

Internal Audit

S o n o m a C o u n t y

Follow-up Report Sonoma County Agricultural Preservation and Open Space District Reporting Process

Audit Report Date
April 7, 2014

Issue No.	Recommendation	Status
1	Management should undertake a comprehensive assessment of current and future financial reporting needs, especially with the new financial management system implementation.	Implemented

Audit No: 3305
Follow Up Report Date: February 29, 2016



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Sonoma County Agricultural Preservation and Open Space District Reporting Process
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Executive Summary

As part of our annual Audit Plan, we conducted a follow-up audit of the Sonoma County Agricultural Preservation and Open Space District's (the District) Report dated April 7, 2014. The audit report contained one recommendation which was accepted by management.

The objective of this follow-up audit is to determine the status of implementation of the audit recommendation.

The District has implemented a policy and system to isolate and report expenditures for the Initial Public Access, Operation and Maintenance (IPAOM) fund. This new policy and reporting satisfies the Board of Directors' need for information to fulfill their oversight responsibilities.

We consider our recommendation implemented. Further discussion is provided on page 3.

Background, Objective, Scope & Methodology

Background

The purpose of our Limited Review Internal Audit Report, dated April 7, 2014, was to determine if the District had an adequate policies and procedures in place to provide the Board reports they need to fulfill their oversight responsibilities. We also conducted procedures to determine if the District complied with its administrative and budget policy relating to operations and maintenance of expenditure reserves.

Objective, Scope and Methodology

The objective of this follow-up audit is to determine the status of implementation of the recommendation in the report dated April 7, 2014.

Our procedures were limited to reviewing actions taken by the District and documentation, as of February 29, 2016, to implement the recommendation from the audit report. To accomplish our audit objective, we reviewed updated policies and procedures related to the IPAOM fund and conducted interviews with the management of the District. We reviewed IPAOM accounting reports, financial statement notes, Agreed-Upon Procedures Audit report, Board of Director agendas, minutes, and a sample agenda summary for the transfer of property.

We conducted the follow-up audit in accordance with the *International Standards for the Professional Practice of Internal Auditing (Standards)*. These Standards require that we identify, analyze, evaluate, and document sufficient information and evidence to achieve audit objectives. We believe that the evidence obtained provides a reasonable basis for the conclusions contained in our follow-up report. The Standards require that we establish a follow-up process to monitor and ensure that management has effectively implemented actions or that senior management has accepted the risk of not taking actions. We conducted this audit from November 15 through February 29th.

Prior Recommendation & Status, Conclusion & Staff Acknowledgement

Prior Recommendation

Management should undertake a comprehensive assessment of current and future financial reporting needs, especially with the new financial management system implementation.

Status: Implemented.

The District assessed its financial reporting needs and determined that reporting by Expenditure and or Acquisition Plan categories was not needed. As directed by the Board of Directors, the District developed an accounting and reporting process for the IPAOM fund. The District includes an estimated running balance of the IPAOM fund in summary reports to the Board.

Starting in the fiscal year 2013-2014 the District began separately reporting eligible IPAOM transactions and including them in the footnotes of the District's basic financial statements. The District was audited by Maze & Associates, a Certified Public Accounting firm, who concluded that the District complied with the reporting requirements of Measure F and the District's policies.

Conclusion

We consider our audit recommendation fully implemented.

Staff Acknowledgement

We would like to thank Mary Dodge for her helpfulness and cooperation in conducting this Follow-Up Audit. If you have any further questions regarding this report, please contact Olga Gray at (707) 565-8303.