



Date: 8/30/2017

Purpose: This audit is performed annually at the request of the Sheriff to ensure that proper internal controls are in place and procedures are being followed.

Interviewed: Julianna Lake – Account Clerk
Cindy Tyler – Account Clerk
Lt. Matt Ryndock

Examined: 1/1/16-12/31/16 Daily Cash receipt logs, cash receipt books, January 2016-December 2016 Bank Statements, and general internal control questions.

Previous Internal Audit Recommendations: All previous internal audit recommendations has been sufficiently addressed.

Program:

Bank Statement Reconciliations:

Bank Statements were tested to ensure that all transactions on the bank statement were supported with proper documentation. The months of January, March, August, and December were selected for a detailed review tracing deposits to deposit slips and checks to check stubs with the bank statement.

January:

The January bank reconciliation documents were not printed or signed until 2/17/2017.

March:

The April bank reconciliation documents were not printed or signed until 4/15/2016.

August: No issues found

December: No issues found

Cash Receipt Books:

Cash receipt books were selected at random to review receipts for the following; date, whom the funds were received from/for, amount, account type (i.e. income execution

(most common)), and signature. The Civil Office uses pre-printed, triplicate, pre-numbered cash, and carbon copy cash receipts. A total of nine receipt books were reviewed for compliance. Below is a list of receipt books reviewed in detail and any findings:

- Book #9251-9300
- Book #9401-9450
 - Receipt 9448 has an “X” through it, does not state “void”
- Book #9551-9600
- Book #9651-9700
 - On receipt # 9683, the method of payment was not recorded
- Book #9851-9900
- Book #9951-10000
- Book #10101-10150
- Book #10251-10300
- Book #10301-10350

Daily Receipt Journals

For the period of 1/1/16 – 12/31/16 a random selection of 15 days journals were pulled and reviewed for the following: supporting check stubs or check information and the yellow portion of the cash receipt were with the receipt journal and matched the journal. All of the daily receipt journals that were reviewed had one signature, unless noted below. Below is a list of the days selected and any findings:

- 1/28/16
- 2/25/16
- 4/13/16
- 3/24/16 – wrong date on receipt # 9460
- 5/24/16
- 6/23/16
- 7/13/16
- 8/12/16 – 2 signatures
- 9/09/16
- 9/23/16
- 10/5/16
- 10/20/16
- 11/16/16 – no signature present
- 11/30/16
- 12/28/16 – 2 signatures

General Internal Control Questions

It was determined that both clerks collect cash and checks received through the window and by mail. All cash and checks received through the window are receipted using the receipt books previously described. Lt. Ryndock has electronic access to the bank account and retrieves electronic copies of the bank statements at the end of each month.

Julianna prepares the bank reconciliation after receiving the bank statement from Chief Deputy Sklenar. Julianna and Lt. Ryndock, both sign and date the bank statement after reconciliation. Julianna prepares the disbursements, for all funds received by the Civil Office, one check run a month is done with approximately 100 - 115 checks in it. Cindy prepares the daily deposit and it is signed off by Lt. Ryndock, only if Julianna isn't working also. The Civil Office does have its own bank account and a check is written once a month to transfer funds to the county for items such as poundage, mileage, and fees collected for Civil Office Services.

Recommendations

1) To maintain sufficient internal control the account clerk that issues checks should not be reconciling the bank account. It is recommended that either both account clerks and Lt. Ryndock sign off on the bank reconciliations or the account clerk that prepares the daily deposit should be reconciling the bank account.

2) Resolution No. 523-13 states that all county bank accounts should be reconciled within five business days of availability of the bank statement unless a written notification to the supervisor is made with a reason for the delay. Two of the bank reconciliations that were reviewed as part of the audit were not conducted within this time frame. It is recommended that procedures should be implemented to adhere to the county cash collection policy. It is further recommended that if a notification to the supervisor with reasoning for the late preparation of the bank reconciliation is made that a copy of the written notification is attached the bank reconciliation.

Managements Response

The following response from Lt. Ryndock was provided to us in an email from Sheriff Virt's on 9/14/17:

Bank Statement Reconciliations: Why If Julianna ,the Chief and I are not working there would be a delay, other functions/ duties/ tasks take up time. Plan: make it more of a priority, I have set up a reminder in my outlook calendar that goes off the 1st of each month. I now have access to print the bank statement and give it to Julianna also. If I'm not working ask the Chief to review and sign it, if he isn't either, ask the Undersheriff to review and sign it, if he is not available request that the Sheriff review and sign it. If the Chief and I are not available to print out the bank statement then Julianna will call the bank and have them print it out for Deputy Montemorano or Deputy Carr to pick up and bring to her to meet the deadline.

Cash Receipt Books: Why Receipt 9448 has an "X" through it, does not state "void" : an X is something that I feel we have learned since attending school to do sometimes for a cross out. Plan today's date we conducted a civil refresher training on receiving payments and

charging fees. Part of that training covered that when a mistake is made on a receipt we are to write VOID on the receipt and not to use an “X”

Why Receipt 9683, the method of payment was not recorded: deputy took in the method of payment and forgot to record the method of payment. Plan today’s date we conducted a civil refresher training on receiving payments and charging fees. Part of that training covered that when a payment is taken in to record the method of payment (see attachment)

Daily Receipt Journals:

Why 3/24/16 – wrong date on receipt # 9460: the person paid by credit card on 3/21, takes 24 hours to approve the payment, but it may not post until 2 or 3 days after in this case 3/24. Plan attach this to auditor’s report to explain there is no deficiency

8/12/16 and 12/28/16 – Why 2 signatures , Only when one of the ladies are not here, then I need to sign off on the daily receipt, if I’m not here then the C.D., if he isn’t then the Undersheriff, if he isn’t then the Sheriff. Plan attach this to auditor’s report to explain there is no deficiency

11/16/16- Why no signature present: it was on the back. Plan attach this to auditor’s report to explain there is no deficiency

Page 2 revision should read (changes in red) Why I didn’t explain it well/properly to the auditors Plan attach the revised sentences below and send to the auditors to explain it more clearly/ properly

Julianna prepares the bank reconciliation after receiving the bank statement from **Chief Deputy Sklenar**. Julianna and Lt. Ryndock, both sign and date the bank reconciliation. Julianna prepares the disbursements, for all funds received by the Civil Office, one check run a month is done with approximately **100 – 115** checks in it. Cindy prepares the daily deposit and it is signed off by Lt. Ryndock, **only if Julianna isn’t working also**.

Auditors note: we did change this section of our report after receiving this response

Recommendations

- 1) We will now have Cindy review and sign the Bank Statement Reconciliation in addition to just Julianna and Lt. Ryndock , **change the Civil S.O.P. to reflect the same if the Sheriff approves the recommendation**
- 2) Plan is I have set up a reminder in my outlook calendar that goes off the 1st of each month. I now have access to print the bank statement and give it to Julianna also. If I'm not working ask the Chief to review and sign it, if he isn't either, ask the Undersheriff to review and sign it, if he is not available request that the Sheriff review and sign it. If the Chief and I are not available to print out the bank statement then Julianna will call the bank and have them print it out for Deputy Montemorano or Deputy Carr to pick up and bring to her to meet the deadline.

Thank you,
Patrick Schmitt, CFE
County Auditor
9/20/2017