

COUNTY OF SACRAMENTO

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

INTERNAL AUDIT REPORT

**CHANGE OF CUSTODY
AGREED-UPON PROCEDURES REPORT
AS OF JULY 25, 2025**

COUNTY CLERK/RECORDER



Audit Committee Submittal Date: 02/27/2026

SUMMARY

Background

The Department of Finance (Finance) performed a change of custody agreed-upon procedures for the outgoing Director of the Sacramento County Clerk/Recorder (CCR) with a change of custody date of July 25, 2025.

Audit Objective

To inspect CCR's cash, cash equivalents, and capital assets as of July 25, 2025, and confirm the records to the Sacramento County Accounting System (COMPASS).

Summary

We noted issues with imprest cash replenishment.

Department of Finance

Chad Rinde

Director



County of Sacramento

Divisions

Auditor-Controller

Consolidated Utilities Billing &
Service

Investments

Revenue Recovery

Tax Collection & Licensing

Treasury

January 29, 2026

Florence Evans, County Clerk/Recorder
County Clerk Recorder
County of Sacramento
3636 American River Drive, Suite 110
Sacramento, California 95864

**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 Sacramento County (County) Clerk/Recorder (CCR) regarding the change of custody on July 25, 2025. CCR's management is responsible for maintaining sufficient controls for its accounting operations and assets. In performing our agreed-upon procedures engagement, we have relied solely on representations provided by CCR relating to its responsibility for maintaining sufficient controls for its accounting operations and assets.

CCR has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purposes of the County's mandated review of CCR's assets due to a change of custody. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Our procedures and findings are summarized as follows:

1. We counted CCR's cash and all receipts on hand on July 24 and 25, 2025 and traced back to the change of custody date and compared our count to the Sacramento County Financial System (COMPASS) records.

Result: We noted one exception related to imprest cash replenishment. See ATT 2 - *Current Finding and Recommendation*.

2. We inspected a sample of 10 of 47 capital assets in the possession of CCR on July 24, 2025 and traced back to the change of custody date.

Result: We noted no exceptions.

3. We verified whether the outgoing Director returned all assigned County assets to CCR prior to the change of custody on July 25, 2025.

Result: We noted no exceptions.

We were engaged by CCR to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the standards for attestation engagements contained in *Generally Accepted Government Auditing Standards*, issued by the Comptroller General of the United States of America. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed. We were not engaged to, and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on CCR's fiscal processes or results of our procedures referred to 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.

We are required to be independent of CCR regarding the change of custody review procedures and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report relates only to the results of our procedures referred to above and does not extend to CCR's operations as a whole.

CCR's response to the findings identified during our procedures are described in ATT 2 – *Current Finding and Recommendation*. We did not perform procedures to validate CCR's response to the finding and, accordingly, we do not express an opinion on the response to the finding.

Florence Evans, County Clerk/Recorder
January 29, 2026

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 CCR'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,

CHAD RINDE
DIRECTOR OF FINANCE



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

Attachments:

ATT 1 – *Schedule of Accountability*
ATT 2 – *Current Finding and Recommendation*

COUNTY OF SACRAMENTO
 COUNTY CLERK/RECORDER (CCR)
 CHANGE OF CUSTODY
 JULY 25, 2025
 SCHEDULE OF ACCOUNTABILITY

IMPREST CASH

	Amount Authorized ⁽¹⁾	Amount Counted ⁽²⁾	Variance
Main Office			
Change Fund	\$	1,350.00	
Petty Cash		100.00 ⁽³⁾	
Tills		3,450.00	
South Service Center			
Change Fund		700.00	
Tills		2,000.00	
Total	\$ 7,600.00	7,600.00	0.00

CASH RECEIPTS

Deposit Permit Number	Total Amount Posted by Treasury ⁽⁴⁾	CCR Receipts Record ⁽⁵⁾	Amount Counted ⁽⁶⁾	Variance
1300902684	\$ 137,617.63	24,819.30	24,819.30	
1300902823	200,369.56	25,973.50	25,973.50	
Total	\$ 337,987.19	50,792.80	50,792.80	0.00

CAPITAL ASSETS

Total	Book Value ⁽⁷⁾	Amount Sampled ⁽⁸⁾	Amount Verified ⁽⁹⁾	Variance
	\$ 124,052.07	36,049.55	36,049.55	0.00

- (1) Amount represents total authorized amount reported in the Sacramento County Financial System (COMPASS).
- (2) Amount represents the imprest cash counted and inspected on July 25, 2025.
- (3) The petty cash fund of \$100 consisted of \$56.82 in cash and a total of \$43.18 in receipts dating back to March 2018 and June 2019. The fund was last replenished in fiscal year 2017, exceeding the annual replenishment requirement outlined in County Policy 1003. See ATT 2 - *Current Finding and Recommendation*.
- (4) Amounts represent CCR's total daily receipts deposited to and posted by Treasury on July 25, 2025. The amounts include both receipts counted by the auditor and addition receipts after the receipts count on July 25, 2025
- (5) Amounts represent CCR's receipts on hand when the auditor counted the receipts on July 25, 2025
- (6) Amounts represent the receipt amounts verified by the auditor on July 25, 2025
- (7) Amount represents the total book value of CCR's capital assets reported in COMPASS.
- (8) Amount represents the total book value of sample capital assets selected for testing from CCR's capital assets reported in COMPASS.
- (9) Amount represents the total book value of CCR's capital assets verified from the sample testing.

**COUNTY OF SACRAMENTO
COUNTY CLERK/RECORDER
CHANGE OF CUSTODY
JULY 25, 2025
CURRENT FINDING AND RECOMMENDATION**

1. Imprest Cash Replenishment

Criteria

County policy 1003: Imprest (Cash Funds) and External Bank Account Policy requires that, *"At a minimum, imprest cash funds should be replenished on an annual basis."*

Condition

County Clerk/Recorder (CCR) was not compliant with County policy #1003. CCR maintains a petty cash fund of \$100. As of July 25, 2025, the fund contained \$56.82 in cash and \$43.18 in receipts awaiting replenishment. The receipts included expenditures for purchases of \$29.75 from March 2018 and \$13.43 from June 2019 that have not yet been replenished in accordance with county policy.

Cause

CCR did not follow County policy 1003 for timely replenishment of petty cash funds.

Effect

Delays in replenishing petty cash funds may limit the availability of cash for routine business needs. Additionally, extended replenishment periods could also make it more challenging to maintain complete and accurate expense documentation required for reimbursement.

Recommendation

CCR should adhere to the County's imprest cash policy and procedures and ensure that relevant employees receive appropriate training on these requirements and replenish the petty cash funds in accordance with policy.

If CCR determines that the petty cash fund is no longer necessary due to lack of use or infrequent use, we recommend CCR contact Department of Finance and close the petty cash fund account.

Management Response

CCR agrees with the DOF finding and will take steps to close the petty cash fund account due to infrequent use. Reimbursements will be processed with a claim when needed.