



Transmitted via e-mail

September 22, 2015

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

Dear Mr. Nelson:

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

The Department of Finance, Office of State Audits and Evaluations, has completed its audits of the Tulare County Office of Education's (County) grants AL1174 and 20715, issued by the Office of Traffic Safety.

The enclosed report is for your information and use. The County's response to the report observations 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 Susan Botkin, Manager, or Fabiola Torres, Supervisor, at (916) 322-2985.

Sincerely,

Original signed by:

Richard R. Sierra, CPA
Chief, Office of State Audits and Evaluations

Enclosure

cc: Ms. Leslie Witten-Rood, Assistant Director of Operations, Office of Traffic Safety
Mr. Mitch Zehnder, Regional Coordinator, Office of Traffic Safety
Ms. Trina Nguyen, Associate Accounting Analyst, 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 Director, California Friday Night Live Partnership, Tulare
County Office of Education

Tulare County Office of Education
California Friday Night Live Partnership
Traffic Safety Programs
Grant Agreements AL1174 and 20715

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

MEMBERS OF THE TEAM

Susan Botkin, CGFM
Manager

Fabiola Torres
Supervisor

Staff
Alex Balandra

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 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 Tulare County Office of Education (County) received a \$288,947 grant from OTS to conduct Roadmaps to Underage Drinking Prevention campaigns, with the goal to implement multi-faceted campaigns that address underage drinking in 20 sites throughout California. Additionally, the County received a \$400,000 grant from OTS to partner with youth across California to implement campaigns that specifically focus on reducing youth alcohol access, in collaboration with law enforcement and other community stakeholders.

SCOPE

In accordance with an interagency agreement, the Department of Finance, Office of State Audits and Evaluations, audited the following grant agreements:

<u>Grant Agreement</u>	<u>Audit Period</u>
AL1174	October 1, 2010 through September 30, 2011
20715	October 1, 2011 through September 30, 2012

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 objectives were completed as required. We did not assess the efficiency or effectiveness of program operations.

County 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.

METHODOLOGY

To determine whether grant expenditures were in compliance with applicable laws, regulations, and the grant requirements; and if the grant objectives were completed, we performed the following procedures:

- Examined the grant files, the grant agreements, and applicable policies and procedures.
- Reviewed the County's accounting and personnel records, vendor invoices, purchase orders, and contracts.
- 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 agreements.
- Determined whether the grant objectives were completed in accordance with the grant agreements.
- Evaluated whether a sample of grant objectives were met by reviewing press releases, event agendas, invoices, purchase orders, and contracts.

In conducting our audits, we obtained an understanding of the County'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 our audits and determined to be significant within the context of our audit objectives are included in this report.

We conducted these audits in accordance with generally accepted government performance auditing standards. Those standards require that we plan and perform the audits to obtain sufficient, appropriate evidence to provide a reasonable basis for our observations and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our observations and conclusions based on our audit objectives.

The grant expenditures claimed complied with the grant requirements. However, two grant objectives were not fully completed as described in Observation 1. The Schedules of Claimed Amounts are presented in Table 1.

Table 1: Schedules of Claimed Amounts

Grant AL1174	
Category	Claimed¹
Personnel Costs	\$ 145,510
Travel Expense	3,371
Contractual Services	107,880
Other Direct Costs	11,981
Indirect Costs	9,197
Total Expenditures	\$ 277,939

Grant 20715	
Category	Claimed²
Personnel Costs	\$ 117,560
Travel Expense	2,409
Other Direct Costs	120,010
Indirect Costs	7,042
Total Expenditures	\$ 247,021

Observation 1: Grant Objectives Partially Met

The Tulare County Office of Education (County) did not fully meet 1 of the 5 grant objectives from grant AL1174 and 1 of the 12 grant objectives from grant 20715, as described in Table 2 below. The grant agreements outline the objectives required to be accomplished by the County. Failure to meet the objectives may result in withholding or disallowance of grant reimbursement, the reduction, or termination of grant funding, or denial of future grant funding.

¹ OTS awarded \$288,947 and the grantee claimed \$277,939.

² OTS awarded \$400,000 and the grantee claimed \$247,021.

Table 2: Schedule of Objectives Partially Met

Grant Agreement AL1174		
Objective	Grant Requirement	Results
4	<p>To implement comprehensive traffic safety/underage drinking prevention campaigns in schools across California, which will feature a Real Driving Under the Influence (DUI) Court in Schools Trial or Real DUI Court in Schools Sentencing in each of the 20 funded sites/cities by September 30, 2011. Priority will be given to the top 50 Teen DUI Cities. Required activities will include:</p> <p>a. To implement 20 Real DUI Court in Schools Trials or Real DUI Court in Schools Sentencing programs to educate students and faculty in the funded counties, on the DUI Court procedures and consequences by September 30, 2011.</p>	<p>The County completed 18 of the 20 required Real DUI Court in Schools Trials or Real DUI Court in Schools Sentencing programs.</p>

Grant Agreement 20715		
Objective	Grant Requirement	Results
6	<p>To conduct 14 Multi-Media presentations at 14 local high schools impacting 10,000 students.</p>	<p>The County completed the 14 required Multi-Media presentations; however, it did not provide supporting documentation, such as a confirmation from the host organization confirming the number of students in attendance.</p>

Recommendations:

- A. Effectively plan and monitor the grant activities to ensure objectives are fully met.
- B. Implement procedures to ensure adequate supporting documentation is retained to demonstrate the required objectives were met, including stronger oversight and monitoring of subcontractors.

The Office of Traffic Safety will determine the actions, if any, to take regarding the unmet objectives.



PARTNERSHIP

Dr. Jim Kooler,
Administrator

2637 W. Burrel Avenue
P.O. Box 5091
Visalia, CA 93278-5091
559 733-6496
Fax: 559 737-4231

Friday Night Live

Club Live

**Friday Night Live
Kids**

**Friday Night Live
Mentoring**

**California Youth
Council**

Tulare County
Office of Education
Jim Vidak,
Superintendent

California Friday Night Live
Collaborative

Youth Leadership
Institute

Friday Night Live
builds partnerships for
positive and healthy
youth development
which engage youth
as active leaders
and resources in
their communities.

August 28,2015

Department of Finance

Office of State Audits and Evaluations

Sacramento, CA 95814

Mr. Sierra,

This letter will serve as a rebuttal to the findings included in your report of the Tulare County Office of Education audit, dated August 12, 2015.

To the first finding, related to the objective below:

a. To implement 20 Real DUI Court in Schools Trials or Real DUI Court in Schools Sentencing programs to educate students and faculty in the funded counties, on the DUI Court procedures and consequences by September 30, 2011.

The County completed 18 of the 20 required Real DUI Court in Schools Trials or Real DUI Court in Schools Sentencing programs.

We dispute this finding on the following premise:

When we negotiated the contract, this number was not originally included. When it was changed to 20, we stated that we were unable to meet that number but we were told that the number would be left in the contract and we should do the best we can. We actually achieved more than we anticipated but did not claim costs for the events that were not achieved.



To the second finding, related to the objective below:

To conduct 14 Multi-Media presentations at 14 local high school impacting 10,000 students.

The County completed the 14 required Multi-Media presentations; however, it did not provide supporting documentation such as a confirmation from the host organization confirming the number of students in attendance.

The Tulare County Office of Education disputes this finding on the premise that no documentation requirement of this kind was articulated. Further more, having had the exact same objective, vetted through previous Department of Finance audits, with no such finding, insinuates that our practiced policy regarding the implementation and reporting of this objective, has been acceptable in past, informing our continued practice.

Thank you for this opportunity to respond to your findings. We appreciate the professionalism of your staff and the learning opportunities that these processes have provided us.

Sincerely,

Original signed by:

Lynne Goodwin
Program Director

EVALUATION OF RESPONSE

The Tulare County Office of Education's (County) response to the draft report has been reviewed and incorporated into the final report. The County disagreed with our observations and we make the following comment:

Observation 1: Grant Objectives Partially Met

The County makes reference to findings of previous Department of Finance (Finance) audits. Finance cannot comment on prior conditions; our evaluation is based on the current grants (Agreements 20715 and AL1174) which require the County to provide documentation to support the completion of the grant objectives. For grant 20715, the County was unable to provide sufficient documentation demonstrating 10,000 students were in attendance during the 14 Multi-Media presentations. Further, grant AL1174 required Real Driving Under the Influence (DUI) Court in Schools Trial or Real DUI Court in Schools Sentencing programs in each of the 20 funded sites/cities; the County completed 18 of the 20 programs required. No amendment to the grant was provided to change that requirement. Therefore, our observation and recommendations remain unchanged.