



**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Supervisors
County of San Bernardino, California

We have performed the procedures enumerated below, which were agreed to by the County of San Bernardino, California (County), solely to assist the County in testing its compliance with the requirements of Article V, Sections 1 and 8, of the County of San Bernardino Charter (Charter) as of March 1, 2016. The County is responsible for its compliance with the requirements of the Charter. This agreed upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

In accordance with Article V, Section 1:

1. Procedure: Determine if the Auditor-Controller/Treasurer/Tax Collector made and filed with the County Auditor a complete detailed inventory of all property belonging or pertaining to his office, received from by him from his predecessor.

Finding: We noted that a complete detailed inventory was filed as of March 1, 2016. No exceptions were noted as a result of our procedures.

2. Procedure: Determine if the County Auditor has maintained a property account for the Auditor-Controller/Treasurer/Tax Collector, who shall be charged with all property received by him from his predecessor and all property thereafter received.

Findings: We noted that three separate property accounts were maintained by the County Auditor for fixed assets, cash, and investments. No exceptions were noted as a result of our procedures.

In accordance with Article V, Section 8:

3. Procedure: Determine if the cash accounts maintained by the Treasurer's Office are properly reconciled and that the reconciliations were prepared in a timely manner (within 30 days after the month end).

Finding: We obtained and reviewed the cash reconciliation for the consolidated banking account, the main checking account and the money market account and noted that they were reconciled and prepared in a timely manner (within 30 days after the month end). No exceptions were noted as a result of our procedures.

4. Procedure: Determine whether certain internal controls over the claims processing function are operating as designed by selecting a sample of 40 claim payments, including five wire transfers made between July 1, 2015 through March 1, 2016 and determine if each claim payment was properly authorized, supported by valid documentation and that the claim expenditure was properly recorded in the general ledger.

Finding: We performed a walk-through of the internal controls over the claims processing function noting that the controls were operating as designed as of March 1, 2016. We selected and obtained valid supporting documentation for 40 claim payments including five wire transfers. No exceptions were noted as a result of our procedures.

5. Procedure: Determine that the fixed assets and cash balances, listed as part of the Certified Statement of Assets Transferred (CSAT) agree to supporting documentation.

Finding: We agreed the fixed assets and cash balances, listed as part of the CSAT, to supporting documentation, including the fixed asset listing and cash reconciliations. No exceptions were noted as a result of our procedures.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on compliance with the above noted requirements of the Charter as of March 1, 2016. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the County of San Bernardino, and is not intended to be and should not be used by anyone other than this specified party.

Vavrinik, Trine, Day & Co. LLP

Rancho Cucamonga, California
March 25, 2016