



May 17, 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 Shafter, 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 Shafter's (City) *Avoid the 18 DUI Campaign*, grant agreement AL0856 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 McCormick, Manager, or John Rogers, Supervisor, at (916) 322-2985.

Sincerely,

Original signed by:

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

Enclosure

cc: Mr. Charlie Fivecoat, Chief of Police, City of Shafter Police Department  
Ms. Jo Barrick, Administrative Services Director, City of Shafter  
Ms. Deborah Hrepich, Associate Accounting Analyst, Office of Traffic Safety  
Mr. Kevin Yokoi, Regional Coordinator, Office of Traffic Safety

A GRANT AUDIT

---

City of Shafter  
Avoid the 18 DUI Campaign  
Grant Agreement AL0856

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

**MEMBERS OF THE TEAM**

Cheryl L. McCormick, CPA  
Manager

John Rogers, CPA  
Supervisor

Staff  
Dennis Williams

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

## 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 Shafter (City) received a \$605,499 grant from OTS in an effort to reduce alcohol-involved fatalities and injuries, and raise public awareness regarding the problems associated with drinking and driving under the influence (DUI) in Kern County. The City's Police Department administered the grant and performed/coordinated DUI checkpoints, saturation patrols, and warrant/court sting operations for multiple DUI offenders under its *Avoid the 18 DUI Campaign*.

## 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>
AL0856	October 1, 2007 through September 30, 2009 <sup>1</sup>	\$ 550,337 <sup>2</sup>

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 the state-level administration of the grant funds.

---

<sup>1</sup> The interim audit covers grant expenditures claimed and performance goals reported from October 1, 2007 through September 30, 2009. The grant period ends January 31, 2011.

<sup>2</sup> Grant Agreement AL0856 was amended January 2009, reducing the award to \$550,337.

## 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 the staff directly responsible for administering grant funds. The audit was conducted from January 2010 through March 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**

<b>Grant Agreement AL0856</b>			
<b>For the Period October 1, 2007 through September 30, 2009</b>			
<b>Category</b>	<b>Claimed</b>	<b>Audited</b>	<b>Questioned</b>
Personnel costs	\$ 18,966	\$ 18,966	\$ 0
Travel	4,483	4,483	0
Contractual Services	223,614	223,614	0
Equipment	62,052	62,052	0
Other Direct Costs	14,543	14,543	0
Indirect Costs	6,708	6,708	0
Total Expenditures	\$ 330,366	\$ 330,366	\$ 0