

County of San Bernardino

Auditor-Controller/Treasurer/Tax Collector
Internal Audits Section

Human Resources:

Review of
Certified Statement of Assets Transferred
Date of Transfer – May 1, 2019



Ensen Mason CPA, CFA

Auditor-Controller/Treasurer/Tax Collector

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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.

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Internal Audits Manager

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Human Resources

Review of Certified Statement of Assets Transferred

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Auditor–Controller/Treasurer/Tax Collector

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June 25, 2019

Diane Rundles, Interim Director

Human Resources
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San Bernardino, CA 92415-0440

**SUBJECT: REVIEW OF CERTIFIED STATEMENT OF ASSETS TRANSFERRED
DATE OF TRANSFER MAY 1, 2019**

In compliance with Article V, Section 1, of the San Bernardino County Charter, we have completed a review of the Human Resources Department's (Department) Certified Statement of Assets Transferred (CSAT) form for the incoming official Diane Rundles, Interim Director, as of the date of transfer of May 1, 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 filed in a timely manner and complete. However, there were balances that were reported inaccurately.

The Human Resources Department is responsible for correcting the amounts on the CSAT form within 30 days of receipt of this report and submitting a Signature Authorization form to ATC's Accounts Payable Section to cancel the outgoing officer's signature authority 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:

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Date Report Distributed: June 25, 2019

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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 Human Resources Department (Department) for the incoming official Diane Rundles, Interim Director as of the transfer date, May 1, 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 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.	Department-provided trust and agency fund balances were compared to fund balances in SAP (Enterprise Financial Management System).
ICCM Chapter 17-3 states that fixed asset amounts from the quarterly equipment, vehicle and software reports from General Accounting should be reconciled to the transfer date.	Department-provided fixed asset report was compared to the SAGE fixed assets report.

Additionally, we determined whether the annual reporting of sensitive equipment was filed with the Auditor-Controller/Treasurer/Tax Collector (ATC), a Signature Authorization deletion form was submitted to ATC Accounts Payable and whether the Cal-Card was cancelled with the Purchasing Department.



Summary

The Human Resources Department (Department) reported \$0 in cash, \$43,379,599 in agency funds, \$3,190,081 in fixed assets and \$597,431 in other assets. There were no assigned County credit cards and/or Cal-Cards for the outgoing official. A sensitive equipment listing has been filed with the Internal Audits Section within the last year.

The following conditions were noted:

- All agency funds reported on the CSAT agreed to SAP Enterprise Financial Management System records. Reported agency funds totaled \$43,379,599. However, agency funds were reported as of May 7, 2019 instead of the transfer date of May 1, 2019. Therefore, the amount reported on the form was \$2,419,676 higher than official County records.
- Fixed assets were reported on the CSAT, however the amount did not agree to SAGE Fixed Assets records due to the Department not using the Quarterly Equipment, Vehicle and Software reports from General Accounting. Reported fixed assets totaled \$3,190,081. Therefore, the amount reported on the form was \$14,032 lower than official County records.
- A Signature Authorization form has not been submitted to the Auditor-Controller/Treasurer/Tax Collector (ATC) Accounts Payable Section to cancel the outgoing officer's signature authority.

Conclusion

The Department's CSAT form for the incoming official Diane Rundles, Interim Director, with the transfer date of May 1, 2019 was filed timely and complete. However, there were balances that differed from official County records.

We recommend that the Department investigate the differences 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 Authorization form to ATC's Accounts Payable Section to cancel the outgoing officer's signature authority immediately.