



COUNTY OF PLACER

OFFICE OF AUDITOR-CONTROLLER

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

NICOLE C. HOWARD, CPA
Assistant Auditor-Controller
E-mail: nhoward@placer.ca.gov

February 3, 2014

Ms. Mary Dietrich
Director, Department of Facility Services
11476 C Avenue
Auburn, CA 95603

Re: Transfer of Accountability of Department of Facility Services' Assets

Dear Ms. Dietrich:

The purpose of our review was to determine whether there has been a proper transfer of accountability of the assets under the control of the former Director, James Durfee, to the new Director, Mary Dietrich. We visited various department offices throughout the County, physically verified capital assets, made inquiries with department personnel, and reviewed supporting asset documentation as of May 31, 2013 and June 1, 2013.

As a result of our review, the accountability of the assets of the Department of Facility Services has been properly transferred.

However, during the course of our review, we noted other areas where internal controls could be strengthened.

Our observations and recommendations are as follows:

Stamp Funds

During our review, we noted that according to the Auditor-Controller's records, the Facility Services' stamp fund still exists.

We recommend Facility Services work with the Financial Reporting Division of the Auditor-Controller's Office to resolve this discrepancy.

Facility Services Department's Response:

Facility Services no longer requires a stamp fund because of changes to our procedures. The Department will take all required steps to close out this fund.

Accounts Receivable

During our review of Accounts Receivable, we noted the following:

- PAS does not always reconcile to the subsidiary ledger
- Certain accounts do not have billing support
- Certain accounts are many years old and could probably be written off as uncollectible

We recommend Facility Services monitor all their accounts receivables to ensure their records and subsidiary ledger reconciles to the general ledger. In addition, they should ensure that accounts receivables are recorded at net realizable value.

Facility Services Department's Response:

Facility Services agrees that the uncollectible accounts should be written off in accordance with County procedures. By taking this action, the inherited uncollectible accounts from DPW will be removed and thus eliminate the noted discrepancy between the subsidiary and general ledgers. The Department's current practice to reconcile all active Accounts Receivables to the General Ledger will continue in accordance with County procedures. It is also the Department's current practice to record accounts receivable as net realizable value.

Missing Capital Asset Tag

During our verification of capital assets, we noted a trailer did not have an asset tag. Facility Services indicated that the trailer was purchased together with a dump truck. Therefore, they did not give the trailer a separate asset tag.

We recommend Facility Services ensure the trailer is issued a separate asset tag from the dump truck.

Facility Services Department's Response:

Facility Services has provided documentation for the purchase of the dump truck and trailer. Because the fixed assets were procured on one Purchase Order, only one fixed asset tag was issued and reported as a single asset on the Capital Asset Detail Report for Equipment. Facility Services concurs that each piece of equipment should have a separate asset tag and be reported separately on the Capital Asset Detail Report for Equipment. Our department will be working with the Auditor's Office to ensure the trailer and dump truck are issued separate asset tags and reported as separate assets on their report.

The Facility Services Department's responses to our recommendations identified by our review are included above. We did not audit the responses and, accordingly, we do not express an opinion on them.

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

Respectfully,



Nicole C. Howard, CPA
Assistant Auditor-Controller

cc: Valerie Bayne, Administrative Services Manager, Department of Facility Services
Placer County Audit Committee