

Sonoma County

Auditor-Controller-Treasurer-Tax Collector

Internal Audit Report

**Internal Audit:
Sonoma County Sheriff's Office Coroner Bureau**

For the Fiscal Year Ended
June 30, 2019

Engagement No: 3475
Report Date: March 2, 2020



Erick Roeser

Auditor-Controller-Treasurer-Tax Collector

ERICK ROESER
AUDITOR-CONTROLLER
TREASURER-TAX COLLECTOR

585 FISCAL DRIVE, SUITE 100
SANTA ROSA, CA 95403
PHONE (707) 565-2631
FAX (707) 565-3489



JONATHAN KADLEC
ASSISTANT AUDITOR-CONTROLLER
TREASURER-TAX COLLECTOR

AMANDA RUCH, CPA
ASSISTANT AUDITOR-CONTROLLER
TREASURER-TAX COLLECTOR

BROOKE KOOP, CPA
ASSISTANT AUDITOR-CONTROLLER
TREASURER-TAX COLLECTOR

Assigned Audit Team Staff

Kanchan K. Charan	Audit Manager
Damian Gonshorowski, CPA	Audit Supervisor
Melissa Osso, CIA	Auditor-In-Charge

Auditor-Controller-Treasurer-Tax Collector Web Site
<http://sonomacounty.ca.gov/Auditor-Controller-Treasurer-Tax-Collector/>

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Coroner Bureau
Engagement No. 3475
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Executive Summary

As a part of the 2019-2020 Audit Plan, the Internal Audit Division of the Sonoma County Auditor-Controller-Treasurer-Tax Collector's Office (Internal Audit) audited the internal controls over certain processes of the Sonoma County Sheriff's Office Coroner Bureau.

Based on the work we performed, we found the system of internal controls over the Sonoma County Sheriff's Office Coroner Bureau is properly designed with the following exception:

Current audit finding:

Unclaimed Decedent Personal Property: The Coroner Bureau did not have adequate procedures in place to dispose unclaimed decedent personal properties in accordance with the law. The custody of \$5,943.94 in unclaimed Decedent funds, representing cash found on the person of the decedent or proceeds from sale of unclaimed decedent personal property, was not transferred to the County Treasurer as required by the Government code section 27468. The funds currently are on deposit with the Treasury, however they are in a trust account under the Sheriff's control. No process was in place to escheat unclaimed funds to the state as required by law. We recommend that these funds be transferred from the Sheriff's Trust to a fund under the control of the County Treasurer, who shall then be responsible for escheating the funds in accordance with the law.

Status of prior audit findings:

1. Billings for Services: In our prior report dated October 27, 2010, we noted some instances of non-compliance and weaknesses in the design of internal controls over billings for forensic pathology and dental services.

Internal control weaknesses, noted in the prior report, related to billings for forensic pathology and dental services have been resolved, we did not identify any new instances of non-compliance over billings for these services. The timeframe outlined in the Services Agreement for the new Pathology vendor to submit final autopsy reports was extended to 60 calendar days, and we found no instances of noncompliance in our testing.

2. Cash Receipts: In our prior report dated October 27, 2010, we noted a weakness in the design of internal controls over the cash deposit process. The Coroner Bureau did not perform a reconciliation or have a process in place to ensure the amount of cash received matched the amount deposited and recorded in the County's financial system.

The changes that the Sheriff's Office made adequately addresses the risk posed by the weaknesses in controls discussed above. The Sheriff's Accounting staff now ensures that the total cash being deposited is supported by receipts written by the Coroner Bureau. As part of this process, the Accounting Unit ensures that unused or voided receipts are properly accounted for. Additionally, the collections now comprises largely of checks rather than cash, reducing the risk of loss.

Introduction and Background

Introduction

We audited the internal controls over certain processes of the Sonoma County Sheriff's Office Coroner Bureau. We conducted the audit in accordance with the *International Standards for the Professional Practice of Internal Auditing (Standards)*. These standards require that we identify, analyze, evaluate, and document sufficient information and evidence to achieve our audit objectives. We believe that the evidence obtained provides a reasonable basis for the results, observations, and recommendations contained in our report.

The primary purpose of our engagement is to furnish management independent and objective analyses, recommendations, and other information concerning the activities reviewed. The audit report is a tool to help management identify and implement improvements.

Background

The Coroner Bureau falls under the management of the Sheriff's Special Services Lieutenant and provides law enforcement and scientific investigations of all deaths occurring within the County of Sonoma that meet the criteria as defined in section 27491 of the California Government Code. The Coroner Bureau consists of one Detective Sergeant, four Deputy Detectives, two full-time Forensic Assistants (FAs), one Forensic Intern, one part-time extra help FA, and members of the Sheriff's Volunteers in Policing Unit who provide assistance to the Bureau as needed.

The Detective Sergeant oversees the day-to-day supervision of the Bureau and responds in a supervisory capacity to homicide and other high profile death scenes or any scene that is considered unusual or suspicious. The Sergeant reviews and approves death investigations generated by the staff within the Bureau and is responsible for signing final death certificates generated from Coroner investigations.

The Detectives assigned to the Bureau receive and investigate new reports of deaths. They screen the new reports to determine if the death falls within the criteria of section 27491 of the California Government Code for deaths reportable to the Coroner. The Detectives respond to most scenes of death in which the manner of death is being investigated as either homicide, suicide, accident, or of natural causes. It is the duty of the Coroner pursuant to section 27491 of the California Government Code to investigate these types of deaths.

The FAs assist the contracted Forensic Pathologist with the performance of autopsies, maintain the autopsy room and facility and perform clerical and administrative support functions as required in the Coroner Bureau. This includes performing routine follow up, locating and retrieving medical records and medical samples, as well as maintaining records of human remains in the temporary custody of the County Morgue and assisting members of the public and other agencies. FAs also collect and deposit cash receipts and prepare vendor invoices for the Sergeant to review. Additionally, the person assigned to this position receives new reports of deaths from hospitals and mortuaries in Sonoma County and screens these deaths for acceptance for further investigation by the Coroner Bureau.

Introduction and Background

Pathology services are furnished by independent contractors who are licensed Forensic Pathologists. Sonoma County averages approximately 400 post mortem examinations annually. In addition to contracting for pathology services the County contracts with several other vendors to provide needed services to serve the Coroner Bureau. Some of these vendors provide services for laboratory services for toxicology, micro-biology, and body removals.

The Coroner Bureau is also responsible for ensuring the safe storage of personal property and money for all cases under the jurisdiction of the Coroner Bureau. In many cases this involves the collection and recording of personal property and money found on the decedent and storage of these items until they can be returned to the appropriate next-of-kin. Some items such as firearms and other evidence may be collected by the law enforcement agency having jurisdiction over the investigation.

The Coroner Bureau also maintains case files for all investigations which are saved electronically when complete and only accessible to the public through the Sheriff's Records Bureau.

Objectives, Scope and Methodology

Objectives

The objective of this engagement was to audit the internal controls, through observation and inquiry, over billing of contracted services, cash receipts, decedent's personal property and valuables, and records storage and maintenance and to identify opportunities for improvements.

Scope

The scope of our work covered transactions occurring between July 1, 2018 and June 30, 2019, and our fieldwork was performed on August 26th, 27th and 29th of 2019. Our audit was limited to reviewing samples of documentation necessary for us to accomplish the audit objectives. During the course of our audit other matters came to our attention which we documented in the results section below.

Methodology

We performed walkthroughs and reviews of key internal controls related to billings and payments for services, cash receipts, safeguarding of a descent's personal property and valuables, and records storage.

The walkthroughs included reviewing relevant documentation, inquiry and observation of Sheriff's staff involved in the processes under audit.

Results

Billings for Services: The Coroner Bureau has adequate controls in place to ensure that autopsy related outside services are ordered, received and paid for in accordance with the terms and conditions of the respective contracts or service agreements for services rendered.

The contracted Pathologist and the investigative officer jointly determine the scope of the autopsy, for which, the Pathologist and the FA complete an order form for services needed (laboratory services etc.) from other contractors. The Pathologist acknowledges the receipt of services as ordered on the order form. The laboratory results and the invoices are matched by the FA before processing payment.

In addition to gaining an understanding of the Coroner Bureau's procedures over contracted services as documented above, we re-performed Sheriff's Office processes for 12 invoices from 5 different vendors by tracing the amount of the expense recorded in Enterprise Financial System (EFS) to the requisition forms submitted for payment. We compared the total charge amount computed on the requisition form with the vendor invoice amount and then compared the invoice description of services performed with the Coroner case files to ensure that the services being charged were actually requested and performed. We compared the charged amounts with the Services Agreement to evaluate whether excessive fees were submitted by vendors. We identified no exceptions.

Cash Receipts: The Coroner Bureau has adequate controls in place to ensure that all collections are deposited with the County Treasury.

Payments are received primarily in the form of checks from mortuaries picking up decedent bodies as authorized by next of kin. The Coroner Bureau issues official County receipts for each payment received. The collections are balanced with the dollar value of receipts issued and sent to Sheriff's Accounting for recording and deposit to the County Treasury. As a part of processing the deposits, Sheriff's Accounting balances the deposit amount with the receipts written and accounts for all missing or voided receipts if any.

As part of our walkthrough we compared 5 batch deposits recorded in EFS with 4 deposit amounts collected at the Coroner Bureau and 1 collected at the Purchasing Unit. The Purchasing Unit collects fees received from other agencies, who use Coroner facilities to harvest donor tissue. Additionally, we traced amounts from 3 Coroner Bureau deposit re-cap slips to deposits recorded in EFS. We also verified the sequential numbering of the receipts issued on site to determine whether there were any receipts unaccounted for. We identified no exceptions.

Decedent's Personal Property: The Coroner Bureau has adequate controls in place to ensure that all properties found on the person of the deceased are properly accounted for and disposed in accordance with the law with the following exceptions.

Results

Because there is no requirement that two individuals be present at all times when handling the body, there is a risk that items could be stolen and not be detected. This risk is lowered to some degree through law enforcement background investigations of individuals allowed to handle the body and liability insurance.

There are no procedures in place to escheat funds as prescribed by law. Unclaimed funds are not under the control of the County Treasurer as prescribed by the law and no funds have been escheated for at least 38 years.

The Coroner has the legal responsibility for the safe keeping of cash and other property found on the person of the deceased. Under current procedures, North Bay Mortuary Services are generally the first to arrive at the scene and are responsible for transporting the body to the Coroner. The retrieval and inventory of items from the body would take place at the scene if there is a detective present. If not, the FA will retrieve and inventory the items at the Coroner Bureau. The property is locked in lockers, accessible only by the Coroner's staff. The mortuary representative picking up the body will generally take custody of the property and become responsible for properly disposing of the property. Properties remaining unclaimed for 90 days are considered abandoned and transferred to the Sheriff's Office for proper disposition. After selling any valuables in accordance with the law, the Sheriff's Office then deposits the funds with the County Treasurer in a trust fund under the control of the Sheriff. As of September 19, 2019, the Coroner Bureau unclaimed personal property on deposit with County Treasury was \$5,943.94. These funds are required to be escheated to the State as they meet certain criteria.

As discussed above, since individuals have access to the body at various points from the time it is picked up till it arrives at the Coroner Bureau, there is a risk that decedent's property could be stolen and not be discovered. The risk however does not appear unreasonable as 1) decedent properties are generally not of significant monetary value and 2) the employees and the contractors involved have cleared extensive background checks and/or are required to maintain liability insurance.

Unclaimed decedent funds are kept on deposit with the County Treasurer in a trust fund controlled by the Sheriff and not under the control of the County Treasurer as required by law. Also, it appears funds are not being escheated to the State as required by the Government Code section 27466.

Records storage: The Coroner Bureau has adequate record retention and maintenance policies to meet its reporting responsibilities.

We found working case files are maintained both in Cohero (the electronic case management system) and in hard copy form at the Coroner Bureau. The Detectives create a case file through Cohero and the FA maintains the hard copy case file for the decedent with autopsy information including any toxicology, and autopsy and body pick-up receipts. When the case is complete and the cause of death has been identified, the Detective finalizes the report in Cohero and amends the Death Certificate with the cause of death.

Results

Any hardcopy paperwork is scanned into Cohero and the Detective submits the finalized case to the Coroner Sergeant for review and approval. Upon the Sergeant's approval the case is transmitted to the Records Division electronically. Case files are only accessible to the public through the Sheriff's Records Bureau. The design of controls for the Coroner records retention and maintenance processes appear adequate.

Our review did not cover information technology controls designed to protect electronically stored information for loss or unauthorized changes.

Current Audit Finding and Recommendation and Other Matters

Current Audit Finding #1: Decedent's Unclaimed Personal Property: Risk Classification C: Control Finding

The requirements of the California Government code section 27466 relating to escheatment of unclaimed decedent properties are not being met. Unclaimed decedent funds in the amount \$5,943.94 is on deposit with the County Treasurer, however under the control of the Sheriff, and it appears that funds are not being escheated as required by the law. During this audit the Sheriff's Office attempted to transfer these funds to the Treasurer, however the Treasurer lacked clear guidance regarding the disposition of these funds and did not accept them.

Recommendation #1:

We recommend that the Sheriff's Office continue to work with the County Treasurer including providing documentation necessary for the Treasurer to accept and ultimately escheat unclaimed decedent funds in accordance with the law. As part of this effort the Sheriff's Office should provide the Treasurer with an executed affidavit with the language in Government Code 27466 listing the amount of money belonging to the estate of any deceased person that has come into the Sheriff's possession since the Sheriff's last statement, and the disposition made of any property found on deceased persons.

Management Response:

The Sheriff's Office agrees with this recommendation and has been working to determine a process to transfer the funds to the County Treasurer so that they may be escheated as required by law. The current list of unclaimed monies totals \$5,943.94. The oldest entry on deposit is for \$50.00 and dates back to 1981. The majority of these funds have been on deposit for less than 5 years.

When the Sheriff's Office assumed responsibilities for the Coroner's Office there was no process to escheat Coroner unclaimed monies. While the Sheriff's Office documented all unclaimed monies received, to date there has been no mechanism established to escheat these funds. In 2014, when the County moved to a new financial system, Sheriff's staff established a subsidiary account to maintain better accounting practices for these funds. Sheriff's staff are working with the County Treasury to establish a process for transferring these funds and we are eager to implement this recommendation. The procedures will be changed immediately once the County Treasurer is prepared to accept these funds.

Other Matters:

The Sheriff's Office obtains proof of insurance from its contractors, however when original insurance policies expired, the Sheriff's Office did not obtain updated proof of insurance coverage required by the terms of the respective contracts. To protect the County from liability, the Coroner should ensure that all insurances required by contracts are in force uninterrupted during the contract periods and the terms are

Current Audit Finding and Recommendation and Other Matters

as required. The Coroner maintains a Best Practices manual that contains the Sonoma County Coroner Policies and Procedures for a number of their key processes. A reference of policies and procedures for new and current staff helps to define tasks and detail responsibilities. Although a majority of the procedures in practice are in accordance with the manual, we found some areas where the procedures followed were different from those required by the manual. The Coroner should review the manual periodically to ensure it is current.

Management Response:

The Sheriff's Office agrees with this recommendation. Sheriff's fiscal staff obtain proof of insurance when negotiating a contract as part of their standard process, and the insurance certificates are included in the contract files when received. The contract requires that the vendor maintain insurance throughout the duration of the agreement. The Sheriff's Office is reviewing its procedures and capacity to obtain updated proof of insurance, and will implement the best practice possible in consideration of the constraints of limited administrative staff within the Sheriff's Office. The Coroner Bureau will make every effort to review the manual periodically to ensure it is current.

Prior Audit Findings and Recommendations

Prior Audit Finding #1: Billings for Services: Risk Classification C: Control Finding

During fieldwork performed on October 20, 2010 it was identified that Forensic Medical Group, the pathology service contracted with the Coroner Bureau, was not submitting their examination reports within the timeframe outlined in the Services Agreement. Per discussion with Coroner Bureau staff, it is understood that Forensic Medical Group can take 2 – 3 months to complete and submit the final report. Within the Scope of Services section, paragraph g. Examination Report, it states that the complete typewritten final report will be provided within 15 working days after the autopsy or external examination. This was not occurring.

We also identified that Forensic Medical Group was submitting invoices and receiving payment for examination services before the examination reports are provided to the Coroner Bureau. We identified cases where the examination services were performed and paid for at the end of July and August for which the final report had not yet been received in November.

We also discovered while reviewing invoices submitted by James Woods D.D.S. during fieldwork that the invoices submitted for payment were not itemized to detail the amount of time taken to perform the post mortem forensic service. Within the Services Agreement under paragraph 2. Payment subsection 2.3, it states Payment for Contractor's services shall be made within 30 days of presentation of an invoice by Contractor setting forth in detail the services performed and number of hours incurred for each service. This was not occurring.

Recommendation:

We recommend that all active Service Agreements with outside vendors be reviewed to ensure that the scope and timing of the services being performed are adhered to. If the scope and timing of the services as written are not realistic, it may be necessary to amend the Service Agreements to become compliant with the terms and conditions set forth.

Status: Implemented

Prior Audit Finding #2: Cash Receipts: Risk Classification C: Control Finding

During fieldwork performed October 15, 2010 it was discovered that when a FA brings the checks and cash received at the Coroner Bureau over to Sheriff's Purchasing for deposit preparation, the cash, checks, deposit recap, and all Official Sonoma County Receipt copies are left with the same individual.

We also identified that there is no log maintained for cash receipts issued by the Coroner Bureau and therefore there is no recorded audit trail which is especially helpful when researching voided receipts.

Prior Audit Findings and Recommendations

Recommendation:

Based on the fact that all deposit support brought from the Coroner Bureau was dropped off with one individual in the Purchasing Unit, we recommend that the Coroner Bureau perform a reconciliation between the deposit recap copy maintained at their office with the cash receipts journal and deposit authorization form prepared by the Sheriff's Accounting Division. The cash receipts journal identifies the amount booked to each Section and Account and includes the issued receipt numbers for each transaction as well as the total daily deposit amount which would tie back to the deposit authorization form.

Status: Not implemented – Finding Closed

In this audit we found that there is still no reconciliation between the deposit recap copy maintained by the Coroner with the cash receipts journal and deposit authorization form prepared by the Sheriff's Accounting Unit. However, we do note that Sheriff's Accounting is reviewing all deposits and verifying the sequential numbering of all receipts during the deposit process to assure that all cash receipts are accounted for, and therefore we are closing this finding.

Staff Acknowledgement

We would like to thank the management and staff of the Sheriff's Office and Coroner Bureau for their time, information, and cooperation throughout the review.

Appendix A-Report Item Risk Classification

For purposes of reporting our audit findings and recommendations, we classify audit report items into three distinct categories to identify the perceived risk exposure:

- **Risk Classification A: Critical Control Weakness:**
Serious audit findings or a combination of Significant Control Weaknesses that represent critical exceptions to the audit objective(s), policies, and/or business goals of a department/agency or the County as a whole. Management is expected to address Critical Control Weaknesses brought to their attention immediately.
- **Risk Classification B: Significant Control Weakness:**
Audit findings or a combination of Control Findings that represent a significant deficiency in the design or operation of internal controls. Significant Control Weaknesses generally will require prompt corrective actions.
- **Risk Classification C: Control Findings:**
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.

The current status of implementation of recommendations will be followed up no later than the end of the second fiscal year after the report has been issued. Critical control weakness findings will be followed up between six months and one year of the date of the report.



Sonoma County Sheriff's Office

MARK ESSICK
Sheriff-Coroner

JAMES NAUGLE
Assistant Sheriff
Law Enforcement Division

ALAN VERNON
Assistant Sheriff
Detention Division

February 28, 2020

Kanchan Charan, Audit Chief
Sonoma County Auditor-Controller Treasurer-Tax Collector
Internal Audit

RE: Sonoma County Sheriff's Coroner Bureau Internal Audit for the 2019/2020 Fiscal Period.

We have received and reviewed your staff's draft audit report of the Sheriff Coroner Bureau for the period of July 1, 2019 to June 30, 2020. We appreciate the work on this and are submitting the following responses to the draft report of the audit recommendations. If there are any changes in the final report, we will submit a supplemental response.

Your draft audit report outlined recommendations aimed at actions that should be undertaken by the Sheriff's Office. Sheriff's staff have discussed these recommendations and outlined below are the discussion points which address the issues raised for each of the recommendations that are presented in your report.

Recommendation #1

We recommend that the Sheriff's Office continue to work with the County Treasurer including providing documentation necessary for the Treasurer to accept and ultimately escheat unclaimed decedent funds in accordance with the law. As part of this effort the Sheriff's Office should provide the Treasurer with an executed affidavit with the language in Government Code 27466 listing the amount of money belonging to the estate of any deceased person that has come into the Sheriff's possession since the Sheriff's last statement, and the disposition made of any property found on deceased persons.

Management Response to Recommendation #1

The Sheriff's Office agrees with this recommendation and has been working to determine a process to transfer the funds to the County Treasurer so that they may be escheated as required by law. The current list of unclaimed monies totals \$5,943.94. The oldest entry on deposit is for \$50.00 and dates back to 1981. The majority of these funds have been on deposit for less than 5 years.

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Appendix B-Management Response

County moved to a new financial system, Sheriff's staff established a subsidiary account to maintain better accounting practices for these funds. Sheriff's staff are working with the County Treasury to establish a process for transferring these funds and we are eager to implement this recommendation. The procedures will be changed immediately once the County Treasurer is prepared to accept these funds.

Other Matters and Recommendations:

The Sheriff's Office obtains proof of insurance from its contractors, however when original insurance policies expired, the Sheriff's Office did not obtain updated proof of insurance coverage required by the terms of the respective contracts. To protect the County from liability, the Coroner should ensure that all insurances required by contracts are in force uninterrupted during the contract periods and the terms are as required. The Coroner maintains a Best Practices manual that contains the Sonoma County Coroner Policies and Procedures for a number of their key processes. A reference of policies and procedures for new and current staff helps to define tasks and detail responsibilities. Although a majority of the procedures in practice are in accordance with the manual, we found some areas where the procedures followed were different from those required by the manual. The Coroner should review the manual periodically to ensure it is current.

Management Response to Other Matters and Recommendations:

The Sheriff's Office agrees with this recommendation. Sheriff's fiscal staff obtain proof of insurance when negotiating a contract as part of their standard process, and the insurance certificates are included in the contract files when received. The contract requires that the vendor maintain insurance throughout the duration of the agreement. The Sheriff's Office is reviewing its procedures and capacity to obtain updated proof of insurance, and will implement the best practice possible in consideration of the constraints of limited administrative staff within the Sheriff's Office. The Coroner Bureau will make every effort to review the manual periodically to ensure it is current.

Sincerely,


Mark Essick
Sheriff-Coroner

Cc: Heidi Keith - CFA
Connie Newton – ASD
Marta Peavey – Accounting Supervisor
Melissa McDonald – Department Analyst
Melissa Osso – ACTTC Auditor