

ALAMEDA COUNTY

Audit Report

SEXUALLY VIOLENT PREDATORS PROGRAM

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

July 1, 1998, through June 30, 2002



STEVE WESTLY
California State Controller

August 2004



STEVE WESTLY
California State Controller

August 20, 2004

The Honorable Patrick O'Connell
Auditor-Controller
Alameda County
1221 Oak Street, Room 249
Oakland CA 94612

Dear Mr. O'Connell:

The State Controller's Office audited the claims filed by Alameda 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, 1998, through June 30, 2002.

The county claimed \$2,507,619 (\$2,509,619 in costs less a \$2,000 late filing penalty) for the mandated program. Our audit disclosed that \$2,011,582 is allowable and \$496,037 is unallowable. The unallowable costs occurred because the county claimed costs that were overstated and unsupported. The county was paid \$1,822,357. Allowable costs claimed in excess of the amount paid, totaling \$189,225, will be paid by the State based upon available appropriations.

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:JVB/jj

cc: Thomas J. Orloff, Alameda County District Attorney
Diane Bellas, Alameda County Public Defender
Charles Plummer, Alameda County Sheriff
Sherie Peterson, Auditor, Alameda County Auditor-Controller Agency
David Budde, Director of Administration
Alameda County District Attorney's Office
Margaret Duncan, Administrative Services Officer
Alameda County Public Defender's Office
Loren Walker, Analyst, Alameda County Sheriff's Office
James Tilton, Program Budget Manager
Corrections and General Government
Department of Finance

Contents

Audit Report

Summary	1
Background	1
Objective, Scope, and Methodology	2
Conclusion	2
Views of Responsible Official	3
Restricted Use	3
Schedule 1—Summary of Program Costs	4
Findings and Recommendations	6
Attachment—County’s Response to Draft Audit Report	

Audit Report

Summary

The State Controller's Office (SCO) audited the claims filed by Alameda 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, 1998, through June 30, 2002. The last day of fieldwork was October 23, 2003.

The county claimed \$2,507,619 (\$2,509,619 in costs less a \$2,000 late filing penalty) for the mandated program. The audit disclosed that \$2,011,582 is allowable and \$496,037 is unallowable. The unallowable costs occurred because the county claimed costs that were overstated and unsupported. The county was paid \$1,822,357¹. Allowable costs claimed in excess of the amount paid, totaling \$189,225, will be paid by the State based upon 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 test claim legislation requires counties to provide the indigent inmate with the assistance of counsel and experts necessary to prepare the defense.

Chapters 762 and 763, Statutes of 1995, were enacted on October 11, 1995, and became operative on January 1, 1996. Chapter 4, Statutes of 1996, relating to the transportation and housing of potential sexually violent predators at a secured facility, was enacted as an urgency measure and became operative on January 15, 1996.

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

Parameters and Guidelines, adopted by COSM on September 24, 1998, establishes the state mandate 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 counties in claiming reimbursable costs.

¹ The draft report incorrectly stated that the county was paid \$1,875,362.

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, 1998, 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, and under authority provided by *Government Code* Section 17558.5. 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 internal 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 accompanying Summary of Program Costs (Schedule 1) and in the Findings and Recommendations section of this report.

For the audit period, Alameda County claimed \$2,507,619 (net of \$2,000 late filing penalty) for costs of the legislatively mandated Sexually Violent Predators Program. The audit disclosed that \$2,011,582 is allowable and \$496,037 is unallowable.

For fiscal year (FY) 1998-99, the county was paid \$598,878 by the State. The audit disclosed that \$442,542 is allowable. The amount paid in excess of allowable costs claimed, totaling \$156,336, should be returned to the State.

For FY 1999-2000, the county was paid \$904,963 by the State. The audit disclosed that \$560,610 is allowable. The amount paid in excess of allowable costs claimed, totaling \$344,353, should be returned to the State.

For FY 2000-01, the county was paid \$225,890 by the State. The audit disclosed that \$555,017 is allowable. Allowable costs claimed in excess of the amount paid, totaling \$299,127, will be paid by the State based on available appropriations.

For FY 2001-02, the county was paid \$62,626 by the State. The audit disclosed that \$453,413 is allowable. Allowable costs claimed in excess of the amount paid, totaling \$390,787, will be paid by the State based on available appropriations.

**Views of
Responsible
Official**

The SCO issued a draft audit report on June 11, 2004. Patrick O'Connell, Auditor-Controller, responded by letter dated July 2, 2004, agreeing with the audit results except for Finding 1 relating to Public Defender's costs. The final audit report includes the county's response.

Restricted Use

This report is solely for the information and use of Alameda 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, 1998, through June 30, 2002**

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustments	Reference ¹
<u>July 1, 1998, through June 30, 1999</u>				
Salaries and benefits	\$ 272,066	\$ 225,718	\$ 46,348	Finding 1
Services and supplies	250,878	161,657	89,221	Finding 2
Travel and training	<u>1,640</u>	<u>54</u>	<u>1,586</u>	Finding 3
Subtotals	524,584	387,429	137,155	
Indirect costs	<u>74,294</u>	<u>55,113</u>	<u>19,181</u>	Findings 1, 4
Total claimed costs	<u>\$ 598,878</u>	442,542	<u>\$ 156,336</u>	
Less amount paid by the State		<u>(598,878)</u>		
Allowable costs claimed in excess of (less than) amount paid			<u>\$ (156,336)</u>	
<u>July 1, 1999, through June 30, 2000</u>				
Salaries and benefits	\$ 572,349	\$ 311,609	\$ 260,740	Finding 1
Services and supplies	161,235	161,235	—	
Travel and training	<u>3,073</u>	<u>65</u>	<u>3,008</u>	Finding 3
Subtotals	736,657	472,909	263,748	
Indirect costs	<u>169,306</u>	<u>88,701</u>	<u>80,605</u>	Finding 1
Total claimed costs	905,963	561,610	344,353	
Less late filing penalty	<u>(1,000)</u>	<u>(1,000)</u>	<u>—</u>	
Total net claim	<u>\$ 904,963</u>	560,610	<u>\$ 344,353</u>	
Less amount paid by the State		<u>(904,963)</u>		
Allowable costs claimed in excess of (less than) amount paid			<u>\$ (344,353)</u>	
<u>July 1, 2000, through June 30, 2001</u>				
Salaries and benefits	\$ 387,741	\$ 380,952	\$ 6,789	Finding 1
Services and supplies	43,829	43,829	—	
Travel and training	<u>968</u>	<u>15</u>	<u>953</u>	Finding 3
Subtotals	432,538	424,796	7,742	
Indirect costs	<u>133,247</u>	<u>131,221</u>	<u>2,026</u>	Finding 1
Total claimed costs	565,785	556,017	9,768	
Less late filing penalty	<u>(1,000)</u>	<u>(1,000)</u>	<u>—</u>	
Total net claim	<u>\$ 564,785</u>	555,017	<u>\$ 9,768</u>	
Less amount paid by the State		<u>(255,890)</u>		
Allowable costs claimed in excess of (less than) amount paid			<u>\$ 299,127</u>	

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustments	Reference ¹
<u>July 1, 2001, through June 30, 2002</u>				
Salaries and benefits	\$ 277,318	\$ 294,008	\$ (16,690)	Finding 1
Services and supplies	66,870	63,731	3,139	Finding 2
Travel and training	<u>4,880</u>	<u>28</u>	<u>4,852</u>	Finding 3
Subtotals	349,068	357,767	(8,699)	
Indirect costs	<u>89,925</u>	<u>95,646</u>	<u>(5,721)</u>	Finding 1
Total claimed costs	<u>\$ 438,993</u>	453,413	<u>\$ (14,420)</u>	
Less amount paid by the State		<u>(62,626)</u>		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 390,787</u>		
<u>Summary: July 1, 1998, through June 30, 2002</u>				
Salaries and benefits	\$ 1,509,474	\$ 1,212,287	\$ 297,187	
Services and supplies	522,812	430,452	92,360	
Travel and training	<u>10,561</u>	<u>162</u>	<u>10,399</u>	
Subtotals	2,042,847	1,642,901	399,946	
Indirect costs	<u>466,772</u>	<u>370,681</u>	<u>96,091</u>	
Total claimed costs	2,509,619	2,013,582	496,037	
Less late filing penalty	<u>(2,000)</u>	<u>(2,000)</u>	<u>—</u>	
Total net claim	<u>\$ 2,507,619</u>	2,011,582	<u>\$ 496,037</u>	
Less amount paid by the State		<u>(1,822,357)</u>		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 189,225</u>		

¹ See the Findings and Recommendations section.

Findings and Recommendations

FINDING 1— Overstated salaries and benefits costs

The county overstated salaries and benefits by \$297,187 for the audit period. The related indirect cost is \$91,386. A summary of the audit adjustments by department is as follows:

	Fiscal Year				Total
	1998-99	1999-2000	2000-01	2001-02	
Salaries/benefits:					
District Attorney	\$(31,196)	\$(208,458)	\$(1,259)	\$21,167	\$(219,746)
Public Defender	(7,027)	(38,371)	(1,255)	(782)	(47,435)
Sheriff	(8,125)	(13,911)	(4,275)	(3,695)	(30,006)
Total salaries/benefits	(46,348)	(260,740)	(6,789)	16,690	(297,187)
Indirect costs	(14,476)	(80,605)	(2,026)	5,721	(91,386)
Audit adjustments	<u>\$(60,824)</u>	<u>\$(341,345)</u>	<u>\$(8,815)</u>	<u>\$22,411</u>	<u>\$(388,573)</u>

District Attorney

The county overstated claimed Deputy Attorney costs by \$149,627 during the audit period because costs were based on estimated rather than actual costs. Claimed costs were overstated by \$12,442 for FY 1998-99 and \$203,704 for FY 1999-2000, and understated by \$31,767 for FY 2000-01 and \$34,752 for FY 2001-02.

The county also claimed costs for investigators and support staff that were unsupported, totaling \$70,119 (\$18,754 for FY 1998-99, \$4,754 for FY 1999-2000, \$33,026 for FY 2000-01, and \$13,585 for FY 2001-02).

Public Defender

For FY 1999-2000, the county overstated the costs by \$23,319. The county claimed 355 hours for a Deputy Public Defender that it did not support. In addition, for another Public Defender, the county understated claimed costs by 62.5 hours.

For FY 1999-2000, the county overstated the productive hourly rate for a Deputy Public Defender by \$5,793 because it claimed costs at an hourly rate of \$86.79 and \$90.26 rather than the actual productive hourly rate of \$80.47.

The county also claimed costs for investigators and support staff that were unsupported, totaling \$18,323 (\$7,027 for FY 1998-99, \$9,259 for FY 1999-2000, \$1,255 for FY 2000-01, and \$782 for FY 2001-02).

Sheriff

The county overstated salaries and benefits relating to transporting Sexually Violent Predators (SVP) by \$30,006 for the audit period as follows:

	Fiscal Year				Total
	1998-99	1999-2000	2000-01	2001-02	
Allowable salaries/benefits:					
County jail to/from courthouse	\$ 489	\$ 560	\$ 155	\$ 298	\$ 1,502
County jail to/from state hospitals	—	—	—	—	—
Total allowable salaries/benefits	<u>489</u>	<u>560</u>	<u>155</u>	<u>298</u>	<u>1,502</u>
Less claimed salaries/benefits:					
County jail to/from courthouse	(8,614)	(10,720)	(3,013)	—	(22,347)
County jail to/from state hospitals	—	(3,751)	(1,417)	(3,993)	(9,161)
Total claimed salaries/benefits	<u>(8,614)</u>	<u>(14,471)</u>	<u>(4,430)</u>	<u>(3,993)</u>	<u>(31,508)</u>
Audit adjustments	<u>\$ (8,125)</u>	<u>\$ (13,911)</u>	<u>\$ (4,275)</u>	<u>\$ (3,695)</u>	<u>\$ (30,006)</u>

The county claimed an estimated 1.75 hours, totaling \$22,347, for one officer per trip for transportation costs from the county jail to the courthouse and back. The estimated hours included costs for transporting SVPs and non-SVPs. Subsequently, the county performed an analysis supporting that the SVP share of the costs is 3.1 minutes per trip for two officers totaling \$1,502. Allowable costs were calculated based on 3.1 minutes per trip.

The county also claimed estimated sheriff's hours totaling \$9,161 for transportation costs from the county jail to the state hospitals and back. The estimated hours included costs for transporting SVPs and non-SVPs. The county did not perform an analysis that supported the costs relating to transporting only the SVPs to and from the various state hospitals.

Parameters and Guidelines states that all costs claimed are to be traceable to source documents that show evidence of the validity of such costs and their relationship to the mandated program.

Recommendation

We recommend that the county establish procedures to ensure all claimed costs are properly supported and reimbursable for the mandate in question.

County's Response

District Attorney

The county is now aware that budgeted salaries were used. Actual salaries will be used for SB90 mandate reimbursement claims in the future.

The DA's office has reviewed their existing claiming procedures and methodology and has made adjustments as deemed necessary and appropriate to reconcile with the guidelines enumerated by the State.

Public Defender

The county disagrees with the finding, which state[s] the hours for the Deputy Public Defender, investigators and support are not supported. The Public Defender's office repeatedly supplied supporting documentation displaying actual hours and activities spent on cases by the attorney and investigators for the claims being reviewed by the auditor (FY 98-99, 99-00, 00-01 and 01-02). In many cases the auditor requested documentation after the county had already supplied the documentation. Most of the time records were hand written documents taken at the time the activity was recorded. Some of these documents were re-typed so they could be legible.

The county agrees with the finding of the incorrect productive hourly rate.

Sheriff

The Sheriff's department has developed and implemented an adequate recording and reporting system to ensure that all claimed costs are properly supported.

SCO's Comment

The finding and recommendation remain unchanged. Except for the unallowed Public Defender's salaries, benefits, and related indirect costs, the county agrees with this finding.

For the Public Defender's Office, the county claimed costs incurred by the deputy public defenders, investigators, and support staff as follows:

- Deputy Public Defenders: The county provided time logs to support only 1,331 of the 1,686 hours claimed. The county did not provide additional records to substantiate 355 unsupported hours.
- Investigators: The county provided memoranda from individual investigators that summarized hours spent for the individual SVP cases. The memoranda did not specify the time period or hours spent during this period. The county did not provide source documents, such as time logs, which would have substantiated the hours recorded on the memoranda.
- Support Staff: The county claimed hours based on estimates; no records were provided to substantiate the estimated hours.

**FINDING 2—
Overstated and
unsupported services
and supplies**

The county overstated the Sheriff's Office's services and supplies by \$92,360 for FY 1998-99 and FY 2001-02.

The county overclaimed \$87,778 in SVP housing costs for FY 1998-99 and FY 2001-02. For FY 1998-99, the county overstated housing costs by \$89,221 because it claimed housing costs at a daily jail rate of \$87 while the actual daily jail rate was \$53.82. For FY 2001-02, the county understated housing costs by \$1,443 because it claimed housing costs at a rate of \$57.32 while the actual cost was \$59.

The county claimed \$4,582 for the support staff. However, the county did not provide documentation to substantiate the costs claimed. As a result, costs claimed for the support staff were unallowable.

A summary of the audit adjustments is as follows:

	Fiscal Year		Total
	1998-99	2001-02	
Services/supplies:			
Housing costs	\$ (89,221)	\$ 1,443	\$ (87,778)
Support staff	—	(4,582)	(4,582)
Total unsupported services/supplies	<u>\$ (89,221)</u>	<u>\$ (3,139)</u>	<u>\$ (92,360)</u>

Parameters and Guidelines states that actual costs claimed are to be traceable to source documents that show evidence of the validity of such costs and their relationship to the mandated program.

Recommendation

We recommend that the county establish procedures to ensure all claimed costs are properly supported.

County's Response

In response to this audit finding, the Sheriff's department has developed and implemented an adequate recording and reporting system to ensure that all claimed costs are properly supported. When the claim was prepared, the preparer used the incorrect rate. Previously, the claims were not reviewed by a member of the Sheriff's Department prior to submission to the State. In the future, the department will review the claims before they are submitted to the State Controller's Office.

SCO's Comment

The county agrees with the finding and recommendation.

**FINDING 3—
Unsupported training
and travel costs**

The county overstated Sheriff's Office travel costs related to transporting SVPs by \$10,399 for the audit period as follows:

	Fiscal Year				Total
	1998-99	1999-2000	2000-01	2001-02	
Allowable mileage costs:					
County jail to/from courthouse	\$ 54	\$ 55	\$ 15	\$ 31	\$ 155
County jail to/from state hospitals	—	—	—	—	—
Total allowable mileage costs	<u>54</u>	<u>55</u>	<u>15</u>	<u>31</u>	<u>155</u>
Less claimed salaries/benefits:					
County jail to/from courthouse	(1,640)	(3,391)	(660)	(3,282)	(7,973)
County jail to/from state hospitals	—	(672)	(308)	(1,601)	(2,581)
Total claimed salaries/benefits	<u>(1,640)</u>	<u>(3,063)</u>	<u>(968)</u>	<u>(4,883)</u>	<u>(10,554)</u>
Audit adjustments	<u>\$ (1,586)</u>	<u>\$ (3,008)</u>	<u>\$ (953)</u>	<u>\$ (4,852)</u>	<u>\$ (10,399)</u>

The county claimed mileage costs totaling \$7,973 for transportation costs from the county jail to the courthouse and back. The mileage costs included transportation costs for SVPs and non-SVPs. Subsequently, the county performed an analysis supporting that the SVP share of mileage costs, from the county jail to the courthouse and back, totals \$155.

The county also claimed estimated mileage costs, totaling \$2,581, for transportation costs from the county jail to the state hospitals and back. The estimated mileage included costs for transporting SVPs and non-SVPs. The county did not perform an analysis that supported the costs relating to transporting only the SVPs to and from the various state hospitals.

Parameters and Guidelines states that actual costs claimed are to be traceable to source documents that show evidence of the validity of such costs and their relationship to the mandated program.

Recommendation

We recommend that the county establish procedures to ensure all claimed costs are properly supported.

County's Response

The Sheriff's department has developed and implemented an adequate recording and reporting system to ensure that all claimed costs are properly supported.

SCO's Comment

The county agrees with the finding and recommendation.

**FINDING 4—
Overstated indirect
costs**

The county overstated the indirect cost rate for the Public Defender's Office for FY 1998-99. The county claimed an indirect cost rate of 25.6% while the actual rate per the indirect cost rate proposal was 21.7%, a variance of 3.9%. Consequently, indirect costs were overstated as follows:

	<u>Fiscal Year 1998-99</u>
Supported indirect cost rate	21.7%
Less claimed indirect cost rate	<u>(25.6)%</u>
Overstated indirect cost rate	(3.9)%
Allowable costs	<u>\$ × 120,636</u>
Audit adjustment	<u>\$ (4,705)</u>

Parameters and Guidelines states that actual costs claimed are to be traceable to source documents that show evidence of the validity of such costs and their relationship to the mandated program.

Recommendation

We recommend that the county establish procedures to ensure all claimed costs are properly supported.

County's Response

The county agrees with this finding. Actual . . . [indirect cost rates] will be used in the future.

SCO's Comment

The county agrees with the finding and recommendation.

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



**ALAMEDA COUNTY
AUDITOR-CONTROLLER AGENCY
PATRICK O'CONNELL
AUDITOR-CONTROLLER/CLERK-RECORDER**

July 2, 2004

Mr. Jim Spano
Chief, Compliance Audits Bureau
California State Controller
PO Box 942850
Sacramento, Ca 94250

Date: June 30, 2004

RE: Alameda County, Sexually Violent Predators Program, Response to Draft Audit Report

Dear Mr. Spano,

Thank you for the draft audit report on the SB90 State Mandated Cost claim of the Sexually Violent Predators Program. The report was very helpful in enabling us to review our claiming process and cost recovery procedures. Below are the responses from the departments to the areas of disagreement on findings contained in the report. We request your reconsideration of the disputed audit findings in light of these replies.

Finding 1 – *Overstated Salaries and benefits costs*

DA

The county overstated claimed Deputy Attorney costs by \$149,627 during the audit period because costs were based on estimated rather than actual costs.

The county also claimed costs for investigators and support staff that were unsupported.

Response:

The county is now aware that budgeted salaries were used. Actual salaries will be used for SB90 mandate reimbursement claims in the future.

The DA's office has reviewed their existing claiming procedures and methodology and has made adjustments as deemed necessary and appropriate to reconcile with the guidelines enumerated by the State.

Public Defender:

The county overstated the costs by claiming 355 hours for a Deputy Public Defender, which was not supported. The county understated claimed costs by 62.5 for another Public Defender.

Assistant Controller
Connie Land
1221 Oak St., Rm. 238
Oakland, CA 94612
Tel: (510) 272-6565
Fax: (510) 267-9414

Office of the Auditor-Controller
Steve Manning, Chief Deputy Auditor
1221 Oak St., Rm. 249
Oakland, CA 94612
Tel: (510) 272-6565
Fax: (510) 272-6502

Assistant Controller
Beverly Worthington
1221 Oak St., Rm. 220
Oakland, CA 94612
Tel: 272-6565
Fax: 208-4977

Page 2
July 2, 2004

The county overstated the productive hourly rate for a Deputy Public Defender because it claimed costs at an hourly rate of \$86.79 and \$90.26 rather than the actual productive hourly rate of \$80.47.

The county also claimed costs for investigators and support staff that were unsupported.

Response:

The county disagrees with the finding, which state the hours for the Deputy Public Defender, investigators and support are not supported. The Public Defender's office repeatedly supplied supporting documentation displaying actual hours and activities spent on cases by the attorney and investigators for the claims being reviewed by the auditor (FY 98-99, 99-00, 00-01 and 01-02). In many cases the auditor requested documentation after the county had already supplied the documentation. Most of the time records were hand written documents taken at the time the activity was recorded. Some of these documents were re-typed so they could be legible.

The county agrees with the finding of the incorrect productive hourly rate.

Sheriff

The county overstated salaries and benefits relating to transporting SVPs. Hours were calculated for transporting SVPs and non-SVPs. The county did not perform an analysis that supported the costs relating to transporting only the SVPs to and from the various state hospitals and from the county jail to the courthouse and back. (FYs 98-99 through 01-02)

Response:

The Sheriff's department has developed and implemented an adequate recording and reporting system to ensure that all claimed costs are properly supported.

Finding 2-Overstated and unsupported services and supplies

The county overstated the Sheriff's Office's services and supplies by \$92,360 for FY 1998-99 and FY 01-02. The county over claimed SVP housing costs for FY 98-99 and 01-02 due to the use of the incorrect daily jail rate.

The county claimed \$4582 for support staff. The county did not provide documentation to substantiate the costs claimed.

Response:

In response to this audit finding, the Sheriff's department has developed and implemented an adequate recording and reporting system to ensure that all claimed costs are properly supported. When the claim was prepared, the preparer used the incorrect rate. Previously, the claims were not

Page 3
July 2, 2004

reviewed by a member of the Sheriff's Department prior to submission to the State. In the future, the department will review the claims before they are submitted to the State Controller's Office.

Finding 3-Unsupported training and travel costs

Sheriff

The county overstated the Sheriff's Office travel costs related to transporting SVPs. Mileage costs included costs for transporting SVPs and non-SVPs. The county performed an analysis supporting that the SVP share of mileage costs, from the county jail to the courthouse and back, totals \$155. However, the county did not perform an analysis on the costs for just SVPs relating to the transportation from the county jail to the state hospitals and back.

Response

The Sheriff's department has developed and implemented an adequate recording and reporting system to ensure that all claimed costs are properly supported.

Finding 4 -Overstated indirect costs

Public Defender

The county overstated the indirect cost rate for FY 98-99. The county claimed an incorrect cost rate of 25.6% while the actual rate per the indirect cost rate proposal was 21.7% a variance of 3.9%.

Response:

The county agrees with this finding. Actual salaries will be used in the future.

Thank you for reconsidering the disputed audit finding number 1 for the Public Defender's Office in light of these replies. We are looking forward to hearing from you.

Sincerely,



Patrick O'Connell
Auditor-Controller

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

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