COUNTY OF SACRAMENTO

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

INTERNAL AUDIT UNIT REPORT

FISCAL OFFICE RELOCATION AGREED-UPON PROCEDURES REPORT AS OF MARCH 30, 2026

DEPARTMENT OF HUMAN ASSISTANCE

Audit Committee Submittal Date: 08/31/2026

SUMMARY

Background

At the request of the Department of Human Assistance (DHA), the Department of Finance conducted an agreed-upon procedures to account for all checks, EBT cards, gift cards, and bus passes, related to the relocation of the DHA fiscal office from 1725 28th Street to 2700 Fulton Avenue that occurred on March 30, 2026.

Audit Objective

To count all checks, EBT cards, gift cards, and bus passes before and after the relocation of the DHA fiscal office on March 30, 2026, and reconcile the pre-move counts with the post-move counts.

Summary

We did not find any discrepancies in our counts. However, we noted some issues relating to the accessibility to a locked drawer inside a safe and tracking of returned checks.

Department of Finance
Chad Rinde
Director

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

County of Sacramento

June 17, 2026

Ethan Dye, Director
Department of Human Assistance
County of Sacramento
1825 Bell Street, Suite 200
Sacramento, California 95825

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

Dear Mr. Dye:

We have performed the procedures enumerated below, which were agreed to by the Sacramento County (County) Department of Human Assistance (DHA) to account for checks, EBT cards, gift cards, and bus passes, related to the relocation of the DHA fiscal office from 1725 28th Street, Sacramento to 2700 Fulton Avenue, Sacramento on March 30, 2026. DHA's management is responsible for maintaining sufficient controls over its accounting operations and assets. In performing our agreed-upon procedures engagement, we have relied solely on representations provided by DHA relating to its responsibility for maintaining sufficient controls for its accounting operations and assets.

DHA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purposes of the relocation engagement. 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 the fiscal office's blank check stock on hand before and after the move.

Result: We did not note any variances before and after the move. However, we observed an issue related to the accessibility of a locked drawer inside a safe. See ATT 2 – *Observations and Recommendations*.

2. We verified that the beginning and ending check numbers in an unsealed check stock box were accurate and sequential, and we randomly tested 20 checks to confirm proper order before and after the move.

   Result: We did not note any variances before and after the move.

3. We counted all sealed boxes of returned checks and all other loose returned checks before and after the move.

   Result: We did not note any variances before and after the move. However, we observed an issue related to tracking of the returned checks. See ATT 2 – *Observations and Recommendations*.

4. We counted all sealed boxes of Electronic Benefits Transfer (EBT) cards and all other loose cards before and after the move.

   Result: We did not note any variances before and after the move

5. We reconciled all pre-move counts with the post-move counts.

   Result: We did not note any variance.

We were engaged by DHA 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 DHA'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 DHA regarding the relocation 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 DHA's operations as a whole.

DHA's response to the observations identified during our procedures are described in ATT 2 – *Observations and Recommendations*. We did not perform procedures to validate DHA's response to the observations and, accordingly, we do not express an opinion on the response to the observations.

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 DHA'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 Counts*
ATT 2 – *Observations and Recommendations*

COUNTY OF SACRAMENTO
DEPARTMENT OF HUMAN ASSISTANCE (DHA)
FISCAL OFFICE RELOCATION
MARCH 30, 2026

SCHEDULE OF COUNTS

	Number Counted at 28th Street	Number Counted at Fulton Avenue	Variance	Amount Counted at 28th Street	Amount Counted at Fulton Avenue	Variance
BLANK CHECK STOCK [1]						
Dot Matrix Check Stock	2,750	2,750	0			
Check Stock from Safe	44	44	0			
Check Stock Sealed Boxes [2]	5,000	5,000	0			
Check Stock Unsealed Box	500	500	0			
Total	8,294	8,294	0			
RETURNED CHECKS						
Returned Checks - Sealed Boxes [3]	Unknown	Unknown	Unknown	$ 0.00	$ 0.00	$ 0.00
Returned Checks January 2026	46	46	0	23,047.37	23,047.37	0.00
Returned Checks February 2026	51	51	0	27,003.72	27,003.72	0.00
Returned Checks March 2026	42	42	0	19,176.04	19,176.04	0.00
Total	139	139	0	$ 69,227.13	$ 69,227.13	$ 0.00
BLANK EBT CARDS [4]						
Unsealed EBT Cards	1,390	1,390	0			
Sealed EBT Card Boxes [5]	18,000	18,000	0			
Total	19,390	19,390	0			
GIFT CARDS						
Target	50	50	0	$ 995.00	$ 995.00	$ 0.00
AM/PM	27	27	0	570.00	570.00	0.00
Total	77	77	0	$ 1,565.00	$ 1,565.00	$ 0.00
BUS PASSES						
Unsealed Daily Bus Passes	220	220	0	$ 1,540.00	$ 1,540.00	$ 0.00
Unsealed Single Ride Bus Passes	903	903	0	2,257.50	2,257.50	0.00
Unsealed Bus Stickers [6]	6,425	6425	0	Unknown	Unknown	Unknown
Sealed Boxes of Daily Bus Passes [7]	9,000	9,000	0	63,000.00	63,000.00	0.00
Total [8]	16,548	16,548	0	$ 66,797.50	$ 66,797.50	$ 0.00

[1] Blank checks have no monetary value in its current form; therefore, there is no dollar amount to associate with the count of physical items.

[2] There were five sealed boxes, each containing 500 checks, for a total of 5,000 checks.

[3] DHA maintained nine sealed boxes. DHA stated that these boxes contained returned checks, many of which dated back at least 10 years. DHA stated that it had not maintained records or tracked the returned checks stored in these boxes. Because DHA did not account for the content inside the boxes, Internal Audit did not open them to verify the contents. However, Internal Audit did confirm all nine sealed boxes were transported from the 28th Street Office to the 2700 Fulton Avenue location. See Observation #2 at ATT 2, *Current Observations and Recommendations.*

[4] Blank Electronic Benefit Transfer (EBT) Cards have no monetary value in its current form; therefore, there is no dollar amount to associate with the count of physical items.

[5] There were six sealed blank EBT card boxes, each containing 3,000 blank EBTcards, for a total of 18,000 cards.

[6] The value of the bus pass sticker varies, and Internal Audit was unable to determine an amount for these stickers.

[7] There were nine sealed boxes, each containing 1,000 bus passes, for a total of 9,000 passes.

[8] Total amount includes only the verified value.

COUNTY OF SACRAMENTO
DEPARTMENT OF HUMAN ASSISTANCE (DHA)
FISCAL OFFICE RELOCATION
MARCH 30, 2026

1. Locked safe Drawer

Condition
During an inspection conducted on March 30, 2026, at the Department of Human Assistance (DHA) fiscal office located at 1725 28th Street, Sacramento CA 95816, it was observed that a drawer inside the safe was locked. DHA staff indicated the drawer had not been accessed for an extended period. Furthermore, staff confirmed they did not possess the means to unlock or open the drawer and were therefore unaware of its contents. As a result, the inspection team was unable to open the drawer or verify whether it contained any items.

Recommendation
We recommend DHA coordinate with the Department of General Services to arrange for the locked drawer inside the safe to be opened. Upon gaining access, DHA should ensure that at least two staff members jointly verify and document the contents of the drawer, if any, to maintain proper accountability and transparency.

Management Response
Although staff were unable to access the drawer during the March 30, 2026 inspection, DHA subsequently located the two keys associated with the drawer. On May 27, 2026, three staff members jointly opened and inspected the drawer and confirmed it was empty. One key has been added to the centralized safe keyring, and the drawer has been left unlocked to avoid unnecessary restricted access.

2. Returned Checks

Condition
During the planning phase of this count, Department of Human Assistance (DHA) staff identified an unknown quantity of returned checks stored on-site, with many of these checks dating back at least ten years. DHA staff had not maintained records or tracked these returned checks. Prior to the count, DHA staff consolidated the returned checks into nine (9) boxes, which were subsequently sealed. Internal Audit verified that these boxes were transferred from the 28th Street office to the Fulton Avenue office; however, the sealed boxes were not opened, and the items inside were not verified. As a result, it was not possible to count the individual checks or confirm the specific time periods represented within each box.

Recommendation
We recommend DHA assign at least two staff members to open the sealed boxes of returned checks and conduct a comprehensive inventory of all contents. Upon opening each box, staff should verify, document, and properly categorize all returned checks, including identifying the time periods represented. DHA should then establish and implement a formal tracking process to ensure that returned checks are consistently logged, reconciled, and retained in accordance with record-management requirements. DHA should also destroy all stale-dated checks to ensure proper disposal of sensitive information and reduce unnecessary storage. This will help safeguard sensitive information, prevent theft, and free up space for current operational needs.

Management Response

DHA will assign at least two staff members to open the sealed boxes of returned checks and conduct an inventory of all contents. Upon opening each box, staff will identify the time periods represented and destroy all stale-dated checks and ensure proper disposal of sensitive information. DHA has also improved the current tracking process to ensure that returned checks are consistently logged, reconciled, and retained in accordance with DHA and County record retention policy.