



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

Submitted on:
(COB Stamp)

Department Name: Auditor-Controller
Department No.: 061
Agenda Date: June 3, 2025
Placement: Administrative Agenda
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Betsy M. Schaffer, CPA, Auditor-Controller
Jenavieve Shiloh, CPA, Financial Reporting, Budget, and Cost Division Chief
SUBJECT: Receive and file the Pre-SAS 114 Letter for Fiscal Year Ending June 30, 2025

County Counsel Concurrence

As to form: No

Other Concurrence:

As to form: N/A

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Receive and file the Pre-SAS 114 Letter for Fiscal Year Ending June 30, 2025 from Brown Armstrong Accountancy Corporation.

Summary Text:

The Pre-Statement of Auditing Standards (Pre-SAS) 114 Letter, aka "Auditor's Communication with Those Charged with Governance", is a communication prepared by the external auditor before the formal audit begins to inform the auditee (typically management and those charged with governance, such as the Board of Supervisors) about the scope, timing, and objectives of the upcoming audit.

The purpose of the Pre-SAS 114 Letter is to provide an early overview of the audit process and establish expectations regarding the scope and timing of the audit. Additionally, the Pre-SAS 114 Letter informs the Board of Supervisors about significant areas of focus and ensures smooth collaboration by addressing any concerns before the final SAS 114 Letter. While the Letter does fulfill a part of the required communications under Generally Accepted Accounting Standards (GAAS), it also helps reduce misunderstandings during the audit process.

Some of the key contents of the Pre-SAS 114 Letter are:

- Audit objectives and planned procedures.
- Potential risks and significant accounting areas under review.
- Preliminary observations without final conclusions.
- Responsibilities of management and external auditors in the process.

Essentially, the Pre-SAS 114 Letter is a way for the external auditors to keep governance informed early so there are no surprises when the final audit report is issued.

Background:

SAS 114 stands for Statement on Auditing Standards No. 114, titled "The Auditor's Communication With Those Charged With Governance," issued by the AICPA (American Institute of Certified Public Accountants). It was later codified into Auditing Standards Codification (AU-C) Section 260 in the clarified auditing standards.

While SAS 114 itself governs communication during and after the audit, the "Pre-SAS 114 Letter" is an initial planning-stage communication that fulfills part of the requirements of AU-C 260.

Brown Armstrong Accountancy Corporation is the County of Santa Barbara's External Auditor, performing the annual financial audit for the County, the Single Audit, the First 5 Commission's annual financial audit, and the fiscal year end annual Treasury financial and compliance audits. The current contract with Brown Armstrong for the fiscal year 2024-25 audit and two options to renew for fiscal years 2025-26 and 2026-27, was approved by your Board on February 25, 2025.

Fiscal and Facilities Impacts:

N/A

Attachments:

Attachment A – 2024-25 Brown Armstrong Pre-SAS 114 Letter

Attachment B – 2024-25 Brown Armstrong Engagement Letter

Contact Information:

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