



Transmitted via e-mail

October 4, 2013

Mr. John P. Donnelly, Executive Director
Wildlife Conservation Board
1807 13th Street, Suite 103
Sacramento, CA 95811

Dear Mr. Donnelly:

Final Report—Yolo County, Proposition 40 Grant Audits

The Department of Finance, Office of State Audits and Evaluations, has completed its audits of the following Yolo County (County) Proposition 40 grants:

<u>Grant Agreements</u>	<u>Audit Period</u>	<u>Awarded</u>
WC-6043BT	February 15, 2007 through April 15, 2012	\$ 542,663
WC-6057TC	May 24, 2007 through May 24, 2010	\$ 562,290
WC-1136AL	September 29, 2011 through December 31, 2011	\$ 121,000

The enclosed report is for your information and use. The County's response to the report observation is incorporated into this final report. The County agreed with our observation 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 County. If you have any questions regarding this report, please contact Kimberly Tarvin, Manager, or Alma Ramirez, Supervisor, at (916) 322-2985.

Sincerely,

Original signed by:

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

Enclosure

cc: Ms. Julie Alvis, Deputy Assistant Secretary, California Natural Resources Agency
Mr. Bryan Cash, Deputy Assistant Secretary, California Natural Resources Agency
Ms. Cynthia Alameda, Budget Officer, Wildlife Conservation Board
Mr. Terry Vernon, Deputy Director, General Services Department, Parks Division, Yolo County
Mr. Howard Newens, Auditor-Controller and Treasurer-Tax Collector, Yolo County
Mr. Mark Krummenacker, Manager-General Accounting, Department of Auditor-Controller and Treasurer-Tax Collector, Yolo County
Ms. Jennifer Santos, Associate Parks Planner, General Services Department, Parks Division, Yolo County

AUDIT REPORT
Yolo County
Proposition 40 Bond Program
Grant Agreements WC-6043BT, WC-6057TC,
and WC-1136AL



Grasslands Regional Park



Putah Creek Fishing Access

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

MEMBERS OF THE TEAM

Kimberly Tarvin, CPA
Manager

Alma Ramirez, CPA
Supervisor

Staff
Weiping Kruschke

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

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BACKGROUND, SCOPE AND METHODOLOGY

BACKGROUND

California voters approved the California Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Act of 2002 (Proposition 40). The \$2.6 billion in bond proceeds finance a variety of resource programs.

One of Yolo County's (County) objectives is to provide public services and protect open space and the environment. The County received three grants totaling \$1,225,953 from the California Wildlife Conservation Board (WCB) to implement the Grasslands Regional Park Habitat Restoration project, and to improve public access at the Putah Creek Fishing Access.¹

SCOPE

In accordance with the Department of Finance's bond oversight responsibilities, we audited the following grants:

<u>Grant Agreements</u>	<u>Audit Period</u>	<u>Awarded</u>
WC-6043BT	February 15, 2007 through April 15, 2012	\$542,663
WC-6057TC	May 24, 2007 through May 24, 2010	\$562,290
WC-1136AL	September 29, 2011 through December 31, 2011	\$121,000

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 deliverables 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. WCB and the California Natural Resources Agency are responsible for the state-level administration of the bond program.

¹ Source: <http://www.yolocounty.org/>

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 agreements, and applicable policies and procedures.
- Reviewed the County's accounting records, vendor invoices, and evidence of payment.
- 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.
- Conducted a site visit to verify project existence.
- Evaluated whether a sample of grant deliverables required by the grant agreements 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 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 results of the audits are based on our review of documentation, other information made available to us, and interviews with staff directly responsible for administering grant funds.

Except as noted below in Observation 1, the grant expenditures claimed were in compliance with the requirements of the grant agreements and grant deliverables were completed as required. The Schedules of Claimed and Questioned Amounts are presented in Table 1.

Table 1: Schedules of Claimed and Questioned Amounts

Grant Agreement WC-6043BT			
Task	Budgeted	Claimed¹	Questioned
Vernal Pool Invasive Species Removal	\$ 25,742	\$ 24,994	-
Grassland Habitat Enhancement	450,672	415,896	-
Project Supervision and Administration	26,052	24,883	-
Contingency	40,197	-	-
Total WCB Grant Funds	\$542,663	\$465,773	-
County Match Funds	167,790	290,997 ²	\$13,412
Total Project Expenditures	\$710,453	\$756,770	\$13,412

¹ Total amount reimbursed by WCB as of April 10, 2013 is \$419,196. Final payment to the County was pending as of April 10, 2013.

² \$13,412 in claimed match was not supported. However, the adjusted match amount of \$277,585 exceeded the total match requirements. Therefore, the match requirement was met.

Grant Agreement WC-6057TC			
Task	Budgeted	Claimed	Amount Claimed in Excess of Budget
Engineering and Design	\$ 48,059	\$ 15,214	\$ -
Demolition and Site Clean-up	34,050	36,880	2,830
Mobilization	18,782	49,387	30,605
Parking Lot and Road Work	153,785	172,249	18,464
Trails and Platforms	74,068	24,358	-
Restrooms	98,500	114,740	16,240
Renovation of Park Host Area	8,750	3,635	-
Fencing, Gates, Iron Rangers	16,900	2,100	-
Signage/Educational, Recreational Program	41,550	5,489	-
Picnic Area Grading and Surfacing	3,200	987	-
Contingency	64,646	-	-
Total WCB Grant Funds	\$562,290	\$425,039	\$68,139
County Match Funds	165,170	152,787 ³	-
Total Project Expenditures	\$727,460	\$577,826	\$68,139

Grant Agreement WC-1136AL			
Task	Budgeted	Claimed	Amount Claimed in Excess of Budget
Boulders	\$ 37,000	\$31,603	\$ -
Caltrans Encroachment Permit	5,000	-	-
Integral Color Concrete Paving	59,000	64,713	5,713
Contingency	20,000	-	-
Total WCB Grant Funds	\$121,000	\$96,316	\$5,713

³ The claimed match for grant WC-6057TC was under budget by seven percent. However, because the WCB portion of the grant was under budget, the required match was proportionately reduced. Therefore, the match requirement was met.

Observation 1: Amounts Claimed in Excess of Budget

The County claimed \$73,852 in excess of budgeted amounts for the Putah Creek Fishing Access grants WC-6057TC (\$68,139) and WC-1136AL (\$5,713). The County did not provide approved budget amendments or other evidence of WCB approval of budget modifications prior to the end of the grant agreements. Although individual line item budgets were exceeded, the total grant amounts were not exceeded.

Grant agreement WC-6057TC, Exhibit B, states that if required by actual costs, and approved between the parties, the WCB may reimburse expenditures in any of the budgeted categories in excess of the estimated costs provided there are offsetting, decreased expenditures in other budgeted categories. Grant agreement WC-1136AL, Budget Section, states that the grantee shall submit a written request to shift funds between approved budget categories, and the grantor shall approve or deny the requested budget revision in writing.

Recommendation:

If a budget modification is required, the County should request and receive approval of the budget modification prior to incurring the additional cost and before the grant ends. WCB will make the final determination regarding disposition of the over-budget amounts.



COUNTY OF YOLO

Office of General Services
Parks Division

Patrick Blacklock
County Administrative Officer

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September 10, 2013

California Department of Finance
Attn: David Botelho, CPA
Chief, Office of State Audits and Evaluations
915 L Street
Sacramento, CA 95814-3706

RE: Yolo County Response to the State Audit Report for grant agreements WC-6043BT, WC-6057TC, and WC-1136AL

Dear Mr. Botelho:

Yolo County entered into three grant agreements with the Wildlife Conservation Board, WC-604BT, WC-6057TC, and WC-1136AL. In 2012 the California Department of Finance conducted an audit of these grants, of which, the Grasslands Habitat Restoration Project (WC-6043BT) was not yet completed.

Current county staff has worked diligently with the California Department of Finance auditors to provide all the requested information and documentation. The State auditors for the Department of Finance provided a thorough and professional audit report to the County.

Yolo County accepts the results of the audit and understands the requirement to retain written records of line-item budget amendment requests within the project file.

Sincerely,

original signed by

Terry Vernon, Deputy Director
General Services Department