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LARRY WALKER

Auditor/Controller-Recorder
County Clerk

ELIZABETH A. STARBUCK

Assistant Auditor/Controller-Recorder
Assistant County Clerk

June 25, 2009

Kari Verjil, Registrar of Voters

777 E. Rialto Avenue
San Bernardino, CA 92415

SUBJECT: REGISTRAR OF VOTERS CASH CONTROLS FOLLOW-UP AUDIT

Introductory Remarks

In compliance with Article V, Section 6, of the San Bernardino County Charter, the Board of Supervisor's Policy Statement on Internal Operational Auditing, and the Internal Controls and Cash Manual (ICCM), we have completed a follow-up audit of the Registrar of Voters Cash Controls audit conducted in early 2008. Both audits were conducted in accordance with the International Standards for the Professional Practice of Internal Auditing developed by the Institute of Internal Auditors.

Objectives, Scope and Methodology

The objective of this follow-up audit was to determine whether the Registrar of Voters (ROV) implemented the recommendations contained in the original audit report dated August 13, 2008. To achieve this objective we:

- Interviewed ROV employees.
- Reviewed and analyzed internal controls.

Conclusion

All of the recommendations from the previous report have been implemented by ROV. No further follow-up on these recommendations will be necessary.

A draft report was delivered to the ROV on 6/17/2009, and the results were discussed on 6/25/2009.

Prior Audit's Findings and Recommendations with Current Status

The details of the prior audit's finding and recommendations and their implementation status are below:

Finding 1: Lack of Segregation of Duties

The Payroll Specialist concurrently records, reconciles and maintains custody of cash.

Recommendation:

We recommend that management segregate the cash handling and bookkeeping duties. For example, one employee should handle everything associated with custody of cash (collecting cash receipts and preparing deposits), another employee should handle accounting for the cash (recording) and another employee should handle reconciling the cash and transactions.

Current Status: Implemented.

Finding 2: Lack of Accountability for Cash

The department has only one cash box that is shared by all employees that received cash. Since any employee could receive cash, the department did not effectively limit the access to the cash funds.

Recommendation:

We recommend that management either designate one person to receive cash receipts or assign all employees who receive cash receipts his/her own cash box.

Current Status: Implemented.

Finding 3: Noncompliance with Proper Safe Access Procedures

The safe combination has not been changed in the six years that the payroll specialist has been in her position. There have been two staff that have left employment with the County that could potentially still have the combination.

Recommendation:

Management should change the safe combination whenever an employee who has knowledge of the combination leaves the department or is assigned other duties. Even with no staffing changes, the combination must be changed at least annually.

Current Status: Implemented.

Finding 4: Failure to Make Timely Deposits

The department deposited cash receipts, totaling \$1,700.38, three business days late on the day we performed the count. According to the Payroll Specialist, Brinks only pick up deposits once a week on Tuesdays so deposits are only done on Mondays.

Recommendation:

We recommend that management make a deposit whenever receipts reach \$1,000 or at least weekly.

Current Status: Implemented.

Thank you very much for the cooperation extended by your staff during the course of this audit.

Respectfully submitted,

Larry Walker
Auditor/Controller-Recorder

By: _____
Howard Ochi, CPA
Chief Deputy Auditor
Internal Audits Section

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