

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

(1) DEPARTMENT Auditor - Controller - Treasurer - Tax Collector	(2) MEETING DATE 8/23/2016	(3) CONTACT/PHONE Kerry Bailey 788-2979 Mark Maier 781-4267	
(4) SUBJECT Submittal of a cash procedures and internal control review of the Health Agency conducted February and March 2016. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board receive, review, and file the attached Health Agency cash procedures and internal controls review report which contains one finding and five suggested improvements. Our report also includes the Health Agency's response to the finding.			
(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 2, 2013</u>	
(17) ADMINISTRATIVE OFFICE REVIEW <i>Nikki J. Schmidt</i>			
(18) SUPERVISOR DISTRICT(S) All Districts			

# County of San Luis Obispo



TO: Board of Supervisors

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

DATE: 8/23/2016

SUBJECT: Submittal of a cash procedures and internal control review of the Health Agency conducted February and March 2016. All Districts.

## **RECOMMENDATION**

It is recommended that the Board receive, review, and file the attached Health Agency cash procedures and internal controls review report which contains one finding and five suggested improvements. Our report also includes the Health Agency's response to the finding.

## **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 cash and cash equivalents on hand at the time of the count, and to determine compliance with the County IT Acceptable Use Policy Acknowledgement signature requirements.

The Health Agency has twelve separate cash funds. We determined the cash funds, and cash receipts on hand, to be in balance at the time of our count. The Agency's internal controls over cash, MasterCards, Cal-Cards and other cash equivalents appear to be adequate with the exception of one petty cash fund. We also identified five areas of improvement which are detailed in the attached cash procedures and internal control review report along with our finding and the Health Agency's response.

## **OTHER AGENCY INVOLVEMENT/IMPACT**

Health Agency

## **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. Health Agency Cash and Internal Controls Review FY 15-16 Report