



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

(1) DEPARTMENT Auditor-Controller-Treasurer- Tax Collector	(2) MEETING DATE 4/23/2019	(3) CONTACT/PHONE Mark Maier (805) 781-4267	
(4) SUBJECT Submittal of a cash procedures and internal controls audit of the San Luis Obispo County Library conducted in November and December 2018. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board receive, review, and file the attached 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: N/A <input type="checkbox"/> 4/5th's 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>July 22, 2014</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 W. Hamilton, CPA, Auditor – Controller – Treasurer – Tax Collector

DATE: 4/23/2019

SUBJECT: Submittal of a cash procedures and internal controls audit of the San Luis Obispo County Library conducted in November and December 2018. All Districts.

RECOMMENDATION

It is recommended that the Board receive, review, and file the attached 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, in all material respects, to be in balance at the time of our cash counts. The Library is in general conformance with the Cash Handling Policy except as outlined in the attached cash procedures and internal controls audit report. Detailed in the attached report, we identified eight findings; five of which the department corrected prior to the issuance of the final report. The three remaining findings related to change fund security, daily cash register reconciliations, and receipt issuance for donations received. The Library agrees with our report and has included responses to the three remaining findings and recommendations.

OTHER AGENCY INVOLVEMENT/IMPACT

San Luis Obispo County 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 Library FY 18-19 Cash Procedures and Internal Control Audit