

**COUNTY OF SACRAMENTO
CALIFORNIA**

For the Agenda of:
February 28, 2017
“*Communications Received and Filed*”

To: Board of Supervisors
From: Department of Finance
Subject: Document Fulfillment Services Countywide Mail Preparation And Presort Services Contract For The Period Of November 1, 2015 To October 31, 2016
Supervisory District(s): All
Contact: Joyce Renison, Assistant Auditor-Controller, 874-7248

RECOMMENDATION

Receive and file the attached agreed upon procedures report, *Document Fulfillment Services Countywide Mail Preparation and Presort Services Contract for the Period of November 1, 2015 to October 31, 2016*.

Respectively submitted,

Ben Lamera
Director of Finance

Attachments

ATT 1 - Document Fulfillment Services Countywide Mail Preparation and Presort Services Contract for the Period of November 1, 2015 to October 31, 2016



Internal Services
Department of Finance
Auditor-Controller Division

Joyce Renison,
Assistant Auditor-Controller

County of Sacramento

Navdeep S. Gill,
County Executive

David Villanueva,
Chief Deputy County Executive

Ben Lamera,
Director of Finance

January 27, 2017

Michael M. Morse, Director
Department of General Services
9660 Ecology Lane
Sacramento, CA 95827

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
PROCEDURES FOR DOCUMENT FULFILLMENT SERVICES' COUNTYWIDE MAIL
PREPARATION AND PRESORT SERVICES CONTRACT (#WA00033352)
FOR THE PERIOD FROM NOVEMBER 1, 2015 TO OCTOBER 31, 2016**

Dear Mr. Morse:

We have performed the procedures enumerated below, which were requested and were agreed to by you to evaluate the Department of General Services' (General Services) contract agreement (Contract) with Document Fulfillment Services (DFS) as listed below:

- DFS Countywide Mail Preparation and Presort Services, contract agreement number WA00033352 for the period from November 1, 2015 to October 31, 2016.

This agreed-upon procedures engagement was conducted solely to assist General Services in evaluating DFS' compliance as outlined in the Contract.

General Services' management is responsible for establishing and maintaining effective internal controls for monitoring DFS' activities. In addition, General Services' management is responsible for ensuring DFS' compliance with the Contract's requirements with the County of Sacramento (County) and all other applicable laws, regulations, and statutory requirements.

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 General Services' management. Consequently, we make no representation regarding the sufficiency of the procedures described on the next page either for the purpose for which this report has been requested or for any other purpose. This report is applicable solely to the Contract referred above and is not intended to pertain to any other contractual agreements of General Services.

The procedures we performed for the Contract and our findings were as follows:

- 1) Internal Controls – We reviewed DFS’ written policies and procedures related to preparation of invoice claims submitted to the County of Sacramento.

Finding: We did not note issues requiring your attention.

- 2) Insurance Coverage – We verified whether DFS maintains sufficient insurance coverage in accordance with the contract agreement.

Finding: We did not note any non-compliance.

- 3) Testing Of Invoice Claims – We tested 10% of the dollar amount of invoices claimed for the Departments of General Services, Finance, and Revenue Recovery. We also tested 10% of the remaining dollar amount of invoices claimed for the remaining departments utilizing the Contract. An acceptable variance for work order presort and mail preparation pieces invoiced is 2% per invoice, plus or minus (+/-), for each invoice claim selected for testing. A total of twenty-four (24) invoices were selected for testing. Each invoice claim selected for testing was reviewed for compliance with the contract agreement provisions and traced to general ledgers and supporting documents of county departments.

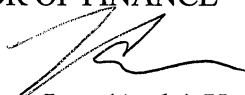
Finding: We noted six (6) invoices exceeding the 2% variance, plus or minus (+/-), from the original work orders requested by County departments. However, the County departments provided additional documents to support the charges included on those six (6) invoices.

Because the above procedures do not constitute an examination made in accordance with generally accepted auditing standards, we do not express an opinion on any of the procedures or items referred to above. Had we performed additional procedures or had we made an examination in accordance with generally accepted auditing standards, other matters might have come to our attention that would have been reported to you. This report relates only to the Contract between General Services and DFS and does not extend to any other contract or program administered by General Services.

This report is intended solely for the information and use of the Sacramento County Board of Supervisors, Sacramento County Executive, and General Services’ 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,

BEN LAMERA
DIRECTOR OF FINANCE



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