

FINAL CLOSE-OUT**SECOND FOLLOW-UP AUDIT:****AUDIT OF SHERIFF ADMINISTRATION
REVOLVING FUND EXPENDITURES AND
TRAVEL EXPENDITURES REIMBURSED
THROUGH PAYROLL****ORIGINAL AUDIT No. 2766-1****AS OF JUNE 3, 2009**

Our Second Follow-Up Audit found that the Auditor-Controller fully implemented one (1) recommendation resulting from our original audit report containing three (3) recommendations. Two of the recommendations were implemented in our First Follow-Up Audit. Auditor-Controller Claims & Disbursing reviews and approves replenishments for Sheriff-Coroner revolving funds and payment of travel expenditures. During our original audit, Sheriff Administration incurred \$120,319 in travel expenditures utilizing revolving fund/travel cash advances, revolving fund/petty cash expenditures, and travel expenditures reimbursed through payroll.

**AUDIT NO: 2830-C
REPORT DATE: JUNE 17, 2009**

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Deputy Director: Eli Littner, CPA, CIA
Senior Audit Manager: Michael Goodwin, CPA, CIA
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Letter from Dr. Peter Hughes, CPA



Transmittal Letter



Audit No. 2830-C June 17, 2009

TO: David E. Sundstrom, Auditor-Controller
Sandra Hutchens, Sheriff-Coroner

FROM: Dr. Peter Hughes, CPA
County Internal Auditor

SUBJECT: **Second and Final Close-Out** Follow-Up
Audit: Audit of Sheriff Administration
Revolving Fund Expenditures and Travel
Expenditures Reimbursed Through
Payroll, Original Audit No. 2766-1,
Issued March 19, 2008

We have completed a Second Follow-Up Audit of Sheriff Administration Revolving Fund Expenditures and Travel Expenditures Reimbursed Through Payroll. Our audit was limited to reviewing, as of June 3, 2009, actions taken to implement one (1) recommendation in our First Follow-Up Audit dated November 18, 2008, Audit No. 2829-F. We conducted this Second Follow-Up Audit in accordance with the FY 08-09 Audit Plan approved by the Audit Oversight Committee.

The results of our Second Follow-Up Audit are discussed in the **County Internal Auditor's Report** following this transmittal letter. Because satisfactory corrective action has been taken for the one remaining audit recommendation, **this report represents the close-out of the original audit.**

Each month I submit an **Audit Status Report** to the BOS where I detail any material and significant audit findings released in reports during the prior month and the implementation status of audit recommendations as disclosed by our Follow-Up Audits. Accordingly, the results of this audit will be included in a future status report to the BOS.

Other recipients of this report are listed on the **County Internal Auditor's Report** on page 2.

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Sheriff Administration Revolving Fund Expenditures
and Travel Expenditures Reimbursed Through Payroll
Audit No 2830-C***

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County Internal Auditor's Report



Audit No. 2830-C

June 17, 2009

TO: David E. Sundstrom, Auditor-Controller
Sandra Hutchens, Sheriff-Coroner

FROM: Dr. Peter Hughes, CPA
County Internal Auditor

SUBJECT: **Second and Final Close-Out** Follow-Up Audit of Sheriff Administration
Revolving Fund Expenditures and Travel Expenditures Reimbursed Through
Payroll, Original Audit No. 2766-1, Issued March 19, 2008

Scope of Review

We have completed a Second Follow-Up Audit of Sheriff Administration Revolving Fund Expenditures and Travel Expenditures Reimbursed Through Payroll. Our audit was limited to reviewing actions taken as of June 3, 2009 to implement the one (1) remaining recommendation from our First Follow-Up Audit reported dated November 18, 2008, Audit No. 2829-F.

Background

The original audit resulted from a directive by the Audit Oversight Committee to conduct an audit of Sheriff Administration expenditures. The original audit identified three (3) recommendations. Two recommendations were made concerning the Sheriff-Coroner's process of reimbursing employee travel expenses from the cash advance/revolving fund rather than through bi-weekly payroll, and for timely submission of travel cash advance claims per County policy requirements. One recommendation was made to Auditor-Controller Claims & Disbursing to increase the frequency of audits of Sheriff-Coroner mileage and travel claims submitted and reimbursed as revolving fund/travel cash advances. Two (2) recommendations were implemented in our First Follow-Up Audit.

Results

Our Second Follow-Up Audit indicated that the Auditor-Controller fully implemented the one (1) remaining recommendation. As such, this report represents the final close-out of the original audit. Based on the two Follow-Up Audits we conducted, the following is the implementation status of the three original recommendations:

1. Reimbursement of Travel Expenditures with Revolving Fund/Travel Cash Advances.

Recommendation: Sheriff-Coroner Department and Auditor-Controller Claims & Disbursing jointly work towards determining the most effective and practical method for submitting travel and other related expenses for review and approval by the Auditor-Controller.

Implemented. (First Follow-Up Audit) Sheriff's Financial Operations Unit met with the Auditor-Controller Claims & Disbursing on March 8, 2008 and discussed current procedures. It was determined that the current business process should continue until a more suitable alternative is available.

County Internal Auditor's Report



2. Review of Travel Claims by Auditor-Controller Claims & Disbursing.

Recommendation: Auditor-Controller increase the frequency of reviews of Sheriff-Coroner *Mileage & Other Expenses Claim* forms that are submitted through the revolving fund desk receive as determined appropriate by A-C Claims' management.

Current Status: **Implemented. (Second Follow-Up Audit)**

Auditor-Controller Claims & Disbursing updated procedures in April 2008 requiring reviews of all Mileage & Other Expenses Claims submitted as revolving fund/cash advance reimbursements. We reviewed three revolving fund/cash replenishment vouchers submitted by the Sheriff-Coroner and saw evidence that all mileage claims and travel expenditures were reviewed by Auditor-Controller Claims & Disbursing. Because the frequency of reviews has been increased, we consider this recommendation implemented.

3. Timely Submission of Travel Advance Claims.

Recommendation: Sheriff-Coroner ensure *Mileage & Other Expenses Claims* are dated when submitted, and continue efforts to have them submitted within the timeframe specified in CAM C-1.

Implemented. (First Follow-Up Audit) Sheriff Financial Operations enhanced their process to ensure travel advance claims are tracked and submitted per policy requirements. The Travel Coordinator monitors all outstanding travel claims. After five days, the employee is contacted if his/her travel file has not been closed. Logs are kept recording the dates of contact and measures are taken as needed to address the completion of any delinquent travel claims.

We appreciate the cooperation and assistance extended to us by the personnel of Auditor-Controller Claims and Disbursing during our Second Follow-Up Audit. If you have any questions, please contact me directly or Eli Littner, Deputy Director at 834-5899, or Michael Goodwin, Senior Audit Manager at 834-6066.

Distribution Pursuant to Audit Oversight Committee Procedure No. 1:

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