

County of San Bernardino

Auditor-Controller/Treasurer/Tax Collector
Internal Audits Section

Human Resources: Review of Certified Statement of Assets Transferred Date of Transfer – December 7, 2019



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
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



Human Resources

Review of Certified Statement of Assets Transferred

| | |
|--|---|
| Review Report Letter | 1 |
| Purpose, Scope, Objectives and Methodology | 3 |
| Summary and Conclusion | 5 |



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

June 12, 2020

Diane Rundles, Director
Human Resources
157 W. Fifth Street 1st Floor
San Bernardino, CA 92415-0440

**SUBJECT: Review of Certified Statement of Assets Transferred
Date of Transfer December 7, 2019**

In compliance with Article V, Section 1, of the San Bernardino County Charter, we have completed a review of the Department of Human Resources' (Department) Certified Statement of Assets Transferred (CSAT) form for the incoming official Diane Rundles, Director, as of the date of transfer of December 7, 2019. The primary objectives of the review were to determine if the CSAT form was accurate, complete and filed timely with the Auditor-Controller/Treasurer/Tax Collector (ATC), as required by the County Charter.

Our review determined that the form was complete, however was not filed in a timely manner, and there were balances which were reported inaccurately.

The Department is responsible for correcting the amounts on the CSAT form within 30 days of receipt of this report. The updated CSAT form should be maintained at the department level and available upon request.

Respectfully submitted,

Ensen Mason CPA, CFA

Auditor-Controller/Treasurer/Tax Collector
San Bernardino County

By:

Denise Mejico

Chief Deputy Auditor

Date Report Distributed: June 12, 2020

Robert Lovingood, 1st District Supervisor
Janice Rutherford, 2nd District Supervisor
Dawn Rowe, 3rd District Supervisor
Curt Hagman, Chairman, 4th District Supervisor
Josie Gonzales, Vice Chair, 5th District Supervisor
Gary McBride, Chief Executive Officer
Grand Jury
Auditor-Controller Audit Committee

EM:DLM:JN:oac



Purpose

In accordance with Article V, Section 1 of the San Bernardino County Charter, each County officer or employee in charge of any office, department, service, or institution of the County, and the executive head of each special district whose affairs and funds are under the supervision and control of the Board of Supervisors or for which the Board is ex-officio, is required to make and file with the Auditor-Controller/Treasurer/Tax Collector (ATC) a complete detailed inventory of all property belonging or pertaining to his/her office within five days after assuming the duties of the office.

Departments are responsible for completing their own Certified Statement of Assets Transferred (CSAT) form when there is a change in Department Head. The 2018 Internal Controls and Cash Manual (ICCM) Chapter 17-Transfer of Assets and Other Property states that incoming officials must complete and submit the CSAT form and worksheet to the ATC's Internal Audits Section (IAS).

Scope and Objectives

Our review examined the CSAT form completed by the Department of Human Resources for the incoming official Diane Rundles, Director as of the transfer date, December 7, 2019.

The objectives of our review were to determine whether the form was accurate, complete and filed timely.

Methodology

The CSAT form and supporting documentation provided by the Department were reviewed to verify that the amounts entered on the CSAT form were correctly stated in accordance with the ICCM Chapter 17-2 - Transfer of Assets and Other Property.

Purpose, Scope, Objectives and Methodology



The following procedures were performed in accordance with the related ICCM requirements:

| ICCM Requirement | Procedure Performed |
|--|--|
| ICCM Chapter 17-2 states that incoming officials must total all money not held in the County Treasury that the department is responsible for. | Department-provided cash balances were compared to the IAS cash database. |
| ICCM Chapter 17-2 states that balances of all trust and agency funds must be reconciled to the balance of the transfer date. | Department-provided trust and agency fund balances were compared to fund balances in SAP (Enterprise Financial Management System). |
| ICCM Chapter 17-3 states that fixed asset amounts from the quarterly equipment, vehicle and software reports from General Accounting should be reconciled as of the transfer date. | Department-provided fixed asset report was compared to the SAP fixed assets report. |

Additionally, we determined whether the annual reporting of sensitive equipment was filed with the Auditor-Controller/Treasurer/Tax Collector (ATC) and whether a Signature Authorization Cancellation form was submitted to ATC Accounts Payable.

Summary and Conclusion



Summary

The Department of Human Resources reported:

| Asset | Amount |
|--------------|------------|
| Cash | \$ 0 |
| Agency Funds | 40,279,087 |
| Fixed Assets | 3,204,113 |
| Other Assets | 3,687,188 |

The official is not responsible to return any assigned County credit cards and/or Cal-Cards since the assumed position was within the same department. There were no signature authorization form(s) submitted to the ATC's Accounts Payable Section since the official was not an outgoing officer. A sensitive equipment listing has been filed with the Internal Audits Section within the last year. The following conditions were identified:

- The Department was required to submit the CSAT no later than December 13, 2019 and the CSAT was completed on January 24, 2020, therefore was 26 business days late.
- The Agency Funds were reported on the CSAT incorrectly. The total included a transaction that occurred after the transfer date resulting in a \$2,818 variance.
- Fixed assets were reported as \$3,204,113 on the CSAT; however, the amount did not agree with the SAP Fixed Assets records. SAP fixed assets totaled \$3,300,282. Therefore, the amount reported on the CSAT was \$96,169 lower than official County records. There was no support available for the amount of fixed assets reported on the CSAT worksheet therefore the reason for the variance could not be explained.

Conclusion

The Department's CSAT form for the incoming official Diane Rundles, Director with the transfer date of December 7, 2019 was complete but not filed within the required five business days and there were balances that did not agree to official County records.

We recommend that the Department investigate the inconsistencies identified and ensure that department records can be reconciled to official County records for all asset categories.