

CITY OF REDDING

Audit Report

CRIME STATISTICS REPORTS FOR THE DEPARTMENT OF JUSTICE PROGRAM

Chapter 1172, Statutes of 1989; Chapter 1338, Statutes of 1992; Chapter 1230, Statutes of 1993; Chapter 933, Statutes of 1998; Chapter 571, Statutes of 1999; Chapter 626, Statutes of 2000; and Chapter 700, Statutes of 2004

July 1, 2001, through June 30, 2012



BETTY T. YEE
California State Controller

September 2021



BETTY T. YEE
California State Controller

September 29, 2021

Allyn Feci Clark, Finance Director
City of Redding
777 Cypress Avenue, Third Floor
Redding, CA 96001

Dear Ms. Clark:

The State Controller's Office (SCO) audited the costs claimed by the City of Redding for the legislatively mandated Crime Statistics Reports for the Department of Justice Program for the period of July 1, 2001, through June 30, 2012.

The city claimed \$985,583 for costs of the mandated program. Our audit found that \$924,284 is allowable; and \$61,299 is unallowable because the city claimed overstated salary and benefit costs, and related indirect costs. The State made no payments to the city. The State will pay \$924,284, contingent upon available appropriations.

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

If you have any questions, please contact Lisa Kurokawa, Chief, Compliance Audits Bureau, by telephone at (916) 327-3138.

Sincerely,

Original signed by

KIMBERLY TARVIN, CPA
Chief, Division of Audits

KT/ac

cc: The Honorable Erin Resner, Mayor
City of Redding
Michele Davis, MPA, Management Analyst II
Redding Police Department
Chris Hill, Principal Program Budget Analyst
Local Government Unit
California Department of Finance
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Audit Report

Summary

The State Controller's Office (SCO) audited the costs claimed by the City of Redding for the legislatively mandated Crime Statistics Reports for the Department of Justice Program for the period of July 1, 2001, through June 30, 2012.

The city claimed \$985,583 for costs of the mandated program. Our audit found that \$924,284 is allowable; and \$61,299 is unallowable because the city claimed overstated salary and benefit costs, and related indirect costs. The State made no payments to the city. The State will pay \$924,284, contingent upon available appropriations.

Background

Penal Code (PC) sections 12025 (h)(1) and (h)(3), 12031 (m)(1) and (m)(3), 13014, 13023, and 13730 (a) require local agencies to report information related to certain specified criminal acts to the California Department of Justice (DOJ). These sections were added and/or amended by Chapter 1172, Statutes of 1989; Chapter 1338, Statutes of 1992; Chapter 1230, Statutes of 1993; Chapter 933, Statutes of 1998; Chapter 571, Statutes of 1999; Chapter 626, Statutes of 2000; and Chapter 700, Statutes of 2004.

On June 26, 2008, the Commission on State Mandates (Commission) adopted a statement of decision for the Crime Statistics Reports for the Department of Justice Program. The Commission found that the test claim legislation constitutes a new program or higher level of service and imposes a reimbursable state-mandated program on city and county claimants beginning on July 1, 2001, within the meaning of Article XII B, section 6 of the California Constitution and Government Code (GC) section 17514.

On July 31, 2009, the Commission heard an amended test claim on PC section 13023 (added by Chapter 700, Statutes of 2004), which imposed additional crime reporting requirements. The Commission also found that this test claim legislation constitutes a new program or higher level of service and imposes a reimbursable state-mandated program for city and county claimants beginning on January 1, 2004. On April 10, 2010, the Commission issued a corrected statement of decision to correctly identify the operative and effective date of the reimbursable state-mandated program as January 1, 2005.

The Commission found that the following activities are reimbursable:

- For a local government entity responsible for the investigation and prosecution of a homicide case to provide the DOJ with demographic information about the victim and the person or persons charged with the crime, including the victim's and person's age, gender, race, and ethnic background (PC section 13014);
- For local law enforcement agencies to report, in a manner to be prescribed by the Attorney General, any information that may be required relative to any criminal acts or attempted criminal acts to

- cause physical injury, emotional suffering, or property damage where there is a reasonable cause to believe that the crime was motivated, in whole or in part, by the victim's race, ethnicity, religion, sexual orientation, or physical or mental disability, or gender or national origin (PC section 13023);
- For district attorneys to report annually, on or before June 30, to the Attorney General, on profiles by race, age, gender, and ethnicity any person charged with a felony or misdemeanor under PC section 12025 (carrying a concealed firearm) or PC section 12031 (carrying a loaded firearm in a public place), and any other offense charged in the same complaint, indictment, or information. The Commission found that this activity is a reimbursable mandate from July 1, 2001, through January 1, 2005. (PC sections 12025 [h][1] and [h][3], and 12031 [m][1] and [m][3]);
 - For law enforcement agencies to support all domestic violence-related calls for assistance with a written incident report (PC section 13730, subdivision (a), Chapter 1230, Statutes of 1993);
 - For local law enforcement agencies to report the following in a manner to be prescribed by the Attorney General:
 - Any information that may be required relative to hate crimes, as defined in PC section 422.55 as criminal acts committed, in whole or in part, because of one or more of the following perceived characteristics of the victim: (1) disability, (2) gender, (3) nationality, (4) race or ethnicity, (5) religion, or (6) sexual orientation; and
 - Any information that may be required relative to hate crimes, defined in PC section 422.55 as criminal acts committed, in whole or in part, because of association with a person or group with one or more of the following actual or perceived characteristics: (1) disability, (2) gender, (3) nationality, (4) race or ethnicity, (5) religion, or (6) sexual orientation.

The program's parameters and guidelines establish the state mandate and define reimbursement criteria. The Commission adopted the parameters and guidelines on September 30, 2010, and amended them on January 24, 2014, to clarify reimbursable costs related to domestic violence-related calls for assistance. In compliance with GC section 17558, the SCO issues claiming instructions to assist local agencies and school districts 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 city's records to verify the actual amount of the mandated costs. In addition, GC section 12410 provides the SCO with general audit authority to audit the disbursement of state money for correctness, legality, and sufficient provisions of law.

Objective, Scope, and Methodology

The objective of our audit was to determine whether costs claimed represent increased costs resulting from the legislatively mandated Crime Statistics Reports for the Department of Justice Program. Specifically, we conducted this audit to determine whether costs claimed were supported by appropriate source documents, were not funded by another source, and were not unreasonable and/or excessive.¹

The audit period was July 1, 2001, through June 30, 2012.

To achieve our objective, we:

- Reviewed the annual mandated cost claims filed by the city for the audit period and identified the significant cost components of each claim as salaries, benefits, and indirect costs. Determined whether there were any errors or unusual or unexpected variances from year to year. Reviewed the activities claimed to determine whether they adhered to the SCO's claiming instructions and the program's parameters and guidelines;
- Completed an internal control questionnaire by interviewing key city staff. Discussed the claim preparation process with city staff to determine what information was obtained, who obtained it, and how it was used;
- Assessed the reliability of data generated from the city's management information system (payroll and expenditure records) and the city's record management system by interviewing city staff members and examining supporting records. Determined that the data was sufficiently reliable to address the audit objectives;
- Interviewed city staff members to determine what employee classifications were involved in performing the reimbursable activities during the audit period;
- Traced productive hourly rate (PHR) and benefit rate calculations for all employee classifications performing the mandated activities to supporting information in the city's payroll system (see the Finding);
- Assessed whether the average time increments (ATIs) claimed for each fiscal year in the audit period to perform the reimbursable activities were reasonable per the requirements of the program and supported by source documentation (see the Finding);
- Reviewed and analyzed the claimed domestic violence incident report counts for consistency and possible exclusions, and verified that the counts were supported by the reports that the city submitted to the DOJ (see the Finding);
- Traced a non-statistical sample of 200 (20 reports for fiscal year [FY] 2001-02 through FY 2011-12) out of 7,730 domestic violence-related calls for assistance to written incident reports. No errors were found;

¹ Unreasonable and/or excessive costs include ineligible costs that are not identified in the program's parameters and guidelines as reimbursable costs.

- Determined whether the indirect cost rates were properly supported and applied. Recomputed the indirect cost rates for FY 2001-02, FY 2003-04, FY 2007-08, and FY 2008-09; and
- Verified that costs claimed were not funded by another source, based on discussions with the city's representative.

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.

We did not audit the city's financial statements.

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 city claimed costs that were funded by other sources; however, we did find that it claimed unsupported and ineligible costs, as quantified in the Schedule and described in the Finding and Recommendation section of this audit report.

For the audit period, the City of Redding claimed \$985,583 for costs of the legislatively mandated Crime Statistics Reports for the Department of Justice Program. Our audit found that \$924,284 is allowable and \$61,299 is unallowable. The State made no payments to the city. The State will pay \$924,284, contingent upon available appropriations.

Following issuance of this audit report, the SCO's Local Government Programs and Services Division will notify the city 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 of the city's legislatively mandated Crime Statistics Reports for the Department of Justice Program.

Views of Responsible Officials

We issued a draft audit report on August 18, 2021. Allyn Feci Clark, Finance Director, responded by letter dated August 23, 2021 (Attachment), concurring with the audit finding.

Restricted Use

This audit report is solely for the information and use of the City of Redding, 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 audit report, which is a matter of public record and is available on the SCO website at www.sco.ca.gov.

Original signed by

KIMBERLY TARVIN, CPA
Chief, Division of Audits

September 29, 2021

Schedule—
Summary of Program Costs
July 1, 2001, through June 30, 2012

<u>Cost Elements</u>	<u>Actual Costs Claimed</u>	<u>Allowable per Audit</u>	<u>Audit Adjustment¹</u>
<u>July 1, 2001, through June 30, 2002</u>			
Direct costs:			
Homicide reports	\$ 21	\$ 21	\$ -
Domestic violence related calls for assistance	40,156	38,236	(1,920)
Total direct costs	40,177	38,257	(1,920)
Indirect costs	10,968	10,444	(524)
Total program costs	<u>\$ 51,145</u>	48,701	<u>\$ (2,444)</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ 48,701</u>	
<u>July 1, 2002, through June 30, 2003</u>			
Direct costs:			
Homicide reports	\$ 22	\$ 22	\$ -
Domestic violence related calls for assistance	45,615	43,442	(2,173)
Total direct costs	45,637	43,464	(2,173)
Indirect costs	13,815	13,157	(658)
Total program costs	<u>\$ 59,452</u>	56,621	<u>\$ (2,831)</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ 56,621</u>	
<u>July 1, 2003, through June 30, 2004</u>			
Direct costs:			
Homicide reports	\$ 29	\$ 29	\$ -
Domestic violence related calls for assistance	57,442	54,722	(2,720)
Total direct costs	57,471	54,751	(2,720)
Indirect costs	16,138	15,374	(764)
Total program costs	<u>\$ 73,609</u>	70,125	<u>\$ (3,484)</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ 70,125</u>	

Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment ¹
<u>July 1, 2004, through June 30, 2005</u>			
Direct costs:			
Homicide reports	\$ 32	\$ 32	\$ -
Hate crime reports	28	28	-
Domestic violence related calls for assistance	71,205	67,848	(3,357)
Total direct costs	71,265	67,908	(3,357)
Indirect costs	19,598	18,675	(923)
Total program costs	<u>\$ 90,863</u>	86,583	<u>\$ (4,280)</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ 86,583</u>	
<u>July 1, 2005, through June 30, 2006</u>			
Direct costs:			
Homicide reports	\$ 40	\$ 40	\$ -
Hate crime reports	67	67	-
Domestic violence related calls for assistance	84,675	78,255	(6,420)
Total direct costs	84,782	78,362	(6,420)
Indirect costs	24,231	22,396	(1,835)
Total program costs	<u>\$ 109,013</u>	100,758	<u>\$ (8,255)</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ 100,758</u>	
<u>July 1, 2006, through June 30, 2007</u>			
Direct costs:			
Homicide reports	\$ 44	\$ 44	\$ -
Hate crime reports	71	71	-
Domestic violence related calls for assistance	85,320	73,884	(11,436)
Total direct costs	85,435	73,999	(11,436)
Indirect costs	25,194	21,821	(3,373)
Total program costs	<u>\$ 110,629</u>	95,820	<u>\$ (14,809)</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ 95,820</u>	

Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment ¹
<u>July 1, 2007, through June 30, 2008</u>			
Direct costs:			
Homicide reports	\$ 28	\$ 28	\$ -
Hate crime reports	47	47	-
Domestic violence related calls for assistance	<u>70,253</u>	<u>66,906</u>	<u>(3,347)</u>
Total direct costs	70,328	66,981	(3,347)
Indirect costs	<u>21,507</u>	<u>20,484</u>	<u>(1,023)</u>
Total program costs	<u>\$ 91,835</u>	87,465	<u>\$ (4,370)</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ 87,465</u>	
<u>July 1, 2008, through June 30, 2009</u>			
Direct costs:			
Homicide reports	\$ 30	\$ 30	\$ -
Hate crime reports	50	50	-
Domestic violence related calls for assistance	<u>83,886</u>	<u>79,162</u>	<u>(4,724)</u>
Total direct costs	83,966	79,242	(4,724)
Indirect costs	<u>29,757</u>	<u>28,083</u>	<u>(1,674)</u>
Total program costs	<u>\$ 113,723</u>	107,325	<u>\$ (6,398)</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ 107,325</u>	
<u>July 1, 2009, through June 30, 2010</u>			
Direct costs:			
Homicide reports	\$ 52	\$ 52	\$ -
Hate crime reports	87	87	-
Domestic violence related calls for assistance	<u>71,683</u>	<u>68,195</u>	<u>(3,488)</u>
Total direct costs	71,822	68,334	(3,488)
Indirect costs	<u>23,873</u>	<u>22,714</u>	<u>(1,159)</u>
Total program costs	<u>\$ 95,695</u>	91,048	<u>\$ (4,647)</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ 91,048</u>	

Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment ¹
<u>July 1, 2010, through June 30, 2011</u>			
Direct costs:			
Domestic violence related calls for assistance	\$ 64,093	\$ 57,698	\$ (6,395)
Total direct costs	64,093	57,698	(6,395)
Indirect costs	22,785	20,512	(2,273)
Total program costs	<u>\$ 86,878</u>	78,210	<u>\$ (8,668)</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ 78,210</u>	
<u>July 1, 2011, through June 30, 2012</u>			
Direct costs:			
Domestic violence related calls for assistance	\$ 75,745	\$ 74,925	\$ (820)
Total direct costs	75,745	74,925	(820)
Indirect costs	26,996	26,703	(293)
Total program costs	<u>\$ 102,741</u>	101,628	<u>\$ (1,113)</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ 101,628</u>	
<u>Summary: July 1, 2001, through June 30, 2012</u>			
Direct costs:			
Homicide reports	\$ 298	\$ 298	\$ -
Hate crime reports	350	350	-
Domestic violence related calls for assistance	750,073	703,273	(46,800)
Total direct costs	750,721	703,921	(46,800)
Indirect costs	234,862	220,363	(14,499)
Total program costs	<u>\$ 985,583</u>	924,284	<u>\$ (61,299)</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ 924,284</u>	

¹ See the Finding and Recommendation section.

² Payment amount current as of August 25, 2021.

Finding and Recommendation

FINDING— Overstated salary and benefit costs

The city claimed \$750,073 in salaries and benefits for the Domestic Violence Related Calls for Assistance cost component. We found that \$703,273 is allowable and \$46,800 is unallowable. Unallowable related indirect costs total \$14,499, for a total finding of \$61,299.

Reimbursable activities for this cost component consist of writing, reviewing, and editing incident reports. The parameters and guidelines require that a written incident report support each domestic violence-related call for assistance.

To calculate the claimed salaries and benefits, the city multiplied the number of written incident reports by the ATIs necessary to process a report, then multiplied the resulting hours by a PHR and related benefit rate.

During testing, we found that the city overstated the number of domestic violence-related calls for assistance in FY 2005-06, FY 2006-07, FY 2008-09, and FY 2010-11; claimed unsupported costs for classifications that did not perform the mandated activities; and overstated related indirect costs. The city overstated these costs because it did not claim costs in accordance with the program's parameters and guidelines or the *State Controller's Office Mandated Cost Manual for Local Agencies*.

The following table summarizes the claimed, allowable, and overstated costs for the Domestic Violence Related Calls for Assistance cost component by fiscal year:

Fiscal Year	Salaries and Benefits			Unallowable Indirect Costs	Total Audit Adjustment
	Amount Claimed	Amount Allowable	Audit Adjustment		
2001-02	\$ 40,156	\$ 38,236	\$ (1,920)	\$ (524)	\$ (2,444)
2002-03	45,615	43,442	(2,173)	(658)	(2,831)
2003-04	57,442	54,722	(2,720)	(764)	(3,484)
2004-05	71,205	67,848	(3,357)	(923)	(4,280)
2005-06	84,675	78,255	(6,420)	(1,835)	(8,255)
2006-07	85,320	73,884	(11,436)	(3,373)	(14,809)
2007-08	70,253	66,906	(3,347)	(1,023)	(4,370)
2008-09	83,886	79,162	(4,724)	(1,674)	(6,398)
2009-10	71,683	68,195	(3,488)	(1,159)	(4,647)
2010-11	64,093	57,698	(6,395)	(2,273)	(8,668)
2011-12	75,745	74,925	(820)	(293)	(1,113)
Total	<u>\$ 750,073</u>	<u>\$ 703,273</u>	<u>\$ (46,800)</u>	<u>\$ (14,499)</u>	<u>\$ (61,299)</u>

Incident Reports

The city provided us with monthly reports submitted to the DOJ for the audit period. During our review of these monthly reports, we found that the city overstated the number of domestic violence-related calls for assistance in FY 2005-06, FY 2006-07, FY 2008-09, and FY 2010-11. The city overstated the domestic violence-related calls for assistance because it claimed unsupported calls that did not result in written incident reports. We recalculated the allowable costs using the supported number of incident report counts.

The following table summarizes the claimed, allowable, and overstated number of written incident reports for the fiscal years that resulted in audit adjustments:

Fiscal Year	Amount Claimed	Amount Allowable	Audit Adjustment
2005-06	861	837	(24)
2006-07	823	747	(76)
2008-09	758	753	(5)
2010-11	623	561	(62)
Total	3,065	2,898	(167)

Average Time Increments

For the audit period, the city claimed that it took the Police Officer classification 45 minutes (0.75 hours) to write and 15 minutes (0.25 hours) to edit incident reports, and the Sergeant classification 30 minutes (0.33 hours and 0.17 hours) to review incident reports. For FY 2001-02 through FY 2009-10, the city also estimated that it took the Police Officer classification 15 minutes (0.25 hours) to rewrite and review 25% of the incident reports prior to the Sergeant's review. In addition, the city estimated that it took the Clerk III classification in FY 2001-02 and FY 2002-03, and the Police Records Technician classification in FY 2003-04 through FY 2011-12, an ATI of five minutes (0.08 hours) to perform corrections and final approval on 30% of the incident reports. The city did not maintain documentation to support the ATIs claimed for Police Department staff members performing these activities.

During testing, we interviewed key personnel to determine the time it took Police Department staff members to perform the mandated activities and the reasonableness of the claimed costs. Based on our interviews, we found that rewriting and reviewing 25% of the incident reports prior to the Sergeant's review is a discretionary activity, and is not performed by all Police Officers. In addition, the city did not provide source documentation to support the ATI claimed for this activity. We also found that performing corrections and final approval on 30% of incident reports is a discretionary activity, and is not performed by all Clerk III and Police Records Technician classifications. Additionally, the city did not provide any source documentation to support the ATI claimed for this activity.

As a result, we concluded that the costs claimed for Police Officers to rewrite and review 25% of incident reports prior to the Sergeant's review, and for the Clerk III and Police Records Technicians to perform corrections and final approval on 30% of incident reports, are unsupported and unallowable. The city claimed overstated salary and benefit costs as a result of claiming unsupported costs for the Police Officer, Clerk III, and Police Records Technician classifications. We recalculated the allowable costs based on the ATIs and classifications allowable for the audit period.

The following table summarizes the claimed, allowable, and adjusted hours by fiscal year:

Fiscal Year	Hours Claimed			Hours Allowable			Audit Adjustment
	Police Officer	Clerk III & Police Records Tech	Total	Police Officer	Clerk III & Police Records Tech	Total	
	Rewrite/review 25% of Reports	Corrections/ Final Approval 30% of Reports		Rewrite/review 25% of Reports	Corrections/ Final Approval 30% of Reports		
2001-02	39.75	15.90	55.65	-	-	-	(55.65)
2002-03	43.00	17.20	60.20	-	-	-	(60.20)
2003-04	45.50	18.20	63.70	-	-	-	(63.70)
2004-05	49.13	19.65	68.78	-	-	-	(68.78)
2005-06	53.81	21.53	75.34	-	-	-	(75.34)
2006-07	51.44	20.58	72.02	-	-	-	(72.02)
2007-08	42.25	16.90	59.15	-	-	-	(59.15)
2008-09	47.38	18.95	66.33	-	-	-	(66.33)
2009-10	39.13	15.65	54.78	-	-	-	(54.78)
2010-11	-	15.58	15.58	-	-	-	(15.58)
2011-12	-	17.30	17.30	-	-	-	(17.30)
Total	411.39	197.44	608.83	-	-	-	(608.83)

Productive Hourly Rates

For the audit period, the city calculated the PHRs for Police Officers to write and edit incident reports, and for Sergeants to review incident reports. For FY 2001-02 through FY 2009-10, the city also calculated the PHR for Police Officers to rewrite and review approximately 25% of incident reports prior to the Sergeant's review. In addition, the city calculated the PHRs for the Clerk III classification in FY 2001-02 and FY 2002-03, and the Police Records Technician in FY 2003-04 through FY 2011-12, to perform corrections and final approval on 30% of incident reports.

Based on our interviews, we determined that the costs claimed for Police Officers to rewrite and review approximately 25% of incident reports prior to the Sergeant's review, and for the Clerk III and Police Records Technicians to make corrections and final approval on 30% of incident reports, are unsupported and unallowable. Therefore, the claimed PHRs for the Police Officer, Clerk III, and Police Records Technician classifications are unallowable for reimbursement.

The city claimed overstated salary and benefit costs as a result of claiming unsupported costs for the Police Officer, Clerk III, and Police Records Technician classifications. We recalculated the allowable costs based on the PHRs and classifications allowable for the audit period.

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

Fiscal Year	Claimed PHR		Allowable PHR		Audit Adjustment	
	Police Officer	Clerk III & Police Records Tech	Police Officer	Clerk III & Police Records Tech	Police Officer	Clerk III & Police Records Tech
	Rewrite/review 25% of Reports	Corrections/ Final Approval 30% of Reports	Rewrite/review 25% of Reports	Corrections/ Final Approval 30% of Reports	Rewrite/review 25% of Reports	Corrections/ Final Approval 30% of Reports
2001-02	28.61	15.48	-	-	(28.61)	(15.48)
2002-03	30.10	16.22	-	-	(30.10)	(16.22)
2003-04	31.87	16.46	-	-	(31.87)	(16.46)
2004-05	34.09	17.73	-	-	(34.09)	(17.73)
2005-06	34.67	18.77	-	-	(34.67)	(18.77)
2006-07	36.38	19.61	-	-	(36.38)	(19.61)
2007-08	38.24	19.38	-	-	(38.24)	(19.38)
2008-09	40.84	20.27	-	-	(40.84)	(20.27)
2009-10	41.87	24.22	-	-	(41.87)	(24.22)
2010-11	-	26.42	-	-	-	(26.42)
2011-12	-	26.31	-	-	-	(26.31)

Benefit Rates

For the audit period, the city calculated the benefit rates for Police Officers to write and edit incident reports, and for Sergeants to review incident reports. For FY 2001-02 through FY 2009-10, the city also calculated the benefit rate for Police Officers to rewrite and review approximately 25% of incident reports prior to the Sergeant's review. In addition, the city calculated the benefit rates for the Clerk III classification in FY 2001-02 and FY 2002-03, and the Police Records Technician in FY 2003-04 through FY 2011-12, to perform corrections and final approval on 30% of incident reports.

Based on our interviews, we determined that the costs claimed for Police Officers to rewrite and review approximately 25% of incident reports prior to the Sergeant's review, and for the Clerk III and Police Records Technicians to perform corrections and final approval on 30% of the incident reports, are unsupported and unallowable. Therefore, the claimed benefit rates for the Police Officer, Clerk III, and Police Records Technician classifications are unallowable for reimbursement.

The city claimed overstated salary and benefit costs as a result of claiming unsupported costs for the Police Officer, Clerk III, and Police Records Technician classifications. We recalculated the allowable costs based on the benefit rates and classifications allowable for the audit period.

The following table summarizes the claimed, allowable, and adjusted benefit rates for the audit period:

Fiscal Year	Claimed Benefit Rate		Allowable Benefit Rate		Audit Adjustment	
	Police Officer	Clerk III & Police Records Tech	Police Officer	Clerk III & Police Records Tech	Police Officer	Clerk III & Police Records Tech
	Rewrite/review 25% of Reports	Corrections/ Final Approval 30% of Reports	Rewrite/review 25% of Reports	Corrections/ Final Approval 30% of Reports	Rewrite/review 25% of Reports	Corrections/ Final Approval 30% of Reports
2001-02	38.66%	38.95%	-	-	(38.66)%	(38.95)%
2002-03	37.50%	40.36%	-	-	(37.50)%	(40.36)%
2003-04	58.24%	41.66%	-	-	(58.24)%	(41.66)%
2004-05	69.99%	46.58%	-	-	(69.99)%	(46.58)%
2005-06	80.39%	64.66%	-	-	(80.39)%	(64.66)%
2006-07	80.36%	66.43%	-	-	(80.36)%	(66.43)%
2007-08	73.42%	67.05%	-	-	(73.42)%	(67.05)%
2008-09	72.00%	72.38%	-	-	(72.00)%	(72.38)%
2009-10	73.65%	71.81%	-	-	(73.65)%	(71.81)%
2010-11	-	70.47%	-	-	-	(70.47)%
2011-12	-	79.96%	-	-	-	(79.96)%

Criteria

Section IV of the parameters and guidelines states, in part:

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....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 – Ongoing Activities, subsection D, allows ongoing activities related to costs supporting domestic violence-related calls for assistance with a written incident report, and reviewing and editing the report.

Section V of the parameters and guidelines states that cost elements must be identified for the reimbursable activities identified in section IV of the parameters and guidelines. Each reimbursable cost must be supported by source documentation. For salary and benefit costs, claimants are to report each employee implementing the reimbursable activities by name, job classification, and PHR.

Recommendation

The Crime Statistics Reports for the Department of Justice Program was suspended in the FY 2012-13 through FY 2020-21 Budget Acts. If the program becomes active again, we recommend that the city:

- Follow the mandated program claiming instructions and parameters and guidelines when claiming reimbursement for mandated costs;

- Claim costs based on the number of domestic violence-related calls for assistance that are reported to the DOJ and supported with a written report;
- Claim costs only for those employees who performed the mandated activities;
- Claim costs based on the actual time increment required to perform the mandated cost activity;
- Calculate PHRs and benefit rates based on the employee classification that performed the mandated activities; and
- Claim costs for only the mandated activities that were actually performed.

City's Response

The city concurs with the audit finding.

**Attachment—
City's Response to Draft Audit Report**



CITY OF REDDING

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August 23, 2021

ikurokawa@sco.ca.gov

Dear Ms. Kurokawa,

The City of Redding is in receipt of the State Controller's Office final audit report of costs claimed for the legislatively mandated Crime Statistics Report for the Department of Justice Program for the period July 1, 2001, through June 30, 2012.

We have reviewed the report and the associated findings and concur with the findings as stated in the final audit report.

The City of Redding will make the corrections in the future.

Sincerely,

Allyn Feci Clark, CPA, CPFO
Director of Finance/ City Treasurer
City of Redding

Cc: Michele Davis
Diona LaChapelle
Greg Robinett

**State Controller's Office
Division of Audits
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