



*Final  
Report*

# County of San Diego, California

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## Auditor and Controller

### **Firestorm 2007 Expenditures Submitted for FEMA/OES Reimbursement Validation Audit – Department of Animal Services**

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Office of **A**udits & **A**dvisory **S**ervices

**August 2009  
Report No. A09-044**



# COUNTY OF SAN DIEGO

INTER-DEPARTMENTAL CORRESPONDENCE

August 6, 2009

TO: Dawn Danielson, Director  
Department of Animal Services

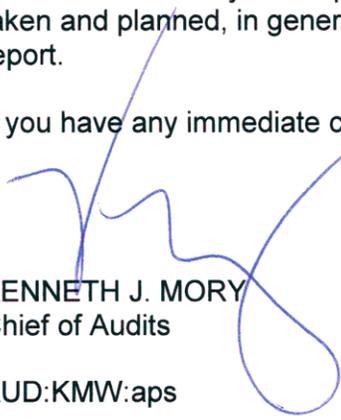
FROM: Kenneth J. Mory  
Chief of Audits

**FINAL REPORT: FIRESTORM 2007 EXPENDITURES SUBMITTED FOR FEMA/OES  
REIMBURSEMENT VALIDATION AUDIT – DEPARTMENT OF ANIMAL SERVICES**

Enclosed is our report on the Firestorm 2007 Expenditures Submitted for FEMA/OES Reimbursement Validation Audit – Department of Animal Services. The report includes various audit findings and recommendations.

We have reviewed your responses and have attached them to the audit report. The actions taken and planned, in general, are responsive to the findings and recommendations in the report.

If you have any immediate concerns about the report, please contact me at (858) 495-5662.

  
KENNETH J. MORY  
Chief of Audits

AUD:KMW:aps

c: Mikel D. Haas, Deputy Chief Administrative Officer, Community Services Group  
Donald F. Steuer, Chief Financial Officer  
Tracy M. Sandoval, Assistant Chief Financial Officer/Auditor and Controller  
Kaye Hobson, Group Finance Director, Community Services Group

## **INTRODUCTION AND BACKGROUND**

Starting on October 21, 2007, seven wildfires burned through the County of San Diego. These fires resulted in over 369,000 acres burned, or 13% of the County's total land mass. Extensive damage was caused to 1,751 homes, 800 outbuildings, 253 structures, 239 vehicles, and two commercial properties.

As declared by the Federal Emergency Management Agency (FEMA), Firestorm 2007's official incident period began October 21, 2007. It was officially closed as of March 31, 2008.

Beginning on October 21, 2007, various departments in San Diego County mobilized employees to assist in multiple disaster-related activities. County departments worked to procure and disseminate materials and to provide disaster assistance to County citizens with personal, property, and/or livestock issues, as well as to provide fire-fighting efforts and other services toward the safety and well-being of displaced and affiliated County residents.

The Director, Office of Emergency Services (OES), has been leading the overall County operational efforts while the Group Finance Director, Public Safety Group, has led the Finance team.

The Chief Financial Officer (CFO) requested that the Office of Audits & Advisory Services (OAAS) conduct an audit of the Department of Animal Services' (DAS) Firestorm 2007 related expenditures amounts claimed for reimbursement to:

- 1) Prevent any material disallowance by the Office of Inspector General (OIG) of amounts claimed; and
- 2) Provide reasonable assurance to the CFO and County management that the claims and reimbursements are adequately supported.

DAS submitted a claim of \$81,783 for overtime labor and equipment costs from the October 2007 wildfires (Firestorm 2007). DAS incurred these costs when its employees were dispatched to rescue evacuees' household pets and transport them to the emergency shelters. DAS personnel also provided security for rescued household pets, and patrolled the wild fire area to rescue lost animals. The FEMA project officer assigned DAS16 as the tracking number to this Project Worksheet (PW).

## **AUDIT SCOPE AND LIMITATIONS**

The objective of the audit was to ensure that the department has gathered, organized, titled, and referenced documentation supporting cost claims on FEMA PWs and State Damage Survey Reports (DSRs), and that all the supporting documentation will be maintained in a manner that the OIG and other reviewers can easily follow.

The information reviewed and submitted for reimbursement was based on expenditures as reported by the DAS. FEMA/OES project officers assigned to the DAS made the final eligibility

determination. OAAS did not make eligibility determinations of the expenditures submitted to FEMA/OES for reimbursement.

This audit was conducted in accordance with auditing standards prescribed by the Institute of Internal Auditors, Inc., as required by California Government Code, Section 1236.

## **METHODOLOGY**

OAAS reviewed the supporting documentation for the DAS costs submitted to FEMA or State for reimbursement by:

- Verifying that all supporting documentation was organized, titled, and cross-referenced with the line items listed on each PW;
- Reviewing the Damage Description and Scope of Work (SOW) to verify the types of expenses incurred in the PW;
- Comparing the amount reported on the PW to the amounts provided in supporting documentation to ensure the total amounts reconciled and that required documentation was provided;
- Recalculating the total amount claimed to ensure that the amount calculated from the supporting documentation agreed with the total amount listed on the PW; and
- Reviewing payroll records to ensure the overtime hours incurred and rates applied were reconciled with those claimed on the PW, and to determine if overtime and related benefits were correctly calculated and properly supported.

## **AUDIT RESULTS**

OAAS' review of supporting documentation confirmed that expenditures of \$81,783 were not properly substantiated. While verifying the accuracy of the calculations and reconciling supporting records with the amount claimed on the PW DAS16, OAAS identified the following discrepancies:

### **Finding I: Incorrect Overtime Fringe Benefit Rate**

DAS calculated fringe benefits using an incorrect worker's compensation rate of 3.35%. The correct rate is 4.44%. As a result, the fringe benefit rate used on PW DAS16 was 11% instead of the correct rate of 12.09%. Per FEMA's Public Assistance Guide, fringe benefits for overtime labor should include the correct rate for Social Security, Medicare, and Worker's Compensation. The worker's compensation rate is a departmental rate based on business unit.

### **Finding II: Incorrect Overtime Hourly Rate**

DAS calculated the overtime hourly rate incorrectly by using the employee's regular rate of pay and multiplying time and one-half (1½) to all overtime hours worked. However, some hours were

classified as Basic Overtime (BOT) which should be calculated on an hour to hour basis. According to the County of San Diego's Compensation Ordinance, calculation of overtime shall be based on the employees' regular rate of pay. The regular rate shall include the base hourly rate for the employee's class plus all eligible premiums to which the employee is entitled for the overtime work performed.<sup>1</sup>

**Finding III: Hours Claimed Do Not Reconcile to the Hours Recorded in Kronos**

The DAS claimed regular hours as overtime. DAS also claimed some hours that do not reconcile with hours recorded in Kronos. Additionally, DAS charged some of their overtime labor to a non-FEMA related project alias in Kronos. Per FEMA guidance, labor must be properly classified and supported in the timekeeping system of record.

**Finding IV: Duplication of Funding**

DAS claimed some overtime labor in both the Countywide Local Assistance Center (LAC) DSR1744 and PW DAS16. Per FEMA guidance, duplicate benefits are not allowed and will result in the disallowance of part, or all, of PW DAS16 and DSR1744.

**Finding V: Insufficient Support for Equipment Costs**

The hours included on the Motor Vehicle Daily Use Report do not reconcile with the hours claimed on Force Account Labor Summary Record; therefore, the supporting documentation provided does not support the hours claimed on Firestorm 2007. Per FEMA guidance, costs claimed by the County must be related to the disaster event.

The table below gives a detailed outline of the DAS claim reviewed by OAAS.

<b>DAS Firestorm 2007 Claim</b>			
<b>Claim Number</b>	<b>Description</b>	<b>Amount Claimed</b>	<b>Amount Cleared</b>
DAS16	Force Account Labor Summary (Overtime)	\$61,346	\$0
	Force Account Equipment Summary	\$20,437	\$0
<b>Total</b>		<b>\$81,783</b>	<b>\$0</b>

**RECOMMENDATIONS**

OAAS recommends that DAS take the following actions in accordance with the FEMA Public Assistance Guide:

**Recommendation I:** DAS should recalculate the total fringe benefit rate for overtime labor costs with applying the correct worker's compensation rate. The departmental worker's compensation rate should be used.

<sup>1</sup> Quality First (Premium Pay) should be separated from Overtime Hourly Rate since this amount will be claimed on a separate Project Worksheet.

**Recommendation II:** DAS should use the regular hourly rate from PeopleSoft report for the time period worked on Firestorm 2007. Then, the correct pay code should be applied to the regular hourly rate to calculate the Overtime Hourly Rate.

**Recommendation III:** DAS should eliminate the labor hours claimed that were not related to PW DAS16 and correct any overtime labor classification. DAS should make the necessary adjustment for the FEMA true-up process. DAS should maintain their complete hand-written corrections and adjustments along with Kronos records for external auditors.

**Recommendation IV:** In order to prevent a double claim of PW DAS16 costs, DAS should review the hours claimed on both the LAC PW and PW DAS16 to determine the correct classification, and make the necessary adjustments to reflect the correct hours worked on Firestorm 2007.

**Recommendation V:** DAS should conduct a review of hours claimed on the Force Account Equipment Summary Record and reconcile the hours claimed on the Force Account Labor Summary Record. Hours that do not have consistent supporting documentation for equipment costs should be eliminated.

The department should maintain all original supporting documentation for the FEMA claims and keep them separate from other documentation.

### **CONCLUSION**

At this time, DAS is not cleared by OAAS to request reimbursement from the Firestorm 2007 Trust Fund for Project Worksheet DAS16.

### **COMMENDATION**

The Office of Audits & Advisory Services commends and sincerely appreciates the courteousness and cooperation extended by the Department of Animal Services' officers and staff throughout this audit.

### **AUDIT TEAM**

Jim Pelletier, Senior Audit Manager  
Kathleen Whitehead, Auditor I  
Geena Balistreri, Auditor I

**DEPARTMENT RESPONSE**



## County of San Diego

DAWN DANIELSON, RVT  
DIRECTOR

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July 30, 2009

RECEIVED

TO: Kenneth J. Mory, Chief of Audits  
Auditor and Controller

JUL 31 2009

OFFICE OF AUDITS &  
ADVISORY SERVICES

FROM: Dawn Danielson, Director  
Department of Animal Services

### RESPONSE TO ANIMAL SERVICES FIRESTORM 2007 EXPENDITURE AUDIT

#### **Finding I: Incorrect Overtime Fringe Benefit Rate**

- The overtime fringe benefit rate was calculated using an incorrect worker's compensation rate.
- The worker's compensation rate is a departmental rate based on business unit.

#### **Recommendation I**

- Recalculate the total fringe benefit rate for overtime labor costs and apply the correct worker's compensation rate of 4.44%.

#### **Response:**

- The Department will recalculate the total fringe benefit rate for overtime labor costs and apply the correct worker's compensation rate of 4.44%.

#### **Finding II: Incorrect Overtime Hourly Rate**

- The Overtime Hourly Rate was calculated incorrectly by using the employee's regular rate of pay and multiplying time and one-half (1½) to all overtime hours worked.
- Some hours were classified as Basic Overtime (BOT) which should be calculated on an hour to hour basis.

#### **Recommendation:**

- Use the regular hourly rate from PeopleSoft report for the time period worked on Firestorm 2007.
- Apply the correct pay code to the regular hourly rate



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**RESPONSE TO ANIMAL SERVICES FIRESTORM 2007 EXPENDITURE AUDIT**

**Response:**

- The department will research these pay codes and apply the correct code to the regular hourly rate. .

**Finding III: Hours Claimed Do Not Reconcile with the Hours Recorded in Kronos**

- Some regular hours were claimed as overtime.
- Some hours claimed do not reconcile with hours recorded in Kronos.
- Some of the overtime labor was charged to a non-FEMA related project alias in Kronos.
- Labor must be properly classified and supported in the timekeeping system of record.

**Recommendation:**

- Eliminate the labor hours claimed that were not related to PW DAS16.
- Correct any overtime labor classification.
- Maintain complete hand-written corrections and adjustments along with Kronos records for external auditors.

**Response:**

- The Department will research the claimed hours and eliminate any labor hours claimed that were not related to the PW as staff resources allow. The Department will correct any overtime labor classification as necessary and will maintain complete hand-written corrections and adjustments along with Kronos records for external auditors.

**Finding IV: Duplication of Funding**

- Some of the overtime labor was claimed in both the LAC DSR1744 and PW DAS16.
- Per FEMA guidance, duplicate benefits are not allowed and will result in the disallowance of part, or all, of PW DAS16 and DSR1744.

**Recommendation:**

- Review the hours claimed on both the LAC PW and PW DAS16 to determine the correct classification and make the necessary adjustments.

**Response:**

- The Department will review and correct double reporting of overtime and labor hours claimed on both LAC PW and the PW DAS 16 FEMA claim form.

**Finding V: Insufficient Support for Equipment Costs**

- The hours included on the Motor Vehicle Daily Use Report do not reconcile with the hours claimed on Force Account Labor Summary Record
- Per FEMA guidance, costs claimed by the County must be related to the disaster event.

**RESPONSE TO ANIMAL SERVICES FIRESTORM 2007 EXPENDITURE AUDIT**

**Recommendation:**

- Conduct a review of hours claimed on the Force Account Equipment Summary Record and reconcile the hours claimed on the Force Account Labor Summary Record.
- Eliminate hours that do not have consistent supporting documentation for equipment costs.

**Response:**

- The Department will review the hours claimed on the Force Account Equipment Summary Record and will either reconcile or eliminate those hours that do not reconcile to the Force Account Labor Summary as staff resources allow.

Should you or your staff have any questions regarding these responses, please contact Randall Krogman, Administrative Services Manager, at (619) 767-2622.



DAWN DANIELSON, DIRECTOR  
Department of Animal Services

c: Mikel D. Haas, Deputy Chief Administrative Officer, Community Services Group  
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