

Kern County Administrative Office



County Administrative Center

1115 Truxtun Avenue, Fifth Floor • Bakersfield, CA 93301-4639

Telephone 661-868-3198 • FAX 661-868-3190 • TTY Relay 800-735-2929

JOHN NILON

County Administrative Officer

May 10, 2011

Board of Supervisors
Kern County Administrative Center
1115 Truxtun Avenue
Bakersfield, CA 93301

STATUS REPORT ON DEPARTMENTAL COMPLIANCE

Fiscal Impact: None

This is to report to your Board on departmental compliance as required by County Ordinance Code 2.01.010, and to explain changes to the compliance program due to the loss of staff and fiscal constraints.

CHANGES IN COMPLIANCE FUNCTION

In March 2008, your Board approved the addition of the County Compliance and Accountability Officer position to this office. The position was filled in September 2008, and vacated in June 2010. Due to budget constraints, the County Administrative Office has left the position unfilled. In an effort to redistribute the workload of this position, the budget analysts have been assigned the responsibility of audit follow-up with departments. In coordination with the Auditor-Controller-County Clerk, analysts are invited to audit exit conferences conducted by the Auditor with departments. Analysts are then working with their assigned departments to ensure that audit findings are addressed, and if not, the reasons impacting implementation.

This office is also working with the Auditor to ensure that reports on fraud, waste, and abuse are investigated. Based on the nature of the complaint, either the Auditor or this office investigates the allegations. In addition, the Auditor, County Counsel and this office are working on a fraud protocol that will be brought to your Board in the near future for approval.

In light of the reassignment of compliance duties within the department and coordinated efforts with the Auditor-Controller-County Clerk, it is appropriate to revise the County Ordinance Code to reflect these changes. This office will work with County Counsel and the Auditor-Controller to prepare revisions for your Board's consideration.

DEPARTMENTAL COMPLIANCE

Audit Follow-up

Attachment A lists the limited scope and departmental audits completed and submitted to your Board by the Auditor Controller since our last report. Analysts have followed up with their assigned departments to determine the status of departments' efforts to mitigate any audit findings. Based on this review, most departments have either adopted the Auditor's recommendations or are implementing strategies to address most of findings. The analysts are working with the departments to ensure compliance is met.

American Recovery Reinvestment Act (ARRA)

County departments that are prime grant recipients of American Recovery Reinvestment Act (ARRA) are required to fill periodic reports. Additionally, the sub-recipients, those departments who obtain funds from prime recipients, are required to submit information. Both prime and sub-recipients departments have been timely in their responses, and the County's reporting was compliant with ARRA requirements.

Health Insurance Portability and Accountability Act (HIPAA)

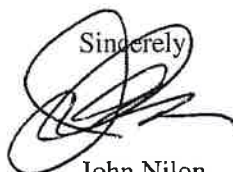
The Health Insurance Portability and Accountability Act of 1996 (HIPAA) applies to all entities that use, generate or process health information and includes rules to assure that patient information remains private. All covered entities must comply with the regulations regarding the protection of personal health information. The County departments covered by HIPAA are Kern Medical Center, Mental Health Services Department, Public Health Services Department, and the County Administrative Office, as the administrator of the County health plan.

HIPAA also requires that a covered entity name one individual to be the Privacy Office for the entity. While each of the covered County departments has privacy officials, the law requires one central public contact for HIPAA-related privacy issues. The Board designated the County Compliance and Accountability Officer as the County HIPAA Privacy Officer in May 2009. Due to the departure of the incumbent and the position not being filled, your Board approved Elsa Martinez, Deputy County Administrative Officer, as the County HIPAA Privacy Officer in October 2010. Ms. Martinez has worked with the affected departments to address and resolve any complaints that been brought to her attention.

CONCLUSION AND RECOMMENDATION

The County Administrative Office has reallocated the duties of the County Compliance and Accountability Officer among staff to ensure departments are in compliance with policies and procedures. This office is working closely with the Auditor-Controller-County Clerk and County Counsel on developing a fraud protocol for your Board's consideration. Revisions to the County ordinance related to compliance and accountability will be draft and presented to your Board for consideration.

Therefore, IT IS RECOMMENDED that your Board receive and file this report.

Sincerely


John Nilon
County Administrative Officer

JN:FDL:ADMCOMP_semiannual_spring jfn

Attachment

cc: All Department Heads

COMPLIANCE FOLLOW-UP	
May 10, 2011	
	<u>Date Filed with Board</u>
<u>Limited Scope Audits</u>	
KMC Inventory FYE 2009	February 9, 2010
KMC Capital Assets FEY 2007 & 2008	May 11, 2010
Parks (six months ended 12/13/09)	August 10, 2010
Kern Medical Center - Accounts Payable FYE 2009	August 31, 2010
KMC Accounts Receivable FYE 2009	March 1, 2011
KMC Inmate Medical FYE 2010	March 15, 2011
<u>Full Departmental Audits</u>	
Agriculture and Measurement Standards FYE 2007 & 2008	January 12, 2010
Engineering and Survey Services FYE 2007 & 2008	January 19, 2010
Board of Trade FYE 2008 & 2009	January 26, 2010
County Administrative Office FYE 2008 & 2009	February 2, 2010
Board of Supervisors FYE 2008 & 2009	February 16, 2010
Aging and Adult Services FYE 2007 & 2008	April 13, 2010
Roads FYE 2008 & 2009	April 20, 2010
Public Health FYE 2008 & 2009	May 4, 2010
Mental Health FYE 2008 & 2009	May 18, 2010
Environmental Health Services FYE 2008 & 2009	May 25, 2010
Community and Economic Development FYE 2008 & 2009	June 22, 2010
Assessor-Recorder FYE 2008 & 2009	July 6, 2010
Waste Management FYE 2008 & 2009	July 6, 2010
Employers' Training Resource FYE 2008 & 2009	August 3, 2010
Sheriff FYE 2008 & 2009	August 3, 2010
Farm and Home Advisor FYE 2008 & 2009	August 3, 2010
Emergency Medical Services FYE 2008 & 2009	October 19, 2010
Public Defender FYE 2008 & 2009	November 30, 2010
Fire FYE 2008 & 2009	November 30, 2010
General Services FYE 2008 & 2009	November 30, 2010
Veterans FYE 2008 & 2009	November 30, 2010
Child Support Services FYE 2008 & 2009	December 7, 2010
Clerk of the Board FYE 2009 & 2010	March 15, 2011
Unemployment ISF FYE 2008 & 2009	March 15, 2011
Information Technology Services FYE 2008 & 2009	March 29, 2011
Group Health and Retiree Health FYE 2009 & 2010	March 29, 2011
<u>Financial Statement Audits</u>	
KMC Physicians Retirement FYE 2007 & 2008	August 31, 2010
Ford City/Taft Heights Sanitation District FYE 2008 & 2009	November 30, 2010
Kern Sanitation Authority FYE 2008 & 2009	November 30, 2010
Community Service Areas FYE 2008 & 2009	December 7, 2010