



December 30, 2009

Mr. Andrew J. Kraus III, Director
California Department of Justice
Office of Program Review and Audits
1300 I Street, Room 1360
Sacramento, CA 95814

Dear Mr. Kraus:

Final Audit Report—California Department of Justice, State Terrorism Threat Assessment Center, Interagency Agreement 6032-7

The Department of Finance, Office of State Audits and Evaluations (Finance), has completed its audit of the California Department of Justice's (DOJ) State Terrorism Threat Assessment Center, Interagency Agreement 6032-7, for the period July 1, 2007 through June 30, 2008.

The enclosed report is for your information and use. Because there were no audit findings or issues requiring a response, we are issuing the report as final.

In accordance with Finance's policy of increased transparency, this report will be placed on our website. Additionally, pursuant to Executive Order S-20-09, please post this report in its entirety to the Reporting Government Transparency website at <http://www.reportingtransparency.ca.gov> within five working days of this report.

We appreciate the assistance and cooperation of the DOJ. If you have any questions regarding this report, please contact Cheryl Lyon, Manager, or Osman Sanneh, Supervisor, at (916) 322-2985.

Sincerely,

Original signed by:

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

Enclosure

cc: On following page

cc: Mr. Richard Lopes, Deputy Director, Division of Law Enforcement, California Department of Justice
Mr. Craig Buehler, Chief, Bureau of Investigation and Intelligence, Division of Law Enforcement, California Department of Justice
Ms. Stacey Luna Baxter, Staff Services Manager II, Division of Law Enforcement, California Department of Justice
Mr. Dave Harper, Assistant Director, Division of Administrative Support, California Department of Justice
Ms. Deborah Merrill, Chief of Accounting, Accounting Office, California Department of Justice
Mr. Tim Gonsalves Accounting Administrator II, Accounting Office, California Department of Justice
Ms. Glenda Ivie, Accounting Administrator I, Accounting Office, California Department of Justice
Mr. Kirby Everhart, Chief, Criminal Justice Program Division, California Emergency Management Agency

AG_{RANT} AUDIT

California Department of Justice
State Terrorism Threat Assessment Center
Interagency Agreement 6032-7

July 1, 2007 through June 30, 2008

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

MEMBERS OF THE TEAM

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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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BACKGROUND, SCOPE, METHODOLOGY, AND RESULTS

BACKGROUND

The State Terrorism Threat Assessment Center (S-TTAC) is a partnership of the California Highway Patrol (CHP), the Governor's Office of Homeland Security (OHS), and other state and federal agencies. The S-TTAC serves as the state's central collection point for all anti-terrorist information; provides analysis, threats, trends, and strategic planning on all criminal intelligence gathered/shared; rapidly disseminates intelligence information on criminal acts to appropriate law enforcement agencies; and acts as the law enforcement liaison between local and federal law enforcement authorities.

The California Emergency Management Agency (CalEMA) awarded the California Department of Justice (DOJ) a \$5,926,921 grant for continuing support of the S-TTAC for fiscal year 2007-08.

SCOPE

In accordance with an interagency agreement, the Department of Finance, Office of State Audits and Evaluations, conducted an audit of DOJ's S-TTAC grant (Interagency Agreement 6032-7) for the period July 1, 2007 through June 30, 2008.

The audit objective was to determine whether the grant revenues and expenditures were in compliance with applicable laws, regulations, and interagency agreement requirements. In order to design adequate procedures to evaluate fiscal compliance, we obtained an understanding of the relevant internal controls. We did not assess the efficiency or effectiveness of program operations.

METHODOLOGY

To determine whether grant revenue and expenditures were in compliance with applicable laws, regulations, and interagency agreement requirements, we performed the following procedures:

- Interviewed key personnel.
- Obtained an understanding of the grant-related internal controls.
- Examined the grant files.
- Reviewed the DOJ's accounting records.
- Determined whether a sample of expenditures were:
 - Allowable
 - Grant related
 - Incurred within the grant period
 - Supported by accounting records
 - Properly recorded

- Not double billed to other DOJ grants
- Evaluated whether the goals and objectives required by the interagency agreement were met.

The results of our audit are based on our review of documentation, other information made available to us, and interviews with DOJ and CalEMA staff directly responsible for administering grant funds. The audit was conducted from March 2009 through December 2009.

Except as noted below, this audit was conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our observations and recommendations based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our observations and recommendations.

In connection with this audit, there are certain disclosures required by *Government Auditing Standards*. The Department of Finance is not independent of the DOJ as both are part of the State of California's Executive Branch. As required by various statutes within the California Government Code, the Department of Finance performs certain management and accounting functions. These activities impair independence. However, sufficient safeguards exist for readers of this report to rely on the information contained herein.

RESULTS

Based on the audit procedures performed, the DOJ complied with applicable laws, regulations, and the interagency agreement requirements. No observations or questioned costs were identified. The Schedule of Claimed, Audited, and Questioned amounts are presented in Table 1.

Table 1: Schedule of Claimed, Audited, and Questioned Amounts

Interagency Agreement 6032-7 For the Period July 1, 2007 through June 30, 2008			
Category	Claimed	Audited	Questioned
Personal Services	\$ 3,300,717	\$ 3,300,717	\$ 0
Operating Expenditures:			0
Travel	28,600	28,600	0
Consultants	7,834	7,834	0
General	28,955	28,955	0
Printing	865	865	0
Insurance	501	501	0
Training	2,490	2,490	0
Facilities	474,561	474,561	0
Data Processing	1,624,553	1,624,553	0
Communications	52,999	52,999	0
Other	1,009	1,009	0
Indirect Costs	276,154	276,154	0
Total Expenditures	\$5,799,238	\$5,799,238	\$ 0