

# **SAN BERNARDINO COUNTY**

Audit Report

## **SEXUALLY VIOLENT PREDATORS PROGRAM**

Chapters 762 and 763, Statutes of 1995;  
and Chapter 4, Statutes of 1996

*July 1, 2011, through June 30, 2022*



**MALIA M. COHEN**  
CALIFORNIA STATE CONTROLLER

November 2024



MALIA M. COHEN  
CALIFORNIA STATE CONTROLLER

November 12, 2024

**CERTIFIED MAIL—RETURN RECEIPT REQUESTED**

The Honorable Ensen Mason, CPA, CFA, Auditor-Controller  
San Bernardino County  
268 West Hospitality Lane, 4<sup>th</sup> Floor  
San Bernardino, CA 92415

Dear Auditor-Controller Mason:

The State Controller's Office audited the costs claimed by San Bernardino County (the county) for the legislatively mandated Sexually Violent Predators Program for the period of July 1, 2011, through June 30, 2022.

The county claimed \$9,764,814 for costs of the mandated program. Our audit found that \$8,900,160 is allowable (\$8,910,160 less a \$10,000 penalty for filing a late claim) and \$864,654 is unallowable. The costs are unallowable because the county overstated salary and benefit costs, overstated materials and supplies costs, claimed ineligible and unsupported contract services costs, and overstated related indirect costs. The State paid the county \$4,947,067.

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 regarding this report, please contact Lisa Kurokawa, Chief, Compliance Audits Bureau, by telephone at 916-327-3138. Thank you.

Sincerely,

*Original signed by*

Kimberly A. Tarvin, CPA  
Chief, Division of Audits

KAT/rs

Mr. Ensen Mason  
November 12, 2024  
Page 2 of 2

Copy: The Honorable Dawn Rowe, Chair  
San Bernardino County Board of Supervisors  
Sakura Younger, Manager  
Management Services Section  
San Bernardino County Auditor-Controller/Treasurer/Tax Collector's Office  
Jai Prasad, CPA, Senior Supervising Accountant  
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Claudia Walker, Chief  
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San Bernardino County District Attorney's Office  
Diana Lovelace, Chief  
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San Bernardino County Public Defender's Office  
Carolina Mendoza, Sheriff's Financial Manager  
San Bernardino County Sheriff's Department  
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Everett Luc, Supervisor  
Local Reimbursements Section  
State Controller's Office

# Contents

## **Audit Report**

<b>Summary .....</b>	<b>1</b>
<b>Background .....</b>	<b>1</b>
<b>Audit Authority.....</b>	<b>2</b>
<b>Objective, Scope, and Methodology .....</b>	<b>2</b>
<b>Conclusion .....</b>	<b>3</b>
<b>Follow-up on Prior Audit Findings.....</b>	<b>4</b>
<b>Views of Responsible Officials.....</b>	<b>4</b>
<b>Restricted Use .....</b>	<b>4</b>
<b>Schedule—Summary of Program Costs .....</b>	<b>5</b>
<b>Findings and Recommendations.....</b>	<b>10</b>
<b>Attachment—County’s Response to Draft Audit Report</b>	

# Audit Report

## Summary

The State Controller's Office (SCO) audited the costs claimed by San Bernardino County (the county) for the legislatively mandated Sexually Violent Predators (SVP) Program for the period of July 1, 2011, through June 30, 2022.

The county claimed \$9,764,814 for costs of the mandated program. Our audit found that \$8,900,160 is allowable (\$8,910,160 less a \$10,000 penalty for filing a late claim) and \$864,654 is unallowable. The costs are unallowable because the county overstated salary and benefit costs, overstated materials and supplies costs, claimed ineligible and unsupported contract services costs, and overstated related indirect costs. The State paid the county \$4,947,067.

## Background

Welfare and Institutions Code sections 6250, and 6600 through 6608 (added by Chapters 762 and 763, Statutes of 1995, and Chapter 4, Statutes of 1996) established new civil commitment procedures for the continued detention and treatment of sexually violent offenders following completion of prison terms for certain sex-related offenses. Before detention and treatment are imposed, the county attorney is required to file a petition for civil commitment. A trial is then conducted to determine whether the inmate is a sexually violent predator beyond a reasonable doubt. If the inmate accused of being a sexually violent predator is indigent, the test claim legislation requires counties to provide the inmate with the assistance of counsel and experts necessary to prepare a defense.

On June 25, 1998, the Commission on State Mandates (the Commission) determined that Chapters 762 and 763, Statutes of 1995, and Chapter 4, Statutes of 1996, imposed a reimbursable state mandate under Government Code (GC) section 17561.

The program's parameters and guidelines establish the state mandate and define the reimbursement criteria. The Commission adopted the parameters and guidelines on September 24, 1998, and amended them on October 30, 2009. In compliance with GC section 17558, the SCO issues the *Mandated Cost Manual for Local Agencies (Mandated Cost Manual)* to assist local agencies in claiming mandated program reimbursable costs.

On July 26, 2019, the Commission adopted an Order to Set Aside the Statement of Decision that had been adopted on December 6, 2013, and the Statement of Decision and parameters and guidelines that had been adopted on May 30, 2014. The Commission's Order reinstated the SVP Program as originally adopted on June 25, 1998.

The Commission's Order applied only to costs incurred for fiscal year (FY) 2011-12 through FY 2017-18. For clarity, we designated claims submitted from FY 2011-12 through FY 2017-18 as pertaining to Program Number 376, and claims submitted from FY 2018-19 through FY 2021-22 as pertaining to Program Number 175.

## Audit Authority

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

## Objective, Scope, and Methodology

The objective of our audit was to determine whether claimed costs represent increased costs resulting from the legislatively mandated SVP Program. Specifically, we conducted this audit to determine whether claimed costs were supported by appropriate source documents, were not funded by another source, and were not unreasonable and/or excessive. Unreasonable and/or excessive costs include ineligible costs that are not identified in the program's parameters and guidelines as reimbursable costs.

The audit period was July 1, 2011, through June 30, 2022.

To achieve our objective, we performed the following procedures:

- We analyzed the annual mandated cost claims filed by the county for the audit period and identified the significant cost components of each claim as salaries and benefits, materials and supplies, contract services, travel and training, and indirect costs.
- We determined whether there were any errors or unusual or unexpected variances from year to year. We then reviewed the claimed activities to determine whether they adhered to the SCO's *Mandated Cost Manual* and the program's parameters and guidelines.
- We completed an internal control questionnaire by interviewing key county staff. We discussed the claim preparation process with county staff to determine what information was obtained, who obtained it, and how it was used.
- We assessed the reliability of data (time management, payroll, and expenditure records) generated by the county's information management system and enterprise software applications by interviewing various county staff members and examining supporting documentation that the county provided. We determined that the data was sufficiently reliable for the purposes of this report.
- We traced productive hourly rate (PHR) calculations for all employee classifications performing the mandated activities to supporting information in the county's payroll system. We determined that the claimed PHRs were reasonable.
- We traced a sample of the employees' claimed hours to the SVP Time Report for the District Attorney's (DA's) Office and to the SVP Billable Hours Report for the Public Defender's (PD's) Office. We found several instances in which salaried employees claimed more than an eight-hour workday, but the corresponding PHR calculation did not include the additional hours worked. We also found instances in which employees claimed time spent on activities that were not reimbursable under this mandate and were not properly supported (see Finding 1).

- We reviewed and analyzed the claimed materials and supplies costs for the DA's Office to verify that the costs were properly supported and were mandate-related (see Finding 2).
- We traced the claimed contract services costs to supporting invoices to ensure that the costs were claimed during the fiscal year in which the services were actually provided, and that they were mandate-related (see Finding 3).
- We reviewed and analyzed a sample of the travel and training costs claimed by the PD's Office to verify that the costs were properly supported and mandate-related (see Finding 4).
- We reviewed and analyzed housing costs claimed by the San Bernardino County Sheriff's Department (Sheriff's Department) to confirm the daily jail rates that the county used were based on actual costs, and that the number of jail days for each defendant was calculated correctly (see Finding 4).
- We verified that the indirect costs claimed for each fiscal year of the audit period were for common or joint purposes and that indirect cost rates were properly supported and applied. We calculated the unallowable related indirect costs based on the audit adjustments made to salaries and benefits (see Finding 1).
- We inquired with county staff members, and reviewed single audit reports (with accompanying financial statements) and revenue reports to identify potential sources of offsetting revenues and reimbursements for the audit period. We determined that the claimed costs were not funded by another source.

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

## Conclusion

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

For the audit period, the county claimed \$9,764,814 for costs of the legislatively mandated SVP Program. Our audit found that \$8,900,160 is allowable (\$8,910,160 less a \$10,000 penalty for filing a late claim) and \$864,654 is unallowable. The payment information is as follows:

- For the FY 2011-12 through FY 2017-18 claims, we found that \$4,174,777 is allowable. The State made no payments to the county. The State will pay \$4,174,777, contingent upon available appropriations.

- For the FY 2018-19 through FY 2021-22 claims, we found that \$4,725,383 is allowable. The State paid the county \$4,947,067.

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 SVP Program.

**Views of  
Responsible  
Officials**

We issued a draft audit report on October 11, 2024. The county’s representative responded by letter dated October 21, 2024, agreeing with the audit results, except for a portion of Finding 1. This final audit report includes the county’s response as an attachment.

**Restricted Use**

This audit report is solely for the information and use of the 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 audit report, which is a matter of public record and is available on the SCO website at [www.sco.ca.gov](http://www.sco.ca.gov).

*Original signed by*

Kimberly A. Tarvin, CPA  
Chief, Division of Audits

November 12, 2024



## Schedule— Summary of Program Costs July 1, 2011, through June 30, 2022

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference <sup>1</sup>
<u>July 1, 2011, through June 30, 2012</u>				
<i>Program Number 376 Claims<sup>2</sup>:</i>				
Direct costs:				
Salaries and benefits	\$ 492,654	\$ 194,076	\$ (298,578)	Finding 1
Materials and supplies	103,326	-	(103,326)	Finding 2
Contract services	103,256	74,457	(28,799)	Finding 3
Travel and training	2,464	81,167	78,703	Finding 4
Total direct costs	701,700	349,700	(352,000)	
Indirect costs	262,761	108,653	(154,108)	Finding 1
Total program costs	<u>\$ 964,461</u>	458,353	<u>\$ (506,108)</u>	
Less amount paid by the State <sup>3</sup>		-		
Allowable costs claimed in excess of amount paid		<u>\$ 458,353</u>		
<u>July 1, 2012, through June 30, 2013</u>				
<i>Program Number 376 Claims<sup>2</sup>:</i>				
Direct costs:				
Salaries and benefits	\$ 514,693	\$ 503,191	\$ (11,502)	Finding 1
Materials and supplies	158,062	8,837	(149,225)	Finding 2
Contract services	40,132	30,981	(9,151)	Finding 3
Travel and training	3,890	109,211	105,321	Finding 4
Total direct costs	716,777	652,220	(64,557)	
Indirect costs	301,978	295,023	(6,955)	Finding 1
Total program costs	<u>\$ 1,018,755</u>	947,243	<u>\$ (71,512)</u>	
Less amount paid by the State <sup>3</sup>		-		
Allowable costs claimed in excess of amount paid		<u>\$ 947,243</u>		
<u>July 1, 2013, through June 30, 2014</u>				
<i>Program Number 376 Claims<sup>2</sup>:</i>				
Direct costs:				
Salaries and benefits	\$ 537,047	\$ 532,163	\$ (4,884)	Finding 1
Materials and supplies	90,412	9,083	(81,329)	Finding 2
Contract services	53,177	68,899	15,722	Finding 3
Travel and training	3,144	89,444	86,300	Finding 4
Total direct costs	683,780	699,589	15,809	
Indirect costs	335,679	332,491	(3,188)	Finding 1
Total direct and indirect costs	1,019,459	1,032,080	12,621	
Less allowable costs that exceed costs claimed <sup>4</sup>	-	(12,621)	(12,621)	
Total program costs	<u>\$ 1,019,459</u>	1,019,459	<u>\$ -</u>	
Less amount paid by the State <sup>3</sup>		-		
Allowable costs claimed in excess of amount paid		<u>\$ 1,019,459</u>		

## Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference <sup>1</sup>
<u>July 1, 2014, through June 30, 2015</u>				
<i>Program Number 376 Claims<sup>2</sup>:</i>				
Direct costs:				
Salaries and benefits	\$ 147,652	\$ 147,652	\$ -	Finding 1
Materials and supplies	34,468	-	(34,468)	Finding 2
Contract services	82,357	62,524	(19,833)	Finding 3
Travel and training	2,649	37,625	34,976	Finding 4
Total direct costs	267,126	247,801	(19,325)	
Indirect costs	88,340	88,340	-	Finding 1
Total program costs	<u>\$ 355,466</u>	336,141	<u>\$ (19,325)</u>	
Less amount paid by the State <sup>3</sup>		-		
Allowable costs claimed in excess of amount paid		<u>\$ 336,141</u>		
<u>July 1, 2015, through June 30, 2016</u>				
<i>Program Number 376 Claims<sup>2</sup>:</i>				
Direct costs:				
Salaries and benefits	\$ 83,319	\$ 83,319	\$ -	Finding 1
Materials and supplies	13,514	-	(13,514)	Finding 2
Contract services	31,502	25,782	(5,720)	Finding 3
Travel and training	3,423	14,231	10,808	Finding 4
Total direct costs	131,758	123,332	(8,426)	
Indirect costs	46,858	46,858	-	Finding 1
Total program costs	<u>\$ 178,616</u>	170,190	<u>\$ (8,426)</u>	
Less amount paid by the State <sup>3</sup>		-		
Allowable costs claimed in excess of amount paid		<u>\$ 170,190</u>		
<u>July 1, 2016, through June 30, 2017</u>				
<i>Program Number 376 Claims<sup>2</sup>:</i>				
Direct costs:				
Salaries and benefits	\$ 404,940	\$ 395,609	\$ (9,331)	Finding 1
Materials and supplies	45,502	10,906	(34,596)	Finding 2
Contract services	23,528	46,171	22,643	Finding 3
Travel and training	2,572	14,982	12,410	Finding 4
Total direct costs	476,542	467,668	(8,874)	
Indirect costs	272,409	265,540	(6,869)	Finding 1
Total program costs	<u>\$ 748,951</u>	733,208	<u>\$ (15,743)</u>	
Less amount paid by the State <sup>3</sup>		-		
Allowable costs claimed in excess of amount paid		<u>\$ 733,208</u>		

## Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference <sup>1</sup>
<u>July 1, 2017, through June 30, 2018</u>				
<i>Program Number 376 Claims<sup>2</sup>:</i>				
Direct costs:				
Salaries and benefits	\$ 288,780	\$ 268,054	\$ (20,726)	Finding 1
Materials and supplies	28,519	-	(28,519)	Finding 2
Contract services	13,766	30,802	17,036	Finding 3
Travel and training	1,965	38,198	36,233	Finding 4
Total direct costs	333,030	337,054	4,024	
Indirect costs	189,009	173,129	(15,880)	Finding 1
Total program costs	<u>\$ 522,039</u>	510,183	<u>\$ (11,856)</u>	
Less amount paid by the State <sup>3</sup>		-		
Allowable costs claimed in excess of amount paid		<u>\$ 510,183</u>		
<u>July 1, 2018, through June 30, 2019</u>				
<i>Program Number 175 Claims<sup>2</sup>:</i>				
Direct costs:				
Salaries and benefits	\$ 500,944	\$ 488,055	\$ (12,889)	Finding 1
Materials and supplies	791	-	(791)	Finding 2
Contract services	85,514	60,669	(24,845)	Finding 3
Travel and training	2,872	3,504	632	Finding 4
Total direct costs	590,121	552,228	(37,893)	
Indirect costs	330,704	320,658	(10,046)	Finding 1
Total direct and indirect costs	920,825	872,886	(47,939)	
Less late filing penalty <sup>5</sup>	-	(10,000)	(10,000)	
Total program costs	<u>\$ 920,825</u>	862,886	<u>\$ (57,939)</u>	
Less amount paid by the State <sup>3</sup>		(910,825)		
Allowable costs claimed less than amount paid		<u>\$ (47,939)</u>		
<u>July 1, 2019, through June 30, 2020</u>				
<i>Program Number 175 Claims<sup>2</sup>:</i>				
Direct costs:				
Salaries and benefits	\$ 886,075	\$ 868,607	\$ (17,468)	Finding 1
Materials and supplies	24,162	-	(24,162)	Finding 2
Contract services	69,529	68,268	(1,261)	Finding 3
Travel and training	464	25,364	24,900	Finding 4
Total direct costs	980,230	962,239	(17,991)	
Indirect costs	556,116	543,946	(12,170)	Finding 1
Total program costs	<u>\$ 1,536,346</u>	1,506,185	<u>\$ (30,161)</u>	
Less amount paid by the State <sup>3</sup>		(1,536,346)		
Allowable costs claimed less than amount paid		<u>\$ (30,161)</u>		

## Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference <sup>1</sup>
<u>July 1, 2020, through June 30, 2021</u>				
<i>Program Number 175 Claims<sup>2</sup>:</i>				
Direct costs:				
Salaries and benefits	\$ 815,649	\$ 787,078	\$ (28,571)	Finding 1
Contract services	33,947	22,997	(10,950)	Finding 3
Total direct costs	849,596	810,075	(39,521)	
Indirect costs	473,261	454,987	(18,274)	Finding 1
Total program costs	<u>\$ 1,322,857</u>	1,265,062	<u>\$ (57,795)</u>	
Less amount paid by the State <sup>3</sup>		(1,322,857)		
Allowable costs claimed in excess of amount paid		<u>\$ (57,795)</u>		
<u>July 1, 2021, through June 30, 2022</u>				
<i>Program Number 175 Claims<sup>2</sup>:</i>				
Direct costs:				
Salaries and benefits	\$ 711,521	\$ 666,875	\$ (44,646)	Finding 1
Contract services	40,248	26,549	(13,699)	Finding 3
Travel and training	-	625	625	Finding 4
Total direct costs	751,769	694,049	(57,720)	
Indirect costs	425,270	397,201	(28,069)	Finding 1
Total program costs	<u>\$ 1,177,039</u>	1,091,250	<u>\$ (85,789)</u>	
Less amount paid by the State <sup>3</sup>		(1,177,039)		
Allowable costs claimed less than amount paid		<u>\$ (85,789)</u>		

## Schedule (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference <sup>1</sup>
<u>Summary: July 1, 2011, through June 30, 2022</u>				
<i>Program Number 376 and Program Number 175 Claims<sup>2</sup>:</i>				
Direct costs:				
Salaries and benefits	\$ 5,383,274	\$ 4,934,679	\$ (448,595)	Finding 1
Materials and supplies	498,756	28,826	(469,930)	Finding 2
Contract services	576,956	518,099	(58,857)	Finding 3
Travel and training	23,443	414,351	390,908	Finding 4
Total direct costs	6,482,429	5,895,955	(586,474)	
Indirect costs	3,282,385	3,026,826	(255,559)	Finding 1
Total direct and indirect costs	9,764,814	8,922,781	(842,033)	
Less allowable costs that exceed costs claimed <sup>4</sup>	-	(12,621)	(12,621)	
Less late filing penalty <sup>5</sup>	-	(10,000)	(10,000)	
Total program costs	<u>\$ 9,764,814</u>	8,900,160	<u>\$ (864,654)</u>	
Less amount paid by the State <sup>3</sup>		(4,947,067)		
Allowable costs claimed in excess of amount paid		<u>\$ 3,953,093</u>		

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

<sup>2</sup> Claims filed for FY 2011-12 through FY 2017-18 pertain to Program Number 376, the SVP Program as reinstated by the Commission in its July 26, 2019 Order to Set Aside. Claims filed for FY 2018-19 through FY 2021-22 pertain to Program Number 175.

<sup>3</sup> Payment amount current as of September 16, 2024. All payments were made to Program Number 175 claims.

<sup>4</sup> GC section 17568 stipulates that the State will not reimburse any claim more than one year after the filing deadline specified in the SCO's *Mandated Cost Manual*. That deadline has expired for FY 2013-14.

<sup>5</sup> The county filed its FY 2018-19 annual reimbursement claim for \$448,176, by the due date specified in GC section 17560, and amended it to \$920,825 after the due date. Pursuant to GC section 17568, the State assessed a late filing penalty equal to 10% of allowable costs that exceed the timely filed claim amount, not to exceed \$10,000 (for claims amended on or after August 24, 2007).

# Findings and Recommendations

## FINDING 1— Overstated salaries and benefits

The county claimed \$5,383,274 in salaries and benefits for the audit period. We found that \$4,934,679 is allowable and \$448,595 is unallowable. Unallowable related indirect costs total \$255,559, for a total finding of \$704,154.

To calculate claimed salaries and benefits, the county multiplied each employee's total number of hours spent performing the mandated activities by the average PHR for that employee's job classification.

During testing, we found that the county had overstated claimed hours and related indirect costs. The county overstated these costs because it did not claim costs in accordance with the program's parameters and guidelines or the SCO's *Mandated Cost Manual*.

The following table summarizes the claimed, allowable, and audit adjustment for salaries and benefits by fiscal year:

Fiscal Year	Salaries and Benefits			Related Indirect Costs	Total Audit Adjustment
	Amount Claimed	Amount Allowable	Audit Adjustment		
2011-12	\$ 492,654	\$ 194,076	\$ (298,578)	\$ (154,108)	\$ (452,686)
2012-13	514,693	503,191	(11,502)	(6,955)	(18,457)
2013-14	537,047	532,163	(4,884)	(3,188)	(8,072)
2014-15	147,652	147,652	-	-	-
2015-16	83,319	83,319	-	-	-
2016-17	404,940	395,609	(9,331)	(6,869)	(16,200)
2017-18	288,780	268,054	(20,726)	(15,880)	(36,606)
2018-19	500,944	488,055	(12,889)	(10,046)	(22,935)
2019-20	886,075	868,607	(17,468)	(12,170)	(29,638)
2020-21	815,649	787,078	(28,571)	(18,274)	(46,845)
2021-22	711,521	666,875	(44,646)	(28,069)	(72,715)
Total	<u>\$ 5,383,274</u>	<u>\$ 4,934,679</u>	<u>\$ (448,595)</u>	<u>\$ (255,559)</u>	<u>\$ (704,154)</u>

### District Attorney's Office

The DA's Office claimed \$2,516,428 in salaries and benefits for the audit period. We found that \$2,320,104 is allowable and \$196,324 is unallowable. Unallowable related indirect costs total \$127,430, for a total adjustment of \$ 323,754.

The following table summarizes the claimed, allowable, and audit adjustment for salaries and benefits by fiscal year:

Fiscal Year	Salaries and Benefits				Total Audit Adjustment
	Amount Claimed	Amount Allowable	Audit Adjustment	Related Indirect Costs	
2011-12	\$ 236,192	\$ 189,885	\$ (46,307)	\$ (25,979)	\$ (72,286)
2012-13	404,365	392,863	(11,502)	(6,955)	(18,457)
2013-14	397,871	392,987	(4,884)	(3,188)	(8,072)
2016-17	258,599	249,268	(9,331)	(6,869)	(16,200)
2017-18	149,511	128,785	(20,726)	(15,880)	(36,606)
2018-19	236,527	223,638	(12,889)	(10,046)	(22,935)
2019-20	372,551	355,083	(17,468)	(12,170)	(29,638)
2020-21	220,718	192,147	(28,571)	(18,274)	(46,845)
2021-22	240,094	195,448	(44,646)	(28,069)	(72,715)
Total	<u>\$ 2,516,428</u>	<u>\$ 2,320,104</u>	<u>\$ (196,324)</u>	<u>\$ (127,430)</u>	<u>\$ (323,754)</u>

### ***Overstated Hours***

During our review of the DA's Office SVP Time Reports, we found that the DA's Office had overstated hours worked by a total of 1,626.75 hours. The hours were overstated for the following reasons:

- For FY 2011-12, the county did not initially provide any documentation to support the hours worked, as such documentation had been destroyed pursuant to the county's record retention policy. After the exit conference, the county located and provided to us employee time records for its FY 2011-12 claim. We reviewed these records and found that three employees claimed time, totaling 85.25 hours, in excess of eight hours per day. As county attorneys are salaried employees and their calculated PHRs do not include overtime hours, we limited the allowable time to eight hours per day. We also found that four employees claimed a total of 340.75 hours for probable cause hearings. None of the costs related to probable cause hearings are reimbursable under Program Number 376.
- For FY 2012-13, FY 2013-14, and FY 2016-17 through FY 2021-22, we found that several employees claimed time in excess of eight hours per day.
- For FY 2017-18, we found that one attorney claimed 145.25 hours spent on an SVP client during a probable cause hearing.
- We found that three attorneys (one in FY 2020-21 and two in FY 2021-22) claimed a total of 517 hours (212.75 hours for FY 2020-21 and 304.25 hours for FY 2021-22) spent on an unallowable SVP case. The case was related to a sexually violent predator who had not committed any crimes in the county. All of the attorneys' time spent on this case was to prevent that sexually violent predator from being placed within the county. Per the program's parameters and guidelines, this is not a reimbursable activity for the SVP Program.
- For FY 2020-21, we found that one attorney submitted an SVP Time Report with 8.25 hours of time for which the attorney did not provide a code identifying the specific reimbursable activity performed.

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

Fiscal Year	Claimed Hours	Allowable Hours	Overstated Hours
2011-12	2,746.50	2,320.50	(426.00)
2012-13	4,637.30	4,510.55	(126.75)
2013-14	4,541.50	4,488.50	(53.00)
2016-17	2,261.00	2,182.25	(78.75)
2017-18	1,488.00	1,317.75	(170.25)
2018-19	2,025.25	1,922.00	(103.25)
2019-20	3,052.75	2,914.75	(138.00)
2020-21	1,798.25	1,573.25	(225.00)
2021-22	1,644.25	1,338.50	(305.75)
	<u>24,194.80</u>	<u>22,568.05</u>	<u>(1,626.75)</u>

### Public Defender's Office

The PD's Office claimed \$2,866,846 in salaries and benefits for the audit period. We found that \$2,614,575 is allowable and \$252,271 is unallowable. Unallowable related indirect costs total \$128,129, for a total adjustment of \$380,400.

The following table summarizes the claimed, allowable, and audit adjustment for salaries and benefits by fiscal year:

Fiscal Year	Salaries and Benefits		Audit Adjustment	Related Indirect Costs	Total Audit Adjustment
	Amount Claimed	Amount Allowable			
2011-12	\$ 256,462	\$ 4,191	\$ (252,271)	\$ (128,129)	\$ (380,400)
2012-13	110,328	110,328	-	-	-
2013-14	139,177	139,177	-	-	-
2014-15	147,651	147,651	-	-	-
2015-16	83,319	83,319	-	-	-
2016-17	146,341	146,341	-	-	-
2017-18	139,269	139,269	-	-	-
2018-19	264,417	264,417	-	-	-
2019-20	513,524	513,524	-	-	-
2020-21	594,931	594,931	-	-	-
2021-22	471,427	471,427	-	-	-
Total	<u>\$2,866,846</u>	<u>\$2,614,575</u>	<u>\$ (252,271)</u>	<u>\$ (128,129)</u>	<u>\$ (380,400)</u>

### Overstated Hours

During our review of the PD's Office SVP Billable Hours Report, we found that the PD's Office had overstated hours worked by a total of 2,462 hours. The hours were overstated because the PD's Office did not provide documentation to support the hours worked for FY 2011-12, except for one employee (Office Assistant III classification). Based on the SVP Billable Hours Report for this employee, the PD's Office inadvertently claimed time spent on activities related to a probable cause hearing. None of the costs related to probable cause hearings are reimbursable under Program Number 376.



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

<u>Fiscal Year</u>	<u>Claimed Hours</u>	<u>Allowable Hours</u>	<u>Overstated Hours</u>
2011-12	2,586.00	124.00	(2,462.00)
2012-13	1,045.00	1,045.00	-
2013-14	1,293.00	1,293.00	-
2014-15	1,359.25	1,359.25	-
2015-16	728.50	728.50	-
2016-17	1,274.75	1,274.75	-
2017-18	1,169.25	1,169.25	-
2018-19	2,150.50	2,150.50	-
2019-20	3,945.00	3,945.00	-
2020-21	4,527.75	4,527.75	-
2021-22	3,202.50	3,202.50	-
Total	<u>23,281.50</u>	<u>20,819.50</u>	<u>(2,462.00)</u>

Criteria

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

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, and receipts. . . .

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

Identify the employee(s), and/or show the classification of the employee(s) involved. Describe the reimbursable activities performed and specify the actual time devoted to each reimbursable activity by each employee, productive hourly rate and related fringe benefits. . . .

Section V.B, “Indirect Costs,” of the parameters and guidelines state:

. . . Claimants have the option of using 10% of direct labor, excluding fringe benefits, or preparing an Indirect Cost Rate Proposal (ICRP) for the department if the indirect cost rate claimed exceeds 10%. . . .

Section VI, “Record Retention,” of the parameters and guidelines states, in part:

. . . All documents used to support the reimbursable activities, as described in Section IV, must be retained during the period subject to audit. If the Controller has initiated an audit during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.

### Recommendation

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

### County's Response

The county agreed with the finding and recommendation except for the portion of the finding related to attorneys in the DA's Office claiming 517 hours on an SVP case that we determined to be unallowable:

Staff members spent 517 hours on a non-allowable SVP case in FY 2020-21 and FY 2021-22. Those hours were spent opposing the release of an SVP into San Bernardino County. It was explained to us during the Exit Interview that these hours are not allowed because the SVP did not commit his crimes in San Bernardino County. The release of SVPs into San Bernardino County strikes at the heart of the District Attorney's responsibility to safeguard the public's welfare and is directly related to mandated work. We feel this activity should be allowed.

### SCO Comment

Our finding and recommendation remain unchanged.

Although we understand the DA's commitment to safeguarding the public welfare, our finding is not based on the fact that the sexually violent predator did not commit any crimes within the county.

The following activities are approved for reimbursement, per Section I., "Summary and Source of the Mandate," of the parameters and guidelines:

- Designation by the County Board of Supervisors of the appropriate District Attorney or County Counsel who will be responsible for the sexually violent predator civil commitment proceedings. (Welf. & Inst. Code, §6601, subdivision [i].)
- Initial review of reports and records by the county's designated counsel to determine if the county concurs with the state's recommendation. (Welf. & Inst. Code, §6601, subdivision [i].)
- Preparation and filing of the petition for commitment by the county's designated counsel. (Welf. & Inst. Code, §6601, subdivision [j].)
- Preparation and attendance by the county's designated counsel and indigent defense counsel at the probable cause hearing. (Welf. & Inst. Code, §6602.)
- Preparation and attendance by the county's designated counsel and indigent defense counsel at trial. (Welf. & Inst. Code, §6603 and 6604.)
- Preparation and attendance by the county's designated counsel and indigent defense counsel at subsequent hearings regarding the condition of the sexually violent predator. (Welf. & Inst. Code, §6605, subds. [b] through [d], and 6608, subds. [a] through [d].)

- Retention of necessary experts, investigators, and professionals for preparation for trial and subsequent hearings regarding the condition of the sexually violent predator. (Welf. & Inst. Code, §6603, and 6605, subd. [d].)
- Transportation and housing for each potential sexually violent predator at a secured facility while the individual awaits trial on the issue of whether he or she is a sexually violent predator. (Welf. & Inst. Code, §6602.)

During the audit, we identified a press release on the “News Releases” section of the DA’s Office website. “Orange County Superior Court Rejects Placing Sexually Violent Predator in San Bernardino County” (November 23, 2021) states, in part:

A determination has been made by Orange County Superior Court in the matter of [a sexually violent predator] and Liberty Healthcare’s second attempt at placing [the sexually violent predator] in San Bernardino County, without [having committed any] crimes within the county, and without any nexus to San Bernardino County. . . .

On November 22, 2021, after considering information from the public comment hearings, pursuant to Welfare and Institution Code [section] 6609.1(a)(5), and the various statutes relating to SVP conditional release, Orange County Superior Court rejected Liberty Healthcare’s attempt to place [the sexually violent predator] in Newberry Springs. Furthermore, the Court approved a proposed placement for [the sexually violent predator] in Los Angeles County. . . .

It should be noted that Welfare and Institutions Code section 6609.1(a)(5) is not cited in the parameters and guidelines for any of the reimbursable activities, nor do the parameters and guidelines describe any reimbursable activities related to “public comment” hearings.

We found that the hours claimed by the three attorneys on this case were for the sole purpose of preventing the sexually violent predator from being housed within the county. We determined that none of the activities performed by staff members in the DA’s Office for this case were related to any of the reimbursable activities listed in the parameters and guidelines; the reimbursable activities include civil commitment proceedings, probable cause hearings, hearings related to the condition of the sexually violent predator, and transportation and housing at a secure facility while awaiting trial.

**FINDING 2—  
Overstated materials  
and supplies costs**

The county claimed a total of \$498,756 in materials and supplies costs for the audit period. We found that \$28,826 is allowable and \$469,930 is unallowable.

The following table summarizes the claimed, allowable, and audit adjustment for materials and supplies by fiscal year:

Fiscal Year	Amount Claimed	Amount Allowable	Audit Adjustment
2011-12	\$ 103,326	\$ -	\$ (103,326)
2012-13	158,062	8,837	(149,225)
2013-14	90,412	9,083	(81,329)
2014-15	34,468	-	(34,468)
2015-16	13,514	-	(13,514)
2016-17	45,502	10,906	(34,596)
2017-18	28,519	-	(28,519)
2018-19	791	-	(791)
2019-20	24,162	-	(24,162)
Total	<u>\$ 498,756</u>	<u>\$ 28,826</u>	<u>\$ (469,930)</u>

### Sheriff's Department

The Sheriff's Department inadvertently overstated its materials and supplies costs by \$318,456. The overstatement occurred because the Sheriff's Department misclassified its costs for housing SVP defendants at the County Detention Center as materials and supplies costs; they should have been classified as travel and training costs. Therefore, we reclassified the \$318,456 as travel and training costs (see Finding 4).

The following table summarizes the claimed, allowable, and audit adjustment for materials and supplies applicable to the Sheriff's Department by fiscal year:

Fiscal Year	Amount Claimed	Amount Allowable	Audit Adjustment
2011-12	\$ 54,416	\$ -	\$ (54,416)
2012-13	109,593	-	(109,593)
2013-14	43,802	-	(43,802)
2014-15	34,468	-	(34,468)
2015-16	13,514	-	(13,514)
2016-17	9,191	-	(9,191)
2017-18	28,519	-	(28,519)
2018-19	791	-	(791)
2019-20	24,162	-	(24,162)
Total	<u>\$ 318,456</u>	<u>\$ -</u>	<u>\$ (318,456)</u>

### District Attorney's Office

The DA's Office claimed a total of \$180,300 in materials and supplies costs for the audit period. We found that \$28,826 is allowable and \$151,474 is unallowable. The costs are unallowable for the following reasons:

- No documentation was provided to support the \$48,910 claimed for FY 2011-12, as such documentation had been destroyed pursuant to the county's record retention policy.

- Inadequate supporting documentation was provided for FY 2012-13, FY 2013-14, and FY 2016-17 claimed costs, totaling \$11,996 (\$6,680 for FY 2012-13, \$2,617 for FY 2013-14, and \$2,699 for FY 2016-17).
- Materials and supplies costs (i.e., office rent, State Bar membership dues, business cards, calendars, various office supplies, shredding services, etc.) claimed for FY 2012-13, FY 2013-14, and FY 2016-17, totaling \$82,671 (\$32,952 for FY 2012-13, \$32,129 for FY 2013-14, and \$17,590 for FY 2016-17) were not mandate-related.
- A total of \$7,897 (\$2,781 for FY 2013-14 and \$5,116 for FY 2016-17) in allowable travel and training costs was inadvertently claimed as materials and supplies costs. The costs (for mileage, per diem, lodging, airfare, training, etc.) were mandate-related; therefore, we reclassified these costs as travel and training costs (see Finding 4).

The following table summarizes the claimed, allowable, and audit adjustment for materials and supplies applicable to the DA’s Office by fiscal year:

Fiscal Year	Amount Claimed	Amount Allowable	Audit Adjustment
2011-12	\$ 48,910	\$ -	\$ (48,910)
2012-13	48,469	8,837	(39,632)
2013-14	46,610	9,083	(37,527)
2016-17	36,311	10,906	(25,405)
Total	<u>\$ 180,300</u>	<u>\$ 28,826</u>	<u>\$ (151,474)</u>

Criteria

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

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. . . .

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. . . .

Sections IV.B.1b, IV.B.3b, IV.B.4b, IV.B.5b., and IV.B.6a of the parameters and guidelines state that “copying and making long distance telephone calls” is an activity that must be “specifically identified to a defendant.”

Section V.A.2, “Materials and Supplies,” of the parameters and guidelines states:

Only expenditures that can be identified as a direct cost of this mandate may be claimed. List the cost of the materials and supplies consumed specifically for the purposes of this mandate. . . .

Section VI, “Record Retention,” of the parameters and guidelines states, in part:

. . . All documents used to support the reimbursable activities, as described in Section IV, must be retained during the period subject to audit. If the Controller has initiated an audit during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.

#### Recommendation

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

#### County’s Response

The audit concluded the District Attorney overstated costs for materials and supplies in resulting in \$151,474 being disallowed. We will adopt the recommendations to ensure only eligible costs are claimed, that claims be based upon actual costs, and improved documentation.

- In FY 2011-2012, \$48,910 was disallowed due to a lack of source documentation. The documentation was destroyed pursuant to our retention policy. Consistent with the parameters and guidelines, we will retain records supporting claims until resolution and audit completion.
- In FY 2012-13, FY 2013-14, and FY 2016-17, \$11,996 was disallowed for failure to provide adequate documentation. We acknowledge all claims for reimbursement must be supported by documentation and will do so in the future.
- In FY 2012-13, 2013-14, and FY 2016-17, \$82,671 was disallowed as not allowable costs, including office rent, general office expenses, inadvertently charged to SVP program, shredding and recycling, business cards and wall calendars, and small office furniture. We acknowledge and understand that these costs are not allowable because they do not represent “increased” costs.
- \$7,897 of allowable travel and training expenses were inadvertently claimed as materials and supplies in FY 2013-14 and FY 2016-17. The auditors disallowed these costs under this category but allowed them as Travel and Training Expenses under Finding 4 below. We thank the auditors for this correction and will endeavor to classify costs accurately in the future.

### **FINDING 3— Overstated contract services costs**

The county claimed total contract services costs of \$576,956 for the audit period. We found that \$518,099 is allowable and \$58,857 is unallowable.

The table on the next page summarizes the claimed, allowable, and audit adjustment for contract services by fiscal year.

Fiscal Year	Amount Claimed	Amount Allowable	Audit Adjustment
2011-12	\$ 103,256	\$ 74,457	\$ (28,799)
2012-13	40,132	30,981	(9,151)
2013-14	53,177	68,899	15,722
2014-15	82,357	62,524	(19,833)
2015-16	31,502	25,782	(5,720)
2016-17	23,528	46,171	22,643
2017-18	13,766	30,802	17,036
2018-19	85,514	60,669	(24,845)
2019-20	69,529	68,268	(1,261)
2020-21	33,947	22,997	(10,950)
2021-22	40,248	26,549	(13,699)
Total	\$ 576,956	\$ 518,099	\$ (58,857)

### District Attorney's Office

The DA's Office claimed \$97,541 in contract services costs for the audit period. We found that \$94,270 is allowable and \$3,271 is unallowable. The costs are unallowable for the following reasons:

- For FY 2011-12, FY 2013-14, FY 2018-19 through FY 2019-20, and FY 2021-22, it appears that the county claimed costs for the DA's Office during the fiscal year that it paid for contract services, rather than the fiscal year in which the services were actually performed. We reallocated those costs to the fiscal years in which the services were actually performed, as required by the parameters and guidelines.
- For FY 2011-12, the county claimed \$2,650 for services that had been performed during FY 2010-11 (before the audit period).
- For FY 2013-14, the county claimed \$528 for services that had been performed during FY 2009-10 (before the audit period).
- For FY 2021-22, the county inadvertently included a late payment amount of \$1,024 on its invoice rather than the original invoice amount of \$931.

The following table summarizes the claimed, allowable, and audit adjustment for contract services costs by fiscal year:

Fiscal Year	Amount Claimed	Amount Allowable	Audit Adjustment
2011-12	\$ 3,010	\$ 360	\$ (2,650)
2012-13	3,290	3,290	-
2013-14	8,752	8,224	(528)
2016-17	1,705	30,345	28,640
2017-18	21	5,062	5,041
2018-19	50,981	24,500	(26,481)
2019-20	7,652	452	(7,200)
2020-21	3,104	4,899	1,795
2021-22	19,026	17,138	(1,888)
Total	\$ 97,541	\$ 94,270	\$ (3,271)

### Public Defender's Office

The county claimed \$479,415 in contract services costs for the PD's Office for the audit period. We found that \$423,829 is allowable and \$55,586 is unallowable. The costs are unallowable for the following reasons:

- For each fiscal year of the audit period, it appears that the county claimed costs for the PD's Office during the fiscal year that it paid for contract services, rather than the fiscal year in which the services were actually performed. We reallocated those costs to the fiscal years in which the services were actually performed, as required by the parameters and guidelines.
- For FY 2011-12, the county claimed \$40,670 for services that had been performed during FY 2010-11 (before the audit period). In addition, the county understated its total claimed costs by \$44.
- For FY 2012-13, the county claimed \$13,865 for services that had been performed during FY 2009-10 and/or FY 2010-11 (before the audit period). In addition, the county overstated its total claimed costs by \$24.
- For FY 2013-14, the county overstated the amount of a psychologist invoice by \$25.
- For FY 2020-21, the county inadvertently claimed \$421 in travel costs as contract services costs. The attorney's travel costs (i.e., client visits, meals, lodging) were mandate-related, and incurred during FY 2019-20. Therefore, we deducted \$421 from claimed contract services costs and reclassified it as travel and training costs for FY 2019-20 (see Finding 4).
- For FY 2021-22, the county inadvertently misclassified a total of \$625 in travel and training costs as contract services costs. The attorney's travel costs were mandate-related, and consisted of \$215 for mileage reimbursement and \$410 for attending a training conference. Therefore, we deducted \$625 from claimed contract services costs, and reclassified it as travel and training costs for FY 2021-22 (see Finding 4).

The following table summarizes the claimed, allowable, and audit adjustment for contract services costs by fiscal year:

Fiscal Year	Amount Claimed	Amount Allowable	Audit Adjustment
2011-12	\$ 100,246	\$ 74,097	\$ (26,149)
2012-13	36,842	27,691	(9,151)
2013-14	44,425	60,675	16,250
2014-15	82,357	62,524	(19,833)
2015-16	31,502	25,782	(5,720)
2016-17	21,823	15,826	(5,997)
2017-18	13,745	25,740	11,995
2018-19	34,533	36,169	1,636
2019-20	61,877	67,816	5,939
2020-21	30,843	18,098	(12,745)
2021-22	21,222	9,411	(11,811)
Total	<u>\$ 479,415</u>	<u>\$ 423,829</u>	<u>\$ (55,586)</u>



Criteria

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

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. . . .

Section V.A.3, “Contract Services,” of the parameters and guidelines states:

Provide the name(s) of the contractor(s) who performed the services, including any fixed contracts for services. Describe the reimbursable activity(ies) performed by each named contractor and give the number of actual hours spent on the activities, if applicable. Show the inclusive dates when services were performed and itemize all costs for those services. Attach consultant invoices to the claim.

Recommendation

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

County’s Response

The audit concluded the District Attorney overstated costs for contract services. Specifically, \$3,271 of \$97,541 in claims was disallowed.

- Contract services must be claimed in the fiscal year the services were performed. In multiple fiscal years covering the audit period, the District Attorney claimed costs for contract services when payment was issued. It was determined in two instances that services were performed outside the audit period. Those two claims, totaling \$3,271, were disallowed. We understand this rule and acknowledge the error.
- In FY 2021-22, we claimed \$93 for a late payment penalty. We understand this is not allowable and will not claim these costs in the future.

**FINDING 4—  
Understated travel  
and training costs**

The county claimed \$23,443 in travel and training costs for the audit period. We found that the PD’s Office overstated its claims by \$16,755; and the Sheriff’s Department and the DA’s Office understated their claims by a total of \$407,663. As a result, \$414,351 in travel and training costs is allowable.

The following table summarizes the claimed, allowable, and audit adjustment for travel and training costs by fiscal year:

<u>Fiscal Year</u>	<u>Amount Claimed</u>	<u>Amount Allowable</u>	<u>Audit Adjustment</u>
2011-12	\$ 2,464	\$ 81,167	\$ 78,703
2012-13	3,890	109,211	105,321
2013-14	3,144	89,444	86,300
2014-15	2,649	37,625	34,976
2015-16	3,423	14,231	10,808
2016-17	2,572	14,982	12,410
2017-18	1,965	38,198	36,233
2018-19	2,872	3,504	632
2019-20	464	25,364	24,900
2021-22	-	625	625
<b>Total</b>	<b>\$ 23,443</b>	<b>\$ 414,351</b>	<b>\$ 390,908</b>

### **District Attorney's Office**

The DA's Office did not claim travel and training costs for the audit period. However, as discussed in Finding 2, we found that \$7,897 of the county's claimed materials and supplies costs was actually travel and training costs. As a result of misclassifying these costs, the DA's Office understated its travel and training costs by \$7,897. Therefore, we reclassified \$7,897 of the county's claimed materials and supplies costs as travel and training costs.

The following table summarizes the claimed, allowable, and audit adjustment amounts for the DA's Office by fiscal year:

<u>Fiscal Year</u>	<u>Amount Claimed</u>	<u>Amount Allowable</u>	<u>Audit Adjustment</u>
2013-14	\$ -	\$ 2,781	\$ 2,781
2016-17	-	5,116	5,116
<b>Total</b>	<b>\$ -</b>	<b>\$ 7,897</b>	<b>\$ 7,897</b>

### **Public Defender's Office**

The PD's Office claimed \$23,443 in travel and training costs for the audit period. We found that \$6,688 is allowable and \$16,755 is unallowable. The costs are unallowable because the PD's Office did not provide documentation to support its claimed costs. We also found that three transactions (one in FY 2020-21 and two in FY 2021-22) were inadvertently claimed under contract services costs; see Finding 3 for details.

The following table summarizes the claimed, allowable, and audit adjustment amounts for the PD's Office by fiscal year:

<u>Fiscal Year</u>	<u>Amount Claimed</u>	<u>Amount Allowable</u>	<u>Audit Adjustment</u>
2011-12	\$ 2,464	\$ -	\$ (2,464)
2012-13	3,890	37	(3,853)
2013-14	3,144	-	(3,144)
2014-15	2,649	70	(2,579)
2015-16	3,423	913	(2,510)
2016-17	2,572	877	(1,695)
2017-18	1,965	409	(1,556)
2018-19	2,872	2,872	-
2019-20	464	885	421
2021-22	-	625	625
<b>Total</b>	<b>\$ 23,443</b>	<b>\$ 6,688</b>	<b>\$ (16,755)</b>

### **Sheriff's Department**

The Sheriff's Department did not claim travel and training costs for the audit period. However, as discussed in Finding 2, we found that \$318,456 of the county's claimed materials and supplies costs was related to travel and training costs.

As a result of misclassifying these costs, the Sheriff's Department understated its travel and training costs by \$399,766. The costs were understated because the Sheriff's Department miscalculated the total number of jail days for some of its SVP defendants; used an incorrect average daily jail rate for FY 2011-12; and miscalculated its average daily jail rate for FY 2017-18 and FY 2019-20.

To calculate the housing costs for the SVP defendants housed as inmates in the county jail, the county multiplied the number of jail days for each SVP defendant by the average daily jail rate. However, we noted the following issues:

- For FY 2011-12 through FY 2018-19, the county's Sheriff's Department incorrectly calculated the total number of jail days for each SVP defendant by including the "Date Released" as a jail day.
- For FY 2011-12, the county's Sheriff's Department used the FY 2011-12 daily jail rate of \$54.58 that was approved by the California Department of Corrections and Rehabilitation instead of using an average daily jail rate based on actual costs.
- For FY 2017-18, the Sheriff's Department indicated that it submitted two calculations for its average daily jail rate. One calculation included indirect costs; the other calculation excluded indirect costs. The Sheriff's Department incorrectly applied the daily jail rate that excluded indirect costs to its mandated cost claim.
- For FY 2019-20, the Sheriff's Department calculated its daily jail rate to include indirect costs. However, the Department applied an incorrect indirect cost rate of 53.12% (which was based on actual costs

from FY 2018-19) to direct salaries and benefits, rather than 53.60% (which was based on actual costs from FY 2019-20).

Therefore, we recalculated the county's housing costs for FY 2011-12 through FY 2019-20 by multiplying the correct number of jail days for each defendant by an average daily jail rate based on actual costs for each fiscal year of the audit period.

The following table summarizes, by fiscal year, the claimed and allowable number of jail days, and audit adjustment amounts:

Fiscal Year	Number of Jail Days Claimed	Number of Jail Days Allowable	Audit Adjustment
2011-12	997	1,177	180
2012-13	1,571	1,565	(6)
2013-14	605	1,197	592
2014-15	402	438	36
2015-16	138	136	(2)
2016-17	91	89	(2)
2017-18	259	257	(2)
2018-19	5	4	(1)
2019-20	136	136	-
Total	4,204	4,999	795

The following table summarizes the claimed, allowable, and audit adjustment amounts for the average daily jail rate by fiscal year:

Fiscal Year	Daily Jail Rate Claimed	Daily Jail Rate Allowable	Audit Adjustment
2011-12	\$ 54.58	\$ 68.96	\$ 14.38
2012-13	69.76	69.76	-
2013-14	72.40	72.40	-
2014-15	85.74	85.74	-
2015-16	97.93	97.93	-
2016-17	101.00	101.00	-
2017-18	110.11	147.04	36.93
2018-19	158.09	158.09	-
2019-20	177.66	179.99	2.33

The following table summarizes the claimed, allowable, and audit adjustment amounts for the Sheriff's Department by fiscal year:

<u>Fiscal Year</u>	<u>Amount Claimed</u>	<u>Amount Allowable</u>	<u>Audit Adjustment</u>
2011-12	\$ -	\$ 81,167	\$ 81,167
2012-13	-	109,174	109,174
2013-14	-	86,663	86,663
2014-15	-	37,555	37,555
2015-16	-	13,318	13,318
2016-17	-	8,989	8,989
2017-18	-	37,789	37,789
2018-19	-	632	632
2019-20	-	24,479	24,479
<b>Total</b>	<b>\$ -</b>	<b>\$ 399,766</b>	<b>\$ 399,766</b>

#### Criteria

Section IV, "Reimbursable Activities," of the parameters and guidelines state:

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. . . .

Item B.7 of section IV states:

Transportation and housing costs for each potential sexually violent predator at a secured facility while the individual awaits trial on the issue of whether he or she is a sexually violent predator. Counties shall be entitled to reimbursement for such transportation and housing costs, regardless of whether the secured facility is a state facility or county facility, except in those circumstances when the State has directly borne the costs of housing and transportation, in which case no reimbursement of such costs shall be permitted.

Section V.A.4, "Travel," of the parameters and guidelines states:

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.

Section VI, "Record Retention," of the parameters and guidelines states, in part:

. . . All documents used to support the reimbursable activities, as described in Section IV, must be retained during the period subject to audit. If the Controller has initiated an audit during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.

Recommendation

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

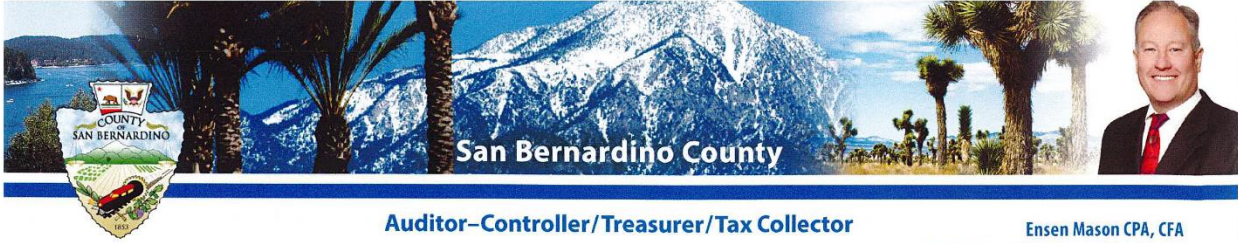
County's Response

The audit concluded the District Attorney misclassified allowable travel and training expenses as materials and supplies costs.

The District Attorney inadvertently classified \$7,897 in travel and training costs as materials and supplies costs over two fiscal years. (See Finding 2.) These costs were allowed in full under Training and Travel Expenses. We thank the auditors for correcting this mistake and we will endeavor to avoid such mistakes in the future.

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

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**Auditor-Controller/Treasurer/Tax Collector**

**Ensen Mason CPA, CFA**  
*Auditor-Controller/Treasurer/Tax Collector*

**John Johnson**  
*Assistant Auditor-Controller/Treasurer/Tax Collector*

**Diana Atkeson**  
*Assistant Auditor-Controller/Treasurer/Tax Collector*

October 21, 2024

Lisa Kurokawa, Chief  
State Controller's Office  
Compliance Audits Bureau  
Division of Audits  
P. O. Box 942850  
Sacramento, CA 94250

RE: Response to Draft Audit Report  
*Sexually Violent Predators Program*  
*Audit period: July 1, 2011, through June 30, 2022*

Dear Ms. Kurokawa:

Thank you for allowing San Bernardino County (County) to review and respond to the State Controller's Office (SCO) draft audit report for the *Sexually Violent Predators (SVP) Program* dated October 11, 2024.

The Public Defender and Sheriff Departments have no additional comments regarding the audit findings. In the future, they will implement the SCO-recommended corrective actions for mandated SVP program reimbursement claims.

Included below are the District Attorney Department (DA) responses addressing the findings related to the DA's SVP Program:

**Finding 1: Overstated salaries and benefits:**

The audit concluded the District Attorney overstated a total of 1,626.75 hours over FY 2011-12 through FY 2021-22. We will adopt the recommendations to ensure only eligible costs are claimed, that claims be based upon actual costs, and improved documentation.

- District Attorney staff claimed more than 8 hours per day in FY 2011-12 through FY 2013-14, and FY 2016-17 through FY 2021-22. We understand the rationale for capping reimbursement at 8 hours per day and its underlying premise of 1,800 Productive Hours per year. Nonetheless, it is unfair and illogical to disallow actual hours spent on allowable activities based on an artificial cap. The District Attorney's primary responsibility is to safeguard the public's safety and welfare. This often requires staff to work more than 8 hours per day. Therefore, there are no changes we can make to accommodate the auditing rules. We will continue to accurately record actual hours worked on allowable activities even if it exceeds 8 hours in a day fully aware that those hours will not be reimbursed.
- The District Attorney claimed hours for non-allowable activity, specifically probable cause hearings, as follows: 340.75 hours in FY 2011-12 and 145.25 hours in FY 2017-2018. We acknowledge this mistake and will not submit a claim for this activity in the future.



- Staff members spent 517 hours on a non-allowable SVP case in FY 2020-21 and FY 2021-22. Those hours were spent opposing the release of an SVP into San Bernardino County. It was explained to us during the Exit Interview that these hours are not allowed because the SVP did not commit his crimes in San Bernardino County. The release of SVPs into San Bernardino County strikes at the heart of the District Attorney's responsibility to safeguard the public's welfare and is directly related to mandated work. We feel this activity should be allowed.
- An attorney claimed 8.25 hours in FY 2020-21 without providing a code to identify a reimbursable activity. We acknowledge this error and will provide accurate and detailed information in the future. Indeed, since the beginning of this audit, the District Attorney revised its time tracking process to ensure greater accuracy and detail.

**Finding 2: Overstated materials and supplies:**

The audit concluded the District Attorney overstated costs for materials and supplies in resulting in \$151,474 being disallowed. We will adopt the recommendations to ensure only eligible costs are claimed, that claims be based upon actual costs, and improved documentation.

- In FY 2011-2012, \$48,910 was disallowed due to a lack of source documentation. The documentation was destroyed pursuant to our retention policy. Consistent with the parameters and guidelines, we will retain records supporting claims until resolution and audit completion.
- In FY 2012-13, FY 2013-14, and FY 2016-17, \$11,996 was disallowed for failure to provide adequate documentation. We acknowledge all claims for reimbursement must be supported by documentation and will do so in the future.
- In FY 2012-13, 2013-14, and FY 2016-17, \$82,671 was disallowed as not allowable costs, including office rent, general office expenses, inadvertently charged to SVP program, shredding and recycling, business cards and wall calendars, and small office furniture. We acknowledge and understand that these costs are not allowable because they do not represent "increased" costs.
- \$7,897 of allowable travel and training expenses were inadvertently claimed as materials and supplies in FY 2013-14 and FY 2016-17. The auditors disallowed these costs under this category but allowed them as Travel and Training Expenses under Finding 4 below. We thank the auditors for this correction and will endeavor to classify costs accurately in the future.

**Finding 3: Overstated contract services costs:**

The audit concluded the District Attorney overstated costs for contract services. Specifically, \$3,271 of \$97,541 in claims was disallowed.

- Contract services must be claimed in the fiscal year the services were performed. In multiple fiscal years covering the audit period, the District Attorney claimed costs for contract services when payment was issued. It was determined in two instances that

services were performed outside the audit period. Those two claims, totaling \$3,271, were disallowed. We understand this rule and acknowledge the error.

- In FY 2021-22, we claimed \$93 for a late payment penalty. We understand this is not allowable and will not claim these costs in the future.

**Finding 4: Understated travel and training costs:**

The audit concluded the District Attorney misclassified allowable travel and training expenses as materials and supplies costs.

The District Attorney inadvertently classified \$7,897 in travel and training costs as materials and supplies costs over two fiscal years. (See Finding 2.) These costs were allowed in full under Training and Travel Expenses. We thank the auditors for correcting this mistake and we will endeavor to avoid such mistakes in the future.

If you have any questions, please contact Jai Prasad, Senior Supervising Accountant, at (909) 382-7026 or email [jai.prasad@sbcountyatc.gov](mailto:jai.prasad@sbcountyatc.gov).

Sincerely,

Ensen Mason, CPA, CFA  
Auditor-Controller/Treasurer/Tax Collector  
San Bernardino County

By:   
Sakura Younger  
Management Services Manager

SSY:JP:adp

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