



Transmitted via e-mail

September 26, 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—San Joaquin County Superior Court, Traffic Safety Grant Audit

The Department of Finance, Office of State Audits and Evaluations, has completed its audit of the San Joaquin County Superior Court's (Court) grant AL1425, issued by the California Office of Traffic Safety (OTS).

The enclosed report is for your information and use.

The Court's response to the report finding is incorporated into this final report. In the interest of brevity, the additional documentation referenced in the Court's response was omitted. OTS will make the determination regarding whether the Court may revise its quarterly invoices. The Court agreed with our findings and we appreciate its willingness to implement corrective actions. This report will be placed on our website.

We appreciate the assistance and cooperation of the Court. 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:

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. Rosa Junqueiro, Court Executive Officer, San Joaquin County Superior Court
Ms. Linda Courtright, Chief Financial Officer, San Joaquin County Superior Court
Ms. Helen Ellis, Collaborative Courts Manager, San Joaquin County Superior Court
Ms. Lori Green, Fiscal Services Technician III, San Joaquin County Superior Court

AUDIT REPORT

San Joaquin County Superior Court
San Joaquin County DUI Court Program
Grant Agreement AL1425

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

MEMBERS OF THE TEAM

Susan Botkin, CGFM
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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
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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 San Joaquin County Superior Court (Court) serves the citizens of San Joaquin County through various courts which include the Driving-Under-the-Influence Court Program (DUI Court). The Court received a \$607,052 grant from OTS to support the DUI Court program designed to stop dependent offenders arrested for driving while impaired and prohibit multiple offenders from re-offending. The goal of the DUI program is to reduce recidivism among impaired drivers thereby reducing alcohol and/or drug-involved collisions, injuries, and fatalities. The DUI Court provides an intensive program using judicial supervision, periodic alcohol/drug testing, mandated treatment where needed and the use of incentives and sanctions to make behavior changes. Collaboration with local law enforcement and a multi-cultural awareness component complete the DUI Court program.²

SCOPE

In accordance with an interagency agreement, the Department of Finance, Office of State Audits and Evaluations, audited grant agreement AL1425 for the period October 1, 2013 through September 30, 2014.

The audit objectives were to determine whether the Court'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 (QPR). We did not assess the efficiency or effectiveness of program operations.

The Court'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 grant agreement AL1425.

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 QPR, we performed the following procedures:

- Examined the grant files, the grant agreement, and applicable policies and procedures.
- Reviewed the Court's accounting records, personnel salary and benefits reports, personnel activity reports, and subcontractor records.
- 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 QPR by reviewing newspaper articles, presentation sign-in sheets, court hearing announcements, written testimonials, and alcohol monitoring activity reports.

In conducting our audit, we obtained an understanding of the Court'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.

Except as noted below, the grant expenditures claimed complied with the grant agreement requirements. The Schedule of Claimed and Questioned Amounts is presented below.

Schedule of Claimed and Questioned Amounts

Grant Agreement AL1425		
Category	Claimed ¹	Questioned
Personnel Costs	\$ 405,304	\$ 14,208
Travel Expenses	6,491	0
Contractual Services	132,509	0
Other Direct Costs	5,016	0
Total Expenditures	\$ 549,320	\$ 14,208

Additionally, the Final Quarterly Performance Report (QPR) is not accurate. We selected 3 of 17 grant objectives to verify reporting accuracy. We noted a discrepancy for 1 of the 3 objectives verified. The discrepancy is discussed in Finding 2 below.

Finding 1: Unallowable Fringe Benefits

San Joaquin County Superior Court (Court) claimed expenditures totaling \$14,208 in excess of allowable fringe benefit costs. Specifically, the Court claimed retirement benefits for a compliance officer. The grant agreement does not allow retirement as an eligible fringe benefit for this position.

The California Office of Traffic Safety (OTS) Grant Program Manual, Chapter 2, section 2.5.1, specifies eligible fringe benefits costs should contain only benefits granted under approved plans.

Recommendations:

- A. Remit \$14,208 to OTS.
- B. Ensure fringe benefits charged to the grant are consistent with the benefits allowed in the grant agreement.

Finding 2: Final Quarterly Performance Report Is Not Accurate

The Court inaccurately reported grant accomplishments in the Final QPR related to Objective 16. Specifically, the Court under reported the number of Hispanic Outreach presentations (presentations) held and individuals in attendance. The Court reported they held eight presentations delivered to a minimum of 200 individuals. However, the Court held nine presentations.

¹ OTS awarded \$607,052 and the Court claimed \$549,320.

Accuracy in reporting will assist OTS in determining whether the goals and objectives of the grant were achieved. The under reporting for Objective 16 was due to human error and the Court did not verify the accuracy of the information reported.

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

Recommendation:

Implement controls to include the verification of information before it is reported.



The Superior Court of California

COUNTY OF SAN JOAQUIN

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August 9, 2016

ROSA JUNQUEIRO
Court Executive Officer and Jury Commissioner

Ms. Jennifer Whitaker, Chief
Office of State Audits and Evaluations
Department of Finance
915 L Street
Sacramento, CA 95814-3706

San Joaquin Superior Court, Office of Traffic Safety Grant Court Response to Draft Audit Report for Grant Agreement AL1425

Finding 1: Unallowable Fringe Benefits

San Joaquin Superior Court (Court) claimed expenditures totaling \$14,208 in excess of allowable fringe benefit costs. Specifically, the Court claimed retirement benefits for a compliance officer. The grant agreement does not allow retirement as an eligible fringe benefit for this position. The California Office of Traffic Safety (OTS) Grant Program Manual, Chapter 2, section 2.5.1, specifies eligible fringe benefits costs should contain only benefits granted under approved plans.

Court Response to Finding 1:

San Joaquin Superior Court agrees with Finding 1 in that the Court billed \$14,208 of retirement costs for one compliance officer. The original budget submitted for that compliance officer, grant agreement AL1425, did not include retirement costs. However, OTS budgets for staff salaries and benefits by classification, not by individual. The total budget for compliance officers' benefits was \$76,566.

At the time of the 4th quarter billing to OTS, because the Court knew we had reached our \$76,566 budget for compliance officer benefits, we did not bill any other allowable benefits for compliance officers on the 4th quarter bill. In retrospect, the Court should have consulted with OTS on the proper way to correct the invoices for each quarter. Had the Court done this, there would not have been a "finding" as the Court had approximately \$14,400 of other allowable compliance officer benefits that did not get billed in the 4th quarter or previous quarters. In summary, while the Court billed \$14,208 of retirement costs for an individual compliance officer that was not allowed, the Court did not bill \$14,208 of other benefits for compliance officers that were allowed. We respectfully request that the Court be provided an opportunity to correct our invoices for each quarter. Attached is a detailed spreadsheet contrasting what we billed and what we should have billed in each quarter. For future grant applications and contracts, the Court will ensure that the retirement cost for this individual compliance officer is included in the original budget and allowable under the approved plan.

Finding 2: Final Quarterly Performance Report Is Not Accurate

The Court inaccurately reported grant accomplishments in the Final Quarterly Performance Report related to Objective 16. Specifically, the Court under reported the number of Hispanic Outreach presentations held and individuals in attendance. The Court reported they held eight presentations delivered to a minimum of 200 individuals. However, the Court held nine presentations.

Court Response to Finding 2:

The Court agrees with finding 2 regarding Objective 16. The Hispanic Outreach presentations, which were conducted during fiscal year 2013-2014, were miscounted. The number of presentations was inaccurately reported in quarterly reports as amounting to a total of eight, while the accurate number of nine presentations was reported in the executive summary and backup data reflected the accurate number. The miscounting was due to human error, a miscommunication between the Court and the subcontracted community based organization in charge of scheduling the presentations.

The Court no longer contracts with this subcontractor to conduct Hispanic Outreach presentations. However, in response to the finding, the Court has implemented controls for presentations related to another program, "Choices and Consequences." Controls include the verification of information before it is reported. In addition, we keep email communication records between the Court and the schools on presentation scheduling and we now have both school staff and court staff sign an acknowledgement form at each presentation. The acknowledgement form was added to the verification process during fiscal year 2015-2016.

Thank you and I look forward to hearing from you regarding our responses to the findings.

Respectfully,

"original signed by"

Rosa Junqueiro
Court Executive Officer
San Joaquin Superior Court

Attachment

- C: Linda Courtright, Chief Financial Officer, San Joaquin Superior Court
- Helen Ellis, Director of Collaborative Justice Programs, San Joaquin Superior Court
- Mr. Robert Nelson, Assistant Director of Administration, CA Office of Traffic Safety
- Ms. Karen Coyle, Assistant Director of Operations, CA Office of Traffic Safety
- Ms. Trina Nguyen, Associate Accounting Analyst, CA Office of Traffic Safety