

**COUNTY OF SACRAMENTO
CALIFORNIA**

For the Agenda of:
July 11, 2017
“Communications Received and Filed”

To: Board of Supervisors
From: Department of Finance
Subject: Regional Parks Cash Review – For The Period May 2014 To June 2014
Supervisory District(s): All
Contact: Joyce Renison, Assistant Auditor-Controller, 874-7248

RECOMMENDATION

Receive and file the attached review report, *Regional Parks Cash Review – For The Period May 2014 To June 2014*

Respectively submitted,

Ben Lamera
Director of Finance

Attachments

ATT 1 - Regional Parks Cash Review – For The Period May 2014 To June 2014

Department of Finance

Ben Lamera,
Director



Agenda Date: July 11, 2017

ATT 1
Auditor-Controller Division

Joyce Renison,
Assistant Auditor-Controller

County of Sacramento

Inter-Office Memorandum

May 25, 2017

To: Ben Lamera
Director of Finance

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

Subject: **REGIONAL PARKS CASH REVIEW – FOR THE PERIOD MAY 2014 TO JUNE 2014**

At your request, we have performed the procedures enumerated below, which were agreed to by the County of Sacramento, Department of Regional Parks (Parks). These procedures were performed solely to evaluate Parks' cash handling control procedures for the period May 2014 to June 2014. Parks' management is responsible for maintaining sufficient cash handling controls. 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 Parks' other operations, procedures, or compliance with laws and regulations. The procedures we performed are summarized as follows:

- We reviewed Parks' cash handling procedures.

Finding: Parks' cash handling procedures are not adequate. See Attachment II, *Findings and Recommendations*.

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

Finding: Parks is missing a cash payment received at its Sailor Bar Park Iron Ranger. See Attachment I, *Summary of Deposits and Imprest Cash Counted*, and Attachment II, *Findings and Recommendations*.

- We reconciled imprest cash on hand to the authorized amounts posted on COMPASS.

Finding: Imprest cash on hand did not agree to the approved amount on COMPASS. See Attachment I, *Summary of Deposits and Imprest Cash Counted*. Also see Attachment II, *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 Parks' cash balances, financial schedules, compliance, or results of our procedures previously referred to. Accordingly, we do not express such opinions. This report relates only to the review of Parks' cash handling procedures, and does not extend to Parks' operations as a whole. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Parks' response to the findings identified during our engagement are described in Attachment II, *Findings and Recommendations*. We did not perform procedures to validate Parks' 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, and Parks' 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 I: *Summary of Deposits and Imprest Cash Counted*

Attachment II: *Findings and Recommendations*

cc: Members, Board of Supervisors
Nancy Newton, Assistant County Executive
Robert B. Leonard, Deputy County Executive
David Villanueva, Deputy County Executive
Britt Ferguson, Chief Fiscal Officer, County Executive Office
Jeffrey Leatherman, Director, Regional Parks
Peggy Marti, Assistant Treasurer

COUNTY OF SACRAMENTO
DEPARTMENT OF FINANCE
REGIONAL PARKS CASH REVIEW
SUMMARY OF DEPOSITS AND IMPREST CASH COUNTED
FOR THE PERIOD MAY 2014 TO JUNE 2014

Regional Parks, 4040 Bradshaw Road, Sacramento, CA 95872

Deposits Counted ⁽¹⁾

Deposit Permit Number	Date Monies Received	Deposit Date	Amounts Parked by Parks	Amounts Posted by Treasury	Variances
1300531735	6/16/2014	6/23/2014	\$ 6,838.25	6,833.25 ⁽²⁾	5.00
1300531931	6/17/2014	6/26/2014	5,626.00	5,626.00	0.00
1300532038	6/19/2014	6/26/2014	23,890.05	23,890.05	0.00

Imprest Fund

	Authorized Imprest Amount	Imprest Cash Fund	Variance
Cash Drawers ⁽³⁾	\$ 0.00	1,000.00	(1,000.00)
Petty Cash	300.00	300.00	0.00
Other Imprest Cash ⁽⁴⁾	10,500.00	15,108.00	(4,608.00)
Total	<u>\$10,800.00</u>	<u>16,408.00</u>	<u>(5,608.00)</u>

(1) Selected sample of monies received from June 16, 2014 to June 19, 2014.

(2) Amount includes a \$5 shortage from a payment envelope received at a park entrance Iron Ranger but not included in Regional Parks' deposit. See Finding #2, Attachment II, *Findings and Recommendations*.

(3) Cash drawers include cash boxes used at park entrance kiosks and at Parks' administrative office.

(4) Other imprest cash includes the Therapeutic Recreation Services' checking account (\$10,500.00), as well as one other external bank account at Wells Fargo (\$4,608.00). The Therapeutic Recreation Services' bank account and the Wells Fargo bank account balances are as of June 30, 2014. See Finding #10, Attachment II, *Findings and Recommendations*.

COUNTY OF SACRAMENTO
DEPARTMENT OF FINANCE
REGIONAL PARKS CASH REVIEW
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD MAY 2014 TO JUNE 2014

**CURRENT STATUS OF PRIOR REVIEW FINDINGS FOR THE PERIOD
AUGUST 1, 2012 TO AUGUST 31, 2012, REPORT DATED NOVEMBER 8, 2012**

1. Segregation of Duties Over Cash Deposits

Prior Comment

During our review of the County of Sacramento, Department of Regional Parks' (Parks) internal controls related to cash deposits, we noticed one employee normally counting cash and preparing deposits alone in a separate office. In addition, the same employee is responsible for depositing cash with the County Treasurer. Proper internal controls dictate that duties involving counting cash, preparing deposits, and depositing cash be segregated. Parks is not segregating its cash handling duties. By not segregating responsibilities over cash deposits, Parks is exposing itself to possible misappropriation of cash without the ability to detect, or correct, any errors or misappropriation that might occur.

Prior Recommendation

We recommend Parks implement adequate internal controls over its cash deposit process by segregating its cash deposit duties. Parks should segregate its cash deposit duties by having two people count cash and confirm deposit information.

Prior Parks' Management Response

Park entry fees are currently collected by three separate means: 1) Kiosk operators manning the front entrance booths. 2) The use of the Iron Ranger envelope system whereby the park user pays the fees and deposits them into a steel enclosed tube at the park's entrance. These fees are collected daily and returned to the park office. 3) Automatic Pay Stations, at two locations as part of a pilot program with the City of Sacramento.

Iron Ranger envelopes are collected by park ranger staff and brought to the office on a daily basis. Park rangers log Iron Ranger pick-ups on the patrol reports. This money is then deposited into a safe and counted by staff. Our current budget does not allow provisions to double count all Iron Ranger deposits, as per the recommendation.

Entry fees collected at park kiosks are counted by kiosk operators, and turned in at the park office with accountability sheets for each location. These accountability sheets are reviewed by staff, and the kiosk entry fees are verified for deposit.

All park entry deposits are counted by Treasury staff prior to deposit into COMPASS.

While the employee counting cash does have a separate office, this office is adjacent to the ranger briefing room and is fully visible at all times. Parks staff is researching placing a camera in the office to record all actions by employees.

COUNTY OF SACRAMENTO
DEPARTMENT OF FINANCE
REGIONAL PARKS CASH REVIEW
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD MAY 2014 TO JUNE 2014

**CURRENT STATUS OF PRIOR REVIEW FINDINGS FOR THE PERIOD
AUGUST 1, 2012 TO AUGUST 31, 2012, REPORT DATED NOVEMBER 8, 2012
(Continued)**

Current Status of Prior Review Finding

Parks is still having one staff member count money in an enclosed office. Also, Parks has yet to install a camera in the enclosed office in order to record the movements and actions of staff. We reiterate our previous finding and recommend Parks implement internal controls to segregate its cash handling and deposit processes. If Parks is unable to segregate its cash handling and deposit processes, we recommend installation of camera monitoring equipment in the enclosed office and ensure all monies are counted in front of the camera monitoring equipment.

Parks' Management Response

During the peak summer season, in addition to the full-time staff person assigned to Fee Management, Regional Parks is employing a seasonal Park Ranger Assistant to count fees three times per week. Regional Parks has researched the feasibility of installing a camera in the office to record all actions by employees and deemed it unnecessary at this time. Regional Parks staff is meeting with Treasury staff to discuss having Treasury staff take over the counting of Iron Ranger fee payments.

2. Park Entrance Collection Boxes

Prior Comment

Parks uses locked collection boxes (aka Iron Rangers) at park entrances to collect fees when park ranger assistants are unavailable, or not cost effective, to staff park entrance kiosks. Parks provides pre-numbered payment envelopes for customers to submit their payments to Iron Rangers. Customers indicate the services they are paying for on the outside of the payment envelopes and secure the applicable fees inside. Customers then remove the receipt tab located on the back of the payment envelope before inserting the envelopes and fees into slots located within the Iron Rangers. Parks uses Iron Rangers to accept payments at sixteen of the eighteen vehicle access entrances along the American River Parkway. Parks has contracted with the City of Sacramento in order to use electronic kiosk ticket machines at the remaining two vehicle entrances. Payments are removed from a locked section located underneath the Iron Rangers. We performed testing on five Iron Rangers on August 8, 2012 and August 9, 2012.

As part of our review of Parks' deposits, we tested entrance payments received on August 9, 2012 at Parks' William Pond and Harrington Park Iron Ranger locations. There was one payment missing from William Pond Park and one payment missing from Harrington Park. The cause of the missing payments could not be determined. The total amount missing from testing we performed was \$10. Parks collected a total of \$70 from William Pond Park and Harrington Park on August 9, 2012.

COUNTY OF SACRAMENTO
DEPARTMENT OF FINANCE
REGIONAL PARKS CASH REVIEW
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD MAY 2014 TO JUNE 2014

**CURRENT STATUS OF PRIOR REVIEW FINDINGS FOR THE PERIOD
AUGUST 1, 2012 TO AUGUST 31, 2012, REPORT DATED NOVEMBER 8, 2012
(Continued)**

Additionally, we noted deficiencies with Parks' cash handling procedures for collecting payments received at Iron Rangers. Park rangers are responsible for collecting Iron Ranger payments and transporting them to Parks' administrative office to be prepared for deposit. Park rangers are also responsible for issuing citations to individuals for not paying the appropriate park entrance fee for their vehicles. Per discussions with Parks' staff, there are no established procedures or set schedule for verifying whether park customers submitted the appropriate park entrance fee or for collecting payments at the Iron Rangers. Park rangers have discretion to open payment envelopes at park sites and issue citations for unpaid fees, or they can transport payment envelopes back to the administrative office without verifying payments. Without established policies and procedures regarding collecting payments received at Iron Rangers, Parks might not be collecting all possible payments.

Prior Recommendations

We recommend Parks replace all Iron Rangers with electronic kiosk ticket machines at its park locations in order to ensure all payments are received and deposited. Until the electronic kiosk ticket machines are installed at all locations, we further recommend Parks' internal controls require two staff members be present when Iron Ranger payments are collected. Until that time, park rangers should not open payment envelopes at park sites unless two individuals are present, and surprise cash counts of Iron Ranger payments should be performed. Parks' policies and procedures should be updated to reflect these recommendations.

Prior Parks' Management Response

The Department is going out to bid to determine the feasibility of installing Electronic Kiosk Ticket Machines (Automatic Pay Stations) at park facilities.

Requiring two ranger staff be present when Iron Ranger payments are collected is not possible with current staff levels. As for "surprise cash counts" of Iron Ranger payments, before citations are issued for non-payment, the Iron Ranger envelopes are pulled from the Iron Ranger box, and there is a log sheet used by ranger staff to log any Iron Ranger envelopes that have been pulled. This log sheet correlates the pre-printed number on the Iron Ranger envelope to the license plate of the car. This is in essence a "surprise cash count," without harming the integrity of the sealed envelope system, ensuring that theft is minimized.

COUNTY OF SACRAMENTO
DEPARTMENT OF FINANCE
REGIONAL PARKS CASH REVIEW
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD MAY 2014 TO JUNE 2014

**CURRENT STATUS OF PRIOR REVIEW FINDINGS FOR THE PERIOD
AUGUST 1, 2012 TO AUGUST 31, 2012, REPORT DATED NOVEMBER 8, 2012
(Continued)**

Current Status of Prior Review Finding

As part of our cash review, we tested Iron Rangers at park entrances. During our testing of the Iron Ranger at Parks' Sailor Bar Park on the morning of June 18, 2014, we were accompanied by Parks' supervising park ranger in order to open the Iron Rangers, witness our procedures, and secure payment envelopes in the Iron Ranger. We noted a single payment envelope (Envelope #H 060212) in the Iron Ranger when the supervising park ranger opened the Iron Ranger. The payment envelope contained a single five dollar bill. The five dollar bill was put in a new payment envelope (Envelope #H 060213), witnessed by the supervising park ranger, and the payment information noted on the replaced envelope was copied onto the new envelope. The supervising park ranger then secured the new payment envelope in the Iron Ranger. The old envelope (#H 060212) was kept by the supervising park ranger for parking citation issuance purposes (There were no citations issued by park rangers at Sailor Bar Park on June 18, 2014).

On the morning of June 19, 2014, we were present at Parks' headquarter location in order to observe the count of the payments received at the Sailor Bar Iron Ranger on June 18, 2014 in order to test if Parks is receiving and depositing all payments received at its park entrances. The payments received from Sailor Bar Park did not include the "swapped" envelope (Envelope #H 060213) that was part of our testing. We also reviewed payment envelopes received at the remaining park Iron Rangers for June 18, 2014 and the following day payments (June 19, 2014) received at the Sailor Bar Iron Ranger to locate the missing envelope. Parks' staff could not locate envelope #H 060213.

Parks' management was notified regarding the missing envelope. As of the date of this report, Parks' management is unable to provide an explanation or determine how payment envelopes went missing during the prior and current cash reviews.

We reiterate our previous recommendations that Parks install electronic kiosk ticket machines at its park locations and develop a policy as it relates to how park rangers and park ranger assistants collect and handle payment envelopes deposited to Iron Rangers.

COUNTY OF SACRAMENTO
DEPARTMENT OF FINANCE
REGIONAL PARKS CASH REVIEW
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD MAY 2014 TO JUNE 2014

**CURRENT STATUS OF PRIOR REVIEW FINDINGS FOR THE PERIOD
AUGUST 1, 2012 TO AUGUST 31, 2012, REPORT DATED NOVEMBER 8, 2012
(Continued)**

Parks' Management Response

The Department has included funding in the 2014-15 Final Budget to purchase and install five electronic pay stations this fiscal year. During the 2014 Cash Audit, auditor staff did take payment from an Iron Ranger envelope, remove it and place it in another envelope. The new envelope was not accounted for in our office as part of the Sailor Bar deposit. Regional Parks strongly suggests that for future cash audits that the integrity of the Iron Ranger payment system not be compromised by having auditor staff open envelopes to place payment in new envelopes, but, rather that envelope numbers from Iron Rangers be noted and compared to the envelopes that are later collected by staff and delivered to the office. Regional Parks policy is to allow Park Ranger staff to open Iron Ranger envelopes while in the field to confirm payment has been made prior to issuing citations for non-payment of fees. The Iron Ranger envelopes which are pulled are subsequently logged onto a logsheet which correlates to the pre-printed number of the Iron Ranger envelope and the license plate of the car. This log sheet is placed back in the Iron Ranger and is included with the nightly drop taken to the Regional Parks office. The purpose of this policy is to ensure that park users are actually paying fees into the Iron Ranger envelopes and not just placing the Iron Ranger envelope stub on their vehicle dashboard without paying, or underpaying the amount required.

3. Timely Deposit

Prior Comment

Parks' staff collects payments from its Iron Rangers and places the payments into safes at Parks' administrative office. During our cash handling review, we noted over 2 weeks worth of Iron Ranger payments stored in safes. The noted undeposited Iron Ranger amount was \$33,304.78. Undeposited cash collected represented the period August 8, 2012 to August 23, 2012. As reported at Attachment I, *Summary of Deposits and Imprest Cash Counted*, Parks accumulated more than 2 weeks worth of cash received from Iron Rangers in their safes before deposit from August 1, 2012 to August 21, 2012. Per discussions with Parks' management, Parks accumulates cash in their safes during the peak park attendance season from May to September. Parks' management attributes accumulating several days deposits in their safes to a lack of administrative staff for preparing deposits. Parks is vulnerable to theft and misappropriation of assets if it continues to accumulate large cash balances in its safes.

Prior Recommendation

We recommend Parks prepare daily deposits along with establishing segregation of duties over preparing those cash deposits.

COUNTY OF SACRAMENTO
DEPARTMENT OF FINANCE
REGIONAL PARKS CASH REVIEW
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD MAY 2014 TO JUNE 2014

**CURRENT STATUS OF PRIOR REVIEW FINDINGS FOR THE PERIOD
AUGUST 1, 2012 TO AUGUST 31, 2012, REPORT DATED NOVEMBER 8, 2012
(Continued)**

Prior Management Response

Parks does not have the staffing levels to enable daily deposits.

Current Status of Prior Review Finding

Parks appears to be making deposits to the County Treasury twice per week.

4. Intact Deposits

Prior Comment

We tested park entrance fees at the South Discovery and Sacramento Bar kiosk park entrances. During our testing, we observed total change funds of approximately \$1.00 stored underneath the cash till and not included with the deposit. Upon further inquiry, Parks' staff informed us that the change funds were used to balance deposits. It appears that Parks is not making complete deposits nor tracking the change funds, but it is keeping the change funds to balance deposits in the event of shortages.

Prior Recommendations

We recommend Parks make complete deposits regardless if the park entrance fees are over or short. We further recommend Parks note and track any over and short amounts on Sacramento County's Financial System (COMPASS) by using the over and short general ledger account.

Prior Parks' Management Response

Per the Park Entry Kiosk Worker Policy Manual, all monies are to be taken directly to the office at the end of shift and accounted for on the kiosk accountability sheets. Any staff not following Department policy are subject to disciplinary action. This will be reiterated in the annual training.

Current Status of Prior Review Finding

It appears Parks is making complete deposits. We did not note change funds during our testing of Park kiosks.

COUNTY OF SACRAMENTO
DEPARTMENT OF FINANCE
REGIONAL PARKS CASH REVIEW
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD MAY 2014 TO JUNE 2014

**CURRENT STATUS OF PRIOR REVIEW FINDINGS FOR THE PERIOD
AUGUST 1, 2012 TO AUGUST 31, 2012, REPORT DATED NOVEMBER 8, 2012
(Continued)**

5. Receipts Reconciliation

Prior Comment

During our review, we noted that Parks does not reconcile park kiosk, Iron Ranger, and credit card payment records, including receipt and check logs, to COMPASS and deposit records. Errors could be made and fraud could occur, and would be difficult to detect and correct if regular reconciliations are not performed.

Prior Recommendation

We recommend Parks reconcile payments to COMPASS and deposit records. Parks should also designate a staff member independent of deposit preparation process to reconcile kiosk, Iron Ranger, and credit card payment records to COMPASS and deposit records.

Prior Parks' Management Response

Your recommendation is already practiced. A Parks staff person independent of deposit preparation does reconcile kiosk and Iron Ranger payment records to COMPASS and deposit records, contrary to your observation. Credit card batch reports are collected on a daily basis, and will also be reconciled.

Current Status of Prior Review Finding

It appears that, Parks is reconciling kiosk and Iron Ranger payments to COMPASS. However, Parks is not reconciling credit card receipts to the County Treasurer's records, COMPASS, and Parks' own supporting documentation. We reiterate our previous recommendation and recommend Parks reconcile credit card transactions.

Parks' Management Response

Regional Parks staff will reconcile credit card transactions as well as the kiosk and Iron Ranger payments to COMPASS.

6. Cash in the Mail

Prior Comment

Parks occasionally receives cash payments through the mail. Invoices sent from Parks do not discourage customers from making cash payments through the mail. If cash payments are lost or stolen when paid through the mail, neither Parks nor its customers have any recourse to recover the missing funds.

COUNTY OF SACRAMENTO
DEPARTMENT OF FINANCE
REGIONAL PARKS CASH REVIEW
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD MAY 2014 TO JUNE 2014

**CURRENT STATUS OF PRIOR REVIEW FINDINGS FOR THE PERIOD
AUGUST 1, 2012 TO AUGUST 31, 2012, REPORT DATED NOVEMBER 8, 2012
(Continued)**

Prior Recommendation

We recommend Parks discourage its customers from sending cash payments through the mail.

Prior Parks' Management Response

Your recommendation is already in place. Most payments received in the office are check or money order. Program materials for our Therapeutic Recreation Services (TRS) program specifically request payment by check/money order. Mail-in applications for annual passes request payment by check. Occasionally, participants in our TRS program which serves individuals with mental and physical disabilities send cash payments in the mail. This is not encouraged, but cannot be 100% controlled.

Current Status of Prior Review Finding

It appears Parks is discouraging its customers from sending cash payments through the mail.

7. Instructional Class Fee Reconciliation

Prior Comment

Parks uses one of its external bank accounts to deposit monies collected from providing instructional classes. The bank account is reconciled to COMPASS. However, there is no reconciliation between monies collected and supporting documentation such as attendance sign in sheets or class attendance logs.

Prior Recommendation

We recommend Parks reconcile cash collected for providing classes to supporting documentation to prevent and detect any errors or fraud that might occur.

Prior Parks' Management Response

Your recommendation is already practiced. Staff reviews sign-in sheets for all instructional classes and reconciles it to the deposits made.

Current Status of Prior Review Finding

Parks appears to be reconciling class sign-in sheets to money collected.

COUNTY OF SACRAMENTO
DEPARTMENT OF FINANCE
REGIONAL PARKS CASH REVIEW
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD MAY 2014 TO JUNE 2014

**CURRENT STATUS OF PRIOR REVIEW FINDINGS FOR THE PERIOD
AUGUST 1, 2012 TO AUGUST 31, 2012, REPORT DATED NOVEMBER 8, 2012
(Continued)**

8. Imprest Cash

Prior Comment

Parks has a combined \$1,250.00 for making change at park entrance kiosks. The \$1,250.00 is not identified on Parks' imprest account on COMPASS. Parks is unable to determine the origins of the imprest cash. Imprest cash should be authorized by the Director of Finance and be posted in COMPASS.

Prior Recommendation

We recommend Parks receive prior authorization from the Director of Finance before establishing any imprest cash. In addition, Parks should obtain authorization from the Director of Finance to include the \$1,250.00 in COMPASS as part of Parks' imprest cash balance.

Prior Parks' Management Response

Parks staff has held \$1,250 as a change fund for kiosk operations for years. Staff will submit a request to the Director of Finance to formally establish this as an imprest cash account.

Current Status of Prior Review Finding

Parks has \$1,000 in change funds that are unaccounted for on COMPASS. However, Parks made a formal request to the Department of Finance in a letter dated June 19, 2014 to have its authorized imprest cash increased to \$1,000.

Parks' Management Response

As noted, regional Parks has received authorization from the Department of Finance for \$1,000 in change funds as an Imprest Cash request accounted for in COMPASS.

9. Petty Cash Supporting Documentation

Prior Comment

During our review of Parks' petty cash, we tested eighteen petty cash transactions and noted one reimbursement that did not have supporting documentation. The payment amount was \$17.14, and it was reimbursed to TRS. Parks is unable to locate the missing supporting documentation. Supporting documentation should be presented and maintained for any reimbursement request. There is a potential for unauthorized petty cash reimbursements when proper supporting documentation is not presented.

COUNTY OF SACRAMENTO
DEPARTMENT OF FINANCE
REGIONAL PARKS CASH REVIEW
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD MAY 2014 TO JUNE 2014

**CURRENT STATUS OF PRIOR REVIEW FINDINGS FOR THE PERIOD
AUGUST 1, 2012 TO AUGUST 31, 2012, REPORT DATED NOVEMBER 8, 2012
(Continued)**

Prior Recommendation

We recommend Parks obtain and retain receipts for every petty cash reimbursement. Parks should not reimburse any petty cash purchase without proper documentation.

Prior Parks' Management Response

Staff responsible for the petty cash reimbursement attested that they did receive the supporting documentation; however it was misplaced. It is policy to obtain and retain all documentation for petty cash reimbursements.

Current Status of Prior Review Finding

It appears Parks is obtaining and retaining supporting documentation for petty cash purchases.

10. External Bank Accounts

Prior Comment

During our review, we noted three external bank accounts maintained by Parks. These external bank accounts were not known by the County Treasurer. Sacramento County policies and procedures require the Director of Finance to approve any external bank account. One of the external bank accounts was authorized by a former Director of Finance, and the other two external bank accounts were never authorized. Furthermore, we noted several individuals that are no longer employed with the County of Sacramento but are still listed on the bank accounts as authorized agents. Two of the external bank accounts previously mentioned are not posted in COMPASS. Sacramento County policies and procedures require all external bank accounts be identified in COMPASS.

Prior Recommendation

All external bank accounts should be approved by the Director of Finance, or these accounts should be closed and the funds should be deposited to the County Treasury. Parks should regularly review and update all of its external bank accounts to ensure only current authorized County of Sacramento employees are listed as authorized agents. Also, all external bank accounts should be accurately reflected in COMPASS.

COUNTY OF SACRAMENTO
DEPARTMENT OF FINANCE
REGIONAL PARKS CASH REVIEW
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD MAY 2014 TO JUNE 2014

**CURRENT STATUS OF PRIOR REVIEW FINDINGS FOR THE PERIOD
AUGUST 1, 2012 TO AUGUST 31, 2012, REPORT DATED NOVEMBER 8, 2012
(Continued)**

Prior Parks' Management Response

The first external account is for Leisure Services/Therapeutic Recreation Services and is documented in COMPASS as an imprest account, and therefore is known by the County Treasurer.

The second account was for Delta Operations, and was closed November 8, 2012. Department of Finance staff were notified of this closure, and funds were deposited properly into COMPASS.

The third account is with Wells Fargo and is used for County Service Area 4C for deposit of instructional classes (see item 7). It is regularly reconciled by Parks staff and is annually reconciled by MAS (formerly AFS) staff. Parks staff agrees that bank charge fees should not be charged, and will pursue the matter with Wells Fargo Bank.

The staff no longer employed by the County but which were listed on a bank account were associated with the account which has subsequently been closed. Parks staff will work to ensure that only current employees are listed on accounts.

Current Status of Prior Review Finding

Individuals noted on Parks' external bank accounts appear to be currently employed by Parks. However, we noticed that Parks did not include the current Director of Finance as a signatory on its two external bank accounts. County departments are required to receive Department of Finance approval before any external bank accounts are opened and include the Director of Finance as a signatory of the account. We recommend the Director of Finance be included as a signatory on both of Parks' external bank accounts.

Parks uses a Wells Fargo bank account as a clearing account to deposit revenues generated from providing classes in its Leisure Services program. Then, Parks withdraws the revenues from the bank account and deposits them with the County Treasury. However, the balance and activities of the Wells Fargo bank account are not recorded in COMPASS. As of June 30, 2014, Parks has a balance of \$4,608.00 in its Wells Fargo bank account not recorded in COMPASS. The bank account's activities and balances should be recorded in COMPASS to ensure all revenues are properly accounted for. Parks should contact the Department of Finance to establish an imprest account in COMPASS for the Wells Fargo account. Parks should also reconcile the bank account to COMPASS monthly.

COUNTY OF SACRAMENTO
DEPARTMENT OF FINANCE
REGIONAL PARKS CASH REVIEW
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD MAY 2014 TO JUNE 2014

**CURRENT STATUS OF PRIOR REVIEW FINDINGS FOR THE PERIOD
AUGUST 1, 2012 TO AUGUST 31, 2012, REPORT DATED NOVEMBER 8, 2012
(Continued)**

Parks' Management Response

Regional Parks contacted the Department of Finance in order to have the Director of Finance be added as signatory to the Chase and Wells Fargo accounts. The Wells Fargo account is reconciled quarterly by MAS staff. This account will not work as an Imprest account, as this account is simply a clearing account for our contracted instructors to deposit fees for programs offered in County Service Area 4C. These deposits are reconciled against the class participation rosters by Regional Parks staff to ensure accuracy of deposits. Once to twice per year, these funds are deposited into the CSA 4C account and accounted for in COMPASS through this deposit.

11. Bank Account Fees

Prior Comment

Wells Fargo Bank is the County of Sacramento's financial institution for processing business transactions. While reviewing Parks' external bank accounts, we noted that one of the checking accounts used for recording payments for instructional classes was a Wells Fargo Bank account. Wells Fargo Bank should not be charging monthly banking fees for maintaining any County of Sacramento bank account. It appears the bank account was not properly established, and therefore, Wells Fargo charges Parks a monthly service fee of \$13.50 for not maintaining a minimum balance in the bank account. Wells Fargo Bank charged Parks total \$108 in monthly service fees from July 2011 to February 2012.

Prior Recommendation

We recommend Parks contact Wells Fargo Bank in order to have monthly banking service fees waived as per the agreement between the County of Sacramento and Wells Fargo Bank.

Prior Parks' Management Response

Parks staff agrees that bank charge fees should not be charged, and will pursue the matter with Wells Fargo Bank.

Current Status of Prior Review Finding

Parks was unable to have Wells Fargo remove the monthly service fees for maintaining its external bank account. Wells Fargo should not be charging monthly service fees on any County authorized bank account. We recommend Parks work with County Treasury to have Wells Fargo remove the monthly fees for its external bank account.

COUNTY OF SACRAMENTO
DEPARTMENT OF FINANCE
REGIONAL PARKS CASH REVIEW
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD MAY 2014 TO JUNE 2014

**CURRENT STATUS OF PRIOR REVIEW FINDINGS FOR THE PERIOD
AUGUST 1, 2012 TO AUGUST 31, 2012, REPORT DATED NOVEMBER 8, 2012
(Continued)**

Parks' Management Response

Regional Parks welcomes any assistance from County Treasury to remove monthly service fees from this account.

COUNTY OF SACRAMENTO
DEPARTMENT OF FINANCE
REGIONAL PARKS CASH REVIEW
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD MAY 2014 TO JUNE 2014

CURRENT REVIEW FINDINGS

12. Park Fee Shift Accountability Schedule

Comment

Parks uses a Park Fee Shift Accountability schedule to document park entrance activities and revenues received at its parks. The Park Fee Shift Accountability schedule is used by park ranger assistants to note the total number and type of vehicles and watercraft utilizing park facilities. It also denotes the revenue received for each category of vehicle and watercraft entering park facilities during the day.

During our review of Parks' Park Fee Shift Accountability schedules, we noticed several corrections made to the schedules that did not contain an explanation for the causes of the corrections and were not initialed. We also noted several schedules completed in pencil and not pen. Park Fee Shift Accountability schedules are source documents and any changes should be documented with initials and accompanied with explanations for the cause of the changes. Explanations and initials explaining the reason for correcting the schedules is evidence of approval and leaves an audit trail for review by management and staff. The schedules should also be completed in pen rather than pencil because any schedule completed in pencil can be easily erased, changed, and not discovered by management and staff. Parks is potentially exposing itself to the risk of incorrect revenue reporting and lost monies by not requiring Park Fee Shift Accountability schedule errors to be initialed and completed in pen.

Recommendation

We recommend Parks require staff to initial any recording corrections and include an explanation on the Park Fee Shift Accountability schedules for the causes of the corrections. The schedules should also be completed in pen. We further recommend Parks use a control log to monitor Park Fee Shift Accountability schedules assigned to park ranger assistants. Parks should update their policies and procedures to include these control requirements.

Parks' Management Response

Regional Parks will require staff to initial any corrections to the Park Fee Shift Accountability forms and fill them out in pen.

COUNTY OF SACRAMENTO
DEPARTMENT OF FINANCE
REGIONAL PARKS CASH REVIEW
FINDINGS AND RECOMMENDATIONS
FOR THE PERIOD MAY 2014 TO JUNE 2014

CURRENT REVIEW FINDINGS
(Continued)

13. Petty Cash Log Signatures

Comment

Parks requires staff receiving petty cash funds to sign the petty cash log when being reimbursed for purchases. During our review of Parks' petty cash log, we noted 5 out of the 6 reimbursement amounts did not have a signature. Staff receiving petty cash funds should sign the petty cash log acknowledging receipt of the monies. Signatures provide additional evidence that the person requesting reimbursement received the correct amount. By not requiring signatures, Parks is potentially at risk of reimbursing incorrect petty cash amounts to staff requesting reimbursement.

Recommendation

We recommend Parks require staff receiving petty cash funds to sign the petty cash log acknowledging receipt of petty cash funds.

Parks' Management Response

Regional Parks will require staff to sign the petty cash log to acknowledge receipt of petty cash reimbursement.