



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

Submitted on:
(COB Stamp)

Department Name: Auditor-Controller
Department No.: 061
Agenda Date: May 6, 2024
Placement: Administrative Agenda
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Betsy M. Schaffer, CPA, CPFO, 805-568-2100
Jenavieve Shiloh, CPA, 805-568-2134
SUBJECT: Single Audit Reports for the fiscal year ended June 30, 2024

County Counsel Concurrence

As to form: N/A

Other Concurrence:

As to form: N/A

Auditor-Controller Concurrence

As to form: N/A

Recommended Actions:

That the Board of Supervisors:

- a) Receive and file the County of Santa Barbara's Single Audit Reports for the fiscal year (FY) ended June 30, 2024.
- b) 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:

Under the Code of Federal Regulations, entities that expend \$750,000 or more of Federal awards per year are required to have annual audits (commonly referred to as *Single Audits*). The audits are conducted by independent outside auditors in accordance with Subpart F of the U.S. Office of Management and Budget (OMB) 2 CFR Part 200 – *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. During FY 2023-24, the County expended approximately \$160 million in reimbursable Federal funds excluding loans, fee for service Medicaid and other vendor type transactions.

Brown Armstrong Accounting Corporation (Brown Armstrong) performed the County's Single Audit. The County received unmodified "clean" opinions on all Federal programs selected for the Single Audit. Brown Armstrong also performed the County's annual financial statement audit. As a required part of performing both audits in accordance with *Government Auditing Standards*, Brown Armstrong

issued a Report on Internal Control over Financial Reporting and on Compliance and Other Matters, which is included in the attached Single Audit Reports.

Background:

The *Uniform Guidance* is intended to promote sound financial management, including effective internal control, with respect to Federal awards administered by state and local governments and not-for-profit organizations. The Single Audit contains both compliance and financial components. The audit standards require the auditee (the County) to:

1. Maintain internal control for Federal programs;
2. Comply with the laws, regulations, and provisions of contracts or grant agreements;
3. Prepare appropriate financial statements, including the Schedule of Expenditures of Federal Awards (SEFA);
4. Ensure that the required Single Audits are properly performed and submitted when due;
and
5. Follow up and take corrective actions on audit findings.

Although interrelated, the Single Audit differs from the County's annual financial audit in that the Single Audit focuses on compliance with Federal regulations and internal controls over Federal programs, while the financial audit focuses on whether the County's financial statements are presented fairly in all material respects. The County's Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2024, is being concurrently received and filed by your Board today, May 6, 2025.

An **unmodified opinion** is a "clean" opinion, while a **qualified opinion** signifies that the auditor found material instances of noncompliance within a major program. As indicated in the table below, all four of the programs tested for FY 2023-24 received an unmodified opinion. The Single Audit opinions by major Federal program audited for the last three years are as follows:

<i>Federal Program</i>	<i>2023-24</i>	<i>2022-23</i>	<i>2021-22</i>
Child Support Enforcement	Unmodified	N/A	N/A
Medicaid	Unmodified	N/A	Unmodified
Watershed Protection and Flood Protection	Unmodified	N/A	N/A
Workplace Innovation and Opportunity Act Cluster	Unmodified	N/A	N/A
Adoption Assistance	N/A	Unmodified	N/A
Block Grants for Prevention & Treatment of Substance Abuse	N/A	Unmodified	N/A
Health Center Program Cluster	N/A	Unmodified	N/A
Special Supplemental Nutrition Program for Women, Infants, and Children	N/A	Unmodified	N/A
Supplemental Nutrition Assistance Program	N/A	Unmodified	Unmodified
Temporary Assistance for Needy Families	N/A	Unmodified	N/A
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (ARPA)	N/A	N/A	Unmodified
Disaster Grants Public Assistance	N/A	N/A	Unmodified
Emergency Rental Assistance Program	N/A	N/A	Unmodified
Emergency Shelter Grants Program	N/A	N/A	Unmodified
Foster Care	N/A	N/A	Unmodified
Hazard Mitigation Grant (HMGP)	N/A	N/A	Unmodified
Highway Planning and Construction	N/A	N/A	Unmodified

N/A - Program Not Audited

The Single Audit requires the independent auditor to evaluate the County's status as high-risk or low-risk. A high-risk auditee is a recipient which has a high risk of having instances of non-compliance with Federal laws and regulations, while a low-risk auditee is the exact opposite. In fiscal year 2023-24, the County was considered a low-risk auditee. This status should continue if the County continues to receive unmodified opinions for all major programs selected for testing by the auditors in the future. The Single Audit Reports for the fiscal year ended June 30, 2024 contained no findings.

Performance Measure:

Receive unmodified opinions on the FY 2023-24 Federal Single Audit Report.

Contract Renewals:

N/A

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

Narrative: For FY 2023-24, the total audit contract with independent outside auditors was \$145,000 of which \$50,000 was attributed to the Single Audit.

Attachments:

Attachment A – County of Santa Barbara, Single Audit Reports for the fiscal year ended June 30, 2024

Authored by:

Nicolas Nocker, CPA
Financial Reporting, Budget, and Cost Division Supervisor, Office of the Auditor-Controller
nocker@countyoffsb.org

cc:

Mona Miyasato, County Executive Officer
Department Directors