

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Auditor - Controller	(2) MEETING DATE 2/7/2012	(3) CONTACT/PHONE Kerry Bailey 788-2979	
(4) SUBJECT Submittal of a cash procedures review of the Sheriff-Coroner's Civil division conducted on October 27, 2011.			
(5) RECOMMENDED ACTION It is recommended that the Board receive the item and file.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Board Business (Time Est. _____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A		(12) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(13) OUTLINE AGREEMENT REQUISITION NUMBER (OAR)  N/A		(14) W-9 <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	
(15) LOCATION MAP  N/A	(16) BUSINESS IMPACT STATEMENT?  No	(17) AGENDA ITEM HISTORY  <input type="checkbox"/> N/A   Date August 9, 2005	
(18) ADMINISTRATIVE OFFICE REVIEW  <i>Nikki J. Schmidt</i>			
(19) SUPERVISOR DISTRICT(S) All Districts			

County of San Luis Obispo



TO: Board of Supervisors  
FROM: Gere W. Sibbach, Auditor-Controller  
DATE: 2/7/2012  
SUBJECT: Submittal of a cash procedures review of the Sheriff-Coroner's Civil division conducted on October 27, 2011.

**RECOMMENDATION**

It is recommended that the Board receive the item and file.

**DISCUSSION**

Cash handling can be an area vulnerable to mistakes or misappropriation. The Auditor-Controller has developed policies to minimize the risk associated with use of change funds and petty cash as well as cash receipts. The objective of our review was to determine compliance with the County Cash Handling Policy and to establish accountability for the cash on hand at the time of the count.

**OTHER AGENCY INVOLVEMENT/IMPACT**

None.

**FINANCIAL CONSIDERATIONS**

There is no additional cost to the County for conducting unannounced cash reviews. Periodic unannounced cash reviews are part of the Auditor-Controller's compliance with Government Code 26881.

**RESULTS**

We determined the cash fund and cash receipts on hand, in all material respects, to be in balance at the time of the cash count, and the department is in general compliance with the County Cash Handling Policy. We also identified three areas of improvement which are detailed in the attached departmental memo.

The Auditor-Controller's program of periodic unannounced reviews of cash procedures helps maintain and improve internal controls and procedures for cash handling by County staff and contributes to the County's vision of a well-governed community.

**ATTACHMENTS**

1. Sheriff-Civil Final Report

**County of San Luis Obispo**

*Office of the Auditor-Controller*

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San Luis Obispo, California 93408

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**GERE W. SIBBACH, CPA**

JAMES P. ERB, CPA, *Assistant*

LYDIA CORR, CPA, *Deputy*

JAMES HAMILTON, CPA, *Deputy*

Email auditor@co.slo.ca.us

TO: IAN PARKINSON, SHERIFF-CORONER

FROM: GERE W. SIBBACH, AUDITOR-CONTROLLER

VIA: JAMES P. ERB, ASSISTANT AUDITOR-CONTROLLER 

DATE: DECEMBER 19, 2011

SUBJECT: CASH PROCEDURES REVIEW OF THE COUNTY OF SAN LUIS OBISPO SHERIFF-CIVIL DIVISION CONDUCTED ON OCTOBER 27, 2011

Purpose

The objective of our review was to determine compliance with the County Cash Handling Policy and to establish accountability for the cash on hand at the time of the count.

Scope

Our review included physically counting all cash on hand for October 27, 2011 and reconciling the amount to the department's accountability figures. We also examined cash receipts and compared these amounts to the corresponding receipt totals and to the subsequent deposit. Our review also included an evaluation of internal controls over cash receipts. Our evaluation of internal controls was limited to inquiries of departmental staff and direct observations.

Results

We determined all cash funds and cash receipts on hand, in all material respects, to be in balance at the time of our count, and that the department is in general compliance with the County Cash Handling Policy. During fieldwork we identified some areas where improvements could be made, and we immediately provided the Department with suggestions for making these improvements. Suggestions for improvement are made for issues that the auditor considers not to be of an immediate serious nature and/or for issues which the department is able to correct at the time of the audit. Unlike formal audit findings, written departmental responses are not required for these issues. Our suggestions are detailed in the Suggested Improvements section below.

Suggested Improvements

1. Receipt Books not Secured

We noted that blank County receipt books were being kept in an unsecured area of the office. The County Auditor-Controller's Cash Handling Policy (Policy) requires that the Department provide a secure restricted access location for the storage of receipts not in use. Staff was unaware of this requirement of the Policy. Unsecured storage of blank receipt books increases the possibility that the receipts could be stolen and used for fraudulent purposes. At the

auditor's recommendation, Department staff immediately moved the blank County receipt books to a secure location.

2. Managers and Custodians did not Certify County Cash Handling Policy

We found that not all managers and custodians of cash had certified in writing that they have read the County Auditor-Controller's Cash Handling Policy (Policy). The Policy is required reading for all cash custodians, managers, and supervisors. Staff were unaware that written acknowledgement was required. Written acknowledgement by employees that they have read the Policy helps ensure consistent Countywide procedures for cash handling. Subsequent to fieldwork, we received verification that all division staff associated with cash handling operations certified they have read the cash handling policy.

3. Information Technology Acceptable Use Policy

We found that none of the division staff has signed the Information Technology Information Security Program Acceptable Use Policy (AUP). The County's AUP addresses inappropriate use of County computing assets, and by signing the policy annually, employees acknowledge they are bound by the AUP. Inappropriate use of County computing assets exposes the County to risks and threats to telecommunication, information systems, networks, facilities, and legal issues. We recommended the Department review the employee records for current acknowledgement of the AUP.

We appreciate the courteous attitude of your staff and the cooperation we received during the course of our review.