SAN BERNARDINO COUNTY

Final Audit Report

RACIAL AND IDENTITY PROFILING PROGRAM

July 1, 2017, through June 30, 2023

MALIA M. COHEN

CALIFORNIA STATE CONTROLLER

March 2026

S24-MCC-0012

STATE CONTROLLER'S OFFICE | DIVISION OF AUDITS

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MALIA M. COHEN
CALIFORNIA STATE CONTROLLER

March 5, 2026

CERTIFIED MAIL—RETURN RECEIPT REQUESTED

The Honorable Ensen Mason, CPA, CFA, Auditor-Controller
San Bernardino County
268 West Hospitality Lane
San Bernardino, CA 92415

Dear Auditor-Controller Mason:

The State Controller's Office audited the costs claimed by San Bernardino County (the county) for the legislatively mandated Racial and Identity Profiling Program for the period of July 1, 2017, through June 30, 2023.

The county claimed and was paid $1,676,005 for costs of the mandated program. Our audit found that $1,421,078 is allowable and $254,927 is unallowable. The costs are unallowable primarily because the county overstated salaries and benefits, and related indirect costs.

Following issuance of this audit report, the Local Government Programs and Services Division of the State Controller's Office will notify the county of the adjustment to its claims via a system-generated letter for each fiscal year in the audit period.

If you have any questions regarding this report, please contact Lisa Kurokawa, Chief, Compliance Audits Bureau, by telephone at 916-327-3138. Thank you.

Sincerely,

Original signed by
Kimberly A. Tarvin, CPA
Chief, Division of Audits

Copy: Mima Ugbo, Chief Deputy Controller
San Bernardino County Auditor-Controller's Office
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Management Services Section
San Bernardino County Auditor-Controller's Office
The Honorable Dawn Rowe, Chair
San Bernardino County Board of Supervisors
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SUMMARY

The State Controller's Office (SCO) audited the costs claimed by San Bernardino County (the county) for the legislatively mandated Racial and Identity Profiling Program for the period of July 1, 2017, through June 30, 2023.

The county claimed and was paid $1,676,005 for costs of the mandated program. Our audit found that $1,421,078 is allowable and $254,927 is unallowable. The costs are unallowable primarily because the county overstated salaries and benefits, and related indirect costs.

BACKGROUND

Government Code (GC) section 12525.5, as added and amended by the Statutes of 2015, Chapter 466 and the Statutes of 2017, Chapter 328; and Title 11, California Code of Regulations, sections 999.224 through 999.229 established the state-mandated Racial and Identity Profiling Program.

The program requires a local law enforcement agency that employs peace officers—or that contracts for peace officers from another city or county for police protection services—to electronically report to the Attorney General, on an annual basis, data on all "stops" conducted within its jurisdiction. For purposes of the program, "peace officer" does not include probation officers and officers in custodial settings.

On May 22, 2020, the Commission on State Mandates found that GC section 12525.5 constitutes a reimbursable state-mandated program, beginning November 7, 2017, for local law enforcement agencies.

The Commission on State Mandates determined that each claimant is allowed to claim and be reimbursed for the following activities identified in the parameters and guidelines (Section IV., "Reimbursable Activities"):

A. One-Time Activities

1. One-time training per peace officer employee and supervisor assigned to perform the reimbursable activities listed in Section IV.B. of these Parameters and Guidelines.

2. One-time installation and testing of software necessary to comply with the state-mandated requirements for the collection and reporting of data on all applicable stops.

B. Ongoing Activities

1. Identification of the peace officers required to report stops, and maintenance of a system to match individual officers to their Officer I.D. number. . . .

2. Collection and reporting data on all stops, as defined, conducted by that agency's peace officers for the preceding calendar year in accordance with sections 999.226(a) and 999.227 of the regulations. . . .

3. Electronic submission of data to DOJ [Department of Justice] and retention of stop data collected. . . .

4. Audits and validation of data collected. . . .

5. For stop data collected, ensure that the name, address, social security number, or other unique personally identifiable information of the individual stopped, searched, or subjected to property seizure, and the badge number or other unique identifying information of the peace officer involved, is not transmitted to the Attorney General in an open text field. . . .

The parameters and guidelines describe the 16 types of stop data and all applicable data elements, data fields, and narrative explanation fields that peace officers must collect for every stop.

The following stops are not reportable:

- Interactions with passengers in a stopped vehicle who have not been observed or suspected of violating the law;
- Stops made during public-safety mass evacuations;
- Stops made during active shooter incidents;
- Stops resulting from routine security screenings to enter a building or special event;
- Interactions during traffic control of vehicles due to a traffic accident or emergency situation that requires that vehicles are stopped for public safety purposes; any type of crowd control in which pedestrians are made to remain in a location or routed to a different location for public safety purposes; interactions during which persons are detained at a residence so that the officer may check for proof of age for purposes of investigating underage drinking; and checkpoints and roadblocks in which an officer detains a person as the result of regulatory activity that is general and not based on individualized suspicion or personal characteristics;
- Interactions with a person who is subject to a warrant or search condition at his or her residence;
- Interactions with a person who is subject to home detention or house arrest;
- Stops in a custodial setting; and
- Stops that occur when an officer is off-duty.

The program's parameters and guidelines establish the state mandate and define the reimbursement criteria. In compliance with GC section 17558, the SCO issues the *Mandated Cost Manual for Local Agencies* (*Mandated Cost Manual*) to assist the county in claiming reimbursable costs.

AUDIT AUTHORITY

We conducted this audit in accordance with GC sections 17558.5 and 17561, which authorize the SCO to audit the county's records to verify the actual amount of the mandated costs. In addition, GC section 12410 provides the SCO with general authority to audit the disbursement of state money for correctness, legality, and sufficient provisions of law for payment.

OBJECTIVE, SCOPE, AND METHODOLOGY

Our audit objective was to determine whether claimed costs represent increased costs resulting from the legislatively mandated Racial and Identity Profiling Program during the period of July 1, 2017, through June 30, 2023. Specifically, we conducted this audit to determine whether claimed costs were supported by appropriate source documents, not funded by another source, and not unreasonable and/or excessive. Unreasonable and/or excessive costs include ineligible costs that are not identified in the program's parameters and guidelines as reimbursable costs. To achieve our objective, we performed the following procedures:

- We reviewed the annual mandated cost claims filed by the county for the audit period and identified the significant cost components of each claim as salaries and benefits, and indirect costs. We determined whether there were any errors, or unusual or unexpected variances from year to year. We also reviewed the claimed activities to determine whether they adhered to the SCO's *Mandated Cost Manual* and the program's parameters and guidelines.

- We completed an internal control questionnaire by interviewing the county's key staff members. We discussed the claim preparation process with the county's staff members to determine what information was obtained, who obtained it, and how it was used.

- We assessed the reliability of data (stop data, payroll, revenue, and expenditure records) generated by the county's information management system and the county's record management system by interviewing the county's staff members and examining the supporting documentation. We determined that the data provided was sufficiently reliable to address the audit objective.

- We reviewed and analyzed the claimed one-time training costs to verify that the costs were properly supported and were mandate-related. We verified that the claimed costs did not include duplicate employees and that the Racial and Identity Profiling Act (RIPA) training course was completed by all employees (see Finding 1).

- We reviewed and analyzed the claimed costs for the identification of peace officers required to report stops, and the maintenance of a system to match individual officers to their Officer ID number. We determined that the claimed costs were reasonable.

- We obtained the county's system-generated lists of stop data—which the county had collected and reported to the DOJ—from its RIPA application to verify the existence, completeness, and accuracy of counts for each fiscal year of the audit period. We found several reported stops with a duration of negative or zero minutes that were identified as "glitches" within the county's RIPA application. We recalculated the costs based on the allowable number of stops reported for each fiscal year in the audit period.

- We designed a statistical sampling plan to test salary and benefit costs claimed for the collection and reporting of stop data for fiscal year (FY) 2018-19 through FY 2022-23, based on a moderate level of detection (audit) risk. The sampling plan is described in the Findings and Recommendations section.

- We used a random number table to select 745 out of 128,509 stops from the five fiscal years sampled. We tested the stop data as follows:
    - We determined whether data collected for each stop included all of the required elements to be reported to the DOJ according to the program's parameters and guidelines.
    - We determined whether sampled stops tested were performed by peace officers who were covered by a law enforcement services agreement, other memorandum of understanding, or funded by an outside funding source.
    - We determined whether any stops occurred at the residence of a known felon with an outstanding arrest warrant.
    - We obtained employee ID numbers and ranks of peace officers from the sampled stop data documenting who performed the reimbursable activities. We then compared the employee classifications obtained from the stop data to those that the county claimed.
- We reviewed and analyzed the county's average time increments claimed to verify that the hours spent performing the reimbursable activities by each job classification were reasonable and properly supported. Based on our discussion with the county's personnel, we determined that the county overstated the average time increments that it used to calculate its costs for collecting and reporting stop data.
- We traced a sample of the county's average productive hourly rate (PHR) calculations for the claimed job classifications to supporting information in the county's payroll system. We determined that the claimed PHRs were reasonable.
- We projected the audit results for each of the five fiscal years tested by multiplying the allowable count of stops by the allowable average time increments needed to perform the reimbursable activities and multiplying the product by the PHRs of the county employees who performed them (see Finding 1).

- We reviewed and analyzed the claimed costs for electronic submission of data to the DOJ and retention of stop data collected. We determined that the claimed costs were reasonable.

- We obtained the county's system-generated lists for the audits and validation of data collected from its RIPA application to verify the total time spent for each job classification claimed. We verified that the claimed costs did not include stops with a duration of negative or zero minutes from its collection and reporting of stop data (see Finding 1).

- We reviewed and analyzed the claimed costs for stop data collected, to ensure that the identities of the individual and the peace officer involved were not transmitted to the Attorney General in an open text field. We determined that the claimed costs were reasonable.

- We verified that the claimed indirect costs for each fiscal year of the audit period were for common or joint purposes and that indirect cost rates were properly calculated, supported, and applied. However, the county did not allocate the appropriate percent allocation between direct and indirect costs for FY 2021-22 (see Finding 2).

- We inquired with the county's staff members and reviewed the county's Single Audit Reports and revenue reports to identify potential sources of offsetting savings or reimbursements from federal or pass-through programs applicable to the Racial and Identity Profiling Program. We identified several programs and discussed those with the county. A county representative confirmed that it did not receive offsetting revenues applicable to the mandated program during the audit period.

We conducted this performance 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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

CONCLUSION

As a result of performing the audit procedures, we found instances of noncompliance with the requirements described in our audit objective. We found that the county claimed costs that are ineligible, unsupported, and funded by another source, as quantified in the Schedule and described in the Findings and Recommendations section.

For the audit period, the county claimed and was paid $1,676,005 for costs of the legislatively mandated Racial and Identity Profiling Program. Our audit found that $1,421,078 is allowable and $254,927 is unallowable.

Following issuance of this audit report, the SCO's Local Government Programs and Services Division will notify the county of the adjustment to its claims via a system-generated letter for each fiscal year in the audit period.

FOLLOW-UP ON PRIOR AUDIT FINDINGS

We have not previously conducted an audit on the county's legislatively mandated Racial and Identity Profiling Program.

VIEWS OF RESPONSIBLE OFFICIALS

We issued a draft audit report on October 30, 2025. The county's representative responded by letter dated November 7, 2025, agreeing with the audit results. This final audit report includes the county's response as an attachment.

RESTRICTED USE

This report is solely for the information and use of the county, the California Department of Finance, and 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 and is available on the SCO website at www.sco.ca.gov.

Original signed by
Kimberly A. Tarvin, CPA
Chief, Division of Audits

March 5, 2026

SCHEDULE—SUMMARY OF PROGRAM COSTS

July 1, 2017, through June 30, 2023

For every fiscal year of the audit period, we found salaries and benefits that were reimbursed to the county through contracts or grants. Rather than reporting the applicable amounts as offsetting revenues, we have accounted for them in audit adjustments for direct and indirect costs related to Activity B.2., collecting and reporting stop data. Please see Finding 1 for the specifics of this adjustment.

Payment amounts shown below are current as of December 3, 2025.

GC 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 2021-22.

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference
July 1, 2017, through June 30, 2018				
Direct costs:				
Salaries and benefits:				
Train peace officers and supervisors	$17,582	$17,582	$0	
Total direct costs	17,582	17,582	0	
Indirect costs	9,254	9,254	0	
Total direct and indirect costs	26,836	26,836	0	
Less offsetting revenues and other reimbursements	0	0	0	
Total program costs	$26,836	26,836	$0	
Less amount paid by the state		-26,836		
Allowable costs claimed in excess of amount paid		$0		

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference
July 1, 2018, through June 30, 2019				
Direct costs:				
Salaries and benefits:				
Train peace officers and supervisors	$2,489	$2,369	-$120	Finding 1
Collect and report data	268,666	171,501	-97,165	Finding 1
Audit and validate data	81,856	81,775	-81	Finding 1
Total direct costs	353,011	255,645	-97,366	
Indirect costs	187,519	135,798	-51,721	Finding 1
Total direct and indirect costs	540,530	391,443	-149,087	
Less offsetting revenues and other reimbursements	0	0	0	
Total program costs	$540,530	391,443	-$149,087	
Less amount paid by the state		-540,530		
Amount paid in excess of allowable costs		-$149,087		
July 1, 2019, through June 30, 2020				
Direct costs:				
Salaries and benefits:				
Collect and report data	$166,065	$133,964	-$32,101	Finding 1
Audit and validate data	50,553	50,147	-406	Finding 1
Total direct costs	216,618	184,111	-32,507	
Indirect costs	116,107	98,682	-17,425	Finding 1
Total direct and indirect costs	332,725	282,793	-49,932	
Less offsetting revenues and other reimbursements	0	0	0	
Total program costs	$332,725	282,793	-$49,932	
Less amount paid by the state		-332,725		
Amount paid in excess of allowable costs		-$49,932		

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference
July 1, 2020, through June 30, 2021				
Direct costs:				
Salaries and benefits:				
Train peace officers and supervisors	$99	$67	-$32	Finding 1
Collect and report data	120,395	106,418	-13,977	Finding 1
Audit and validate data	54,243	54,055	-188	Finding 1
Total direct costs	174,737	160,540	-14,197	
Indirect costs	83,087	76,337	-6,750	Finding 1
Total direct and indirect costs	257,824	236,877	-20,947	
Less offsetting revenues and other reimbursements	0	0	0	
Total program costs	$257,824	236,877	-$20,947	
Less amount paid by the state		-257,824		
Amount paid in excess of allowable costs		-$20,947		
July 1, 2021, through June 30, 2022				
Direct costs:				
Salaries and benefits:				
Train peace officers and supervisors	$573	$480	-$93	Finding 1
Collect and report data	145,757	113,444	-32,313	Finding 1
Audit and validate data	70,880	70,880	0	Finding 1
Total direct costs	217,210	184,804	-32,406	
Indirect costs	34,819	71,223	36,404	Findings 1, 2
Total direct and indirect costs	252,029	256,027	3,998	
Less offsetting revenues and other reimbursements	0	0	0	
Less allowable costs that exceed costs claimed	0	-3,998	-3,998	

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference
Total program costs	$252,029	252,029	$0	
Less amount paid by the state		-252,029		
Allowable costs claimed in excess of amount paid		$0		
July 1, 2022, through June 30, 2023				
Direct costs:				
Salaries and benefits:				
Identification of peace officers/Maintenance of system	$8,158	$8,158	$0	
Collect and report data	107,320	82,629	-24,691	Finding 1
Electronic submission of data	4,079	4,079	0	
Audit and validate data	52,038	52,038	0	
Ensure identities are not transmitted in open text field	16,315	16,315	0	
Total direct costs	187,910	163,219	-24,691	
Indirect costs	78,151	67,881	-10,270	Finding 1
Total direct and indirect costs	266,061	231,100	-34,961	
Less offsetting revenues and other reimbursements	0	0	0	
Total program costs	$266,061	231,100	-$34,961	
Less amount paid by the state		-266,061		
Amount paid in excess of allowable costs		-$34,961		
Summary: July 1, 2017, through June 30, 2023				
Direct costs:				
Salaries and benefits:				
Train peace officers and supervisors	$20,743	$20,498	-$245	Finding 1
Identification of peace officers/Maintenance of system	8,158	8,158	0	
Collect and report data	808,203	607,956	-200,247	Finding 1
Electronic submission of data	4,079	4,079	0	

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference
Audit and validate data	309,570	308,895	-675	Finding 1
Ensure identities are not transmitted in open text field	16,315	16,315	0	
Total direct costs	1,167,068	965,901	-201,167	
Indirect costs	508,937	459,175	-49,762	Findings 1, 2
Total direct and indirect costs	1,676,005	1,425,076	-250,929	
Less offsetting revenues and other reimbursements	0	0	0	
Less allowable costs that exceed costs claimed	0	-3,998	-3,998	
Total program costs	$1,676,005	1,421,078	-$254,927	
Less amount paid by the state		-1,676,005		
Amount paid in excess of allowable costs		-$254,927		

FINDINGS AND RECOMMENDATIONS

Finding 1—Overstated Salaries and Benefits

The county claimed $1,167,068 in salaries and benefits for the audit period. We found that $965,901 is allowable and $201,167 is unallowable. Unallowable related indirect costs total $91,361, for a total adjustment of $292,528. The costs are unallowable because the county overstated the number of employees that attended or completed the one-time training, overstated the number of stops conducted, overstated the average time increments needed to perform the collection and reporting of data on all stops, overstated the number of hours claimed for audits and validation, and overstated related indirect costs.

The county overstated these costs because it did not claim costs in accordance with the program's parameters and guidelines or the SCO's *Mandated Cost Manual*.

The following table summarizes the audit adjustment by fiscal year for salaries and benefits:

Fiscal Year	Salaries and Benefits Claimed [A]	Salaries and Benefits Allowable [B]	Salaries and Benefits Audit Adjustment [C] = [B] − [A]	Unallowable Related Indirect Costs [D]	Total Audit Adjustment [E] = [C] + [D]
2017-18	$17,582	$17,582	$0	$0	$0
2018-19	353,011	255,645	-97,366	-51,721	-149,087
2019-20	216,618	184,111	-32,507	-17,425	-49,932
2020-21	174,737	160,540	-14,197	-6,750	-20,947
2021-22	217,210	184,804	-32,406	-5,195	-37,601
2022-23	187,910	163,219	-24,691	-10,270	-34,961
Total	$1,167,068	$965,901	-$201,167	-$91,361	-$292,528

One-time Activities

The parameters and guidelines identify the following one-time activities:

- Activity A.1. – One-time training for each peace officer employee and supervisor assigned to perform the reimbursable activities; and

- Activity A.2. – One-time installation and testing of software necessary to comply with the requirements for collecting and reporting stop data.

Training

The county claimed salaries and benefits costs totaling $20,743 for one-time staff training. We found that $20,498 is allowable and $245 is unallowable. Unallowable related indirect costs total $94, for a total adjustment of $339. The costs are unallowable for the following reasons:

- The county inadvertently claimed six employees (five in FY 2018-19 and one in FY 2020-21) who attended a RIPA training course more than once.

- The county claimed six employees who did not complete their RIPA training course for FY 2021-22. During fieldwork, these six employees showed a status of "P" on the county's POST (Peace Officer Standards and Training) roster. The "P" status indicated that the course was "In-Progress." Therefore, the county confirmed that the records are based on transcripts and that training has not been completed for those individuals.

The county overstated its claimed RIPA training time by 4.8 minutes (0.08 hours) per employee. The San Bernardino County Sheriff's Department stated that the time allocated for training was 10.2 minutes (0.17 hours) per trainee. However, when the claims were prepared, the total hours worked were rounded to 0.25-hour increments.

The following table summarizes the audit adjustment by fiscal year for one-time staff training:

Fiscal Year	Salaries and Benefits Claimed [A]	Salaries and Benefits Allowable [B]	Salaries and Benefits Audit Adjustment ([C] = [B] − [A])	Unallowable Related Indirect Costs [D]	Total Audit Adjustment ([E] = [C] + [D])
2017-18	$17,582	$17,582	$0	$0	$0
2018-19	2,489	2,369	-120	-64	-184
2020-21	99	67	-32	-15	-47
2021-22	573	480	-93	-15	-108
Total	$20,743	$20,498	-$245	-$94	-$339

Ongoing Activities

The parameters and guidelines identify the following ongoing activities:

- Activity B.1. – Identifying the peace officers required to report stops, and maintaining a system to match individual officers to their Officer ID numbers;
- Activity B.2. – Collecting and reporting data on all reportable stops;
- Activity B.3. – Submitting electronic stop data to the DOJ and retaining collected stop data;
- Activity B.4. – Audits and validation of data collected; and
- Activity B.5. – Ensuring that personally identifiable information of the individuals stopped, and unique identifying information of the peace officers involved are not transmitted to the DOJ in an open text field.

Collecting and Reporting Data

The county claimed $808,203 in salaries and benefits for collecting and reporting stop data. We found that $607,956 is allowable and $200,247 is unallowable. Unallowable related indirect costs total $90,916, for a total adjustment of $291,163. The costs are unallowable because the county overstated the number of stops conducted, claimed stops performed by officers who were covered by law enforcement services agreements or funded by federal or state grants, and overstated its average time increments for collecting and reporting stop data.

The following table summarizes the audit adjustment by fiscal year for collecting and reporting data:

Fiscal Year	Salaries and Benefits Claimed [A]	Salaries and Benefits Allowable [B]	Salaries and Benefits Audit Adjustment [C] = [B] − [A]	Unallowable Related Indirect Costs [D]	Total Audit Adjustment [E] = [C] + [D]
2018-19	$268,666	$171,501	-$97,165	-$51,614	-$148,779
2019-20	166,065	133,964	-32,101	-17,207	-49,308
2020-21	120,395	106,418	-13,977	-6,645	-20,622

Fiscal Year	Salaries and Benefits Claimed [A]	Salaries and Benefits Allowable [B]	Salaries and Benefits Audit Adjustment [C] = [B] − [A]	Unallowable Related Indirect Costs [D]	Total Audit Adjustment [E] = [C] + [D]
2021-22	145,757	113,444	-32,313	-5,180	-37,493
2022-23	107,320	82,629	-24,691	-10,270	-34,961
Total	$808,203	$607,956	-$200,247	-$90,916	-$291,163

Number of Stops Reported

The county reported 133,619 stops in its claims during the audit period. We found that the county overstated the number of stops reported by 9,257, and that 124,362 stops are allowable.

The following table summarizes the counts of claimed, supported, and allowable stops, and the audit adjustment by fiscal year:

Fiscal Year	Claimed Stops [A]	Audited Population [B]	Allowable Stops [C]	Audit Adjustment [D] = [C] − [A]
2018-19	37,526	32,728	31,409	-6,117
2019-20	31,752	31,497	30,439	-1,313
2020-21	23,808	23,751	22,953	-855
2021-22	23,549	23,549	22,918	-631
2022-23	16,984	16,984	16,643	-341
Total	133,619	128,509	124,362	-9,257

During the audit, we requested, and the county generated, Excel spreadsheets showing stop data downloaded from its RIPA application to support the number of stops. These spreadsheets contained the following information:

- Stop date and time,
- Stop case number,
- San Bernardino County Sheriff's Department's station name,
- Officer ID number,

- Officer classification, and
- Duration of stop (in minutes).

After reviewing the county's stop data listing for each fiscal year, we found that the county inadvertently claimed 321 stops that had a duration time of negative or zero minutes each: eight stops in FY 2018-19, 255 stops in FY 2019-20, 57 stops in FY 2020-21, and one stop in FY 2022-23. The county indicated that these stops were errors caused by system clock inaccuracies, time zone mismanagement, and incorrect time calculation logic on the client side of their web application. Therefore, we removed the stops with negative or zero minutes from our audited population.

We verified the accuracy of the stop data recorded in the county's RIPA application by determining whether each stop:

- Included all required elements according to the program's parameters and guidelines;
- Was not performed by a peace officer in a jurisdiction covered by a law enforcement services agreement or other agreement, or funded by federal or state grants; and
- Did not occur at the residence of a known felon with an outstanding arrest warrant.

For FY 2018-19 through FY 2022-23, we selected a statistical sample from the documented number of stops reported by peace officers (the population) based on a 95 percent confidence level, a precision rate of plus or minus eight percent, and an expected error rate of 50 percent. We used statistical samples in order to project the results to the population for each fiscal year. We selected for review a total random sample of 745 out of 128,509 reported stops.

Our review of the sampled stop data disclosed the following:

- For FY 2018-19, we found that six out of 149 reported stops were unallowable. All six stops were conducted by officers whose salaries were partially funded by a federal or state grant. Therefore, we calculated an error rate of 4.03 percent for FY 2018-19.

- For FY 2019-20, we found that five out of 149 reported stops were unallowable. Three of the five stops were conducted by officers whose salaries were partially funded by a federal or state grant. The remaining two stops were conducted by an officer under contract to provide law enforcement services to a school district. Therefore, we calculated an error rate of 3.36 percent for FY 2019-20.

- For FY 2020-21, we found that five out of 149 reported stops were unallowable. Four of the five stops were conducted by officers under contract to provide law enforcement services to a school district. The remaining stop was conducted by an officer whose salary was partially funded by a federal or state grant. Therefore, we calculated an error rate of 3.36 percent for FY 2020-21.

- For FY 2021-22, we found that four out of 149 reported stops were unallowable. All four stops were conducted by officers whose salaries were partially funded by a federal or state grant. Therefore, we calculated an error rate of 2.68 percent for FY 2021-22.

- For FY 2022-23, we found that three out of 149 reported stops were unallowable. All three stops were conducted by officers whose salaries were partially funded by a federal or state grant. Therefore, we calculated an error rate of 2.01 percent for FY 2022-23.

In order to determine the allowable and unallowable stops for each fiscal year, we multiplied the audited population of stops by the error rates for FY 2018-19 through FY 2022-23.

The following table summarizes the number of allowable and unallowable stops by fiscal year:

Fiscal Year	Audited Population [A]	Error Rate [B]	Total Unallowable Stops [C] = [A] × [B]	Total Allowable Stops [D] = [A] − [C]
2018-19	32,728	4.03%	1,319	31,409
2019-20	31,497	3.36%	1,058	30,439
2020-21	23,751	3.36%	798	22,953
2021-22	23,549	2.68%	631	22,918
2022-23	16,984	2.01%	341	16,643
Total	128,509		4,147	124,362

Time Increments

The county claimed its average time increments for collecting and reporting stop data based on each job classification that conducted a RIPA stop. The county stated that their RIPA application has an internal tracking system that captures both the start and end times for each stop. The RIPA application enforces a maximum report time of 15 minutes to prevent excessive time inflation, such as an officer stepping away briefly before submitting their RIPA form. After reviewing the county's RIPA data listing for each fiscal year of the audit period, none of the reported stops took longer than 10 minutes. Also, a majority of the 10-minute stops that were part of our statistical sample only involved one or two persons per stop. Therefore, we excluded the 10-minute stops from the average time increment calculation, as these stops may have been incidences where the officers stepped away briefly before submitting their RIPA form.

The following table shows the calculation of the allowable average minutes to conduct stops by job classification for FY 2018-19:

Job Classification	Total Minutes Worked [A]	Number of Stops [B]	Average Minutes per Stop ([C] = [A] ÷ [B])
Deputy Sheriff	33,194	10,193	3.26
Deputy Sheriff 12 Hr/80	41,363	12,936	3.20
Deputy Sheriff 12 Hr/84	5,360	1,675	3.20
Deputy Sheriff Resident	2,401	648	3.71
Lieutenant	175	35	5.00
Sergeant	4,002	980	4.08
Sergeant 12 Hr/80 & 84	385	81	4.75
Detective/Corporal	7,954	2,093	3.80

Job Classifications

The county claimed various job classifications for collecting and reporting stop data based on the system-generated list from its RIPA application. These classifications included, but were not limited to, Deputy Sheriff, Deputy Sheriff Resident, Sergeant, and Detective/Corporal. To determine which job classifications performed the reimbursable activities, we:

- Reviewed the stop data from our statistical sample; and
- Calculated the percentage of involvement for each job classification that performed Activity B.2.

We calculated allowable salaries and benefits for each job classification based on the percentage of involvement from our statistical sample, total allowable stops, allowable average time increments, and PHRs.

The following table shows the calculation of allowable salaries and benefits for each job classification for FY 2018-19:

Job Classification	Stops Allowable [A]	Percentage Sampled [B]	Total Stops Allowable ([C] = [A] × [B])	Average Time Increment Allowable [D]	Total Minutes Worked ([E] = [C] × [D])	Total Hours Worked ([F] = [E] ÷ [60])	Productive Hourly Rate Allowable [G]	Salaries and Benefits Allowable ([H] = [F] × [G])
Deputy Sheriff	31,409	33.55%	10,537	3.26	34,350.62	572.51	$104.10	$59,598
Deputy Sheriff 12 Hr Shift - 80	31,409	51.01%	16,022	3.20	51,270.40	854.51	85.60	73,146
Deputy Sheriff 12 Hr Shift - 84	31,409	5.37%	1,687	3.20	5,398.40	89.97	139.86	12,583
Deputy Sheriff Resident	31,409	1.34%	421	3.71	1,561.91	26.03	124.50	3,241
Sheriff's Sergeant	31,409	3.36%	1,055	4.08	4,304.40	71.74	138.89	9,964
Sheriff's Detective/Corporal	31,409	5.37%	1,687	3.80	6,410.60	106.84	121.39	12,969
Total								$171,501

The following table shows the percentage of involvement for each job classification (based on our statistical sample) for FY 2018-19:

Job Classification	Number of Stops Conducted [A]	Sample Size [B]	Percentage Sampled ([C] = [A] ÷ [B])
Deputy Sheriff	50	149	33.55%
Deputy Sheriff 12 Hr Shift - 80	76	149	51.01%
Deputy Sheriff 12 Hr Shift - 84	8	149	5.37%
Deputy Sheriff Resident	2	149	1.34%
Sheriff's Sergeant	5	149	3.36%
Sheriff's Detective/Corporal	8	149	5.37%
Total	149		100.00%

Audits and Validation of Data Collected

The county claimed $309,570 in salaries and benefits for the audits and validation of data collected. We found that $308,895 is allowable and $675 is unallowable. Unallowable related indirect costs total $351, for a total adjustment of $1,026. The costs are unallowable because the county overstated the number of stops subject to audits and validation.

During fieldwork, the county provided a system-generated list that supports the total number of hours worked for the audits and validation of data collected. We found stops that had a duration of negative or zero minutes in the audits and validation file. As the reported stops with negative or zero minutes were caused by inaccuracies within the county's RIPA application system, we removed those stops from the overall audits and validation listing.

The following table summarizes the audit adjustment by fiscal year for audits and validation of data collected:

Fiscal Year	Salaries and Benefits Claimed [A]	Salaries and Benefits Allowable [B]	Audit Adjustment [C] = [B] − [A]	Unallowable Related Indirect Costs [D]	Total Audit Adjustment [E] = [C] + [D]
2018-19	$81,856	$81,775	-$81	-$43	-$124
2019-20	50,553	50,147	-406	-218	-624

Fiscal Year	Salaries and Benefits Claimed [A]	Salaries and Benefits Allowable [B]	Audit Adjustment [C] = [B] − [A]	Unallowable Related Indirect Costs [D]	Total Audit Adjustment [E] = [C] + [D]
2020-21	54,243	54,055	-188	-90	-278
2021-22	70,880	70,880	0	0	0
2022-23	52,038	52,038	0	0	0
Total	$309,570	$308,895	-$675	-$351	-$1,026

Criteria

Section II., “Eligible Claimants,” of the parameters and guidelines states, in part:

> . . . Cities and counties may not claim the costs of their peace officer employees that are incurred while they are assigned out to work for other government or private entities based on a contract or memorandum of understanding.

Section IV., “Reimbursable Activities,” of the parameters and guidelines begins:

> To be eligible for mandated cost reimbursement for any fiscal year, 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 records or time logs, sign-in sheet, invoices, and receipts. . . .

Section IV.A.1., "One-Time Activities," of the parameters and guidelines states:

> One-time training per peace officer employee and supervisor assigned to perform the reimbursable activities listed in Section IV.B. of these Parameters and Guidelines.

Section V.A.1., "Salaries and Benefits," of the parameters and guidelines states:

> Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate (total wages and related benefits divided by productive hours). Describe the specific reimbursable activities performed and the hours devoted to each reimbursable activity performed.

Section V.A.5., "Training," of the parameters and guidelines states, in part:

> Report the cost of training an employee to perform the reimbursable activities, as specified in Section IV of this document. Report the name and job classification of each employee preparing for, attending, and/or conducting training necessary to implement the reimbursable activities. Provide the title, subject, and purpose (related to the mandate of the training session), dates attended, and location. . . .

Section VII., "Offsetting Revenues and Reimbursements," of the parameters and guidelines states:

> Any offsetting revenue the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate from any source, including but not limited to, service fees collected, federal funds, and other applicable state funds, shall be identified and deducted from any claim submitted for reimbursement.

Recommendation

We recommend that the county:

- Adhere to the program's parameters and guidelines and the SCO's *Mandated Cost Manual* when claiming reimbursement for mandated costs; and
- Ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

County's Response

The Sheriff's Department (Department) acknowledges the finding that certain costs were overstated due to deviations from the program's parameters, guidelines, and the SCO *Mandated Cost Manual*. We are implementing the following corrective actions to ensure full compliance with all applicable requirements.

Corrective Actions:

- **Compliance with Guidelines:** The Department will provide comprehensive training to all personnel involved in the preparation and review of mandated cost claims to ensure full compliance with the program's parameters, guidelines, and the SCO *Mandated Cost Manual*.
- **Accuracy and Documentation**: The Department will strengthen its internal review procedures to verify that only eligible and actual costs are claimed, and that all claimed costs are properly supported with appropriate documentation.
- **Ongoing Monitoring:** The Department will periodically review and update its cost-claiming processes to maintain compliance and prevent future misstatements.

Finding 2—Understated Indirect Cost Rate

The county understated its indirect cost rate for FY 2021-22, which resulted in understated costs totaling $41,599. The understatement occurred because the county changed the percent allocation between direct and indirect costs.

The following table summarizes the calculation of the indirect cost rate adjustment for FY 2021-22:

Indirect Cost Rate Claimed [A]	Indirect Cost Rate Allowable [B]	Error Rate [C] = [B] − [A]	Salaries and Benefits Allowable [D]	Audit Adjustment [E] = [C] × [D]
16.03%	38.54%	22.51%	$184,804	$41,599

Criteria

Section IV., "Reimbursable Activities," of the parameters and guidelines states, "Actual costs must be traceable and supported by source documents that show the validity of such costs. . . ."

Section V.B., "Indirect Cost Rates," of the parameters and guidelines begins:

> Indirect costs are costs that are incurred for a common or joint purpose, benefiting more than one program, and are not directly assignable to a particular department or program without efforts disproportionate to the result achieved. Indirect costs may include both: (1) overhead costs of the unit performing the mandate; and (2) the costs of the central government services distributed to the other departments based on a systematic and rational basis through a cost allocation plan.
>
> Compensation for indirect costs is eligible for reimbursement utilizing the procedure provided in 2 Code of Federal Regulations (CFR) part 225 (Office of Management and Budget [OMB] Circular A-87). . . .

Section V.B. of the parameters and guidelines continues:

> If the claimant chooses to prepare an ICRP [Indirect Cost Rate Proposal], both the direct costs (as defined and described in 2 CFR part 225, appendices A and B [OMB Circular A-87 attachments A & B]) and the indirect costs shall exclude capital expenditures and unallowable costs (as defined and described in 2 CFR part 225, appendices A and B [OMB Circular A-87 attachments A & B]). . . .

Recommendation

We recommend that the county:

- Adhere to the program's parameters and guidelines and the SCO's *Mandated Cost Manual* when claiming reimbursement for mandated costs;
- Ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported; and
- Allocate expenditures between direct, indirect, and unallowable costs based on the guidance in 2 CFR part 225 when calculating ICRPs.

County's Response

The Department acknowledges the finding regarding the understatement of the indirect cost rate for FY 2021–22, which resulted in understated reimbursable costs. The Department notes that while the cost allocation methodology was modified during this period, we believe the revised approach remains consistent with the cost principles outlined in 2 CFR part 225 for [ICRPs].

Corrective Actions:

- **Compliance with Guidelines:** The Department will continue to ensure adherence to the program's parameters, guidelines, and the SCO *Mandated Cost Manual* when preparing and submitting mandated cost claims.
- **Accurate and Supported Costs:** The Department will confirm that all claimed costs are eligible, based on actual expenditures, and fully supported by appropriate documentation.
- **Ongoing Review of Cost Allocation:** The Department will periodically review its cost allocation methodology to ensure continued compliance with 2 CFR part 225 and to prevent potential misstatements in future claims.

ATTACHMENT—SAN BERNARDINO COUNTY'S RESPONSE TO DRAFT AUDIT REPORT

SHANNON D. DICUS, SHERIFF-CORONER

SAN BERNARDINO COUNTY

November 7, 2025

Lisa Kurokawa
Chief, Compliance Audits Bureau, Division of Audits
State Controller's Office
Post Office Box 942850
Sacramento, California 94250

Management Response Letter:
San Bernardino County Sheriff's Department, Racial and Identity Profiling Program Audit

Finding 1 - Overstated salaries and benefits:

The audit concluded that the county overstated salary and benefit costs because it did not claim costs in accordance with the program's parameters and guidelines or the State Controller's Office (SCO) *Mandated Cost Manual*.

Department Response to Findings:

The Sheriff's Department (Department) acknowledges the finding that certain costs were overstated due to deviations from the program's parameters, guidelines, and the SCO *Mandated Cost Manual*. We are implementing the following corrective actions to ensure full compliance with all applicable requirements.

Corrective Actions:

- **Compliance with Guidelines:** The Department will provide comprehensive training to all personnel involved in the preparation and review of mandated cost claims to ensure full compliance with the program's parameters, guidelines, and the SCO *Mandated Cost Manual*.
- **Accuracy and Documentation**: The Department will strengthen its internal review procedures to verify that only eligible and actual costs are claimed, and that all claimed costs are properly supported with appropriate documentation.
- **Ongoing Monitoring:** The Department will periodically review and update its cost-claiming processes to maintain compliance and prevent future misstatements.

Finding 2 - Understated indirect cost rate:

The audit concluded that the county understated its indirect cost rate for FY 2021-22. The understatement occurred because the county changed the percent allocation between direct and indirect costs.

SAN BERNARDINO COUNTY SHERIFF'S DEPARTMENT
655 East Third Street • San Bernardino, California 92415-0061 Post Office Box 569 • San Bernardino, California 92402-0569

Department Response to Findings:

The Department acknowledges the finding regarding the understatement of the indirect cost rate for FY 2021–22, which resulted in understated reimbursable costs. The Department notes that while the cost allocation methodology was modified during this period, we believe the revised approach remains consistent with the cost principles outlined in *2 CFR Part 225* for Indirect Cost Rate Proposals.

Corrective Actions:

- **Compliance with Guidelines:** The Department will continue to ensure adherence to the program's parameters, guidelines, and the SCO *Mandated Cost Manual* when preparing and submitting mandated cost claims.
- **Accurate and Supported Costs:** The Department will confirm that all claimed costs are eligible, based on actual expenditures, and fully supported by appropriate documentation.
- **Ongoing Review of Cost Allocation:** The Department will periodically review its cost allocation methodology to ensure continued compliance with *2 CFR Part 225* and to prevent potential misstatements in future claims.

The Department remains committed to ensuring accurate reporting, proper documentation, and compliance with all state-mandated cost requirements.

Sincerely,

Shannon D. Dicus
Sheriff/Coroner/Public Administrator
San Bernardino County

By: _____
Carolina Mendoza
Chief Deputy Director
San Bernardino County Sheriff's Department

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