

# Financial Review of the Sheriff's Office

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*Financial Review of the Santa Barbara County Sheriff's Office  
by the Office of the Auditor-Controller*



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

The County Sheriff's Office overtime-related budgeting practices resulted in the County Board of Supervisors' (Board) request for increased oversight. The Auditor-Controller's Internal Audit Division (Internal Audit) subsequently drafted an analytical report of overtime practices for the Sheriff's Office which led to the Board's consideration of additional avenues for oversight. The Board, in a meeting held on February 10<sup>th</sup>, 2026 considered the establishment of an Office of Inspector General to strengthen oversight of the Sheriff's Office. An alternative approach is for the Board to authorize and allocate a position in the Internal Audit Division of the Office of the Auditor Controller to provide financial review of the Sheriff's Office.

The Auditor-Controller, through California Government Code §26883, is authorized to audit the accounts and records of any department, office, board or institution under its (Boards) control and of any district whose funds are kept in the County Treasury. Accordingly, a dedicated Internal Audit position could focus on Sheriff's Office fiscal operations, reporting through the Auditor-Controller's established Internal Audit structure.

The following areas would be within the scope of the position:

- Overtime compliance and controls
- Financial status and budgetary controls
- Internal controls and financial systems
- Contract management and procurement compliance
- Commissary operations and revenue accountability
- Accounts receivable and collections
- Asset management and inventory controls
- Other risk-based financial areas as determined by the Auditor-Controller

## SCOPE OF WORK

The Internal Audit Division would conduct financial and compliance related audits and other advisory engagements for the Sheriff's Office.

The scope could include the following activities:

- Overtime
  - Analysis of overtime expenditures and trends
  - Overtime authorization and usage patterns
  - Time and attendance system controls
  - Leave management (vacation, sick, administrative leave)
  - Special pay calculations (hazard pay, education incentives, bilingual pay)



- Financial Status Reviews
  - Quarterly budget-to-actual expenditure analysis
  - Review of major budget variances and cost drivers
  - Assessment of grant compliance and federal/state fund management
  - Capital asset tracking and depreciation schedules
  - Fund balance analysis and reserve adequacy
- Contract Management
  - Review of vendor selection processes and competitive bidding compliance
  - Vendor contract compliance and commission calculations
  - Audit of contract terms, pricing, and payment accuracy
  - Assessment of contract performance monitoring and deliverable tracking
  - Review of professional services contracts
  - Evaluation of vendor invoice processing and payment authorization controls
  - Analysis of sole-source and emergency procurement justifications
- Revenue and Accounts Receivable Management
  - Cash handling procedures and deposit timeliness
  - Sheriff Commissary operations
  - Revenue verification and reconciliation
  - Billing accuracy for jail housing fees, civil process fees, and special services
  - Aging analysis and collection effectiveness
  - Write-off procedures and bad debt reserves
  - Restitution collection and victim compensation fund management
- Internal Control Structure and Systems
  - Segregation of duties analysis
  - Authorization and approval controls
  - Financial system access controls and user privilege reviews
  - Documentation and record retention practices
  - Reconciliation procedures and control account management
  - IT general controls related to financial systems
  - Fraud risk assessment and prevention controls
- Asset Management and Inventory
  - Inventory and access to secure assets
  - Physical inventory verification procedures
  - Access control systems and authorization protocols
  - Costs related to the purchase and use of assets
- Other Areas
  - To be determined as a result of an annual risk assessment or as determined by the Auditor-Controller



## DESCRIPTION

### Position Structure

Add one full-time equivalent Senior Auditor position to the Internal Audit Division, dedicated primarily to financial review of the Sheriff's Office.

This position would:

- Work under the supervision of the Internal Audit Division
- Dedicate approximately 85% of their time to financial review of Sheriff's Office activities and 15% to other administrative activities, such as trainings
- Be staffed by someone with the skills and knowledge needed to execute the duties as proposed, with the following desired qualifications and experience:
  - Professional qualifications: CPA, CIA or equivalent certification preferred
  - Experience: Minimum 5 years' governmental auditing

### Reporting of Results

The Internal Audit Division would generally report results as follows:

- **Audit Reports:** Reports would be issued through the Office of the Auditor-Controller and made available to the public, the Board of Supervisors, and the Sheriff.
- **Sheriff Review:** The Auditor-Controller will provide the Sheriff with an opportunity to review audit findings.
- **Public Transparency:** Audit reports are posted on the Auditor-Controller's website and will be available to be presented to the Board.
- **Follow-up:** The Internal Audit Division would conduct follow-up reviews to assess implementation of audit recommendations.

### Timeline

If approved, the following proposed timeline would be initiated:

- **Month 1-2:** Board approval of position and budget amendment
- **Month 2-5:** Recruitment and hiring process
- **Month 5-6:** Onboarding, systems access setup, Sheriff's Office orientation
- **Month 6-7:** Development of audit work plan and risk assessment
- **Month 7+:** Begin activities\*

\*For your consideration, some Internal Audit financial review activities for the Sheriff's Office are already planned and will take place throughout the proposed timeline.