



## Agenda Submittal

**Agenda #:** 6 **Status:** Consent Calendar  
**Type:** Report **Department:** Auditor-Controller  
**File #:** 19-589 **Contact:** Phyllis Taynton, 784-6288  
**Agenda date:** 8/6/2019 **Final action:** 8/6/2019  
**Title:** Accept the Auditor-Controller's Internal Control Review of the Collections Process of the Public Facilities Fees

**Governing body:** Board of Supervisors

**District:** All

**Attachments:** 1. A - Audit Report, 2. B - Memoranda to Cities, 3. Minute Order

Date	Ver.	Action By	Action	Result
8/6/2019	1	Board of Supervisors		

Published Notice Required? Yes ☐ No ☒

Public Hearing Required? Yes ☐ No ☒

### **DEPARTMENTAL RECOMMENDATION:**

The Auditor-Controller's Office (ACO) recommends the Board of Supervisors accept the Internal Audit Division's Internal Control Review of the Collections Process of the Public Facilities Fees.

### **SUMMARY AND DISCUSSION:**

Pursuant to the Internal Audit Division's (IAD) Fiscal Year 2018/19 Audit Plan, the IAD performed an Internal Control Review of the Collections Process of the Public Facilities Fees (PFF). The ACO conducted this review in conformance with the International Standards for the Professional Practice of Internal Auditing.

The objectives of the review were to verify the fees remitted to Solano County for Fiscal Years 2016/2017 and 2017/2018 were in conformance with the approved fee schedule, to determine whether the agencies complied with the applicable agreements concerning collecting and remitting PFF, and to determine whether remittances are accounted for in accordance with applicable laws, regulations, and/or agreements.

The scope of the review was limited to internal controls and processes in place related to the assessment, collection, and remittance of PFF to Solano County. The review included selecting five of eight agencies (Dixon, Fairfield, Rio Vista, Vacaville and Vallejo), interviewing staff, observing processes and reviewing controls of the building permit issuance process; reviewing appropriate supporting documentation; and validating agencies' compliance with County Code for remittance of quarterly collections.

Based upon IAD's review, the processes and internal controls related to the assessment, collection, and remittance of PFF to Solano County appear adequate and in compliance with applicable laws, regulations, and agreements. However, the IAD's review identified one agency used the incorrect square footage to assess County public facilities fees for non-residential buildings. The agency's response is included.

Attachment A provides the report. Attachment B provides the memos issued to each agency.

The ACO wishes to thank the management and staff of each agency for their cooperation and assistance extended to us during the completion of this review.

**FINANCIAL IMPACT:**

The costs associated with preparing the agenda item are nominal and absorbed by the department's FY2018/19 Adopted Budget.

**ALTERNATIVES:**

The Board of Supervisors could elect not to accept the report. This alternative is not consistent with sound public policy and is therefore not recommended.

**OTHER AGENCY INVOLVEMENT:**

The County Administrator's Office has reviewed the report.

The Cities of Dixon, Fairfield, Rio Vista, Vacaville, and Vallejo and the County Treasurer have reviewed and accepted the individual agency reports.

**CAO RECOMMENDATION:**

APPROVE DEPARTMENTAL RECOMMENDATION