



Transmitted via e-mail

May 30, 2014

Mr. Jim Branham, Executive Officer
Sierra Nevada Conservancy
11521 Blocker Drive, Suite 205
Auburn, CA 95603

Dear Mr. Branham:

Final Report—Placer County Proposition 84 Grant Audit

The Department of Finance, Office of State Audits and Evaluations, has completed its audit of Placer County's (County) Proposition 84 grant G0733009.

The enclosed report is for your information and use. Because there were no audit observations or issues requiring a response, we are issuing the report as final. 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 Kimberly Tarvin, Manager, or Jennifer Arbis, Supervisor, at (916) 322-2985.

Sincerely,

Original signed by:

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

Enclosure

cc: Mr. Patrick Kemp, Assistant Secretary for Administration and Finance, California Natural Resources Agency
Ms. Julie Alvis, Deputy Assistant Secretary, California Natural Resources Agency
Mr. Bryan Cash, Deputy Assistant Secretary, California Natural Resources Agency
Ms. Joan Keegan, Assistant Executive Officer, Sierra Nevada Conservancy
Ms. Amy Lussier, Chief, Administrative Services Division, Sierra Nevada Conservancy
Mr. David Boesch, County Executive Officer, Placer County
Mr. Kenneth Grehm, Public Works Director, Placer County

AUDIT REPORT

Placer County Proposition 84 Bond Program Grant Agreement G0733009



Donner Road
Source: Placer County

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

MEMBERS OF THE TEAM

Kimberly Tarvin, CPA
Manager

Jennifer Arbis
Supervisor

Staff
Jason Craft

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

You can contact our office at:

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Office of State Audits and Evaluations
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BACKGROUND, SCOPE, METHODOLOGY AND RESULTS

BACKGROUND

California voters approved the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84). The \$5.4 billion in bond proceeds finance a variety of resource programs.

Placer County (County) provides a wide range of public services outside of city limits, such as road maintenance, bus service, floodplain management, stormwater quality, and public works engineering.¹ The County received \$500,000 from Sierra Nevada Conservancy (SNC) to conduct slope stabilization of Donner Pass Road with mechanical and native vegetation treatments, and replace culverts to contain slope and road storm water runoff.²

SCOPE

In accordance with the Department of Finance's bond oversight responsibilities, we audited grant G0733009 for the period June 13, 2008 through March 1, 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 deliverables were completed as required. We did not assess the efficiency or effectiveness of program operations.

County management is responsible for ensuring accurate financial reporting and compliance with applicable laws, regulations, and grant requirements. SNC and the California Natural Resources Agency are responsible for the state-level administration of the bond program.

METHODOLOGY

To determine whether grant expenditures were in compliance with applicable laws, regulations, and the grant requirements; and if the grant deliverables 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 County's accounting records, vendor invoices, 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.

¹ Excerpt from the Placer County website: <http://www.placer.ca.gov/quick/aboutourcounty>

² Excerpt from the Project Summary <http://www.sierranevada.ca.gov/docs/SNC070245.pdf>

- Evaluated whether other revenue sources were used to reimburse expenditures claimed for reimbursement under the grant agreement.
- Evaluated whether a sample of grant deliverables were met by reviewing supporting documentation.

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.

RESULTS

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.

Based on the procedures performed, the grant expenditures claimed complied with the grant agreement requirements, and grant deliverables were completed as required. The Schedule of Claimed Amounts is presented in Table 1.

Table 1: Schedule of Claimed Amounts

Grant Agreement G0733009	
Task	Claimed
Project Design and Management Costs	\$ 86,250
Construction Management Costs	24,615
Mobilization / Demobilization	15,000
Project Signage	2,200
Traffic Control	15,000
Water Pollution Control	22,000
Sediment Traps and Energy Dissipation Structure Installation	22,000
Slope Grading Equipment and Operator Costs	74,322
Topsoil Importation and Placement Cost	96,000
Channel Lining	43,462
Revegetation Costs	38,218
Rock Slope Protection Material	54,260
Geotextile Filter Fabric	6,673
Total Grant Costs	\$ 500,000