



Department of
Resources Recycling and Recovery

Jared Blumenfeld
Secretary for
Environmental Protection
Scott Smithline
CalRecycle Director

August 12, 2019

Jeff Czapla, Supervising Environmental Specialist
Sacramento County
Environmental Management Department
10590 Armstrong Avenue, Suite B
Mather, CA 95655

RE: FINAL AUDIT REPORT – SACRAMENTO COUNTY (TEA23-15-0039)

Dear Mr. Czapla:

An audit of the books and records of Sacramento County has been conducted pursuant to Public Resources Code Section, 42860 et seq., of the California Tire Recycling Act.

Enclosed is the final report. The audit covered the period from June 30, 2016 through September 30, 2017. The audit disclosed that Sacramento County is not in compliance with the recordkeeping requirements of the Local Government Waste Tire Enforcement Grant Program within the scope of this audit. The audit disclosed \$1,319 in disallowed personnel costs.

A copy of this final report will be provided to CalRecycle's Financial Resources Management Branch in order to administer any necessary action. Please feel free to contact Josephine Urban, Branch Chief, Josephine.Urban@CalRecycle.ca.gov or at (916) 322-3472 with any questions.

Thank you for your time and assistance during this audit.

Sincerely,

A handwritten signature in black ink, appearing to read "Josephine Urban".

Josephine Urban, CPA

Chief, Office of Audits

Jeff Czapla, Supervising Environmental Specialist
Sacramento County
August 12, 2019
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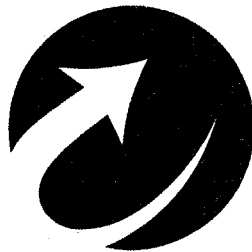
Enclosure

cc: Financial Resources Management Branch

Anna Cassada, Auditor

Sacramento County (TEA23-15-0039)

Local Government Waste Tire Enforcement
Grant Program Audit



CalRecycle

Final Audit Report

August 2019

June 30, 2016 through September 30, 2017

Prepared By:
Department of Resources Recycling and Recovery
Office of Audits

Summary

The Office of Audits, within the Department of Resources Recycling and Recovery (CalRecycle), audited Sacramento County regarding its grant project funded by CalRecycle through the Local Government Waste Tire Enforcement (TEA) Grant Program.

The audit included a review of project costs reimbursed to Sacramento County to determine whether the costs were allowable for reimbursement, and whether Sacramento County was in compliance with the requirements of grant agreement number TEA23-15-0039. The audit covered the period from June 30, 2016 through September 30, 2017. The last day of fieldwork was July 15, 2019.

The audit disclosed that Sacramento County did not comply with the requirements of the grant agreement within the scope of this audit. \$1,319 of the \$305,427.03 in total reimbursement is disallowed. Details of noncompliance are shown in the Finding section of this report.

Audit Authority

The authority to conduct this audit is given by the Audit/Records Access provision of the Terms and Conditions within the grant agreement, which gives CalRecycle the right to review and to copy any records and supporting documentation pertaining to the performance of this agreement.

Program Background

CalRecycle offers the TEA grants, pursuant to Public Resources Code, Section 42860 et seq., of the California Tire Recycling Act, to cities counties and city and county agencies in California to investigate illegal tire disposal activities and perform waste tire inspections to ensure compliance with all applicable laws and regulations.

Funding Purpose and Amount

Sacramento County was to use TEA grant funds to conduct inspections and enforcement activities on generators and haulers of waste tires, and waste tire end-use facilities. Sacramento County was reimbursed a total of \$305,427.03 during the audit period from June 30, 2016 through September 30, 2017.

Objective, Scope, and Methodology

The objective was to:

- Determine whether Sacramento County complied with the requirements specified in the grant agreement.

The scope was to:

- Determine the accuracy and eligibility of the project costs reimbursed to Sacramento County for the audit period.
- Determine Sacramento County's compliance with recordkeeping requirements.

The methodology included:

- Gaining an understanding of the business process and system of controls relevant to the grant.
- Reviewing grant documentation and accounting records.
- Determining whether expenditures were grant related, eligible, and incurred within the audit period.

Finding – Disallowed Personnel Costs

For TEA23-15-0039, Sacramento County claimed and was reimbursed a total of \$305,427.03. Of this amount, a total of \$2,066 were not eligible grant expenses. The County used incorrect hourly rates to calculate employee salary. Also, training/admin hours were not included in the grant payment requests resulting a credit of \$747.

Sacramento County was not in compliance with the Eligible Costs provision of the grant agreement, which specifies that ineligible costs are:

- Any costs that are not consistent with local, state, and federal laws, guidelines and regulations
- Costs that the Grant manager deems unreasonable, excessive, ineligible, inappropriate, duplicative, disproportionate or not related to the TEA Grant Program.

As a result, \$1,319 (net of \$2,066 and \$747 credit in unbilled admin/training hours) in personnel costs are disallowed.

Recommendation

Sacramento County should adopt and implement policies to ensure that personnel costs submitted for reimbursement are sufficiently supported, accurately recorded, and correctly reported. In addition, Sacramento County should remit \$1,319 to CalRecycle for disallowed costs.

Auditee's Response

The results of the audit were communicated to Jeff Czapla, Supervising Environmental Specialist, via a telephone exit conference conducted on July 15, 2019. Mr. Czapla agrees with the audit findings and CalRecycle issuing the report as final. Mr. Czapla also stated that because the grant agreement does not specify that a portion of the mandatory admin/training hours are eligible grant expenditure, he did not bill CalRecycle for such costs, resulting in over \$700 in unbilled admin/training costs.

Office of Audits Comments

The Office of Audits took the unbilled admin/training costs into consideration and reduced the original \$2,066 in disallowed personnel costs to \$1,319.

Restricted Use

This report is intended solely for the information and use of the management of Sacramento County and CalRecycle. It is not intended to be, and should not be, used by anyone other than these specified parties. However, this report is a matter of public record when it is released, and its distribution is not limited.