



**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:** 10/7/2025  
**Placement:** Administrative Agenda  
**Estimated Time:**  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

**TO:** Board of Supervisors  
**FROM:** Department Director(s): Betsy M. Schaffer, CPA, CFE, CPFO  
Auditor-Controller, (805) 568-2100  
Contact: Joel Boyer, CPA  
Internal Audit Division Chief, (805) 568-2456  
**SUBJECT:** FY 2024-2025 (June 30, 2025) Fiscal Year End Internal Audit Annual Reports

**County Counsel Concurrence**

As to form: N/A

**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 Auditor-Controller's *Security Incident and Loss of Public Property Report* for the period of July 1, 2024 - June 30, 2025
- b) Receive and file the Auditor-Controller's *Cash Shortages & Overages Report* for the period of July 1, 2024 - June 30, 2025
- c) Receive and file the Auditor-Controller's *External Monitoring Report of County Departments Performed by State, Federal, & Other Outside Agencies* for the period of July 1, 2024 - June 30, 2025
- d) Receive and file Auditor-Controller's *Report of County Vendors Paid \$200,000+* for the period of July 1, 2024 - June 30, 2025
- e) 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 *Security Incident and Loss of Public Property Report* for the period of July 1, 2024 - June 30, 2025 is provided to your Board as is required under Resolution No. 11-432.

The *Cash Shortages & Overages Report* for the period July 1, 2024 - June 30, 2025 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 shortages for the period amounted to \$2,411.77 while total cash overages amounted to \$2,689.94.

The *External Monitoring Report of County Departments Performed by State, Federal, & Other Outside Agencies* for the period of July 1, 2024 - June 30, 2025 is provided to your Board to provide you with a summary of monitoring received by the County. County departments are subject to monitoring by external agencies; primarily by the State of California. The majority of monitoring is performed over State and Federal funding received by the County. Monitoring can take place on different levels such as an audit, review, or specific procedures performed on certain processes. Generally, the objective of monitoring is to determine whether the County complies with certain legal restrictions that are placed on funding. Noncompliance may result in a loss of, or reduction in, funding. All monitoring of County departments that have not already been presented to the Board of Supervisors are compiled in the report based upon departmental reports filed with the Auditor-Controller. During the twelve months covered by the Report, no department had a program monitoring report ranked as high risk or moderate risk, and five departments had program monitoring reports that were self-ranked as low risk.

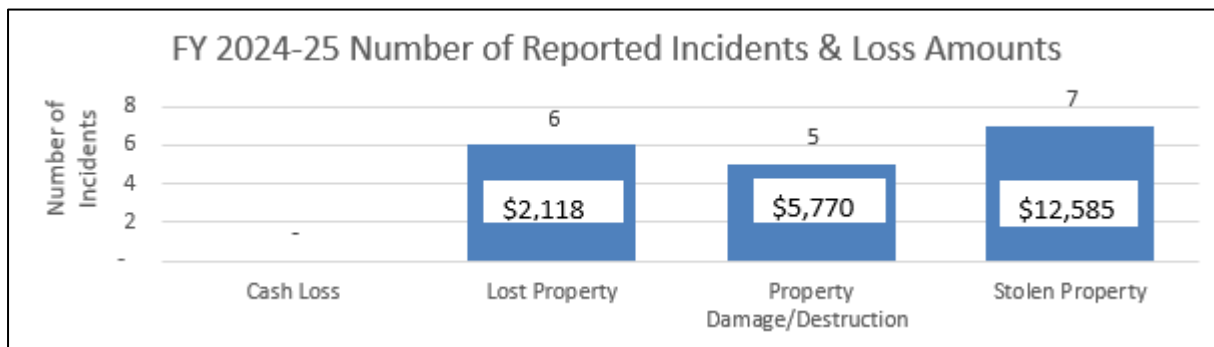
The *Report of County Vendors Paid \$200,000+* provides information regarding cumulative County payments to vendors. The attached report for the period of July 1, 2024 - June 30, 2025 notes that 354 vendors were paid amounts of \$200,000 or more for total payments equal to \$519,785,345.

**Background:**

***Security Incident and Loss of Public Property Report***

The *Security Incident and Loss of Public Property Report* includes substantiated instances of loss or theft of cash and property occurring between July 1, 2024 - June 30, 2025 reported by departments to Internal Audit. 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.

During the reporting period there were 18 total incidents reported which amounted to total losses of \$20,473. Types of losses and their respective dollar amounts are visualized below.



The status and disposition of each incident is reported in the *Security Incident and Loss of Public Property Report* attachment.

### **Cash Shortages & Overages Report**

The *Cash Shortages & Overages Report* for the period July 1, 2024 - June 30, 2025 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 shortages amounted to \$2,411.77 while total cash overages amounted to \$2,689.94. Overages and shortages by department are visualized below.

<b>Cash Shortages &amp; Overages</b>			
<b>(by Department)</b>			
<u>Department</u>	<u>Cash Shortages</u>	<u>Department</u>	<u>Cash Overages</u>
Treasurer-Tax Collector*	\$1,383.61	Clerk-Recorder-Assessor	\$1,648.60
Community Services	760.00	Treasurer-Tax Collector*	667.05
Public Works	209.41	Community Services	323.00
Clerk-Recorder-Assessor	58.55	Public Works	29.74
Public Health	0.10	Sheriff	20.00
Sheriff	0.00	Public Health	1.55
Total Shortages	<u>\$2,411.77</u>	Total Overages	<u>\$2,689.94</u>

\*Treasurer-Tax Collector amounts include the Tax Collector's Overage Fund.

The status and disposition for each department's shortage overages is included in the *Cash Shortages & Overages Report* attachment.

### **External Monitoring Report of County Departments, Performed by State, Federal, and Other Outside Agencies**

The attached *External Monitoring Report of County Departments Performed by State, Federal, & Other Outside Agencies* summarizes the results of monitoring reports issued to County departments by external agencies, based upon departmental reports filed with the Auditor-Controller's office. These monitoring reports provide information on strengths and weaknesses in departmental policies

and procedures and extend into organizations that receive County funds. We have excluded any monitoring reports that have already been presented to the Board such as the audit of the Annual Comprehensive Financial Report (ACFR) and the Single Audit. In general, most of the other monitoring that occurs is performed by the State over compliance restrictions associated with funds disbursed to the County.

The Report compiles the results of all monitoring reports that were received by County departments during the period of July 1, 2024 - June 30, 2025 and includes department self-ranked risk assessments of each program based upon applicable report results. The risk assessments are self-evaluations made by each department and do not reflect findings in reports from prior or subsequent years. Therefore, a risk assessment may change each year, depending on the monitoring results and activities for the year.

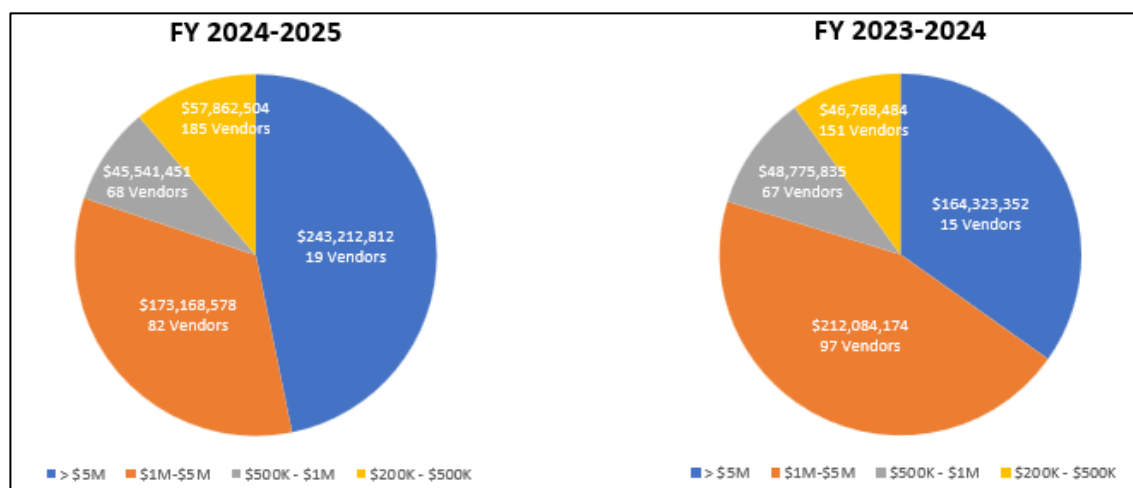
High risk programs indicate there may be potential for a large dollar amount of error or loss, significant lack of monitoring, or wide-spread violation of law. Moderate risk programs indicate a potential for moderate dollar amount of error or loss, some violation of policy, and other compensating procedures may exist to correct issues. Low risk programs are summarized on pages three through five of the Report.

The Report is provided to the Board to disclose strengths and weaknesses in departmental procedures and processes as identified by outside auditors. Weaknesses in these processes and procedures should be corrected and monitored by County management.

***Report of County Vendors Paid \$200,000+***

The *Report of County Vendors Paid \$200,000+* for the period of July 1, 2024 - June 30, 2025 was originally developed by the Auditor-Controller in response to a 2012 Grand Jury recommendation and has since been issued annually each fiscal year. The report provides a detailed list of County vendors that received \$200,000 or more, as well as related expenditures summed at the department/fund level. The Report is not limited to vendors with Board approved service contracts. This Report is a compilation of information from the County's general ledger system and, as such, no auditing procedures were performed. To increase transparency of payments to certain vendors, auditor judgment was used to combine vendors when appropriate. Questions about specific vendors should be directed to the appropriate department director.

The graphs below depict the last two fiscal years of payments, for comparative purposes, stratified by dollar amount.



**Fiscal and Facilities Impacts:**

There are no fiscal or facilities impacts related to the Board receiving these annual reports.

**Fiscal Analysis:**

N/A

**Staffing Impacts:**

None.

**Special Instructions:**

N/A

**Attachments:**

Attachment A - *Security Incident and Loss of Public Property Report*

Attachment B - *Cash Shortages & Overages Report*

Attachment C - *External Monitoring Report of County Departments Performed by State, Federal, & Other Outside Agencies*

Attachment D - *Report of County Vendors Paid \$200,000+*

**Contact Information:**

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