COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL

<table>
<thead>
<tr>
<th>(1) DEPARTMENT</th>
<th>(2) MEETING DATE</th>
<th>(3) CONTACT/PHONE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auditor - Controller - Treasurer - Tax Collector</td>
<td>1/14/2014</td>
<td>Kerry Bailey 788-2979</td>
</tr>
</tbody>
</table>

(4) SUBJECT
Submittal of a compliance audit of the County Clerk-Recorder's implementation and performance of the Social Security Number Truncation Program. All Districts.

(5) RECOMMENDED ACTION
It is recommended that the Board receive the item and file.

(6) FUNDING SOURCE(S)
N/A

(7) CURRENT YEAR FINANCIAL IMPACT
$0.00

(8) ANNUAL FINANCIAL IMPACT
$0.00

(9) BUDGETED?
Yes

(10) AGENDA PLACEMENT
{ X } Consent  { } Presentation  { } Hearing (Time Est. ___) { } Board Business (Time Est. ___)

(11) EXECUTED DOCUMENTS
{ } Resolutions  { } Contracts  { } Ordinances  { X } N/A

(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR)
N/A

(13) BUDGET ADJUSTMENT REQUIRED?
BAR ID Number:
{ } 4/5 Vote Required  { X } N/A

(14) LOCATION MAP
N/A

(15) BUSINESS IMPACT STATEMENT?
No

(16) AGENDA ITEM HISTORY
{ X } N/A  Date: __________

(17) ADMINISTRATIVE OFFICE REVIEW
Nikki J. Schmidt

(18) SUPERVISOR DISTRICT(S)
All Districts -
County of San Luis Obispo

TO: Board of Supervisors
FROM: James P. Erb, CPA, Auditor - Controller - Treasurer - Tax Collector
DATE: 1/14/2014
SUBJECT: Submittal of a compliance audit of the County Clerk-Recorder's implementation and performance of the Social Security Number Truncation Program. All Districts.

RECOMMENDATION
It is recommended that the Board receive the item and file.

DISCUSSION
On May 6, 2008, in accordance with California Government Code Section 27361, the Board approved County of San Luis Obispo Ordinance 3148 which authorized an additional fee of $1.00 for the first page of every instrument, paper, or notice required or permitted by the law to be recorded and directed that the funds generated by the fee be used by the County Clerk-Recorder to implement a social security number truncation (SSN) program. Additionally, the ordinance directed the Auditor-Controller to conduct two reviews of the Clerk Recorder's social security number truncation program. The first review was to be completed by December 31, 2013 and the second review is to be completed by December 31, 2017.

Our office completed the first audit of the County Clerk-Recorder's implementation and performance of the SSN Truncation Program on December 11, 2013.

OTHER AGENCY INVOLVEMENT/IMPACT
Clerk-Recorder.

BUSINESS IMPACT STATEMENT
None.

FINANCIAL CONSIDERATIONS
The Clerk-Recorder's Office had collected $390,669 in SSN truncation fees and had a remaining cash balance of $236,378 as of June 30, 2013.

RESULTS
We verified that the $1 fee is being collected, the collections are used only for the purpose of the program, and the fee appears sufficient to cover estimated costs of $422,557 through December 31, 2017.

We also determined the Clerk-Recorder used due diligence to locate and truncate SSNs in the public versions of official records from January 1, 1980 through June 14, 2013. However, we found that not all records containing social security numbers had been truncated. The attached Clerk-Recorder audit report details our observations and recommendations along with the Clerk-Recorder's comments.
Performing mandated audits provides oversight and accountability, ensures compliance with County of San Luis Obispo and State of California regulations, and contributes to the County’s vision of a well governed community.

ATTACHMENTS

1. County Clerk-Recorder Social Security Number Truncation Compliance Audit Report