



## COUNTY OF PLACER

## OFFICE OF AUDITOR-CONTROLLER

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June 24, 2014

Mr. Jeffrey Brown, Director  
Placer County Health and Human Services Department  
3091 County Center Drive, Suite 290  
Auburn, CA 95603

Re: Transfer of Accountability of Department of Health and Human Services' Assets

Dear Mr. Brown:

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, Dr. Richard Burton, to the new Director, Jeffrey Brown. We visited various department offices throughout the County, physically verified capital assets, made inquiries with department personnel, and reviewed supporting asset documentation as of December 30, 2013.

As a result of our review, the accountability of the assets of the Department of Health and Human Services (Department) has been properly transferred.

However, during the course of our review, we noted other areas where internal controls could be strengthened. Accordingly, our observations and recommendations are as follows.

### Prepaid Gas Cards

During our review, we noted that the Children's Systems of Care division located in Auburn was in possession of \$5,645 in prepaid gas cards and had not completed or submitted a reconciliation to the Auditor's Office as required by the Placer County "Accounting Policies and Procedures Manual", Imprest Funds (Petty Cash, Change Funds, Stamp Funds, Gift Cards/Certificates & Cash Equivalents).

We recommend all prepaid gas cards be included with department's quarterly reconciliations of gift cards/certificates, bus passes and all other cash equivalents and a copy of the reconciliation be submitted to the Auditor-Controller's Office per the County's policy.

Department's Response:

*Health and Human Services agrees with the findings of the Internal Audit Division, and will implement their recommendations regarding quarterly reconciliation and reporting. A copy of the reconciliation will be submitted to the Auditor-Controller's Office per the County's policy.*

Outside Bank – Signature Cards

During our review of the outside bank accounts, we noted the Department had not submitted updated bank signature cards as required by the County's "Accounting Manual for Cash". We noted some signature cards had not been updated since 1999 and it appears some individuals listed as authorized signers are no longer employed with the County. In addition, we noted that Dr. Burton had not been removed as an authorized signer and that the new department head had not been added to the outside bank account signature cards.

We recommend the Department work with the outside banks to remove Dr. Burton and the individuals who are listed as authorized signers and are no longer employed with the County, and update all other necessary signers on all bank accounts. Once complete, the Department should submit all updated signature cards to the Auditor-Controller's Office in accordance with the County's policy.

Department's Response:

*Health and Human Services agrees with the findings of the Internal Audit Division, and will implement their recommendations regarding bank signature cards. The Department has already begun this update process, and when completed, will submit all updated signature cards to the Auditor-Controller's Office per the County's policy.*

The Department's responses to our recommendations identified in 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: Rebecca Mellott, Director, HHS Administrative Services  
Placer County Audit Committee