



Audit of the County Clerk and Recorder's Controls Over Cash Handling

Report Date: April 7, 2025

Office of the Auditor-Controller
County of Ventura, California
Jeffery S. Burgh, Auditor-Controller

**County of Ventura
AUDITOR-CONTROLLER
MEMORANDUM**

To: Honorable Michelle Ascencion, County Clerk and Recorder

Date: April 7, 2025

From: Jeffery S. Burgh

Subject: AUDIT OF THE COUNTY CLERK AND RECORDER'S CONTROLS OVER CASH HANDLING

We have completed our audit of the County Clerk and Recorder's (CCR) controls over cash handling. Our overall objective was to determine whether CCR's cash controls were adequate to ensure the accuracy and security of cash receipts during Fiscal Year 2023-24.

Executive Summary

Overall, we found that CCR's cash handling controls were adequate to ensure the accuracy and security of cash receipts. For example, staff roles and responsibilities were appropriately separated for each phase of the cash handling process, and CCR maintained complete and accurate records of cash transactions.

However, we found that cash handling controls could be improved by:

- Ensuring that doors to rooms containing cash safes remain secured.

CCR management initiated corrective action to address our finding. Corrective action was planned to be completed by March 18, 2025.

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

cc: Honorable Janice S. Parvin, Chair, Board of Supervisors
Honorable Jeff Gorell, Vice Chair, Board of Supervisors
Honorable Matt LaVere, Board of Supervisors
Honorable Kelly Long, Board of Supervisors
Honorable Vianey Lopez, Board of Supervisors
Sevet Johnson, Psy.D., County Executive Officer

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Background

The Office of the County Clerk and Recorder (CCR) is responsible for recording and maintaining legal documents which determine ownership of real property, as well as birth, death, and marriage records for the County of Ventura (County). Additionally, CCR's Elections Division is responsible for conducting all federal, state, and local elections, as well as general municipal elections for all 10 incorporated cities in Ventura County.

CCR receives cash (i.e., currency and coin) from members of the public at the Hall of Administration's (HOA) Clerk, Recorder, and Elections Division counters, as well as the East County Office in Thousand Oaks. For Fiscal Year (FY) 2023-24, CCR received more than \$460,000 in cash payments and was assigned change funds totaling \$2,850 across the divisions. Once CCR receives a cash payment and a receipt is issued, the cash payment is verified by CCR Fiscal staff and prepared for deposit. The deposit is recorded as a cash receipt in the Ventura County Financial Management System, then the deposit bag is sealed for delivery to the County Treasury. Deposits are either transported to the Treasury by armored car, when prepared at the East County Office, or by Fiscal staff at the HOA.

Scope

Our overall audit objective was to determine whether CCR's cash handling controls were adequate to ensure the accuracy and security of cash receipts during FY 2023-24. Specifically, we determined whether:

- change funds were intact and accounted for properly;
- CCR had formally developed and implemented adequate cash handling procedures;
- duties were appropriately separated for the receipt, approval, and reconciliation of cash;
- CCR maintained complete, accurate, and timely records of cash transactions; and
- adequate physical controls were in place for the proper safeguarding of cash.

Our audit procedures were applied to cash processes at CCR locations in the HOA and East County Office. The audit was performed in conformance with the Global Internal Audit Standards promulgated by The Institute of Internal Auditors.

Findings

Overall, we found that CCR's controls over cash handling were adequate to ensure the accuracy and security of cash receipts. For example:

- Cash handling duties were appropriately documented and separated.
- CCR maintained complete and accurate cash receipt records.
- The documented controls related to the storage of change funds were adequate, in place, and operating effectively.

However, we identified an opportunity to improve cash handling controls as discussed below. CCR management initiated corrective action in response to the audit as noted.

1. Physical Access to the Safe

The door to the interior room housing the safe at one CCR office location was kept propped open during business hours. County Administrative Policy No. Chapter VII(A)-9, *Cash Handling Responsibilities and Guidelines*, stated: "Adequate physical security should be provided at all times over locations where cash is stored and processed. Access to cash handling areas should be restricted to as few authorized individuals as practical." CCR staff asserted that because access to the office is controlled by a keypad lock at the front door, the interior safe room door is propped open for easier access to the safe. However, while the safe was closed and locked, this may compromise security as anyone who gains entry to the CCR office could access the safe room regardless of business need. Ensuring the door to the safe room is secured will help improve the physical security of cash held in the safe.

Recommendation. CCR management should evaluate whether the operational need for propping open the door to the safe room during business hours outweighs the potential increased risk to the physical security of cash.

Management Action. CCR management stated: "Although safe security measures were consistent across both CCR locations, the safe at one location is behind an additional door which remained propped open during business hours. CCR management directed staff to keep the door closed at all times, and signage was placed on the door effective March 18, 2025."

Auditor's Evaluation of Management Action

We believe that management actions taken or planned were responsive to the audit finding. CCR management planned to complete corrective action by March 18, 2025.