



BROWN ARMSTRONG
Certified Public Accountants

AGREED UPON CONDITIONS REPORT DESIGNED TO INCREASE EFFICIENCY, INTERNAL CONTROLS, AND/OR FINANCIAL REPORTING

Honorable Board of Supervisors
of the County of Santa Barbara, California

We have audited the basic financial statements of the County of Santa Barbara, California, (the County) for the year ended June 30, 2015, and have issued our report thereon dated December 8, 2015. In planning and performing our audit of the financial statements of the County, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

As a result of our prior year audit, we noted a certain agreed upon condition. This condition and recommendation has been discussed with the appropriate members of management, and is intended to improve the internal control structure or result in other efficiencies, and is summarized as follows:

Current Year Agreed Upon Conditions and Recommendations

None.

Status of Prior Year Agreed Upon Conditions

Agreed Upon Condition 1 – Allowable Cost, Payroll

Condition

The County failed to follow its payroll policy of requiring employees to sign their timesheets. We noted 2 instances out of 60 tested whereby the employee's signature is missing from the timesheet.

Recommendation

We recommend that the County adhere to its payroll policy and require all employees to sign their timesheets.

Management Response

The Department of Social Services (DSS) concurs with these two instances. The Department has clear written instructions regarding timesheet signatures. These instructions specify that it is the responsibility of the employee to submit their timesheet to their supervisor electronically for review and approval. This is how the employee electronically signs his or her timesheet. They further specify that the employee's timesheet must be approved and submitted electronically by the employee's supervisor. This is how the supervisor electronically signs the

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employee's timesheet. There are rare circumstances when a timesheet must be manually printed and signed. Such instances include when an employee is absent and the supervisor must submit the timesheet on their behalf. The manual process should be followed upon the employee's return. In regards to these two instances, the manual follow-up process did not occur.

All employees have been reminded of proper timesheet procedures when the electronic signature process cannot be used. Additionally, the Department is in the process of developing a business process and report that will be used by Human Resource staff to ensure we are in compliance. We are targeting implementation of this new business process in October 2014. Additionally, the Department will conduct a review for accuracy related to this finding retroactively to the beginning of this fiscal year.

Current Year Status

Resolved.

This report is intended solely for the use of the Board of Supervisors and management of the County and should not be used for any other purpose. However, this report is a matter of public record, and its distribution is not limited.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

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Accountancy Corporation

Bakersfield, California
December 8, 2015