



Transmitted via e-mail

July 18, 2012

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

Dear Ms. Garcia:

Final Report—City of Paso Robles, Traffic Safety Grant Audit

The Department of Finance, Office of State Audits and Evaluations, has completed its audit of the City of Paso Robles' (City) Avoid the 14 DUI Campaign grant AL0742 for the period October 1, 2006 through September 30, 2009.

The enclosed report is for your information and use. The City's response to the report observation and our evaluation of the response are incorporated into this final report. This report will be placed on our website.

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

Sincerely,

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

Enclosure

cc: Ms. Karen Coyle, Regional Coordinator, Office of Traffic Safety
Ms. Deborah Hrepich, Associate Accounting Analyst, Office of Traffic Safety
Mr. Robert Burton, Acting Chief of Police, Paso Robles Police Department, City of Paso Robles
Mr. James D. Throop, Finance Officer, City of Paso Robles

AUDIT REPORT

City of Paso Robles
Avoid the 14 DUI Campaign
San Luis Obispo County
Grant Agreement AL0742

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

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

You can contact our office at:

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BACKGROUND, SCOPE AND METHODOLOGY

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 awards¹.

The City of Paso Robles (City) received a grant from OTS to serve as the host agency for a regional DUI effort in San Luis Obispo County. The grant's purpose is to reduce alcohol-involved fatalities and injuries and raise general public awareness regarding the problems associated with drinking and driving. Participating agencies included Arroyo Grande, Atascadero, Cal Poly University, Cuesta College, Grover Beach, Morro Bay, Pismo Beach, and San Luis Obispo (SLO) Police Departments, the SLO Sheriff's Department, SLO Probation Department, California (CA) Highway Patrol, CA State Parks, and CA Department of Alcoholic Beverage Control. Activities included DUI checkpoints, DUI saturation patrols, and warrant/court sting operation for multiple DUI offenders².

SCOPE

In accordance with an interagency agreement, the Department of Finance, Office of State Audits and Evaluations, conducted a performance audit of the following grant:

<u>Grant Agreement</u>	<u>Grant Period</u>	<u>Award</u>
AL0742	October 1, 2006 through September 30, 2009	\$396,324

The audit objectives were to determine whether the City's grant expenditures claimed were in compliance with applicable laws, regulations, and grant requirements; and to determine whether the grant goals and objectives were completed as required. In order to design adequate procedures to conduct our audit, we obtained an understanding of the relevant internal controls. We did not assess the efficiency or effectiveness of program operations.

City management is responsible for ensuring accurate financial reporting and compliance with applicable laws, regulations, and grant requirements. OTS is responsible for the state-level administration of the grant program.

¹ Excerpts from www.OTS.ca.gov.

² Excerpts from grant agreement AL0742.

METHODOLOGY

To determine whether grant expenditures were in compliance with applicable laws, regulations, and the grant requirements; and if the grant goals and objectives were completed as required, we performed the following procedures:

- Interviewed key personnel to obtain an understanding of the grant-related internal controls.
- Examined the grant files, the grant agreement, and applicable policies and procedures.
- Reviewed the City's accounting records, personnel documents, and subcontractor invoices.
- Selected a sample of expenditures to determine if costs were allowable, grant-related, incurred within the grant period, supported by accounting records, and properly recorded.
- Performed procedures to determine if other revenue sources were used to reimburse expenditures already reimbursed with grant funds.
- Evaluated whether a sample of grant goals and objectives required by the grant agreement were met.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The results of the audit are based on our review of documentation, other information made available to us, and interviews with staff directly responsible for administering grant funds. Except as noted below, the City was in compliance with the requirements of the grant agreement. The Schedule of Claimed Amounts is presented in Table 1.

Table 1: Schedule of Claimed Amounts

Grant Agreement AL0742 For the Period October 1, 2006 through September 30, 2009	
Category	Claimed
Personnel Costs	\$ 46,138
Travel Expenses	6,098
Contractual Services	319,257
Other Direct Costs	15,253
Indirect Costs	9,578
Total Expenditures	\$ 396,324

Observation 1: The City Did Not Meet Two Grant Objectives

As presented in Table 2 below, the City did not accomplish two of the eight grant objectives required in grant agreement AL0742. Failure to meet the objectives may result in withholding or disallowance of grant reimbursements, the reduction or termination of grant funding, or denial of future grant funding.

Table 2: Schedule of Objectives Not Met

Objective	Description	Results
3	To conduct a total of 140 saturation patrols during the period October 1, 2006 to December 31, 2009 ³ .	Only 120 of the required 140 saturation patrols were conducted.
5	To increase the calendar 2005 base year DUI warrant arrests by 5 percent each year from 588 to 617 by the end of the project period through warrant sweeps and other concerted efforts by participating agencies.	The City did not meet the DUI warrant arrests specified in the grant objective as follows: <ul style="list-style-type: none"> • 547 DUI warrant arrests in the calendar year 2008. • 300 DUI warrant arrests in the calendar year 2009.

³ The grant end date was amended to September 30, 2009 from January 31, 2010. However, the period covered by the grant objectives was not changed.

Recommendation:

For future grants, the City should implement procedures to effectively plan the grant activities to ensure required objectives are met. OTS will determine the actions, if any, to take as a result of the unmet objectives.

PASO ROBLES POLICE DEPARTMENT

June 14, 2012

Mr. David Botelho, CPA
Chief, Office of State Audits and Evaluations
Department of Finance
915 L Street
Sacramento, CA. 95814-3706

Dear Mr. Botelho,

On Tuesday, June 12, 2012, the City of Paso Robles received the Department of Finance draft report regarding the Avoid the 14 DUI Campaign Grant AL0742. The draft report detailed audit findings for the above named grant for the period October 1, 2006 through September 30, 2009.

I have thoroughly reviewed the draft report and agree with the audit results that **Objective 3** was not achieved. However, the draft report is flawed in that it does not *adequately* call attention to key factors that prohibited law enforcement agencies in San Luis Obispo County, not specifically the City of Paso Robles, to meet this grant objective. In addition, I only partially agree with the audit results for **Objective 5** since the audit mistakenly measures an incorrect time period.

In regards to **Objective 3** (To conduct 140 saturation patrols during the period October 1, 2006 to December 31, 2009), all 140 saturation patrols were planned for this period. However, the Office of Traffic Safety (OTS) requested that this countywide grant be shortened by 3 months so they could realign grant start periods for future Avoid Grants. The City of Paso Robles, as the grant coordinator, complied with this request, and as a result, could not schedule the remaining 20 saturation patrols originally planned for this period. Although a small footnote is indicated in the draft report regarding this situation, it is the opinion of the City of Paso Robles that the County of San Luis Obispo met this objective up until the time the grant was requested to be shortened by the OTS. The City of Paso Robles and the participating San Luis Obispo County law enforcement agencies should not be penalized with not meeting this grant objective since the actual grant provider, OTS, intentionally changed the grant period.

In regards to **Objective 5** (To increase the calendar 2005 base year DUI warrant arrests by 5 percent each year, from 588 to 617, by the end of the project period, through warrant sweeps and other concerted efforts by participating agencies), the results are not accurate. The objective was to be measured against each calendar year (January 1

through December 31) and the auditor measured the objective against the yearly grant period (October 1 through September 30). However, the auditor did list the correct DUI warrant arrest numbers for each respective calendar year. Once again, the major problem with this result is that the last calendar year (2009) of the grant was cut short by OTS. If the auditor had correctly measured the statistics against the calendar year, this should have been the results:

- The County of San Luis Obispo County Law Enforcement did not meet the DUI warrant arrest objective in calendar year 2008 as they only made 547 DUI warrant arrests.
- It is unknown if San Luis Obispo County Law Enforcement could have met the DUI warrant arrest objective for calendar year 2009 since the Office of Traffic Safety (OTS) intentionally changed the grant period and cut the last calendar year by 3 months (see the above information regarding grant **Objective 3** for more details).

In summary, the City of Paso Robles and San Luis Obispo County law enforcement only fell short in **Objective 5** during one calendar year. Overall, the audit revealed the Avoid the 14 DUI Campaign Grant AL0742 met its purpose to reduce alcohol involved fatalities and injuries and raise general public awareness regarding the problems associated with drinking and driving. In addition, the City of Paso Robles ensured financial reporting and compliance as required, in their capacity as the host agency for this regional DUI effort.

Sincerely,



Robert Burton
Acting Chief of Police

Cc: Ms. Kim Garcia, Assistant Director of Administration, Office of Traffic Safety
Ms. Karen Coyle, Regional Coordinator, Office of Traffic Safety
Ms. Deborah Hrepich, Associate Accounting Analyst, Office of Traffic Safety
Mr. James D. Throop, Finance Officer, City of Paso Robles
Mr. James App, City Manager, City of Paso Robles

EVALUATION OF RESPONSE

The Department of Finance reviewed the City of Paso Robles' (City) response to the draft audit report dated June 14, 2012. The City clarified the reporting period for Objective 5 and we modified the report observation to reflect a calendar year performance period.

In evaluating the City's response we provide the following comments:

Observation 1: The City Did Not Meet Two Grant Objectives

The City agrees that Objectives 3 and 5 were not met, and cites a three-month reduction in the grant term by the Office of Traffic Safety (OTS) as the primary reason. We concur that the grant period was reduced by three months. However, the grant objectives were not modified in the grant agreement. Therefore, the observation remains in the audit report.