

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

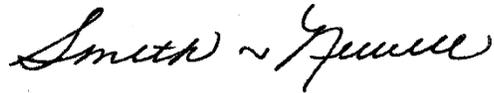
To the Board of Supervisors and the Grand Jury
County of Sierra
Downieville, California

In planning and performing our audit of the financial statements of the County of Sierra, (County) as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, we considered the County's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and matters that are opportunities for strengthening internal controls and operating efficiency. The appendix that accompanies this letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated January 23, 2025, on the financial statements of the County.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with County management, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, the Board of Supervisors, and others within the County, and is not intended to be, and should not be, used by anyone other than these specified parties.



Smith & Newell CPAs
Yuba City, California
January 23, 2025

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COUNTY OF SIERRA
Appendix A: Management Letter Comments
For the Year Ended June 30, 2024

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

Reconciliation of Monies Held in Trust Accounts

Criteria

Money held in trust is for the purpose of holding a deposit for a period of time and then returning or transferring it to another individual or entity.

Condition

We noted that the cash held in the Planning Department Trust, Asset Forfeiture Trust, and the Security Deposits Road Trust were not reconciled to a detail list of open deposits as of June 30, 2024.

Cause

The department was not aware of how to complete a reconciliation of the open deposits to the balance on hand.

Effect

The cash balance of June 30, 2024 was not reconciled to a list of open trust deposits. Open deposits that were being held in the trust fund may need to be refunded or transferred.

Questioned Cost

No questioned costs were identified as a result of our procedures.

Context

Not applicable.

Repeat Finding

This is a repeat of a prior year finding.

Recommendation

We recommend that the deposits held in the trust be reconciled to a list of open cash deposits on hand each month.

Views of Responsible Officials and Planned Corrective Action

Refer to separate Management's Corrective Action Plan for views of responsible officials and management's responses.

COUNTY OF SIERRA
Appendix A: Management Letter Comments
For the Year Ended June 30, 2024

CURRENT YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)

Cash Reconciliation as of June 30, 2024

Criteria

The County is required to reconcile the cash and investments held at the county treasury to the general ledger of the County.

Condition

We noted approximately \$34,435 of old outstanding warrants (over six months old) that were still being included in the cash reconciliation as of June 30, 2024.

Cause

The outstanding warrant list had not been reviewed at June 30, 2024.

Effect

There were warrants on the check register that could not be accepted and paid by the bank.

Questioned Cost

There was approximately \$34,435 of stale dated warrants.

Context

We reviewed the June 30, 2024 cash reconciliation.

Repeat Finding

This is not a repeat finding.

Recommendation

We recommend that the outstanding warrant list be reviewed each month and any stale dated checks be removed.

Views of Responsible Officials and Planned Corrective Action

Refer to separate Management's Corrective Action Plan for views of responsible officials and management's responses.

COUNTY OF SIERRA
Appendix B: Status of Prior Year Recommendations
For the Year Ended June 30, 2024

STATUS OF PRIOR YEAR RECOMMENDATIONS

Reconciliation of Monies Held in Trust

Prior Year Recommendation

We recommend that the cash balance in the trust be reconciled to a detailed list of open deposits.

Status

In progress

Audit Adjustments

Prior Year Recommendation

We recommend that the County reconcile all accounts and make necessary adjustments prior to the start of the annual audit.

Status

In progress

COUNTY OF SIERRA
Appendix C: Management's Corrective Action Plan
For the Year Ended June 30, 2024

Reconciliation of Monies Held in Trust Accounts

We recommend that the deposits held in the trust be reconciled to a list of open cash deposits on hand each month.

Management's Response: This will be reconciled as soon as possible.

Responsible Individual: Brandon Pangman

Corrective Action Plan: The fund for planning security deposits has been assigned to a specific staff member to keep it reconciled monthly.

Anticipated Completion Date: 2/28/2025

Cash Reconciliation as of June 30, 2024

We recommend that the outstanding warrant list be reviewed each month and any stale dated checks be removed.

Management's Response: The amount is not material. The County is short-staffed and we will work on clearing the outstanding check when we can.

Responsible Individual: Not provided.

Corrective Action Plan: The amount is not material. The County is short-staffed and we will work on clearing the outstanding check when we can.

Anticipated Completion Date: Not provided.