



Auditor-Controller's Office
COUNTY OF HUMBOLDT

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July 29, 2024

The County of Humboldt respectfully submits the following corrective action plan for the year ended June 30, 2022.

Audit period: July 1, 2021 – June 30, 2022

The findings from the schedule of findings and questioned costs are discussed below.

The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FINANCIAL STATEMENT AUDIT

2022-001 **Material Weakness:** Discretely Presented Component Unit, Fortuna Fire District

Recommendation: We recommend the County work closely with the District to 1) report on all component units that make up the District, and 2) convert the District's financial statements from the modified accrual basis of accounting to the full accrual basis of accounting since the County is required to report its government-wide statements using the economic resources measurement focus and the accrual basis of accounting.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The Auditor-Controller department will work with the Fortuna Fire District and their auditors to assist them with reporting all component units and converting to the full accrual basis of accounting.

Name(s) of the contact person(s) responsible for corrective action: Cheryl Dillingham, Auditor-Controller and Mychal Evenson, Deputy Auditor-Controller (707) 476-2452

2022-002 **Material Weakness:** Year-end Receivables

Recommendation: We recommend the County establish procedures to ensure subsequent receipts are reviewed for the correct recognition period. We further recommend the County work closely with its departments to ensure FEMA receivables and revenue are properly reported based on when eligible expenditures are formerly approved by FEMA.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: As part of the year end closing procedures Auditor-Controller staff will request that departments provide all their accounts receivable amounts along with backup documentation to substantiate the amounts and funding approval. Additional guidance will be provided regarding short term (60 day) and longer-term receivables. Auditor-Controller staff will review deposits and back-up to determine the correct reporting period.

Name(s) of the contact person(s) responsible for corrective action: Cheryl Dillingham, Auditor-Controller (707) 476-2452

FINDINGS—MAJOR FEDERAL PROGRAMS

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).