

# **FRESNO COUNTY**

Audit Report

## **PRISONER PARENTAL RIGHTS PROGRAM**

Chapter 820, Statutes of 1991

*July 1, 1999, through June 30, 2002*



**STEVE WESTLY**  
California State Controller

July 2004



**STEVE WESTLY**  
California State Controller

July 21, 2004

The Honorable Vicki Crow  
Auditor-Controller  
Fresno County  
P.O. Box 1247  
Fresno, CA 93715-1247

Dear Ms. Crow:

The State Controller's Office has completed an audit of the claims filed by Fresno County for costs of the legislatively mandated Prisoner Parental Rights Program (Chapter 820, Statutes of 1991) for the period of July 1, 1999, through June 30, 2002.

The county claimed \$530,686 (\$531,686 in costs less a \$1,000 penalty for filing late) for the mandated program. Our audit disclosed that \$491,277 is allowable and \$39,409 is unallowable. The unallowable costs occurred because the county claimed unsupported costs. The county was paid \$118,835. Allowable costs claimed in excess of the amount paid total \$372,442.

If you have any questions, please contact Jim L. Spano, Chief, Compliance Audits Bureau, at (916) 323-5849.

Sincerely,

*Original Signed By:*

VINCENT P. BROWN  
Chief Operating Officer

VPB:jj/ams

cc: Richard Pierce, Sheriff  
Fresno County  
Jean Rousseau  
Chief Accountant  
Auditor-Controller's Office  
Fresno County  
James Tilton, Program Budget Manager  
Corrections and General Government  
Department of Finance

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# Audit Report

## Summary

The State Controller's Office (SCO) has completed an audit of the claims filed by Fresno County for costs of the legislatively mandated Prisoner Parental Rights Program (Chapter 820, Statutes of 1991) for the period of July 1, 1999, through June 30, 2002. The last day of fieldwork was September 16, 2003.

The county claimed \$530,686 (\$531,686 in costs less a \$1,000 penalty for filing late) for the mandated program. The audit disclosed that \$491,277 is allowable and \$39,409 is unallowable. The unallowable costs occurred because the county claimed unsupported costs. The county was paid \$118,835. Allowable costs claimed in excess of the amount paid total \$372,442.

## Background

Chapter 820, Statutes of 1991, expanded juvenile court actions eligible for parental attendance rights to include legal guardianship proceedings that require prisoner parental appearance before the Superior Court. On September 23, 1993, the Commission on State Mandates (COSM) determined that Chapter 820, Statutes of 1991, resulted in state-mandated costs that are reimbursable pursuant to *Government Code* Section 17561. Because the Trial Court Funding Act prohibits counties from claiming reimbursement for activities related to court operations, the COSM found that only the activities of transporting prisoners to and from the court, and housing prisoners if required in the course of transport, are reimbursable activities.

*Parameters and Guidelines*, adopted by the COSM on November 17, 1994 (and amended on November 20, 1997) establishes state mandates and defines criteria for reimbursement. In compliance with *Government Code* Section 17558, the SCO issues claiming instructions for each mandate requiring state reimbursement to assist local agencies in claiming reimbursable costs.

## Objective, Scope, and Methodology

The audit objective was to determine whether costs claimed are increased costs incurred as a result of the legislatively mandated Prisoner Parental Rights Program (Chapter 820, Statutes of 1991) for the period of July 1, 1999, through June 30, 2002.

The auditor performed the following procedures:

- Reviewed the costs claimed to determine if they were increased costs resulting from the mandated program;
- Traced the costs claimed to the supporting documentation to determine whether the costs were properly supported;
- Confirmed that the costs claimed were not funded by another source; and
- Reviewed the costs claimed to determine that the costs were not unreasonable and/or excessive.

The SCO conducted the audit in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States, and under the authority provided for under *Government Code* Section 17558.5. The SCO did not audit the county's financial statements. The scope was limited to planning and performing audit procedures necessary to obtain reasonable assurance concerning the allowability of expenditures claimed for reimbursement. Accordingly, transactions were examined, on a test basis, to determine whether the amounts claimed for reimbursement were supported.

Review of the county's internal controls was limited to gaining an understanding of the transaction flow and claim preparation process as necessary to develop appropriate auditing procedures.

## **Conclusion**

The audit disclosed instances of noncompliance with the requirements outlined above. These instances are described in the accompanying Summary of Program Costs (Schedule 1) and in the Findings and Recommendations section of this report.

For the audit period, Fresno County claimed \$530,686 (\$531,686 in costs less a \$1,000 penalty for filing late) for costs of the legislatively mandated Prisoner Parental Rights Program. The audit disclosed that \$491,277 is allowable and \$39,409 is unallowable.

For fiscal year (FY) 1999-2000, the county was paid \$118,835 by the State. The audit disclosed that \$108,978 is allowable. The amount paid in excess of allowable costs claimed, totaling \$9,857, should be returned to the State.

For FY 2000-01, the county was not reimbursed by the State. The audit disclosed that \$189,847 (\$190,847 in costs less a \$1,000 penalty for filing late) is allowable. This amount will be paid by the State based on available appropriations.

For FY 2001-02, the county was not reimbursed by the State. The audit disclosed that \$192,452 is allowable. This amount will be paid by the State based on available appropriations.

## **Views of Responsible Officials**

The SCO issued a draft audit report on March 30, 2004. Vicki Crow, Fresno County Auditor-Controller, responded by letter dated April 26, 2004, agreeing with the audit results. The county's response is included as an attachment to this final audit report.

**Restricted Use**

This report is solely for the information and use of Fresno County, the California Department of Finance, and the SCO; it is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

*Original Signed By:*

JEFFREY V. BROWNFIELD  
Chief, Division of Audits

**Schedule 1—  
Summary of Program Costs  
July 1, 1999, through June 30, 2002**

<u>Cost Elements</u>	<u>Actual Costs Claimed</u>	<u>Allowable per Audit</u>	<u>Audit Adjustments</u>	<u>Reference<sup>1</sup></u>
<u>July 1, 1999, through June 30, 2000</u>				
Salaries	\$ —	\$ —	\$ —	
Benefits	—	—	—	
Services and supplies	<u>118,835</u>	<u>108,978</u>	<u>(9,857)</u>	Finding 3
Total direct costs	118,835	108,978	(9,857)	
Indirect costs	<u>—</u>	<u>—</u>	<u>—</u>	
Total costs	118,835	108,978	(9,857)	
Less late filing penalty	<u>—</u>	<u>—</u>	<u>—</u>	
Total reimbursable costs	<u>\$ 118,835</u>	108,978	<u>\$ (9,857)</u>	
Less amount paid by the State		<u>(118,835)</u>		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (9,857)</u>		
<u>July 1, 2000, through June 30, 2001</u>				
Salaries	\$ 35,930	\$ 29,882	\$ (6,048)	Finding 1
Benefits	12,371	8,914	(3,457)	Finding 2
Services and supplies	<u>147,805</u>	<u>144,680</u>	<u>(3,125)</u>	Finding 3
Total direct costs	196,106	183,476	(12,630)	
Indirect costs	<u>9,177</u>	<u>7,371</u>	<u>(1,806)</u>	Findings 1, 2
Total costs	205,283	190,847	(14,436)	
Less late filing penalty	<u>(1,000)</u>	<u>(1,000)</u>	<u>—</u>	
Total reimbursable costs	<u>\$ 204,283</u>	189,847	<u>\$ (14,436)</u>	
Less amount paid by the State		<u>—</u>		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 189,847</u>		
<u>July 1, 2001, through June 30, 2002</u>				
Salaries	\$ 22,359	\$ 18,813	\$ (3,546)	Finding 1
Benefits	7,743	9,920	2,177	Finding 2
Services and supplies	<u>172,048</u>	<u>158,547</u>	<u>(13,501)</u>	Finding 3
Total direct costs	202,150	187,280	(14,870)	
Indirect costs	<u>5,418</u>	<u>5,172</u>	<u>(246)</u>	Findings 1, 2
Total costs	207,568	192,452	(15,116)	
Less late filing penalty	<u>—</u>	<u>—</u>	<u>—</u>	
Total reimbursable costs	<u>\$ 207,568</u>	192,452	<u>\$ (15,116)</u>	
Less amount paid by the State		<u>—</u>		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 192,452</u>		

## Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustments	Reference <sup>1</sup>
<u>Summary: July 1, 1999, through June 30, 2002</u>				
Salaries	\$ 58,289	\$ 48,695	\$ (9,594)	Finding 1
Benefits	20,114	18,834	(1,280)	Finding 2
Services and supplies	<u>438,688</u>	<u>412,205</u>	<u>(26,483)</u>	Finding 3
Total direct costs	517,091	479,734	(37,357)	
Indirect costs	<u>14,595</u>	<u>12,543</u>	<u>(2,052)</u>	Findings 1, 2
Total costs	531,686	492,277	(39,409)	
Less late filing penalty	<u>(1,000)</u>	<u>(1,000)</u>	—	
Total reimbursable costs	<u>\$ 530,686</u>	491,277	<u>\$(39,409)</u>	
Less amount paid by the State		<u>(118,835)</u>		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 372,442</u>		

<sup>1</sup> See the Findings and Recommendations section.



# Findings and Recommendations

**FINDING 1—  
Ineligible salary costs**

For FY 2000-01 and FY 2001-02, the county claimed reimbursement for time spent by Sheriff’s deputies in transporting prisoners who were not part of the mandate.

Sheriff’s deputies routinely transported state prison inmates to and from the county jail and court facilities. Some of these inmates were transported for the purpose of attending court proceedings related to the Prisoner Parental Rights mandate, while the majority of prison inmates were transported for other purposes not related to the mandate. The Sheriff’s deputies sometimes spent additional time waiting to transport a group of prisoners who were not involved in the mandated program, but charged this additional time to the mandate.

*Parameters and Guidelines* for the Prisoner Parental Rights Program specifies that only actual increased costs incurred in the performance of the mandated activities and supported by appropriate documentation are reimbursable.

A summary of the adjustment to salaries and related indirect costs is as follows.

	Fiscal Year			Total
	1999-2000	2000-01	2001-02	
Salaries	\$ —	\$ (6,048)	\$ (3,546)	\$ (9,594)
Indirect costs	—	(1,149)	(638)	(1,787)
Audit adjustment	\$ —	\$ (7,197)	\$ (4,184)	\$ (11,381)

**Recommendation**

The county should ensure that all costs claimed are eligible increased costs incurred as a result of the mandate, and are supported by its accounting records.

**FINDING 2—  
Unsupported fringe benefit costs**

For FY 2000-01 and FY 2001-02, the county claimed fringe benefit costs for Sheriff’s deputies based on estimated benefit rates rather than on actual costs incurred.

*Parameters and Guidelines* for the mandate specifies that only actual increased costs incurred in the performance of the mandated activities and supported by appropriate documentation are reimbursable.

A summary of the adjustment to benefits and related indirect costs is as follows.

	Fiscal Year			Total
	1999-2000	2000-01	2001-02	
Benefits	\$ —	\$ (3,457)	\$ 2,177	\$ (1,280)
Indirect costs	—	(657)	392	(265)
Audit adjustment	\$ —	\$ (4,114)	\$ 2,569	\$ (1,545)

Recommendation

The county should ensure that all costs claimed are eligible increased costs incurred as a result of the mandate, and are supported by its accounting records.

**FINDING 3—  
Unsupported services  
and supplies costs**

The county claimed services and supplies costs for the Sheriff’s Department that were unsupported.

For FY 2000-01 and FY 2001-02, the county claimed the full cost of the Sheriff’s Department’s vans and buses used to transport prisoners, even though the vehicles were used for some non-mandate purposes.

For FY 1999-2000 through FY 2001-02, the county claimed jail housing costs using estimated daily rates because actual costs and rates were not available at the time.

*Parameters and Guidelines* for the mandate specifies that only actual increased costs incurred in the performance of the mandated activities and supported by appropriate documentation are reimbursable.

A summary of the adjustment to services and supplies costs is as follows.

	<u>Fiscal Year</u>			
	<u>1999-2000</u>	<u>2000-01</u>	<u>2001-02</u>	<u>Total</u>
Services and supplies:				
Vehicle usage costs	\$ —	\$ (10,255)	\$ (22,548)	\$ (32,803)
Jail housing costs	<u>(9,857)</u>	<u>7,130</u>	<u>9,047</u>	<u>6,320</u>
Audit adjustment	<u>\$ (9,857)</u>	<u>\$ (3,125)</u>	<u>\$ (13,501)</u>	<u>\$ (26,483)</u>

Recommendation

The county should ensure that all costs claimed are eligible increased costs incurred as a result of the mandate, and are supported by its accounting records.

**Adjustment to  
over/underpaid  
amounts**

In its response, the county requested that the \$9,857 overpaid by the state for its FY 1999-2000 claim be used to offset the underpaid amounts for its FY 2000-01 and FY 2001-02 claims.

SCO’s Comment

Each year is funded by the Legislature through separate appropriations. Therefore, the \$9,857 overpayment for FY 1999-2000 cannot be used to offset FY 2000-01 and FY 2001-02 underpayments.

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

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## County of Fresno

VICKI CROW, C.P.A.  
AUDITOR-CONTROLLER/TREASURER-TAX COLLECTOR

April 26, 2004

Jim L. Spano  
Chief Compliance Audits Bureau  
State Controller's Office  
Division of Audits  
P.O. Box 942850  
Sacramento, CA 945250-5874

Dear Mr. Spano:

Our office has completed its review of the draft audit of the claims filed for the legislatively mandated Prisoner Parental Right Program (Chapter 820, Statutes of 1991) for the period of July 1, 1999, through June 30, 2002. We concur with the findings of report, with one minor exception. We are requesting that the \$9,857 the State overpaid our office for the FY 1999-2000 claim be used as an off-set to the amounts the State still owes Fresno County for the FY 2000-2001 and FY 2001-2002 claims.

If you have any further questions regarding this issue, please contact Kimberly Lamanuzzi or Jean Rousseau of our office at (559) 488-3496.

Sincerely,

Vicki Crow, C.P.A.  
Auditor-Controller/Treasurer-Tax Collector

KKL:VC

**State Controller's Office  
Division of Audits  
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Sacramento, California 94250-5874**

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