

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

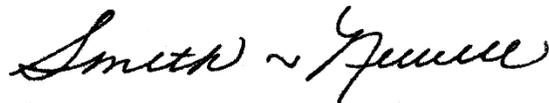
To the Board of Supervisors and the Grand Jury
County of Sierra
Downieville, California

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, 2020, 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 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 March 15, 2021, 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
March 15, 2021

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COUNTY OF SIERRA
Appendix A: Management Letter Comments
For the Year Ended June 30, 2020

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

Reconciliation of Monies Held in Trust

Criteria

Good internal control of monies held in trust requires that the balance held is reconciled to a list of open deposits.

Condition

At the time of our fieldwork we noted monies held in the Road Security trust fund had not been reconciled to a detail list of open deposits.

Cause

Reconciliations were not being performed periodically.

Effect

We noted that the cash balance in the trust fund was not reconciled to a list of open deposits. The risk of errors is increased when reconciliations are not performed periodically.

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 cash balance in the trust be reconciled to a detail list of open deposits.

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, 2020

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 detail list of open deposits.

Status

In Progress

Prior Period Adjustments

Prior Year Recommendation

We recommend that the County review the financial records and ensure that items are recorded correctly.

Status

Implemented

COUNTY OF SIERRA
Appendix C: Management's Corrective Action Plan
For the Year Ended June 30, 2020

Reconciliation of Monies Held in Trust

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

Management's Response: Management concurs with the finding.

Responsible Individual: Road Department

Corrective Action Plan: The department as of 3/25/2021 has reconciled the Trust and will continue to do so monthly.

Anticipated Completion Date: March 25, 2021

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