

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

(1) DEPARTMENT Auditor - Controller	(2) MEETING DATE 1/8/2013	(3) CONTACT/PHONE Matt Purkiss 781-5099	
(4) SUBJECT Submittal of the Airport concessionaire contract audits of Avis Rent-A-Car Systems, Inc., Budget Rent-A-Car, Enterprise Rent-A-Car, Hertz Rent-A-Car, Runway Express and the Spirit of San Luis for Fiscal Year 2010-11.			
(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? N/A
(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 : November 27, 2007	
(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: 1/8/2013

SUBJECT: Submittal of the Airport concessionaire contract audits of Avis Rent-A-Car Systems, Inc., Budget Rent-A-Car, Enterprise Rent-A-Car, Hertz Rent-A-Car, Runway Express and the Spirit of San Luis for Fiscal Year 2010-11.

## **RECOMMENDATION**

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

## **DISCUSSION**

Currently the County of San Luis Obispo Airport contracts with six concessionaires located at the airport, which pay rent to the County through a variety of fiscal agreements based on the services provided. The concessionaires we reviewed are responsible for providing ground transportation for passengers arriving at or departing from the airport and other patrons of the airport, operating a combined snack bar and gift shop, and operating a restaurant.

The purpose of our review was to determine whether the concessionaires' internal controls were adequate to safeguard and accurately account for cash receipts and whether rent payments were accurately calculated and remitted in a timely manner to the County. We also determined whether the concessionaires maintained the level of insurance required in the contract.

The progress and results of our review 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**

General Services Agency and San Luis Obispo County Regional Airport.

## **FINANCIAL CONSIDERATIONS**

The San Luis Obispo County Regional Airport concessionaires generated \$566,277 in rental income for FY 2010-11.

## **RESULTS**

We determined three concessionaires to be in financial compliance with the individual contracts in all material respects, and all concessionaires had adequate internal controls and insurance coverage.

We determined that three concessionaires underpaid a total of \$28,678 in rent due to eliminating surcharges, discounts, vehicle licensing fees, government administrative rate supplements, underage fees and drop fees from gross revenue when reporting to the Airport.

We also determined that not all rent payments were date/time stamped for payments received from four of the concessionaires and not all date/time stamps included the accurate date and time that the payment was received.

These items are discussed in the Findings and Recommendations in each of the confidential concessionaires' audit reports provided to the Airport.

Periodic audits of the concessionaires' contracts improve compliance and support departmental monitoring consistent with the County's vision of a livable and well governed community.

**ATTACHMENTS**

None