

**COUNTY OF SACRAMENTO
CALIFORNIA**

For the Agenda of:
July 26, 2016
“Communications Received and Filed” Item

To: Board of Supervisors
From: Department of Finance
Subject: Department Of General Services Cash Handling Review – For The Period Of
July 1, 2015 To October 31, 2015
Supervisory
District: All
Contact: Ben Lamera, Assistant Auditor-Controller, 874-7450

RECOMMENDATION

Receive and file the attached agreed upon procedures report, *Department Of General Services
Cash Handling Review – For The Period Of July 1, 2015 To October 31, 2015.*

Respectively submitted,

Ben Lamera
Interim Director of Finance

Attachment 1, Department of General Services Cash Handling Review – For the Period of
July 1, 2015 to October 31, 2015

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

Intra-Departmental Correspondence

May 31, 2016

To: Ben Lamera
Interim Director of Finance

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



Subject: **DEPARTMENT OF GENERAL SERVICES CASH HANDLING REVIEW –
FOR THE PERIOD OF JULY 1, 2015 TO OCTOBER 31, 2015**

We have performed the procedures enumerated below, which were agreed to by you, for the County of Sacramento, Department of General Services (DGS). These procedures were performed solely to evaluate DGS's cash handling control procedures for the period of July 1, 2015 to October 31, 2015. DGS's management is responsible for maintaining sufficient cash handling controls for its department. 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 the procedures referred to below and is not intended to pertain to any of DGS's other operations, procedures, or compliance with laws and regulations. The procedures we performed for DGS are summarized as follows:

- We reviewed DGS's cash handling procedures.

Finding: We noted several concerns. See Attachment III, *Current Findings and Recommendations*.

- We reconciled imprest cash and deposit selected for testing to authorized amounts posted in Sacramento County's Financial System (a.k.a. COMPASS).

Finding: We noted several concerns. See Attachment I, *Summary of Deposits and Imprest Cash Counted*.

- We determined the current status of findings and recommendations reported on DGS's prior cash handling review report for the month of February 2013, dated October 22, 2013.

Finding: The prior cash handling review report covers DGS' Parking Enterprise Unit only. It appears that our recommendations have been implemented. See Attachment II, *Current Status of Prior Findings 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 DGS'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 DGS's cash handling procedures, and does not extend to DGS'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.

DGS's responses to the findings identified during our engagement are described in Attachment III, *Current Findings and Recommendations*. We did not perform procedures to validate DGS's responses to the findings and, accordingly, we do not express an opinion on the responses to the findings.

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

Attachments

Attachment I: *Summary of Deposits and Imprest Cash Counted*

Attachment II: *Current Status of Prior Findings and Recommendations*

Attachment III: *Current Findings and Recommendations*

cc: Members, Board of Supervisors
Navdeep Gill, County Executive
David Villanueva, Chief Deputy County Executive
Britt Ferguson, Chief Financial Officer, County Executive Office
Peggy Marti, Assistant Treasurer, Department of Finance
Michael Morse, Director, Department of General Services
Andrew Schmiedt, Senior Accounting Manager, Department of General Services

COUNTY OF SACRAMENTO
DEPARTMENT OF GENERAL SERVICES
CASH HANDLING REVIEW
SUMMARY OF DEPOSITS AND IMPREST CASH COUNTED
FOR THE PERIOD JULY 1, 2015 TO OCTOBER 31, 2015

DEPOSITS

<u>Deposit Permit Number</u>	<u>Deposit Date</u>	<u>Amount Received By DGS</u> ⁽¹⁾	<u>Amount Posted by Treasury</u> ⁽²⁾	<u>Variance</u>
1300566974	07/09/2015	\$ 5,000.00	5,000.00	0.00
1300568760	07/23/2015	10,900.00	10,900.00	0.00
1300572111	08/27/2015	76,800.00	76,800.00	0.00
1300573649	09/18/2015	18,200.00	18,200.00	0.00
1300575633	09/30/2015	23,820.32	23,820.32	0.00
1300577819	10/27/2015	62,500.00	62,500.00	0.00
1300577866	10/27/2015	7,500.00	7,500.00	0.00
1300578494	11/05/2015	1,500.00	1,500.00	0.00

IMPREST CASH

<u>Imprest Cash Location</u>	<u>Date Counted</u>	<u>Amount Counted</u>	<u>Authorized Amount</u>	<u>Variance</u>
Accounting - Petty Cash	10/09/2015	\$ 325.00	325.00	0.00
Bradshaw District - Petty Cash	10/27/2015	103.62	100.00	3.62 ⁽³⁾
Construction Management and Inspection Division (CMID) - Petty Cash	10/27/2015	100.10	100.00	0.10 ⁽³⁾
Real Estate - Petty Cash	10/09/2015	100.00	100.00	0.00
Support Services - Petty Cash	10/09/2015	296.54 ⁽⁴⁾	50.00	246.54 ⁽³⁾
Parking Enterprise - Change Fund	10/30/2015	600.00	600.00	0.00
Total		<u>\$ 1,525.26</u>	<u>1,275.00</u>	<u>250.26</u>

(1) Amounts consist of review of daily receipts, checks, and cash recounted.

(2) Daily receipts were agreed to amounts reported on the Sacramento County Financial System (COMPASS).

(3) Difference between the cash counted and the authorized amount reported in the Sacramento County Financial System (a.k.a COMPASS). See *Attachment III, Current Findings and Recommendations*.

(4) Amount counted at Support Services Unit consisted of \$50.00 petty cash, a \$150.00 unauthorized imprest change fund (See Finding 8 in *Attachment III, Current Findings and Recommendations*), and \$96.54 in accumulated overages from cash sales (See Finding 9 in *Attachment III, Current Findings and Recommendations*).

COUNTY OF SACRAMENTO
DEPARTMENT OF GENERAL SERVICES
CASH HANDLING REVIEW
CURRENT STATUS OF PRIOR FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD JULY 1, 2015, TO OCTOBER 31, 2015

**FROM THE PRIOR CASH HANDLING REVIEW REPORT FOR THE MONTH OF
FEBRUARY 2013, DATED OCTOBER 22, 2013***

1. Parking Stamps

Prior Comment

The Department of General Services' Parking Enterprise Unit (DGS Parking) sells parking stamps to various departments of Sacramento County, whose employees use them as a form of payment for the parking fee when they park at the downtown public garage. After DGS parking attendants receive parking stamps from the customers, they staple the parking stamps to parking tickets and stored them in unsecured storage boxes at DGS public garage administration office. However, these used parking stamps are not voided or marked. Since parking stamps are used as one of forms of payment to parking fee, and all parking stamps are not voided or marked after being used, storing all used parking stamps at an unsecured location increases the risk of these parking stamps being misappropriated and reused again.

Prior Recommendation

We recommend DGS Parking to void or mark all parking stamps after being used and store them in a secured location.

Prior Management's Response

Since the initial cash handling review, the procedures for validation stamp handling has changed. When an attendant accepts parking stamps as payment, a pen mark is made on each stamp taken, voiding the validation stamp. The supervisor, or lead person who reconciles the funds the following work day, verifies the voided stamps when checking for proper validations on non-cash transaction tickets.

All tickets are kept in a storage area of the parking office until being moved to General Services Warehouse. The storage area is in direct view from the supervisor's desk and the supervisor resides in the parking office for his work shift. The storage area of the parking office is also under video surveillance, so any improprieties would be recorded.

Current Status

It appears that our recommendation has been implemented.

**The prior cash handling review report covered Department of General Services Parking Enterprise Unit only.*

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DEPARTMENT OF GENERAL SERVICES
CASH HANDLING REVIEW
CURRENT STATUS OF PRIOR FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD JULY 1, 2015, TO OCTOBER 31, 2015

**FROM THE PRIOR CASH HANDLING REVIEW REPORT FOR THE MONTH OF
FEBRUARY 2013, DATED OCTOBER 22, 2013 (CONTINUED)***

2. Daily Change Fund

Prior Comment

The DGS Parking has a “Daily Change Fund” form to be completed by employees who operate cash registers. The “Daily Change Fund” form is used to track funds in cash registers before the downtown public parking garage opens and after it closes. On this form, there is a place for a supervisor to sign and verify cash register balance at opening. However, we noted that the supervisor is not consistently signing the “Daily Change Fund” form. In addition, we noticed on the “Daily Change Fund” form, there is no place for the supervisor to sign at closing. Since the supervisor is not consistently signing the “Daily Change Fund” form and there is no place for the supervisor to sign at closing, misappropriation of cash could occur and not detected in a timely manner.

Prior Recommendation

We recommend DGS Parking to have a supervisor recount the cash register balance and sign the “Daily Change Fund” form indicating the cash register balance agrees to the appropriate amount at opening and closing.

Prior Management’s Response

The “Daily Change Fund” is already counted with the supervisor at opening and by the attendant at closing; DGS Parking will count the “Daily Change Fund” at closing with a second party and have the second party sign the “Daily Change Fund” form in the closing section to indicate the closing count agrees to the appropriate amount.

Current Status

It appears that our recommendation has been implemented.

3. Forms Entry Correction Procedure

Prior Comment

During our review of DGS Parking’s forms for tracking parking fee revenue, the after-hour vehicle log form and parking enterprise daily activity/register reconciliation form had several entries altered with correction tape. On these forms, the original entries were covered with no explanations for the alterations nor were there any initials from either the staff members who made the alterations or the supervisor indicating the alterations were approved. Since

**The prior cash handling review report covered Department of General Services Parking Enterprise Unit only.*

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CURRENT STATUS OF PRIOR FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD JULY 1, 2015, TO OCTOBER 31, 2015

**FROM THE PRIOR CASH HANDLING REVIEW REPORT FOR THE MONTH OF
FEBRUARY 2013, DATED OCTOBER 22, 2013 (CONTINUED)***

these forms are used to track parking fee revenue, any changes made on these forms should be clearly documented, reviewed and approved. Without documentation of who made the correction, the reasons for the correction, and approval, it is difficult to determine whether the correction is appropriate and approved. Therefore, any improper correction could occur and may result in the parking fee revenue being misappropriated.

Prior Recommendation

We recommend that any entry errors made on DGS Parking's forms not be corrected by correction tape. If an error is made, the entry should be corrected by noting the issue along with the staff member's initial who made the correction. The correction should be made in the next available entry field along with time and date, the correction made, and the supervisor's initial.

Prior Management's Response

One of the first tasks of the supervisor or leadperson is to verify the previous day's revenue. This is done between 6:30-9:00 am each work day. The supervisor or leadperson signs and dates each attendant's cash drawer reconciliation and "Daily Change Fund" paperwork. Cash, credit card and validation totals must match the parking software reports, so supporting paperwork is always available to verify corrections. Errors will no longer be corrected with correction tape, but will be changed by crossing out incorrect information and initialed as requested.

Current Status

It appears that our recommendation has been implemented.

**The prior cash handling review report covered Department of General Services Parking Enterprise Unit only.*

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DEPARTMENT OF GENERAL SERVICES
CASH HANDLING REVIEW
CURRENT FINDINGS AND RECOMMENDATIONS
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1. Cash Handling Policies and Procedures

Comment

During our review, we noted the County of Sacramento (County) Department of General Services (DGS) did not have department-wide cash handling policies and procedures. Each division and unit handles their cash receipts at its own discretion, and as a result we noted concerns described in Findings 2 through 9 of this attachment. Proper internal controls dictate that DGS should have universal cash handling policies that can be referenced and enforced by all of its divisions and units.

Recommendation

We recommend DGS develop and implement department-wide cash handling policies and procedures. We further recommend DGS ensure all of its divisions and units implement and enforce department-wide cash handling policies and procedures in a timely manner.

DGS's Management's Response

DGS concurs with this recommendation and will commence development of department-wide policies and procedures incorporating the best practices found in the policies and procedures of other departments including the Department of Finance.

2. Separation of Duties – Support Services

Comment

During our review of DGS, we noted the cashier from Support Services Unit (Support Services) handles all aspects of cash transactions from beginning to end. One individual receives cash, completes his/her cashier accountability sheet, balances his/her cash register to the accountability sheet, prepares deposits, has sole custody of the safe containing cash, and records transactions in DGS Support Services Online Customer Service System (DGS Billing Tool).

To ensure proper internal controls, separation of duties should be set in place so that the individual receiving cash is not the same individual recording transactions into DGS Billing Tool and making deposits. Support Services' safe should be opened by more than one individual, and cashier accountability sheets should be reconciled to cash on hand by someone other than the cashier.

Recommendation

We recommend DGS Support Services implement proper separation of duties for its cash handling unit.

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DEPARTMENT OF GENERAL SERVICES
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DGS's Management's Response

DGS concurs with this recommendation and will implement practical separation of duties given the size of the operation in the cash handling area of Support Services.

3. Timing of Deposits

Comment

During our review of DGS, we noted the Accounting Unit (DGS Accounting) and Support Services make deposits once per month. According to County policy, deposits should be made in a prompt and timely manner. By not making timely deposits, theft or misappropriation of funds could occur and not be detected in a timely manner and the County is losing potential interest income.

Recommendation

We recommend DGS Accounting and Support Services at a minimum make weekly deposits.

DGS's Management's Response

DGS concurs with this recommendation and has completed implementation as of May 6, 2016.

4. Endorsement of Checks

Comment

During our review, we noted that DGS Real Estate Unit (Real Estate) and DGS Accounting did not restrictively endorse checks immediately upon receipt. By not restrictively endorsing checks, someone other than the County is able to cash or deposit County checks, and theft or misappropriation of funds could occur and not be detected in a timely manner.

Recommendation

We recommend DGS Accounting and Real Estate units restrictively endorse all checks immediately upon receipt.

DGS's Management's Response

DGS concurs with this recommendation and has completed implementation as of May 6, 2016.

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5. Parking Enterprises Billing

Comment

DGS Parking Enterprise Unit (Parking) operates a public County parking garage located in the Sacramento downtown area. Customers can park their vehicles in the parking garage between the hours of 6:30 AM until 6:00 PM, Monday through Friday, and pay a fee for parking services during operating hours. Customers who parked their vehicles in the garage during the operating hours and choose to remain parked after operating hours are issued citation envelopes by DGS Parking for billing of parking fees owed. The customers are required to pay their parking fees owed in DGS Parking's night drop located in the garage or through a parking attendant during operating hours.

During our review, we noted DGS Parking did not bill or issue citation envelopes to cars that initially park during the last half hour of the parking garage's operating hours as a courtesy to County employees that work night shifts. Based on information provided by DGS Parking staff, there is no official or internal policy that authorizes DGS Parking to not collect parking fees under this circumstance. Therefore, DGS Parking is not in compliance with its parking policy.

We further noted four vehicles that parked at the parking garage and were documented on DGS Parking's citation envelope log, but were not billed by DGS Parking. By not billing all customers that were issued citation envelopes, the County is losing parking revenues and potential interest income.

Recommendation

We recommend DGS Parking ensure all vehicles that remain parked in the County parking garage after operating hours are issued citation envelopes. We further recommend DGS Parking ensure parking fees are paid and received by DGS Parking for all vehicles that were issued citation envelopes are properly billed.

DGS's Management's Response

Several years ago, a now-retired manager in DGS Parking Enterprise initiated an informal practice to not issue after-hours payment envelopes to County Sheriff's Department employees when they park in the County public parking garage at 725 7th Street after 5:30 p.m. Going forward, DGS Parking Enterprise will notify the Sheriff's Department that this informal practice of providing free parking will end with the installation of the automated parking machines, at which point all vehicles without monthly parking tags will be issued after-hours payment envelopes. DGS Parking Enterprise will also notify the Sheriff's Department that monthly parking options at the public parking garage are being developed

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for County employees who regularly work after-hours shifts, in coordination with changes being planned to handle arena event parking.

Regarding the noted incident in which vehicles with unpaid after-hours payment envelopes were not billed, DGS Parking Enterprise has explained the circumstances of this unusual situation: On this date, the parking attendant had dropped the stack of envelopes and in his haste, did not put the envelopes back in the correct order. It was not until the next day that it was discovered that an envelope was missing from the stack. When the early shift attendant walked upstairs to do his daily morning vehicle inventory, he found the missing payment envelope in the stairwell. Because of this issue, DGS Parking Enterprise was not confident that all of the envelope numbers on the after-hours inventory list were associated with the correct license plate numbers, and DGS Parking Enterprise did not bill the four vehicles on that list with unpaid envelope numbers. Normally, invoices are issued for all vehicles with unpaid envelopes on the after-hours inventory list. Invoices are not issued only in special circumstances:

- 1) If the payment received is minimally short paid. For example, if the fee is miscalculated and the payment is missing \$1.75 or less, then it isn't financially feasible to spend time billing. On the occasions that the same parker consistently short pays, then a bill is sent to them that combines all the short pays into one billing amount.
- 2) If the attendant issuing the envelopes experiences some sort of problem that leaves DGS Parking Enterprise uncertain of the correct association of envelope numbers to license plate numbers on the after-hours inventory list.

6. Lock Box Log and Mail Logs

Comment

During our review of DGS Parking, we noted a single copy of the after-hours parking log was used by all staff members involved in processing all aspects of lock-box transactions and the issuance of parking citation envelopes. It appeared that this log was not reviewed by DGS Parking's management. Therefore, no reconciliations are being performed, Parking Lot attendants are able to add or omit entries on the log without DGS Parking management's knowledge, and theft or misappropriation of lock-box receipts could occur and not be detected in a timely manner.

We further noted DGS Accounting and Real Estate did not use or maintain an effective mail-in payment log to track customer payments received in the mail. Without a proper log to track incoming mail, mail receipts cannot be tracked and reconciled by DGS Accounting and

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Real Estate. By not reconciling mail receipts, theft or misappropriation of these funds could occur and not be detected in a timely manner.

Recommendation

We recommend DGS Parking's management review the after-hours parking log on a daily basis to ensure no material alterations to the log were made. We also recommend DGS Parking management reconcile the log entries to its records, and research and resolve any discrepancies in a timely manner.

We recommend DGS Accounting and Real Estate units to use mail logs to track mailed payments. We further recommend DGS Accounting and Real Estate to reconcile their mail logs to mail receipts and to research and resolve any discrepancies in a timely manner.

DGS's Management's Response

Different people are involved in different aspects of the after-hours billing. One person issues the envelope, another person receives payment, a third person combines the after-hours payments with the daily deposit, a fourth person sends a bill, and if the recommendation is to have another person check the Account Clerk's database, then a fifth person would be involved. Also there are cameras in both the attendant booths and the office. It was the auditor's recommendation from the prior cash handling review that two people reconcile the previous day's revenue with one person dealing with the night drop payments and the other working with the attendant's money. Each morning, this money is combined and deposited. If \$50 is noted as collected on the inventory log, then \$50 would have to be included in the deposit. Also, if an employee were to steal a night drop payment, the license plate would remain recorded on the inventory log and when the Account Clerk would issue a billing letter, the customer would explain that the fees have already been paid.

DGS Parking Enterprise has adopted a new procedure effective May 10, 2016: Once the attendant issues the payment envelopes, the parking lot supervisor will make a copy of the original inventory list before the close of business. A copy of this inventory list will be included with the daily reconciliation paperwork. A check can be made to verify that no changes have been made to the original inventory sheet.

DGS Accounting and Real Estate concur with the recommendation pertaining to mail logs and reconciliation. DGS Accounting implemented this recommendation as of May 6, 2016. Real Estate will implement by June 30, 2016.

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7. Unauthorized Imprest Cash

Comment

During our review of DGS Construction Management and Inspection Division (CMID), we noted CMID's petty cash custodian had an unauthorized small change fund kept in a desk drawer that is used to offset overages or shortages of CMID's authorized \$100 petty cash. At the time of our visit, we noted a petty cash balance of \$100.10 (see Finding 9 of this attachment) as a result of the unauthorized small change.

We also noted that the Support Services petty cash custodian used unauthorized money to initially fund an unauthorized imprest cash register fund totaling \$150 (see Findings 8 and 9 of this attachment) that is used to make change for DGS customers who purchase surplus auction items.

Unauthorized money should never be used to conduct County operations. Any overages or shortages should be processed in the Sacramento County Financial System (a.k.a. COMPASS) and any change funds needed should be requested from the County of Sacramento, Treasury (Treasury). By using unauthorized funds to conduct County operations, theft or misappropriation of funds could occur and not be detected in a timely manner.

Recommendation

We recommend DGS prohibit use of unauthorized funds to conduct County operations. We also recommend DGS deposit any overages or shortages of petty cash into the respective COMPASS accounts if they cannot be resolved. We further recommend DGS process all change fund requests through the Treasury.

DGS's Management's Response

DGS concurs with this recommendation.

8. Authorized Imprest Cash – Support Services

Comment

During our review of DGS Support Services, we noted it maintained an imprest cash drawer of \$150.00 that was not authorized or recorded in COMPASS (See Attachment I, *Summary of Deposits and Imprest Cash Counted*) funded from withheld deposits, accumulated overages (See Finding 9 of this attachment), and unauthorized funds (See Finding 7 of this attachment). All imprest cash should be recorded in COMPASS, and any new or additional imprest cash needed should be approved by the Director of Finance. By keeping

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unauthorized imprest cash, theft or misappropriation of funds could occur and not be detected in a timely manner.

Recommendation

We recommend DGS Support Services to investigate and identify the source of the unauthorized \$150.00 cash drawer fund. Any amounts resulting from non-County sources, if any, should be returned to their respective sources. The remaining portion of the \$150.00 cash drawer should be deposited to the Treasury. If an imprest cash account is needed, a request to the Director of Finance should be submitted.

DGS's Management's Response

DGS concurs with this recommendation and has identified the unauthorized \$150 cash drawer fund as un-deposited receipts from prior surplus sales. Funds will be deposited to the Treasury by June 30, 2016.

9. Imprest Cash Variances and Overages and Shortages

Comment

DGS has a total of \$1,275.00 in imprest cash reported in COMPASS among its divisions and units consisting of change funds and petty cash. During our review, we noted DGS Bradshaw District Unit (Bradshaw District), CMID, and Support Services' imprest cash on hand did not agree to the authorized amount notated in COMPASS as described below:

<u>Imprest Cash Location</u>	<u>Date Counted</u>	<u>Amount Counted</u>	<u>Authorized Amount</u>	<u>Variance</u>
Accounting - Petty Cash	10/09/2015	\$ 325.00	325.00	0.00
Bradshaw District - Petty Cash	10/27/2015	103.62	100.00	3.62
Construction Management and Inspection Division (CMID) - Petty Cash	10/27/2015	100.10	100.00	0.10
Real Estate - Petty Cash	10/09/2015	100.00	100.00	0.00
Support Services - Petty Cash	10/09/2015	296.54	50.00	246.54
Parking Enterprise - Change Fund	10/30/2015	600.00	600.00	0.00
Total		<u>\$ 1,525.26</u>	<u>1,275.00</u>	<u>250.26</u>

The petty cash differences are \$3.62, \$0.10, and \$246.54.

DGS Bradshaw District could not determine the cause of the variance of \$3.62.

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CMID keeps unauthorized change described in Finding 7 of this attachment.

Support Services' \$246.54 resulted from \$96.54 in accumulated overages described in this finding and a \$150.00 unauthorized change fund described in Findings 7 and 8 of this attachment. We further noted that overages and shortages from Support Services cash sales were not deposited to the Treasury nor recorded in COMPASS, resulting in the variance of \$96.54. In addition, we noted Support Services documented their overs and shorts on its cashier accountability sheets, but did not maintain a log with a running balance.

DGS Bradshaw District, CMID, and Support Services should reconcile their imprest cash to the amount authorized in COMPASS. Any differences should be researched and resolved in a timely manner so that their imprest cash on hand agrees to COMPASS. Overages and shortages should be documented on a log, reconciled, and be deposited to the Treasury in a timely manner. By not reconciling imprest cash, not documenting overs and shorts on a log, or depositing overs and shorts to the Treasury in a timely manner, theft or misappropriation of these funds could occur and not be detected in a timely manner.

Recommendation

We recommend DGS Bradshaw District, CMID, and Support Services reconcile their imprest cash to COMPASS and research and resolve any discrepancies in a timely manner. In the future, if DGS divisions have any over or shorts, the over or shorts should be deposited and/or recorded to the Treasury and COMPASS, respectively. We further recommend the overages of \$3.62, \$0.10, and \$246.54 from DGS Bradshaw District, CMID, and Support Services, respectively, be deposited to the Treasury and recorded in the overage account in COMPASS. We also recommend DGS Support Services maintain a control log with a running balance of its daily overs and shorts. Any material shortages should be reported to the Department of Finance through a Relief of Accountability, if necessary.

DGS's Management's Response

DGS concurs with this recommendation and will recognize the accumulated overage amount based on a cash count to be completed by June 30, 2016 in connection with the fiscal year end reporting of imprest cash amounts.