

COUNTY OF SACRAMENTO

DEPARTMENT OF FINANCE - AUDITOR-CONTROLLER DIVISION – INTERNAL AUDIT UNIT

INTERNAL AUDIT REPORT

**SHERIFF’S OFFICE
CONTRACTS AND REGIONAL SERVICES DIVISION
CIVIL BUREAU
AGREED UPON PROCEDURES**

CASH HANDLING REVIEW



Audit Committee Submittal Date: 01/16/2024

SUMMARY

Background

The Department of Finance (Finance) performed a cash handling review of the Sacramento County Sheriff's Office (Sheriff), Contract and Regional Services Division, Civil Bureau (Bureau).

Audit Objective

Agreed upon procedures were performed to review the Bureau's cash receipts policies and procedures, observe and document how cash was received and accounted for within the Sacramento County Accounting System (COMPASS), verified external bank account balance, and verified imprest cash balance for the review period December 1, 2022, through December 31, 2022.

Summary

Based on our procedures, we did not note any exception.

Department of Finance

Chad Rinde
Director



County of Sacramento

Divisions

Auditor-Controller
Consolidated Utilities Billing &
Service
Investments
Revenue Recovery
Tax Collection & Licensing
Treasury

October 24, 2023

Peter Aw-Yang, Assistant Treasurer
Department of Finance
County of Sacramento
700 H Street, Room 1710
Sacramento, CA 95814

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Dear Mr. Aw-Yang:

We have performed the procedures enumerated below, and on page 2, which were agreed upon by you, regarding Sacramento County Sheriff's Office (Sheriff), Contract and Regional Services Division, Civil Bureau (Bureau). These procedures were performed solely to evaluate Bureau's cash handling control procedures for the period December 1, 2022 to December 31, 2022. For the purpose of this cash handling review, "cash" is defined as all forms of money, and includes, but is not limited to, currency, coin, checks, electronic checks, money orders, credit cards, and debit cards.

Sheriff's management is responsible for maintaining sufficient cash handling controls. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below, and on page 2, either for the purpose for which this report has been requested or for any other purpose. This report is applicable solely to procedures referred to below, and on page 2, and is not intended to pertain to any of Sheriff's or Bureau's other operations, procedures or compliance with laws and regulations.

Our procedures and findings are summarized as follows:

1. We obtained and reviewed the Bureau's cash receipt policies and procedures to identify any concerns or internal control issues.

Result: We did not note any exceptions as a result of this procedure.

Peter Aw-Yang
Assistant Treasurer
October 24, 2023

2. We visited the Bureau's location to observe and document how imprest cash was controlled and perform a walkthrough of the cash handling process with Bureau's staff.

Result: We did not note any exceptions as a result of this procedure.

3. We counted the Bureau's imprest (Cashier's) cash on hand on December 20, 2022, and compared amounts to the Bureau's documentation.

Result: We did not note any exceptions as a result of this procedure.

4. Reviewed the external bank account bank reconciliations and traced the Bureau's bank balance to Sacramento County Financial System (COMPASS).

Result: We did not note any exceptions as a result of this procedure.

5. Followed up on status of prior recommendations from report dated September 6, 2016 for the period March 1, 2016 to March 31, 2016.

Result: It appears that the prior recommendations have been implemented. See ATT 2 – *Current Status of Prior Recommendations*.

This agreed-upon procedures engagement was conducted in accordance with the Standards for Attestation Engagements contained in *Generally Accepted Government Auditing Standards*, issued by the Comptroller General of the United States of America. We were not engaged to, and did not perform an audit or examination, the objectives of which would be the expression of opinions on the Bureau's cash balances, financial schedules, compliance, or results of our procedures previously referred to. Accordingly, we do not express such opinions. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. This report relates only to the results of our procedures referred to above, and does not extend to Sheriff's or the Bureau's operations as a whole.

Peter Aw-Yang
Assistant Treasurer
October 24, 2023

This report is intended solely for the information and use of the Sacramento County Board of Supervisors, Sacramento County Audit Committee, Sacramento County Executive, and Sheriff's management. It is not intended to be, and should not be, used by anyone other than these specified parties. However, this restriction is not intended to limit distribution of this report, which is a matter of public record.

Sincerely,

CHAD RINDE
DIRECTOR OF FINANCE



By: Hong Lun (Andy) Yu, CPA
Chief of Audits

Attachments

ATT 1 - *Summary of Deposits Tested and External Bank Account*
ATT 2 - *Current Status of Prior Findings and Recommendations*

SACRAMENTO COUNTY SHERIFF'S OFFICE
 CONTRACT AND REGIONAL SERVICES DIVISION
 CIVIL BUREAU

CASH HANDLING REVIEW
 FOR THE PERIOD DECEMBER 1, 2022 THROUGH DECEMBER 31, 2022

SUMMARY OF CASH, DEPOSITS TESTED, AND EXTERNAL BANK ACCOUNT

IMPREST CASH

Imprest Cash Amount as of	Cash on Hand Counted	COMPASS (1) Amount	Variance
December 20, 2022	\$ 500.00	500.00	0

DEPOSITS TESTED

Deposit Permit Number	Deposit Date	Sheriff Deposit Register	Amount Posted by Treasury	Variance
110776313	12/06/22	\$ 115,380.55	115,380.55	0
110783726	12/05/22	64,897.64	64,897.64	0
110787090	12/08/22	215,252.09	215,252.09	0
110787826	12/12/22	54,227.55	54,227.55	0
110788911	12/13/22	133,946.93	133,946.93	0
110792452	12/19/22	201,673.89	201,673.89	0
110795208	12/20/22	271,317.02	271,317.02	0

EXTERNAL BANK ACCOUNT

Date	Balance Per Bank Reconciliation	Balance Per COMPASS	Variance
December 31, 2022	\$2,004,287.66	2,128,272.24	(123,984.58) (2)

(1) Sacramento County Financial System (COMPASS)

(2) Variance was reconciled in January 2023.

See Independent Accountant's Report on Applying Agreed Upon-Procedures

SACRAMENTO COUNTY SHERIFF'S OFFICE
CONTRACT AND REGIONAL SERVICES DIVISION
CIVIL BUREAU
CASH HANDLING REVIEW
DECEMBER 1, 2022, TO DECEMBER 31, 2022

**CURRENT STATUS OF PRIOR RECOMMENDATIONS (REPORT DATE
SEPTEMBER 6, 2016, FOR THE PERIOD MARCH 1, 2016, TO MARCH 31, 2016)**

1. Check Payment Receipt Log

Prior Recommendation

We recommended Civil prepare and maintain receipt logs for all of its cashiering window, mail, and drop box, reconcile the receipt logs to the deposit made to Sacramento County Treasury (County Treasury) and entered in Civil Automated System (CAS).

Current Status

It appears the recommendation has been implemented.

2. Written Cash Handling Procedures

Prior Recommendation

We recommended Civil's management evaluate its written cash handling procedures periodically and update the procedures as necessary in a timely manner.

Current Status

It appears the recommendation has been implemented.

3. Untimely and Partial Deposits

Prior Recommendation

We recommended Civil deposit daily receipts intact and no later than seven days following receipt per the Sacramento County Code and deposited promptly per the Sheriff's Department General Order Cash Handling Procedures. In addition, , a check payment receipts log should be maintained.

Current Status

It appears the recommendation has been implemented.

SACRAMENTO COUNTY SHERIFF'S OFFICE
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**CURRENT STATUS OF PRIOR RECOMMENDATIONS (REPORT DATE
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4. Drop Box

Prior Recommendation

We recommended Civil establish and implement procedures where a second individual is present when the drop box is open to retrieve the funds/documents. Funds should be recorded on a receipt log immediately with both individuals' signatures to ensure the funds are accounted for. Also, the drop box's receipt log should be reconciled to the deposit amount in County Treasury and CAS.

Current Status

It appears the recommendation has been implemented.

5. Returned Checks Issued and Mailed by Civil

Prior Recommendation

We recommended Civil store the returned checks in a secured location at all times. We further recommended the returned checks be clearly documented with their check numbers in CAS.

Current Status

It appears the recommendation has been implemented.

6. CAS Restrictions

Prior Recommendation

We recommended Civil implement adequate internal controls in CAS to prevent unauthorized users from accessing writ of execution information and amounts. Any edits to writ of execution information or amounts should only be performed by CAS users authorized to do so. All other CAS users should be restricted to view access only.

Current Status

It appears the recommendation has been implemented.

SACRAMENTO COUNTY SHERIFF'S OFFICE
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SEPTEMBER 6, 2016, FOR THE PERIOD MARCH 1, 2016, TO MARCH 31, 2016)**

7. Check Endorsement

Prior Recommendation

We recommended Civil restrictively endorse checks immediately upon receipt. We further recommended the Sheriff's Office General Order Cash Handling Procedures be updated to require the practice of restrictively endorsing checks immediately upon receipt.

Current Status

It appears the recommendation has been implemented.

8. Trust Fund Reconciliation

Prior Recommendation

We recommended Civil reconcile its trust fund from November 2014 to its current reconciliation status. We further recommended Civil reconcile its trust fund at least monthly. If there are any differences, they should be noted and investigated. If the differences cannot be resolved, they should be noted on an overage/shortage log and recorded in the Sacramento County Financial System (COMPASS).

Current Status

It appears the recommendation has been implemented.