

KERN COUNTY

Audit Report

INTERAGENCY CHILD ABUSE AND NEGLECT INVESTIGATION REPORTS PROGRAM

Penal Code sections 11165.9, 11166, 11166.2, 11166.9, 11168 (formerly 11161.7), 11169, 11170, and 11174.34 (formerly 11166.9) as added and/or amended by various legislation

July 1, 2011, through June 30, 2015



BETTY T. YEE
California State Controller

December 2020



BETTY T. YEE
California State Controller

December 23, 2020

CERTIFIED MAIL—RETURN RECEIPT REQUESTED

Mary B. Bedard, CPA, Auditor-Controller-County Clerk
Kern County
1115 Truxton Avenue, 1st and 2nd Floor
Bakersfield, CA 94250

Dear Ms. Bedard:

The State Controller's Office audited the costs claimed by Kern County for the legislatively mandated Interagency Child Abuse and Neglect Investigation Reports Program for the period of July 1, 2011, through June 30, 2015.

The county claimed \$657,917 for costs of the mandated program. Our audit found that none of the claimed costs are allowable because the county claimed reimbursement for unsupported salary and benefit costs and related indirect costs. The State made no payments to the county.

Following issuance of this audit report, the Local Government Programs and Services Division of the State Controller's Office will notify the county 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/ac

Mary B. Bedard, CPA,
Auditor-Controller–County Clerk

-2-

December 23, 2020

cc: The Honorable Leticia Perez, Chairperson
Kern County Board of Supervisors
Yvonne Rodriguez, Senior Administrative and Fiscal Services Officer
Kern County Sheriff's Office
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 Kern County for the legislatively mandated Interagency Child Abuse and Neglect (ICAN) Investigation Reports Program for the period of July 1, 2011, through June 30, 2015.

The county claimed \$657,917 for costs of the mandated program. Our audit found that none of the claimed costs are allowable because the county claimed reimbursement for unsupported salary and benefit costs and related indirect costs. The State made no payments to the county.

Background

Various statutory provisions; Title 11, California Code of Regulations, section 903; and the SS 8583 form require cities and counties to perform specific duties for reporting child abuse to the State, as well as record-keeping and notification activities that were not required by prior law, thus mandating a new program or higher level of service.

Penal Code (PC) sections 11165.9, 11166, 11166.2, 11166.9, 11168 (formerly 11161.7), 11169, 11170, and 11174.34 (formerly 11166.9) were added and/or amended by:

- Statutes of 1977, Chapter 958;
- Statutes of 1980, Chapter 1071;
- Statutes of 1981, Chapter 435;
- Statutes of 1982, Chapters 162 and 905;
- Statutes of 1984, Chapters 1423 and 1613;
- Statutes of 1985, Chapter 1598;
- Statutes of 1986, Chapters 1289 and 1496;
- Statutes of 1987, Chapters 82, 531, and 1459;
- Statutes of 1988, Chapters 269, 1497, and 1580;
- Statutes of 1989, Chapter 153;
- Statutes of 1990, Chapters 650, 1330, 1363, and 1603;
- Statutes of 1992, Chapters 163, 459, and 1338;
- Statutes of 1993, Chapters 219 and 510;
- Statutes of 1996, Chapters 1080 and 1081;
- Statutes of 1997, Chapters 842, 843, and 844;
- Statutes of 1999, Chapters 475 and 1012; and
- Statutes of 2000, Chapter 916.

The ICAN Investigation Reports Program addresses statutory amendments to California's mandatory child abuse reporting laws. A child abuse reporting law was first added to the Penal Code in 1963, and initially required medical professionals to report suspected child abuse to local law enforcement or child welfare authorities. The law was regularly expanded

to include more professions required to report suspected child abuse (now termed “mandated reporters”), and in 1980, California reenacted and amended the law, entitling it the “Child Abuse and Neglect Reporting Act.” As part of this program, the DOJ maintains the Child Abuse Centralized Index (CACI), which has tracked reports of child abuse statewide since 1965. A number of changes to the law have occurred, including a reenactment in 1980 and substantive amendments in 1997 and 2000.

The Act, as amended, provides for reporting of suspected child abuse or neglect by certain individuals, identified by their profession as having frequent contact with children. The Act provides rules and procedures for local agencies, including law enforcement, that receive such reports. The Act provides for cross-reporting among law enforcement and other child protective agencies, and to licensing agencies and District Attorney’s (DA) offices. The Act requires reporting to the DOJ when a report of suspected child abuse is “not unfounded.” The Act requires an active investigation before a report can be forwarded to the DOJ.

As of January 1, 2012, the Act no longer requires law enforcement agencies to report to the DOJ, and now requires reporting only of “substantiated” reports by other agencies. The Act imposes additional cross-reporting and recordkeeping duties in the event of a child’s death from abuse or neglect. The Act requires agencies and the DOJ to keep records of investigations for a minimum of 10 years, and to notify suspected child abusers that they have been listed in the CACI. The Act imposes certain due process protections owed to persons listed in the CACI, and provides certain other situations in which a person would be notified of his or her listing in the CACI.

On December 19, 2007, the Commission on State Mandates (Commission) adopted a statement of decision finding that the test claim statutes impose a partially reimbursable state-mandated program upon local agencies within the meaning of Article XIII B, section 6 of the California Constitution and Government Code (GC) section 17514. The Commission approved the test claim for the reimbursable activities, described in section IV of the program’s parameters and guidelines, performed by city and county police or sheriff’s departments, county welfare departments, county probation departments designated by the county to receive mandated reports, DAs’ offices, and county licensing agencies. The Commission outlined reimbursable activities relating to the following categories:

- Distributing the SCAR form;
- Reporting between local departments;
- Reporting to the DOJ;
- Providing notifications following reports to the CACI;
- Retaining records; and
- Complying with due process procedures offered to persons listed in the CACI.

Objective, Scope, and Methodology

The program's parameters and guidelines establish the state mandate and define the reimbursement criteria. The Commission adopted the parameters and guidelines on December 6, 2013. In compliance with GC section 17558, the SCO issues claiming instructions to assist local agencies in claiming mandated program reimbursable costs.

The objective of our audit was to determine whether costs claimed represent increased costs resulting from the legislatively mandated ICAN Investigation Reports 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.¹

The audit period was July 1, 2011, through June 30, 2015.

To achieve our objective, we:

- Reviewed the annual mandated cost claims filed by the county 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 county staff. Discussed the claim preparation process with county staff to determine what information was obtained, who obtained it, and how it was used;
- Interviewed county staff to determine which employee classifications were involved in performing the reimbursable activities;
- Assessed whether the average time increments (ATIs) claimed for each fiscal year in the audit period to perform the mandated activities were reasonable per the requirements of the program and supported by source documentation (see Findings 1, 2, and 3);
- Reviewed the detailed case listing reports for consistency and possible exclusions for each fiscal year of the audit period (see Findings 1, 2, and 3);
- Reviewed the detailed case listing reports provided by the county to determine the total eligible number of cases for the Accepting and Referring Initial Child Abuse Reports when a Department Lacks Jurisdiction cost component. We selected a statistical sample of cases from the detailed case listing reports generated by the Sheriff's Office records management system, I/Leads. We used statistical samples in order to project the sample results to the population for each fiscal year. We selected a random sample of 406 cases (119 of 581 in FY 2011-12; 120 of 611 in FY 2012-13; 110 of 414 in FY 2013-14;

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

and 57 of 92 in FY 2014-15). The county did not provide supporting documentation for these cases (see Finding 1);

- Reviewed the detailed case listing reports provided by the county to determine the total eligible number of cases for the Cross-reporting from Law Enforcement to County Welfare and the District Attorney's Office cost component. We selected a statistical sample of cases from the detailed case listing reports generated by I/Leads. We used statistical samples in order to project the sample results to the population for each fiscal year. We selected a random sample of 309 cases (84 of 190 in FY 2011-12, 110 of 414 in FY 2012-13, 35 of 45 in FY 2013-14, and 80 of 171 in FY 2014-15). The county did not provide supporting documentation for these cases (see Finding 2);
- Selected 33 cases claimed from the detailed case listing reports generated by I/Leads to determine the total eligible number of cases for the Additional Cross-reporting in Cases of Child Death cost component. The county did not provide supporting documentation to support these cases (see Finding 3);
- Reviewed the productive hourly rate (PHR) calculations for various employee classifications performing the mandated activities to supporting documentation provided by the county;
- Traced the benefit rate calculations for all employee classifications performing the mandated activities to supporting documentation provided by the county. Immaterial variances were noted;
- Traced the indirect cost rates claimed to supporting documentation, and verified that the indirect cost rates were properly computed for the audit period; and
- Verified that claimed costs were not funded by another source, based on discussions with the county's representative.

GC sections 12410, 17558.5, and 17561 provide the legal authority to conduct this audit. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

We limited our review of the county's internal controls to gaining an understanding of the transaction flow and claim preparation process as necessary to develop appropriate auditing procedures. Our audit scope did not assess the efficiency or effectiveness of program operations. We did not audit the county's financial statements.

Conclusion

As a result of performing the audit procedures, we found that the county did not comply with the requirements described in our audit objective. We did not find that the county claimed costs that were funded by another source; however, we did find that it claimed unsupported costs, as quantified in the Schedule and described in the Findings and Recommendations section of this audit report. To the extent that the county claimed costs not supported by appropriate source documents, such costs are also unreasonable and/or excessive.

For the audit period, Kern County claimed \$657,917 for costs of the legislatively mandated ICAN Investigation Reports Program. Our audit found that none of the claimed costs are allowable. The State made no payments to the county.

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

**Follow-up on
Prior Audit
Findings**

We have not previously conducted an audit of the county's legislatively mandated ICAN Investigation Reports Program.

**Views of
Responsible
Officials**

We issued a draft audit report on November 12, 2020. Mary B. Bedard, CPA, Auditor-Controller-County Clerk, responded by letter dated November 20, 2020 (Attachment) stating that the county concurs with the audit findings. This audit report includes the county's complete response.

Restricted Use

This audit report is solely for the information and use of Kern County, 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

December 23, 2020

Schedule—
Summary of Program Costs
July 1, 2011, through June 30, 2015

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2011, through June 30, 2012</u>				
Direct costs - salaries and benefits:				
Reporting between local departments:				
Accepting and referring initial child abuse reports when a department lacks jurisdiction	\$ 49,690	\$ -	\$ (49,690)	Finding 1
Cross-reporting from law enforcement to county welfare and the District Attorney's Office	101,129	-	(101,129)	Finding 2
Additional cross-reporting in cases of child death	14,257	-	(14,257)	Finding 3
Total direct costs	165,076	-	(165,076)	
Indirect costs	30,523	-	(30,523)	Findings 1, 2, 3
Total program costs	<u>\$ 195,599</u>	-	<u>\$ (195,599)</u>	
Less amount paid by the State ²		-		
Allowable costs claimed in excess of amount paid		<u>\$ -</u>		
<u>July 1, 2012, through June 30, 2013</u>				
Direct costs - salaries and benefits:				
Reporting between local departments:				
Accepting and referring initial child abuse reports when a department lacks jurisdiction	\$ 54,281	\$ -	\$ (54,281)	Finding 1
Cross-reporting from law enforcement to county welfare and the District Attorney's Office	109,453	-	(109,453)	Finding 2
Additional cross-reporting in cases of child death	23,215	-	(23,215)	Finding 3
Total direct costs	186,949	-	(186,949)	
Indirect costs	27,575	-	(27,575)	Findings 1, 2, 3
Total program costs	<u>\$ 214,524</u>	-	<u>\$ (214,524)</u>	
Less amount paid by the State ²		-		
Allowable costs claimed in excess of amount paid		<u>\$ -</u>		

Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2013, through June 30, 2014</u>				
Direct costs - salaries and benefits:				
Reporting between local departments:				
Accepting and referring initial child abuse reports when a department lacks jurisdiction	\$ 39,504	\$ -	\$ (39,504)	Finding 1
Cross-reporting from law enforcement to county welfare and the District Attorney's Office	93,281	-	(93,281)	Finding 2
Additional cross-reporting in cases of child death	9,351	-	(9,351)	Finding 3
Total direct costs	142,136	-	(142,136)	
Indirect costs	16,774	-	(16,774)	Findings 1, 2, 3
Total direct and indirect costs	158,910		(158,910)	
Less offsetting revenues and reimbursements	(10)	-	10	
Total program costs	<u>\$ 158,900</u>	-	<u>\$ (158,900)</u>	
Less amount paid by the State ²		-		
Allowable costs claimed in excess of amount paid		<u>\$ -</u>		
<u>July 1, 2014, through June 30, 2015</u>				
Direct costs - salaries and benefits:				
Reporting between local departments:				
Accepting and referring initial child abuse reports when a department lacks jurisdiction	\$ 8,693	\$ -	\$ (8,693)	Finding 1
Cross-reporting from law enforcement to county welfare and the District Attorney's Office	68,594	-	(68,594)	Finding 2
Additional cross-reporting in cases of child death	1,496	-	(1,496)	Finding 3
Total direct costs	78,783	-	(78,783)	
Indirect costs	10,111	-	(10,111)	Findings 1, 2, 3
Total program costs	<u>\$ 88,894</u>	-	<u>\$ (88,894)</u>	
Less amount paid by the State ²		-		
Allowable costs claimed in excess of amount paid		<u>\$ -</u>		

Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable Per Audit	Audit Adjustment	Reference ¹
<u>Summary: July 1, 2011, through June 30, 2015</u>				
Direct costs - salaries and benefits:				
Reporting between local departments:				
Accepting and referring initial child abuse reports when a department lacks jurisdiction	\$ 152,168	\$ -	\$ (152,168)	Finding 1
Cross-reporting from law enforcement to county welfare and the District Attorney's Office	372,457	-	(372,457)	Finding 2
Additional cross-reporting in cases of child death	<u>48,319</u>	<u>-</u>	<u>(48,319)</u>	Finding 3
Total direct costs	572,944	-	(572,944)	
Indirect costs	<u>84,983</u>	<u>-</u>	<u>(84,983)</u>	Findings 1, 2, 3
Total direct and indirect costs	657,927	-	(657,927)	
Less offsetting revenues and reimbursements	<u>(10)</u>	<u>-</u>	<u>10</u>	
Total program costs	<u>\$ 657,917</u>	<u>-</u>	<u>\$ (657,917)</u>	
Less amount paid by the State ²		<u>-</u>		
Allowable costs claimed in excess of amount paid		<u>\$ -</u>		

¹ See the Findings and Recommendations section.

² Payment amount current as of November 30, 2020.

Findings and Recommendations

**FINDING 1—
Unallowable salaries
and benefits –
Accepting and
Referring Initial
Child Abuse Reports
when a Department
Lacks Jurisdiction
cost component**

The county claimed \$152,168 in salaries and benefits for the Accepting and Referring Initial Child Abuse Reports when a Department Lacks Jurisdiction cost component during the audit period. We found that the entire amount is unallowable. Unallowable related indirect costs total \$22,925, for a total finding of \$175,093.

The reimbursable activity for this cost component consists of transferring a call electronically or immediately referring the case by telephone, fax, or electronic transmission, to an agency with proper jurisdiction, whenever the department lacks subject matter or geographical jurisdiction over an incoming report of suspected child abuse or neglect.

To calculate the claimed salaries and benefits, the county multiplied the ATI by the number of cases under the Accepting and Referring Initial Child Abuse Reports when a Department Lacks Jurisdiction cost component, then multiplied the resulting hours by a PHR and related benefit rate.

A requirement for reimbursement is that 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.

During testing, the county did not provide source documentation based on actual data that complies with the requirements identified in the parameters and guidelines to support the ATI or the number of cases under the Accepting and Referring Initial Child Abuse Reports when a Department Lacks Jurisdiction cost component that Sheriff's Office staff members worked on during the audit period. As a result, we are unable to verify the validity of the ATI or the number of cases claimed under this cost component. Therefore, the ATI and the number of cases under the Accepting and Referring Initial Child Abuse Reports when a Department Lacks Jurisdiction cost component that Sheriff's Office staff members worked on are unsupported and ineligible for reimbursement for the audit period. The county claimed ineligible 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 Accepting and Referring Initial Child Abuse Reports when a Department Lacks Jurisdiction cost component by fiscal year:

Fiscal Year	Salaries and Benefits				
	Amount Claimed	Amount Allowable	Audit Adjustment	Unallowable Indirect Costs	Total Audit Adjustment
2011-12	\$ 49,690	-	\$ (49,690)	\$ (9,188)	\$ (58,878)
2012-13	54,281	-	(54,281)	(8,007)	(62,288)
2013-14	39,504	-	(39,504)	(4,623)	(44,127)
2014-15	8,693	-	(8,693)	(1,107)	(9,800)
Total	\$ 152,168	\$ -	\$ (152,168)	\$ (22,925)	\$ (175,093)

Number of Cases

The county provided detailed case listing reports generated from I/Leads to support the number of cases claimed under the Accepting and Referring Initial Child Abuse Reports when a Department Lacks Jurisdiction cost component for the audit period. Based on our review of the reports, we were unable to validate that these claimed cases included only mandate-related cases and were for reimbursable activities.

During testing, we interviewed Sheriff's Office staff members to gain an understanding of the procedures followed to generate the detailed case listing reports from I/Leads. Based on our interviews, we found that the Crime Analysis staff members who generated the detailed case listing reports have retired, and the current staff members were unable to provide details of the procedures followed; nor could they validate whether the detailed case listing reports included only mandate-related cases. As a result, we requested that the Crime Analysis staff members regenerate the detailed case listing reports for the Accepting and Referring Initial Child Abuse Reports when a Department Lacks Jurisdiction cost component for the audit period.

According to Sheriff's Office staff members, I/Leads was replaced with a new records management system called LERMS in February 2017. The information from I/Leads was transferred to LERMS in order to retain historical data. However, the data fields in LERMS are not an exact match for the data fields in I/Leads. The county did not maintain a data dictionary to show how the data fields were mapped from one system to the other. The Sheriff's Office staff members explained that retrieving historical data from LERMS would be challenging; they also noted that if historical data was retrieved, department staff members would need to spend time reviewing that information to ensure accuracy and completeness of the data. Consequently, the county advised that it would not regenerate the detailed case listing reports from LERMS due to the level of effort and time it would take county staff to do so.

For testing purposes, we selected a statistical sample of cases from the detailed case listing reports generated by I/Leads. We used statistical samples in order to project the results to the population for each fiscal year.

We selected a random sample of 406 cases (119 of 581 in FY 2011-12, 120 of 611 in FY 2012-13, 110 of 414 in FY 2013-14, and 57 of 92 in FY 2014-15). We requested that the county provide supporting documentation for the cases that were selected for review to determine whether the county performed the required mandated program activity. The county responded that it would not be able to provide the requested documentation, as the effort would not be cost-effective or an efficient use of time.

The county did not provide source documentation based on actual data that complies with the requirements identified in the parameters and guidelines to support the cases claimed for Sheriff's Office staff members to perform the mandated activity. As a result, we were unable to verify the validity of the number of cases claimed for the Accepting and Referring Initial Child Abuse Reports when a Department Lacks Jurisdiction cost component. Therefore, the cases claimed for a Senior Deputy Sheriff classification to perform the mandated activities related to this cost component are unsupported and ineligible for reimbursement for the audit period.

The following table summarizes the claimed, allowable, and overstated number of cases under the Accepting and Referring Initial Child Abuse Reports when a Department Lacks Jurisdiction cost component by fiscal year:

<u>Fiscal Year</u>	<u>Cases Claimed</u>	<u>Cases Allowable</u>	<u>Audit Adjustment</u>
2011-12	586	-	(586)
2012-13	618	-	(618)
2013-14	441	-	(441)
2014-15	93	-	(93)
Total	<u>1,738</u>	<u>-</u>	<u>(1,738)</u>

Average Time Increment

For the audit period, the county estimated that it took a Senior Deputy Sheriff classification 60 minutes (1 hour) to Accepting and Referring Initial Child Abuse Reports when a Department Lacks Jurisdiction.

During testing, the county did not provide source documentation based on actual data that complies with the requirements identified in the parameters and guidelines to support the ATI claimed for Sheriff's Office staff members to perform the mandated activity. As a result, we are unable to verify the validity of the ATI claimed for the Senior Deputy Sheriff classification to perform the mandated activities related to the Accepting and Referring Initial Child Abuse Reports when a Department Lacks Jurisdiction cost component. Therefore, the claimed ATI for the Senior Deputy Sheriff classification to perform the mandated activities related to this cost component is unsupported and ineligible for reimbursement for the audit period.

The following table summarizes the claimed, allowable, and adjusted hours by fiscal year:

<u>Fiscal Year</u>	<u>Hours Claimed</u>	<u>Hours Allowable</u>	<u>Audit Adjustment</u>
2011-12	586	-	(586)
2012-13	618	-	(618)
2013-14	441	-	(441)
2014-15	93	-	(93)
Total	1,738	-	(1,738)

Criteria

Section IV of the parameters and guidelines states, 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. 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 logs, sign in sheets, invoices, and receipts.... 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 (B.2.a) of the parameters and guidelines states, in part:

Accepting and Referring Initial Child Abuse Reports when a Department Lacks Jurisdiction:

City and county police or sheriff's departments, county probation departments if designated by the county to receive mandated reports, and county welfare departments shall:

Transfer a call electronically or immediately refer the case by telephone, fax, or electronic transmission, to an agency with proper jurisdiction, whenever the department lacks subject matter or geographical jurisdiction over an incoming report of suspected child abuse or neglect.

Section V of the parameters and guidelines states that cost elements must be 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 ICAN Investigation Reports Program was suspended in the FY 2015-16 through FY 2020-21 Budget Acts. If the program becomes active again, we recommend that the county:

- Follow the mandated program claiming instructions and the parameters and guidelines when preparing its reimbursement claims; and
- Ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

County's Response

The county concurs with the finding and recommendation.

**FINDING 2—
Unallowable salaries
and benefits – Cross-
reporting from Law
Enforcement to
County Welfare and
District Attorney's
Office cost component**

The county claimed \$372,457 in salaries and benefits for the Cross-reporting from Law Enforcement to County Welfare and District Attorney's Office cost component during the audit period. We found that the entire amount is unallowable. Unallowable related indirect costs total \$54,710, for a total finding of \$427,167.

The reimbursable activity for this cost component consists of cross-reporting by the law enforcement agency to the county welfare department and DA's Office every known or suspected instance of child abuse.

To calculate the claimed salaries and benefits, the county multiplied the ATI by the number of SCARs cross-reported, then multiplied the resulting hours by a PHR and related benefit rate.

A requirement for reimbursement is that 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.

During testing, the county did not provide source documentation based on actual data that complies with the requirements identified in the parameters and guidelines to support the ATI or the number of SCARs cross-reported to the county welfare department and DA's office that Sheriff's Office staff members worked on during the audit period. As a result, we are unable to verify the validity of the ATI or the claimed number of SCARs cross-reported. Therefore, the ATI and the number of SCARs cross-reported that Sheriff's Office staff members worked on are unsupported and ineligible for reimbursement for the audit period. The county claimed ineligible 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 Cross-reporting from Law Enforcement to the County Welfare and District Attorney's Office cost component by fiscal year:

Fiscal Year	Salaries and Benefits			Unallowable Indirect Costs	Total Audit Adjustment
	Amount Claimed	Amount Allowable	Audit Adjustment		
2011-12	\$ 101,129	-	\$(101,129)	\$ (18,699)	\$(119,828)
2012-13	109,453	-	(109,453)	(16,144)	(125,597)
2013-14	93,281	-	(93,281)	(11,054)	(104,335)
2014-15	68,594	-	(68,594)	(8,813)	(77,407)
Total	<u>\$372,457</u>	<u>\$ -</u>	<u>\$(372,457)</u>	<u>\$ (54,710)</u>	<u>\$(427,167)</u>

Number of SCARs Cross-reported

The county provided detailed case listing reports generated from I/Leads to support the number of SCARs cross-reported to the county welfare agency and DA's office that were claimed for the audit period. Based on our review of the reports, we were unable to validate that they included only mandated-related cases and were for reimbursable activities.

As described in Finding 1, we interviewed Sheriff's Office staff members to gain an understanding of the procedures followed to generate the detailed case listing reports from I/Leads. The current staff members were unable to provide details of the procedures followed; nor could they validate that the detailed case listing reports included only mandate-related cases. We requested that the Crime Analysis staff members regenerate the detailed case listing reports for the SCARs cross-reported to the county welfare agency and DA's office for the audit period. However, Sheriff's Office staff members explained that retrieving historical data from LERMS would be challenging and time-consuming, because I/Leads was replaced with the LERMS records management system in 2017, and the data fields in LERMS are not an exact match for the data fields in I/Leads. Consequently, the county advised that it would not regenerate the detailed case listing reports from LERMS due to the level of effort and time it would take county staff to do so.

For testing purposes, we selected a statistical sample of cases from the detailed case listing reports generated from I/Leads. We used statistical samples in order to project the results to the population for each fiscal year. We selected a random sample of 309 cases (84 of 190 in FY 2011-12, 110 of 414 in FY 2012-13, 35 of 45 in FY 2013-14, and 80 of 171 in FY 2014-15). We requested that the county provide the supporting documentation for these cases to determine whether the county performed the required mandated program activity. The county responded that it would not be able to provide the requested documentation, as it would not be cost-effective or an efficient use of time.

The county did not provide source documentation based on actual data that complies with the requirements identified in the parameters and guidelines to support the cases claimed for Sheriff's Office staff members to perform the mandated activity. As a result, we were unable to verify the validity of the claimed number of SCARs cross-reported to the county welfare agency and DA's office. Therefore, the cases claimed for the Senior Deputy Sheriff and Sergeant classifications to cross-report SCARs to the county welfare agency and DA's office are unsupported and ineligible for reimbursement for the audit period.

The following table summarizes the claimed, allowable, and overstated number of SCARs cross-reported by fiscal year:

Fiscal Year	Claimed Number of SCARs Cross-reported	Allowable Number of SCARs Cross-reported	Audit Adjustment
2011-12	1,020	-	(1,020)
2012-13	1,102	-	(1,102)
2013-14	883	-	(883)
2014-15	655	-	(655)
Total	<u>3,660</u>	<u>-</u>	<u>(3,660)</u>

Average Time Increments

For the audit period, the county estimated that it took the Senior Deputy Sheriff and Sergeant classifications 60 minutes (1 hour) to cross-report SCARs to the county welfare agency and DA's office.

During testing, the county did not provide source documentation based on actual data that complies with the requirements identified in the parameters and guidelines to support the ATI claimed for Sheriff's Office staff members to perform the mandated activity. As a result, we were unable to verify the validity of the ATI claimed for the Senior Deputy Sheriff and Sergeant classifications to cross-report SCARs to the county welfare department and DA's office. Therefore, the claimed ATI for the Senior Deputy Sheriff and Sergeant classifications to perform the mandated activities related to this cost component are unsupported and ineligible for reimbursement for the audit period.

The following table summarizes the claimed, allowable, and adjusted hours by fiscal year:

Fiscal Year	Hours Claimed	Hours Allowable	Audit Adjustment
2011-12	1,020	-	(1,020)
2012-13	1,102	-	(1,102)
2013-14	883	-	(883)
2014-15	655	-	(655)
Total	3,660	-	(3,660)

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. 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 logs, sign in sheets, invoices, and receipts.... 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 (B.2.c) of the parameters and guidelines states, in part:

Cross-Reporting of Suspected Child Abuse or Neglect from the Law Enforcement Agency to the County Welfare and Institutions Code Section 300 Agency, County Welfare, and the District Attorney's Office:

City and county police or sheriff's departments shall:

- 1) Report by telephone immediately, or as soon as practically possible, to the agency given responsibility for investigation of cases under Welfare and Institutions Code section 300 and to the district attorney's office every known or suspected instance of child abuse reported to it, except acts or omissions coming within Penal Code section 11165.2(b), which shall be reported only to the county welfare department (Penal Code section 11166(i) (As added by Stats. 1980, ch. 1071; amended by Stats. 1981, ch. 435; Stats. 1982, ch. 905; Stats. 1984, ch. 1423; Stats. 1986, ch. 1289; Stats. 1987, ch. 1459; Stats. 1988, chs. 269 and 1580; Stats. 1990, ch. 1603; Stats. 1992, ch. 459; Stats. 1993, ch. 510; Stats. 1996, chs. 1080 and 1081; and Stats. 2000, ch. 916 (AB 1241)). Renumbered at subdivision (j) by Statutes 2004, chapter 842 (SB 1313), and renumbered again at subdivision (k) by Statutes 2005, chapter 42 (AB 299)).

- 2) Report to the county welfare department every known or suspected instance of child abuse reported to it which is alleged to have occurred as a result of the action of a person responsible for the child's welfare, or as the result of the failure of a person responsible for the child's welfare to adequately protect the minor from abuse when the person responsible for the child's welfare knew or reasonably should have known that the minor was in danger of abuse.
- 3) Send a written report thereof within 36 hours of receiving the information concerning the incident to any agency to which it is required to make a telephone report under Penal Code section 11166.

As of January 1, 2006, initial reports may be made by fax or electronic transmission, instead of by telephone, and will satisfy the requirement for a written report within 36 hours (Ibid).

Section V of the parameters and guidelines states that cost elements must be 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 ICAN Investigation Reports Program was suspended in the FY 2015-16 through FY 2020-21 Budget Acts. If the program becomes active again, we recommend that the county:

- Follow the mandated program claiming instructions and the parameters and guidelines when preparing its reimbursement claims, and
- Ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

County's Response

The county concurs with the finding and recommendation.

FINDING 3— Unallowable salaries and benefits – Additional Cross- reporting in Cases of Child Death cost component

The county claimed \$48,319 in salaries and benefits for the Additional Cross-reporting in Cases of Child Death cost component during the audit period. We found that the entire amount is unallowable. Unallowable related indirect costs total \$7,348, for a total finding of \$55,667.

The reimbursable activity for this cost component consists of cross-reporting all cases of child death suspected to be related to child abuse or neglect to the county child welfare agency.

To calculate the claimed salaries and benefits, the county multiplied the ATI by the number of cases that were cross-reported under the Additional Cross-reporting in Cases of Child Death cost component, then multiplied the resulting hours by a PHR and related benefit rate.

A requirement for reimbursement is that 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.

During testing, the county did not provide source documentation based on actual data that complies with the requirements identified in the parameters and guidelines to support the ATI or the number of cases that were cross-reported under the Additional Cross-reporting in Cases of Child Death cost component that Sheriff's Office staff members worked on during the audit period. As a result, we are unable to verify the validity of the ATI or the number of cases that were claimed under this cost component. Therefore, the ATI and the number of cases that were cross-reported under the Additional Cross-reporting in Cases of Child Death cost component that Sheriff's Office staff members worked on are unsupported and ineligible for reimbursement for the audit period. The county claimed ineligible 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 Additional Cross-reporting in Cases of Child Death cost component by fiscal year:

Fiscal Year	Salaries and Benefits			Unallowable Indirect Costs	Total Audit Adjustment
	Amount Claimed	Amount Allowable	Audit Adjustment		
2011-12	\$ 14,257	-	\$ (14,257)	\$ (2,636)	\$ (16,893)
2012-13	23,215	-	(23,215)	(3,424)	(26,639)
2013-14	9,351	-	(9,351)	(1,097)	(10,448)
2014-15	1,496	-	(1,496)	(191)	(1,687)
Total	<u>\$ 48,319</u>	<u>\$ -</u>	<u>\$ (48,319)</u>	<u>\$ (7,348)</u>	<u>\$ (55,667)</u>

Number of Cases

The county provided detailed case listing reports generated from I/Leads to support the number of cases claimed under the Additional Cross-reporting in Cases of Child Death cost component for the audit period. Based on our review of the reports, we were unable to validate that the reports included only mandated-related cases and were for reimbursable activities.

As described in Finding 1, we interviewed Sheriff's Office staff members to gain an understanding of the procedures followed to generate the detailed case listing reports from I/Leads. The current staff members were unable to provide details of the procedures followed; nor could they validate that the detailed case listing reports included only mandate-related cases. We requested that the Crime Analysis staff members regenerate the detailed case listing reports for the Additional Cross-reporting in Cases of Child Death cost component for the audit period. However, Sheriff's Office staff members explained that retrieving historical data from LERMS would be challenging and time-consuming because I/Leads was replaced with the LERMS records management system in 2017, and the

data fields in LERMS are not an exact match for the data fields in I/Leads. Consequently, the county advised that it would not regenerate the detailed case listing reports from LERMS due to the level of effort and time it would take county staff to do so.

For testing purposes, we selected the 33 cases claimed from the detailed case listing reports generated by I/Leads for the audit period. We requested that the county provide the supporting documentation for these cases to determine whether the county performed the required mandated program activity. The county responded that it would not be able to provide the requested documentation, as it would not be cost-effective or an efficient use of time.

The county did not provide source documentation based on actual data that complies with the requirements identified in the parameters and guidelines to support the cases claimed for Sheriff's Office staff members to perform the mandated activity. As a result, we were unable to verify the validity of the number of cases claimed under the Additional Cross-reporting cost component. Therefore, the cases claimed for the Deputy Sheriff, Senior Deputy Sheriff, and Sergeant classifications to cross-report cases of child death suspected to be related to child abuse or neglect to the county child welfare agency are unsupported and ineligible for reimbursement for the audit period.

The following table summarizes the claimed, allowable, and overstated number of cases for the Additional Cross-reporting in Cases of Child Death cost component by fiscal year:

Fiscal Year	Cases Claimed	Cases Allowable	Audit Adjustment
2011-12	11	-	(11)
2012-13	15	-	(15)
2013-14	6	-	(6)
2014-15	1	-	(1)
Total	33	-	(33)

Average Time Increments

For the audit period, the county estimated that it took a Deputy Sheriff classification 60 minutes (1 hour) and the Senior Deputy Sheriff and Sergeant classifications additional hours to provide supervision and perform investigative work related to the Additional Cross-reporting in Cases of Child Death cost component. The county claimed a total of 523 hours for Sheriff's Office staff members to perform these mandated activities for the audit period.

During testing, the county did not provide source documentation based on actual data that complies with the requirements identified in the parameters and guidelines to support the ATI claimed for Sheriff's Office staff members to perform the mandated activity. As a result, we are unable to verify the validity of the ATIs claimed for the Deputy Sheriff, Senior Deputy Sheriff, and Sergeant classifications to perform mandated

activities related to the Additional Cross-reporting in Cases of Child Death cost component. Therefore, the 523 total hours claimed for Sheriff's Office staff members to perform mandated activities related to this cost component are unsupported and ineligible for reimbursement for the audit period.

The following table summarizes the claimed, allowable, and adjusted hours by fiscal year:

Fiscal Year	Hours Claimed	Hours Allowable	Audit Adjustment
2011-12	156	-	(156)
2012-13	250	-	(250)
2013-14	101	-	(101)
2014-15	16	-	(16)
Total	523	-	(523)

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. 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 logs, sign in sheets, invoices, and receipts.... 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 (B.2.f) of the parameters and guidelines state, in part:

Additional Cross-Reporting in Cases of Child Death:

- 1) City and county police or sheriff's departments shall:

Cross-report all cases of child death suspected to be related to child abuse or neglect to the county child welfare agency (Penal Code section 11166.9 (Stats. 2000, ch. 916, § 23 (AB 1241)); Renumbered at Penal Code section 11174.34 (Stats. 2004, ch. 842 § 13 (SB 1313)).

Section V of the parameters and guidelines states that cost elements must be 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 ICAN Investigation Reports Program was suspended in the FY 2015-16 through FY 2020-21 Budget Acts. If the program becomes active again, we recommend that the county:

- Follow the mandated program claiming instructions and the parameters and guidelines when preparing its reimbursement claims; and
- Ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

County's Response

The county concurs with the finding and recommendation.

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



Mary B. Bedard, CPA
Auditor-Controller-County Clerk

KERN COUNTY AUDITOR-CONTROLLER-COUNTY CLERK

1115 Truxtun Avenue, 1st and 2nd Floor • Bakersfield, CA 93301-4639

November 20, 2020

Lisa Kurokawa
Chief, Compliance Audits Bureau
California State Controller's Office
PO Box 942850
Sacramento, CA 94250

I am writing in response to your recent audit report of Kern County's Interagency Child Abuse and Neglect Investigation Reports Program for the period of July 1, 2011, through June 30, 2015.

Your audit resulted in \$657,917 of unallowable costs for this program in addition to three findings. The recommendations provided for each finding can be addressed with our following response:

Response to Findings 1, 2, and 3

The County concurs with the finding and recommendation. The County replaced the record management system for this program in 2017 and as a result we were unable to provide the detailed incident reports requested.

Sincerely,

A handwritten signature in cursive script that reads "Mary B. Bedard".

Mary B. Bedard, CPA
Auditor-Controller-County Clerk

MBB/axe

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

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