

CITY OF OCEANSIDE

Audit Report

CRIME STATISTICS REPORTS FOR THE DEPARTMENT OF JUSTICE PROGRAM

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

July 1, 2001, through June 30, 2012



BETTY T. YEE
California State Controller

June 2020



BETTY T. YEE
California State Controller

June 24, 2020

CERTIFIED MAIL—RETURN RECEIPT REQUESTED

Jane M. McPherson, CPA, Financial Services Director
City of Oceanside
300 North Coast Highway
Oceanside, CA 92054

Dear Ms. McPherson:

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

The city claimed \$1,806,032 for costs of the mandated program. Our audit found that \$1,555,529 is allowable, and \$250,503 is unallowable because the city overstated salary and benefit costs and related indirect costs. The State made no payments to the city. The State will pay \$1,555,529, contingent upon available appropriations.

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

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

Sincerely,

Original signed by

JIM L. SPANO, CPA
Chief, Division of Audits

JLS/as

Jane M. McPherson, CPA, Financial
Services Director

-2-

June 24, 2020

cc: Peter Weiss, Mayor
City of Oceanside
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 Reimbursement Section
State Controller's Office

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Audit Report

Summary

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

The city claimed \$1,806,032 for costs of the mandated program. Our audit found that \$1,555,529 is allowable, and \$250,503 is unallowable because the city overstated salary and benefit costs and related indirect costs. The State made no payments to the city. The State will pay \$1,555,529 contingent upon available appropriations.

Background

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

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

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

The Commission found that the following activities are reimbursable:

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

cause to believe that the crime was motivated, in whole or in part, by the victim's race, ethnicity, religion, sexual orientation, or physical or mental disability, or gender or national origin (PC section 13023);

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

The program's parameters and guidelines establish the state mandate and define the reimbursement criteria. The Commission adopted the parameters and guidelines on September 30, 2010, and amended them on January 24, 2014 to clarify reimbursable costs related to domestic violence related calls for assistance. In compliance with GC section 17558, the SCO issues claiming instructions to assist local agencies and school districts in claiming mandated program reimbursable costs.

Objective, Scope, and Methodology

The objective of our audit was to determine whether costs claimed represent increased costs resulting from the legislatively mandated Crime Statistics Reports for the Department of Justice Program. Specifically, we conducted this audit to determine whether costs claimed were supported by appropriate source documents, were not funded by another source, and were not unreasonable and/or excessive¹.

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

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

To achieve our objective, we:

- Reviewed the annual mandated cost claims filed by the city for the audit period and identified the significant cost components of each claim as salaries, benefits, and indirect costs. Determined whether there were any errors or unusual or unexpected variances from year to year. Reviewed the activities claimed to determine whether they adhered to the SCO's claiming instructions and the program's parameters and guidelines;
- Completed an internal control questionnaire by interviewing key city staff. Discussed the claim preparation process with city staff to determine what information was obtained, who obtained it, and how it was used;
- Interviewed city staff to determine which employee classifications were involved in performing the reimbursable activities (see Finding);
- Traced productive hourly rate (PHR) calculations for all employee classifications performing the mandated activities to salary schedules provided by the city (see Finding);
- Traced benefit rate calculations for all employee classifications performing the mandated activities to supporting documentation provided by the city. Immaterial variances were noted;
- Assessed whether the average time increments (ATIs) claimed for each fiscal year in the audit period to perform the reimbursable activities were reasonable per the requirements of the program and supported by source documentation (see Finding);
- Reviewed and analyzed the claimed domestic violence incident report counts for consistency and possible exclusions, and verified the counts were supported by the reports that the city submitted to the DOJ (see Finding);
- Traced a judgmentally selected non-statistical sample of 392 (126 reports for fiscal year [FY] 2009-10, 130 reports for FY 2010-11, and 136 reports for FY 2011-12) out of 14,215 domestic violence related calls for assistance written incident reports. Verified that the written incident reports were domestic violence related calls for assistance;
- Verified whether the indirect cost rates were properly supported and applied. Recomputed the indirect cost rates for various fiscal years in the audit period and noted immaterial differences; and
- Verified that costs claimed were not funded by another source, based on discussions with the city's Finance Director.

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'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'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 city did not claim costs funded by another source; however, the costs claimed are ineligible and unsupported, as quantified in the Schedule and described in the Finding and Recommendation section of this audit report.

For the audit period, the City of Oceanside claimed \$1,806,032 for costs of the legislatively mandated Crime Statistics Reports for the Department of Justice Program. Our audit found that \$1,555,529 is allowable and \$250,503 is unallowable. The State made no payments to city. The State will pay \$1,555,529, contingent upon available appropriations.

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

Follow-up on Prior Audit Findings

We have not previously conducted an audit of the city's legislatively mandated Crime Statistics Reports for the Department of Justice Program.

Views of Responsible Officials

We issued a draft audit report on May 27, 2020. Jane McPherson, CPA, Financial Services Director, responded by email on June 9, 2020, stating that the city did not have any changes to the draft audit report and that we could issue the final audit report.

Restricted Use

This audit report is solely for the information and use of the City of Oceanside, the California Department of Finance, and SCO; it is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this audit report, which is a matter of public record and is available on the SCO website at www.sco.ca.gov.

Original signed by

JIM L. SPANO, CPA
Chief, Division of Audits

June 24, 2020

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

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment ¹
<u>July 1, 2001, through June 30, 2002</u>			
Direct costs:			
Homicide reports	\$ 10	\$ 10	\$ -
Domestic violence related calls for assistance	77,258	69,754	(7,504)
Total direct costs	77,268	69,764	(7,504)
Indirect costs	38,662	34,907	(3,755)
Total program costs	<u>\$ 115,930</u>	104,671	<u>\$ (11,259)</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ 104,671</u>	
<u>July 1, 2002, through June 30, 2003</u>			
Direct costs:			
Homicide reports	\$ 26	\$ 26	\$ -
Domestic violence related calls for assistance	79,184	71,171	(8,013)
Total direct costs	79,210	71,197	(8,013)
Indirect costs	37,253	33,485	(3,768)
Total program costs	<u>\$ 116,463</u>	104,682	<u>\$ (11,781)</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ 104,682</u>	
<u>July 1, 2003, through June 30, 2004</u>			
Direct costs:			
Homicide reports	\$ 43	\$ 43	\$ -
Domestic violence related calls for assistance	87,247	78,423	(8,824)
Total direct costs	87,290	78,466	(8,824)
Indirect costs	41,105	36,949	(4,156)
Total program costs	<u>\$ 128,395</u>	115,415	<u>\$ (12,980)</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ 115,415</u>	

Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment ¹
<u>July 1, 2004, through June 30, 2005</u>			
Direct costs:			
Homicide reports	\$ 26	\$ 26	\$ -
Domestic violence related calls for assistance	110,611	98,261	(12,350)
Hate crime reports	30	30	-
Total direct costs	110,667	98,317	(12,350)
Indirect costs	36,775	32,671	(4,104)
Total program costs	<u>\$ 147,442</u>	130,988	<u>\$ (16,454)</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ 130,988</u>	
<u>July 1, 2005, through June 30, 2006</u>			
Direct costs:			
Homicide reports	\$ 33	\$ 33	\$ -
Domestic violence related calls for assistance	120,731	108,363	(12,368)
Hate crime reports	54	54	-
Total direct costs	120,818	108,450	(12,368)
Indirect costs	45,306	40,669	(4,637)
Total program costs	<u>\$ 166,124</u>	149,119	<u>\$ (17,005)</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ 149,119</u>	
<u>July 1, 2006, through June 30, 2007</u>			
Direct costs:			
Homicide reports	\$ 22	\$ 22	\$ -
Domestic violence related calls for assistance	226,513	203,014	(23,499)
Hate crime reports	65	65	-
Total direct costs	226,600	203,101	(23,499)
Indirect costs	82,773	74,190	(8,583)
Total program costs	<u>\$ 309,373</u>	277,291	<u>\$ (32,082)</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ 277,291</u>	

Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment ¹
<u>July 1, 2007, through June 30, 2008</u>			
Direct costs:			
Homicide reports	\$ 31	\$ 31	\$ -
Domestic violence related calls for assistance	231,547	209,275	(22,272)
Hate crime reports	75	75	-
Total direct costs	231,653	209,381	(22,272)
Indirect costs	15,976	14,440	(1,536)
Total program costs	<u>\$ 247,629</u>	223,821	<u>\$ (23,808)</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ 223,821</u>	
<u>July 1, 2008, through June 30, 2009</u>			
Direct costs:			
Homicide reports	\$ 4	\$ 4	\$ -
Domestic violence related calls for assistance	118,913	107,476	(11,437)
Hate crime reports	69	69	-
Total direct costs	118,986	107,549	(11,437)
Indirect costs	37,362	33,770	(3,592)
Total program costs	<u>\$ 156,348</u>	141,319	<u>\$ (15,029)</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ 141,319</u>	
<u>July 1, 2009, through June 30, 2010</u>			
Direct costs:			
Homicide reports	\$ 20	\$ 20	\$ -
Domestic violence related calls for assistance	114,591	102,499	(12,092)
Hate crime reports	35	35	-
Total direct costs	114,646	102,554	(12,092)
Indirect costs	43,336	38,766	(4,570)
Total program costs	<u>\$ 157,982</u>	141,320	<u>\$ (16,662)</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ 141,320</u>	

Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment ¹
<u>July 1, 2010, through June 30, 2011</u>			
Direct costs:			
Homicide reports	\$ 52	\$ 52	\$ -
Domestic violence related calls for assistance	103,026	58,520	(44,506)
Hate crime reports	51	51	-
Total direct costs	103,129	58,623	(44,506)
Indirect costs	27,123	15,418	(11,705)
Total program costs	<u>\$ 130,252</u>	<u>74,041</u>	<u>\$ (56,211)</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ 74,041</u>	
 <u>July 1, 2011, through June 30, 2012</u>			
Direct costs:			
Homicide reports	\$ 50	\$ 50	\$ -
Domestic violence related calls for assistance	100,817	71,933	(28,884)
Hate crime reports	59	59	-
Total direct costs	100,926	72,042	(28,884)
Indirect costs	29,168	20,820	(8,348)
Total program costs	<u>\$ 130,094</u>	<u>\$ 92,862</u>	<u>\$ (37,232)</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ 92,862</u>	
 <u>Summary: July 1, 2001, through June 30, 2012</u>			
Direct costs:			
Homicide reports	\$ 317	\$ 317	\$ -
Domestic violence related calls for assistance	1,370,438	1,178,689	(191,749)
Hate crime reports	438	438	-
Total direct costs	1,371,193	1,179,444	(191,749)
Indirect costs	434,839	376,085	(58,754)
Total program costs	<u>\$ 1,806,032</u>	<u>\$ 1,555,529</u>	<u>\$ (250,503)</u>
Less amount paid by the State ²		-	
Allowable costs claimed in excess of amount paid		<u>\$ 1,555,529</u>	

¹ See the Finding and Recommendation section.

² Payment amount current as of June 9, 2020.

Finding and Recommendation

**FINDING—
Overstated salary and
benefit costs**

The city claimed \$1,370,438 in salaries and benefits for the Domestic Violence Related Calls for Assistance cost component. We found that \$1,178,689 is allowable and \$191,749 is unallowable. Unallowable related indirect costs total \$58,754, for a total finding of \$250,503.

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

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

During testing, we found that the city overstated the number of domestic violence related calls for assistance and the PHR for the Police Officer classification in FY 2010-11 and FY 2011-12; overstated the ATI and claimed ineligible costs for staff members in a classification that did not perform the mandated activity of reviewing incident reports for the audit period; and overstated the related indirect costs. The city overstated these costs because it did not claim costs in accordance with the program’s parameters and guidelines or the *State Controller’s Office Mandated Cost Manual for Local Agencies*.

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

Fiscal Year	Salaries and Benefits			Unallowable Indirect Costs	Total Audit Adjustment
	Amount Claimed	Amount Allowable	Audit Adjustment		
2001-02	\$ 77,258	\$ 69,754	\$ (7,504)	\$ (3,755)	\$ (11,259)
2002-03	79,184	71,171	(8,013)	(3,768)	(11,781)
2003-04	87,247	78,423	(8,824)	(4,156)	(12,980)
2004-05	110,611	98,261	(12,350)	(4,104)	(16,454)
2005-06	120,731	108,363	(12,368)	(4,637)	(17,005)
2006-07	226,513	203,014	(23,499)	(8,583)	(32,082)
2007-08	231,547	209,275	(22,272)	(1,536)	(23,808)
2008-09	118,913	107,476	(11,437)	(3,592)	(15,029)
2009-10	114,591	102,499	(12,092)	(4,570)	(16,662)
2010-11	103,026	58,520	(44,506)	(11,705)	(56,211)
2011-12	100,817	71,933	(28,884)	(8,348)	(37,232)
Total	\$ 1,370,438	\$ 1,178,689	\$ (191,749)	\$ (58,754)	\$ (250,503)

Incident Reports

For FY 2010-11 and FY 2011-12, the city provided the monthly reports to the DOJ and summary reports generated by the city’s Records Management System. During our review of the monthly reports to the DOJ, we found that the city overstated the number of domestic violence

related calls for assistance in these fiscal years. The city overstated domestic violence related calls for assistance because it claimed unsupported calls that did not result in a written incident report. We recalculated the allowable costs using the supported incident report counts.

The following table summarizes the claimed, allowable, and overstated number of domestic violence related calls for assistance written incident reports:

Fiscal Year ¹	Amount Claimed	Amount Allowable	Audit Adjustment
2010-11	936	616	(320)
2011-12	928	766	(162)
Total	1,864	1,382	(482)

¹ The table identifies the fiscal years that resulted in audit adjustments.

Average Time Increments

The city claimed overstated salary and benefit costs as a result of overstated ATIs, and claimed an ineligible classification. We recalculated the allowable costs based on the allowable ATI and proper classification.

For the audit period, the city estimated that it took Lieutenants 15 minutes (0.25 hours) to review incident reports. The city did not maintain any documentation to support the ATIs claimed for the Police Department staff members performing the mandated activities. During testing, we interviewed Police Department staff members performing the mandated activities. Based on our interviews, we found that Sergeants review the incident reports, not Lieutenants. Therefore, the claimed ATIs for Lieutenants to review incident reports are ineligible for reimbursement. We applied the average time of 10 minutes (0.17 hours) to review incident reports to the Sergeant classification for the audit period.

The following table summarizes the claimed, allowable, and overstated hours for the Lieutenant classification for reviewing written incident reports by fiscal year:

Fiscal Year	Hours Claimed	Hours Allowable	Audit Adjustment
2001-02	312.00	-	(312.00)
2002-03	280.50	-	(280.50)
2003-04	287.75	-	(287.75)
2004-05	298.25	-	(298.25)
2005-06	317.00	-	(317.00)
2006-07	590.00	-	(590.00)
2007-08	580.50	-	(580.50)
2008-09	281.00	-	(281.00)
2009-10	261.25	-	(261.25)
2010-11	234.00	-	(234.00)
2011-12	232.00	-	(232.00)
Total	3,674.25	-	(3,674.25)

The following table summarizes the claimed, allowable, and adjusted hours for the Sergeant classification for reviewing written incident reports by fiscal year:

Fiscal Year	Hours Claimed	Hours Allowable	Audit Adjustment
2001-02	-	212.16	212.16
2002-03	-	190.74	190.74
2003-04	-	195.67	195.67
2004-05	-	202.81	202.81
2005-06	-	215.56	215.56
2006-07	-	401.20	401.20
2007-08	-	394.74	394.74
2008-09	-	191.08	191.08
2009-10	-	177.65	177.65
2010-11	-	104.72	104.72
2011-12	-	130.22	130.22
Total	-	2,416.55	2,416.55

Productive hourly rates

For the audit period, the city calculated the average PHRs for the Police Department staff members performing the mandated activities using the average annual salary for each classification. Based on our review of the cities salary schedules for each fiscal year, we found that the city overstated the PHRs in FY 2010-11 and FY 2011-12 for the Police Officer classification. During testing, we interviewed Police Department staff members performing the mandated activities and, based on the interviews, we found that Sergeants review the incident reports, not Lieutenants. Therefore, the claimed PHRs for Lieutenants to review the incident reports are ineligible for reimbursement. We used the salary schedules to calculate the PHRs for the Sergeant classification for the audit period. The city overstated the claimed salaries and benefit costs as a result of overstated PHRs and claiming an ineligible classification. We recalculated the allowable costs based on allowable PHRs.

Police Officer

The following table summarizes the claimed, allowable, and adjusted PHR:

Fiscal Year ¹	Claimed PHR	Allowable PHR	Rate Difference
2010-11	\$ 42.18	\$ 40.47	\$ (1.71)
2011-12	\$ 42.09	\$ 40.47	\$ (1.62)

¹ The table identifies the fiscal years that resulted in audit adjustments.

Lieutenant

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

<u>Fiscal Year</u>	<u>Claimed PHR</u>	<u>Allowable PHR</u>	<u>Rate Difference</u>
2001-02	\$ 42.85	\$ -	\$ (42.85)
2002-03	45.00	-	(45.00)
2003-04	47.24	-	(47.24)
2004-05	54.58	-	(54.58)
2005-06	58.74	-	(58.74)
2006-07	61.08	-	(61.08)
2007-08	63.83	-	(63.83)
2008-09	66.71	-	(66.71)
2009-10	69.71	-	(69.71)
2010-11	69.71	-	(69.71)
2011-12	69.71	-	(69.71)

Sergeant

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

<u>Fiscal Year</u>	<u>Claimed PHR</u>	<u>Allowable PHR</u>	<u>Rate Difference</u>
2001-02	\$ -	\$ 36.53	\$ 36.53
2002-03	-	37.62	37.62
2003-04	-	39.51	39.51
2004-05	-	42.51	42.51
2005-06	-	48.83	48.83
2006-07	-	50.57	50.57
2007-08	-	54.96	54.96
2008-09	-	57.44	57.44
2009-10	-	57.44	57.44
2010-11	-	58.59	58.59
2011-12	-	58.59	58.59

Criteria

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

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities....The claimant is only allowed to claim and be reimbursed for increased costs for reimbursable activities. Increased cost is limited to the cost of an activity that the claimant is required to incur as a result of the mandate.

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

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

Recommendation

The Crime Statistics Reports for the Department of Justice Program was suspended in the FY 2012-13 through FY 2019-20 Budget Acts. If the program becomes active again, we recommend that the city:

- Follow the mandated program claiming instructions and the parameters and guidelines when claiming reimbursement for mandated costs;
- Claim costs based on actual time increments required to perform the mandated cost activities;
- Claim costs based on the number of domestic violence related calls for assistance that are supported with a written report; and
- Calculate PHRs based on the employee classifications that perform the mandated activities using the salary schedule information for the corresponding fiscal year.

**State Controller's Office
Division of Audits
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<http://www.sco.ca.gov>