



Transmitted via e-mail

December 16, 2010

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

Dear Ms. Meadows:

Final Report—Elk Grove Police Department, Office of Traffic Safety Grant Audit

The Department of Finance, Office of State Audits and Evaluations (Finance), has completed its audit of the Elk Grove Police Department's (EGPD) Illegal Street Racing Training and Enforcement Program grant PT0816, 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, 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 EGPD's staff. If you have any questions regarding this report, please contact Cheryl McCormick, Manager, or John Rogers, Supervisor, at (916) 322-2985.

Sincerely,

Original signed by:

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

Enclosure

cc: Mr. Michael Iannone, Sergeant, Elk Grove Police Department
Mr. Wayne Kitade, Lieutenant, Traffic Commander, Elk Grove Police Department
Ms. Ann Grout, Police Services Analyst, Elk Grove Police Department
Ms. Patty Wong, Regional Coordinator, Office of Traffic Safety
Ms. Deborah Hrepich, Associate Accounting Analyst, Office of Traffic Safety

A GRANT AUDIT

Elk Grove Police Department
Grant Agreement PT0816

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

MEMBERS OF THE TEAM

Cheryl L. McCormick, CPA
Manager

John Rogers, CPA
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Staff
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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, METHODOLOGY, AND RESULTS

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 Elk Grove Police Department (EGPD) received a \$495,282 grant from OTS to: (1) reduce fatalities and injuries from illegal street racing; (2) provide training to law enforcement officers in identifying illegally modified vehicles; (3) provide educational presentations to high school and college students on illegal street racing; and (4) conduct vehicle inspections and enforcement activities, targeting vehicles suspected of being equipped with illegal street racing equipment.

SCOPE

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

<u>Grant Agreement</u>	<u>Audit Period</u>	<u>Awarded</u>
PT0816	October 1, 2007 through September 30,2009	\$495,282

The audit objective was to determine whether EGPD'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.

EGPD'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 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 EGPD'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 met.

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. The audit was conducted from April 2010 through June 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, EGPD 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 PT0816			
For the Period October 1, 2007 through September 30, 2009			
Category	Claimed¹	Audited	Questioned
Personnel	\$331,491	\$331,491	\$ 0
Travel	22,443	22,443	0
Contractual Services	56,058	56,058	0
Equipment	30,000	30,000	0
Other Direct Costs	26,818	26,818	0
Total Expenditures	\$466,810	\$466,810	\$ 0

¹ For grant agreement PT0816, EGPD only claimed \$466,810 of the \$495,282 awarded.