

# OFFICE OF AUDITS & ADVISORY SERVICES

## NEIGHBORHOOD REINVESTMENT PROGRAM AND COMMUNITY ENHANCEMENT – GRANT ADMINISTRATION AUDIT

*FINAL REPORT*



Chief of Audits: [Juan R. Perez](#)  
Audit Manager: [Christopher Efirm, CPA](#)  
Auditor I: [Peter Serwach, CPA](#)  
Auditor I: [Ganesh Subramanyam](#)

Intentionally Left Blank



TRACY DRAGER  
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

May 28, 2024

TO: Caroline Smith, Director  
Office of Economic Development and Government Affairs

FROM: Juan R. Perez  
Chief of Audits

**FINAL REPORT: NEIGHBORHOOD REINVESTMENT PROGRAM AND COMMUNITY  
ENHANCEMENT – GRANT ADMINISTRATION AUDIT**

Enclosed is our report on the Neighborhood Reinvestment Program and Community Enhancement – Grant Administration Audit. 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:PS:nb

Enclosure

c: Ebony N. Shelton, Deputy Chief Administrative Officer/Chief Financial Officer  
Tracy Drager, Auditor and Controller  
Judy Ying, Group Finance Director, Finance and General Government Group

## About the Office of Audits & Advisory Services

The mission of the Auditor and Controller's Office of Audits & Advisory Services (OAAS) is to provide independent, objective assurance and consulting services designed to add value and improve the County of San Diego's operations. OAAS helps the County accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

## Audit Authority

OAAS derives its authority to conduct audits of County departments and programs primarily from the County Charter, County Administrative Code, Board of Supervisors Policy Manual, and California Government Code.

## Statement of Auditing Standards

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.



# AUDIT OBJECTIVE & SCOPE

---

The Office of Audits & Advisory Services (OAAS) completed an audit of the Neighborhood Reinvestment Program (NRP) and the Community Enhancement (CE) grant administration. The objective of the audit was to assess program procedures over eligibility, grant administration, and monitoring of program expenditures to ensure compliance with applicable policies.

The scope of the audit covered grants administered during fiscal year 2022-23 through the date of initial audit engagement, January 22, 2024.

# AUDIT RESULTS

---

In our opinion, there is reasonable assurance that all assessed program procedures related to eligibility, grant administration, and monitoring of expenditures are operating in compliance with applicable policies.

# BACKGROUND

---

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 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.

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

- Working closely with the BOS offices and County Counsel to initiate timely payment of grant awards by reviewing grant applications, 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.

# 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 the expenditure support and compared it to the purpose stipulated in the respective grant agreements.
  - Confirmed that the grantee's supporting documents correspond to the grant amount indicated in the NRP/CE Board Letter for the respective fiscal year.
  - Inspected individual grant award files to ensure that complete supporting documentation is submitted by the established deadlines and retained by EDGA.
  - Inspected delinquency documents to ensure that delinquent grantees did not receive subsequent awards as stated in the Board of Supervisors Policy B-58 and B-72.
  - Reconciled supporting documents to grant expenditures to ensure validity and adequacy.
  - Confirmed the completeness of applications and verified awarded applicants were eligible to receive program grants.