

County of Santa Clara

Board of Supervisors

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April 2, 2021

To: Board of Supervisors
Finance and Government Operations Committee
Housing, Land Use, Environment, and Transportation Committee

From: Cheryl Solov 
Board of Supervisors Management Audit Manager

Subject: Los Altos Hills County Fire District Report Back on Implementation of Audit Recommendations Through the Management Audit Division

At the October 6, 2020 Board of Supervisors regular meeting, at the request of Supervisors Ellenberg and Simitian, the Board directed the Los Altos Hills County Fire District (LAHCFD) to report on a monthly basis until October 2021 through the Finance and Government Operations Committee (FGOC) and the Housing, Land Use, Environment, and Transportation (HLUET) Committee regarding progress toward implementing the LAHCFD Management Audit recommendations as approved by the Board of Supervisors. The purpose of this memorandum is to verify the self-reported actions taken by the LAHCFD as of March 31, 2021 toward implementing the recommendations.

Section 1. Use of District Funds

Management Audit Division verified actions taken by the Fire District:

- Authorized execution of an agreement with the County of Santa Clara, effective August 19, 2020, for exclusive legal services counsel (Approved LAHCFD Resolution 20-29)
- Terminated private legal counsel (Approved LAHCFD Resolution 20-30)
- Our review of a sample of expenditures posted to the County financial system through March 31, 2021 indicates that expenses relate to contractual agreements, which have been reviewed by County Counsel, for services pertaining to District functions and District-owned infrastructure.

Board of Supervisors:

Mike Wasserman
District 1

Cindy Chavez
District 2

Otto Lee
District 3

Susan Ellenberg
District 4

S. Joseph Simitian
District 5

County Executive: Jeffrey V. Smith

Section 2. Use of District Funds for Private Tree Services

Management Audit Division verified actions taken by the Fire District:

- Removed the dead/dying Eucalyptus tree removal program from the Fire District's website <https://www.lahcfd.org/programs-for-residents/>
- Our sample review of contract expenditures processed in FY 2020-21 through March 30, 2021 did not identify any expenditures for private tree services. The Fire District is providing brush chipping and defensible space services to the community through a contract with the non-profit Santa Clara County Fire Safe Council.

Section 3. Brown Act Compliance

Management Audit Division verified actions taken by the Fire District:

- Authorized execution of an agreement with the County of Santa Clara, effective August 19, 2020, for exclusive legal services counsel (Approved LAHCFD Resolution 20-29)
- Terminated private legal counsel (Approved LAHCFD Resolution 20-30)
- County Counsel's provision of services to the Fire District have been confirmed to us by the County Counsel's Office
- Began transferring District legal records in hardcopy files from private legal counsel to County Counsel; the District furnished records documenting the transfer of files.

Section 4. Fire Prevention Programs Are Not Aligned with Fire Risks

Management Audit Division verified actions taken by the Fire District:

- Adopted revised Annex 4 to the Santa Clara County Wildfire Protection Plan and Addendum as the LAHCFD Community Wildfire Protection Plan (CWPP) (Approved LAHCFD Resolution 19-21). Based on our review of invoices, as previously noted, the Fire District is providing hazard-reduction services, such as brush chipping, through the Santa Clara County Fire Safe Council.

Section 5. Fire District Compliance with State and Local Procurement Requirements

Management Audit Division verified actions taken by the Fire District:

- The previously mentioned changes provide for County Counsel to review and approve contracts as to form and legality.
- The Fire District reports that it has taken steps to improve record keeping but some records remain outside of the District's digital documentation due to the appropriate safety measures implemented in response to the pandemic. As the District is reporting its compliance/progress monthly through October 2021, we will wait to verify, on a sample basis, its progress in this area until administrative operations are less disrupted by Covid-19. As previously noted, the District has provided applicable records to County Counsel and provided us with documentation of delivery of those records.
- The LAHCFD has entered into a contract to assist with its recordkeeping.

In conclusion, we believe that the Fire District has implemented or is on track to implement the audit recommendations as adopted by the Board of Supervisors.

LAHCFD Audit Monthly Follow Up

Covering March 2021

Management Audit Division

April 2, 2021

Status of Adopted Audit Recommendations

Of the adopted audit recommendations for which implementation is feasible to assess given the pandemic, we believe the Los Altos Hills County Fire District has implemented those recommendations.

- ✓ **Termination of private counsel contracts and engagement of County Counsel, bringing the District's legal services into compliance with the ordinance code, and addressing audit concerns regarding Brown Act and procurement compliance.**
- ✓ **Our review on a sample basis of District expenditures for contracts indicates that expenditures appear appropriate for District needs and District infrastructure.**

Status of Adopted Audit Recommendations

Of the adopted audit recommendations for which implementation is feasible to assess given the pandemic, we believe the Los Altos Hills County Fire District has implemented those recommendations.

- ✓ **Eliminated expenditures for services that are not aligned with fire risks and adopted risk-based plans.**

Although due to the pandemic we have not yet verified the District's reported record-keeping improvements, we have no reason to suspect these improvements have not in fact been carried out to the extent feasible.

In short, we do not have concerns about the District's implementation of audit recommendations as adopted by the Board.