

**CALIFORNIA TAHOE
EMERGENCY SERVICES
OPERATIONS AUTHORITY**

RECEIVED

APR 28 2011

**EMERGENCY MEDICAL
SERVICES AGENCY**

EXECUTIVE DIRECTOR

BRYAN POND

BOARD OF DIRECTORS

BOB BETTENCOURT

DAVE HUBER

CLAIRE FORTIER

ANGELA SWANSON

4-28-11

Rich Todd

California Tahoe Emergency Services Operations Authority (CTESOA) is pleased to inform the El Dorado County EMSA that we have completed the 2009-2010 audit and are now up to date in completing financial audit responsibility that the County has shifted to the JPA. The following is a review of audit recommendations and what CTESOA has completed or is in the process of completing.

Because the last three audits were completed very close together the recommendations are carried over from one audit to the next. The audits ending for 2008 and 2009 were completed concurrently so a separate Accounting Controls and Procedures was not developed for each year.

Accounting Oversight: Bring internal accounting up to date. Current internal financial statements are necessary for Board review and to permit future financial audits.

- CTESOA is contracted with the accounting and CPA firm of Olivo, Zicko and Clover to produce quarterly internal financial statements, general book keeping and process checks for payment to vendors. With the completion of previous year audits in addition to this audit the books are now up to date.

Executive Director: Recommend that the CTESOA Board review the "Independent Contractor" status of Executive Director's compensation. If the Board of Directors provides direction or supervision to the Executive Director then an employee / employer relationship may exist.

- The CTESOA Board is following up with the City of South Lake Tahoe Attorney for legal consideration if an employee / employer relationship exist and the Executive Director's status should be changed from contractor to employee of CTESOA.

Policies: *Recommend that CTESOA establish written policies to protect CTESOA and ensure that employees follow the dictates of the Board of Directors. Suggestions included; Fraud, Investment, Records retention, Fixed assets, Equity reserve, Use of electronic equipment.*

- CTESOA has developed a number of policies that include Investment, Records retention, Asset and Equity management. The previous Fraud policy remains in place but is undergoing review and update as needed. CTESOA has also adopted a set of By-Laws to give guidance to the Board of Directors and Executive Director in business activities.

Investment Income: *Recommend that CTESOA make an effort for higher yield cash investments.*

- CTESOA has delayed any investments such as CD's, money market accounts or other long term investments pending the upcoming RFP process for a new contract. CTESOA decided not to tie finances up in any long term investments till after re-securing the contract with El Dorado County EMSA. After completion of the contract the CTESOA will work with our accounting firm to develop strategies to maximize investment income. This is expected to also include the California LAIF fund.

Board Minutes: *The Executive Director would sign as "submitted" and the President / Chairman would sign as "approved".*

- Future Board of Director meeting minutes will be completed in this manner.

Capital Assets: *Observation made that the Authority's annual capital budget provides the authority for capital expenditures. However the Board minutes do not provide for such approval.*

- Board minutes now reflect Board approval of capital additions or expenditures.

No further new recommendations were made with the 2010 audit completion.

Additional item updates for El Dorado County EMSA.

A question was raised in the past as to whether CTESOA had to have a CPA acting as the treasurer for the organization under CA Code Section 6505.5. According to CA Code Section 6505.6 listed below.

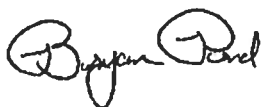
- *In lieu of the designation of a treasurer and auditor as set forth in Section 6505.5, the agency or entity may appoint one of its officers or employees to either or both of such positions.*

CTESOA appointed the Executive Director to also fill the position of treasurer during the June 29th, 2010 Board meeting. A copy of the meeting minutes is attached and this item listed under section 8.

Filing Transaction Reports with the State Controller's Office. As indicated in previous letters to the EMSA the process was begun in 2010 utilizing the financial records of the year ending 2009. Follow up with the Controller's Office has shown a back log of processing request which has delayed the processing of our application. In discussions with Perla Nolasco of the Controller's office she has stated that CTESOA did not need to file documentation of previous years and that the Controller's Office was fine in starting with the 2009 data that was submitted. As of April 13th we had not received any confirmation from the State that our account was fully implemented. At that point the State Controller's Office was contacted again. Phone discussions were held with Perla Nolasco and Sashi Lal who indicated that the account was partially set up and a request was made for submission of the 2010 financial transaction data in addition to the previous data from 2009 in order to complete the process. The account number assigned to CTESOA from the Controller's office is; 12500900900. This worksheet is being compiled by the CTESOA accounting firm and is expected to be submitted to the State Controller's Office next week.

If there are any questions please let me know so that we can provide any additional documentation.

Submitted by,

A handwritten signature in black ink, appearing to read "Bryan Pond". The signature is written in a cursive style with a large initial "B" and "P".

Bryan Pond
Executive Director CTESOA

Cc: Neda West
Sharron Elliott
Joe Harn