

**County of Ventura
AUDITOR-CONTROLLER
MEMORANDUM**

To: Ted Myers, Director, Human Services Agency

Date: October 31, 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 Human Services Agency's (HSA's) accountability over CR documents to mitigate the risks associated with lost or misappropriated deposits. Our procedures were limited to discussions with HSA 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 numbers 53000001868, 1890, and 1909, which were not processed in VCFMS. The unprocessed CR numbers were identified from our review of CR documents processed from April 7 through June 9, 2005. Our limited procedures did not constitute an audit and were not designed to provide assurance that funds were properly collected and deposited.

Overall, based on our limited procedures, HSA did not establish proper accountability over CR 53000001868, 1890, or 1909. Specifically, although HSA provided a reasonable explanation for the deletion of CR numbers 53000001868 and 1890 from VCFMS, HSA did not document the authorization and justification for the deletion. Also, although HSA believed that collections were accounted for properly, HSA could not explain and did not document whether CR 53000001909 was deleted or not processed for some other reason.

As a result, HSA management implemented procedures to ensure that all CR numbers are accounted for properly in the future. Specifically, HSA established a "Cash Receipts Record and Report" (Report), which lists each CR number sequentially with the batch number, deposit date, amount, and initials of the CR preparer. The Report also includes explanations for non-routine CR transactions, and HSA management agreed to have an authorized person sign the Report to document approval of unused CR numbers. In addition, a copy of the deleted CR will be printed from VCFMS and retained as part of the supporting documentation. Further, HSA management agreed to reconcile each CR number on the Report to VCFMS on a periodic basis. We believe that implementation of such action will effectively strengthen controls over CR document accountability.

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