



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 16, 2016
Placement: Administrative
Estimated Time:
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 the External Monitoring Reports of County Departments for July 1, 2014 through June 30, 2015.

County Counsel Concurrence

As to form: N/A

Auditor-Controller Concurrence

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 July 1, 2014 through June 30, 2015 (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 that have not already been presented to the Board of Supervisors has been compiled in the Report based upon departmental reports filed with the Auditor-Controller. During the twelve months covered by the Report, **five departments** had program monitorings that were ranked as high or moderate risk and **thirteen 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. We have excluded any monitorings that have already been presented to your Board such as the audit of the Comprehensive Annual Financial Report

(CAFR) and the Single Audit. 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 July 1, 2014 through June 30, 2015 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.

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