

**INDEPENDENT AUDITOR'S MANAGEMENT LETTER**

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

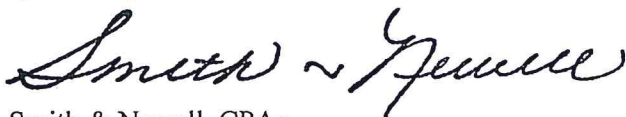
In planning and performing our audit of the financial statements of the County of Plumas, (County) as of and for the year ended June 30, 2016, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government 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  
April 18, 2017

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**COUNTY OF PLUMAS**  
**Appendix A: Management Letter Comments**  
**For the Year Ended June 30, 2016**

**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.

**Reconciliation of Monies Held in Evidence Trust**

**Condition**

At the time of our fieldwork we noted that approximately \$16,329 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, 2016**

**CURRENT YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)**

**Reconciliation of Monies Held in the Public Guardian Trust**

**Condition**

At the time of our fieldwork we noted that there were 14 cases of the 21 cases that were being managed in which the cash balance in the County treasury was different from the detail ledger maintained at the department.

**Cause**

The department was not reconciling the cash account at the County treasury to the cash ledger kept at the department.

**Criteria**

Good internal control over the cash held for conservatees requires that the cash ledger at the department be reconciled to the cash in the County treasury.

**Effect of Condition**

There were differences in the cash held for the conservatees cash ledger and the cash balance held in the County treasury.

**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.

**COUNTY OF PLUMAS**  
**Appendix B: Status of Prior Year Findings and Recommendations**  
**For the Year Ended June 30, 2016**

**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**

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**

Implemented

**COUNTY OF PLUMAS**  
**Appendix C: Management's Corrective Action Plan**  
**For the Fiscal Year Ended June 30, 2016**

**Risk Management - Landfill**

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

Responsible Individual: Auditor/Controller/Risk Manager - Roberta Allen and Public Works Director - Bob Perreault

Corrective Action Plan: The County has insurance coverage for the Landfills, but does not have a policy that covers pollution. The Risk Manager is working on obtaining a quote for the pollution coverage and will attempt to include such coverage in the budget for 2017/18.

Anticipated Completion Date: September 30, 2017 (with adoption of final budget for 2017/18)

**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: Auditor/Controller/Risk Manager - Roberta Allen and Sheriff - Greg Hagwood

Corrective Action Plan: The Auditor/Controller will work with the Sheriff's Department to see that the monies in the trust are reviewed and the appropriate action is taken.

Anticipated Completion Date: July 31, 2017 (with reconciliation of Trust balances for FY 2016/17)

**Reconciliation of Monies Held in the Public Guardian Trust**

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

Responsible Individual: Auditor/Controller/Risk Manager - Roberta Allen and Social Services Director - Elliot Smart

Corrective Action Plan: Staff of the Auditor/Controller's Department has been working with the Social Services Department staff to reconcile the Public Guardian records with the balances in the County General Ledger System.

Anticipated Completion Date: July 31, 2017 (with reconciliation of Trust balances for FY 2016/17)