

County of San Bernardino

Auditor-Controller/Treasurer/Tax Collector
Internal Audits Section

Information Services:

Review of
Certified Statement of Assets Transferred
Date of Transfer – August 14, 2019



Ensen Mason CPA, CFA
Auditor-Controller/Treasurer/Tax Collector

268 West Hospitality Lane
San Bernardino, CA 92415-0018
(909) 382-3183

Website: www.sbcounty.gov/atc

Fraud, Waste & Abuse Hotline: (800) 547-9540

Auditor-Controller/Treasurer/Tax Collector

Mission Statement

This office is committed to serving our customers by processing, safeguarding, and providing information regarding the finances and public records of the County. We perform these functions with integrity, independent judgment, and outstanding service. We are accurate, timely, courteous, innovative, and efficient because of our well-trained and accountable staff.

Audit Team

Denise Mejico
Chief Deputy Auditor

Menaka Burkitt
Internal Audits Manager

Rachel Ayala
Supervising Internal Auditor III

John Niggemeyer
Internal Auditor II



Information Services

Review of Certified Statement of Assets Transferred

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Auditor–Controller/Treasurer/Tax Collector

Ensen Mason CPA, CFA
Auditor–Controller/Treasurer/Tax Collector

Douglas R. Boyd Sr., ESQ.
Assistant Auditor–Controller/Treasurer/Tax Collector

Tori Roberts CPA
Assistant Auditor–Controller/Treasurer/Tax Collector

June 26, 2020

Larry Ainsworth, Chief Information Officer

Information Services
670 E. Gilbert St
San Bernardino, CA 92415-0915

**SUBJECT: Review of Certified Statement of Assets Transferred
Date of Transfer August 14, 2019**

In compliance with Article V, Section 1, of the San Bernardino County Charter, we have completed a review of the Information Services Department’s Certified Statement of Assets Transferred (CSAT) form for the incoming official Larry Ainsworth, Interim Chief Information Officer, as of the date of transfer of August 14, 2019. The primary objectives of the review were to determine if the CSAT form was accurate, complete and filed timely with the Auditor–Controller/Treasurer/Tax Collector (ATC), as required by the County Charter.

Our review determined that the form was not filed in a timely manner. Also, the form was not complete and there were balances that were reported inaccurately.

The Information Services Department is responsible for correcting the amounts on the CSAT form within 30 days of receipt of this report and submitting a Signature/Fund Custodian Authorization form to ATC’s Accounts Payable Section to cancel the outgoing officer’s signature authority, as well as a request to Purchasing to have all credit cards/Cal-Cards cancelled immediately. The updated CSAT form should be maintained at the department level and available upon request.

Respectfully submitted,

Ensen Mason CPA, CFA

Auditor-Controller/Treasurer/Tax Collector
San Bernardino County

By:

Denise Mejico

Chief Deputy Auditor

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Date Report Distributed: June 26, 2020

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Purpose

In accordance with Article V, Section 1 of the San Bernardino County Charter, each County officer or employee in charge of any office, department, service, or institution of the County, and the executive head of each special district whose affairs and funds are under the supervision and control of the Board of Supervisors or for which the Board is ex-officio, is required to make and file with the Auditor-Controller/Treasurer/Tax Collector (ATC) a complete detailed inventory of all property belonging or pertaining to his/her office within five days after assuming the duties of the office.

Departments are responsible for completing their own Certified Statement of Assets Transferred (CSAT) form when there is a change in Department Head. The 2018 Internal Controls and Cash Manual (ICCM) Chapter 17-Transfer of Assets and Other Property states that incoming officials must complete and submit the CSAT form and worksheet to the ATC's Internal Audits Section (IAS).

Scope and Objectives

Our review examined the CSAT form completed by the Information Services Department for the incoming official Larry Ainsworth, Interim Chief Information Officer as of the transfer date, August 14, 2019.

The objectives of our review were to determine whether the form was accurate, complete and filed timely.

Methodology

The CSAT form and supporting documentation provided by the Department were reviewed to verify that the amounts entered on the CSAT form were correctly stated in accordance with the ICCM Chapter 17-2 - Transfer of Assets and Other Property.

Purpose, Scope, Objectives and Methodology



The following procedures were performed in accordance with the related ICCM requirements:

ICCM Requirement	Procedure Performed
ICCM Chapter 17-2 states that incoming officials must total all money not held in the County Treasury that the department is responsible for.	Department-provided cash balances were compared to the IAS cash database.
ICCM Chapter 17-2 states that balances of all trust and agency funds must be reconciled to the balance of the transfer date.	Since the Department did not report any trust or agency fund balances, the SAP crosswalk on the Enterprise Financial Management System website was searched to confirm there were no Department trust or agency funds.
ICCM Chapter 17-3 states that fixed asset amounts from the quarterly equipment, vehicle and software reports from General Accounting should be reconciled as of the transfer date.	Department-provided fixed asset reports were compared to the SAP fixed assets reports.

Additionally, we determined whether the annual reporting of sensitive equipment was filed with the ATC, a Signature/Fund Custodian Authorization form was submitted to ATC Accounts Payable and whether the Cal-Card was cancelled with the Purchasing Department.



Summary

The Information Services Department (Department) reported:

Asset	Amount
Cash	\$2,031
Agency Funds	0
Fixed Assets	24,913,414
Other Assets	2,381,452

Signature/Fund Custodian Authorization form was not submitted to Auditor-Controller/Treasurer/Tax Collector (ATC) Accounts Payable cancelling the outgoing officer's signature authority. At the time of our inquiry, September 26, 2019, the assigned County credit cards and/or Cal-Cards for the outgoing official had not been returned. The card was cancelled the following day. A sensitive equipment listing has been filed with the Internal Audits Section (IAS) within the last year.

The following conditions were identified:

- The Department was required to submit the CSAT no later than August 21, 2019 and the CSAT was submitted on September 20, 2019, therefore was 21 business days late.
- The cash funds reported on the CSAT form did not agree with the IAS Cash Database. Additionally the IAS Cash Database shows all cash in one bank account. Cash on hand was overstated by \$186 and the bank account balance was understated by \$155, therefore the amount reported was \$31 higher than official County records.
- There were no agency funds reported on the CSAT form. However, a search of the SAP Enterprise Financial Management System crosswalk found one agency fund, 7655-Communications-Radio Leasing, with a balance of \$6,428. Therefore, the amount reported was \$6,428 lower than official County records.
- Fixed assets of \$24,913,414 were reported on the CSAT form, however the amount did not agree with the support provided by the Department or to the SAP Fixed Assets records. The SAP reports from the Transfer Date of August 14, 2019 total \$64,137,143. Therefore, the amount reported was \$39,223,729 lower than official County records.

Summary and Conclusion



- Other assets of \$2,381,452 were reported on the CSAT form, but supporting documentation was not provided, so this amount could not be verified.
- Signature/Fund Custodian Authorization form was not submitted to the (ATC) Accounts Payable Section cancelling the outgoing officer's signature authority.
- The Cal-Card assigned to the outgoing officer was not cancelled or returned.

Conclusion

The Department's CSAT form for the incoming official Larry Ainsworth, Interim Chief Information Officer, with the transfer date of August 14, 2019, was not submitted timely. There were balances that differed from official County records, and procedures were not followed to cancel the outgoing officer's signature authority or Cal-Card.

We recommend that the Department investigate the inconsistencies identified and ensure that department records can be reconciled to official County records for all asset categories. We further recommend that the Department submit a Signature/Fund Custodian Authorization form to ATC's Accounts Payable Section to cancel the outgoing officer's signature authority.