

**COUNTY OF SACRAMENTO
CALIFORNIA**

For the Agenda of:
July 25, 2017
“*Communications Received and Filed*” Item

To: Board of Supervisors
From: Department of Finance
Subject: Report Of Agreed-Upon Procedures For The Environmental Management
Department (EMD) Change Of Custody On March 24, 2017
Supervisory District(s): All
Contact: Joyce Renison, Assistant Auditor-Controller, 874-7248

RECOMMENDATION

Receive and file the attached agreed-upon procedures report, *Report of Agreed-Upon Procedures for the Environmental Management Department (EMD) Change of Custody on March 24, 2017*.

Respectively submitted,

Ben Lamera
Director of Finance

Attachment

ATT 1 - Report of Agreed-Upon Procedures for the Environmental Management Department
(EMD) Change of Custody on March 24, 2017

Department of Finance

Ben Lamera,
Director



Agenda Date: July 25, 2017

ATT 1
Auditor-Controller Division

Joyce Renison,
Assistant Auditor-Controller

County of Sacramento

Inter-Departmental Memorandum

June 14, 2017

To: Marie Woodin, Interim Director
Environmental Management Department

From: Ben Lamera
Director of Finance

By: Alan A. Matré, C.P.A.
Chief of Audits

A handwritten signature in blue ink, appearing to read "Alan A. Matré", is placed over the printed name of the Chief of Audits.

Subject: **REPORT OF AGREED-UPON PROCEDURES FOR THE ENVIRONMENTAL MANAGEMENT DEPARTMENT (EMD) CHANGE OF CUSTODY ON MARCH 24, 2017**

At your request, we have performed the procedures enumerated below, which were agreed to by the County of Sacramento, Environmental Management Department (EMD), solely to assist EMD with its change of custody on March 24, 2017. We performed our procedures at EMD's office located at 10590 Armstrong Avenue, Suite C, Sacramento, California, 95655. EMD's management is responsible for maintaining sufficient controls for its accounting operations and capital assets. 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 EMD'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 EMD's other operations, procedures or compliance with other laws and regulations. Our procedures and findings are summarized as follows:

- We reviewed EMD's imprest cash on hand for agreement to authorized amounts noted on the Sacramento County Financial System (aka COMPASS).

Finding: EMD's imprest cash agreed to COMPASS. See Attachment I, *Schedule of Accountability*.

- We reviewed EMD's un-deposited receipts from business operations.

Finding: Un-deposited receipts agreed to EMD's supporting documentation and COMPASS. See Attachment I, *Schedule of Accountability*.

- We reviewed the existence of EMD's capital assets for agreement to supporting documentation and COMPASS.

Finding: Capital assets reviewed agreed to EMD's supporting documentation and COMPASS. However, we did note issues related to capital assets not properly affixed with inventory tags and obsolete capital assets listed on EMD's supporting documentation. See Attachment II, *Findings and Recommendations*.

Because the preceding procedures do not constitute an examination made in accordance with attestation standards established by the American Institute of Certified Public Accountants, we do not express an opinion on any of the accounts or items referred to above. Had we made an examination in accordance with attestation standards established by the American Institute of Certified Public Accountants, other matters may have come to our attention that would have been reported to you. This report relates only to EMD's change of custody on March 24, 2017, and does not extend to EMD as a whole.

EMD's responses to the findings identified in our agreed upon procedures report is described in Attachment II, *Findings and Recommendations*. We did not perform procedures to validate EMD's responses and, accordingly, we express no opinions on them.

Attachments

Attachment I, *Schedule of Accountability*

Attachment II, *Findings and Recommendations*

cc: Val Siebal, Retired

**COUNTY OF SACRAMENTO
ENVIRONMENTAL MANAGEMENT DEPARTMENT
CHANGE OF CUSTODY**

MARCH 24, 2017

SCHEDULE OF ACCOUNTABILITY

| <u>CASH ON HAND</u> | <u>AMOUNT RECEIPTED</u> | <u>ACCOUNTABILITY</u> | <u>OVER/ (SHORT) VARIANCE</u> |
|---------------------|-----------------------------|-----------------------|---------------------------------------|
| Imprest Cash | | | |
| Change Funds | \$ 300.00 | 300.00 | 0.00 |
| Petty Cash | 150.00 | 150.00 | 0.00 |
| Total Imprest Cash | <u>\$ 450.00</u> | <u>450.00</u> | <u>0.00</u> |

DEPOSIT – MARCH 24, 2017

| <u>Deposit Permit Number</u> | <u>Deposit Date</u> | <u>Amount Tested ⁽¹⁾</u> | <u>Amount Posted EMD</u> | <u>Amount Posted by Treasury</u> | <u>Variance</u> |
|----------------------------------|-------------------------|---|----------------------------------|--|-----------------|
| 1300628311 | 4/3/17 | \$ 81,055.72 | \$ 96,066.42 | \$ 96,066.42 | \$ 0.00 |

⁽¹⁾ The difference between the amount tested and the amounts posted by EMD and the Treasury is \$15,010.70. The amount is comprised of debit card, credit card, and electronic check payments. Debit card, credit card, and electronic check payments were not included as part of our deposit testing.

**COUNTY OF SACRAMENTO
ENVIRONMENTAL MANAGEMENT DEPARTMENT
CHANGE OF CUSTODY**

MARCH 24, 2017

FINDINGS AND RECOMMENDATIONS

CURRENT FINDINGS

1. Missing Capital Asset Tags

Comment

During our review of Environmental Management Department's (EMD) capital assets, we noted five (5) capital asset missing inventory tags. Capital asset numbers: 62309, 62347, 63829, 72026, and 81564 are not properly affixed with inventory tags. The County of Sacramento's capital asset policy requires qualifying equipment to be properly tagged with inventory tags. EMD staff indicated that capital assets were not tagged when placed into service.

Recommendation

We recommend EMD attach inventory tags to qualifying capital assets before they are placed into service.

Management Response

All assets have been tagged with a County blue tag and those obsolete items that needed to be sent to surplus are being processed.

2. Obsolete Capital Assets

Comment

During our review of EMD's capital assets, we noted two (2) capital assets that are obsolete and no longer in use. Capital asset numbers 62309 and 62347 are no longer used by EMD, but both capital assets are listed on its capital asset listing. Capital assets that are obsolete and no longer in use should be removed from EMD's capital asset listing. EMD's capital asset listing will continue to be incorrectly stated until obsolete and unused equipment is removed from it.

Recommendation

We recommend EMD properly dispose obsolete and unused capital assets in accordance with the County of Sacramento's capital asset policy.

Management Response

See EMD's management response located at Finding #1 (*Missing Capital Asset Tags*).