

# County of San Bernardino

**Auditor-Controller/Treasurer/Tax Collector  
Internal Audits Section**

---

## **Child Support Services: Cash Controls Follow-Up Audit**



**Ensen Mason CPA, CFA  
Auditor-Controller/Treasurer/Tax Collector**

268 West Hospitality Lane  
San Bernardino, CA 92415-0018  
(909) 382-3183

**Website:** [www.sbcounty.gov/atc](http://www.sbcounty.gov/atc)

**Fraud, Waste & Abuse Hotline:** (800) 547-9540

# Auditor-Controller/Treasurer/Tax Collector

---

## *Mission Statement*

*This office is committed to serving our customers by processing, safeguarding, and providing information regarding the finances and public records of the County. We perform these functions with integrity, independent judgment, and outstanding service. We are accurate, timely, courteous, innovative, and efficient because of our well-trained and accountable staff.*

---

## Audit Team

**Denise Mejico**  
Chief Deputy Auditor

**Menaka Burkitt**  
Internal Audits Manager

**Rachel Ayala**  
Supervising Internal Auditor III

**John Niggemeyer**  
Internal Auditor II



## **Child Support Services Cash Controls Follow-Up Audit**

<b>Audit Report Letter</b>	<b>1</b>
<b>Scope, Objective and Methodology</b>	<b>3</b>
<b>Prior Audit Finding, Recommendations and Current Status</b>	<b>4</b>



**Auditor–Controller/Treasurer/Tax Collector**

**Ensen Mason, MBA, CPA, CFA**  
*Auditor–Controller/Treasurer/Tax Collector*

**Douglas R. Boyd, Sr., ESQ.**  
*Assistant Auditor–Controller/Treasurer/Tax Collector*

**December 4, 2019**

**Marie Girulat, Director**

Child Support Services  
10417 Mountain View Avenue  
Loma Linda, CA 92354

**SUBJECT: Cash Controls Follow-Up Audit**

In compliance with Article V, Section 6, of the San Bernardino County Charter and County Policy 05-20 entitled Internal Operational Auditing, we have completed a follow-up audit of the Child Support Services Department's (Department) Cash Controls as of September 2019. The objective of the audit was to determine if the recommendations for the finding in the Child Support Services Cash Controls Audit, dated February 25, 2019, have been implemented. We conducted our audit in accordance with the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors.

We have provided a status of the audit finding identified in the original audit report issued on February 25, 2019. The Department has implemented all of the recommendations from the original audit report.

We sent a draft report to the Department on November 22, 2019.

We would like to express our appreciation to the personnel at the Child Support Services Department who assisted and cooperated with us during this engagement.

Respectfully submitted,

**Ensen Mason CPA, CFA**

Auditor-Controller/Treasurer/Tax Collector

San Bernardino County

By: \_\_\_\_\_

**Denise Mejico**

Chief Deputy Auditor

Distribution of Audit Report:

Robert Lovingood, 1<sup>st</sup> District Supervisor

Janice Rutherford, 2<sup>nd</sup> District Supervisor

Dawn Rowe, 3<sup>rd</sup> District Supervisor

Curt Hagman, Chairman, 4<sup>th</sup> District Supervisor

Josie Gonzales, Vice Chair, 5<sup>th</sup> District Supervisor

Gary McBride, Chief Executive Officer

Grand Jury

Auditor-Controller Audit Committee

Date Report Distributed: 12.11.19

EM:DLM:JN:oac



### Scope and Objective

Our audit examined the Child Support Services Department's (Department) petty cash deposits from March 2019 through September 2019.

The objective of this follow-up audit was to determine whether the Department implemented the recommendations contained in the prior audit report, *Child Support Services Cash Controls Audit*, issued on February 25, 2019.

### Methodology

In achieving the audit objective, the following procedures were performed, including but not limit to:

- Interview of Department staff
- Examination of original source documents



### **Prior Finding: Employee funds were commingled with the Child Support Services Department's (Department) petty cash account.**

The Internal Controls and Cash Manual (ICCM) Chapter 3-2 - Cash Controls states that departments must not commingle employee personal funds with County funds, including special departmental funds for coffee and other employee functions.

There were three instances in which employee committee money was deposited into the Department's petty cash checking account.

- In two instances, the Department's employee committee held fundraisers in which employee money was collected for the County's Annual Combined Giving Campaign. The employee funds collected were then deposited into the petty cash checking account and a check was written to the Children's Fund in the same amount.
- In the one instance, the Department's employee committee raised funds to replace two broken microwaves in the office. The microwaves had to be purchased by their property management company, in accordance with the building lease terms. The employee committee deposited funds into the Department's petty cash checking account and a check was written to the property management company in the same amount.

The Department did not follow the ICCM guidance related to the allowable uses of petty cash. Without a clear separation between employee funds and County funds, the risk of misappropriation of assets is increased.

### **Recommendation:**

We recommend the Department discontinue the practice of commingling employee funds with County funds. Contributions to the Combined Giving Campaign can be made through a payroll deduction by completing a Contribution Election Agreement form or a One-Time Deduction Agreement form. Both forms are located on the Employee Management and Compensation System (EMACS) page of the County website. These payroll deductions allow employees to contribute without impacting County funds. We also recommend the employee committee pay the property management company directly so that no County funds are commingled.



### **Current Status: Implemented**

All three petty cash deposits tested contained only reimbursements of petty cash expenditures. There were no other funds deposited into the petty cash account. Department staff has been instructed to use payroll deductions for the Combined Giving Campaign and also to pay the property management company directly for any future purchases.