

OFFICE OF THE AUDITOR-CONTROLLER

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August 21, 2012

Honorable Paul L. Beeman,
Presiding Judge of the Superior Court
Solano Superior Court
600 Union Avenue
Fairfield, CA 94533

Re: County Responses to FY 2011/2012 Solano County Grand Jury Report titled
"Petty Cash Funds"

Dear Honorable Presiding Judge Beeman:

Finding 1

County petty cash records were not accurate. Specifically, County records showed petty cash valued at \$11,320, whereas the Grand Jury identified \$9,870. In addition, the Grand Jury identified several petty cash custodians who differed from the custodian of record.

Response to Finding 1

The Auditor's Office agrees with the finding.

Recommendation 1

Auditor-Controller identify and correct errors or discrepancies within County petty cash records.

Response to Recommendation 1

The recommendation has been implemented. Four departments reported to the Grand Jury amounts that differed from the amounts reported in the County's Financial Accounting System (IFAS). The total variance was \$1,450 from District Attorney, Health and Social Services, Information Technology, and the Sheriff. We have worked with the four departments to ensure the amounts on hand are reconciled to the amounts reported in IFAS.

Finding 4

Not all petty cash custodians had completed the Auditor's self-assessment for cash controls. Specifically, 6 of 12 department/office heads reported that the self-assessment had not been accomplished.

Response to Finding 4

The Auditor's Office agrees with the finding.

Recommendation 4

Auditor-Controller require that the self-assessment for cash controls be completed by all departments/offices with petty cash funds.

Response to Recommendation 4

This recommendation requires further analysis. The control self-assessment program is in its infancy and is not yet required. We are currently evaluating the program and how best to roll it out countywide to all departments. It is anticipated that the control self-assessment will be required in the near future.

Finding 5

Petty Cash funds had not been audited in at least three years.

Response to Finding 5

The Auditor's Office agrees with the finding. However, it should be noted that the accounting standard for determining the frequency of audits is based on an overall risk assessment. Due to limited audit resources, an overall countywide risk assessment and the total amount of the countywide petty cash of \$11,320 reported in the County's Financial Information System, an annual audit is not cost effective.

Recommendation 5

Auditor-Controller develop and apply an audit program designed to oversee all County petty cash funds.

Response to Recommendation 5

This recommendation will not be implemented because it is not warranted. In place of an audit program, the Auditor's Office has created and implemented the submission of an annual verification form for the imprest petty cash funds. This

form will annually validate and reconcile the amount of the petty cash fund and the custodian of record.

If you have any questions, please call me at 707-784-6287.

Respectfully submitted,


Simona Padilla-Scholtens, CPA
Auditor-Controller