of Supervisors appreciates the time and dedication which the 2016-2017 Grand Jurors contributed to their charge. The following findings and recommendations are under serious consideration and discussions are being held regarding solutions to any unresolved problems.

### RESPONSES AND FINDINGS

#### **A. Shasta County Joint Audit Committee**

##### FINDINGS

The Grand Jury findings:

**F1.** *The Joint Audit Committee was not properly dissolved and therefore is still an existing committee.*

**Response:** The Board of Supervisors disagrees wholly with the finding. There is no existing Joint Audit Committee. The Joint Audit Committee's purposes were tied to the existence of a contract among the Grand Jury, the Board of Supervisors, and the outside auditor to employ an auditor for the purpose of conducting a joint audit for the County and the Grand Jury. The Board of Supervisors authorized execution on June 9, 2015, of the current contract with the outside auditor thus abolishing the Joint Audit Committee. The current contract no longer provides for a joint contract with the Grand Jury to perform a joint audit. The current contract complies with applicable law.

**F2.            *Without the opportunity to participate in Joint Audit Committee meetings, the Grand Jury loses an important tool in fulfilling its oversight role of the County's financial process pursuant to California Penal Code Section 925.***

**Response:**    The Board of Supervisors disagrees wholly with the finding. A committee meeting is not required in order to review County finances. Staff of the Auditor-Controller's office are available, during normal business hours to meet with members of the Grand Jury to provide and explain County financial information. In addition, although not required by law, the County has contracted for up to 30 hours of time annually with the independent outside auditor to be used at the Grand Jury's discretion.

**F3.            *Without the Joint Audit Committee, the Board of Supervisors and other County officials lose an opportunity to further participate in the audit process.***

**Response:**    The Board of Supervisors disagrees wholly with the finding. The Board of Supervisors and other County officials do not participate in the audit process; therefore, no opportunity is lost. The Shasta County Auditor-Controller is an independent elected official, so other government officials cannot influence the way the County's financial position is presented. The audit process for the County's Comprehensive Annual Financial Report or CAFR is completed solely by the independent outside contracted auditor. The Auditor-Controller is charged with creating the County's annual financial statements and the outside auditor reviews them and offers an opinion as a certified public accountant as to whether or not they accurately reflect the County's financial position and comply with generally accepted accounting principles.

**F4.            *The involvement of the Grand Jury members on the Joint Audit Committee provides greater accountability and transparency to the public regarding the County's annual external audit process.***

**Response:**    The Board of Supervisors disagrees partially with the finding. Involvement of Grand Jury members on the Joint Audit Committee consisted of one-hour meetings twice per year and did provide some transparency. However, there is a much greater opportunity to assure accountability and transparency by meeting with the Auditor-Controller's staff and by taking advantage of the contracted time provided for meeting with the outside auditor.

The Honorable Gary Gibson  
Shasta County Superior Court  
June 27, 2017  
Page 3

## **RECOMMENDATIONS**

The Grand Jury recommends:

**R1.**        *By June 25, 2017, the Shasta County Board of Supervisors direct the Chairperson to hold a Joint Audit Committee meeting with the 2016/17 Grand Jury to discuss the committee's ongoing purpose.*

**Response:**    The recommendation will not be implemented because it is not warranted. The Joint Audit Committee has been dissolved and at this time there lacks a purpose to re-establish or schedule future meetings.

**R2.**        *By July 31, 2017, the Shasta County Board of Supervisors direct the Chairperson to schedule a Joint Audit Committee meetings with the 2017/18 Shasta County Grand Jury Foreperson.*

**Response:**    The recommendation will not be implemented because it is not warranted. The 2017/18 Grand Jury has not been selected or sworn. Once the 2017/18 Grand Jury is selected, the Foreperson may meet with the Auditor-Controller or independent auditor regarding the County's finances.

This concludes the responses of the Shasta County Board of Supervisors to the FY 2016-2017 Grand Jury Report entitled "Shasta County Joint Audit Committee."

Sincerely,

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DAVID A. KEHOE, Chairman  
Board of Supervisors  
County of Shasta

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