

# **CITY OF SANTA ROSA**

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 2018



**BETTY T. YEE**  
California State Controller

June 28, 2018

The Honorable Chris Coursey  
Mayor of the City of Santa Rosa  
100 Santa Rosa Avenue  
Santa Rosa, CA 95404

Dear Mr. Coursey:

The State Controller's Office (SCO) audited the costs claimed by the City of Santa Rosa 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 \$2,359,883 for the mandated program. Our audit found that \$1,378,491 is allowable and \$981,392 is unallowable primarily because the city misstated the number of domestic violence-related incident reports, overstated the average time increments per activity, and misstated productive hourly rates and benefit rates. The State made no payments to the city. The State will pay \$1,378,491, contingent upon available appropriations. Following the issuance of this report, the SCO's Local Government Programs and Services Division will notify the city of the adjustments 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*

JEFFREY V. BROWNFIELD, CPA  
Chief, Division of Audits

JVB/ljs

cc: Alan Alton, Acting Chief Financial Officer  
City of Santa Rosa  
Cheryl Reynolds, Accountant  
City of Santa Rosa  
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  
California 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 Santa Rosa 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 \$2,359,883 for the mandated program. Our audit found that \$1,378,491 is allowable and \$981,392 is unallowable primarily because the city misinterpreted the program's parameters and guidelines, which resulted in it misstating the number of domestic violence-related incident reports, overstating the average time increments per activity, and misstating productive hourly rates (PHR) and benefit rates. The State made no payments to the city. The State will pay \$1,378,491, contingent upon available appropriations.

## Background

Penal Code (PC) section 12025, subdivisions (h)(1) and (h)(3); section 12031, subdivisions (m)(1) and (m)(3); sections 13014 and 13023; and section 13730, subdivision (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 12, 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:

- *Homicide Reports*: 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);

- *Hate Crime Reports*: 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 reasonable cause to believe that the crime was motivated, in whole or in part, by the victim's race, ethnicity, religion, sexual orientation, physical or mental disability, gender, or national origin (PC section 13023);
- *Firearm Reports*: 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 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 section 12025, subdivisions (h)(1) and (h)(3), and PC section 12031 subdivisions (m)(1) and (m)(3)); and
- *Domestic Violence-Related Calls for Assistance*: For local law enforcement agencies to support all domestic violence-related calls for assistance with a written incident report (PC section 13730, subdivision (a), Chapter 1230, Statutes of 1993).

The Commission also found that, beginning January 1, 2005, local law enforcement agencies are entitled to reimbursement for reporting the following information relating to *Hate Crime Reports* 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, and (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, and (6) sexual orientation.

The program's parameters and guidelines establish the state mandate and define reimbursement criteria. The Commission adopted the parameters and guidelines on September 30, 2010, and amended them on January 24, 2014 to clarify reimbursable costs related to domestic violence-related calls for assistance. In compliance with GC section 17558, the SCO issues claiming instructions to assist local agencies 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 Crime Statistics Reports for the Department of Justice Program. Specifically, we conducted this audit to determine whether costs claimed were supported by appropriate source documents, were not funded by another source, and were not unreasonable and/or excessive.

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

To achieve our audit objective, we:

- Reviewed the annual mandated cost claims filed by the city for the audit period to identify the material cost components of each claim and to determine whether there were any errors or any unusual or unexpected variances from year to year. We also 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, and discussed the claim preparation process with staff members to determine what information was obtained, who obtained it, and how it was used;
- Reviewed and analyzed the detailed listing of incident report counts in each fiscal year of the audit period, except for fiscal year (FY) 2001-02 as the data was no longer recoverable. Analyzed the detailed listing to identify any possible exclusions, and verified that the incident report counts were supported by appropriate written reports. To confirm the validity of the detailed listing of incident report counts, we performed random non-statistical case sampling for the two most recent fiscal years of the audit period (FY 2010-11 and FY 2011-12). The two years sampled were representative of all fiscal years, as the tracking process had not changed throughout the audit period. We sampled and reviewed 31 out of 520 incident reports for FY 2010-11 and 29 out of 412 incident reports for FY 2011-12. We did not project the sampling results;
- Interviewed the city's staff to determine which employee classifications were involved in performing the reimbursable activities during the audit period;
- Reviewed the city's time study and other supporting documentation to assess whether the average time increments claimed to perform the reimbursable activities were reasonable per the requirement of the program;
- Traced all PHR calculations to supporting information in the city's payroll system and verified all PHR computations for each applicable classification;
- Re-computed department-wide benefit rate computations for each fiscal year; and
- Verified whether indirect costs claimed were for common or joint purposes and whether indirect cost rates were properly supported and applied.

The legal authority to conduct this audit is provided by GC sections 12410, 17558.5, and 17561. 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**

Our audit found an instance of noncompliance with the requirements outlined in the Objective, Scope, and Methodology section. This instance is quantified in the accompanying Schedule (Summary of Program Costs) and described in the Finding and Recommendation section of this report.

For the audit period, the City of Santa Rosa claimed \$2,359,883 for costs of the Crime Statistics Reports for the Department of Justice Program. Our audit found that \$1,378,491 is allowable and \$981,392 is unallowable. The State made no payments to the city. The State will pay \$1,378,491, contingent upon available appropriations.

Following the issuance of this report, the SCO's Local Government and Services Division will notify the city of the adjustments 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 16, 2018. We contacted Cheryl Reynolds, Accountant, by email on May 29, 2018. Ms. Reynolds indicated that the city will not be providing a response.

## **Restricted Use**

This report is solely for the information and use of the City of Santa Rosa, 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 report, which is a matter of public record.

*Original signed by*

JEFFREY V. BROWNFIELD, CPA  
Chief, Division of Audits

June 28, 2018

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

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:			
Homicide reports	\$ 128	\$ 128	\$ -
Domestic violence-related calls for assistance	215,873	80,458	(135,415)
Total direct costs	216,001	80,586	(135,415)
Indirect costs	14,457	6,242	(8,215)
Total program costs	<u>\$ 230,458</u>	86,828	<u>\$ (143,630)</u>
Less amount paid by the State <sup>2</sup>		-	
Allowable costs claimed in excess amount paid		<u>\$ 86,828</u>	
<u>July 1, 2002, through June 30, 2003</u>			
Direct costs – salaries and benefits:			
Homicide reports	\$ 133	\$ 133	\$ -
Domestic violence-related calls for assistance	240,965	121,887	(119,078)
Total direct costs	241,098	122,020	(119,078)
Indirect costs	16,137	9,210	(6,927)
Total program costs	<u>\$ 257,235</u>	131,230	<u>\$ (126,005)</u>
Less amount paid by the State <sup>2</sup>		-	
Allowable costs claimed in excess amount paid		<u>\$ 131,230</u>	
<u>July 1, 2003, through June 30, 2004</u>			
Direct costs – salaries and benefits:			
Homicide reports	\$ 137	\$ 137	\$ -
Domestic violence-related calls for assistance	221,973	121,527	(100,446)
Total direct costs	222,110	121,664	(100,446)
Indirect costs	14,876	8,108	(6,768)
Total program costs	<u>\$ 236,986</u>	129,772	<u>\$ (107,214)</u>
Less amount paid by the State <sup>2</sup>		-	
Allowable costs claimed in excess amount paid		<u>\$ 129,772</u>	



## Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustment <sup>1</sup>
<u>July 1, 2004, through June 30, 2005</u>			
Direct costs – salaries and benefits:			
Homicide reports	\$ 234	\$ 234	\$ -
Domestic violence-related calls for assistance	194,150	119,543	(74,607)
Hate crime reports	116	116	-
Total direct costs	194,500	119,893	(74,607)
Indirect costs	13,020	7,525	(5,495)
Total program costs	<u>\$ 207,520</u>	127,418	<u>\$ (80,102)</u>
Less amount paid by the State <sup>2</sup>		-	
Allowable costs claimed in excess amount paid		<u>\$ 127,418</u>	
<u>July 1, 2005, through June 30, 2006</u>			
Direct costs – salaries and benefits:			
Homicide reports	\$ 144	\$ 144	\$ -
Domestic violence-related calls for assistance	181,614	127,847	(53,767)
Hate crime reports	24	24	-
Total direct costs	181,782	128,015	(53,767)
Indirect costs	12,167	7,711	(4,456)
Total program costs	<u>\$ 193,949</u>	135,726	<u>\$ (58,223)</u>
Less amount paid by the State <sup>2</sup>		-	
Allowable costs claimed in excess amount paid		<u>\$ 135,726</u>	
<u>July 1, 2006, through June 30, 2007</u>			
Direct costs – salaries and benefits:			
Homicide reports	\$ 197	\$ 197	\$ -
Domestic violence-related calls for assistance	190,635	128,890	(61,745)
Hate crime reports	149	149	-
Total direct costs	190,981	129,236	(61,745)
Indirect costs	12,784	7,995	(4,789)
Total program costs	<u>\$ 203,765</u>	137,231	<u>\$ (66,534)</u>
Less amount paid by the State <sup>2</sup>		-	
Allowable costs claimed in excess amount paid		<u>\$ 137,231</u>	

## Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustment <sup>1</sup>
<u>July 1, 2007, through June 30, 2008</u>			
Direct costs – salaries and benefits:			
Homicide reports	\$ 509	\$ 509	\$ -
Domestic violence-related calls for assistance	186,347	115,143	(71,204)
Hate crime reports	51	51	-
Total direct costs	186,907	115,703	(71,204)
Indirect costs	12,513	7,102	(5,411)
Total program costs	<u>\$ 199,420</u>	122,805	<u>\$ (76,615)</u>
Less amount paid by the State <sup>2</sup>		-	
Allowable costs claimed in excess amount paid		<u>\$ 122,805</u>	
<u>July 1, 2008, through June 30, 2009</u>			
Direct costs – salaries and benefits:			
Homicide reports	\$ 262	\$ 262	\$ -
Domestic violence-related calls for assistance	160,970	111,646	(49,324)
Hate crime reports	52	52	-
Total direct costs	161,284	111,960	(49,324)
Indirect costs	10,796	6,993	(3,803)
Total program costs	<u>\$ 172,080</u>	118,953	<u>\$ (53,127)</u>
Less amount paid by the State <sup>2</sup>		-	
Allowable costs claimed in excess amount paid		<u>\$ 118,953</u>	
<u>July 1, 2009, through June 30, 2010</u>			
Direct costs – salaries and benefits:			
Homicide reports	\$ 270	\$ 270	\$ -
Domestic violence-related calls for assistance	158,541	125,487	(33,054)
Hate crime reports	54	54	-
Total direct costs	158,865	125,811	(33,054)
Indirect costs	10,634	7,780	(2,854)
Total program costs	<u>\$ 169,499</u>	133,591	<u>\$ (35,908)</u>
Less amount paid by the State <sup>2</sup>		-	
Allowable costs claimed in excess amount paid		<u>\$ 133,591</u>	

## Schedule (continued)

Cost Elements	Costs Claimed	Allowable Per Audit	Audit Adjustment <sup>1</sup>
<u>July 1, 2010, through June 30, 2011</u>			
Direct costs – salaries and benefits:			
Domestic violence-related calls for assistance	\$ 172,529	\$ 103,827	\$ (68,702)
Total direct costs	172,529	103,827	(68,702)
Indirect costs	57,401	34,543	(22,858)
Total program costs	<u>\$ 229,930</u>	138,370	<u>\$ (91,560)</u>
Less amount paid by the State <sup>2</sup>		-	
Allowable costs claimed in excess amount paid		<u>\$ 138,370</u>	
<u>July 1, 2011, through June 30, 2012</u>			
Direct costs – salaries and benefits:			
Domestic violence-related calls for assistance	\$ 188,106	\$ 84,647	\$ (103,459)
Total direct costs	188,106	84,647	(103,459)
Indirect costs	70,935	31,920	(39,015)
Total program costs	<u>\$ 259,041</u>	116,567	<u>\$ (142,474)</u>
Less amount paid by the State <sup>2</sup>		-	
Allowable costs claimed in excess amount paid		<u>\$ 116,567</u>	
<u>Summary: July 1, 2001, through June 30, 2012</u>			
Direct costs – salaries and benefits:			
Homicide reports	\$ 2,014	\$ 2,014	\$ -
Domestic violence-related calls for assistance	2,111,703	1,240,902	(870,801)
Hate crime reports	446	446	-
Total direct costs	2,114,163	1,243,362	(870,801)
Indirect costs	245,720	135,129	(110,591)
Total program costs	<u>\$ 2,359,883</u>	1,378,491	<u>\$ (981,392)</u>
Less amount paid by the State <sup>2</sup>		-	
Allowable costs claimed in excess amount paid		<u>\$ 1,378,491</u>	

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

<sup>2</sup> Payment amount current as of June 5, 2018.

# Finding and Recommendation

**FINDING—  
Domestic Violence  
Related Calls for  
Assistance cost  
component:  
unallowable salary  
and benefit and  
related indirect costs**

The city claimed \$2,111,703 in salaries and benefits and \$245,536 in related indirect costs for the Domestic Violence Related Calls for Assistance cost component during the audit period. We found that \$1,240,902 is allowable and \$870,801 is unallowable for salaries and benefits. Related unallowable indirect costs total \$110,591.

The costs for this component include supporting each domestic violence-related call for assistance with a written incident report. Reimbursable activities consist of writing, reviewing, and editing the incident reports. The city computed claimed costs based on estimated time increments. The city multiplied the estimated time increments per activity by the total number of domestic violence-related calls for assistance incidents to arrive at the claimed hours. The city used PHRs and related benefit amounts of the Police Officer, Sergeant, and Police Technician classifications to calculate the salaries and benefits claimed. The costs claimed are unallowable because the city misinterpreted the program’s parameters and guidelines, resulting in it misstating the number of domestic violence-related incident reports, overstating the average time increments per activity, and misstating PHRs and benefit rates.

The following table summarizes the claimed, allowable, and unallowable salaries and benefits and related indirect costs for the Domestic Violence Related Calls for Assistance cost component for the audit period:

Fiscal Year	Salaries and Benefits			Related Indirect Cost Adjustment	Total Audit Adjustment
	Amount Claimed	Amount Allowable	Adjustment		
2001-02	\$ 215,873	\$ 80,458	\$ (135,415)	\$ (8,215)	\$(143,630)
2002-03	240,965	121,887	(119,078)	(6,927)	(126,005)
2003-04	221,973	121,527	(100,446)	(6,768)	(107,214)
2004-05	194,150	119,543	(74,607)	(5,495)	(80,102)
2005-06	181,614	127,847	(53,767)	(4,456)	(58,223)
2006-07	190,635	128,890	(61,745)	(4,789)	(66,534)
2007-08	186,347	115,143	(71,204)	(5,411)	(76,615)
2008-09	160,970	111,646	(49,324)	(3,803)	(53,127)
2009-10	158,541	125,487	(33,054)	(2,854)	(35,908)
2010-11	172,529	103,827	(68,702)	(22,858)	(91,560)
2011-12	188,106	84,647	(103,459)	(39,015)	(142,474)
<b>Total</b>	<b>\$2,111,703</b>	<b>\$1,240,902</b>	<b>\$ (870,801)</b>	<b>\$ (110,591)</b>	<b>\$(981,392)</b>

**Number of Domestic Violence-Related Calls for Assistance Incident Reports**

*Claimed*

The city queried its Intergraph Law Enforcement Automated Data System (I/LEADS) Records Management System to obtain statistical reports during the claim preparation process. During fieldwork, we requested to review documentation supporting the number of domestic violence-related calls for assistance incidents that included a written report. However, the city was unable to identify the number of incidents used to calculate claimed costs. The number of incidents was also not detailed on the claims.

*Allowable*

The city provided Uniform Crime Reporting (UCR) reports for the audit period except for FY 2001-02. The UCR reports detailed the number of domestic violence-related calls for assistance incidents which were reported to the DOJ, all of which included a written report. We used these reports to perform our analysis for the fiscal years under audit.

We reviewed a sample of domestic violence-related calls for assistance incidents from two fiscal years (FY 2010-11 and FY 2011-12) to verify that they occurred and were properly supported with a written incident report that was also reviewed and edited. The two years sampled were representative of the population, as the report writing process for the domestic violence-related calls for assistance had not changed throughout the audit period. We selected a random non-statistical sample of domestic violence-related calls for assistance incidents to review. We reviewed 31 incident reports from FY 2010-11 and 29 incident reports from FY 2011-12. Our review revealed that only two incident reports did not include elements related to domestic violence. We determined that we would not project the error and would not expand our testing, as the two discrepancies were not pervasive. We concluded that the city accurately queried its system and generated the correct report from its I/LEADS Records Management System. Therefore, we concluded that the UCR reports provided for our review for FY 2002-03 through FY 2011-12 were reliable.

However, the city did not provide data reports or supporting documentation for incidents claimed for FY 2001-02, as the data was no longer recoverable. Rather than not allowing any costs, we calculated an average incident count based on the data provided for the supported years. We applied the average incident count to FY 2001-02, in which supporting documentation was not available.

*Summary*

The following table summarizes the claimed, allowable, and misstated number of domestic violence-related calls for assistance incidents for the audit period:

Fiscal Year	Number of Incidents		
	Claimed Counts	Allowable Counts	Audit Adjustment
2001-02	- *	666	666
2002-03	- *	944	944
2003-04	- *	808	808
2004-05	- *	733	733
2005-06	- *	745	745
2006-07	- *	710	710
2007-08	- *	594	594
2008-09	- *	568	568
2009-10	- *	630	630
2010-11	- *	520	520
2011-12	623	412	(211)

\* The city was unable to identify the number of incidents used to calculate claimed costs.

## Time Increments

### *Claimed*

For FY 2001-02 through FY 2011-12, the city estimated that it took 3.4 hours (or 204 minutes) per incident for a Police Officer to support all domestic violence-related calls for assistance with a written incident report, 0.4 hours (or 24 minutes) for the Sergeant to review the report, and 0.2 hours (or 12 minutes) for the Police Technician to edit the written report. For FY 2011-12, the city did not claim the costs for the Police Technician to edit the written report.

The city did not provide any source documentation based on actual time records to support these estimated time increments.

### *Allowable*

The city conducted a time study during of August 2017. The time study documented the time that it took Police Officers to support all domestic violence-related calls for assistance with a written incident report, and the time that it took the Sergeant to review the report.

Based on the city's time study results, we determined that it takes a Police Officer an average of 2.45 hours (or 146.94 minutes) to support all domestic violence-related calls for assistance with a written incident report, and a Sergeant an average of 0.18 hours (or 10.88 minutes) to review the written report. For the editing activity, we determined that the claimed average time increment of 0.2 hours (or 12 minutes) for the Police Technician was reasonable based on interviews that we conducted during fieldwork.

We applied the allowable average time study increments to the number of domestic violence-related calls for assistance incident counts to arrive at the total allowable hours.

### *Summary*

The following table summarizes the claimed, allowable, and misstated hours for the Police Officer classification for the activity of writing the reports for the audit period:

<u>Fiscal Year</u>	<u>Claimed Hours</u>	<u>Allowable Hours</u>	<u>Audit Adjustment</u>
<b>Allowable Hours – Report Writing (Police Officer)</b>			
2001-02	3,325.00	1,631.70	(1,693.30)
2002-03	3,604.00	2,312.80	(1,291.20)
2003-04	3,203.00	1,979.60	(1,223.40)
2004-05	2,737.00	1,795.85	(941.15)
2005-06	2,485.00	1,825.25	(659.75)
2006-07	2,533.00	1,739.50	(793.50)
2007-08	2,404.00	1,455.30	(948.70)
2008-09	2,016.00	1,391.60	(624.40)
2009-10	1,928.00	1,543.50	(384.50)
2010-11	2,064.00	1,274.00	(790.00)
2011-12	2,118.20	1,009.40	(1,108.80)
<b>Total</b>	<b>28,417.20</b>	<b>17,958.50</b>	<b>(10,458.70)</b>

The following table summarizes the claimed, allowable, and misstated hours for the Sergeant classification for the activity of reviewing the reports for the audit period:

<u>Fiscal Year</u>	<u>Claimed Hours</u>	<u>Allowable Hours</u>	<u>Audit Adjustment</u>
Allowable Hours – Reviewing (Sergeant)			
2001-02	391.00	119.88	(271.12)
2002-03	424.00	169.92	(254.08)
2003-04	377.00	145.44	(231.56)
2004-05	322.00	131.94	(190.06)
2005-06	292.00	134.10	(157.90)
2006-07	298.00	127.80	(170.20)
2007-08	283.00	106.92	(176.08)
2008-09	237.00	102.24	(134.76)
2009-10	227.00	113.40	(113.60)
2010-11	243.00	93.60	(149.40)
2011-12	249.20	74.16	(175.04)
Total	<u>3,343.20</u>	<u>1,319.40</u>	<u>(2,023.80)</u>

The following table summarizes the claimed, allowable, and misstated hours for the Police Technician classification for the activity of editing the reports for the audit period:

<u>Fiscal Year</u>	<u>Claimed Hours</u>	<u>Allowable Hours</u>	<u>Audit Adjustment</u>
Allowable Hours – Editing (Police Technician)			
2001-02	196.00	133.20	(62.80)
2002-03	212.00	188.80	(23.20)
2003-04	188.00	161.60	(26.40)
2004-05	161.00	146.60	(14.40)
2005-06	146.00	149.00	3.00
2006-07	149.00	142.00	(7.00)
2007-08	141.00	118.80	(22.20)
2008-09	119.00	113.60	(5.40)
2009-10	113.00	126.00	13.00
2010-11	121.00	104.00	(17.00)
2011-12	-	82.40	82.40
Total	<u>1,546.00</u>	<u>1,466.00</u>	<u>(80.00)</u>

### Productive Hourly Rates and Benefit Rates

#### *Claimed*

The city used salary information for the Police Officer classification to calculate costs for the time that it takes to write an incident report for all domestic violence-related calls for assistance, the Sergeant classification to calculate costs for the time that it takes to review the report, and the

Police Technician classification to calculate costs for the time that it takes to edit the report. The city claimed one benefit rate for the Police Officer and Sergeant classifications and a separate benefit rate for the Police Technician classification in each fiscal year. The city claimed benefit costs by applying benefit rates to the claimed salaries.

*Allowable*

The city provided the salary information for the three classifications for the audit period for our review. We calculated an average classification PHR for each employee classification using the salary plans provided during the audit. We computed the average annual salary 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 city misstated the claimed PHRs for all fiscal years.

The city provided a General Ledger for each fiscal year to support the salary and benefit cost expenditures for the Police Department. The city was unable to segregate the fringe benefit amounts for sworn and non-sworn positions. Therefore, we calculated a department-wide benefit rate using the General Ledger for each fiscal year in the audit period. Our analysis revealed that the city misstated the claimed benefit rates for all fiscal years.

*Summary*

The following tables summarizes the claimed, allowable, and misstated PHRs and benefit rates for the Police Officer classification for the audit period:

Fiscal Year	PHRs (Police Officer)			Benefit Rates (Police Officer)		
	Claimed PHR	Allowable PHR	Audit Adjustment	Claimed Benefit Rate	Allowable Benefit Rate	Audit Adjustment
2001-02	36.47	32.90	(3.57)	49.95%	29.11%	-20.84%
2002-03	37.56	34.32	(3.24)	49.95%	32.49%	-17.46%
2003-04	38.69	35.34	(3.35)	49.95%	50.08%	0.13%
2004-05	39.85	36.11	(3.74)	49.95%	59.41%	9.46%
2005-06	41.05	36.40	(4.65)	49.95%	66.07%	16.12%
2006-07	42.28	39.69	(2.59)	49.95%	61.75%	11.80%
2007-08	43.55	42.04	(1.51)	49.95%	63.10%	13.15%
2008-09	44.85	43.47	(1.38)	49.95%	60.17%	10.22%
2009-10	46.20	43.47	(2.73)	49.95%	61.79%	11.84%
2010-11	45.53	43.47	(2.06)	54.46%	61.91%	7.45%
2011-12	45.53	43.47	(2.06)	68.13%	66.60%	-1.53%



The following tables summarizes the claimed, allowable, and misstated PHRs and benefit rates for the Sergeant classification for the audit period:

Fiscal Year	PHRs (Sergeant)			Benefit Rates (Sergeant)		
	Claimed PHR	Allowable PHR	Audit Adjustment	Claimed Benefit Rate	Allowable Benefit Rate	Audit Adjustment
2001-02	46.12	46.49	0.37	49.95%	29.11%	-20.84%
2002-03	47.50	48.54	1.04	49.95%	32.49%	-17.46%
2003-04	48.93	50.00	1.07	49.95%	50.08%	0.13%
2004-05	50.39	51.13	0.74	49.95%	59.41%	9.46%
2005-06	51.91	52.89	0.98	49.95%	66.07%	16.12%
2006-07	53.46	56.09	2.63	49.95%	61.75%	11.80%
2007-08	55.07	59.40	4.33	49.95%	63.10%	13.15%
2008-09	56.72	61.42	4.70	49.95%	60.17%	10.22%
2009-10	58.42	61.42	3.00	49.95%	61.79%	11.84%
2010-11	58.42	61.96	3.54	54.46%	61.91%	7.45%
2011-12	61.96	61.96	-	68.13%	66.60%	-1.53%

The following tables summarizes the claimed, allowable, and misstated PHRs and benefit rates for the Police Technician classification for the audit period:

Fiscal Year	PHRs (Police Technician)			Benefit Rates (Police Technician)		
	Claimed PHR	Allowable PHR	Audit Adjustment	Claimed Benefit Rate	Allowable Benefit Rate	Audit Adjustment
2001-02	26.41	22.99	(3.42)	35.00%	29.11%	-5.89%
2002-03	27.20	23.17	(4.03)	35.00%	32.49%	-2.51%
2003-04	33.48	23.17	(10.31)	35.00%	50.08%	15.08%
2004-05	28.85	23.17	(5.68)	35.00%	59.41%	24.41%
2005-06	29.72	23.17	(6.55)	35.00%	66.07%	31.07%
2006-07	30.61	24.48	(6.13)	35.00%	61.75%	26.75%
2007-08	31.53	25.80	(5.73)	35.00%	63.10%	28.10%
2008-09	32.48	25.80	(6.68)	35.00%	60.17%	25.17%
2009-10	33.45	27.78	(5.67)	35.00%	61.79%	26.79%
2010-11	33.45	28.34	(5.11)	35.00%	61.91%	26.91%
2011-12	-	28.34	28.34	0.00%	66.60%	66.60%

### Summary of Audit Adjustment

We applied the allowable number of domestic violence-related calls for assistance incident reports to the average time study increments to arrive at the total allowable hours. We then applied the audited PHRs to the allowable hours to calculate total allowable salaries, and applied the benefit rates to total allowable salaries to calculate total allowable benefits. The city overstated salary and benefit costs totaling \$870,801 for the audit period.

The following table summarizes the salary and benefit audit adjustment for each fiscal year of the audit period:

<u>Fiscal Year</u>	<u>Hour Related Adjustment</u>	<u>PHR Adjustment</u>	<u>Benefit Adjustment</u>	<u>Audit Adjustment</u>
2001-02	\$ (75,923)	\$ (6,237)	\$ (53,255)	\$ (135,415)
2002-03	(61,198)	(8,077)	(49,803)	(119,078)
2003-04	(59,543)	(8,142)	(32,761)	(100,446)
2004-05	(47,498)	(7,451)	(19,658)	(74,607)
2005-06	(35,234)	(9,332)	(9,201)	(53,767)
2006-07	(42,863)	(5,039)	(13,843)	(61,745)
2007-08	(51,704)	(2,416)	(17,084)	(71,204)
2008-09	(35,831)	(2,198)	(11,295)	(49,324)
2009-10	(23,958)	(4,588)	(4,508)	(33,054)
2010-11	(45,259)	(2,824)	(20,619)	(68,702)
2011-12	(61,328)	256	(42,387)	(103,459)
Total	<u>\$ (540,339)</u>	<u>\$ (56,048)</u>	<u>\$ (274,414)</u>	<u>\$ (870,801)</u>

### 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 – Ongoing Activities D. Domestic Violence Related Calls for Assistance) allow ongoing activities related to supporting calls with a written incident report and reviewing the report as follows:

D. Domestic Violence Related Calls for Assistance: (Pen. Code, § 13730(a); Stats.1993, ch. 1230)

The following activity, performed by city, county, and city and county law enforcement agencies, is eligible for reimbursement:

1. Support all domestic-violence related calls for assistance with a written incident report.
2. Review and edit the report.

Reimbursement is *not* required to interview parties, complete a booking sheet or restraining order, transport the victim to the hospital, book the perpetrator, or other related activities to enforce a crime and assist the victim.

In addition, reimbursement is *not* required to include the information in the incident report required by Penal Code section 13730(c)(1)(2), based on the Commission decision denying reimbursement for that activity in *Domestic Violence Training and Incident Reporting* (CSM-96-362-01). Reimbursement for including the information in the incident report required by Penal Code section 13730(c)(3) is not provided in these parameters and guidelines and may not be claimed under this program, but is addressed in *Domestic Violence Incident Reports II* (02-TC-18).

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 Crime Statistics Reports for the Department of Justice Program was suspended in FY 2012-13 through FY 2017-18. If the program becomes active again, we recommend that the city follow the mandated program claiming instructions and the parameters and guidelines to ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

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