

# SONOMA COUNTY

Audit Report

## **SEXUALLY VIOLENT PREDATORS PROGRAM**

Chapter 762 and 763, Statutes of 1995,  
and Chapter 4, Statutes of 1996

*July 1, 2006, through June 30, 2009*



**JOHN CHIANG**  
California State Controller

January 2012



**JOHN CHIANG**  
**California State Controller**

January 25, 2012

The Honorable Efren Carrillo, Chairperson  
Sonoma County Board of Supervisors  
575 Administrative Drive, Room 100A  
Santa Rosa, CA 95403

Dear Mr. Carrillo:

The State Controller's Office audited the costs claimed by Sonoma County for the legislatively mandated Sexually Violent Predators Program (Chapter 762 and 763, Statutes of 1995, and Chapter 4, Statutes of 1996) for the period of July 1, 2006, through June 30, 2009.

The county claimed \$559,371 (\$564,409 less a \$5,038 penalty for filing a late claim) for the mandated program. Our audit disclosed that \$527,207 is allowable and \$32,164 is unallowable. The costs are unallowable primarily because the county misstated services and supplies costs. The State paid the county \$559,371. The State will offset \$32,164 from other mandated program payments due the county. Alternatively, the county may remit this amount to the State.

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: Donna M. Dunk, Auditor-Controller  
Sonoma County  
Betsy Howze, Accounting Manager  
Sonoma County  
Jeff Carosone, Principal Program Budget Analyst  
Cor-Gen Unit, Department of Finance  
Jay Lal, Manager  
Division of Accounting and Reporting  
State Controller's Office

# Contents

## **Audit Report**

<b>Summary</b> .....	1
<b>Background</b> .....	1
<b>Objective, Scope, and Methodology</b> .....	1
<b>Conclusion</b> .....	2
<b>Views of Responsible Official</b> .....	2
<b>Restricted Use</b> .....	3
<b>Schedule 1—Summary of Program Costs</b> .....	4
<b>Finding and Recommendation</b> .....	6
<b>Attachment—County’s Response to Draft Audit Report</b>	

# Audit Report

## Summary

The State Controller's Office audited the costs claimed by Sonoma County for the legislatively mandated Sexually Violent Predators Program (Chapter 762 and 763, Statutes of 1995, and Chapter 4, Statutes of 1996) for the period of July 1, 2006, through June 30, 2009.

The county claimed \$559,371 (\$564,409 less a \$5,038 penalty for filing a late claim) for the mandated program. Our audit disclosed that \$527,207 is allowable and \$32,164 is unallowable. The costs are unallowable primarily because the county misstated services and supplies costs. The State paid the county \$559,371. The State will offset \$32,164 from other mandated program payments due the county. Alternatively, the county may remit this amount to the State.

## Background

Welfare and Institutions Code sections 6250 and 6600 through 6608 (added by Chapters 762 and 763, Statutes of 1995, and Chapter 4, Statutes of 1996) establish new civil commitment procedures for the continued detention and treatment of sexually violent offenders following their completion of a prison term for certain sex-related offenses. Before detention and treatment are imposed, the county attorney is required to file a petition for civil commitment. A trial is then conducted to determine if the inmate is a sexually violent predator. If the inmate accused of being a sexually violent predator is indigent, the test claim legislation requires counties to provide the indigent with the assistance of counsel and experts necessary to prepare a defense.

On June 25, 1998, the Commission on State Mandates (CSM) determined that Chapters 762 and 763, Statutes of 1995, and Chapter 4, Statutes of 1996, imposed a reimbursable state mandate under Government Code section 17561.

The program's parameters and guidelines establish the state mandate and define reimbursement criteria. CSM adopted the parameters and guidelines on September 24, 1998. 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 Sexually Violent Predators Program for the period of July 1, 2006, 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 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 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, Sonoma County claimed \$559,371 (\$564,409 less a \$5,038 penalty for filing a late claim) for costs of the Sexually Violent Predators Program. Our audit disclosed that \$527,207 is allowable and \$32,164 is unallowable.

For the fiscal year (FY) 2006-07 claim, the State paid the county \$228,495. Our audit disclosed that \$211,456 is allowable. The State will offset \$17,039 from other mandated program payments due the county. Alternatively, the county may remit this amount to the State.

For the FY 2007-08 claim, the State paid the county \$216,914. Our audit disclosed that \$201,789 is allowable. The State will offset \$15,125 from other mandated program payments due the county. Alternatively, the county may remit this amount to the State.

For the FY 2008-09 claim, the State paid the county \$113,962. Our audit disclosed that the entire amount is allowable.

## **Views of Responsible Officials**

We issued a draft audit report on November 30, 2011. Betsy Howze, Accounting Manager, responded by letter dated December 22, 2011 (Attachment) agreeing with the audit results. This final audit report includes in the county's response.

**Restricted Use**

This report is solely for the information and use of Sonoma 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

January 25, 2012

**Schedule 1—  
Summary of Program Costs  
July 1, 2006, through June 30, 2009**

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustments
<u>July 1, 2006, through June 30, 2007</u>			
Direct costs:			
Salaries and benefits	\$ 49,149	\$ 49,149	\$ -
Services and supplies	169,572	152,533	(17,039)
Total direct costs	218,721	201,682	(17,039)
Indirect costs	9,774	9,774	-
Total program costs	<u>\$ 228,495</u>	211,456	<u>\$ (17,039)</u>
Less amount paid by the State		(228,495)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (17,039)</u>	
<u>July 1, 2007, through June 30, 2008</u>			
Direct costs:			
Salaries and benefits	\$ 57,336	\$ 57,336	\$ -
Services and supplies	145,562	130,437	(15,125)
Travel and training	262	262	-
Total direct costs	203,160	188,035	(15,125)
Indirect costs	13,754	13,754	-
Total program costs	<u>\$ 216,914</u>	201,789	<u>\$ (15,125)</u>
Less amount paid by the State		(216,914)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (15,125)</u>	
<u>July 1, 2008, through June 30, 2009</u>			
Direct costs:			
Salaries and benefits	\$ 38,722	\$ 38,722	\$ -
Services and supplies	56,613	56,980	367
Contract services	13,274	13,274	-
Total direct costs	108,609	108,976	367
Indirect costs	10,391	10,391	-
Subtotal, program costs	119,000	119,367	367
Less allowable costs that exceed costs claimed <sup>2</sup>	-	(367)	(367)
Total program costs	119,000	119,000	-
Less late filing penalty	(5,038)	(5,038)	-
Total claimed costs	<u>\$ 113,962</u>	113,962	<u>\$ -</u>
Less amount paid by the State		(113,962)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ -</u>	

## Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustments
<u>Summary: July 1, 2007, through June 30, 2009</u>			
Direct costs:			
Salaries and benefits	\$ 145,207	\$ 145,207	\$ -
Services and supplies	371,747	339,950	(31,797)
Contract services	13,274	13,274	-
Travel and training	262	262	-
Total direct costs	530,490	498,693	(31,797)
Indirect costs	33,919	33,919	-
Subtotal program costs	564,409	532,612	(31,797)
Less allowable costs that exceed costs claimed <sup>2</sup>	-	(367)	(367)
Total program costs	564,409	532,245	(32,164)
Less late filing penalty	(5,038)	(5,038)	-
Total claimed costs	<u>\$ 559,371</u>	527,207	<u>\$ (32,164)</u>
Less amount paid by the State		(559,371)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (32,164)</u>	

<sup>1</sup> See the Finding and Recommendation section.

<sup>2</sup> Government Code section 17568 stipulates that the State will not reimburse any claim more than one year after the filing deadline specified in the SCO's claiming instructions. That deadline has expired for FY 2008-09.

# Finding and Recommendation

## **FINDING— Misstated services and supplies costs**

The county claimed \$371,747 in services and supplies costs for the audit period (\$82,850 for the Public Defender's Office and \$288,897 for the Sheriff's Department). We determined that \$339,950 is allowable and \$31,797 is unallowable. The costs are unallowable because the county misstated costs incurred for prisoner housing.

The following table summarizes the claimed, allowable, and audit adjustment for services and supplies costs by fiscal year:

	Fiscal Year			Total
	2006-07	2007-08	2008-09	
Allowable costs	\$ 152,533	\$ 130,437	\$ 56,980	\$ 339,950
Claimed costs	(169,572)	(145,562)	(56,613)	(371,747)
Audit adjustment	\$ (17,039)	\$ (15,125)	\$ 367	\$ (31,797)

### **Defendant Custody Costs**

The county claimed \$280,750 for defendant custody costs incurred by the Sheriff's Department during the audit period. We determined that \$248,953 is allowable and \$31,797 is unallowable. The costs are unallowable because the county overstated its daily jail rates for fiscal year (FY) 2006-07 and FY 2007-08, and understated its daily jail rates for FY 2008-09.

The following table summarizes the audit adjustment for defendant custody costs:

	Fiscal Year			Total
	2006-07	2007-08	2008-09	
Allowable costs	\$ 100,922	\$ 91,051	\$ 56,980	\$ 248,953
Claimed costs	(117,961)	(106,176)	(56,613)	(280,750)
Audit adjustment	\$ (17,039)	\$ (15,125)	\$ 367	\$ (31,797)

### *Daily Jail Rates*

The following table summarizes the audit adjustment based on adjustments made to the daily jail rates:

	Fiscal Year		
	2006-07	2007-08	2008-09
Allowable daily jail rate	\$ 116.27	\$ 118.71	\$ 130.39
Claimed daily jail rate	(135.90)	(138.43)	(129.55)
Rate variance	(19.63)	(19.72)	0.84
Claimed costs	× 868	× 767	× 437
Audit adjustment	\$ (17,039)	\$ (15,125)	\$ 367

The county claimed daily jail rates of \$135.90 for FY 2006-07, \$138.43 for FY 2007-08, and \$129.55 for FY 2008-09. The county's uncapped rates reported to the California Department of Corrections and Rehabilitation (CDCR) were \$135.56 for FY 2006-07, \$135.90 for

FY 2007-08, and \$129.55 for FY 2008-09. However, these rates were based on estimates of prisoner population and detention facility expenditures for those years. For mandated cost claims, daily jail rates should be based on actual costs incurred and actual prisoner population statistics.

During the course of the audit, the Sheriff's Department provided actual cost documentation and prisoner population statistics. We determined that the daily jail rates should be \$116.27 for FY 2006-07, \$118.71 for FY 2007-08, and \$130.39 for FY 2008-09. These rates are supported as the "Corrected Daily Jail Rate" for FY 2006-07 through FY 2008-09 on the CDCR schedules titled "Prior Rate Estimate Adjustment" (schedules 2008/09A, 2009/10A, and 2010/11A). These schedules document the daily jail rates based on actual total allowable costs divided by total actual inmate days.

The program's parameters and guidelines (section IV.B.7.–Reimbursable Activities) state that reimbursable costs include:

Transportation and housing costs for each potential sexually violent predator at a secured facility while the individual awaits trial on the issue of whether he or she is a sexually violent predator. Counties shall be entitled to reimbursement for such transportation and housing costs, regardless of whether the secured facility is a state facility or county facility, except in those circumstances when the State has directly borne the costs of housing and transportation, in which case no reimbursement of such costs shall be permitted.

The parameters and guidelines (section IV.–Reimbursable Activities) state the following:

To be eligible for mandated cost reimbursement, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. . . . However, corroborating documents cannot be substituted for source documents.

### Recommendation

We recommend that the county ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

### County's Response

The County concurs with the finding and will ensure that future claims include all eligible costs, are based on actual costs and are fully supported.

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

---

Auditor-Controller  
Treasurer-Tax Collector  
**County of Sonoma**

**DONNA DUNK**  
INTERIM AUDITOR-CONTROLLER  
TREASURER -TAX COLLECTOR

585 FISCAL DRIVE  
SUITE 100  
SANTA ROSA, CALIFORNIA  
95403-2819  
(707) 565-2631  
FAX (707) 565-3489

**PAM JOHNSTON**  
ASSISTANT  
TAX COLLECTOR/AUDITOR

**JONATHAN KADLEC**  
ASSISTANT  
TREASURER

December 22, 2011

Jim L. Spano, Chief  
Mandated Cost Audits Bureau  
Division of Audits  
California State Controller's Office  
P.O. Box 942850  
Sacramento, CA 94250-5874

RE: Sexually Violent Predators (SVP) Program  
July 1, 2006, through June 30, 2009

The County of Sonoma has reviewed the Draft Audit Report dated November 30, 2011. The finding and management response are as follows:

**Finding:**

Overstated services and supplies costs.

**Management Response:**

The County concurs with the finding and will ensure that future claims include all eligible costs, are based on actual costs and are fully supported.



---

Betsy Howze  
Accounting Manager  
County of Sonoma

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

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