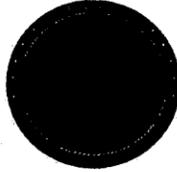


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TO: JANETTE PELL, GENERAL SERVICES AGENCY DIRECTOR
FROM: GERE W. SIBBACH, AUDITOR-CONTROLLER
VIA: JAMES P. ERB, ASSISTANT AUDITOR-CONTROLLER
DATE: DECEMBER 19, 2011
SUBJECT: CASH PROCEDURES REVIEW OF THE COUNTY POOLS CONDUCTED ON AUGUST 2 & 3, 2011

Our office completed a cash review of the County Pools on August 2 & 3, 2011. Please respond to the Finding and Recommendation within 10 business days of receiving this report. The response should include the corrective action the County Pools will be making to satisfy the Findings and Recommendations.

Background:

The General Services Agency operates and maintains six county pools throughout San Luis Obispo County. Standard fees are \$4.50 and \$2.25 daily for adults and children respectively; \$45 for group lessons; and \$79 for private lessons. Some pools may receive funding from a variety of sponsors resulting in waivers of some or all fees. The following fees were in effect during the time of our review:

Hardie Park	Daily fees charged. Weekend lap swims & Aqua Aerobics on Tuesday, Wednesday, Thursday and Friday provided at no charge.
Shamel Park	No sponsorship, all fees charged.
Templeton Park	Daily adult fees and fees for group and private lessons charged. Child fees waived due to sponsorship.
San Miguel Park	Daily adult fees and fees for group and private lessons charged. Child fees waived due to sponsorship.
C.W. Clarke Park	Full sponsorship, no fees charged.
Santa Margarita Lake Pool	Pool fees included with park entrance fee.

Purpose:

The objective of our review was to determine compliance with the County Cash Handling Policy and to establish accountability for the cash on hand at the time of the count.

Methodology:

Our review included physically counting all cash on hand for August 2 and 3, 2011, 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 County Cash Handling Policy.

We also determined that some lifeguards were not trained in cash handling procedures, and one pool was not equipped with a safe or other means of safeguarding cash while stored overnight. These items are discussed in the Findings and Recommendations section of this report.

Findings and Recommendations:

1. Not All Cash Handlers Trained

We determined the lifeguards handling cash at the pools did not read, and were not familiar with, the Cash Handling Policy. In addition, recently hired lifeguards had not been trained on the operation of the cash registers or the department's cash handling procedures. Employees handling cash must be trained on the operation of cash registers and the department's cash handling procedures. Employees handling cash are also required to read and become familiar with the Auditor-Controller's Cash Handling Policy. A copy of the policy was available to the lifeguards; however, they were not informed of the requirement to read and become familiar with the policy. As a result, GSA Pools experienced a variety of cash handling errors.

Recommendation:

All lifeguards must be trained on the operation of cash registers and the department's cash handling procedures, and read and become familiar with the Auditor-Controller's Cash Handling Policy, prior to being placed in an environment where cash handling duties may be required.

2. Cashiering Area Not Equipped With Safe

We determined that one of the pools is not equipped with a safe. Management relies on the lifeguard to transport cash to a safe located at a distant location at the end of each shift, and retrieve the cash, from the same location, at the beginning of each shift. The Cash Handling Policy requires, and best business practices dictate, that each facility be equipped with a safe or other secure means of safeguarding cash while stored overnight. Transporting cash over such a distance increases the risk of loss of cash, and may jeopardize the safety of the employee.

Recommendation:

It is recommended General Services Agency install a safe or other secure means of safeguarding cash overnight at all County Pools.

The General Services Agency identified corrective actions for the findings outlined above in a memorandum to the Board of Supervisors dated December 19, 2011. If implemented, the findings will be resolved. We will conduct a follow-up review during the swimming season to verify the corrective actions are in place and producing the expected results.

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



County of San Luis Obispo General Services Agency

COUNTY PARKS

Janette D. Pell, Director

Curtis Black, Deputy Director

TO: Board of Supervisors
FROM: *Janette D. Pell*
Janette Pell, General Services Agency Director
DATE: December 19, 2011
RE: Response to the review of the County Pools

Thank you for your review of our County Pools for the period of August 2 and 3, 2011, and subsequent two recommendations.

1 Not All Cash Handlers Trained: A comprehensive Cash Handling training program will be implemented at the beginning of each season and as needed throughout the season, to ensure that all Lifeguards handling cash will receive the training. Upon completion of the training, Lifeguards will sign a letter certifying that they have read the Auditor-Controller's Cash Handling Policy.

2 Cashiering Area Not equipped with Safe: We will purchase a safe for the Cambria pool.