

County of San Bernardino

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

Preschool Services: Review of Certified Statement of Assets Transferred Date of Transfer – June 22, 2019



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Auditor-Controller/Treasurer/Tax Collector**

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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

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Preschool Services

Review of Certified Statement of Assets Transferred

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Auditor-Controller/Treasurer/Tax Collector

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October 29, 2019

Phalos Haire, Director

Preschool Services
662 S. Tippecanoe Avenue
San Bernardino, CA 92415-0630

**SUBJECT: Review of Certified Statement of Assets Transferred
Date of Transfer June 22, 2019**

In compliance with Article V, Section 1, of the San Bernardino County Charter, we have completed a review of the Preschool Services' Certified Statement of Assets Transferred (CSAT) form for the incoming official Phalos Haire, Director, as of the date of transfer of June 22, 2019. The primary objectives of the review were to determine if the Certified Statement of Assets Transferred form was accurate, complete and filed timely with the Auditor-Controller/Treasurer/Tax Collector, as required by the County Charter.

Our review determined that the form was not filed in a timely manner. In addition, there was data that could not be verified as accurate or complete.

The Preschool Services 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

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Date Report Distributed: 10.29.19

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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 Certified Statement of Assets Transferred form and worksheet to the Auditor-Controller/Treasurer/Tax Collector's Internal Audits Section (IAS).

Scope and Objectives

Our review examined the CSAT form completed by the Department for the incoming official Phalos Haire, Director as of the transfer date, June 22, 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 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.

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

Purpose, Scope, Objectives and Methodology



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 funds were verified in SAP to confirm that the Department does not have agency funds.
ICCM Chapter 17-3 states that fixed asset amounts from the quarterly equipment, vehicle and software reports from General Accounting should be reconciled to the transfer date.	The Department's reported amount was compared to the SAP fixed assets report as well as the 3 rd Quarter Equipment and Vehicle Listing and provided support.

Additionally, we determined whether the annual reporting of sensitive equipment was filed with ATC, a signature authorization deletion was submitted to ATC Accounts Payable and whether the Cal-Card was canceled with the Purchasing Department.



Summary

The Preschool Services Department (Department) reported \$9,500 in cash, \$0 in agency funds and \$3,584,290 in fixed assets on the Certified Statement of Assets Transferred (CSAT) form. Signature authorization form(s) and assigned County credit cards and/or Cal-Cards did not need to be submitted as this was a transition from Interim Director to Director. A sensitive equipment listing has been filed with Internal Audits within the last year.

The following conditions were noted:

- Fixed assets were reported on the CSAT, however they could not be compared to SAP Fixed Assets records since they were not listed by individual asset. Additionally, the reported amounts did not agree with the 3rd Quarter Equipment and Vehicle Listing and supporting documentation. SAP fixed assets totaled \$3,680,918. Therefore, the amount reported on the form was \$96,628 lower than official County records.

Conclusion

The Department's CSAT form for the incoming official Phalos Haire, Director with the transfer date of June 22, 2019 was not filed timely and there was a balance that could not be verified as accurate or complete when compared to official County records.

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