

Mendocino County

Auditor -Controller Fiscal Operations
Findings, Recommendations,
& County Responses



WHY THIS REPORT?

RGS was contracted to assist the County with the FY 2023 Audit. In doing so, we ran across numerous issues regarding how some transactions were handled and recorded. RGS was asked to document the findings included in this report. This is not a thorough assessment of the Auditor-Controller's Office.





KEY FINDINGS

1. Lack of governmental accounting knowledge
2. Lack of documented operating procedures
3. Underutilization of the Munis ERP system
4. Inadequate recording of financial transactions





LACK OF GOVERNMENTAL ACCOUNTING KNOWLEDGE – RECOMMENDATIONS:



- Attend various governmental accounting classes (CSMFO/GFOA)



- Obtain GAAFR Blue Book (GFOA)
- Participate in GAAP & GASB updates



- Engage in continuous education programs



LACK OF GOVERNMENTAL ACCOUNTING KNOWLEDGE – COUNTY RESPONSE:



- ACO Agrees with recommendations

- Staff has attended the recommended classes



- Staff has obtained GAAFR Blue Book (GFOA)

- Staff has joined various training organizations



- Staff is now engaged in continuous education



LACK OF DOCUMENTED OPERATING PROCEDURES RECOMMENDATIONS:



- Develop an office procedures manual for transactions
- Organize by Annual, Quarterly, and Monthly transactions



- Obtain sample manuals from other counties



- Implement a standardized format for documentation



LACK OF DOCUMENTED OPERATING PROCEDURES COUNTY RESPONSE:



- ACO agrees with recommendations
- Staff identified 30 procedures to be updated



- 5 completed, 5 near completion
- County staff will be trained on new procedures
- Obtained sample manuals from other counties



- Will provide annual ongoing training



UNDERUTILIZATION OF MUNIS ERP SYSTEM RECOMMENDATIONS:



- Train staff on full utilization of Munis ERP system
- Attend Tyler Munis training & conferences



- Implement Tyler Hub for data reporting
- Improve system integration for financial processes





UNDERUTILIZATION OF MUNIS ERP SYSTEM COUNTY RESPONSE:



- ACO and Information Technology Division generally agree with findings

- Goal is to implement recommendations over several years



- Will require county-wide participation
- Continuing education is a factor for successful Munis utilization





INADEQUATE RECORDING OF FINANCIAL TRANSACTIONS – RECOMMENDATIONS:



- 20 Transactions/Findings:

- 8 accounting entries



- 5 Munis system processes

- 7 other operating procedures



- Chart of accounts revision is biggest change



INADEQUATE RECORDING OF FINANCIAL TRANSACTIONS – RESPONSES:



- 8 accounting entries – partially completed
- 5 Munis system processes – in process



- 7 other operating procedures – under review
- Chart of accounts change will take time



- Some system changes require resources not currently available



COUNTY RESPONSE & NEXT STEPS

- County staff is actively addressing recommendations
- Progress in procedural documentation & Munis training
- Long-term goal: Fully optimize Munis for efficiency
- Continuous monitoring & collaboration for improvements





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- Brett Miller – RGS CPA, CPFO
- Sara Pierce – Acting Auditor-Controller/Treasurer-Tax Collector
- Megan Hunter – Assistant Auditor-Controller
- Entire Auditor-Controller staff



Q&A
THANK YOU!

