

AUDITOR-CONTROLLER/ TREASURER/TAX COLLECTOR



COUNTY OF SAN BERNARDINO

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LARRY WALKER
Auditor-Controller/
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March 20, 2014

John McMahon, Sheriff-Coroner

Sheriff-Coroner
655 E. Third Street
San Bernardino, CA 92415-0061

**SUBJECT: SHERIFF - FY12 SINGLE AUDIT CORRECTIVE ACTION 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 OMB Circular A-133, we have completed a follow-up audit of the implementation of recommendations noted in the County of San Bernardino's Single Audit for the fiscal year ended June 30, 2012 (FY12) for the Sheriff's Department (Department). Our audit was conducted in accordance with the Standards for the Professional Practice of Internal Auditing.

Background

The Single Audit Act Amendments of 1996 and OMB Circular A-133 require nonfederal entities that expend \$500,000 or more of federal awards in a fiscal year to have a single or program-specific audit. The County's external auditors, Vavrinek, Trine, Day & Co., LLP (VTD), conducted the County's FY12 single audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133. VTD issued the report on March 28, 2013. In accordance with OMB Circular A-133, the auditee is responsible for follow-up and corrective action on all audit findings.

Objectives, Scope and Methodology

Our overall objective was to determine whether the Department implemented the recommendations contained in the FY12 Single Audit report. To achieve this objective we:

- Reviewed policies and procedures.
- Interviewed department staff.
- Tested a sample of case files.

Conclusion

As a result of our analysis and tests performed, we concluded that the corrective action plan has not been satisfactorily implemented.

Prior Audit's Observation, Finding and Recommendation with Current Status

The details of the prior audit's observation, finding, recommendation and implementation status are below:

FINDING 2012-02:

Program: Equitable Sharing
CFDA No.: 16.922
Federal Agency: Department of Justice
Passed-through: N/A
Award No.: N/A
Award Year: 2011-2012
Compliance Requirement: Special Test and Provisions

Significant deficiency, Instance of Non-compliance - As a result of test work performed, we noted the County (Sheriff's Department) was not performing the necessary review of the AFMLS website to ensure participating agencies set to receive Program funds are in compliance with the program.

Recommendation:

We recommend the County (Sheriff's Department) implement procedures over compliance assurance as it relates to transfers made to recipient agencies before Asset Forfeiture funds are physically transferred to ensure that the agency is in compliance with the Department of Justice as well as print screen the check performed prior to disbursement to evidence that the County (Sheriff's Department) performed the compliance verification.

Current Status: Partially Implemented

Two of the twelve transactions tested had a dated printout of the screenshot. The remaining ten transactions had an undated photocopy of a screenshot included with the file. It does not appear that a copy of the screenshot is retained each time a payment is made.

The County (Sheriff's Department) is at risk of transferring federal funds to a recipient agency that is out of compliance with the Department of Justice. This can result in a reduction, suspension or termination of a federal award.

Recommendation:

The Department should print a new screenshot that includes a print date to verify an agency's eligibility prior to sending out each payment.

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

Sincerely,

Larry Walker
Auditor-Controller/Treasurer/Tax Collector
San Bernardino County

By: 

Dense Mejico
Chief Deputy Auditor

DLM:DMB:oac

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