

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

The Board of Supervisors and the Grand Jury
County of Plumas
Quincy, California

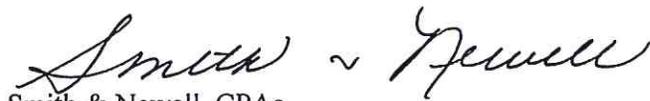
In planning and performing our audit of the financial statements of the County of Plumas, (County) as of and for the year ended June 30, 2015, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

During our audit we noted certain matters involving internal control and other operational matters that are presented for your consideration. These comments and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve internal control or result in other operating efficiencies and are described in the attached appendix.

Our audit procedures are designed primarily to enable us to form an opinion on the financial statements, and therefore may not bring to light all weaknesses in policies or procedures that may exist. It is our intention to use our knowledge of the County gained during our work to make comments and suggestions that will be useful to you.

We would be pleased to discuss these comments and recommendations with you at any time.

This communication is intended solely for the information and use of management, the Board of Supervisors and others with the County and is not intended to be and should not be used by anyone other than these specified parties.


Smith & Newell, CPAs
Yuba City, California
March 24, 2016

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COUNTY OF PLUMAS
Appendix A: Management Letter Comments
For the Year Ended June 30, 2015

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

Risk Management - Landfill

Condition

During our audit we noted the County did not have insurance coverage for the landfill. This is a repeat of a prior year finding.

Cause

The County did not have adequate insurance coverage.

Criteria

Insurance coverage should be maintained in order to minimize the risk of loss.

Effect of Condition

The County is exposed to increased loss without insurance coverage of the landfill.

Recommendation

We recommend that the County maintain insurance coverage for the landfill to minimize the risk of loss.

Corrective Action Plan

Plumas County Risk Management continues to work with the Solid Waste department in determining the need for and benefits of obtaining landfill pollution insurance.

Reconciliation of Monies Held in Evidence Trust

Condition

At the time of our fieldwork we noted that approximately \$10,756 held in the evidence trust had been held for more than ten years.

Cause

Old deposits had not been reviewed to determine whether they should be transferred or refunded.

Criteria

Good internal control requires that all deposits be reviewed periodically to determine if they should be refunded or forfeited.

Effect of Condition

Monies have been held in trust for over ten years and may need to be forfeited or refunded.

COUNTY OF PLUMAS
Appendix A: Management Letter Comments
For the Year Ended June 30, 2015

CURRENT YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)

Reconciliation of Monies Held in Evidence Trust (Continued)

Recommendation

We recommend that all monies held in trust be reviewed periodically to determine if they should be forfeited or refunded.

Corrective Action Plan

The evidence trust fund is constantly under review. We are currently addressing the issues regarding these held monies to reach an ultimate determination as to where the funds need to be placed. A portion of the funds are to be forfeited as per asset forfeiture guidelines and that will be handled as soon as possible. The unclaimed funds that need to be disbursed will be reviewed and confirmed by County Counsel as to complete the disbursements in a timely and legal manner.

Budget

Condition

We noted that for the year ended June 30, 2015, the County did not adopt a budget for the Local Revenue 2011 fund. This fund had revenue but did not have any expenditures for the year ended June 30, 2015. This is a repeat of a prior year finding.

Cause

The County did not adopt a budget for one major special revenue fund.

Criteria

Generally accepted accounting principles require that all special revenue funds have a legally adopted budget.

Effect of Condition

One major special revenue fund did not have a legally adopted budget.

Recommendation

We recommend that all special revenue funds have legally adopted budgets.

Corrective Action Plan

For Fiscal Year 14-15 and prior, Local Revenue fund revenue and expenditure budgets were included in the budgets of those departments that ultimately received the monies and made the expenditures. The Local Revenue fund itself was used as a pass-through fund where deposits were recorded and then passed on to departments.

COUNTY OF PLUMAS
Appendix A: Management Letter Comments
For the Year Ended June 30, 2015

CURRENT YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)

Budget (Continued)

Corrective Action Plan

Starting in Fiscal Year 15-16, the accounting procedures have been changed so that revenues are budgeted in the Local Revenue fund and transfers to the departments from the Local Revenue fund are budgeted as transfers out. The departments budget monies coming from the Local Revenue fund as transfers in, and also include the expenditures of the realignment funds in the department budget.

COUNTY OF PLUMAS
Appendix A: Management Letter Comments
For the Year Ended June 30, 2015

STATUS OF PRIOR YEAR RECOMMENDATIONS

Lack of Timely Processing

Prior Year Recommendation

We recommend that procedures be modified to ensure that invoices are submitted by the County departments to the Auditor for processing and payment in a timely manner.

Status

Implemented

Risk Management- Landfill

Prior Year Recommendation

We recommend that the County maintain insurance coverage for the landfill to minimize the risk of loss.

Status

Not Implemented

Reconciliation of Monies Held in Evidence Trust

Prior Year Recommendation

We recommend that all monies held in trust be reviewed periodically to determine if they should be forfeited or refunded.

Status

Not Implemented

Budget

Prior Year Recommendation

We recommend that all special revenue funds have legally adopted budgets.

Status

Not Implemented