



Transmitted via e-mail

July 20, 2016

Mr. Robert Nelson, Assistant Director of Administration
California Office of Traffic Safety
2208 Kausen Drive, Suite 300
Elk Grove, CA 95758

Dear Mr. Nelson:

Final Report—City of Folsom Police Department, Traffic Safety Grant Audit

The Department of Finance, Office of State Audits and Evaluations, has completed its audit of the City of Folsom Police Department (City) grant AL1404, issued by the California Office of Traffic Safety.

The enclosed report is for your information and use. The City's response to the report findings are incorporated into this final report. The City generally agreed with our findings. The findings 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 City. If you have any questions regarding this report, please contact Susan Botkin, Manager, or Edwina Troupe, Supervisor, at (916) 322-2985.

Sincerely,

Original signed by:

Jennifer Whitaker, Chief
Office of State Audits and Evaluations

Enclosure

cc: Ms. Karen Coyle, Assistant Director of Operations, California Office of Traffic Safety
Ms. Trina Nguyen, Associate Accounting Analyst, California Office of Traffic Safety
Ms. Cynthia Renaud, Chief of Police, City of Folsom Police Department
Sergeant Andrew Bates, Grant Director, City of Folsom Police Department

City of Folsom Police Department
Avoid DUI Campaign
Grant Agreement AL1404



Source: City of Folsom Police Department

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

MEMBERS OF THE TEAM

Susan Botkin, CGFM
Manager

Edwina Troupe, JD, CPA
Supervisor

Staff
Shuyan Decker, CPA

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

BACKGROUND, SCOPE AND METHODOLOGY

BACKGROUND

The California 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 City of Folsom Police Department (City) received a grant from OTS for \$307,092 to reduce alcohol-involved fatalities and injuries and raise general public awareness regarding the problems associated with drinking and driving. This is achieved through increased driving under the influence (DUI) enforcement activities and intensive media campaigns on a county-wide basis. The DUI enforcement activities include checkpoints, saturation patrols, multi-agency task force operations, warrant/probation sweeps, and court sting operations for repeat DUI offenders. This grant will also provide educational programs.²

SCOPE

In accordance with an interagency agreement, the Department of Finance, Office of State Audits and Evaluations, audited grant agreement AL1404 for the period October 1, 2013 through September 30, 2014.

The audit objectives were to determine whether the City's grant expenditures claimed were in compliance with applicable laws, regulations, and grant requirements; and whether the grant accomplishments were accurately reported in the Final Quarterly Performance Report. 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. OTS is responsible for the state-level administration of the grant program.

METHODOLOGY

To determine whether grant expenditures were in compliance with applicable laws, regulations, and the grant requirements; and whether the grant accomplishments were accurately reported in the Final Quarterly Performance Report, we performed the following procedures:

- Examined the grant files, the grant agreement, and applicable policies and procedures.

¹ Excerpts from www.OTS.ca.gov.

² Excerpts from Grant Agreement AL1404.

- Reviewed the City's accounting records, vendor invoices, time reports, and subcontractor documents.
- 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 accomplishments were accurately reported in the Final Quarterly Performance Report by reviewing press releases, media event videos, operational data reports, and claim invoices.

In conducting our audit, we obtained an understanding of the City's internal controls, including any information systems controls that we considered significant within the context of our audit objectives. We assessed whether those controls were properly designed and implemented. Any deficiencies in internal control that were identified during the audit and determined to be significant within the context of our audit objectives are included in this report.

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 grant expenditures claimed complied with the grant agreement requirements. The Schedule of Claimed Amounts is presented below.

Schedule of Claimed Amounts

Grant Agreement AL 1404	
Category	Claimed ¹
Personnel Costs	\$ 62,121
Travel Expenses	3,813
Contractual Services	127,574
Other Director Costs	3,000
Total Expenditures	\$196,508

However, the Final Quarterly Performance Report is not accurate. We selected 5 of 24 grant objectives to verify reporting accuracy. We noted discrepancies for 3 of the 5 objectives verified. The discrepancies are discussed below in Findings 1 and 2.

Finding 1: Inaccurate Data Reported to the Federal Government and the State Legislature

The City of Folsom Police Department (City) inaccurately reported Objective 20 Holiday Mobilization Campaign data (data) to the California Office of Traffic Safety (OTS). The data is forwarded to the National Highway Traffic Safety Administration (NHTSA) for national campaign reporting. The data is also incorporated into an annual report to the Legislature. The data compiled by the City includes detailed information about checkpoint activity, patrols conducted, service operations, and media coverage. We tested 64 data line items and 17 of the 64 items were inaccurately reported. For example:

- The City under reported the number of driving under the influence arrests made at checkpoints. The City reported 3 but documents supported 4.
- The City under reported the number of suspended licenses encountered at checkpoints. The City reported zero but documents supported 30.
- The City over reported vehicles stopped at checkpoints. The City reported 307 stops but documents supported 262.
- The City over reported suspended/revoked licenses encountered during patrols. The City reported 31 but documents supported 14.

Accuracy in reporting will assist OTS in determining whether the goals and objectives of the grant were achieved. The misreporting was due to math errors and lack of sufficient documentation.

¹ OTS awarded \$307,092 and the City claimed \$196,508.

The Grant Agreement, Schedule A, requires the City to collect and report actual and appropriate data that supports the progress of goals and objectives. Additionally, the OTS Grant Program Manual, Chapter 3, states that the City is required to maintain sufficient documentation for validation of grant progress.

Recommendation:

- A. Ensure math accuracy and maintain sufficient documentation to support the information included in the Final Quarterly Performance Report.

Finding 2: Final Quarterly Performance Report Is Not Accurate

The City inaccurately reported grant accomplishments in the Final Quarterly Performance Report as follows:

- Objective 10: The City over reported driving under the influence saturation patrols (patrols). The City conducted 13 patrols, but reported 14 patrols.
- Objective 16: The City over reported patrols. The City conducted 12 patrols, but reported 13 patrols.
- Objective 20: Although the City prepared the NHTSA Mobilization Report, the information submitted in the report was inaccurate. See Finding 1 for details.

Accuracy in reporting will assist OTS in determining whether the goals and objectives of the grant were achieved. The over reporting for Objectives 10 and 16 was due to a lack of communication among grant participants. For Objective 20, the errors were because the City did not verify the accuracy of the information reported.

The Grant Agreement, Schedule A, requires the City to collect and report actual and appropriate data that supports the progress of goals and objectives.

Recommendations:

- A. Implement controls to include the verification of information before it is reported.
- B. Improve communication among grant participants to ensure grant accomplishments are reported accurately.

City of Folsom
POLICE DEPARTMENT

46 Natoma Street
Folsom, CA 95630



*Office of the Chief of Police
Chief Cynthia Renaud*

June 20, 2016

Department of Finance
Office of State Audits and Evaluations
915 L Street, 6th Floor
Sacramento, CA 95816

Dear Ms. McCormick,

After reviewing the draft report from the Traffic Safety Grant Audit dated June 16, 2016, and discussing the supporting documentation with my staff, I would like to add the following comments to the record.

Accuracy in operation and reporting of grant activities is a priority for the Folsom Police Department. Throughout the grant period, we worked tirelessly to meet (and in most cases exceed) the grant objectives in a financially efficient manner. We met the grant objectives while still finishing the grant significantly under budget (\$196,508 was spent out of \$307,092 allocated for the grant.)

As you will see below, although there are likely some human errors in the calculation of statistical reporting to the Office of Traffic Safety (OTS), most of the discrepancies found by auditors were due to missing documentation. Although personnel working on the grant clearly understood that financial records were required to be retained in a specific way and for five years after the grant period, they were unaware that the communication from officers who worked the field activities would need to be retained after the final report was accepted by OTS. Unfortunately, that documentation was destroyed because the grant manager was not aware that an audit of statistics could be done over two years after the events were concluded. It is also important to note that the audit showed all financial records were kept appropriately, with all monies accurately accounted for, and as a result, the report documents ***no corrective findings*** in this area.

Response to Finding 1

Although some of the discrepancies are noted as "over reported" it is more accurate to characterize those discrepancies as "unsupported." As noted, some of the field reporting sheets were not retained after the conclusion of the grant. Because of the possibility of missing field reporting sheets, the "over reported" figures may be entirely accurate.

The "under reported" suspended license arrests was an oversight where the default value of zero on the OTS form was mistakenly not replaced with the actual number of arrests.

Response to Finding 2

The findings of inaccurate reporting of grant objectives 10 and 16 focuses on a discrepancy of just one patrol each, which, as noted above is likely due to missing documentation. However, even with the discrepancy, Objectives 10 and 16, which were to conduct eight saturation patrols during each of the specified periods, were both exceeded using the revised numbers of 13 and 12 patrols respectively.

Further, the finding as to Objective 20 relies on Finding 1, which as noted above may be the result of missing paperwork, versus being inaccurate.

During the course of this grant, the Folsom Police Department worked diligently to exceed the grant objectives in a fiscally responsible way. Also, it is important to consider the fact that this grant required our Department to coordinate with all other law enforcement agencies in Sacramento County. Because of this, our Department had to rely on other agencies to schedule personnel, work events and provide information. With the numerous working parts and the unpredictability of law enforcement field work, it is foreseeable that minor deviations from the planned activities would occur. The majority of the discrepancies noted in the audit are a result of that dynamic.

It is important to note that the objectives of this grant were substantially met – and met significantly under budget – and that despite the minor recording discrepancies, the Folsom Police Department's documentation can be relied upon to show that the grant's intended purpose was achieved.

The Folsom Police Department appreciates the cooperative working relationship it enjoys with OTS in making our streets safer for motorists and looks forward to working together in the future to continue these important education and enforcement efforts.

If I can be of any further assistance, please do not hesitate to call me at 916.355.7234.

Sincerely,

Original signed by:

Cynthia Renaud
Chief of Police