

Internal Audit Division Compliance Audit Report



County of Sonoma

Treasurer Investment Pool

For the Quarter Ended September 30, 2024

Report Date: December 9, 2024
Engagement No: 3575

Audit Staff

Damian Gonshorowski, CPA, CIA, Audit Manager
Melissa Osso, CIA, Senior Internal Auditor

Auditor-Controller-Treasurer-Tax Collector
Erick Roeser

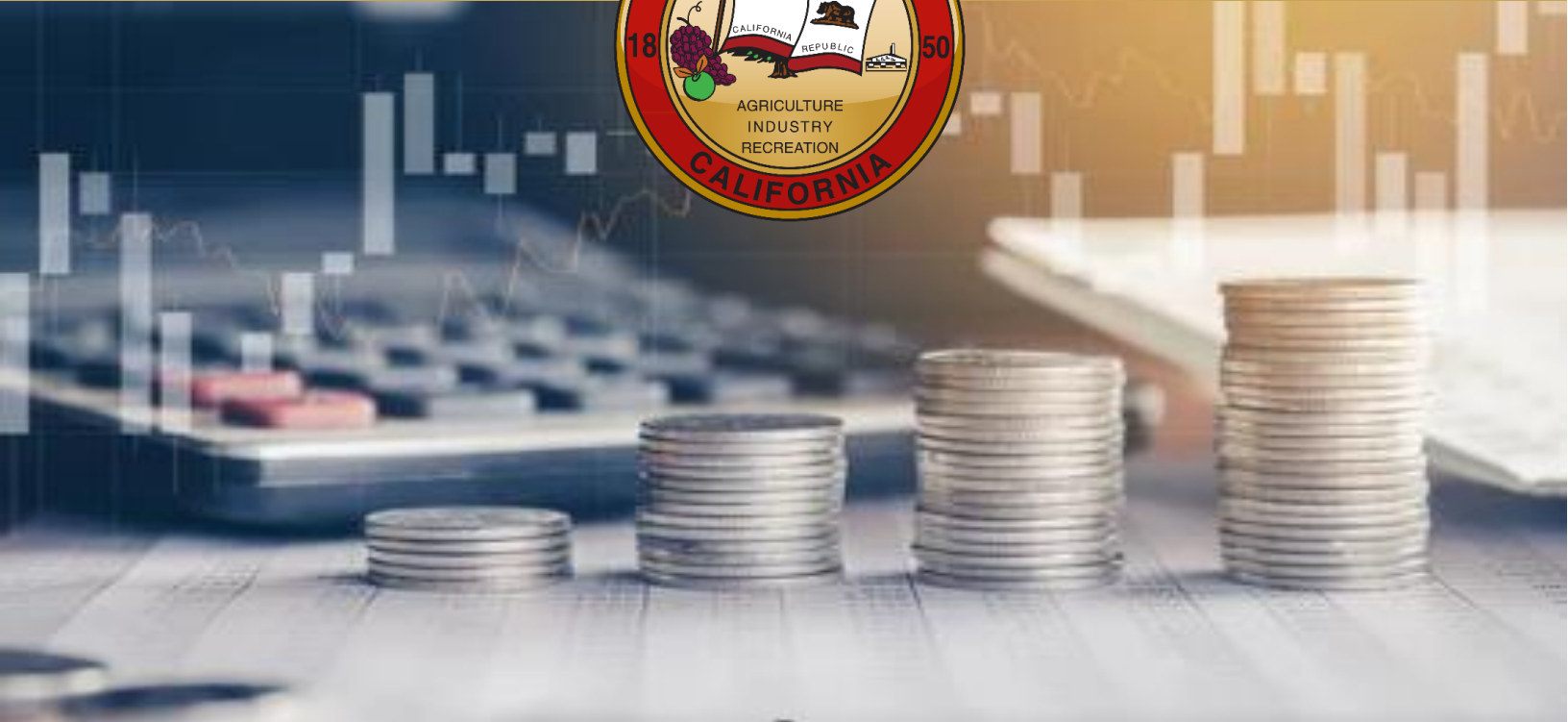
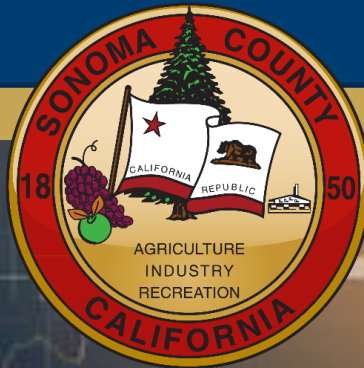


Table of Contents

<u>Introduction and Background</u>	1
<u>Objectives, Scope, and Procedures</u>	2
<u>Results</u>	3
<u>Statement of Assets</u>	4

Introduction

The Auditor-Controller-Treasurer-Tax Collector (ACTTC), Internal Audit division has completed a compliance audit of the County of Sonoma Treasury for the quarter ending September 30, 2024. Our audit is designed to 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 contained in our report.

The purpose of our engagement is to review the Treasurer's Statement of Assets as required by Government Code §26920(a). Our review included:

1. Counting cash in the County Treasury.
2. Verifying that the records of the County Treasury Division and the Auditor-Controller Division are reconciled pursuant to Section 26905.
3. Verifying the amount and type of assets in the County Treasury exist and are accurately reported.
4. Providing a report to the Board of Supervisors, which is also filed with the Clerk of the Board.

The Internal Audit Division, the Assistant ACTTC, who is responsible for the auditor-controller functions, as well as the Assistant ACTTC, who is responsible for the treasury and investment functions covered by this audit, report to the elected ACTTC. Except for conducting this review, the Internal Audit Division has no other responsibilities or involvement in the management or performance of the Treasury's investment functions.

Background

The County of Sonoma Treasury is responsible for the safekeeping and investment of funds for the County, School Districts and Special Districts. The Treasury oversees all banking operations for the County and its Departments. The Treasury also managed, for the quarter ending September 30, 2024, an investment portfolio of over \$3.3 billion and allocated \$33 million in interest earnings.

We would like to thank management and staff for their time, information, and cooperation throughout the engagement.

Objectives

The primary objectives of this audit were to determine if:

1. Cash in the Treasury vault agreed with amounts in the Treasury records;
2. The records of the County Treasurer and Auditor were reconciled;
3. The amount and type of assets in the County Treasury exist and are accurately reported in the Quarterly Report and Certification of the County Treasurer, and the Statement of Assets;
4. The Quarterly report and Certification of the County Treasurer was signed and timely submitted to the office of the Clerk of the Board.

Scope

The audit covered cash and investments reported in the Treasurer's Statement of Assets for the period July 1, 2024, to September 30, 2024.

Procedures

We performed the procedures enumerated below:

1. Observed cash drawer counts in the Treasury vault and verified amounts to Treasury records, per Government Code §26920.
2. Verified that records of the County Treasurer and Auditor have been reconciled, per Government Code §26905.
3. Verified existence and proper valuation of Treasury cash and investments held in banks and other safekeeping agents through the agents' statements, per Government Code §26920.
4. Verified a quarterly report of Treasury assets was properly reviewed, signed, and placed on file with the Clerk of the Board pursuant to Government Code §53646.

Results

Objective #1:

Cash on hand in the Treasury as of September 30, 2024, agrees with Treasury records (Teller Cash Sheets).

Objective #2:

The records of the County Treasurer and Auditor were reconciled for the quarter ended September 30, 2024.

Objective #3:

The amount and types of assets in the County Treasury exist and are accurately reported in the Quarterly Report and Certification of the County Treasurer and the Statement of Assets as of September 30, 2024. The cash and investment balances reported on the Treasurer's Statement of Assets are supported by the Treasurer's records and financial institution statements.

Objective #4:

The September 30, 2024, Quarterly report and Certification of the County Treasurer was signed and timely submitted to the office of the Clerk of the Board.

Statement of Assets

**Sonoma County Treasury
Statement of Assets
September 30, 2024**

	Investment Pool
Cash in Treasury vault	\$ 105,087
Cash held by commercial banks	10,213,699
Investments	
US Treasury Notes	108,443,050
US Agency Bonds	1,220,582,591
Supranational Bonds	179,874,067
Corp Notes and Bonds	944,294,461
Certificates of Deposits	211,000,000
Commercial Paper	55,638,090
Municipal Bonds	294,314,626
SCEIP	17,687,536
Mutual Funds	246,184,674
Sonoma County Water Agency Designated Investments	32,896,913
Total Assets	<u><u>\$ 3,321,234,794</u></u>

Note 1: Basis for Presentation

This special-purpose statement of assets was prepared for the purpose of presenting the assets of the Treasury pursuant to the California Code Section 26920 and is not intended to be a presentation in conformity with generally accepted accounting principles. The amounts presented for investments are book values carried at amortized cost. Note disclosures required by Governmental Accounting Standards Board Statement No. 40 deposit and Investment Risk Disclosures, an amendment to GASB Statement No. 3, are not presented, since such disclosures are not required by the California Government Code Section 26920.