

CITY AND COUNTY OF SAN FRANCISCO

Audit Report

DOMESTIC VIOLENCE BACKGROUND CHECKS PROGRAM

Chapter 713, Statutes of 2001

*July 1, 2002, through June 30, 2004;
and July 1, 2006, through June 30, 2013*



BETTY T. YEE
California State Controller

February 2019



BETTY T. YEE
California State Controller

February 21, 2019

The Honorable London Breed, Mayor of
the City of San Francisco
City Hall, Room 200
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Malia Cohen, President
San Francisco County Board of
Supervisors
City Hall, Room 250
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Dear Mayor Breed and Ms. Cohen:

The State Controller's Office (SCO) audited the costs claimed by the City and County of San Francisco for the legislatively mandated Domestic Violence Background Checks Program for the period of July 1, 2002, through June 30, 2004; and July 1, 2006, through June 30, 2013. The city and county did not file any reimbursement claims for the period of July 1, 2004, through June 30, 2006.

The city and county claimed \$1,642,089. Our audit found that \$743,804 is allowable and \$898,285 is unallowable because the city and county claimed unsupported time increments and overstated related indirect costs. The State made no payments to the city and county. The State will pay \$743,804, contingent upon available appropriations. Following issuance of this audit report, the SCO's Local Government Programs and Services Division will notify the city and county of the adjustment to its claims via a system-generated letter for each fiscal year in the audit period.

This final audit report contains an adjustment to costs claimed by the city and county. If you disagree with the audit finding, you may file an Incorrect Reduction Claim (IRC) with the Commission on State Mandates (Commission). Pursuant to the Commission's regulations, outlined in Title 2, *California Code of Regulations*, section 1185.1, subdivision (c), an IRC 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than three years following the date of this report, regardless of whether this report is subsequently supplemented, superseded, or otherwise amended.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 IRC information on the Commission's website at www.csm.ca.gov/forms/IRCForm.pdf.

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

The Honorable London Breed, Mayor of -2-
the City of San Francisco
Malia Cohen, President

February 21, 2019

JLS/as

cc: Ben Rosenfield, City Controller
City and County of San Francisco
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
Anita Dagan, Manager
Local Government Programs and Services Division
State Controller's Office

Contents

Audit Report

Summary	1
Background	1
Objective, Scope, and Methodology	2
Conclusion	3
Follow-up on Prior Audit Findings	3
Views of Responsible Officials	4
Restricted Use	4
Schedule—Summary of Program Costs	5
Finding and Recommendation	8
Attachment—City and County’s Response to the Audit Results	

Audit Report

Summary

The State Controller's Office (SCO) audited the costs claimed by the City and County of San Francisco for the legislatively mandated Domestic Violence Background Checks Program for the period of July 1, 2002, through June 30, 2004; and July 1, 2006, through June 30, 2013. The city and county did not file any reimbursement claims for the period of July 1, 2004, through June 30, 2006.

The city and county claimed \$1,642,089. Our audit found that \$743,804 is allowable and \$898,285 is unallowable because the city and county claimed unsupported time increments and overstated related indirect costs. The State made no payments to the city and county. The State will pay \$743,804, 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 parameters and guidelines. The program's 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, 2002, through June 30, 2004; and July 1, 2006, through June 30, 2013.

To achieve our audit objective, we:

- Reviewed the annual mandated cost claims filed by the city and county for the audit period and identified the material cost component of each claim as salaries and benefits, and indirect costs. Determined whether there were any errors or any 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 and county staff, and discussed the claim preparation process with city and county staff to determine what information was obtained, who obtained it, and how it was used;
- Interviewed and observed city and county staff performing reimbursable mandated activities described in sections IV.A.1 and IV.B.1 of the parameters and guidelines, and reviewed the time survey provided by the city and county for the reimbursable mandate activity described in section IV.B.2 of the parameters and guidelines to determine allowable time increments;
- Reviewed and analyzed reports supporting the number of domestic violence cases worked to identify errors and any unusual or unexpected variances for fiscal year (FY) 2010-11 through FY 2012-13;
- Validated reports by judgmentally selecting a non-statistical sample of 81 domestic violence cases (out of 5,221) for FY 2010-11 through FY 2012-13. We reviewed the supporting documentation provided for the selected sample to identify domestic violence-related violations, and immaterial exceptions were noted. As a result of our testing, we determined that it was reasonable to allow the total number of cases claimed for the audit period;
- Reviewed the city's and county's payroll ledgers for FY 2010-11 through FY 2012-13. We recalculated the productive hourly rates (PHRs) claimed during these fiscal years and no exceptions were noted. As a result of our testing, we determined that it was reasonable to allow the PHRs claimed for the audit period;
- Traced the indirect cost rates claimed to supporting documentation for FY 2009-10 through FY 2012-13. We recalculated the rates and determined that the indirect cost rates were properly computed for these fiscal years. As a result, we determined that it was reasonable to allow the claimed rates for the audit period; and
- Inquired with city and county representatives to determine whether the

city and county realized any offsetting savings or reimbursements from the statutes that created the mandated program, and verified that costs claimed 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 city and 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 city and county's financial statements.

Conclusion

As a result of performing the audit, we found instances of noncompliance with the requirements described in our audit objective. We found that the city and county did not claim costs that were funded by another source; however, it did claim unsupported costs as quantified in the accompanying Schedule and described in the Finding and Recommendation section of this report.

For the audit period, the City and County of San Francisco claimed \$1,642,089 for costs of the legislatively mandated Domestic Violence Background Checks Program. Our audit found that \$743,804 is allowable and \$898,285 is unallowable. The State made no payments to the city and county. The State will pay \$743,804, contingent upon available appropriations.

Following issuance of this audit report, the SCO's Local Government Programs and Services Division will notify the city and 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 city and county's legislatively mandated Domestic Violence Background Checks Program.

**Views of
Responsible
Officials**

We discussed our audit results with the city and county's representatives at an exit conference conducted on December 7, 2018. Eugene Clendinen, Chief, Finance and Administration, District Attorney's Office; Sheila Arcelona, Assistant Chief, Finance and Administration, District Attorney's Office; Michelle Allersma, Director of Budgets, Controller's Office; and Ysabel Catapang, Budget Analyst, Controller's Office. Eugene Clendinen, Chief, Finance and Administration, responded by letter dated December 18, 2018 (Attachment), disagreeing with the audit results. This final audit report includes the city and county's response.

Restricted Use

This audit report is solely for the information and use of the City and County of San Francisco, 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.

Original signed by

JIM L. SPANO, CPA
Chief, Division of Audits

February 21, 2019

Schedule—
Summary of Program Costs
July 1, 2002, through June 30, 2004;
and July 1, 2006, through June 30, 2013

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustments ¹
<u>July 1, 2002, through June 30, 2003</u>			
Direct costs:			
Salaries and benefits	\$ 141,070	\$ 63,949	\$ (77,121)
Indirect costs	11,988	5,434	(6,554)
Total program costs	<u>\$ 153,058</u>	69,383	<u>\$ (83,675)</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ 69,383</u>	
<u>July 1, 2003, through June 30, 2004</u>			
Direct costs:			
Salaries and benefits	\$ 130,543	\$ 59,374	\$ (71,169)
Indirect costs	11,587	5,270	(6,317)
Total program costs	<u>\$ 142,130</u>	64,644	<u>\$ (77,486)</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ 64,644</u>	
<u>July 1, 2006, through June 30, 2007</u>			
Direct costs:			
Salaries and benefits	72,977	34,123	\$ (38,854)
Indirect costs	6,030	2,820	(3,210)
Total program costs	<u>\$ 79,007</u>	36,943	<u>\$ (42,064)</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ 36,943</u>	

Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustments ¹
<u>July 1, 2007, through June 30, 2008</u>			
Direct costs:			
Salaries and benefits	\$ 152,414	\$ 71,559	\$ (80,855)
Indirect costs	12,676	5,952	(6,724)
Total program costs	<u>\$ 165,090</u>	77,511	<u>\$ (87,579)</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ 77,511</u>	
<u>July 1, 2008, through June 30, 2009</u>			
Direct costs:			
Salaries and benefits	\$ 170,438	\$ 80,343	\$ (90,095)
Indirect costs	14,353	6,766	(7,587)
Total program costs	<u>\$ 184,791</u>	87,109	<u>\$ (97,682)</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ 87,109</u>	
<u>July 1, 2009, through June 30, 2010</u>			
Direct costs:			
Salaries and benefits	\$ 163,085	\$ 79,423	\$ (83,662)
Indirect costs	35,340	14,074	(21,266)
Total program costs	<u>\$ 198,425</u>	93,497	<u>\$ (104,928)</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ 93,497</u>	
<u>July 1, 2010, through June 30, 2011</u>			
Direct costs:			
Salaries and benefits	\$ 199,011	\$ 93,159	\$ (105,852)
Indirect costs	52,380	17,654	(34,726)
Total program costs	<u>\$ 251,391</u>	110,813	<u>\$ (140,578)</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ 110,813</u>	

Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustments ¹
<u>July 1, 2011, through June 30, 2012</u>			
Direct costs:			
Salaries and benefits	\$ 175,758	\$ 82,668	\$ (93,090)
Indirect costs	54,872	18,022	(36,850)
Total program costs	<u>\$ 230,630</u>	100,690	<u>\$ (129,940)</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ 100,690</u>	
<u>July 1, 2012, through June 30, 2013</u>			
Direct costs:			
Salaries and benefits	\$ 173,711	\$ 81,057	\$ (92,654)
Indirect costs	63,856	22,157	(41,699)
Total program costs	<u>\$ 237,567</u>	103,214	<u>\$ (134,353)</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ 103,214</u>	
<u>Summary: July 1, 2002, through June 30, 2004; and July 1, 2006, through June 30, 2013</u>			
Direct costs:			
Salaries and benefits	\$ 1,379,007	\$ 645,655	\$ (733,352)
Indirect costs	263,082	98,149	(164,933)
Total program costs	<u>\$ 1,642,089</u>	743,804	<u>\$ (898,285)</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ 743,804</u>	

¹ See the Finding and Recommendation section.

² Payment information current as of December 27, 2018.

Finding and Recommendation

FINDING— Overstated salaries and benefits costs

The city and county claimed \$1,379,007 in salaries and benefits and \$263,082 in related indirect costs for the Domestic Violence Background Checks program during the audit period. We found that \$645,655 is allowable and \$733,352 is unallowable for salaries and benefits. Related unallowable indirect costs total \$164,933; the total finding is \$898,285.

The city and county claimed costs for performing background checks on defendants in domestic violence cases and presenting the information in court. The city and 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 a PHR. During testing, we found that the costs claimed are unallowable because the city and county did not prepare claimed costs in accordance with the program's parameters and guidelines. As a result, the city and county estimated and overstated the average time increments used to perform the reimbursable mandated activities.

The following table summarizes the claimed, allowable, and overstated salary and benefit costs for the audit period:

Fiscal Year	Amount Claimed	Amount Allowable	Audit Adjustment
2002-03	\$ 141,070	\$ 63,949	\$ (77,121)
2003-04	130,543	59,374	(71,169)
2006-07	72,977	34,123	(38,854)
2007-08	152,414	71,559	(80,855)
2008-09	170,438	80,343	(90,095)
2009-10	163,085	79,423	(83,662)
2010-11	199,011	93,159	(105,852)
2011-12	175,758	82,668	(93,090)
2012-13	173,711	81,057	(92,654)
Total	\$ 1,379,007	\$ 645,655	\$ (733,352)

The following table summarizes the unallowable related indirect costs for the audit period:

Fiscal Year	Amount Claimed	Amount Allowable	Audit Adjustment
2002-03	\$ 11,988	\$ 5,434	\$ (6,554)
2003-04	11,587	5,270	(6,317)
2006-07	6,030	2,820	(3,210)
2007-08	12,676	5,952	(6,724)
2008-09	14,353	6,766	(7,587)
2009-10	35,340	14,074	(21,266)
2010-11	52,380	17,654	(34,726)
2011-12	54,872	18,022	(36,850)
2012-13	63,856	22,157	(41,699)
Total	\$ 263,082	\$ 98,149	\$ (164,933)

Time Increments

The city and county did not provide source documentation to support the time increments claimed for staff members performing activities described in sections IV.A.1, IV.B.1, and IV.B.2 of the parameters and guidelines. We worked with city and county staff members to develop time increments for each mandated activity. We interviewed and observed staff performing the A1 and B1 reimbursable mandated activities, and reviewed the time survey provided by the city and county for the B2 reimbursable mandated activity to determine allowable time increments. Based on our interviews, observations, and review of the city and county's time survey, we calculated an average time increment per case for each activity as follows:

- For staff performing A1 activities, we calculated an allowable average of 17.5 minutes per case. During the audit period, the city and county claimed 35 minutes per case.
- For staff performing B1 activities, we calculated an allowable average of 17.5 minutes per case. During the audit period, the city and county claimed 35 minutes per case.
- For staff performing B2 activities, we calculated an allowable average of 12.5 minutes per case. During the audit period, the city and county claimed 37.5 minutes per case.

We recalculated allowable costs using the calculated time increments per case.

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 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 attorney's 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 2017-18 Budget Acts. If the program becomes active again, we recommend that the city and county prepare its claims in conformance with the parameters and guidelines, and compute costs based on supported case counts, time increments, and PHRs.

City and County's Response

The San Francisco District Attorney (SFDA) does not agree with this finding:

The parameters and guidelines for this mandate were adopted in July 2011 for the claim period which began July 1, 2002. This rendered it chronologically impossible to comply with the requirement that contemporaneous source documentation be maintained for all costs incurred to implement the mandated activities. Therefore, prior to submitting a claim, SFDA conducted a survey of county staff performing mandated activities to document the average time increments needed per activity. This time rate was then applied to the eligible cases using a PHR for the employees performing the work.

During the audit fieldwork performed by the SCO in 2017, the auditor interviewed and observed staff performing the reimbursable activities to determine allowable time increments. The auditor concluded the actual time increments needed were less than what had been claimed by SFDA between 2002-2013. However, this conclusion did not take into account the fact that current procedures to conduct criminal background checks are considerably more time-efficient than past procedures in 2002 or in 2011, when time increments were developed.

One major contributor to this increase in time efficacy is that in FY 2014-15, the SFDA received desktop access to criminal records databases. Prior to this, criminal justice databases were only accessible via certain restricted-access terminals placed in secure locations within

the SFDA offices. The Domestic Violence attorneys would have to request criminal background information to be provided to them in hard copy form by investigative staff, or they would have had to physically go to the area where the terminals were located, wait their turn and log into the terminals to call up and review the suspect's criminal history. Therefore, it is our contention that performing the mandated activities for the Domestic Violence Background Checks Program took considerably more time during the claim period than during the audit period.

Specifically, we contend that the original claimed time increment of 35 minutes per case for activity A1 (run criminal history, court dockets of all probationary cases still active in restraining orders from databases) is more accurate for the claim period between 2002 and 2013, than the SCO's increment of 22.5 minutes per case for activity A1, as observed in 2017.

SCO Comment

Our finding and recommendation remain unchanged.

The city and county did not provide supporting documentation for all of its costs claimed as is required by the rules in place when the claims were filed. The documentation requirements for the city and county's mandated cost claims are contained in the parameters and guidelines adopted by the Commission on July 28, 2011. The parameters and guidelines require that all costs claimed be traceable to source documents that show evidence of the validity of such costs and their relationship to this mandate.

The city and county is responsible for maintaining documentation for the period that the claims were subject to audit. As noted in the finding, the city and county did not maintain contemporaneous source documentation for costs incurred to implement the mandated activities for a claim period that began in July 1, 2002. As a result, prior to the SFDA submitting a claim, the SFDA conducted a time survey of county staff performing the mandated activities to document the average time increments per activity.

To validate the time increments included in the time study, the SCO auditor conducted interviews and observations with city and county staff performing the activities. For the A1 activity, the auditor observed city and county staff performing mandate-related and non-mandate-related activities. Only the mandate-related activities that city and county staff performed are eligible for reimbursement.

The city and county contend that the SCO did not consider that current procedures for conducting criminal background checks are more time-efficient than procedures in place during the audit period. The city and county describe the time savings derived from obtaining desktop access to criminal background databases as one example of how time-consuming procedures were prior to FY 2014-15. It is the city and county's contention that performing the A1 mandated activities took considerably more time during the claim period than current practices or practices that were observed during the audit. The city and county also maintains that the claimed time increment of 35 minutes per case for activity A1 is more accurate for FY 2002-13, rather than the time increment of 22.5 minutes per case for activity A1 as observed by SCO in 2017.

The parameters and guidelines (Section I – Summary of the Mandate) footnote states:

As specified in PC section 273.75(b), the electronic databases to be searched, “when readily available and reasonably accessible,” are: (1) the Violent Crime Information Network, (2) the Supervised Release File, (3) state summary criminal history information maintained by the Department of Justice pursuant to PC section 11105, (4) the Federal Bureau of Investigation’s nationwide database, and (5) locally maintained criminal history records or databases.

Our audit determined whether costs claimed represent increased costs as a result of the mandated program. The city and county is not entitled to mandated reimbursement for costs not allowable under the parameters and guidelines. The parameters and guidelines indicate that electronic databases are to be searched when readily available and reasonably accessible. Prior to FY 2014-15, electronic databases were not readily available or reasonably accessible. Additionally, for the A1 activity, the auditor observed city and county staff performing both mandate-related and non-mandate-related activities. Therefore, the time spent by staff accessing electronic databases that were not readily available or reasonably accessible and performing non-mandate-related activities is ineligible for reimbursement under the mandate.

As stated in Finding 1, based on our interviews, observations, and review of the city and county’s time survey, the SCO calculated an allowable average time increment of 17.5 minutes per case for staff performing A1 activities. The time increment of 22.5 minutes per case for activity A1, which the city and county asserts was the time increment that the SCO observed in 2017, is inaccurate.

**Attachment—
City and County's Response to the Audit Results**



GEORGE GASCÓN
District Attorney

December 18, 2018

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

RE: San Francisco County Draft Audit Report -- Domestic Violence Background Checks Program – Audit ID #: S17-MCC-0041

Dear Ms. Kurokawa:

Thank you for the opportunity to review and respond to the State Controller's Office San Francisco County Draft Audit Report, dated November 28, 2018, regarding the mandated Domestic Violence Background Checks Program. We would like to respond to the finding of overstated salary and benefit costs.

Finding: Overstated salaries and benefits costs

The draft audit report states that the San Francisco District Attorney (SFDA) overstated the average time increments needed to perform mandated activities between 2002 and 2013. The State Controller's Office came to this conclusion after audit field work performed in 2017. The SFDA does not agree with this finding.

The parameters and guidelines for this mandate were adopted in July 2011 for the claim period which began July 1, 2002. This rendered it chronologically impossible to comply with the requirement that contemporaneous source documentation be maintained for all costs incurred to implement the mandated activities. Therefore, prior to submitting a claim, SFDA conducted a survey of county staff performing mandated activities to document the average time increments needed per activity. This time rate was then applied to the eligible cases using a productive hourly rate for the employees performing the work.

During the audit fieldwork performed by the SCO in 2017, the auditor interviewed and observed staff performing the reimbursable activities to determine allowable time increments. The auditor concluded that the actual time increments needed were less than what had been claimed by SFDA between 2002-2013. However, this conclusion did not take into account the fact that current procedures to conduct criminal background checks are considerably more time-efficient than past procedures in 2002 or in 2011, when the time increments were developed.

One major contributor to this increase in time efficacy is that in FY 2014-15, the SFDA received desktop access to criminal records databases. Prior to this, criminal justice databases were only accessible via certain restricted-access terminals placed in secure locations within the SFDA offices. The Domestic Violence attorneys would have to request criminal background

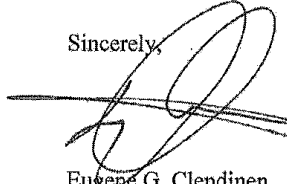
**Memorandum
Privileged & Confidential**

information to be provided to them in hard copy form by investigative staff, or they would have had to physically go to the area where the terminals were located, wait their turn and log into the terminals to call up and review the suspect's criminal history. Therefore, it is our contention that performing the mandated activities for the Domestic Violence Background Checks Program took considerably more time during the claim period than during the audit period.

Specifically, we contend that the original claimed time increment of 35 minutes per case for activity A1 (run criminal history, court dockets of all probationary cases still active and restraining orders from databases) is more accurate for the claim period between 2002 and 2013, than the SCO's increment of 22.5 minutes per case for activity A1, as observed in 2017.

We appreciate the opportunity to respond to the Draft Audit Report. Thank you for your attention to this matter. If you have any questions, please contact Sheila Arcelona at (415) 734-3018 or Sheila.Arcelona@sfgov.org.

Sincerely,



Eugene G. Clendinen
Chief Administrative and Financial Officer
Office of the District Attorney

c: Michelle Allersma, Director of Budgets, Controller's Office
Ysabel Catapang, Budget Analyst, Controller's Office

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<http://www.sco.ca.gov>