

# **SANTA CRUZ COUNTY**

Audit Report

## **DOMESTIC VIOLENCE BACKGROUND CHECKS PROGRAM**

Chapter 713, Statutes of 2001

*July 1, 2001, through June 30, 2013*



**BETTY T. YEE**  
California State Controller

January 2020



**BETTY T. YEE**  
California State Controller

January 27, 2020

The Honorable Edith Driscoll, Auditor-Controller  
Santa Cruz County  
County Government Center  
701 Ocean Street, Room 100  
Santa Cruz, CA 95060

Dear Ms. Driscoll:

The State Controller's Office (SCO) audited the costs claimed by Santa Cruz County for the legislatively mandated Domestic Violence Background Checks Program for the period of July 1, 2001, through June 30, 2013.

The county claimed \$1,398,870 for costs of the mandated program. Our audit found that \$468,176 is allowable and \$930,694 is unallowable because the county overstated the number of domestic violence cases worked, overstated the time increments claimed, and overstated the related indirect costs. The State made no payments to the county. The State will pay \$468,176, contingent upon available appropriations.

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.

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

Sincerely,

*Original signed by*

JIM L. SPANO, CPA  
Chief, Division of Audits

JLS/hf

cc: Eric Seib, Chief of Administration  
District Attorney's Office  
Santa Cruz County  
Chris Hill, Principal Program Budget Analyst  
Local Government Unit  
California Department of Finance  
Steven Pavlov, Finance Budget Analyst  
Local Government Unit  
California Department of Finance  
Debra Morton, Manager  
Local Government Programs and Services Division  
State Controller's Office

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# Audit Report

## Summary

The State Controller's Office (SCO) audited the costs claimed by Santa Cruz County for the legislatively mandated Domestic Violence Background Checks Program for the period of July 1, 2001, through June 30, 2013.

The county claimed \$1,398,870 for costs of the mandated program. Our audit found that \$468,176 is allowable and \$930,694 is unallowable because the county overstated the number of domestic violence cases worked, overstated the time increments claimed, and overstated the related indirect costs. The State made no payments to the county. The State will pay \$468,176, contingent upon available appropriations.

## Background

Penal Code (PC) section 273.75 (added by Chapter 713, Statutes of 2001) establishes new responsibilities for a district attorney or prosecuting city attorney to perform specific activities related to persons charged with acts involving domestic violence.

On July 26, 2007, the Commission on State Mandates (Commission) found that PC section 273.75 imposes a reimbursable state-mandated program. Based on PC section 273.75, the Commission found that a district attorney or prosecuting city attorney is required to perform the following reimbursable activities upon any charge involving acts of domestic violence:

- Perform or cause to be performed, in electronic databases specified in PC section 273.75, subdivision (b), a thorough investigation of the defendant's history, including, but not limited to, prior convictions for domestic violence, other forms of violence or weapons offenses and any current protective or restraining order issued by any civil or criminal court.
- Present the information for consideration by the court (1) when setting bond or when releasing a defendant on his or her own recognizance at the arraignment, if the defendant is in custody, and (2) upon consideration of any plea agreement.
- If a protective or restraining order is issued in the current criminal proceeding, and if the investigation reveals a current civil protective or restraining order issued by another criminal court and involving the same or related parties, send, or cause to be sent, relevant information regarding the contents of the order issued in the current criminal proceeding, and any other information regarding a conviction of the defendant, to the other court immediately after the order has been issued.

On July 28, 2011, the Commission adopted the program's parameters and guidelines. These parameters and guidelines establish the state mandate and define the reimbursement criteria. In compliance with Government Code (GC) section 17558, the SCO issues claiming instructions to assist local agencies in claiming mandated program reimbursable costs.

## **Objective, Scope, and Methodology**

The objective of our audit was to determine whether costs claimed represent increased costs resulting from the legislatively mandated Domestic Violence Background Checks 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.

The audit period was July 1, 2001, through June 30, 2013.

To achieve our objective, 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, 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 county staff. Discussed the claim preparation process with county staff to determine what information was obtained, who obtained it, and how it was used;
- Interviewed county staff to determine what employee classifications were involved in performing the reimbursable activities during the audit period, and
  - Traced productive hourly rate (PHR) calculations for all employee classifications performing the mandated activities to supporting information in the city's payroll system. We recalculated the PHR's for the audit period and noted immaterial differences. As a result of our testing, we determined it was reasonable to allow the PHR's claimed for the audit period;
  - Traced benefit rate calculations for all employee classifications performing the mandated activities to supporting information in the county's payroll system. We recalculated the benefit rates for the audit period and noted immaterial differences. As a result of our testing, we determined it was reasonable to allow the benefit rates claimed for the audit period;
- Assessed whether the average time increments 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. As a result of our testing, we determined that the county overstated the time increments claimed for the reimbursable activities for the audit period;
- Reviewed and analyzed the claimed domestic violence case counts to determine the accuracy of the claimed number of cases, and verified that the reported cases were domestic violence cases. As a result of our testing, we determined that the county overstated the number of domestic violence cases worked for the audit period;

- Validated reports by judgmentally selecting a non-statistical sample of 240 domestic violence cases (out of 5,078) to verify that the information obtained from background checks were presented in court. As a result of our testing, we noted immaterial errors. Errors found were not projected to the intended population;
- 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;
- Reviewed potential sources of offsetting revenues/reimbursements for the audit period. We inquired with district staff, reviewed single audit reports (with accompanying financial statements), and reviewed revenue reports for the audit period for other sources of funding. We determined that claimed costs were not funded by another source.

GC sections 12410, 17558.5, and 17561 provide the legal authority to conduct this audit. 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 limited our review of the county's internal controls to gaining an understanding of the transaction flow and claim preparation process as necessary to develop appropriate auditing procedures. Our audit scope did not assess the efficiency or effectiveness of program operations. We did not audit the county'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 county 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, Santa Cruz County claimed \$1,398,870 for costs of the legislatively mandated Domestic Violence Background Checks Program. Our audit found that \$468,176 is allowable and \$930,694 is unallowable. The State made no payments to the county. The State will pay \$468,176, contingent upon available appropriations.

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 of the county’s legislatively mandated Domestic Violence Background Checks Program.

**Views of  
Responsible  
Officials**

We issued the draft audit report on December 2, 2019. Eric Seib, Chief of Administration, responded by letter dated December 16, 2019 (Attachment), agreeing with the facts of the finding and adding context to clarify the county’s claim preparation process. This final audit report includes the county’s response.

**Restricted Use**

This audit report is solely for the information and use of Santa Cruz 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 audit 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*

JIM L. SPANO, CPA  
Chief, Division of Audits

January 27, 2020



**Schedule—**  
**Summary of Program Costs**  
**July 1, 2001, through June 30, 2013**

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustment <sup>1</sup>
<u>July 1, 2001, through June 30, 2002</u>			
Direct costs:			
Salaries and benefits	\$ 19,640	\$ 11,617	\$ (8,023)
Indirect costs	7,325	4,334	(2,991)
Total program costs	<u>\$ 26,965</u>	15,951	<u>\$ (11,014)</u>
Less amount paid by the State <sup>2</sup>		-	
Allowable costs claimed in excess of amount paid		<u>\$ 15,951</u>	
<u>July 1, 2002, through June 30, 2003</u>			
Direct costs:			
Salaries and benefits	\$ 41,280	\$ 23,198	\$ (18,082)
Indirect costs	15,397	8,653	(6,744)
Total program costs	<u>\$ 56,677</u>	31,851	<u>\$ (24,826)</u>
Less amount paid by the State <sup>2</sup>		-	
Allowable costs claimed in excess of amount paid		<u>\$ 31,851</u>	
<u>July 1, 2003, through June 30, 2004</u>			
Direct costs:			
Salaries and benefits	\$ 81,466	\$ 28,087	\$ (53,379)
Indirect costs	30,664	10,573	(20,091)
Total program costs	<u>\$ 112,130</u>	38,660	<u>\$ (73,470)</u>
Less amount paid by the State <sup>2</sup>		-	
Allowable costs claimed in excess of amount paid		<u>\$ 38,660</u>	
<u>July 1, 2004, through June 30, 2005</u>			
Direct costs:			
Salaries and benefits	\$ 87,914	\$ 25,653	\$ (62,261)
Indirect costs	37,250	10,872	(26,378)
Total program costs	<u>\$ 125,164</u>	36,525	<u>\$ (88,639)</u>
Less amount paid by the State <sup>2</sup>		-	
Allowable costs claimed in excess of amount paid		<u>\$ 36,525</u>	

## Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment <sup>1</sup>
<u>July 1, 2005, through June 30, 2006</u>			
Direct costs:			
Salaries and benefits	\$ 82,437	\$ 26,691	\$ (55,746)
Indirect costs	33,585	10,875	(22,710)
Total program costs	<u>\$ 116,022</u>	37,566	<u>\$ (78,456)</u>
Less amount paid by the State <sup>2</sup>		-	
Allowable costs claimed in excess of amount paid		<u>\$ 37,566</u>	
<u>July 1, 2006, through June 30, 2007</u>			
Direct costs:			
Salaries and benefits	\$ 97,195	\$ 27,661	\$ (69,534)
Indirect costs	36,283	10,325	(25,958)
Total program costs	<u>\$ 133,478</u>	37,986	<u>\$ (95,492)</u>
Less amount paid by the State <sup>2</sup>		-	
Allowable costs claimed in excess of amount paid		<u>\$ 37,986</u>	
<u>July 1, 2007, through June 30, 2008</u>			
Direct costs:			
Salaries and benefits	\$ 106,804	\$ 35,230	\$ (71,574)
Indirect costs	39,838	13,140	(26,698)
Total program costs	<u>\$ 146,642</u>	48,370	<u>\$ (98,272)</u>
Less amount paid by the State <sup>2</sup>		-	
Allowable costs claimed in excess of amount paid		<u>\$ 48,370</u>	
<u>July 1, 2008, through June 30, 2009</u>			
Direct costs:			
Salaries and benefits	\$ 92,403	\$ 31,630	\$ (60,773)
Indirect costs	36,028	12,333	(23,695)
Total program costs	<u>\$ 128,431</u>	43,963	<u>\$ (84,468)</u>
Less amount paid by the State <sup>2</sup>		-	
Allowable costs claimed in excess of amount paid		<u>\$ 43,963</u>	

## Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment <sup>1</sup>
<u>July 1, 2009, through June 30, 2010</u>			
Direct costs:			
Salaries and benefits	\$ 114,508	\$ 34,520	\$ (79,988)
Indirect costs	54,266	16,359	(37,907)
Total program costs	<u>\$ 168,774</u>	50,879	<u>\$ (117,895)</u>
Less amount paid by the State <sup>2</sup>		-	
Allowable costs claimed in excess of amount paid		<u>\$ 50,879</u>	
<u>July 1, 2010, through June 30, 2011</u>			
Direct costs:			
Salaries and benefits	\$ 90,044	\$ 28,705	\$ (61,339)
Indirect costs	45,877	14,624	(31,253)
Total program costs	<u>\$ 135,921</u>	43,329	<u>\$ (92,592)</u>
Less amount paid by the State <sup>2</sup>		-	
Allowable costs claimed in excess of amount paid		<u>\$ 43,329</u>	
<u>July 1, 2011, through June 30, 2012</u>			
Direct costs:			
Salaries and benefits	\$ 92,069	\$ 28,875	\$ (63,194)
Indirect costs	42,582	13,354	(29,228)
Total program costs	<u>\$ 134,651</u>	42,229	<u>\$ (92,422)</u>
Less amount paid by the State <sup>2</sup>		-	
Allowable costs claimed in excess of amount paid		<u>\$ 42,229</u>	
<u>July 1, 2012, through June 30, 2013</u>			
Direct costs:			
Salaries and benefits	\$ 77,566	\$ 27,802	\$ (49,764)
Indirect costs	36,449	13,065	(23,384)
Total program costs	<u>\$ 114,015</u>	40,867	<u>\$ (73,148)</u>
Less amount paid by the State <sup>2</sup>		-	
Allowable costs claimed in excess of amount paid		<u>\$ 40,867</u>	

## Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment <sup>1</sup>
<u>Summary: July 1, 2001, through June 30, 2013</u>			
Direct costs:			
Salaries and benefits	\$ 983,326	\$ 329,669	\$ (653,657)
Indirect costs	415,544	138,507	(277,037)
Total program costs	<u>\$ 1,398,870</u>	468,176	<u>\$ (930,694)</u>
Less amount paid by the State <sup>2</sup>		-	
Allowable costs claimed in excess of amount paid		<u>\$ 468,176</u>	

<sup>1</sup> See the Finding and Recommendation section.

<sup>2</sup> Payment information current as of December 17, 2019.

# Finding and Recommendation

## FINDING — Overstated salary and benefit costs

The county claimed \$983,326 in salaries and benefits and \$415,544 in related indirect costs for the Domestic Violence Background Checks Program during the audit period. During testing, we found that \$329,669 is allowable and \$653,657 is unallowable for salaries and benefits. Related unallowable indirect costs total \$277,037, for a total finding of \$930,694.

The county claimed costs for performing background checks on defendants in domestic violence cases and presenting the evidence in court. The county calculated claimed costs by multiplying the number of domestic violence cases worked by the time increment necessary to perform the mandated activity, then multiplying the resulting hours by the productive hourly rate (PHR) for each classification. Costs claimed are unallowable because the county overstated the number of cases worked and time increments used to calculate claimed costs for each of the mandated activities. The overstatement occurred because the county did not claim costs in accordance with the program's parameters and guidelines.

The following table summarizes the claimed, allowable, and overstated costs for the Domestic Violence Background Checks Program by fiscal year:

Fiscal Year	Salaries and Benefits			Unallowable Indirect Costs	Total Audit Adjustment
	Amount Claimed	Amount Allowable	Audit Adjustment		
2001-02	\$ 19,640	\$ 11,617	\$ (8,023)	\$ (2,991)	\$ (11,014)
2002-03	41,280	23,198	(18,082)	(6,744)	(24,826)
2003-04	81,466	28,087	(53,379)	(20,091)	(73,470)
2004-05	87,914	25,653	(62,261)	(26,378)	(88,639)
2005-06	82,437	26,691	(55,746)	(22,710)	(78,456)
2006-07	97,195	27,661	(69,534)	(25,958)	(95,492)
2007-08	106,804	35,230	(71,574)	(26,698)	(98,272)
2008-09	92,403	31,630	(60,773)	(23,695)	(84,468)
2009-10	114,508	34,520	(79,988)	(37,907)	(117,895)
2010-11	90,044	28,705	(61,339)	(31,253)	(92,592)
2011-12	92,069	28,875	(63,194)	(29,228)	(92,422)
2012-13	77,566	27,802	(49,764)	(23,384)	(73,148)
Total	\$ 983,326	\$ 329,669	\$ (653,657)	\$ (277,037)	\$ (930,694)

## Cases

For the audit period, the county misstated the number of cases on which the District Attorney's Office staff performed domestic violence background checks, resulting in overstated salary and benefit costs totaling \$95,597. Related unallowable indirect costs total \$41,443, for a total of \$137,040.

The following table summarizes the audit adjustments related to the cases on which domestic violence background checks were performed during the audit period:

Fiscal Year	Salaries and Benefits	Related Indirect Costs	Audit Adjustment
2001-02	\$ 3,224	\$ 1,203	\$ 4,427
2002-03	5,574	2,080	7,654
2003-04	(6,585)	(2,478)	(9,063)
2004-05	(12,023)	(5,093)	(17,116)
2005-06	(8,574)	(3,493)	(12,067)
2006-07	(14,036)	(5,240)	(19,276)
2007-08	(10,410)	(3,883)	(14,293)
2008-09	(7,842)	(3,057)	(10,899)
2009-10	(14,361)	(6,806)	(21,167)
2010-11	(10,015)	(5,102)	(15,117)
2011-12	(10,979)	(5,078)	(16,057)
2012-13	(9,570)	(4,496)	(14,066)
Total	\$ (95,597)	\$ (41,443)	\$ (137,040)

The county reported that District Attorney's Office staff members performed background checks and reviews on 6,956 cases, then the District Attorney presented the evidence for all of the cases in court. The county provided a case listing that included FY 2001-02 through FY 2012-13 to support the number of cases claimed during the audit period. Based on our review, we found that the case listing included duplicates and cases that did not have docket numbers, which are the numbers the Court assigns to cases that are to be heard.

During our testing and interviews with key personnel, we confirmed that the case listing included duplicates, as the county derived the number of cases based on the number of violations rather than cases. We found that several cases included multiple violations that were counted as separate cases, resulting in duplicate cases. We removed the duplicate cases from the case listing to determine the allowable cases for Activity A1, Research Databases, and Activity B1, District Attorney Review of Database Print Outs.

Based on our review, we concluded that the county supported in aggregate that employees researched and reviewed 5,468 cases for Activities A1 and B1. Therefore, the county overstated the claimed number of cases for these activities by 1,488.

The following table summarizes the claimed, allowable and misstated number of domestic violence cases worked on for Activity A1 and B1 for the audit period:

Fiscal Year	Claimed Cases	Allowable A1 and B1 Cases	Audit Adjustment
2001-02	166	238	72
2002-03	343	467	124
2003-04	652	529	(123)
2004-05	715	487	(228)
2005-06	628	476	(152)
2006-07	711	472	(239)
2007-08	704	544	(160)
2008-09	605	485	(120)
2009-10	698	493	(205)
2010-11	592	439	(153)
2011-12	622	451	(171)
2012-13	520	387	(133)
Total	6,956	5,468	(1,488)

Our testing disclosed that the cases without docket numbers were reviewed by the District Attorney; however, the District Attorney declined to prosecute. The county's representative confirmed that if a case did not have a docket number, then no information was presented in court.

Therefore, in order to determine the allowable number of cases for Activity B2, Present Evidence in Court, we removed the cases that did not have docket numbers from the adjusted population of cases from which the duplicates were also removed. Based on our review, we concluded that the county supported that information for 5,078 cases were presented in court for Activity B2. As a result, the county overstated the claimed number of cases for this activity by 1,878.

The following table summarizes the claimed, allowable, and overstated number of domestic violence cases worked on for Activity B2 for the audit period:

Fiscal Year	Claimed Cases	Allowable B2 Cases	Audit Adjustment
2001-02	166	120	(46)
2002-03	343	245	(98)
2003-04	652	517	(135)
2004-05	715	485	(230)
2005-06	628	466	(162)
2006-07	711	467	(244)
2007-08	704	536	(168)
2008-09	605	482	(123)
2009-10	698	492	(206)
2010-11	592	437	(155)
2011-12	622	446	(176)
2012-13	520	385	(135)
Total	6,956	5,078	(1,878)

We calculated the unallowable costs by applying the error rate to the allowable time increments, productive hourly rates, benefit rates, and indirect cost rates.

### Time Increments

For the audit period, the county overstated the time increments used to calculate the claimed costs for the mandate. As a result, the county overstated salary and benefit costs by \$558,060. Related unallowable indirect costs total \$235,594; for a total audit adjustment of \$793,654.

The following table summarizes the audit adjustments related to the overstated time increments for the audit period:

Fiscal Year	Salaries and Benefits	Related Indirect Costs	Audit Adjustment
2001-02	\$ (11,247)	\$ (4,194)	\$ (15,441)
2002-03	(23,656)	(8,824)	(32,480)
2003-04	(46,794)	(17,613)	(64,407)
2004-05	(50,238)	(21,285)	(71,523)
2005-06	(47,172)	(19,217)	(66,389)
2006-07	(55,498)	(20,718)	(76,216)
2007-08	(61,164)	(22,815)	(83,979)
2008-09	(52,931)	(20,638)	(73,569)
2009-10	(65,627)	(31,101)	(96,728)
2010-11	(51,324)	(26,151)	(77,475)
2011-12	(52,215)	(24,150)	(76,365)
2012-13	(40,194)	(18,888)	(59,082)
Total	<u>\$ (558,060)</u>	<u>\$ (235,594)</u>	<u>\$ (793,654)</u>

The county claimed the following time increments to calculate the costs for the mandate: 30 minutes for Activity A1, 60 minutes for Activity B1, and 30 minutes for Activity B2. The county's consultant provided a time study that identified the activities worked on and the time associated with performing each activity. We reviewed the time study and interviewed key staff to gain an understanding of the activities performed.

For Activity A1, the parameters and guidelines allow reimbursement for reviewing databases to research the defendants' history. The time increment claimed includes activities such as entering a report, filing a complaint, putting the file together, and updating the case management system, DAMION. These activities are not reimbursable. Based on our review of the document and interview with key personnel, we determined that 20 minutes per case is allowable for Activity A1.

For Activity B1, the parameters and guidelines allow reimbursement for the District Attorney to review the database printouts. Our review of the time study and interviews with key personnel disclosed that unallowable activities of entering notes, start off sheet, and review and approve were claimed. We excluded the unallowable activities and determined that 33 minutes per case is allowable for Activity B1.



For Activity B2, the county included travel time to and from court and idle time waiting between cases as part of the reimbursement. These activities are not reimbursable under the mandate. In addition to conducting our interviews, we also observed a court session that included domestic violence and non-domestic violence cases. We found that it took an average of three minutes to hear each case; therefore, we concluded that three minutes to present the information in court is allowable for Activity B2.

We calculated the unallowable hours by applying the allowable time increments to the claimed number of cases. We then calculated and applied error rates to supported productive hourly rates, benefit rates, and indirect cost rates to determine the audit adjustment.

### Criteria

The parameters and guidelines (section IV – Reimbursable Activities) require claimed costs to be supported by source documents. The parameters and guidelines state, in part, that:

Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable to 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.

The parameters and guidelines (section IV – Reimbursable Activities) state that the following ongoing activities are eligible for reimbursement if they result from any charge involving acts of domestic violence:

- A. Perform or cause to be performed, in specified electronic data bases, a thorough investigation of the defendant's history, including, but not limited to, prior convictions of domestic violence, other forms of violence or weapons offenses and any current protective or restraining order issued by any civil or criminal court (Pen. Code, § 273.75(a)).
  1. Review by district attorney or prosecuting city attorney, or at the direction of such attorneys by investigative staff, support staff, legal assistant or others of any or all of the databases as listed in Penal Code section 273.75 as based on defendant information provided in or with the law enforcement report.
- B. Present the information for consideration by the court (1) when setting bond or when releasing a defendant on his or her own recognizance at the arraignment, if the defendant is in custody, and (2) upon consideration of any plea agreement (Pen. Code, § 273.75(a)).
  1. Review of databases or printouts from databases by district attorney or prosecuting city attorney in preparation for presenting such database evidence in court.
  2. Presentation of evidence in court by district attorney or prosecuting city attorney.

The parameters and guidelines (section V – Claim Preparation and Submission – Direct Cost Reporting – Salaries and Benefits) state that, for salaries and benefits, claimants are required to:

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

#### Recommendation

The Domestic Violence Background Checks Program was suspended in the FY 2013-14 through FY 2018-19 Budget Acts. If the program becomes active again, we recommend that the county:

- Follow the mandated program claiming instructions and the parameters and guidelines when preparing its reimbursement claims; and
- Ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

#### County's Response

The Santa Cruz County District Attorney's Office (SCDAO) agrees with the facts of this finding. However, requests that additional background information is included for the purpose of clarification:

##### 1. Finding - Cases

*“For the audit period, the county misstated the number of cases on which the District Attorney's Office staff performed domestic violence background checks, resulting in overstated salary and benefit costs totaling \$95,597. Related unallowable indirect costs total \$41,443, for a total of \$ 137,040.....During our testing and interviews with key personnel, we confirmed that the case listing included duplicates, as the county derived the number of cases based on the number of violations rather than cases. We found that several cases included multiple violations that were counted as separate cases, resulting in duplicate cases.”*

##### Response

The SCDAO agrees with the facts of this finding but believes certain context must be added for the purpose of clarification. Our Office was advised approximately six years ago of the opportunity to file the related test claim for this program, encompassing twelve years of activity and data and with very little turn-around time or guidance. Under these circumstances, our Office, in good faith, utilized an existing summary data report of domestic violence cases from our case management system that was the best available information at that time. This report was accurate for the purpose for which it was originally designed....

## 2. Finding - Time Increments

*“For the audit period, the county overstated the time increments used to calculate the claimed costs for the mandate. As a result, the county overstated salary and benefit costs by \$558,060. Related unallowable indirect costs total \$235,594; for a total audit adjustment of \$793,654.”*

### Response

The SCDAO agrees with the facts of this finding and believes certain context must be added for the purpose of clarification. Again, under the circumstances noted above, we developed, in good faith, time increments to be used to calculate our claimed costs under the available guidelines of the mandate. These time increments also included certain related administrative tasks which in our professional judgement were necessary, integral parts of Activities A-1 and B-1. We also believed, in our professional judgement, that travel time to and from court, as well as idle time in court were integral parts of Activity B-2, as it precluded staff from handling other tasks. It is also important to note that the audit determination regarding these activities is based on recent observation relating to activities that were reported six years ago, affecting the twelve fiscal years prior to that. As such, the related processes and surrounding circumstances had undoubtedly changed....

## 3. Recommendations

*“The Domestic Violence Background Checks Program was suspended in the FY 2013-14 through FY 2018-19 Budget Acts. If the program becomes active again, we recommend that the county:*

- *Follow the mandated program claiming instructions and the parameters and guidelines when preparing its reimbursement claims; and*
- *Ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.”*

### Response

The SCDAO will continue to follow mandated program claiming instructions and the parameters and guidelines, as long as they are available, when preparing our reimbursement claims. We already ensure that only eligible, actual and properly supported costs are claimed, based on available guidance.

## SCO Comment

Our finding and recommendation remain unchanged.

The SCDAO maintains that it submitted the reimbursable mandated claims in good faith and used an existing data report which “was accurate for the purpose that it was originally designed” to prepare the claims.

It should be noted that the report provided to support the claimed costs was not designed to document the number of cases on which the District Attorney's Office performed background checks. It was a statistical report designed to document the number of cases with specific Penal Code sections, such as 273.5 and 243(e). As such, the report did not take into consideration that both crimes could have occurred at the same time and been reported in the same case file. As a result, the county claimed duplicate cases.

Per the parameters and guidelines (section IV – Reimbursable Activities), claimed costs must be supported by source documents. The parameters and guidelines state, in part:

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 costs were incurred for the event or activity in question. Source documents include, but are not limited to, employee time records or time logs, sign-in sheets, invoices and receipts.

The SCDAO is responsible for maintaining relevant supporting documentation. There is no impact to the audit finding because the source documentation provided to support the claimed costs during audit fieldwork was the same source documentation that the SCDAO used to prepare its reimbursement claims that included duplicate cases.

The SCDAO maintains that it developed its time increments “in good faith” using the guidelines of the mandate. The SCDAO also maintains that, based on professional judgment, certain administrative tasks “were necessary, integral parts of Activities A1 and B1” and that travel time to and from court and idle time spent in court “were integral parts of Activity B2.”

The county's consultant provided a time study identifying the activities worked on and the time associated with performing each activity. To validate the time increments, we interviewed and observed county staff performing the activities. Based on our review of the time study, interviews, and observations, we determined that the county claimed time spent by county staff performing mandate-related and non-mandate-related activities under Activities A1, B1, and B2. Only mandate-related activities are eligible for reimbursement.

We determined that it would be reasonable to review the county's current processes in order to determine whether claimed costs represented increased costs as a result of the mandated program. The SCDAO states that the audit determination for these activities was based on recent observations, and that related processes and circumstances have changed. However, the county did not provide additional supporting documentation of past activity to show that its processes had changed. Furthermore, even if processes and circumstances had changed, the time spent by county staff to perform non-mandate-related activities would remain ineligible for reimbursement under the mandate.

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

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# County of Santa Cruz

## District Attorney's Office

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JEFFREY S. ROSELL  
DISTRICT ATTORNEY

December 16, 2019

Ms. Lisa Kurokawa  
Chief, Compliance Audits Bureau  
State Controller's Office, Division of Audits  
P.O. Box 942850  
Sacramento, CA 94250

**RE: Response to Draft Audit Report – Domestic Violence Background Checks Program for the Period July 1, 2001 through June 30, 2013**

Ms. Kurokawa:

The Santa Cruz County District Attorney's Office (SCDAO) received the subject draft audit report, dated December 2, 2019 on December 5<sup>th</sup>. Our response is within the 10-calendar days prescribed in the accompanying cover letter.

In summary, the report documented that our County claimed \$1,398,870 for costs related to this mandated program. The audit found that of the total amount claimed, \$468,176 is allowable and \$930,694 is unallowable because our County overstated the number of domestic violence cases worked, overstated the time increments claimed, and overstated the related indirect costs. The State has made no payments to the county related to this mandate and will pay \$468,176, contingent upon available appropriations.

With that said, our responses to the audit findings and recommendations are documented below:

1. Finding - Cases

*"For the audit period, the county misstated the number of cases on which the District Attorney's Office staff performed domestic violence background checks, resulting in overstated salary and benefit costs totaling \$95,597. Related unallowable indirect costs total \$41,443, for a total of \$ 137,040... ..During our testing and interviews with key personnel, we confirmed that the case listing included duplicates, as the county derived the number of cases based on the number of violations rather than cases. We found that several cases included multiple violations that were counted as separate cases, resulting in duplicate cases."*

Response

The SCDAO agrees with the facts of this finding but believes certain context must be added for the purpose of clarification. Our Office was advised approximately six years ago of the opportunity to file the related test claim for this program, encompassing twelve years of activity and data and with very little turn-around time or guidance. Under these circumstances, our Office, in good faith, utilized an existing summary data report of domestic violence cases from our case management system that was the best available information at that time. This report was accurate for the purpose for which it was originally designed.

2. Finding - Time Increments

*"For the audit period, the county overstated the time increments used to calculate the claimed costs for the mandate. As a result, the county overstated salary and benefit costs by \$558,060. Related unallowable indirect costs total \$235,594; for a total audit adjustment of \$793,654."*

Response

The SCDAO agrees with the facts of this finding and believes certain context must be added for the purpose of clarification. Again, under the circumstances noted above, we developed, in good faith, time increments to be used to calculate our claimed costs under the available guidelines of the mandate. These time increments also included certain related administrative tasks which in our professional judgement were necessary, integral parts of Activities A-1 and B-1. We also believed, in our professional judgement, that travel time to and from court, as well as idle time in court were integral parts of Activity B-2, as it precluded staff from handling other tasks. It is also important to note that the audit determination regarding these activities is based on recent observation relating to activities that were reported six years ago, affecting the twelve fiscal years prior to that. As such, the related processes and surrounding circumstances had undoubtedly changed.

3. Recommendations

*"The Domestic Violence Background Checks Program was suspended in the FY 2013-14 through FY 2018-19 Budget Acts. If the program becomes active again, we recommend that the county:*

- *Follow the mandated program claiming instructions and the parameters and guidelines when preparing its reimbursement claims; and*
- *Ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported."*

Response

The SCDAO will continue to follow mandated program claiming instructions and the parameters and guidelines, as long as they are available, when preparing our reimbursement claims. We already ensure that only eligible, actual and properly supported costs are claimed, based on available guidance.

The Santa Cruz County District Attorney's Office would like to thank the California State Controller's Office, Compliance Audits Bureau, Division of Audits and its staff for their partnership and professionalism throughout the course of this audit.

If you have any further questions or concerns, please feel free to contact me at (831) 454-2596.

Sincerely,



Eric P. Seib  
Chief of Administration

**State Controller's Office  
Division of Audits  
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