



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: General Services
Department No.: 063
For Agenda Of: May 2, 2017
Placement: Administrative
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: General Services Janette D. Pell, Director 560-1011

Contact Info: Joseph Toney, Assistant Director 568-2678
Toni Bailey, Cost Analyst 568-2623

SUBJECT: Northern Branch Jail Project – Brown Armstrong Audit Financial and
Performance Audits for Fiscal Years 2015-16, 2016-17, 2017-18 and 2018-19

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Approve and authorize the Chair to execute the contract with Brown Armstrong Accountancy Corporation in the amount of \$34,000 to perform a financial and performance audit of the AB900 Northern Branch Jail project for the Fiscal Years 2015-16, 2016-17, 2017-18 and 2018-19; and
- b) Determine that the above actions are not a project under the California Environmental Quality Act (CEQA) per CEQA Guidelines Section 15378(b)(5), because they are government fiscal activities which do not involve commitment to any specific project which may result in potentially significant physical impact on the environment.

Summary Text:

On January 15, 2013, the Board of Supervisors entered into the Board of State and Community Corrections (BSCC) Jail Construction Agreement for Santa Barbara County for the Northern Branch Jail (NBJ) AB900 project. The BSCC agreement requires that within ninety (90) calendar days of project Final Completion, the County must obtain and submit a final program audit to the BSCC. The agreement requires that the audit be prepared in accordance with generally accepted auditing standards, government auditing standards for financial and compliance audits, and the State of California, Board of State and Community Corrections (BSCC) Audit Guide.

The subject contract with Brown Armstrong includes the Fiscal Years 2015-16, 2016-17, 2017-18 and the final audit for Fiscal Year 2018-19. This is a compliance audit following performance standards as required by *Audit Guide Issued by Board of State and Community Corrections (BSCC) Relating to BSCC Jail Construction Agreement*. The only required audit is the final audit performed within 90 days of the final completion of construction. However, by performing annual audits, the County will be able to assure compliance with BSCC agreements during the course of the project to prevent, detect and correct any occurrences of noncompliance.

Background:

On January 15, 2013, the Board of Supervisors entered into the Board of State and Community Corrections (BSCC) Jail Construction Agreement for Santa Barbara County for the AB900 Northern Branch Jail project. The BSCC agreement requires that within ninety (90) calendar days of project Final Completion, the County must obtain and submit a final program audit to the BSCC. The agreement requires that the audit be prepared in accordance with generally accepted auditing standards, government auditing standards for financial and compliance audits, and the State of California, Board of State and Community Corrections (BSCC) Audit Guide.

Two Financial and Program Audits were previously completed by Brown Armstrong for Inception through June 30, 2014 and for Fiscal Year 2014-15. Four more annual program audits are planned which will cover the remaining years of the project and will provide the following reports:

- a) Report on the Financial Schedules with an independent auditor’s opinion for each audit period for the report on the financial schedules and related notes.
- b) Report on the Internal Control over Financial Reporting and on Compliance and Other Matters.
- c) Report on Compliance with Performance Requirements.
- d) Findings and Recommendations.

Performance Measures

- 1. Publish the Financial and Performance Audit for the AB900 Northern Branch Jail Construction Project annually.
- 2. Receive an unmodified opinion on the Financial Statements and Compliance with BSCC requirements.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

| <u>Funding Sources</u> | <u>Current FY Cost:</u> | <u>Annualized On-going Cost:</u> | <u>Total One-Time Project Cost</u> |
|---|--------------------------------|---|---|
| Board of State Community Corrections (BSCC) | \$ 8,500.00 | \$ 8,500.00 | \$ 34,000.00 |
| Total | \$ 8,500.00 | \$ 8,500.00 | \$ 34,000.00 |

Narrative:

The budget for the North Branch Jail Project includes \$60,000 for auditing the project. Two annual audits have been performed with a total cost of \$18,000 which leaves \$42,000 remaining budget.

Key Contract Risks:

This contract has been determined to be a medium risk contract by the Auditor-Controller's Office. Based on subjective and actual criteria factors, there were no specific areas of high risk. The factors reflecting medium risk include: 1) a fixed price contract, 2) limited number of bidders from competitive acquisition process for the service, 3) a moderately visible, sensitive, or controversial contract subject, and 4) a requirement for limited access to secure information. All other risk factors were determined to be low risk.

Staffing Impacts:

Legal Positions:

None

FTEs:

None

Special Instructions:

Request the Chair of the Board to sign three (3) original contracts and direct the Clerk of the Board to retain one original contract and return 2 originals to the General Services Office, attention Toni Bailey.

Attachments:

1. Agreement for Services of Independent Contractor between the County of Santa Barbara and Brown Armstrong Accountancy Corporation (1 original; 2 duplicate originals).

Authored by:

Toni Bailey, Cost Analyst II, General Services