



# COUNTY OF SAN LUIS OBISPO

AUDITOR • CONTROLLER • TREASURER • TAX  
COLLECTOR • PUBLIC ADMINISTRATOR

## **Sheriff-Coroner's Civil Division Cash Procedures & Internal Control Review**

**January 2015**

**JAMES P. ERB, CPA  
Auditor-Controller  
Treasurer-Tax Collector-Public Administrator**



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TO: IAN PARKINSON, SHERIFF-CORONER

FROM: JAMES P. ERB, CPA, AUDITOR-CONTROLLER-TREASURER-TAX COLLECTOR JPE

DATE: JANUARY 15, 2015

SUBJECT: CASH PROCEDURES AND INTERNAL CONTROL REVIEW OF THE SHERIFF-CORONER'S CIVIL DIVISION CONDUCTED ON OCTOBER 7, 2014

Our office recently completed a cash procedures and internal control review of the Sheriff-Coroner's Civil Division that took place on October 7, 2014.

## Purpose

The purpose of our review was to determine compliance with the County Auditor-Controller's Cash Handling Policy, to establish accountability for the cash on hand at the time of the review, and to determine compliance with the County Information Technology (IT) Acceptable Use Policy Acknowledgement signature requirements.

## Scope

The scope of our review included cash and receipts on hand on October 7, 2014 as well as deposits for the prior three months. Additionally, we reviewed the department's revolving account. County IT Acceptable Use Policy Acknowledgements signed in the past calendar year were also sampled and examined.

## Methodology

We conducted our review in conformance with the *International Standards for the Professional Practice of Internal Auditing*. The International Standards for the Professional Practice of Internal Auditing require that the internal audit activity be independent and internal auditors be objective in performing their work. The Standards also require that internal auditors perform their engagements with proficiency and due professional care; that the internal audit function be subject to a program of quality assurance; and that the results of engagements are communicated.

Our review included physically counting all cash on hand for October 7, 2014 and reconciling the amount to the department's accountability figures. We examined cash receipts and compared the amounts to the corresponding receipts total 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.

Additionally we tested for compliance with the County of San Luis Obispo Information Security Program's requirement that employees annually sign the Acceptable Use Policy Acknowledgement form.

### 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 employees signed the IT Acceptable Use Policy Acknowledgement form in a timely manner.

During fieldwork we identified an area where an improvement could be made, and we immediately provided the Division with suggestions for making the improvement. 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 suggestion is detailed in the Suggested Improvements section below:

### Suggested Improvements

#### 1. Staff Certification of Cash Handling Policy

Not all cash handlers had certified in writing that they have read the County Auditor-Controller's Cash Handling Policy. The policy is required reading for all staff who handle cash; however, staff was unaware that written acknowledgement was required. Written acknowledgement by County employees that they have read the policy helps ensure consistent Countywide procedures for cash handling. Subsequent to the end of fieldwork, we received verification that all employees with cash handling responsibilities had certified that they have read the policy.

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