

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

(1) DEPARTMENT Treasurer/Tax Collector/Public Administrator	(2) MEETING DATE 11/26/2013	(3) CONTACT/PHONE Gordon Eiland, (805) 781-5848 Jim Erb, (805) 788-2964	
(4) SUBJECT Request to receive, review, and file the Annual Treasury Compliance Audit For the Fiscal Year Ended June 30, 2013.			
(5) RECOMMENDED ACTION It is recommended that your Honorable Board receive, review, and file the attached Treasury Compliance Audit on the San Luis Obispo County Treasurer's Investment Policy and Oversight Procedures for the fiscal year ended June 30, 2013, as submitted by the County Treasury Oversight Committee.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? No
(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 checked="" type="checkbox"/> N/A    Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW <i>Nikki J. Schmidt</i>			
(18) SUPERVISOR DISTRICT(S) All Districts -			

# County of San Luis Obispo



TO: Honorable Board of Supervisors

FROM: James P. Erb, CPA  
Auditor - Controller - Treasurer - Tax Collector

DATE: November 26, 2013

SUBJECT: Request to receive, review, and file the Annual Treasury Compliance Audit For the Fiscal Year Ended June 30, 2013.

## **RECOMMENDATION**

It is recommended that your Honorable Board receive, review, and file the attached Treasury Compliance Audit on the San Luis Obispo County Treasurer's Investment Policy and Oversight Procedures for the fiscal year ended June 30, 2013, as submitted by the County Treasury Oversight Committee.

## **RECOMMENDATION**

It is recommended that your Honorable Board receive, review, and file the attached Treasury Compliance Audit on the San Luis Obispo County Treasurer's Investment Policy and Oversight Procedures for the fiscal year ended June 30, 2013, as submitted by the County Treasury Oversight Committee.

## **DISCUSSION**

Annually, the County Treasurer presents the Annual Treasury Compliance Audit as submitted by the County Treasury Oversight Committee (CTOC). The CTOC includes the County Auditor-Controller, a representative appointed by the Board of Supervisors, the County Superintendent of Schools or designee, a representative of San Luis Obispo County school boards, and a qualified member of the public. One of the duties of the CTOC is to cause an annual audit to be conducted to determine the County Treasurer's compliance with the Investment Policy and oversight procedures. To comply with this requirement for fiscal year 2012-13, the CTOC entered into an agreement with the County Auditor-Controller.

At a public hearing on July 9, 2013, the San Luis Obispo Board of Supervisors approved ordinances to consolidate the offices of Auditor-Controller and Treasurer-Tax Collector-Public Administrator, effective August 12, 2013. With the consolidation of the two offices, it was deemed more appropriate to contract with Gallina, LLP, the County's independent Certified Public Accountants who review the County's Comprehensive Annual Financial Report, to also perform the annual Treasury Compliance Audit. The CTOC approved this change at a special meeting on September 20, 2013.

The audit report was presented at the October 25, 2013, CTOC regular meeting where it was reviewed and approved. The audit determined that the CTOC, Treasurer, and Investment Policy were in compliance.

## **OTHER AGENCY INVOLVEMENT/IMPACT**

The County's outside auditors, Gallina, LLP conducted the audit. The Administrative Office and County Schools have employees who participate in the CTOC.

## **FINANCIAL CONSIDERATION**

The cost of conducting the annual Treasury Compliance Audit as well as the quarterly cash counts previously performed by the Auditor-Controller was estimated by Gallina, LLP to be \$16,000.

## **RESULTS**

One of the goals of the County Treasurer is to manage the investment pool to ensure the preservation of capital and meet the cash flow needs of investment pool participants. The Compliance Audit Report is an indicator that this goal, which contributes to the communitywide result of a "Prosperous Community," is being met by providing information to the Board of Supervisors and the public regarding Investment Policy compliance when investing public funds.

## **ATTACHMENTS**

1. Compliance Audit Transmittal Letter from Mary Jarvis, Chairperson of CTOC
2. Compliance Audit of the San Luis Obispo Treasurer's Investment Policy and Oversight Procedures