



January 25, 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 Patterson, Office of Traffic Safety Grant Audit

The Department of Finance, Office of State Audits and Evaluations (Finance), has completed its interim audit of the City of Patterson's (City) Selective Traffic Enforcement Program grant PT0831 for the period October 1, 2007 through March 31, 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, Manager, or Osman Sanneh, Supervisor, at (916) 322-2985.

Sincerely,

Original signed by:

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

Enclosure

cc: On following page

cc: Mr. Cleve Morris, City Manager, City of Patterson
Mr. Tyrone Spencer, Chief of Police, City of Patterson
Ms. Margaret Souza, Finance Director, City of Patterson
Ms. Diane Bennett, Accountant III, Stanislaus County Sheriff's Department
Ms. Deborah Hrepich, Associate Accounting Analyst, Office of Traffic Safety

A GRANT AUDIT

City of Patterson
Grant Agreement PT0831

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

MEMBERS OF THE TEAM

Cheryl L. Lyon, CPA
Manager

Osman Sanneh, CPA
Supervisor

Staff
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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
300 Capitol Mall, Suite 801
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(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. The OTS allocates funds to local government agencies to implement these programs via grant awards.

The City of Patterson (City) received a grant from the OTS for its Selective Traffic Enforcement Program (Program). The Program's goals are to reduce fatalities and injuries from alcohol related crashes through Driving Under Influence (DUI) and drivers license checkpoints, patrols, court "sting" operations focusing on DUI offenders with suspended or revoked drivers licenses who drive automobiles after leaving court, and media promotions to enhance deterrence.

SCOPE

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

<u>Grant Agreement</u>	<u>Audit Period</u>	<u>Awarded</u>
PT0831	October 1, 2007 to March 31, 2009 ¹	\$ 236,459

The audit objective was to determine whether the City's grant expenditures claimed 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 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. The OTS is responsible for state-level administration of the grant funds.

¹ An interim audit was conducted of Grant PT0831 as the grant period ends September 30, 2009.

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 July 2009 through December 2009.

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 are presented in Table 1.

Table 1: Schedule of Claimed, Audited, and Questioned Amounts

Grant Agreement PT0831			
For the Period October 1, 2007 through March 31, 2009			
Category	Claimed	Audited	Questioned
Contractual Services	\$160,298	\$160,298	\$ 0
Equipment	27,881	27,881	0
Other Direct Costs	9,056	9,056	0
Total Expenditures	\$197,235	\$197,235	\$ 0