

# COUNTY OF SACRAMENTO

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

**INTERNAL AUDITS REPORT**  
**TREASURY SURPRISE CASH COUNT**  
**DEPARTMENT OF FINANCE**  
**NOVEMBER 21 – 26, 2018**



**Audit Committee Submittal Date: 02/15/2019**

## **SUMMARY**

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### **Background**

County of Sacramento, Department of Finance (DOF), Treasury Division accepts cash at multiple locations. Amounts collected are for various categories such as: building permits, planning fees, subdivision map checking fees, parcel map record of survey, landfill payments, roadway funds, utility connection deposits, drainage fees, water permits, and Consolidated Utility Billing Services (CUBS) utility payments, etc. The DOF Treasury Division requested Internal Audits to perform surprise cash counts semi-annually.

### **Audit Objective**

To count cash on a surprise basis to ensure propriety over Treasury cash collections processes.

### **Summary**

We noted no issues related to the surprise cash count.



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**County of Sacramento**

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*Intra-Office Memorandum*

January 18, 2019

To: Ben Lamera  
Director of FinanceFrom: Alan A. Matré, C. P. A.  
Chief of Audits

A handwritten signature in blue ink, appearing to read "Alan A. Matré", is placed to the right of the "From:" line.

Subject: **TREASURY SURPRISE CASH COUNT – NOVEMBER 21 – 26, 2018**

At your request, we have performed the procedures enumerated below, which were agreed to by the Department of Finance, Treasury Division and the Department of Finance, Auditor-Controller, solely to perform a surprise cash count of the Treasury Division's Cashier Section. Cashier locations counted includes the Treasury Division's main office and satellite cashier offices including Building Assistant Centers (Downtown and Branch Center) and County Service Centers (Fair Oaks and McClellan). The surprise cash count is as of November 21 – 26, 2018. Because the Treasury Division's various cashier locations have different operational days, receipts related to the Treasury Division main office, Branch Center, and Downtown, from activities on November 20, 2018, were counted on the morning of November 21, 2018. Fair Oaks' activities from November 19, 2018 and November 20, 2018 were counted on the morning of November 26, 2018. McClellan's activities from November 15, 2018 were counted on the morning of November 21, 2018. The Department of Finance, Treasury Division's management is responsible for the Cashier Section's accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. Our procedures and findings are as follows:

- We reconciled daily deposits to financial records.

Finding: Daily deposits reconciled to financial records and COMPASS. See Attachment I, *Summary of Cash Counted*. Also see Attachment II, *Current Status of Prior Comment and Recommendation*.

- We reconciled imprest cash to the authorized amounts posted on the Sacramento County Financial System (COMPASS).

Finding: The Treasury Division's imprest cash materially agreed to authorized amounts on COMPASS. See Attachment I, *Summary of Cash Counted*.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the accounting records. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. 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 the Department of Finance, Treasury Division, Cashier Section and does not extend to Administrative Services' and the Department of Finance's imprest cash funds or deposits taken as a whole, and is not intended to be, and should not be, used by anyone other than those specified parties.

Attachment

DEPARTMENT OF FINANCE  
TREASURY DIVISION - CASHIER SECTION  
SUMMARY OF CASH COUNTED

November 21 – 26, 2018

CASH ON HAND

	<u>Amount Counted</u>	<u>Daily Receipts Amount <sup>(1)</sup></u>	<u>Variance</u>
Treasury Deposit			
Main Office	\$ 257,559.30	\$ 257,539.30	\$ 20.00
Branch Center	12,571.80	12,571.80	0
Downtown	118,798.00	118,798.00	0
Fair Oaks	7,097.19	7,097.19	0
McClellan	2,290.93	2,290.93	0
Credit Card Deposit			
Branch Center	\$ 7,906.22	\$ 7,906.22	\$ 0
Downtown	1,165.26	1,165.26	0
Fair Oaks	2,262.68	2,262.68	0
McClellan	328.34	328.34	0

IMPREST CASH

	<u>Cash Counted</u>	<u>Authorized Amounts</u>	<u>Variance</u>
Cash Drawer			
Main Office	\$ 7,990.45	\$ 8,000.00	(\$ 9.55)
Branch Center	350.00	350.00	0
Downtown	250.00	250.00	0
Fair Oaks	250.00	250.00	0
McClellan	250.00	250.00	0
Vault			
Main Office <sup>(2)</sup>	\$ 3,659.59	\$ 3,700.00	(\$ 40.41)

<sup>(1)</sup> Amounts represent daily receipts from November 20, 2018 for the Treasury's Main Office, Branch Center, and Downtown locations. Fair Oaks receipts are related to business activities occurring on November 19, 2018 and November 20, 2018. Receipts for the McClellan location are related to business activities for November 15, 2018. These amounts are collected for various categories such as: building permits, planning fees, subdivision map checking fees, parcel map record of survey, landfill payments, roadway funds, utility connection deposits, drainage fees, water permits, and Consolidated Utility Billing and Services (CUBS) utility payments, etc.

<sup>(2)</sup> There was a \$40.41 shortage noted on the Treasury's shortages and overages vault schedule. The Treasury's vault has an imprest balance of \$3,700, and the recounted balance was \$3,659.59. The noted \$40.41 difference is currently below the \$500.00 annual threshold requiring submission of Relief of Accountability for approval.

DEPARTMENT OF FINANCE  
TREASURY DIVISION – CASHIER SECTION  
CURRENT STATUS OF PRIOR COMMENT AND RECOMMENDATION

November 21 – 26, 2018

**FROM THE PRIOR AGREED-UPON PROCEDURES REPORT FOR THE PERIOD  
MAY 10 – 11, 2018 DATED MAY 21, 2018**

**Deposit Retention**

Prior Comment

County cashiering locations are retaining receipts due to irregular deposit pickups from the County's armored car service provider. Per the "Scope of Work" section of the contract agreement (Contract number WA00035433) with Garda Cash Logistics West, Inc., "The contractor shall pickup and deliver currency and negotiable items from various County locations and delivery to other County locations or cash vaults." Receipts should be deposited with Main Treasury on a regular basis so cashiering locations are not retaining large deposit amounts. In addition, customer payments and time sensitive documents that are required to be recorded and processed in a timely manner should be transported without delay. There is the potential that County business operations are hampered when armored car pickups are missed.

Prior Recommendation

Receipts and deposits gathered at County cashiering locations should be regularly picked up and transported to the Treasury's main cashiering location according to County policy.

Prior Management Response

The County is contracted with Garda to pickup and deliver receipts and deposits from County cashiering locations on a regular basis. For the North area location Garda is scheduled to pickup deposits once a week on Thursday's. On May 3, 2018 Garda did not arrive for the scheduled pickup which would have included receipts for April 26, 2018 and May 2, 2018. As a result Treasury contacted Garda to report the issue and request the deposit be picked up as soon as possible. Since the North area is only open Wednesday's and Thursday's the next available opportunity for Garda to pickup was the following week and they picked up the deposits on May 10, 2018. While this is the only instance at the Treasury Service Center's that Garda failed to pickup receipts as scheduled, there have been similar instances at other departments. In each of these instances Treasury has either contacted Garda to report the issue or we requested the department reach out to Garda directly. Additionally, Treasury has reported these issues to the Contract Service Officer. Treasury also instructed departments experiencing issues with Garda to report them to the Contract Service Officer. The armored courier contract is currently out for bid and Treasury has requested that the ongoing issues the County is experiencing with Garda be taken into consideration during the evaluation process.

Current Status

It appears our recommendation has been implemented.