



# **Summary Audit Report of Controls Over Cash Handling**

**Report Date: November 12, 2025**


Office of the Auditor-Controller  
County of Ventura, California  
Jeffery S. Burgh, Auditor-Controller

**County of Ventura**  
**AUDITOR-CONTROLLER**  
**MEMORANDUM**

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**To:** Kathleen O'Keefe, Deputy Director Auditor-Controller

**Date:** November 12, 2025

**From:** Barbara Beatty 

**Subject:** SUMMARY AUDIT REPORT OF CONTROLS OVER CASH HANDLING

We have completed our audits of controls over cash handling for three County of Ventura (County) departments and issued separate audit reports during December 2024 through May 2025. This report is a summary of our individual audits to address cash handling issues that impacted departments Countywide.

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## Executive Summary

Overall, we found that cash handling controls were adequate to ensure the accuracy and security of cash receipts. For example, change funds were intact, cash records were properly maintained, and cash handling duties were properly separated.

However, our audits identified an opportunity to improve guidance on cash handling controls provided by the Financial Planning unit of the Auditor-Controller's Office; specifically:

- County departments could benefit from updates to the Administrative Policy on cash handling to provide specific examples of physical security best practices to adequately safeguard cash.

Financial Planning management initiated corrective action to address our finding. Corrective action is planned to be completed by October 31, 2026.

We appreciate the cooperation and assistance extended by you and your staff during this audit.

cc: Honorable Jeffery S. Burgh, Auditor-Controller  
Honorable Janice S. Parvin, Chair, Board of Supervisors  
Honorable Jeff Gorell, Vice Chair, Board of Supervisors  
Honorable Matt LaVere, Board of Supervisors  
Honorable Kelly Long, Board of Supervisors  
Honorable Vianey Lopez, Board of Supervisors  
Dr. Sevet Johnson, County Executive Officer

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## Audit Report Contents

Background .....	1
Scope .....	1
Findings .....	2
1. Countywide Guidance for Physical Security Best Practices .....	2
Auditor's Evaluation of Management Action .....	3

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## Background

Maintaining an effective system of internal controls over cash handling is critical given the susceptibility of cash to theft or other misappropriation. County of Ventura (County) Administrative Policy No. Chapter VII(A)-9, *Cash Handling Responsibilities and Guidelines* (Policy), provides guidance on proper cash handling internal controls and requires that each agency/department develop and document cash handling procedures. The Policy is the responsibility of the Financial Planning unit of the Auditor-Controller's Office and includes the following items that should be addressed in agency/department procedures:

- Separating duties for key aspects of a cash transaction.
- Maintaining timely, accurate, and complete records for all cash transactions.
- Providing adequate physical security over locations where cash is stored and processed.
- Limiting cash handling functions and access to cash handling areas to as few employees as possible.
- Protecting cash from unauthorized use.

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## Scope

Our overall audit objective was to determine whether cash handling controls were adequate to ensure the accuracy and security of cash receipts during Fiscal Year (FY) 2023-24. We reviewed the cash handling controls of the County Clerk and Recorder's Office, Human Services Agency, and Resource Management Agency. During FY 2023-24, the selected agencies processed more than \$859,000 in cash payments and were assigned a combined total of \$3,850 in change funds. For the purposes of these audits, cash was defined as coin and currency. Specifically, we determined whether:

- change funds were intact and accounted for properly;
- adequate cash handling procedures had been formally developed and implemented;
- duties were appropriately separated for the receipt, approval, and reconciliation of cash;
- complete, accurate, and timely records of cash transactions were maintained; and
- adequate physical controls were in place for the proper safeguarding of cash.

Except as discussed in the following paragraph, the audits were performed in conformance with the Global Internal Audit Standards or the *International Standards for the Professional Practice of Internal Auditing* promulgated by The Institute of Internal Auditors.

In connection with the impact of Financial Planning on our audits, certain disclosures are necessary pursuant to the Global Internal Audit Standards, which state: "The chief audit executive must discuss with the board and senior management any current or proposed roles and responsibilities that have the potential to impair the internal audit function's independence, either in fact or appearance. The chief audit executive must advise the board and senior management of the types of safeguards to manage actual, potential, or perceived impairments." Although the Internal Audit Division and Financial Planning both reside in the Auditor-Controller's Office, the Auditor-Controller believes that the following safeguards and division of responsibility exist. The Internal Audit Division staff, having the responsibility to perform audits, resides in a stand-alone division of the Auditor-Controller's Office and has no other responsibility of the accounts and records being audited. Therefore, the reader of this report can rely on the information contained herein.

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## Findings

Overall, we found that controls over cash handling were adequate to ensure the accuracy and security of cash receipts. For example, we found that:

- Change funds were intact and accounted for properly.
- Complete and accurate cash receipt records were maintained.
- Roles and responsibilities were appropriately separated for each phase of the cash handling process.

However, we identified an opportunity to improve guidance on cash handling controls as discussed below. Financial Planning management initiated corrective action in response to the audit as noted.

### 1. Countywide Guidance for Physical Security Best Practices

The Policy could be strengthened by providing practical examples of controls that would help ensure adequate physical security for cash. During our departmental audits, we noted inconsistent physical security controls across the three agencies reviewed:

- Two agencies did not have security cameras installed to oversee key cash handling/holding areas.
- One agency left keys in the locks of change fund drawers at one location and stored the change fund in an unlocked drawer at another location.
- One agency did not secure the door to the interior room where the safe was located.

Updating the Policy to include best practices, such as installing security cameras, locking cash storage devices, and securely storing keys, would help support departmental efforts in mitigating risks to cash.

**Recommendation.** Financial Planning management should update the Policy to include useful examples of recommended physical security measures for preventing, detecting, and deterring the theft or other misappropriation of cash.

**Management Action.** Financial Planning management stated: “The Financial Planning unit will review and update the County’s Administrative Policy on Cash Handling to strengthen guidance related to cash controls. Updates will include:

- Incorporating specific examples of physical security best practices (e.g., use of locked safes, restricted access areas, dual custody requirements, separation of duties requirements, use of security cameras, proper management of safe keys, and more).
- Clarifying departmental responsibilities for implementing and maintaining adequate cash handling controls.
- Providing updated guidance materials and resources to support consistent application across departments.”

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## **Auditor's Evaluation of Management Action**

We believe that management actions taken or planned were responsive to the audit finding. Financial Planning management planned to complete corrective action by October 31, 2026.