

**Second Follow-Up of Department Control Review
Sheriff-Coroner Cash Receipts and
Trust Funds, Audit No. 2131**

As of October 5, 2004

REPORT DATE: December 29, 2004

Audit Number 2440

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**INTERNAL AUDIT DEPARTMENT
COUNTY OF ORANGE**

**Second Follow-Up of Department Control Review
Sheriff-Coroner Cash Receipts and
Trust Funds Audit No. 2131**

As of October 5, 2004

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**COUNTY OF ORANGE
INTERNAL AUDIT DEPARTMENT**

OFFICE OF THE DIRECTOR

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Transmittal Letter

Audit No. 2440

December 29, 2004

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

FROM: Peter Hughes, Ph.D., CPA, Director
Internal Audit Department

SUBJECT: Second Follow-Up of Department Control Review – Sheriff-Coroner
Cash Receipts and Trust Funds, Audit No. 2131

We have completed a second follow-up examination of the Sheriff-Coroner cash receipts and trust funds. Our examination was limited to reviewing, as of October 5, 2004, actions taken to implement the recommendations made in our initial follow-up review report dated September 9, 2003, and our original audit report dated October 18, 2001.

Respectfully Submitted,

Peter Hughes, Ph.D., CPA
Director

Other Recipients of this Audit Report:

Members, Board of Supervisors
Members, Audit Oversight Committee
Thomas G. Mauk, County Executive Officer
Foreman, Grand Jury
Jo Ann Galisky, Assistant Sheriff, Sheriff-Coroner/Court Operations Division
Doug Storm, Assistant Sheriff, Sheriff-Coroner/Special Services
Linda Robinson, Director, Sheriff-Coroner/Financial-Administrative Services
Jane Reyes, Assistant Director, Sheriff-Coroner/Financial-Administrative Services
Nicole Macias, Financial Officer, Sheriff-Coroner/Financial Administrative Services
Gloria Gunton, Administrative Manager, Sheriff-Coroner/Court Operations
Darlene J. Bloom, Clerk of the Board of Supervisors



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INTERNAL AUDITOR'S REPORT

Audit No. 2440

December 29, 2004

Michael Carona, Sheriff-Coroner
Sheriff-Coroner Department
550 N. Flower Street
Santa Ana, CA 92703

We have completed a second follow-up examination of internal controls over cash receipts in the Financial/Administrative Services Division and trust funds processed in the Court Operations Division. Our examination was limited to reviewing the Financial/Administrative Division and three of the five Court Operations locations (Central, West, and Harbor), as of October 5, 2004 of actions taken to implement the recommendations made in our secondary follow-up audit report dated September 9, 2003, and our original audit report dated October 18, 2001.

The follow-up review contained six recommendations not fully implemented from our initial follow-up audit regarding the establishment of accountability over cash receipts, segregation of duties, physical safeguards, supervisory approval and review, and trust fund reconciliations. Our review found that five recommendations have been fully implemented and one recommendation is still in process of being implemented. The recommendation not fully implemented is noted below along with a comment on the current status.

Trust Fund Reconciliations

Recommendation: Sheriff management ensures Court Operations trust fund is reconciled completely with adequate documentation, old reconciling items are resolved, and written procedures are established for the reconciliation process.

Current Status: In Process. The three Court Operations locations we reviewed were performing reconciliations of the trust funds and written procedures had been established for the reconciliation process. Concerning the old reconciling items, the Administrative Manager of Court Operations met with the Auditor/Controller General Ledger Unit for guidance on handling long outstanding items. All long outstanding items were then researched, identified and supported with documentation. An Application for Discharge of Accountability was prepared and will be submitted to the Board of Supervisors for approval for amounts as shown below. Because the old reconciling items remain on the reconciliations until the discharge of accountability is approved, we consider this recommendation to be in process.

Court	Amount	Reasons for Reconciling Items
West Justice Center	\$905.10	Non-Sufficient Funds (NSF) uncollected - Oct. 97
Harbor Justice Center	\$2,039.26	NSFs uncollected since 1994; two duplicate payouts of collections; other misc. adjustments to deposits
Central Justice Center	\$182.00	Deposit recorded twice in Jan.02; three accounts receivable postings without detail in Mar. 02.
North Justice Center	\$349.43	Accumulated errors in reconciliations in transition from manual to automated – June 85.
South Justice Center	\$741.25	Four accounts receivable postings without detail; adjustment for process fee error.
Total	\$4,217.04	

Court Operations Planned Action:

With additional assistance from the Auditor Controller, General Ledger Unit, the Sheriff will submit the Application for Discharge of Accountability to the Board for action no later than March 31, 2005.

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

Sincerely,



Peter Hughes, Ph.D., CPA
Director

- cc: Members, Board of Supervisors
Members, Audit Oversight Committee
Thomas G. Mauk, County Executive Officer
Foreman, Grand Jury
Jo Ann Galisky, Assistant Sheriff, Sheriff-Coroner/Court Operations Division
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