



## DEPARTMENT OF FINANCE

Mark J. Walsh, CPA  
Director of Finance

Board of Supervisors  
Civic Center  
County of Marin  
San Rafael, CA 94903

September 14, 2010

**SUBJECT:** Accept the County of Marin's Audited Annual Financial Report and Single Audit Report for the Fiscal Year ended June 30, 2009.

**RECOMMENDATION:** The Director of Finance recommends the Board of Supervisors accept the County of Marin's Annual Financial Report and Single Audit Reports for the fiscal year ended June 30, 2009.

**DISCUSSION:** The County of Marin's Annual Financial Report and Single Audit Report are presented for Board of Supervisors acceptance, in accordance with the California Government Code and federal program requirements. The Department of Finance prepared the annual reports in conformance with generally accepted accounting principles, (GAAP). The annual report was audited by the independent CPA firm, Gallina, LLP, and received an unqualified, "clean," opinion.

The "Single Audit" report is presented to meet the requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement. "Single audits" provide efficient audit coverage when many federally funded programs are administered by one entity. The independent auditor's opinion on compliance with federal requirements applicable to major programs reports that the County complied, in all material respects, with the requirements of each of its major federal programs. However, the auditor did report other instances of noncompliance with program requirements, as required by OMB Circular A-133.

The independent auditor also presented a report to county management on the auditor's consideration of the internal control structure over financial reporting, and made related recommendations for strengthening the control structure, as required by generally accepted auditing standards.

**Timely Reporting Post SAP Implementation:** With the issuance of the June 30, 2009 annual financial report, the County of Marin is officially "caught up" in terms of timely filing of reports, with unqualified, "clean," opinions on all required financial statements.

Reports are normally issued every twelve months, but the fiscal year 2006-07 ERP implementation caused a twenty-two (22) month gap between annual reports, and put the County ten months behind. Significant recovery efforts lead by the reporting and reconciliation team in the Department of Finance enabled the County to close the reporting gap to nine (9) months for the 2008 report and seven (7) months for this 2009 report. The Department of Finance expects to exceed industry standards for timely filing by issuing the 2010 report five (5) months from issuance of the June 2009 report.

**Other Departments Involvement:** The preparation of financial reports required significant cooperative efforts from financial and technology professionals throughout the County. While all departments were helpful and cooperative, notable assistance was provided by the Department of Public Works, the County Treasurer's Office, the County Administrators Office, Information Systems and Technology, and the County's retirement system, MCERA. We thank the departments and agencies for their efforts.

The unfavorable ERP implementation necessitated extra efforts to ensure data integrity and appropriate compilation, summarization and reporting of transactions. Special efforts were made by Gary Burroughs, Deputy Director of Finance, and by the reconciliation and reporting team of Carol Myers, Julie Viesca, Kai Sun, Al Kruse, Gary Schwartz, Phil Scott and Vladimir Matyurin. Margie Roberts, Audit Manager, and Tom Vasingird, Senior Auditor, provided expert assistance to federal auditors, and ensured a robust audit. Heather Burton, our MERIT Team's reporting expert, designed reports to corroborate information between SAP modules, and assisted DOF in the construct of control reports.

**FISCAL IMPACT:** None.

**RESULTS:** The County is in compliance with State and Federal reporting requirements and is qualified to receive federal funds. Annual audit reports are available to the public, and the County is now caught up with timely external financial reporting.

**ATTACHMENTS:** Exhibit A, and on file with the Clerk of the Board

To increase accessibility of information in an environmentally sensitive way, the Annual Financial Report is presented on the County of Marin's website:

<http://www.co.marin.ca.us/depts/AC/Main/Docs/09MarinFinState.pdf>

Sincerely,



Mark J. Walsh, CPA  
Director of Finance

cc: Matthew Hymel, County Administrator  
Margie Roberts, Audit Manager, Department of Finance

MJW: rb  
Attach: Exhibit A