



COUNTY OF SAN LUIS OBISPO

Office of the Auditor-Controller

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TO: HONORABLE BOARD OF SUPERVISORS

FROM: JAMES P. ERB, AUDITOR-CONTROLLER

DATE: JANUARY 14, 2013

SUBJECT: CASH PROCEDURES REVIEW OF THE SAN LUIS OBISPO LAW LIBRARY
CONDUCTED ON APRIL 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.

Scope

Our review included physically counting all cash on hand for San Luis Obispo County Law Library 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 receipts. Our evaluation of internal controls was limited to inquiries of departmental staff and direct observations.

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.

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