



GENERAL SERVICES DEPARTMENT

Janette D. Pell, Director

Lynne Dible, Assistant Director, CFO

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Date: 2/10/2022
To: Chair Hartmann and Boards of Supervisors
From: Janette Pell, Director *Janette D. Pell*
Lynne Dible, Assistant Director General Services

Subject: Item A-6 on 2/15 Agenda: Audit Report for the Northern Branch Jail Project (AB900) from inception (January 15, 2013) through completion at 12/7/2021; Third District

The purpose of this memorandum is to clarify the point at which the final program audit is required by the BSCC. According to BSCC staff, completion triggering the audit requirement occurs upon the issuance of the certificate of occupancy from the State Fire Marshal, and for that reason this audit has been prepared and is being presented to your Board.

This memorandum is also to note that the inception date of the Northern Branch Jail Project (AB900) is January 15, 2013.

Attachment: Board Letter



**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: General Services
Department No.: 063
For Agenda Of: February 15, 2022
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: General Services: Janett D. Pell Director (805) 560-1011
Contact Info: Lynne Dible, Assistant Director (805) 568-2678
SUBJECT: **Audit Report for the Northern Branch Jail Project (AB900) from inception (January 15, 2013) through completion at 12/7/2021; Third District**

DocuSigned by:
Janette D. Pell
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County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence:

Risk Management as to form: Yes

Recommended Actions: That the Board of Supervisors:

- a) Receive and file the County of Santa Barbara’s AB900 Northern Branch Jail Construction Project Final Financial and Performance Audit from Inception (January 15, 2013) through December 7, 2021;
- b) Receive and file the Statement on Auditing Standards (SAS) 114 report (Auditor’s Letter to the County’s Governing Body) for AB900 for the period ending December 7, 2021; and
- c) 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.

Summary Text:

On January 15, 2013, the Board of Supervisors entered into the Board of State and Community Corrections (BSCC) Jail Construction Agreement for Santa Barbara County for the Northern Branch Jail (NBJ) AB900 Phase II project which requires delivering to the State a Final Audit of the NBJ within ninety calendar days after completion of the project. **According to BSCC staff, completion triggering the audit requirement occurs upon the issuance of the certificate of occupancy from the State Fire Marshal, and for that reason this audit has been prepared and is being presented to your Board.**

A certificate of occupancy was issued by the California State Fire Marshal on July 27, 2021. Following the certificate of occupancy issuance there were many activities required to ready the facility for full

operation including finalizing the security electronics and performance testing of the security systems for complete functionality. The Facility was determined ready for operations and was occupied on January 22, 2022. Final construction contract completion is anticipated in the coming weeks.

The County contracted with Brown Armstrong for annual audits of the project fund in addition to the final program audit to ensure that the funds are spent in compliance with the BSCC requirements. This will help to ensure that there are no audit findings or disallowed costs at the end of the project when the BSCC audit is conducted. Seven audits have previously been completed with no findings for the Fiscal Years ending June 30, 2014 through December 7, 2021. The final program audit has been performed and the draft report is attached for Board acceptance. Once this report has been accepted it will be submitted to the State along with the final reimbursement invoice to claim the \$4,000,000 retention withholding. We anticipate receiving this payment prior to the end of the fiscal year.

The agreements require that the final program audit be prepared in accordance with generally accepted auditing standards, government auditing standards for financial and compliance audits, and the State of California, Board of State and Community Corrections (BSCC) Audit Guide. To ensure an accurate final program audit, annual audit reports were prepared and are being filed with the Board of Supervisors. The results of these reports are unmodified opinions, which indicate that financial schedules were presented fairly in all material aspects, and that there were no identified instances of non-compliance with respect to the AB900 Phase II Program requirements.

Background:

The Financial and Program Audits for the Period ending December 7, 2021 was issued by Brown Armstrong Accountancy Corporation of Bakersfield, California (Brown Armstrong) on September 19, 2020 and covered activity from inception (January 15, 2013) through December 7, 2021, the date where all state reimbursable costs were expended. Brown Armstrong issued four reports for each Fiscal Year with the following results:

- a) Report on Financial Schedules – Brown Armstrong issued an unmodified opinion for this audit period for the report on the financial schedules and related notes. An unmodified opinion is issued when the auditor has formed the opinion that the financial schedules contained in the report were presented fairly in all material respects.
- b) Report on Internal Control over Financial Reporting and on Compliance and Other Matters- Report was issued with determination that from the results of the audit testing, there were no deficiencies in internal control that are considered to be material weaknesses under *Governmental Auditing Standards* and certain provisions of the *BSCC Audit Guide*.
- c) Report on Compliance with Performance Requirements –The opinion for this report was an unmodified opinion that the County complied, in all material respects, with the performance requirements under the *BSCC audit guide* for the reporting period.
- d) Findings and Recommendations – none noted.

The County has expended approximately \$118,653,509, including land acquisition costs, on the Northern Branch Jail Project from inception through December 7, 2021 including \$80,000,000 of State eligible

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and \$38,653,509 of County funds.

Fiscal and Facilities Impacts:

Budgeted: Yes **Fiscal Analysis:**

See attached audit report.

Staffing Impacts:

Legal Positions:

0

FTEs:

0

Special Instructions:

Attachments:

1. County of Santa Barbara's AB900 North Branch Jail Construction Project Financial and Performance Audit from Inception (January 15, 2013) Through December 7, 2021.
2. SAS 114 report for AB900 for the period ending December 7, 2021 (Auditor's Management Letter)

Authored by:

Toni Bailey, Cost Analyst II, Northern Branch Jail Project