

# **CITY OF VALLEJO**

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; and Chapter 700, Statutes of 2004

*July 1, 2001, through June 30, 2012*



**MALIA M. COHEN**  
California State Controller

January 2024



MALIA M. COHEN  
CALIFORNIA STATE CONTROLLER

January 24, 2024

**CERTIFIED MAIL—RETURN RECEIPT REQUESTED**

Rekha Nayar, CPA, Director  
Vallejo Finance Department  
555 Santa Clara Street  
Vallejo, CA 94590

Dear Ms. Nayar:

The State Controller's Office audited the costs claimed by the City of Vallejo 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 \$854,460 for costs of the mandated program. Our audit found that \$365,051 is allowable; and \$489,409 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 \$365,051, 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*

KIMBERLY TARVIN, CPA  
Chief, Division of Audits

KT/ac

Attachment

Ms. Rekha Nayar  
January 24, 2024  
Page 2 of 2

cc: The Honorable Robert McConnell, Mayor  
City of Vallejo  
Mike Malone, City Manager  
City of Vallejo  
Jason Ta, Interim Chief  
Vallejo Police Department  
Chris Hill, Principal Program Budget Analyst  
Local Government Unit  
California Department of Finance  
Kaily Yap, Finance Budget Analyst  
Local Government Unit  
California Department of Finance  
Darryl Mar, Manager  
Local Reimbursements Section  
State Controller's Office  
Everett Luc, Supervisor  
Local Reimbursements 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 Vallejo 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 \$854,460 for costs of the mandated program. Our audit found that \$365,051 is allowable; and \$489,409 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 \$365,051, 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 constituted a new program or higher level of service and imposes a reimbursable state-mandated program, within the meaning of Article XII B, section 6 of the California Constitution and Government Code (GC) section 17514, on city and county claimants beginning on July 1, 2001.

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 found that this test claim legislation also constituted 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 (Section I., "Summary of the Mandate"):

- [For] 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].
- [For] 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, . . . physical or mental disability, . . . 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 section 12025 (carrying a concealed firearm) or section 12031 (carrying a loaded firearm in a public place), of the Penal Code, and any other offense charged in the same complaint, indictment, or information. The Commission finds that this is a reimbursable mandate from July 1, 2001. . . . until January 1, 2005 [PC sections 12025(h)(I) and (h)(3), and 12031(m)(I) 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 agencies to report the following in a manner to be prescribed by the Attorney General:
  - Any information that may be required relative to hate crime, 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.
  - 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 the *Mandated Cost Manual for Local Agencies (Mandated Cost Manual)* to assist local agencies and school districts in claiming mandated program reimbursable costs.

## **Audit Authority**

We conducted this performance audit in accordance with GC sections 17558.5 and 17561, which authorize the SCO to audit the city's records to verify the actual amount of the mandated costs. In addition, GC section 12410 provides the SCO with general authority to audit the disbursement of state money for correctness, legality, and sufficient provisions of law for payment.

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

The objective of our audit was to determine whether claimed costs 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 claimed costs were supported

by appropriate source documents, were not funded by another source, and were not unreasonable and/or excessive. Unreasonable and/or excessive costs include ineligible costs that are not identified in the program's parameters and guidelines as reimbursable costs.

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

To achieve our objective, we performed the following procedures.

- 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. We determined whether there were any errors or unusual or unexpected variances from year to year. We reviewed the claimed activities to determine whether they adhered to the SCO's *Mandated Cost Manual* and the program's parameters and guidelines.
- We completed an internal control questionnaire by interviewing key city staff. We discussed the claim preparation process with city staff to determine what information was obtained, who obtained it, and how it was used.
- We assessed the reliability of data (payroll and expenditure records) generated by the city's information management system by interviewing city staff members and examining supporting documentation. We determined that the data was sufficiently reliable to address the audit objective.
- We interviewed city staff members to determine what employee classifications were involved in performing the reimbursable activities during the audit period.
- We traced productive hourly rate (PHR) and benefit rate calculations for all employee classifications performing the mandated activities to supporting information in the city's payroll system (see the Finding).
- We assessed whether the average time increments (ATIs, the amount of time spent performing the reimbursable activities) 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 the Finding).
- We reviewed and analyzed the domestic violence incident report counts and verified that the counts were supported by the reports that the city submitted to the DOJ (see the Finding).
- We determined whether the indirect cost rates were properly supported and applied. We recalculated the indirect cost rates for fiscal year (FY) 2009-10, FY 2010-11, and FY 2011-12.
- We inquired with city staff members and reviewed independent auditor's reports (with accompanying financial statements) to identify potential sources of offsetting revenues and reimbursements for the audit period. We determined that the claimed costs were not funded by another source.

We did not audit the city's financial statements.

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.

## **Conclusion**

As a result of performing the audit procedures, we found instances of noncompliance with the requirements described in our audit objective. We did not find that the city claimed costs that were funded by other sources; however, we did find that it claimed unsupported and ineligible costs, as quantified in the Schedule and described in the Finding and Recommendation section.

For the audit period, the City of Vallejo claimed \$854,460 for costs of the legislatively mandated Crime Statistics Reports for the Department of Justice Program. Our audit found that \$365,051 is allowable and \$489,409 is unallowable. The State made no payments to the city. The State will pay \$365,051, 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 November 28, 2023. The City of Vallejo's representative responded by letter dated December 11, 2023. The city did not agree or disagree with the finding. This final audit report includes the city's response as an attachment.

## **Restricted Use**

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

*Original signed by*

KIMBERLY TARVIN, CPA  
Chief, Division of Audits

January 24, 2024



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

<u>Cost Elements</u>	<u>Actual Costs Claimed</u>	<u>Allowable per Audit</u>	<u>Audit Adjustment<sup>1</sup></u>
<u>July 1, 2001, through June 30, 2002</u>			
Direct costs:			
Homicide reports	\$ 17	\$ 17	\$ -
Domestic violence related calls for assistance	<u>58,093</u>	<u>21,660</u>	<u>(36,433)</u>
Total direct costs	58,110	21,677	(36,433)
Indirect costs	<u>12,552</u>	<u>4,683</u>	<u>(7,869)</u>
Total direct and indirect costs	70,662	26,360	(44,302)
Less offsetting revenues and reimbursements <sup>2</sup>	-	-	-
Total program costs	<u>\$ 70,662</u>	26,360	<u>\$ (44,302)</u>
Less amount paid by the State <sup>3</sup>		-	
Allowable costs claimed in excess of amount paid		<u>\$ 26,360</u>	
<u>July 1, 2002, through June 30, 2003</u>			
Direct costs:			
Homicide reports	\$ 52	\$ 52	\$ -
Domestic violence related calls for assistance	<u>62,069</u>	<u>23,190</u>	<u>(38,879)</u>
Total direct costs	62,121	23,242	(38,879)
Indirect costs	<u>9,442</u>	<u>3,533</u>	<u>(5,909)</u>
Total direct and indirect costs	71,563	26,775	(44,788)
Less offsetting revenues and reimbursements <sup>2</sup>	-	-	-
Total program costs	<u>\$ 71,563</u>	26,775	<u>\$ (44,788)</u>
Less amount paid by the State <sup>3</sup>		-	
Allowable costs claimed in excess of amount paid		<u>\$ 26,775</u>	
<u>July 1, 2003, through June 30, 2004</u>			
Direct costs:			
Homicide reports	\$ 30	\$ 30	\$ -
Domestic violence related calls for assistance	<u>70,524</u>	<u>24,676</u>	<u>(45,848)</u>
Total direct costs	70,554	24,706	(45,848)
Indirect costs	<u>12,629</u>	<u>4,422</u>	<u>(8,207)</u>
Total direct and indirect costs	83,183	29,128	(54,055)
Less offsetting revenues and reimbursements <sup>2</sup>	-	-	-
Total program costs	<u>\$ 83,183</u>	29,128	<u>\$ (54,055)</u>
Less amount paid by the State <sup>3</sup>		-	
Allowable costs claimed in excess of amount paid		<u>\$ 29,128</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:			
Homicide reports	\$ 57	\$ 57	\$ -
Domestic violence related calls for assistance	29,211	10,504	(18,707)
Total direct costs	29,268	10,561	(18,707)
Indirect costs	2,927	813	(2,114)
Total direct and indirect costs	32,195	11,374	(20,821)
Less offsetting revenues and reimbursements <sup>2</sup>	-	-	-
Total program costs	<u>\$ 32,195</u>	11,374	<u>\$ (20,821)</u>
Less amount paid by the State <sup>3</sup>		-	
Allowable costs claimed in excess of amount paid		<u>\$ 11,374</u>	
<u>July 1, 2005, through June 30, 2006</u>			
Direct costs:			
Homicide reports	\$ 62	\$ 62	\$ -
Domestic violence related calls for assistance	29,183	10,731	(18,452)
Total direct costs	29,245	10,793	(18,452)
Indirect costs	2,925	830	(2,095)
Total direct and indirect costs	32,170	11,623	(20,547)
Less offsetting revenues and reimbursements <sup>2</sup>	-	-	-
Total program costs	<u>\$ 32,170</u>	11,623	<u>\$ (20,547)</u>
Less amount paid by the State <sup>3</sup>		-	
Allowable costs claimed in excess of amount paid		<u>\$ 11,623</u>	
<u>July 1, 2006, through June 30, 2007</u>			
Direct costs:			
Homicide reports	\$ 60	\$ 60	\$ -
Domestic violence related calls for assistance	71,615	26,655	(44,960)
Total direct costs	71,675	26,715	(44,960)
Indirect costs	23,437	8,735	(14,702)
Total direct and indirect costs	95,112	35,450	(59,662)
Less offsetting revenues and reimbursements <sup>2</sup>	-	-	-
Total program costs	<u>\$ 95,112</u>	35,450	<u>\$ (59,662)</u>
Less amount paid by the State <sup>3</sup>		-	
Allowable costs claimed in excess of amount paid		<u>\$ 35,450</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:			
Revise existing policies and procedures	\$ 2,882	\$ 2,882	\$ -
Homicide reports	101	101	-
Domestic violence related calls for assistance	75,435	27,658	(47,777)
Hate crime reports	19	19	-
Total direct costs	78,437	30,660	(47,777)
Indirect costs	37,078	14,494	(22,584)
Total direct and indirect costs	115,515	45,154	(70,361)
Less offsetting revenues and reimbursements <sup>2</sup>	-	-	-
Total program costs	<u>\$ 115,515</u>	45,154	<u>\$ (70,361)</u>
Less amount paid by the State <sup>3</sup>		-	
Allowable costs claimed in excess of amount paid		<u>\$ 45,154</u>	
<u>July 1, 2008, through June 30, 2009</u>			
Direct costs:			
Homicide reports	\$ 77	\$ 77	\$ -
Domestic violence related calls for assistance	70,207	26,871	(43,336)
Hate crime reports	56	56	-
Total direct costs	70,340	27,004	(43,336)
Indirect costs	35,107	13,477	(21,630)
Total direct and indirect costs	105,447	40,481	(64,966)
Less offsetting revenues and reimbursements <sup>2</sup>	-	-	-
Total program costs	<u>\$ 105,447</u>	40,481	<u>\$ (64,966)</u>
Less amount paid by the State <sup>3</sup>		-	
Allowable costs claimed in excess of amount paid		<u>\$ 40,481</u>	
<u>July 1, 2009, through June 30, 2010</u>			
Direct costs:			
Homicide reports	\$ 60	\$ 60	\$ -
Domestic violence related calls for assistance	58,574	23,337	(35,237)
Hate crime reports	27	27	-
Total direct costs	58,661	23,424	(35,237)
Indirect costs	15,176	6,060	(9,116)
Total direct and indirect costs	73,837	29,484	(44,353)
Less offsetting revenues and reimbursements <sup>2</sup>	-	-	-
Total program costs	<u>\$ 73,837</u>	29,484	<u>\$ (44,353)</u>
Less amount paid by the State <sup>3</sup>		-	
Allowable costs claimed in excess of amount paid		<u>\$ 29,484</u>	

## Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment <sup>1</sup>
<u>July 1, 2010, through June 30, 2011</u>			
Direct costs:			
Homicide reports	\$ 666	\$ 666	\$ -
Domestic violence related calls for assistance	74,562	33,097	(41,465)
Hate crime reports	111	111	-
Total direct costs	75,339	33,874	(41,465)
Indirect costs	20,846	9,373	(11,473)
Total direct and indirect costs	96,185	43,247	(52,938)
Less offsetting revenues and reimbursements <sup>2</sup>	-	-	-
Total program costs	<u>\$ 96,185</u>	43,247	<u>\$ (52,938)</u>
Less amount paid by the State <sup>3</sup>		-	
Allowable costs claimed in excess of amount paid		<u>\$ 43,247</u>	
<u>July 1, 2011, through June 30, 2012</u>			
Direct costs:			
Homicide reports	\$ 502	\$ 502	\$ -
Domestic violence related calls for assistance	62,211	52,134	(10,077)
Hate crime reports	59	59	-
Total direct costs	62,772	52,695	(10,077)
Indirect costs	15,819	13,280	(2,539)
Total direct and indirect costs	78,591	65,975	(12,616)
Less offsetting revenues and reimbursements <sup>2</sup>	-	-	-
Total program costs	<u>\$ 78,591</u>	65,975	<u>\$ (12,616)</u>
Less amount paid by the State <sup>3</sup>		-	
Allowable costs claimed in excess of amount paid		<u>\$ 65,975</u>	

## Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment <sup>1</sup>
<u>Summary: July 1, 2001, through June 30, 2012</u>			
Direct costs:			
Revise existing policies and procedures	\$ 2,882	\$ 2,882	\$ -
Homicide reports	1,684	1,684	-
Domestic violence related calls for assistance	661,684	280,513	(381,171)
Hate crime reports	<u>272</u>	<u>272</u>	<u>-</u>
Total direct costs	666,522	285,351	(381,171)
Indirect costs	<u>187,938</u>	<u>79,700</u>	<u>(108,238)</u>
Total direct and indirect costs	854,460	365,051	(489,409)
Less offsetting revenues and reimbursements <sup>2</sup>	-	-	-
Total program costs	<u>\$ 854,460</u>	365,051	<u>\$ (489,409)</u>
Less amount paid by the State <sup>3</sup>	-	-	-
Allowable costs claimed in excess of amount paid		<u>\$ 365,051</u>	

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

<sup>2</sup> We determined that the claimed costs were not funded by any other sources.

<sup>3</sup> Payment amount current as of December 11, 2023.

# Finding and Recommendation

**FINDING—  
Overstated salaries,  
benefits, and related  
indirect costs**

The city claimed \$661,684 in salaries and benefits for the Domestic Violence Related Calls for Assistance cost component. We found that \$280,513 is allowable and \$381,171 is unallowable. Unallowable related indirect costs total \$108,238, for a total finding of \$489,409.

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

During testing, we found that the city had overstated the number of domestic violence related calls for assistance in FY 2010-11 and FY 2011-12; overstated the claimed hours; overstated the PHRs in some fiscal years; claimed unsupported costs for Police Officers, Patrol Officers, and Lieutenants to perform the mandated activities of reviewing and editing incident reports; 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 SCO’s *Mandated Cost Manual*.

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				
	Amount Claimed	Amount Allowable	Audit Adjustment	Unallowable Indirect Costs	Total Audit Adjustment
2001-02	\$ 58,093	\$ 21,660	\$ (36,433)	\$ (7,869)	\$ (44,302)
2002-03	62,069	23,190	(38,879)	(5,909)	(44,788)
2003-04	70,524	24,676	(45,848)	(8,207)	(54,055)
2004-05	29,211	10,504	(18,707)	(2,114)	(20,821)
2005-06	29,183	10,731	(18,452)	(2,095)	(20,547)
2006-07	71,615	26,655	(44,960)	(14,702)	(59,662)
2007-08	75,435	27,658	(47,777)	(22,584)	(70,361)
2008-09	70,207	26,871	(43,336)	(21,630)	(64,966)
2009-10	58,574	23,337	(35,237)	(9,116)	(44,353)
2010-11	74,562	33,097	(41,465)	(11,473)	(52,938)
2011-12	62,211	52,134	(10,077)	(2,539)	(12,616)
<b>Total</b>	<b>\$ 661,684</b>	<b>\$ 280,513</b>	<b>\$ (381,171)</b>	<b>\$ (108,238)</b>	<b>\$ (489,409)</b>

**Incident Reports**

For FY 2001-02 through FY 2009-10, the city’s claims did not identify the total number of written incident reports. However, the city’s claims identified 521 incident reports in FY 2010-11 and 587 in FY 2011-12.

During testing, the city provided copies of the monthly reported data that it had submitted to the DOJ for the audit period. Based on our review, we found that the city overstated the number of incident reports in FY 2010-11 and FY 2011-12. We recalculated the allowable costs using the allowable number of incident reports.

The following table summarizes the claimed, allowable, and overstated number of written incident reports for the fiscal years that resulted in audit adjustments:

<u>Fiscal Year</u>	<u>Amount Claimed</u>	<u>Amount Allowable</u>	<u>Audit Adjustment</u>
2010-11	521	519	(2)
2011-12	<u>587</u>	<u>554</u>	<u>(33)</u>
Total	<u><u>1,108</u></u>	<u><u>1,073</u></u>	<u><u>(35)</u></u>

### **Average Time Increments**

For the audit period, the city estimated the time that it took Police Officers and Patrol Officers to write, review, and edit incident reports. The city also estimated the time that it took Sergeants and Lieutenants to review and edit incident reports. The city did not maintain documentation to support the estimated time increments claimed for Police Department staff members to perform the mandated activities.

We interviewed key personnel and performed a walk-through of the city's report writing process. The interviews confirmed that it took Police Officers and Patrol Officers an average of 25 minutes (0.42 hours) to write an incident report and Sergeants an average of four to 10 minutes (0.12 hours) to review and edit an incident report during the audit period. We also found that the city did not maintain and was not able to provide source documentation to support the ATIs claimed for Police Officers, Patrol Officers, or Lieutenants to review and edit incident reports. As a result, we concluded that the ATIs claimed for Police Officers, Patrol Officers, and Lieutenants to review and edit incident reports were unsupported and unallowable for the audit period. The city claimed overstated hours as a result of overstating the average ATI for Police Officers and Patrol Officers to write the incident reports, and claiming unsupported costs for Police Officers, Patrol Officers, and Lieutenants to review and edit incident reports. We recalculated the allowable costs based on the ATIs and classifications allowable for the audit period.

The following table summarizes, by fiscal year, the claimed, allowable, and adjusted hours for Police Officers and Patrol Officers to write incident reports:

Fiscal Year	Claimed Hours	Allowable Hours	Audit Adjustment
2001-02	886.00	376.74	(509.26)
2002-03	852.00	361.62	(490.38)
2003-04	764.00	319.62	(444.38)
2004-05	341.00	144.48	(196.52)
2005-06	334.00	144.48	(189.52)
2006-07	615.00	259.98	(355.02)
2007-08	618.00	257.04	(360.96)
2008-09	558.00	243.60	(314.40)
2009-10	468.00	213.36	(254.64)
2010-11	521.00	217.98	(303.02)
2011-12	244.58	232.68	(11.90)
Total	<u>6,201.58</u>	<u>2,771.58</u>	<u>(3,430.00)</u>

The following table summarizes, by fiscal year, the claimed, allowable, and adjusted hours for Police Officers and Patrol Officers to review and edit incident reports:

Fiscal Year	Claimed Hours	Allowable Hours	Audit Adjustment
2001-02	150.62	-	(150.62)
2002-03	144.84	-	(144.84)
2003-04	129.88	-	(129.88)
2004-05	57.97	-	(57.97)
2005-06	56.78	-	(56.78)
2006-07	104.55	-	(104.55)
2007-08	105.06	-	(105.06)
2008-09	94.86	-	(94.86)
2009-10	79.56	-	(79.56)
2010-11	43.42	-	(43.42)
2011-12	73.38	-	(73.38)
Total	<u>1,040.92</u>	<u>-</u>	<u>(1,040.92)</u>

The following table summarizes, by fiscal year, the claimed, allowable, and adjusted hours for Lieutenants to review and edit incident reports:

Fiscal Year	Claimed Hours	Allowable Hours	Audit Adjustment
2001-02	51.68	-	(51.68)
2002-03	49.70	-	(49.70)
2003-04	44.57	-	(44.57)
2004-05	19.89	-	(19.89)
2005-06	19.48	-	(19.48)
2006-07	35.88	-	(35.88)
2007-08	36.05	-	(36.05)
2008-09	32.55	-	(32.55)
2009-10	27.30	-	(27.30)
Total	<u>317.10</u>	<u>-</u>	<u>(317.10)</u>



### Productive Hourly Rates

For the audit period, the city calculated average PHRs for Police Officers and Patrol Officers to write, review, and edit incident reports and for Sergeants to review and edit incident reports. For FY 2001-02 through FY 2009-10, the city calculated average PHRs for Lieutenants to review and edit incident reports.

During testing, we interviewed a Police Department staff member who was responsible for performing the mandated activities during the audit period, and we conducted additional interviews with city staff members. Based on our interviews, we found that Police Officers and Patrol Officers write incident reports and Sergeants review and edit incident reports. We also found that the city did not maintain and was not able to provide source documentation to support the claimed PHRs for Police Officers, Patrol Officers, and Lieutenants to review and edit incident reports during the audit period. Therefore, the costs claimed for Police Officers, Patrol Officers, and Lieutenants to review and edit incident reports were unsupported and unallowable for the audit period.

We recalculated the PHRs for Police Officers, Patrol Officers, Sergeants, and Lieutenants using salary records that the city provided for the audit period. We determined that the city overstated the claimed PHRs in FY 2003-04 through FY 2005-06, and in FY 2010-11. The city claimed overstated costs as a result of overstating the PHRs in those fiscal years and claiming unsupported costs for Police Officers, Patrol Officers, and Lieutenants to review and edit incident reports.

The following table summarizes the claimed, allowable, and adjusted PHRs for Police Officers to write incident reports for the fiscal years that resulted in audit adjustments:

<u>Fiscal Year</u>	<u>Claimed PHR</u>	<u>Allowable PHR</u>	<u>Audit Adjustment</u>
2003-04	\$ 49.07	\$ 46.21	\$ (2.86)
2004-05	50.05	48.05	(2.00)
2005-06	51.05	49.26	(1.79)
2010-11	62.97	59.13	(3.84)

The following table summarizes the claimed, allowable, and adjusted PHR for Sergeants to review and edit incident reports for the fiscal years that resulted in an audit adjustment:

<u>Fiscal Year</u>	<u>Claimed PHR</u>	<u>Allowable PHR</u>	<u>Audit Adjustment</u>
2010-11	\$ 77.95	\$ 67.86	\$ (10.09)

The following table summarizes, by fiscal year, the claimed, allowable, and adjusted PHRs for Police Officers and Patrol Officers to review and edit incident reports:

<u>Fiscal Year</u>	<u>Claimed PHR</u>	<u>Allowable PHR</u>	<u>Audit Adjustment</u>
2001-02	\$ 38.14	\$ -	\$ (38.14)
2002-03	40.57	-	(40.57)
2003-04	49.07	-	(49.07)
2004-05	50.05	-	(50.05)
2005-06	51.05	-	(51.05)
2006-07	56.80	-	(56.80)
2007-08	57.83	-	(57.83)
2008-09	59.20	-	(59.20)
2009-10	58.29	-	(58.29)
2010-11	62.97	-	(62.97)
2011-12	63.51	-	(63.51)

The following table summarizes, by fiscal year, the claimed, allowable, and adjusted PHRs for Lieutenants to review and edit incident reports:

<u>Fiscal Year</u>	<u>Claimed PHR</u>	<u>Allowable PHR</u>	<u>Audit Adjustment</u>
2001-02	\$ 54.47	\$ -	\$ (54.47)
2002-03	57.94	-	(57.94)
2003-04	66.10	-	(66.10)
2004-05	67.42	-	(67.42)
2005-06	68.77	-	(68.77)
2006-07	85.54	-	(85.54)
2007-08	91.18	-	(91.18)
2008-09	89.13	-	(89.13)
2009-10	83.72	-	(83.72)

### **Benefit Rates**

For the audit period, the city calculated benefit rates for Police Officers and Patrol Officers to write, review, and edit incident reports and for Sergeants to review and edit incident reports. For FY 2001-02 through FY 2009-10, the city also calculated benefit rates for Lieutenants to review and edit incident reports.

During testing, we interviewed a Police Department staff member who was responsible for performing the mandated activities during the audit period, and we conducted additional interviews with city staff members. Based on our interviews, we found that Police Officers and Patrol Officers write the incident reports and Sergeants review and edit incident reports. We also found that the city did not maintain and was not able to provide source documentation to support the claimed benefit costs for Police Officers, Patrol Officers, and Lieutenants to review and edit incident reports during the audit period. Therefore, the benefit costs claimed for Police Officers, Patrol Officers, and Lieutenants to review and edit incident reports were unsupported and unallowable for the audit period.

We recalculated the benefit rates for Police Officers, Patrol Officers, Sergeants, and Lieutenants using salary records that the city provided for

the audit period. We determined that the city overstated the claimed benefit costs as a result of claiming unsupported costs for Police Officers, Patrol Officers, and Lieutenants to review and edit incident reports.

The following table summarizes, by fiscal year, the claimed, allowable, and adjusted benefit rates for Police Officers, Patrol Officers, and Lieutenants to review and edit incident reports:

<u>Fiscal Year</u>	<u>Claimed Benefit Rate</u>	<u>Allowable Benefit Rate</u>	<u>Audit Adjustment</u>
2001-02	30.20%	-	(30.20%)
2002-03	35.70%	-	(35.70%)
2003-04	43.10%	-	(43.10%)
2004-05	30.20%	-	(30.20%)
2005-06	30.20%	-	(30.20%)
2006-07	54.12%	-	(54.12%)
2007-08	58.01%	-	(58.01%)
2008-09	59.74%	-	(59.74%)
2009-10	61.89%	-	(61.89%)
2010-11	76.23%	-	(76.23%)
2011-12	86.05%	-	(86.05%)

#### Criteria

Section IV, “Reimbursable Activities,” of the parameters and guidelines begins:

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. . . .

Section IV of the parameters and guidelines continues:

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.D, “Domestic Violence Related Calls for Assistance,” of the parameters and guidelines states, in part:

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).

Section V.A.1, “Salaries and Benefits,” of the parameters and guidelines states:

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 the FY 2012-13 through FY 2023-24 Budget Acts. If the program becomes active again, we recommend that the city:

- Follow the program’s parameters and guidelines and the SCO’s *Mandated Cost Manual* when claiming reimbursement for mandated costs;
- Claim costs based on the actual time increments required to perform the mandated activities;
- Claim costs based on the number of domestic violence related calls for assistance that are supported with written reports; and
- Calculate PHRs based on employee classifications that performed the mandated activities and are supported by source documents for the corresponding fiscal year.

#### City’s Response

The city did not agree or disagree with the finding.

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

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December 11, 2023

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

RE: City of Vallejo Draft Audit Report – Crime Statistics Reports for the Department of Justice Program

Dear Ms. Kurokawa,

We appreciate the opportunity to review and respond to the State Controller's City of Vallejo Draft Audit Report dated November 28, 2023, regarding Crime Statistics Reports for the Department of Justice Program.

We have carefully considered the findings outlined in the draft report, which indicates that the City claimed \$854,460 for the mandated program covering the period July 1, 2001, through June 30, 2012. The audit determined that \$365,051 is an allowable expense contingent upon available appropriations, and \$489,409 is deemed unallowable due to the city's alleged overstatement of salary and benefit costs, as well as related indirect costs.

While we acknowledge the Audit Report's findings and recommendations, the City is currently facing challenges in fully concurring or dissenting with the conclusions drawn from data that are not the "actual source documents" used by City to submit these claims. The State Controller's Office conducted fieldwork in 2022 was based on parameters and guidelines established in 2010 and amended in 2014, after the claim period. Unfortunately, the extended time lapse between the claim period and the audit fieldwork has led to the unavailability of some original source data.

Moreover, key personnel from the City of Vallejo who were involved in the original claim data and the rationale for historical reporting parameters have since moved on or retired. This transition of staff over the years has resulted in a knowledge gap, making it difficult for the current team to provide comprehensive insights into the audit findings.

The City of Vallejo is committed to a thorough review of the Audit recommendations, with a willingness to implement them should the Department of Justice Program become active in the future. We understand the importance of compliance with reporting standards and will take appropriate measures to address any concerns raised in the audit report.

Sincerely,

Rakha Nayar, CPA  
Director of Finance

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

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