



April 20, 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—City of Rancho Cordova, Office of Traffic Safety Grant Audit

The Department of Finance, Office of State Audits and Evaluations (Finance), has completed its audit of the City of Rancho Cordova's (City) Selective Traffic Enforcement Program and Occupant Protection grant OP0802 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, the Office of Traffic Safety is required to 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 City's staff. If you have any questions regarding this report, please contact Cheryl Lyon McCormick, Manager, or Osman Sanneh, Supervisor, at (916) 322-2985.

Sincerely,

Original signed by Richard R. Sierra for:

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

Enclosure

cc: Ms. Rosanne Richeal, Assistant Chief of Police, City of Rancho Cordova
Ms. Kristie Meeks, Division Budget Coordinator, Rancho Cordova Police Department
Mr. Ron Brazell, Traffic Officer, Rancho Cordova Police Department
Mr. Gerald Lane, Sergeant, Rancho Cordova Police Department
Ms. Deborah Hrepich, Associate Accounting Analyst, Office of Traffic Safety

A GRANT AUDIT

City of Rancho Cordova
Traffic Enforcement Program
Grant Agreement OP0802

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

MEMBERS OF THE TEAM

Cheryl L. McCormick, CPA
Manager

Osman Sanneh, CPA
Supervisor

Staff
Weiping Kruschke

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
300 Capitol Mall, Suite 801
Sacramento, CA 95814
(916) 322-2985

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 City of Rancho Cordova (City) received a grant from OTS to reduce fatalities and injuries from alcohol related crashes through driving under the influence (DUI) and driver's license checkpoints, and DUI saturation patrols. The grant program also included seat belt and child car seat education targeting multilingual communities within Sacramento County.

SCOPE

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

<u>Grant Agreement</u>	<u>Audit Period</u>	<u>Awarded</u>
OP0802	October 1, 2007 through September 30, 2009	\$ 270,920

The audit objective was to determine whether the City'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.

The City'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 state-level administration of the 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 the City'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 December 2009 through January 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, the City 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 OPO802			
For the Period October 1, 2007 through March 31, 2009			
Category	Claimed	Audited	Questioned
Contractual Services	\$158,616	\$158,616	\$ 0
Equipment	38,080	32,191	0
Other Direct Costs	34,776	40,665	0
Indirect Costs	4,742	4,742	0
Total Expenditures	\$236,214	\$236,214	\$ 0

Note: The City incorrectly classified eligible Other Direct Costs as Equipment expenditures on its claim invoices. The above Schedule properly reflects the expenditures within the appropriate classification in the Audited column.