

COUNTY OF SACRAMENTO

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

INTERNAL AUDITS REPORT

CHANGE OF CUSTODY AGREED-UPON PROCEDURES FINAL REPORT AS OF MARCH 5, 2021

DEPARTMENT OF CHILD SUPPORT SERVICES



Audit Committee Submittal Date: 01/24/2022

SUMMARY

Background

The Department of Finance (Finance) performed a change of custody agreed-upon procedures for the outgoing director of the Department of Child Support Services (DCSS) who retired March 5, 2021.

Audit Objective

To inspect DCSS's cash and capital assets as of August 12, 2021 and confirm the record to the Sacramento County Accounting System (a.k.a COMPASS) for the period March 5, 2021 to August 12, 2021.

Summary

We did not note any issues related to DCSS's cash and assets as a result of our procedures.



County of Sacramento

Inter-Office Memorandum

October 5, 2021

To: Dalen Fredrickson, Director
Department of Child Support Services

From: Ben Lamera
Director of Finance

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

A handwritten signature in blue ink, appearing to be "H. Yu", is written over the name of the sender.

Subject: **INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES FOR THE SACRAMENTO COUNTY DEPARTMENT OF CHILD SUPPORT SERVICES (DCSS) CHANGE OF CUSTODY ON MARCH 5, 2021**

We have performed the procedures enumerated below, which were requested and agreed to by Sacramento County Department of Child Support Services (DCSS) regarding change of custody on March 5, 2021. We performed our procedures at DCSS's office located at 3701 Power Inn Road, Sacramento, California, 95826. DCSS management is responsible for maintaining sufficient controls for its accounting operations and assets. This agreed-upon procedures engagement was conducted in accordance with the Standards for Attestation Engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of DCSS management. 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. This report is applicable solely to the procedures referred to below and is not intended to pertain to any of DCSS's other operations, procedures or compliance with laws and regulations.

Our procedures and findings are summarized as follows:

1. We counted the Department's imprest cash on hand as of August 12, 2021 and compared it to the amount authorized in the Sacramento County Financial System (a.k.a. COMPASS).

Finding: We did not note any exception as a result of our procedures. See Attachment I - *Schedule of Accountability*.

2. We reviewed imprest cash transactions record and reconciliation for the period March 5, 2021 to August 12, 2021 for cash counted under Procedure #1.

Finding: We did not note any exception related to record keeping of imprest cash. See Attachment I - *Schedule of Accountability*.

3. We reviewed bank statements and reconciliation records for two (2) external bank accounts for the months of February 2021 through July 2021 to confirm amount held at the end of July 2021. We traced transactions listed on the bank statements or reconciliation records that accounted for variances between banks' ending balances as of July 30, 2021 for first bank account and as of July 31, 2021 for second bank account to amounts authorized in COMPASS for the period under review.

Finding: We did not note any exception as a result of our procedures. See Attachment I - *Schedule of Accountability*.

4. We reviewed the capital asset listing and physically inspected 4 of 14 haphazardly selected capital assets at DCSS's location for their existence on August 12, 2021.

Finding: We did not note any exception related to DCSS's capital asset record keeping and tracking as a result of our procedures. See Attachment I - *Schedule of Accountability*.

This agreed-upon procedures engagement was conducted in accordance with the Standards for Attestation Engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to, and did not perform an audit or examination, the objective of which would be the expression of an opinion or conclusion, respectively, on DCSS's fiscal processes or results of our procedures referred above. Accordingly, we do not express such an opinion or conclusion. 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, those charged with governance, Sacramento County Audit Committee, Sacramento County Executive, and DCSS 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.

Attachment

Attachment I - *Schedule of Accountability*

**COUNTY OF SACRAMENTO
DEPARTMENT OF CHILD SUPPORT SERVICES
CHANGE OF CUSTODY
SCHEDULE OF ACCOUNTABILITY**

MARCH 5, 2021

Imprest Cash

<u>Confirmed Date</u>	<u>Imprest Cash</u>	<u>Authorized Amount</u>	<u>Confirmed Amount</u>	<u>Variance</u>
August 12, 2021	Petty Cash	\$ 150.00	150.00	\$
August 12, 2021	Checking Account	1,850.00	1,850.00 ⁽¹⁾	
Total		<u>\$ 2,000.00</u>	<u>2,000.00</u>	<u>\$</u>

External Bank Account

<u>Confirmed Date</u>	<u>Authorized Amount</u>	<u>Confirmed Amount</u>	<u>Variance</u>
August 12, 2021	\$64,000.00	64,000.00 ⁽²⁾	<u>\$</u>

Capital Assets

<u>Capital Assets on Hand</u>	<u>Total Acquired Value Reported</u> ⁽³⁾	<u>Amount Inspected</u> ⁽⁴⁾	<u>Identified Variance</u>
Capital Assets	<u>\$536,758.23</u>	<u>111,415.60</u>	<u>\$</u>

⁽¹⁾ Confirmed amount of \$1,850.00 included bank balance for petty cash account and pending reimbursements for checks issued from petty cash account.

⁽²⁾ Confirmed amount of \$64,000.00 included bank ending balance and reconciling items.

⁽³⁾ Amount consists of the acquisition value of the Sacramento County Department of Child Support Services' (DCSS) 14 capital assets reported in the Sacramento County Financial System (a.k.a. COMPASS) as of June 30, 2021. No capital assets were acquired from March 5, 2021 through June 30, 2021. Of the 14 assets, four (4) assets were moved to Department of General Services – Surplus Property Sale as of June 30, 2021.

⁽⁴⁾ Amount consists of four (4) assets that were verified to be in DCSS's possession on August 12, 2021.