



Transmitted via e-mail

December 6, 2013

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

Dear Ms. Meadows:

Final Report—County of Contra Costa, Traffic Safety Grant Audit

The Department of Finance, Office of State Audits and Evaluations, has completed its audit of the County of Contra Costa's (County) Traffic Safety grant AL0925 for the period October 1, 2008 through September 30, 2011.

The enclosed report is for your information and use. The County's response to the report observations are incorporated into this final report. The County agreed with our observations and we appreciate its willingness to implement corrective actions. The observations in our report are intended to assist management in improving its program. This report will be placed on our website.

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

Sincerely,

Original signed by:

Richard R. Sierra, CPA
Acting Chief, Office of State Audits and Evaluations

Enclosure

cc: Ms. Donna Black, Regional Coordinator, Office of Traffic Safety
Ms. Trina Nguyen, Associate Accounting Analyst, Office of Traffic Safety
Ms. Deborah Hrepich, Associate Accounting Analyst, Office of Traffic Safety
Mr. David O. Livingston, Sheriff, County of Contra Costa
Mr. Mark Williams, Assistant Sheriff, Field Operations Bureau, County of Contra Costa
Ms. Mary Jane Robb, Chief of Management Services, County of Contra Costa
Ms. Linda Martinez, Director of Support Services, County of Contra Costa
Mr. Chris Simmons, Captain, Field Operations Bureau, County of Contra Costa
Mr. Ted Anderson, Lieutenant, Investigation Division, County of Contra Costa
Mr. Jeff Moule, Lieutenant, Danville Police Department
Mr. Michael Jimenez, Sergeant, Avoid the 25 Grant Coordinator, Danville Police Department

AUDIT REPORT

County of Contra Costa Avoid the 25 DUI Campaign Grant Agreement AL0925



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

MEMBERS OF THE TEAM

Cheryl L. McCormick, CPA
Manager

Alma Ramirez, CPA
Supervisor

Staff
Ava Bradford
Cristine Chan

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
915 L Street, 6th Floor
Sacramento, CA 95814
(916) 322-2985

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BACKGROUND, SCOPE AND METHODOLOGY

BACKGROUND

The Office of Traffic Safety's (OTS) mission is to effectively and efficiently administer traffic safety grant funds to reduce traffic deaths, injuries, and economic loss. OTS implements its mission by awarding grants to local and state public agencies from several federal funding sources. The ten priority areas of concentration for grant funding include the following: Alcohol-Impaired Driving, Distracted Driving, Drug-Impaired Driving, Occupant Protection, Pedestrian and Bicycle Safety, Traffic Records, Emergency Medical Services, Roadway Safety, Police Traffic Services, and Motorcycle Safety.¹

The County of Contra Costa (County) received a \$662,473 grant from OTS to fund the Avoid the 25 DUI Campaign. The County Sheriff's Department served as the host agency for a regional driving under the influence (DUI) effort to reduce alcohol-involved fatalities and injuries and raise general public awareness regarding the problems associated with drinking and driving. Project objectives included a minimum of 16 DUI checkpoints, 70 DUI saturation patrols, DUI Task Force Operations and Warrant/Court Sting operations for repeat DUI offenders.² Participating agencies (Allied Agencies) included police departments from the cities of Antioch, Brentwood, Clayton, Concord, Danville, El Cerrito, Hercules, Lafayette, Martinez, Moraga, Oakley, Orinda, Pinole, Pittsburg, Pleasant Hill, Richmond, San Pablo, San Ramon, and Walnut Creek.

SCOPE

In accordance with an interagency agreement, the Department of Finance, Office of State Audits and Evaluations, audited grant agreement AL0925 for the period October 1, 2008 through September 30, 2011.

The audit objectives were to determine whether the County's grant expenditures claimed were in compliance with applicable laws, regulations, and grant requirements; and to determine whether the grant objectives were completed as required. We did not assess the efficiency or effectiveness of program operations.

The County's 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 AL0925.

METHODOLOGY

To determine whether grant expenditures were in compliance with applicable laws, regulations, and the grant requirements; and if the grant objectives were completed, 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 County's accounting records, and Allied Agencies' invoices, time keeping and payroll records.
- Selected a sample of claimed expenditures and determined whether they were allowable, grant-related, incurred within the grant period, supported by accounting records, and properly recorded.
- Evaluated whether other revenue sources were used to reimburse expenditures claimed for reimbursement under the grant agreement.
- Evaluated whether a sample of grant objectives were met based on a review of supporting documentation.

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 observations and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our observations 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 County's grant expenditures claimed and objectives reported complied with the grant agreement requirements. See the observations below. The Schedule of Claimed and Questioned Amounts is presented in Table 1.

Table 1: Schedule of Claimed and Questioned Amounts

Grant Agreement AL0925		
Category	Claimed ¹	Questioned
Personnel Costs	\$ 99,294 ²	
Travel Expenses	3,855	
Contractual Services	272,400 ²	\$ 5,545
Equipment	24,100	
Other Direct Costs	78,233	
Indirect Costs	3,669	
Total Expenditures	\$ 481,551	\$ 5,545

Observation 1: Questioned Contractual Services Costs

The County claimed and was reimbursed \$5,545 for duplicate contractual services costs. Specifically, on invoice claims 4 and 5 submitted to OTS, the County claimed and was reimbursed for the same contractual services costs pertaining to three Allied Agencies. The County was only able to provide documentation supporting the costs claimed on invoice claim 5. The OTS Grant Manual, section 4.1, states it is the grantee's responsibility to ensure that grant costs are supported by detailed source documents that reliably account for funds expended. Section 5.1 further states that claims should be prepared using the County's accounting records and based only on recorded costs for the period covered. Additionally, section 5.4 states that the Grantee/Host Agency is responsible for reviewing and reconciling the contractor backup documentation. Inaccurate claims may result in withholding or disallowance of grant reimbursements, the reduction or termination of grant funding, or denial of future grant funding.

Recommendations:

Remit \$5,545 to OTS.

Develop appropriate claim preparation and review procedures that ensure the accuracy of the claim prior to submittal to OTS for reimbursement, including but not limited to a) posting of

¹ OTS awarded \$662,473 and the County claimed \$481,551.

² Amount claimed is misstated by \$44,446 due to the misclassification of contractual services expenditures as personnel costs. See Observation 2 for details.

contractor invoices to the accounting system, and b) a reconciliation of contractor supporting documentation with the recorded costs.

Observation 2: Inaccurately Reported Contractual Services Costs

The County misreported \$44,446 of contractual services costs as personnel costs on claim invoices 2 through 8. These costs represented overtime labor costs on grant related activities performed by Sheriff's Office personnel contracted out to certain Allied Agencies. Allied Agencies costs were budgeted under the contractual services cost category. The OTS Grant Manual, section 5.4, states that grantees must ensure costs claimed match the line items authorized in the budget for each category. Inaccurate claims hinder the County's ability to properly monitor grant expenditures and may result in withholding or disallowance of grant reimbursements, the reduction or termination of grant funding, or denial of future grant funding.

Recommendation:

Develop appropriate claim preparation and review procedures that ensure the accuracy of the claim prior to submittal to OTS for reimbursement, including but not limited to a proper review of the grant agreement budget and provisions.

Observation 3: Unsupported Standardized Field Sobriety Testing Training

The County did not provide certificates of completion or other supporting documentation to demonstrate that a minimum of eight sworn police personnel conducting the DUI enforcement activities received Standardized Field Sobriety Testing training by September 30, 2009, as required by Objective 1 of the grant agreement. Failure to meet the goals and objectives may result in withholding or disallowance of grant reimbursements, the reduction or termination of grant funding, or denial of future grant funding.

Recommendation:

Obtain and retain proper supporting documentation to demonstrate the required objectives were completed. OTS will determine the actions, if any, to take regarding this observation.



CONTRA COSTA COUNTY OFFICE OF THE SHERIFF
DAVID O. LIVINGSTON
SHERIFF - CORONER

November 21, 2013

Mr. Richard R. Sierra, CPA
Acting Chief, Office of State Audits and Examinations
California Department of Finance
915 L Street
Sacramento, CA 95814

**RE: Response to Draft Report – Contra Costa County Office of the Sheriff
Compliance Audit**

Dear Mr. Sierra:

I am writing to you to respond to the recent compliance audit of the Contra Costa County Office of the Sheriff – Office of Traffic Safety – Avoid the 25 DUI Campaign Grant #AL0925.

I wish to take this opportunity to compliment your staff for their professionalism and thoroughness performing this compliance audit.

There were three observations and recommendations presented. The following is our response.

OBSERVATION 1: QUESTIONED CONTRACTUAL SERVICES COSTS.

The County claimed and was reimbursed \$5,545 for duplicate contractual services costs. Specifically, on invoice claims 4 and 5 submitted to OTS, the County claimed and was reimbursed for the same contractual services costs pertaining to three Allied Agencies. The County was only able to provide documentation supporting the costs claimed on invoice claim 5. The OTS Grant Manual, section 4.1, states it is the grantee's responsibility to ensure that grant costs are supported by detailed source documents that reliably account for funds expended. Section 5.1 further states that claims should be prepared using the County's accounting records and based only on recorded costs for the period covered. Additionally, section 5.4 states that the Grantee/Host Agency is responsible for reviewing and reconciling the contractor backup documentation. Inaccurate claims may result in withholding or disallowance of grant reimbursements, the reduction or termination of grant funding, or denial of future grant funding.

RECOMMENDATIONS:

Remit \$5,545 to OTS.

Develop appropriate claim preparation and review procedures that ensure the accuracy of the claim prior to submittal to OTS for reimbursement, including but not limited to a) posting of contractor invoices to the accounting system, and b) a reconciliation of contractor supporting documentation with the recorded costs.

RESPONSE:

The Contra Costa County Office of the Sheriff ("County") reviewed and analyzed the Avoid the 25 Grant #AL0925 documentation upon notification of the audit from the California Department of Finance, Office of State Audits and Evaluations ("Auditors"). The County discovered at that time the duplicate contractual services costs claimed. The County notified the Office of Traffic Safety Regional Coordinator and disclosed this information to the Auditors upon their arrival for their field testing.

In the final year of the AL0925 grant, October 1, 2010 through September 30, 2011, the County implemented additional claim preparation and review procedures to ensure the accuracy of the claim prior to submittal to OTS for reimbursement. These procedures include a reconciliation of supporting contractual services costs for each claim submitted. These procedures have been in place and continue to be utilized.

The County will coordinate with OTS to remit the \$5,545 as soon as possible.

The County modified the methods of expenditure review and reconciliation for OTS claim reimbursements. Our continued implementation of these practices will identify internal irregularities and assist to strengthen internal controls.

OBSERVATION 2: INACCURATELY REPORTED CONTRACTUAL SERVICES COSTS

The County misreported \$44,446 of contractual services costs as personnel costs on claim invoices 2 through 8. These costs represented overtime labor costs on grant related activities performed by Sheriff's Office personnel contracted out to certain Allied Agencies. Allied Agencies costs were budgeted under the contractual services cost category. The OTS Grant Manual, section 5.4, states that grantees must ensure costs claimed match the line items authorized in the budget for each category. Inaccurate claims hinder the County's ability to properly monitor grant expenditures and may result in withholding or disallowance of grant reimbursements, the reduction or termination of grant funding, or denial of future grant funding.

RECOMMENDATION:

Develop appropriate claim preparation and review procedures that ensure the accuracy of the claim prior to submittal to OTS for reimbursement, including but not limited to a proper review of the grant agreement budget and provisions.

RESPONSE:

The County contracts with and provides Sheriff's Office personnel to four of the Allied Agencies. These costs were budgeted and reported on claim invoices 2 through 8, in the Personnel Costs section of the claim form.

In the final year of the AL0925 grant, October 1, 2010 through September 30, 2011, The County was instructed by OTS to report these costs in the Contractual Services section of the claim form on claim invoices 9 through 12.

The County did not exceed the total grant allocation. However, the September 2013 reclassification of overtime labor costs from Personnel Costs to Contractual Services Costs caused the line items to exceed the budgeted amounts. The County would have requested a budget modification to move \$44,446 to the

Mr. Richard R. Sierra
November 21, 2013
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appropriate line items to ensure costs claimed match the line items authorized in the budget for each category.

The County continued to report these costs as instructed by OTS, prepared subsequent grant applications budgets accordingly, and reported these costs as Contractual Services. The County implemented appropriate claim preparation and review procedures that ensure the accuracy of the claim prior to submittal to OTS for reimbursement, including but not limited to a proper review of the grant agreement budget and provisions. The County communicates with OTS to request budget modifications as necessary.

The County modified the methods of expenditure review and proper review of the grant agreement budget and provisions. Our continued implementation of these practices will identify internal irregularities and assist to strengthen internal controls.

OBSERVATION 3: UNSUPPORTED STANDARDIZED FIELD SOBRIETY TESTING TRAINING

The County did not provide certificates of completion or other supporting documentation to demonstrate that a minimum of eight sworn police personnel conducting the DUI enforcement activities received Standardized Field Sobriety Testing training by September 30, 2009, as required by Objective 1 of the grant agreement. Failure to meet the goals and objectives may result in withholding or disallowance of grant reimbursements, the reduction or termination of grant funding, or denial of future grant funding.

RECOMMENDATION:

Obtain and retain proper supporting documentation to demonstrate the required objectives were completed. OTS will determine the actions, if any, to take regarding this observation.

RESPONSE:

The County modified the methods of review and retention of grant objective documentation. Our continued implementation of these practices will identify internal irregularities and assist to strengthen internal controls.

If you have additional questions or need further assistance, please contact Mary Jane Robb, Chief of Management Services at (925) 335-1557.

Sincerely,

“Original Signed By”

DAVID O. LIVINGSTON
Sheriff – Coroner

DOL:mw

Cc: Undersheriff Michael V. Casten
Mary Jane Robb, Chief of Management Services