

COUNTY OF SACRAMENTO

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

INTERNAL AUDIT REPORT
CASH HANDLING REVIEW
AGREED UPON PROCEDURES
FOR THE PERIOD MAY AND JUNE 2023

ASSESSOR'S OFFICE



Audit Committee Submittal Date: 10/19/2023

SUMMARY

Background

The Department of Finance performed a cash handling review of the Sacramento County Assessor's Office (Office).

Audit Objective

Agreed upon procedures were performed to evaluate the Office's cash handling control procedures for the period May and June 2023.

Summary

We noted exceptions related to timing of cash receipt deposits.

Department of Finance

Chad Rinde
Director



County of Sacramento

Divisions

Auditor-Controller
Consolidated Utilities Billing &
Service
Investments
Revenue Recovery
Tax Collection & Licensing
Treasury

August 9, 2023

Peter Aw-Yang, Assistant Treasurer
Department of Finance
County of Sacramento
700 H Street, Room 1710
Sacramento, CA 95814

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Dear Mr. Aw-Yang:

At your request, we have performed the procedures enumerated below, and on page 2, which were agreed by you for the Sacramento County (County), Assessor's Office (Office). These procedures were performed solely to evaluate the Office's cash handling control procedures for the period May and June 2023. For the purpose of this cash handling review, "cash" is defined as all forms of money, and includes, but is not limited to, currency, coin, checks, electronic checks, money orders, credit cards, and debit cards.

The Office's management is responsible for maintaining sufficient cash handling controls. 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, and on page 2, 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 on page 2, and is not intended to pertain to any of the Office's other operations, procedures or compliance with laws and regulations.

The procedures we performed are summarized as follows:

1. We obtained and inspected the Office's cash handling policies and procedures used for cash receipts and cash transaction reports to identify any concerns or internal control issues.

Result: We noted an exception as described in procedure #2. See ATT 2 – *Current Finding and Recommendation*.

Peter Aw-Yang, Assistant Treasurer
August 9, 2023

2. We visited the Office's cashiers on an unannounced basis on May 25, 2023 and observed and documented how the cashier handled cash received and performed a walkthrough of the cash receipt process with cashiers to identify any internal control issue or non-compliance with the County's and/or the Office's cash receipt policies and procedures.

Result: We noted an exception related to timing of cash receipt deposits.
See ATT 2 - *Current Finding and Recommendation*.

3. We inspected a sample of the Office's daily cash receipts to verify transaction receipts were provided to customers, correct amounts were charged and cash receipts were properly safeguarded.

Result: We did not note any exceptions as a result of this procedure.

4. We performed unannounced cash counts at the Office's operational location and traced revenues counted to reconciliation schedules and confirmed deposits to Sacramento County's financial system (COMPASS).

Result: We did not note any exception other than the issue described in procedure #2.
See ATT 2 - *Current Finding and Recommendation*.

5. We performed an unannounced cash count on the Office's imprest cash and traced the imprest cash on hand to the authorized amounts posted in COMPASS.

Result: We did not note any exceptions as a result of this procedure.

This agreed-upon engagement was conducted in accordance with the standards for attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to, and did not perform an audit or examination, the objectives of which would be the expression of opinions on the Office's cash balances, financial schedules, compliance, or results of our procedures previously referred to. Accordingly, we do not express such opinions. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. This report relates only to the results of our procedures referred to above, and does not extend to the Office's operations as a whole.

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

Peter Aw-Yang, Assistant Treasurer
August 9, 2023

This report is intended solely for the information and use of the Sacramento County Board of Supervisors, Sacramento County Audit Committee, Sacramento County Executive, Sacramento County Treasurer and the Office'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

A handwritten signature in blue ink, appearing to read "Tae-Young Kang", with a long horizontal flourish extending to the right.

By: Tae-Young Kang, CPA
Audit Manager

Attachments:

ATT 1 - *Summary of Imprest Cash and Cash Receipts*
ATT 2 - *Current Finding and Recommendation*
ATT 3 - *Current Status of Prior Recommendation*

COUNTY OF SACRAMENTO
ASSESSOR'S OFFICE
CASH HANDLING REVIEW
SUMMARY OF IMPREST CASH AND CASH RECEIPTS
MAY AND JUNE 2023

Imprest Cash

<u>Petty Cash</u>	<u>Amount Authorized</u>	<u>Amount Counted</u>	<u>Variance</u>
Finance & Administration	\$ 200.00	200.00	0.00
Appraisal Support	200.00	200.00	0.00
Total	\$ 400.00	400.00	0.00

Cash Receipts

<u>Deposit Permit Number</u>	<u>Deposit Date</u>	<u>Amount Tested</u>	<u>Amount Posted in COMPASS</u>	<u>Exception ¹</u>
1300837061	5/22/2023	\$ 25.50	25.50	0.50
1300837074	5/22/2023	525.00	525.00	350.00
1300838199	6/5/2023	1,050.00	1,050.00	350.00

¹ The deposits consist of a total of 11 checks and five (5) of the checks were not deposited within seven (7) days of receipt. See Finding # 1 ATT 2 - *Current Finding and recommendation*

COUNTY OF SACRAMENTO
ASSESSOR'S OFFICE
CASH HANDLING REVIEW
CURRENT FINDING AND RECOMMENDATION
MAY AND JUNE 2023

1. Timing of Cash Receipt Deposits

Condition

Assessor's Office (Office)'s cash handling policies and procedures requires that the cash receipts to be deposited bi-weekly rather than within 7 days as required by Sacramento County Charter Article VIII, Section 39. Also, based on our testing of 11 cash receipts, we noted that the Assessor's Office did not deposit five (5) cash receipts to the Sacramento County Treasury within seven (7) days following receipt as required

Criteria

According to Sacramento County Charter Article VIII, Section 39, "*Every county or township officer, board or commission, authorized to collect fees or money must pay into the county treasury all such fees or moneys collected by him or them, as the case may be, not later than seven (7) days following receipt thereof.*"

Effect

The Office is not compliant with Sacramento County Charter Article VIII, Section 39. Untimely deposits create opportunities for mishandling or loss of the funds that may not be detected in a timely manner.

Recommendation

We recommend the Office update its policies and procedures related to the timing of cash receipt deposits consistent with Sacramento County Charter Article VIII, Section 39.

The Office should deposit its cash receipts within seven (7) days following receipt.

Management Response

The Assessor's Office understands the County policy of cash receipts being deposited within seven (7) days of receipt. Our office takes in very little cash, sometimes only \$(0.25) a week, and it is not cost effective to expend staff time and use of vehicle to drive downtown weekly for such small deposit amounts. Deposits will continue to be made every two (2) weeks. We understand that our office is not compliant, and this will continue to be identified in audit findings.

COUNTY OF SACRAMENTO
ASSESSOR'S OFFICE
CASH HANDLING REVIEW
CURRENT STATUS OF PRIOR RECOMMENDATION
MAY AND JUNE 2023

FROM THE PRIOR CASH HANDLING REVIEW REPORT FOR THE PERIOD
MARCH 2012 TO APRIL 2012, DATED APRIL 2012

1. **Petty Cash Reconciliation**

Prior Recommendation

We recommended the Assessor's Office (Office) compare and reconcile the cash on hand to the authorized amount in COMPASS. We also recommended the Office investigate all variance noted.

Current Status

It appears that the prior recommendation has been implemented.