

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

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|--|-------------------------------------|---|--|--|
| (1) DEPARTMENT Auditor-Controller | (2) MEETING DATE August 15, 2006 | (3) CONTACT/PHONE M. Estrella (805) 781-5040 | | |
| (4) SUBJECT Submittal of a cash procedures review of the County of San Luis Obispo Sheriff's Civil Division conducted on June 29, 2006. | | | | |
| (5) SUMMARY OF REQUEST The objective of the review was to evaluate the department's compliance with county cash procedures and internal controls. The results of our review revealed all cash funds and cash receipts on hand to be in balance at the time of the count. However, we found the need to strengthen internal controls over reconciling the department's accounting system with the County's general ledger. | | | | |
| (6) RECOMMENDED ACTION Please review the report and departmental response and direct the Sheriff to report back to the Board within four months on the status of implementing the audit recommendations. | | | | |
| (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 <input checked="" type="checkbox"/> N/A |
| (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) BUDGET ADJUSTMENT 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 <div style="text-align: center; font-size: 2em; font-family: cursive;"> [Signature] </div> <div style="text-align: center; font-size: 2em; font-family: cursive;"> 8-15-06 </div> <div style="text-align: center; font-size: 2em; font-family: cursive;"> B-12 </div> | | | | |

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 15, 2006

SUBJECT: SUBMITTAL OF A CASH PROCEDURES REVIEW OF THE COUNTY OF SAN LUIS OBISPO SHERIFF'S CIVIL DIVISION CONDUCTED ON JUNE 29, 2006.

Recommendation

Please review the report and departmental response and direct the Sheriff to report back to the Board within four months on the status of implementing the audit recommendations.

Discussion

The objective of the review was to evaluate the department's compliance with county cash procedures and internal controls. The results of our review revealed all cash funds and cash receipts on hand to be in balance at the time of the count. However, we found the need to strengthen internal controls over reconciling the department's accounting system with the County's general ledger.

Other Agency Involvement/Impact

None.

Financial Considerations

The Sheriff's Civil Division office deposits approximately \$116,000 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

August 3, 2006

Patrick Hedges, Sheriff-Coroner
San Luis Obispo Sheriff's Office
Highway 1 and Kansas Avenue
Post Office Box 32
San Luis Obispo, CA 93406

Dear Sheriff Hedges:

On June 29, 2006 our office conducted a cash procedures review at the County of San Luis Obispo Sheriff's Civil Division.

Purpose

The objective of the review was to evaluate the department's compliance with county cash procedures and internal controls.

Scope

Our review included physically counting all cash on hand for June 29, 2006 and reconciling the amount to the department's accountability figures. We examined cash receipts and compared these amounts to the corresponding receipt totals and to the subsequent deposit. In addition, we examined the revolving bank account procedures and reconciliation from the past two months as well as accounting procedures for reconciling the Sheriff Civil Softcode Accounting System with the County's General Ledger Trust account. Our review also included an evaluation of internal control over cash, which was limited to inquiries of departmental staff and personal observations.

Findings and Recommendations

1. RECONCILING ACCOUNT SYSTEMS

The Sheriff's Civil Division does not perform a monthly reconciliation between their trust accounting system and the County's General Ledger Trust Account to ensure amounts in both systems are in balance. This finding was noted in the prior cash review.

Recommendation

The department should reconcile their trust accounting system to the County's general ledger each month. The reconciliation should be kept on file and signed and

dated by the employee who prepared it. The reconciliation should also be reviewed and signed by a supervisor.

2. HOWARD HILL ACCOUNTS

The previous Sheriff Civil Trust accounting system called Howard Hill, has not been completely closed into the new system, and currently has an open balance of accounts. Accounting information received from the new accounting system has to be manually updated to reflect Howard Hill accounts. This finding was noted in the prior cash review.

Recommendation

The remaining balances in the Howard Hill system should be converted into the current system.

3. CASH FUND

The results of our examination revealed the cash fund, in all material respects, to be in balance at the time of our count.

Recommendation

None.

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



Bill Estrada
Assistant Auditor-Controller

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Patrick Hedges

Sheriff-Coroner

P.O. Box 32

San Luis Obispo, CA 93406

San Luis Obispo County Sheriff's Department

1 August 2006

Area Code:
(805)

Administration
781-4540

Animal Services
781-4400

Civil
Enforcement
781-5484

Crime
Prevention
781-4547

Custody
781-4600

Detectives
781-4500

Patrol
781-4550

Coast Station
528-6083

Dispatch
781-4550

North Station
237-3000

South Station
473-7100

Watch
Commander
781-4553

Permits
781-4575

Property
781-4533

Records
781-4140

Warrants
781-4588

Gere Sibbach, Auditor-Controller
Office of the Auditor-Controller

\Re: Civil Division Cash Review Report

Dear Mr. Sibbach:

The Sheriff's Department has had the opportunity to review the recommendations of the recent audit of the Civil Division's Trust Account and is in concurrence with the report findings and recommendations. We are currently in the process of reestablishing the month end reconciling procedure between the monthly activity and the trust account. Also, we will be transferring the old Howard Hill system into the newer SoftCode system.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick Hedges".

Patrick Hedges
Sheriff-Coroner

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