

COUNTY OF PLACER

OFFICE OF AUDITOR-CONTROLLER

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April 18, 2012

Ms. Nancy Nittler Director of Personnel County of Placer 145 Fulweiler Ave, Suite 200 Auburn, CA 95603

Re: Personnel Cash Handling Review - Follow-Up

Dear Ms. Nittler:

The Internal Audit Division of the Auditor-Controller's Office performed a follow-up of the previous review of controls over cash collections at the Personnel Department (Department) for the period July through December 2010.

The objective of our follow-up was to determine how our recommendation to streamline the keying of retiree information numerous times into various spreadsheets, which could have caused inefficiencies and had a potential for a higher risk of errors, was alleviated. Our recommendation from the following report is as follows:

Manual Data Entry

We had noted Personnel staff manually hand write receipts for payments received, enter the same receipt information into an Excel spreadsheet, manually update each retiree's individual Excel ledger with this information, and key all the individual payment information into an Excel workbook to upload the deposit into the accounting system.

We had recommended the Department research more efficient and effective automated solutions, such as a cash receipts processing software and/or retiree management database, or utilize existing functionality within the ACORN PeopleSoft application to process and manage this program more efficiently.

Department Response:

The Personnel Department is looking at various ways to streamline COBRA, retiree and leave benefit payments that will allow for additional efficiencies within the management of these accounts.

Auditor Follow-Up:

The Personnel Department has eliminated 75% or more of incoming checks by transferring retiree, COBRA and miscellaneous non-active employee accounts to Revenue Services. They transitioned most of their accounts to Placer County Revenue Services for benefit billing. We believe this is a practical and workable solution.

We appreciate the Department staff's courtesy and cooperation throughout the course of this review and follow-up.

Nicole C. Howard, CPA

Internal Audit Manager

cc: Karen Mayer, Senior Administrative Services Officer, Personnel

Katherine Martinis, Auditor-Controller

Placer County Audit Committee