



Transmitted via e-mail

July 10, 2012

Mr. Samuel P. Schuchat, Executive Officer
State Coastal Conservancy
1330 Broadway, 13th Floor
Oakland, CA 94612

Dear Mr. Schuchat:

Final Report—Cachuma Conservation Release Board, Proposition 12 Grant Audit

The Department of Finance, Office of State Audits and Evaluations, has completed its audit of Cachuma Conservation Release Board's (Board) grant 05-121 issued by the State Coastal Conservancy.

The enclosed report is for your information and use. Because there were no audit observations or issues requiring a response, we are issuing the report as final. This report will be placed on our website.

We appreciate the assistance and cooperation of the Board. If you have any questions regarding this report, please contact Diana Antony, Manager, or Lisa Negri, Supervisor, at (916) 322-2985.

Sincerely,

Original signed by:

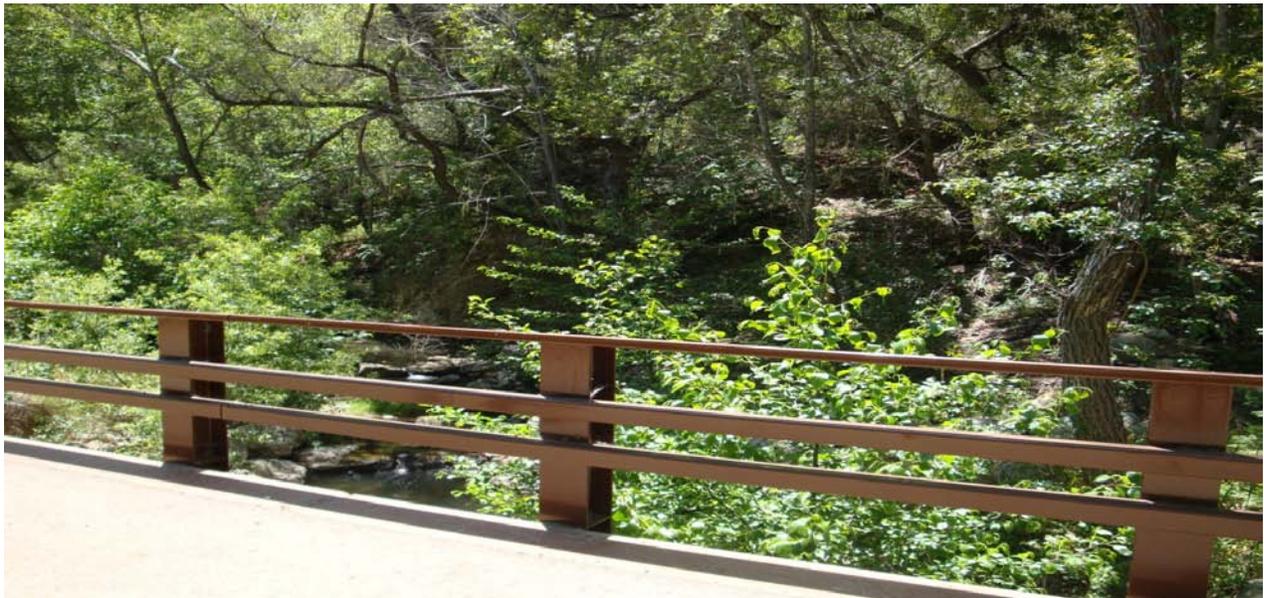
David Botelho, CPA
Chief, Office of State Audits and Evaluations

Enclosure

cc: Ms. Nadine Peterson, Deputy Executive Officer, State Coastal Conservancy
Ms. Mary Small, Deputy Executive Officer, State Coastal Conservancy
Ms. Regine Serrano, Chief of Administrative Services, State Coastal Conservancy
Mr. Patrick Kemp, Assistant Secretary for Administration and Finance, California Natural Resources Agency
Ms. Julie Alvis, Deputy Assistant Secretary, California Natural Resources Agency
Mr. Bryan Cash, Deputy Assistant Secretary, California Natural Resources Agency
Mr. Bruce Mowry, General Manager, Cachuma Conservation Release Board
Mr. Tim Robinson, Senior Resource Scientist/Project Manager, Cachuma Conservation Release Board
Ms. Janet Gingras, Administrative Manager, Cachuma Conservation Release Board

AUDIT REPORT

Cachuma Conservation Release Board Proposition 12 Bond Program Grant Agreement 05-121



Quiota Creek Project

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

MEMBERS OF THE TEAM

Diana Antony, CPA
Manager

Lisa Negri
Supervisor

Staff
Danielle Brandon

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
915 L Street, 6th Floor
Sacramento, CA 95814
(916) 322-2985

BACKGROUND, SCOPE, METHODOLOGY AND RESULTS

BACKGROUND

California voters approved the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000 (Proposition 12). The \$2.1 billion of bond proceeds provide grants to finance a variety of resource programs.

The Cachuma Conservation Release Board (Board) received a \$371,800 grant from the State Coastal Conservancy (Conservancy) to improve fish passage on Quiota Creek by replacing a temporary bridge and damaged concrete crossing with a 48 foot bottomless arched culvert, and restoring the creek to natural conditions.

SCOPE

In accordance with the Department of Finance's bond oversight responsibilities, we audited grant agreement 05-121 for the period June 14, 2006 through December 31, 2009.

The audit objectives were to determine whether the Board's grant expenditures claimed were in compliance with applicable laws, regulations, and grant requirements; and to determine whether the grant deliverables were completed as required. We did not assess the efficiency or effectiveness of program operations.

The Board's management is responsible for ensuring accurate financial reporting and compliance with applicable laws, regulations, and grant requirements. The Conservancy and the Natural Resources Agency are responsible for the state-level administration of the bond program.

METHODOLOGY

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

- Interviewed key personnel to obtain an understanding of the grant-related internal controls.
- Examined the grant files, the grant agreement, and applicable policies and procedures.
- Reviewed the Board's accounting records, vendor invoices, and bank statements.
- Selected a sample of expenditures to determine if costs were allowable, grant-related, incurred within the grant period, supported by accounting records, and properly recorded.
- Performed procedures to determine if other revenue sources were used to reimburse expenditures already reimbursed with grant funds.
- Conducted a site visit to verify existence.
- Evaluated whether a sample of grant deliverables required by the grant agreement were met.

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.

RESULTS

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.

Based on the procedures performed, the grant expenditures claimed were in compliance with the requirements of the grant agreement and grant deliverables were completed as required. The Schedule of Claimed Amounts is presented in Table 1.

Table 1: Schedule of Claimed Amounts

Grant Agreement 05-121	
Category	Claimed
Planning	\$ 40,000
Operation	43,900
Construction	88,700
Construction Material	199,200
Total Grant Funds	371,800
Match Funds	188,664
Total Project Expenditures	\$560,464