

Attachment



Image taken near Golefa Point in Santa Barbara County by Jonathan Rodriguez

Whistleblower Program Annual Report

FY 2023-24



County of Santa Barbara
Internal Audit Division
Office of the Auditor-Controller

Betsy M. Schaffer, CPA, CFE, CPFO, *Auditor-Controller*
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ABOUT THE WHISTLEBLOWER PROGRAM

Whistleblower Program Purpose

The purpose of the County of Santa Barbara's (County) Whistleblower Program is to encourage County employees and members of the public to report any suspected incidents of fraud, waste, or abuse of County resources of which they become aware. The County is committed to the utmost standard of transparency, honesty, and accountability in carrying out its duties. All employees, including elected officials, management, and staff are required to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. The County's Whistleblower Program is a means for employees and members of the public to anonymously and confidentially report any activity or conduct in which instances of fraud, waste, or abuse of County resources are suspected, without fear of retaliation. The Whistleblower Program can be accessed 24 hours/day, 7 days/week, via the toll-free Whistleblower Hotline (844-413-4025) and Web Reporting Portal ([NAVEX Global - County of Santa Barbara \(ethicspoint.com\)](https://navexglobal.com/ethicspoint/county-of-santa-barbara)). The Whistleblower Program is administered by Navex Global EthicsPoint (EthicsPoint), a neutral third-party. Access to submitted reports is limited to a select handful of County employees (see Program Team section below) who review the reports to determine the next appropriate course of action.

Whistleblower Program Authority

California Government Code Section 53087.6 authorizes local governments to create and manage whistleblower programs. It provides confidentiality rules for information received through the Whistleblower Program for referral of complaints to the appropriate government authority for review and possible investigation. The identity of the whistleblower providing the report will not be disclosed without the written permission of that person, unless the disclosure is to a law enforcement agency that is conducting a criminal investigation.

The County's Whistleblower Hotline Policy ([whistle.pdf \(ethicspoint.com\)](#)) was approved and adopted by the Board of Supervisors on June 5, 2018. The Resolution was established to enhance the County's Fraud, Theft and Loss Policy, and enable individuals to promptly, anonymously, and confidentially report incidents of suspected fraud, waste, and abuse without fear of retaliation.

Whistleblower Program Team

Joel Boyer, CPA, *Internal Audit Division Chief*
Jonathan Rodriguez, CPA, *Internal Audit Supervisor*
C. Edwin Price, Jr., CPA, *CPFO Assistant Auditor-
Controller*

Betsy M. Schaffer, CPA, CFE, CPFO, *Auditor-
Controller*
Rachel Van Mullem, *County Counsel*
Mona Miyasato, *Chief Executive Officer*

ABOUT THE WHISTLEBLOWER PROGRAM (CONTINUED)

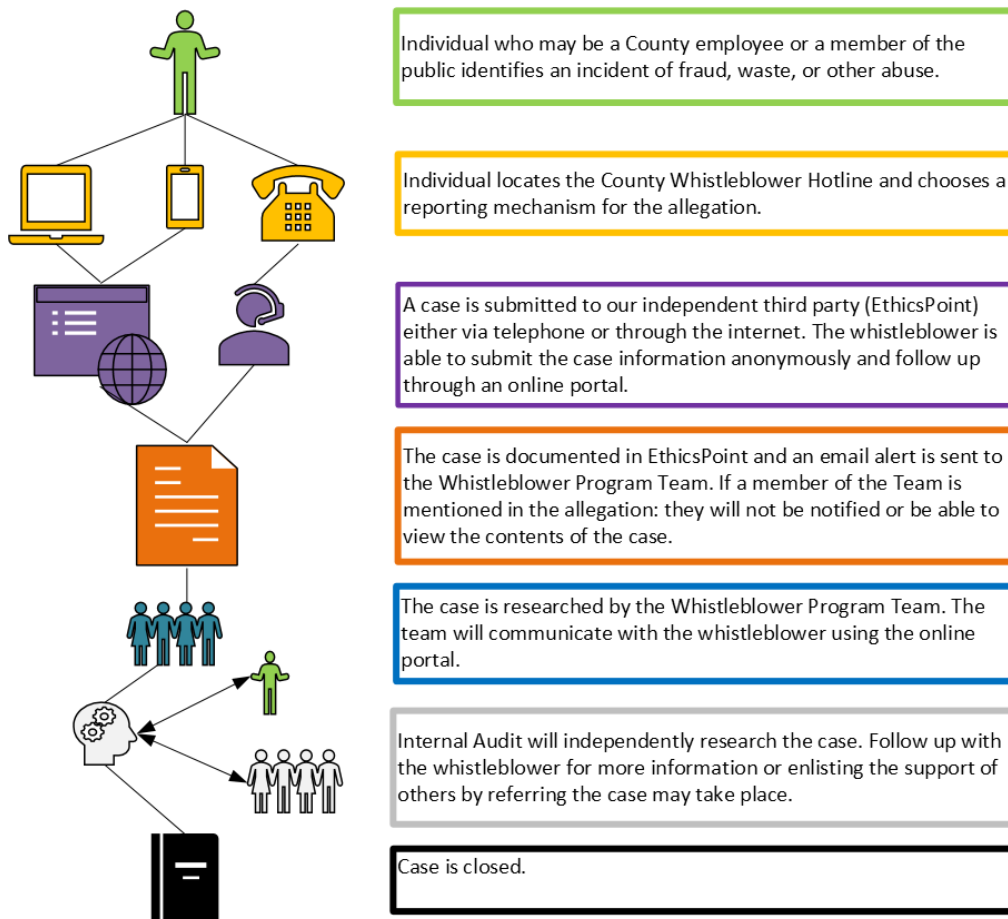
What is Fraud, Waste, and Abuse?

The County's definition of fraud, waste, and abuse is as follows:

FRAUD	A dishonest, unethical, irregular or illegal act or practice. It can be any intentional act or omission designed to deceive others that results in the County suffering a loss of money, property, or other disadvantage to the County's resources or rights and /or the perpetrator achieves a gain of money, property or an advantage to which the perpetrator would not normally be entitled.
WASTE	The intentional or unintentional thoughtless, reckless or careless expenditure, consumption, mismanagement, use, or squandering of County resources. Waste also includes incurring unnecessary costs because of inefficient or ineffective practices, systems, or controls.
ABUSE	Intentional destruction, diversion, manipulation, misapplication, maltreatment, or misuse of County resources. Extravagant or excessive use as to abuse one's position or authority. Abuse can occur in a financial or non-financial setting.

Understanding the Whistleblower Program Process

Below is an infographic that generally describes the Whistleblower Program process:



ABOUT THE ANNUAL REPORT

Purpose of the Whistleblower Program Annual Report

The Internal Audit Division (IA) of the Office of the Auditor-Controller is presenting this Report in accordance with the Santa Barbara County Board of Supervisors approved fiscal year (FY) 2024-25 Internal Audit Plan. The intent is to provide a high-level summary on whistleblower reports, trends, and results. In order to protect the sensitivity and confidentiality of whistleblower reports received, details are not disclosed publicly.

Allegation Classification Definitions: Type of Report Received

IA reviews allegations and judgmentally assigns them into the following categories:

<u>TYPE OF REPORT RECEIVED</u>	<u>DESCRIPTION</u>
INTERNAL MISUSE OF COUNTY RESOURCES	The allegation relates to fraud, waste, or abuse of County resources within the County organization, for example, by an employee.
EXTERNAL MISUSE OF COUNTY RESOURCES	The allegation relates to fraud, waste, or abuse of County resources outside of the County organization, for example, by a vendor the County contracts with.
HOSTILE ENVIRONMENT OR MISTREATMENT	The allegation relates to a hostile environment or mistreatment done by a County employee towards another employee or a member of the public.
QUALITY OF SERVICES	The allegation concerns policies or services provided by the County that are considered to be substandard and may be insufficient or non-compliant.
WELFARE ABUSE RELATED	The allegations are related to welfare recipient abuse.
NOT RELATED TO WHISTLEBLOWER PROGRAM	The allegations fall outside the scope of the Whistleblower Program, such as a noise complaint about a neighbor that has no relation to the County organization.

Report Classification Definitions: Report Closure Reasons

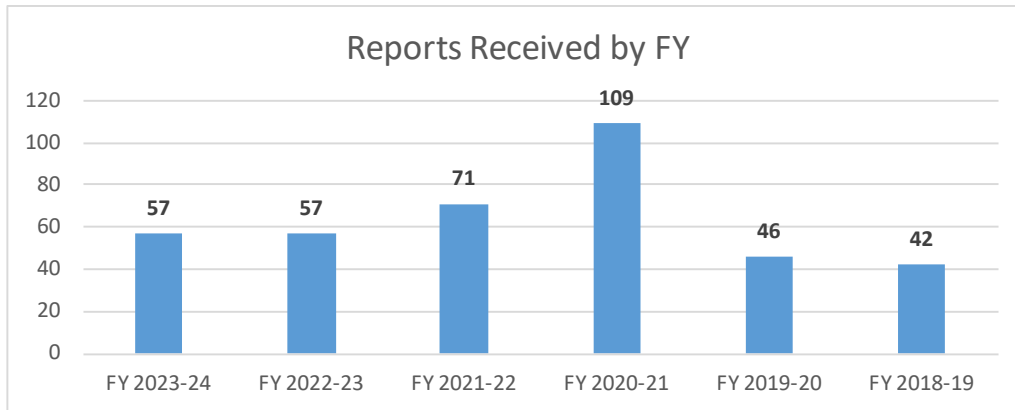
IA closes reports and judgmentally assigns them into the following categories at closure:

<u>REPORT CLOSURE REASON</u>	<u>DESCRIPTION</u>
NOT SUBSTANTIATED	IA led the research of the allegation and determined the allegation was not supported.
SUBSTANTIATED	IA led the research of the allegation and determined the allegation was supported. Substantiated reports vary in remedy depending on the nature of the allegation.
PARTIALLY SUBSTANTIATED	IA led the research of the allegation and determined a component of the allegation was supported. Partially substantiated reports vary in remedy depending on the nature of the allegation.
REFERRED INTERNALLY	IA determined the allegation could be resolved through an internal referral within the County. For instance, this includes referrals to the County of Santa Barbara’s District Attorney’s Welfare Fraud Unit.
REFERRED EXTERNALLY	IA determined the allegation could be resolved through an external referral. For instance, this includes referrals to another organization, such as a city.
NOT RELATED TO PROGRAM	IA determined the allegation is outside the scope of the Whistleblower Program, and a referral is either not possible or appropriate. Additionally, the reporter may have provided incomplete or insufficient information for IA to research.

Executive Summary

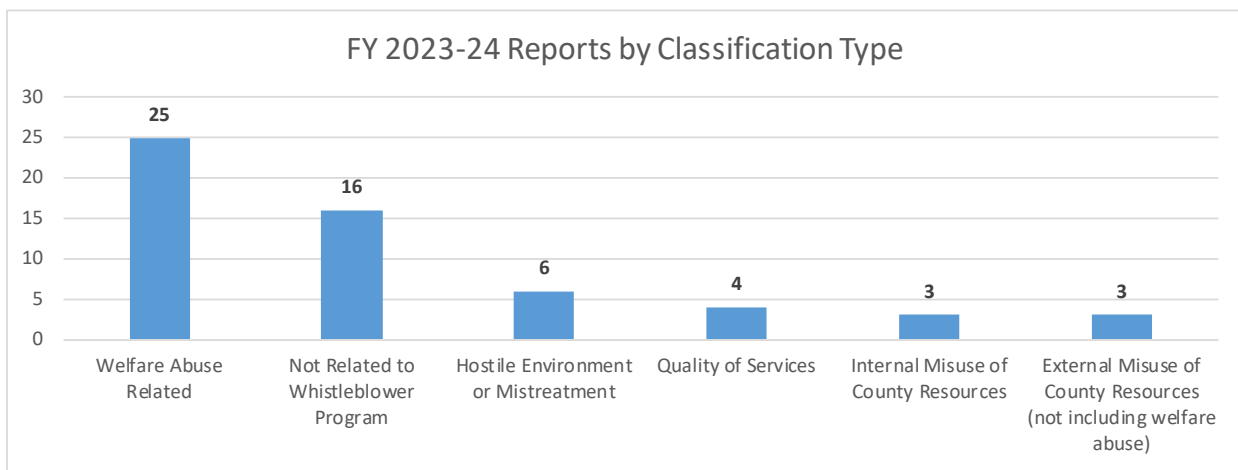
Number of Reports Received

A total of 57 whistleblower reports were submitted during FY 2023-24, consistent with the number submitted in the previous year, FY 2022-23. The highest number of reports submitted in a single fiscal year occurred in FY 2020-21, with 109 reports, the majority of which were related to allegations of non-compliance with COVID-19 policies.



Classification of Reports Received

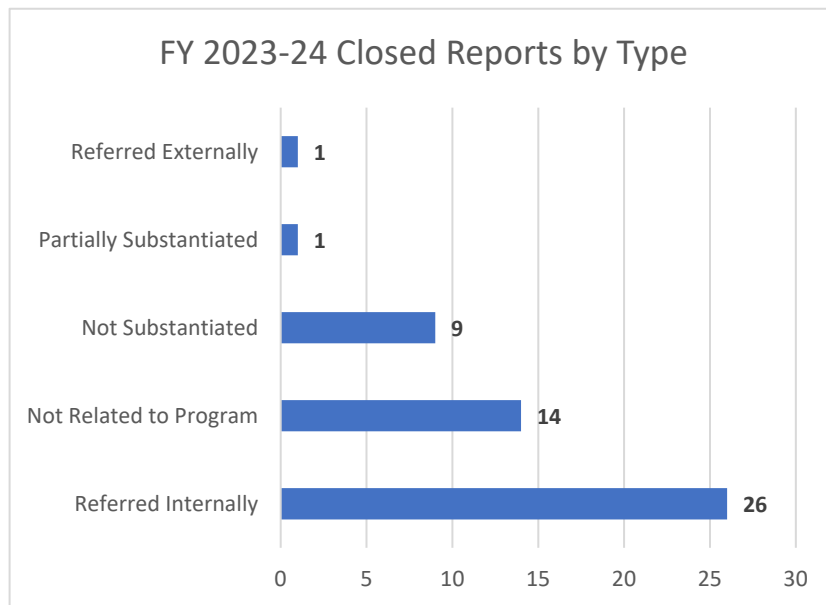
Of the 57 whistleblower reports received in FY 2023-24, 25 (or 44%) were related to welfare abuse, representing the largest category. Reports of welfare abuse are typically closed upon referral to the Santa Barbara County District Attorney's Welfare Fraud Unit. The next largest category consists of reports unrelated to the County's Whistleblower Program, accounting for 16 reports (28% of all reports). These reports concern matters outside the scope of the program, such as a noise complaint about a neighbor. When possible or appropriate, IA will respond to these reporters and suggest a more suitable reporting mechanism for them to consider.



Executive Summary (continued)

Closed Reports Results

Of the 57 whistleblower reports received in FY 2023-24, 51 (or 89%) were closed during the fiscal year. The majority of these closures were categorized as internal referrals within the County. Internal referrals include reports referred to the District Attorney's Welfare Fraud Unit for allegations of welfare abuse, as well as other reports that are determined by IA to be more appropriately handled by another County department for research and resolution.



Whistleblower Report Reporting Mechanism

Of the 57 whistleblower reports received in FY 2023-24, 39 (or 68%) were submitted through the Whistleblower Hotline Web Reporting Portal. The remaining 18 reports (or 32%) were reported via the toll-free Whistleblower Phone Hotline.

