

Internal Audit Department

O R A N G E C O U N T Y
6th Largest County in the USA

AUDIT ALERT AUDITOR-CONTROLLER

OPPORTUNITY TO CLARIFY COUNTY REVENUE POLICY CONCERNING OVERSIGHT RESPONSIBILITY, FULL-COST RECOVERY AND FEE CHECKLISTS

This **Audit Alert** addresses certain issues identified during our audits of department/agency fee generated revenue where we audit fee development and fee study processes for compliance with the County Revenue Policy. The issues we identified result from varying interpretations of the requirements of County Accounting Manual Procedure R-3 – *Revenue Policy, Requirements & Responsibilities* (County Revenue Policy).

We raise these points to provide an opportunity for the Auditor-Controller to further clarify the County Revenue Policy when the County Accounting Manual procedures undergo their next revision.

We identified **four (4) recommendations** to better clarify County Revenue Policy requirements and reduce policy misunderstanding.

The purpose of an Audit Alert is to promptly bring to the management's attention important potential issues for their immediate assessment and, if necessary, corrective action. The process incorporates an accelerated management response timeline to ensure the timely completion and dissemination of audit issues.

AUDIT ALERT No: 1250
REPORT DATE: NOVEMBER 20, 2012

Director: Dr. Peter Hughes, MBA, CPA, CIA
Deputy Director: Eli Littner, CPA, CIA, CISA
Senior Audit Manager: Michael Goodwin, CPA, CIA
Audit Manager: Carol Swe, CPA, CIA, CISA

RISK BASED AUDITING



GAO & IIA Peer Review Compliant – 2001, 2004, 2007, 2010
American Institute of Certified Public Accountants Award to Dr. Peter Hughes
as 2010 Outstanding CPA of the Year for Local Government

GRC (Government, Risk & Compliance) Group 2010 Award to IAD as MVP in Risk Management



2009 Association of Certified Fraud Examiners' Hubbard Award to Dr. Peter Hughes
for the Most Outstanding Article of the Year – Ethics Pays



2008 Association of Local Government Auditors' Bronze Website Award



2005 Institute of Internal Auditors' Award to IAD for Recognition of
Commitment to Professional Excellence, Quality, and Outreach

 ORANGE COUNTY BOARD OF SUPERVISORS'
Internal Audit Department

GAO & IIA Peer Review Compliant - 2001, 2004, 2007, 2010

Providing Facts and Perspectives Countywide

RISK BASED AUDITING

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To access and view audit reports or obtain additional information about the OC Internal Audit Department, visit our website: www.ocgov.com/audit



OC Fraud Hotline (714) 834-3608



Transmittal Letter



Audit Alert No. 1250 November 20, 2012

TO: Jan E. Grimes, CPA
Chief Deputy Auditor-Controller

FROM: Dr. Peter Hughes, CPA, Director
Internal Audit Department

SUBJECT: **Audit Alert** – Auditor-Controller Opportunity to Clarify County Revenue Policy Concerning Oversight Responsibility, Full-Cost Recovery, and Fee Checklists

Attached is our Audit Alert for an Opportunity to Clarify County Revenue Policy Concerning Oversight Responsibility, Full-Cost Recovery, and Fee Checklists.

Each month I submit an **Audit Status Report** to the Board of Supervisors (BOS). Accordingly, the results of this Audit Alert will be included in a future status report to the BOS.

Unlike our traditional audit reports, we will not perform a follow-up audit for this Audit Alert in six months because of the unknown timeframe when the Auditor-Controller will start its revisions of County Accounting Manual procedures. However, depending on materiality, any recommendations not implemented could be included in a future Audit Alert.

As always, the Internal Audit Department is available to partner with your staff so that they can successfully address or mitigate difficult audit issues. Please feel free to call me should you wish to discuss any aspect of our Audit Alert.

Attachments

Other recipients of this Audit Alert are listed on page 5.

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OC Internal Auditor's Report



Audit Alert No. 1250

NOVEMBER 20, 2012

TO: Jan E. Grimes, CPA
Chief Deputy Auditor-Controller

FROM: Dr. Peter Hughes, CPA, Director
Internal Audit Department

SUBJECT: **Audit Alert** – Auditor-Controller Opportunity to Clarify County Revenue Policy Concerning Oversight Responsibility, Full-Cost Recovery, and Fee Checklists

Audit Alert

The purpose of an **Audit Alert** is to quickly bring to management's attention important potential issues for their assessment and, if necessary, corrective action.

This **Audit Alert** is not subject to the same rigor and formality of a traditional report in that we have not fully developed the issues and have not verified the accuracy of all information.

The **Audit Alerts** have an accelerated management response timeline to ensure the timely dissemination of audit issues.

BACKGROUND

Beginning in FY 09-10, at the direction of the Board of Supervisors, the Internal Audit Department began conducting fee generated revenue audits in departments/agencies to evaluate fee development processes. The scope of the audits were to evaluate internal controls for establishing cost-recovery fees charged to the public for Licenses, Permits, and Franchises and Charges for Services that are submitted to the Board of Supervisors (BOS) for approval. Our audits also evaluated compliance with County Accounting Manual (CAM) Procedure R-3 – *Revenue Policy, Requirements & Responsibilities*, referred to as the County Revenue Policy (CAM R-3). In addition, we conducted an audit of the Countywide Fee Development Monitoring Process (Audit No. 2922) where the County Executive Office, Auditor-Controller, and Clerk of the Board have oversight responsibilities of department/agency fee requests submitted for BOS approval.

Based on the fee generated audits conducted in the Health Care Agency (Audit No. 1024), OC Waste & Recycling (Audit No. 1023), and OC Public Works (Audit No. 1022), we found each had varying degrees of compliance with CAM R-3 requirements, specifically with conducting annual fee studies, ensuring full-cost recovery, and use of Fee Checklist forms. There is an opportunity for the Auditor-Controller to re-visit the County Revenue Policy and to enhance it to provide additional guidance and clarification of the existing policy. Unlike our traditional audit reports, we will not perform a follow-up audit for this Audit Alert in six months due to the unknown timeframe when the Auditor-Controller will start its revisions of County Accounting Manual procedures.

DETAILS OF ISSUE IDENTIFIED

1. In our audit of the Fee Development Monitoring Processes, one issue identified was that the Auditor-Controller only performed limited reviews of department/agency fee studies submitted for their review in accordance with CAM R-3. Because the reviews were limited, Auditor-Controller staff did not document their review to avoid giving assurance that a more detailed review was completed. The Auditor-Controller subsequently revised their procedure to reflect that only a "limited review" was performed. However, this may not be the expectation of the underlying BOS policy on County revenue management.



2. In our audit of the Health Care Agency, we found a well-structured and documented fee development process in compliance with CAM R-3. However, HCA's ability to adjust fees to recover its costs has been impacted by the economic downturn and a County political environment that is sensitive to raising fees for providing County services. We made a recommendation to clarify County revenue policy requirements for submitting updated fee studies to the Board of Supervisors, to which HCA concurred.
3. In our audit of OC Waste & Recycling, we found that they were not in full compliance with CAM R-3 in preparing annual fee studies, incorporating a public use fee into their negotiated waste agreements, and consistent use of Fee Checklist forms. We made recommendations to ensure compliance with CAM R-3, to which OCW&R concurred.
4. In our audit of OC Public Works, we found that, due to limited resources, they were not in compliance with CAM R-3 requirements for ensuring full cost recovery, preparing annual fee studies, and use of Fee Checklist forms. We noted instances where full cost recovery was indicated, but was not achieved due to exclusion of certain indirect costs. OCPW concurred with the recommendations.

POTENTIAL CONCERNS

We raise the below points to assist the Auditor-Controller in evaluating future revisions to enhance and clarify CAM R-3 requirements concerning the County Revenue Policy.

1. CAM R-3 sites BOS Res. 78-1691 as the authority for approving revenue management responsibilities by the Auditor-Controller, CEO, and individual departments. In October 1979, the Auditor-Controller established the revenue policy, requirements and responsibilities, which is currently CAM R-3. In February 1996, a BOS Resolution approved the elimination of the Revenue Proposal Committee and development of a new revenue policy and procedure.

The Auditor-Controller revised their revenue policy in October 1999, which was three and a half years after the BOS Resolution. Since this resolution did not direct the CEO and Auditor-Controller to submit the new procedure for BOS approval, it is possible that BOS still has the expectation that the revenue management responsibilities approved by BOS Res. 78-1691 are still in effect and are being carried out. Those responsibilities include the Auditor-Controller monitoring and reviewing existing revenue sources; reviewing existing fees for feasible cost recovery; and assisting departments/agencies in the review and development of new fee schedules. As indicated above, the current practice by the Auditor-Controller is to perform a "limited review" of department fee studies.

2. Our audit of HCA's fee generated revenue found internal controls were adequate, effective and exemplary to ensure compliance with the County Revenue Policy. However, although HCA completed annual fee studies as required, they were not submitted to the Board because HCA management put them on hold, deferred them, or made a decision not to submit them. CAM R-3 is silent on whether fee studies and updates completed by departments/agencies must be submitted to the Board when there are no requested changes. In response to our recommendation, HCA developed proposed policy changes to provide additional clarification and guidance in preparing and submitting fee requests to the Board. However, discussions with the Auditor-Controller and CEO resulted in not modifying the County Revenue Policy at this time.



3. Our audit of OC Waste & Recycling's fee generated revenue found it had not been in full compliance with CAM R-3 requirements because their main revenue sources are derived from negotiated rate contracts that are not subject to Revenue Policy requirements. Specifically, fee studies were not prepared annually to determine if costs were being fully recovered, Fee Checklist forms were not consistently used, and the fees charged to the public were not submitted to the CEO and Auditor-Controller for review as required by CAM R-3. In response to our recommendations, OC Waste & Recycling took measures to ensure compliance with revenue policy requirements.
4. Our audit of OC Public Works found internal controls over fee development and compliance with CAM R-3 needed improvement due to limited resources devoted to this area. Specifically, fee studies were not prepared annually to determine if costs were fully recovered; some fee studies indicated they were full cost recovery when they were not (due to not including certain indirect costs); Fee Checklist forms were checked as full cost recovery even when they were not; and there was no comment or indication that the Auditor-Controller noted these discrepancies during their reviews. OC Public Works is taking measures to ensure compliance with revenue policy requirements.

RECOMMENDATIONS

Recommendation No. 1: To address the concern that the Board may have the expectation the Auditor-Controller is performing a more thorough review of fees, we recommend that the Auditor-Controller take measures to ensure the Board's current expectation of the level of Auditor-Controller's review of department fee studies and requests are aligned with the current policy of performing a limited review. The Auditor-Controller should also determine whether BOS Res. 78-1691 is still in effect and revise CAM R-3, if necessary, to reflect the appropriate oversight and authority.

Auditor-Controller Response:

Concur. The Auditor-Controller will work collaboratively with the CEO to determine if the Board of Supervisor Resolution No. 78-1691 approved on November 14, 1978, should be revised or replaced to reflect the current procedure to review departmental fees. Additionally, the Auditor-Controller will review and revise, if required, the current County of Orange Accounting Manual (CAM) Number R-3: Revenue Policy, Requirements, & Responsibilities. Updating the CAM will be a priority project for the new Auditor-Controller Central Operations Accounting and Reporting Manager. We anticipate the project will be completed within the next year.

Recommendation No. 2: To provide additional guidance and clarification on the frequency of fee studies, we recommend that the Auditor-Controller consider the Health Care Agency's proposed policy changes in their next revision of the County Accounting Manual procedures. HCA's suggested policy revisions are:

- Fee updates shall be conducted at least once every three years if the overall annual revenue generation from the fees is \$100,000 or greater, and at least once every five years if the revenue generation is less than \$100,000.
- Fee updates, when conducted, shall be submitted to the Board for review and approval if changes are recommended, or if it has been more than five years since the last Board review regardless of whether changes are recommended.

OC Internal Auditor's Report



- Except as in the second bullet above, fee updates, when conducted, are not required to be submitted to the Board for review and approval if no increase is to be recommended and the CEO concurs.

Auditor-Controller Response:

As part of the review process of CAM No. R-3, Auditor-Controller agrees to evaluate the current policy that requires fees be updated at least once each year and consider the impacts of the HCA proposed change in policy. As in Recommendation No. 1, updating the CAM will be a priority project for the new Auditor-Controller Central Operations Accounting and Reporting Manager. We anticipate the project will be completed within the next year.

Recommendation No. 3: To ensure that departmental Fee Checklist forms are consistently prepared, we recommend that the Auditor-Controller consider updating CAM R-3 to include guidelines for Fee Checklist form preparation. The policy should guide departments on fee checklist preparation, including:

1. In determining full cost recovery, all departmental overhead and Countywide Cost Allocation Plan (CWCAP) should be included for it to be considered as full cost recovery.
2. Identification of related costs should be for a specific fee or service, not cumulative for multiple fees.
3. Providing justification if the full cost recovery is not determined feasible or not elected by the department.

See Attachment B for the *Fee Checklist For ASR Submission*.

Auditor-Controller Response:

Auditor-Controller agrees to collaborate with CEO to review and revise as needed CAM R-3, Section 3.5 Checklist for New or Revised Fees to include guidance for completing the Fee Checklist, sections 3.5.2, Auditor-Controller and CEO Review, and 3.5.3, Exceptions to Fee Checklist.

Recommendation No. 4: To provide guidance for the Auditor-Controller's review of departmental fee requests and Fee Checklist forms, we recommend that review procedures include the following criteria to ensure the data and justification contained in the department fee requests and related ASRs appear reasonable and in compliance with CAM R-3:

1. The fee calculation should include departmental indirect costs and CWCAP to be considered full cost recovery (Fee Checklist Questions 9, 10, 11 should all be "Yes").
2. The type of explanation that should be provided for any "No" answers.
3. Proposed revenues should be reasonably related to services provided. Revenue should cover, but not exceed, specific costs related to providing the service (Fee Checklist Questions 17 & 18).
4. Net County Costs (NCC) should be zero if full cost recovery is planned (Fee Checklist Question 18).

OC Internal Auditor's Report



5. Identification of the costs related to the fee proposal should be shown per fee, not in total, if more than one fee is included in the fee study (Fee Checklist Question 17).
6. Full cost recovery and any exceptions to full cost recovery should be clearly disclosed on the ASR.

See Attachment B for the *Fee Checklist For ASR Submission*.

Auditor-Controller Response:

The Fee Checklist Form is currently in the process of being revised and the majority of the items above will be addressed. Auditor-Controller will collaborate with CEO to revise the internal review procedures to align with the revised form and expanded guidance in CAM R-3. This recommendation will be addressed as an integral part of the response to Recommendations No. 1, No. 2 and No. 3. We anticipate the project will be completed within the next year.

ACKNOWLEDGMENT

We appreciate the courtesy and cooperation extended to us by the personnel of the Auditor-Controller's Office and department personnel where we conducted our Fee Generated Revenue audits. If you have any questions regarding our **Audit Alert**, please call me directly at (714) 834-5475 or Michael Goodwin, Senior Audit Manager at (714) 834-6066.

Distribution Pursuant to Audit Oversight Committee Procedure No. 1:

Members, Board of Supervisors
Members, Audit Oversight Committee
Frank Kim, Interim Deputy CEO, Chief Financial Officer
Victoria Ross, Interim Director, A-C Central Accounting Operations
Denise Steckler, Director, A-C Satellite Accounting Operations
Sarah Quach, Manager, A-C Revenue and Budget
Danny Wassenaar, Manager, A-C Cost Studies
Foreperson, Grand Jury
Susan Novak, Clerk of the Board of Supervisors



ATTACHMENT A: Auditor-Controller Response



ORANGE COUNTY AUDITOR-CONTROLLER

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STEVEN P. RODERMUND
PROGRAM MANAGER
CAPS + PROGRAM MANAGEMENT OFFICE

November 15, 2012

TO: Peter Hughes, Director
Internal Audit Department

SUBJECT: Confidential Draft Audit Alert – Opportunity to Clarify County Revenue Policy
Concerning Oversight Responsibility, Full Cost Recovery, and Fee Checklists

Following is the Auditor-Controller's response to the recommendations contained in the Confidential Draft Audit Alert – Opportunity to Clarify County Revenue Policy Concerning Oversight Responsibility, Full Cost Recovery, and Fee Checklists No. 1250, dated October 17, 2012.

Recommendation No. 1: To address the concern that the Board may have the expectation the Auditor-Controller is performing a more thorough review of fees, we recommend that the Auditor-Controller take measures to ensure the Board's current expectation of the level of Auditor-Controller's review of department fee studies and requests are in alignment with the current policy of performing a limited review. The Auditor-Controller should also determine whether BOS Res. 78-1691 is still in effect and revise CAM R-3, if necessary, to reflect the appropriate oversight and authority.

Auditor-Controller Response: Concur. The Auditor-Controller will work collaboratively with the CEO to determine if Board of Supervisor Resolution No. 78-1691 approved on November 14, 1978, should be revised or replaced to reflect the current procedure to review departmental fees. Additionally, the Auditor-Controller will review and revise, if required, the current County of Orange Accounting Manual (CAM) Number R-3: Revenue Policy, Requirements, & Responsibilities. Updating the CAM will be a priority project for the new Auditor-Controller Central Operations Accounting and Reporting Manager. We anticipate the project will be completed within the next year.

Recommendation No. 2: To provide additional guidance and clarification on the frequency of fee studies, we recommend that the Auditor-Controller consider the Health Care Agency's proposed policy changes in their next revision of the County Accounting Manual procedures. HCA's suggested policy revisions are:

- Fee updates shall be conducted at least once every three years if the overall annual revenue generation from the fees is \$100,000 or greater, and at least once every five years if the revenue generation is less than \$100,000.



ATTACHMENT A: Auditor-Controller Response Continued

Peter Hughes, Director, Internal Audit Department
November 15, 2012
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Recommendation No. 2: (Continued)

- Fee updates, when conducted, shall be submitted to the Board for review and approval if changes are recommended, or if it has been more than five years since the last Board review regardless of whether changes are recommended.
- Except as in 2 above, fee updates, when conducted, are not required to be submitted to the Board for review and approval if no increase is to be recommended and the CEO concurs.

Auditor-Controller Response: As part of the review process of CAM No. R-3, Auditor-Controller agrees to evaluate the current policy that requires fees be updated at least once each year and consider the impacts of the HCA proposed change in policy. As in Recommendation No. 1, updating the CAM will be a priority project for the new Auditor-Controller Central Operations Accounting and Reporting Manager. We anticipate the project will be completed within the next year.

Recommendation No. 3: To ensure that departmental Fee Checklist forms are consistently prepared, we recommend that the Auditor-Controller consider updating CAM R-3 to include guidelines for Fee Checklist form preparation. The policy should guide departments on fee checklist preparation, including:

1. In determining full cost recovery, all departmental overhead and CWCAP should be included for it to be considered as full cost recovery.
2. Identification of related costs should be for a specific fee or service, not cumulative for multiple fees.
3. Providing justification if the full cost recovery is not determined feasible or not elected by the department.

See Attachment B for the *Fee Checklist For ASR Submission*.

Auditor-Controller Response: Auditor-Controller agrees to collaborate with CEO to review and revise as needed CAM R-3, Section 3.5 Checklist for New or Revised Fees to include guidance for completing the Fee Checklist, sections 3.5.2, Auditor-Controller and CEO Review, and 3.5.3 Exceptions to Fee Checklist.



ATTACHMENT A: Auditor-Controller Response Continued

Peter Hughes, Director, Internal Audit Department
November 15, 2012
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Auditor-Controller Response (Continued): Additionally, CAM B-2 Billing Rates and Indirect Costs, effective September 2002, includes the County policy for full cost recovery and provides basic guidelines for calculating department billing rates and indirect costs. The Auditor-Controller will discuss with CEO the referencing of CAM B-2 in CAM R-3 to determine the calculation of fees to recover costs.

As in Recommendation No. 1 and No. 2, this will be a priority project for the new Auditor-Controller Central Operations Accounting and Reporting Manager. We anticipate the project will be completed within the next year.

Recommendation No. 4: To provide guidance for the Auditor-Controller's review of departmental fee requests and Fee Checklist forms, we recommend that review procedures include the following criteria to ensure the data and justification contained in the department fee requests and related ASRs appear reasonable and in compliance with CAM R-3:

1. The fee calculation should include departmental indirect costs and CWCAP to be considered full cost recovery (Fee Checklist Questions 9, 10, 11 should all be "Yes")
2. The type of explanation that should be provided for any "No" answers.
3. Proposed revenues should be reasonably related to services provided. Revenue should cover, but not exceed, specific costs related to providing the service (Fee Checklist Questions 17 & 18)
4. Net County Costs (NCC) should be zero if full cost recovery is planned (Fee Checklist Question 18)
5. Identification of the costs related to the fee proposal should be shown per fee, not in total, if more than one fee is included in the fee study (Fee checklist Question 17)
6. Full cost recovery and any exceptions to full cost recovery should be clearly disclosed on the ASR.

See Attachment B for the *Fee Checklist For ASR Submission*.

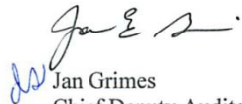
Auditor-Controller Response: The Fee Checklist Form is currently in the process of being revised and the majority of the items above will be addressed. Auditor-Controller will collaborate with CEO to revise the internal review procedures to align with the revised form and expanded guidance in CAM R-3.



ATTACHMENT A: Auditor-Controller Response Continued

Peter Hughes, Director, Internal Audit Department
November 15, 2012
Page 4

Auditor-Controller Response (Continued): This recommendation will be addressed as an integral part of the response to Recommendations No. 1, No.2 and No. 3. We anticipate the project will be completed within the next year.


Jan Grimes
Chief Deputy Auditor-Controller

Cc: Victoria Ross, Interim Director, A-C Central Accounting Operations
Denise Steckler, Director, A-C Satellite Accounting Operations
Sarah Quach, Manager, A-C Revenue and Budget
Danny Wassenaar, Manager, A-C Cost Studies



ATTACHMENT B: Fee Checklist For ASR Submission

FEE CHECKLIST FOR ASR SUBMISSION

DEPT./ AGENCY: _____ DATE: _____

DEPT./ AGENCY: AUTHORIZED SIGNATURE: _____

DEPT./ AGENCY: CONTACT & PHONE NO.: _____

Description of proposed fee contained in ASR:

Amount of annual revenue related to this proposal: _____

Answer the following questions and check yes or no answers:

Check One

YES NO N/A

- | | | | |
|---|--------------------------|--------------------------|--------------------------|
| 1. Is this a new fee? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Is this a revision of existing fee? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Does this fee meet Proposition 26's exceptions (Note 1)? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

If "NO" is checked, please contact your CEO Budget Analyst.

If "Yes" is checked, please list the exception(s).

4. When was the fee last revised? _____

Attach a fee schedule that includes a comparison between current and proposed fees.

5. List other county agencies/departments impacted by this fee.

- | | | | |
|--|--------------------------|--------------------------|--------------------------|
| 6. Has the fee been coordinated with them? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|--|--------------------------|--------------------------|--------------------------|

7. List non-county government agencies/organizations, and/or communities impacted by this fee.

a. _____	Have they been notified?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
----------	--------------------------	--------------------------	--------------------------	--------------------------

Has the fee been coordinated with them?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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b. _____	Have they been notified?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
----------	--------------------------	--------------------------	--------------------------	--------------------------

Has the fee been coordinated with them?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
---	--------------------------	--------------------------	--------------------------

c. _____	Have they been notified?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
----------	--------------------------	--------------------------	--------------------------	--------------------------

Has the fee been coordinated with them?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
---	--------------------------	--------------------------	--------------------------



ATTACHMENT B: Fee Checklist For ASR Submission (continued)

FEE CHECKLIST FOR ASR SUBMISSION		Check One		
PAGE 2		YES	NO	N/A
d.	_____ Have they been notified?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Has the fee been coordinated with them?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.	Have all advisory board and public hearing concurrencies been finalized?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9.	Is full cost recovery planned in the fee calculation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10.	Is agency/department indirect cost included in the fee calculation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11.	Is County General support service costs as determined by the County Wide Cost Allocation Plan (CWCAP) included in the fee calculation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12.	Has legal authority for the fee been reviewed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13.	Is the fee request consistent with the legal authority to levy?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14.	Identify the legal authority of the fee. _____			
15.	Is the proposed Board Resolution or ordinance (if required) attached?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.	When will the new fee be implemented? _____			
17.	Identification of the costs related to this fee proposal:			
	Personnel (S.E.B.) _____			
	Services and Supplies _____			
	Equipment _____			
	Department/ Agency Indirect Costs _____			
	County General support service costs (CWCAP) _____			
	Other _____			
	Total _____			
18.	*Current Fiscal Year	Annual Fiscal Year		
	Costs: \$ _____	Costs:	\$ _____	
	Revenue: \$ _____	Revenue:	\$ _____	
	NCC: \$ _____	NCC:	\$ _____	



ATTACHMENT B: Fee Checklist For ASR Submission (continued)

FEE CHECKLIST FOR ASR SUBMISSION PAGE 3

* Costs, revenue, and NCC from implementation through the end of the current fiscal year.

19. Revenue Coding:

FUND - DEPT - BUDGET CONTROL - UNIT - REVENUE SOURCE - DEPT REVENUE SOURCE

Two weeks prior to filing the ASR with the Clerk of the Board, the department/agency must submit the ASR, Fee Checklist, and appropriate documentation to allow adequate time for the CEO and Auditor-Controller to review. The review is limited to an evaluation of the documentation supporting the proposed fee. The Fee Checklist signed by both the CEO and Auditor-Controller must be attached to the ASR.

CEO Concurrence: _____ Date: _____

Auditor-Controller Concurrence: _____ Date: _____

Note 1: California Constitution, Article XIII C, § 1 (e), 2(d), (Proposition 26, November 3, 2010)

Requires a fee or charge that does not fall within the seven exceptions listed in proposition 26 is deemed a tax which must be approved by the voter.