

# COUNTY OF SACRAMENTO

DEPARTMENT OF FINANCE - AUDITOR-CONTROLLER DIVISION - AUDITS

**INTERNAL AUDIT REPORT**  
**CHANGE OF CUSTODY – FINANCIAL REPORT**  
**PUBLIC DEFENDER**



Submitted to Audit Committee on June 14, 2018



County of Sacramento

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*Inter-Office Memorandum*

April 10, 2018

To: Steven M. Garrett  
Interim Chief Public Defender

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 written over the printed name of the Chief of Audits.

Subject: **REPORT OF AGREED-UPON PROCEDURES FOR THE COUNTY OF SACRAMENTO PUBLIC DEFENDER (PUBLIC DEFENDER) CHANGE OF CUSTODY ON MARCH 27, 2018**

We have performed the procedures enumerated below, which were requested and agreed to by you, solely to assist the Public Defender with its change of custody on March 27, 2018. We performed our procedures at the Public Defender's office located at 700 H Street, Sacramento, California, 95814. The Public Defender's management is responsible for maintaining sufficient controls for its accounting operations and 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 the Public Defender'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 next page and is not intended to pertain to any of the Public Defender's other operations, procedures or compliance with laws and regulations. Our procedures and findings are summarized as follows:

- We counted the Public Defender's imprest cash and compared it to the amount authorized in the Sacramento County Financial System (a.k.a. COMPASS).

Finding: Imprest cash on hand did not agree to the amount authorized in COMPASS. See Attachment I, *Schedule of Accountability* and Attachment II, *Comment and Recommendation*.

- We obtained a listing of the Public Defender's capital assets reported in COMPASS and physically inspected their existence at the Public Defender's office.

Finding: We verified the physical existence of the Public Defender's capital assets listed in COMPASS without exception. See Attachment I, *Schedule of Accountability*.

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, financial statements, compliance, or items referred to above and on the previous page. 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 the Public Defender's change of custody on March 27, 2018, and does not extend to the Public Defender as a whole.

The Public Defender's response to the finding identified during our procedures is described in Attachment II, *Comment and Recommendation*. We did not perform procedures to validate the Public Defender's responses to the comment and, accordingly, we do not express an opinion on the response to the comment.

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 the Public Defender'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, *Schedule of Accountability*

Attachment II, *Comment and Recommendation*

cc: Members, Board of Supervisors

Nancy Newton, Assistant County Executive

David Villanueva, Deputy County Executive

Bruce Wagstaff, Interim Deputy County Executive

Britt Ferguson, Chief Fiscal Officer

Stephan Cheek, Administrative Services Officer III

Paulino Durán, Retiree

**COUNTY OF SACRAMENTO  
PUBLIC DEFENDER  
CHANGE OF CUSTODY  
SCHEDULE OF ACCOUNTABILITY**

MARCH 27, 2018

**Imprest Cash and Capital Assets Inspected**

<u>Assets on Hand</u>	<u>Amount Reported</u>	<u>Amount Inspected</u>	<u>Variance</u>
Petty Cash	\$ 200.00	250.00	50.00 <sup>(1)</sup>
Capital Assets	36,018.76 <sup>(II)</sup>	36,018.76	0.00
<b>Total</b>	<b>\$ 36,218.76</b>	<b>36,268.76</b>	<b>50.00</b>

<sup>(1)</sup> Imprest cash on hand did not agree to the amount authorized in the Sacramento County Financial System (a.k.a. COMPASS). See Attachment II, *Comment and Recommendation*.

<sup>(II)</sup> Amount consists of the acquisition value of the County of Sacramento Public Defender's capital assets reported in COMPASS.

**COUNTY OF SACRAMENTO  
PUBLIC DEFENDER  
CHANGE OF CUSTODY  
COMMENT AND RECOMMENDATION**

MARCH 27, 2018

**1. Imprest Cash**

Comment

During our inspection of the County of Sacramento Public Defender's (Public Defender) imprest cash, we noted the amount of petty cash and disbursements counted during our visit on March 26, 2018 in the amount of \$250 did not agree to the \$200 authorized in the Sacramento County Financial System (a.k.a. COMPASS). Accordingly, we noted an overage of \$50.

Imprest cash should agree to the amount authorized in COMPASS. Overages and shortages of imprest cash can lead to theft or misappropriation of funds not being detected in a timely manner.

Recommendation

We recommend the Public Defender ensure its imprest cash agrees to the amount authorized in COMPASS. We further recommend the Public Defender deposit the \$50 overage to the County Treasury into the appropriate cash overage general ledger account in COMPASS; if additional imprest cash is needed, a request to increase imprest cash should be made through the Department of Finance.

Management Response

As a result of the "change of custody" review March 27, 2018, it was discovered that dating back to at least 2003 we had fifty dollars more money in our petty cash fund than was recorded in COMPASS; we had \$250 instead of the recorded \$200 dollars. To resolve the discrepancy, we have requested that Finance adjust COMPASS to reflect \$250, the actual amount held in our petty cash fund. Fund: 001A, Fund Center: 6916910.