COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER

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J. TYLER McCAULEY
AUDITOR-CONTROLLER

July 10, 2001

To: Supervisor Michael D. Antonovich, Mayor
Supervisor Gloria Molina
Supervisor Yvonne Brathwaite Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

From: J. Tyler McCauley
Auditor-Controller

Subject: **Financial/Compliance Audits of 1999-2000 State Grants**

The Offices of the District Attorney, Public Defender, and Sheriff; the Department of Human Resources; the Probation Department; and the Countywide Criminal Justice Coordination Committee (CCJCC) receive grants from the State Office of Criminal Justice Planning and other State agencies. These grants require financial/compliance audits to ensure that State funding is used in accordance with applicable laws, regulations, policies and procedures.

The various departments requested that we arrange for the financial/compliance audits of the 1999-2000 State programs. A total of 43 grants (see Attachment) were included. To audit the grants, we contracted with the public accounting firm of Conrad & Associates, LLP, through our Master Agreement for As-Needed Contract Audits/Studies.

The auditors have reported their findings to the departments and copies of the reports have been sent to the appropriate State agencies. The auditors' reports identified a total of $102,779 of questioned costs (less than one-half of one percent of the total grant expenditures), primarily the result of clerical errors, such as misclassifying a sub-grantee's costs and double claiming of an expense. The auditors also noted some minor weaknesses in internal controls; none were considered material in nature. The departments' responses to the reported findings and recommendations, which are included in the enclosed reports, indicate that the departments will take action to correct the reported problems.

Please call me at (213) 974-8301 if you have any questions, or your staff may call DeWitt Roberts at 974-0301.

JTM:JEM:BL
5-60report - Rpt Trans to Bd - Memo.doc

Attachment
Enclosures

Enclosures

c: David E. Janssen, Chief Administrative Officer
Steven Cooley, District Attorney
Lee Baca, Sheriff
Michael P. Judge, Public Defender
Michael J. Henry, Director of Personnel
Richard Shumsky, Chief Probation Officer
Robert Mimura, Executive Director, CCJCC
Executive Officer, Board of Supervisors
Public Information Office
Audit Committee (6)

1999-2000 State Grants
List of Grants/Periods Audited

Countywide Criminal Justice Coordination Committee Grants:

Anti-Drug Abuse (ADA)Grant
Drug Court Expansion
OCJP Grant
No. DC97030190
7/1/1999 - 6/30/2000

Anti-Drug Abuse (ADA)Grant
LADEP Project
OCJP Grant
No. DC99010190
7/1/1999 - 6/30/2000
7/1/2000 - 12/31/2000

Department of Human Resources Grant:

Child Development Programs
Calif. Dept of Education Grant
Contract No. GLPC-9018
7/1/1999 - 6/30/2000

District Attorney Grants:

Anti-Drug (CRAFT)
OCJP Grant
No. DC98B10190
7/1/1999 - 6/30/2000

Anti-Drug (NEST)
OCJP Grant
No. DC99127250
7/1/1999 - 6/30/2000

Anti-Drug (COMNET)
OCJP Grant
No. DC98D10190
7/1/1999 - 6/30/2000

Career Criminal Prosecution
OCJP Grant
No. CP97080190
7/1/1999 - 6/30/2000

Drug Endangered Children (DEC)
OCJP Grant
No. DG97010190
7/1/1999 - 06/30/2000

Gang Violence - Lancaster
OCJP Grant
No. GV99C20190
7/1/1999 - 6/30/2000

Gang Violence - Lennox
OCJP Grant
No. GV99020190
7/1/1999 - 6/30/2000

Juvenile Accountability Incentive
OCJP Grant
No. IP98B010190
4/1/1999 - 3/31/2000
No. IP99B010190
4/1/2000 - 6/30/2000

District Attorney Grants (cont'd):

Juvenile Offenders
Intervention Network
OCJP Grant
No. JV98030190
7/1/1999 - 9/30/2000
No. JV98010190
7/1/1999 - 6/30/2000

Major Narcotics Vendors
Prosecution Program
OCJP Grant
No. NV99010190
7/1/1999 - 6/30/2000

Special Emphasis Victim-Witness
Assistance
OCJP Grant
No. SE97080190
7/1/1999 - 6/30/2000

Stalking and Threat Assessment
OCJP Grant
No. V V9701090
7/1/1999 - 6/30/2000

Statutory Rape Vertical
Prosecution
OCJP Grant
No. SR97030190
7/1/1999 - 6/30/2000

Victim Witness Assistance
OCJP Grant
No. V W97180190
7/1/1999 - 6/30/2000

Spousal Abuser Protection
Program (SAPP)
Department of Justice Grant
No. 99SA06A010
7/1/1999 - 6/30/2000

Automobile Insurance Fraud
Department of Insurance Grant
Grant not numbered
7/1/1999 - 6/30/2000

Workers' Compensation Insurance
Fraud Program
Department of Insurance Grant
Grant not numbered
7/1/1999 - 6/30/2000

Probation Department Grants:

Lancaster Gang Violence
OCJP Grant
No. GV99D20190
7/1/1999 - 6/30/2000

Anti-Drug Abuse Enforcement Program (ADA/THISP)
OCJP Grant
No. DC98C1090
7/1/1999 - 6/30/2000

Lennox Gang Violence
OCJP Grant
No. GV99A20190
7/1/1999 - 6/30/2000

Anti-Drug (COMNET)
OCJP Grant
No. DC98D10190
7/1/1999 - 6/30/2000

Repeat Offender Prevention (ROPP)
BOC Grant
No. 084-96
11/2/1999 - 6/30/2000

Anti-Drug Abuse Enforcement Program (ADA/THISP)
OCJP Grant
No. DC98C10190
7/1/2000 - 12/31/2000

Juvenile Accountability (JAIBG)
OCJP Grant
No. IP98A10190
7/1/1999 - 6/30/2000

Anti-Drug Abuse Enforcement Program (ADA/LADEP)
OCJP Grant
No. DC99010190
7/1/1999 - 6/30/2000

Anti-Drug - Drug Court Expansion Project (ADA)
OCJP Grant
No. DC97030190
7/1/1999 - 6/30/2000

Juvenile Accountability (JAIBG)
OCJP Grant
No. IP98A10190
7/1/2000 - 12/31/2000

High School Graduate/GED Program
OCJP Grant
No. IP99A10190
4/1/2000 - 3/31/2001

Public Defender Grants:

Vertical Defense of Indigents
Project (VDI)
OCJP Grant
No. VI99010190
7/1/1999 - 6/30/2000

Client Assesment Recommendation
Evaluation Project (CARE)
OCJP Grant
No. IP98C10190
4/1/1999 - 6/30/2000

Sheriff Grants:

Lennox Gang Violence
Suppression Program
OCJP Grant
No.GV99B10190
7/1/1999 - 6/30/2000

L. A. County Sheriff's Department
Mentoring Program
OCJP Grant
No. ME96010190
7/1/1999 - 6/30/2000

Region II Community Based
Policing Program
OCJP Grant
No. CR99020190
7/1/1999 - 6/30/2000

Juvenile/Parent Assistance
& Accountability Program
OCJP Grant
No. IC98010190
7/1/1999 - 6/30/2000

Lancaster Gang Violence
Suppression Program
OCJP Grant
No. GV99E20190
7/1/1999 - 6/30/2000

L.A. County Drug Court Expansion
OCJP Grant
No. DC97030190
7/1/1999 - 6/30/2000

Community Oriented Multi-Agency
Narcotics Enforcement (COMNE
OCJP Grant
No. DC98D10190
7/1/1999 - 6/30/2000

COUNTY OF LOS ANGELES
PROBATION DEPARTMENT
9150 E. Imperial Highway
Downey, California 90242

Report on Audit of OCJP Grants

For the Period
July 1, 1999 through June 30, 2000

CONRAD AND ASSOCIATES, L.L.P.
Certified Public Accountants
1100 Main Street, Suite C
Irvine, California 92614

COUNTY OF LOS ANGELES, PROBATION DEPARTMENT

Report on Audit of OCJP Grants

For the Period
July 1, 1999 through June 30, 2000

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INDEPENDENT AUDITOR'S REPORT

We have audited the Office of Criminal Justice Planning (OCJP) program statements identified in the table of contents of the County of Los Angeles, Probation Department for the grants and periods as noted below.

Grant Number	Grant Period	Audit Period
GV99D20190	07/01/99 - 06/30/00	07/01/99 - 06/30/00
DC98C10190	07/01/98 - 12/31/00	07/01/99 - 06/30/00
GV99A20190	07/01/99 - 06/30/00	07/01/99 - 06/30/00
IP98A10190	04/01/99 - 12/31/00	07/01/99 - 06/30/00
DC99010190	07/01/99 - 06/30/00	07/01/99 - 06/30/00
DC97030190	07/01/97 - 06/30/00	07/01/99 - 06/30/00
DC98D10190	07/01/98 – 12/31/00	07/01/99 - 06/30/00

The amounts included in the program statements are the responsibility of the County of Los Angeles, Probation Department's management. Our responsibility is to express an opinion on these statements.

We conducted our audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; the *OCJP Grants Audit Program*; and with certain provisions of the *OCJP Grantee Handbook*. Those standards and the *OCJP Grants Audit Program* and *OCJP Grantee Handbook* require that we plan and perform the audit to obtain reasonable assurance about whether the OCJP program statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts presented in the OCJP program statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the OCJP program statements. We believe that our audit provides a reasonable basis for our opinion.

MEMBERS OF AICPA AND CALIFORNIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES PRACTICE SECTION

As more fully described in Note 2 to the OCJP program statements, the County of Los Angeles, Probation Department prepares Form OCJP-201 in accordance with OCJP requirements. The accounting practices used to prepare Form OCJP-201 may differ in some respects from generally accepted accounting principles. Accordingly, the accompanying OCJP program statements, which are based in part on Form OCJP-201, are not intended to present the financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the OCJP program statements referred to in the first paragraph present fairly, in all material respects, the status of cash, the approved budget and costs claimed and the allowable costs for the grants and periods audited, in conformity with the basis described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 7, 2000 on our consideration of the County of Los Angeles, Probation Department's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the State of California, Office of Criminal Justice Planning and the County of Los Angeles, Probation Department's management and is not intended to be and should not be used by anyone other than those specified parties.

Conrad And Associates, L.L.P.

December 7, 2000

COUNTY OF LOS ANGELES, PROBATION DEPARTMENT

Status of Cash

For the Period
July 1, 1999 through June 30, 2000

Grant No. GV99D20190 July 1, 1999 through June 30, 2000	
Grant cash received	$ 77,840
Grantee matched funds	19,460
Grant expenditures	(97,300)
Cash on hand at end of grant period	**$ -**

Grant No. DC98C10190 July 1, 1999 through June 30, 2000	
Grant cash received	$ 314,918
Grant expenditures	(316,643)
Cash on hand at end of grant period	**$ - (1,725)**

Grant No. GV99A20190 July 1, 1999 through June 30, 2000	
Grant cash received	$ 46.708
Grantee matched funds	18,771
Grant expenditures	(93,853)
Cash on hand at end of grant period	**$ (28,374)**

Grant No. IP98A10190 July 1, 1999 through June 30, 2000	
Grant cash received	$ -
Grantee matched funds	4,117
Grant expenditures	(41,171)
Cash on hand at end of grant period	**$ (37,054)**

See accompanying *Notes to OCJP Program Statements*.

COUNTY OF LOS ANGELES, PROBATION DEPARTMENT

Status of Cash

(Continued)

Grant No. DC99010190 July 1, 1999 through June 30, 2000	
Grant cash received	$ 44,700
Grant expenditures	(44,700)
Cash on hand at end of grant period	**$ -**

Grant No. DC97030190 July 1, 1999 through June 30, 2000	
Grant cash received	$ 31,450
Grant expenditures	(31,450)
Cash on hand at end of grant period	**$ -**

Grant No. DC98D10190 July 1, 1999 through June 30, 2000	
Grant cash received	$ 106,056
Grant expenditures	(106,056)
Cash on hand at end of grant period	**$ -**

See accompanying *Notes to OCJP Program Statements*.

COUNTY OF LOS ANGELES, PROBATION DEPARTMENT

Statement of Approved Budget and Costs Claimed

For the Period
July 1, 1999 through June 30, 2000

Grant No. GV99D20190 July 1, 1999 through June 30, 2000			
	Approved Budget	**Costs Claimed**	**Variance**
Personal services	$ 98,533	85,185	13,348
Operating expenses	7,291	5,214	2,077
Equipment	6,901	6,901	-
Totals	**$ 112,725**	**97,300**	**15,425**

Grant No. DC98C10190 July 1, 1999 through June 30, 2000			
	Approved Budget	**Costs Claimed**	**Variance**
Personal services	$ 105,211	106,185	(974)
Operating expenses	441,409	210,458	230,951
Equipment	9,000	-	9,000
Totals	**$ 555,620**	**316,643**	**238,977**

Grant No. GV99A20190 July 1, 1999 through June 30, 2000			
	Approved Budget	**Costs Claimed**	**Variance**
Personal services	$ 89,864	78,648	11,216
Operating expenses	5,964	4,692	1,272
Equipment	16,672	10,513	6,159
Totals	**$ 112,500**	**93,853**	**18,647**

Grant No. IP98A10190 July 1, 1999 through June 30, 2000			
	Approved Budget	**Costs Claimed**	**Variance**
Personal services	$ 202,587	38,087	164,500
Operating expenses	114,731	3,084	111,647
Totals	**$ 317,318**	**41,171**	**276,147**

See accompanying *Notes to OCJP Program Statements*.

COUNTY OF LOS ANGELES, PROBATION DEPARTMENT

Statement of Approved Budget and Costs Claimed

(Continued)

Grant No. DC99010190 July 1, 1999 through June 30, 2000			
	Approved Budget	**Costs Claimed**	**Variance**
Personal services	$ 46,228	44,700	1,528
Totals	**$ 46,228**	**44,700**	**1,528**

Grant No. DC97030190 July 1, 1999 through June 30, 2000			
	Approved Budget	**Costs Claimed**	**Variance**
Personal services	$ 31,450	31,450	-
Totals	**$ 31,450**	**31,450**	**-**

Grant No. DC98D10190 July 1, 1999 through June 30, 2000			
	Approved Budget	**Costs Claimed**	**Variance**
Personal services	$ 106,056	106,056	-
Totals	**$ 106,056**	**106,056**	**-**

See accompanying *Notes to OCJP Program Statements*.

COUNTY OF LOS ANGELES, PROBATION DEPARTMENT

Statement of Costs Claimed and Accepted

For the Period
July 1, 1999 through June 30, 2000

Grant No. GV99D20190 July 1, 1999 through June 30, 2000					
		Per Audit			
	Costs Claimed	Costs Accepted	Costs Questioned	Costs Recommended for Disallowance	Note
Personal services	$ 85,185	85,185	-	-	
Operating expenses	5,214	5,214	-	-	
Equipment	6,901	6,901	-	-	
Totals	**$ 97,300**	**97,300**	**-**	-	

Grant No. DC98C10190 July 1, 1999 through June 30, 2000					
		Per Audit			
	Costs Claimed	Costs Accepted	Costs Questioned	Costs Recommended for Disallowance	Note
Personal services	$ 106,185	106,185	-	-	
Operating expenses	210,458	210,458	-	-	
Totals	**$ 316,643**	**316,643**	**-**	**-**	

Grant No. GV99A20190 July 1, 1999 through June 30, 2000					
		Per Audit			
	Costs Claimed	Costs Accepted	Costs Questioned	Costs Recommended for Disallowance	Note
Personal services	$ 78,648	78,648	-	-	
Operating expenses	4,692	4,692	-	-	
Equipment	10,513	10,513	-	-	
Totals	**$ 93,853**	**93,853**	**-**	**-**	

Grant No. IP98A10190 July 1, 1999 through June 30, 2000					
		Per Audit			
	Costs Claimed	Costs Accepted	Costs Questioned	Costs Recommended for Disallowance	Note
Personal services	$ 38,087	38,087	-	-	
Operating expenses	3,084	3,084	-	-	
Totals	**$ 41,171**	**41,171**	**-**	**-**	

See accompanying *Notes to OCJP Program Statements*.

COUNTY OF LOS ANGELES, PROBATION DEPARTMENT

Statement of Costs Claimed and Accepted

(Continued)

Grant No. DC99010190 July 1, 1999 through June 30, 2000					
		Per Audit			
	Costs Claimed	Costs Accepted	Costs Questioned	Costs Recommended for Disallowance	Note
Personal services	$ 44,700	44,700	-	-	
Totals	**$ 44,700**	**44,700**	**-**	**-**	

Grant No. DC97030190 July 1, 1999 through June 30, 2000					
		Per Audit			
	Costs Claimed	Costs Accepted	Costs Questioned	Costs Recommended for Disallowance	Note
Personal services	$ 31,450	31,450	-	-	
Totals	**$ 31,450**	**31,450**	**-**	**-**	

Grant No. DC98D10190 July 1, 1999 through June 30, 2000					
		Per Audit			
	Costs Claimed	Costs Accepted	Costs Questioned	Costs Recommended for Disallowance	Note
Personal services	$ 106,056	106,056	-	-	
Totals	**$ 106,056**	**106,056**	**-**	**-**	

See accompanying *Notes to OCJP Program Statements*.

COUNTY OF LOS ANGELES, PROBATION DEPARTMENT

Notes to OCJP Program Statements

For the Period
July 1, 1999 through June 30, 2000

Note 1: Background

OCJP awarded grants to the County of Los Angeles, Probation Department for the following program objectives:

- Lancaster Gang Violence Suppression (GVS); Lennox Gang Violence Suppression (GV99D20190, GV99A20190)

  This program delivers delinquency prevention services to juveniles by intervening with first time offenders who are involved with gangs or drugs, providing positive alternatives, enhancing self esteem for at-risk youth, networking with various community groups involved in gang/drug prevention, providing intensive supervision, and insuring imposition of appropriate sanctions for probationers before their gang affiliation becomes entrenched.

- Anti-Drug Abuse/Transitional Housing Intensive Supervision Project (ADA/THISP) (DC98C10190)

  This program will assist in reducing jail overcrowding and court congestion while providing for community safety. Through intensive supervision, probationers will receive additional services to enable them to abstain from illegal substance use and criminal activity. Grant modifications were completed for grant number DC98C10190 which extended the duration of the grant through December 31, 2000.

- Juvenile Accountability Incentive Block Grant (JAIBG) (IP98A10190)

  This grant includes four programs. The Victim Offender Restitution Service Project (VORS) will facilitate 120 meetings between juvenile offenders and their victims, and will collect restitution orders throughout the county under a contract with the Probation Department. The Specialized Gang Supervision Program (SGSP) provides intensive supervision, through limited caseloads, of juvenile gang members on formal probation. The School Crime Suppression Program (SCSP) provides close supervision of juvenile probationers in order to address the school problems of violence, gang activity, vandalism, and truancy. The Los Angeles County Probation Department will provide Teen Court diversion services to 80 juveniles referred by the Probation Department at two high schools. Grant modifications were completed for grant number IP98A10190 that extended the duration of the grant through December 31, 2000.

Note 1: Background, (Continued)

- Anti-Drug Abuse/Los Angeles Drug-Testing Enforcement Project (ADA/LADEP) (DC99010190)

  The ADA/LADEP program provides funding support to local courts for the purpose of enforcing the urinalysis-testing component of qualified drug treatment programs. To qualify for assistance, the court must have in place a comprehensive program of judicially supervised drug treatment, which meets minimum countywide standards for frequent, verifiable urinalysis testing of all participants. Developed under the auspices of the Countywide Criminal Justice Coordination Committee (CCJCC), these standards specify basic requirements for eligibility, defendant supervision, urinalysis testing frequency, scope of treatment services, operational procedures, administrative reporting, and program evaluation. A grant modification was completed which extended the grant period through December 31, 2000.

- Anti-Drug Abuse (ADA)/Los Angeles County Drug Court Expansion Project (DC97030190)

  This ADA Los Angeles County Drug Court Expansion Project program was established to channel non-violent drug offenders into comprehensive programs of judicially supervised treatment and rehabilitation. The program was developed to reduce the long-term impact of repeat drug offenders on the criminal justice system by breaking the cycle of drugs and crime through meaningful treatment intervention and effective case management. The drug courts structured treatment intervention around the authority and personal involvement of a single drug court judge and is dependent upon the creation of a non-adversarial courtroom atmosphere where the judge and a dedicated team of court officers, staff and treatment counselors work together to help the offender off drugs and become committed to a drug-free lifestyle.

- Community Oriented Multi-Agency Narcotic Enforcement Taskforce (COMNET) (DC98D10190)

  The COMNET program's primary focus is to address chronic narcotics-related problems that affect the quality of life within a neighborhood anywhere in Los Angeles County. Areas of high intensity street drug trafficking will be identified, and the COMNET team will focus enforcement efforts in those locales. Integral parts of the program include civil abatement, real property seizure, and providing the community

Note 1: Background, (Continued)

with crime prevention and drug demand reduction programs. A grant modification was completed for Grant Number DC98D10190 which extended the grant period through December 31, 2000.

Note 2: Summary of Significant Accounting Policies

The OCJP program statements have been prepared from the original grant budget and subsequent modifications, if any, approved by OCJP, the Report of Expenditures and Request for Funds (Form OCJP-201), and the County of Los Angeles, Probation Department's financial records.

Form OCJP-201 was prepared by County of Los Angeles, Probation Department personnel in accordance with OCJP requirements. The basis of accounting used in preparing Form OCJP-201 differs from generally accepted accounting principles for the following items:

- Equipment. Equipment purchased with grant funds is expensed at cost. Generally accepted accounting principles require the equipment to be capitalized and depreciated over its useful life.

- Audit Costs. Estimated audit costs related to OCJP grants can be claimed on the final Form OCJP-201 for an audit, which will not be completed prior to submission of the final Form OCJP-201. Generally accepted accounting principles define an accrued expense as an accounting recognition of unpaid expenses that come into existence as the result of past contractual commitments, past services received, or by operation of a tax law.

Accordingly, the accompanying program statements are not intended to present the financial position and results of operations in conformity with generally accepted accounting principles.

Note 3: Definitions

Questioned costs are costs that require additional support from the Grantee or require an allowability determination by OCJP. *Costs recommended for disallowance* are costs where we have obtained documentary evidence beyond a reasonable doubt that the Grantee is in violation of legislative or regulatory requirements, or specific conditions of pertinent grants.

Note 4: Los Angeles County Drug Court Expansion Project, (DC97030190)

For this program, the County of Los Angeles Countywide Criminal Justice Coordination Committee (CCJCC) was the lead agency among three cooperating agencies, including the County Sheriff's Department and Probation Department as well as nine municipal courts within Los Angeles County. Each respective agency maintained its own accounting records and submitted their quarterly claims to the CCJCC for reimbursement from OCJP. Claimed costs from each agency were as follows:

Agency	Cost Category			Total
	Personal Services	Operating Expenses	Equipment	
CCJCC	$ -	127,739	-	127,739
Sheriff	25,977	-	-	25,977
Probation	31,450	-	-	31,450
Van Nuys Municipal Court	-	28,478	1,507	29,985
Santa Monica Municipal Court	-	17,050	-	17,050
East L.A. Drug Court	-	10,363	4,109	14,472
Los Angeles Municipal Court	-	18,911	-	18,911
Inglewood Municipal Court	6,711	6,028	-	12,739
Southeast Municipal Court	-	27,381	-	27,381
Compton Municipal Court	-	8,150	-	8,150
Total	**$64,138**	**244,100**	**5,616**	**313,854**

Note 5: **Los Angeles Drug-Testing Enforcement Project (DC99010190)**

For this program, the County of Los Angeles Countywide Criminal Justice Coordination Committee (CCJCC) was the lead agency between two cooperating agencies, including the Probation Department as well as nine municipal courts within Los Angeles County. Each respective agency maintained its own accounting records and submitted their quarterly claims to the CCJCC for reimbursement from OCJP. Claimed costs from each agency were as follows:

Agency	Cost Category		Total
	Personal Services	Operating Expenses	
CCJCC	$ -	10,011	10,011
Probation	44,700	-	44,700
Pasadena Municipal Court	-	14,286	14,286
Rio Hondo Municipal Court	-	40,565	40,565
Van Nuys Municipal Court	-	35,429	35,429
Santa Monica Municipal Court	-	29,714	29,714
Los Angeles Municipal Court	-	85,714	85,714
Inglewood Municipal Court	-	25,714	25,714
Southeast Municipal Court	-	17,143	17,143
Compton Municipal Court	-	27,429	27,429
Total	**$44,700**	**286,005**	**330,705**

Note 6: **Community Oriented Multi-agency Narcotics Enforcement (COMNET) (DC98D10190)**

For this program, the Sheriff Department was the lead agency among three cooperating agencies, including the District Attorney's Office and the Probation Department. Each respective agency maintained its own accounting records and submitted their quarterly claims to the Sheriff Department for reimbursement from OCJP.

Note 6: Community Oriented Multi-agency Narcotics Enforcement (COMNET) (DC98D10190), (Continued)

Claimed costs from each agency were as follows:

Cost Category	Sheriff Department	District Attorney	Probation Department	Total
Personal services	$ 1,344,424	115,458	106,056	1,565,938
Operating expenses	87,716	-	-	87,716
Equipment	184,369	-	-	184,369
Total	**$ 1,616,509**	**115,458**	**106,056**	**1,838,023**

CONRAD AND ASSOCIATES, L.L.P.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF OCJP PROGRAM STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

We have audited the OCJP program statements of the County of Los Angeles, Probation Department for the grants and periods noted below, and have issued our report thereon dated December 7, 2000.

Grant Number	Grant Period	Audit Period
GV99D20190	07/01/99 - 06/30/00	07/01/99 - 06/30/00
DC98C10190	07/01/98 - 12/31/00	07/01/99 - 06/30/00
GV99A20190	07/01/99 - 06/30/00	07/01/99 - 06/30/00
IP98A10190	04/01/99 - 12/31/00	07/01/99 - 06/30/00
DC99010190	07/01/99 – 12/31/00	07/01/99 - 06/30/00
DC97030190	07/01/97 - 06/30/00	07/01/99 - 06/30/00
DC98D10190	07/01/98 - 12/31/00	07/01/99 - 06/30/00

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; the *OCJP Grants Audit Program*; and with certain provisions of the *OCJP Grantee Handbook.*

MEMBERS OF AICPA AND CALIFORNIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES PRACTICE SECTION

Compliance

As part of obtaining reasonable assurance about whether the County of Los Angeles, Probation Department's OCJP Program Statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of program statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Audit Standards.*

However, the results of our test disclosed immaterial instances of noncompliance with the above requirements which did not affect the program statements. These items have been included in the **Compliance Findings** section of this report.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of Los Angeles, Probation Department's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the OCJP program statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the OCJP Program Statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the State of California, Office of Criminal Justice Planning and the County of Los Angeles, Probation Department's Management and is not intended to be and should not be used by anyone other than those specified parties.

Conrad and Associates, L.L.P.

December 7, 2000

COUNTY OF LOS ANGELES, PROBATION DEPARTMENT

Report on Audit of OCJP Grants

For the Period
July 1, 1999 through June 30, 2000

Compliance Findings

Untimely Submission of Form OCJP-201's

The following Form OCJP-201's were not submitted in a timely manner:

Grant Number	Request Number	Days Late
GV99A20190	3	9
DC98C10190	5	11

OCJP Grantee Handbook, Section 6312, states in part:

> "With the exception of advance and final payment requests, projects must submit an OCJP-201 (Appendix D) to the Grants Payment Unit within 30 calendar days of the end of the month or reporting period, whether or not funds are requested…"

Recommendation

We recommend that the Grantee establish procedures to ensure that OCJP-201's are submitted in a timely manner.

Grantee Response

We will ensure that sufficient time is allowed to obtain the necessary paperwork and signatures to ensure that OCJP-201's are submitted in a timely manner.

Auditor Comment

We concur with the proposed corrective action plan.

Compliance Findings, (Continued)

Need to Maintain Functional Timesheets or Negative Timekeeping Standards

The agency is not using functional timesheets or negative timekeeping standards.

OCJP Grantee Handbook, Section 2172, states in part:

> "Salaries and benefits of personnel involved in more than one grant or project must be charged to each grant based on the actual percentage of time spent on each grant or project....Functional timesheets or an allocation plan must be maintained which support the time charged to OCJP grants. Local units of government may follow their own approved timekeeping policy. [However], at a minimum, negative timekeeping standards must be applied."

Recommendation

We recommend that the Grantee use functional timesheets or negative timekeeping standards as required by OCJP guidelines.

Grantee Response

The department uses certified time based on the actual time spent on each grant. The department has consulted with OCJP on this approach and are awaiting a response from OCJP.

Auditor Comment

We concur with the actions taken by the Probation Department.

COUNTY OF LOS ANGELES, PROBATION DEPARTMENT

Report on Audit of OCJP Grants

For the Period
July 1, 1999 through June 30, 2000

STATUS OF PRIOR AUDIT FINDINGS

The Grantee was previously audited by Conrad and Associates, L.L.P. Three types of findings were noted in the prior audit report related to the OCJP grant program. The status of the prior audit findings are noted below.

Finding

The Grantee overclaimed personal services, and associated employee fringe benefits and operating expenses because the Grantee exceeded the budget amount by position.

Status

No similar type findings were identified in the current audit period.

Finding

Form OCJP-201's were not submitted in a timely manner by the Grantee.

Status

Two Form OCJP-201's were not submitted in a timely manner during the current audit period. See the **Compliance Findings** section of this report for more details.

Finding

Four progress reports were not submitted in a timely manner by the Grantee.

Status

No similar type findings were identified in the current audit period.

COUNTY OF LOS ANGELES, PROBATION DEPARTMENT

Report on Audit of OCJP Grants

For the Period
July 1, 1999 through June 30, 2000

EXIT CONFERENCE

The audit results and the audit report process were discussed with the representative of the County of Los Angeles, Probation Department noted below on December 7, 2000. It was explained to those in attendance that the results were subject to a final review prior to release of the draft report. Any changes made based upon this review would be incorporated into the draft report.

County of Los Angeles, Probation Department

Thelma Harris	Head, Budget, and Fiscal Services
Delia Munoz	Financial Manager
Hania Cardenas	Program Coordinator

Conrad and Associates, L.L.P.

Greg Farmer	Senior Accountant

COUNTY OF LOS ANGELES
PROBATION DEPARTMENT
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Report on Audit of California Board of Corrections
Contract No. 084-96

For the Period
November 2, 1999 through June 30, 2000

CONRAD AND ASSOCIATES, L.L.P.
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1100 Main Street, Suite C
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COUNTY OF LOS ANGELES
PROBATION DEPARTMENT

Report on Audit of California Board of Corrections Contract
No. 084-96

For the Period
November 2, 1999 through June 30, 2000

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INDEPENDENT AUDITOR'S REPORT

We have audited the State of California Board of Corrections (BOC) program statements identified in the table of contents of the County of Los Angeles, Probation Department for the contract and period noted below.

Contract Number	Contract Period	Audit Period
084-96	11/2/99 – 6/30/01	11/2/99 – 6/30/00

The amounts included in the program statements are the responsibility of the County of Los Angeles, Probation Department's management. Our responsibility is to express an opinion on these statements.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the BOC program statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts presented in the BOC program statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the BOC program statements. We believe that our audit provides a reasonable basis for our opinion.

As more fully described in Note 2 to the BOC program statements, the County of Los Angeles, Probation Department prepares the expenditure report in accordance with BOC requirements. The accounting practices used to prepare the expenditure report may differ in some respects from generally accepted accounting principles. Accordingly, the accompanying BOC program statements, which are based in part on the expenditure report, are not intended to present the financial position and results of operations in conformity with generally accepted accounting principles.

MEMBERS OF AICPA AND CALIFORNIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES PRACTICE SECTION

In our opinion, the BOC program statements referred to in the first paragraph present fairly, in all material respects, the approved budget and costs claimed and the allowable costs for the contract and period audited, in conformity with the basis described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 7, 2000 on our consideration of the County of Los Angeles, Probation Department's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the State of California Board of Corrections and the County of Los Angeles, Probation Department's management and is not intended to be and should not be used by anyone other than those specified parties.

Conrad And Associates, L.L.P.

December 7, 2000

COUNTY OF LOS ANGELES
PROBATION DEPARTMENT

Report on Audit of California Board of Corrections Contract
No. 084-96

Status of Cash

For the Period
November 2, 1999 through June 30, 2000

Contract No. 084-96 November 2, 1999 through June 30, 2000	
Contract cash received	$ 391,592
Contract expenditures	391,592
Cash on hand at end of contract period	**$ -**

See accompanying *Notes to Program Statements*.

COUNTY OF LOS ANGELES
PROBATION DEPARTMENT

Report on Audit of California Board of Corrections Contract
No. 084-96

Statement of Approved Budget and Costs Claimed

For the Period
November 2, 1999 through June 30, 2000

Contract No. 084-96 November 2, 1999 through June 30, 2000			
	Approved Budget	**Costs Claimed**	**Variance**
Salaries & employee benefits	$ 656,955	$ 259,882	$ 397,073
Travel	6,000	640	5,360
Consultant service	463,420	117,570	345,850
Other – Equipment	13,500	13,500	-
Totals	**$ 1,139,875**	**$ 391,592**	**$ 748,283**

See accompanying *Notes to Program Statements*.

COUNTY OF LOS ANGELES
PROBATION DEPARTMENT

Report on Audit of California Board of Corrections Contract
No. 084-96

Statement of Costs Claimed and Accepted

For the Period
November 2, 1999 through June 30, 2000

Contract No. 084-96 November 2, 1999 through June 30, 2000					
		Per Audit			
	Costs Claimed	**Costs Accepted**	**Costs Questioned**	**Costs Recommended for Disallowance**	**Note**
Salaries & benefits	$ 259,882	$ 259,882	$ -	-	
Travel	640	640	-	-	
Consultant service	117,570	117,570	-	-	
Other - Equipment	13,500	13,500	-	-	
Totals	**$ 391,592**	**$ 391,592**	**$ -**	-	

See accompanying *Notes to Program Statements*.

COUNTY OF LOS ANGELES
PROBATION DEPARTMENT

Report on Audit of California Board of Corrections Contract
No. 084-96

Notes to Program Statements

For the Period
November 2, 1999 through June 30, 2000

Note 1: Background

BOC awarded contract No 084-96 to the County of Los Angeles, Probation Department for the following program objectives:

- Repeat Offender Prevention Program (ROPP)

To provide services to minors and families to reduce the minors' chances of becoming repeat juvenile and adult offenders. ROPP targets minors 15½ years old or younger who reside in the South Central Los Angeles area, is a ward of the juvenile court for the first time, is supervised by the Los Angeles County Probation Department, and have at least three of the following factors that place them at a greater risk of becoming a chronic juvenile or adult offender:

- School behavior and performance problems that include at least one of the following: attendance problem; school suspension or expulsion; or failure in two or more academic classes during the previous six months or comparable academic period.
- Family problems that include at least one of the following: poor parental supervision or control; documented circumstances of domestic violence; child abuse or neglect; or family members who have engaged in criminal activities.
- Substance abuse that includes any regular use of alcohol or drugs by the minor, other than experimentation.
- High-risk pre-delinquent behavior that includes one of the following: a pattern of stealing; chronic running away from home; or gang membership or association.

Minors eligible for the program are pre-identified by the investigating Deputy Probation Officer (DPO) and the Supervising Deputy Probation Officer (SDPO). The SDPO verifies eligibility and assigns cases to one of six ROPP/DPOs each carrying a caseload of 15-20 minors. Core services include counseling, mental health treatment, substance abuse treatment and education, life skills, tutoring, mentoring, recreation, self-help groups, child and family focused activities, homemaker, gang awareness and prevention, and transportation.

Note 2: Summary of Significant Accounting Policies

The BOC program statements have been prepared from the original contract budget and subsequent modifications, if any, approved by BOC, the expenditure report form and the County of Los Angeles, Probation Department's financial records.

The expenditure report form was prepared by County of Los Angeles, Probation Department's personnel in accordance with BOC requirements. The basis of accounting used in preparing the expenditure report form differs from generally accepted accounting principles with respect to the following item:

- Equipment. Equipment purchased with contract funds is expensed at cost. Generally accepted accounting principles require the equipment to be capitalized and depreciated over its useful life.

Accordingly, the accompanying program statements are not intended to present the financial position and results of operations in conformity with generally accepted accounting principles.

Note 3: Definitions

Questioned costs are costs that require additional support from the Grantee or require an allowability determination by BOC. *Costs recommended for disallowance* are costs where we have obtained documentary evidence beyond a reasonable doubt that the Grantee is in violation of legislative or regulatory requirements, or specific conditions of pertinent grants.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF BOC PROGRAM STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

We have audited the BOC program statements of the County of Los Angeles, Probation Department for the contract and periods noted below, and have issued our report thereon dated December 7, 2000.

Contract Number	Contract Period	Audit Period
084-96	11/2/99 – 6/30/01	11/2/99 – 6/30/00

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the County of Los Angeles, Probation Department's BOC Program Statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of program statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Audit Standards.*

MEMBERS OF AICPA AND CALIFORNIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES PRACTICE SECTION

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of Los Angeles, Probation Department's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the BOC program statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the BOC program statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the State of California Board of Corrections and the County of Los Angeles, Probation Department's management and is not intended to be and should not be used by anyone other than those specified parties.

Conrad and Associates, L.L.P.

December 7, 2000

COUNTY OF LOS ANGELES
PROBATION DEPARTMENT

Report on Audit of California Board of Corrections Contract
No. 084-96

For the Period
November 2, 1999 through June 30, 2000

STATUS OF PRIOR AUDIT FINDINGS

This was the initial term of the contract. Therefore, there was no prior audit report.

COUNTY OF LOS ANGELES
PROBATION DEPARTMENT

Report on Audit of California Board of Corrections Contract
No. 084-96

For the Period
November 2, 1999 through June 30, 2000

EXIT CONFERENCE

The audit results and the audit report process were discussed with representatives of the County of Los Angeles, Probation Department noted below on December 7, 2000. It was explained to those in attendance that the results were subject to a final review prior to release of the draft report. Any changes made based upon this review would be incorporated into the draft report.

County of Los Angeles, Probation Department

Thelma Harris	Head, Budget and Fiscal Services
Delia Munoz	Financial Manager
Hania Cardenas	Program Coordinator

Conrad and Associates, L.L.P.

Greg Farmer	Senior Accountant

COUNTY OF LOS ANGELES
PROBATION DEPARTMENT
9150 E. Imperial Highway
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Report on Audit of OCJP Grants

For the Period
July 1, 2000 through December 31, 2000

CONRAD AND ASSOCIATES, L.L.P.
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COUNTY OF LOS ANGELES, PROBATION DEPARTMENT

Report on Audit of OCJP Grants

For the Period
July 1, 2000 through December 31, 2000

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CONRAD AND ASSOCIATES, L.L.P.

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INDEPENDENT AUDITOR'S REPORT

We have audited the Office of Criminal Justice Planning (OCJP) program statements identified in the table of contents of the County of Los Angeles, Probation Department for the grants and periods as noted below.

Grant Number	Grant Period	Audit Period
DC98C10190	07/01/98 - 12/31/00	07/01/00 – 12/31/00
IP98A10190	04/01/99 - 12/31/00	07/01/00 – 12/31/00

The amounts included in the program statements are the responsibility of the County of Los Angeles, Probation Department's management. Our responsibility is to express an opinion on these statements.

We conducted our audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; the *OCJP Grants Audit Program*; and with certain provisions of the *OCJP Grantee Handbook*. Those standards and the *OCJP Grants Audit Program* and *OCJP Grantee Handbook* require that we plan and perform the audit to obtain reasonable assurance about whether the OCJP program statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts presented in the OCJP program statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the OCJP program statements. We believe that our audit provides a reasonable basis for our opinion.

As more fully described in Note 2 to the OCJP program statements, the County of Los Angeles, Probation Department prepares Form OCJP-201 in accordance with OCJP requirements. The accounting practices used to prepare Form OCJP-201 may differ in some respects from generally accepted accounting principles. Accordingly, the accompanying OCJP program statements, which are based in part on Form OCJP-201, are not intended to present the financial position and results of operations in conformity with generally accepted accounting principles.

MEMBERS OF AICPA AND CALIFORNIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES PRACTICE SECTION

In our opinion, the OCJP program statements referred to in the first paragraph present fairly, in all material respects, the status of cash, the approved budget and costs claimed and the allowable costs for the grants and periods audited, in conformity with the basis described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 21, 2001 on our consideration of the County of Los Angeles, Probation Department's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the State of California, Office of Criminal Justice Planning and the County of Los Angeles, Probation Department's management and is not intended to be and should not be used by anyone other than those specified parties.

Conrad And Associates, L.L.P.

March 21, 2001

COUNTY OF LOS ANGELES, PROBATION DEPARTMENT

Status of Cash

For the Period
July 1, 2000 through December 31, 2000

Grant No. DC98C10190 July 1, 2000 through December 31, 2000	
Grant cash received	$ 237,020
Grant expenditures	(235,295)
Cash on hand at end of grant period	**$ 1,725**

Grant No. IP98A10190 July 1, 2000 through December 31, 2000	
Grant cash received	$ 278,536
Grantee matched funds	30,948
Grant expenditures	(309,484)
Cash on hand at end of grant period	**$ -**

See accompanying *Notes to OCJP Program Statements*.

COUNTY OF LOS ANGELES, PROBATION DEPARTMENT

Statement of Approved Budget and Costs Claimed

Grant No. DC98C10190 July 1, 1999 through December 31, 2000			
	Approved Budget	**Costs Claimed**	**Variance**
Personal services	$ 105,211	104,459	752
Operating expenses	441,409	440,671	738
Equipment	9,000	6,808	2,192
Totals	**$ 555,620**	**551,938**	**3,682**

Grant No. IP98A10190 April 1, 2000 through December 31, 2000			
	Approved Budget	**Costs Claimed**	**Variance**
Personal services	$ 202,587	199,315	3,272
Operating expenses	114,731	110,169	4,562
Totals	**$ 317,318**	**309,484**	**7,834**

See accompanying *Notes to OCJP Program Statements*.

COUNTY OF LOS ANGELES, PROBATION DEPARTMENT

Statement of Costs Claimed and Accepted

For the Period
July 1, 2000 through December 31, 2000

Grant No. DC98C10190 July 1, 2000 through December 31, 2000					
		Per Audit			
	Costs Claimed	Costs Accepted	Costs Questioned	Costs Recommended for Disallowance	Note
Personal services	$ (1,726)	(1,726)	-	-	
Operating expenses	230,213	230,213	-	-	
Equipment	6,808	6,808	-	-	
Totals	**$ 235,295**	**235,295**	**-**	**-**	

Grant No. IP98A10190 July 1, 2000 through December 31, 2000					
		Per Audit			
	Costs Claimed	Costs Accepted	Costs Questioned	Costs Recommended for Disallowance	Note
Personal services	$ 199,315	199,315	-	-	
Operating expenses	110,169	110,169	-	-	
Totals	**$ 309,484**	**309,484**	**-**	**-**	

See accompanying *Notes to OCJP Program Statements*.

COUNTY OF LOS ANGELES, PROBATION DEPARTMENT

Notes to OCJP Program Statements

For the Period
July 1, 2000 through December 31, 2000

Note 1: Background

OCJP awarded grants to the County of Los Angeles, Probation Department for the following program objectives:

- Anti-Drug Abuse/Transitional Housing Intensive Supervision Project (ADA/THISP) (DC98C10190)

  This program assisted in reducing jail overcrowding and court congestion while providing for community safety. Through intensive supervision, probationers will receive additional services to enable them to abstain from illegal substance use and criminal activity. Grant modifications were completed for grant number DC98C10190 which extended the duration of the grant through December 31, 2000.

- Juvenile Accountability Incentive Block Grant (JAIBG) (IP98A10190)

  This grant includes four programs. The Victim Offender Restitution Service Project (VORS) will facilitate 120 meetings between juvenile offenders and their victims, and will collect restitution orders throughout the county under a contract with the Probation Department. The Specialized Gang Supervision Program (SGSP) provides intensive supervision, through limited caseloads, of juvenile gang members on formal probation. The School Crime Suppression Program (SCSP) provides close supervision of juvenile probationers in order to address the school problems of violence, gang activity, vandalism, and truancy. The Los Angeles County Probation Department will provide Teen Court diversion services to 80 juveniles referred by the Probation Department at two high schools. Grant modifications were completed for grant number IP98A10190 that extended the duration of the grant through December 31, 2000.

Note 2: Summary of Significant Accounting Policies

The OCJP program statements have been prepared from the original grant budget and subsequent modifications, if any, approved by OCJP, the Report of Expenditures and Request for Funds (Form OCJP-201), and the County of Los Angeles, Probation Department's financial records.

Note 2: Summary of Significant Accounting Policies (Continued)

Form OCJP-201 was prepared by County of Los Angeles, Probation Department personnel in accordance with OCJP requirements. The basis of accounting used in preparing Form OCJP-201 differs from generally accepted accounting principles for the following items:

- Equipment. Equipment purchased with grant funds is expensed at cost. Generally accepted accounting principles require the equipment to be capitalized and depreciated over its useful life.

- Audit Costs. Estimated audit costs related to OCJP grants can be claimed on the final Form OCJP-201 for an audit, which will not be completed prior to submission of the final Form OCJP-201. Generally accepted accounting principles define an accrued expense as an accounting recognition of unpaid expenses that come into existence as the result of past contractual commitments, past services received, or by operation of a tax law.

Accordingly, the accompanying program statements are not intended to present the financial position and results of operations in conformity with generally accepted accounting principles.

Note 3: Definitions

Questioned costs are costs that require additional support from the Grantee or require an allowability determination by OCJP. *Costs recommended for disallowance* are costs where we have obtained documentary evidence beyond a reasonable doubt that the Grantee is in violation of legislative or regulatory requirements, or specific conditions of pertinent grants.

CONRAD AND ASSOCIATES, L.L.P.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF OCJP PROGRAM STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

We have audited the OCJP program statements of the County of Los Angeles, Probation Department for the grants and periods noted below, and have issued our report thereon dated March 21, 2001.

Grant Number	Grant Period	Audit Period
DC98C10190	07/01/98 - 12/31/00	07/01/00 – 12/31/00
IP98A10190	04/01/99 - 12/31/00	07/01/00 – 12/31/00

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; the *OCJP Grants Audit Program*; and with certain provisions of the *OCJP Grantee Handbook.*

Compliance

As part of obtaining reasonable assurance about whether the County of Los Angeles, Probation Department's OCJP Program Statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of program statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Audit Standards.*

However, the results of our test disclosed immaterial instances of noncompliance with the above requirements which did not affect the program statements. These items have been included in the **Compliance Findings** section of this report.

MEMBERS OF AICPA AND CALIFORNIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES PRACTICE SECTION

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of Los Angeles, Probation Department's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the OCJP program statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the OCJP Program Statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the State of California, Office of Criminal Justice Planning and the County of Los Angeles, Probation Department's Management and is not intended to be and should not be used by anyone other than those specified parties.

Conrad And Associates, L.L.P.

March 21, 2001

COUNTY OF LOS ANGELES, PROBATION DEPARTMENT

Report on Audit of OCJP Grants

For the Period
July 1, 2000 through December 31, 2000

Compliance Findings

Untimely Submission of Progress Report

The Grantee did not submit the following Progress Report in a timely manner:

Grant Number	Reporting Period	Days Late
DC98C10190	6/30/00 – 12/31/00	20

OCJP Grantee Handbook, Section 10120, states in part:

> "Unless otherwise specified in the Program Guidelines or RFP, OCJP requires one status report and two progress reports for the grant period. The status report covers the first three months of the grant's operation… All projects are required to submit an original and one copy of the status/progress report to OCJP's Grants Control Unit. These are due 30 calendar days after the end of the reporting period…"

Recommendation

We recommend that the Grantee establish procedures to ensure that all progress reports are submitted in a timely manner as required by OCJP guidelines.

Grantee Response

We concur with the finding on the untimely submission of the progress report for DC98C10190.

We will ensure that sufficient time is allowed to obtain the necessary paperwork and signatures to ensure that OCJP progress reports are submitted in a timely manner.

Auditor Comment

We concur with the Grantee's corrective action plan.

Compliance Findings, (Continued)

Need to Maintain Functional Timesheets or Negative Timekeeping Standards

The agency is not using functional timesheets or negative timekeeping standards.

OCJP Grantee Handbook, Section 2172, states in part:

> "Salaries and benefits of personnel involved in more than one grant or project must be charged to each grant based on the actual percentage of time spent on each grant or project… Functional timesheets or an allocation plan must be maintained which support the time charged to OCJP grants. Local units of government may follow their own approved timekeeping policy. [However], at a minimum, negative timekeeping standards must be applied."

Recommendation

We recommend that the Grantee use functional timesheets or negative timekeeping standards as required by OCJP guidelines.

Grantee Response

The department uses certified time based on the actual time spent on each grant. The department has consulted with OCJP on this approach and are awaiting a response from OCJP.

Auditor Comment

We concur with the correction action being taken by the Grantee.

COUNTY OF LOS ANGELES, PROBATION DEPARTMENT

Report on Audit of OCJP Grants

For the Period
July 1, 2000 through December 31, 2000

STATUS OF PRIOR AUDIT FINDINGS

Conrad and Associates, L.L.P previously audited the Grantee. Two findings were noted in the prior audit report related to the OCJP grant program. The status of the prior audit findings are noted below.

Finding

The Grantee was not using functional timesheets or negative timekeeping standards.

Status

The department uses certified time based on the actual time spent on each grant. The department has consulted with OCJP on this approach and is awaiting a response from OCJP.

Finding

Form OCJP-201's were not submitted in a timely manner by the Grantee.

Status

No similar type findings were identified in the current audit period.

COUNTY OF LOS ANGELES, PROBATION DEPARTMENT

Report on Audit of OCJP Grants

For the Period
July 1, 2000 through December 31, 2000

EXIT CONFERENCE

The audit results and the audit report process were discussed with the representative of the County of Los Angeles, Probation Department noted below on March 21, 2001. It was explained to those in attendance that the results were subject to a final review prior to release of the draft report. Any changes made based upon this review would be incorporated into the draft report.

County of Los Angeles, Probation Department

Delia Munoz	Financial Manager

Conrad and Associates, L.L.P.

Greg Farmer	Senior Accountant
Joe Chen	Staff Accountant

COUNTY OF LOS ANGELES
PROBATION DEPARTMENT
9150 E. Imperial Highway
Downey, California 90242

Report on Audit of OCJP Grant

For the Period
April 1, 2000 through March 31, 2001

CONRAD AND ASSOCIATES, L.L.P.
Certified Public Accountants
1100 Main Street, Suite C
Irvine, California 92614

COUNTY OF LOS ANGELES, PROBATION DEPARTMENT

Report on Audit of OCJP Grants

For the Period
April 1, 2000 through March 31, 2001

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CONRAD AND ASSOCIATES, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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County of Los Angeles
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INDEPENDENT AUDITOR'S REPORT

We have audited the Office of Criminal Justice Planning (OCJP) program statements identified in the table of contents of the County of Los Angeles, Probation Department for the grants and periods as noted below.

Grant Number	Grant Period	Audit Period
IP99A10190	04/01/00 - 3/31/01	4/01/00 – 3/31/01

The amounts included in the program statements are the responsibility of the County of Los Angeles, Probation Department's management. Our responsibility is to express an opinion on these statements.

We conducted our audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; the *OCJP Grants Audit Program*; and with certain provisions of the *OCJP Grantee Handbook*. Those standards and the *OCJP Grants Audit Program* and *OCJP Grantee Handbook* require that we plan and perform the audit to obtain reasonable assurance about whether the OCJP program statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts presented in the OCJP program statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the OCJP program statements. We believe that our audit provides a reasonable basis for our opinion.

As more fully described in Note 2 to the OCJP program statements, the County of Los Angeles, Probation Department prepares Form OCJP-201 in accordance with OCJP requirements. The accounting practices used to prepare Form OCJP-201 may differ in some respects from generally accepted accounting principles. Accordingly, the accompanying OCJP program statements, which are based in part on Form OCJP-201, are not intended to present the financial position and results of operations in conformity with generally accepted accounting principles.

MEMBERS OF AICPA AND CALIFORNIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES PRACTICE SECTION

In our opinion, the OCJP program statements referred to in the first paragraph present fairly, in all material respects, the status of cash, the approved budget and costs claimed and the allowable costs for the grants and periods audited, in conformity with the basis described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 5, 2001 on our consideration of the County of Los Angeles, Probation Department's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the State of California, Office of Criminal Justice Planning and the County of Los Angeles, Probation Department's management and is not intended to be and should not be used by anyone other than those specified parties.

Conrad And Associates, L.L.P.

June 05, 2001

COUNTY OF LOS ANGELES, PROBATION DEPARTMENT

Status of Cash

For the Period
April 1, 2000 through 3/31/01

Grant No. IP99A10190 April 1, 2000 through March 31, 2001	
Grant cash received	$ 304,625
Grantee matched funds	36,187
Grant expenditures	(361,865)
Cash on hand at end of grant period	**$ (21,053)**

See accompanying *Notes to OCJP Program Statements*.

COUNTY OF LOS ANGELES, PROBATION DEPARTMENT

Statement of Approved Budget and Costs Claimed

For the Period
April 1, 2000 through March 31, 2001

Grant No. IP99A10190 April 1, 2000 through March 31, 2001			
	Approved Budget	**Costs Claimed**	**Variance**
Personal services	$ 294,606	290,397	4,209
Operating expenses	33,862	25,362	8,500
Equipment	48,615	46,106	2,509
Totals	**$ 377,083**	**361,865**	**15,218**

See accompanying *Notes to OCJP Program Statements*.

COUNTY OF LOS ANGELES, PROBATION DEPARTMENT

Statement of Costs Claimed and Accepted

For the Period
April 1, 2000 through March 31, 2001

Grant No. IP99A10190 April 1, 2000 through March 31, 2001					
		Per Audit			
	Costs Claimed	Costs Accepted	Costs Questioned	Costs Recommended for Disallowance	Note
Personal services	$ 290,397	290,397	-	-	
Operating expenses	25,362	25,362	-	-	
Equipment	46,106	46,106	-	-	
Totals	**$ 361,865**	**361,865**	**-**	**-**	

See accompanying *Notes to OCJP Program Statements*.

COUNTY OF LOS ANGELES, PROBATION DEPARTMENT

Notes to OCJP Program Statements

For the Period
April 1, 2000 through March 31, 2001

Note 1: Background

OCJP awarded grants to the County of Los Angeles, Probation Department for the following program objectives:

- High School Graduate/GED Program (IP99A10190)

The Los Angeles County Probation Department will create an accountability based program for high-risk juvenile offenders who fail to achieve high school graduation or GED Certificate. This pilot program will provide intensive supervision and academic enhancement services to 125 juvenile probationers attending one of five identified L.A. Unified School District High School, one in each county district. The accountability strategies will include imposition of school related probation conditions, time detection of violation, swift sanctions for violations, and redirecting participants into personal and educational enrichment activities.

Note 2: Summary of Significant Accounting Policies

The OCJP program statements have been prepared from the original grant budget and subsequent modifications, if any, approved by OCJP, the Report of Expenditures and Request for Funds (Form OCJP-201), and the County of Los Angeles, Probation Department's financial records.

Form OCJP-201 was prepared by County of Los Angeles, Probation Department personnel in accordance with OCJP requirements. The basis of accounting used in preparing Form OCJP-201 differs from generally accepted accounting principles for the following items:

- Equipment. Equipment purchased with grant funds is expensed at cost. Generally accepted accounting principles require the equipment to be capitalized and depreciated over its useful life.

- Audit Costs. Estimated audit costs related to OCJP grants can be claimed on the final Form OCJP-201 for an audit, which will not be completed prior to submission of the final Form OCJP-201. Generally accepted accounting principles define an accrued expense as an accounting recognition of unpaid expenses that come into existence as the result of past contractual commitments, past services received, or by operation of a tax law.

Note 2: Summary of Significant Accounting Policies

Accordingly, the accompanying program statements are not intended to present the financial position and results of operations in conformity with generally accepted accounting principles.

Note 3: Definitions

Questioned costs are costs that require additional support from the Grantee or require an allowability determination by OCJP. *Costs recommended for disallowance* are costs where we have obtained documentary evidence beyond a reasonable doubt that the Grantee is in violation of legislative or regulatory requirements, or specific conditions of pertinent grants.

CONRAD AND ASSOCIATES, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF OCJP PROGRAM STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

We have audited the OCJP program statements of the County of Los Angeles, Probation Department for the grants and periods noted below, and have issued our report thereon dated June 5, 2001.

Grant Number	Grant Period	Audit Period
IP99A10190	04/01/00 – 3/31/01	04/01/00 – 03/31/01

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; the *OCJP Grants Audit Program*; and with certain provisions of the *OCJP Grantee Handbook.*

Compliance

As part of obtaining reasonable assurance about whether the County of Los Angeles, Probation Department's OCJP Program Statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of program statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Audit Standards.*

However, the results of our test disclosed an immaterial instance of noncompliance with the above requirements which did not affect the program statements. This item has been included in the **Compliance Finding** section of this report.

MEMBERS OF AICPA AND CALIFORNIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES PRACTICE SECTION

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of Los Angeles, Probation Department's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the OCJP program statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the OCJP Program Statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the State of California, Office of Criminal Justice Planning and the County of Los Angeles, Probation Department's Management and is not intended to be and should not be used by anyone other than those specified parties.

Conrad And Associates, L.L.P.

June 5, 2001

COUNTY OF LOS ANGELES, PROBATION DEPARTMENT

Report on Audit of OCJP Grants

For the Period
April 1, 2000 through March 31, 2001

Compliance Finding

Need to Maintain Functional Timesheets or Negative Timekeeping Standards

The agency is not using functional timesheets or negative timekeeping standards.

OCJP Grantee Handbook, Section 2172, states in part:

> "Salaries and benefits of personnel involved in more than one grant or project must be charged to each grant based on the actual percentage of time spent on each grant or project… Functional timesheets or an allocation plan must be maintained which support the time charged to OCJP grants. Local units of government may follow their own approved timekeeping policy. [However], at a minimum, negative timekeeping standards must be applied."

Recommendation

We recommend that the Grantee use functional timesheets or negative timekeeping standards as required by OCJP guidelines.

Grantee Response

The department uses certified time based on the actual time spent on each grant. The department has consulted with OCJP on this approach and are awaiting a response from OCJP.

Auditor Comment

We concur with the action being taken by the Probation Department.

COUNTY OF LOS ANGELES, PROBATION DEPARTMENT

Report on Audit of OCJP Grants

For the Period
July 1, 2000 through December 31, 2000

STATUS OF PRIOR AUDIT FINDINGS

Conrad and Associates, L.L.P previously audited the Grantee. Two findings were noted in the prior audit report related to the OCJP grant program. The statuses of the prior audit findings are noted below.

Finding

The Grantee was not using functional timesheets or negative timekeeping standards.

Status

The department uses certified time based on the actual time spent on each grant. The department has consulted with OCJP on this approach and is awaiting a response from OCJP. This finding still exist on the current year audit, see Compliance Findings section of the current year report.

Finding

Form Progress Report was not submitted in a timely manner by the Grantee.

Status

No similar type findings were identified in the current audit period.

COUNTY OF LOS ANGELES, PROBATION DEPARTMENT

Report on Audit of OCJP Grants

For the Period
April 1, 2000 through March 31, 2001

EXIT CONFERENCE

The audit results and the audit report process were discussed with the representative of the County of Los Angeles, Probation Department noted below on June 5, 2001. It was explained to those in attendance that the results were subject to a final review prior to release of the draft report. Any changes made based upon this review would be incorporated into the draft report.

County of Los Angeles, Probation Department

Delia Munoz	Financial Manager

Conrad and Associates, L.L.P.

Joe Chen	Staff Accountant