

RIVERSIDE COUNTY

Audit Report

CUSTODY OF MINORS—CHILD ABDUCTION AND RECOVERY PROGRAM

Chapter 1399, Statutes of 1976; Chapter 162, Statutes of 1992;
and Chapter 988, Statutes of 1996

*July 1, 2003, through June 30, 2007, excluding
July 1, 2004, through June 30, 2005*



JOHN CHIANG
California State Controller

April 2011



JOHN CHIANG
California State Controller

April 12, 2011

Bob Buster, Chairman
Board of Supervisors
Riverside County
4080 Lemon Street
Riverside, CA 92501

Dear Mr. Buster:

The State Controller's Office audited the costs claimed by Riverside County for the legislatively mandated Custody of Minors–Child Abduction and Recovery Program (Chapter 1399, Statutes of 1976; Chapter 162, Statutes of 1992; and Chapter 988, Statutes of 1996) for the period of July 1, 2003, through June 30, 2007, excluding July 1, 2004, through June 30, 2005.

The county claimed \$5,649,812 for the mandated program. Our audit disclosed that \$4,815,288 is allowable and \$834,524 is unallowable. The costs are unallowable because the county claimed unallowable salaries, benefits, and related indirect costs; overstated services and supplies costs; and understated travel and training costs. The State paid the county \$3,796,241. Allowable costs claimed exceed the amount paid by \$1,019,047.

If you disagree with the audit findings, you may file an Incorrect Reduction Claim (IRC) with the Commission on State Mandates (CSM). The IRC must be filed within three years following the date that we notify you of a claim reduction. You may obtain IRC information at the CSM's Web site at www.csm.ca.gov/docs/IRCForm.pdf.

If you have any questions, please contact Jim L. Spano, Chief, Mandated Cost Audits Bureau, at (916) 323-5849.

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD
Chief, Division of Audits

JVB/vb

cc: Paul Angulo, CPA, MA
Auditor-Controller
Riverside County
Eric Woolery, Deputy Director, Administration
District Attorney's Office
Riverside County
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Audit Report

Summary

The State Controller's Office (SCO) audited the costs claimed by Riverside County for the legislatively mandated Custody of Minors—Child Abduction and Recovery Program (Chapter 1399, Statutes of 1976; Chapter 162, Statutes of 1992; and Chapter 988, Statutes of 1996) for the period of July 1, 2003, through June 30, 2007, excluding July 1, 2004, through June 30, 2005.

The county claimed \$5,649,812 for the mandated program. Our audit disclosed that \$4,815,288 is allowable and \$834,524 is unallowable. The costs are unallowable because the county claimed unallowable salaries, benefits, and related indirect costs; overstated services and supplies costs; and understated travel and training costs. The State paid the county \$3,796,241. Allowable costs claimed exceed the amount paid by \$1,019,047.

Background

Chapter 1399, Statutes of 1976, established the mandated Custody of Minors—Child Abduction and Recovery Program based on the following laws:

- Civil Code section 4600.1 (repealed and added as Family Code sections 3060-3064 by Chapter 162, Statutes of 1992);
- Penal Code sections 278 and 278.5 (repealed and added as Penal Code sections 277, 278, and 278.5 by Chapter 988, Statutes of 1996); and
- Welfare and Institutions Code section 11478.5 (repealed and added as Family Code section 17506 by Chapter 478, Statutes of 1999, last amended by Chapter 759, Statutes of 2002).

These laws require the District Attorney's Office to assist persons having legal custody of a child in:

- Locating their children when they are unlawfully taken away;
- Gaining enforcement of custody and visitation decrees and orders to appear;
- Defraying expenses related to the return of an illegally detained, abducted, or concealed child;
- Civil court action proceedings; and
- Guaranteeing the appearance of offenders and minors in court actions.

On September 19, 1979, the State Board of Control (now the Commission on State Mandates [CSM]) determined that this legislation imposed a state mandate reimbursable under Government Code section 17561.

The program's parameters and guidelines establish the state mandate and define reimbursement criteria. The CSM adopted the parameters and guidelines on January 21, 1981, and last amended them on August 26, 1999. In compliance with Government Code section 17558, the SCO issues claiming instructions to assist local agencies in claiming mandated program reimbursable costs.

Objective, Scope, and Methodology

We conducted the audit to determine whether costs claimed represent increased costs resulting from the Custody of Minors—Child Abduction and Recovery Program for the period of July 1, 2003, through June 30, 2007, excluding July 1, 2004, through June 30, 2005.

Our audit scope included, but was not limited to, determining whether costs claimed were supported by appropriate source documents, were not funded by another source, and were not unreasonable and/or excessive.

We conducted this performance audit under the authority of Government Code sections 12410, 17558.5, and 17561. We did not audit the county's financial statements. We conducted the audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We limited our review of the county's internal controls to gaining an understanding of the transaction flow and claim preparation process as necessary to develop appropriate auditing procedures.

Conclusion

Our audit disclosed instances of noncompliance with the requirements outlined above. These instances are described in the accompanying Summary of Program Costs (Schedule 1) and in the Findings and Recommendations section of this report.

For the audit period, Riverside County claimed \$5,649,812 for costs of the Custody of Minors—Child Abduction and Recovery Program. Our audit disclosed that \$4,815,288 is allowable and \$834,524 is unallowable.

For the fiscal year (FY) 2003-04 claim, the State made no payment to the county. Our audit disclosed that \$1,769,383 is allowable. The State will pay that amount, contingent upon available appropriations.

For the FY 2005-06 claim, the State paid the county \$1,896,179. Our audit disclosed that \$1,538,776 is allowable. The State will offset \$357,403 from other mandated program payments due the county. Alternatively, the county may remit this amount to the State.

For the FY 2006-07 claim, the State paid the county \$1,900,062. Our audit disclosed that \$1,507,129 is allowable. The State will offset \$392,933 from other mandated program payments due the county. Alternatively, the county may remit this amount to the State.

**Views of
Responsible
Official**

We issued a draft audit report on March 4, 2011. Eric Woolery, Deputy Director of Administration, District Attorney's Office, responded in an e-mail message dated April 5, 2011, disagreeing with the audit results. This final audit report includes the county's response.

Restricted Use

This report is solely for the information and use of Riverside County, the California Department of Finance, and the SCO; it is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Original signed by

JEFFREY V. BROWNFIELD
Chief, Division of Audits

April 12, 2011

**Schedule 1—
Summary of Program Costs
July 1, 2003, through June 30, 2007,
excluding July 1, 2004, through June 30, 2005**

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2003, through June 30, 2004</u>				
Direct costs:				
Salaries	\$ 861,914	\$ 820,462	\$ (41,452)	Finding 1
Benefits	297,989	284,670	(13,319)	Finding 1
Services and supplies	142,107	136,276	(5,831)	Finding 2
Travel and training	61,132	61,132	—	
Total direct costs	1,363,142	1,302,540	(60,602)	
Indirect costs	490,429	466,843	(23,586)	Finding 1
Total program costs	<u>\$ 1,853,571</u>	1,769,383	<u>\$ (84,188)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 1,769,383</u>		
<u>July 1, 2005, through June 30, 2006</u>				
Direct costs:				
Salaries	\$ 868,415	\$ 690,955	\$ (177,460)	Finding 1
Benefits	362,818	291,866	(70,952)	Finding 1
Services and supplies	119,083	114,084	(4,999)	Finding 2
Travel and training	36,972	36,972	—	
Total direct costs	1,387,288	1,133,877	(253,411)	
Indirect costs	508,891	404,899	(103,992)	Finding 1
Total program costs	<u>\$ 1,896,179</u>	1,538,776	<u>\$ (357,403)</u>	
Less amount paid by the State		(1,896,179)		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (357,403)</u>		
<u>July 1, 2006, through June 30, 2007</u>				
Direct costs:				
Salaries	\$ 878,688	\$ 680,042	\$ (198,646)	Finding 1
Benefits	361,960	281,274	(80,686)	Finding 1
Services and supplies	130,757	128,392	(2,365)	Finding 2
Travel and training	35,010	35,373	363	Finding 3
Total direct costs	1,406,415	1,125,081	(281,334)	
Indirect costs	493,647	382,048	(111,599)	Finding 1
Total program costs	<u>\$ 1,900,062</u>	1,507,129	<u>\$ (392,933)</u>	
Less amount paid by the State		(1,900,062)		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (392,933)</u>		

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference ¹
<u>Summary: July 1, 2003, through June 30, 2007, excluding July 1, 2004, through June 30, 2005</u>				
Direct costs:				
Salaries	\$ 2,609,017	\$ 2,191,459	\$ (417,558)	
Benefits	1,022,767	857,810	(164,957)	
Services and supplies	391,947	378,752	(13,195)	
Travel and training	133,114	133,477	363	
Total direct costs	4,156,845	3,561,498	(595,347)	
Indirect costs	1,492,967	1,253,790	(239,177)	
Total program costs	<u>\$ 5,649,812</u>	4,815,288	<u>\$ (834,524)</u>	
Less amount paid by the State		(3,796,241)		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 1,019,047</u>		

¹ See the Findings and Recommendations section.

Findings and Recommendations

**FINDING 1—
Unsupported,
overstated, and
understated salaries,
benefits, and indirect
costs**

The county claimed unsupported, overstated, and understated salaries for district attorney (DA) employees, resulting in net unallowable salaries totaling \$417,558. The related benefits and indirect costs total \$164,957 and \$239,177, respectively.

The following table summarizes the audit adjustment for salaries, benefits, and the related indirect costs:

	Fiscal Year			Total
	2003-04	2004-05	2005-06	
Direct costs:				
Salaries	\$ (41,452)	\$ (177,460)	\$ (198,646)	\$ (417,558)
Benefits	(13,319)	(70,952)	(80,686)	(164,957)
Total direct costs	(54,771)	(248,412)	(279,332)	(582,515)
Indirect costs	(23,586)	(103,992)	(111,599)	(239,177)
Audit adjustment	<u>\$ (78,357)</u>	<u>\$ (352,404)</u>	<u>\$ (390,931)</u>	<u>\$ (821,692)</u>

The following information details the audit adjustment (for all tables, calculations differences are due to rounding):

Fiscal Year 2003-04

The county claimed unallowable salaries and benefits totaling \$41,452 and \$13,319, respectively. The following table summarizes the fiscal year (FY) 2003-04 audit adjustment:

Employee Classification	Salaries	Benefits
Supervising DA Investigator	\$ (32,303)	\$ (11,364)
Chief Deputy DA	(6,892)	(2,198)
Senior DA Investigator	(3,022)	(61)
Legal Transcriber	376	168
Senior DA Investigator	389	136
Audit adjustment, FY 2003-04	<u>\$ (41,452)</u>	<u>\$ (13,319)</u>

Supervising DA Investigator

The county claimed 50% of the employee’s time as mandate-related based on a pre-determined percentage. Subsequently, the county performed a time study from March 1, 2010, through May 31, 2010, for this employee classification. The time study supports an average of 27 hours per month. The following table summarizes the allowable salaries and benefits:

Period	(A)	(B)	(C)	(D)	Allowable Benefit Costs [(C)×(D)]
	Allowable Hours (27/month)	Hourly Rate Claimed	Benefit Rate Claimed	Allowable Salary Costs [(A)×(B)]	
July 2003-Sept. 2003	162	\$53.70	35.18%	\$ 8,699	\$ 3,060
Jan. 2004-June 2004	162	56.38	35.18%	9,133	3,213
Total				<u>\$ 17,832</u>	<u>\$ 6,273</u>

The following table shows the resulting audit adjustment:

	Salaries	Benefits
Supervising DA Investigator:		
Allowable costs	\$ 17,832	\$ 6,273
Claimed costs	<u>(50,135)</u>	<u>(17,637)</u>
Audit adjustment	<u>\$ (32,303)</u>	<u>\$ (11,364)</u>

Chief Deputy DA

The county claimed unsupported salaries and benefits totaling \$6,892 and \$2,198, respectively. The county claimed 5% of the employee’s time as mandate-related based on a pre-determined percentage. The county did not provide any records documenting actual time spent and did not conduct a time study for this employee.

Senior DA Investigator

The employee’s time records show that the county claimed 57 non-mandate-related hours. The county claimed time that the employee spent performing activities outside the Child Recovery Unit (CRU). The following table summarizes the audit adjustment:

Period	(A) Non-Mandate-Related Hours	(B) Productive Hourly Rate Claimed	(C) Over-time Rate Claimed	(D) Benefit Rate Claimed	(E) Unallowable Salary Costs [(A)×(B)] or [(A)×(C)]	Unallowable Benefit Costs [(D)×(E)]
Senior DA Investigator:						
Regular hours:						
Jan. 2004-May 2004	(4)	\$43.16	\$ —	34.95%	\$ (173)	\$ (61)
Overtime hours:						
July 2003-Dec. 2003	(45)	—	53.36		(2,401)	—
Jan. 2004-May 2004	(8)	—	56.38	35.18%	<u>(448)</u>	<u>—</u>
Audit adjustment					<u>\$ (3,022)</u>	<u>\$ (61)</u>

Legal Transcriber

The county claimed 50% of the employee’s time as mandate-related based on a pre-determined percentage. Subsequently, the employee performed a time study from January 1, 2010, through March 31, 2010. The time study supports an average of 75.83 hours per month. The following table summarizes allowable salaries and benefits:

Period	(A) Allowable Hours (75.83/ month)	(B) Hourly Rate Claimed	(C) Benefit Rate Claimed	(D) Allowable Salary Costs [(A)×(B)]	Allowable Benefit Costs [(C)×(D)]
July 2003-Sept. 2003	227.49	\$15.72	44.70%	\$ 3,575	\$ 1,598
Oct. 2003-Mar. 2004	454.98	16.57	44.70%	7,539	3,370
Apr. 2004-June 2004	227.49	17.23	44.70%	<u>3,919</u>	<u>1,752</u>
Total				<u>\$ 15,033</u>	<u>\$ 6,720</u>

The following table shows the resulting audit adjustment:

	Salaries	Benefits
Legal Transcriber:		
Allowable costs	\$ 15,033	\$ 6,720
Claimed costs	<u>(14,657)</u>	<u>(6,552)</u>
Audit adjustment	<u>\$ 376</u>	<u>\$ 168</u>

Senior DA Investigator

The employee’s time records show that the county understated mandate-related time by 8.5 hours. The following table summarizes the audit adjustment:

Period	(A) Under- stated Hours	(B) Hourly Rate Claimed	(C) Benefit Rate Claimed	(D) Allowable Salary Costs [(A)×(B)]	Allowable Benefit Costs [(C)×(D)]
July 2003-Sept. 2004	8.50	\$45.75	34.96%	<u>\$ 389</u>	<u>\$ 136</u>

Fiscal Year 2005-06

The county claimed unallowable salaries and benefits totaling \$177,460 and \$70,952, respectively. The following table summarizes the FY 2005-06 audit adjustment:

Employee Classification	Salaries	Benefits
Supervising Deputy DA	\$ (75,567)	\$ (30,484)
Chief Deputy DA	(63,185)	(25,040)
Supervising DA Investigators	(36,324)	(14,463)
Deputy DA IV	(1,922)	(775)
Investigative Technician II	(1,422)	(713)
Legal Transcriber	<u>960</u>	<u>523</u>
Audit adjustment, FY 2005-06	<u>\$ (177,460)</u>	<u>\$ (70,952)</u>

Supervising Deputy DA, Chief Deputy DA

The county claimed unsupported salaries and benefits totaling \$138,752 and \$55,524, respectively. The county claimed 50% of the Supervising Deputy DA’s time and 40% of the Chief Deputy DA’s time as mandate-related. The county pre-determined these percentages. The county did not provide any records documenting actual time spent and did not conduct a time study for these employees.

Supervising DA Investigators

The county assigned two Supervising DA Investigators to the CRU during the fiscal year. The county assigned one employee (Employee A) to the unit for 8 months; the second employee (Employee B) was assigned for 4.5 months. The county claimed 50% of the employees’ time as mandate-related based on a pre-determined percentage. Subsequently, the county performed a time study from March 1, 2010,

through May 31, 2010, for this classification. The time study supports an average of 27 hours per month. The following table summarizes the allowable salaries and benefits:

Period	(A) Allowable Hours (27/month)	(B) Hourly Rate Claimed	(C) Benefit Rate Claimed	(D) Allowable Salary Costs [(A)×(B)]	Allowable Benefit Costs [(C)×(D)]
Supervising DA Investigators:					
Employee A:					
July 2003-Sept. 2003	54.0	\$53.70	39.91%	\$ 3,045	\$ 1,215
Sept. 2005-Oct. 2005	54.0	59.94	39.91%	3,237	1,292
Nov. 2005-Dec. 2005	54.0	65.33	39.91%	3,528	1,408
Jan. 2006-Feb. 2006	54.0	67.62	39.91%	3,651	1,458
Total, Employee A				<u>13,461</u>	<u>5,373</u>
Employee B:					
Feb. 2006 (0.5 month)	13.5	51.88	39.91%	700	279
Feb. 2006 (bilingual pay)	13.5	0.50	—	7	—
Mar. 2006-June 2006	108.0	55.74	39.91%	6,020	2,403
Mar. 2006-June 2006 (bilingual pay)	108.0	0.50	—	54	—
Total, Employee B				<u>6,781</u>	<u>2,682</u>
Total				<u>\$ 20,242</u>	<u>\$ 8,055</u>

The following table shows the resulting audit adjustment:

Employee Classification	Salaries	Benefits
Supervising DA Investigators		
Allowable costs	\$ 20,242	\$ 8,055
Claimed costs:		
Employee A	(37,567)	(14,993)
Employee B	(18,999)	(7,525)
Audit adjustment	<u>\$ (36,324)</u>	<u>\$ (14,463)</u>

Deputy DA IV

The employee's time records show that the county claimed 25.5 non-mandate-related hours. The county claimed time spent related to criminal prosecution, commencing with and subsequent to the defendant's first court appearance. The following table summarizes the audit adjustment:

Period	(A) Non- Mandate- Related Hours	(B) Hourly Rate Claimed	(C) Benefit Rate Claimed	(D) Unallowable Salary Costs [(A)×(B)]	Unallowable Benefit Costs [(C)×(D)]
Deputy DA IV:					
July 2005-Oct. 2005	(12.0)	\$73.62	40.34%	\$ (886)	\$ (358)
Nov. 2005-June 2006	(13.5)	76.57	40.34%	(1,036)	(417)
Audit adjustment				<u>\$ (1,922)</u>	<u>\$ (775)</u>

Investigative Technician II

The employee’s time records show that the county overstated mandate-related time by 57 hours. The county claimed 66 hours that the employee spent performing activities outside the CRU. In addition, the county did not claim nine mandate-related hours incurred during June 2006. The following table summarizes the audit adjustment:

Period	(A) Over-stated Hours	(B) Hourly Rate Claimed	(C) Benefit Rate Claimed	(D) Unallowable Salary Costs [(A)×(B)]	Unallowable Benefit Costs [(C)×(D)]
July 2005-June 2006	57	\$24.95	49.85%	<u>\$ 389</u>	<u>\$ 136</u>

Legal Transcriber

The county claimed 50% of the employee’s time as mandate-related based on a pre-determined percentage. Subsequently, the employee performed a time study from January 1, 2010, through March 31, 2010. The time study supports an average of 75.83 hours per month. The following table summarizes allowable salaries and benefits:

Period	(A) Allowable Hours (75.83/ month)	(B) Hourly Rate Claimed	(C) Benefit Rate Claimed	(D) Allowable Salary Costs [(A)×(B)]	Allowable Benefit Costs [(C)×(D)]
July 2005-Sept. 2005	227.49	\$18.17	54.45%	\$ 4,132	\$ 2,250
Oct. 2005-Nov. 2005	151.66	19.15	54.45%	2,904	1,581
Dec. 2005-June 2006	530.81	19.79	54.45%	10,507	5,721
Total				<u>\$ 17,543</u>	<u>\$ 9,552</u>

The following table shows the resulting audit adjustment:

	Salaries	Benefits
Legal Transcriber:		
Allowable costs	\$ 17,543	\$ 9,552
Claimed costs	<u>(16,583)</u>	<u>(9,029)</u>
Audit adjustment	<u>\$ 960</u>	<u>\$ 523</u>

Fiscal Year 2006-07

The county claimed unallowable salaries and benefits totaling \$198,646 and \$80,686, respectively. The following table summarizes the FY 2006-07 audit adjustment:

Employee Classification	Salaries	Benefits
Supervising Deputy DA	\$ (84,030)	\$ (34,066)
Chief Deputy DA	(72,092)	(27,295)
Supervising DA Investigator	(36,235)	(15,218)
Senior DA Investigators	(5,242)	(2,504)
Deputy DA IV	(1,347)	(1,762)
Legal Support Assistant II	300	159
Audit adjustment, FY 2006-07	<u>\$ (198,646)</u>	<u>\$ (80,686)</u>

Supervising Deputy DA, Chief Deputy DA

The county claimed unsupported salaries and benefits totaling \$156,122 and \$61,361, respectively. The county claimed as mandate-related 50% of the time for two Supervising Deputy DA employees and 40% of the time for two Chief Deputy DA employees. The county pre-determined these percentages. The county did not provide any records documenting actual time spent and did not conduct a time study for these employees.

Supervising DA Investigator

The county claimed 50% of the employee’s time as mandate-related based on a pre-determined percentage. Subsequently, the county performed a time study from March 1, 2010, through May 31, 2010, for this employee classification. The time study supports an average of 27 hours per month. The following table summarizes the allowable salaries and benefits:

Period	(A) Allowable Hours (75.83/ month)	(B) Hourly Rate Claimed	(C) Benefit Rate Claimed	(D) Allowable Salary Costs [(A)×(B)]	Allowable Benefit Costs [(C)×(D)]
July 2006-Dec. 2006	162	\$60.41	42.35%	\$ 9,787	\$ 4,146
Jan. 2007-Mar. 2007	81	62.22	42.35%	5,040	2,135
Apr. 2007-June 2007	81	63.90	42.35%	5,176	2,193
July 2006-June 2007 (bilingual pay)	324	0.50	—	162	—
Total				<u>\$ 20,165</u>	<u>\$ 8,474</u>

The following table shows the resulting audit adjustment:

	Salaries	Benefits
Supervising DA Investigators:		
Allowable costs	\$ 20,165	\$ 8,474
Claimed costs	(56,400)	(23,692)
Audit adjustment	<u>\$ (36,235)</u>	<u>\$ (15,218)</u>

Senior DA Investigators

The county overstated mandate-related costs for two employees. One employee’s time records (Employee A) show that the county claimed 36 hours that the employee spent performing activities outside the CRU. The county also claimed five hours related to criminal prosecution, commencing with and subsequent to the defendant’s first court appearance. In addition, the county understated and overstated actual overtime hours shown on individual timesheets, resulting in 14 understated hours.

The second employee’s time records (Employee B) show that the county claimed 72 hours that the employee spent performing activities outside the CRU. The county also understated actual overtime worked by 0.6 hours.

The following table summarizes allowable salaries and benefits:

Period	(A) Hours Claimed	(B) Under/ (Over) stated Hours	(C) Allowable Hours [(A)+(B)]	(D) Hourly Rate Claimed	(E) Allow- able Benefit Rate	(F) Allowable Salary Costs [(C)×(D)]	Allowable Benefit Costs [(E)×(F)]
Senior DA Investigator:							
Employee A.							
July 2006-May 2007 (regular hours)	1,197.5	(41.0)	1,156.5	\$48.51	41.29%	\$ 56,102	\$ 23,165
July 2006-May 2007 (overtime hours)	51.5	14.0	65.5	62.96	—	4,124	—
June 2007 (regular hours)	198.0	—	198.0	49.82	41.29%	9,865	4,073
June 2007 (overtime hours)	5.5	—	5.5	64.68	—	356	—
Total Employee A						<u>70,447</u>	<u>27,238</u>
Employee B.							
July 2006 (regular hours)	18.0	—	18.0	\$54.74	41.29%	985	\$ 407
July 2006-June 2007 (regular hours)	1,308.5	(72.0)	1,236.5	56.66	41.29%	70,056	28,926
July 2006-June 2007 (overtime hours)	73.9	0.6	74.5	73.55	—	5,479	—
July 2006-June 2007 (bilingual pay)	1,400.4	(71.4)	1,329.0	0.25	—	332	—
Total Employee B						<u>76,852</u>	<u>29,333</u>
Total						<u>\$ 147,299</u>	<u>\$ 56,571</u>

The following table shows the resulting audit adjustment:

	Salaries	Benefits
Senior DA Investigators:		
Allowable costs	\$ 147,299	\$ 56,571
Claimed costs	<u>(152,541)</u>	<u>(59,075)</u>
Audit adjustment	<u>\$ (5,242)</u>	<u>\$ (2,504)</u>

Deputy DA IV

The employee's time records show that the county claimed 17.5 non-mandate-related hours. The county claimed time spent related to criminal prosecution, commencing with and subsequent to the defendant's first court appearance. In addition, the county claimed benefit costs using an incorrect benefit rate. The county claimed benefit costs using a rate of 40.54%; however, the county provided a benefit rate list showing that the employee's benefit rate is 39.36%. The following table summarizes the audit adjustment:

Period	(A) Hours Claimed	(B) Non- Mandate -Related Hours	(C) Allowable Hours [(A)+(B)]	(D) Hourly Rate Claimed	(E) Allow- able Benefit Rate	(F) Allowable Salary Costs [(C)×(D)]	Allowable Benefit Costs [(E)×(F)]
Deputy DA IV:							
July 2006-Nov. 2006	833	13.5	819.5	\$76.57	39.36%	\$ 62,746	\$ 24,697
Dec. 2006-June 2007	520	4.0	516.0	78.10	39.36%	40,301	15,862
Costs claimed						103,047	40,559
Costs claimed						<u>(104,394)</u>	<u>(42,321)</u>
Audit adjustment						<u>\$ (1,347)</u>	<u>\$ (1,762)</u>

Legal Support Assistant II

The county claimed 50% of the employee’s time as mandate-related based on a pre-determined percentage. Subsequently, the employee performed a time study from January 1, 2010, through March 31, 2010. The time study supports an average of 75.83 hours per month. The following table summarizes allowable salaries and benefits:

Period	(A) Allowable Hours (75.83/ month)	(B) Hourly Rate Claimed	(C) Benefit Rate Claimed	(D) Allowable Salary Costs [(A)×(B)]	Allowable Benefit Costs [(C)×(D)]
July 2006-Sept. 2006	227.49	\$20.58	53.13%	\$ 4,682	\$ 2,488
Oct. 2006-June 2007	682.47	21.72	15.13%	14,826	7,877
Total				<u>\$ 19,508</u>	<u>\$ 10,365</u>

The following table shows the resulting audit adjustment:

	Salaries	Benefits
Legal Support Assistant II:		
Allowable costs	\$ 19,508	\$ 10,365
Claimed costs	<u>(19,208)</u>	<u>(10,206)</u>
Audit adjustment	<u>\$ 300</u>	<u>\$ 159</u>

The program’s parameters and guidelines identify the following requirements to support salaries and benefits claimed:

Identify the employee(s) . . . and specify the actual number of hours devoted to each function. . . . The average number of hours devoted to each function may be claimed if supported by a documented time study. . . .

The parameters and guidelines also specify that costs associated with criminal prosecution, commencing with the defendant’s first appearance in a California court, are not reimbursable under the mandated program.

In addition, the parameters and guidelines state, “For auditing purposes, all costs claimed must be traceable to source documents and or worksheets that show evidence of and the validity of such costs.”

Recommendation

We recommend that the county maintain documentation supporting the actual time employees spend performing mandate-related activities. If the county claims the average number of hours for an employee, it should support the average with a documented time study. In addition, we recommend that the county claim only those costs that are reimbursable in accordance with the parameters and guidelines.

County’s Response

The District Attorneys Office still contends that the \$834,524 in disallowed costs found during the audit of the Child Abduction and Recovery Program for the period of July 1st, 2003, through June 30th, 2007 excluding July 1st, 2004 through June 30th, 2005 were valid costs to run the program for this period. The reason the District Attorneys Office is not appealing these audit adjustments is because every source to document the disallowed costs has been exhausted.

SCO’s Comment

Our finding and recommendation are unchanged. Although the county believes that the unallowable costs are valid, the county did not submit any additional documentation to refute the audit adjustment.

**FINDING 2—
Overstated services
and supplies costs**

The county claimed unallowable services and supplies costs totaling \$13,195. The county overstated vehicle expenses for the audit period. The following table summarizes the audit adjustment:

	Fiscal Year			Total
	2003-04	2005-06	2006-07	
Services and supplies audit adjustment	\$ (5,831)	\$ (4,999)	\$ (2,365)	\$ (13,195)

The county claimed vehicle expenses as direct costs. The county calculated mandate-related costs by allocating the DA’s Office total vehicle expenses to the applicable number of full-time equivalent (FTE) employees in the CRU. The audit adjustment resulted for the following reasons:

Fiscal Year 2003-04

The DA’s Office total vehicle expenses included two expenditure accounts, Car Pool Expense and Travel-Fuel. The county allocated part of the car pool expenses as indirect costs in its indirect cost rate proposal. The county recovers those costs by applying the DA’s Office indirect cost rate to direct salary costs. Therefore, the county may allocate only the direct cost portion of car pool expenses to mandate-related employees.

In addition, the county overstated the applicable number of FTE mandate-related employees. The number was overstated because of the adjustments identified in Finding 1 for the Supervising DA Investigator and the Senior DA Investigator. The following table summarizes the adjustment to the number of FTE mandate-related employees in the CRU:

Employee Classification	FTE Claimed	Allowable FTE	Audit Adjustment
Supervising DA Investigator	0.49	0.18	(0.31)
Senior DA Investigator	0.51	0.48	(0.03)
All other employees	5.59	5.59	—
Total	6.59	6.25	(0.34)

The following table summarizes the audit adjustment for vehicle expenses claimed:

	<u>Claimed</u>	<u>Allowable</u>	<u>Audit Adjustment</u>
Carpool expense	\$ 912,934	\$ 830,521	\$ (82,413)
Travel—Fuel	41,829	41,829	—
Total costs	<u>\$ 954,763</u>	<u>\$ 872,350</u>	<u>\$ (82,413)</u>
Average DA Office FTE	÷ 144	÷ 144	
Cost per FTE	\$ 6,630	\$ 6,058	
Mandate-related FTE	× 6.59	× 6.25	(0.34)
Total	<u>\$ 954,763</u>	<u>\$ 872,350</u>	<u>\$ (82,413)</u>

Fiscal Year 2005-06

The DA's Office total vehicle expense included the following five expenditure accounts:

- Auto insurance
- Maintenance—Motor vehicles
- Carpool expense
- Travel—Fuel
- Interfund expense—Motor services

The county allocated total auto insurance and maintenance—motor vehicles costs as indirect costs in its indirect cost rate proposal. The county recovers those costs by applying the DA's Office indirect cost rate to direct salary costs. Therefore, the county may not claim any portion of those costs as direct costs.

The county's vehicle expense calculation also contained a mathematical error. The county calculated vehicle expenses based on monthly interfund expense – motor services costs totaling \$481 (equivalent to annual costs totaling \$5,772). However, the county's records show that \$481 is the annual cost, not the monthly cost.

In addition, the county overstated the applicable number of FTE mandate-related employees. The number was overstated because of the adjustments identified in Finding 1 for the Supervising DA Investigators and the Investigative Technician II. The following table summarizes the adjustment to the number of FTE mandate-related employees in the CRU:

<u>Employee Classification</u>	<u>FTE Claimed</u>	<u>Allowable FTE</u>	<u>Audit Adjustment</u>
Supervising DA Investigator (Employee A)	0.33	0.12	(0.21)
Supervising DA Investigator (Employee B)	0.18	0.06	(0.12)
Investigative Technician II	0.23	0.20	(0.03)
All other employees	<u>4.91</u>	<u>4.91</u>	—
Total	<u>5.65</u>	<u>5.29</u>	<u>(0.36)</u>

The following table summarizes the audit adjustment for vehicle expenses claimed:

	Claimed	Allowable	Audit Adjustment
Auto insurance	\$ 99,846	\$ —	\$ (99,846)
Maintenance—Motor vehicles	4,163	—	(4,163)
Carpool expense	1,076,907	1,076,907	—
Travel—Fuel	26,015	26,015	—
Interfund expense—Motor services	5,772	481	(5,291)
Total costs	\$ 1,212,703	\$ 1,103,403	<u>\$ (109,300)</u>
Average DA Office FTE	÷ 203	÷ 203	
Cost per FTE	\$ 5,974	\$ 5,435	
Mandate-related FTE	× 5.65	× 5.29	<u>(0.36)</u>
Total	<u>\$ 33,753</u>	<u>\$ 28.754</u>	<u>\$ (4,999)</u>

Fiscal Year 2006-07

The DA's Office total vehicle expense included the following five expenditure accounts:

- Auto insurance
- Maintenance—Motor vehicles
- Carpool expense
- Travel—Fuel
- Interfund expense—Motor services

The county allocated total auto insurance and interfund expense—motor services costs, and part of the maintenance—motor vehicles costs, as indirect costs in its indirect cost rate proposal. The county recovers those costs by applying the DA's Office indirect cost rate to direct salary costs. Therefore, the county may not claim any portion of those costs as direct costs.

The following table summarizes the audit adjustment for vehicle expenses claimed:

	Claimed	Allowable	Audit Adjustment
Auto insurance	\$ 99,846	\$ —	\$ (99,846)
Maintenance—Motor vehicles	8,867	735	(8,132)
Carpool expense	1,786,644	1,786,644	—
Travel—Fuel	39,320	39,320	—
Interfund expense—Motor services	693	—	(693)
Total costs	\$ 1,935,370	\$ 1,826,699	<u>\$ (108,671)</u>
Average DA Office FTE	÷ 216	÷ 216	
Cost per FTE	\$ 8,960	\$ 8,457	
Mandate-related FTE	× 4.70	× 4.70	
Total	<u>\$ 42,112</u>	<u>\$ 39,747</u>	<u>\$ (2,365)</u>

The parameters and guidelines state, "Only expenditures which can be identified as a direct cost of the mandate . . . may be claimed." They also require that costs claimed be "traceable to source documents and/or worksheets that show evidence of and the validity of such costs."

Recommendation

We recommend that the county claim only mandate-related costs that its accounting records support. We recommend that the county ensure that it does not claim costs as direct costs when it identifies the same costs as indirect in its indirect cost rate proposal.

County's Response and SCO's Comment

See the county's response and SCO's comment to Finding 1 (page 14).

**FINDING 3—
Understated travel
and training costs**

The county understated FY 2006-07 travel and training costs by \$363. A Deputy DA IV incurred travel expenses while performing a mandate-related activity; however, the county did not claim the costs.

The parameters and guidelines state that each claim should identify actual costs.

Recommendation

We recommend that the county claim all mandate-related travel expenses that its accounting records support.

County's Response and SCO's Comment

See the county's response and SCO's comment to Finding 1 (page 14).

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