



DEPARTMENT OF PLANNING AND BUILDING

March 27, 2012

Gere Sibbach, CPA
Auditor-Controller Office
County Government Center
San Luis Obispo, Ca 93408

Dear Mr. Sibbach:

I want to thank Mike Cannon and Matt Purkiss, for the courteous and efficient manner in which they handled the annual cash handling procedure review of December 22, 2011. My staff and I sincerely appreciate their helpfulness along with Kerry Baily and Jim Erb in suggesting ways to strengthen our internal controls.

In response to your letter of March 13, 2012, the Planning and Building Department will be implementing the following:

PETTY CASH RECEIPT NOT MARKED "PAID"

Recommendation

The petty cash custodian must mark all petty cash receipts "PAID" at the time reimbursement is made.

Response

The department has reviewed this requirement with the petty cash custodian.

REIMBURSEMENT NOT AUTHORIZED

Recommendation

A supervisor who is not the petty cash custodian must sign the petty cash voucher verifying that requests for petty cash funds have been approved.

Response

After the Department downsized, the designated petty cash custodian was inadvertently the same person previously designated as the supervisor. This has been corrected and a different person has been designated as the custodian to create the separation to enhance adequate control over petty cash expenditures.

FOOD PURCHASED WITH PETTY CASH FUNDS

Recommendation

The Planning Department should not buy food without the permission of the Auditor-Controller. Food should be bought through regular purchasing channels whenever possible and should not be reimbursed from petty cash without the express permission of the Auditor-Controller.

Response

The Planning and Building Department recently were awarded local grants to market energy programs in partnership with the utility companies. As part of the marketing programs, food is purchased for energy education & programs booths. The Department has since discussed these grants with the Auditor-Controller's office. The Department has established purchase orders to help facilitate the purchase of items using an appropriate method. The Department will no longer purchase food using petty cash.

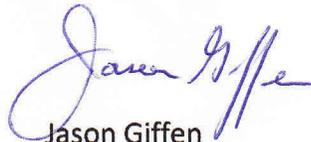
STAFF CERTIFICATION OF CASH HANDLING POLICY

Response

All staff responsible for cash handling has now signed the certification.

We appreciate your staff's feedback and their ability to help us improve safeguards for the county and staff. Their work with us on how to better use the county system from a marketing aspect is invaluable. Through their positive attitude we are able to function in ways that are more efficient for everyone. Thanks again for your assistance.

Sincerely,



Jason Giffen
Planning Director