



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

(1) DEPARTMENT Auditor - Controller - Treasurer - Tax Collector		(2) MEETING DATE 11/6/2018		(3) CONTACT/PHONE Kerry Bailey 805-788-2979 Mark Maier 805-781-4267	
(4) SUBJECT Submittal of a cash procedures and internal controls audit of the Law Library conducted on August 1, 2018. All Districts.					
(5) RECOMMENDED ACTION It is recommended that the Board receive, review, and file the attached Law Library Cash Procedures and Internal Controls Audit report.					
(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>2/3/2015</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, CPA, Auditor-Controller-Treasurer-Tax Collector

DATE: 11/6/2018

SUBJECT: Submittal of a cash procedures and internal controls audit of the Law Library conducted on August 1, 2018. All Districts.

### **RECOMMENDATION**

It is recommended that the Board receive, review, and file the attached Law Library Cash Procedures and Internal Controls Audit report.

### **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 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 audit were to determine compliance with the County Auditor-Controller-Treasurer-Tax Collector's Cash Handling Policy, to establish accountability for cash on hand, to determine the adequacy of internal controls surrounding department assets, and to determine compliance with the County IT Acceptable Use Policy Acknowledgement signature requirements.

We determined the cash funds, and cash receipts on hand to be in balance at the time of our count. Deposits were made timely, and the distribution of media materials has proper internal controls.

Detailed in the in attached report, we identified nine areas with findings; six of which the department has corrected prior to the issuance of the final report. The three remaining recommendations to be implemented are:

1. Obtain a secondary approval signature on all Authorization to Draw Warrants and retain complete support documentation for all payments for seven years.

2. Record all change fund balancing overages to the overage account in the financial system.
3. Submit the Law Library annual report to the County Board of Supervisors and the Auditor-Controller-Treasurer-Tax Collector by October 15<sup>th</sup> of the subsequent year.

#### **OTHER AGENCY INVOLVEMENT/IMPACT**

Law Library

#### **FINANCIAL CONSIDERATIONS**

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

#### **RESULTS**

The ACTTC's program of periodic 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. Law Library Cash Procedures and Internal Controls Audit Report FY 18-19