

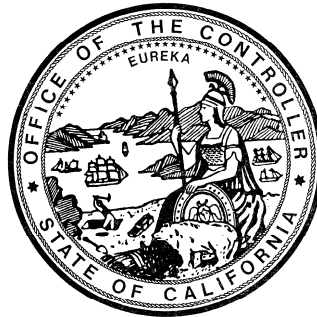
SISKIYOU COUNTY

Audit Report

PEACE OFFICERS PROCEDURAL BILL OF RIGHTS PROGRAM

Chapter 465, Statutes of 1976; Chapters 775, 1173, 1174, and 1178,
Statutes of 1978; Chapter 405, Statutes of 1979; Chapter 1367, Statutes of 1980;
Chapter 994, Statutes of 1982; Chapter 964, Statutes of 1983; Chapter 1165,
Statutes of 1989; and Chapter 675, Statutes of 1990

July 1, 2001, through June 30, 2005



JOHN CHIANG
California State Controller

October 2008



JOHN CHIANG
California State Controller

October 17, 2008

The Honorable Bill Overman, Chairman
County Board of Supervisors
Siskiyou County
P.O. Box 750
Yreka, CA 96097

Dear Mr. Overman:

The State Controller's Office audited the costs claimed by Siskiyou County for the legislatively mandated Peace Officers Procedural Bill of Rights Program (Chapter 465, Statutes of 1976; Chapters 775, 1173, 1174, and 1178, Statutes of 1978; Chapter 405, Statutes of 1979; Chapter 1367, Statutes of 1980; Chapter 994, Statutes of 1982; Chapter 964, Statutes of 1983; Chapter 1165, Statutes of 1989; and Chapter 675, Statutes of 1990) for the period of July 1, 2001, through June 30, 2005.

The county claimed \$410,451 (\$410,792 less a \$251 penalty for filing a late claim) for the mandated program. Our audit disclosed that \$2,196 is allowable and \$408,345 is unallowable. The county claimed the unallowable costs because it claimed ineligible and unsupported costs. The State will pay allowable costs claimed contingent upon available appropriations.

If you disagree with the audit findings, you may file an Incorrect Reduction Claim (IRC) with the Commission on State Mandates (CSM). The IRC must be filed within three years following the date that we notify you of a claim reduction. You may obtain IRC information at CSM's Web site, at www.csm.ca.gov (Guidebook link); you may obtain IRC forms by telephone, at (916) 323-3562, or by e-mail, at csminfo@csm.ca.gov.

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

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD
Chief, Division of Audits

JVB/sk

cc: Leanna E. Dancer, Auditor-Controller-Recorder
Siskiyou County
Todd Jerue, Program Budget Manager
Corrections and General Government
Department of Finance
Carla Castaneda
Principal Program Budget Analyst
Department of Finance
Paula Higashi, Executive Director
Commission on State Mandates

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Audit Report

Summary

The State Controller's Office (SCO) audited the costs claimed by Siskiyou County for the legislatively mandated Peace Officers Procedural Bill of Rights Program (Chapter 465, Statutes of 1976; Chapters 775, 1173, 1174, and 1178, Statutes of 1978; Chapter 405, Statutes of 1979; Chapter 1367, Statutes of 1980; Chapter 994, Statutes of 1982; Chapter 964, Statutes of 1983; Chapter 1165, Statutes of 1989; and Chapter 675, Statutes of 1990) for the period of July 1, 2001, through June 30, 2005.

The county claimed \$410,541 (\$410,792 less a \$251 penalty for filing a late claim) for the mandated program. Our audit disclosed that \$2,196 is allowable and \$408,345 is unallowable. The county claimed the unallowable costs because it claimed ineligible and unsupported costs. The State will pay allowable costs claimed contingent upon available appropriations.

Background

Chapter 465, Statutes of 1976; Chapters 775, 1173, 1174, and 1178, Statutes of 1978; Chapter 405, Statutes of 1979; Chapter 1367, Statutes of 1980; Chapter 994, Statutes of 1982; Chapter 964, Statutes of 1983; Chapter 1165, Statutes of 1989; and Chapter 675, Statutes of 1990 added and amended Government Code Sections 3300 through 3310. This legislation, known as the Peace Officers Procedural Bill of Rights (POBOR) was enacted to ensure stable employer-employee relations and effective law enforcement services.

This legislation provides procedural protections to peace officers employed by local agencies and school districts when a peace officer is subject to an interrogation by the employer, is facing punitive action, or receives an adverse comment in his or her personnel file. The protections apply to peace officers classified as permanent employees, peace officers who serve at the pleasure of the agency and are terminable without cause ("at will" employees), and peace officers on probation who have not reached permanent status.

On November 30, 1999, the Commission on State Mandates (CSM) determined that this legislation imposed a state mandate reimbursable under Government Code Section 17561 and adopted the statement of decision. CSM determined that the Peace Officers Procedural Bill of Rights law constitutes a partially reimbursable state mandated program within the meaning of the California Constitution, Article XIII B, Section 6, and Government Code section 17514. CSM further defined that activities covered by due process are not reimbursable.

The parameters and guidelines establish the state mandate and define reimbursement criteria. CSM adopted the parameters and guidelines on July 27, 2000 and corrected it on August 17, 2000. The parameters and guidelines categorize reimbursable activities into the four following components: Administrative Activities, Administrative Appeal, Interrogation, and Adverse Comment. In compliance with Government Code Section 17558, the SCO issues claiming instructions for mandated programs, to assist local agencies in claiming reimbursable costs.

**Objective, Scope,
and Methodology**

We conducted the audit to determine whether costs claimed represent increased costs resulting from the Peace Officers Procedural Bill of Rights Program for the period of July 1, 2001, through June 30, 2005.

Our audit scope included, but was not limited to, determining whether costs claimed were supported by appropriate source documents, were not funded by another source, and were not unreasonable and/or excessive.

We conducted this performance audit under the authority of Government Code sections 12410, 17558.5, and 17561. We did not audit the county's financial statements. We conducted the 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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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.

Conclusion

Our 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, Siskiyou County claimed \$410,541 (\$410,792 less a \$251 penalty for filing a late claim) for costs of the Peace Officers Procedural Bill of Rights Program. Our audit disclosed that \$2,196 is allowable and \$408,345 is unallowable. The State made no payment to the county. The State will pay allowable costs claimed contingent upon available appropriations.

**Views of
Responsible
Official**

We issued a draft audit report on July 25, 2008. We contacted Leanna Dancer, Auditor-Controller-Recorder, by e-mail on August 25, 2008. Ms. Dancer responded by e-mail on September 14, 2008, stating that the county is not taking a position with regard to the audit findings at this time. However, they wish to reserve the right to have the county's claim reevaluated at a future date.

Restricted Use

This report is solely for the information and use of Siskiyou 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

October 17, 2008

**Schedule 1—
Summary of Program Costs
July 1, 2001, through June 30, 2005**

Cost Elements	Actual Costs Claimed ²	Allowable per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2001, through June 30, 2002</u>				
Direct costs:				
Salaries	\$ 39,117	\$ —	\$ (39,117)	Finding 1
Benefits	14,742	—	(14,742)	Finding 1
Services and supplies	52,543	1,093	(51,450)	Finding 2
Travel and training	2,672	—	(2,672)	Finding 3
Total direct costs	109,074	1,093	(107,981)	
Indirect costs	29,100	—	(29,100)	Finding 1
Total direct and indirect costs	138,174	1,093	(137,081)	
Less late filing penalty	(251)	(251)	—	
Total reimbursable costs	<u>\$ 137,923</u>	842	<u>\$ (137,081)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 842</u>		
<u>July 1, 2002, through June 30, 2003</u>				
Direct costs:				
Salaries	\$ 10,480	\$ —	\$ (10,480)	Finding 1
Benefits	3,993	—	(3,993)	Finding 1
Services and supplies	261	—	(261)	Finding 2
Total direct costs	14,734	—	(14,734)	
Indirect costs	5,543	—	(5,543)	Finding 1
Total program costs	<u>\$ 20,277</u>	—	<u>\$ (20,277)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>		
<u>July 1, 2003, through June 30, 2004</u>				
Direct costs:				
Salaries	\$ 46,760	\$ —	\$ (46,760)	Finding 1
Benefits	25,967	—	(25,967)	Finding 1
Services and supplies	72,231	—	(72,231)	Finding 2
Travel and training	655	—	(655)	Finding 3
Total direct costs	145,613	—	(145,613)	
Indirect costs	25,325	—	(25,325)	Finding 1
Total program costs	<u>\$ 170,938</u>	—	<u>\$ (170,938)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ —</u>		

Schedule 1 (continued)

Cost Elements	Actual Costs Claimed ²	Allowable per Audit	Audit Adjustment	Reference ¹
<u>July 1, 2004, through June 30, 2005</u>				
Direct costs:				
Salaries	\$ 31,545	\$ 697	\$ (46,760)	Finding 1
Benefits	18,101	232	(25,967)	Finding 1
Services and supplies	12,889	—	(72,231)	Finding 2
Travel and training	1,523	—	(655)	Finding 3
Total direct costs	64,058	929	(145,613)	
Indirect costs	17,345	425	(25,325)	Finding 1
Total program costs	<u>\$ 81,403</u>	1,354	<u>\$ (170,938)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 1,354</u>		
<u>Summary: July 1, 2001, through June 30, 2005</u>				
Direct costs:				
Salaries	\$ 127,902	\$ 697	\$ (127,205)	
Benefits	62,803	232	(62,571)	
Services and supplies	137,924	1,093	(136,831)	
Travel and training	4,850	—	(4,850)	
Total direct costs	333,479	2,022	(331,457)	
Indirect costs	77,313	425	(76,888)	
Total direct and indirect costs	410,792	2,447	(408,345)	
Less late filing penalty	(251)	(251)	—	
Total reimbursable costs	<u>\$ 410,541</u>	2,196	<u>\$ (408,345)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 2,196</u>		
<u>Summary by Cost Component</u>				
Administrative Activities	\$ 55,587	\$ —	\$ (55,587)	
Administrative Appeal	222,184	—	(222,184)	
Interrogations	29,255	1,093	(28,162)	
Adverse Comment	103,766	1,354	(102,412)	
Subtotal	410,792	2,447	(408,345)	
Less late penalty	(251)	(251)	—	
Total program costs	<u>\$ 410,541</u>	<u>\$ 2,196</u>	<u>\$ (408,345)</u>	

¹ See the Findings and Recommendations section.

² For fiscal year (FY) 2003-04, salaries, benefits, and indirect costs include reclassified costs of \$7,017 for the County Counsel's Office and \$1,627 for the Probation Department that were originally claimed as services and supplies costs. The two amounts consist of \$4,359 for salaries, \$1,659 for benefits, and \$2,626 for indirect costs.

For FY 2004-05, salaries, benefits, and indirect costs include reclassified costs of \$2,257 for the County Counsel's Office that were originally claimed as services and supplies costs. The \$2,257 amount consists of \$1,161 for salaries, \$387 for benefits, and \$709 for indirect costs.

Findings and Recommendations

FINDING 1— Unallowable salaries and benefits and related indirect costs

The Sheriff's Department, District Attorney's Office, and Probation Department claimed \$190,704 in salaries and benefits and \$77,314 in related indirect costs for the audit period. Salaries and benefits totaling \$189,775 are unallowable because the Sheriff's Department, District Attorney's Office, Probation Department, and County Counsel's Office claimed ineligible and unsupported costs. The related indirect costs totaled \$76,889.

The following is a summary of claimed, allowable, and unallowable costs for the Sheriff's Department, District Attorney's Office, Probation Department, and County Counsel's Office for the audit period by individual cost component:

	Claimed Costs	Allowable Costs	Audit Adjustment
<u>Salaries and Benefits</u>			
Administrative Activities:			
Sheriff's Department	\$ 38,263	\$ —	\$ (38,263)
District Attorney's Office	330	—	(330)
Subtotal	<u>38,593</u>	<u>—</u>	<u>(38,593)</u>
Administrative Appeals:			
Sheriff's Department	55,048	—	(55,048)
County Counsel's Office	8,806	—	(8,806)
Subtotal	<u>63,854</u>	<u>—</u>	<u>(63,854)</u>
Interrogations:			
Sheriff's Department	19,283	—	(19,283)
Probation Department	1,312	—	(1,312)
Subtotal	<u>20,595</u>	<u>—</u>	<u>(20,595)</u>
Adverse Comment:			
Sheriff's Department	66,733	—	(66,733)
County Counsel's Office	929	929	—
Subtotal	<u>67,662</u>	<u>929</u>	<u>(66,733)</u>
Total salaries and benefits	190,704	929	(189,775)
Related indirect costs	77,314	425	(76,889)
Total	<u>\$ 268,018</u>	<u>\$ 1,354</u>	<u>\$ (266,664)</u>
<u>Recap of Salaries and Benefits by Department</u>			
Sheriff's Department	\$ 179,327	\$ —	\$ (179,327)
Probation Department	1,312	—	(1,312)
District Attorney's Office	330	—	(330)
County Counsel's Office	9,735	929	(8,806)
Total	<u>\$ 190,704</u>	<u>\$ 929</u>	<u>\$ (189,775)</u>

Sheriff's Department

The Sheriff's Department claimed \$179,327 in salaries and benefits during the audit period within the cost components noted in the table above. Related indirect costs totaled \$72,764. We determined that the all costs claimed were unallowable because claimed costs were either unsupported or were for ineligible activities. The department provided very limited time documentation to corroborate claimed costs. Activities

noted on the few case logs provided by the county for review were often vague. As a result, we were unable to determine all of the allowable activities that were performed by the department during the audit period. We noted that department staff was generally unfamiliar with the mandated program and unsure of what activities were allowable. In addition, department staff indicated that any time logs completed to support the claim were based entirely on estimates.

Based on our review of the documentation that was provided to support the county's claims, we determined that the department claimed the following activities that are not reimbursable:

- Initial administrative work with setting up a case
- Reviewing photo evidence
- Report writing
- Preparing memos
- Sending lawsuits to counsel for review
- Copying CDs

We also noted the following activities that could be reimbursable:

- Serving the notice of interrogation to the employee;
- Interrogations occurring during off-duty time (only reimbursable for overtime costs incurred for the sworn officer or sworn officer witness who was interrogated during his or her off-duty time); and
- Copying tapes of interrogations (reimbursable only if requested by the interrogated officer).

District Attorney's Office

The District Attorney's Office claimed \$330 in salaries and benefits under the Administrative Activities cost component in the county's claim for FY 2002-03. Related indirect costs totaled \$127. We determined that all costs claimed were unallowable because they were unsupported. Department officials stated that they did not recall submitting any costs for reimbursement under the mandated program. Accordingly, the department did not have any documentation available to support claimed costs.

Probation Department

The Probation Department claimed \$1,312 in salaries and benefits under the Interrogations cost component in the county's claim for FY 2003-04. Related indirect costs totaled \$315. We determined that all costs claimed were unallowable primarily because claimed costs were for ineligible activities. The costs claimed were for time spent by the Chief Probation Officer and the Assistant Chief Probation Officer deliberating over the decision to layoff a non-sworn employee due to budget reductions, which is not a reimbursable activity under the mandated program. In addition, the department could not provide documentation to support claimed costs.

County Counsel's Office

The County Counsel's Office claimed \$9,735 in salaries and benefits (\$8,806 under the Administrative Appeals cost component and \$929 under the Adverse Comment cost component) during the audit period. Related indirect costs totaled \$4,108. We determined that all costs claimed for Administrative Appeal activities (\$8,806 for salaries and benefits plus \$3,683 for related indirect costs) were unallowable because the office claimed ineligible activities. All costs claimed for Adverse Comment activities were allowable.

The office claimed reimbursement under the cost component of Administrative Appeal for legal costs related to defending the county in various lawsuits. These costs were not related to an administrative appeal hearing requested by one of the county's peace officers as a result of certain specific disciplinary actions taken against the employee and are, therefore, unallowable. In addition, the office claimed reimbursement for time spent performing administrative appeal activities which involved three officers appealing a termination, which is not a reimbursable activity under the mandated program.

The parameters and guidelines, Section I (Summary and Source of the Mandate), state that the test claim legislation provides procedural protections to peace officers employed by local agencies and school districts when a peace officer is subject to an interrogation by the employer, is facing punitive action or receives an adverse comment in his or her personnel file.

The parameters and guidelines, section IVB (Reimbursable Activities--Administrative Appeal), states that claimants will be reimbursed for providing the opportunity for, and the conduct of an administrative appeal for permanent employees and the Chief of Police for the following disciplinary actions:

- Dismissal, demotion, suspension, salary reduction, or written reprimand received by the Chief of Police whose liberty interest is not affected (i.e., the charges supporting a dismissal do not harm the employee's reputation or ability to find future employment);
- Transfer of permanent employees for purposes of punishment;
- Denial of promotion for permanent employees for reasons other than merit; and
- Other actions against permanent employees or the Chief of Police that result in disadvantage, harm, loss, or hardship and impact the career opportunities of the employee.

Included in the foregoing are the preparation and review of various documents to commence and proceed with the administrative hearing; legal review and assistance with the conduct of the administrative hearing; preparation and service of subpoenas, witness fees, and salaries of employee witnesses, including overtime; the time and labor of the administrative body and its attendant clerical services; the preparation and service of any rulings or orders of the administrative body.

Summary

The following table summarizes the audit adjustments for salaries and benefits and related indirect costs by fiscal year:

	Fiscal Year				Total
	2001-02	2002-03	2003-04	2004-05	
Sheriff's Department	\$(50,380)	\$(14,142)	\$(66,708)	\$(48,097)	\$(179,327)
District Attorney's Office	—	(330)	—	—	(330)
Probation Department	—	—	(1,312)	—	(1,312)
County Counsel's Office	(3,479)	—	(4,707)	(620)	(8,806)
Subtotal	(53,859)	(14,472)	(72,727)	(48,717)	(189,775)
Related indirect costs	(29,100)	(5,544)	(25,325)	(16,920)	(76,889)
Audit adjustment	<u>\$(82,959)</u>	<u>\$(20,016)</u>	<u>\$(98,052)</u>	<u>\$(65,637)</u>	<u>\$(266,664)</u>

Recommendation

We recommend that the county establish and implement procedures to ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported

County's Response

The county is not taking a position with regard to this audit finding at this time.

**FINDING 2—
Unallowable services
and supplies**

The county claimed \$137,924 in services and supplies during the audit period. Claimed costs totaling \$136,831 were unallowable because the activities performed were unrelated to the mandate or were unsupported.

The following table summarizes claimed, allowable, and unallowable costs for the audit period by county department:

Department	Actual Costs Claimed	Allowable per Audit	Audit Adjustment
Sheriff's Department	\$ 65,907	\$ 1,093	\$ (64,814)
District Attorney's Office	261	—	(261)
County Counsel's Office	71,756	—	(71,756)
Total	<u>\$ 137,924</u>	<u>\$ 1,093</u>	<u>\$ (136,831)</u>

Sheriff's Department

The Sheriff's Department claimed \$65,907 in services and supplies (\$52,543 for FY 2001-02, \$475 for FY 2003-04, and \$12,889 for FY 2004-05) during the audit period. We determined that \$64,814 in services and supplies were unallowable because costs were not incurred in the performance of mandated activities or were costs that were unsupported.

The department claimed services and supplies for the following activities:

- Fees paid to a psychologist to assess the fitness of an officer for duty (\$25,906) under the Administrative Appeals cost component;
- Fees for an attorney to perform unspecified tasks to assist in internal affairs investigations (\$12,601) under the Administrative Appeals cost component;
- Unsupported fees paid to a contract investigator to assist in internal affairs investigations (\$12,943) under the Administrative Appeals cost component;
- Unsupported overtime costs for witnesses when the nature of the case, length of interrogation, and relation of witnesses to the county were unspecified under the Interrogations (\$113) and Adverse Comment (\$1,601) cost components;
- Computer consulting fees paid for the installation and training of a case tracking system under the Administrative Activities (\$2,500) and Adverse Comment (\$8,200) cost components; and
- Unspecified and unsupported services and supplies (\$950) under the Adverse Comment cost component.

However, we noted allowable costs totaling \$1,093 under the cost component of Interrogations that were not included in the county's claim for FY 2001-02 and were incurred for a court reporter to prepare copies of interrogations that were requested by the county's peace officers.

District Attorney's Office

The District Attorney's Office claimed \$261 in services and supplies for FY 2002-03 under the cost component of Administrative Activities. We determined that the entire amount was unallowable because the department stated that they did not recall submitting any costs for reimbursement under the mandated program and had no documentation available to support the costs claimed.

County Counsel's Office

The County Counsel's Office claimed \$71,756 in services and supplies for FY 2003-04 under the cost component of Administrative Appeals. We determined that the entire amount was unallowable because costs were not incurred for the performance of mandated activities.

In fiscal year 2003-04, the county was a defendant in a civil lawsuit that involved the conduct of Sheriff's Department officers. The County Counsel's Office incurred legal costs for a contract attorney to defend the county in this lawsuit. The case did not concern the procedural protections of a peace officer employed by the county, which is a requirement of the mandate. Therefore, the costs are unallowable.

The following table summarizes the unallowable costs by cost component and fiscal year:

Cost Component	Fiscal Year				Total
	2001-02	2002-03	2003-04	2004-05	
Administrative Activities	\$ —	\$ 261	\$ —	\$ 2,500	\$ 2,761
Administrative Appeal	51,450	—	71,756	—	123,206
Interrogations	—	—	—	113	113
Adverse Comment	—	—	475	10,276	10,751
Total	\$ 51,450	\$ 261	\$ 72,231	\$ 12,889	\$ 136,831

The parameters and guidelines, Section I, (Summary and Source of the Mandate), state that the test claim legislation provides procedural protections to peace officers employed by local agencies and school districts when a peace officer is subject to an interrogation by the employer, is facing punitive action or receives an adverse comment in his or her personnel file.

The parameters and guidelines, section VA(3) (Supporting Documentation–Contract Services), state that for contract services, provide the name(s) of the contractor(s) who performed the services, describe the reimbursable activity(ies) performed by each named contractor and give the number of actual hours spent on the activities, if applicable.

The parameters and guidelines, section VI (Supporting Data), state that, for audit purposes, all costs claimed shall be traceable to source documents (e.g., employee time records, invoices, receipts, purchase orders, contracts, worksheets, calendars, declarations, etc.) that show evidence of the validity of such costs and their relationship to the mandated program.

Recommendation

We recommend that the county establish and implement procedures to ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

County's Response

The county is not taking a position with regard to this audit finding at this time.

**FINDING 3—
Unsupported travel
and training costs**

The county claimed costs for travel and training within the Sheriff's Department, totaling \$4,850 for the audit period (\$2,672 for FY 2001-02, \$655 for FY 2003-04, and \$1,523 for FY 2004-05). The entire amount is unallowable because costs were claimed for unspecified travel (\$747) and for mileage costs that were based on estimates (\$4,103).

The following table summarizes the unallowable costs by fiscal year and cost component:

Cost Component	Fiscal Year				Total
	2001-02	2002-03	2003-04	2004-05	
Administrative Activities	\$ —	\$ —	\$ 6	\$ 999	\$ 1,005
Administrative Appeal	2,470	—	2	—	2,472
Interrogations	202	—	—	—	202
Adverse Comment	—	—	647	524	1,171
Total	\$ 2,672	\$ —	\$ 655	\$ 1,523	\$ 4,850

The parameters and guidelines, section VA(4) (Claim Preparation and Submission—Supporting Documentation—Travel), state that travel expenses for mileage, per diem, lodging, and other employee entitlements are eligible for reimbursement in accordance with the rules of the local jurisdiction. Provide the name(s) of the traveler(s), purpose of travel, inclusive dates and times of travel, destination points, and travel costs.

The parameters and guidelines, section VI (Supporting Data), state that, for audit purposes, all costs claimed shall be traceable to source documents (e.g., employee time records, invoices, receipts, purchase orders, contracts, worksheets, calendars, declarations, etc.) that show evidence of the validity of such costs and their relationship to the mandated program.

Recommendation

We recommend that the county establish and implement procedures to ensure that claimed costs include only eligible costs, are based on actual costs, and are properly supported.

County's Response

The county is not taking a position with regard to this audit finding at this time.

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

Venneman, Jim

From: Leanna Dancer [ldancer@co.siskiyou.ca.us]
Sent: Sunday, September 14, 2008 11:30 AM
To: Venneman, Jim
Cc: Jennie Ebejer; burgess@winfirst.com
Subject: RE: Siskiyou County POBOR Audit

Dear Jim:

Thank you for your patience with our responses on this audit. I have done what I can to discuss this with our contractor and at this point have not received the input I had hoped for.

As to our response, I prefer to do this in a global approach.

"It is our contractor's stance that the P&G's have been modified in their interpretation from the point in time when the claims were filed and when the audit was done. We are not establishing an argument at this time that would indicate that the State's findings are wrong but want to leave that open until further discussion with our contractor and other counties with similar issues have been able to follow the process to completion.

In Siskiyou County, our approach is to claim only what is legitimately our right to claim and you will find that I will argue for every dollar we are entitled to under any program. *In the event that our claim was misrepresented to the State based on our contractor's presentation or our department's misunderstanding of what fits under the parameters and guidelines, we will fully accept any and all adjustments related to that error. It would never be acceptable to us to do otherwise.*

As no payment has been made to the County of Siskiyou based on this claim, I feel we do have the time to evaluate this more closely at a later time. I am not taking the lead with regard to the argument that the parameters and guidelines have been modified. It has not been my experience that has happened at the State in any of my history of working with State Mandated Programs. Once the "dust" has settled as to how the actual interpretation will end up, I wish to reserve the right to have our claim evaluated once again under the agreed to guidelines."

Once again, thank you for your patience. This has turned out to be something I am truly unhappy with.

Sincerely,

*Leanna Dancer
Auditor-Controller-Recorder
P.O. Box 8
Yreka, CA 96097
530.842.8060 (office)
530.842.8077 (fax)*

09/19/2008

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

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