



Transmitted via email

January 24, 2011

Mr. Samuel Schuchat, Executive Officer
California State Coastal Conservancy
1330 Broadway, Suite 1100
Oakland, CA 94612

Dear Mr. Schuchat:

Final Report—Santa Clara County Open Space Authority, Blair Ranch Property Grant Audit

The Department of Finance, Office of State Audits and Evaluations (Finance), has completed its audit of the Santa Clara County Open Space Authority's (Grantee) grant agreement 07-101 for the period February 22, 2008 through June 30, 2008.

The enclosed report is for your information and use. Because there were no audit findings or issues requiring a response, we are issuing the report as final.

In accordance with Finance's policy of increase transparency, this report will be placed on our website. Additionally, pursuant to Executive Order S-20-09, please post this report in its entirety to the Reporting Government Transparency website at <http://www.reportingtransparency.ca.gov/> within five working days of this transmittal.

We appreciate the assistance and cooperation of the Santa Clara County Open Space Authority and the California State Coastal Conservancy. If you have any questions, please contact Susan M. Botkin, Manager, or Robert Scott, Supervisor, at (916) 322-2985.

Sincerely,

Original signed by:

David Botelho, CPA
Chief, Office of State Audits and Evaluations

Enclosure

cc: Mr. William Parkin, Acting General Manager, Santa Clara County Open Space Authority
Ms. Jayne Brownlee, Accountant, Santa Clara County Open Space Authority
Ms. Nadine Hitchcock, Deputy Executive Officer, California State Coastal Conservancy
Ms. Regine Serrano, Chief of Administrative Services, California State Coastal Conservancy
Ms. Trish Chapman, Manager, California State Coastal Conservancy
Mr. Patrick Kemp, Assistant Secretary, California Natural Resources Agency
Mr. Bryan Cash, Deputy Assistant Secretary, California Natural Resources Agency
Ms. Julie Alvis, Deputy Assistant Secretary, California Natural Resources Agency

A GRANT AUDIT

Santa Clara County Open Space Authority Blair Ranch Property Acquisition Grant Agreement 07-101



Source: Santa Clara County Open Space Authority

Prepared By:
Office of State Audits and Evaluations
Department of Finance

103760085

January 2011

MEMBERS OF THE TEAM

Susan M. Botkin, CGFM
Manager

Robert Scott, CPA
Supervisor

Staff
Ramon Juarez

Final reports are available on our website at <http://www.dof.ca.gov>

You can contact our office at:

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Office of State Audits and Evaluations
300 Capitol Mall, Suite 801
Sacramento, CA 95814
(916) 322-2985

BACKGROUND

In November 2006, California voters approved the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84). The \$5.4 billion in bond proceeds provide for grants to finance a variety of resource programs.

California State Coastal Conservancy

The California State Coastal Conservancy (Conservancy), established in 1976, partners with other agencies to preserve, protect, and restore resources of the California coast and the San Francisco Bay Area. The Conservancy grants bond funds to local agencies, non-profit organizations and other agencies to acquire, restore, and enhance land and facilities for habitat, public access, and urban waterfront restoration in coastal areas and watersheds.

Santa Clara County Open Space Authority

The Santa Clara County Open Space Authority (Authority) was created in 1993. The Authority's jurisdiction encompasses most of Santa Clara County. The Authority received a bond grant from the Conservancy for acquisition of 865 acres of the Blair Ranch Property for habitat preservation, open space protection, and public access.

SCOPE

In accordance with the Department of Finance's bond oversight responsibilities, we conducted an audit of the following grant:

<u>Grant Agreement</u>	<u>Grant Period</u>	<u>Awarded</u>
07-101	February 22, 2008 through June 30, 2008	\$4,340,000

The audit objective was to determine whether the Authority complied with laws, regulations, and grant requirements. In order to design procedures to evaluate compliance, we obtained an understanding of the relevant controls. However, we did not assess the efficiency or effectiveness of the Authority's operations.

The Authority's management is responsible for ensuring accurate financial reporting and compliance with applicable laws, regulations, and grant requirements as well as evaluating operating effectiveness. The Conservancy and the California Natural Resources Agency are responsible for state-level administration of the bond programs.

METHODOLOGY

To determine whether expenditures were in compliance with laws, regulations, and grant requirements, we performed the following procedures:

- Interviewed key personnel to obtain an understanding of grant-related internal controls.
- Examined grant files, the grant agreement, and applicable policies and procedures.
- Reviewed records for the land acquisition to determine if costs were allowable, grant related, incurred within the grant period, and supported.
- Conducted a site visit to verify property existence.

The audit results are based on review of documentation, other information made available to us, and interviews with the staff directly responsible for administering the bond funds. Audit procedures were completed during March 2010. In addition, audit procedures evaluated compliance with laws, regulations, and grant requirements through January 31, 2010. As bond grant funds were used to acquire real property as open space with public access, the Grantee will have ongoing maintenance and security requirements.

This audit was conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our observations and recommendations based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our observations and recommendations.

RESULTS

Based on the audit procedures performed, the Authority complied with laws, regulations, and grant requirements, and no findings or questioned costs are reported. The Schedule of Claimed, Audited, and Questioned Amounts is presented in Table 1.

Table 1: Schedule of Claimed, Audited, and Questioned Amounts

Grant Agreement 07-101			
For the Period February 22, 2008 through June 30, 2008			
Category	Claimed	Audited	Questioned
Land Acquisition	\$4,340,000	\$4,340,000	\$ 0