



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:** 9/17/2024  
**Placement:** Administrative  
**Estimated Time:** N/A  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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

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**County Counsel 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 *Loss of Public Property Report* for the period of 7/1/2023-6/30/2024
- b) Receive and file the Auditor-Controller's *Cash Shortages & Overages Report* for the period of 7/1/2023-6/30/2024
- c) Receive and file the Auditor-Controller's *External Monitoring Reports of County Departments - Performed by State, Federal, & Other Outside Agencies* for the period of 7/1/2023-6/30/2024
- d) Receive and file Auditor-Controller's *Report of County Vendors Paid \$200,000+* during the period of 7/1/2023-6/30/2024
- e) Receive and file the Auditor-Controller's *Whistleblower Program Annual Report* for the period of 7/1/2023-6/30/2024
- f) 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 *Loss of Public Property Report* for the period of 7/1/2023-6/30/2024 is provided to your Board as is required under Resolution No. 11-432.

The *Cash Shortages & Overages Report* for the period 7/1/2023-6/30/2024 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 \$1,221.57 while total cash overages amounted to \$3,601.76.

The *External Monitoring Report of County Departments - Performed by State, Federal, & Other Outside Agencies* 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, one department had program monitoring reports self-ranked as moderate risk, and seven departments had program monitoring reports that were self-ranked as low risk. The corrective action responses proposed by the department with seven program monitoring reports self-ranked as moderate risk are included in the report.

The *Report of County Vendors Paid \$200,000+* provides information regarding cumulative County payments to vendors. The attached report for the period of 7/1/2023-6/30/2024 notes that 330 vendors were paid amounts of \$200,000 or more for total payments equal to \$471,951,845.

The *Whistleblower Program Annual Report* is a new annual report that provides a high-level summary of Whistleblower Program activity received via the Whistleblower Hotline and Whistleblower Web Reporting Portal for the period of 7/1/2023-6/30/2024.

**Background: Loss of Public Property Report**

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.

The *Loss of Public Property Report* includes substantiated instances of loss or theft of cash and property occurring between 7/1/2023-6/30/2024 reported by departments to Internal Audit. During the reporting period there was one reported instance of property damage/destruction in the amount of \$2,570; six reported instances of lost property totaling \$32,652; and ten reported instances of stolen property totaling \$98,375. There were no reported instances of cash loss. Reported losses are visualized below. The status and disposition of each item is reported in the *Loss of Public Property Report* attachment.



**Cash Shortages & Overages Report**

The *Cash Shortages & Overages Report* for the period 7/1/2023-6/30/2024 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 \$1,221.57 while total cash overages amounted to \$3,601.76.

Shortages and overages by department are visualized on the next page. The status and disposition for each department’s shortage overages is included in the *Cash Shortages & Overages Report* attachment.

## Cash Shortages & Overages (by Department)

<u>Department</u>	<u>Cash Shortages</u>	<u>Department</u>	<u>Cash Overages</u>
Community Services	\$1,090.05	Clerk-Recorder-Assessor	\$2,411.06
Treasurer-Tax Collector*	99.47	Community Services	1,078.00
Public Works	23.25	Probation	57.00
Public Health	5.05	Public Health	30.05
First 5	2.75	Public Works	18.65
Clerk-Recorder-Assessor	1.00	Sheriff	7.00
Total Shortages	\$1,221.57	Total Overages	\$3,601.76

### ***External Monitoring Reports 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 7/1/2023-6/30/2024 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 a 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.

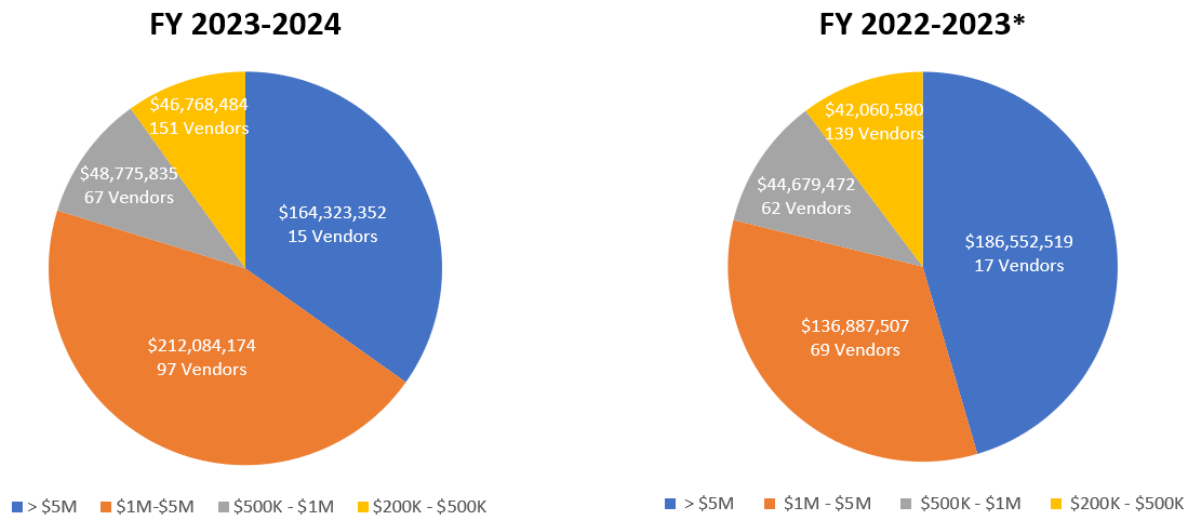
### ***Report of County Vendors Paid \$200,000+***

The *Report of County Vendors Paid \$200,000+* or more for the period of 7/1/2023-6/30/2024 is a reporting requirement of the Service Contract and Grant Compliance Management Policy of the County of Santa

Barbara. 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, for the period of 7/1/2023-6/30/2024. The Report is not limited to vendors with Board approved service contracts.

This Report is a compilation of information from FIN, as such no auditing procedures were performed. To increase transparency of payments to certain vendors, auditor judgment was used to combine FIN 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.

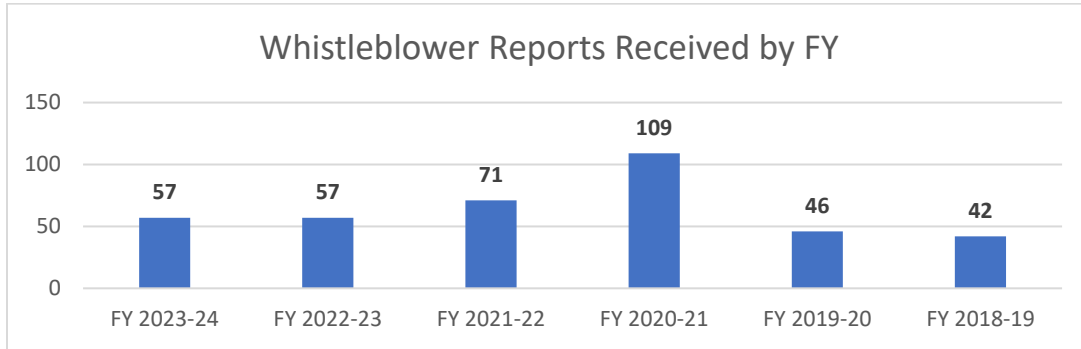


\* A revision to FY 2022-23 has been made to include payments for liability self-insurance premiums to PRISM. This revision affects the amount reported for vendors that received >\$5,000,000.

### ***Whistleblower Program Annual Report***

The *Whistleblower Program Annual Report* for the period of 7/1/2023-6/30/2024 is submitted in accordance with the Internal Audit Plan approved by the Santa Barbara County Board of Supervisors for Fiscal Year 2024-25. This report aims to provide a high-level summary of whistleblower reports, including trends and results. To safeguard the sensitivity and confidentiality of the whistleblower reports, specific details are not disclosed publicly.

The chart below illustrates the historical number of reports received by fiscal year.



**Special Instructions:**

N/A

**Attachments:**

- A) *Loss of Public Property Report*
- B) *Cash Shortages & Overages Report*
- C) *External Monitoring Reports of County Departments - Performed by State, Federal, & Other Outside Agencies*
- D) *Report of County Vendors Paid \$200,000+*
- E) *Whistleblower Program Annual Report*

**Authored by:**

Joel Boyer, Internal Audit Division Chief

**cc:**

Mona Miyasato, County Executive Officer  
County of Santa Barbara Department Directors