

SACRAMENTO COUNTY

Audit Report

DOMESTIC VIOLENCE BACKGROUND CHECKS PROGRAM

Chapter 713, Statutes of 2001

July 1, 2001, through June 30, 2012



BETTY T. YEE
California State Controller

May 2017



BETTY T. YEE
California State Controller

May 30, 2017

The Honorable Don Nottoli, Chairman
Sacramento County Board of Supervisors
700 H Street, Suite 2450
Sacramento, CA 95814

Dear Mr. Nottoli:

The State Controller's Office audited the costs claimed by Sacramento County for the legislatively mandated Domestic Violence Background Checks Program (Chapter 713, Statutes of 2001) for the period of July 1, 2001, through June 30, 2012.

The county claimed \$4,584,812 for the mandated program. Our audit found that \$1,186,958 is allowable and \$3,397,854 is unallowable. The costs are unallowable because the county overstated background check activity costs. The State made no payments to the county. The State will pay allowable costs claimed that exceed the amount paid, totaling \$1,186,958, contingent upon available appropriations.

This final audit report contains an adjustment to costs claimed by the county. If you disagree with the audit finding, you may file an Incorrect Reduction Claim (IRC) with the Commission on the State Mandates (Commission). Pursuant to Section 1185, subdivision (c), of the Commission's regulations (*California Code of Regulations*, Title 3), an IRC challenging this adjustment must be filed with the Commission no later than three years following the date of this report, regardless of whether this report is subsequently supplemented, superseded, or otherwise amended. You may obtain IRC information on the Commission's website at www.csm.ca.gov/forms/IRCForm.pdf.

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

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

JVB/as

cc: Joyce Renison, Assistant Auditor-Controller
Sacramento County
Chris Hill, Principal Program Budget Analyst
Local Government Unit, California Department of Finance
Steven Pavlov, Finance Budget Analyst
Local Government Unit, California Department of Finance
Anita Dagan, Manager
Local Government Programs and Services Division
State Controller's Office

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Audit Report

Summary

The State Controller's Office (SCO) audited the costs claimed by Sacramento County for the legislatively mandated Domestic Violence Background Checks Program (Chapter 713, Statutes of 2001) for the period of July 1, 2001, through June 30, 2012.

The county claimed \$4,584,812 for the mandated program. Our audit found that \$1,186,958 is allowable and \$3,397,854 is unallowable. The costs are unallowable because the county overstated background check activity costs. The State made no payments to the county. The State will pay allowable costs claimed that exceed the amount paid, totaling \$1,186,958, contingent upon available appropriations.

Background

Penal Code (PC) section 273.75 (added by Chapter 713, Statutes of 2001) allows new responsibilities for a district attorney or prosecuting city attorney to perform specific activities related to persons charged with acts involving domestic violence.

On July 26, 2007, the Commission on State Mandates (Commission) found that PC section 273.75 imposes a reimbursable state-mandated program. Based on PC section 273.75, the Commission found that a district attorney or prosecuting city attorney is required to perform the following reimbursable activities upon any charge involving acts of domestic violence:

- Perform or cause to be performed, in electronic data bases specified in PC section 273.75, subdivision (b), a thorough investigation of the defendant's history, including, but not limited to, prior convictions for domestic violence, other forms of violence or weapons offenses and any current protective or restraining order issued by any civil or criminal court.
- Present the information for consideration by the court (1) when setting bond or when releasing a defendant on his or her own recognizance at the arraignment, if the defendant is in custody, and (2) upon consideration of any plea agreement.
- If a protective or restraining order is issued in the current criminal proceeding, and if the investigation reveals a current civil protective or restraining order issued by another criminal court and involving the same or related parties, the district attorney or prosecuting city attorney sends relevant information regarding the contents of the order issued in the current criminal proceeding, and any other information regarding a conviction of the defendant, to the other court immediately after the order has been issued.

On July 28, 2011, the Commission adopted the parameters and guidelines. The program's parameters and guidelines establish the state mandate and define the reimbursement criteria. In compliance with Government Code (GC) section 17558, the SCO issues claiming instructions to assist local agencies in claiming mandated program reimbursable costs.

Objectives, Scope, and Methodology

We conducted this performance audit to determine whether costs claimed represent increased costs resulting from the Domestic Violence Background Checks Program for the period of July 1, 2001, through June 30, 2012.

The legal authority to conduct this audit is provided by GC sections 12410, 17558.5, and 17561. We did not audit the county's financial statements. We conducted this 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. Our audit scope did not assess the efficiency or effectiveness of program operations.

The objectives of our audit were to determine whether costs claimed were supported by appropriate source documents, were not funded by another source, and were not unreasonable and/or excessive.

To achieve our audit objectives, we performed the following procedures:

- Reviewed annual claims filed with SCO to identify any mathematical errors and performed analytical procedures to determine any unusual or unexpected variances from year-to-year;
- Completed an internal control questionnaire and performed a walk-through of the claim preparation process to determine what information was used, who obtained it, and how it was obtained;
- Reviewed the county's time study results to determine the accuracy of the time increments per case and the application of the time study results to domestic violence cases worked to determine if claimed costs were properly computed;
- Reviewed and analyzed reports supporting the number of domestic violence cases worked for errors and to identify any unusual or unexpected variances;
- Traced productive hourly rate calculations for county employees to supporting documentation in the county's payroll system;
- Inquired whether the county realized any offsetting savings or reimbursements from the statutes which created the mandated program;
- Reviewed indirect cost rates claimed to determine whether they were properly computed and applied; and
- Recalculated allowable costs using audited data.

Conclusion

Our audit found an instance of noncompliance with the requirements outlined in the Objectives section. This instance is described in the accompanying Schedule (Summary of Program Costs) and in the Finding and Recommendation section of this report.

For the audit period, Sacramento County claimed \$4,854,812 for costs of the Domestic Violence Background Checks Program. Our audit found that \$1,186,958 is allowable and \$3,397,854 is unallowable.

The State made no payments to the county. Our audit found that \$1,186,958 is allowable. The State will pay allowable costs claimed, totaling \$1,186,958, contingent upon available appropriations.

**Views of
Responsible
Officials**

We issued a draft audit report on April 26, 2017. Joyce Renison, Assistant Auditor-Controller, responded by letter dated May 8, 2017 (Attachment), disagreeing with the audit results. The final audit report includes the county's response.

Restricted Use

This report is solely for the information and use of Sacramento 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, CPA
Chief, Division of Audits

May 30, 2017

Schedule—
Summary of Program Costs
July 1, 2001, through June 30, 2012

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustments ¹
<u>July 1, 2001, through June 30, 2002</u>			
Direct costs			
Salaries and benefits	\$ 77,092	\$ 25,428	\$ (51,664)
Indirect costs	7,709	2,543	(5,166)
Total program costs	<u>\$ 84,801</u>	27,971	<u>\$ (56,830)</u>
Less amount paid by the State		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 27,971</u>	
<u>July 1, 2002, through June 30, 2003</u>			
Direct costs			
Salaries and benefits	\$ 254,298	\$ 59,961	\$ (194,337)
Indirect costs	69,550	16,399	(53,151)
Total program costs	<u>\$ 323,848</u>	76,360	<u>\$ (247,488)</u>
Less amount paid by the State		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 76,360</u>	
<u>July 1, 2003, through June 30, 2004</u>			
Direct costs			
Salaries and benefits	\$ 165,193	\$ 54,527	\$ (110,666)
Indirect costs	38,275	12,634	(25,641)
Total program costs	<u>\$ 203,468</u>	67,161	<u>\$ (136,307)</u>
Less amount paid by the State		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 67,161</u>	
<u>July 1, 2004, through June 30, 2005</u>			
Direct costs			
Salaries and benefits	\$ 158,580	\$ 52,355	\$ (106,225)
Indirect costs	38,234	12,623	(25,611)
Total program costs	<u>\$ 196,814</u>	64,978	<u>\$ (131,836)</u>
Less amount paid by the State		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 64,978</u>	
<u>July 1, 2005, through June 30, 2006</u>			
Direct costs			
Salaries and benefits	\$ 178,682	\$ 58,903	\$ (119,779)
Indirect costs	41,096	13,548	(27,548)
Total program costs	<u>\$ 219,778</u>	72,451	<u>\$ (147,327)</u>
Less amount paid by the State		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 72,451</u>	

Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustments ¹
<u>July 1, 2006, through June 30, 2007</u>			
Direct costs			
Salaries and benefits	\$ 289,046	\$ 71,077	\$ (217,969)
Indirect costs	71,134	17,492	(53,642)
Total program costs	<u>\$ 360,180</u>	88,569	<u>\$ (271,611)</u>
Less amount paid by the State		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 88,569</u>	
<u>July 1, 2007, through June 30, 2008</u>			
Direct costs			
Salaries and benefits	\$ 465,408	\$ 109,227	\$ (356,181)
Indirect costs	129,384	30,365	(99,019)
Total program costs	<u>\$ 594,792</u>	139,592	<u>\$ (455,200)</u>
Less amount paid by the State		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 139,592</u>	
<u>July 1, 2008, through June 30, 2009</u>			
Direct costs			
Salaries and benefits	\$ 608,186	\$ 143,589	\$ (464,597)
Indirect costs	129,970	30,685	(99,285)
Total program costs	<u>\$ 738,156</u>	174,274	<u>\$ (563,882)</u>
Less amount paid by the State		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 174,274</u>	
<u>July 1, 2009, through June 30, 2010</u>			
Direct costs			
Salaries and benefits	\$ 340,423	\$ 113,611	\$ (226,812)
Indirect costs	81,940	27,346	(54,594)
Total program costs	<u>\$ 422,363</u>	140,957	<u>\$ (281,406)</u>
Less amount paid by the State		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 140,957</u>	
<u>July 1, 2010, through June 30, 2011</u>			
Direct costs			
Salaries and benefits	\$ 570,654	\$ 135,300	\$ (435,354)
Indirect costs	132,734	31,471	(101,263)
Total program costs	<u>\$ 703,388</u>	166,771	<u>\$ (536,617)</u>
Less amount paid by the State		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 166,771</u>	

Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustments ¹
<u>July 1, 2011, through June 30, 2012</u>			
Direct costs			
Salaries and benefits	\$ 586,868	\$ 133,636	\$ (453,232)
Indirect costs	150,356	34,238	(116,118)
Total program costs	<u>\$ 737,224</u>	167,874	<u>\$ (569,350)</u>
Less amount paid by the State		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 167,874</u>	
<u>Summary: July 1, 2001, through June 30, 2012</u>			
Direct costs			
Salaries and benefits	\$ 3,694,430	\$ 957,614	\$ (2,736,816)
Indirect costs	890,382	229,344	(661,038)
Total program costs	<u>\$ 4,584,812</u>	1,186,958	<u>\$ (3,397,854)</u>
Less amount paid by the State		-	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 1,186,958</u>	

¹ See the Finding and Recommendation section.

Finding and Recommendation

FINDING— Overstated background check activity costs

The county overstated background check activity costs by \$2,736,816 for the audit period. The related indirect costs total \$661,038. The costs claimed consist of performing background checks of defendants in domestic violence cases and presenting the information in court or sharing with other courts. The county overstated costs by misapplying the results of its time study to domestic violence cases processed during the audit period. The county also overstated domestic violence case counts used to compute claimed costs.

The following table summarizes the overstated salaries and benefit costs, and related indirect costs for the audit period:

Fiscal Year	Claimed Amount	Allowable Amount	Audit Adjustment
2001-02	\$ 84,801	\$ 27,971	\$ (56,830)
2002-03	323,848	76,360	(247,488)
2003-04	203,468	67,161	(136,307)
2004-05	196,814	64,978	(131,836)
2005-06	219,778	72,451	(147,327)
2006-07	360,180	88,569	(271,611)
2007-08	594,792	139,592	(455,200)
2008-09	738,156	174,274	(563,882)
2009-10	422,363	140,957	(281,406)
2010-11	703,388	166,771	(536,617)
2011-12	737,224	167,874	(569,350)
Total	\$ 4,584,812	\$ 1,186,958	\$ (3,397,854)

Misapplication of Time Study Results

The county misapplied the results of its time study to compute claimed costs. In reviewing the time study and the related cost calculations, we noted the following:

- In its time study, the county miscalculated the time per case to perform mandated activities. The time study did not support the claimed average number of hours per case for each mandate activity. In four of the five claimed classifications, the average time per case was understated. We found that the calculation included staff who did not perform mandated activity and duplicated case counts. We recalculated the average time per case using staff members who performed the activity and the applicable cases worked.

The following table summarizes the claimed and allowable time per case by classification, inclusive of all eligible activities:

Classification	Claimed	Allowable	Difference
	Time per Case ¹	Time per Case ¹	
Deputy District Attorney I	0.59	1.90	1.31
Deputy District Attorney IV	0.26	2.38	2.12
Deputy District Attorney V	0.11	0.17	0.06
Principal Criminal Attorney	0.14	0.16	0.02
Investigative Assistant	0.32	0.32	-

¹Time per case shown in hours and includes all reimbursable activities.

- The county's time study did not support that all domestic violence cases processed during the period were worked by all classifications. In addition, the time study did not support that each mandate activity was performed on every domestic violence case processed during the period. We found that for each mandated activity, only a portion of the total cases were processed by each classification. Based on the time study results, we calculated the percentage of total cases processed relative to each activity and by classification.

The following table summarizes the percentage of total cases worked by classification and activity:

Classification	Activity ¹			
	A1	B1	B2	C1
Deputy District Attorney I	6.83%	0.80%	0.80%	-
Deputy District Attorney IV	49.00%	6.02%	1.61%	0.80%
Deputy District Attorney V	21.29%	15.66%	-	-
Principal Criminal Attorney	27.31%	-	-	-
Investigative Assistant	8.43%	4.42%	-	-

¹Activities correspond to sections of the program's parameters and guidelines.

For each fiscal year, we applied the percentage of cases reviewed by each classification and activity to the total number of cases processed during the fiscal year, then we recalculated allowable costs by using the appropriate number of cases per classification and the corresponding time per case.

Overstatement of Cases Worked

For the audit period, the county claimed that its staff worked 44,985 domestic violence cases. Based on our review of the supporting reports, we found that the county overstated the number of cases by 115, resulting in a total of 44,780 cases worked. The overstatement was the result of counting duplicate cases. We recalculated allowable costs using the corrected case counts.

The following table summarizes the claimed and allowable domestic violence case counts:

<u>Fiscal Year</u>	<u>Claimed Cases</u>	<u>Allowable Cases</u>	<u>Difference</u>
2001-02	1,704	1,704	-
2002-03	3,655	3,553	(102)
2003-04	3,398	3,396	(2)
2004-05	3,288	3,284	(4)
2005-06	3,434	3,434	-
2006-07	3,479	3,479	-
2007-08	4,950	4,950	-
2008-09	5,990	5,988	(2)
2009-10	5,075	5,075	-
2010-11	4,870	4,870	-
2011-12	5,052	5,047	(5)
Total	<u>44,895</u>	<u>44,780</u>	<u>(115)</u>

Criteria

The program's parameters and guidelines (section IV) require that all costs claimed be traceable to source documents that show evidence of their validity and relationship to the reimbursable activities. Further, a claimant may use time studies to support salaries and benefit costs when the activity is task repetitive.

The parameters and guidelines (section IV) provide that the following ongoing activities are eligible for reimbursement if they result from any charge involving acts of domestic violence:

- Performing or causing to perform, in databases specified in PC section 273.75, an investigation of the defendant's history, including, but not limited to, prior convictions for domestic violence, other offences and any current protective or restraining orders issued;
- Gathering and presenting information for consideration by the court when setting a bond or releasing a defendant, and upon consideration of any plea agreement; and
- Sending relevant information regarding the defendant to another court when it is revealed through investigation that the other court has issued a protective or restraining order in a current criminal proceeding.

Recommendation

The Domestic Violence Background Checks program was suspended in the fiscal year (FY) 2013-14 through FY 2016-17 Budget Acts. If the program becomes active, we recommend that the county take care to compute and apply the results of its time study to eligible domestic violence cases worked.

County's Response

The draft report states that the county miscalculated the time per case to perform mandated activities and did not support the claimed average number of hours per case for each mandated activity. The draft report also stated that the calculation included staff who did not perform mandated activities and duplicated case counts. Sacramento County District Attorney's (DA's) Office applied a different methodology based upon the Parameters and Guidelines adopted July 28, 2011. The DA's Office time study divided the total number of minutes by mandated activity, by the total number of cases handled by each job class. This calculation provided the average amount of time spent on each mandated activity by job class.

The draft report also states the county's time study did not support that all domestic violence cases processed during the period were worked by all classifications and that each mandated activity was performed on every domestic violence case. The State Controller's Office calculated the percentage of total cases processed relative to each activity and by classification. However, the methodology used by the DA's Office accounted for the total number of minutes for each mandated activity divided by the total number of cases by job class. The average minutes/case by job class were then multiplied by the total number of allowable cases per fiscal year.

Lastly, the draft report states the county claimed that its staff worked 44,985 domestic violence cases. Based on review of the supporting reports, the county overstated the number of cases by 115 due to duplication and concurs they should be removed from the claim.

As the Domestic Violence Background Checks program was suspended in the Fiscal Year (FY) 2013-14 through FY 2016-17 Budget Acts, Sacramento County will submit amended claims should funding become available for the periods July 1, 2001 through June 30, 2012.

SCO's Comment

The finding and recommendation remain unchanged.

The county asserts that its calculation of time spent per activity is based on the total number of minutes per mandate activity, divided by the total number of cases handled by job class. However, as noted in the finding, there were instances in which the county miscalculated the time per case by including staff who did not perform the mandate activity and using duplicated case counts.

The county also asserts that it applied the time per case to all allowable cases per fiscal year. As noted in the finding, each mandate activity was not performed on all cases. For example, activity C1 only related to two of 249 cases in the time study (0.80%). Activity C1 relates to the referral of defendant background check information to other courts. The county inappropriately applied the time per case to all cases of the audit period even though the mandate activities do not relate to all cases.

Concerning the filing of amended claims, the deadline for submitting amended claims has passed. Effective for claims filed on or after August 24, 2007, GC section 17568 allows local governments to file valid

reimbursement claims within one year after the deadline specified in GC section 17560. This deadline has passed for the claims filed during the audit period.

**Attachment—
County's Response to Draft Audit Report**

Administrative Services
Department of Finance
Ben Lamera,
Director



Auditor-Controller Division
Joyce Renison,
Assistant Auditor-Controller

County of Sacramento

May 5, 2017

Mr. Jeffrey V. Brownfield, CPA
Chief, Division of Audits
State Controller's Office
P.O. Box 942850
Sacramento, CA 94250-5874

Re: Sacramento County Draft Audit Report – Domestic Violence Background Checks Program (Chapter 713, Statutes of 2001) July 1, 2001 through June 30, 2012

Dear Mr. Brownfield:

Thank you for the opportunity to review and respond to the State Controller's Office Sacramento County Draft Audit Report dated April 26, 2017 regarding the mandated Domestic Violence Background Checks Program.

Finding: Overstated Background Check Activity Costs

The draft report states that the county miscalculated the time per case to perform mandated activities and did not support the claimed average number of hours per case for each mandated activity. The draft report also stated that the calculation included staff who did not perform mandated activities and duplicated case counts. Sacramento County District Attorney's (DA's) Office applied a different methodology based upon the Parameters and Guidelines adopted July 28, 2011. The DA's Office time study divided the total number of minutes by mandated activity, by the total number of cases handled by each job class. This calculation provided the average amount of time spent on each mandated activity by job class.

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Lastly, the draft report states the county claimed that its staff worked 44,985 domestic violence cases. Based on review of the supporting reports, the county overstated the number of cases by 115 due to duplication and concurs they should be removed from the claim.

Administrative Services
Department of Finance
Ben Lamera,
Director



Auditor-Controller Division
Joyce Renison,
Assistant Auditor-Controller

County of Sacramento

As the Domestic Violence Background Checks program was suspended in the Fiscal Year (FY) 2013-14 through FY 2016-17 Budget Acts, Sacramento County will submit amended claims should funding become available for the periods July 1, 2001 through June 30, 2012.

We appreciate the opportunity to respond to the Draft Audit Report. If you have any questions, please contact Susan Elliott at (916) 874-5126 or elliotts@sacda.org.

Sincerely,

A handwritten signature in cursive script that reads "Joyce Renison".

Joyce Renison
Assistant Auditor-Controller

cc: Ben Lamera, Director of Finance, Sacramento County
Christin Reynolds, MGT of America, Inc.
Michael Neves, Assistant District Attorney, Sacramento DA's Office
Susan Elliot, Chief, Administrative Service, Sacramento DA's Office

**State Controller's Office
Division of Audits
Post Office Box 942850
Sacramento, CA 94250-5874**

<http://www.sco.ca.gov>