

COUNTY OF SACRAMENTO

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

INTERNAL AUDIT REPORT
CASH AND CAPITAL ASSETS
AGREED-UPON PROCEDURES REPORT
AS OF APRIL 5, 2023
CLERK OF THE BOARD OF SUPERVISORS



Audit Committee Submittal Date: 08/17/2023

SUMMARY

Background

The Department of Finance (DOF) performed agreed-upon procedures for the Clerk of the Board of Supervisors (COB)'s cash and capital assets as of April 5, 2023.

Audit Objective

To inspect COB's cash and capital assets as of April 5, 2023 and confirm the record to the Sacramento County Accounting System.

Summary

We noted issues with COB's capital assets.

Department of Finance

Joyce Renison
Interim Director



County of Sacramento

Divisions

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

June 14, 2023

Florence Evans
Clerk of the Board
County of Sacramento
700 H Street, Suite 2450
Sacramento, CA 95814

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

Dear Ms. Evans:

We have performed the procedures enumerated below, which were agreed to by the County of Sacramento, Clerk of the Board of Supervisors (COB), regarding COB's cash and capital assets. We performed our procedures on April 5, 2023 at the COB's office located at 700 H Street, Room 2450, Sacramento, California, 95814. The COB's management is responsible for maintaining sufficient controls for its accounting operations and assets. The sufficiency of these procedures is solely the responsibility of the COB's 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 the COB's other operations, procedures or compliance with laws and regulations.

Our procedures are summarized as follows:

1. We counted COB's imprest cash and all receipts on hand during our fieldwork and compared it to the authorized amount in the Sacramento County Financial System (COMPASS). See ATT 1 – *Schedule of Accountability*.

Result: COB's imprest cash on hand agreed to the authorized amount without exception. COB did not have cash receipts on hand during our fieldwork for testing.

2. We reviewed the existence of the COB's capital assets for agreement to supporting documentation and COMPASS. We haphazardly chose five (5) out of 11 capital assets for testing. See ATT 1 - *Schedule of Accountability* and Attachment 2 - *Findings and Recommendations*.


Result: We noted issues with capital assets. See Attachment I, *Schedule of Accountability* and Attachment II, *Findings and Recommendations*.

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 COB'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, Sacramento County Audit Committee, Sacramento County Executive, and COB'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,

JOYCE RENISON
INTERIM DIRECTOR OF FINANCE


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

Attachments:

ATT 1 – *Schedule of Accountability*
ATT 2 – *Findings & Recommendations*

**COUNTY OF SACRAMENTO
CLERK OF THE BOARD OF SUPERVISORS
CASH AND CAPITAL ASSETS
APRIL 5, 2023
SCHEDULE OF ACCOUNTABILITY**

IMPREST CASH

	<u>Amount Counted</u>	<u>Amount Authorized</u>	<u>Variance</u>
Change Fund	\$ 200.00	200.00	0.00
Petty Cash	100.00	100.00	0.00
Total	<u>\$ 300.00</u>	<u>300.00</u>	<u>0.00</u>

CAPITAL ASSETS

	<u>Total Acquisition Value⁽¹⁾</u>	<u>Tested Acquisition Value⁽²⁾</u>	<u>Exception⁽³⁾ from testing</u>
Total	<u>\$ 902,966.72</u>	<u>509,060.74</u>	<u>509,060.74</u>

⁽¹⁾ Amount represents total acquisition value of Clerk of the Board's capital assets reported in the Sacramento County Financial System (COMPASS) for eleven (11) units.

⁽²⁾ Amount represents the total acquisition value of five (5) capital assets selected for testing.

⁽³⁾ See ATT II, Findings and Recommendations.

**COUNTY OF SACRAMENTO
CLERK OF THE BOARD OF SUPERVISORS (COB)
CASH AND CAPITAL ASSETS
APRIL 5, 2023
FINDINGS AND RECOMMENDATIONS**

1. Capital Asset

Condition:

During our inspection of COB capital assets, we sampled five (5) out of 11 recorded capital assets for physical inspection. We noted the following issues from our procedure:

- We did not find a computer hardware asset, (acquisition value of \$214,766.65 and book value of \$0.00) that is listed on the capital asset list with the Sacramento County Financial System (COMPASS) and COB.
- We noted the remaining four (4) capital assets selected for inspection were missing County inventory number tags.
- One of the capital assets (90973, Studio Grade Cameras) consisted of four (4) individual, moveable pieces of equipment (personal property) with acquisition value over \$5,000 each, listed under one asset.

According to County policies, COB is responsible for monitoring all capital assets in its possession.

- Loss of capital asset(s) should be reported timely by completing a thorough and complete investigation, filing a Relief of Accountability (ROA), adjusting the Sacramento County Financial System (COMPASS) to correctly reflect all recorded capital assets on an annual basis.
- All capital assets should be tagged with an inventory number in order to be properly tracked and account for assets.
- *“Equipment includes movable personal property of a relatively permanent nature and of significant value”*, as stated in County Policy #1301, be tagged individually with an inventory number in order to properly track and account for the individual fixed asset.

**COUNTY OF SACRAMENTO
CLERK OF THE BOARD OF SUPERVISORS (COB)
CASH AND CAPITAL ASSETS
APRIL 5, 2023
FINDINGS AND RECOMMENDATIONS**

Effect:

Not accounting for all capital assets without proper identification in COB's possession will make it difficult for the COB to track assets and will make them vulnerable to theft or misappropriation.

Recommendation:

We recommend COB investigate the missing computer hardware regarding asset 90973, file a Relief of Accountability (ROA) form, then adjust its capital assets accordingly with COMPASS records.

We recommend COB routinely verify asset tags are in place in order to properly track and account for the assets.

Additionally, we recommend COB tag all capital assets individually with its own inventory tracking number.

Management Response

The Clerk's Department investigated the missing computer hardware that was purchased on July 1, 2005. After consulting with DTech, it was confirmed that this was for the purchase of the AgendaNet system from SIRE Technology. AgendaNet was an agenda management system used to manage the Board of Supervisors meetings. At the time the system was purchased in 2005, records show that software was listed as fixed assets. This software system has been decommissioned.

The Clerk's Department will work closely with Metro Cable and DTech to ensure capital assets are labeled and visible. The video wall and Hearing Room cameras were unable to be verified because it would have required disassembling hardware.

To mitigate the findings and prevent future gaps, the Clerk's Department will complete the following recommendations:

- File a "Release of Accountability"
- Verify asset tags routinely
- Place asset tags in visible areas
- Tag capital assets individually with individual tracking numbers effective June 2023.