



Memorandum

To:
RIHUI ZHANG
CHIEF
DIVISION OF LOCAL ASSISTANCE

Date: November 25, 2019

File: P2545-0034
P2525-0079
P2525-0082

From:
MARSUE MORRILL, CPA
CHIEF
INDEPENDENT OFFICE OF AUDITS AND INVESTIGATIONS
P.O. BOX 942874, MS-2
PHONE (916) 323-7111
FAX (916) 323-7123
TTY 711
<https://ig.dot.ca.gov>

SUBJECT: INDIRECT COST RATE PROPOSAL AUDIT-CITY OF VISALIA, DEPARTMENT OF PUBLIC WORKS

At the request of the Independent Office of Audits and Investigations the Department of Finance, Office of Audits and Evaluation (Finance) completed an audit of the City of Visalia (City) Indirect Cost Rate Proposal (ICRP) for fiscal years (FY) 2016/17 and 2017 /18. The purpose of the audit was to determine whether the ICRPs were presented in accordance with Title 2 Code of Federal Regulations (CFR) Part 200, and the California Department of Transportation's Local Assistance Procedures Manual (LAPM).

Based on the audit, Finance identified costs in the City's FY 2016/17 and 2017 /18 ICRPs that are not in compliance with 2 CFR 200 and the LAPM. The unallowable costs do not significantly impact the City's accepted ICRP rates; therefore, no changes to the ICRP rates were calculated.

Please provide our office with a corrective action plan, including time lines, by January 25, 2020.

If you have any questions, contact Luisa Ruvalcaba, Audit Manager, by email at luisa.ruvalcaba@dot.ca.gov.

Transportation and the California Transportation Commission for project 0015000198 were not adequately reported in the Final Delivery Report.

Please provide our office with a corrective action plan, including time lines, by February 2, 2020.

If you have any questions, please contact Luisa Ruvalcaba, Audit Manager, by email at luisa.ruvalcaba@dot.ca.gov.

Attachment

c: Adam Ennis, Director, Public Works, City of Visalia
Rodney Whitfield, Director of Financial Services, Federal Highway Administration
Veneshia Smith, Financial Program Manager, Federal Highway Administration
William Lewis, Assistant Director, Independent Office of Audits and Investigations
Sherri Ehler, District Director, District 6, California Department of Transportation
Gail Miller, Deputy District 6 Director, Transportation Planning, California Department of Transportation
Felicia Haslem, Acting Chief, Office of Guidance and Oversight, Division of Local Assistance, California Department of Transportation
Daniel Burke, Audits Liason, Division of Local Assistance, California Department of Transportation
Paula Bersola, Audit Coordinator, Division of Local Assistance, California Department of Transportation
Lisa Gore, Associate Accounting Analyst, Division of Accounting, California Department of Transportation
Luisa Ruvalcaba, Audit Manager, Planning and Modal Office, Independent Office of Audits & Investigations
P1594-0091
P1594-0092