SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT

Audit Report

LAW ENFORCEMENT COLLEGE JURISDICTION AGREEMENTS PROGRAM

Chapter 284, Statutes of 1998

July 1, 2005, through June 30, 2009

JOHN CHIANG
California State Controller

December 2010

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California State Controller

December 24, 2010

Rayola B. Pratt, President
Board of Trustees
Shasta-Tehama-Trinity Joint
Community College District
11555 Old Oregon Trail
Redding, CA 96049-6006

Dear Ms. Pratt:

The State Controller's Office audited the costs claimed by Shasta-Tehama-Trinity Joint Community College District for the legislatively mandated Law Enforcement College Jurisdiction Agreements Program (Chapter 284, Statutes of 1998) for the period of July 1, 2005, through June 30, 2009.

The district claimed $616,705 ($626,705 less a $10,000 penalty for filing a late claim) for the mandated program. Our audit disclosed that the entire amount is unallowable, because the district claimed non-mandate-related activities.

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/sk

cc: Gary A. Lewis, District Superintendent/President
Shasta-Tehama-Trinity Joint Community College District
Joe Wyse, Vice President of Administrative Services
Shasta-Tehama-Trinity Joint Community College District
Nancy Funk, Comptroller
Shasta-Tehama-Trinity Joint Community College District
Sandra Israel, Bookkeeper
Shasta-Tehama-Trinity Joint Community College District
Christine Atalig, Auditor
Fiscal Services Unit
California Community Colleges Chancellor's Office
Thomas Todd, Principal Program Budget Analyst
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Department of Finance
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Division of Accounting and Reporting
State Controller's Office

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Audit Report

Summary

The State Controller's Office (SCO) audited the costs claimed by Shasta-Tehama-Trinity Joint Community College District for the legislatively mandated Law Enforcement College Jurisdiction Agreements Program (Chapter 498, Statutes of 1998) for the period of July 1, 2005, through June 30, 2009.

The district claimed $616,705 ($626,705 less a $10,000 penalty for filing a late claim) for the mandated program. Our audit disclosed that the entire amount is unallowable, because the district claimed non-mandate-related activities.

Background

Chapter 284, Statutes of 1998, added Education Code section 67381, requiring the governing board of all public colleges and universities and specified independent postsecondary institutions to adopt rules requiring:

- Local law enforcement agencies to enter into written agreements with campus law enforcement agencies that are located in their respective jurisdictions.
- Each written agreement to designate which law enforcement agency shall have operational responsibility for the investigation of each violent crime and delineate the specific geographical boundaries of each agency's operation responsibility.
- The written agreements to be available to the public for viewing by July 1, 1999, and be transmitted to the Legislative Analyst by September 1, 1999.

On April 26, 2001, the Commission on State Mandates (CSM) determined that Chapter 284, Statutes of 1998, imposed a state mandate reimbursable under Government Code section 17561. The CSM identified the following reimbursable activities:

- Preparing the written agreements.
- Reviewing and modifying existing agreements to conform with Education Code section 67381.
- Placing written agreements in a place of public viewing and transmitting them to the California Legislative Analyst.

The CSM also found that "the activity of community colleges being responsible for their own costs of investigating crimes and incidents on campuses does not constitute a reimbursable state mandate."

The program's parameters and guidelines establish the state mandate and define reimbursement criteria. The CSM adopted the parameters and guidelines on January 24, 2002. In compliance with Government Code section 17558, the SCO issues claiming instructions to assist local agencies and school districts 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 Law enforcement College Jurisdiction Agreements Program for the period of July 1, 2005, through June 30, 2009.

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 district'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 district'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 an instance of noncompliance with the requirements outlined above. This instance is described in the accompanying Summary of Program Costs (Schedule 1) and in the Finding and Recommendation section of this report.

For the audit period, the Shasta-Tehama-Trinity Joint Community College District claimed $616,705 ($626,705 less a $10,000 penalty for filing a late claim) for costs of the Law Enforcement College Jurisdiction Agreements Program. Our audit disclosed that the entire amount is unallowable.

Views of Responsible Officials

We discussed our audit results with the district's representatives during an exit conference conducted on December 7, 2010. Joe Wyse, Vice President of Administrative Services, and Sandra Israel, Bookkeeper, agreed with the audit results. Mr. Wyse declined a draft audit report and agreed that we could issue the audit report as final.

Restricted Use

This report is solely for the information and use of the Shasta-Tehama-Trinity Joint Community College District, the California Community Colleges Chancellor's Office, 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

December 24, 2010

Schedule 1—
Summary of Program Costs
July 1, 2005, through June 30, 2009

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment [1]
July 1, 2005, through June 30, 2006			
Direct costs:			
Contract services	$ 112,030	$ —	$ (112,030)
Less late claim penalty [2]	(10,000)	—	10,000
Total program costs	$ 102,030	—	$ (102,030)
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		$ —	
July 1, 2006, through June 30, 2007			
Direct costs:			
Contract services	$ 175,910	$ —	$ (175,910)
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		$ —	
July 1, 2007, through June 30, 2008			
Direct costs:			
Salaries and benefits	$ 815	$ —	$ (815)
Contract services	177,687	—	(177,687)
Total direct costs	178,502	—	(178,502)
Indirect costs	263	—	(263)
Total program costs	$ 178,765	—	$ (178,765)
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		$ —	
July 1, 2008, through June 30, 2009			
Direct costs:			
Contract services	$ 160,000	$ —	$ (160,000)
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		$ —	

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment [1]
Summary: July 1, 2005, through June 30, 2009			
Direct costs:			
Salaries and benefits	$ 815	$ —	$ (815)
Contract services	625,627	—	(625,627)
Total direct costs	626,442	—	(626,442)
Indirect costs	263	—	(263)
Total direct and indirect costs	626,705	—	(626,705)
Less late claim penalty [2]	(10,000)	—	10,000
Total program costs	$ 616,705	—	$ (616,705)
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		$ —	

[1] See the Finding and Recommendation section.

[2] The late claim penalty is not applicable because there are no allowable costs.

Finding and Recommendation

FINDING—
Non-mandate-related activities claimed

The district claimed unallowable costs totaling $616,705. The district claimed costs that are not reimbursable under the mandated program.

Education Code section 67381, subdivision (b), requires all community colleges to enter into written agreements with local law enforcement agencies to delineate their respective geographical boundaries for investigating certain on-campus violent crimes. The program's parameters and guidelines identify the following reimbursable activities:

- Preparing the written agreements.
- Reviewing and modifying existing agreements to conform with Education Code section 67381.
- Placing written agreements in a place of public viewing and transmitting them to the California Legislative Analyst.

The parameters and guidelines also state:

> The Commission further found that that the activity of community colleges being responsible for their own costs of investigating crimes and incidents on campuses does not constitute a reimbursable state mandate.

For each fiscal year, the district claimed costs for the City of Redding Police Department to provide law enforcement services to the district. These costs represent the district's costs of investigating crimes and incidents on its college campuses. As such, the costs are not reimbursable under the mandated program.

The following table summarizes the audit adjustment:

	Fiscal Year				
	2005-06	2006-07	2007-08	2008-09	Total
Direct costs:					
Salaries and benefits	$ —	$ —	$ (815)	$ —	$ (815)
Contract services	(112,030)	(175,910)	(177,687)	(160,000)	(625,627)
Total direct costs	(112,030)	(175,910)	(178,502)	(160,000)	(626,442)
Indirect costs	—	—	(263)	—	(263)
Late claim penalty	10,000	—	—	—	10,000
Audit adjustment	$(102,030)	$(175,910)	$(178,765)	$(160,000)	$(616,705)

Recommendation

We recommend that the district claim costs only for those reimbursable activities that the parameters and guidelines identify.

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