

LOS ANGELES COUNTY

Audit Report

PRISONER PARENTAL RIGHTS PROGRAM

Chapter 820, Statutes of 1991

July 1, 1998, through June 30, 2001



STEVE WESTLY
California State Controller

April 2003



STEVE WESTLY
California State Controller

April 25, 2003

Mr. J. Tyler McCauley
Auditor-Controller
Los Angeles County
500 West Temple Street, Room 525
Los Angeles, CA 90012

Dear Mr. McCauley:

The State Controller's Office has completed an audit of the claims filed by Los Angeles County for costs of the legislatively mandated Prisoner Parental Rights Program (Chapter 820, Statutes of 1991), for the period of July 1, 1998, through June 30, 2001.

The county claimed and was paid \$2,936,364 for the mandated program. The audit disclosed that \$2,891,137 is allowable and \$45,227 is unallowable. The unallowable costs resulted from the county claiming ineligible costs. The amount paid in excess of allowable costs claimed, totaling \$45,227, should be returned to the State.

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

Sincerely,

Original signed by

WALTER BARNES
Chief Deputy State Controller, Finance

WB:kmm/ams

cc: Leroy D. Baca, Sheriff
Los Angeles County

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Audit Report

Summary

The State Controller's Office (SCO) has completed an audit of the claims filed by Los Angeles County for costs of the legislatively mandated Prisoner Parental Rights Program (Chapter 820, Statutes of 1991) for the period of July 1, 1998, through June 30, 2001. The last day of fieldwork was January 30, 2003.

The county claimed and was paid \$2,936,364 for the mandated program. The audit disclosed that \$2,891,137 is allowable and \$45,227 is unallowable. The unallowable costs resulted from the county claiming ineligible costs. The amount paid in excess of allowable costs claimed, totaling \$45,227, should be returned to the State.

Background

Chapter 820, Statutes of 1991, expands juvenile court actions eligible for parental attendance right to include legal guardianship proceedings. At its March 26, 1998 hearing, the Commission on State Mandates ruled that the Legislation imposed a state mandate reimbursable under Section 17561 of the *Government Code*. Because the Trial Court Funding Act prohibits counties from claiming reimbursement for activities related to court operations, the commission found that only the activities of transporting prisoners to and from the court and housing prisoners if required in the course of transport are reimbursable activities.

Parameters and Guidelines, adopted by the Commission on State Mandates, establish the state mandate and define criteria for reimbursement. In compliance with *Government Code*, Section 17558, the State Controller's Office issues claiming instructions for each mandate requiring state reimbursement to assist cities and counties in claiming reimbursable costs.

Objective, Scope, and Methodology

The objective of the audit was to determine whether costs claimed are increased costs incurred as a result of the legislatively mandated Prisoner Parental Rights Program (Chapter 820, Statutes of 1991) for the period of July 1, 1998, through June 30, 2001.

The auditor performed the following procedures:

- Reviewed the costs claimed to determine if they were increased costs resulting from the mandated program;
- Traced the costs claimed to the supporting documentation to determine whether the costs were properly supported;
- Confirmed that the costs claimed were not funded by another source; and
- Reviewed the costs claimed to determine that the costs were not unreasonable and/or excessive.

The SCO conducted the audit in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. The SCO did not audit the county's financial statements. The scope was limited to planning and performing audit procedures necessary to obtain reasonable assurance concerning the allowability of expenditures claimed for reimbursement. Accordingly, transactions were examined, on a test basis, to determine whether the amounts claimed for reimbursement were supported.

Review of the county's management controls was limited to gaining an understanding of the transaction flow and claim preparation process as necessary to develop appropriate auditing procedures.

Conclusion

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

For the audit period, Los Angeles County claimed \$2,936,364 for costs of the legislatively mandated Prisoner Parental Rights Program. The audit disclosed that \$2,891,137 is allowable and \$45,227 is unallowable.

For fiscal year (FY) 1998-99, the county was paid \$1,115,657 by the State. The audit disclosed that \$1,092,176 is allowable. The amount paid in excess of allowable costs claimed, totaling \$23,481, should be returned to the State.

For FY 1999-2000, the county was paid \$1,057,720 by the State. The audit disclosed that \$1,035,974 is allowable. The amount paid in excess of allowable costs claimed, totaling \$21,746, should be returned to the State.

For FY 2000-01, the county was paid \$762,987 by the State. The audit disclosed that the entire amount is allowable.

Views of Responsible Official

The SCO issued a draft audit report on March 12, 2003. Mr. J. Tyler McCauley, Auditor-Controller, responded by the attached letter dated April 3, 2003, agreeing with the audit results. The county's response is included in this final audit report.

Restricted Use

This report is solely for the information and use of Los Angeles 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

Finding and Recommendation

**FINDING—
Ineligible services
and supplies**

The county claimed ineligible services and supplies relating to housing prisoners totaling \$45,227 (\$23,481 for FY 1998-99, \$21,746 for FY 1999-2000, and \$0 for FY 2000-01). Services and supplies claimed consist of two components: transporting prisoners and housing prisoners. The ineligible services and supplies included housing costs for eight prisoners held in jail for cases other than legal guardianship proceedings.

The county computed the housing costs based on the data provided by the Prisoner Transportation Bureau. The county did not maintain a tracking system to isolate the period when the prisoner was held in jail for other charges besides custody cases.

Parameters and Guidelines Section V.A. states:

Eligible claimants shall be reimbursed for the costs to execute a court order for the removal and production of a prisoner parent before the superior court for the following juvenile court actions: *Welfare and Institutions Code* Section 366.26-Minors who are made dependent children of the juvenile court, the termination of parental rights, or the establishment of legal guardianships. . . .

Parameters and Guidelines Section V.B. states:

For each eligible claimant, the following activities are reimbursable:
 1. Transportation Prisoners The costs of retrieving the prisoners from the institution, transporting them to the court, holding them safely, and then returning them to the institution.
 2. Housing Prisoners The costs of housing prisoners, if required during the course of transport.

A summary of the unallowable costs is as follows:

	Fiscal Year		Total
	1998-99	1999-2000	
Housing prisoners	\$ (23,481)	\$ (21,726)	\$ (45,227)

Recommendation

The county should develop and implement an adequate accounting system to ensure that all claimed costs are eligible and properly supported.

**Schedule 1—
Summary of Program Costs
July 1, 1998, through June 30, 2001**

<u>Cost Elements</u>	<u>Actual Costs Claimed</u>	<u>Allowable per Audit</u>	<u>Audit Adjustments ¹</u>
<u>July 1, 1998, through June 30, 1999</u>			
Services and supplies:			
Transporting prisoners	\$ 110,052	\$ 110,052	\$ —
Housing prisoners	<u>1,005,605</u>	<u>982,124</u>	<u>(23,481)</u>
Total costs	<u>\$ 1,115,657</u>	1,092,176	<u>\$ (23,481)</u>
Less amount paid by the State		<u>(1,115,657)</u>	
Amount paid in excess of allowable costs claimed		<u>\$ 23,481</u>	
<u>July 1, 1999, through June 30, 2000</u>			
Services and supplies:			
Transporting prisoners	\$ 90,242	\$ 90,242	\$ —
Housing prisoners	<u>967,478</u>	<u>945,732</u>	<u>(21,746)</u>
Total costs	<u>\$ 1,057,720</u>	1,035,974	<u>\$ (21,746)</u>
Less amount paid by the State		<u>(1,057,720)</u>	
Amount paid in excess of allowable costs claimed		<u>\$ 21,746</u>	
<u>July 1, 2000, through June 30, 2001</u>			
Services and supplies:			
Transporting prisoners	\$ 69,021	\$ 69,021	\$ —
Housing prisoners	<u>693,966</u>	<u>693,966</u>	<u>—</u>
Total costs	<u>\$ 762,987</u>	762,987	<u>\$ —</u>
Less amount paid by the State		<u>(762,987)</u>	
Amount paid in excess of allowable costs claimed		<u>\$ —</u>	
<u>Summary: July 1, 1998, through June 30, 2001</u>			
Services and supplies:			
Transporting prisoners	\$ 269,315	\$ 269,315	\$ —
Housing prisoners	<u>2,667,049</u>	<u>2,621,822</u>	<u>(45,227)</u>
Total costs	<u>\$ 2,936,364</u>	2,891,137	<u>\$ (45,227)</u>
Less amount paid by the State		<u>(2,936,364)</u>	
Amount paid in excess of allowable costs claimed		<u>\$ 45,227</u>	

¹ See the Finding and Recommendation section.

**Attachment—
Auditee’s Response to
Draft Audit Report**

**State Controller's Office
Division of Audits
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<http://www.sco.ca.gov>