CORRECTIVE ACTION PLAN (CAP)
CALIFORNIA STATE AUDITOR REPORT ON MENDOCINO COUNTY
REPORT 25-049

Section	Recommendation	Responsible Parties	Recommended Completion Date	6 Month Status	CAP
SECTION 1 - Mendocino's Financial Condition is Gradually Declining and Requires Corrective Action	1.1	Executive Office	June 2026	Fully Implemented	The Board of Supervisors adopted a revised policy on Reserve and Fund Balance (Policy 32) during the March 24, 2026 Board Meeting. The revised policy can be found on the County's website under Executive Office > Policy Manual > Policy 32 Reserve and Fund Balance. As the County closes fiscal year 2025/26 the remaining unrestricted fund balance will automatically be allocated to the new Rainy Day Emergency Reserve and the Infrastructure and Systems Reserve.
	1.2	Assessor-Clerk Recorder	March 2026		Look to Elected Official for update
	1.3	Auditor-Controller/ Treasurer-Tax Collector	October 2026		Look to Elected Official for update
	1.4	Assessor-Clerk Recorder	June 2026		Look to Elected Official for update
	1.5	Board of Supervisors	March 2026	Not Fully Implemented	The Board of Supervisors is discussing brining forward a special sales tax on the November ballot, specific to the unincorporated areas, with the tax revenue dedicated to roads. The initial discussion was a one cent sales tax which would potentially generate $5.5M. Additionally, the Board of Supervisors through the CEO's office approved contracting with Ben Rosenfield to produce a Financial Road Map which outlined clear, actionable steps to improve the County's financial management while addressing problems highlighted in recent audits. This includes a timeline to improve revenue collection and reduce resident impacts for clearing the backlog of property tax assessments (roughly 5,000 assessments), stabilizing staffing in the Assessor's Office, and complete projects needed to improve longer-term office procedural efficiency. While a timeline outlining steps the Board will take to address the stagnant revenue and increasing expenditures, has been established, the special sales tax measure will not be brought forward to the Board until July and potentially voted on in November.
SECTION 2 - The County's Procurement and Financial Reporting Process Leave it Vulnerable to Waste, Fraud, and Abuse of Public Funds	2.1	State Legislature	No date recommended		
	2.2	Executive Office	June 2026	Not Fully Implemented	The Board of Supervisors amended Policy 1 (Purchasing, Leasing, and Contracting Policy) on December 16, 2025. The Executive Office has completed a procedural guide to work in conjunction with Policy 1 which includes clearer requirements for documentation. Staff involved in purchasing are in the process of being trained. The Executive Office will begin working on Policy 18 (Travel and Meal Policy) with the goal of having an amended policy by December 31, 2026. The Executive Office will reach out to the Auditor's Office to collaborate on updating the policy. There has been many staffing changes in both the Executive Office and Auditor Controller's office, which has pushed the completion date back.
	2.3	Executive Office	June 2026	Not Fully Implemented	Working with County Counsel on recommendations.
	2.4	Executive Office	June 2026	Not Fully Implemented	The Board of Supervisors amended Policy 1 (Purchasing, Leasing, and Contracting Policy) on December 16, 2025 which addressed additional components of the Department of General Services' checklist. The Executive Office will work with County Counsel to continue reviewing Policy 1 to incorporate additional components of the DGS' checklist as may be applicable, with the goal of having a subsequent amended policy by December 31, 2026.
SECTION 2 - The County's Procurement and Financial Reporting Process Leave it Vulnerable to Waste, Fraud, and Abuse of Public Funds	2.5	Executive Office	June 2026	Fully Implemented	As noted in the 60 day response the Executive Office has created a Procedural Guide to accompany Policy 1. The Procedural Guide has been distributed to departments during mandated trainings. The Procedural Guide is also available on our internal share site. The Procedural Guide includes a sole-source justification expectation definition. Additionally our contracting system requires fields to be completed if the department is utilizing the sole-source justification. The use of sole-source as a exception to competitive bidding can also be tracked and reported on. The Executive Office is unclear what the State means by, "Create a single expectations document." The Executive Office will work with the State to understand the request.
	2.6	Executive Office	March 2026	Not Fully Implemented	In the 60 Day response, the Executive Office noted this recommendation was fully implemented. After speaking with the State, it was clear the Executive Office and State had different understandings of what "take action to address" means. The Executive Office now understands the State would like for the Executive Office to report back the Board of Supervisors before considering this fully implemented. The Executive Office will bring back a report of on-going contracts during September, and will report out annually thereafter.
	2.7	Auditor-Controller/ Treasurer-Tax Collector	March 2026		Look to Elected Official for update

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SECTION 2 - The County's Procurement and Financial Reporting Process Leave it Vulnerable to Waste, Fraud, and Abuse of Public Funds	2.8	Executive Office & Auditor-Controller/ Treasurer-Tax Collector	September 2026	Not Fully Implemented	The Board of Supervisors through the CEO's office approved contracting with Ben Rosenfield to produce a Financial Road Map which outlined clear, actionable steps to improve the County's financial management while addressing problems highlighted in recent audits. This includes reimplementing the financial system so functionality can be maximized. The Financial Road map was approved by the Board on 6/2/26. Steps taken so far include: -The ACO, CEO's Office, and Information Services, and consultant Ben Rosenfield established a steering committee to oversee Munis ERP reimplementation efforts. -The Board of Supervisors approved funding to support the initiative. -The steering committee will meets monthly to monitor progress and evaluate interim system improvements. -Site visits with Napa and Marin Counties are planned to review Munis best practices. -Tyler Technologies will be asked to demonstrate current software capabilities. -Interim enhancements under evaluation include automated journal workflows, bank reconciliations, interdepartmental billing, project and grant management, stale check processing, and CIP tracking. -Automated journal workflows are targeted for implementation in July 2026. -Monthly coordination meetings between the ACO and CEO's Office continue to support implementation planning and operational improvements.
	2.9	Executive Office & Auditor-Controller/ Treasurer-Tax Collector	June 2026	Not Fully Implemented	The ACO and CEO's Office continue to meet monthly to coordinate communication expectations and monitor progress. Department liaison contacts have been identified and are notified when information requests remain outstanding after follow-up attempts. The ACO distributed fiscal deadlines and reporting expectations to department heads and fiscal staff. Departments have improved the timeliness of accounts payable submissions and journal entries. The CEO's Office has supported efforts to obtain timely responses and reinforce compliance with established timelines. The ACO will host its second annual fiscal year-end training on June 24 and 25, 2026, for fiscal staff, management, and department heads. Individual follow-up meetings will be available to address department-specific questions and provide additional guidance.
	2.10	Auditor-Controller/ Treasurer-Tax Collector	June 2026		Look to Elected Official for update
SECTION 3 - A Vendor Mistake and a Weak County Process Caused Ballot Errors in the 2024 Primary Election	3.1	Registrar of Voters	As soon as possible		Look to Elected Official for update
	3.2	Registrar of Voters	Before next county election		Look to Elected Official for update
	3.3	Registrar of Voters	June 2026		Look to Elected Official for update