

County of Fresno
Auditor-Controller/Treasurer-Tax Collector
Audit Committee Minutes
Board of Supervisors' Chambers
January 21, 2026 – 1:00 p.m.

MEMBERS PRESENT:

Supervisor Nathan Magsig, Audit Committee Chairman
Supervisor Brian Pacheco, Audit Committee Vice-Chairman
Douglas T. Sloan, County Counsel
Paul Nerland, County Administrative Officer
Kari Gilbert, Department Heads Council Member
Manuel Vilanova, Public Member

Call to Order: Chairman Magsig called to order the regular meeting of the Audit Committee (Committee) on January 21, 2026, at 1:00 p.m. in the Board of Supervisors' Chambers.

1. Roll Call

- Pai Her, Accounting and Financial Manager, Financial Reporting & Audits Division, took roll call.

2. Pledge of Allegiance

- Supervisor Nathan Magsig, Audit Committee Chairman, led all in attendance with the Pledge of Allegiance.

3. Approve Agenda

- A motion was made by Kari Gilbert, seconded by Paul Nerland, and carried 6-0 to approve the January 21, 2026 agenda.

4. Public Presentations

- This portion of the meeting is reserved for persons desiring to address the Audit Committee briefly on any matter not on this agenda within the Committee's subject matter jurisdiction.
- There being none, the Committee proceeded to hear the next item on the agenda.

5. Approval of the October 15, 2025 Audit Committee Meeting Minutes

- There being no public comments, a motion was made by Manuel Vilanova, seconded by Kari Gilbert, and carried 6-0 to approve the October 15, 2025, Audit Committee Meeting Minutes.

6. Consent Items

a) Approve Quarterly Fraud Report covering October 1, 2025 to December 31, 2025.

- There being no public comments, a motion was made by Kari Gilbert, seconded by Paul Nerland, and carried 6-0 to approve agenda item 6a.

7. Discussion and Action Items

a) Review and accept the 2024-2025 County of Fresno Annual Comprehensive Financial Report.

- Neeraj Datta, Audit Partner, Brown Armstrong Accountancy, introduced and presented the item.

- Chairman Magsig asked about the material weakness identified in the landfill enterprise fund, including the specific concerns related to the reported balance and why the balance was considered problematic.
- Neeraj Datta stated that Community Service Areas (CSAs) are no longer audited by Brown Armstrong and are now subject to a different external auditor. He explained that approximately \$25 million in error corrections related to capital assets were identified in the general fund due to unreconciled balances, similar to prior year. These issues were communicated to management, corrective actions are ongoing, and the related error corrections were recorded in the ACFR.
- Chairman Magsig asked the Auditor-Controller/Treasurer-Tax Collector's Office (ACTTC) to clarify oversight of the landfill enterprise fund and CSAs, including which auditing firm is responsible. He expressed concern about the financial condition of several CSAs, noting that some continue to operate at a deficit and that borrowing activity has occurred. He further asked who is responsible for oversight, what actions are being taken, and how these matters are being monitored.
- Mario Cabrera, Deputy Auditor-Controller, stated that the CSAs are now audited by CliftonLarsonAllen LLP (CLA). He explained that ACTTC is working with departments to improve capital asset reporting by requiring departments to enter assets into the County's financial system, PeopleSoft, and perform semiannual reconciliations to identify and address issues earlier in the year.
- Chairman Magsig explained that the landfill is both a capital asset and a long term liability and asked whether related assets and liabilities are being reconciled to ensure sufficient funds are set aside for closure and ongoing operations. He further asked whether assets associated with CSAs are owned by the County and whether the fees charged for CSA services are sufficient to cover operating costs.
- Mario Cabrera responded that ACTTC will review this further and provide documentation to the Committee.
- Paul Nerland suggested that the Committee agendaize a broader discussion regarding CSAs.
- Chairman Magsig agreed that the Board of Supervisors would benefit from being informed about the overall financial condition of the CSAs.
- Douglas Sloan clarified that CSA assets are owned by the County on behalf of each CSA, based on the information provided by Peter Wall, Chief Deputy County Counsel.
- Kari Gilbert asked for clarification on the corrective actions taken since the issue was identified in the prior year and what steps have been implemented to address the continued issue.
- Mario Cabrera explained that departments are now required to enter capital assets into PeopleSoft. He stated that this process was not previously in place and represents a newly implemented corrective action.
- Kari Gilbert asked whether the issue discussed was related to prior Audit Committee discussions regarding asset management.
- Paul Nerland asked whether the corrective actions underway would be completed in time to prevent a finding in the next audit.
- Mario Cabrera responded that steps are being taken to complete the corrective actions. He explained that one planned step includes an internal audit of County buildings to document capital assets, which is expected to be completed by the end of the fiscal year.
- Paul Nerland indicated that if the County Administrative Office can provide any support in the buildings reconciliation process, his office is available to assist.
- There being no public comments, a motion was made by Manuel Vilanova, seconded by Kari Gilbert, and carried 6-0 to approve agenda item 7a.

b) Review and approve the General Services Department Head Transition Review Report.

- Brandon Lee, Accountant II, Financial Reporting & Audits Division, introduced the item.
- Raymond Hunter, Director of General Services Department, reported agreement with all three audit recommendations. The required filing finding was addressed through implementation of an internal tracking process, resulting in 100 percent compliance as of September 2025. For inventory asset oversight, the department has updated the process and verified the location of each asset. The department has included additional information on the inventoriable asset report and have dedicated staff to oversee the assets. Capital asset controls were strengthened through staff training on Management Directive 400, increased administrative support, and a full internal audit of fixed assets expected to be completed in 2026.

- There being no public comments, a motion was made by Kari Gilbert, seconded by Paul Nerland, and carried 5-0 to approve agenda item 7b. The motion was carried by the following vote:
- Ayes: 5 - Chairman Magsig, Vice-Chairman Pacheco, Douglas Sloan, Paul Nerland, and Kari Gilbert
- Recused: 1 - Manuel Vilanova

c) Review and receive the Fresno County In-Home Supportive Services Public Authority Independent Auditor's Reports and Financial Statements for the year ended June 30, 2024.

- Joseph Judson, Manager, CLA, introduced and presented the item.
- There being no public comments, a motion was made by Kari Gilbert, seconded by Paul Nerland, and carried 6-0 to approve agenda item 7c.

d) Review and approve the Department of Public Health Emergency Medical Services Authority (EMSA) Report for the fiscal year ended June 30, 2025.

- Raulalonso Corchado, Accountant II, Financial Reporting & Audits Division, introduced and presented the item.
- There being no public comments, a motion was made by Manuel Vilanova, seconded by Kari Gilbert, and carried 6-0 to approve agenda item 7d.

8. Staff Updates

- Mario Cabrera, Deputy Auditor-Controller, introduced himself. He reported on the Residence Home Garaged Compliance Audits, stating that the data provided by Fleet for the District Attorney's Office is under review, information received from the Sheriff's Office is pending staff review, and samples selected for the Public Works and Planning Department are also pending staff review and supporting documentation. He also introduced Matthew Bell.
- Matthew Bell, Accounting and Financial Division Chief, Financial Reporting & Audits Division, introduced himself.

9. Adjournment

- A motion was made by Kari Gilbert, seconded by Paul Nerland and carried 6-0 to adjourn the meeting at 1:24 p.m.

Audit Committee Members:

Supervisor Nathan Magsig, Audit Committee Chairman
 Supervisor Brian Pacheco, Audit Committee Vice-Chairman
 Douglas T. Sloan, County Counsel
 Paul Nerland, County Administrative Officer
 Kari Gilbert, Department Heads Council Member
 Manuel Vilanova, Public Member
 Kulwinder Brar, Public Member