

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

(1) DEPARTMENT Auditor-Controller		(2) MEETING DATE August 8, 2006		(3) CONTACT/PHONE L. Jackson (805) 781-4846	
(4) SUBJECT Submittal of a cash procedures review of the San Luis Obispo County Public Works Department, conducted on June 29, 2006.					
(5) SUMMARY OF REQUEST The purpose 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. The results of our review revealed the cash funds to be in balance at the time of the count. In addition, we verified the department is applying adequate internal controls over its cash handling functions.					
(6) RECOMMENDED ACTION Please review the report for your information. No departmental response is required.					
(7) FUNDING SOURCE(S) N/A		(8) CURRENT YEAR COST N/A		(9) ANNUAL COST N/A	
(10) BUDGETED? <input type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> N/A					
(11) OTHER AGENCY/ADVISORY GROUP INVOLVEMENT (LIST): None					
(12) WILL REQUEST REQUIRE ADDITIONAL STAFF? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, How Many? _____ <input type="checkbox"/> Permanent _____ <input type="checkbox"/> Limited Term _____ <input type="checkbox"/> Contract _____ <input type="checkbox"/> Temporary Help _____					
(13) SUPERVISOR DISTRICT(S) <input type="checkbox"/> 1st, <input type="checkbox"/> 2nd, <input type="checkbox"/> 3rd, <input type="checkbox"/> 4th, <input type="checkbox"/> 5th, <input checked="" type="checkbox"/> All			(14) LOCATION MAP <input type="checkbox"/> Attached <input checked="" type="checkbox"/> N/A		(15) Maddy Act Appointments Signed-off by Clerk of the Board <i>n/a</i>
(16) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Presentation <input type="checkbox"/> Board Business (Time Est. _____)			(17) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions (Orig + 4 copies) <input type="checkbox"/> Contracts (Orig + 4 copies) <input type="checkbox"/> Ordinances (Orig + 4 copies) <input checked="" type="checkbox"/> N/A		
(18) NEED EXTRA EXECUTED COPIES? <input type="checkbox"/> Number: _____ <input type="checkbox"/> Attached <input checked="" type="checkbox"/> N/A			(19) APPROPRIATION TRANSFER REQUIRED? <input type="checkbox"/> Submitted <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A		
(20) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) _____			(21) W-9 <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes		(22) Agenda Item History <input checked="" type="checkbox"/> N/A Date _____
(23) ADMINISTRATIVE OFFICE REVIEW <p align="center"><i>Natalie Schmidt</i></p>					

*8-8-06
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County of San Luis Obispo
Office of the Auditor-Controller
1055 Monterey Street Room D220
San Luis Obispo, California 93408
(805) 781-5040 FAX (805) 781-1220



GERE W. SIBBACH, CPA
BILL ESTRADA, Assistant
JAMES ERB, CPA, Deputy
LYDIA CORR, CPA, Deputy

TO: HONORABLE BOARD OF SUPERVISORS

FROM: GERE W. SIBBACH, AUDITOR-CONTROLLER *by BE*

DATE: AUGUST 8, 2006

SUBJECT: SUBMITTAL OF A CASH PROCEDURES REVIEW OF THE SAN LUIS OBISPO COUNTY PUBLIC WORKS DEPARTMENT, CONDUCTED ON JUNE 29, 2006.

Recommendation

Please review the report for your information. No departmental response is required.

Discussion

The purpose 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. The results of our review revealed the cash funds to be in balance at the time of the count. In addition, we verified the department is applying adequate internal controls over its cash handling functions.

Other Agency Involvement

None.

Financial Considerations

The Public Works Department deposits approximately \$1,650,000. per month.

Results

The Auditor-Controller's program of periodic reviews of cash procedures helps maintain and improve internal controls and procedures for cash handling by County staff.

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GERE W. SIBBACH, CPA
BILL ESTRADA, Assistant
JAMES ERB, CPA, Deputy
LYDIA CORR, CPA, Deputy

July 27, 2006

Noel R. King, Director of Public Works
County of San Luis Obispo
County Government Center, Room 270
San Luis Obispo, CA 93408

Dear Mr. King:

Our office conducted a cash procedures review at the Public Works Department on June 29, 2006.

Purpose

The purpose 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 an unannounced cash count of all cash on hand for June 29, 2006, 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, which was limited to inquiries of departmental staff and personal observations.

Finding and Recommendation

CASH FUNDS

The results of our examinations revealed all cash funds and cash receipts on hand to be in balance at the time of the count. In addition, we verified the department is applying adequate internal controls over its cash handling function.

Recommendation

None.

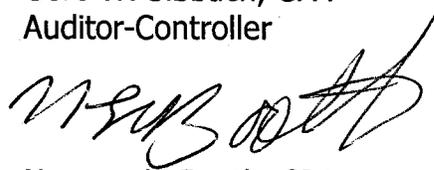
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Noel King, Director of Public Works
July 20, 2006
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We appreciate the courteous attitude of your staff and the cooperation we received during the course of our review.

Sincerely,

Gere W. Sibbach, CPA
Auditor-Controller

A handwritten signature in black ink, appearing to read "N. Booth", written over the printed name of Norman L. Booth.

Norman L. Booth, CPA
Chief Internal Auditor

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