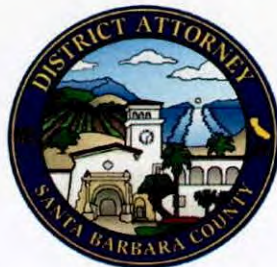


OFFICE OF THE
DISTRICT ATTORNEY
COUNTY OF SANTA BARBARA

JOYCE E. DUDLEY
District Attorney



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Chief Deputy District Attorney

CYNTHIA N. GRESSER
Chief Deputy District Attorney

MEGAN RHEINSCHILD
Victim Assistance Director

KELLY D. SCOTT
Chief Deputy District Attorney

JOHN T. SAVRNOCH
Chief Deputy District Attorney

PATRICK CLOUSE
Chief Investigator

MICHAEL D. SODERMAN
Chief Financial & Administrative Officer

The Honorable Patricia L. Kelly
Presiding Judge
Santa Barbara Superior Court
1100 Anacapa Street
Santa Barbara, California 93101

Reference: Response to the Santa Barbara County Grand Jury Report Titled, "Internal Controls in the County of Santa Barbara" published June 18, 2018.

Dear Judge Kelly:

Attached please find the Office of the Santa Barbara County District Attorney's response to the above referenced Civil Grand Jury Report. The responses are provided in accordance with Sections 933 and 933.05 of the Penal Code.

Sincerely,

A handwritten signature in blue ink that reads "Joyce E. Dudley".

Joyce E. Dudley
District Attorney Santa Barbara County

CC: Santa Barbara County Grand Jury

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Santa Barbara County District Attorney
Response to the Santa Barbara County Grand Jury 2017-18 Report
“Internal Controls in the County of Santa Barbara” published June 18, 2018.

Recommendation 2c

That the Santa Barbara County Sheriff, District Attorney, Auditor-Controller, Clerk Recorder Assessor-Registrar of Voters and Treasurer-Tax Collector-Public Administrator require consistent application of financial guidelines issued by the Auditor-Controllers’ Office as part of the annual personnel management process.

The Recommendation has not yet been implemented, but will be implemented during fiscal year 2018-19.

The District Attorney will continue to ensure all managers charged with financial responsibility are consistently applying and adhering to the financial guidelines issued by the Auditor Controller. This will be included as part of the employee’s annual performance evaluation.

Finding 3

Knowledge of financial management and risks by managers in some departments in the County of Santa Barbara is insufficient.

The District Attorney agrees.

Recommendation 3c

That the Santa Barbara County Sheriff, District Attorney, Auditor-Controller, Clerk Recorder Assessor-Registrar of Voters and Treasurer-Tax Collector-Public Administrator direct all program managers to require mandatory training in financial management (including County financial guidelines, FIN, and reporting and accountability procedures) for all department and program heads.

The recommendation has been implemented.

The District Attorney will continue to ensure all managers with financial responsibilities and oversight are properly trained in financial management (including county financial guidelines, FIN and reporting and accountability procedures).

Finding 4

Knowledge of potential conflicts of interest among some senior County of Santa Barbara employees is inadequate.

The District Attorney disagrees partially.

The County of Santa Barbara has a conflicts of interest program whereby senior County employees (including all District Attorney Management and all Deputy District Attorney Staff) are required to complete a Fair Political Practices Certified Statement of Economic Interests Form 700 on an annual basis.

Finding 5

There is no consistent policy of requiring program heads, division heads, or department heads within Santa Barbara County departments to account for spending under their control to their superiors and/or to the CEO through an annual formal and written statement.

The District Attorney disagrees partially.

All departments heads, including elected officials, along with each department's chief financial officer, sign annual Fiscal Year End Certification and Representations Letter that make assertions as to fiscal oversight, revenue and expenditure accounting, expenditures of federal awards, capital assets under their purview, long term liabilities incurred, theft or fraud experienced, and any related party transactions. The department head's and CFO's signatures are representative for their whole department.

Additionally, the County Executive Office requires quarterly budget to actual reporting for all departments. The Office of Budget and Research compiles this data and reviews it for significant variances. In the event that a department anticipates to materially exceed their budget, the Budget Director requires that the department submit an explanation for the budget overrun. The departmental response is then compiled into the Quarterly Report and presented to the Board of Supervisors.

In addition to the quarterly reporting mentioned above, the CEO regularly monitors each department's actual performance to the legally adopted budget. The County's FIN system has built in controls for each department that will not allow any expenditure that could exceed each department/fund's legal level of control, which is at the expenditure object level.

Recommendation 5b

That The Santa Barbara County Sheriff, District Attorney, Auditor-Controller, Clerk Recorder Assessor-Registrar of Voters and Treasurer-Tax Collector-Public Administrator direct all program managers to sign annual statements to their supervisors, stating that all funds under their control have been managed in compliance with County financial management guidelines and the County's Internal Control Policy.

The Recommendation has not yet been implemented, but will be implemented during fiscal year 2018-19.

The District Attorney will adhere to any additional process the County puts in place to ensure department managers sign an annual statement indicating that they comply with all financial management guidelines and the County policies regarding internal controls.