

# TULARE COUNTY

## Final Audit Report

### CUSTODY OF MINORS – CHILD ABDUCTION AND RECOVERY PROGRAM

Chapter 1399, Statutes of 1976; Chapter 162, Statutes of 1992; and  
Chapter 988, Statutes of 1996

*July 1, 2020, through June 30, 2023*



MALIA M. COHEN

CALIFORNIA STATE CONTROLLER

June 2026



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MALIA M. COHEN  
CALIFORNIA STATE CONTROLLER

June 16, 2026

CERTIFIED MAIL—RETURN RECEIPT REQUESTED

The Honorable Cass Cook, Auditor-Controller  
Tulare County  
221 South Mooney Boulevard, Room 101 E  
Visalia, CA 93291

Dear Auditor-Controller Cook:

The State Controller's Office audited the costs claimed by Tulare County (the county) for the legislatively mandated Custody of Minors – Child Abduction and Recovery (CAR) Program for the period of July 1, 2020, through June 30, 2023.

The county claimed and was paid \$540,849 for costs of the CAR Program. Our audit found that \$21,942 is allowable and \$518,907 is unallowable. The costs are unallowable because the county did not provide contemporaneous source documentation supporting the mandated functions performed or the actual number of hours devoted to each function.

This final audit report contains an adjustment to costs claimed by the county. If you disagree with the audit findings, you may file an Incorrect Reduction Claim with the Commission on State Mandates (Commission). Pursuant to section 1185.1(c) of the Commission's regulations (Title 2, California Code of Regulations), an Incorrect Reduction Claim challenging this adjustment must be filed with the Commission no later than three years following the date of this report, regardless of whether this report is subsequently supplemented, superseded, or otherwise amended. You may obtain Incorrect Reduction Claim information on the Commission's website at [www.csm.ca.gov/request-form.php](http://www.csm.ca.gov/request-form.php).

Mr. Cass Cook

June 16, 2026

Page 2 of 2

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

Attachment

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# CONTENTS

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SUMMARY	1
BACKGROUND	1
AUDIT AUTHORITY	2
OBJECTIVE, SCOPE, AND METHODOLOGY	3
CONCLUSION	4
FOLLOW-UP ON PRIOR AUDIT FINDINGS	5
VIEWS OF RESPONSIBLE OFFICIALS	5
RESTRICTED USE	5
SCHEDULE—SUMMARY OF PROGRAM COSTS	6
FINDINGS AND RECOMMENDATIONS	8

## SUMMARY

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The State Controller's Office (SCO) audited the costs claimed by Tulare County (the county) for the legislatively mandated Custody of Minors – Child Abduction and Recovery (CAR) Program for the period of July 1, 2020, through June 30, 2023 (fiscal year [FY] 2020-21 through FY 2022-23).

The county claimed and was paid \$540,849 for costs of the mandated CAR Program. Our audit found that \$21,942 is allowable and \$518,907 is unallowable. The costs are unallowable because the county did not provide contemporaneous source documentation supporting the mandated functions performed or the actual number of hours devoted to each function.

## BACKGROUND

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Chapter 1399, Statutes of 1976, established the mandated CAR Program, based on the following laws:

- Civil Code section 4600.1 (repealed and added as Family Code sections 3060 through 3064 by Chapter 162, Statutes of 1992);
- Penal Code sections 278 and 278.5 (repealed and added as Penal Code sections 277, 278, and 278.5 by Chapter 988, Statutes of 1996); and
- Welfare and Institutions Code section 11478.5 (repealed and added as Family Code section 17506 by Chapter 478, Statutes of 1999; last amended by Chapter 759, Statutes of 2002).

These laws require the District Attorney's (DA's) Office to assist persons having legal custody of a child in:

- Locating their children when they are unlawfully taken away;

- Gaining enforcement of custody and visitation decrees and orders to appear;
- Defraying expenses related to the return of an illegally detained, abducted, or concealed child;
- Civil court action proceedings; and
- Guaranteeing the appearance of offenders and minors in court actions.

On September 19, 1979, the State Board of Control (now the Commission on State Mandates) determined that this legislation imposed a state mandate reimbursable under Government Code (GC) section 17561.

The program's parameters and guidelines establish the state mandate and define reimbursement criteria. The Commission on State Mandates adopted the CAR Program's parameters and guidelines on January 21, 1981; they were last amended on October 30, 2009. In compliance with GC section 17558, the SCO issues the *Mandated Cost Manual for Local Agencies (Mandated Cost Manual)* for mandated programs to assist local agencies in claiming reimbursable costs.

## AUDIT AUTHORITY

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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

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Our audit objective was to determine whether claimed costs represent increased costs resulting from the legislatively mandated CAR Program during the period of July 1, 2020, through June 30, 2023. 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 ineligible costs that are not identified in the CAR Program's parameters and guidelines as reimbursable costs.

The audit period was July 1, 2020, through June 30, 2023.

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, materials and supplies, travel and training, 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 CAR 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 reviewed payroll records for claimed employees. We noted that the records provided as support for the claimed costs did not meet the requirements of the CAR Program's parameters and guidelines (see Finding 1).
- We reviewed claimed materials and supplies costs and found that the county had claimed costs allocated to the CAR Program as direct costs applicable to the mandated program. Furthermore, these costs were not supported by source documentation. We were unable to

verify that the costs claimed for materials and supplies were a direct cost to the CAR Program and were for mandated activities (see Finding 2).

- We reviewed the claimed indirect cost rates, including supporting documentation provided by the county. We found that the indirect cost rates were inaccurate. The rate variances, however, did not result in a material audit adjustment.
- We reviewed the county’s single audit reports and revenue reports to identify potential sources of offsetting revenues and reimbursements from federal or pass-through programs applicable to the CAR Program. The county did not claim offsetting revenues for the audit period, and we found no instances of unreported offsetting revenue. We noted no exceptions.

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**

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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 did not claim costs that are funded by another source; however, some claimed costs were unsupported, as quantified in the Schedule and described in the Findings and Recommendations section. To the extent that the county’s claimed costs were not supported by appropriate source documents, such costs are also unreasonable and/or excessive.

For the audit period, the county claimed and was paid \$540,849 for costs of the legislatively mandated CAR Program. Our audit found that \$21,942 is allowable and \$518,907 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**

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We have not previously conducted an audit on the county's legislatively mandated CAR Program.

## **VIEWS OF RESPONSIBLE OFFICIALS**

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We issued a draft audit report on May 28, 2026. The county's representative responded by email on June 2, 2026, declining to provide a response to the draft audit report.

## **RESTRICTED USE**

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This 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](http://www.sco.ca.gov).

*Original signed by*

Kimberly A. Tarvin, CPA  
Chief, Division of Audits

June 16, 2026

## SCHEDULE—SUMMARY OF PROGRAM COSTS

### July 1, 2020, through June 30, 2023

Payment amounts shown below are current as of April 24, 2026.

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference
<u>July 1, 2020, through June 30, 2021</u>				
Direct costs: Salaries and benefits	\$138,041	\$882	-\$137,159	Finding 1
Direct costs: Materials and supplies	2,892	0	-2,892	Finding 2
Direct costs: Travel and training	710	710	0	
Total direct costs	141,643	1,592	-140,051	
Indirect costs	111,275	711	-110,564	Finding 1
Total direct and indirect costs	252,918	2,303	-250,615	
Less: offsetting revenues and other reimbursements	0	0	0	
Total CAR Program costs	<u>\$252,918</u>	2,303	<u>-\$250,615</u>	
Less: amount paid by state		<u>-252,918</u>		
Amount paid in excess of claimed costs		<u>-\$250,615</u>		
<u>July 1, 2021, through June 30, 2022</u>				
Direct costs: Salaries and benefits	\$106,134	\$3,357	-\$102,777	Finding 1
Direct costs: Materials and supplies	19,784	2,675	-17,109	Finding 2
Direct costs: Travel and training	11,339	11,339	0	
Total direct costs	137,257	17,371	-119,886	
Indirect costs	71,704	2,268	-69,436	Finding 1
Total direct and indirect costs	208,961	19,639	-189,322	
Less: offsetting revenues and other reimbursements	0	0	0	

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference
Total CAR Program costs	<u>\$208,961</u>	19,639	<u>-\$189,322</u>	
Less: amount paid by state		-208,961		
Amount paid in excess of claimed costs		<u>-\$189,322</u>		
<u>July 1, 2022, through June 30, 2023</u>				
Direct costs: Salaries and benefits	\$78,970	\$0	-\$78,970	Finding 1
Total direct costs	<u>78,970</u>	0	<u>-78,970</u>	
Indirect costs	0	0	0	
Total direct and indirect costs	<u>78,970</u>	0	<u>-78,970</u>	
Less: offsetting revenues and other reimbursements	0	0	0	
Total CAR Program costs	<u>\$78,970</u>	0	<u>-\$78,970</u>	
Less: amount paid by State		-78,970		
Amount paid in excess of claimed costs		<u>-\$78,970</u>		
<u>Summary: July 1, 2020, through June 30, 2023</u>				
Direct costs: Salaries and benefits	\$323,145	\$4,239	-\$318,906	Finding 1
Direct costs: Materials and supplies	22,676	2,675	-20,001	Finding 2
Direct costs: Travel and training	12,049	12,049	0	
Total direct costs	<u>357,870</u>	18,963	<u>-338,907</u>	Findings 1 and 2
Indirect costs	182,979	2,979	-180,000	Finding 1
Total direct and indirect costs	<u>540,849</u>	21,942	<u>-518,907</u>	Findings 1 and 2
Less: offsetting revenues and other reimbursements	0	0	0	
Total CAR Program costs	<u>\$540,849</u>	21,942	<u>-\$518,907</u>	
Less: amount paid by State		-540,849		
Amount paid in excess of claimed costs		<u>-\$518,907</u>		

## FINDINGS AND RECOMMENDATIONS

### Finding 1—Unsupported salaries and benefits and related indirect costs

The county claimed \$323,145 in salaries and benefits for the audit period. We determined that \$4,239 is allowable and \$318,906 is unallowable. The related unallowable indirect costs total \$180,000, for total unallowable costs of \$498,906. The costs are primarily unallowable because the county did not provide contemporaneous source documentation to support the mandated functions performed or the actual number of hours devoted to each function.

The following table summarizes the unallowable salaries and benefits, the related indirect costs, and the audit adjustment:

Cost Elements	FY 2020-21	FY 2021-22	FY 2022-23	Total
Total unallowable salaries and benefits [A]	-\$137,159	-\$102,777	-\$78,970	-\$318,906
Claimed indirect cost rate [B]	80.61%	67.56%	0.00%	
Related indirect costs [C = A × B] (adjustments for rounding errors)	-110,564	-69,436	0	-180,000
Audit Adjustment [D = A + C]	-\$247,723	-\$172,213	-\$78,970	-\$498,906

The county claimed the following salary and benefit costs:

Cost Elements	FY 2020-21	FY 2021-22	FY 2022-23	Total
Total salaries, benefits, accruals, and accrual reversals	\$129,529	\$91,533	\$69,086	\$290,148
Object Code 9300 – Workers’ compensation	8,512	6,845	1,880	17,237
Object Code 9303 – General liability insurance	0	7,756	1,135	8,891
Object Code 9307 – Data processing	0	0	6,869	6,869
Total	\$138,041	\$106,134	\$78,970	\$323,145

The county claimed various employee classifications for the Compliance with Court Orders cost component, including Investigators, an Investigator Aide, and a Legal Office Assistant. During the walkthrough of claim procedures, representatives of the county DA's Office explained to us that their staff members generate a Report 91 from the county's payroll system to obtain information about all salaries and benefits charged to unit 3185 (the Child Abduction Unit). The DA's Office manually reconciles the Report 91 to the general ledger for the Child Abduction Unit in order to account for salary and benefit accruals and accrual reversals, workers' compensation premiums, general liability, and data processing charges. The county claimed all salary and benefit costs charged to the Child Abduction Unit, including wages, program overtime, benefits, and adjustments to salaries and benefits.

DA's Office employees fill out a bi-monthly timesheet for payroll purposes. The timesheet includes a drop-down menu listing programs and unit numbers; employees choose the programs (such as Child Abduction, Workers' Compensation, or General/Criminal Investigation) that they have worked on during the month, and then enter the number of hours that they spent on each program per day. Employees also indicate absence hours (vacation, holiday, sick leave, and/or compensatory time off) taken and any overtime hours worked. Employees submit timesheets at the end of every month and the data is manually entered by the payroll clerk into the county's payroll system. The timesheets do not include a breakdown of how much time was spent on specific mandated activities.

Employees input the number of overtime hours worked on the overtime line of the timesheet and submit a hard copy overtime request form; employees are to indicate to which unit the overtime hours should be charged on top of the overtime request form. Beginning in 2021, timesheets have included a drop-down menu from which employees choose the work unit to which to charge their overtime hours. If no notation is included on the overtime request form, the hours are charged to the employee's assigned program in the county's payroll system.

We reviewed the overtime request forms attached to the timesheets for descriptions of mandated functions performed. Although the county did not claim overtime hours on its claim forms, it did claim wages and benefits associated with overtime hours. We allowed overtime

hours that were supported by descriptions of the mandated activities performed. We determined the number of allowable hours for each claimed employee and recalculated the productive hourly rate for overtime hours based on the paystubs provided by the county.

Based on our discussion with the county’s staff members, we determined that costs claimed for workers’ compensation insurance, general liability insurance, and data processing were allocated to the Child Abduction Unit based on the number of full-time employees from the labor forecast reports for each fiscal year. The costs are unallowable because the county claimed costs that were allocated to the CAR Program instead of actual costs supported by source documentation, as required by the CAR Program’s parameters and guidelines.

## **Criteria**

Section V., “Reimbursable Costs,” of the CAR Program’s 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 VII.A.1., “Salary and Employees’ Benefits” of the CAR Program’s parameters and guidelines states, in part:

Identify the employee(s), show the classification of the employee(s) involved, describe the mandated functions performed and specify the actual number of hours devoted to each function, the productive hourly rate, and the related benefits. . .

## Recommendation

We recommend that the county:

- Follow the SCO's *Mandated Cost Manual* and the CAR Program's parameters and guidelines when preparing its reimbursement claims; and
- Ensure that claimed costs are supported by source documentation.

## Finding 2—Unsupported materials and supplies

The county claimed a total of \$22,676 in materials and supplies costs for the audit period. We determined that \$2,675 is allowable and \$20,001 is unallowable. The costs are unallowable because the county did not provide source documents showing that costs were a direct cost to the program, as required by the CAR Program's parameters and guidelines. Furthermore, the materials and supplies costs claimed by the county were allocated to the Child Abduction Unit instead of being actual costs supported by source documentation.

The following table shows the materials and supplies costs claimed, the allowable costs, and the audit adjustment by fiscal year:

Fiscal Year	Amount Claimed	Total Allowable	Audit Adjustment
2020-21	\$2,892	\$0	\$-2,892
2021-22	19,784	2,675	-17,109
2022-23	0	0	0
Total	\$22,676	\$2,675	-\$20,001

The county claimed materials and supplies costs for the following object codes:

Object Code	FY 2020-21	FY 2021-22	Total
7005 – Communication	\$270	\$2,675	\$2,945
9307 – Data Processing	0	17,109	17,109
9319 – Motor Pool	2,622	0	2,622
Total	\$2,892	\$19,784	\$22,676

**Object Code 7005 – Communications**

The county claimed a total of \$2,945 in communication costs for the audit period. Costs included cell phone charges and charges for a location-tracking device. The county claimed \$270 for third-party cell phone costs for FY 2020-21 and \$2,675 for a third-party location-tracking device for FY 2021-22.

We reviewed monthly cell phone bills and the county's payment vouchers. Staff members from the county explained that cell phone numbers are assigned to one Investigator and one Investigator Aide, and expenses are charged monthly to the Child Abduction Unit.

Based on the documentation provided, we determined that a total of \$270 in communication costs is unallowable. The county did not support the claimed cell phone costs with source documents showing that the costs are a direct cost to the CAR Program, and it did not show the validity of such costs and their relationship to the reimbursable activities.

**Object Code 9307 – Data Processing**

The county claimed a total of \$17,109 in data processing costs for the audit period.

Based on our discussion with the county's personnel, we determined that costs claimed for data processing were allocated to the Child Abduction Unit based on the number of full-time employees from the fiscal-year labor forecast reports.

Based on the documentation provided, we determined that a total of \$17,109 in allocated data processing costs is unallowable. The costs are unallowable because the county claimed costs that were allocated to the CAR Program instead of actual costs supported by source documentation, as required by the CAR Program's parameters and guidelines.

**Object Code 9319 – Motor Pool**

The county claimed a total of \$2,622 in motor pool costs for the audit period.

The county provided supporting documentation, including project cost source reports from the county's General Services Agency and customer accounting reports. The documentation includes fuel and repair charges for various vehicles. The documentation also shows costs for motor pool adjustments.

The county's staff members explained that vehicles are assigned to Investigators on a monthly basis; when an Investigator assigned to the Child Abduction Unit uses a vehicle, the repair and fuel charges related to that vehicle are charged to the Child Abduction Unit. At the end of each month, employees submit mileage reports for vehicles to be reconciled with the motor pool fuel charges for the Child Abduction Unit. If the mileage reports do not match the vehicles used, a motor pool adjustment is made to reclassify the costs to the correct unit. Investigators do not track the daily usage of their assigned vehicles or document how the usage relates to child abduction cases.

Based on the documentation provided, we determined that a total of \$2,622 in motor pool costs is unallowable. The county did not support the claimed motor pool costs with source documents showing that the costs are a direct cost to the CAR Program or show the validity of such costs and their relationship to the reimbursable activities.

## **Criteria**

Section V., "Reimbursable Costs," of the CAR Program's 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 VII.A.3., “Materials and Supplies,” of the CAR Program’s parameters and guidelines states, in part:

Only expenditures which can be identified as a direct cost of the mandate such as, but not limited to, vehicles, office equipment, communication devices, memberships, subscriptions, publications, may be claimed. . . .

## **Recommendation**

We recommend that the county:

- Follow the SCO’s *Mandated Cost Manual* and the CAR Program’s parameters and guidelines when preparing its reimbursement claims; and
- Ensure that claimed costs include only costs which can be identified as a direct cost of the mandate, are based on actual costs, and are properly supported.