Legislation Text

File #: 26-785, **Version:** 1

Accept the Vacaville Fire Protection District Internal Control Review of Payroll and Fixed Assets

Published Notice Required? Yes ____ No _X_
Public Hearing Required? Yes ____ No _X_

DEPARTMENTAL RECOMMENDATION:

The Auditor-Controller's Office (ACO) recommends the Board of Supervisors accept the Vacaville Fire Protection District Internal Control Review of Payroll and Fixed Assets.

SUMMARY:

At the request of the District Administrator, the Auditor-Controller Internal Audit Division reviewed the Vacaville Fire Protection District's (VFPD) internal controls over payroll and fixed assets. The review was conducted in conformance with the Global Internal Audit Standards as developed by the Institute of Internal Auditors.

The objectives of the review were to confirm:

(1) Internal controls over payroll and fixed assets are consistent with generally accepted internal control frameworks.
(2) Payroll procedures were applied consistently.
(3) Fixed asset procedures were applied consistently.

The ACO review covered the period July 1, 2023, to June 30, 2025. The VFPD did not have internal controls over payroll and fixed assets that were consistent with generally accepted internal control frameworks.

FINANCIAL IMPACT:

The acceptance of the report has no financial impact.

DISCUSSION:

VFPD management was unable to locate documents that were expected to be available. Auditor-Controller's Office was unable to determine if the missing support was never created, misplaced, or destroyed.

According to generally acceptable internal control frameworks, the control environment is the foundation of a strong internal control system. The control environment includes organizational structure and establishes oversight responsibilities, accountability, and ethical values. Auditor-Controller's Office was unable to obtain a charter or bylaws for VFPD. These documents should define the organizational structure and the responsibilities of the Board and VFPD management. Without such a document it is unclear which decisions are the responsibility of the Board, and which are delegated to management.

VFPD management could not provide documented policies or procedures related to payroll or fixed assets. VFPD stated that it follows Solano County policy; however, upon further discussion, the County policies were used as general guidance rather than strictly adopted as VFPD policy.

The Auditor-Controller's Office recommends that VFPD develop and document policies and procedures, including an administrative manual and charter or by-laws, in alignment with generally accepted internal control frameworks that:

(1) Establishes the organizational structure and formalizes authority for decision making.
(2) Contains detailed payroll policies and procedures.
(3) Defines fixed assets and implements appropriate purchasing limits and procedures for the purchase, maintenance, and disposal of assets.
(4) Includes a conflict-of-interest policy.

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 VFPD, its Interim Chief and the District Administrator have reviewed and accepted the report.

CAO RECOMMENDATION:

APPROVE DEPARTMENTAL RECOMMENDATION