

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

440



FROM: Human Resources Department

SUBMITTAL DATE:
February 13, 2014

SUBJECT: Classification recommendation for a District Attorney Forensic Accountant job classification and amend Ordinance No. 440 pursuant to Resolution No. 440-8958 submitted herewith. [District- All] [Total Cost - \$0] [Real Estate Fraud Prosecution Trust Fund Fee]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the addition of a District Attorney Forensic Accountant job classification and amend Ordinance No. 440 pursuant to Resolution No. 440-8958 submitted herewith.

BACKGROUND:

Summary

The following recommendation is the result of a classification request from the Riverside County District Attorney's Office to develop a new job classification, District Attorney Forensic Accountant.

Departmental Concurrence

Michael T. Stock
Asst. County Executive Officer/
Human Resources Director

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 0	\$ 0	\$ 0	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	
SOURCE OF FUNDS: Real Estate Fraud Prosecution Trust Fund Fee				Budget Adjustment: No	
				For Fiscal Year: 2013/14	

C.E.O. RECOMMENDATION:

APPROVE

BY: Samuel Wong 2/18/14
Samuel Wong

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

- Positions Added
- Change Order
- A-30
- 4/5 Vote

Prev. Agn. Ref.: 3/12/2013; 3.11 | **District:** All | **Agenda Number:**

3-20

BACKGROUND:

Summary (continued)

CREATION OF A NEW JOB CLASSIFICATION

District Attorney Forensic Accountant

Investigation and prevention of real estate fraud continues to be of high priority for Riverside County's District Attorney's Office, Real Estate Fraud Unit. The District Attorney's Office has requested the creation of a District Attorney Forensic Accountant job classification (Attachment B) to ensure adequate staffing with the requisite technical skills and knowledge in forensic accounting. The addition of this job classification will provide a vital skillset to effectively address the increase in referrals to the District Attorney's Office for investigation and prosecution of financial crimes involving real estate fraud.

During the 2011-12 fiscal year, the District Attorney's Office received over 2400 referrals for real estate fraud investigation, an increase of over 500 referrals from the prior fiscal year. In fiscal year 2012-13, the Real Estate Fraud Unit initiated approximately 94 investigations compared to the 62 commenced in 2010-11; an increase of 34%. By March of 2013, there were approximately 133 active investigations. On March 12, 2013, the Board of Supervisors approved Agenda Item 3-11, Resolution No. 2013-0540 authorizing an increase in the Real Estate Fraud Prosecution Trust Fund Fee, effective March 26, 2013. The increase in fees was approved as a funding source to ensure adequate staff levels are maintained within the Real Estate Fraud Unit and provide the necessary resources to address the ongoing needs of the County of Riverside and its constituents as it pertains to real estate fraud investigation, prosecution, and education.

The current Real Estate Fraud Unit is comprised of four full time investigators, an investigative technician, three prosecutors, and one paralegal; however there is no forensic accounting staff. One real estate fraud case alone requires the services of multiple investigators and investigative technicians who review and analyze thousands of pages of pertinent documents, computer hard drives, bank records, deeds, escrow files, and title files to properly investigate, file and prosecute a criminal real estate fraud case due to the specialized nature of these cases. Providing adequate staffing levels with a value added technical knowledge base of specialized forensic accounting services are some of the critical factors leading to the successful prosecution of a real estate fraud case.

A growing demand for a specialty field of forensic accounting emerged prior to the Great Recession due to the growing occurrences of financial crime and the complexity associated with effectively addressing economic fraud. According to a research study conducted by the American Institute of Certified Public Accountants a highly effective Forensic Accountant must possess a distinctly different set of characteristics and core skillsets than that of a traditional accountant (Davis, Farrell, & Ogilby, 2013).

In addition to reviewing the unique skillset required to provide value added forensic accounting services, the Human Resources Department conducted a benchmark survey of other county jurisdictions with a Forensic Accountant (Attachment C). The work scope of the Forensic Accountant job classifications benchmarked, by comparison, varied slightly. At minimum, the Forensic Accountant is expected to perform in a lead capacity and/or journey level depending on the assignment to a management or supervisory unit.

The proposed Riverside County District Attorney Forensic Accountant job classification requires advanced journey level work, at minimum, to ensure a requisite knowledge base of professional accounting and a specialized forensic accounting skillset (Attachment B).

SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: Classification recommendation for a District Attorney Forensic Accountant job
classification and amend Ordinance No. 440 pursuant to Resolution No. 440-8958 submitted
herewith. [District- All] [Total Cost - \$0] [Real Estate Fraud Prosecution Trust Fund
DATE: February 13, 2014
PAGE: 3 of 3

CLASSIFICATION ADDITION:

District Attorney Forensic Accountant: It is recommended to add this classification to the Class and Salary Listing at salary plan/grade MCO 655/L11 (\$94,764 - \$123,591). This request is only to add the classification and there is no immediate financial impact associated with this request.

Impact on Residents and Businesses

None

ATTACHMENTS:

- A. **Resolution No. 440-8958**
- B. **District Attorney Forensic Accountant Job Classification Specification**
- C. **Local County Jurisdictions Benchmark Salary Survey of Forensic Accountant**

RESOLUTION NO. 440-8958

BE IT RESOLVED by the Board of Supervisors of the County of Riverside, State of California, in regular session assembled on _____, 2014, that pursuant to Section 3(a)(iv) of Ordinance No. 440, the Assistant County Executive Officer/Human Resources Director is authorized to amend the Class and Salary Listing of Ordinance No. 440, operative the beginning of the pay period following approval, as follows:

<u>Job Code</u>	<u>+/-</u>	<u>Class Title</u>	<u>Salary Plan/Grade</u>
92740	+	District Attorney Forensic Accountant	MCO 655/L11



**DISTRICT ATTORNEY
FORENSIC ACCOUNTANT**

Class Code: 92740

COUNTY OF RIVERSIDE
Established Date: Mar 6, 2014
Revision Date: Mar 6, 2014

SALARY RANGE

\$45.56 - \$59.42 Hourly
\$7,897.00 - \$10,299.26 Monthly
\$94,763.97 - \$123,591.10 Annually

CLASS CONCEPT:

Under general direction, incumbents perform investigative audits of financial transactions, records, and other documents to identify and preserve evidence of fraud or other criminal activities. This class is distinguished from other accountant and auditor classes by its active involvement in both civil and criminal investigations and by its direct support of prosecution efforts in financial crimes cases, and performs other related duties as required.

This is an advanced journey level classification that typically reports to the Supervising Deputy District Attorney for case orientation and direction, works in collaboration with sworn District Attorney Investigators and prosecutors at every stage of cases, and may exercise technical or functional supervision over lower level staff.

Incumbents perform the full range of complex and specialized forensic accounting; identify and develop effective forensic accounting investigative and prosecution strategies for cases involving economic fraud or financial crimes; examine accounting, business, and financial records of businesses, organizations, and/or individuals under criminal and/or civil investigation by the District Attorney; provide expert witness testimony in court or other judicial proceedings; and do other work as required.

REPRESENTATION UNIT: Unrepresented Management

EXAMPLES OF ESSENTIAL DUTIES:

(Depending on the area of assignment, duties may include, but are not limited to, the following)

- Assist attorneys and investigators in interviewing suspects and witnesses to obtain information regarding financial transactions and activities; advise, instruct, and guide attorneys and investigators in financial investigative techniques and on technical accounting matters for the preparation of search and/or arrest warrants.
- Plan, organize, direct, and conduct investigative audits of complex financial transactions, financial records, digital files, and other related documents.
- Review and perform forensic analysis of complex financial records of businesses, organizations, and/or individuals, through application of a variety of professionally accepted accounting methodologies, to identify evidence of economic fraud or criminal activity.
- Investigate and reconstruct financial records which have been destroyed or falsified; trace funds through bank accounts to source or to ultimate disposition; examine and summarize bank records.

- Prepare comprehensive, investigative reports documenting methods and findings.
- Plan and prepare cogent summaries for courtroom use as well as graphic illustrations and exhibits to summarize opinions and explain financial transactions to jurors.
- Testify in court as an expert witness in forensic accounting.

RECRUITING GUIDELINES:

Education: Graduation from an accredited college or university with a Bachelor's degree in accounting, finance, auditing, or a closely related field with a specialization in forensic accounting coursework.

OR

Possession of a valid certificate as a Certified Public Accountant (CPA) in the State of California.

AND

OPTION I

Experience: Four years of professional criminal forensic accounting experience, two of which must have included fraud investigations in auditing of financial records of public and/or private organizations and preparing comprehensive audit reports, preferably in a legal or litigation environment.

OR

OPTION II

Experience: Two years of criminal forensic accounting experience as a Forensic Accountant. Education or training that can be directly related to knowledge and ability requirements such as courses in forensic accounting, statistics, auditing, litigation, investigation, evidence etc., may be substituted for up to one year of experience at the rate of three semester units for one month of experience and one hour of job related training for one hour of experience.

Note: Professional designation as a Certified Fraud Examiner (CFE), Certified Internal Auditor (CIA) and/or a Certified Financial Forensics (CFF) credential is highly desirable.

Knowledge of: Generally Accepted Accounting Practices (GAAP); accounting principles, standards, and procedures necessary to analyze financial records, evaluate complex accounting transactions as they apply to the public and private sectors; auditing principles, standards, and procedures; alternate approaches to audit verification and legal requirements; audit work paper techniques and review procedures; bulletins and directives pertaining to auditing standards, and accounting principles as prescribed by the American Institute of Certified Public Accountants; business law and other relevant laws and rules regulating and influencing fiscal operations and financial transactions; interpretation and application of legal concepts for accounting transactions; cost accounting procedures and systems; techniques used to analyze financial statements and tax returns for individuals, partnerships, and corporations; interviewing techniques; prosecution ethical standards; principles and practices of electronic data processing necessary to audit financial records; Microsoft Office applications necessary to evaluate financial records and document audit results.

Ability to: Effectively apply accounting and auditing principles, standards, and procedures; analyze and prepare comprehensive, accounting and statistical reports; plan, organize, and conduct a variety of audits of financial transactions and records; interpret and evaluate a variety of financial information; analyze lack of internal controls and opportunities for embezzlement; utilize analytical software and compile database materials; testify as an expert witness in criminal and civil proceedings; prepare clear, concise, and complete records; develop and prepare flowcharts, diagrams, and other materials for presentation of

financial transaction information; communicate effectively, both orally and in writing; define accounting investigative problems.

OTHER REQUIREMENTS:

License: Possession of a valid California Driver's License.

PRE-EMPLOYMENT:

All employment offers are contingent upon successful completion of both a pre-employment physical exam, including a drug/alcohol test, and a criminal background investigation, which involves fingerprinting. (A felony or misdemeanor conviction may disqualify the applicant from County employment).

PROBATIONARY PERIOD:

As an Approved Local Merit System, all County of Riverside employees, except those serving "At Will," are subject to the probationary period provisions as specified in the applicable Memorandum of Understanding, County Resolution, or Salary Ordinance. Temporary and Per Diem employees serve at the pleasure of the agency/department head.

External Market Survey Data

Attachment C

Forensic Accountant

Riv Co Class Code: 92740

Jurisdiction	Title	Base Salary
Orange County	<i>District Attorney Senior Forensic Accountant</i>	\$131,832
San Diego County	<i>Forensic Accountant</i>	\$100,381
Santa Clara County	<i>Forensic Accountant</i>	\$107,103
	County Survey Mean:	\$113,105
	County Survey Median:	\$107,103
Riverside County	<i>District Attorney Forensic Accountant</i>	\$123,591
	Dollar difference from mean:	\$10,486
	Percentage difference from mean:	8.5%
	Dollar difference from median:	\$16,488
	Percentage difference from median:	13.3%

Notes: The benchmarked counties reflect annual base salary maximums. Orange, San Diego and Santa Clara Counties' Forensic Accountant at minimum, require journey level work. Riverside County's job classification salary requirement is based on an advanced journey level work scope. Los Angeles County does not have a Forensic Accountant job class and was not included in the survey.

Run Date:

Date Prepared/Revised: 01/29/14

By: V. Nunez