



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: November 6, 2018
Placement: Administrative
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Theodore A. Fallati, CPA CPFO
Director(s) Auditor-Controller, 568-2100

Contact Info: Jay Siegel, CPA MSF CFE
Internal Audit Supervisor, 568-2121

SUBJECT: Auditor-Controller's Report on the External Monitoring Reports of County
Departments for July 1, 2017 through June 30, 2018

County Counsel Concurrence

As to form: N/A

Auditor-Controller Concurrence

As to form: N/A

Recommended Actions:

That the Board of Supervisors:

- a) Receive and file the Auditor-Controller's Report on the External Monitoring Reports of County Departments for July 1, 2017 through June 30, 2018 (the Report).
- b) 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: 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 is in compliance with certain legal restrictions that are placed on funding. Non-compliance 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, **four departments** had program monitoring reports that were ranked as high or moderate risk and **eight departments** had program monitoring reports that were ranked as low risk. The corrective action proposed by the departments, for higher risk monitoring, is included in the Report.

Background:

The Report attached summarizes the results of monitoring reports issued of all departments within the County by external agencies, based upon departmental reports made to our 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 Comprehensive Annual Financial Report (CAFR) 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 from July 1, 2017 through June 30, 2018 and includes a risk assessment of each program based upon audit 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, designated in red, indicate that there may be a potential for a large dollar amount of error or loss, significant lack of monitoring, or wide-spread violation of law. Programs with a potential for moderate dollar amount of error or loss, some violation of policy, and when other compensating procedures may exist to correct issues are designated as yellow. Low risk programs are designated with the color green and are summarized on page two 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.

Performance Measure:

N/A

Fiscal and Facilities Impacts:

N/A

Fiscal Analysis:

N/A

Attachments:

Auditor-Controller's Report on the External Monitoring Reports of County Departments for July 1, 2017 through June 30, 2018

Authored by:

Marisol Villalobos, Internal Audit Staff

cc:

Mona Miyasato, County Executive Officer
Department Directors