

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

(1) DEPARTMENT Auditor - Controller		(2) MEETING DATE 1/10/2012		(3) CONTACT/PHONE Matt Purkiss 781-5099	
(4) SUBJECT Submittal of a cash procedures review of the General Services Agency, Parks Division Pools conducted on August 2 & 3, 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 (Time Est. _____) <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Board Business					
(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 checked="" type="checkbox"/> N/A Date _____	
(18) ADMINISTRATIVE OFFICE REVIEW					
(19) SUPERVISOR DISTRICT(S) All Districts -					

County of San Luis Obispo



TO: Board of Supervisors
FROM: Gere W. Sibbach, Auditor - Controller
DATE: 1/10/2012
SUBJECT: Submittal of a cash procedures review of the General Services Agency, Parks Division Pools conducted on August 2 & 3, 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 establish accountability for the cash on hand at the time of the count and determine compliance with the County Cash Handling Policy.

OTHER AGENCY INVOLVEMENT/IMPACT

None.

BUSINESS IMPACT STATEMENT

None.

FINANCIAL CONSIDERATIONS

There is no additional cost to the County for conducting unannounced cash reviews. Periodic unannounced cash reviews are a part of the Auditor-Controller's compliance with Government Code 29321.1 and County Resolution Number 84-40.

RESULTS

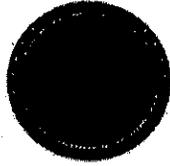
We determined the cash fund and cash receipts on hand, in all material respects, to be in balance at the time of the cash count, and the department is in general compliance with the County Cash Handling Policy. We also identified two areas of improvement which are detailed in the attached departmental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

County of San Luis Obispo
Office of the Auditor-Controller
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JAMES P. ERB, CPA, *Assistant*
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JAMES HAMILTON, CPA, *Deputy*
Email auditor@co.slo.ca.us

TO: JANETTE PELL, GENERAL SERVICES AGENCY DIRECTOR
FROM: GERE W. SIBBACH, AUDITOR-CONTROLLER
VIA: JAMES P. ERB, ASSISTANT AUDITOR-CONTROLLER
DATE: DECEMBER 19, 2011
SUBJECT: CASH PROCEDURES REVIEW OF THE COUNTY POOLS CONDUCTED ON AUGUST 2 & 3, 2011

Our office completed a cash review of the County Pools on August 2 & 3, 2011. Please respond to the Finding and Recommendation within 10 business days of receiving this report. The response should include the corrective action the County Pools will be making to satisfy the Findings and Recommendations.

Background:

The General Services Agency operates and maintains six county pools throughout San Luis Obispo County. Standard fees are \$4.50 and \$2.25 daily for adults and children respectively; \$45 for group lessons; and \$79 for private lessons. Some pools may receive funding from a variety of sponsors resulting in waivers of some or all fees. The following fees were in effect during the time of our review:

Hardie Park	Daily fees charged. Weekend lap swims & Aqua Aerobics on Tuesday, Wednesday, Thursday and Friday provided at no charge.
Shamel Park	No sponsorship, all fees charged.
Templeton Park	Daily adult fees and fees for group and private lessons charged. Child fees waived due to sponsorship.
San Miguel Park	Daily adult fees and fees for group and private lessons charged. Child fees waived due to sponsorship.
C.W. Clarke Park	Full sponsorship, no fees charged.
Santa Margarita Lake Pool	Pool fees included with park entrance fee.

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.

Methodology:

Our review included physically counting all cash on hand for August 2 and 3, 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.

We also determined that some lifeguards were not trained in cash handling procedures, and one pool was not equipped with a safe or other means of safeguarding cash while stored overnight. These items are discussed in the Findings and Recommendations section of this report.

Findings and Recommendations:

1. Not All Cash Handlers Trained

We determined the lifeguards handling cash at the pools did not read, and were not familiar with, the Cash Handling Policy. In addition, recently hired lifeguards had not been trained on the operation of the cash registers or the department's cash handling procedures. Employees handling cash must be trained on the operation of cash registers and the department's cash handling procedures. Employees handling cash are also required to read and become familiar with the Auditor-Controller's Cash Handling Policy. A copy of the policy was available to the lifeguards; however, they were not informed of the requirement to read and become familiar with the policy. As a result, GSA Pools experienced a variety of cash handling errors.

Recommendation:

All lifeguards must be trained on the operation of cash registers and the department's cash handling procedures, and read and become familiar with the Auditor-Controller's Cash Handling Policy, prior to being placed in an environment where cash handling duties may be required.

2. Cashiering Area Not Equipped With Safe

We determined that one of the pools is not equipped with a safe. Management relies on the lifeguard to transport cash to a safe located at a distant location at the end of each shift, and retrieve the cash, from the same location, at the beginning of each shift. The Cash Handling Policy requires, and best business practices dictate, that each facility be equipped with a safe or other secure means of safeguarding cash while stored overnight. Transporting cash over such a distance increases the risk of loss of cash, and may jeopardize the safety of the employee.

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Recommendation:

It is recommended General Services Agency install a safe or other secure means of safeguarding cash overnight at all County Pools.

The General Services Agency identified corrective actions for the findings outlined above in a memorandum to the Board of Supervisors dated December 19, 2011. If implemented, the findings will be resolved. We will conduct a follow-up review during the swimming season to verify the corrective actions are in place and producing the expected results.

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



County of San Luis Obispo General Services Agency

COUNTY PARKS

Janette D. Pell, Director

Curtis Black, Deputy Director

TO: Board of Supervisors
FROM: *Janette D. Pell* General Services Agency Director
DATE: December 19, 2011
RE: Response to the review of the County Pools

Thank you for your review of our County Pools for the period of August 2 and 3, 2011, and subsequent two recommendations.

1 Not All Cash Handlers Trained: A comprehensive Cash Handling training program will be implemented at the beginning of each season and as needed throughout the season, to ensure that all Lifeguards handling cash will receive the training. Upon completion of the training, Lifeguards will sign a letter certifying that they have read the Auditor-Controller's Cash Handling Policy.

2 Cashiering Area Not equipped with Safe: We will purchase a safe for the Cambria pool.