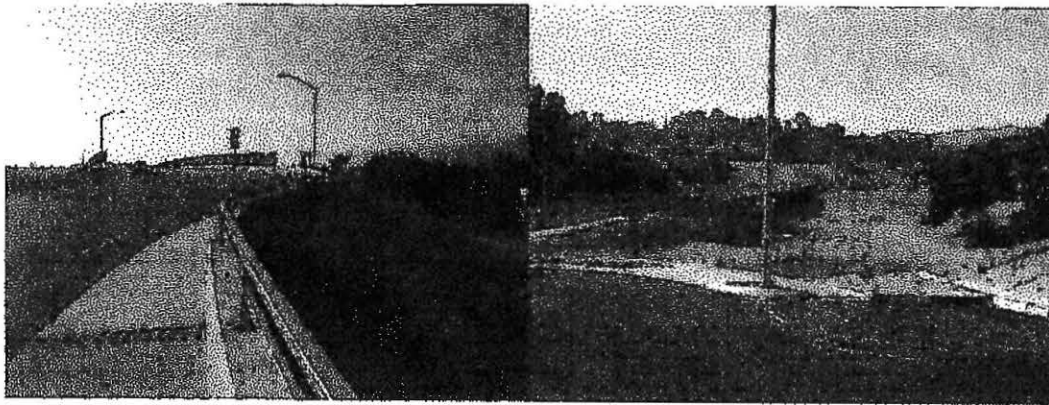


City of Corona Proposition 1B Audit Report



**Auto Center Drive Grade
Separation**

PNRSL-5104 (033)

**Foothill Parkway Westerly
Extension**

SLPPL-5104 (043)



**Audit Report
December 2017**

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- The project deliverables and outcomes were consistent with the project scope, schedule, and benefits described in the executed project agreements or approved amendments.

The audit covered the period from February 1, 2007 through March 1, 2017. Changes after these date were not tested, and accordingly, our conclusions do not pertain to changes arising after March 1, 2017.

Because of inherent limitations in any financial management system, misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the financial management system to future periods are subject to the risk that the financial management system may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

SCOPE

The scope of the audit was limited to financial and compliance activities related to the above referenced projects.

METHODOLOGY

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. The audit was less in scope than an audit performed for the purpose of expressing an opinion on the financial statements of the City. Therefore, we did not audit, and are not expressing an opinion, on the City's financial statements.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the data and the records selected. An audit also includes assessing the accounting principles used and significant estimates made by the City, as well as evaluating the overall presentation.

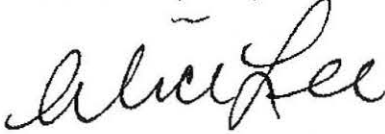
To achieve our audit objectives, we performed the following audit procedures:

- Reviewed the City's prior audits.
- Reviewed the City's policies and procedures relating to the financial management system and procurement.
- Interviewed employees, completed a review of the financial management system, and gained an understanding of the City's internal controls, job cost system,

agreement or approved amendments except for what is detailed in the Finding and Recommendation section of this report.

VIEWS OF RESPONSIBLE OFFICIALS

Our finding and recommendation take into consideration the City's response dated November 21, 2017, to our October 9, 2017, draft report.



Alice Lee
Chief
External Audits - Contracts
Independent Office of Audits and Investigations

December 27, 2017



PUBLIC WORKS DEPARTMENT

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CITY HALL - ON LINE ALL THE TIME (<http://www.CoronaCA.gov>)

November 21, 2017

Alice Lee, Chief
External Audits- Contracts
Independent Office of Audits & Investigations
Department of Transportation
PO Box 942874
Sacramento, CA 94274-0001

**SUBJECT: Prop 1B Audit for the Auto Center Drive Grade Separation Project
PNRSL-5104(033)**

Dear Ms. Lee:

The Public Works Department has been working with Caltrans Local Assistance District 8 staff to finalize the billing for the Auto Center Drive Grade Separation Project. The final billing submittal was delayed by the work that the Burlington Northern Santa Fe (BNSF) Railroad was conducting, after the project completion date, in order to retire the crossing. The City received the final billing and reconciled financials from BNSF in the summer of 2017, and immediately submitted final billing to the District Local Assistance Engineer (DLAE). The invoice was returned for corrections, and since then resubmitted to the DLAE.

If you have additional questions, please contact Linda Bazmi at 951-739-4960 or via email at Linda.Bazmi@CoronaCA.gov

Sincerely,

Nelson D. Nelson, P.E.
Public Works Director