

A-4



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: June 20, 2017
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Theodore A. Fallati, CPA, CPFO, Auditor-Controller, 568-2100
Director(s) *Theo Fallati*
Contact Info: Heather Fletcher, CPA, CFE* Audit Manager, 568-2456
*Certified Fraud Examiner

SUBJECT: Loss of Public Property Report

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: N/A

Recommended Actions:

That the Board of Supervisors:

Receive and file the Auditor-Controller's Loss of Public Property Report for the period 7/1/2015-6/30/2016.

Summary Text:

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

Background:

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.

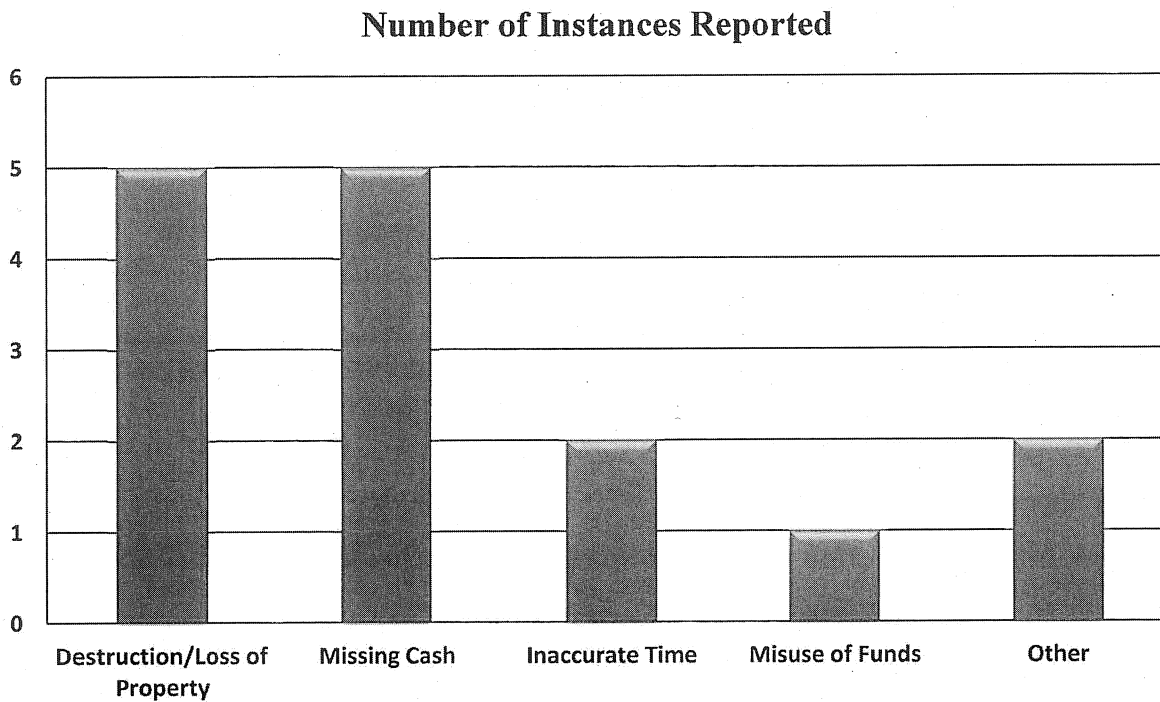
The Resolution implemented policies and procedures recommended by the Auditor-Controller in reporting acts that involve losses of public funds and property. The policies and procedures also require that a report of losses and disposition be provided to your Board on an annual basis.

The Loss of Public Property Report includes alleged instances of fraud, theft, or loss of funds and/or property which were reported to the Internal Audit Division of the Auditor-Controller's Office during the period 7/1/2015 through 6/30/2016.

Because this report is provided to your board based upon the date the event is communicated to Internal Audit and not the date that the work is finalized by Internal Audit, delays in finalizing this report occur.

This report was delayed due to one audit in particular. In the future we plan to provide this report to your board on a fiscal basis based upon when our internal audit work is completed, instead of when the event is communicated. This should make the information timely.

During this period 15 instances of loss and/or possible loss were reported to the Auditor-Controller as shown in the chart below. The status and disposition of each allegation is reported in the Loss of Public Property Report.



Fiscal Analysis:

See Attachment

Attachments:

Loss of Public Property Report

Authored by:

Heather Fletcher, Internal Audit Division, Office of the Auditor-Controller. Phone (805) 568-2456.

CC:

Mona Miyasato, County Executive Officer
County of Santa Barbara Department Heads

LOSS OF PUBLIC PROPERTY REPORTED TO INTERNAL AUDIT
7/1/2015-6/30/2016

DEPT./LOCATION/OUTSIDE AGENCY	TYPE/DESCRIPTION	DATE REPORTED	AMOUNT REPORTED	DISPOSITION
Behavioral Wellness	Missing Projector and Speakers	1/6/2016	\$1,370	Projector, speakers, and cart were stolen from employee's personal vehicle. Incident reported to law enforcement. The department filed a claim with Risk Management.
	Contractor Paid Incorrect Amounts	5/4/2016	Unknown	Audit completed and report issued to BOS on 6/20/17.
Community Services - Parks	Missing Pressure Washer	4/27/2016	Approx. \$7,000	Pressure washer was reported missing from Lake Cachuma equipment shed. Incident reported to law enforcement. Internal Audit made recommendations to the department to search the resale market for the pressure washer and assess security of other equipment. The department searched the resale market for the pressure washer, considered camera upgrades, and discussed security improvements with Operations Managers.
CRA/DSS	Fraudulent Credit Card Purchases	4/5/2016	\$5,258	Fraudulent airplane ticket, hotel, and other purchases made on blue bearer cards. The credit card company did not reimburse the County and departments paid the charges. The Blue Bearer credit card program has since been inactivated.
Office of Emergency Probation	Grant Timecoding	4/23/2015	Unknown	Audit completed and report issued to BOS on 3/1/2016.
	Missing Property	9/22/2015	Unknown	Incident reported to law enforcement. Internal Audit made recommendations to the department to record the quantity of evidence collected, determine evidence disposal procedures, and install a monitoring device for the evidence room. Probation management revoked access to all employees except two Probation Supervisors, implemented a log for Probation Officers to use when accessing the evidence room, and began a department-wide assessment of evidence room policies and procedures.
	Deposit Shortage	6/22/2016	\$80	Cash shortage of \$80 relating to a deposit made by Probation. Recommendations made by Internal Audit to the department to update policies and procedures, count cash in full view of the camera, and count cash in a timely manner. The department stated they have begun updating policies and procedures to incorporate all recommendations.

LOSS OF PUBLIC PROPERTY REPORTED TO INTERNAL AUDIT
7/1/2015-6/30/2016

DEPT/LOCATION/OUTSIDE AGENCY	TYPE/DESCRIPTION	DATE REPORTED	AMOUNT REPORTED	DISPOSITION
Public Health	Animal Services Missing Monies and Dog Licenses from (2 Separate Instances)	9/18/2015	\$138	Licenses and related fees went missing from two Santa Barbara County Animal Services partner agencies. Internal Audit made recommendations to the department to improve the collection of monies from partner agencies, improve revenue reconciliation processes, and finalize procedures. Animal Services created a written agreement with various license partners that emphasizes the partner's role in being accountable for missing monies or licenses tags, and formalized a no-cash policy.
		3/15/2016	\$148	
	Animal Services Wage Inaccuracies and Waived Fees	6/13/2016	Unknown	Allegations investigated. Internal Audit made recommendations to the department to update policies and procedures and ensure all time worked is properly recorded in timecard. Animal Services updated policies and procedures to clarify the process for fee waivers, and worked with Public Health Human Resources to make corrections to time coding inaccuracies.
	Deposit Shortage	7/15/2015	\$100	Cash shortage of \$100 relating to a deposit made by Public Health. Recommendations made by Internal Audit to the department to install security cameras. The department agreed to install security cameras.
	Missing iPad, Client Info, Over the Counter Medications, and Medical Supplies	9/1/2015	\$2,706	County equipment and patient information was stolen from employee's personal vehicle. Incident reported to law enforcement.
	Privacy Breach	11/30/2015	\$0	Public Health employee accessed electronic medical records for 260 patients without authorization to do so. Internal Audit made recommendations to the department to add user access rights, periodically monitor records accessed, and evaluate whether other breaches have occurred. The department notified patients and the Federal Department of Health and Human Services. The state closed the case without any fines or action against the County. The department researched third party vendor software to monitor access, and worked with multiple other agencies to make improvements regarding patient information security. The department also pursued employee discipline.

LOSS OF PUBLIC PROPERTY REPORTED TO INTERNAL AUDIT
7/1/2015-6/30/2016

DEPT./LOCATION/OUTSIDE AGENCY	TYPE/DESCRIPTION	DATE REPORTED	AMOUNT REPORTED	DISPOSITION
Sheriff	Counterfeit Bills	12/15/2015	\$400	Four counterfeit bills were accepted at the Inmate Commissary. Internal Audit made recommendations to the department to implement an electronic commissary funding system. The department is in the process of entering into a contract with a vendor that will provide a kiosk which will allow individuals to place money directly into an inmate's account.
Social Services	Missing iPad, MiFi Device, and Case Files	3/25/2016	<\$1,000	A county car was broken into and an Ipad, a MiFi device, and case files were stolen from it. Incident reported to law enforcement. Internal Audit made a recommendation to the department to update policies to require safeguarding of devices from damage and theft. The department evaluated their policy on transporting protected information.

