

# LAFCO

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## Santa Barbara Local Agency Formation Commission

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October 7, 2004 (Agenda)

Local Agency Formation Commission

105 East Anapamu Street, Room 403

Santa Barbara CA 93101

### Completed Financial Audit for Fiscal Year 2003-04

Dear Members of the Commission:

#### RECOMMENDATION

It is recommended the Commission receive the enclosed audit report and management letter for the fiscal year ending June 30, 2004 and provide direction to staff as appropriate.

#### DISCUSSION

The Commission in February 2003 selected the auditing firm of Moss, Levy & Hartzheim to prepare financial audits for three years. Enclosed is the completed Independent Auditor's Report for Fiscal-Year 2003-04.

The accompanying management letter sets forth three findings and recommendations, which are discussed below. While we do not think the first and third recommendation are necessary, we don't have strong opposition to the recommendations and if directed by the Commission will implement them.

- Provide a detailed expense breakdown for reimbursable telephone expenses

We make long distance phone calls using a software system that tracks usage and provides a monthly reports using a coded system, i.e., all calls charged to "account 32" are billed to the Santa Barbara LAFCO.

The auditor recommends that in addition to the coded summary of calls, a printout of all calls that we charge to Code 32 should be produced each month.

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Commission should review and approve all expenditures on a monthly basis

It is customary practice for some public agencies to list all of the prior month's payments in a monthly report to the governing body. We have not done this in the past but could add it to the Commission's monthly meeting agenda.

- Commission Chair should also sign the approved Commission minutes

The present practice is to have the Commission review and approve the minutes for a LAFCO meeting at the following meeting, and when the Commission acts the Executive Officer signs the approved minutes as being "final" to distinguish them from draft minutes. The auditor recommends the Chair as well as the Executive Officer sign the approved minutes

We have not asked Moss, Levy & Hartzheim to attend the October 7 meeting but the company is available to attend a future meeting if requested to discuss their report or findings.

Please contact the LAFCO office if you have any questions.

Very truly yours,

BOB BRAITMAN  
Executive Officer

cc: Bob Geis, County Auditor Controller  
Ron Levy, Moss, Levy & Hartzheim