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Sheryl Vacca
SENIOR VICE PRESIDENT
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November 22, 2010

CONTROLLER MCGUIRE

Subject: Final Report--Audit Project No. 11A008: ANR Extended Food and Nutrition Education Program

Attached please find the final report for Audit No. 11A008 ANR Extended Food and Nutrition Education Program. With the issuance of this final report, please destroy any previous draft versions.

We very much appreciate the assistance provided to us by your staff during our review. If you should have any questions, please feel free to contact me at 510-987-0482 (e-mail: Susana.Atwood@ucop.edu), or Benjamin Wong at 510-287-3318 (e-mail: Benjamin.Wong@ucop.edu).

A handwritten signature in cursive script that reads "Susana Atwood".

Susana Atwood
Auditor Director

Attachment

cc: SVP Vacca
Professor Steinberg
Director Chin
Principal Auditor Wong
Reference file No. 11A008

UNIVERSITY OF CALIFORNIA
ETHICS, COMPLIANCE AND AUDIT SERVICES
OFFICE OF THE PRESIDENT
INTERNAL AUDIT SERVICES

Agriculture and Natural Resources
EXPANDED FOOD AND NUTRITION EDUCATION PROGRAM (EFNEP)
Audit No. 11A008
November 2010

Audit Performed by:
Benjamin Wong, Principal Auditor

Executive Summary

Introduction

As part of the 2010-2011 annual audit plan Internal Audit Services conducted an audit of ANR Expanded Food and Nutrition Education Program. EFNEP is a federally-funded program that offers nutrition education to limited-resource families and children. California EFNEP is administered by the University of California Cooperation Extension (part of ANR) and operates in sixteen counties. ANR requested that UCOP Internal Audit Services perform a review due to the fact that the administration of this program has moved from the UCD Department of Nutrition to the new ANR Administrative Service Center.

Objectives and Scope

The audit objective was to determine if EFNEP account balances were reasonable as of August 30, 2010 and compliant with OMB Bulletin A-21 and UC policies related to Federal Funding. This review will allow ANR to assume the administration of EFNEP from the UCD, Department of Nutrition, with reasonable assurance on EFNEP financial data. The scope included reviewing EFNEP transactions between September 2009 and August 2010. Internal Audit Services analyzed EFNEP accounts for trends and fluctuations; reviewed documentation on selected payroll and non-payroll expenditures; and reviewed documentation on appropriations.

EFNEP expenditures of \$2.93 million between September 2009 and August 2010 were recorded in various accounts comprising of 87% personnel expenditures and 13% non-personnel expenditures. We used judgmental sampling to select personnel expenditures for testing. We selected non-personnel transaction samples based upon expenditure categories with the highest balances. Included were targeted tests on payments where documentation was not available on UC Davis Financial Information System.

Overall Conclusion

Based on the transactions tested, we found that EFNEP account balances as of August 30, 2010 (See Appendix A for expenditure summary) appear to be reasonable. Transactions tested between September 2009 and August 2010 appeared to be compliant with OMB Bulletin A-21 and UC policies. We noted San Bernardino EFNEP ran into a deficit situation and obtained approval for the exception. We identified San Bernardino did not have a Youth EFNEP for fiscal year 2010 and consequently Department of Nutrition took immediate actions to transfer entries from the San Bernardino Youth account to the San Bernardino Adult Account.

Appendix A: Extended Food and Nutrition Education Program
Expenditure Summary between 09/01/09 and 08/30/10.

By Account	Amount
Alameda County	169,681
Butte County	51,559
Contra Costa County	45,389
Fresno County	159,732
Kern County	123,088
Los Angeles County	420,128
Orange County	140,579
Riverside County	148,792
Sacramento County	149,878
San Bernardino County	210,309
San Diego County	214,010
San Joaquin County	65,567
San Mateo County	100,069
Santa Clara County	116,409
Stanislaus County	37,500
Hmong	5,684
Others	772,211
Total	2,930,584

By Type	Amount
Personnel	2,555,274
Supplies and Expenditures	145,030
In State Travel	62,691
Service	34,417
General Office Supplies	23,130
Printing of Publications	17,027
Library Materials – Non Inventorial	14,925
Others	78,090
Total	2,930,584