

County of San Bernardino

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

Department of Public Works: Review of Certified Statement of Assets Transferred Date of Transfer – July 13, 2020



**Ensen Mason CPA, CFA
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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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Interim Supervising Internal Auditor III

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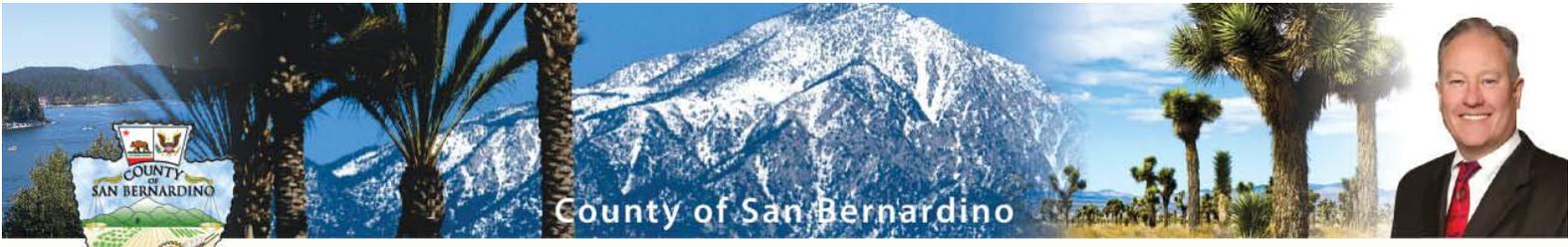
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Department of Public Works

Review of Certified Statement of Assets Transferred

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County of San Bernardino

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San Bernardino, CA 92415

**SUBJECT: Review of Certified Statement of Assets Transferred
Date of Transfer July 13, 2020**

In compliance with Article V, Section 1, of the San Bernardino County Charter, we have completed a review of the Department of Public Works (Department)’s Certified Statement of Assets Transferred (CSAT) form for the incoming official Luther Snoke, Interim Director, as of the date of transfer of July 13, 2020. 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 filed in a timely manner. However, the form was not complete and there were amounts that 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:

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Chief Deputy Auditor

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Grand Jury

San Bernardino County Audit Committee

Date Report Distributed: January 12, 2021

EM:TR:DLM:AA: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 Public Works for the incoming official Luther Snoke, Interim Director as of the date of transfer of July 13, 2020.

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-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 amounts were compared to the IAS Cash Database.
ICCM Chapter 17-2 states that amounts of all trust and agency funds must be reconciled to the amounts of the transfer date.	Auditor obtained trust and agency fund balances in SAP (Enterprise Financial Management System) and compared to the amounts provided by the Department, if any.
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 amounts were compared to SAP Fixed Assets report.

Additionally, we determined whether the annual reporting of sensitive equipment was filed with the ATC, a Signature/Fund Custodian Authorization form was submitted to ATC Accounts Payable and whether the assigned County credit cards and/or Cal-Card were cancelled with the Purchasing Department.



Summary

The Department of Public Works reported:

Asset	Amount
Cash	\$ 124,025,615
Agency Funds	3,841,138
Fixed Assets	70,167,126
Other Assets	13,761,332

A Signature/Fund Custodian Authorization form and assigned County credit cards and/or Cal-Cards was not required to be submitted as the outgoing officer assumed the role of Assistant Director of the Department. A sensitive equipment listing has been filed with the Internal Audits Section (IAS) within the last year.

The following conditions were noted:

- The CSAT form was incomplete and the Department did not provide support for all of the reported amounts.
- Cash funds were reported as \$124,025,615 on the CSAT, comprised of \$123,993,540 in cash with fiscal agent and \$32,075 in cash funds. IAS was unable to confirm the cash with fiscal agent of \$123,993,540 as the Department did not provide supporting documentation. Cash funds reported in the IAS Cash Database as of the Transfer Date of July 13, 2020 was \$40,950. Therefore, the \$32,075 of cash funds reported on the CSAT was \$8,875 lower than the IAS Cash Database.
- Agency funds of \$3,841,138 were reported on the CSAT form; however, the amount did not agree to the SAP agency fund amounts. SAP agency funds from the Transfer Date of July 13, 2020 total \$5,062,840. Therefore, the amount reported on the CSAT was \$1,221,702 lower than official County records.

Summary and Conclusion



- Fixed assets of \$70,167,126 were reported on the CSAT form; however, the amount did not agree to the SAP Fixed Assets records. The SAP reports from the Transfer Date of July 13, 2020 total \$78,604,544. Therefore, the amount reported on the CSAT was \$8,437,418 lower than official County records.

Conclusion

The Department's CSAT form for the incoming official Luther Snoke, Interim Director, with the transfer date of July 13, 2020 was filed timely, however the form was not complete and there were amounts that were reported inaccurately.

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