



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:** February 4, 2014  
**Placement:** Administrative  
**Estimated Tme:** N/A  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**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 the External Monitoring Reports of County Departments for January 1, 2012 through June 30, 2013.

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**County Counsel Concurrence**

As to form: N/A

**Other Concurrence:** N/A

As to form: N/A

**Recommended Actions:**

That the Board of Supervisors:

Receive and file the Auditor-Controller's Report on the External Monitoring Reports of County Departments for January 1, 2012 through June 30, 2013 (the Report).

**Summary Text:** County departments are subject to monitoring by external agencies; primarily, by the State of California. The majority of monitoring is performed over State and Federal funding received by the County. Monitoring can take place on different levels such as an audit, review, or specific procedures performed on certain processes. Generally, the objective of monitoring is to determine whether the County is in compliance with certain legal restrictions that are placed on funding. Non-compliance may result in a loss of or reduction in funding. All monitoring of County departments has been compiled based upon departmental reports filed with the Auditor-Controller. During the eighteen months covered by the Report, three departments had program monitorings that were ranked as **high risk** and 13 departments had program monitorings that were ranked as **low risk**. The corrective action proposed by the departments, for higher risk monitoring, is included in the Report.

**Background:**

The Report attached summarizes the results of monitoring reports issued of all departments within the County by external agencies, based upon departmental reports made to our office. These monitoring reports provide information on strengths and weaknesses in departmental policies and procedures and extend into organizations that receive County funds.

There are two main County-wide annual audits which include all departments:

1. The audit of the Comprehensive Financial Report (CAFR) which focuses on the County's financial processes and procedures.
2. The Single Audit which is an audit of all Federal programs, primarily over the compliance elements of these programs.

We report the results of both of the above reports to the Board of Supervisors in separate board letters on an annual basis. We have also included these results in the Report. The CAFR audit is included in the Auditor-Controller section and the Single Audit in each respective department. In general, most of the other monitoring that occurs is performed by the State, over compliance restrictions associated with funds disbursed to the County.

The Report compiles the results of all monitorings that were performed on County departments from January 1, 2012 through June 30, 2013 and includes a risk assessment of each program based upon audit results. The risk assessments are made by the Auditor-Controller's Office and do not reflect findings in reports from prior or subsequent years. Therefore, a risk assessment may change each year, depending on the monitoring results and activities for the year.

High risk programs, designated in red, indicate that there may be a potential for a large dollar amount of error or loss, significant lack of monitoring, or wide-spread violation of law. Programs with a potential for moderate dollar amount of error or loss, some violation of policy, and when other compensating procedures may exist to correct issues are designated as yellow. Low risk programs are designated with the color green and are summarized on page 2 of the report.

From January 1, 2012 through June 30, 2013, programs in the departments of Alcohol Drug and Mental Health, Community Services, and Social Services, were rated as high risk. Repayment of funds was required for Alcohol Drug and Mental Health; the remaining two departments have not been required to repay any finding amounts at this time.

The Report is provided to your Board to inform you of strengths and weaknesses in departmental procedures and processes as identified by outside auditors. Weaknesses in these processes and procedures should be corrected and monitored by County management.

**Attachments:** Auditor-Controller's Report on the External Monitoring Reports of County Departments

**Authored by:** Heather Fletcher, Audit Manager

**cc:** Mona Miyasato, County Executive Officer  
Department Directors