



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: 8/21/2012
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Robert W. Geis, CPA, Auditor-Controller, 568-2100
Director(s)
Contact Info: Heather Fletcher, CPA, Audit Manager, 568-2456

SUBJECT: **Auditor-Controller's Reports on the Treasurer's financial statements and the Treasurer's compliance with the Treasury Oversight Committee provisions contained in Sections 27130-27137 of the California Government Code.**

County Counsel Concurrence

As to form: N/A

Other Concurrence: N/A

As to form: No

Recommended Actions:

That the Board of Supervisors:

1. Receive and file the Santa Barbara County Treasurer's Investment Pool Financial Statements with Auditor-Controller's Reports for the fiscal year ended June 30, 2012.
2. Receive and file the Auditor-Controller's Report on the Treasurer's Compliance with the Treasury Oversight Committee provisions contained in Sections 27130-27137 of the California Government Code for the fiscal year ended June 30, 2012.

Summary Text:

The Audit Reports are being submitted pursuant to California Government Code Sections 26920(b), 26922, and 27134 as well as Santa Barbara County Code Section 2-23.2.

Background:

Funds that are controlled by the County Treasurer include currently available cash of the County as well as the cash invested into the pool by other governments (such as school districts, special districts and others). The Treasurer is responsible for investing all of these funds in accordance with applicable sections of the California Government Code and the Treasurer's Investment Policy.

The goals of the Treasurer's Investment Policy are safety, liquidity, and yield, in that order. Types of securities in which the Treasurer may invest include U.S. Treasury and U.S. Government agency securities; state and/or local agency bonds, notes, warrants or certificates of indebtedness; bankers' acceptances; commercial paper; corporate notes; negotiable certificates of deposit; repurchase agreements; reverse repurchase agreements; securities lending; bank deposits; money market mutual funds; the State of California Local Agency Investment Fund; and the Investment Trust of California.

Furthermore, pursuant to Government Code Section 27131, the Treasurer has established a County Treasury Oversight Committee to review and monitor the Treasurer's Investment Policy and to promote public interest in the investment of public funds.

We have audited the financial statements of the Santa Barbara County Treasurer's Investment Pool as of and for the year ended June 30, 2012 and have issued our reports thereon dated August 9, 2012. All information included in the financial statements is the representation of the management of the Treasurer. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion the financial statements referred to above present fairly, in all material respects, the assets controlled by the County Treasurer as of June 30, 2012, in conformity with accounting principles generally accepted in the United States of America.

We have also issued reports dated August 9, 2012 on our consideration of the Treasurer's internal control over financial reporting and our tests of compliance with certain provisions of laws and regulations including a report on the Treasurer's compliance with California Government Code Sections 27130-27137. Our report on the Treasurer's compliance with the Treasury Oversight Committee provisions contained in Sections 27130-27137 applies to fiscal year ended June 30, 2012.

In planning and performing our audit on the financial statements, we considered the Treasurer's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Treasurer's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Treasurer's internal control over financial reporting.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Treasurer's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of material noncompliance required to be reported under Government Auditing Standards.

We also examined the Treasurer's compliance with the Treasury Oversight Committee provisions contained in Sections 27130-27137 of the California Government Code for the fiscal year June 30, 2012. In our opinion the Treasurer is in compliance, in all material respects, with the provisions contained in Sections 27130-27137 of the Government Code for the fiscal years audited.

Background:

Performance Measure:

Fiscal and Facilities Impacts: None

Budgeted: N/A

Fiscal Analysis: N/A

Staffing Impacts:

Legal Positions:
N/A

FTEs:
N/A

Special Instructions:

None

Attachments:

Santa Barbara County Treasurer's Investment Pool Financial Statements with Auditor-Controller's Reports for the Fiscal Year Ended June 30, 2012

Authored by: Heather Fletcher, Audit Manager

CC: Harry Hagen, Treasurer-Tax Collector