



**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: County Executive Office
Department No.: 012
For Agenda Of: September 12, 2023
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from: N/A
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Director(s) Contact Info: Nancy Anderson, Chief Assistant County Executive Officer
Mona Miyasato, County Executive Officer
Suzann Sturz, County Compliance & Accountability Officer
SUBJECT: **Compliance and Accountability Report for the Period July 1, 2021 to June 30, 2023**

DocuSigned by:
Mona Miyasato
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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 Compliance and Accountability Report on the status of the implementation of County departments' corrective actions related to internal and external audit reports received for the period July 1, 2021 to June 30, 2023; and
- b) Determine that the above action is an organizational or administrative activity of the government that will not result in direct or indirect physical changes in the environment and is therefore not a project under the California Environmental Quality Act (CEQA) pursuant to Section 15378(b)(5) of the CEQA Guidelines.

Summary:

The purpose of this item is to provide your Board the Compliance and Accountability Report presenting the implementation status of department corrective actions related to internal and external audits and other monitoring reports performed by the Auditor-Controller, independent external auditors, the Grand Jury and external outside agencies for the fiscal year periods July 1, 2021 through June 30, 2023 as required by County policy.

There were 124 audits or reviews received during this time period, of which 17, or 13.71% had findings and recommendations requiring post audit review, follow-up and monitoring of implementation status by the Compliance and Accountability Division of the County Executive Office.

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Background: On December 13, 2022, the Board of Supervisors adopted a new countywide Compliance and Accountability Policy that established authority for and defined the function of the County Compliance and Accountability Division of the County Executive Office. This policy provides a basis to promote accountability and compliance countywide, through policies and procedures aimed at promoting transparent and accountable County operations. The policy establishes a responsibility of the Division to perform post audit assessments to confirm that departments are making appropriate efforts to remediate audit findings and recommendations performed by external agencies and the County's Auditor-Controller. The Compliance and Accountability Division does not conduct audits, but ensures compliance by County departments.

Government Code Section 25250 requires the Board of Supervisors to at least biennially examine and audit, or cause to be audited, the financial accounts and records of all officers having responsibility for the care, management, collection, or disbursement of money belonging to the County or money received or disbursed by them under authority of law. The Board considers the engagements performed by independent external Certified Public Accountant (CPA) auditors, Auditor-Controller, Grand Jury, and other agencies to fulfill the requirements. In general, these audits or reviews aim to determine the accuracy of information, provide insight and propose recommendations to improve. The scope depends on the focus and extent of a particular engagement that may be financial, compliance, operational, or investigative in nature and may vary significantly depending on the department.

County departments are responsible for responding directly to auditors and developing a corrective action plan to mitigate findings and accomplish the recommendations. The corrective action plan is required to be submitted to the Compliance and Accountability Division within 45 days of after written notice of noncompliance. All departments responded and/or submitted their required corrective action plans for their audits listed in this report.

Discussion:

A responsibility of the Compliance and Accountability Division is to monitor and report to your Board the status of a department's compliance after the issuance of an audit report. The County Compliance and Accountability Officer does not conduct audits but reviews audit findings and recommendations, evaluates whether the identified solutions to the weaknesses and deficiencies appear sufficient, and confirms that the resolution is completed and documented. The Compliance and Accountability Officer does not make determinations on the accuracy or thoroughness of the audit itself. It is expected that most departments will achieve compliance on findings identified in the audit reports within the year. If a specific finding is not completely achieved or documented, it is indicated as "In Progress" and the Compliance and Accountability Division continues to work with the department until remediated. The Compliance and Accountability Division performs follow-up reviews and provides an update on "In Progress" items on the next Compliance and Accountability Report to your Board.

Attachment A is the Compliance and Accountability Report and provides a summary of the reports reviewed for the period and detail related to the status of remediation. The reports include those performed by the Auditor-Controller, independent external auditors, the Grand Jury and external outside agencies.

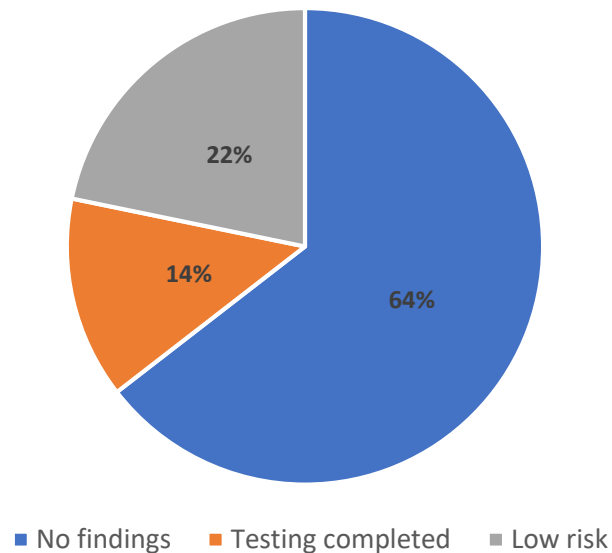
Each report received that had findings or recommendations was assigned a risk level. Based on the review and understanding of the findings, levels of risk are assigned by considering the probability and level of risk exposure to the County, including impact of potential monetary losses, penalties, or quality problems.

The Compliance and Accountability Division did not perform corrective action testing on reports that did not contain findings or that were determined low risk. If there were areas for further improvement of the findings, recommendations, or potential impact, these were assessed as higher risk in order to prompt performing corrective action testing. Report details are presented in Exhibits A – C of the Compliance and Accountability Report depending on the risk level and whether the report contained findings.

Summary of Audits or Reviews Received During Period

There were 124 monitoring reports received during the two-year period from July 1, 2021 to June 30, 2023. Out of the reports received, 80 (64.52%) did not contain any findings, 27 (21.77%) reports were determined to be low risk, and 17 (13.71%) were determined to be medium or high risk.

Reports Received July 1, 2021 to June 30, 2023



Report Exhibit C presents the results of the Division's corrective action testing on the 17 reports assigned a medium or high risk level. Out of these 17 reports:

- 15 (88.24%) have since been determined to be in compliance with the report recommendations
- Two reports (11.76%) issued by the Grand Jury continue to be monitored and have not yet achieved complete compliance. Although the County continues to work to meet compliance with the recommendations contained in these two reports, some elements of achieving compliance relate to the work being done to address a Stipulated Judgement and Remedial Plan negotiated between the parties and entered into in the *Murray et al. v. County et al.* class action litigation involving conditions of confinement in the County jail facilities.

Other Compliance Division Duties

In addition to completing post audit reviews, the Compliance and Accountability Division assists departments with other compliance related issues. In these situations, the Division works with departments to determine a solution and remediate the issue as well as determine ways to prevent it from occurring in

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the future. Upon request, the Division assists with independently verifying information in situations with high sensitivity. The Division is also tasked with the ADA Coordinator duties. The ADA Coordinator is responsible for receiving and responding to ADA grievances. A primary goal of the Division is to assist the County in adherence with relevant laws, regulations, and best practices with the intention of reducing audit findings and preventing repeat findings.

Fiscal and Facilities Impacts: There are no fiscal impacts with approval of this item. The Compliance and Accountability Division is focused on helping departments minimize repeat findings, promote transparency and accountability and reduce risk exposure for the County that could result in financial impacts.

Attachments:

Attachment A – Compliance and Accountability Report for the period July 1, 2021- June 30, 2023

Authored by:

Suzann Sturz, County Compliance and Accountability Officer