

Los Angeles Sheriff's Department

Audit Report Follow-Ups and Operational Reviews

Presentation on Potential Revenue Shortfalls/Losses

December 15, 2021

Conducted by:
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Background, Objectives and Scope

- This briefing covers the review of Potential Revenue Shortfalls/Losses. Two other reports will follow: 1) Operational Review of Overtime, Employee Benefits, and Facilities, and 2) Prior LASD Audit Report Follow-Ups of corrective actions taken.
- Determine primary causes for any revenue shortages, evaluate if revenue streams are maximized, identify opportunities to increase revenues or recover costs, and identify potential impacts of any additional revenues/cost recoveries.
- Seven (7) areas reviewed: AB 109, Contract Cities (Billing Rates), Trial Courts, Civil Immigration Detainers, Special and Trust Funds, Grants, and Other Potential Revenue Sources.

Findings and Recommendations

Finding No. 1 – Contract billings to cities could be increased by over \$10 million annually based on changes to the contract cities billing model.

Recommendation No. 1 – LASD in consultation with the Auditor-Controller Accounting Division should quantify the costs not being fully billed to determine the cost impact to cities. LASD should then seek direction from the Board on whether to pursue such billing increase to contract cities.

Findings and Recommendations (continued.)

Finding No. 2 – Trial court supplemental services revenues began to increase in FY 2018-19 based on the re-categorization of some base services to supplemental services.

Recommendation No. 2 – LASD should continue to identify and define what constitutes supplemental services to make the policy consistent across courthouses and ensure full reimbursement for supplemental services.

Findings and Recommendations (continued)

Finding No. 3 – Current LASD costs related to ICE civil immigration detainers consists of only two part-time custody assistants. In 2019, LASD made a policy decision to not provide reporting to the Department of Homeland Security (DHS) related to undocumented persons in custody. As such, State Criminal Alien Assistance Program (SCAAP) funding ceased.

Recommendation No. 3 – In light of the change in the federal administration and recent success with reporting requirements within the Byrne JAG grant, LASD should consider applying for future SCAAP grants using the same approach taken for the Byrne JAG grant. Potential increase revenue in excess of \$2 million.

Findings and Recommendations (continued)

Finding No. 4 – During the last 5 fiscal years, LASD had approximately \$3.7 million in unused grant funds and \$3.5 million in canceled grants. Thus, we found LASD’s grant application process, utilization of grant funds and grant monitoring can be improved.

Recommendation No. 4 – LASD should design grant policies and procedures to ensure grant funds are fully utilized within the grant period, adopt a strict documentation and approval process to comply with the grantor’s documentation requirements, and make enhancements to its grant logs to include all grants applied for, the date applied, and the award or denial date.