



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: December 11, 2012
Placement: Administrative
Estimated Tme: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Robert W. Geis, CPA, Auditor-Controller, 568-2100
Director(s)
Contact Info: Heather Fletcher, CPA, Audit Manager, 568-2456

SUBJECT: Auditor-Controller's Report on Fiscal Year 2011-12 County Vendors

County Counsel Concurrence

As to form: No

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors receive and file the FY 2011-12 Expenditure Summary of County Vendors over \$100,000.

Summary Text:

On August 14, 2012, the Board adopted a response to the Santa Barbara County Civil Grand Jury report entitled *A Failure of Oversight – Lompoc Housing and Community Development Corporation*. As part of the response to this report, it was requested that the Auditor-Controller prepare annual reports of contract expenditures to the Board. The attached report for FY 2011-12, shows that the County made \$206,141,415 in payments to 306 vendors.

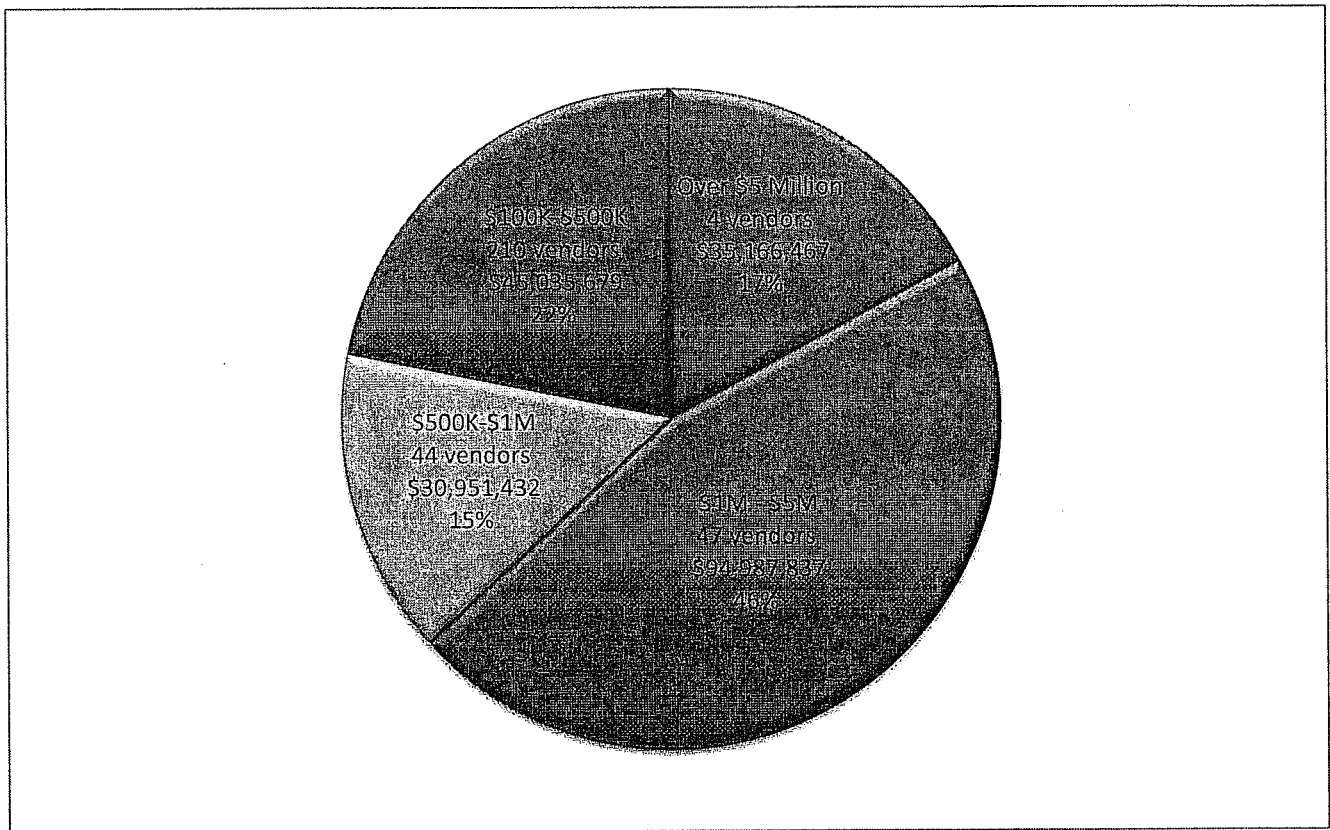
Background:

In a recent report titled *A Failure of Oversight – Lompoc Housing and Community Development Corporation*, the Grand Jury recommended that the Santa Barbara County Board of Supervisors establish a policy that the Auditor-Controller conduct an annual audit; with time certain deadlines, of all organizations that receive county funds in excess of \$100,000. The Board approved staff recommended alternatives to improve accountability in this area which included a report to the Board detailing expenditures of all vendors over \$100,000, a regular report to the Board on the external monitoring reports of County departments and compliance review of departments on a sample basis by the Auditor-Controller. In addition, staff recommended review of current grant and contract monitoring policies

and evaluation of future contract agreements to consider language regarding withholding of funds for non-compliance within governing laws.

The Auditor-Controller's Office has worked in conjunction with the County Executive Office to construct a policy which is presented for your consideration on the Departmental agenda. The policy intends to improve departmental contract management, provide for enhanced communication, and mitigate the risks of loss, both financial and material, due to fraud, theft, unauthorized use or disposition through effective contract/grant compliance management procedures.

The graph below shows expenditures stratified by dollar amount; the detailed list of vendors and expenditures is presented as an attachment. The list of vendors depicts all organizations receiving more than \$100,000 during the fiscal year, not solely those with Board approved contracts. During the compilation of this report we identified opportunities for system improvements to provide enhanced information, including the addition of a category to identify the type of goods or services purchased. We will continue to make efforts to enhance the information provided to your Board.



Attachments:

FY 2011-12 Expenditure Summary of County Vendors over \$100,000.

Authored by:

Heather Fletcher, Audit Manager

CC: Chandra Wallar, County Executive Officer