Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

BOARD OF SUPERVISORS AGENDA LETTER

Department Name:
Auditor-Controller
Department Number:
061
Agenda Date:
August 18, 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

CONTACT: Joel Boyer, CPA, Internal Audit Chief

SUBJECT: **Sheriff's Office Overtime Analysis Report for July 2025 Through June 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 June 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 third 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 June 2026. The first monthly update report provided analysis of overtime usage and costs for July 2025 through February 2026 while the second monthly update report included additional data review and analysis for March, April, and May 2026. This report includes data and analysis for June 2026 and, as a result, encompasses the entirety of fiscal year (FY) 2025-26

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 June 2026 of FY 2025-26.

Accordingly, results of the attached report indicate that FY 2025-26 Sheriff overtime hours and costs appear to be, for the most part, continuing the downward trend noted in the first two update reports through February 2026 and May 2026, respectively, and decreased noticeably compared to 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:

<u>Part 1: FY 2025-26 and Historical Data Analysis</u>

1. Overtime Costs (pg. 2)
   - Overtime costs decreased compared to FY 2024-25 and continued the downward trend identified in previous reporting though February and May.
2. Overtime Hours (pg. 7)
   - Overtime hours decreased compared to FY 2024-25 and continued the downward trend identified in previous reporting though February and May.

<u>Part 2: Follow-up on Previously Presented Observations</u>

1. Use of Leave Balances to Generate Overtime (pg. 9)
   - Leave balances use and associated costs were 75% of FY 2024-25.
2. Overtime Coded First on Timesheets (pg. 10)
   - Practice remains in effect, no change from FY 2024-25.
3. No Limits on Employee Work Hours (pg. 10)
   - Employees continue to work 12+ hour workdays.
4. Mandatory Overtime Shift Length Generally Exceeds Regular Shift Length (pg. 11)
   - Remains a practice, however the number of 12+ hour shifts decreased compared to reporting through May and FY 2024-25.
5. Overtime Exempt Employees with Extra Help Job Assignments (pg. 12)
   - MOU change went into effect March 1 that drastically reduced hours associated with this practice.
6. Operational Need for Compensatory Overtime Account (pg. 14)
   - Usage during FY 2025-26 was down substantially compared to prior fiscal years.
7. Employee Overtime Earnings Higher Than Regular Earnings (pg. 16)
   - Six (6) employees earned more via overtime pay than via regular pay in FY 2025-26.
8. Newly Hired Employees Also Working Overtime (pg. 17)
   - 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 of Supervisors (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 of a yet to be determined department 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 Administrative Agenda item for the April 21, 2026, Board Hearing. A second monthly update report added data review and analysis for March, April & May 2026, encompassing the period of July 2025 through May 2026, and was included as an Administrative Agenda item for the July 7, 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 that occurred during FY 2025-26 as well as to continue to provide historical context and budget analysis. This report also includes detailed analysis of compensatory overtime account usage and continued monitoring updates to the eight observations identified in the initial December 2025 report. This monthly update report includes new data for June and, as a result, now provides review and analysis of FY 2025-26 Sheriff overtime from July 2025 through June 2026 which represents the entirety of FY 2025-26. Prospective reporting will continue to be 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:

The remaining two months, July & August, of the original six months of reports directed by the Board are planned to be docketed for the September 15 Board Hearing and the October 20 Board Hearing, respectively. Additional reporting for September onward can be performed with direction from the Board, although for overtime reporting purposes, Internal Audit is focused on performing data and analysis on Fire, Probation, Social Services, and Behavioral Wellness as directed by the Board during the February 10, 2026, Board Hearing. In addition, as noted previously, an overtime audit for a yet to be determined department is included in the FY 2026-27 Internal Audit Plan.

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. FY 2025-26 data indicates that Sheriff overtime hours and costs appear to be continuing to decrease in line with reporting through February and May, respectively. As a result, FY 2025-26 overtime hours and costs were 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. Decreased hours and costs were most apparent and noticeable in the second half of the fiscal year, representing January through June. 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 Northern 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 June 2026
Attachment B – Executive Summary - Sheriff's Office Overtime Analysis Report for July 2025 Through June 2026
Attachment C – Summary Slide Deck - Sheriff's Office Overtime Analysis Report for July 2025 Through June 2026

Contact Information:

Joel Boyer, CPA
Internal Audit Chief
jboyer@countyofsb.org

cc:
Mona Miyasato, County Executive Officer