



Transmitted via e-mail

August 4, 2015

Mr. Robert Nelson, Assistant Director of Administration
Office of Traffic Safety
2208 Kausen Drive, Suite 300
Elk Grove, CA 95758

Dear Mr. Nelson:

Final Report—County of San Diego, Traffic Safety Grant Audit

The Department of Finance, Office of State Audits and Evaluations, has completed its audit of the County of San Diego's (County) grant 20434, issued by the California Office of Traffic Safety.

The enclosed report is for your information and use. The County's response to the report observation is incorporated into this final report. The County agreed with our observation and we appreciate its willingness to implement corrective action. 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 Susan Botkin, Manager, or Fabiola Torres, Supervisor, at (916) 322-2985.

Sincerely,

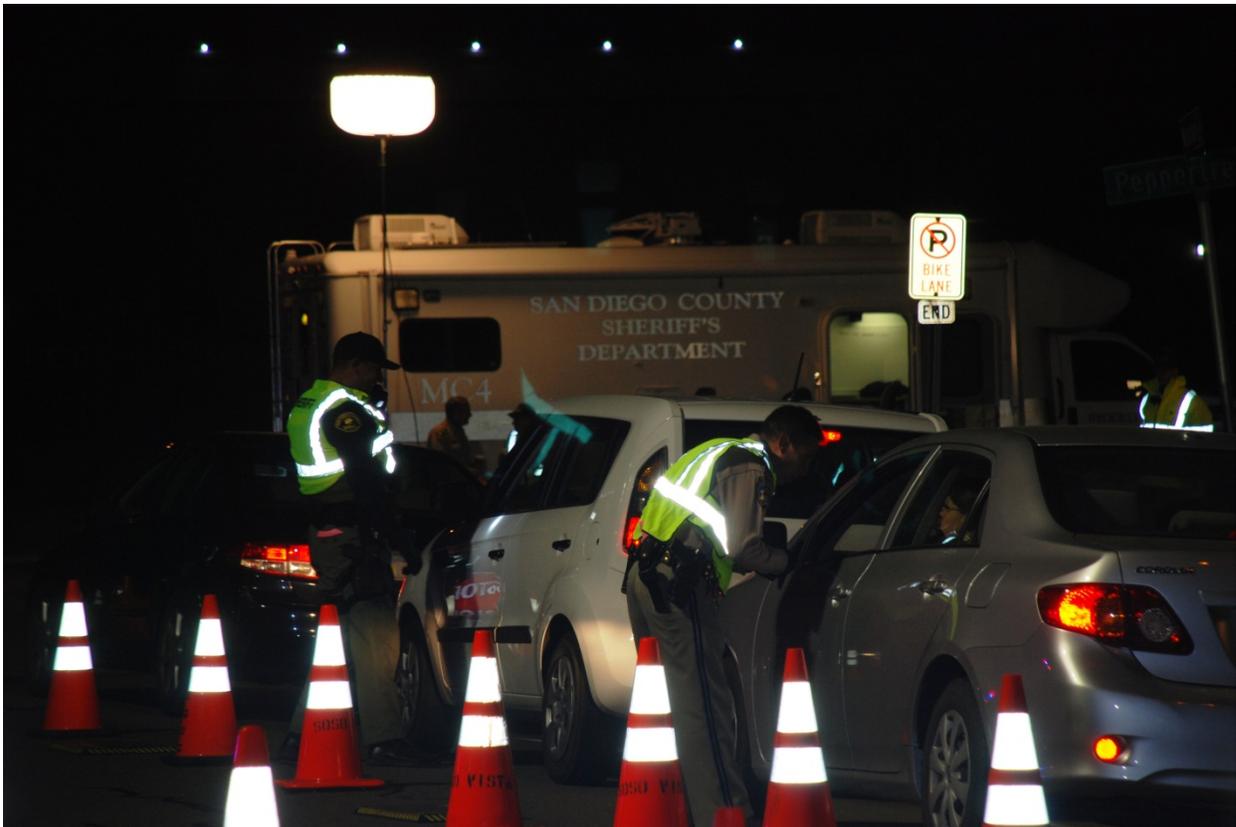
Original signed by:

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

Enclosure

cc: Mr. David Doucette, Assistant Director of Operations, Office of Traffic Safety
Ms. Julie Schilling, Regional Coordinator, Office of Traffic Safety
Ms. Trina Nguyen, Associate Accounting Analyst, Office of Traffic Safety
Mr. William D. Gore, Sheriff, San Diego County Sheriff's Department
Ms. Jill Serrano, Chief Financial Officer, Management Services Bureau, San Diego County Sheriff's Department
Ms. Dina Cruz, Principal Administrative Analyst, San Diego County Sheriff's Department

County of San Diego
Avoid DUI Campaign
Grant Agreement 20434



Source: San Diego County Sheriff's Department

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

MEMBERS OF THE TEAM

Susan Botkin, CGFM
Manager

Fabiola Torres
Supervisor

Staff
Dennis Solheim, CPA, CGMA

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

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 San Diego (County) received a \$318,728 grant from OTS to reduce alcohol-related fatalities and injuries, raise general public awareness, and increase Driving Under the Influence (DUI) enforcement. Participating law enforcement agencies throughout the county conducted DUI checkpoints, DUI saturation patrols, multi-agency DUI task force operations, warrant/probation sweeps and court sting operations for repeat DUI offenders².

SCOPE

In accordance with an interagency agreement, the Department of Finance, Office of State Audits and Evaluations, audited grant agreement 20434 for the period October 1, 2011 through September 30, 2012.

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.

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:

- Examined the grant files, the grant agreement, and applicable policies and procedures.
- Reviewed the County's accounting records, time slips, timesheets, payroll documents and support for subcontractor invoices.

¹ Excerpts from www.OTS.ca.gov.

² Excerpts from grant agreement 20434.

- 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 by reviewing press releases, personnel time records, and other supporting documentation.

In conducting our audit, we obtained an understanding of the County's internal controls, including any information systems controls that we considered significant within the context of our audit objectives. We assessed whether those controls were properly designed and implemented. Any deficiencies in internal control that were identified during the conduct of our audit and determined to be significant within the context of our audit objectives are included in this report.

We conducted this audit in accordance with generally accepted government performance 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 grant expenditures claimed complied with the grant agreement requirements. Additionally, the grant objectives were completed as specified in the grant agreement. The Schedule of Claimed and Questioned Amounts is presented below.

Schedule of Claimed and Questioned Amounts

Grant Agreement 20434		
Category	Claimed ¹	Questioned
Personnel Costs	\$ 138,357	-
Travel Expenses	3,000	-
Contractual Services	133,611	\$ 4,406
Other Direct Costs	3,815	-
Total Expenditures	\$ 278,783	\$ 4,406

Observation 1: Unallowable Contractual Services Fringe Benefits Costs

The County of San Diego (County) was reimbursed \$4,406 for ineligible contractual services costs. Specifically, the County claimed fringe benefits costs not authorized by the grant agreement budget.

The Office of Traffic Safety (OTS) Grant Program Manual, section 2.3 states, that to be eligible for reimbursement, costs must be authorized in the budget of the grant agreement. Section 6.12 states the applicant agency must review and approve invoices ensuring payments are made in accordance with contract terms and costs are budgeted and allowable.

Recommendation:

- A. Remit \$4,406 to OTS. OTS will make the final determination regarding the disposition of the questioned costs.
- B. Implement claim review procedures to ensure costs are accurate and in compliance with the grant agreement.

¹ OTS awarded \$318,728 and the County claimed \$278,783.



San Diego County Sheriff's Department

Post Office Box 939062 • San Diego, California 92193-9062



William D. Gore, Sheriff

July 1, 2015

Richard R. Sierra, CPA
Chief, Office of State Audits and Evaluations
California Department of Finance
915 L Street
Sacramento, CA 95814-3706

Dear Mr. Sierra:

RESPONSE TO DRAFT REPORT: COUNTY OF SAN DIEGO, TRAFFIC SAFETY GRANT AUDIT

Following is our response to your draft audit report of the California Office of Traffic Safety (OTS) grant awarded to the County of San Diego; Grant #20434 for the period October 1, 2011 to September 30, 2012.

Observation 1: Unallowed Contractual Services Fringe Benefits Costs

Prior to Grant #20434 and to OTS updating their application process from manual to online submission, the San Diego County Sheriff's Department claimed Contractual Services fringe benefit costs from the OTS under the Avoid DUI Campaign program since benefits were not separated out in the manual application; reference Project No. AL0939 for Federal Fiscal Year (FFY) October 1, 2008 to September 30, 2011.

Beginning with the FFY 2011-2012 online application, the Department was aware that a "Total % Benefits" column had been created for the Sub-Budget Detail. Because 13 agencies with varying benefit rates were involved in the San Diego County Avoid program, the Department consulted with Ron Johnson, the Avoid Grant Regional Coordinator at the time. Mr. Johnson was asked: "Are we to list each agency with their benefit rates separately?" or "Are we to average the benefit rates of all agencies?" Mr. Johnson instructed the Department to complete the "Total All Positions" columns with the total cost to include fringe benefits; disregard the "Total % Benefits", and itemize the benefits on the claim as had been done in prior awards. The total Contractual Services fringe benefit costs claimed for the program period was \$4,406.

The Department believed it was following proper procedures after receiving responses from

Richard R. Sierra, CPA

July 1, 2015

Page 2 of 2

Mr. Johnson when completing the FFY 2011-2012 application. However, based on this finding, the Department will remit the \$4,406 to OTS and change the procedures for outlining benefits in future applications.

Please feel free to contact me at (858) 974-2377 or at Jill.Serrano@sdsheriff.org if you have further questions or need additional information.

Sincerely,

WILLIAM D. GORE, SHERIFF

ORIGINAL SIGNED BY:

Jill Serrano, Chief Financial Officer
Management Services Bureau

/cf