

SAN MATEO COUNTY

Audit Report

SEXUALLY VIOLENT PREDATORS PROGRAM

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

July 1, 1999, through June 30, 2002



STEVE WESTLY
California State Controller

February 2004



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California State Controller

February 18, 2004

The Honorable Tom Huening
Controller
San Mateo County
555 County Center, Fourth Floor
Redwood City, CA 94063

Dear Mr. Huening:

The State Controller's Office (SCO) has completed an audit of the claims filed by San Mateo County for costs of the legislatively mandated Sexually Violent Predators Program (Chapters 762 and 763, Statutes of 1995, and Chapter 4, Statutes of 1996) for the period of July 1, 1999, through June 30, 2002.

The county claimed \$526,156 for the mandated program. Our audit disclosed that \$499,015 is allowable and \$27,141 is unallowable. The unallowable costs occurred because the county claimed ineligible costs. The county was paid \$471,996. Allowable costs claimed in excess of the amount paid, totaling \$27,019, will be paid by the State based on available appropriations.

The SCO has established an informal audit review process to resolve a dispute of facts. The auditee should submit, in writing, a request for a review and all information pertinent to the disputed issues within 60 days after receiving the final report. The request and supporting documentation should be submitted to: Richard J. Chivaro, Chief Counsel, State Controller's Office, Post Office Box 942850, Sacramento, CA 94250-0001.

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

Sincerely,

Original Signed By:

VINCENT P. BROWN
Chief Operating Officer

VPB:jj

cc: Robert G. Adler, CPA
Assistant Controller
San Mateo County
James Tilton, Program Budget Manager
Corrections and General Government
Department of Finance

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Audit Report

Summary

The State Controller's Office (SCO) has completed an audit of the claims filed by San Mateo County for costs of the legislatively mandated Sexually Violent Predators Program (Chapters 762 and 763, Statutes of 1995, and Chapter 4, Statutes of 1996) for the period of July 1, 1999, through June 30, 2002. The last day of fieldwork was August 28, 2003.

The county claimed \$526,156 for the mandated program. The audit disclosed that \$499,015 is allowable and \$27,141 is unallowable. The unallowable costs occurred because the county claimed ineligible costs. The county was paid \$471,996. Allowable costs claimed in excess of the amount paid, totaling \$27,019, will be paid by the State based on available appropriations.

Background

Chapters 762 and 763, Statutes of 1995, and Chapter 4, Statutes of 1996, established 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 beyond a reasonable doubt. If the inmate accused of being a sexually violent predator is indigent, the statutes require counties to provide the indigent with the assistance of counsel, and experts necessary to prepare the defense. On June 25, 1998, the Commission on State Mandates determined that Chapters 762 and 763, Statutes of 1995, and Chapter 4, Statutes of 1996, resulted in state mandated costs that are reimbursable pursuant to *Government Code* Section 17561.

Parameters and Guidelines, adopted by the Commission on State Mandates, establishes state mandates and defines criteria for reimbursement. In compliance with *Government Code* Section 17558, the SCO issues claiming instructions for each mandate requiring state reimbursement to assist local agencies in claiming reimbursable costs.

Objective, Scope, and Methodology

The audit objective was to determine whether costs claimed are increased costs incurred as a result of the legislatively mandated Sexually Violent Predators Program (Chapters 762 and 763, Statutes of 1995, and Chapter 4, Statutes of 1996) for the period of July 1, 1999, through June 30, 2002.

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

For the audit period, San Mateo County claimed \$526,156 for costs of the legislatively mandated Sexually Violent Predators Program. The audit disclosed that \$499,015 is allowable and \$27,141 is unallowable.

For fiscal year (FY) 1999-2000, the county was paid \$116,199 by the State. The audit disclosed that the entire amount is allowable.

For FY 2000-01, the county was paid \$246,202 by the State. The audit disclosed that the entire amount is allowable.

For FY 2001-02, the county was paid \$109,595 by the State. The audit disclosed that \$136,614 is allowable. Allowable costs claimed in excess of the amount paid, totaling \$27,019, will be paid by the State based on available appropriations.

Views of Responsible Officials

The SCO issued a draft report on December 31, 2003. Robert Adler, County Assistant Controller, through a telephone conversation on January 28, 2004, stated that the county did not object to the SCO's draft audit report or audit finding.

Restricted Use

This report is solely for the information and use of San Mateo 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

**Schedule 1—
Summary of Program Costs
July 1, 1999, through June 30, 2002**

<u>Cost Elements</u>	<u>Actual Costs Claimed</u>	<u>Allowable per Audit</u>	<u>Audit Adjustments</u> ¹
<u>July 1, 1999, through June 30, 2000</u>			
District Attorney:			
Salaries	\$ 18,155	\$ 18,155	\$ —
Benefits	5,188	5,188	—
Services and supplies	—	—	—
Training and travel	353	353	—
Total District Attorney	<u>23,696</u>	<u>23,696</u>	<u>—</u>
Public Defender:			
Salaries	—	—	—
Benefits	—	—	—
Services and supplies	—	—	—
Training and travel	—	—	—
Total Public Defender	<u>—</u>	<u>—</u>	<u>—</u>
Sheriff:			
Salaries	5,072	5,072	—
Benefits	1,719	1,719	—
Services and supplies	78,261	78,261	—
Training and travel	—	—	—
Total Sheriff	<u>85,052</u>	<u>85,052</u>	<u>—</u>
Total direct costs	108,748	108,748	—
Indirect costs	<u>7,451</u>	<u>7,451</u>	<u>—</u>
Total costs	116,199	116,199	—
Less offsetting savings/reimbursements	<u>—</u>	<u>—</u>	<u>—</u>
Total reimbursable costs	<u>\$ 116,199</u>	116,199	<u>\$ —</u>
Less amount paid by the State		(116,199)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>	
<u>July 1, 2000, through June 30, 2001</u>			
District Attorney:			
Salaries	\$ 22,627	\$ 22,627	\$ —
Benefits	6,214	6,214	—
Services and supplies	—	—	—
Training and travel	—	—	—
Total District Attorney	<u>28,841</u>	<u>28,841</u>	<u>—</u>
Public Defender:			
Salaries	—	—	—
Benefits	—	—	—
Services and supplies	157,996	157,996	—
Training and travel	—	—	—
Total Public Defender	<u>157,996</u>	<u>157,996</u>	<u>—</u>

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustments ¹
<u>July 1, 2000, through June 30, 2001 (continued)</u>			
Sheriff:			
Salaries	6,176	6,176	—
Benefits	2,606	2,606	—
Services and supplies	43,760	43,760	—
Training and travel	—	—	—
Total Sheriff	<u>52,542</u>	<u>52,542</u>	<u>—</u>
Total direct costs	239,379	239,379	—
Indirect costs	<u>6,823</u>	<u>6,823</u>	<u>—</u>
Total costs	246,202	246,202	—
Less offsetting savings/reimbursements	—	—	—
Total reimbursable costs	<u>\$ 246,202</u>	246,202	<u>\$ —</u>
Less amount paid by the State		<u>(246,202)</u>	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>	
<u>July 1, 2001, through June 30, 2002</u>			
District Attorney:			
Salaries	\$ 17,600	\$ 10,901	\$ (6,699)
Benefits	4,350	2,691	(1,659)
Services and supplies	—	—	—
Training and travel	—	—	—
Total District Attorney	<u>21,950</u>	<u>13,592</u>	<u>(8,358)</u>
Public Defender:			
Salaries	—	—	—
Benefits	—	—	—
Services and supplies	84,750	84,750	—
Training and travel	—	—	—
Total Public Defender	<u>84,750</u>	<u>84,750</u>	<u>—</u>
Sheriff:			
Salaries	8,998	8,098	(900)
Benefits	3,724	3,352	(372)
Services and supplies	37,888	22,131	(15,757)
Training and travel	—	—	—
Total Sheriff	<u>50,610</u>	<u>33,581</u>	<u>(17,029)</u>
Total direct costs	157,310	131,923	(25,387)
Indirect costs	<u>6,445</u>	<u>4,691</u>	<u>(1,754)</u>
Total costs	163,755	136,614	(27,141)
Less offsetting savings/reimbursements	—	—	—
Total reimbursable costs	<u>\$ 163,755</u>	136,614	<u>\$ (27,141)</u>
Less amount paid by the State		<u>(109,595)</u>	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 27,019</u>	

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustments ¹
Summary: July 1, 1999, through June 30, 2002			
District Attorney:			
Salaries	\$ 58,382	\$ 51,683	\$ (6,699)
Benefits	15,752	14,093	(1,659)
Services and supplies	—	—	—
Training and travel	<u>353</u>	<u>353</u>	<u>—</u>
Total District Attorney	<u>74,487</u>	<u>66,129</u>	<u>(8,358)</u>
Public Defender:			
Salaries	—	—	—
Benefits	—	—	—
Services and supplies	242,746	242,746	—
Training and travel	<u>—</u>	<u>—</u>	<u>—</u>
Total Public Defender	<u>242,746</u>	<u>242,746</u>	<u>—</u>
Sheriff:			
Salaries	20,246	19,346	(900)
Benefits	8,049	7,677	(372)
Services and supplies	159,909	144,152	(15,757)
Training and travel	<u>—</u>	<u>—</u>	<u>—</u>
Total Sheriff	<u>188,204</u>	<u>171,175</u>	<u>(17,029)</u>
Total direct costs	<u>505,437</u>	<u>480,050</u>	<u>(25,387)</u>
Indirect costs	<u>20,719</u>	<u>18,965</u>	<u>(1,754)</u>
Total costs	<u>526,156</u>	<u>499,015</u>	<u>(27,141)</u>
Less offsetting savings/reimbursements	<u>—</u>	<u>—</u>	<u>—</u>
Total reimbursable costs	<u>\$ 526,156</u>	<u>499,015</u>	<u>\$ (27,141)</u>
Less amount paid by the State		<u>(471,996)</u>	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 27,019</u>	

¹ See Finding and Recommendation section.

Finding and Recommendation

FINDING— Ineligible costs claimed

The county claimed costs of \$27,141 for one case that was ineligible. The case was filed in court under *Welfare and Institutions Code* Section 1800 (extending detention of juvenile offenders).

Parameters and Guidelines for the Sexually Violent Predators Program specifies that only costs incurred pursuant to *Welfare and Institutions Code* Sections 6600 through 6608 are eligible for reimbursement.

As a result, costs claimed for the Section 1800 case are ineligible as follows:

	Fiscal Year <u>2001-02</u>
District Attorney:	
Salaries	\$ (6,699)
Benefits	<u>(1,659)</u>
Total District Attorney costs	<u>(8,358)</u>
Sheriff:	
Salaries	(900)
Benefits	(372)
Services and supplies	<u>(15,757)</u>
Total Sheriff costs	<u>(17,029)</u>
Total direct costs	(25,387)
Indirect costs	<u>(1,754)</u>
Total costs	<u>\$ (27,141)</u>

Recommendation

In the future, the county should ensure that claimed costs are for cases that relate to the Sexually Violent Predators Program as specified in *Parameters and Guidelines*. Also, the county should review *Parameters and Guidelines* for the Extended Commitment–Youth Authority mandated program (Chapter 546, Statutes of 1984, and Chapter 267, Statutes of 1998) to determine if these costs can be claimed under that program.

**State Controller's Office
Division of Audits
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