

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

(1) DEPARTMENT Auditor - Controller	(2) MEETING DATE 1/29/2013	(3) CONTACT/PHONE Kerry Bailey 788-2979 Suzanne DeWitt 781-5040	
(4) SUBJECT Submittal of a cash procedures review of the Law Library conducted on April 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? 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: N/A <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 checked="" type="checkbox"/> N/A Date _____	
(17) ADMINISTRATIVE OFFICE REVIEW Emily Jackson			
(18) SUPERVISOR DISTRICT(S) All Districts -			

County of San Luis Obispo



TO: Board of Supervisors
FROM: James P. Erb, Auditor-Controller
DATE: 1/29/2013
SUBJECT: Submittal of a cash procedures review of the Law Library conducted on April 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. The objective 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.

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 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 Cash Handling Policy. 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. The timeliness of deposits was evaluated during the San Luis Obispo County Law Library's cash count. Two sampled deposits were both entered into the Law Library's system but not deposited with the County Treasurer for 6 – 8 business days. A further review of the fiscal year 2011/12 it was determined that 14 deposits were not submitted in a timely manner. The Auditor-Controller's Cash Handling Policy requires departments to deposit cash receipts at least weekly, or earlier if receipts exceed \$500 threshold. Management at the Law Library stated they were unaware of the weekly requirement and only took measures not to exceed the \$500 threshold. Undeposited cash receipts create an environment where misplacement or theft can occur.

Management at the Law Library was advised, and agreed to ensure cash receipts are deposited at least weekly, or earlier when exceeding the \$500 threshold.

ATTACHMENTS

1. Law Library Cash Review Final Report