

OFFICE OF AUDITS & ADVISORY SERVICES



NEIGHBORHOOD REINVESTMENT PROGRAM AND COMMUNITY ENHANCEMENT PROGRAM – SUPPORT FOR EXPENDITURES AUDIT

FINAL REPORT

Chief of Audits: Juan R. Perez
Audit Manager: Laura Flores, CIA, CFE, CGAP
Auditor I: Mercedes Pereira-Trent

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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

June 21, 2017

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

AUD:MPT:nb

Enclosure

c: Ebony Shelton, Financial Policy and Planning Director, Office of Financial Planning
Damien Quinn, Group Finance 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, environmental, 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.

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

- Working closely with the BOS Offices and County Counsel to initiate timely payment of grant awards by compiling grant agreements and processing claims.
- Reviewing grantees' compliance with grant provisions by providing general guidance on properly accounting for grant funds and meeting grant deadlines.
- 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 the BOS District Office.

Audit Scope & Limitations

The scope of the audit focused on grant expenditures incurred during FY 2015-16.

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

Table 1: NRP and CE Grants Selected for Testing

| Fiscal Year | Program | Organization Name | Award Amount |
|-------------|---------|---|--------------|
| FY 2015-16 | CE | Fallbrook Chamber of Commerce | \$ 100,000 |
| | CE | Julian Chamber of Commerce | \$ 95,000 |
| | CE | Mainly Mozart, Inc. | \$ 136,000 |
| | CE | San Diego Regional Economic Development Co. | \$ 42,500 |
| | CE | Theater and Arts Foundation of San Diego | \$ 30,000 |
| FY 2015-16 | NRP | The YMCA of San Diego County | \$ 250,000 |
| | NRP | 2-1-1 San Diego | \$ 50,000 |
| | NRP | Helix Charter High School | \$ 300,000 |
| | NRP | San Dieguito Union High School District | \$ 200,000 |
| | NRP | Reuben H. Fleet Science Center | \$ 25,703 |

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 the NRP and the CE, including the BOS Policy and Grant Expenditure Instructions.
- Identified NRP and CE Program Fund Allocations during the period under review.
- 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 complete supporting documentation is submitted by the established deadlines and retained by the OFP.
 - Reconciled supporting documents to grant expenditures to ensure validity and adequacy.

AUDIT RESULTS

Summary

In our opinion, within the scope of the audit, there is a reasonable assurance that proper documentation for NRP and CE program expenditures was obtained and retained by the OFP.

Office of Audits & Advisory Services



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