

## 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, 2021, 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 November 16, 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  
November 16, 2021

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**COUNTY OF SIERRA**  
**Appendix A: Management Letter Comments**  
**For the Year Ended June 30, 2021**

**CURRENT YEAR FINDING AND RECOMMENDATION**

**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 that approximately \$99,662 was held in the Road Security Deposits trust fund that had been held in trust as far back as May 1995.

**Cause**

Reviews of deposits held in trust had not been performed periodically.

**Effect**

We noted that the 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 reviewed to determine if they should be refunded or transferred.

**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, 2021**

**STATUS OF PRIOR YEAR RECOMMENDATION**

**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

**COUNTY OF SIERRA**  
**Appendix C: Management's Corrective Action Plan**  
**For the Year Ended June 30, 2021**

**Reconciliation of Monies Held in Trust**

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

Management's Response:      We concur.

Responsible Individual:      Tim Beals

Corrective Action Plan:      Reconciled and identified all deposits.

Anticipated Completion Date:      Completed as of the report release date.

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