

COUNTY OF PLACER

OFFICE OF AUDITOR-CONTROLLER

KATHERINE J. MARTINIS, CPA Auditor-Controller E-mail: <u>kmartini@placer.ca.gov</u>

ANDREW C. SISK, CPA Assistant Auditor-Controller E-mail: asisk@placer.ca.gov

January 18, 2011

Mr. Josh Huntsinger Agricultural Commissioner & Sealer of Weights and Measures 11477 E Avenue Auburn, CA 95603

Re: Transfer of Accountability of the Agricultural Commissioner's Assets

Dear Mr. Huntsinger:

The purpose of our review was to determine whether there has been a proper transfer of accountability of the assets that were under the control of the Agricultural Commissioner, Christine Turner, to the new Agriculture Commissioner/Sealer of Weights and Measures, Joshua Huntsinger. We visited the Auburn office, physically verified cash, and reviewed supporting asset documentation as of October 12, 2010 and October 13, 2010.

As a result of our review, the accountability of the assets of the Agricultural Commissioner/Sealer of Weights and Measures Department has been properly transferred.

In addition the Internal Audit Division of the Auditor-Controller's Office performed a review of credit card purchases made by the Agricultural Commissioner Department (Department) during the period from March 1, 2010 through August 31, 2010. The objectives of our review were to determine whether (a) proper department internal controls regarding the use of county credit cards have been designed to prevent and/or detect fraud or abuse from occurring, and whether those internal controls have been placed into operation and are operating as designed; (b) credit card purchases were made in accordance with the County's Credit Card Program Policies and Procedures Manual; (c) credit card purchases were valid and had proper supporting documentation substantiating the expenditure; (d) proper review and approval of monthly department credit card charges were made by the approving official; and (e) department credit card charges were properly reconciled and recorded to the appropriate general ledger account via department journal vouchers.

The Department made purchases of \$5,334.92 during our review period. Based on our review, which consisted of inquiries of accounting staff regarding current processes, procedures employed by the Department, and physical inspection of supporting credit card documentation, we feel the internal controls are operating as designed within the Agricultural Commissioner's Department. However, we noted two areas where controls could be strengthened. Our findings and recommendations are as follows:

Approving Official

During our review, we noted that the approving official on record with US Bank is not the individual who is actually approving and signing statements for cardholders.

We recommend the US Bank records be updated to reflect the actual approving official.

Sales and Use Tax

During our review, we noted one instance in which sales tax was not charged on the invoice, and the Department did not prepare the Sales and Use Tax Form when the invoice was submitted to the Auditor for payment.

We recommend the department personnel carefully review all invoices for goods purchased to determine if sales tax is applicable, and if required, complete the Sales and Use Tax Form, and submit to the Auditor for payment.

We appreciate the courtesy and cooperation of the Department's staff throughout the course of this review.

Nicole C. Howard, CPA Internal Audit Manager

cc: Placer County Audit Committee