



# SAN DIEGO SHERIFF'S OFFICE OFFICERS' TRANSITION AUDIT

*FINAL REPORT*

Chief of Audits: Juan R. Perez  
Audit Manager: Franco D. Lopez, CPA, CIA, CISA, CISSP  
Auditor I: Mercedes Pereira-Trent, MBA

Intentionally Left Blank



# County of San Diego

**TRACY DRAGER**  
AUDITOR AND CONTROLLER

AUDITOR AND CONTROLLER  
OFFICE OF AUDITS & ADVISORY SERVICES  
5530 OVERLAND AVENUE, SUITE 330, SAN DIEGO, CA 92123-1261  
Phone: (858) 495-5991

**JUAN R. PEREZ**  
CHIEF OF AUDITS

November 18, 2022

TO: Anthony C. Ray, Interim Sheriff  
Office of the Sheriff

FROM: Juan R. Perez  
Chief of Audits

**FINAL REPORT: OFFICE OF THE SHERIFF OFFICERS' TRANSITION AUDIT**

Enclosed is our report on the Office of the Sheriff Officers' Transition Audit. We have reviewed your response to our recommendations and have attached it to the audit report.

The actions taken and/or planned, in general, are responsive to the recommendations in the report. As required under Board of Supervisors Policy B-44, we respectfully request that you provide quarterly status reports on the implementation progress of the recommendations. You or your designee will receive email notifications when these quarterly updates are due, and these notifications will continue until all actions have been implemented.

If you have any questions, please contact me at (858) 495-5661.

JUAN R. PEREZ  
Chief of Audits

AUD:MPT:nb

Enclosure

c: Holly Porter, Deputy Chief Administrative Officer, Public Safety Group  
Tracy Drager, Auditor and Controller  
Rosemarie Degracia, Group Finance Director, Public Safety Group

## INTRODUCTION

---

### Audit Objective

The Office of Audits & Advisory Services (OAAS) has completed an officers' transition audit for the San Diego Sheriff's Office (SDSO). The objective of the audit was to determine if there is reasonable assurance that the outgoing sheriff, William Gore, and incoming sheriff, Anthony C. Ray, took appropriate actions and filed required reports as of February 3, 2022, and April 5, 2022, respectively, in compliance with California Codes, County regulatory requirements, and County policies and procedures. These requirements were explained in the instruction letter provided to each officer.

### Background

The County Charter, Section 801.1(a), requires that OAAS conduct such an audit when County officers leave or assume office to determine if certain affidavits, authorizations, disclosures, and reports are properly completed and processed. These actions provide for an orderly transition of officers, establish proper accountability for public assets, and promote the County's General Management System's (GMS) Evaluation and Accountability component, as well as the County's Sustainability/Resilience and Empower/Transparency and Accountability strategic initiatives.

Sixty-one (61) days elapsed between Sheriff Gore leaving the office and Sherriff Ray assuming the office. During that time, accountability over public funds and assets changed as outlined in Table 1:

**Table 1: Change of SDSO Assets from Sheriff Gore to Sheriff Ray**

Asset	February 3, 2022	April 5, 2022	Net Change
Capitalized Assets	188,839,976	189,525,516	685,540
Minor Equipment	55,652,895	55,652,895	-
Trust Funds	47,822,506	48,831,696	1,009,190
Accounts Receivable	29,361,087	31,454,244	2,093,157
Materials & Supplies	7,863,194	8,867,801	1,004,607
Revolving Funds	927,170	732,087	(195,083)
<b>Total</b>	<b>330,466,828</b>	<b>335,064,239</b>	<b>4,597,411</b>

### Audit Scope & Limitations

The reports are the responsibility of the officer who signs them. OAAS' responsibility is to provide an opinion on the reports based upon the audit.

This audit was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing prescribed by the Institute of Internal Auditors as required by California Government Code, Section 1236.

**Methodology**

OAAS reviewed the reports filed by the outgoing and incoming officers for accuracy and completeness, obtained supporting documentation, and performed limited internal control testing. Additionally, we reviewed the SDO Continuity of Operations Plan (COOP) to ascertain if it has been recently updated and tested. A judgmental sample was selected for testing as outlined in Table 2:

**Table 2: Accounts and Locations Sampled for Testing**

Description	Sample Selected
Accounts Receivable	Account 10100-11031 Federal, State and Local Agencies Account 10100-11086 Range (Otay) & Regional Communications System (RCS)
Trust Funds	Fund 61346 Sheriff RCS Fund Fund 61419 RCS Replacement Fund 61421 Sheriff Donation Fund
Revolving Funds	Petty Cash: Prisoner Transport Petty Cash: Financial Services Unit Petty Cash: Homicide Unit Petty Cash: Special Enforcement Unit (SED)
	Change Fund: Court Services Bureau (CSB)-Civil San Diego Change Fund: License Unit
	Checking Account: Medical Services Checking Account: Special Fund
Materials and Supplies	Aerial Support to Regional Enforcement Agencies (ASTREA) Crime Laboratory
Minor Equipment	Las Colinas Detention and Reentry Facility (LCDRF) Weapons Training Unit, Miramar Corps Air Station MCAS Range 800 MHZ Black Mountain
Capitalized Property	Las Colinas Detention and Reentry Facility (LCDRF) Weapons Training Unit, Miramar Corps Air Station MCAS Range 800 MHZ Black Mountain

**AUDIT RESULTS**

---

**Summary**

In our opinion, there is reasonable assurance that the outgoing and incoming officers took appropriate actions and filed required reports in compliance with California Codes, County regulatory requirements, and County policies and procedures in connection with an officer's transition. However, we noted the following items:

**Finding I:**

**Controls Over Minor Equipment and Capitalized Assets Need improvement**

OAAS noted the following with respect to minor equipment and capital assets:

**Minor Equipment:**

OAAS identified exceptions in 9 out of 40 sampled minor equipment assets from the Minor Equipment Inventory Listing (MEIL), as outlined in Table 3:

**Table 3: Testing Summary of Minor Equipment Exceptions**

Type of Exceptions	Number of Exceptions
Unsighted Minor Equipment (ME) Asset <sup>1</sup>	2
Incorrect ME Decal Affixed	1
Incorrect ME Asset Description in the MEIL	2
ME Asset listed as sighted in MEIL, but previously disposed	1
ME Asset sighted, but not listed on the MEIL	3
<b>Total Minor Equipment Exceptions</b>	<b>9</b>

1. Listed as sighted in the MEIL but could not be located during testing.

OAAS also noted the following with respect to the accuracy and completeness of the MEIL:

- **No Location or Decal Listed** – As outlined in the MEIL, 21,722 out of 34,830 assets from the Sheriff’s Administration (A4980) did not have a Building Location listed. Additionally, 3,851 minor equipment items did not have a Minor Equipment Decal listed in the MEIL.
- **Handmade Tools Not inventoried** – We sighted approximately 96 handmade tools at the ASTREA facility that were not included in the MEIL.
- **Unlisted Weapons Waiting for Disposal** – We sighted 1,050 weapons pending destruction that were not outlined in the MEIL. Minor equipment should only be removed from the MEIL after it is disposed or destroyed. These weapons are maintained inside one of the Weapons Training Center (WTC) buildings and secured by a metal gate inside the building. Only full time sworn Weapons Training Unit staff have access to that building. However, they do not keep an access log recording the access to that location.

**Capitalized Assets:**

OAAS identified exceptions in 6 out of the 36 sampled capitalized assets, as outlined in Table 4:

**Table 4: Testing Summary of Capitalized Asset Exceptions**

Type of Exceptions	Number of Exceptions
Unsighted Capitalized Assets	4
Capitalized Assets missing Decals	2
<b>Total Capitalized Asset Exceptions</b>	<b>6</b>

OAAS also noted the following, with respect to the accuracy and completeness of the Oracle Fixed Asset Management Listing (OFAM):

- As outlined in the OFAM, 357 out of 2,933 capitalized assets had “Default” or “Do not use” in the location field. Additionally, 181 Crime Lab assets had the location address as 5255 Mount Etna Drive, even though those assets were moved to 5590 Overland Avenue in June 2018.

The exceptions noted should have been resolved during the recent inventory of minor equipment and capitalized assets. Missing, illegible, or incorrect tags affixed to assets may result in inaccurate or incomplete inventories due to the inability to confirm assets are properly tracked. Inaccurate or incomplete asset inventories are not conducive to performing an accurate physical inventory. Further, it increases the risk of assets being lost or stolen without detection.

County Administrative Manual 0050-02-01 outlines that department directors are responsible for all County property in their charge. These responsibilities include identification and control of these assets, filing of inventories, and submission of reports as specified by the Board of Supervisors.

**Recommendation:** To strengthen inventory controls over minor equipment and capitalized assets SDSO should:

1. Ensure that employees with asset management responsibilities are trained and understand their duties as required by County policy.
2. Ensure that the exceptions outlined in Table 3 and Table 4 are resolved.
3. Update the location field for the following items in the OFAM:
  - a) The 357 capitalized assets that had “Default” or “Do not use” outlined in their location field.
  - b) The 181 Crime Lab assets that incorrectly outlined the 5255 Mount Etna Drive address location.
4. Update the following items in the MEIL:
  - a) Building location for the 21,722 minor equipment assets from the Sheriff's Administration.
  - b) Add the Minor Equipment Decal to the 3,851 minor equipment assets missing the decal number.
  - c) Add the ASTREA handmade tools to the MEIL.

- d) Include weapons pending destruction in the minor equipment inventory until they are disposed or destroyed.

**Finding II:****Internal Controls Over Revolving Funds Need Improvement**

OAAS identified the following exceptions after reviewing 8 sampled revolving funds:

- The CSB Civil Division does not change the combination of their safe box regularly and does not have a Safe Activity Log.
- The Licensing Division did not have a Safe Activity Log to record safe activity. Additionally, the cashier drawer is shared by all the employees working at the front counter.
- Out of all sampled areas outlined in Table 2 under the Revolving Funds section, only the cash handling staff at the Financial Services Unit and Prisoner Transport had received cash handling training.

SDSO stated that the deficiencies noted were the result of staff not receiving proper cash handling training. Improper internal controls over revolving funds management increase the risk of mishandling or misappropriation of funds.

County Administrative Manual Item No. 30-21 incorporates by reference the Treasurer-Tax Collector's Cash Handling Policies and Procedures (CHPP), which states supervisors and managers have the overall responsibility and accountability for ensuring:

- That all employees that receive and handle cash complete a course of instruction or training on the secure processing of moneys. The training should be completed within six months of employment and refresher instruction in cash handling attended at periodic intervals or when the need arises.
- Safe combinations are changed periodically and always when permanent custody changes (i.e., employee turnover). Additionally, access to the safe must be monitored through a written access log.
- All cash trays and change balances are assigned and charged to each employee with a specific change balance. The assigned employee is responsible for their cash tray and its contents at all times and should not share their cash tray with other employees.

**Recommendation:** To improve internal controls over revolving funds, SDSO management should:

1. Ensure that all employees that receive and handle cash complete a course of instruction on the secure processing of moneys as required by County policy.



2. After receiving the requisite training, the SDSO should assess their current practices and identify areas in need of improvement. This includes, but is not limited to, the revolving fund management issues identified at the CSB Civil Division & License Division.

Office of Audits & Advisory Services

---

C Compliance    R Reliability    E Effectiveness    A Accountability    T Transparency    E Efficiency

VALUE

**DEPARTMENT'S RESPONSE**  
**(OFFICE OF THE SHERIFF)**



# San Diego County Sheriff's Department

Post Office Box 939062 • San Diego, California 92193-9062



*Anthony C. Ray, Sheriff*

Kelly A. Martinez  
Undersheriff

November 10, 2022

RECEIVED

NOV 14 2022

OFFICE OF AUDITS &  
ADVISORY SERVICES

TO: Juan R. Perez  
Chief of Audits

O-305

FROM: Anthony C. Ray, Sheriff  
San Diego Sheriff's Dept.

O-41

## DEPARTMENT RESPONSE TO AUDIT RECOMMENDATIONS: OFFICERS' TRANSITION AUDIT

### Finding I: Controls Over Minor Equipment and Capitalized Assets Need Improvement

**OAAS Recommendation 1:** To strengthen inventory controls over minor equipment and capitalized assets SDSO should ensure that employees with asset management responsibilities are trained and understand their duties as required by County policy.

**Action Plan:** The Sheriff's Department agrees with the audit recommendation. Financial Services Division has regularly conducted yearly training on asset management and inventory for all Property Managers.

**Planned Completion Date:** September 30, 2023

**Contact Information for Implementation:** Ava Salunga, Finance Officer (858) 974-2235

**OAAS Recommendation 2:** To strengthen inventory controls over minor equipment and capitalized assets SDSO should ensure that the exceptions outlined in Table 3 and Table 4 are resolved.

**Action Plan:** The Sheriff's Department partially agrees with the audit recommendation. Financial Services Division will continue addressing the exceptions noted for minor equipment on Table 3 and capital assets on Table 4.

The Sheriff's Department respectfully disagrees with the following under Table 3:

- Unsighted Minor Equipment Asset - A Fujitsu FI-7160 Color Duplex Professional Scanner 60Pp was listed as sighted on the MEIL but could not be located during fieldwork testing. Jail Population Management Unit confirmed the equipment was sighted.
- Incorrect ME Decal Affixed - A Remington 870, asset tag 204859 had the wrong Minor Equipment asset tag 204705 listed on the MEIL. Financial Services Division confirmed the asset tag 204859 is correct as listed on the MEIL.
- Incorrect Item Description - Minor Equipment with asset tags 227071 and 227082 were weapons, but testing confirmed that those items were laptop computers. Weapons Training Unit confirmed the two minor equipment are weapons, therefore the description is correct.

Officers' Transition Audit  
Page 2  
November 10, 2022

- ME Asset sighted, but not listed on the MEIL – A Glock, asset tag 870292 was sighted but not listed on the MEIL. Weapons Training Unit confirmed the Glock identified as unlisted, waiting for disposal is included in the MEIL and has not been removed from MEIL pending disposal or destruction.

**Planned Completion Date:** December 30, 2022

**Contact Information for Implementation:** Ava Salunga, Finance Officer (858) 974- 2235

**OAAS Recommendation 3a:** To strengthen inventory controls over minor equipment and capitalized assets SDSO should ensure to update the location field of the 357 capitalized assets that had "Default" or " Do not use" outlined in their location field.

**Action Plan:** The Sheriff's Department agrees with the audit recommendation. Financial Services Division will request Property Managers to file Form 253, Capital Asset Request Form, to update the location codes of assets that had " Default or Do not Use" on the location field.

**Planned Completion Date:** January 30, 2023

**Contact Information for Implementation:** Ava Salunga, Finance Officer (858) 974- 2235

**OAAS Recommendation 3b:** To strengthen inventory controls over minor equipment and capitalized assets SDSO should ensure to update the 181 Crime Lab assets that incorrectly outlined the 5255 Mount Etna Drive address location.

**Action Plan:** The Sheriff's Department agrees with the audit recommendation. Financial Services Division requested Property Managers of the org units to file a Form 253 which will update the location of assets. Financial Services Division determined the 181 listed as Crime Lab assets belong to various org units. Form 253s for 175 capital assets owned by Crime Lab and CAL ID/LES org units have been sent to Auditor & Controller Projects Revenue and Grants Accounting Division for updating into the Oracle Fixed Asset Management Listing.

**Planned Completion Date:** December 30, 2022

**Contact Information for Implementation:** Ava Salunga, Finance Officer (858) 974- 2235

**OAAS Recommendation 4a:** To strengthen inventory controls over minor equipment and capitalized assets SDSO should ensure to update Building location for the 21,722 minor equipment assets from the Sheriff's Administration.

**Action Plan:** The Sheriff's Department agrees with the audit recommendation. Financial Services Division sent org units a listing of their minor equipment that needs to be updated to their correct

## Officers' Transition Audit

Page 3

November 10, 2022

building location codes. There were 7,546 out of 21,722 minor equipment location codes that have been updated.

**Planned Completion Date:** January 30, 2023

**Contact Information for Implementation:** Ava Salunga, Finance Officer (858) 974-2235

**OAAS Recommendation 4b:** To strengthen inventory controls over minor equipment and capitalized assets SDSO should add the Minor Equipment Decal to the 3,851 minor equipment assets missing the decal number.

**Action Plan:** The Sheriff's Department agrees with the audit recommendation. Financial Services Division will work on re-tagging or issuing minor equipment tags for the 3,851 minor equipment assets missing the decal number.

**Planned Completion Date:** January 30, 2023

**Contact Information for Implementation:** Ava Salunga, Finance Officer (858) 974-2235

**OAAS Recommendation 4c:** To strengthen inventory controls over minor equipment and capitalized assets SDSO should ensure to add the ASTREA handmade tools to the MEIL.

**Action Plan:** The Sheriff's Department partially agrees with the audit recommendation. Financial Services Division received a list of the handmade tools from ASTREA. Although the audit found 96 items considered to be handmade, there were only 73 items included in ASTREA's list. This does not match the 96 items due to some items that contain multiple pieces to make one tool. County Administrative Manual 0050-02-01, Control of Capital Asset and Minor Equipment, states that minor equipment has a unit cost between \$500 and \$4,999. There are only 36 items that meet the minor equipment threshold. ASTREA will provide FSD-3 Forms to Financial Services Division to request asset tags for items that meet the threshold of a minor equipment.

**Planned Completion Date:** December 30, 2022

**Contact Information for Implementation:** Ava Salunga, Finance Officer (858) 974-2235

**OAAS Recommendation 4d:** To strengthen inventory controls over minor equipment and capitalized assets SDSO should ensure to include weapons pending destruction in the minor equipment inventory until they are disposed or destroyed.

**Action Plan:** The Sheriff's Department respectfully disagrees with the audit recommendation. Weapons Training Unit confirmed that all sighted weapons identified as unlisted, waiting for

## Officers' Transition Audit

Page 4

November 10, 2022

disposal are included in the MEIL and have not been removed from MEIL pending disposal or destruction.

**Planned Completion Date:** Completed

**Contact Information for Implementation:** Ava Salunga, Finance Officer (858) 974-2235

**Finding II:** Internal Controls Over Revolving Funds Need Improvement

**OAAS Recommendation 1:** To improve internal controls over revolving funds, SDSO management should ensure that all employees that receive and handle cash completes a course of instruction on the secure processing of moneys as required by the County policy.

**Action Plan:** The Sheriff's Department agrees with the audit recommendation. Financial Services Division contacted the Treasurer-Tax Collector's Office to inquire about the next cash handling training. The Association of Public Treasurers is developing a virtual training session, however, the date has not been scheduled.

**Planned Completion Date:** Pending next scheduled cash handling training

**Contact Information for Implementation:** Ava Salunga, Finance Officer (858) 974-2235

**OAAS Recommendation 2:** To improve internal controls over revolving funds, SDSO management should ensure that after receiving the requisite training, the SDSO should assess their current practices and identify areas in need of improvement. This includes, but not limited to, the revolving fund management issues identified at the CSB Civil Division & License Division.

**Action Plan:** The Sheriff's Department agrees with the audit recommendation. CSB Civil Division will purchase a new safe box which will allow them to update the safe combination as needed. They will also start a safe activity log as recommended.

Licensing Division has started a safe activity log. Currently, the cash drawer is shared by two petty cash custodians assigned to the register. They assist and cover each other during breaks. A supervisor balances the cash drawer each time they have a change in custody at the counter/register. The drawer is balanced at lunch and closing time. The current procedure has worked for the Licensing Division for years and they will continue this practice.

**Planned Completion Date:** February 28, 2023

**Contact Information for Implementation:** Ava Salunga, Finance Officer (858) 974-2235

**Officers' Transition Audit**  
**Page 5**  
**November 10, 2022**

**If you have any questions, please contact Eunice Ramos, Sheriff's Chief Finance Officer at (858) 974-2377.**



**Anthony C. Ray, Sheriff**

**ER:as**

**Office of Audits & Advisory Services  
San Diego Sheriff's Officers' Transition Audit (A22-013)  
Rebuttal to the Department's Response**

Regarding the disagreements noted in the Department's Response regarding [Finding I - Recommendations 2 & 4](#), OAAS stands by its findings and recommendations and looks forward to following up on all areas noted in the report in the next SDSO Transition happening January 2023.