



Clerk of the Board of Supervisors
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BOARD OF SUPERVISORS AGENDA LETTER

Department Name:

Auditor-Controller

Department Number:

061

Agenda Date:

July 7, 2026

Placement:

Administrative Agenda

Estimated Time:

N/A

Continued Item:

No

If Yes, date from:

N/A

Vote Required:

Majority

TO: Board of Supervisors

FROM: Department Director(s): Betsy M. Schaffer, CPA, CFE, CPFO

DS
BS

CONTACT: Joel Boyer, CPA, Internal Audit Chief

SUBJECT: Sheriff's Office Overtime Analysis Report for July 2025 Through May 2026

Concurrences:

County Counsel Concurrence:

As to form: Yes

Auditor-Controller Concurrence:

As to form: Yes

Other Concurrence:

As to form: N/A

Recommended Actions:

That the Board of Supervisors:

- a) Receive and file the Sheriff's Office Overtime Analysis Report for July 2025 Through May 2026;
- b) Determine that the above actions are not a project under the California Environmental Quality Act (CEQA) pursuant to Section 15378(b)(4) of the CEQA Guidelines because they consist of the creation of government funding mechanisms which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

Summary Text:

This item is before your Board to receive the second monthly update report by the Office of the Auditor-Controller (Auditor-Controller) related to monthly Sheriff's Office (Sheriff) overtime usage and costs. The Internal Audit Division of the Auditor-Controller performed limited data analysis and review of Sheriff timesheet, payroll, and general ledger data, at the monthly level, for July 2025 through May 2026. The first monthly update report provided analysis of overtime usage and costs for July 2025 through February 2026. As such, this report has added data review and analysis for March, April, and May 2026.

The objective was to perform data collection, compilation, monitoring, review, and analysis to effectively update the Board and County Executive Office (CEO) on the Sheriff's overtime timekeeping practices, trends, usages, and costs on a monthly basis for the period of July 2025 through May 2026 of fiscal year (FY) 2025-26.

Accordingly, results of the attached report indicate that year-to-date (YTD) July 2025 through May 2026 FY 2025-26 Sheriff overtime hours and costs appear to be, for the most part, continuing the downward trend noted in the first update report through February 2026 and are decreasing compared to the same period through the prior fiscal year (FY 2024-25). Analysis within the report is separated into two sections and presented as follows with report page numbers for reference:

Part 1: Current Year and Historical Data Analysis

1. Overtime Costs (pg. 2)
 - Overtime costs have decreased compared to FY 2024-25 and continue to trend down YTD from February 2026.
2. Overtime Hours (pg. 6)
 - Overtime hours have decreased compared to FY 2024-25 and continue to trend down YTD from February 2026.

Part 2: Follow-up on Previously Presented Observations

1. Use of Leave Balances to Generate Overtime (pg. 8)
 - Leave balances use and associated costs are projected to be about 80% of FY 2024-25.
2. Overtime Coded First on Timesheets (pg. 9)
 - Practice remains in effect, no change from FY 2024-25.
3. No Limits on Employee Work Hours (pg. 9)
 - Employees continue to work 12+ hour workdays.
4. Mandatory Overtime Shift Length Generally Exceeds Regular Shift Length (pg. 10)
 - Remains a practice, however the number of 12+ hour shifts appears to continue to decrease compared to reporting through February and FY 2024-25.
5. Overtime Exempt Employees with Extra Help Job Assignments (pg. 11)
 - MOU change went into effect March 1 that drastically reduced hours associated with this practice for March, April and May.
6. Operational Need for Compensatory Overtime Account (pg. 13)
 - Usage appears to continue to substantially trend downward compared to prior fiscal years.
7. Employee Overtime Earnings Higher Than Regular Earnings (pg. 15)
 - A handful of employees are still earning more via overtime pay than via regular pay.
8. Newly Hired Employees Also Working Overtime (pg. 16)
 - Employees hired after September 2025 appear to be working far less overtime than new hires from prior years.

Background:

This Sheriff's Office Overtime Analysis report is presented by the Auditor-Controller at the direction of the Board. On September 23, 2025, due to a trend of increasing costs associated with Sheriff employee salaries and overtime pay, the Board directed the Auditor-Controller "to conduct an audit of time sheets, including coding and accounting practices, for both custody and patrol deputies in the Sheriff's Office".

As a result, and to provide a timelier response, the Internal Audit Division of the Office of the Auditor-Controller conducted a limited-scope data analysis and advisory engagement for FY 2024-25 that did not constitute an audit. However, an overtime audit is included in the FY 2026-27 Internal Audit Plan. At the completion of the engagement the Auditor-Controller issued a memorandum on Data Analysis of FY 2024-25 Sheriff's Office Overtime dated December 12, 2025, which was presented by the CEO as a Departmental Agenda item during the February 10, 2026, Board Hearing. The Board subsequently directed the Auditor-Controller to prospectively "provide a monthly overtime report for the Sheriff's Office over the next six months". The first monthly update report encompassed the period of July 2025 through February 2026, providing both historical and monthly data review and analysis, and was included as an agenda item for the April 21, 2026, Board Hearing.

As additional monthly data became available, the Internal Audit Division has again performed limited review and analysis of Sheriff timesheet, payroll, and general ledger data. The objective of this report is once again to perform data collection, review, and analysis to effectively report on Sheriff timekeeping practices and costs in order to update the Board and CEO on monthly overtime-related trends for FY 2025-26 as well as to continue to provide historical context and YTD budget analysis. This report also includes detailed analysis of compensatory overtime account usage, including a new observation related to employees cashing out hours at elevated pay rates while on temporary job assignments, and continued monitoring updates to the eight observations identified in the initial December 2025 report. This monthly update report includes new data for March, April and May and now provides review and analysis of FY 2025-26 Sheriff overtime from July 2025 through May 2026. Prospective reporting will be subsequently provided on a monthly basis.

In conformity with prior reporting: this report is not an audit. Detailed testing to evaluate compliance with County policies, contractual obligations such as the Deputy Sheriff's Association (DSA) or Sheriff's Manager Association (SMA) Memorandums of Understanding (MOUs), or the effectiveness of internal controls were not performed. Procedures were limited to data collection, review, and analysis of Sheriff employee timesheet and payroll data as well as general ledger cost coding and reporting. Internal Audit engaged in limited direct communications with the Sheriff, CEO and the Human Resources Department to gain clarification related to specific processes and procedures. However, the necessary timesheet and general ledger data were readily available to Internal Audit.

Discussion:

In order to obtain the necessary data to perform the requisite review and analysis required for meaningful reporting there are a series of operational payroll and general ledger related processes that must be completed prior to data extraction. For example, to report on Sheriff overtime for March required waiting for the final pay period in the month to end on March 29, which was not processed until April 3. Once payroll is processed for the final pay period of the month, it is also necessary to wait until the general ledger closes for the month to finalize the data, which in the case of March did not occur until April 7. The next available Board Hearing after March close was on April 21 and to adhere to docketing requirements for that meeting would have meant docketing two days after March close on April 9. There was no Board Hearing on April 28 meaning that the next available Board Hearing was May 5 requiring docketing on April 23. Due to wanting to provide thorough and accurate

analysis, coupled with limited staffing availability, the decision was made to wait until the following Board Hearing to issue a report for March. However, waiting allowed the ability to add an additional month to the analysis and the Board Hearing schedule for May and June further afforded the necessary time to add another month of analysis resulting in this report encompassing three months rather than just one.

For reporting going forward, it is expected that the June update report will be included on the agenda for the August 18 Board Hearing as that will be the first Board Hearing with available docketing following the June close/fiscal year end scheduled for July 10. It is anticipated that July reporting will be included on the agenda for the September 15 Board Hearing while August reporting will be included on the agenda for the October 20 Board Hearing. Additional reporting for September onward can be performed with direction from the Board.

Conclusion:

Based on the analytical procedures performed and the data available, Internal Audit believes the results presented in this report accurately reflect the information collected, reviewed, and analyzed. YTD FY 2025-26 data indicates that Sheriff overtime hours and costs appear to be continuing to decrease YTD in line with reporting through February. As a result, overall FY 2025-26 overtime hours and costs are trending noticeably less when compared to FY 2022-23 and FY 2024-25, and slightly less when compared to FY 2023-24, yet are still elevated in comparison to other fiscal years. However, year-to-year comparisons included in this report provide a summary of Sheriff overtime hours and costs and, as noted in previous reporting, year-to-year changes to the operating environment of the Sheriff, such as the impact of the opening of the North Branch Jail, and their effect on the reported amounts were not analyzed.

Attachments:

Attachment A – Sheriff’s Office Overtime Analysis Report for July 2025 Through May 2026

Attachment B – Executive Summary - Sheriff's Office Overtime Analysis Report for July 2025 Through May 2026

Attachment C – Slide Deck - Sheriff's Office Overtime Analysis Report for July 2025 Through May 2026

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cc:

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