

County of Ventura
AUDITOR-CONTROLLER
MEMORANDUM

To: Sandra J. Bickford, Deputy Director Auditor-Controller

Date: February 9, 2006

From: James M. Tamekazu

Subject: SUMMARY REPORT REGARDING ACCOUNTABILITY OVER CASH RECEIPT (CR) DOCUMENTS

We have completed our limited procedures to evaluate five County agencies/departments' accountability over CR documents to mitigate the risks associated with lost or misappropriated deposits. We issued five separate reports during October 2005 through January 2006 to the following agencies/departments: Ventura County Fire Protection District; Harbor Department; Human Services Agency; Probation Agency; and Recorder's Office. Our procedures were limited to discussions with agency/department management. We also reviewed documents establishing accountability over CR numbers not processed in the Ventura County Financial Management System (VCFMS), which was designed to assign document numbers automatically. The unprocessed CR numbers were identified from our review of CR documents processed from April 7 through June 9, 2005. Our limited procedures did not constitute an audit and were not designed to provide assurance that funds were properly collected and deposited.

Our review of 14 unprocessed CR document numbers disclosed that accountability was not established over any of the CR documents at the five selected agencies/departments. Specifically, although each agency/department believed that, in general, the unprocessed CR numbers were properly deleted from VCFMS, the authorization and justification for the deletions were not documented. As a result, we could not verify whether the deletions were appropriate. Each agency/department agreed to implement corrective action to track deleted CR numbers and document the authorization and justification for the deletions.

The lack of accountability in the agencies/departments we reviewed indicated that the accounting for deleted CR document numbers may not be adequate countywide. We understand that VCFMS currently has limited processes for accountability over deleted documents, and therefore the responsibility for establishing and maintaining accountability controls rests with each agency/department. Consequently, improving accountability countywide may be best achieved by enhancing communication regarding document accountability expectations. Such communication would notify agencies/departments that accountability over CR documents, and potentially other numerically controlled documents, needs to be established at the agency/department level.

The Auditor-Controller's VCFMS Administration Section agreed to initiate action to prepare and distribute an Auditor-Controller memorandum reminding agencies/departments that document accountability responsibilities rest ultimately with each agency/department. Because of VCFMS limitations, we believe that implementation of such action will help to strengthen controls over CR document accountability.

We appreciate the cooperation and assistance extended by you and your staff during this engagement.

cc: Honorable Christine L. Cohen, Auditor-Controller
Honorable Philip J. Schmit, County Clerk and Recorder
Lyn Krieger, Director, Harbor Department
Ted Myers, Director, Human Services Agency
Calvin C. Remington, Director, Probation Agency
Bob Roper, Fire Chief
John F. Johnston, County Executive Officer