



Transmitted via e-mail

November 9, 2010

Ms. Michelle Meadows, Assistant Director of Administration
Office of Traffic Safety
2208 Kausen Drive, Suite 300
Elk Grove, CA 95758

Dear Ms. Meadows:

Final Report—City of Long Beach, Office of Traffic Safety Grant Audit

The Department of Finance, Office of State Audits and Evaluations (Finance), has completed its audit of the City of Long Beach's (City) Family Safety Initiative Program, grant agreement OP0808 for the period October 1, 2007 through September 30, 2009.

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 increased transparency, the final report will be placed on our website. Additionally, pursuant to Executive Order S-20-09, the Office of Traffic Safety is required to post this report in its entirety to the Reporting Government Transparency website at <http://www.reportingtransparency.ca.gov/> within five working days of the final transmittal.

We appreciate the assistance and cooperation of the City's staff. If you have any questions regarding this report, please contact Kimberly Tarvin, Manager, or Rick Cervantes, Supervisor, at (916) 322-2985.

Sincerely,

Original signed by:

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

Enclosure

cc: On following page

cc: Mr. Patrick H. West, City Manager, City of Long Beach
Mr. Dennis J. Thys, Director, Department of Community Development, City of Long Beach
Ms. Angela Reynolds, Manager, Neighborhood Services Bureau, Department of
Community Development, City of Long Beach
Ms. Francine Wiegelman, Accounting Officer, City of Long Beach
Ms. Suzan Simaan, Community Development Analyst, Neighborhood Services Bureau,
Department of Community Development, City of Long Beach
Mr. Tony Sordello, Regional Coordinator, Office of Traffic Safety
Ms. Deborah Hrepich, Associate Accounting Analyst, Office of Traffic Safety

A GRANT AUDIT

City of Long Beach
Family Safety Initiative Program
Grant Agreement OP0808

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

MEMBERS OF THE TEAM

Kim Tarvin, CPA
Manager

Rick Cervantes, CPA
Supervisor

Staff
Weiping Kruschke

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

You can contact our office at:

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

BACKGROUND

The Office of Traffic Safety (OTS) is charged with the responsibility of obtaining and distributing federal funds in an effort to carry out the direction of the National Highway Traffic Safety Act. The federal funds are designed to mitigate traffic safety problems as defined by the Highway Safety Plan. Currently, there are eight program priority areas earmarked for grant funding: Alcohol and Other Drugs, Occupant Protection, Pedestrian and Bicycle Safety, Emergency Medical Services, Traffic Records, Roadway Safety, Motorcycle Safety, and Police Traffic Services. OTS allocates funds to local government agencies to implement these programs via grant awards.

The City of Long Beach (City) received a \$374,758 grant from OTS to: (1) reduce the number of deaths and injuries of children age six and under by promoting the proper use of child restraints, and (2) educate parents and children (age 4 through 15) on bicycle and pedestrian safety.

SCOPE

In accordance with an interagency agreement, the Department of Finance, Office of State Audits and Evaluations, conducted an audit of the City's OTS grant listed below.

<u>Grant Agreement</u>	<u>Audit Period</u>	<u>Awarded</u>
OP0808	October 1, 2007 through September 30, 2009	\$366,898

The audit objective was to determine whether the City's grant expenditures were in compliance with applicable laws, regulations, and grant requirements. In order to design adequate procedures to evaluate fiscal compliance, we obtained an understanding of the relevant internal controls. We did not assess the efficiency or effectiveness of program operations.

The City's management is responsible for ensuring accurate financial reporting and compliance with applicable laws, regulations, and grant requirements as well as evaluating the efficiency and effectiveness of the program. OTS is responsible for the state-level administration of the grant funds.

METHODOLOGY

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

- Interviewed key personnel.
- Obtained an understanding of the grant-related internal controls.
- Examined the grant files.
- Reviewed the City's accounting records.

- Determined whether a sample of expenditures were:
 - Allowable
 - Grant related
 - Incurred within the grant period
 - Supported by accounting records
 - Properly recorded
 - Not double billed to other revenue sources
- Evaluated whether the goals and objectives required by the grant agreement were substantially met.

The results of the audit are based on our review of documentation, other information made available to us, and interviews with the staff directly responsible for administering grant funds. The audit was conducted from June 2010 through October 2010.

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 City met the fiscal requirements for the grant agreement. No observations or questioned costs were identified. The Schedule of Claimed, Audited, and Questioned Amounts is presented in Table 1.

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

Grant Agreement OP0808			
For the Period October 1, 2007 through September 30, 2009			
Category	Claimed¹	Audited	Questioned
Personnel Costs	191,219	191,219	\$ 0
Travel Expenses	569	569	0
Contractual Services	82,522	82,522	0
Other Direct Costs	56,658	56,658	0
Indirect Costs	28,682	28,682	0
Total Expenditures	\$359,650	\$359,650	\$ 0

¹ For grant agreement OP0808, the City only claimed \$359,650 of the \$366,898 awarded