

MONTEREY 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

March 2019



BETTY T. YEE
California State Controller

March 4, 2019

The Honorable Rupa Shah, CPA, Auditor-Controller
Monterey County
168 West Alisal Street, 3rd Floor
Salinas, CA 93901

Dear Ms. Shah:

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

The county claimed \$2,173,511 for the mandated program. Our audit found that \$332,691 is allowable and \$1,840,820 is unallowable because the county misstated the number of domestic violence cases worked, overstated productive hourly rates, claimed unsupported time increments, and overstated related indirect costs. The State made no payments to the county. The State will pay \$332,691, 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.

This final audit report contains an adjustment to costs claimed by the 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than three years following the date of this report, regardless of whether this report is subsequently supplemented, superseded, or otherwise amended.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

JLS/hf

The Honorable Rupa Shah, CPA,
Auditor-Controller

-2-

March 4, 2019

cc: The Honorable John M. Phillips, Chair
Monterey County Board of Supervisors
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
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Audit Report

Summary

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

The county claimed \$2,173,511 for the mandated program. Our audit found that \$332,691 is allowable and \$1,840,820 is unallowable because the county misstated the number of domestic violence cases worked, overstated productive hourly rates (PHRs), claimed unsupported time increments, and overstated related indirect costs. The State made no payments to the county. The State will pay \$332,691, 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 material cost component of each claim as salaries, benefits, and indirect costs. Determined whether there were any errors or any unusual or unexpected variances from year to year. Reviewed the claimed activities 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, and discussed the claim preparation process with county staff to determine what information was obtained, who obtained it, and how it was used;
- Interviewed and observed county staff performing reimbursable mandated activities 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 the audit period;
- Validated reports by judgmentally selecting a non-statistical sample of 304 domestic violence cases (out of 12,499) for the audit period. We reviewed the supporting documentation provided for the selected sample to identify domestic violence-related violations, and no exceptions were noted. After testing, the county requested that an additional 2,989 cases be included in the total case count for the audit period. As a result, we judgmentally selected a non-statistical sample of 120 domestic violence cases (out of 2,989). We found that 93 (out of the 120), or 77%, tested were domestic violence-related cases. Consistent with the American Institute of Certified Public Accountants' (AICPA) Audit Sampling Guide, we projected the results to the additional case count of 2,989 and found that a total of 2,302 ($2,989 \times 77\%$) domestic violence cases were allowable. We determined that the total allowable domestic violence case count for the audit period is 14,801 ($12,499 + 2,302$);
- Reviewed the county-wide salary schedules by month and classification for fiscal year (FY) 2001-02 through FY 2009-10, and county payroll ledgers for FY 2010-11 through FY 2012-13. We recalculated the allowable PHR for each classification claimed using the provided supporting documentation;

- Traced the indirect cost rates claimed to supporting documentation. We recalculated the rates and determined that the indirect cost rates were properly computed for all fiscal years except FY 2011-12. For FY 2011-12, we found that the county claimed a lower rate than what was computed; and
- Inquired with county representatives to determine whether the 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 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 found that the county did not claim costs that were funded by another source; however, it did claim unsupported and ineligible costs as quantified in the accompanying Schedule and described in the Finding and Recommendation section of this report.

For the audit period, Monterey County claimed \$2,173,511 for costs of the legislatively mandated Domestic Violence Background Checks Program. Our audit found that \$332,691 is allowable and \$1,840,820 is unallowable. The State made no payments to the county. The State will pay \$332,691, 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 a draft audit report on December 13, 2018. On December 31, 2018, the county requested an extension to respond to the draft audit report. We granted an extension and extended the timeframe to submit the response to January 18, 2019. On January 23, 2019, we emailed the county notifying it that we had not received a response to the draft audit report and would proceed with issuing the final audit report. The county did not respond to our email.

Restricted Use

This audit report is solely for the information and use of Monterey 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.

Original signed by

JIM L. SPANO, CPA
Chief, Division of Audits

March 4, 2019

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

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustments ¹
<u>July 1, 2001, through June 30, 2002</u>			
Direct costs			
Salaries and benefits	\$ 75,572	\$ 9,242	\$ (66,330)
Indirect costs	27,432	3,355	(24,077)
Total program costs	<u>\$ 103,004</u>	12,597	<u>\$ (90,407)</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ 12,597</u>	
<u>July 1, 2002, through June 30, 2003</u>			
Direct costs			
Salaries and benefits	\$ 166,055	\$ 23,003	\$ (143,052)
Indirect costs	52,955	7,336	(45,619)
Total program costs	<u>\$ 219,010</u>	30,339	<u>\$ (188,671)</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ 30,339</u>	
<u>July 1, 2003, through June 30, 2004</u>			
Direct costs			
Salaries and benefits	\$ 174,968	\$ 17,771	\$ (157,197)
Indirect costs	52,910	5,374	(47,536)
Total program costs	<u>\$ 227,878</u>	23,145	<u>\$ (204,733)</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ 23,145</u>	
<u>July 1, 2004, through June 30, 2005</u>			
Direct costs			
Salaries and benefits	\$ 141,293	\$ 17,689	\$ (123,604)
Indirect costs	44,903	5,622	(39,281)
Total program costs	<u>\$ 186,196</u>	23,311	<u>\$ (162,885)</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ 23,311</u>	

Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustments ¹
<u>July 1, 2005, through June 30, 2006</u>			
Direct costs			
Salaries and benefits	\$ 141,836	\$ 23,394	\$ (118,442)
Indirect costs	<u>65,061</u>	<u>10,731</u>	<u>(54,330)</u>
Total program costs	<u>\$ 206,897</u>	34,125	<u>\$ (172,772)</u>
Less amount paid by the State ²		<u>-</u>	
Allowable costs claimed in excess of amount paid		<u>\$ 34,125</u>	
<u>July 1, 2006, through June 30, 2007</u>			
Direct costs			
Salaries and benefits	\$ 153,077	\$ 22,356	\$ (130,721)
Indirect costs	<u>64,292</u>	<u>9,390</u>	<u>(54,902)</u>
Total program costs	<u>\$ 217,369</u>	31,746	<u>\$ (185,623)</u>
Less amount paid by the State ²		<u>-</u>	
Allowable costs claimed in excess of amount paid		<u>\$ 31,746</u>	
<u>July 1, 2007, through June 30, 2008</u>			
Direct costs			
Salaries and benefits	\$ 135,497	\$ 22,746	\$ (112,751)
Indirect costs	<u>62,465</u>	<u>10,486</u>	<u>(51,979)</u>
Total program costs	<u>\$ 197,962</u>	33,232	<u>\$ (164,730)</u>
Less amount paid by the State ²		<u>-</u>	
Allowable costs claimed in excess of amount paid		<u>\$ 33,232</u>	
<u>July 1, 2008, through June 30, 2009</u>			
Direct costs			
Salaries and benefits	\$ 119,101	\$ 20,657	\$ (98,444)
Indirect costs	<u>53,965</u>	<u>9,360</u>	<u>(44,605)</u>
Total program costs	<u>\$ 173,066</u>	30,017	<u>\$ (143,049)</u>
Less amount paid by the State ²		<u>-</u>	
Allowable costs claimed in excess of amount paid		<u>\$ 30,017</u>	

Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustments ¹
<u>July 1, 2009, through June 30, 2010</u>			
Direct costs			
Salaries and benefits	\$ 131,150	\$ 18,638	\$ (112,512)
Indirect costs	<u>63,686</u>	<u>9,051</u>	<u>(54,635)</u>
Total program costs	<u>\$ 194,836</u>	27,689	<u>\$ (167,147)</u>
Less amount paid by the State ²		<u>-</u>	
Allowable costs claimed in excess of amount paid		<u>\$ 27,689</u>	
<u>July 1, 2010, through June 30, 2011</u>			
Direct costs			
Salaries and benefits	\$ 102,237	\$ 21,877	\$ (80,360)
Indirect costs	<u>48,277</u>	<u>10,330</u>	<u>(37,947)</u>
Total program costs	<u>\$ 150,514</u>	32,207	<u>\$ (118,307)</u>
Less amount paid by the State ²		<u>-</u>	
Allowable costs claimed in excess of amount paid		<u>\$ 32,207</u>	
<u>July 1, 2011, through June 30, 2012</u>			
Direct costs			
Salaries and benefits	\$ 111,789	\$ 19,210	\$ (92,579)
Indirect costs	<u>52,787</u>	<u>9,847</u>	<u>(42,940)</u>
Total program costs	<u>\$ 164,576</u>	29,057	<u>\$ (135,519)</u>
Less amount paid by the State ²		<u>-</u>	
Allowable costs claimed in excess of amount paid		<u>\$ 29,057</u>	
<u>July 1, 2012, through June 30, 2013</u>			
Direct costs			
Salaries and benefits	\$ 87,819	\$ 16,757	\$ (71,062)
Indirect costs	<u>44,384</u>	<u>8,469</u>	<u>(35,915)</u>
Total program costs	<u>\$ 132,203</u>	25,226	<u>\$ (106,977)</u>
Less amount paid by the State ²		<u>-</u>	
Allowable costs claimed in excess of amount paid		<u>\$ 25,226</u>	

Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustments ¹
<u>Summary: July 1, 2001, through June 30, 2013</u>			
Direct costs			
Salaries and benefits	\$ 1,540,394	\$ 233,340	\$ (1,307,054)
Indirect costs	<u>633,117</u>	<u>99,351</u>	<u>(533,766)</u>
Total program costs	<u>\$ 2,173,511</u>	332,691	<u>\$ (1,840,820)</u>
Less amount paid by the State ²		<u>-</u>	
Allowable costs claimed in excess of amount paid		<u>\$ 332,691</u>	

¹ See the Finding and Recommendation section.

² Payment information current as of December 3, 2018.

Finding and Recommendation

**FINDING—
Overstated salaries
and benefits costs**

The county claimed \$1,540,394 in salaries and benefits and \$633,117 in related indirect costs for the Domestic Violence Background Checks Program during the audit period. During testing of the claimed salaries and benefits, we found that \$233,340 is allowable and \$1,307,054 is unallowable. Related unallowable indirect costs total \$533,766, for a total finding of \$1,840,820.

The county claimed costs for performing background checks on defendants in domestic violence cases and presenting the information 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 a PHR. During testing, we found that the costs claimed are unallowable because the county did not prepare claimed costs in accordance with the program’s parameters and guidelines or the SCO’s mandated cost manual for local agencies. As a result, the county misstated the number of domestic violence cases worked, overstated the average time increments used to perform mandated activities, and overstated PHRs.

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
2001-02	\$ 75,572	\$ 9,242	\$ (66,330)
2002-03	166,055	23,003	(143,052)
2003-04	174,968	17,771	(157,197)
2004-05	141,293	17,689	(123,604)
2005-06	141,836	23,394	(118,442)
2006-07	153,077	22,356	(130,721)
2007-08	135,497	22,746	(112,751)
2008-09	119,101	20,657	(98,444)
2009-10	131,150	18,638	(112,512)
2010-11	102,237	21,877	(80,360)
2011-12	111,789	19,210	(92,579)
2012-13	87,819	16,757	(71,062)
Total	\$ 1,540,394	\$ 233,340	\$ (1,307,054)

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

<u>Fiscal Year</u>	<u>Amount Claimed</u>	<u>Amount Allowable</u>	<u>Audit Adjustment</u>
2001-02	\$ 27,432	\$ 3,355	\$ (24,077)
2002-03	52,955	7,336	(45,619)
2003-04	52,910	5,374	(47,536)
2004-05	44,903	5,622	(39,281)
2005-06	65,061	10,731	(54,330)
2006-07	64,292	9,390	(54,902)
2007-08	62,465	10,486	(51,979)
2008-09	53,965	9,360	(44,605)
2009-10	63,686	9,051	(54,635)
2010-11	48,277	10,330	(37,947)
2011-12	52,787	9,847	(42,940)
2012-13	44,384	8,469	(35,915)
Total	<u>\$ 633,117</u>	<u>\$ 99,351</u>	<u>\$(533,766)</u>

Cases Worked

For the audit period, the county claimed 12,938 domestic violence cases worked by staff for performing activities described in sections IV.A.1, IV.B.1, and IV.B.2 of the parameters and guidelines. Based on our review of the supporting reports, we found that the county misstated the number of domestic violence cases worked for the audit period. The county understated the number of domestic violence cases worked for activity A1 by 1,863 cases, and overstated the number of domestic violence cases worked for activities B1 and B2 by 2,037. The county's overstatement of cases worked was the result of claiming cases that were not supported by the Justice Partners database, staff members who did not perform mandate activities on cases worked, and cases that were not domestic violence-related. We recalculated allowable costs using the supported case counts.

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

Fiscal Year	Claimed Cases	Provided Cases ¹	Allowable A1 Cases ²	Allowable B1 and B2 Cases ²	Audit Adjustment A1 Cases ³	Audit Adjustment B1 and B2 Cases ³
2001-02	640	1,602	768	581	128	(59)
2002-03	1,403	1,928	1,808	1,355	405	(48)
2003-04	1,640	1,765	1,613	889	(27)	(751)
2004-05	1,173	1,356	1,259	887	86	(286)
2005-06	1,109	1,789	1,482	1,138	373	29
2006-07	1,127	1,764	1,474	1,008	347	(119)
2007-08	980	1,705	1,443	1,012	463	32
2008-09	883	1,665	1,293	897	410	14
2009-10	917	1,653	1,092	842	175	(75)
2010-11	774	1,711	957	858	183	84
2011-12	1,426	1,421	847	745	(579)	(681)
2012-13	866	1,392	765	689	(101)	(177)
Total	12,938	19,751	14,801	10,901	1,863	(2,037)

¹ The domestic violence case counts provided by the county exceeded the number of cases claimed.

² The allowable number of cases for activities A1, B1, and B2 were determined based on our review and analysis of the domestic violence case counts provided by the county.

³ The audit adjustment columns reflect the difference between the allowable and claimed case counts

Productive Hourly Rates

The county used the highest pay rate for each classification to calculate the PHRs claimed for the audit period. Based on our discussions with and observations of county staff members performing the reimbursable mandated activities, we determined that various staff members with different pay rates perform the mandated activities. As a result, we obtained payroll information from the county for the classifications claimed. We calculated an average PHR for each classification using the payroll information provided. We computed the average annual pay for each classification and applied the standard 1,800 annual productive hours to arrive at the average PHR per classification. Our analysis revealed that the county overstated the claimed PHR for all fiscal years.

The following table summarizes the claimed, allowable, and overstated PHRs for the Deputy District Attorney (I – IV) and Legal Secretary classifications for the audit period:

Fiscal Year	PHRs (Deputy District Attorney (I – IV))			PHRs (Legal Secretary)		
	Claimed	Allowable	Audit	Claimed	Allowable	Audit
	PHR	PHR	Adjustment	PHR	PHR	Adjustment
2001-02	55.75	33.84	(21.91)	19.44	15.73	(3.71)
2002-03	55.75	35.20	(20.55)	19.44	16.36	(3.08)
2003-04	50.18	35.20	(14.98)	18.55	16.36	(2.19)
2004-05	54.98	37.25	(17.73)	18.69	16.85	(1.84)
2005-06	58.34	38.37	(19.97)	19.30	17.35	(1.95)
2006-07	60.53	40.28	(20.25)	21.21	18.22	(2.99)
2007-08	60.97	41.69	(19.28)	22.53	18.86	(3.67)
2008-09	61.16	42.94	(18.22)	22.83	19.61	(3.22)
2009-10	62.02	42.94	(19.08)	23.47	19.61	(3.86)
2010-11	64.83	58.51	(6.32)	24.80	22.97	(1.83)
2011-12	71.81	56.14	(15.67)	29.96	21.95	(8.01)
2012-13	75.62	55.27	(20.35)	24.67	19.77	(4.90)

Time Increments

The 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 county staff members to develop time increments for each mandated activity. We interviewed and observed staff performing the reimbursable mandated activities to determine allowable time increments. Based on our observations, we calculated an average time increment per case for each activity as follows:

- For staff performing A1 activities, we calculated an allowable average of 13.5 minutes per case. During the audit period, the county claimed between 15 and 30 minutes per case.
- For staff performing B1 activities, we calculated an allowable average of 11 minutes per case. During the audit period, the county claimed between 20 and 60 minutes per case.
- For staff performing B2 activities, we calculated an allowable average of three minutes per case. During the audit period, the county claimed between 14.95 and 30 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.

The SCO’s mandated cost manual for local agencies (section B – Filing a Claim – Direct Costs – Employee Wages, Salaries, and Fringe Benefits) state that claimants may compute the PHRs using one of the following methods:

1. Actual Annual Productive Hourly Rate (per employee); or
2. Weighted-Average Annual Productive Hourly Rate (per classification).
3. The claimant must maintain documentation of how the hours were computed for either option.

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 county prepare its claims in conformance with the SCO claiming instructions and the program's parameters and guidelines, and compute costs based on supported case counts, time increments, and PHRs.

**State Controller's Office
Division of Audits
Post Office Box 942850
Sacramento, CA 94250**

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