



COUNTY OF PLACER

OFFICE OF AUDITOR-CONTROLLER

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July 8, 2021

Mr. Morgan Gire, District Attorney
Placer County District Attorney's Office
10810 Justice Center Drive, Suite 240
Roseville, CA 95678

Re: Transfer of Accountability of the District Attorney's Office Assets Follow-Up Review

Dear Mr. Gire:

The Internal Audit Division of the Auditor-Controller's Office performed a follow-up review to our prior Transfer of Accountability of Assets Review for the District Attorney's Office (Office). The objective of our procedures was to determine how the recommendations from our previous review were implemented. Our procedures included inquiries of the Office personnel along with reviews of supporting documentation relating to our recommendations in our previous report.

The following is a summary of our observations and recommendations along with the Office's responses from the previous report dated October 13, 2020, which is then followed by the status of the Office's implementations of our recommendations.

Observation #1: Lack of Fiduciary Fund Monitoring

During our review, we noted the Office does not actively monitor one of the fiduciary funds under their responsibility, thus the Office cannot ensure there has been no unusual activity occurring within this fund. Except for accruing interest, the Office does not monitor Fund 31036 because the fund has not been utilized by the Office since fiscal year 2016-17.

Per the Accounting Policies and Procedures Manual - Custodial Fund Accounting: "The Department Head has the following responsibilities for all custodial funds assigned to the department... (1) Maintain subsidiary records sufficient to support the ownership of all assets of the custodial funds. (2) Once a fund becomes inactive, it is the responsibility of the custodial Department Head or authorized representative to notify the Auditor-Controller's Office in writing that the fund is no longer needed and should be closed."

Recommendation

We recommend the Office establish continuous monitoring procedures for all fiduciary funds under their responsibility to ensure no unusual activity occurs. Also, we recommend the Office review and evaluate any inactive funds to determine whether the funds should be dissolved, and the remaining amounts distributed accordingly. See Attachment A for the list of fiduciary funds under the District Attorney's Office responsibility.

Office Response

The District Attorney's Office has taken the necessary steps to properly identify and assess the basis of fund FD31036. The Office will add this fund to its active list of fiduciary funds and will continue to monitor and keep adequate and up to date records of the fiduciary fund moving forward.

Status – Implemented.

We noted the Office is performing quarterly monitoring procedures for these funds, which includes running the general ledgers and trial balances for all active fiduciary funds to ensure activity is properly coded and appropriate. Any unusual activity identified is subsequently researched by the Administrative & Fiscal Officer. This process includes examining payments or expenses within the fund. The Office is further developing comprehensive departmental fiscal policies and procedures as per County policies, including active monitoring of fiduciary funds under their responsibility.

Also, we noted that Fund 31036 Human Trafficking (FD31036) is currently active with no activity other than investment income. The Office has included FD31036 to their list of active fiduciary funds to monitor quarterly. Due to the inactivity of the fund, the Office has decided to transfer the remaining balance to a separate active fiduciary fund and will remove this fund once the balance has been successfully transferred. Additionally, we confirmed the Office has successfully inactivated Fund 31604 Craig Thompson Trust.

For the following observations and recommendations, we did not obtain the Office's responses because the Office implemented our recommendations for the observations during the course of our original review with the report issued October 13, 2020.

Observation #2: Missing Capital Asset

During our review of the Office's capital assets, we identified an instance where the Office was unable to locate the Capital Asset #31541, Trimble Surveying Instrument (s/n: D051372) with net value of \$2,166.94.

We recommend the Office submit an Accountability Release memorandum for the Fixed Asset #31541 Trimble Surveying Instrument (s/n: D051372), to Andrew Sisk, Auditor-Controller, requesting a release from accountability for the capital asset.

Status – Implemented.

During the course of the original review, the Office submitted an Accountability Release memorandum to the Auditor-Controller requesting the removal of the Trimble Surveying Instrument.

Observation #3: Missing Capital Asset Identification Tag

During our physical inspection of the Office's capital assets, we noted the following assets did not have a capital asset identification tag affixed to the asset as required by Section 6 - Tagging Procedures of the Placer County Policies and Procedures Guide for Capital Assets (Guide):

- Fixed Asset #31602 Focus 3D Scanner (s/n: unknown)
- Fixed Asset #31338 Forensics Computer (s/n: unknown)
- Fixed Asset #31783 Desktop Computer System (s/n: unknown)
- Fixed Asset #31987 HP DesignJet (s/n: CN9718H005)
- Fixed Asset #30919 Interviewing Recorder (s/n: unknown)

Recommendation

We recommend that the Office follow the Tagging Procedures per Section 6 of the Guide and have a capital asset identification tag assigned and affixed to the assets (#31602, #31338, #31783, #31987, #30919). Going forward, when a capital asset identification tag is discovered to be missing or defaced beyond recognition, we recommend the Office follow the aforementioned procedures.

Status – Implemented.

During the course of the original review, the Office requested, and subsequently received, new asset tags and affixed the tags to the corresponding assets.

Observation #4: Non-Capital Assets

During our review, we noted the Office did not have a current methodology in place to track the Office's non-capital assets, such as cell phones, laptops, printers, etc., thus making it difficult to ensure all County property is accounted for and all issued property is returned upon separation of an employee.

Recommendation

We recommend the Office develop a process to track the Office's non-capital assets, such as cell phones, laptops, printers, etc., and ensure the non-capital asset listing remains current. We also recommend the complete record of the Office's non-capital assets include equipment details such as brand, make, model, serial number, asset number, or any other identifiable information that would be useful in identifying specific items to collect. We also recommend the Office utilize this record as part of the Office's exit checklist to ensure all issued property is returned upon separation of an employee.

Status – Implemented.

During the course of the original review, the Office developed a current listing of non-capital assets and in-office procedures to track and maintain the Office's non-capital assets.

Observation #5: Employee Exit Checklist

During our review, we noted the Office does not utilize any type of "employee exit checklist" or "returned property checklist", thus making it difficult to ensure all property is returned upon separation of an employee.

Recommendation

We recommend the Office follow best practices that states employers utilize some form of an "employee exit checklist" to ensure all required exiting procedures such as disabling building, computers and confidential data access, along with some form of a "returned property checklist", to ensure that all County issued property is returned before an employee separates from the Office.

Status – Implemented.

During the course of the original review, the Office developed an "employee exit checklist" that ensures all County owned property is returned upon separation.

Observation #6: Signature Authorization Forms

During our review of signature authorization forms, we noted the Office had not submitted updated signature authorization forms in a timely manner subsequent to the departure of the department head.

Recommendation

We recommend the Office update all necessary signature authorization forms whenever there are changes to authorized signers and submit the forms to the Auditor-Controller's Office in a timely manner.

Status – Implemented.

During the course of the original review, the Office submitted updated "Payroll Adjustments", "Payroll Pickup", and "Capital Asset Transfers" signature authorization forms.

The Office's response to our recommendation identified in our original report dated October 13, 2020 is included above. We did not audit the response and accordingly, we do not express an opinion on it.

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

Respectfully,



Nicole C. Howard, CPA
Assistant Auditor-Controller

- cc: David Tellman, Chief Assistant District Attorney, District Attorney's Office
- Jeff Wood, Assistant District Attorney, District Attorney's Office
- Kelly LeRossignol, Staff Services Manager, District Attorney's Office
- Lauren Featherstone, Administrative and Fiscal Officer II, District Attorney's Office
- Placer County Audit Committee