

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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

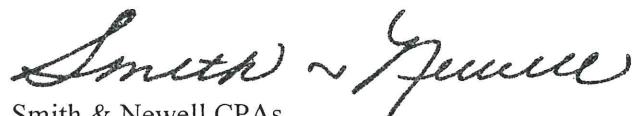
In planning and performing our audit of the financial statements of the County of Plumas, (County) as of and for the year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government 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 23, 2019

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COUNTY OF PLUMAS
Appendix A: Management Letter Comments
For the Year Ended June 30, 2018

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

Risk Management - Landfill

Condition

During our audit we noted the County did not have insurance coverage on the landfill for all liability. 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.

Reconciliation of Monies Held in Evidence Trust

Condition

At the time of our fieldwork we noted that approximately \$17,000 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.

Recommendation

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

COUNTY OF PLUMAS
Appendix A: Management Letter Comments
For the Year Ended June 30, 2018

CURRENT YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)

Welfare Trust

Condition

At the time of our audit, we noted \$111,928 held in the Welfare Trust fund from EBT overpayments.

Cause

Funds from EBT overpayments were recorded in the Welfare Trust fund rather than the Welfare operating fund.

Criteria

County assets, including cash, are to be properly recorded and reported in the funds.

Effect of Condition

Cash in the Welfare Trust fund is overstated and cash in the Welfare operating fund is understated.

Recommendation

We recommend that these funds be reviewed and reclassified to the appropriate fund.

COUNTY OF PLUMAS
Appendix B: Status of Prior Year Findings and Recommendations
For the Year Ended June 30, 2018

STATUS OF PRIOR YEAR RECOMMENDATIONS

Risk Management- Landfill

Prior Year Recommendation

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

Status

Partially 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

Reconciliation of Monies Held in the Public Guardian Trust

Prior Year Recommendation

We recommend that the cash ledger at the department be reconciled to the cash in the County treasury and that all differences be resolved.

Status

Implemented

Museum - Cash Shortage

Prior Year Recommendation

We recommend that the Museum implement cash handling procedures that ensure that receipts are issued for actual amounts collected.

Status

Implemented

COUNTY OF PLUMAS
Appendix B: Status of Prior Year Findings and Recommendations
For the Year Ended June 30, 2018

STATUS OF PRIOR YEAR RECOMMENDATIONS (CONTINUED)

Fairgrounds - Restrictive Endorsement Stamp/Imprest Cash

Prior Year Recommendation

We recommend that the Fairground obtain and use a restrictive endorsement stamp and resolve imprest cash.

Status

Implemented

Animal Control - Issuing Non-Official Receipts

Prior Year Recommendation

We recommend that the Animal Control Shelter only issue official County receipts for collections.

Status

Implemented

Sheriff Inmate Account

Prior Year Recommendation

We recommend that all bank accounts be reconciled and all adjustments be recorded in a timely manner.

Status

Implemented

Welfare Trust

Prior Year Recommendation

We recommend that these funds be reviewed and reclassified to the appropriate fund.

Status

Not Implemented

COUNTY OF PLUMAS
Appendix C: Management's Corrective Action Plan
For the Fiscal Year Ended June 30, 2018

Risk Management - Landfill

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

Responsible Individual: Director of Solid Waste

Corrective Action Plan: Plumas County is covered under the CSAC-EIA pollution program that covers various forms of pollution incidents. For landfills, the coverage is for third parties injuries, and limited to the properties that are listed on the policy. Remedial or corrective action costs for landfill pollution are not covered at this time. Risk Management will continue to evaluate the County's options for minimizing the risk of loss caused by landfill contamination.

Anticipated Completion Date: June 30, 2019

Reconciliation of Monies Held in Evidence Trust

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

Responsible Individual: Sheriff's Office Staff

Corrective Action Plan: The Auditor-Controller will discuss with the Sheriff's office and establish review procedures.

Anticipated Completion Date: June 30, 2019

Welfare Trust

We recommend that these funds be reviewed and reclassified to the appropriate fund.

Responsible Individual: Director of Social Services

Corrective Action Plan: The Department of Social Services determined that this fund was no longer necessary and closed the Welfare Trust in January 2018.

Anticipated Completion Date: Completed January 2018

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