



PETER HUGHES, Ph.D, CPA, CIA, CFE, CITP
Director

400 Civic Center Drive West
Building 12, Room 232
Santa Ana, California 92701-4521

(714) 834-5475 Fax: (714) 834-2880

INTERNAL AUDIT DEPARTMENT

Audit No. 2322

September 9, 2003

TO: Michael Carona, Sheriff-Coroner
Sheriff-Coroner Department

SUBJECT: Secondary Follow-Up: Department Control Review of Marshal Department
(Sheriff-Coroner/Court Operations) Cash Receipts, Audit #2027

We have completed a secondary follow-up examination of the Marshal Department (currently Sheriff-Coroner/Court Operations) cash receipts process. Our examination was limited to a review of Central and West Court Operations, as of July 1, 2003, of planned actions stated in our initial follow-up audit report dated July 19, 2002. These planned actions stemmed from our original audit report dated December 28, 2000.

The initial follow-up audit report contained three recommendations not fully implemented from the original audit. Our second follow-up review indicated two recommendations were not considered fully implemented due to insufficient documentation in areas involving daily cash counts and inventories of handwritten receipt books. Below are the report recommendations not fully implemented with a comment on what should be done to fully implement the remaining recommendations.

1. Establishing Accountability

Recommendation: We **recommend** the Marshal's Department ensure accountability for cash receipts is properly established during the collection and deposit process.

Current Status: **Partially Implemented.** Cash counts were being done; however, they were not documented by both employees performing the counts; cash counts were not consistently performed when cashiers were relieved or replaced, and the cash counts did not include the cash receipts collected for the day.

Recommended Action: Management establish and communicate procedures for daily cash counts that require change funds and cash collections be counted and documented by both the counter and observer every time a cashier or counter person is relieved or replaced.

2. Physical Safeguards:

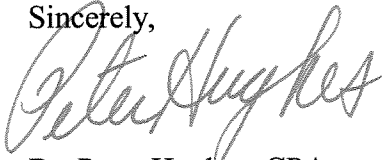
Recommendation: We recommend the Marshal's Department ensure controls are in place to safeguard cash receipts and critical forms such as handwritten receipts.

Current Status: **Partially Implemented.** The Sheriff-Coroner Audit Services performs an inventory of used and new handwritten receipt books located at Court Operations twice a year. We noted the inventories were dated; however, only one inventory out of the four reflected the name of the person who performed the inventory. We also found that used receipt books were not checked for completeness at Central Court and resulted in some missing voided receipts not being detected timely.

Recommended Actions: Sheriff-Coroner Audit Services be reminded that periodic inventories must be signed/initialed by the performer. Management should also create a written policy to ensure used receipt books are reviewed for the inclusion of all appropriate receipts before forwarding the books to Sheriff-Coroner Financial/Administrative Services.

We appreciate the cooperation and assistance extended to us by the staff of the Sheriff-Coroner Court Operations during our review.

Sincerely,



Dr. Peter Hughes, CPA
Director, Internal Audit Department

cc: Members, Board of Supervisors
Members, Audit Oversight Committee
Foreman, Grand Jury
Darlene J. Bloom, Clerk of the Board of Supervisors
James D. Ruth, Interim County Executive Officer
Jo Ann Galisky, Assistant Sheriff, Sheriff-Coroner/Court Operations Division
Linda Robinson, Director, Sheriff-Coroner/Financial-Administrative Services
Nicole Macias, Financial Officer, Sheriff-Coroner/Financial-Administrative Services
Gloria Gunton, Administrative Manager, Sheriff-Coroner/Court Operations