

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

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| (1) DEPARTMENT Auditor - Controller - Treasurer - Tax Collector | (2) MEETING DATE 3/24/2015 | (3) CONTACT/PHONE Kerry Bailey 788-2979 | |
| (4) SUBJECT Submittal of a cash procedures and internal control review of the Planning and Building Department conducted on December 18, 2014. All Districts. | | | |
| (5) RECOMMENDED ACTION It is recommended that the Board receive, review, and file the attached Planning and Building Department Cash Procedures and Internal Controls Review Report which contains two findings and three suggested improvements. | | | |
| (6) FUNDING SOURCE(S) N/A | (7) CURRENT YEAR FINANCIAL IMPACT \$0.00 | (8) ANNUAL FINANCIAL IMPACT \$0.00 | (9) BUDGETED? Yes |
| (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"/> 4/5 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: <u>April 17, 2012</u> | |
| (17) ADMINISTRATIVE OFFICE REVIEW | | | |
| (18) SUPERVISOR DISTRICT(S) All Districts | | | |

County of San Luis Obispo



TO: Board of Supervisors

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

DATE: 3/24/2015

SUBJECT: Submittal of a cash procedures and internal control review of the Planning and Building Department conducted on December 18, 2014. All Districts.

RECOMMENDATION

It is recommended that the Board receive, review, and file the attached Planning and Building Department Cash Procedures and Internal Controls Review Report which contains two findings and three suggested improvements.

DISCUSSION

Cash handling can be an area vulnerable to mistakes or misappropriation. The Auditor-Controller-Treasurer-Tax Collector (ACTTC) has developed policies to minimize the risk associated with use of change funds and petty cash as well as cash receipts. Additionally, County computers are vulnerable to abuse. County Information Technology has developed policies to minimize the risk associated with misuse of County computing assets.

The objectives of our review were 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 count, and to determine compliance with the County IT Acceptable Use Policy Acknowledgement signature requirements.

We determined the cash fund and cash receipts on hand were not in balance at the time of the cash count. Additionally, the combination to the safe was stored in an unsecure location. We also identified areas of improvement which are detailed in the attached Cash and Internal Controls Review Report. In all other respects, the department is in general compliance with the Cash Handling Policy, and employees signed the IT Acceptable Use Policy Acknowledgement form in a timely manner. The Planning and Building Department agrees with our report and has included responses to the specific findings.

OTHER AGENCY INVOLVEMENT/IMPACT

The Department of Planning and Building

FINANCIAL CONSIDERATIONS

There is no additional cost to the County for conducting unannounced cash and internal control reviews. Periodic unannounced cash and internal control reviews are a part of the ACTTC's compliance with Government Code 26881 and 26883.

RESULTS

The ACTTC's program of periodic unannounced reviews of cash procedures and other internal controls helps maintain and improve internal controls and procedures for cash handling by County staff and contributes to the County's vision of a well-governed community.

ATTACHMENTS

1. Planning and Building Department Cash and Internal Controls Review Report FY 2014/15