

Follow-Up Report

Sheriff's Office Comprehensive Cash Handling #2324-3

(Internal audit report #2122-16 issued November 2022)

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1. Introduction

Audit Authority

The Deschutes County Audit Committee has suggested that follow-ups occur within nine months of the report. The Audit Committee would like to make sure departments satisfactorily address recommendations.

Background on Department and Original Audit

The focus of the original audit was on internal control over fiscal cash handling. Unlike prior audits performed in individual areas of the Sheriff's Office, this audit covered the entire Sheriff's Office.

Overall, the Sheriff's Office performed well in providing fiscal control over receipts. Recommendations were developed to assist the Sheriff's Office comply with County policy or prudent business practices for cash handling.

The following areas were identified for further improvement within the wide range of professional public safety services at the Sheriff's Office.

Improve the internal control system over collected monies within these divisions/units:

- Civil
- Corrections
- Records

Opportunity exists to improve deposit activities within these divisions/units:

- Business Management
- Evidence
- Records

A variety of control practices could be improved within these divisions/units:

- Business Management
- Central Oregon Drug Enforcement (CODE)
- Street Crimes Unit

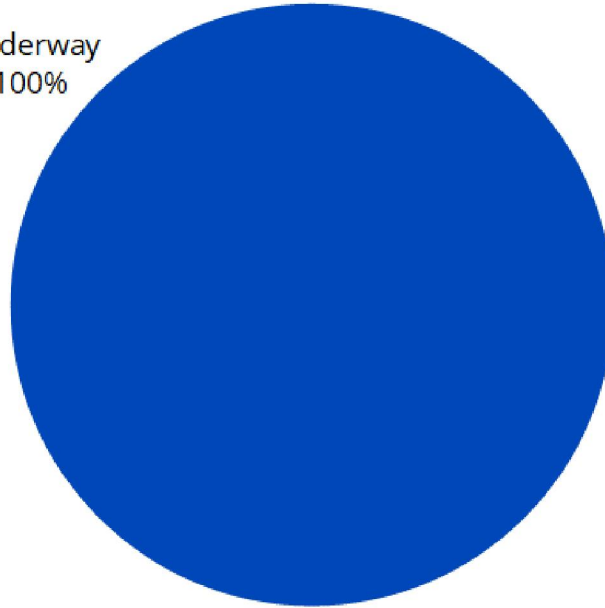
2. Follow-up Results

The follow-up included three outstanding recommendations agreed to by the Sheriff's Office. **Figure I** provides an overview of the implementation status of the recommendations.

Figure I

How were the recommendations implemented?

Underway
100%



With this follow-up, one hundred percent (100%) of the outstanding recommendations were indicated as underway. Substantial progress has been made towards completion of the detailed guidance for each recommendation, with an expected completion date of December 2023.

The details of the follow-up are included at the end of the report in **Appendix A**. In interpreting the status, Internal Audit may sometimes raise or lower the status provided by the department based on the communication(s) received from the department.

3. Appendix A: Updated workplan (status as of September 2023)

Items that are not completed are greyed out.

Recommendation	Status	Date Completed	Updated Comments
It is recommended the Sheriff's Office strengthen the internal control system to better oversee all payments they receive and periodically assess their operating environment to assure the system is operating as intended.	Underway	Dec 2023	See below responses; complete in some cases, in process in others.
Guidance for this recommendation by unit/division includes: Using Munis to immediately receipt all payments as they are received and balance transactions daily.	Underway	Dec 2023	Some units have adopted; Records, some Civil still need training from County; Will follow up with Finance
Guidance for this recommendation by unit/division includes: Eliminating cash handoffs between staff.	Completed	Feb 2023	Done
Guidance for this recommendation by unit/division includes: Employing a locking cashbox or cash drawer to secure funds as they are collected.	Completed	Feb 2023	Done
Guidance for this recommendation by unit/division includes: Establishing a cash custodian responsible for all daily collected revenues.	Completed	Feb 2023	Done
Guidance for this recommendation by unit/division includes: Endorsing checks as they are collected.	Completed	Feb 2023	Done; ongoing process

Recommendation	Status	Date Completed	Updated Comments
It is recommended the Sheriff's Office develop procedures to make more timely deposits.	Underway	Dec 2023	See below responses; complete in some cases, in process in others.
Guidance for this recommendation by unit/division includes: Consolidating bank deposit duties across the Divisions.	Completed	Feb 2023	Some consolidation is happening when possible, but otherwise, each unit is making an effort to ensure daily deposits.
Guidance for this recommendation by unit/division includes: Making weekly deposits of evidence monies in accordance with policy.	Underway	Dec 2023	Policy is with Legal waiting for approval of updates
Guidance for this recommendation by unit/division includes: Utilizing electronic transfers between County funds whenever possible.	Underway	Dec 2023	Need further analysis/training to ensure two signature requirements
Guidance for this recommendation by unit/division includes: Providing opportunity for either in-person or online customers to pay by credit/debit card.	Completed	Feb 2023	Done; Card reader replaced.
It is recommended the Sheriff's Office implement additional control activities through policies and procedures.	Underway	Dec 2023	See below responses; complete in some cases, in process in others.

Recommendation	Status	Date Completed	Updated Comments
Guidance for this recommendation by unit/division includes: Providing additional segregation of duties.	Completed	Feb 2023	Done; Deposit activities have been delegated
Guidance for this recommendation by unit/division includes: Applying a consistent review of deposit activity.	Completed	Feb 2023	Done; Business Manager has been reviewing deposits
Guidance for this recommendation by unit/division includes: Documenting audit activities.	Completed	Aug 2023	Done; Transitioned to ATM Cards in August. Have not yet audited
Guidance for this recommendation by unit/division includes: Recording in the CODE fiduciary accounts the additional CODE checking account balance and activity.	Underway	Dec 2023	Not yet integrated in Munis. Will follow up with Finance.
Guidance for this recommendation by unit/division includes: Eliminating petty cash funds.	Completed	Feb 2023	Completed

4. Appendix B: Objective, Scope, and Methodology

The County Internal Auditor was created by the Deschutes County Code as an independent office conducting performance audits to provide information and recommendations for improvement.

Objectives and Scope



“Audit objectives” define the goals of the audit.

Objectives included:

The objective was to follow up on recommendations from the original audit.

Scope and timing:

The follow-up included three recommendations from the internal audit report for Sheriff's Office Comprehensive Cash Handling

(#2122-16), issued in November 2022. The original internal audit report should be referenced for the full text of the recommendations and associated discussion. The follow-up reflects the status as of September 2023.

Methodology



Audit procedures are created to address the audit objectives.

The follow-up report was developed from information provided by Joe Brundage, Business Manager, and Captain Michael Shults. Follow-ups are, by nature, subjective. In determining the status of recommendations that were followed up, we relied on assertions provided by those involved and did not attempt to independently verify those assertions. The updates received are included in

Appendix A.

Since no substantive audit work was performed, Government Auditing Standards issued by the Comptroller General of the United States were not followed.

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