

**COUNTY OF SACRAMENTO
INTERNAL SERVICES AGENCY
DEPARTMENT OF FINANCE
AUDITOR-CONTROLLER**

Intra-Departmental Correspondence

March 9, 2012

To: Julie Valverde
Director of Finance

From: Hong Lun (Andy) Yu, C.P.A.
Audit Manager



Subject: **CORONER'S OFFICE CASH REVIEW – JANUARY 2012**

We have performed the procedures enumerated below for the Sacramento County Coroner's Office (Coroner). These procedures were performed solely to evaluate the Coroner's cash handling control procedures for the month of January 2012. The Coroner's management is responsible for maintaining sufficient cash handling controls for the Coroner. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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 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 is not intended to pertain to any of the Coroner's other operations, procedures, or compliance with laws and regulations. The procedures we performed are summarized as follows:

- We reviewed the Coroner's cash handling procedures.

Finding: We did not note any other issues with the Coroner's cash handling procedures except for the controls over imprest cash and secondary review of deposits. See Attachment II, *Comments and Recommendations*.

- We reconciled daily deposits and cash on hand to the amounts reported on the Sacramento County Financial System (aka COMPASS).

Finding: The daily deposits and cash on hand were reconciled to COMPASS without exception. However, we are noting a finding for imprest cash. See Attachment I, *Summary of Deposits and Imprest Cash Counted*.

- We reconciled the imprest cash funds on hand to the authorized amounts posted in COMPASS. See Attachment I, *Summary of Deposits and Imprest Cash Counted*, showing details of imprest cash.

Finding: Imprest cash funds on hand did not agree to the approved amount of \$400. See Attachment II, *Comments and Recommendations*.

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 Coroner's cash balances, financial schedules, compliance, or results of our procedures referred above. Accordingly, we do not express such opinions. This report relates only to the review of the Coroner's cash handling procedures, and does not extend to the Coroner's operations as a whole. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The Coroner's response to the findings identified in our engagement is described in Attachment II, *Comments and Recommendations*. We did not perform procedures to validate the Coroner's response to the findings and, accordingly, we do not express opinions on those response to the findings.

This report is intended solely for the information and use of the Sacramento County Board of Supervisors, Sacramento County Treasurer, and the Coroner'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.

Attachment

cc: Members, Board of Supervisors
David Villanueva, Chief Deputy County Executive
Gregory P. Wyatt, Coroner
Bryan Celey-Butlin, Assistant Treasurer

COUNTY OF SACRAMENTO
DEPARTMENT OF FINANCE
CORONER'S OFFICE CASH REVIEW
SUMMARY OF DEPOSITS AND IMPREST CASH COUNTED

For the Month of January 2012

DEPOSITS

<u>Deposit Permit Number</u>	<u>Deposit Date</u>	<u>Amounts Recounted ⁽¹⁾</u>	<u>Daily Receipts Amount ⁽²⁾</u>	<u>Variance</u>
1300448752	1/6/12	\$ 7,815.00	\$ 7,815.00	\$ -0-
1300449371	1/13/12	10,211.50	10,211.50	-0-
1300449931	1/20/12	6,567.50	6,567.50	-0-
1300450552	1/27/12	49,071.40	49,071.40	-0-

IMPREST CASH

<u>Petty Cash Location</u>	<u>Petty Cash Reconciled</u>	<u>Authorized Amount</u>	<u>Variance</u>
Broadway	\$ 313.00	\$ 400.00	\$ (87)

- (1) Amounts represent daily receipts recounted from review of copies of checks and customer receipts.
- (2) Daily receipts were agreed to amounts reported on the Sacramento County Financial System (aka COMPASS). We noted a returned check in the amount of \$400 was included in deposit number 1300449931. The financial system was adjusted by the County Treasurer to reflect the returned check.

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Comments and Recommendations
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Imprest Cash

Comment

Petty cash held by the Coroner does not agree to the imprest cash noted in the Sacramento County Financial System, (aka COMPASS). We recalculated a total of \$313 in the Coroner's petty cash boxes. Imprest amounts noted in COMPASS is \$400. The \$87 difference could not be substantiated and is less than the authorized amount in COMPASS.

Recommendation

We recommend the Coroner investigate the difference between petty cash on hand and the authorized imprest funds noted in COMPASS. We further recommend the Coroner submit a relief of accountability (ROA) for the \$87 shortage in its petty cash fund to the Department of Finance.

Management Response

We agree with the recommendation. We are currently investigating the \$87 difference (shortage) in the petty cash fund and will work with the Department of Finance to make the necessary accounting update.

Computer User Identification Codes and Passwords

Comment

While not directly related to our cash review, during our walk through of the Coroner's cash handling operations, we observed several user identification codes and passwords attached to the Coroner's computer located in the Coroner's receiving area. It appears the user identification codes and passwords were for specific Coroner's staff to access the Coroner's computer system. Therefore, anyone in the Coroner's receiving area can access information maintained in the Coroner's computer by entering the user identification codes and passwords attached to the computer.

Recommendation

We recommend the Coroner change and periodically update user passwords to prevent unauthorized access to the Coroner's computer system. In addition, we recommend the Coroner not display computer user identification codes and passwords on its computers. Computer identification codes and passwords should not be shared or revealed to other individuals, and they should be memorized and not written down.

Management Response

The one computer mentioned that had a password and user ID visible is in a secure area and was only a temporary log on for an intern who used that computer for internet research for missing person cases. That specific computer is no longer in use. All assigned computers in the Coroner's office follow current IT security policies.

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Secondary Review of Deposits

Comment

We noted the Sacramento County's Coroner Office (Coroner) is not performing a secondary review of deposits before the funds are forwarded to the County Treasurer. Deposit permits examined for January 2012 showed no indication of a second review by Coroner staff. Per the Coroner's *Administrative Accounting Policies* "The weekly deposit will be reviewed by a second party before submission."

Recommendation

We recommend the Coroner follow its accounting policies and perform a second review of deposits before submission to the County Treasurer.

Management Response

We agree with the recommendation. The office Administrative Services Office will insure that the Coroner's *Administrative Accounting Policies* is being followed in the future.

Imprest Cash Internal Controls

Comment

During our review of the Coroner's petty cash fund, we noticed a petty cash reimbursement paid without a receipt. Three reimbursement requests for January 2012 were reviewed. One of the petty cash reimbursement requests was made from a hand written description of the purchase. Petty cash controls should allow the Coroner to approve petty cash requests prior to purchase and only reimburse purchases from original receipts.

Recommendation

We recommend the Coroner establish petty cash procedures requiring prior authorizations before purchases and only reimbursing from original receipts.

Management Response

We agree with the recommendation that prior authorization for petty cash purchases be obtained but only when possible. In the 24 hour public safety environment with limited staff it is impossible to anticipate beforehand the rare and unique circumstances that may require a pre-authorization petty cash expenditure. The handwritten note mentioned was simply a reminder that a \$5.00 petty cash payout was made and that a receipt was forth coming. This situation is very rare and only occurs when an employee needs immediate cash for a toll [occasionally bay area travel is necessary to the California Department of Justice Deoxyribonucleic Acid (DNA) Laboratory] or other minor job related expenditure. We have a stated policy that all petty cash reimbursements require an original receipt.