

**County of Ventura**  
**AUDITOR-CONTROLLER**  
**MEMORANDUM**

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**To:** Lyn Krieger, Director, Harbor Department

**Date:** October 24, 2005

**From:** Christine L. Cohen

**Subject: PERFORMANCE OF LIMITED PROCEDURES REGARDING ACCOUNTABILITY OVER CASH RECEIPT (CR) DOCUMENTS**

We have completed our limited procedures to evaluate the Harbor Department's accountability over CR documents to mitigate the risks associated with lost or misappropriated deposits. Our procedures were limited to discussions with Harbor management and review of documents establishing accountability over CR documents that were not processed in the Ventura County Financial Management System (VCFMS). Specifically, our limited procedures focused on CR 74300001609, which was not processed in VCFMS, as identified from our review of CR documents processed from April 7 through June 9, 2005. Our limited procedures did not constitute an audit or provide assurance that funds were properly collected and deposited.

Overall, based on our limited procedures, the Harbor Department did not establish proper accountability over CR 74300001609. Specifically, we found that the Harbor Department did not document whether CR 74300001609 was deleted from VCFMS or whether the CR was not processed for some other reason. Harbor management believed that the CR number was appropriately deleted from VCFMS because all collections appeared to be accounted for properly. However, documentation was not available to authorize the deletion or explain why the CR number was omitted on Harbor's "Deposit Cash Log", which listed batch numbers and associated CR numbers.

As a result, Harbor management agreed to implement procedures to ensure that all CR numbers are accounted for properly in the future. Specifically, the "Deposit Cash Log" will list all CR numbers sequentially with dollar amounts, including explanations and authorized signatures for CR numbers not used. In addition, copies of deleted CR documents will be printed from VCFMS and retained as part of the supporting documentation. Management also agreed to implement procedures to verify that CRs are posted properly to VCFMS, documenting this verification next to each CR number listed on the "Deposit Cash Log". We believe that implementation of such action will effectively strengthen controls over CR document accountability.

During our discussions, we also noted that customer complaints regarding application of customer payments were directed to the person preparing the deposit, which was not an appropriate segregation of duties. Harbor management agreed to change this procedure by directing future customer complaints to the fiscal manager.

We appreciate the cooperation and assistance extended by you and your staff during this engagement. If you have any questions or need additional information, please call me at (805) 654-3151.

cc: John F. Johnston, County Executive Officer  
Sandra J. Bickford, Chief Deputy Auditor-Controller