

# **CITY OF OXNARD**

Audit Report

## **DOMESTIC VIOLENCE ARREST POLICIES AND STANDARDS PROGRAM**

Chapter 246, Statutes of 1995

*July 1, 2002, through June 30, 2005*



**JOHN CHIANG**  
California State Controller

July 2008



**JOHN CHIANG**  
California State Controller

July 8, 2008

The Honorable Thomas E. Holden  
Mayor of the City of Oxnard  
300 West Third Street  
Oxnard, CA 93030

Dear Mayor Holden:

The State Controller's Office audited the costs claimed by the City of Oxnard for the legislatively mandated Domestic Violence Arrest Policies and Standards Program (Chapter 246, Statutes of 1995) for the period of July 1, 2002, through June 30, 2005.

The city claimed \$392,337 for the mandated program. Our audit disclosed that \$207,500 is allowable and \$184,837 is unallowable. The unallowable costs resulted because the city claimed ineligible domestic violence cases and overstated salary rates. The State paid the city \$172,493. Allowable costs claimed exceed the amount paid by \$35,007.

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 CSM's Web site, at [www.csm.ca.gov](http://www.csm.ca.gov) (Guidebook link); you may obtain IRC forms by telephone, at (916) 323-3562, or by e-mail, at [csminfo@csm.ca.gov](mailto:csminfo@csm.ca.gov).

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:sr

cc: Norma J. Owens, Grants Manager  
City of Oxnard  
Mike Adair, Commander  
Field Services Bureau  
Oxnard Police Department  
Susan Winder, Interim Finance Director  
City of Oxnard  
Todd Jerue, Program Budget Manager  
Corrections and General Government  
Department of Finance

# Contents

## **Audit Report**

<b>Summary .....</b>	<b>1</b>
<b>Background .....</b>	<b>1</b>
<b>Objective, Scope, and Methodology .....</b>	<b>1</b>
<b>Conclusion .....</b>	<b>2</b>
<b>Views of Responsible Officials .....</b>	<b>2</b>
<b>Restricted Use .....</b>	<b>2</b>
<b>Schedule 1—Summary of Program Costs.....</b>	<b>3</b>
<b>Findings and Recommendations .....</b>	<b>4</b>
<b>Attachment—City’s Response to Draft Audit Report</b>	

# Audit Report

## Summary

The State Controller's Office (SCO) audited the costs claimed by City of Oxnard for the legislatively mandated Domestic Violence Arrest Policies and Standards Program (Chapter 246, Statutes of 1995) for the period of July 1, 2002, through June 30, 2005.

The city claimed \$392,337 for the mandated program. Our audit disclosed that \$207,500 is allowable and \$184,837 is unallowable. The unallowable costs resulted because the city claimed ineligible domestic violence cases and overstated salary rates. The State paid the city \$172,493. Allowable costs claimed exceed the amount paid by \$35,007.

## Background

Penal Code section 13701 (added by Chapter 246, Statutes of 1995) requires local law enforcement agencies to develop, adopt, and implement written arrest policies for domestic violence offenders by July 1, 1996. The legislation also requires local law enforcement agencies to obtain input from local domestic violence agencies in developing the arrest policies. Under previous law, local law enforcement agencies were required to develop, adopt, and implement written policies for response to domestic violence calls and were encouraged, but not obligated, to consult with domestic violence experts.

On September 25, 1997, the Commission on State Mandates (CSM) determined that Chapter 246, Statutes of 1995, imposed a state mandate reimbursable 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 August 20, 1998. 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 Domestic Violence Arrest Policies and Standards Program for the period of July 1, 2002, 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 the audit according to *Government Auditing Standards*, issued by the Comptroller General of the United States, and under the authority of Government Code sections 12410, 17558.5, and 17561. We did not audit the city's financial statements. We limited our audit scope to planning and performing audit procedures necessary to obtain reasonable assurance that costs claimed were allowable for reimbursement. Accordingly, we examined transactions, on a test basis, to determine whether the costs claimed were supported.

We limited our review of the city'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, the City of Oxnard claimed \$392,337 for costs of the Domestic Violence Arrest Policies and Standards Program. Our audit disclosed that \$207,500 is allowable and \$184,837 is unallowable.

For the fiscal year (FY) 2002-03 claim, the State paid the city \$13. Our audit disclosed that \$55,077 is allowable. The State will pay allowable costs claimed that exceed the amount paid, totaling \$55,064, contingent upon available appropriations.

For the FY 2003-04 claim, the State made no payment to the city. Our audit disclosed that \$63,913 is allowable. The State will pay allowable costs claimed that exceed the amount paid, totaling \$63,913, contingent upon available appropriations.

For the FY 2004-05 claim, the State paid the city \$172,480. Our audit disclosed that \$88,510 is allowable. The State will offset \$83,970 from other mandated program payments due the city. Alternatively, the city may remit this amount to the State.

## **Views of Responsible Officials**

We issued a draft audit report on March 26, 2008. Norma Owens, Grants Manager, City of Oxnard, responded by letter dated April 16, 2008 (Attachment). The city disagreed with Finding 1 (Unallowable salaries and benefits) but agreed with Finding 2 (Overstated average productive hourly rates claimed).

## **Restricted Use**

This report is solely for the information and use of the City of Oxnard, 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

July 8, 2008

**Schedule 1—  
Summary of Program Costs  
July 1, 2002, through June 30, 2005**

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference <sup>1</sup>
<u>July 1, 2002, through June 30, 2003</u>				
Salaries and benefits	\$ 106,867	\$ 40,126	\$ (66,741)	Findings 1, 2
Indirect costs	39,818	14,951	(24,867)	Findings 1, 2
Total program costs	<u>\$ 146,685</u>	55,077	<u>\$ (91,608)</u>	
Less amount paid by the State		(13)		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 55,064</u>		
<u>July 1, 2003, through June 30, 2004</u>				
Salaries and benefits	\$ 57,152	\$ 49,920	\$ (7,232)	Finding 1
Indirect costs	16,020	13,993	(2,027)	Finding 1
Total program costs	<u>\$ 73,172</u>	63,913	<u>\$ (9,259)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 63,913</u>		
<u>July 1, 2004, through June 30, 2005</u>				
Salaries and benefits	\$ 131,987	\$ 67,731	\$ (64,256)	Finding 1
Indirect costs	40,493	20,779	(19,714)	Finding 1
Total program costs	<u>\$ 172,480</u>	88,510	<u>\$ (83,970)</u>	
Less amount paid by the State		(172,480)		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (83,970)</u>		
<u>Summary: July 1, 2002, through June 30, 2005</u>				
Salaries and benefits	\$ 296,006	\$ 157,777	\$ (138,229)	
Indirect costs	96,331	49,723	(46,608)	
Total program costs	<u>\$ 392,337</u>	207,500	<u>\$ (184,837)</u>	
Less amount paid by the State		(172,493)		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 35,007</u>		

<sup>1</sup> See the Findings and Recommendations section.

# Findings and Recommendations

## **FINDING 1— Unallowable salaries and benefits and related indirect costs**

The city claimed unallowable salaries and benefits related to implementation of written arrest policies totaling \$108,370 for the audit period. The related indirect costs total \$35,483.

The costs are unallowable because the city claimed an unsupported number of city-reported domestic violence incident responses. We measured the error through statistical sampling.

We selected a statistical sample for each fiscal year from the total population of domestic violence cases based on a 95% confidence level, a precision rate of +/-8%, and an expected error rate of 50%. We used a statistical sampling so the results could be projected to the total domestic violence case population. We reviewed a random sample of 145 domestic violence cases for each of the three fiscal years.

For fiscal year (FY) 2002-03, the city reported 4,299 domestic violence cases. Of the sampled cases, 60 were reimbursable at 29 minutes and 14 were reimbursable at 12 minutes. We projected the results of the sampled cases to the population to arrive at 937 reimbursable hours.

For FY 2003-04, the city reported 4,651 domestic violence cases. Of the sampled cases, 65 were reimbursable at 29 minutes and 13 were reimbursable at 12 minutes. We projected the results of the sampled cases to the population to arrive at 1,084 reimbursable hours.

For FY 2004-05, the city reported 3,907 domestic violence cases. Of the sampled cases, 69 were reimbursable at 29 minutes and 13 were reimbursable at 12 minutes. We projected the results of the sampled cases to the population to arrive at 962 reimbursable hours.

The following table summarizes the audit adjustment:

	Fiscal Year		
	2002-03	2003-04	2004-05
Sampled cases reimbursable at 29 minutes per case	60	65	69
Reimbursable time in hours (at 29 minutes)	× 0.48	× 0.48	× 0.48
Subtotal	28.8	31.2	33.12
Sampled cases reimbursable at 12 minutes per case	14	13	13
Reimbursable time in hours (at 12 minutes)	× 0.2	× 0.2	× 0.2
Subtotal	2.8	2.6	2.6
Reimbursable hours per sampled cases	31.6	33.8	35.72
Cases sampled	÷ 145	÷ 145	÷ 145
Reimbursable hours per case	0.218	0.233	0.246
Number of cases in population	×4,299	×4,651	×3,907
Reimbursable hours	937	1,084	962
Claimed hours	(1,431)	(1,241)	(1,875)
Unallowable hours	(494)	(157)	(913)

The following table summarizes the unallowable costs:

	Fiscal Year			Total
	2002-03	2003-04	2004-05	
Unallowable hours	(494)	(157)	(913)	
Productive hourly rate claimed	× \$56.63	× \$34.50	× \$41.61	
Unallowable salaries	\$ (27,975)	\$ (5,417)	\$ (37,990)	\$ (71,382)
Unallowable benefits	(8,907)	(1,815)	(26,266)	(36,988)
Total unallowable salaries and benefits	(36,882)	(7,232)	(64,256)	(108,370)
Unallowable indirect costs	(13,742)	(2,027)	(19,714)	(35,483)
Audit adjustment	\$ (50,624)	\$ (9,259)	\$ (83,970)	\$(143,853)

The city believes that the overstated responses occurred because its mandate consultant obtained the claimed amount of finalized calls from the city's Information Technology Section rather than the number of calls that originally came in as domestic violence responses.

The program's parameters and guidelines allow claimants to be reimbursed based on a unit time allowance of 29 minutes (0.48 of an hour) for each reimbursable domestic violence incident response, consisting of 17 minutes (0.283 of an hour) to interview both parties and 12 minutes (0.20 of an hour) to consider the factors listed in the parameters and guidelines.

The parameters and guidelines require claimants to support claimed costs with source documents that include, but are not limited to, time logs and other documents evidencing actual costs claimed to implement the written arrest policies.

### Recommendation

We recommend that the city claim eligible costs and maintain adequate documentation to support costs claimed in accordance with parameters and guidelines.

### City's Response

The City understands the need to sample applicable domestic violence cases claimed. However, we believe that the sample size was extremely small and may have given a false sense of ineligible cases. The City's domestic violence cases are also reported and verified by several other state and federal cognizant agencies.

FY	2002-2003	2003-2004	2004-2005
Cases Claimed	4,299	4,651	3,709

#### *SCO Sample Size:*

145 samples =	3.4%	3.1%	3.9%
---------------	------	------	------

If the State wishes to disallow 51% of the costs claimed by the City of Oxnard for this program, it needs to sample more than 3% of the caseload. . . .

After reviewing the draft findings it is clear that the SCO feels that Oxnard did not provide sufficient documentation to support the cases claimed. Government Code § 14518.5 states, “Whenever possible, a reasonable reimbursement methodology shall be based on general allocation formulas, uniform cost allowances, and other approximations of local costs mandated by the state, rather than detailed documentation of actual local costs.” If the audit staff is unwilling to reexamine the case samples, then it only seems fair that some other approximation of the city’s costs be utilized to settle our differences on Finding #1 in the draft audit report.

SCO’s Comments

Based on the city’s comments, we re-evaluated the unit time allowances allowed for specific cases. We allowed 12 minutes for a domestic violence call if the city did not identify a primary aggressor in its response to a call, but did consider any of the factors identified in the parameters and guidelines. As a result, we reduced unallowable costs by \$19,822, from \$163,675 to \$143,853.

Our sampling methodology is statistically valid to produce a 95% confidence level that the error rate is within +/-8% precision level. An increased sample size should not materially alter the audit results.

**FINDING 2—  
Overstated average  
productive hourly  
rates claimed**

The city claimed unallowable salaries and benefits totaling \$29,859. The related indirect costs total \$11,125.

The city overstated the average productive hourly rates that it used to claim costs associated with implementing the written arrest policies. The city claimed a productive hourly salary rate of \$56.63, but supported a rate of only \$32.46, an overstatement of \$24.17.

The following table summarizes the audit adjustment:

	Fiscal Year 2002-03
Allowable average productive hourly rate	\$ 32.46
Claimed average productive hourly rate	<u>(56.63)</u>
Unallowable productive hourly rate	(24.17)
Reimbursable hours	<u>× 937</u>
Unallowable salaries	(22,647)
Unallowable benefits	<u>(7,212)</u>
Total unallowable salaries and benefits	(29,859)
Unallowable indirect costs	<u>(11,125)</u>
Audit adjustment	<u>\$ (40,984)</u>

The program’s parameters and guidelines allow claimants to be reimbursed based on a unit time allowance of 29 minutes (0.48 of an hour) for each reimbursable domestic violence incident response, consisting of 17 minutes (0.283 of an hour) to interview both parties and 12 minutes (0.20 of an hour) to consider the factors listed in the parameters and guidelines.

The parameters and guidelines require claimants to support claimed costs with source documents that include, but are not limited to, time logs and other documents evidencing actual costs claimed to implement the written arrest policies.

#### Recommendation

We recommend that the city calculate the average productive hourly rates based on the actual productive hourly rate of those officers who respond to domestic violence incidents.

#### City's Response

The City understands and agrees with Finding #2, which only applied to the 2002-2003 fiscal year and has a process in place to ensure the proper productive hourly rates are claimed.

#### SCO's Comment

We updated the audit adjustment based on the increased number of reimbursable hours identified in Finding 1 for specified domestic violence cases. Consequently, the overstated productive hourly rate increased unallowable costs by \$3,614, from \$37,370 to \$40,984.

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

---



April 16, 2008

*Via Federal Express*

Mr. Jeff Brownfield  
State Controller's Office – Audits Division Chief  
300 Capitol Mall, Suite 518  
Sacramento, CA 95814

Subject: City of Oxnard – State Mandated Cost Audit FY 2002-03 to 2004-05  
Chapter 246/1995 - Domestic Violence Arrest Policies

Dear Mr. Brownfield:

Thank you for providing the City of Oxnard with the draft findings for your audit on the Domestic Violence Arrest Policies state mandated program. The City disagrees with one of the findings outlined in the draft audit report received by our office on March 28, 2008. Our comments are as follows:

**Finding #1 – Overstated Salaries & Benefits**

The City understands the need to sample applicable domestic violence cases claimed. However, we believe that the sample size was extremely small and may have given a false sense of ineligible cases. The City's domestic violence cases are also reported and verified by several other state and federal cognizant agencies.

FY	2002-2003	2003-2004	2004-2005
Cases Claimed	4,299	4,651	3,709

*SCO Sample Size:*

145 samples =	3.4%	3.1%	3.9%
---------------	------	------	------

If the State wishes to disallow 51% of the costs claimed by the City of Oxnard for this program, it needs to sample more than 3% of the caseload.

**Finding #2 – Overstated Productive Hourly Rate**

The City understands and agrees with Finding #2, which only applied to the 2002-2003 fiscal year and has a process in place to ensure the proper productive hourly rates are claimed.

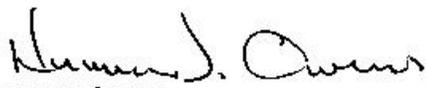
**Reasonable Reimbursement Methodology**

After reviewing the draft findings it is clear that the SCO feels that Oxnard did not provide sufficient documentation to support the cases claimed. Government Code §

17518.5 states, "Whenever possible, a reasonable reimbursement methodology shall be based on general allocation formulas, uniform cost allowances, and other approximations of local costs mandated by the state, rather than detailed documentation of actual local costs." If the audit staff is unwilling to reexamine the case samples, then it only seems fair that some other approximation of the city's costs be utilized to settle our differences on Finding #1 in the draft audit report.

The City of Oxnard will carefully consider the issues raised by your audit, and plan to consider findings when approaching future claims. We appreciate the information and recommendations provided by your audit. Thank you for this opportunity to submit our comments on your draft report and the City eagerly waits to hear your response to our comments on Finding #1. If you have any questions about this response, please do not hesitate to contact me at (850) 385-7477.

Sincerely,



Norma Owens  
Grants Manager  
City of Oxnard

Cc: Jim Spano, Audit Chief  
James Cameron, Chief Financial Officer  
Mike Adair, Commander Oxnard Police Dept

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

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