



Transmitted via e-mail

August 10, 2012

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

Dear Ms. Garcia:

Final Report—Tulare County Office of Education, Office of Traffic Safety Grant Audit

The Department of Finance, Office of State Audits and Evaluations, has completed its audit of the Tulare County Office of Education's (County) California Friday Night Live Partnership grant AL1068 for the period October 1, 2009 through September 30, 2010.

The enclosed report is for your information and use. The County's response to the report observation and our evaluation of the response are incorporated into this final report. 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 Rick Cervantes, Supervisor, at (916) 322-2985.

Sincerely,

Original signed by:

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

Enclosure

cc: Ms. Debbie Hrepich, Associate Accounting Analyst, Office of Traffic Safety
Mr. Mark Talan, Regional Coordinator, Office of Traffic Safety
Mr. Jim Vidak, Superintendent of Schools, Tulare County Office of Education
Mr. Jim Kooler, Administrator, California Friday Night Live Partnership, Tulare County Office of Education
Ms. Lynne Goodwin, Program Specialist, California Friday Night Live Partnership, Tulare County Office of Education,
Ms. Carol Hodson, Operations Manager, California Friday Night Live Partnership, Tulare County Office of Education

AUDIT REPORT

Tulare County Office of Education
California Friday Night Live Partnership
Underage Drinking: Making Changes that Matter
Grant Agreement AL1068

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

MEMBERS OF THE TEAM

Kimberly Tarvin, CPA
Manager

Rick Cervantes, CPA
Supervisor

Staff
Bryan Nguyen
David Shockey

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, 6th Floor
Sacramento, CA 95814
(916) 322-2985

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BACKGROUND, SCOPE AND METHODOLOGY

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.¹

The Tulare County Office of Education (County) received a \$939,452 grant from OTS to implement the Underage Drinking: Making Changes that Matter through the California Friday Night Live Partnership (CFNLP) program. The grant requires that the CFNLP implement three major traffic safety campaigns as follows: 1) Mentoring Traffic Safety Project, 2) More Mileage Safety Campaign, and 3) Traffic Safety/Underage Drinking Prevention Chapters and Youth Traffic Safety Conference.²

SCOPE

In accordance with an interagency agreement, the Department of Finance, Office of State Audits and Evaluations, audited grant agreement AL1068 for the period October 1, 2009 through September 30, 2010.

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 goals and objectives were completed as required. In order to design adequate procedures to conduct our audit, we obtained an understanding of the relevant internal controls. We did not assess the efficiency or effectiveness of program operations.

The County'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 OTS grant agreement AL 1068.

METHODOLOGY

To determine whether grant expenditures were in compliance with applicable laws, regulations, and the grant requirements; and if the grant goals and objectives 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 grantee's accounting records and vendor invoices.
- Selected a sample of expenditures to determine if costs were allowable, grant-related, incurred within the grant period, supported by accounting records, and properly recorded.
- Performed procedures to determine if other revenue sources were used to reimburse expenditures already reimbursed with grant funds.
- Evaluated whether a sample of grant goals and objectives required by the grant agreement were met.

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 findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings 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. The grant expenditures were in compliance with the requirements of the grant agreement. However, some grant objectives were not completed in accordance with the grant requirements as described in Observation 1. The Schedule of Claimed Amounts is presented in Table 1.

Table 1: Schedule of Claimed Amounts

Grant Agreement AL1068	
Category	Claimed ³
Personnel	\$ 231,873
Travel	6,525
Contractual Services ⁴	592,109
Other Direct Costs	11,154
Indirect Costs	15,216
Total Expenditures	\$ 856,877

Observation 1: Unmet Grant Objectives

As presented in Table 2, the County did not fully meet three grant objectives. The OTS grant agreement outlines the goals and objectives required to be accomplished by the end of the grant period. Failure to meet the goals and objectives may result in withholding or disallowance of grant reimbursements, the reduction or termination of grant funding, or denial of future grant funding. The unmet grant objectives are a recurring finding from prior audits.

Table 2: Schedule of Objectives Not Fully Met

Objective	Description	Results	Not Met
5	To implement underage drinking prevention campaigns at 10 Mentoring Traffic Safety sites in at least 10 counties by September 30, 2010.	9 mentoring sites implemented in 6 counties.	√
6	To partner with 20 Every 15 Minutes, Real DUI Courts in School, Real DUI Court Sentencings, or multimedia assembly programs, in at least 10 counties to implement the More Mileage projects, leverage the message, and implement campaigns/projects through continued activities by September 30, 2010.	20 programs implemented in 7 counties.	√
7	To conduct 1 alcohol awareness/event/campaign at 40 Chapter Expansion sites in at least 15 counties by September 30, 2010.	42 chapter expansion sites implemented in 10 counties.	√

³ For grant agreement AL1068, the County only claimed \$856,877 of the \$939,452 awarded.

⁴ The County reported \$11,175 in registration fees from the Youth Traffic Safety Conference. This income was used to offset conference costs.

Recommendation:

Effectively plan and monitor the grant activities so the goals and objectives are fully met for future grants. OTS will determine the actions, if any, to take as a result of the unmet objectives.

Tulare County Office of Education

Jim Vidak, County Superintendent of Schools

July 7, 2012

Mr. Botelho,

The Tulare County Office of Education, has reviewed the finding outlined in Observation 1, below. We respectfully contend that the objectives were indeed met. Details to this rebuttal follow:

Observation 1: Unmet Grant Objectives

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The Tulare County Office of Education (TCOE) did, in fact, exceed the number of sites successfully served through this contract by one. While the number of counties throughout which the sites were located was less than identified in the contract, this fact was iterated both verbally and throughout project reporting. TCOE was not aware that formal revision of the contract was necessary, and it was interpreted that both parties were in agreement that the total number of sites were being served.

Original signed by:

Dr. Jim Kooler
Administrator
Signed by Dr. Jim Kooler

Jim Vidak
County
Superintendent
of Schools

2637 W. Burrel Ave.
P.O. Box 5091
Visalia, California
93278-5091

559 733-6300
www.tcoe.org

Administration
559 733-6301
fax 559 627-5219

Business Services
559 733-6312
fax 559 737-4378

Human Resources
559 733-6306
fax 559 627-4670

**Instructional
Services**
559 733-6328
fax 559 737-4378

Special Services
559 733-6317
fax 559 737-4378

EVALUATION OF RESPONSE

The Department of Finance (Finance) reviewed the Tulare County Office of Education's (County) response to the draft report dated July 7, 2012. In evaluating the County's response we provide the following comments:

Observation 1: Unmet Grant Objectives

The County states the number of county sites served was reported verbally and through project reporting. However, the County's verbal and quarterly reports do not supersede the grant agreement requirements. Therefore, the observation remains unchanged in the report.