

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

(1) DEPARTMENT Auditor - Controller	(2) MEETING DATE 8/6/2013	(3) CONTACT/PHONE Kerry Bailey /788-2979	
(4) SUBJECT Submittal of the cash Procedures Review of the Assessor's Office Conducted on October 11, 2012.			
(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) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: <u>August 5, 2008</u>	
(17) ADMINISTRATIVE OFFICE REVIEW <i>Nikki J. Schmidt</i>			
(18) SUPERVISOR DISTRICT(S) All Districts -			

County of San Luis Obispo



TO: Board of Supervisors
FROM: James P. Erb, CPA, Auditor - Controller
DATE: 8/6/2013
SUBJECT: Submittal of the cash Procedures Review of the Assessor's Office Conducted on October 11, 2012.

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. Additionally, County computers are vulnerable to abuse, and County Information Technology has developed policies to minimize the risk associated with misuse of County computing assets. The objective of our review was to determine compliance with the County Auditor-Controller's Cash Handling Policy, to establish accountability for the cash on hand at the time of the count, and to determine compliance with the County IT Acceptable Use Policy Acknowledgement signature requirements.

The progress and results of our review and the compilation of our report were delayed due to the need to reassign staff to perform the State mandated agreed-upon procedures audits required by ABX1 26 which dissolved redevelopment agencies throughout the state.

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 a part of the Auditor-Controller's compliance with Government Code 26881 and 26883.

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 Assessor's Office is in general compliance with the Cash Handling Policy. We also identified an area of improvement which is detailed in the attached cash procedures review report.

The Auditor-Controller's program of periodic unannounced reviews of cash procedures and other internal controls 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. Assessor Cash Review Report



COUNTY OF SAN LUIS OBISPO
Office of the Auditor-Controller

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James P. Erb, CPA, CICA
Auditor-Controller

James Hamilton, CPA *Assistant*
Lydia Corr, CPA *Deputy*
Tamara Kaizuka, CPA *Deputy*

TO: TOM BORDONARO, COUNTY ASSESSOR
FROM: JAMES P. ERB, AUDITOR-CONTROLLER *J. Erb*
DATE: JULY 15, 2013
SUBJECT: CASH PROCEDURES REVIEW OF THE ASSESSOR'S OFFICE CONDUCTED ON
OCTOBER 11, 2012

Purpose

The purpose of our review was to determine compliance with the County Auditor-Controller's Cash Handling Policy and to establish accountability for the cash on hand at the time of the count, and to determine compliance with the County IT Acceptable Use Policy Acknowledgement signature requirements.

Scope

Our review included physically counting all cash on hand for October 11, 2012 and reconciling the amount to the department's accountability figures. We examined cash receipts and compared the 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.

Additionally we tested for compliance with the County of San Luis Obispo Information Security Program's requirement that employees annually sign the Acceptable Use Policy Acknowledgement form.

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, the department is in general compliance with the Cash Handling Policy, and the employees signed the Information Technology Acceptable Use Policy Acknowledgement form in a timely manner. 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. Staff Certification of Cash Handling Policy

Not all cash handling staff had certified in writing that they have read the County Auditor-Controller's Cash Handling Policy (Policy). The Policy is required reading for all staff who handle cash. The Assessor's staff overlooked the process where employees must certify in writing that they have read the policy due to conversion of the policy to an electronic format. Written acknowledgement by County employees that they have read the Policy helps ensure consistent Countywide procedures for cash handling. Subsequent to fieldwork, we received verification that all employees with cash handling responsibilities had certified that they had read the cash handling policy.

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