



J. TYLER McCAULEY
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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March 2, 2006

TO: Mayor Michael D. Antonovich
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

FROM: J. Tyler McCauley 
Auditor-Controller

SUBJECT: **REGIONAL PARK AND OPEN SPACE DISTRICT PROPOSITION A
GRANT AUDITS (WORK ORDER 6-85)**

The Los Angeles County Regional Park and Open Space District (District) was created by Proposition A (formally called the Los Angeles County Safe Neighborhood Parks Act) in 1992. The District is authorized to levy benefit assessments to preserve beaches, parks and wildlife; to construct, renovate and improve new and existing recreational facilities; and to restore rivers, streams and trails. The District is governed by your Board and administered by the Department of Parks and Recreation (DPR). The District makes grants to other government entities to benefit recreational facilities.

At DPR's request, we contracted with a Certified Public Accounting firm, Conrad and Associates, L.L.P. (Conrad), to audit 30 closed grant projects, totaling in excess of \$28 million, to verify that the grant recipients properly spent and accounted for the Proposition A funds. Conrad identified three grants that did not have adequate documentation to support the claimed expenditures, resulting in questioned costs totaling \$822,204. Attachment I is a list of the grants that were audited, including the three grants with questioned costs.

Attachment II is the District's response to the costs questioned in Conrad's reports. The District determined that, although adequate documentation of project expenditures were not always maintained, the three projects were completed in compliance with each grant's project description. As a result, the District will not pursue reimbursement from the grantees. The District's response indicates that they will work with all grantees to improve expenditure documentation procedures for future grants.

"To Enrich Lives Through Effective and Caring Service"

Board of Supervisors
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Conrad provided copies of their reports for each grant to the grantee and to the District. Because of the large number of audits, we have not included copies of the individual reports. If you would like copies of any of the reports, please let me know.

Please call if you have any questions, or your staff can contact Jim Schneiderman at (626) 293-1101.

JTM:MMO:JLS:MR

Attachments

c: David E. Janssen, Chief Administrative Officer
Joanne Sturges, Acting Executive Officer
Russ Guiney, Director, Parks and Recreation
Ilona Volkmann, Administrator, Regional Park & Open Space District
Public Information Office
Audit Committee

ATTACHMENT I

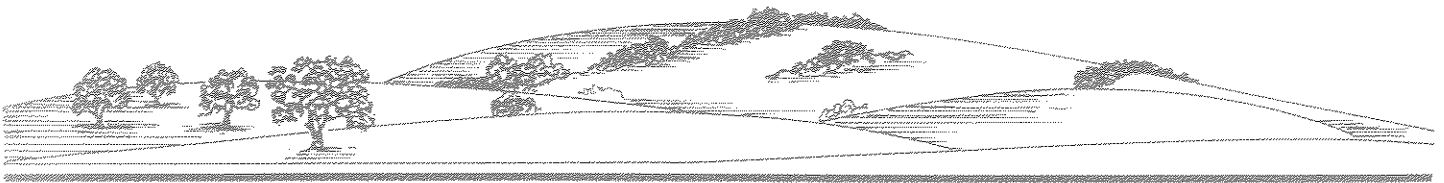
**REGIONAL PARK AND OPEN SPACE DISTRICT
FY 2003-2004 PROPOSITION A GRANTS**

Agency	Project	Grant Number	Supervisorial District	Grant Amount
1 Baldwin Park	Rehabilitation of Six Regional Sports Field Projects	58A9-98-1055	1st	\$ 426,150
2 City of Los Angeles	Boyle Heights Sports Center	58F6-94-0217	1st	\$ 520,000
3 City of Los Angeles	Salesian Boys & Girls Club Family Center	58F6-00-1222	1st	\$ 600,000
4 County of LA, Parks & Recreation	Santa Fe Dam – Lifeguard Station and Boathouse	1770-98-0658	1st	\$ 960,502
5 County of LA, Public Works	Los Angeles River Bicycle Trail Enhancement Project	58L6-98-0688	1st	\$ 446,443
6 El Monte	Civic Center Park & Recreation Center	58D1-99-1081	1st	\$ 1,500,000
7 Hollywood Beautification Team	Wall of Reclamation – Roosevelt/Garfield High Cluster	58M1-98-0754	1st	\$ 272,444 (1)
8 Monterey Park, Recreation & Parks	Barnes Park Improvements	58G5-99-1087	1st	\$ 933,255
9 Rosemead	Garvey Park Clubhouse Restoration	58H8-98-1025	1st	\$ 218,146
10 South El Monte	South El Monte Boxing and Fitness Center	58J9-98-1050	1st	\$ 343,481 (2)
11 South Gate	Community & Senior Recreation Center Rehabilitation	58K1-99-0800	1st	\$ 900,000
12 Compton, Parks & Recreation	Gonzales Park Improvement Project	58C3-04-1339	2nd	\$ 306,140
13 Hawthorne, Parks & Recreation	Memorial Center Gymnasium	68D7-98-0652	2nd	\$ 1,575,000
14 City of Los Angeles	Palisades Recreation Center Gym Building	58F6-94-0205	3rd	\$ 1,000,000
15 City of Los Angeles	Sepulveda Basin Recreation Area - Helte Sports Center	58F6-95-0261	3rd	\$ 997,506
16 County of LA, Museum of Art	Hancock Park Outdoor Park Improvement	58L4-97-0648	3rd	\$ 4,513,994
17 County of LA, Museum of Art	Hancock Park Outdoor Park Improvement	0505-94-0153	3rd	\$ 486,006 (3)
18 County of LA, Parks & Recreation	Amigo (Gym Town) Park	0650-98-0714	4th	\$ 501,008
19 Long Beach	Peck Park Gymnasium	58F6-96-0476	4th	\$ 1,400,000
20 Long Beach	Westside Park Acquisition	58F5-99-1156	4th	\$ 521,629
21 Long Beach	Martin Luther King, Jr. Park Development	58F5-94-0119	4th	\$ 1,036,369
22 Rancho Palos Verdes	Open Space Land Purchase	58H4-97-0590	4th	\$ 4,300,000
23 County of LA, Parks & Recreation	Arboretum Gen. Improvements (Phase I)	2040-95-0421	5th	\$ 692,104
24 County of LA, Parks & Recreation	Hart Senior Center	1170-95-0369	5th	\$ 557,480
25 Glendora	Glendora Teen Center	58D5-98-1042	5th	\$ 900,000
26 Lancaster	Lancaster City Park	58E9-98-1040	5th	\$ 325,000
27 Lancaster	Regional Soccer Complex	58E9-96-0538	5th	\$ 1,314,729
28 Pasadena	Pasadena ADA Compliance	58H1-96-0520	5th	\$ 168,898
29 Pasadena	Athletic Lighting	58H1-95-0378	5th	\$ 464,332
30 Santa Clarita	River Mitigation & Restoration	58J4-95-0340	5th	\$ 500,000
Total				\$ 28,680,616

(1) Conrad questioned \$215,348 in costs due to a lack of supporting documentation and \$1,715 due to a duplicate expenditure. The District determined that the questioned costs were allowable.

(2) Conrad questioned \$119,135 in costs due to lack of supporting documentation. The District determined that the questioned costs were allowable.

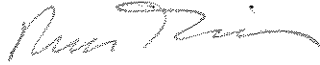
(3) Conrad questioned all \$486,006 due to lack of supporting documentation. The District determined that the questioned costs were allowable.



LOS ANGELES COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT

February 13, 2006

TO: Honorable Gloria Molina, First Supervisorial District
Honorable Yvonne B. Burke, Second Supervisorial District
Honorable Zev Yaroslavsky, Third Supervisorial District
Honorable Don Knabe, Fourth Supervisorial District
Honorable Michael D. Antonovich, Mayor, Fifth Supervisorial District

FROM: Russ Guiney 
Director, Parks and Recreation

SUBJECT: **REGIONAL PARK AND OPEN SPACE DISTRICT PROPOSITION A
GRANT AUDITS (WORK ORDER 6-85)**

A routine audit was performed by Conrad and Associates of three Proposition A grants. The District determined that the three projects had been completed in compliance with each grant's project description. As a result, the District will not pursue reimbursement from these grantees.

For two of the grants, Hollywood Beautification Team Grant No. 58M1-98-0754 and the City of South El Monte Grant No. 58J9-98-1050, the auditors were unable to verify the costs because the Grantees had not retained the financial documentation for the period required by the grant agreement. The District's grant agreements require that grantees agree to retain financial accounts, documents and records for five years following Project termination or completion, which is defined as the date the District officially closes the project. In both cases, the grantees had not retained all required grant documents due to the significant time between the date when the grantees completed the project itself, and the official project closing date as determined by the District. To clarify the record retention period, the District is now including in all notices for closing projects, a reminder to the Grantee that they are required to retain the documentation for five years from the date of the notice.

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The third grant with costs questioned by Conrad and Associates (Grant No. 0505-94-0153) was a grant to the County Museum of Art for the Hancock Park Outdoor Improvement Project. Costs incurred on County grants before 2001, such as with the above grant, were billed directly against District funds and documents supporting those costs were not always retained. In 2001, the County revised procedures so that all remaining and subsequent grants would be administered on a reimbursement basis with District document review to resolve this and other issues that arose as a result of the initial procedures.

Please call if you have any questions or your staff can contact Ilona Volkmann, Administrator, Regional Park and Open Space District, at (213) 738-2981.

Attachment

c: David E. Janssen, Chief Administrative Officer
Violet Varona-Lukens, Executive Officer
Ilona Volkmann, Administrator, Regional Park and Open Space District
Public Information Office
Audit Committee