



Transmitted via e-mail

November 15, 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—San Joaquin County Superior Court, Traffic Safety Grant Audit

The Department of Finance, Office of State Audits and Evaluations, has completed its audit of the San Joaquin County Superior Court's (Court) grant AL1162 for the period October 1, 2010 through September 30, 2011.

The Court's response to the report observations is incorporated into this final report. The Court 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 Court. If you have any questions regarding this report, please contact Kimberly Tarvin, Manager, or Rebecca McAllister, Supervisor, at (916) 322-2985.

Sincerely,

Original signed by:

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

Enclosure

cc: Ms. Leslie Witten-Rood, Assistant Director of Operations, Office of Traffic Safety
Mr. Ron Miller, Regional Coordinator, Office of Traffic Safety
Ms. Jady Ramirez, 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. Rosa Junqueiro, Chief Executive Officer, San Joaquin County Superior Court
Ms. Linda Courtright, Chief Financial Officer, San Joaquin County Superior Court
Ms. Helen Ellis, Collaborative Courts Manager, San Joaquin County Superior Court
Ms. Lori Green, Fiscal Services Technician III, San Joaquin County Superior Court
Ms. Julia Scott, DUI Coordinator, San Joaquin County Superior Court

AUDIT REPORT

San Joaquin County Superior Court
San Joaquin County DUI Court
Grant Agreement AL1162

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

MEMBERS OF THE TEAM

Kimberly Tarvin, CPA
Manager

Rebecca McAllister, CPA
Supervisor

Staff
Jason Narayan
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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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Office of State Audits and Evaluations
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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 San Joaquin County Superior Court (Court) received a \$570,000 grant from OTS to fund the San Joaquin County Driving Under the Influence (DUI) Court program. The DUI Court program enabled repeat DUI offenders to fulfill both their sentencing obligations and achieve rehabilitation through treatment as prescribed by the court. The goal was to reduce recidivism rates of multi-offender DUIs, which would reduce the fatal and injury collisions attributed to alcohol and drug use.²

SCOPE

In accordance with an interagency agreement, the Department of Finance, Office of State Audits and Evaluations, audited grant agreement AL1162 for the period October 1, 2010 through September 30, 2011.

The audit objectives were to determine whether the Court'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 Court'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 AL1162.

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 Court's accounting records, vendor invoices, personnel records, and subcontractor 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 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 grant expenditures claimed complied with the grant agreement requirements. However, the grant objectives were not fully met as discussed below. The Schedule of Claimed and Questioned Amounts is presented in Table 1.

Table 1: Schedule of Claimed and Questioned Amounts

Grant Agreement AL1162		
Category	Claimed ¹	Questioned
Personnel Costs	\$ 326,771	-
Travel Expense	4,848	-
Contractual Services	167,832	\$ 8,082
Other Direct Costs	11,714	-
Total Expenditures	\$ 511,165	\$ 8,082

Observation 1: Expenses Incurred Prior to the Grant Period

The Court claimed \$8,082 in subcontractor costs related to the prior OTS grant. These costs were incurred prior to October 1, 2010, the start of the current grant period. OTS Grant Program Manual, Chapter 2, section 2.3, states costs incurred before or after the grant period are not eligible for reimbursement. 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 \$8,082 to OTS. OTS will make the final determination regarding disposition of the questioned costs.
- B. For future grants, ensure that claims only include costs incurred during the grant period.

Observation 2: Grant Objective Not Fully Met

The Court did not meet one of ten grant objectives required by the grant as described in Table 2 below. The performance of this objective was delegated to a subcontractor. 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.

¹ OTS awarded \$570,000 and the Court claimed \$511,165.

Table 2: Schedule of Objective Not Met

Objective	Requirement	Results
6	Partner with local cultural interest groups to develop, market, and deliver a non-nationalized curriculum to a minimum of 575 individuals within the target population by September 30, 2011. This curriculum would be orientated towards Stockton's non nationalized population to familiarize them with California traffic safety laws and cultural expectations regarding DUIs.	Based on the Final Report Executive Summary, only 332 of the required 575 individuals attended the presentations during the grant period.

Recommendation:

For future grants, the Court should perform the following:

- A. Effectively plan and monitor the grant activities, including subcontracted services, to ensure that objectives are fully met. OTS will determine the actions, if any, to take related to the unmet objective.



The Superior Court of California County of San Joaquin

Richard R. Sierra
Department of Finance
Office of State Audits and Evaluations
915 L. Street
Sacramento, CA 95814

October 23, 2013

Dear Mr. Sierra:

This letter is in response to the draft audit report issued by your department to San Joaquin County Superior Court as a result of the Traffic Safety Grant Audit. The audit was for Grant AL1162 for Fiscal Year 2010-2011 which covered the period of October 1, 2010 through September 30, 2011.

Observation 1: Expense Incurred Prior to the Grant Period - \$8,082

The Court concurs with observation number one.

One of the Court's subcontractors billed the Court for September 2010 services in late October 2010 after the close and final invoicing of the prior year, Fiscal Year 2009-2010 grant. The Court, in error, billed the invoice to the Fiscal Year 2010-2011 grant. Amount - \$3,000.00

Another subcontractor billed the grant based on the dates their payroll checks were issued to staff. The subcontractor did not take into consideration that the first paychecks issued on October 1, 2010 covered a biweekly pay period in September from, 9/13/10 to 9/26/10. Also, the following paychecks issued October 8, 2010 included the final 4 days in September, 9/27/10 to 9/30/10. This resulted in 14 work days being incorrectly billed to the Fiscal Year 2010-2011 grant. Amount - \$5,082.00

As recommended, the Court will remit to the Office of Traffic Safety the total questioned amount of \$8,082.00. To prevent these issues in the future, our Accountant is carefully monitoring the receipt and content of invoices from subcontractors, particularly as grant years' close. This will ensure invoices are received and billed timely and that staffing costs, during the transitional pay periods between grant years, are billed to the correct grant.

Observation 2: Grant Objective Not Fully Met

The Court concurs with observation number two.

In Fiscal Year 2010-2011 the Court over estimated the projected number of individuals we would be able to reach with our Hispanic Outreach & Awareness Program. We have addressed the unmet objective by setting a more realistic goal. We have reduced the number of individuals within the target population that we expect to reach. Our goal for Fiscal Year 2012-2013 was 200. We have just completed the 2012-2013 fiscal year grant period and we exceeded our goal of educating 200 individuals. In addition, our bilingual Tier 1 Case Manager is working closely with El Concilio to plan presentations and our Senior Office Coordinator is monitoring attendance numbers.

Sincerely,

Original Signed By:
Linda Courtright
Chief Financial Officer