



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: 10/17/2023
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Betsy M. Schaffer, CPA, CPFO
Director(s) Auditor-Controller, 568-2100

Contact Info: Joel Boyer, CPA
Internal Audit Division Chief, 568-2456

SUBJECT: June 30, 2023 Fiscal Year End Auditor-Controller Internal Audit Reports

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Receive and file the Auditor-Controller's Loss of Public Property Report for the period of 7/1/2022-6/30/2023.
- b) Receive and file the Auditor-Controller's Cash Shortages & Overages Report for the period of 7/1/2022-6/30/2023.
- c) Receive and file the Auditor-Controller's Report of Vendor Payments Greater than \$200,000 for the period of 7/1/2022-6/30/2023.
- d) Determine that the above actions are not a project under the California Environmental Quality Act (CEQA) pursuant to section 15378(b)(5) of the CEQA guidelines, because they consist of administrative activities of the government that will not result in direct or indirect physical changes in the environment.

Summary Text:

The Loss of Public Property Report is provided as is required under Resolution No. 11-432.

The Cash Shortages & Overages is provided pursuant to California Government Code Section 29380.1.

The Report of Vendor Payments Greater than \$200,000 is provided as a reporting requirement of the Service Contract and Grant Compliance Management Policy of the County of Santa Barbara.

Background:

Loss of Public Property Report

Resolution No. 11-432 affirms your Board's commitment to maintain a tone of integrity throughout the County, increase management's focus on anti-fraud controls, decrease County losses, and increase the efficiency and results of investigations. Resolution No. 11-432 implemented policies and procedures recommended by the Auditor-Controller in reporting acts that involve losses of public funds and property. The policies and procedures also require that a report of losses and disposition be provided to your Board on an annual basis.

The Loss of Public Property Report includes substantiated instances of loss or theft of cash and property occurring between 7/1/2022-6/30/2023 reported by departments to the Internal Audit (IA) Division of the Auditor-Controller's Office. This report does not include instances where lost monies or property were subsequently found or recovered from sources other than insurance, or certain instances where investigations have not concluded. During the reporting period, audit work was completed for 11 reports of property loss for the amount of \$8,213 and 11 reports of stolen property for the amount of \$12,322 for a total reported loss of \$20,535.

The reported loss and related description received from each department as well as trend information is reported in Attachment A - Loss of Public Property Report for the period of 7/1/2022-6/30/2023.

Cash Shortages & Overages Report

The Cash Shortages & Overages Report for the period 7/1/2022-6/30/2023 is submitted pursuant to California Government Code Section 29380.1, which notes that the Auditor-Controller will render a written report and give an account to the Board of the cash difference (shortage) fund and cash overage fund at the end of each fiscal year.

Cash shortages and overages primarily result from routine transaction processing and cash handling errors. Total cash shortages for the period amounted to \$1,869.46, and total cash overages amounted to \$3,781.45. Cash losses are reported directly to IA by a department while cash shortages and overages are recorded by departments in the general ledger through the County's Financial Information Network (FIN).

The cash shortages and overages and related explanations received from each department as well as trend information is included in Attachment B - Cash Shortages & Overages Report for the period of 7/1/2022-6/30/2023.

Report of Vendor Payments Greater than \$200,000

The Report of Vendor Payments Greater than \$200,000 for the period of 7/1/22-6/30/2023 is a reporting requirement of the Service Contract and Grant Compliance Management Policy of the County of Santa Barbara. This report is a compilation of information acquired from FIN and, as such, auditing procedures

were not completed related to it. To increase transparency of payments to certain vendors, auditor judgment was used to combine FIN vendors when appropriate. The Report notes that 287 vendors were paid amounts greater than \$200,000 for total disbursements equal to \$395,545,635. Questions about specific vendors and related disbursements should be directed to the appropriate department director. The list depicts all vendors that received disbursements of more than \$200,000 during the fiscal year, not solely those with Board approved service contracts.

The detailed list of vendors, related disbursements, and trend information is included in Attachment C - Report of Vendor Payments Greater than \$200,000 for the period of 7/1/22-6/30/23.

Fiscal Analysis:

See Attachments

Attachments:

A - Loss of Public Property Report for the period of 7/1/2022-6/30/2023

B - Cash Shortages & Overages Report for the period of 7/1/2022-6/30/2023

C - Report of Vendor Payments Greater than \$200,000 for the period of 7/1/2022-6/30/2023

Authored by:

Joel Boyer, Internal Audit Division Chief

CC:

Mona Miyasato, County Executive Officer

County of Santa Barbara Department Directors