



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Auditor-Controller
Department No.: 061
For Agenda Of: November 15, 2016
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Theodore A. Fallati, CPA, CPFO, Auditor-Controller, 568-2100
Director(s)
Contact Info: Heather Fletcher, CPA, Audit Manager, 568-2456

SUBJECT: Restaurant Concessions Audit Report

County Counsel Concurrence

As to form: N/A

Auditor-Controller Concurrence

As to form: N/A

Recommended Actions:

That the Board of Supervisors:

Receive and file the Auditor-Controller's report on the County's restaurant concessions (the Audit Report).

Summary Text:

The Audit Report is submitted pursuant to California Government Code 26883 which requires that the Auditor-Controller's audit reports be filed with the Board of Supervisors. The primary objective of our audit was to determine whether the County's restaurant concessioners' records adequately supported their monthly gross receipts and that rent was properly remitted to the County. Based on our audit, we found that one concessioner owed additional rent.

Background:

The County's restaurant concessioners, Beachside Bar and Cafe, Boathouse at Hendry's Beach, and Jalama Store, operate from County facilities at Goleta Beach, Arroyo Burro Beach, and Jalama Beach, respectively. These concession agreements are managed by the Parks Division (Parks) of the Community Services Department. Rent payments are based off of a percentage of gross receipts that varies between the concessioners. For fiscal year 2014-15, the County received rent payments totaling \$1,058,784 from the three concessioners.

We found that Boathouse at Hendry's Beach owed an additional \$31,361, which they have already remitted to the County. We also noted areas where improvements could be made to future concession agreements.

We thank Parks and the concessioners for their assistance and cooperation during the audit.

Attachments:

Audit Report on County Restaurant Concessioners

Authored by:

Heather Fletcher, Audit Manager

cc: Mona Miyasato, County Executive Officer
George Chapjian, Community Services Director