

OFFICE OF AUDITS & ADVISORY SERVICES



NEIGHBORHOOD REINVESTMENT PROGRAM AND COMMUNITY ENHANCEMENT PROGRAM – SUPPORT FOR EXPENDITURES

FINAL REPORT

Chief of Audits: Juan R. Perez
Audit Manager: Laura Flores, CIA, CFE, CGAP
Auditor I: Kotomi Johnson, CPA

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County of San Diego

TRACY M. SANDOVAL
DEPUTY CHIEF ADMINISTRATIVE OFFICER/
AUDITOR AND CONTROLLER

AUDITOR AND CONTROLLER
OFFICE OF AUDITS & ADVISORY SERVICES
5530 OVERLAND AVENUE, SUITE 330, SAN DIEGO, CA 92123-1261
Phone: (858) 495-5991

JUAN R. PEREZ
CHIEF OF AUDITS

April 28, 2015

TO: Tracy M. Sandoval
Deputy Chief Administrative Officer/Auditor and Controller

FROM: Juan R. Perez
Chief of Audits

**FINAL REPORT: NEIGHBORHOOD REINVESTMENT PROGRAM AND COMMUNITY
ENHANCEMENT PROGRAM – SUPPORT FOR EXPENDITURES**

Enclosed is our report on the Neighborhood Reinvestment Program and Community Enhancement Program – Support for Expenditures. As there are no findings and recommendations in the report, no audit response is required.

Thank you for the courteousness and cooperation extended to the Office of Audits & Advisory Services during the course of the audit.

If you have any questions, please contact me at (858) 495-5661.

JUAN R. PEREZ
Chief of Audits

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Enclosure

c: Tracy M. Sandoval, Deputy Chief Administrative Officer/Auditor and Controller
Damien Quinn, Group Finance Director, Finance & General Government Group
Ebony Shelton, Financial Policy and Planning Director, Finance & General Government Group

INTRODUCTION

Audit Objective The Office of Audits & Advisory Services (OAAS) completed an audit of the Neighborhood Reinvestment Program (NRP) and the Community Enhancement Program (CE) – Support for Expenditures. The objective of the audit was to conduct a review of program expenditures to ensure proper documentation is obtained and retained by the Office of Financial Planning (OFP).

Background The NRP and the CE are discretionary programs that allow the County of San Diego (County) to reinvest taxpayer money into the communities for the benefit of the public. Each Board member recommends the allocation of grant monies based on proposals offered by eligible organizations.

The NRP provides grant monies to County departments, public agencies, and non-profit community organizations for the funding of one-time community, social, environment, educational, or recreational needs.

The CE provides grant monies to fund cultural activities, museums, visitor and conventions bureaus, economic development councils, and other similar organizations including County programs and projects, which promote and generate tourism and/or economic development within the County.

OFP acts as the NRP and CE's fiscal agent for the Board of Supervisors (BOS). OFP's responsibilities include:

- Working closely with the BOS Offices and County Counsel to initiate timely payment of grant awards by compiling grant agreements.
- Reviewing documentation of costs submitted by grantees and following-up to determine whether expenditures are made in accordance with grant terms.
- Monitoring the remaining available balance for each program by BOS District Office.

Audit Scope & Limitations

The scope of the audit focused on grant expenditures during FY 2012-13 and 2013-14.

OAAS selected a judgmental sample of NRP and CE awards for audit testing, as illustrated in Table 1.

Table 1: NRP/CE Grant Sample Selected for Testing

Fiscal Year	Program	Organization Name	Award Amount
FY 2012-13	CE	SD Asian Film Festival	\$ 20,000
	CE	Bonita Historical Museum	\$ 16,000
	NRP	Point Loma Association	\$ 30,000
	NRP	Catholic Charities of San Diego	\$ 30,000
FY 2013-14	CE	Maritime Museum Association of SD	\$ 26,500
	CE	North Coast Repertory Theater	\$ 25,000
	NRP	Balboa Park Cultural Partnership	\$ 25,000
	NRP	Palomar Health Development, Inc.	\$ 13,500

This audit was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing prescribed by the Institute of Internal Auditors as required by California Government Code, Section 1236.

Methodology

OAAS performed the audit using the following methods:

- Reviewed policies related to the administration of NRP and CE, including Board of Supervisors Policy and Grant Expenditure Instructions.
- Identified NRP and CE Program Fund Allocations during the period under review.
- Interviewed OFF's key personnel regarding applicable policies and procedures.
- On a sample basis, conducted the following audit procedures for NRP and CE awards:
 - Reviewed expenditure support and compared to the purpose outlined in the respective grant agreements.
 - Reviewed individual grant award files to ensure that all supporting documents are retained and submitted by the established deadlines.
 - Reconciled supporting documents to grant expenditure list to ensure validity and adequacy.

AUDIT RESULTS

Summary

Within the scope of the audit, there is reasonable assurance that proper documentation for NRP and CE program expenditures are obtained and retained by the OFF.

Office of Audits & Advisory Services

C Compliance R Reliability E Effectiveness A Accountability T Transparency E Efficiency

VALUE