

SAN DIEGO COUNTY

Final Audit Report

DOMESTIC VIOLENCE ARREST POLICIES AND STANDARDS PROGRAM

CHAPTER 246, STATUTES OF 1995

July 1, 2019, through June 30, 2022



MALIA M. COHEN

CALIFORNIA STATE CONTROLLER

April 2026



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MALIA M. COHEN
CALIFORNIA STATE CONTROLLER

April 29, 2026

CERTIFIED MAIL—RETURN RECEIPT REQUESTED

Ms. Tracy Drager, Auditor and Controller
San Diego County
5530 Overland Avenue, Suite 410
San Diego, CA 92123

Dear Ms. Drager:

The State Controller's Office audited the costs claimed by San Diego County (the county) for the legislatively mandated Domestic Violence Arrest Policies and Standards Program for the period of July 1, 2019, through June 30, 2022.

The county claimed and was paid \$562,088 for the Domestic Violence Arrest Policies and Standards program. Our audit found that \$303,609 is allowable and \$258,479 is unallowable. The costs are unallowable because the county overstated salary and benefit costs, 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.

Ms. Tracy Drager

April 29, 2026

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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: The Honorable Kelly Martinez, Sheriff

San Diego County

The Honorable Terra Lawson-Remer, Chair

San Diego County Board of Supervisors

Frank Motley, Executive Director

San Diego County Sheriff's Office

Eunice Ramos, Chief Finance Officer

San Diego County Sheriff's Office

Christie Miller, Finance Officer

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Darryl Mar, Manager

Local Reimbursements Section

State Controller's Office

Ms. Tracy Drager

April 29, 2026

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Everett Luc, Supervisor
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SUMMARY

The State Controller's Office (SCO) audited the costs claimed by San Diego County (the county) for the legislatively mandated Domestic Violence Arrest Policies and Standards (DVAPS) Program for the period of July 1, 2019, through June 30, 2022.

The county claimed and was paid \$562,088 for the DVAPS Program. Our audit found that \$303,609 is allowable and \$258,479 is unallowable. The costs are unallowable because the county overstated salary and benefit costs, and related indirect costs.

BACKGROUND

Penal Code (PC) section 13701, subdivision (b) (added by Chapter 246, Statutes of 1995), required local law enforcement agencies to develop, adopt, and implement written arrest policies for domestic violence offenders by July 1, 1996. The legislation also required 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 determined that Chapter 246, Statutes of 1995, imposed a state mandated program reimbursable under Government Code (GC) section 17561.

The DVAPS Program's parameters and guidelines establish the state mandate and define the reimbursement criteria. The Commission on State Mandates adopted the parameters and guidelines on August 20, 1998, and amended them on October 30, 2009. In compliance with GC section 17758, the SCO issues the *Mandated Cost Manual for Local Agencies (Mandated Cost Manual)* to assist local agencies in claiming mandated program reimbursable costs.

AUDIT AUTHORITY

We conducted this performance 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 DVAPS Program during the period of July 1, 2019, through June 30, 2022. Specifically, we conducted this audit to determine whether claimed costs were supported by appropriate source documents, were not funded by another source, and were not unreasonable and/or excessive. Unreasonable and/or excessive costs include unsupported and ineligible costs that are not identified in the DVAPS 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 related indirect costs. We then determined whether there were any errors or unusual, unexpected variances from year to year. We reviewed the claimed activities to determine whether they adhered to the SCO's *Mandated Cost Manual* and the DVAPS 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

determined which controls were significant to the audit objective, and the effect of the identified internal control weaknesses on the audit objective.

- We assessed the reliability of the data (payroll, revenue, and expenditure records) generated by the county's information management system and the county's record management system (RMS), by interviewing the county's staff members and examining supporting documentation. We determined that the data was sufficiently reliable to address the audit objective.
- We verified that the county used the uniform time allowance and applied it properly.
- We reviewed and analyzed the claimed domestic violence incident report counts and verified that these counts were supported by the county's RMS. We found that for fiscal year (FY) 2021-22, the county overstated salaries and benefits; see Finding 1.
- We used simple random sampling to select the following statistical samples from the audited population of incident reports:
 - We sampled 141 of 2,463 incident reports for FY 2019-20.
 - We sampled 142 of 2,488 incident reports for FY 2020-21.
 - We sampled 141 of 2,319 incident reports for FY 2021-22.
- We determined whether the sampled incident reports included interviews with both parties involved in the domestic violence incident, and whether the officer considered the 17 factors listed in the DVAPS Program's parameters and guidelines to identify the primary aggressor. Errors found were projected to the intended (total) population; see Finding 2. We identified the following errors:
 - Of the 141 sampled incident reports for FY 2019-20, 39 were partially reimbursable and 26 were non-mandate-related.

- Of the 142 sampled incident reports for FY 2020-21, 39 were partially reimbursable and 25 were non-mandate-related.
- Of the 141 sampled incident reports for FY 2021-22, 43 were partially reimbursable and 25 were non-mandate-related.
- We recalculated the allowable costs using the audited incident report counts.
- We interviewed the county's staff members to determine what employee classifications were involved in performing the mandated activities during the audit period.
- We traced the average productive hourly rate (PHR) calculations for the claimed employee classification to supporting information in the county's payroll system. We found that the county overstated PHRs claimed for the audit period; see Finding 3.
- We traced the benefit rate calculations for the claimed employee classification to supporting information in the county's payroll system. No errors were found.
- We verified that the indirect costs claimed for each fiscal year in the audit period were for common or joint purposes, and that the indirect cost rates were properly supported and applied. We found that the county overstated the indirect cost rate for FY 2019-20; see Finding 4.
- We verified that the county's claimed costs were not funded by any other sources.

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 did not find that the county claimed costs that were funded by other sources; however, we found that it claimed unsupported and ineligible costs as quantified in the Schedule and described in the Findings and Recommendations section.

For the audit period, the county claimed and was paid \$562,088 for costs of the legislatively mandated DVAPS Program. Our audit found that \$303,609 is allowable and \$258,479 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 DVAPS Program.

VIEWS OF RESPONSIBLE OFFICIALS

We issued a draft audit report on February 2, 2026. The county's representatives responded by letter dated February 18, 2026, agreeing with the audit results. This final audit report includes the county's response as an attachment.

RESTRICTED USE

This audit report is solely for the information and use of the 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 and is available on the SCO website at www.sco.ca.gov.

Original signed by

Kimberly A. Tarvin, CPA

Chief, Division of Audits

April 29, 2026

SCHEDULE—SUMMARY OF PROGRAM COSTS

July 1, 2019, through June 30, 2022

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference
<u>July 1, 2019, through June 30, 2020</u>				
Direct costs – salaries and benefits	\$109,343	\$76,339	-\$33,004	Findings 1 through 3
Indirect costs	31,709	13,591	-18,118	Findings 1 through 4
Total direct and indirect costs	141,052	89,930	-51,122	
Less: offsetting revenues and other reimbursements	0	0	0	
Total program costs	<u>\$141,052</u>	89,930	<u>-\$51,122</u>	
Less: amount paid by the State		<u>-141,052</u>		
Amount paid in excess of allowable costs claimed		<u><u>-\$51,122</u></u>		
<u>July 1, 2020, through June 30, 2021</u>				
Direct costs – salaries and benefits	\$118,174	\$83,901	-\$34,273	Findings 1 through 3
Indirect costs	36,516	25,926	-10,590	Findings 1 through 3
Total direct and indirect costs	154,690	109,827	-44,863	
Less: offsetting revenues and other reimbursements	0	0	0	
Total program costs	<u>\$154,690</u>	109,827	<u>-\$44,863</u>	
Less: amount paid by the State		<u>-154,690</u>		
Amount paid in excess of allowable costs claimed		<u><u>-\$44,863</u></u>		

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference
<u>July 1, 2021, through June 30, 2022</u>				
Direct costs – salaries and benefits	\$205,197	\$80,009	-\$125,188	Findings 1 through 3
Indirect costs	61,149	23,843	-37,306	Findings 1 through 3
Total direct and indirect costs	266,346	103,852	-162,494	
Less: offsetting revenues and other reimbursements	0	0	0	
Total program costs	<u>\$266,346</u>	103,852	<u>-\$162,494</u>	
Less: amount paid by the State		<u>-266,346</u>		
Amount paid in excess of allowable costs claimed		<u><u>-\$162,494</u></u>		
<u>Summary: July 1, 2019, through June 30, 2022</u>				
Direct costs – salaries and benefits	\$432,714	\$240,249	-\$192,465	Findings 1 through 3
Indirect costs	129,374	63,360	-66,014	Findings 1 through 4
Total direct and indirect costs	562,088	303,609	-258,479	
Less: offsetting revenues and other reimbursements	0	0	0	
Total program costs	<u>\$562,088</u>	303,609	<u>-\$258,479</u>	
Less: amount paid by the State		<u>-562,088</u>		
Amount paid in excess of allowable costs claimed		<u><u>-\$258,479</u></u>		

FINDINGS AND RECOMMENDATIONS

Finding 1—Overstated Costs

The county claimed \$432,714 in salaries and benefits for the Implementation of New Domestic Violence Arrest Policies to Identify the Primary Aggressor cost component during the audit period. We found that the county overstated salaries and benefits by \$90,554. The related indirect costs total \$26,985, for a total finding of \$117,539.

Erroneous Hourly Rate Applied

For FY 2021-22, the county claimed and was paid \$266,346. We found that the county erroneously calculated claimed costs using an incorrect hourly rate. Claimed costs should be calculated using the number of incident reports multiplied by the standard time allowance and the hourly rate (salary only). However, for this fiscal year, we found that the county included benefit rates. As a result, the county overstated claimed costs for FY 2021-22 by \$110,857.

The following table summarizes the audit adjustment; immaterial differences in calculations are due to rounding:

Description	FY 2021-22
PHR (salaries only)	\$60.10
Less: Erroneous hourly rate used (salaries and benefits)	102.95
Mathematical error	-42.85
Number of cases claimed	2,424
Multiply by: Standard time allowance (hours)	0.48
Overstated salaries [A]	-\$49,855
Multiply by: Claimed benefit rate	71.31%
Overstated benefits [B]	-35,551
Overstated salaries and benefits ([C] = [A] + [B])	-85,406
Multiply by: Claimed indirect cost rate [D]	29.80%
Related indirect costs ([E] = [C] × [D])	-25,451
Effect of erroneous hourly rate used ([F] = [C] + [E])	-110,857

Number of Incident Reports

For the audit period, the county's claims identified a total of 7,375 domestic violence incident reports (2,463 for FY 2019-20; 2,488 for FY 2020-21; and 2,424 for FY 2021-22). The county used its RMS to provide the summary incident report listings to support the number of domestic violence incident reports claimed for the audit period. We compared the RMS information with the number of domestic violence incident reports that the county claimed. We found that for FY 2021-22, the summary report included duplicate reports. We determined that the county overstated the number of domestic violence incident reports for FY 2021-22 as a result of claiming duplicate reports. The county overstated the number of reports because it did not adhere to the DVAPS Program's parameters and guidelines or the SCO's *Mandated Cost Manual*.

The following table summarizes the audit adjustment for the overstated number of incident reports:

Description	FY 2021-22
Number of incident reports, per RMS	2,319
Subtract: Number of incident reports claimed	<u>2,424</u>
Overstated number of incident reports	-105
Multiply by: Standard time allowance (hours)	<u>0.48</u>
Overstated number of hours	-50
Multiply by: Claimed average PHR (salaries only)	<u>\$60.10</u>
Overstated salaries [A]	-3,005
Multiply by: Claimed benefit rate	<u>71.31%</u>
Overstated benefits [B]	<u>-2,143</u>
Overstated salaries and benefits ([C] = [A] + [B])	-5,148
Multiply by: Claimed indirect cost rate [D]	<u>29.80%</u>
Related indirect costs ([E] = [C] × [D])	<u>-1,534</u>
Audit adjustment ([F] = [C] + [E])	<u><u>-6,682</u></u>

Criteria

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 sheets, invoices, and receipts. . . .

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

The claimant is only allowed to claim and be reimbursed for increased costs for reimbursable activities. . . . Increased cost is limited to the cost of an activity that the claimant is required to incur as a result of the mandate.

Section IV.E., “Uniform Cost Allowance,” of the parameters and guidelines states:

Pursuant to Government Code section 17557, the Commission on State Mandates has adopted a uniform cost allowance for reimbursement in lieu of payment of total actual costs incurred. The uniform cost allowance is applied only to Section IV, Reimbursable Activities, Component D (Implementation of the New Domestic Violence Arrest Policies to Identify the Primary Aggressor) and covers all costs (direct and indirect) of performing activities described under Component D. The uniform cost allowance provides the following:

A standard time of twenty-nine (29) minutes may be claimed to identify the primary aggressor in any domestic violence incident. The standard time of twenty-nine (29) minutes is broken down as follows:

- Seventeen (17) Minutes – Interview of both parties.

- Twelve (12) Minutes – Consideration of the factors listed [under Component D].

The total cost will be determined by multiplying the number of reported responses × the average productive hourly rate, including applicable indirect costs as specified in section V., paragraph B, herein, × .48 (29 minutes divided by 60 minutes).

Recommendation

We recommend that the county:

- Follow the DVAPS Program’s parameters and guidelines and the SCO’s *Mandated Cost Manual* when preparing its reimbursement claims; and
- Claim costs based on the number of domestic violence incident reports that its RMS supports.

County’s Response

The County agrees with the finding.

For FY 2021-22, the costs were found overstated because the County used an incorrect Productive Hourly Rate (PHR). The Sheriff’s Office will implement controls to ensure that productive hourly rate calculations align with the SCO’s *Mandated Cost Manual*.

While the Sheriff’s Office claimed costs based on the number of domestic violence incident reports supported by the Sheriff’s Records Management System (RMS), there were 105 duplicate incidents in RMS due to multiple code sections entered into RMS for the same incident report. The Sheriff’s Office overstated costs are due to duplicate incidents appearing in the RMS report. The Sheriff’s Office will remove duplicate incidents [from] future claims.

Finding 2—Non-reimbursable Costs

The county claimed non-reimbursable salaries and benefits totaling \$92,547. The related indirect costs total \$27,694, for a total finding of \$120,241.

As noted in Finding 1, the county overstated the claimed number of domestic violence incident reports for FY 2021-22. The following table summarizes the audited population of incident reports and the claimed hours attributable to the audited population:

Description	FY 2019-20	FY 2020-21	FY 2021-22
Documented number of incident reports (audited population) [A]	2,463	2,488	2,319
Multiply by: Standard time allowance (hours) [B]	0.48	0.48	0.48
Total hours attributable to documented number of incident reports ([C] = [A] × [B])	1,182	1,194	1,113

The reimbursable activities for this cost component consist of interviewing both parties involved in the domestic violence incident and considering the 17 factors identified in the DVAPS Program’s parameters and guidelines to identify the primary aggressor.

To calculate the claimed costs, the county multiplied the number of reported responses to incidents by the average PHR, including the applicable indirect costs, then multiplied the resulting amount by the standard time of 29 minutes (0.48 of an hour).

For each fiscal year, we selected a statistical sample from the documented number of domestic violence incident reports (the audited population) based on a 95 percent confidence level, a precision rate of ± 8 percent, and an expected error rate of 50 percent. We used statistical samples so that the results could be projected to the population for each fiscal year.

For testing purposes, we selected a random sample of 424 incident reports (141 for FY 2019-20; 142 for FY 2020-21; and 141 for FY 2021-22). We reviewed the sample incident reports to determine whether the county performed the required mandated program activities.

The results of our review are as follows:

- Allowable – 227 incident reports were fully reimbursable under the mandated program. These reports are reimbursable at 29 minutes (0.48 hours) per report.
- Partially reimbursable – 121 incident reports were partially reimbursable, because the officers did not interview both parties involved in the domestic violence incident. These reports are reimbursable at 20.5 minutes (0.34 hours) per report, based on 8.5 minutes to interview one party and 12 minutes to consider the various factors identified in the DVAPS Program’s parameters and guidelines.
- Unallowable – 76 incident reports were unsupported or were non-mandate-related. Incidents were unsupported because the county did not maintain or was unable to provide reports for review. Non-mandate-related incidents were those that did not meet the definition of domestic violence provided by PC section 13700.

During testing, we found that the county claimed the entire standard time of 29 minutes for incident reports that were only partially reimbursable and claimed reimbursement for ineligible and unsupported incident reports. The county overstated these costs because it did not claim costs in accordance with the DVAPS Program’s parameters and guidelines or the SCO’s *Mandated Cost Manual*.

The following table summarizes the results of the statistical samples:

Description	FY 2019-20	FY 2020-21	FY 2021-22	Total
Allowable incident reports	76	78	73	227
Partially reimbursable incident reports (only one party interviewed)	39	39	43	121
Non-mandate-related incident reports	26	25	25	76
Total reports sampled	141	142	141	424

The following table summarizes the results of the statistical samples:

Description	FY 2019-20	FY 2020-21	FY 2021-22	Total
Number of allowable incident reports	76	78	73	227
Multiply by: Standard time allowance (hours)	0.48	0.48	0.48	
Subtotal [A]	36	37	35	
Number of partially reimbursable incident reports (only one party interviewed)	39	39	43	121
Multiply by: Allowable standard time allowance (hours)	0.34	0.34	0.34	
Subtotal [B]	13	13	15	
Total reimbursable hours for sampled reports ([C] = [A] + [B])	49	50	50	
Divide by: Statistical sample size	141	142	141	
Reimbursable hours per report	0.35	0.35	0.35	
Multiply by: Documented number of incident reports (audited population)	2,463	2,488	2,319	
Total reimbursable hours	862	871	812	
Subtract: Total hours attributable to documented incident reports	1,182	1,194	1,113	
Total unallowable hours	-320	-323	-301	-944

The following table summarizes the unallowable costs based on the unallowable hours identified from the statistical samples by fiscal year:

Description	FY 2019-20	FY 2020-21	FY 2021-22	Total
Unallowable hours	-320	-323	-301	
Multiply by: Claimed average PHR (salary only)	\$54.50	\$56.28	\$60.10	
Unallowable salaries [A]	-17,440	-18,178	-18,090	
Multiply by: Claimed benefit rate [B]	69.70%	75.82%	71.31%	
Related unallowable benefit costs ([C] = [A] × [B])	-12,156	-13,783	-12,900	
Total unallowable salaries and benefits ([D] = [A] + [C])	-29,596	-31,961	-30,990	-\$92,547

Description	FY 2019-20	FY 2020-21	FY 2021-22	Total
Multiply by: Claimed indirect cost rate [E]	29.00%	30.90%	29.80%	
Related indirect costs ([F] = [D] × [E])	-8,583	-9,876	-9,235	-27,694
Audit adjustment ([G] = [D] + [F])	-\$38,179	-\$41,837	-\$40,225	-\$120,241

Criteria

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 sheets, invoices, and receipts. . . .

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

The claimant is only allowed to claim and be reimbursed for increased costs for reimbursable activities. . . . Increased cost is limited to the cost of an activity that the claimant is required to incur as a result of the mandate.

Section IV.E., “Uniform Cost Allowance,” of the parameters and guidelines states:

Pursuant to Government Code section 17557, the Commission on State Mandates has adopted a uniform cost allowance for reimbursement in lieu of payment of total actual costs incurred. The uniform cost allowance is applied only to Section IV, Reimbursable Activities, Component D (Implementation of the New Domestic Violence Arrest Policies to Identify the Primary Aggressor) and covers all costs (direct and indirect) of performing

activities described under Component D. The uniform cost allowance provides the following:

A standard time of twenty-nine (29) minutes may be claimed to identify the primary aggressor in any domestic violence incident. The standard time of twenty-nine (29) minutes is broken down as follows:

- Seventeen (17) Minutes – Interview of both parties.
- Twelve (12) Minutes – Consideration of the factors listed [under Component D].

The total cost will be determined by multiplying the number of reported responses × the average productive hourly rate, including applicable indirect costs as specified in section V., paragraph B, herein, × .48 (29 minutes divided by 60 minutes).

Recommendation

We recommend that the county:

- Follow the DVAPS Program's parameters and guidelines and the SCO's *Mandated Cost Manual* when preparing its reimbursement claims;
- Claim costs based on the number of domestic violence incident reports that its RMS supports;
- Claim costs for only those reports that document incidents meeting the definition of domestic violence provided by PC section 13700; and
- Claim only the portion of the standard time allowance that is attributable to the mandated activities performed.

County's Response

The County agrees with the finding.

The Sheriff's Office will only claim incident reports meeting the definition of domestic violence [provided] by PC section 13700. The Sheriff's Office will claim costs in accordance with the program's parameters and guidelines or the SCO's Mandated Cost Manual to ensure the correct rate is used for any partially reimbursable incident reports in future claims. The Sheriff's Office will also make sure to only claim costs based on the number of domestic violence incidents that its RMS supports.

Finding 3—Overstated Productive Hourly Rates

For the audit period, the county overstated the average PHRs that it used to claim mandate-related costs. We found that the county overstated salaries and benefits by \$9,364. The related indirect costs total \$2,788, for a total finding of \$12,152.

For the audit period, the county claimed salary and benefit costs for the Deputy Sheriff classification. To calculate the average PHRs, the county used salary reports for each fiscal year. We obtained and reviewed the salary reports and found that the county had included overtime costs. Overtime is not categorized as regular compensation, but rather an additional cost separate from regular compensation. Based on our review, we found that the county had incorrectly used overtime costs in its PHR calculations for each fiscal year of the audit period. Using the payroll reports, we recalculated the PHRs for each fiscal year in the audit period. We found that the county had overstated its claimed PHRs for the entire audit period. The county overstated its PHRs because it did not adhere to the DVAPS Program's parameters and guidelines or the SCO's *Mandated Cost Manual*.

The following table summarizes the claimed, allowable, and adjusted PHRs:

Fiscal Year	Claimed PHR	Allowable PHR	Audit Adjustment
2019-20	54.50	52.17	-2.33
2020-21	56.28	54.77	-1.51
2021-22	60.10	57.48	-2.62

The following table summarizes the audit adjustment for overstated PHRs:

Description	FY 2019-20	FY 2020-21	FY 2021-22	Total
Allowable average PHR (salary only)	\$52.17	\$54.77	\$57.48	
Subtract: Claimed average PHR	54.50	56.28	60.10	
Overstated PHR	-2.33	-1.51	-2.62	
Multiply by: Total reimbursable hours (from Finding 2)	862	871	812	
Overstated salary costs [A]	-2,008	-1,315	-2,127	-\$5,450
Multiply by: Claimed benefit rate	69.70%	75.82%	71.31%	
Overstated benefit costs [B]	-1,400	-997	-1,517	-3,914
Overstated salaries and benefits ([C] = [A] + [B])	-3,408	-2,312	-3,644	-9,364
Multiply by: Claimed indirect cost rates	29.00%	30.90%	29.80%	
Related indirect costs [D]	-988	-714	-1,086	-2,788
Audit adjustment ([E] = [C] + [D])	-\$4,396	-\$3,026	-\$4,730	-\$12,152

Criteria

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 sheets, invoices, and receipts. . . .

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

The claimant is only allowed to claim and be reimbursed for increased costs for reimbursable activities. . . . Increased cost is limited to the cost of an activity that the claimant is required to incur as a result of the mandate.

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

Identify the employee(s), and/or show the classification of the employee(s) involved. Describe the mandated functions performed and specify the actual time devoted to each function by each employee, productive hourly rate and related fringe benefits.

Reimbursement for personal services includes compensation paid for salaries, wages and employee fringe benefits. Employee fringe benefits include regular compensation paid to an employee during periods of authorized absences (e.g., annual leave, sick leave) and the employer’s contribution of social security, pension plans, insurance and workers’ compensation insurance. Fringe benefits are eligible for reimbursement when distributed equitably to all job activities which the employee performs.

Part 7., subparagraph a), “Employee Wages, Salaries, and Fringe Benefits,” of the SCO’s *Mandated Cost Manual* (September 2020; Section 2, “Filing a Claim,” page 5) begins:

A productive hourly rate may be computed by the claimant for each employee or classification whose labor is directly related to the claimed reimbursable cost. For each of the reimbursable mandated activities performed, list the names of the employees, job classifications, hours worked on the mandate, and rate of pay. . . .

Part 7., subparagraph a)(1), “Actual Annual Productive Hourly Rate,” of the SCO’s *Mandated Cost Manual* (Section 2, “Filing a Claim,” pages 5–7) concludes:

For each of the employees included in the claim, the claimant must use reasonable rates and hours in computing the wage cost. If a person of a higher-level job position performs an activity which normally would be performed by a lower-level position, reimbursement for time spent is allowable at the average salary range for the lower-level position. The salary rate of the person at the higher-level position may be claimed if it can be shown that it was more cost effective in comparison to the performance by a person at the lower-level position under normal circumstances and conditions. The number of hours charged to an activity should reflect the time expected to complete the activity under normal circumstances and conditions. The number of hours in excess of normal expected hours is not reimbursable.

Recommendation

We recommend that the county:

- Follow the DVAPS Program’s parameters and guidelines and the SCO’s *Mandated Cost Manual* when preparing its reimbursement claims; and
- Calculate the average PHRs based on actual costs that are traceable to source documents.

County’s Response

The County agrees with the finding.

The Sheriff’s Office will exclude overtime from PHRs calculations in future claims if indicated in the program’s parameters and guidelines and the SCO’s *Mandated Cost Manual*.

Finding 4—Overstated Indirect Cost Rates

For the audit period, the county claimed indirect costs based on indirect cost rate proposals (ICRPs) prepared by the San Diego County Sheriff's Office. We found that the county had overstated its indirect costs for FY 2019-20 by \$8,547. The costs were overstated because the county was unable to support the indirect cost rate for FY 2019-20.

During testing, we found that the county had used an outdated rate of 29 percent, approved for FY 2017-18, to calculate its FY 2019-20 indirect costs. Based on our discussions with county officials, we found that the county was unable to provide indirect cost rates applicable to FY 2019-20 because the rates for that fiscal year were not approved or available. Therefore, we were unable to verify the allocations to direct and indirect costs for this fiscal year.

The DVAPS Program's parameters and guidelines allow a standard 10 percent indirect cost rate to be applied to direct salaries when an ICRP is not calculated or supported. Using the standard 10 percent indirect cost rate, we calculated an error rate of 19 percent. We then applied the error rate to allowable salaries to calculate the overstated indirect costs for FY 2019-20. We found that the county had overstated indirect costs by \$8,547. The county overstated these costs because it did not claim costs in accordance with the DVAPS Program's parameters and guidelines or the SCO's *Mandated Cost Manual*.

The following table summarizes the adjustment to the indirect costs:

Description	FY 2019-20
Allowable indirect cost rate	10.00%
Subtract: Claimed indirect cost rate	29.00%
Error rate	-19.00%
Multiply by: Allowable salaries	\$44,985
Audit adjustment	-\$8,547

Criteria

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 sheets, invoices, and receipts. . . .

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

The claimant is only allowed to claim and be reimbursed for increased costs for reimbursable activities. . . . Increased cost is limited to the cost of an activity that the claimant is required to incur as a result of the mandate.

Section V.B., “Indirect Costs,” of the parameters and guidelines begins:

Indirect costs are defined as costs which are incurred for common or joint purpose, benefiting more than one program and are not directly assignable to a particular department of 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 central government services distributed to other departments based on a systematic and rational basis through a cost allocation plan.

Compensation for indirect costs is reimbursable utilizing the procedure provided in the OMB-A87 [Title 2, Code of Federal Regulations, Part 225]. Claimants have the option of using 10 percent of direct labor, excluding fringe benefits, or preparing a departmental Indirect Cost Rate Proposal (ICRP) for the department if an indirect cost is in excess of 10 percent claimed. If more than one department is claiming indirect

costs for the mandated program, each department must have its own ICRP prepared in accordance with OMB-A87. An ICRP must be submitted with the claim when the indirect cost rate is in excess of 10 percent.

Recommendation

We recommend that the county:

- Follow the DVAPS Program's parameters and guidelines and the SCO's *Mandated Cost Manual* when preparing its reimbursement claims; and
- Ensure that it uses the proper documentation to calculate the indirect cost rate for each corresponding fiscal year.

County's Response

The County agrees with the finding.

The Sheriff's Office will use the appropriate approved ICRP rates for future claims. If the Sheriff's Office is unable to use approved ICRP rates, the Sheriff's Office will use the standard de minimis indirect cost rate.

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



TRACY DRAGER
AUDITOR AND CONTROLLER

AUDITOR AND CONTROLLER
5500 OVERLAND AVE, SUITE 470, SAN DIEGO, CA 92120-1202
(858) 694-2176 FAX (858) 694-2296

JULIE BIERKE
ASSISTANT AUDITOR AND
CONTROLLER

February 18, 2026

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

Dear Lisa Kurokawa:

COUNTY OF SAN DIEGO RESPONSE TO DRAFT AUDIT REPORT OF THE DOMESTIC VIOLENCE ARREST POLICIES AND STANDARDS: FISCAL YEARS 2019/20 THROUGH 2021/2022.

Thank you for giving the County the opportunity to review your draft audit report. As reported, the County claimed costs of \$562,088 during the audit period. Of this amount, \$303,609 was found to be allowable, while \$258,479 was determined to be unallowable primarily due to overstated salaries and benefits and indirect cost. We concur with the findings. We have the following statements and corrective actions regarding each finding:

Finding 1 - Overstated Costs

The County overstated costs by applying erroneous hourly rate and duplicating some of the incident reports, resulting in overstated salaries and benefits by \$90,554 and related indirect costs by \$26,985, for a total of \$117,539.

Response: The County agrees with the finding.

For FY2021-22, the costs were found overstated because the County used an incorrect Productive Hourly Rate (PIHR). The Sheriff's Office will implement controls to ensure that productive hourly rate calculations align with the SCC's Mandated Cost Manual.

While the Sheriff's Office claimed costs based on the number of domestic violence incident reports supported by the Sheriff's Records Management System (RMS), there were 105 duplicate incidents in RMS due to multiple code sections entered into RMS for the same incident report. The Sheriff's Office overstated costs are due to duplicate incidents appearing in the RMS report. The Sheriff's Office will remove duplicate incidents in future claims.

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Finding 2 - Non-Reimbursable Costs

The County claimed the entire standard time of 29 minutes for incident reports that were only partially reimbursable and claimed reimbursement for ineligible and unsupported incident reports. This resulted in non-reimbursable salaries and benefits totaling \$92,547 and related indirect costs total of \$27,694, for a total finding of \$120,241.

Response: The County agrees with the finding.

The Sheriff's Office will only claim incident reports meeting the definition of domestic violence by PC section 13700. The Sheriff's Office will claim costs in accordance with the program's parameters and guidelines or the SCO's Mandated Cost Manual to ensure the correct rate is used for any partially reimbursable incident reports in future claims. The Sheriff's office will also make sure to only claim costs based on the number of domestic violence incidents that its RMS supports.

Finding 3 - Overstated Productive Hourly Rates

That the County incorrectly used overtime costs in its Productive Hourly Rates (PHRs) calculations for each fiscal year of the audit period. By overstating the average PHRs that it used to claim mandate-related costs, the County overstated salaries and benefits by \$9,364. The related indirect costs total \$2,788, for a total finding of \$12,152.

Response: The County agrees with the finding.

The Sheriff's Office will exclude overtime from PHRs calculations in future claims if indicated in the program's parameters and guidelines and the SCO's Mandated Cost Manual.

Finding 4 - Overstated Indirect Costs Rates

The County used an outdated indirect cost rate approved for I Y 2017-18 to calculate its FY 2019-20 indirect costs. The costs were overstated by \$8,547 since the County was unable to provide approved indirect cost rates applicable for I Y 2019-20.

Response: The County agrees with the finding.

The Sheriff's Office will use the appropriate approved ICRP rates for future claims. If the Sheriff's Office is unable to use approved ICRP rates, the Sheriff's Office will use the standard de minimis indirect cost rate.

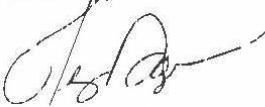
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If you have any questions, please contact Christie Miller, Finance Officer for the Sheriff's Office at (858) 974-2235.

Sincerely,



TRACY DRAGER
Auditor and Controller

Attachment

- c: Lisa Keller-Chiodo, Group Finance Director, Public Safety
- Kelly A. Martinez, Sheriff, Sheriff's Office
- Rich Williams, Undersheriff, Sheriff's Office
- Frank Motley, Management Services Bureau Executive Director, Sheriff's Office
- Eunice Ramos, Chief Finance Officer, Sheriff's Office
- Christie Miller, Finance Officer, Sheriff's Office
- Michele Wilroy, Manager, Auditor & Controller