



Santa Barbara County Education Office

4400 Cathedral Oaks Road, P.O. Box 6307, Santa Barbara, California 93160-6307
(805) 964-4711 • FAX: (805) 964-4712 • Direct Dial: 964-4710 plus extension

Service and Leadership • sbceo.org

August 4, 2016

Honorable James Herman
County Courthouse
1100 Anacapa St.
Santa Barbara, CA 93101

Santa Barbara County Grand Jury
1100 Anacapa St.
Santa Barbara, CA 93101

RE: 2015-16 Grand Jury Report – “The Lompoc Unified School District, Problems on the Board” – Finding 2, Recommendation 2

As requested in your June 23, 2016 letter, the attached response to Finding 2, Recommendation 2, is a joint response from:

- 1.) The County Superintendent of Schools
- 2.) The County Board of Education

The County Board of Education and the County Superintendent of Schools concur as indicated in the joint statement. The County Board of Education approved this statement by a vote of 7-0 at its August 4, 2016 meeting.

Thank you for your service and good work.

Sincerely,

William J. Cirone
County Superintendent of Schools

Marybeth Carty
County Board of Education President

WJC:af
Enclosure

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AUG 11 2016

BY: _____



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August 4, 2016


Joint Statement Response to Grand Jury Report

We are writing in response to Finding 2, Recommendation 2, in your report "The Lompoc Unified School District, Problems on the Board."

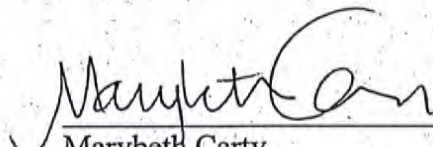
First, thank you for your service to our community. We appreciate your thorough investigation of the alleged conflict of interest involving a member of the Lompoc Unified School District Board of Education and his spouse, an employee of the Lompoc Unified School District.

You asked that we respond to Finding 2, "The Lompoc Unified School District Board of Education does not have adequate control of how expenditures of the General Fund are being allocated and tracked," and Recommendation 2, "That the Lompoc Unified School District Board of Education obtain an independent, specific audit of the General Fund expenditures to clarify the use of public funds."

While the Santa Barbara County Education Office does not have jurisdiction over the governance or operations of the Lompoc Unified School District, the Santa Barbara County Superintendent of Schools and the Santa Barbara County Board of Education concur that the district follow its financial and internal control policies that are in place. We also agree with the recommendation and believe it makes good sense for the district to engage its independent auditor to audit and make recommendations in the specific areas of concern or to commission a special audit to do the same.



William J. Cirone
County Superintendent of Schools



Marybeth Carty
County Board of Education President

MAILING ADDRESS:

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GRAND JURY
SANTA BARBARA COUNTY

December 27, 2016

William J. Cirone
Santa Barbara County Superintendent of Schools
Santa Barbara County Education Office
4400 Cathedral Oaks Road
Santa Barbara, CA 93110

RE: Santa Barbara County Board of Education (SBCEO) Response to Grand Jury Report "The Lompoc Unified School District, Problems on the Board." (Report)

Dear Mr. Cirone:

The Santa Barbara County Grand Jury (Jury) appreciates your support of the recommendations made by the Grand Jury. However, the Jury requests clarification on your statement, "... *the Santa Barbara County Education Office does not have jurisdiction* over the governance or operations of the Lompoc Unified School District..." Education Code Section 1241.5 (b) appears to contradict your statement and gives jurisdiction to Santa Barbara County Education Office (SBCEO) in circumstances set forth as findings in the Report.

1241.5(b)"At any time during a fiscal year, ***the county superintendent may review or audit the expenditures and internal controls of any school district in his or her county if he or she has reason to believe that fraud, misappropriation of funds, or other illegal fiscal practices have occurred that merit examination.*** The review or audit conducted by the county superintendent shall be focused on the alleged fraud, misappropriation of funds, or other illegal fiscal practices and shall be conducted in a timely and efficient manner. The county superintendent shall report the findings and recommendations to the governing board of the school district at a regularly scheduled school district board meeting within 45 days of completing the review, audit, or examination. The governing board of the school district shall, no later than 15 calendar days after receipt of the report, notify the county superintendent of its proposed actions on the county superintendent's recommendations. Upon review of the school district governing board report, the county superintendent, at his or her discretion, and consistent with law, may disapprove an order for payment of funds consistent with Section 42638."

The Jury requests that you:

- 1) Explain to the Jury as to why Education Code 1241.5(b) does not apply to Santa Barbara County Education Office.

Or

- 2) Write a revised response to The Lompoc Unified School District, Problems on the Board" report. This response should accurately reflect the facts and circumstances that gives the jurisdiction that allows Santa Barbara County Education Office to take action to review and audit Lompoc Unified School District.

Thank you for your attention to this matter.

A handwritten signature in blue ink, appearing to read 'Andrew E. Brown', with a long horizontal flourish extending to the right.

Andrew E. Brown
Foreman
2016-17 Santa Barbara County Grand Jury



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RECEIVED

JAN 9 2016

January 6, 2017

BY: _____

Andrew E. Brown, Foreman
Santa Barbara County Grand Jury
1100 Anacapa St.
Santa Barbara, CA 93101

**RE: Santa Barbara County Board of Education (SBCEO) Response to Grand Jury Report
“The Lompoc Unified School District, Problems on the Board.” (Report)**

Thank you for your letter of Dec. 27 asking for clarification of our earlier response to the grand jury. I apologize for any confusion, and will try to clarify our response to Finding 2 and Recommendation 2.

To be clear, we take very seriously the responsibility that the law provides the Santa Barbara County Education Office to oversee specific actions of the independent school districts in this county. We hope the following information provides a clearer explanation.

The Grand Jury’s original request for a response pertained specifically to Finding 2, “That the Lompoc Unified School District Board of Education does not have adequate control of how expenditures of the General Fund are being allocated and tracked”; and Recommendation 2, “That the Lompoc Unified School District Board of Education obtain an independent, specific audit of the General Fund expenditures to clarify the use of public funds.” We concurred.

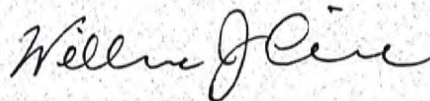
In terms of that original question, our response was accurate. The method a school district uses to control how expenditures are allocated and tracked is strictly a district responsibility. It is our understanding, based on legal precedents, that Education Code section 1241.5(b) does not give the Santa Barbara County Education Office the authority to make managerial decisions on the expenditure of funds by a school district. That is why we believe, in the context of what was then being asked, that the statement in our Aug. 4, 2016 letter that we do not have jurisdiction over the “governance or operations” of the Lompoc Unified School District is correct.

Education Code section 1241.5(b) does apply to our office, but only in the limited circumstances that are described in that section. The Santa Barbara County Education Office’s limited jurisdiction to review or audit a school district’s expenditures is only triggered where there is reason to suspect fraud, misappropriation of funds, or illegality in fiscal practices. The issue of the application of that section did not apply to your original request for response because Finding 2 and Recommendation 2 did not address any issues involving fraud, misappropriation of funds, or illegality.

After the grand jury issued its report, our office learned that the Lompoc Unified School District itself took appropriate steps to respond to the Grand Jury's findings and recommendations and that needed actions were taken, including performance of an outside audit and recovery of certain funds. Given the investigation already completed by the Grand Jury and the actions taken by the Lompoc Unified School District, we believed it would be duplicative if we were to conduct further review or audit under the umbrella of Education Code section 1241.5(b).

We hope this clarifies any confusion our initial response may have caused. We appreciate the grand jury's efforts and we take our own responsibilities very seriously as well. Thank you very much for the opportunity to clarify our response.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. Cirone". The signature is written in a cursive style with a large, stylized "W" and "C".

William J. Cirone
County Superintendent of Schools

WJC:af