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May 12, 2009

Scot Johnson, Code Enforcement Officer
Department of Public Works
County of Butte
7 County Center Drive
Oroville, CA 95965-3397

SUBJECT: AUDIT REPORT – WASTE TIRE ENFORCEMENT GRANTS TEA12-05-0029 AND TEA14-06-0006

Dear Mr. Johnson:

Enclosed is the report on the audit of the Butte County (County) Waste Tire Enforcement Assistance Grants TEA12-05-0029 and TEA14-06-0006, awarded for the periods June 30, 2006, through June 30, 2008. Our audit included a review of receipts, expenditures, internal controls, and compliance with the grant agreement provisions.

CIWMB congratulates the County on the results of this audit. No findings resulted from this review of the County provided information. Although, this review was selective and any result cannot be applied with certainty to County's grant program as a whole, we believe that this audit report is reflective of County's proper grant administration.

If you have any questions regarding this report, please contact George Mendoza, Audit Manager, at (916) 324-1358 or gmendoza@ciwmb.ca.gov.

Sincerely,

Tom Estes, Deputy Director
Administration and Finance Division
California Integrated Waste Management Board

INTEGRATED WASTE MANAGEMENT BOARD

(Over)

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A GRANT AUDIT

Butte County

Waste Tire Enforcement Assistance Grants

Audit Report

Grants TEA12-05-0029
And
TEA14-06-0009

For the Periods June 30, 2006
through June 30, 2008

Prepared By:
California Integrated Waste Management Board
Audits and Evaluations Unit

May 2009

PREFACE

The California Integrated Waste Management Board (CIWMB) awarded TEA12-05-0029 and TEA14-06-0006 Waste Tire Enforcement Assistance Grants to Butte County (County). These grant agreements were funded by the Tire Recycling Fund.

The grant agreements were as follows:

Grant Agreement	Amount	Audit Period
TEA12-05-0029	$ 152,446.00	06/30/06 – 06/30/07
TEA14-06-0006	$ 106,200.00	06/30/07 – 06/30/08

The objective of this audit was to determine County's compliance with the grant agreement. The audit also assessed County's compliance with fiscal and requirements, as well as a review of internal controls.

This report is intended for the information and use of CIWMB and County's management. However, this report is a matter of public record and its distribution is not limited.

STAFF:

Carl Coaxum
Linh Johnson
Auditors

AUDITOR'S REPORT

Mr. Mark Leary, Executive Director
California Integrated Waste Management Board
1001 I Street, MS-25A
Sacramento, CA 95814

The Audits and Evaluations Unit conducted an audit of the Butte County (County) Waste Tire Enforcement Assistance Grants. Public Resources Code, Section 48657, requires California Integrated Waste Management Board (CIWMB) shall conduct a selective audit of entities to determine whether grants and recycling incentives are being paid out properly. This audit report meets this statutory requirement and is intended for the information and use of CIWMB and County's management.

This audit included a review of receipts, expenditures, internal controls, and compliance with the grant agreement provisions for:

- TEA12-05-0029, June 30, 2006, through June 30, 2007
- TEA14-06-0006, June 30, 2007, through June 30, 2008

To summarize the grant receipts and expenditures, prepared were Statements of Revenue and Expenditures for these agreements executed between CIWMB and County. These Statements were prepared from County's records and are the responsibility of County's management. The audit responsibility is to provide management reassurance on the propriety of grant payments as represented by these Statements.

The audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*, issued by the Institute of Internal Auditors. These standards require that we plan and perform the audit to provide reasonable assurance as to whether County is compliant with the requirements of the grant agreements. An audit includes examining, on a substantive and control test basis, evidence supporting sample amounts listed in the Statements and grant compliance disclosures.

As part of the audit, County did provide a management representation letter. This letter is to confirm County's representations provided to us explicitly or implicitly, indicate and document the continuing appropriateness of such representations, and reduce the possibility of misunderstanding concerning the matters that are the subject of the representations.

STATEMENT OF REVENUE AND EXPENDITURES

Butte County
Waste Tire Assistance Grant TEA12-05-0029
For the Period June 30, 2006 through June 30, 2007

		Claimed	Audited	Questioned
Revenue:				
State Grant Awarded	$152,446.00	$0.00	$0.00	$0.00
Grant Request Request #1		$11,884.29	$11,884.29	$0.00
Disencumbered	*$137,278.10	$0.00	$0.00	$0.00
Less 10%		-$1,188.43	-$1,188.43	$0.00
Total Revenue		$10,695.86	$10,695.86	$0.00
Eligible Expenditures:				
Inspections		$6,409.41	$6,409.41 **	$0.00
Surveillance		$0.00	$0.00	$0.00
Enforcement		$0.00	$0.00	$0.00
Education		$0.00	$0.00	$0.00
Training		$737.28	$712.00	$25.28
Reporting		$0.00	$0.00	$0.00
Equipment Costs		$4,737.60	$4,737.60	$0.00
Transportation Costs		$0.00	$0.00	$0.00
Indirect (Misc) Costs		$0.00	$0.00	$0.00
Less 10%		-$1,188.43	-$1,188.43	$0.00
Total Expenditures	$15,167.90	$10,695.86	$10,670.58 ***	$25.28
Excess of Revenue over Expenditures		$0.00	$25.28 ****	

* $137,278.10 of the $152,446.00 awarded was not used and disencumbered.
** Grouped expenditures into the Inspections category (categories were not cleary identifed).
*** Audited Payment #1.
**** Not deem significant for remittance to CIWMB.

The accompanying notes are an integral part of this statement.

STATEMENT OF REVENUE AND EXPENDITURES

Butte County
Waste Tire Assistance Grant TEA14-06-0006
For the Period June 30, 2007 through June 30, 2008

		Claimed	Audited	Questioned
Revenue:				
State Grant Awarded	$106,200.00	$0.00	$0.00	$0.00
Grant Request Request #1		$12,657.14	$12,657.14	$0.00
Disencumbered	*$88,430.98	$0.00	$0.00	$0.00
Less 10%		-$1,265.71	-$1,265.71	$0.00
Total Revenue		$11,391.43	$11,391.43	$0.00
Eligible Expenditures:				
Inspections		$6,249.90	$6,249.90 **	$0.00
Surveillance		$0.00	$0.00	$0.00
Enforcement		$0.00	$0.00	$0.00
Education		$4,369.72	$4,369.72	$0.00
Training		$468.33	$468.33	$0.00
Reporting		$0.00	$0.00	$0.00
Equipment Costs		$0.00	$0.00	$0.00
Transportation Costs		$418.54	$418.54	$0.00
Indirect (Misc) Costs		$1,150.65	$1,150.65	$0.00
Less 10%		-$1,265.71	-$1,265.71	$0.00
Total Expenditures	$17,769.02	$11,391.43	$11,391.43 ***	$0.00
Excess of Revenue over Expenditures		$0.00	$0.00	

* $88,430.98 of the $106,200.00 awarded was not used and disencumbered.
** Grouped expenditures into the Inspections category (categories were not cleary identifed).
*** Audited Payment #1.

The accompanying notes are an integral part of this statement.

NOTES TO THE STATEMENT OF REVENUE AND EXPENDITURES

Butte County
Waste Tire Enforcement Assistance Grants
TEA12-05-0029 and TEA14-06-0006
For Audit Period of June 30, 2006 through June 30, 2008

Note 1 Description of the Reporting Entity

Butte County (County), a political subdivision of the State of California governed by an elected Board of Supervisors, exercises the powers specified by the Constitution and statutes of the State. The County's reporting entity includes all significant organizations, departments, and agencies over which the County's Board exercises oversight and budgeting responsibilities. The County's Department of Public Health has general responsibility for these grant projects. The integrated waste management enforcement programs are primarily carried out through Local Enforcement Agencies and the California Integrated Waste Management Board acting/serving as the Waste Tire Enforcement Assistance (TEA).

Note 2 Program Information

The California Integrated Waste Management Board administers the California Solid Waste Disposal Regulatory Reform Act, which includes the disbursement of Waste Tire Enforcement Assistance Grants from the Tire Recycling Fund.

The Legislature enacted the California Solid Waste Disposal Regulatory Reform Act (Public Resources Code Sections 43200 – 43222 and 43230 – 43232). The TEA program completes and grants to local enforcement agencies in which the funds are to implement the solid waste facilities permit and inspection program. The intent of the grant funds is to enhance the LEA program by providing funds to acquire additional equipment, supplies, training, and technical support. Effectiveness of the program is measured by monitoring compliance of solid waste facilities and associated LEA programs.