



Transmitted via e-mail

December 2, 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—Oxnard Police Department, Traffic Safety Grant Audit**

The Department of Finance, Office of State Audits and Evaluations, has completed its audit of the Oxnard Police Department's (Oxnard) grant AL0908 for the period October 1, 2008 through September 30, 2011.

The enclosed report is for your information and use. Oxnard's response to the report observations is incorporated into this final report. Oxnard 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 Oxnard. 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:

Richard R. Sierra, CPA  
Acting 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  
Ms. Trina Nguyen, Associate Accounting Analyst, Office of Traffic Safety  
Ms. Jeri Williams, Chief of Police, Oxnard Police Department  
Mr. Andrew Salinas, Commander, Oxnard Police Department  
Ms. Mary Diamond, Financial Manager, Oxnard Police Department  
Ms. Amy Van Atta, Grants Manager, Oxnard Police Department

AUDIT REPORT

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Oxnard Police Department  
Avoid the 14 DUI Campaign—Ventura County  
Grant Agreement AL0908

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

## **MEMBERS OF THE TEAM**

Kimberly Tarvin, CPA  
Manager

Rick Cervantes, CPA  
Supervisor

Staff  
Blanca Sandoval

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, 6<sup>th</sup> Floor  
Sacramento, CA 95814  
(916) 322-2985

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# BACKGROUND, SCOPE AND METHODOLOGY

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## 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.<sup>1</sup>

The Oxnard Police Department (Department) received a \$482,556 grant to serve as the host agency for a regional driving under the influence (DUI) effort in Ventura County, to reduce alcohol-involved fatalities and injuries and raise general public awareness regarding the problems associated with drinking and driving. Participating agencies included police departments from various cities and other local government entities. Activities included DUI checkpoints, DUI saturation patrols, DUI Task Force Operations, and Warrant/Court Sting operations for repeat DUI offenders.<sup>2</sup>

## SCOPE

In accordance with an interagency agreement, the Department of Finance, Office of State Audits and Evaluations, audited grant agreement AL0908 for the period October 1, 2008 through September 30, 2011.

The audit objectives were to determine whether the Department'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 Department'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.

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<sup>1</sup> Excerpts from [www.OTS.ca.gov](http://www.OTS.ca.gov).

<sup>2</sup> Excerpts from grant agreement AL0908.

## **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 Department's accounting records, subcontractor's invoices, timesheets, and payroll documents.
- 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 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 claimed grant expenditures complied with the grant agreement requirements; however, the grant objectives were not fully met. The Schedule of Claimed and Questioned Amounts is presented in Table 1, with observations presented below.

**Table 1: Schedule of Claimed and Questioned Amounts**

<b>Grant Agreement AL0908</b>		
<b>Category</b>	<b>Claimed<sup>3</sup></b>	<b>Questioned</b>
Personnel Costs	\$ 92,078	\$ 3,717
Travel Expenses	1,823	-
Contractual Services	297,541	2,288
Equipment	14,335	-
Other Direct Costs	11,403	-
<b>Total Expenditures</b>	<b>\$ 417,180</b>	<b>\$ 6,005</b>

### **Observation 1: Ineligible Personnel and Contractual Services Costs**

The Department was reimbursed \$6,005 for ineligible personnel and contractual services costs as follows:

- Personnel Costs—The Department claimed \$3,717 in employee benefits not authorized by the grant agreement budget.
- Contractual Services—One allied agency claimed \$2,288 of ineligible Medicare taxes due to a calculation error.

OTS Grant Manual, section 2.3, states that to be eligible for reimbursement, the cost must be authorized in the grant agreement budget. In addition, 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. Claiming ineligible costs could result in withholding or disallowance of grant reimbursements, the reduction or termination of grant funding, or denial of future grant funding.

### **Recommendations:**

- A. Remit \$6,005 to OTS. OTS will make the final determination regarding disposition of the questioned costs.

<sup>1</sup> OTS awarded \$482,556 and the Department claimed \$417,180.

- A. For future OTS grants, implement claim review procedures that ensure costs are accurate and in compliance with the grant agreements.

**Observation 2: Grant Objectives Not Fully Met**

The Department did not fully meet two grant objectives as described in Table 2 below. The grant agreement outlines the objectives required to be accomplished. 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 Fully Met**

Objective	Requirement	Results
3c	To conduct 36 Independence Day holiday weekend saturation patrols.	The Department conducted 18 of the 36 Independence Day holiday weekend saturation patrols.
5	To conduct 5 warrant service patrols targeting repeat DUI offenders who fail to appear in court or who violate probation.	Per the Final Quarterly Report, the Department conducted 4 of the 5 warrant service patrols.

**Recommendation:**

For future grants, effectively plan and monitor the grant activities to ensure objectives are fully met. If an objective is changed, the grant should be amended to reflect the revised objective.



## Police Department

**Jeri Williams**

Chief of Police

**R. Jason Benites**

Assistant Chief

**Scott Whitney**

Assistant Chief

November 25, 2013



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

Dear Mr. Sierra:

### **Response – Oxnard Police Department, Traffic Safety Grant Audit**

The Oxnard Police Department has reviewed the draft report provided by The Department of Finance, Office of State Audits and Evaluations, of the grant AL0908 for the period October 1, 2008 through September 30, 2011. We agree with the observations and will implement the following procedures to ensure grant objectives are fully met in the future.

#### **Observation 1: Ineligible Personnel and Contractual Services Costs**

The Department will request a reimbursement payment in the amount of \$6,005 for ineligible benefits, claimed in error, upon receiving an invoice from Office of Traffic Safety. Future claims will be evaluated for allowable benefit costs, reviewing partner agencies for accuracy on Medicare calculations. The Department has revised internal worksheets to reflect only allowable benefit costs to be claimed on future Office of Traffic Safety grants.

#### **Observation 2: Grant Objectives Not Fully Met**

The Department will review grant activities on a quarterly basis to ensure objectives are fully met. Objectives requiring revision will be amended through the procedures outlined by the Office of Traffic Safety.

If you have any questions regarding this response, please contact Mary Diamond, Financial Manager, at (805) 385-7612.

Sincerely,

Original signed by

Jeri Williams, Chief of Police