

# County of Riverside



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Sandra J. Isom  
Debbie Watsh

## **SUPERVISOR BOB BUSTER** **FIRST DISTRICT**

### **Memo**

To: Chairman Stone & Board Members

Date: 2-10-09

From: Supervisor Bob Buster

A handwritten signature in black ink that reads "Bob Buster". The signature is written in a cursive style.

Subject: Agenda Item 2.6, Internal Audit Report of Ben Clark Training Center

**Recommendation:** Require CEO approval of any exceptions to BOS-approved rates for the use of Ben Clark Training Center and firing range. Allow Sheriff's and Fire management to appeal CEO rate waiver denials to BOS.

**Justification:** This internal audit found that the Sheriff's department had not collected nearly half a million dollars in revenue for the use of the training center and firing range by other agencies during the two year period, July 1, 2005 through November 21, 2007. Sheriff's Management now recommends (#'s 3, 5, 6, 7 & 8) that "specified Sheriff and Fire personnel" continue to be allowed to grant such exceptions. This is insufficient. With deep budget cuts looming, the County must collect all its necessary fees and reimbursements promptly. Unilateral approval by Sheriff, Fire or other department management of established rates should not a continuing practice, given the past lack of oversight and written justification by the audited departments.

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

306



**FROM:** County Auditor-Controller

**SUBMITTAL DATE:**  
January 30, 2009

**SUBJECT:** Internal Audit Report 2007-018: Sheriff Department, Ben Clark Training Center

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Receive and file Internal Audit Report 2007-018: Sheriff Department, Ben Clark Training Center.
2. Direct the Sheriff to report back to the Executive Office and the Auditor-Controller within six months on the status of corrective actions.

**BACKGROUND:** We completed an audit of the Riverside County Sheriff's Department, Ben Clark Training Center. Our purpose was to provide management and the Board of Supervisors with an independent assessment about the adequacy of internal controls over the department's processes and fiscal procedures.

In our opinion, the Ben Clark Training Center has adequate internal controls in place to properly safeguard non-capitalized assets. However, opportunities exist to improve internal controls over cash handling, revenue, billing, and capitalized asset management. The breakdowns in internal controls resulted in the department not collecting \$498,534 in revenue during the two-year period audited.

Management concurred with 17 of our 18 recommendations and proposed an alternative to the one recommendation with which they did not concur. The alternative course of action meets the intent of our recommendation. We will follow-up within one year to verify that management took corrective action.

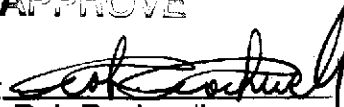
  
 \_\_\_\_\_  
 Robert E. Byrd  
 County Auditor-Controller

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	N/A
	Annual Net County Cost:	\$ 0	For Fiscal Year:	N/A

SOURCE OF FUNDS: N/A	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:**

**APPROVE**

BY:   
Rob Rockwell

**County Executive Office Signature**

Dept't Recomm.:  Policy  Policy  
 Per Exec. Ofc.:  Consent  Consent

Prev. Agn. Ref.: \_\_\_\_\_ District: \_\_\_\_\_ Agenda Number: **2.6**



# County of Riverside

## INTERNAL AUDIT REPORT

### Sheriff Department Ben Clark Training Center

November 3, 2008

Office of  
**Robert E. Byrd, CGFM**  
County Auditor-Controller

4080 Lemon Street  
P.O. Box 1326  
Riverside, CA 92502-1326



OFFICE OF THE  
COUNTY AUDITOR-CONTROLLER

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COUNTY OF RIVERSIDE  
AUDITOR-CONTROLLER  
Robert E. Byrd, CGFM  
AUDITOR-CONTROLLER

Bruce Kincald, MBA  
ASSISTANT  
AUDITOR-CONTROLLER

November 3, 2008

Honorable Stanley Sniff, Sheriff  
Riverside County Sheriff's Department  
4095 Lemon Street  
Riverside, CA 92501

Subject: Internal Audit Report 2007-018: Sheriff Department, Ben Clark Training Center

Dear Sheriff Sniff:

We have completed an audit of the Sheriff Department, Ben Clark Training Center. We conducted the audit during the period August 8, 2007, through November 21, 2007, for operations of July 1, 2005, through November 21, 2007.

Our purpose was to provide management and the Board of Supervisors with an independent assessment about the adequacy of internal controls over the department's processes and fiscal procedures.

We conducted our audit in accordance with the International Standards for the Professional Practice of Internal Auditing. These standards require that we plan and perform the audit to provide sufficient, competent, and relevant evidence to achieve the audit objectives. We believe the audit provides a reasonable basis for our conclusions.

In our opinion, the Ben Clark Training Center has adequate internal controls in place to properly safeguard non-capitalized assets. However, opportunities exist to improve internal controls over cash handling, revenue, billing, and capitalized asset management. The breakdowns in internal controls resulted in the department not realizing \$498,534 in revenue during the two-year period audited.

Throughout the audit, we discussed the results contained in this report, as well as comments and suggestions of lesser significance with the appropriate level of management. On October 31, 2008, management provided us with a formal audit response dated July 8, 2008. In their response, management concurred with 17 of our 18 recommendations and proposed an alternative to the one recommendation with which they did not concur. The alternative course of action meets the intent of our recommendation.

We thank the Ben Clark Training Center management and staff for their cooperation. Their assistance contributed significantly to the successful completion of the audit.

Robert E. Byrd, CGFM  
County Auditor-Controller



By: Michael G. Alexander, MBA, CIA  
Deputy Auditor-Controller

cc: Board of Supervisors  
County Counsel  
Executive Office  
Grand Jury

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## **Executive Summary**

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### **Overview**

The Sheriff Department Ben Clark Training Center is a training facility utilized by members of law enforcement, fire and emergency medical practitioner agencies. Located on land formerly owned by the federal government and utilized by March Air Force Base, the facility includes space for classroom instruction, a firing range, and dormitories and a cafeteria for guests. In conjunction with partner agencies, including Riverside Community College and Riverside County Fire Department, the Sheriff Department is able to provide training critical to the success of the public safety community.

The Ben Clark Training Center employs 60 Sheriff Department personnel and operates with an annual expense budget of \$6,512,029. The Center earned total revenue of \$2,374,669 during FY 2007

### **Overall Objective**

Our primary audit objective was to assess the adequacy of internal controls over cash handling, revenue and assets.

### **Overall Conclusion**

In our opinion, the Ben Clark Training Center has adequate internal controls in place to properly safeguard non-capitalized assets. However, opportunities exist to improve internal controls over cash handling, revenue, billing, and capitalized asset management. The breakdowns in internal controls resulted in the department not realizing \$498,534 in revenue during the two-year period audited.

Details about our audit methodology, results, findings and recommendations are provided in the body of our report.

**Objectives**

To determine:

- the adequacy of internal controls over the cash handling process;
- if all revenue opportunities have been realized and costs appropriately recovered;
- the existence and adequacy of internal controls over the acquisition, monitoring and disposal processes of capitalized and non-capitalized assets; and
- if all asset acquisitions meeting capitalization threshold requirements were capitalized.

**Methodology**

To accomplish our objectives, we:

- conducted interviews and performed walk-throughs with department personnel;
- identified and reviewed applicable policies and procedures, Board ordinances, laws, codes, and regulations;
- completed narratives of the department's cash handling and revenue processes;
- performed a risk assessment of the department's operations;
- conducted operational reviews and observations;
- verified the department's capitalized and non-capitalized assets; and,
- performed detailed testing of cash handling and revenue transactions.

**Results**

**Cash Handling Process**

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The Ben Clark Training Center collects cash and other negotiable items from a multitude of sources. Program coordinators collect class fees from students and the accounting office receives lodging and meal fees. Upon receipt of cash, an Official County Receipt is issued to the payer. The receipt number is recorded in PeopleSoft upon preparation of the deposit. Any cash held beyond one day is stored in a locked safe. Deposits are prepared by the accounting staff at the Ben Clark Training Center and transferred to the Accounting and Finance Office for delivery to the County Treasurer.

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**Finding 1**

Controls are not adequate to ensure cash is properly safeguarded from loss. Specifically:

- An excessive number of employees are authorized to collect cash. Currently, the class coordinators and all accounting staff members are authorized to collect cash.
- A cash receipt log is not utilized. An Official County Receipt (OCR) is utilized for all receivables; however, the receipt numbers and a description of the items are not recorded on a centralized log.

Cash collection points should be minimized and upon issuance of an OCR, the receipt number should be recorded immediately in a cash receipt log and maintained for reconciliation and audit purposes. Failure to limit cash collection point's increases the likelihood money will be lost. Additionally, the lack of a cash receipt log prevents a formal, daily reconciliation of cash received by the department and reduces the department's ability to account for receivables.

**Recommendation 1.1**

Establish a method of recording cash and other negotiable items immediately upon receipt by the department and ensure cash can be reconciled on a daily basis.

**Management's Reply**

"Concur. BCTC Accounting Team implemented a daily cash reconciliation process on Monday, March 1, 2008. This daily reconciliation records all cash and negotiable items daily.

Actual/estimated date of corrective action: March 1, 2008.

Estimated cost to implement recommendation: No cost other than personnel time and materials needed to save electronic and paper copy."

**Recommendation 1.2** Implement accounting procedures to ensure the number of cash collection points is minimized.

**Management's Reply** "Concur. A centralized cash collection point has been specified within the BCTC Accounting Team. Specified individuals will be responsible for the collection of all cash and negotiable items that occur on the training grounds.

A policy will be put into place to account for cash and negotiable items that are collected off the property. This will include a time line for the cash/negotiable item to be turned into the BCTC Accounting Team.

Actual/estimated date of corrective action: August 1, 2008.

Cash collection points shall be reduced as of August 1, 2008. In order to specify an individual responsible for the collection an accounting position will need to be added.

Policy will have to be written and disseminated. Estimated date of completion should is August 1, 2008.

Estimated cost to implement recommendation: Cost of Sr. Accounting Assistant position and equipment to outfit position such as computer, cubicle, office supplies, etc."

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**Finding 2** Deposits are not made in a timely manner. In some instances receipts were held as long as 48 days. Per the Auditor-Controller's Standard Practice Manual III-E-1-3.1, "At the close of each business day, cash collected must be reconciled to the receipts issued and then deposited with the Treasury." Exceptions to the requirement must be authorized by the Auditor-Controller's Office. Additionally, timely deposits are necessary to minimize the risk of lost funds and to maximize interest earnings.

**Recommendation 2** Reconcile and deposit cash receipts on a daily basis, as prescribed by the Auditor-Controller's Standard Practice Manual.

**Management's Reply** "Concur. BCTC Accounting Team will ensure all payments are processed according to County and Departmental policy. BCTC is writing and implementing a policy to ensure all cash/negotiable instruments are recorded and reconciled on a daily basis.

In an effort to provide clarification on the issues, BCTC focused their research to instances where the delay in processing was 10 days or greater.

Fifty-nine of the deposits were held at collection points outside of BCTC accounting. The consolidation of collection points will eliminate these delays.

Another thirteen deposits were held while waiting for classroom rosters from Riverside Community College. This shortcoming has been corrected, and any cash/negotiable item will be deposited daily. If an issue arises once the deposit has been made (such as a class being canceled), a warrant will be sent back to the individual/organization.

An uncommon clerical error resulted in the date on an Official County Receipt (OCR) being dated approximately thirty days before the date on the check. Documentation has been sent to the Auditor.

Other instances relate to personnel shortages in the BCTC Accounting Team. Additional accounting personnel have been added. With additional staff, coverage will be available when the primary collection person is out of the office.

Actual/estimated date of corrective action: August 1, 2008.

Process of reconciliation shall be implemented on March 1, 2008.

Policy will be written and disseminated. Estimated date of completion should be August 1, 2008.

Estimated cost to implement recommendation: Cost of Sr. Accounting Assistant position and equipment to outfit position such as computer, cubicle, office supplies, etc."

**Results**

**Revenue Process**

The Ben Clark Training Center receives revenue from a variety of sources. Agencies utilizing office space at the facility should be charged an Operations and Maintenance Fee; those using classroom spaces should be charged a Student Contact Fee. The Center also operates a firing range and lodging facilities for out-of-town students. Except for lodging, which is billed monthly, invoices are prepared and sent on a quarterly basis. The established rates, approved by the Board of Supervisors are as follows:

Description	Rate
Operations and Maintenance	\$0.98/per sq ft per month
Student Contact Fee	\$1.34/student hour
Lodging	\$50/night
Range	\$200/half-day or \$350/full day

The current rates have been in effect since fiscal year 2005. A current rate review is in process.

**Finding 3**

Eight of 19 agencies utilizing classroom spaces at Ben Clark Training Center during our audit period were not billed the Student Contact Fee. Undocumented agreements have resulted in a loss of expected revenue in the amount of \$109,925 for the period July 1, 2005 through June 30, 2007. The rates approved by the Board of Supervisors authorize the Sheriff's Ben Clark Training Center to charge agencies \$1.34 per student per hour of classroom space utilization. Any deviation from the approved rates should occur only after approval by the Board of Supervisors and should be reflected in the appropriate fiscal year's revenue budget. In some instances, informal, verbal agreements with some agencies resulted in a loss of revenue opportunities.

**Recommendation 3**

Bill and collect revenue from all agencies utilizing classroom space at the Ben Clark Training Center, unless authorization to do otherwise is granted in the form of an approved agreement.

**Management's Reply**

"Concur. Language shall be added to the Board of Supervisors approved rates that will allow specified Sheriff and Fire personnel to grant exceptions. Documentation will be kept on file for all exceptions that have been granted.

Actual/estimated date of corrective action: August 1, 2008.

All agencies will be billed, unless an exception has been documented.

Estimated cost to implement recommendation: No known expense to comply."

**Recommendation 3.1** Initiate action to collect for the unbilled services.

**Management's Reply** "Concur. A majority of the agencies not billed were granted exceptions. Additionally, all the agencies not billed are government agencies and the charges were incurred in previous fiscal years.

Actual/estimated date of corrective action: August 1, 2008.

All agencies will be billed, unless an exception has been documented.

Estimated cost to implement recommendation: No known expense to comply."

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**Finding 4** The Ben Clark Training Center does not bill it's customers in a timely manner. It is the agency's policy to bill on a quarterly rather than monthly basis; however, the Auditor-Controller's Standard Practice Manual 706 requires invoices be created and submitted no more than 10 days after the close of the month. For the 98 invoices generated during our audit period, untimely billing has resulted in potential lost interest earnings of \$20,768.

**Recommendation 4** Create and submit invoices within 10 days after the close of the month, as prescribed by Auditor-Controller's SPM 706.

**Management's Reply** "Concur. Additional staffing will be added to ensure compliance of all County and Departmental policies.

Actual/estimated date of corrective action: August 1, 2008.

Once additional staff are on board the billings will be done monthly.

Estimated cost to implement recommendation: Cost of Accounting Technician II position and equipment to outfit position such as computer, cubicle, office supplies, etc."

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**Finding 5** One of six agencies utilizing the firing range during the period March 2006 through June 30, 2007 was not charged the Board of Supervisors approved rate. Rather, the agency was charged the Student Contact Fee for their use of the firing range, though the approved rate was \$200 for half-day use or \$350 for full day use. Unsubstantiated agreements have resulted in a loss of expected

revenue in the amount of \$34,237. The current Firing Range rates were submitted by the Sheriff Department on February 14, 2006 and subsequently approved by the Board of Supervisors. However, an informal, verbal agreement with the agency resulted in the use of a different rate.

**Recommendation 5** Charge the approved rates to all agencies utilizing the firing range at the Ben Clark Training Center, unless authorization to do otherwise is granted in the form of an approved agreement.

**Management's Reply** "Concur. Language will be added to the Board of Supervisors approved rates that will allow specified Sheriff and Fire personnel to grant exceptions. Documentation will be maintained of all exceptions.

Actual/estimated date of corrective action: August 1, 2008.

BCTC Accounting Team will ensure all range billings are prepared using the Board of Supervisors approved rates unless documentation exists for an exception.

Estimated cost to implement recommendation: No known expense to comply."

**Recommendation 5.1** Initiate action to collect for the unbilled services.

**Management's Reply** "Concur. A majority of the agencies not billed were granted exceptions. Additionally, all the agencies not billed are government agencies and charges were incurred in previous fiscal years.

Actual/estimated date of corrective action: August 1, 2008.

All agencies will be billed, unless an exception has been documented.

Estimated cost to implement recommendation: No known expense to comply."

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**Finding 6** One agency was charged an unapproved rate for lodging services. The agency was charged \$43 per patron per night, though the approved rate is \$50 night. Between the period January 1, 2006 and March 31, 2007, unsubstantiated agreements have resulted in a loss of expected revenue in the amount of \$11,186 for lodging services. The rate approved by the Board of Supervisors authorizes agencies to be charged \$50 per patron per night for lodging services. Any deviation from the approved rates should occur only after approval by the Board of Supervisors and should be reflected in the appropriate fiscal years revenue budget.

**Recommendation 6** Bill all agencies utilizing lodging space at the Ben Clark Training Center the approved rate, unless authorization to do otherwise is granted in the form of an approved agreement.

**Management's Reply** "Disagree. CHP had a contract with the county that specified \$43 a night for lodging. The documentation has been forwarded to the Auditor – Controller Office.

Language will be added to the Board of Supervisors approved rates to allow specified Sheriff and Fire personnel to grant exceptions. Documentation will be maintained of all exceptions.

Actual/estimated date of corrective action: August 1, 2008.

BCTC Accounting Team will ensure all lodging billings follow the Board of Supervisors approved rates unless documentation exists for an exception.

Estimated cost to implement recommendation: No additional expenses to comply."

**Auditor Comment** While management did not concur with the recommendation the planned corrective action meets the intent of the recommendation.

Specifically; management will ensure all lodging billings follow the Board of Supervisors approved rates unless documentation exists for an exception.

**Recommendation 6.1** Initiate action to collect for the unbilled services.

**Management's Reply** "Concur. A majority of the agencies not billed were granted exceptions. Additionally, all the agencies not billed are government agencies and charges were incurred in previous fiscal years.

Actual/estimated date of corrective action: August 1, 2008.

All agencies will be billed, unless an exception has been documented.

Estimated cost to implement recommendation: No additional expenses to comply."

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**Finding 7** Lodging revenue has not been collected from one agency. For the period September 2006 through December 2006, one agency incurred \$8,050 of lodging services that remain unpaid. The rates approved by the Board of Supervisors require agencies be charged

\$50 per patron per night for lodging services. Any deviation from the approved rates should occur only after formal approval and should be reflected in the appropriate fiscal years revenue budget.

**Recommendation 7** Require payment from all agencies who utilize lodging services at the Ben Clark Training Center.

**Management's Reply** "Concur. Language will be added to the Board of Supervisors approved rates that will allow specified Sheriff and Fire personnel to grant exceptions. Written documentation will be maintained of all exceptions.

Actual/estimated date of corrective action: August 1, 2008.

BCTC Accounting Team will ensure all lodging billings follow the Board of Supervisors approved rates unless documentation exists for an exception.

Estimated cost to implement recommendation: No additional expenses to comply."

**Recommendation 7.1** Initiate action to collect the outstanding unpaid bill for services.

**Management's Reply** "Concur. A majority of the agencies not billed were granted exceptions. Additionally, all the agencies not billed are government agencies and charges were incurred in the previous fiscal years.

Actual/estimated date of corrective action: August 1, 2008.

All agencies will be billed, unless an exception has been documented.

Estimated cost to implement recommendation: No known expense to comply."

**Finding 8** Three of six agencies were not billed the monthly Operations and Maintenance fee for their use of office space at the Ben Clark Training Center. Unsubstantiated agreements have resulted in a loss of expected revenue in the amount of \$314,368 during the period July 1, 2005 through June 30, 2007. The Board of Supervisors approved rate is \$0.98 per square ft per month. Failure to bill the approved rates results in lost revenue to the Sheriff's Department and the County of Riverside.

**Recommendation 8** Bill and collect revenue from all agencies utilizing office space at the Ben Clark Training Center, unless authorization to do otherwise is granted in the form of an approved agreement.

**Management's Reply** "Concur. Language will be added to the Board of Supervisors approved rates that will allow specified Sheriff and Fire personnel to grant exceptions. Documentation will be kept on file of all exceptions.

Actual/estimated date of corrective action: August 1, 2008.

All agencies will be billed, unless an exception has been documented.

Estimated cost to implement recommendation: No known expense to comply."

**Recommendation 8.1** Initiate action to collect for the unbilled services.

**Management's Reply** "Concur. A majority of the agencies not billed were granted exceptions. Additionally, all the agencies not billed are government agencies and charges were incurred in the previous fiscal years.

Actual/estimated date of corrective action: August 1, 2008.

All agencies will be billed, unless an exception has been documented.

Estimated cost to implement recommendation: No known expense to comply."

**Finding 9** The Ben Clark Training Center does not maintain records which accurately support invoices. Specifically, we determined the following:

- The office space allocation records from which the Operations and Maintenance fees are charged are inaccurate. The office space allocation records have not been updated since FY 2004/2005 though considerable changes have occurred.
- The classroom reservation records used to prepare invoices for Student Contact Fees are not accurate. The class coordinators do not consistently update the reservation records to reflect actual student enrollment. As a result, the partner agencies adjust billings based on their records, and charges are collected accordingly, without verification by the Ben Clark Training Center.

Invoices should be prepared from records which are accurate and timely. The inaccurate data has resulted in invoices that cannot be verified or audited.

**Recommendation 9** Update the appropriate records as necessary and prepare invoices according to the actual usage.

**Management's Reply**

"Concur. Clark Training Center is in the process of expanding. A space allocation study will be completed by the end of August. Even though tenant office space has changed, the general amount of office space has remained consistent. Classroom space has also remained consistent over the time period in question.

This fee is changing to a room use fee. As a result, rosters will have no bearing on the cost to use the room.

Actual/estimated date of corrective action: September 1, 2008.

All agencies will be billed, unless an exception has been documented.

Estimated cost to implement recommendation: An Office Assistant III will be needed to ensure all documentation is received from vendors and entered into the database. Additional expenses needed to outfit the positions, such as computer, cubicle, office supplies, etc."

**Results**

**Asset Management Process**

Capital assets are tangible or intangible assets with significant value and a utility beyond one fiscal year. Capital assets include land, land improvements, easements, and buildings, building improvements, vehicles, machinery, equipment and infrastructure. Vehicles, machinery and equipment with a cost over \$5,000 qualify as a capital asset, as described in the Auditor-Controller's Office Standard Practice Manual Section 913 issued on December 12, 2005. The management of each department or agency within the County of Riverside is required to account for county property in his/her possession or charge. This responsibility should include performance of the annual inventory and establishment of controls over the acquiring, monitoring, and disposal of capital assets. In addition, it is also the department's responsibility to record asset acquisitions into the PeopleSoft Asset Management Module.

Conversely, non-capitalized assets are valuable and highly desirable equipment items, such as personal computers, printers, FAX machines and personal digital assistants (PDA's) with a cost less than \$5,000. Management of each department in the County of Riverside is responsible to account for county property in his/her possession or charge, as required by the Auditor-Controller's Office Internal Control Handbook (ICH) Chapter 7. This responsibility should include the establishment of controls over the acquiring, monitoring and disposal of capitalized and non-capitalized assets. Board Policy H-26, provides guidance over the accountability of non-capitalized assets to include recording all walk-away items in the Asset Management Module.

As of November 20, 2007, the Ben Clark Training Center reported 67 capitalized assets in the PeopleSoft Asset Management Module. These assets had a recorded cost exceeding \$1.4 million and a net book value of \$114,162.63, and included items such as copiers, cameras, vehicles, servers and other technology related equipment.

**Finding 10**

Ben Clark Training Center does not have controls in place to ensure capitalized assets are properly recorded and monitored. Specifically, out of 35 assets selected for detailed testing:

- two were sent to auction, but the necessary paperwork was not forwarded to the ACO for processing.
- ten assets, with a book value of \$53,584, could not be located by the department.

- three did not have an asset tag affixed, although an asset number was assigned by the ACO.
- four were recorded incorrectly in the PeopleSoft Asset Management Module.

Standard Practice Manual III-E-2-1.1 requires the Auditor-Controller's Office be "notified within 30 days of each acquisition, betterment, modification, disposal, transfer or change to fixed assets." In addition, each department head is required to certify his capital asset inventory on an annual basis. This certification should be based on a physical inventory to ensure changes to the list are appropriately recorded. Additionally, SPM 903, Capital Asset Tags, requires each department to affix an asset id tag to all capital assets. The tags are provided by the Auditor-Controller's Office and correspond to the Asset Identification Number in PeopleSoft's Asset Management Module.

**Recommendation 10.1** Request a discharge of accountability for the missing assets, in accordance with SPM III-E-2-1.1.

**Management's Reply** "Concur. Clark Training Center will review the asset listing to determine the missing assets. Once identified, every effort will be taken to find the asset. If the asset cannot be located we will work in conjunction with the Auditor – Controller Office to ensure the assets are removed from the County books.

Actual/estimated date of corrective action: October 1, 2008.

Review of assets is currently taking place. It may take longer to get all items removed from the asset listing.

Estimated cost to implement recommendation: No cost other than personnel time and materials needed to perform the function."

**Recommendation 10.2** Affix asset tags to all capitalized assets in accordance with SPM 903.

**Management's Reply** "Concur. Capitalized Assets that do not have an asset tag will be identified. Once identified, we will work with the Auditor – Controller Office to get a new asset tag issued.

Actual/estimated date of corrective action: October 1, 2008.

Review is currently taking place. It may take longer to prepare paperwork and have missing tags replaced.

Estimated cost to implement recommendation: No cost other than personnel time and materials needed to perform the function."

**Recommendation 10.3** Perform an annual physical inventory of capitalized assets to ensure the accuracy of the inventory certification submitted to the Auditor-Controller's Office.

**Management's Reply** "Concur. Clark Training Center will perform a partial physical audit each quarter to ensure a portion of the assets are located on the property and properly tagged. Additionally, a physical inventory will be performed during fiscal year end as part of County policy.

Actual/estimated date of corrective action: October 1, 2008.

Procedures will be put in place during the year end process and will be formalized during the first part of FY 08-09.

Estimated cost to implement recommendation: No costs other than personnel time and materials needed to perform the function."

08 OCT 31 PM 3:08

DATE: July 8, 2008  
TO: Auditor-Controller  
Audits and Specialized Accounting Division  
FROM: Stanley Sniff, Sheriff  
Riverside County Sheriff's Department  
SUBJECT: Reply to Draft Audit Report

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**Recommendation Number 1.1:**

Establish a method of recording cash and other negotiable items immediately upon receipt by the department and ensure cash can be reconciled on a daily basis.

a. **Management position concerning the recommendation:**

 X Concur \_\_\_\_\_ Disagree

BCTC Accounting Team implemented a daily cash reconciliation process on Monday, March 1, 2008. This daily reconciliation records all cash and negotiable items daily.

(Explain if you:

- Disagree with recommendation

b. **Comments:**

- Implement an alternative corrective action
- Need/desire to provide clarification)

c. **Actual/estimated Date of Corrective Action:** March 1, 2008  
(Comment, if necessary to clarify what action the timing refers to)

d. **Estimated cost to implement recommendation (If material)**

No cost other than personnel time and materials needed to save electronic and paper copy.

DATE: July 8, 2008  
TO: Auditor-Controller  
Audits-and Specialized Accounting Division  
FROM: Stanley Sniff, Sheriff  
Riverside County Sheriff's Department  
SUBJECT: Reply to Draft Audit Report

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**Recommendation Number 1.2:**

Implement accounting procedures to ensure the number of cash collection points is minimized.

a. **Management position concerning the recommendation:**

 X Concur \_\_\_\_\_ Disagree

b. **Comments:**

A centralized cash collection point has been specified within the BCTC Accounting Team. Specified individuals will be responsible for the collection of all cash and negotiable items that occur on the Training grounds.

A policy will be put into place to account for cash and negotiable items that are collected off the property. This will include a time line for the cash/negotiable item to be turned into the BCTC Accounting Team.

(Explain if you:

- Disagree with recommendation
- Implement an alternative corrective action
- Need/desire to provide clarification)

c. **Actual/estimated Date of Corrective Action: August 1, 2008**

Cash collection points shall be reduced as of August 1, 2008. In order to specify an individual responsible for the collection an accounting position will need to be added.

Policy will have to be written and disseminated. Estimated date of completion is August 1, 2008.

d. **Estimated cost to implement recommendation (If material)**

Cost of Sr. Accounting Assistant position and equipment to outfit position such as computer, cubicle, office supplies, etc.....

DATE: July 8, 2008  
TO: Auditor-Controller  
Audits-and Specialized Accounting Division  
FROM: Stanley Sniff, Sheriff  
Riverside County Sheriff's Department  
SUBJECT: Reply to Draft Audit Report

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**Recommendation Number 2:**

Reconcile and deposit cash receipts on a daily basis, as prescribed by the Auditor-Controller's Standard Practice Manual

 a. **Management position concerning the recommendation:**

X Concur \_\_\_\_\_ Disagree

b. **Comments:**

BCTC Accounting Team will ensure all payments are processed according to County and Departmental policy. BCTC is writing and implementing a policy to ensure all cash/negotiable instruments are recorded and reconciled on a daily basis.

In an effort to provide clarification on the issues, BCTC focused their research to instances where the delay in processing was 10 days or greater.

Fifty-nine of the deposits were held at collection points outside of BCTC accounting. The consolidation of collection points will eliminate these delays.

Another thirteen deposits were held while waiting for classroom rosters from Riverside Community College. This shortcoming has been corrected, and any cash/negotiable item will be deposited daily. If an issue arises once the deposit has been made (such as a class being canceled), a warrant will be sent back to the individual/organization.

An uncommon clerical error resulted in the date on an Official County Receipt (OCR) being dated approximately thirty days before the date on the check. Documentation has been sent to the Auditor.

Other instances relate to personnel shortages in the BCTC Accounting Team. Additional accounting personnel have been added. With additional staff, coverage will be available when the primary collection person is out of the office.

(Explain if you:

- Disagree with recommendation
- Implement an alternative corrective action
- Need/desire to provide clarification)

c. **Actual/estimated Date of Corrective Action: August 1, 2008**

Process of reconciliation shall be implemented on March 1, 2008.

Policy will be written and disseminated. Estimated date of completion should be August 1, 2008.

d. **Estimated cost to implement recommendation (if material)**

Cost of Sr. Accounting Assistant position and equipment to outfit position such as computer, cubicle, office supplies, etc...

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**Recommendation Number 3:**

Bill and collect revenue from all agencies utilizing classroom space at the Ben Clark Training Center, unless authorization to do otherwise is granted in the form of an approved agreement.

*SS*  
a. **Management position concerning the recommendation:**

X Concur \_\_\_\_\_ Disagree

b. **Comments:**

Language shall be added to the Board of Supervisors approved rates that will allow specified Sheriff and Fire personnel to grant exceptions. Documentation will be kept on file for all exceptions that have been granted.

(Explain if you:

- Disagree with recommendation
- Implement an alternative corrective action
- Need/desire to provide clarification)

c. **Actual/estimated Date of Corrective Action:** August 1, 2008

All agencies will be billed, unless an exception has been documented.

d. **Estimated cost to implement recommendation (if material)**

No known expense to comply.

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**Recommendation Number 3.1:**

Initiate action to collect for the unbilled services.

*SS*

a. **Management position concerning the recommendation:**

Concur  Disagree

b. **Comments:**

A majority of the agencies not billed were granted exceptions. Additionally, all the agencies not billed are government agencies and charges were incurred in previous fiscal years.

(Explain if you:

- Disagree with recommendation
- Implement an alternative corrective action
- Need/desire to provide clarification)

c. **Actual/estimated Date of Corrective Action: August 1, 2008**

All agencies will be billed, unless an exception has been documented.

d. **Estimated cost to implement recommendation (if material)**

No known expense to comply.











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**Recommendation Number 7:**

Require payment from all agencies who utilize lodging services at the Ben Clark Training Center.

a. **Management position concerning the recommendation:**

X Concur Disagree

 b. **Comments:**

Language will be added to the Board of Supervisors approved rates that will allow specified Sheriff and Fire personnel to grant exceptions. Written documentation will be maintained of all exceptions.

(Explain if you:

- Disagree with recommendation
- Implement an alternative corrective action
- Need/desire to provide clarification)

c. **Actual/estimated Date of Corrective Action:** August 1, 2008

BCTC Accounting Team will ensure all lodging billings follow the Board of Supervisors approved rates unless documentation exists for an exception.

d. **Estimated cost to implement recommendation (If material)**

No additional expenses to comply.





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**Recommendation Number 8.1:**

Initiate action to collect for the unbilled services.

a. **Management position concerning the recommendation:**

  X  Concur Disagree

b. **Comments:**

A majority of the agencies not billed were granted exceptions. Additionally, all the agencies not billed are government agencies and charges were incurred in previous fiscal years.

(Explain if you:

- Disagree with recommendation
- Implement an alternative corrective action
- Need/desire to provide clarification)

c. **Actual/estimated Date of Corrective Action: August 1, 2008**

All agencies will be billed, unless an exception has been documented.

d. **Estimated cost to implement recommendation (If material)**

No known expense to comply.

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**Recommendation Number 9:**

Update the appropriate records as necessary and prepare invoices according to the actual usage.

a. **Management position concerning the recommendation:**

X Concur Disagree

b. **Comments:**

Clark Training Center is in the process of expanding. A space allocation study will be completed by the end of August. Even though tenant office space has changed, the general amount of office space has remained consistent. Classroom space has also remained consistent over the time period in question.

This fee is changing to a room use fee. As a result, rosters will have no bearing on the cost to use a room.

(Explain if you:

- Disagree with recommendation
- Implement an alternative corrective action
- Need/desire to provide clarification)

c. **Actual/estimated Date of Corrective Action:** September 1, 2008

All agencies will be billed, unless an exception has been documented.

d. **Estimated cost to implement recommendation (If material)**

An Office Assistant III will be needed to ensure all documentation is received from vendors and entered into the database. Additional expenses needed to outfit the positions, such as computer, cubicle, office supplies, etc...

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**Recommendation Number 10.1:**

Request a discharge of accountability for the missing assets, in accordance with SPM III-E-2-1.1.

a. **Management position concerning the recommendation:**

X Concur Disagree

b. **Comments:**

Clark Training Center will review the asset listing to determine the missing assets. Once identified every effort will be taken to find the asset. If the asset cannot be located we will work in conjunction with the Auditor – Controller Office to ensure the assets are removed from the County books.

(Explain if you:

- Disagree with recommendation
- Implement an alternative corrective action
- Need/desire to provide clarification)

c. **Actual/estimated Date of Corrective Action:** October 1, 2008

Review of assets is currently taking place. It may take longer to get all items removed from the asset listing.

d. **Estimated cost to implement recommendation (If material)**

No costs other than personnel time and materials needed to perform the function.

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**Recommendation Number 10.2:**

Affix asset tags to all capitalized assets in accordance with SPM 903.

a. **Management position concerning the recommendation:**

 X Concur Disagree

b. **Comments:**

Capitalized Assets that do not have an asset tag will be identified. Once identified we will work with the Auditor – Controller Office to get a new asset tag issued.

(Explain if you:

- Disagree with recommendation
- Implement an alternative corrective action
- Need/desire to provide clarification)

c. **Actual/estimated Date of Corrective Action:** October 1, 2008

Review is currently taking place. It may take longer to prepare the paperwork and have missing tags replaced.

d. **Estimated cost to implement recommendation (If material)**

No costs other than personnel time and materials needed to perform the function.

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**Recommendation Number 10.3:**

Perform an annual physical inventory of capitalized assets to ensure the accuracy of the inventory certification submitted to the Auditor-Controller's Office.

a. **Management position concerning the recommendation:**

 X Concur Disagree

b. **Comments:**

Clark Training Center will perform a partial physical audit each quarter to ensure a portion of the assets are located on the property and properly tagged. Additionally, a physical inventory will be performed during fiscal year end as part of County policy.

(Explain if you:

- Disagree with recommendation
- Implement an alternative corrective action
- Need/desire to provide clarification)

c. **Actual/estimated Date of Corrective Action:** October 1, 2008

Procedures will be put in place during the year-end process and will be formalized during the first part of FY 08-09.

d. **Estimated cost to implement recommendation (If material)**

No costs other than personnel time and materials needed to perform the function.