



Orange County Auditor-Controller Internal Audit



Countywide Audit of Fiduciary Funds:
County Executive Office

For the period
July 1, 2014 through June 30, 2015

Audit Number 1519
Report Date: June 12, 2017



O R A N G E C O U N T Y
AUDITOR-CONTROLLER
I N T E R N A L A U D I T

Eric H. Woolery, CPA
Orange County Auditor-Controller

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ERIC H. WOOLERY, CPA
AUDITOR-CONTROLLER



Transmittal Letter

Audit No. 1519

June 12, 2017

TO: Frank Kim
County Executive Officer

SUBJECT: Countywide Audit of Fiduciary Funds:
County Executive Office

We have completed our audit of internal controls over fiduciary funds in the County Executive Office for the period July 1, 2014 through June 30, 2015. Our final report is attached for your review.

I submit an **Audit Status Report** quarterly to the Audit Oversight Committee (AOC) and a quarterly report to the Board of Supervisors (BOS) where I detail any critical and significant audit findings released in reports during the prior quarter and the implementation status of audit recommendations as disclosed by our Follow-Up Audits. Accordingly, the results of this audit will be included in a future status report to the AOC and BOS.

Additionally, we will request your department to complete a **Customer Survey** of Audit Services. You will receive the survey shortly after the distribution of our final report.

A handwritten signature in blue ink, appearing to read "Toni Smart".

Toni Smart, CPA, Director
Auditor-Controller Internal Audit Division

Attachments

Other recipients of this report:

- Members, Board of Supervisors
- Members, Audit Oversight Committee
- Eric H. Woolery, Auditor-Controller
- Michelle Aguirre, Chief Financial Officer
- Selina Chan-Wychgel, Administrative Manager II, CEO/Administration
- Foreperson, Grand Jury
- Robin Stieler, Clerk of the Board
- Macias Gini & O'Connell LLP, County External Auditor



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County Executive Office
Audit No. 1519*

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Internal Auditor's Report

Audit No. 1519

June 12, 2017

TO: Frank Kim
County Executive Officer

FROM: Toni Smart, CPA, Director
Auditor-Controller Internal Audit Division

SUBJECT: Countywide Audit of Fiduciary Funds:
County Executive Office

OBJECTIVES

As part of a Countywide Audit of Fiduciary Funds, we have completed our audit of internal controls over fiduciary funds in the County Executive Office for the period July 1, 2014 through June 30, 2015. We conducted this audit to ensure fiduciary funds are properly administered and maintained in compliance with County policy, procedures, and fund requirements. Our audit objectives were to:

1. Evaluate internal controls to ensure fiduciary fund transactions are accurate, valid, adequately supported, processed timely, recorded properly, and that transactions are made in accordance with the established fund purpose and uses.
2. Evaluate internal controls to ensure fiduciary fund reconciliations are accurate, complete and timely in compliance with County policy and departmental policy.
3. Evaluate for proper segregation of duties and management reviews and approvals related to the administration of fiduciary funds.
4. Determine if administration of fiduciary funds is effective and efficient (e.g., no backlogs, duplication of work, benefit in automating manual process).

RESULTS

Objective #1: Our audit found that internal controls are in place to ensure fiduciary fund transactions are accurate, valid, adequately supported, processed timely, properly recorded, and that transactions are made in accordance with the established fund purpose and uses, with the following exception. We identified **one (1) Control Finding** where CEO should determine the disposition of an inactive fund, Fund 239 – County Retirement Holding, which has a fund balance of \$40,376.

Objective #2: Our audit found that internal controls over fiduciary fund reconciliations prepared by CEO/Public Finance are in place to ensure the reconciliations are accurate, complete, and timely in compliance with County and departmental policy; however, we found **one (1) Control Finding** where reconciliations for Funds 320, 305, 340, and 339 monitored by CEO were not properly performed or documented.



Internal Auditor's Report

Objective #3: Our audit found that internal controls are in place regarding segregation of duties, and management reviews and approvals of fiduciary fund transactions and fund reconciliations.

Objective #4: Our audit did not disclose any instances concerning duplication of work or backlogs.

BACKGROUND

We conducted a Countywide Audit of Fiduciary Funds to ensure funds are properly administered and maintained in compliance with County policy, procedures, and fund requirements. This report is on our audit of selected fiduciary funds administered by the County Executive Office. We are issuing separate reports for our audits of fiduciary funds in the Clerk-Recorder, Child Support Services, District Attorney-Public Administrator, Health Care Agency/Public Guardian, OC Community Resources, OC Public Works, Probation Department, Registrar of Voters, Sheriff-Coroner, and Treasurer-Tax Collector.

Fiduciary funds are used to account for assets held by the County in a trustee or agency capacity on behalf of outside parties, including employees, individuals, private organizations or other governments. These funds cannot be used to support the County's programs. Fiduciary funds are to be used and accounted for in accordance with applicable legal requirements; federal, state, and other governmental regulations; trust agreements, trust indentures, or other fiduciary agreements; and generally accepted accounting principles.

County Accounting Manual (CAM) Procedures F3 – *Requesting Establishment/Deletion of Funds/Agency* and F4 – *Fiduciary Funds* provide the policy, procedures, and internal control requirements for establishing and maintaining fiduciary funds. Fiduciary funds are classified as either: 1) Private-Purpose Trust Funds; 2) Pension and Other Employee Benefits Trust Funds; or 3) Agency Funds. For this audit, we are including only select Private-Purpose Trust Funds and Agency Funds as described below:

Public Administration Trust Funds (Fund Class U1) – This type of private-purpose trust fund is used to account for trust arrangements where the principal and income benefit individuals, private organizations, or other governments. Examples include unidentified funds, unclaimed prisoner funds, and decedents' property held for escheatment.

Agency Funds (Fund Class A5) – This type of agency fund is used by certain County departments to hold various types of cash receipts and deposits in a fiduciary capacity. Disbursements are made from these funds by checks issued by the Auditor-Controller upon requisition of the responsible department.



Internal Auditor's Report

As of June 30, 2015, the County Executive Office had the following fiduciary funds:

Fund	Fund Class	Name/Date Established	Purpose	FY 2014-15 Receipts/Disbursements	Fund Balance at 6/30/15
239	A5	County Retirement Holding Established: May 1993	Retirement clearing account for employer and employee retirement contributions for OCERS.	Receipts: \$0 Disbursements: \$0	\$40,376
320	A5	CEO Real Property Services Established: April 2003	Established to temporarily hold deposits from real estate transactions. Monies deposited into this fund are from third-party deposits and are held pending a subsequent event and may be repaid to the depositor.	Receipts: \$1,975 Disbursements: \$0	\$1,994,375
429	A5	Arbitrage Rebate Established: Oct 1990	Arbitrage rebate liability payments for County CFDs and ADs.	Total Receipts: \$943 Total Disbursements: \$943	\$(939) Note: Fund closed on 2/4/2015
2BE	A5	CEO Project Reimbursement Trust Established: July 1997	Developer deposits related to bond financing related to the cost of issuance.	Receipts: \$301,996 Disbursements: \$208,936	\$93,053
305	A5	Prep'd CO Grp Hlth Plans (Pers) Established: June 1978	Established for deposit and disbursement of insurance premium from payroll deductions for AOCDS and retiree medical deductions.	Receipts: \$31,580,006 Disbursements: \$31,304,713	\$2,668,923
339	A5	Benefits Administration Fees Established: July 2010	Fund is used to collect benefits administration fees from payroll deductions which are then transferred to Fund 100, Budget Control 056.	Receipts: \$5,311,940 Disbursements: \$5,489,926	\$0
340	A5	Commuter Choice Program Established: Dec 2005	Established to hold temporarily employee pre-tax payroll deductions for the commuter choice program.	Receipts: \$74,029 Disbursements: \$74,029	\$0

Note: For our detailed testing of controls, we selected Fund 305 – *Prep'd CO Grp Hlth Plans (Pers)* and Fund 340 – *Commuter Choice Program* to test a sample of cash disbursements. Because we only performed testing on select fiduciary funds, **it is important that the County Executive Office determine if the findings and recommendations contained in this report are applicable to other fiduciary funds under its administration.**



Internal Auditor's Report

SCOPE AND METHODOLOGY

Our audit of internal controls over fiduciary funds administered by the County Executive Office was performed to ensure fiduciary funds are properly administered, safeguarded and maintained in compliance with County policies and procedures, and specific fund requirements for the period from July 1, 2014 through June 30, 2015. Our audit included inquiry, auditor observation, and limited testing for assessing the adequacy of internal controls and compliance with established County and departmental procedures. We limited our scope for our Countywide Audit of Fiduciary Funds to select Public Administration Trust Funds (Fund Class U1) and Agency Funds (Fund Class A5).

Scope Exclusions. We did not include the following fund classes in our Countywide Audit of Fiduciary Funds. These will be considered for future audits based on our risk assessment and audit planning process:

- Unapportioned Tax and Interest Funds (Fund Class A2)
- Pension Trust & Other Employee Benefits (Fund Class P1, P2, P3, P4, P5, P6)
- OCDA Redevelopment private purpose trust fund (Fund Class U2)
- Community Facility Districts and Assessment Districts under CEO/Public Finance

FOLLOW-UP PROCESS

Please note we have a structured and rigorous **Follow-Up Audit** process in response to recommendations and suggestions made by the Audit Oversight Committee (AOC) and the Board of Supervisors (BOS). Our **First Follow-Up Audit** will generally be scheduled at six months from the official release of the report. A copy of all our Follow-Up Audit reports is provided to the BOS as well as to all those individuals indicated on our standard routing distribution list.

The AOC and BOS expect that audit recommendations will typically be implemented within six months and often sooner for significant and higher risk issues. Our **Second Follow-Up Audit** will generally be scheduled at six months from the release of the first Follow-Up Audit report, by which time **all** audit recommendations are expected to be addressed and implemented. We bring to the AOC's attention any audit recommendations we find still not implemented or mitigated after the second Follow-Up Audit. Such open issues appear on the AOC agenda at their next scheduled meeting for discussion.

We have attached a **Follow-Up Audit Report Form**. Your department should complete this template as our audit recommendations are implemented. When we perform our first Follow-Up Audit approximately six months from the date of this report, we will need to obtain the completed form to facilitate our review.

MANAGEMENT'S RESPONSIBILITIES FOR INTERNAL CONTROLS

In accordance with the Auditor-Controller's County Accounting Manual Section S-2 *Internal Control Systems*: "All County departments/agencies shall maintain effective internal control systems as an integral part of their management practices. This is because management has primary responsibility for establishing and maintaining the internal control system."



Internal Auditor's Report

All levels of management must be involved in assessing and strengthening internal controls..." Control systems shall be continuously evaluated by management and weaknesses, when detected, must be promptly corrected. The criteria for evaluating an entity's internal control structure is the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control – Integrated Framework. Our Internal Control Audit enhances and complements, but does not substitute for the County Executive Office's continuing emphasis on control activities and self-assessment of control risks.

Inherent Limitations in Any System of Internal Control

Because of inherent limitations in any system of internal control, errors or irregularities may nevertheless occur and not be detected. Specific examples of limitations include, but are not limited to, resource constraints, unintentional errors, management override, circumvention by collusion, and poor judgment. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or the degree of compliance with the procedures may deteriorate. Accordingly, our audit would not necessarily disclose all weaknesses in the County Executive Office's operating procedures, accounting practices, and compliance with County policy.

The Auditor-Controller Internal Audit Division is available to partner with your staff so that they can successfully implement or mitigate difficult audit recommendations.

ACKNOWLEDGEMENT

We appreciate the courtesy extended to us by the personnel of the County Executive Office during our audit. If you have any questions regarding our audit, please contact me directly at (714) 834-5442, or Scott Suzuki, Assistant Director, at (714) 834-5509.



Detailed Findings, Recommendations, and Management Responses

Finding 1 – Fiduciary Fund with No Activity Should Be Closed (Control Finding)

Criteria

CAM F-4, *Fiduciary Funds*, Section 2.7.2 states that a fiduciary fund which is no longer required by a department or agency should be closed in accordance with County of Orange Accounting Manual Procedure F-3, *Requesting Establishment/Deletion of Funds/Agencies*.

CAM F-3, Section 2.6.1 states that funds/agencies no longer required and which were originally created by request to the Auditor-Controller and CEO, must be deleted by a letter to the Auditor-Controller, signed by the department/agency head, with a copy to the appropriate CEO analyst, explaining the reasons for deletion of the fund/agency. The Auditor-Controller will obtain CEO concurrence on all fund/agency deletions.

Details

Fund 239 – County Retirement Holding, has a fund balance of \$40,376 as of June 30, 2015. This balance has existed since September 2012, and the fund appears to be inactive. CEO informed us that this fund should be closed and is working with the Auditor-Controller's office and the County Counsel to determine the appropriate disposition of the fund.

Recommendation No. 1:

We recommend County Executive Office determine the disposition of the fund balance to Fund 239 and close this inactive fund in compliance with County policy.

County Executive Office Management Response:

Concur.

Fund 239 – County Retirement Holding

The fund balance of \$40,376 in Fund 239 has since been transferred to Fund 17A on May 26, 2017 through JVAUD 17008745. A request for deletion of Fund 239 is in process and will be submitted to Auditor-Controller General Accounting in early June 2017 for review and processing.

Finding 2 – Fund Reconciliation Not Properly Performed or Documented (Control Finding)

Criteria

CAM F-4 – *Fiduciary Funds*, Section 2.6.5 states:

“Departments and agencies are responsible for reconciling, at least monthly, each fiduciary fund balance per the department’s or agency’s subsidiary ledger records or other detailed records to the Auditor-Controller’s General Ledger balance shown for the fiduciary fund. This reconciliation should be performed by a person having no other fiduciary fund responsibilities. The reconciliations must identify the differences between the department’s or agency’s detailed or subsidiary records and the General Ledger balance of the fund, the reasons for those differences, and the planned disposition of any reconciling items.”



Detailed Findings, Recommendations, and Management Responses

Details

- Fund 305-9200-0021 – Association of Orange County Deputy Sheriffs (AOCDS) Sub-Account
This sub-account is used to hold the payroll contributions for health insurance made by the agency and the peace officers through payroll deductions and disburse the contribution amounts to the AOCDS who administers the health plan. CEO Fiscal Services/Employee Benefits reconciles the amounts from the biweekly payroll reports to the general ledger for accuracy and determines the disbursement amounts due to AOCDS.

The payroll report amounts were verified for proper recording in the general ledger; however, the reconciliation did not include validating the accuracy of the month-end general ledger balance and work performed was not documented by the preparer or reviewer.

The payroll contributions for the health insurance premium are disbursed to AOCDS a month in arrears. Therefore, the month-end general ledger balance in a given month should represent the payroll contributions to be disbursed in the subsequent month. We reviewed disbursements processed in February and June 2015 and found that amounts were accurate and supported by the respective January and May 2015 detail records. We compared the May 2015 general ledger month-end balance to the disbursed amount in June 2015 and found a discrepancy of approximately \$450,000 in excess general ledger balance. We also compared the April and June 2015 month-end general ledger balances to the amounts disbursed in subsequent months and found the same difference of approximately \$450,000 for each month. CEO informed us that this difference appears to be attributed to a transfer into the OC Retiree Medical Trust (Fund 17A) that was not processed in 2009.

CEO/Employee Benefits was not properly reconciling two sets of records. The premium collected through payroll was verified to the general ledger report for accurate recording; however, the general ledger month-end balance was not reconciled to the detail records to identify any differences between these records.

- Fund 340 – Commuter Choice Program
This fund temporarily holds pre-tax payroll deductions of employees participating in the rideshare program. The pre-tax payroll deductions are disbursed to a vendor administering the program a month in arrears. While CEO/Fiscal Services reconciles the payroll deductions to the disbursement amount for accuracy, the reconciliation did not document the comparison of subsidiary records' balance to the month-end general ledger, and work performed was not documented by the preparer and reviewer. After accounting for the timing difference between payroll deduction and disbursement, a variance of \$660 was found in excess general ledger balance as of June 30, 2015.
- Fund 320 – CEO Real Property Services
This fund holds rental and lease deposits. While the total deposit amounts between the subsidiary record and the general ledger agree, the fund reconciliation was not properly performed in accordance with CAM F-4. Documentation of identifying whether there were differences between the subsidiary records and the general ledger balance was missing.



Detailed Findings, Recommendations, and Management Responses

- Fund 305-9200-0012 – Low Income Subsidy Fund Sub-Account
This sub-account is for administering the low income subsidy program for eligible retirees enrolled in Medicare Part D. CEO/Employee Benefits periodically receives subsidy checks from health plans and calculates the amount due to retirees and portion, if any, due to the County. The month-end general ledger balance as of June 30, 2015, was \$20,878. CEO Fiscal Services informed us that the monthly fund reconciliation was not performed due to low activity.
- Fund 305-9200-0022, 0023, 0024 – Retiree Medical Sub-Accounts
These sub-accounts hold payroll deductions which are disbursed to Fund 17A on a monthly basis, resulting in a zero balance at month-end. Reconciliations are missing initials and dates of completion by the preparer and reviewer.
- Fund 339-9200-DA41, HA21 – Benefits Administration Fees Sub-Accounts
These sub-accounts hold benefit administration fees processed through payroll which are reclassified to Agency 056-Employee Benefits on a monthly basis. Reconciliations are missing initials and dates of completion by the preparer and reviewer.

Recommendation No. 2:

We recommend County Executive Office properly reconcile the fiduciary funds by comparing subsidiary records to the general ledger month-end balance, identifying and resolving reconciling differences, and establishing accountability for preparation and review of reconciliation in accordance with CAM F-4.

County Executive Office Management Response:

Concur.

Fund 305-9200-0021 – Association of Orange County Deputy Sheriffs (AOCDS) Sub-Account

The difference of \$453,693 in Fund 305-9200-0021 has since been transferred to Fund 17A on May 26, 2017 through JVAUD 17008938. Effectively immediately, future monthly fiduciary fund reconciliation will include the review of subsidiary records along with the General Ledger month-end balance to ensure differences are not reflected and transfer of funds occur in a timely manner. In establishing accountability and effective immediately, initials and dates of completion by the preparer and reviewer will be included in the reconciliation.

Fund 340 – Commuter Choice Program

The difference of \$660 is due to the following reason. For employees participating in the Commuter Choice Program and on a Leave of Absence without pay, the County is still required to pay the vendor (TransVironmentalSolutions, Inc.) for the associated program costs of these employees. To accommodate the non-payroll deductions into Fund 340, the vendor invoices Budget Control 054 – Human Resource Services monthly in recovering their costs. Upon the employees' return to work, resulting in payroll availability, all previous payroll deductions that were unable to occur will be deducted into Fund 340. Therefore, reimbursement to Budget Control 054 is required, in which a Journal Voucher will be processed in June 2017 to transfer the \$660 from Fund 340 to Budget Control 054.



Detailed Findings, Recommendations, and Management Responses

Effectively immediately, future monthly fiduciary fund reconciliation will include the review of subsidiary records along with the General Ledger month-end balance to ensure differences are not reflected and transfer of funds occur in a timely manner. In establishing accountability and effective immediately, initials and dates of completion by the preparer and reviewer will be included in the reconciliation.

Fund 320 – CEO Real Property Services

Effective immediately, future monthly fiduciary fund reconciliation will include the review of subsidiary records along with the General Ledger month-end balance to ensure differences are not reflected and transfer of funds occur in a timely manner. In establishing accountability and effective immediately, initials and dates of completion by the preparer and reviewer will be included in the reconciliation.

Fund 305-9200-0012 – Low Income Subsidiary Fund Sub-Account

Future monthly fiduciary fund reconciliation will be conducted regardless of the frequency of activity.

Fund 305-9200-0022, 0023, 0024 – Retiree Medical Sub-Accounts

In establishing accountability and effective immediately, initials and dates of completion by the preparer and reviewer will be included in the reconciliation.

Fund 339-9200-DA41, HA21 – Benefits Administration Fees Sub-Accounts

In establishing accountability and effective immediately, initials and dates of completion by the preparer and reviewer will be included in the reconciliation.



Detailed Findings, Recommendations, and Management Responses

ATTACHMENT A: Report Item Classifications

For purposes of reporting our audit findings and recommendations, we will classify audit report items into three distinct categories:

▶ **Critical Control Weaknesses:**

These are Audit Findings or a combination of Auditing Findings that represent critical exceptions to the audit objective(s) and/or business goals. Such conditions may involve either actual or potential large dollar errors or be of such a nature as to compromise the Department's or County's reputation for integrity. Management is expected to address Critical Control Weaknesses brought to their attention immediately.

▶ **Significant Control Weaknesses:**

These are Audit Findings or a combination of Audit Findings that represent a significant deficiency in the design or operation of internal controls. Significant Control Weaknesses require prompt corrective actions.

▶ **Control Findings:**

These are Audit Findings concerning internal controls, compliance issues, or efficiency/effectiveness issues that require management's corrective action to implement or enhance processes and internal controls. Control Findings are expected to be addressed within our follow-up process of six months, but no later than twelve months.



Detailed Findings, Recommendations, and Management Responses

ATTACHMENT B: County Executive Office Management Responses



County of Orange

County Executive Office

June 6, 2017

Ms. Toni Smart, CPA, Director
12 Civic Center Plaza, Room 200
Santa Ana, CA 92701

Dear Ms. Smart,

The Auditor-Controller Internal Audit Division has completed the audit of internal controls over fiduciary funds in the County Executive Office (CEO) for the period of July 1, 2014 through June 30, 2015 (Audit No. 1519) and have provided a draft report, which includes two separate Findings and Auditor-Controller's recommendations in resolving the noted items. The CEO's Office has reviewed the Internal Auditor's Report, Detailed Findings and Recommendations and concur with the recommendations provided in the report. As requested, below are responses of corrective actions taken and planned for Finding 1 and Finding 2.

Finding 1 – Fiduciary Fund with No Activity Should Be Closed (Control Finding)

Recommendation No. 1:

We recommend County Executive Office determine the disposition of the trust fund balance to Fund 239 and close this inactive fund in compliance with County policy.

County Executive Office Management Response:

Concur.

Fund 239 – County Retirement Holding

The fund balance of \$40,376 in Fund 239 has since been transferred to Fund 17A on May 26, 2017 through JVAUD 17008745. A request for deletion of Fund 239 is in process and will be submitted to Auditor-Controller General Accounting in early June 2017 for review and processing.

Finding 2 – Fund Reconciliation Not Properly Performed or Documented (Control Finding)

Recommendation No. 2:

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Detailed Findings, Recommendations, and Management Responses

ATTACHMENT B: County Executive Office Management Responses (cont.)

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We recommend County Executive Office properly reconcile the fiduciary funds by comparing subsidiary records to the general ledger month-end balance, identify and resolve reconciling differences, and establish accountability for preparation and review of reconciliation in accordance with CAM F-4.

County Executive Office Management Response:
Concur.

Fund 305-9200-0021 – Association of Orange County Deputy Sheriffs (AOCDS) Sub-Account

The difference of \$453,691 in Fund 305-9200-0021 has since been transferred to Fund 17A on May 26, 2017 through JVAUD 17008938. Effective immediately, future monthly fiduciary fund reconciliation will include the review of subsidiary records along with the General Ledger month-end balance to ensure differences are not reflected and transfer of funds occur in a timely manner. In establishing accountability and effective immediately, initials and dates of completion by the preparer and reviewer will be included in the reconciliation.

Fund 340 – Commuter Choice Program

The difference of \$660 is due to the following reason. For employees participating in the Commuter Choice Program and on a Leave of Absence without pay, the County is still required to pay the vendor (TransVironmental Solutions, Inc.) for the associated program costs of these employees. To accommodate the non-payroll deductions into Fund 340, the vendor invoices Budget Control 054 - Human Resource Services monthly in recovering their costs. Upon the employees' return to work, resulting in payroll availability, all previous payroll deductions that were unable to occur will be deducted into Fund 340. Therefore, reimbursement to Budget Control 054 is required, in which a Journal Voucher will be processed in June 2017 to transfer the \$660 from Fund 340 to Budget Control 054. Effective immediately, future monthly fiduciary fund reconciliation will include the review of subsidiary records along with the General Ledger month-end balance to ensure differences are not reflected and transfer of funds occur in a timely manner. In establishing accountability and effective immediately, initials and dates of completion by the preparer and reviewer will be included in the reconciliation.

Fund 320 – CEO Real Property Services

Effective immediately, future monthly fiduciary fund reconciliation will include the review of subsidiary records along with the General Ledger month-end balance to ensure differences are not reflected and transfer of funds occur in a timely manner. In establishing accountability and effective immediately, initials and dates of completion by the preparer and reviewer will be included in the reconciliation.



Detailed Findings, Recommendations, and Management Responses

ATTACHMENT B: County Executive Office Management Responses (cont.)

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Fund 305-9200-0012 – Low Income Subsidy Fund Sub-Account

Future monthly fiduciary fund reconciliation will be conducted regardless of the frequency of activity.

Fund 305-9200-0022, 0023, 0024 – Retiree Medical Sub-Accounts

In establishing accountability and effective immediately, initials and dates of completion by the preparer and reviewer will be included in the reconciliation.

Fund 339-9200-DA41, HA21 – Benefits Administration Fees Sub-Accounts

In establishing accountability and effective immediately, initials and dates of completion by the preparer and reviewer will be included in the reconciliation.

Please contact Selina Chan-Wychgel of my staff should you have any questions or require further information.

Sincerely,

Frank Kim
County Executive Officer