

County of San Luis Obispo

Office of the Auditor-Controller

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TO: JANETTE PELL, GENERAL SERVICES ADMINISTRATOR

FROM: GERE SIBBACH, AUDITOR-CONTROLLER

VIA: JAMES P. ERB, ASSISTANT AUDITOR-CONTROLLER

DATE: FEBRUARY 3, 2012

SUBJECT: CASH PROCEDURES REVIEW OF SAN LUIS OBISPO COUNTY AIRPORT
CONDUCTED ON NOVEMBER 15, 2011.

Purpose

The purpose of our review was to determine compliance with the County Auditor-Controller's Cash Handling Policy and to establish accountability for the cash on hand at the time of the count.

Scope

Our review included physically counting all cash on hand for November 15, 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 Cash Handling Policy. During fieldwork we identified some areas where improvements could be made, and we immediately provided the Department with suggestions for making these improvements. 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 suggestions are detailed in the Suggested Improvements section below.

Suggested Improvements

1. Voided Receipts

We found a voided receipt with no indication of a supervisor's review. The Cash Handling Policy requires that the immediate supervisor review and initial all voided receipts in the presence of the payer. A brief explanation of the reason for the void should be noted on the receipt. Supervisor approval of voided receipts establishes accountability for the transaction and helps to prevent misappropriation of County funds. We recommended that a supervisor review and document a voided receipt and that management discuss the importance of this procedure with cash handling staff. Subsequent to fieldwork we received confirmation that management had discussed the importance of supervisor review and approval of voided receipts with cash handling staff.

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