

**County of Solano
Office of the Auditor-Controller**



Countywide Masterlist Process

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**Auditor-Controller: Janine Harris, CPA
Deputy Auditor-Controller: Matthew Fong, CIA
Auditor: Monika E. Hanson**

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INTRODUCTION

In accordance with the Internal Audit Division (IAD) Fiscal Year 2024/25 Audit Plan, we initiated the review of the Solano County Masterlist Process. We conducted our review in accordance with *Global Internal Audit Standards* as developed by the Institute of Internal Auditors (IIA).

OBJECTIVE

We conducted an internal control review of Solano County's Masterlist process to confirm:

1. There are criteria to determine which contracts may be included in the Masterlist submissions to the Board of Supervisors (Board).
2. Contracts included in the Masterlist process receive adequate review before submission to the Board.

BACKGROUND

The Solano County Masterlist process involves departments submitting a comprehensive listing of contracts for the Board's consideration. The department head or the County Administrator's Office shall submit recommendations, along with pertinent contract documents, to the Board for award of service contracts for \$75,000 or more including new, renewal or contract amendments. The Board's approval is required on:

- All contracts required by law to be approved by the Board.
- All contracts to perform services for the County, with or without the furnishing of material, when the aggregate cost \$75,000 or more.
- Contracts for rental/lease-purchase of equipment or computer software for a period exceeding five years.
- Joint powers or cooperative purchasing agreements.
- Consultant/Professional services contracts for greater than one year; and
- Change orders, alterations, renewals, or addenda to a Board approved contract unless specifically delegated to either the County Administrator or department head in the approval process.

We determined that the following 9 departments¹ utilize the Masterlist process to present multiple contracts to the Board:

1. Agricultural Sealer/Sealer of Weights and Measures
2. Department of Information Technology and Registrar of Voters
3. First 5 Solano
4. General Services (Master Service Agreements)
5. Health and Social Services, including Napa/Solano Area Agency on Aging
6. Probation
7. Resource Management
8. Sheriff's Office
9. Workforce Development Board

Each individual contract is reviewed at the department level, County Counsel, and the County Administrator's Office (CAO). The CAO Analysts have departmental oversight with respect to reviewing

¹ Including one Component Unit, Workforce Development Board (WDB). The WDB is a discretely presented component unit in the County's basic financial statements. (Solano County Annual Comprehensive Financial Report)

contracts. Additionally, Health and Social Services contracts are reviewed by their Compliance Bureau for handling of Personally Identifiable Information (PII) and information covered by Health Insurance Portability and Accountability Act (HIPAA).

The agenda item includes a table with pertinent information such as contractor, brief description of services, contract type (revenue or expense), contract term, requested action, current contract maximum, action amount, new contract maximum, upcoming fiscal year cost, general fund cost, and other revenue sources. Some Masterlist agenda items also include contracts that have significant cost and/or changes in services and include a paragraph on each of these contracts in the agenda item.

Exhibit 1. Sample Masterlist to the Board of Supervisors

Line #	Contract Number	Contractor	Description	Division	FY 2025/26 Contract Amount	End Date	County General Fund %

SCOPE AND METHODOLOGY

To address the stated audit objectives, the review included an assessment of the County’s Masterlist process, and interviews with County staff and management.

AUDIT RESULTS

We determined that:

- (1) The criteria for including a contract in a Masterlist is based on timing. Once per year participating departments present a Masterlist to the Board for approval as one Board agenda item rather than presenting each contract as an individual Board item.
- (2) Contracts included in the Masterlist process receive adequate review before submission to the Board.

MANAGEMENT RESPONSE

The Masterlist process is designed to reduce the administrative burden associated with approving multiple contracts while maintaining appropriate levels of review and oversight. We appreciate the audit’s finding that contracts included in the Departmental Masterlists receive adequate review. The County will continue to utilize the Masterlist process where appropriate to promote efficiency while ensuring compliance with established review standards.