

COUNTY OF SACRAMENTO

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

INTERNAL AUDITS REPORT
TREASURY SURPRISE CASH COUNT
DEPARTMENT OF FINANCE
DECEMBER 14, 2020



Audit Committee Submittal Date: 03/25/2021

SUMMARY

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 shortages of \$0.02 in a cash drawer and \$434.00 shortages in the vault. We noted a finding related to single cash loss occurrence as a result of procedures performed in reviewing the \$434.00 shortages in the vault.

Department of Finance

Ben Lamera
Director



Auditor-Controller Division

Joyce Renison
Assistant Auditor-Controller

County of Sacramento

Intra-Office Memorandum

February 23, 2021

To: Peggy Marti
Treasury
Assistant Treasurer

From: Hong Lun (Andy) Yu, CPA
Audit Manager

Subject: **SURPRISE CASH COUNT – DECEMBER 14, 2020**

Attached for your information is the final agreed-upon procedures report for a surprise cash count of the Department of Finance, Treasury Division Cashier Section.

We wish to thank your staff for the cooperation and assistance they provided during this procedure.

Attachments

COUNTY OF SACRAMENTO

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

INTERNAL AUDITS REPORT
TREASURY SURPRISE CASH COUNT
DEPARTMENT OF FINANCE
DECEMBER 14, 2020



Audit Committee Submittal Date: 03/19/2021

SUMMARY

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County of Sacramento

Intra-Office Memorandum

February 23, 2021

To: Ben Lamera
Director of Finance

From: Hong Lun (Andy) Yu, CPA
Audit Manager

A handwritten signature in blue ink, appearing to be "AY", located to the right of the "From:" field.

Subject: **TREASURY SURPRISE CASH COUNT – DECEMBER 14, 2020**

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 Treasury Division's main office and satellite cashier offices including Building Assistant Centers (Downtown and Branch Center) and County Service Center (Fair Oaks). The surprise cash count was performed on December 14, 2020. Receipts related to the Treasury Division main office and Branch Center are from activities on December 11, 2020. Receipts related to the Downtown office are from activities on December 10 – 11, 2020. Fair Oaks cash was not counted due to service center being closed because of the COVID – 19 pandemic. The Department of Finance, Treasury Division's management is responsible for the cashier section's accounting records and its internal controls. Our procedures and findings are as follows:

- We reconciled daily deposits to financial records and Sacramento County Financial System (COMPASS).

Finding: Daily deposits reconciled to financial records and COMPASS. See Attachment I, *Summary of Surprise Cash Counted*.

- We reconciled imprest cash to the authorized amounts posted on COMPASS.

Finding: Except for shortages of \$0.02 in a cash drawer and \$434.00 in the vault, Treasury Division's imprest cash agreed to authorized amounts on COMPASS. See Attachment I, *Summary of Surprise Cash Counted*. We noted an issue related to single cash loss occurrence. See Attachment II, *Comment and Recommendation*.

The Department of Finance, Treasury Division's management responses to the findings identified during our engagement are described in Attachment II, *Current Findings and Recommendations*. We did not perform procedures to validate Treasury Division's management responses to the findings and, accordingly, we do not express opinions on the responses to the findings.

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 and does not extend to 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.

Attachments

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

DECEMBER 14, 2020

TREASURY DEPOSIT

	<u>Amount Counted</u>	<u>Daily Receipts Amount ⁽¹⁾</u>	<u>Variance</u>
Cash/Check Deposit			
Main Office	\$ 2,514.52	\$ 2,514.52	\$ 0.00
Branch Center	520.30	520.30	0.00
Downtown	88,132.32	88,132.32	0.00
Fair Oaks ⁽²⁾	0.00	0.00	0.00
Credit Card Deposit			
Branch Center	\$ 450.83	\$ 450.83	\$ 0.00
Downtown	0.00	0.00	0.00
Fair Oaks ⁽²⁾	0.00	0.00	0.00

IMPREST CASH

	<u>Cash Counted</u>	<u>Authorized Amounts</u>	<u>Variance</u>
Cash Drawer			
Main Office	\$ 8,000.00	\$ 8,000.00	\$ 0.00
Branch Center	350.00	350.00	0.00
Downtown ⁽³⁾	249.98	250.00	(0.02)
Fair Oaks ⁽²⁾	Unavailable	250.00	Not Applicable
Vault			
Main Office ^{(4) (5)}	\$ 3,516.00	\$ 3,950.00	(\$ 434.00)

Notes:

- (1) Amounts represent daily receipts from December 11, 2020 for Treasury's Main Office and Branch Center. For Downtown, amounts represent receipts from December 10, 2020 and December 11, 2020. 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, Consolidated Utility Billing and Services (CUBS) utility payments, etc.
- (2) The Fair Oaks location is currently closed and not accepting payments from customers due to the public health orders attributed to the COVID-19 pandemic.
- (3) There was a \$0.02 shortage noted during the cash drawer count at Downtown.

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

Notes:

- (4) The McClellan location is permanently closed since June 30, 2020. The imprest cash of \$250.00 for that location was transferred to Treasury's Main Office and is included with the vault amount.
- (5) There was a \$434.00 shortage noted on Treasury's shortages and overages vault schedule. Treasury's vault has an imprest balance of \$3,950.00, and the recounted balance was \$3,516.00. The noted \$434.00 difference is below the \$500.00 annual threshold requiring submission of Relief of Accountability for approval. However, Treasury had a single day loss of \$314.00 on December 8, 2020, which exceeds the single day cash loss amount (\$200.00) requiring submission of Relief of Accountability for approval.

DEPARTMENT OF FINANCE
TREASURY DIVISION – CASHIER SECTION
COMMENT AND RECOMMENDATION

DECEMBER 14, 2020

CURRENT FINDING

Cashiering Shortage – Single Cash Loss Occurrence For Relief of Accountability

Comment

Treasury's vault had a cumulative shortage of \$434.00 on December 14, 2020. The authorized imprest amount for the vault is \$3,950.00 and the balance was \$3,516.00. The cumulative shortage difference is currently below the \$500.00 annual fiscal year threshold loss amount requiring submission of Relief of Accountability to the Director of Finance for approval. However, Treasury experienced a single day cashiering shortage of \$314.00 on December 8, 2020. The \$314.00 cashiering shortage amount exceeds the single cash loss occurrence amount (\$200.00) requiring submission of Relief of Accountability per Board Resolution #99-0158 and Policy #1402 (Relief of Accountability – Accounts Receivable Policy) as required by the Board of Supervisors.

Per the approved Relief of Accountability requirements, county departments are required to report cumulative cash shortages occurring during a fiscal year that are equal to, or greater, than \$500.00 to the Director of Finance and also any single cash loss occurrence (one-time) that is equal to, or greater than, \$200.00. When a loss of cash or cash equivalent is discovered, the department shall make a thorough investigation and determine the reason for the cash shortage. If the reason for the shortage cannot be determined and the loss is apparently due to cash handling error or apparent theft, the department incurring the cash loss shall submit a Relief of Accountability request to relieve and replenish the cash loss.

Recommendation

Treasury should investigate the cause for the shortage and submit a Relief of Accountability request in accordance with Board Resolution #99-0158 and Policy #1402 (Relief of Accountability – Accounts Receivable Policy) to the Director of Finance.

Management Response

Upon identifying the \$314 shortage occurring on December 8, 2020, Treasury immediately investigated the root cause of the shortage. On the following day, December 9, 2020, the Cashier Supervisor drafted a Relief of Accountability for review by senior management. The final Relief of Accountability was approved by the Director of Finance on December 22, 2020.