



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: 02/01/2022
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Betsy M. Schaffer, CPA
Director(s) Auditor-Controller, 568-2100

Contact Info: Jonathan Rodriguez, CPA
Internal Audit Supervisor, 568-2456

SUBJECT: Loss of Public Property and Cash Shortages & Overage Reports

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Receive and file the Auditor-Controller's Loss of Public Property Report for the period 7/1/2020-6/30/2021.
- b) Receive and file the Auditor-Controller's Cash Shortages & Overage Report for the period 7/1/2020-6/30/2021.
- c) Determine that the above actions are not a project under the California Environmental Quality Act (CEQA) pursuant to section 15378(b)(5) of the CEQA guidelines, because they consist of administrative activities of the government that will not result in direct or indirect physical changes in the environment.

Summary Text:

The Loss of Public Property Report is provided to your Board as is required under Resolution No. 11-432. The Cash Shortages & Overages report is submitted pursuant to California Government Code Section 29380.1

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. Resolution No. 11-432 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 substantiated instances of loss or theft of cash and property occurring between 7/1/2020 – 6/30/2021 reported by departments to the Internal Audit (IA) Division of the Auditor-Controller’s Office. This report does not include instances where lost monies or property were subsequently found or recovered from sources other than insurance, or certain instances where investigations have not concluded. During the reporting period, internal audit work was completed for seven instances of cash loss for the amount of \$1,030, ten instances of property loss for the amount of \$4,293, and eleven instances of stolen property for the amount of \$11,626. Reported losses are visualized below. The status and disposition of each item is reported in the attachment Loss of Public Property Report.



In addition to the Loss of Public Property Report, the IA Division of the Auditor-Controller’s Office is submitting the Cash Shortages and Overages Report. The Cash Shortages & Overages Report for the period 7/1/2020-6/30/2021 is submitted pursuant to California Government Code Section 29380.1, which notes that the Auditor-Controller will render a written report and give an account to the Board of the cash difference (shortage) fund and cash overage fund at the end of each fiscal year.

Total cash overages amounted to \$31,980.14, and total cash shortages amounted to \$4,134.54. Cash losses are reported directly to IA by a department while cash shortages and overages are recorded by departments in the general ledger through the County’s Financial Information Network (FIN). All cash losses are also FIN cash shortages, but not vice versa because departments do not directly notify IA of every FIN cash shortage.

While cash shortages and overages primarily result from routine cash handling errors, a new accounting standard referred to as GASB 84 was implemented during the fiscal year, which resulted in amounts being reported as shortages and overages that are unique in nature. GASB 84 reclassified certain funds from “fiduciary” funds to other fund types. This reclassification identified accumulated differences over the life of these funds that were accounted for as shortages and overages for tracking and implementation of the GASB.

Shortages and overages by department are visualized below. The status and disposition for each department's overage and shortage is included in the attachment Cash Shortages & Overages Report.

Cash Shortages & Overages (by Department)

<u>Department</u>	<u>Cash Overages</u>	<u>Department</u>	<u>Cash Shortages</u>
Clerk-Recorder-Assessor	\$5,828.85	Behavioral Wellness	\$80.00
Community Services	1,807.45	Clerk-Recorder-Assessor	213.00
Court Special Services*	23,137.39	Community Services	1,533.00
Public Health	220.02	County Counsel*	1,000.00
Sheriff*	986.43	District Attorney*	300.00
Total Overages	\$31,980.14	Probation	20.00
		Public Health	191.10
		Sheriff	797.44
		Total Shortages	\$4,134.54

*Department's Cash Shortage or Overage was an outcome of GASB 84 implementation.

Fiscal Analysis:

See Attachments

Attachments:

Attachment A: Loss of Public Property Report

Attachment B: Cash Shortages & Overages Report

Authored by:

Jonathan Rodriguez, Internal Audit Supervisor

cc:

Mona Miyasato, County Executive Officer

County of Santa Barbara Department Directors