



# MEMORANDUM

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**Date:** June 17, 2022

File No.: 1124

**To:** **Joe Tyler, Director**  
Department of Forestry and Fire Protection  
P.O. Box 944246  
Sacramento, CA 94244-2460

**From:** **Department of General Services**  
**Office of Audit Services**

**Subject: AUDIT REPORT: COMPLIANCE WITH STATE BUSINESS MANAGEMENT POLICIES**

Attached is the final report on our compliance audit of the business management functions and services of the Department of Forestry and Fire Protection (CAL FIRE) and its delegated purchasing program. The objective of our audit was to determine compliance with policies set forth in the State Administrative Manual, and the terms and conditions of any specific delegations of authority or exemptions from approval granted by the Department of General Services (DGS).

CAL FIRE's written response to our draft report is included in this final report. The report also includes our evaluation of their response. We are pleased with the actions taken or proposed and commitments made to address our recommendations.

As part of its operating responsibilities, the Office of Audit Services is responsible for following up on audit recommendations and will require a six-month status report on the implementation of each. Therefore, please submit to us on your department's official letterhead the status report by December 16, 2022.

To the extent that it is practicable, proof-of-practice and supporting documentation should explain/outline specific actions taken and include excerpts, samples, screenshots, and/or copies of documents and communications which demonstrate corrective measures employed to address each of our recommendations, consistent with CAL FIRE's individual formal responses to our draft report.

The necessity of any further actions or additional support will be determined at that time. Please transmit your proof-of-practice documentation and/or status report to: DGS - Office of Audit Services, 707 3rd Street, 8th Floor, West Sacramento, CA 95605 or preferably via e-mail to [Dennis.Miras@dgs.ca.gov](mailto:Dennis.Miras@dgs.ca.gov).

We sincerely appreciate all the cooperation and assistance provided by CAL FIRE's personnel.

If you need further information on or assistance with this report, please call/e-mail me at (916) 376-5064/[Dennis.Miras@dgs.ca.gov](mailto:Dennis.Miras@dgs.ca.gov), or Monica De La Rosa, Management Auditor, at (279) 799-3759/[Monica.DeLaRosa@dgs.ca.gov](mailto:Monica.DeLaRosa@dgs.ca.gov).

*Dennis M Miras*

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Attachment

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Kerry Garcia, Deputy Director, Fiscal Services, CAL FIRE  
Scott Gregory, Deputy Director, Technology, CAL FIRE  
Gabrielle Avina, Deputy Director, Cooperative Fire Protection Programs, CAL FIRE  
Windy C. Bouldin, Deputy Director, Office of Program Accountability, CAL FIRE  
Purchasing Authority Management Section (PAMS), Procurement Division, DGS

**GOVERNMENT OPERATIONS AGENCY  
DEPARTMENT OF GENERAL SERVICES**

**AUDIT OF THE  
CALIFORNIA DEPARTMENT OF  
FORESTRY AND FIRE PROTECTION**

**FOR COMPLIANCE WITH STATE  
BUSINESS MANAGEMENT POLICIES  
REPORT NO. 1124**

**OFFICE OF AUDIT SERVICES**

**MARCH 2022**



**CALIFORNIA DEPARTMENT OF FORESTRY AND FIRE PROTECTION  
(CAL FIRE)**

**COMPLIANCE AUDIT  
REPORT NO. 1124**

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**STATE OF CALIFORNIA**  
**DEPARTMENT OF GENERAL SERVICES**  
**AUDITOR'S REPORT**

DATE: June 17, 2022

TO: **Joe Tyler**, Director  
California Department of Forestry and Fire Protection

This report presents the results of our compliance audit of the business management functions and services of the California Department of Forestry and Fire Protection (CAL FIRE) and its delegated purchasing program. These audits are routinely performed under the authority granted to the Department of General Services (DGS) by Government Code Sections 14615 and 14619 and Public Contract Code Section 10333. The objective of our audit was to determine compliance with policies set forth in the State Administrative Manual, and the terms and conditions of any specific delegations of authority or exemptions from approval granted by DGS.

As applicable, the scope of this audit included, but was not limited to, compliance with policies and procedures governing contracting, fleet and travel services administration, small business and disabled veteran business enterprise usage, driver safety and insurance, surplus property, real estate, and delegated purchasing. Our audit was conducted in accordance with U.S. generally accepted auditing standards.

While in most areas we concluded that CAL FIRE is conducting its business management functions and services in accordance with state requirements, we identified the following areas for improvement. The implementation of the recommendations presented in this report will assist CAL FIRE in addressing these issues:

- CAL FIRE's delegated purchasing authority (DPA) practices are not in full compliance with several applicable state requirements governing these types of procurements. To avoid duplication, and because there were numerous DPA program deficiencies noted, they are not individually listed here and are instead each outlined later within the body of this report.
- Current invoice processing policies and procedures do not ensure that all vendor invoices are date stamped and promptly paid.

- Contracting program policies and procedures are not ensuring full compliance with state contracting requirements. Again, in order to avoid duplication, the types of exceptions noted during our audit are not individually listed here and are each outlined later within the body of this report.
- Weaknesses over the CAL-Card program have led to insufficient reconciliation of monthly statements as well as a lack of authorizing purchase documents for all transactions over \$2,500.
- Motor vehicle accidents are not being reported to DGS' Office of Risk and Insurance Management (ORIM) in a timely manner.
- CAL FIRE's driver safety and insurance program is not ensuring that employees who use their own vehicle to conduct state business complete and annually update a vehicle certification form. Additionally, policies and procedures are not ensuring that frequent drivers attend a defensive driver training course at least once every four years. Finally, current processes are not facilitating the identification and enrollment of required employees into the DMV (Department of Motor Vehicles) Employer Pull Notice Program (EPN).
- CAL FIRE's fleet administration program is not ensuring that vehicle usage information is reported to DGS in a consistent, accurate and timely manner as well as compliance with the State Fleet Card Program.
- Travel services policies and procedures are not ensuring that employees who travel to conduct state business make all travel arrangements through DGS' Statewide Travel Program.
- Surplus personal property policies and procedures are not ensuring the: approval from two property survey board members when processing Property Survey Reports (STD.152); timely disposition or follow-up for disposals pending more than 30 days; and establishment of guidelines for the use of warehouse space managed by any of CAL FIRE's 21 statewide units.

During our review we also identified other matters requiring attention, but that did not pose a significant risk to the business management and DPA functions, which were discussed with CAL FIRE's management and are not further detailed in this report. These included: the current vehicle accident record-keeping system not sufficiently ensuring adequate documentation is maintained on all accidents and that such records reconcile with ORIM's; approved justification forms not completed when vehicle rentals occur at a rate higher than that contracted for and when used during the non-fire season or not responding to incidents; and reimbursements made to employees for travel expenses which were already directly paid to service providers by the department (double-dipping).



We are pleased with the commitment shown to improve compliance with state requirements. It should be noted that when advised of areas for improvement during our audit fieldwork, CAL FIRE's management agreed with all issues discussed and provided assurances that prompt actions had been or would be taken to address our concerns. However, we did not perform effectiveness tests to determine whether such corrective measures would function as intended. CAL FIRE's management has the ongoing responsibility for ensuring that its business management and DPA program policies and procedures are functioning as prescribed and are modified, as appropriate, for changes in conditions.

Your response to our recommendations as well as our evaluation of the response are included in this report.

We sincerely appreciated the cooperation and assistance provided by CAL FIRE's personnel.

If you need further information on or assistance with this report, please call/e-mail me at (916) 376-5064/[Dennis.Miras@dgs.ca.gov](mailto:Dennis.Miras@dgs.ca.gov), or Monica De La Rosa, Management Auditor, at (279) 799-3759/[Monica.DeLaRosa@dgs.ca.gov](mailto:Monica.DeLaRosa@dgs.ca.gov).

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Purchasing Authority Management Section (PAMS), Procurement Division, DGS



# **CALIFORNIA DEPARTMENT OF FORESTRY AND FIRE PROTECTION**

## **COMPLIANCE AUDIT**

### **FINDINGS AND RECOMMENDATIONS**

The following presents our detailed findings and recommendations developed based on our review of the business management functions and services of the California Department of Forestry and Fire Protection (CAL FIRE) for compliance with policies set forth in the State Administrative Manual (SAM), and the terms and conditions of any specific delegations of authority or exemptions from approval granted by the Department of General Services (DGS). This report presents information on areas of noncompliance with policies governing the: delegated purchasing program; prompt payment of invoices; contracting for services; CAL-Card program; reporting of vehicle accidents; driver safety and insurance program; administration of fleet and travel management operations; and disposition of surplus personal property.

This information was developed based on our fieldwork conducted over the period of April 13, 2021 through March 29, 2022. In addition to this written report, as findings were observed and developed during our audit fieldwork, CAL FIRE's management was promptly advised of any areas of concern so that they could begin taking corrective action. Further, during our March 29, 2022 audit exit conference, CAL FIRE was provided a detailed written summary of issues noted during our review.

To determine compliance, we reviewed policies and procedures, interviewed parties involved, tested records and transactions, and performed other tests as deemed necessary. The period covered by our testing varied depending upon the area of review and the type of transactions involved; however, the emphasis of our review and testing was with current procedures and transactions completed during the 2020-21 and 2021-22 fiscal years.

#### **DELEGATED PURCHASING PROGRAM**

While we concluded that CAL FIRE has implemented a delegated purchasing program that ensures compliance with the state's primary procurement requirements, our tests of a sample of 85 transactions (consisting of 47 purchases over \$10,000, 25 purchases under \$10,000, and 13 leveraged procurement agreement (LPA) transactions) disclosed a number of areas for improvement that need to be addressed to fully comply with delegated purchasing requirements. When a department is transacting in FI\$Cal (Financial Information System for California), as CAL FIRE currently does, the state's delegated purchasing requirements are primarily contained in State Contracting Manual (SCM) Volume F.

Since the specific instances of noncompliance were discussed with responsible management and staff during our audit fieldwork, they are not detailed in this report. However, the types of exceptions noted included weaknesses involving the following purchasing practices (applicable criteria provided) [applicable exception/deviation rate noted]:

- Maintenance of centralized procurement logs (SCM F, 1.A3.6) [100%]
- Purchasing authority number noted on the purchase order (SCM F, 1.A1.5) [100%]
- Sufficiently detailed purchase document including item, quantity, unit price, and extension total (STD. 65 User Instructions) [10%]
- Procurements correctly classified<sup>1</sup> (SCM F 2.B2.0) [59%]
- Emergency purchases sufficiently documented, justified, and meet the criteria as described in the State Contracting Manual (SCM F, 2.B10.1 and 2.B10.3) [50%]
- Sellers' permits maintained in the procurement file<sup>1</sup> (SCM F, 4.B3.3) [79%]
- Purchases over \$5,000 are reported to DFEH<sup>1</sup> (Department of Fair Employment and Housing) (SCM F, 9.E4.0) [78%]
- Solicitations, with referenced bidder instructions and general provisions, located in the procurement file<sup>1</sup> (SCM F, 4.B3.0 – 4.B3.1; 4.D1.0) [81%]
- Small business (SB) and disabled veteran business enterprise (DVBE) vendor certification verified<sup>1</sup> (SCM F, 3.A2.5) [50%]
- SB/DVBE option accurately used for transactions between \$5,000.01 and \$249,999.99 with supporting documentation (SCM F, 4.D3.0 and 4.D3.1) [69%]
- DVBE program requirements are included within the solicitation or waiver documentation maintained within the procurement file<sup>1</sup> (SCM F, 4.B1.4) [91%]
- Signed Bidder Declarations for certified SB/DVBE vendors placed in the procurement file<sup>1</sup> (SCM F, 3.A4.7) [72%]
- Commercially Useful Function (CUF) evaluations performed to determine SB/DVBE status<sup>1</sup> (SCM F, 3.A2.6; 3.A2.8; 3.A7.1) [100%]
- Supporting documentation is contained within the transaction file that FTB (Franchise Tax Board) and CDTFA (California Department of Tax and Fee Administration) websites are checked to verify that contractors are not on any prohibited lists (SCM F, 2.B4.5) [100%]
- Written solicitations for procurements over \$50,000.00 when applicable (SCM F, 4.D1.2) [100%]
- Comparable and adequate bids solicited and received<sup>1</sup> (SCM F, 4.C2.0-4.C2.5) [61%]
- Bid/Quote worksheet used and maintained in the procurement file<sup>1</sup> (SCM F, 4.D2.3) [62%]

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<sup>1</sup> These conditions previously existed and were included in our Compliance Audit Report to CAL FIRE dated August 2017

- Non-competitively bid (NCB) process used for amendments when required (SCM F, 6.3.0; 9.A2.1; 9.A2.3; 9.A2.4) [40%]
- Correct fair and reasonable method in the procurement file<sup>1</sup> (SCM F, 6.9.4) [83%]
- Fair and reasonable support maintained in the procurement file<sup>1</sup> (SCM F, 6.9.0; 6.9.1) [67%]
- Certification of Compliance with IT (Information Technology) Policies for procurements over \$5,000 are maintained<sup>1</sup> (SCM F, 2.E5.0) [100%]
  
- LPA documentation:
  - References to LPA terms and conditions from associated purchase orders are included at the time an order is placed<sup>1</sup> (SCM F, 5.A1.10) [46%]
  - A complete LPA (or its location by reference) is encompassed within the procurement file (SCM F, 5.A1.0 and 5.A1.5) [75%]
  - LPA user instructions are maintained in the procurement file<sup>1</sup> (SCM F, 5.A1.7) [62%]
  - LPA contract cover pages are maintained in the procurement file<sup>1</sup> (SCM F, 5.A1.5) [100%]
  - LPA contract pricing pages are maintained<sup>1</sup> (SCM F, 5.A1.0 and 5.A1.5) [77%]
  - Purchases are made in accordance with applicable LPA terms and conditions<sup>1</sup> (SCM F, 5.A1.0 and 5.A1.5) [46%]
  - Multiple offers are obtained when required by the LPA user instructions (SCM F, 5.A2.0 and Individual LPA User Instructions) [100%]
  - Best value is determined for LPAs (if applicable) when multiple offers are required (SCM F, 5.A2.2 and 5.A3.0) [100%]

While it was difficult to determine the primary cause(s) for each of the aforementioned exceptions, responsible staff not being fully aware of all applicable requirements; the decentralized nature of its operations (21+ distinct Units) and number of statewide buyers (2,900+); outdated policies and procedures (last updated in 2005); and simple oversight while processing these types of transactions were all found to be contributing factors and challenges.

It should be noted that the two prior recommendations to improve operations over its delegated purchasing program made within our audit report dated August 2017 remain outstanding and unaddressed, despite a corrective action plan provided and assurances given at that time that the then policies and procedures would indeed be updated by August 2018 (eventually extended to March 2021) in response to the audit report. CAL FIRE's policies and procedures contained within its Procurement Manual (Chapter 2600 et seq) have not been revised since 2005.

Additionally, numerous “deficiencies” with and deviations from state delegated purchasing requirements were identified during CAL FIRE’s Accreditation conducted in 2019 by DGS’ Procurement Division (PD) – Purchasing Authority Unit (PAU). Again, PD’s PAU was assured at that time that purchasing authority policies and procedures would be updated by February 2021; this has yet to occur.

### **Recommendations**

1. Prioritize the updating of existing, implement additional, and disseminate all policies and procedures to assist in ensuring full compliance with all requirements of the delegated purchasing program. This process should address each of the issues noted above.
2. Ensure that all new and seasoned personnel who actively procure for CAL FIRE are trained in, are knowledgeable of, and understand all procurement requirements as prescribed in the SCM and any other applicable state laws, rules, policies, and regulations. This can be accomplished through implementation of the refresher BPC (Basic Procurement Course) proposed back in 2018 as part of its corrective action plan at that time.
3. Implement a procurement-log tracking system for each Unit or Region (outside of FI\$Cal) so that management and headquarters personnel can more effectively monitor and review purchasing activities throughout the entire department. The additional implementation of a peer-review tracking process (via an updated procurement file checklist) with the goal of ensuring that all relevant procurement steps have been followed and completed procurement files maintained would further enhance compliance with delegated purchasing program requirements.

### **PROMPT PAYMENT OF INVOICES<sup>1</sup>**

CAL FIRE’s current invoice processing policies and procedures are not ensuring the prompt payment of vendor invoices. In reviewing a sample of 28 invoices processed for payment during June-July 2021, we found 11 (39%) invoices which were not processed in a manner that ensured payment in accordance with the state’s prompt payment requirements.

Specifically, these invoices were not paid within 45 calendar days of receipt by CAL FIRE and were up to 185 days late (averaged 62 days late); total accrued late payment penalties for these 11 invoices were found to be in excess of \$50,000. Moreover, total late payment penalty fees due to seven of these vendors were not paid as required. Unpaid penalties totaled nearly \$31,800; ranged from \$142 to \$16,438 per invoice; and averaged \$4,539 each.

Government Code Section 927, et seq., and SAM Sections 8474 through 8474.4 contain the state's policies related to the prompt payment of businesses. These policies include a requirement that vendor invoices be paid within 45 calendar days of receipt and the automatic payment of penalties when applicable. The 45-day timeline allows state agencies 30 days to perform their payment approval function and the State Controller's Office (SCO) 15 days to perform its audit and warrant generation process. The failure to promptly pay invoices restricts the state's efforts in getting businesses to provide goods and services to the state.

We also determined that 19 (68%) of the 28 invoices tested were not date stamped upon receipt by CAL FIRE. SCM F, 8.A5.2 states:

"To accurately measure and track payment timeliness, all invoices must be:

- Date stamped or receipt date designated in ink on the front of the invoice (to accommodate photocopying) when first received at the "billed to" departmental location as identified in the purchase document.
- Promptly forwarded to the department's accounting office if the invoice is received elsewhere in the department and the purchase document states the "bill to" address is the accounting office. It is recommended that the invoice be date stamped upon first arrival in the department, even if received at other than the "bill to" address on the purchase document."

Vendors sending invoices directly to program managers; programs not date-stamping invoices when received nor using the Invoice Dispute Notification for invoices that are incorrect; program staff not recording goods/services as having been received within the FI\$Cal system; and budget errors/issues all contributed to the above conditions.

### **Recommendation**

4. Update policies and procedures to ensure the timely processing of vendor invoices and payment of applicable penalty fees as required by state policy. As part of this process, operating unit management (program managers) should be reminded of the importance of promptly forwarding invoices and payment approvals to Accounting for payment. Responsible staff should be properly trained in receiving goods within FI\$Cal and proper documentation to support invoice payments should accompany claim schedules to avoid rejection by SCO. Additionally, ensure that all invoices are date stamped upon receipt by the department.

## **CONTRACTING PROGRAM**

Overall, we determined that CAL FIRE was conducting its contracting program in compliance with state requirements. However, our sample tests of the various types<sup>2</sup> of contracts processed disclosed a number of areas for improvement that need to be addressed to fully comply with the state's service contracting requirements. The state's contracting requirements are primarily contained in SCM Volume 1.

Since the instances of noncompliance were discussed with responsible management and staff during our audit fieldwork, they are not detailed in this report. However, the types of exceptions noted included weaknesses involving the following contracting practices (applicable criteria provided) [applicable exception/deviation rate noted]:

- Timely processing of contracts that require DGS Office of Legal Services (OLS) approval (SCM 1, 4.09A) [18%]
- Completing a Contract/Contractor Evaluation form (STD. 4) within 60 days of the completion of a consulting service contract of \$5,000 or more (SCM 1, 3.02.5) [67%]
- Service contracts over \$5,000 are reported to DFEH (SCM 1, 4.080 A.2.h) [40%]
- Documentation is maintained verifying a contractor is in "good standing" with the Secretary of State (SOS) (SCM 1, 5.30 A.6.c) [100%]
- Contract language is used detailing the contractor will pay at least 85% of state employer health, dental, and vision benefits for security services contracts (Government Code 19134.a) [67%]
- Ensuring vendors sign Contract Certification Clauses (CCC's) and signed copies are maintained in the contract file (SCM 1, 4.08 A.1.d.4 and A.7) [60%]
- Fair and reasonable cost justification is documented, or two price quotes are obtained, when entering into small dollar contracts for non-IT services under \$10,000<sup>1</sup> (SCM 1, 5.90) [87%]
- Support for SB/DVBE certification verification is maintained (SCM 1, 814 C) [100%]
- Approval of small dollar service agreements occur and are documented prior to the agreement start date (SCM 1, 4.09) [48%]

As with the delegated purchasing program, staff's unawareness of all applicable contracting rules and regulations; the decentralized nature of its operations; outdated policies and procedures; inattentiveness while processing these kinds of transactions; and insufficient training and management oversight all are attributed to the above conditions.

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<sup>2</sup> The types of contracts tested for compliance included both contracts subject to DGS review and approval (generally contracts totaling more than \$50,000) and those delegated to CAL FIRE to directly execute (generally contracts totaling \$50,000 or less).



### **Recommendation**

5. Strengthen existing, institute additional, and broadcast all policies and procedures which will ensure full compliance with state service contracting requirements. These activities should address each of the issues noted above.

### **AQUISITIONS PAID BY CAL-CARD**

Current policies and procedures are not ensuring compliance with requirements for procurements paid by CAL-Card, a VISA purchase card which provides a flexible payment mechanism for the acquisition of goods and services. The following weaknesses were noted over CAL FIRE's CAL-Card Program practices (applicable criteria provided):

- Cardholders and approvers are not ensuring timely reconciliation of CAL-Card statements with required supporting documentation (SCM F, 8.B3.2)
- We found that 10 of the 25 (40%) CAL-Card transactions tested valued over \$2,500 were not supported by approved purchase documents, such as service orders or purchase orders (SCM F, 8.B4.0 and 8.B4.1)

Similar to the above contracting and delegated purchasing programs, it was difficult to establish the principal cause(s) for the above-mentioned weaknesses. Its size and decentralized nature of operations; extremely large pool of CAL-Card users; inadequate management oversight; and cardholders not paying attention to CAL-Card policies and procedures all appear to be contributing factors.

### **Recommendation**

6. Update existing policies and procedures to ensure timely reconciliation of CAL-Card statements. Further, ensure cardholders and approvers have sufficient procurement training to ensure authorizing purchase documents are maintained to support all transactions over \$2,500.

### **REPORTING OF VEHICLE ACCIDENTS<sup>1</sup>**

Current policies and procedures in place designed to ensure the sufficient and timely reporting of vehicle accidents to DGS' Office of Risk and Insurance Management (ORIM) are not operating as intended. Specifically, during our review of CAL FIRE's accident reporting process for the period of January through December 2020, from the approximately 300 reportable accidents identified during this timeframe, a sample of 17 accidents was tested for compliance with timely reporting. From this sample, 12 (70%) were found to have not been reported to ORIM in a timely fashion.

To further highlight the significance of this condition, these 12 accidents were reported up to 206 days late; averaged 57 days late; and another two were never reported. Altogether, total deviations in reporting vehicle accidents to ORIM in a timely manner involved 82% of those sampled.

In order to effectively administer the state's motor vehicle self-insurance program, SAM Section 2430 provides that a Vehicle Accident Report (STD. 270) be submitted to ORIM within 48 hours of an accident. CAL FIRE Policy and Procedure 1718, et seq (Vehicle Accident Reporting, Review, and Instructions) similarly address and mirror these requirements.

Factors contributing to the existence of the above late vehicle accident reporting include the decentralized nature of this department, which relies on the 21+ individual operational units to track and report vehicle accidents, compounded by the fact that many of these accidents occur while responding to wildland fires.

### **Recommendation**

7. Enforce existing and establish new policies and procedures to ensure that all CAL FIRE personnel are aware of the need to report (STD. 270) all motor vehicle accidents to ORIM within 48 hours.

### **DRIVER SAFETY AND INSURANCE PROGRAM**

CAL FIRE needs to strengthen its driver safety and insurance program to assist in preventing and controlling the costs of vehicle accidents. Collectively, such accidents cost the state millions of dollars each year, including liability to other parties, repairs to state vehicles, workers' compensation, and lost work time of employees. For maximum containment of these costs, each state agency is expected to actively participate in the state's driver safety program. The following areas need strengthening:

- **Vehicle Authorizations<sup>1</sup>** – current policies and procedures are not ensuring that an Authorization to Use Privately Owned Vehicle (STD. 261) certification form is completed and annually updated by all employees who use their own vehicle to conduct state business. Specifically, at the time of our audit testing, a current STD. 261 was not available for 24 (57%) of 42 employees included in our sample prior to using their own vehicle on state business.

SAM Section 0753 requires that a privately-owned vehicle authorization form be completed and annually updated by each employee who uses his or her own vehicle to conduct state business. In addition, this section provides that an employee's travel expense claim for private vehicle mileage should not be approved by a supervisor prior to verification that a current authorization form is on file for the employee. The completion of the authorization form accomplishes the objective of having the employee certify in writing that the vehicle used will always be:

- Covered by liability insurance for the minimum amount prescribed by law
- Adequate for work performed
- Equipped with safety belts
- In safe mechanical condition

Policies and procedures do not clearly delineate where and by whom completed STD. 261 forms are to be maintained. While operating unit supervisors and managers are responsible for ensuring that their staff are authorized to drive and adhere to vehicle insurance and safety requirements by having them complete and sign the authorization form each year, the challenges of consistently being out in the field and responding to emergencies and incidents have made it difficult to achieve full compliance.

- **Defensive Driver Training** – our review of a sample of 60 frequent drivers found that 12 (20%) had not attended a defensive driver training course within the last four years. SAM Section 0751 provides that frequent drivers attend and successfully complete an approved defensive driver training course at least once every four years.

Presently, courses are tracked within the Vectors Solutions database, which sends reminders out to employees when the training is due, and who in turn are responsible for uploading their certificates upon course completion. It is evident that this process is not entirely operating as intended.

- **DMV Employer Pull Notice (EPN)** – our audit revealed that the department is not ensuring that employees who drive on state business as a condition of employment are enrolled in the Department of Motor Vehicles (DMV) Pull Notice Program.

SAM Section 0751 requires agencies to participate in the DMV “Employer Pull Notice Program” if they have employees who operate vehicles on official business as a condition of employment for Class A, B, or Class C drivers' licenses with special certificates. A sample of 513 employees revealed 90 (18%) were not enrolled as required.

Several reasons contributed to this condition, including CAL FIRE not tracking those employees who possess Class A, B, or Class C drivers' licenses with special certificates while conducting official state business and not tracking those employees whose unions are currently negotiating driver license requirements; this makes it more difficult to distinguish which employees should be enrolled. Furthermore, the decentralized nature of CAL FIRE has resulted in each of the 21+ operational units and offices creating their own, individual EPN accounts, which are specific to just the drivers located in their geographic area, and are not centrally accessible departmentwide; frequent employee transfers between units compound this situation.

It should be noted that we were informed that existing internal policies and procedures are in the process of being updated and moving forward will be administered by CAL FIRE's Mobile Equipment Management (MEM) program. This change will facilitate the oversight of all driver safety and insurance functions departmentwide vs. the current system of management and control that is decentralized over 21+ operational units and offices statewide.

### **Recommendations**

8. Strengthen current policies and procedures that ensure the completion and annual update of a STD. 261 certification form by employees prior to using their own vehicle to conduct state business. These should specify where and by whom forms should be maintained and the annual timeframe when STD. 261 forms are due for renewal to ensure employees and management are on the same cycle.
9. Periodically reemphasize to operating unit staff/supervisors/managers their responsibilities for ensuring that employees who frequently drive on state business attend an approved defensive driver training course at least once every four years and to upload training certificates into CAL FIRE's (Vectors Solutions) training database upon course completion.
10. Enforce current policies and procedures related to the DMV EPN Program. Additionally, create a system to track job classifications that require enrollment and work with DMV to facilitate centralized access of driving records for monitoring and enforcement purposes.

### **FLEET MANAGEMENT PROGRAM**

CAL FIRE needs to strengthen its oversight of the department's fleet administration program. Specifically, the following areas need further attention:

- **Fleet Asset Management System (FAMS) Reporting** – CAL FIRE's existing processes are not ensuring that vehicle information is accurately reported into FAMS on a monthly basis, in accordance with OFAM's (Office of Fleet and Asset Management's) policies and procedures. Our review revealed that CAL FIRE did not have a full accounting of its vehicles and their usage for the nearly 3,700 active fleet assets it owns (including nearly 400 permitted to be stored at employees' homes). As a result, the department is not in compliance with OFAM accounting and reporting requirements.

SAM Sections 4120.1 and 4125 require state agencies to update their fleet asset information into FAMS on a monthly basis, including fuel and utilization data. This is necessary in order for OFAM to meet its mandatory reporting responsibilities to the legislature and the federal government. Further, the State of California Fleet Handbook requires agencies to "update FAMS by the 15th of each month with the following data from the previous month: (1) updated inventory; (2) usage data, including ending odometer readings and/or hour meter readings; and (3) fuel data." These requirements apply to all fleet assets, owned, or rented, that are in the agency's control for more than 30 consecutive calendar days or more than four consecutive work weeks.

Specifically, we identified 723 fleet assets which were not accounted for in both CAL FIRE's and OFAM's inventory records. Additionally, when we attempted to reconcile fleet asset data reported to OFAM against supporting documentation provided by CAL FIRE, we noted a massive number of discrepancies which totaled in excess of 1,100 data gaps and more than 18,000 usage gaps.

It should be noted that CAL FIRE is fully aware of these discrepancies and is actively working with OFAM to resolve them.

It appears that CAL FIRE has had difficulty transitioning into FI\$Cal. Apparently, fleet assets must be recorded (uploaded) into FI\$Cal prior to updating FAMS. Due to undetermined difficulties in uploading into FI\$Cal, delays have occurred in updating FAMS. This has resulted in a vicious cycle that has contributed to the above noted conditions.

- **State Fleet Card Program** – CAL FIRE has not implemented adequate and effective policies and procedures that ensure the adequate control of state fleet cards. Fleet cards are primarily used by state employees to purchase fuel for vehicles used for official state business. In brief, SAM Section 4108 establishes controls that would help prevent abusive fleet card practices, including but not limited to fraud and abuse.

Specifically, our review of 64 employees with frequent access to using a state fleet card (those with home storage permits and/or assigned vehicles) revealed that none (100%) had a signed fleet card user agreement on file prior to our request acknowledging they understand the policies and procedures regarding usage; 59 of these did later sign the agreement upon our request during testing.

The State Fleet Card Program requires that participating departments comply with a number of requirements including: (1) implementing written oversight procedures; (2) designating a coordinator to closely manage the use of the program; (3) submitting to OFAM (Office of Fleet and Asset Management) an annual certification that the department has executed required procedures; and (4) requiring card users to sign an agreement addressing compliance with usage policies and procedures.

Once again, CAL FIRE's size, decentralized nature of its operations, and number of frequent drivers make it all that much more challenging to maintain a uniform and centralized management and tracking system over its state fleet cards.

### **Recommendations**

11. Continue to work with DGS OFAM and FI\$Cal to record (upload) all fleet asset information on a monthly basis as required. This will assist the department in keeping up-to-date with FAMS reporting and will aid in further addressing the tremendous number of vehicle information and usage gaps that currently exist.
12. Establish a uniform and centralized management and tracking system that will ensure the adequate control of all state fleet cards. This process should require all card users to sign the agreement addressing compliance with usage policies and procedures.

### **TRAVEL SERVICES PROGRAM**

CAL FIRE needs to strengthen its administration over its travel services program. Specifically, the following area needs further attention:

- **Statewide Travel Program** – Current travel policies and procedures are not ensuring that all employees who travel overnight to conduct state business secure their hotel and car rental needs through the state's travel program. Our audit analyses revealed 13 (38%) of 34 employees that sought reimbursement for lodging and/or car rental expenses had not booked their reservations through either the CalTravelStore or Concur Travel.

DGS Management Memo 14-03, SAM Section 4117, and CAL FIRE's own Travel Manual require all travel arrangements (airfare, hotel, commercial car rental, and rail) be made through DGS' Statewide Travel Program (STP). This program provides for government travelers' needs by obtaining the most economical rates and fares available through the use of contracted travel-related services. It offers comprehensive travel services through Concur Travel, an online booking tool that is the primary means for booking all reservations. The STP also offers traditional call-in service through the CalTravelStore, the state's onsite contracted travel agency.

This condition exists primarily due to limited management oversight of travel bookings to ensure only the CalTravelStore or Concur Travel is utilized. And once more, CAL FIRE's size and decentralized nature of its operations may also make it a bit more difficult to maintain and enforce departmentwide policies and procedures for state travel. As a result, the department may be missing out from obtaining the most cost-effective, pre-negotiated, and leveraged travel rates offered by not utilizing STP's centralized travel management services.

### **Recommendations**

13. Reinforce and communicate existing travel policies and procedures to ensure that all employees required to travel on state business secure all of their travel needs through either Concur Travel or the CalTravelStore.
14. In light of the numerous fleet and travel related concerns raised, and to obtain added protections from any embarrassment or reputational damage which can occur should any waste, fraud or abuse be revealed from an outside audit entity's investigation, whistle-blower report, and/or negative news account released to the public in regards to these types of activities anywhere within the department, we further recommend that CAL FIRE seriously consider utilizing its own internal audit function to perform a more-in-depth review or examination. Its focus would be on determining the appropriateness of travel practices, rental car usage, direct-billed/paid travel, and reimbursements to employees for travel related expenses and to gain assurances that adequate administrative and internal controls are in place to ensure all such activities are in full compliance with state laws, rules, regulations, policies and procedures.

### **DISPOSAL OF SURPLUS PERSONAL PROPERTY**

Policies and procedures have not been implemented which ensure that disposals of surplus personal property are authorized by two approving board members and occur without unreasonable delay.

SAM Section 3520.2 states "Each agency will have a duly appointed Property Survey Board that is responsible for determining that, when disposing of surplus property, the decision to do so serves the best interest of the state. To the extent possible, there will be a sufficient number of members on the Board to insure representation by both business management and program responsibilities. At least two Board members must approve all Property Survey Reports (STD. 152)."

Our review of 22 STD. 152s disclosed that 14 (64%) had not been approved by two property survey board members. Additionally, 13 (59%) disposals obtained from "suspense files" had no documented evidence of having been disposed of within a timely manner or that any follow-up activity had occurred to determine the cause of any delays, as required by SAM Section 8640.

Finally, policies and procedures have not been established for use of warehouse space managed by any of CAL FIRE's 21 statewide units. According to Management Memo 13-08, agencies operating or using warehouses are to develop guidelines to address what content will be stored in the warehouse as well as the length of time those items will be stored.

Responsible staff appeared to be unaware of the requirements governing the above noted issues.

### **Recommendation**

15. Update surplus personal property program policies and procedures which ensure that property disposals are approved by two Property Survey Board members and that all property is disposed of without delay. Be sure to communicate all related revisions to all pertinent staff involved in the process.

## **CONCLUSION**

Our findings and recommendations are presented to aid CAL FIRE in administering its business management functions and services, along with its delegated purchasing program. CAL FIRE should address the reported issues to assist in ensuring compliance with applicable state laws, policies, and procedures.





**DEPARTMENT OF FORESTRY AND FIRE PROTECTION**

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June 2, 2022

Dennis M. Miras, CIA  
Manager, Office of Audit Services  
Department of General Services  
707 3<sup>rd</sup> Street, 8<sup>th</sup> Floor  
West Sacramento, CA 95605

Dear Mr. Miras:

Thank you to you and your staff for the effort put forward in conducting the compliance audit of the business management functions and services of CAL FIRE. The Department recognizes the value in reviewing our practices and examining prospects to improve upon them.

We appreciate the opportunity to respond to your recommendations. Our responses are offered below, organized in the same manner as the report provided.

**DELEGATED PURCHASING PROGRAM**

***Recommendation 1:*** *Prioritize the updating of existing, implement additional, and disseminate all policies and procedures to assist in ensuring full compliance with all requirements of the delegated purchasing program. This process should address each of the issues noted above.*

The Business Services Office (BSO) is aware of the critical importance of updating all its policies and procedures for contracts, procurement, and property. While it has been a priority to complete the task of updating issuance handbooks for the last four years, being able to devote staff time in the face of competing and equally important priorities has admittedly been a challenge. However, in July 2021, CAL FIRE received several positions to permanently staff the Financial Information System for California (FI\$Cal) Incident Support Unit. While this unit provides critical support to CAL FIRE’s Incident Management Teams during fire season, they are being cross-trained and will assist in developing policies and procedures both in their program area as well as other areas within the BSO in the winter and early spring when major fires are less likely. Once developed, policies and procedures will be available department-wide to all staff, and notification to all staff of the updates will be provided as part of our usual issuance distribution process.

***Recommendation 2:*** *Ensure that all new and seasoned personnel who actively procure for CAL FIRE are trained in, are knowledgeable of, and understand all procurement requirements as prescribed in the State Contracting Manual (SCM) and any other applicable state laws, rules, policies, and regulations. This can be accomplished through implementation of the refresher BPC (Basic Procurement Course) proposed back in 2018 as part of its corrective action plan at that time.*

The BSO has conducted 14 online Basic Purchasing Certification (BPC) classes over the last two years. Prior to the pandemic, the classes were delivered in-person, and while it took some time to pivot from in-person learning to online learning, staff rose to the challenge. Unfortunately, that meant a necessary shift in priorities from creating a new BPC Refresher course, to converting the full BPC curriculum to be delivered in a virtual environment. Now that the process is running smoothly, staff can again shift their focus back to developing a refresher training that is shorter in duration and targets specific areas of concern that were noted in the audit report as well as identified by staff. Additionally, staff plan to return to in-person learning as often as possible.

***Recommendation 3:*** *Implement a procurement-log tracking system for each Unit or Region (outside of FI\$Cal) so that management and headquarters personnel can more effectively monitor and review purchasing activities throughout the entire department. The additional implementation of a peer-review tracking process (via an updated procurement file checklist) with the goal of ensuring that all relevant procurement steps have been followed and completed procurement files maintained would further enhance compliance with delegated purchasing program requirements.*

Through a FI\$Cal Ad Hoc group, staff are currently working to renew and revise the monthly and annual budget tracking and reconciliation processes. This includes writing instructions and defining processes for tracking expenditures outside of FI\$Cal which includes returning to the use of document logs. These logs would be maintained at each Unit and Region Headquarters as well as Sacramento Program areas and would be accessible by the Department's Procurement Office by request. Once completed, these instructions will be available on CAL FIRE's Intranet page and will be covered in training that is also being developed by this group.

### **PROMPT PAYMENT OF INVOICES**

***Recommendation 4:*** *Update policies and procedures to ensure the timely processing of vendor invoices and payment of applicable penalty fees as required by state policy. As part of this process, operating unit management (program*

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*managers) should be reminded of the importance of promptly forwarding invoices and payment approvals to Accounting for payment. Responsible staff should be properly trained in receiving goods within FI\$Cal and proper documentation to support invoice payments should accompany claim schedules to avoid rejection by SCO. Additionally, ensure that all invoices are date stamped upon receipt by the Department.*

The BSO is working to update policies and procedures for prompt payment requirements. Once completed, they will be available department-wide, and all staff will be notified of the update. The BSO will continue to stress the importance of prompt payment within BPC training, and it will also be discussed in the forthcoming refresher training as well as being shared within various finance meetings and communications.

### **CONTRACTING PROGRAM**

***Recommendation 5:*** *Strengthen existing, institute additional, and broadcast all policies and procedures which will ensure full compliance with state service contracting requirements. These activities should address each of the issues noted above. (See original audit report for issues.)*

Again, CAL FIRE recognizes the critical need for strong, current, and relevant policies and procedures. The BSO Contracts Unit has completed updates to several sections of the CAL FIRE 2500 Contracts Handbook which are currently in the approval process and once approved, will be available department-wide. The BSO Contracts Unit will conduct a review to ensure that policies and procedures currently in the review process sufficiently address all issues noted in the audit report and will adjust or add to, if needed.

### **ACQUISITIONS PAID BY CAL-CARD**

***Recommendation 6:*** *Update existing policies and procedures to ensure timely reconciliation of CAL-Card statements. Further, ensure cardholders and approvers have sufficient procurement training to ensure authorizing purchase documents are maintained to support all transactions over \$2,500.*

The BSO is working on updating policy and procedure to be in compliance with the State Administrative Manual (SAM); additionally, CAL-Card reconciliation timelines and processes is emphasized in the BPC, Incident Purchasing Class, and the Incident Purchasing Refresher Class.

The BSO enforces timely payment and processing of CAL-Card transactions by running unreconciled reports every two weeks and following up with each cardholder on all past due transactions; requiring that all past due transactions are fully processed prior to allowing any card limit change requests and reducing card

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limits to \$1 if a cardholder has transactions that are more than 120 days past due. The unreconciled reports are also distributed to upper management to ensure that direction on prompt processing is coming through the cardholder's chain of command. The BSO reminds cardholders via periodic Procurement Broadcasts as well as instructs in the BPC that purchase orders are required to be approved prior to purchases being made. The BSO continues to work on improved quick resource guides for cardholders and purchasers, including the Basic Purchasing Manual, CAL FIRE policy and procedure, CAL-Card Quick Reference Guide, Incident Purchasing Guidebook, and several FI\$Cal job aides to assist cardholders in timely and accurate CAL-Card processing.

### **REPORTING OF VEHICLE ACCIDENTS**

***Recommendation 7: Enforce existing and establish new policies and procedures to ensure that all CAL FIRE personnel are aware of the need to report (STD. 270) all motor vehicle accidents to DGS' Office of Risk and Insurance Management (ORIM) within 48 hours.***

CAL FIRE is in the final process of adopting fully updated vehicle accident reporting and documenting policy and procedures to ensure compliance with this recommendation. The Department's updated policy and procedures will include supervisory responsibility for meeting the 48-hour ORIM reporting requirement(s), quarterly reconciliation of CAL FIRE records with ORIM to ensure department compliance is current and on-going, a requirement that all vehicle accident reports generated while assigned to an emergency incident be forwarded to the State Driver's home unit for supervisory review and processing in a timely manner, and a requirement to establish and maintain timely statewide vehicle accident reporting and documentation compliance reporting capability.

### **DRIVER SAFETY AND INSURANCE PROGRAM**

***Recommendation 8: Strengthen current policies and procedures that ensure the completion and annual update of a STD. 261 certification form by employees prior to using their own vehicle to conduct state business. These should specify where and by whom forms should be maintained and the annual timeframe when STD.261 forms are due for renewal to ensure employees and management are on the same cycle.***

CAL FIRE is also in the process of crafting fully updated driver's qualifications record-keeping policy and procedure(s) to ensure compliance with this recommendation. Updated policy and procedure(s) will include specifically identified supervisory responsibilities to initiate and annually review the Authorization to Use Privately-Owned Vehicles on State Business (STD. 261), a

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requirement to establish and maintain a centralized driver's qualification (DQ) file for each State Driver that will house their "wet ink signature" original STD. 261, and a requirement to establish and maintain timely statewide STD. 261 compliance reporting capability.

***Recommendation 9:*** Periodically reemphasize to operating unit staff/supervisors/managers their responsibilities for ensuring that employees who frequently drive on state business attend an approved defensive driver training course at least once every four years and to upload training certificates into CAL FIRE's (Vector Solutions) training database upon course completion.

CAL FIRE is also in the process of crafting fully updated driver's qualifications record-keeping policy and procedure(s) to ensure compliance with this recommendation. Updated policy and procedure(s) will include specifically identified supervisory responsibilities to initiate and annually review defensive driver training records, a requirement to establish and maintain a centralized driver's qualification (DQ) file for each State Driver that will house a copy of their current defensive driver training certificate, and a requirement to establish and maintain timely statewide defensive driver training compliance reporting capability.

***Recommendation 10:*** Enforce current policies and procedures related to the Department of Motor Vehicles (DMV) Employee Pull Notice (EPN) Program. Additionally, create a system to track job classifications that require enrollment and work with the DMV to facilitate centralized access to driving records for monitoring and enforcement purposes.

CAL FIRE has begun the process of crafting updated DMV EPN Program policy and procedure(s) to ensure compliance with this recommendation. Updated policy and procedure(s) will include standardized and specifically identified supervisory responsibilities for initiating and annually reviewing DMV EPN Program records, reconciliation and consolidation of the department's multiple and currently de-centralized DMV EPN Program "Requestor Code" accounts, a requirement to establish and maintain a centralized headquarters level DMV EPN Program "Requestor Code" account with statewide Administrator, a requirement to establish and maintain a DQ file for each State Driver that will house a copy of their current DMV EPN Program Pull Notice, and a requirement to establish and maintain timely statewide DMV EPN Program compliance reporting capability.

## **FLEET MANAGEMENT PROGRAM**

***Recommendation 11:*** Continue to work with DGS Office of Fleet Administration (OFAM) and FI\$Cal to record (upload) all fleet asset information on a monthly basis as required. This will assist the department in keeping up-to-date with Fleet Asset Management System (FAMS) reporting and will aid in further addressing the tremendous number of vehicle information and usage gaps that currently exist.

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CAL FIRE continues to work with the fleet data base records management system vendor to establish the export to match the latest FI\$Cal templates in order to bring our inventory current within FAMS. We will work to reconcile monthly to close the usage gaps until the programs will allow for the process to become automated.

***Recommendation 12:*** *Establish a uniform and centralized management and tracking system that will ensure the adequate control of all state fleet cards. This process should require all card users to sign the agreement addressing compliance with usage policies and procedures.*

The BSO Procurement Unit is working with the CAL FIRE Headquarters Mobile Equipment Office to update policy and procedure regarding the State Fuel Card. Additionally, the BSO is working on a self-paced virtual training, instructing on the rules, policies, and procedures for the use of the State Fuel Card, to be assigned through CAL FIRE's learning management system for every employee at time of hire and when job classification changes. Included in this training will be the fleet card user agreement which must be signed and uploaded into the learning management system for successful completion of the assignment.

### **TRAVEL SERVICES PROGRAM**

***Recommendation 13:*** *Reinforce and communicate existing travel policies and procedures to ensure that all employees required to travel on state business secure all of their travel needs through either Concur Travel or the CalTravelStore.*

CAL FIRE has a history of providing reminders to all its employees via postmaster email messages to all in-boxes. For example, a reminder bulletin regarding travel that included information on the requirement to book through Concur or the CalTravelStore was sent in December of 2018 and again in August of 2021. Additionally, the CAL FIRE Travel Manual was updated and made available as an exhibit to the Accounting Procedures Handbook in 2020 and it discusses this requirement as well. The Departmental Accounting Office (DAO) will add a reminder to its CalATERS Help Desk inbox auto-reply and will include a reminder in all travel related Accounting Broadcasts (bulletins). CAL FIRE's decentralized nature and number of travelers makes it difficult to completely prevent staff from booking travel arrangements outside of Concur. In particular, for lodging, staff often report finding hotels for lower rates than what is offered through Concur. When identified in advance (i.e., through submission of an advance request for excess lodging), staff are notified of the requirement to book through Concur regardless of finding a lower rate elsewhere. Last, CAL FIRE upper management has been reminded of the requirement and asked to enforce it during updates regarding the DAO at the Departmental Leadership Team Meetings and at Director's Staff Meetings. We will continue to relay the messaging that booking through Concur or the CalTravelStore is required.

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**Recommendation 14:** *In light of the numerous fleet and travel related concerns raised, and to obtain added protections from any embarrassment or reputational damage which can occur should any waste, fraud or abuse be revealed from an outside audit entity's investigation, whistle-blower report, and/or negative news account released to the public in regards to these types of activities anywhere within the department, we further recommend that CAL FIRE seriously consider utilizing its own internal audit function to perform a more in-depth review or examination. Its focus would be on determining the appropriateness of travel practices, rental car usage, direct-billed/paid travel, and reimbursements to employees for travel related expenses and to gain assurances that adequate administrative and internal controls are in place to ensure all such activities are in full compliance with state laws, rules, regulations, policies and procedures.*

CAL FIRE agrees with the recommendation set forth by the Department of General Services. For the 2022-23 fiscal year, the Department's Office of Program Accountability will include a review of these risks as part of its annual audit plan.

#### **DISPOSAL OF SURPLUS PERSONAL PROPERTY**

**Recommendation 15:** *Update surplus personal property program policies and procedures which ensure that property disposals are approved by two Property Survey Board members and that all property is disposed of without delay. Be sure to communicate all related revisions to all pertinent staff involved in the process.*

The BSO is in the process of updating the State property policies and procedures to be in accordance with the SAM and Management Memo 13-08. The BSO will continue to provide reminders to affected staff of the requirements for surplus property disposal, including adding as a discussion item at the Forestry Logistics Officer Conference.

Again, thank you for the time and effort of your staff and for the opportunity to respond to the recommendations. It is a critical priority for CAL FIRE to be in compliance with applicable State laws, policies, and procedures. While some items in the report were noted as having been discussed in the past, our inability to implement past recommendations in sufficient time for this most recent audit is in no way an indicator of a lack of regard for our responsibilities. CAL FIRE has made several attempts to right-size its administrative support staff with, unfortunately, very limited success. Additionally, we have had unprecedented fire seasons that have created a tremendous increased workload since the time of the 2017 compliance audit, and for the last two years we have managed the added responsibilities demanded of all State departments in response to the COVID-19 pandemic.

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The Department has made the updating and development of new policies and procedures a top priority and I am confident that staff will establish attainable timelines within the corrective action plan to implement the recommendations contained within the audit report.

Should you have any questions or need clarification of the responses provided herein, you may contact Christy White, Assistant Deputy Director of Fiscal Services via phone at (916) 628-4577 or via email at [christy.white@fire.ca.gov](mailto:christy.white@fire.ca.gov).

DocuSigned by:  
*Joe Tyler*  
CBDA1BA279214A1...

JOE TYLER

Director

cc: Chris Anthony, Chief Deputy Director  
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**DEPARTMENT OF FORESTRY AND FIRE PROTECTION  
(CAL FIRE)**

**EVALUATION OF CAL FIRE'S RESPONSE**

We have reviewed the response by the California Department of Forestry and Fire Protection (CAL FIRE) to our draft audit report. The response to the recommendations is satisfactory and we appreciate the efforts taken or being taken by CAL FIRE to improve its business management functions and services.

As part of its operating duties, we are responsible for following up on audit recommendations and will require a six-month status report on the implementation of each. To the extent that it is practicable, proof-of-practice and supporting documentation should explain/outline specific actions taken and include excerpts, samples, screenshots, and/or copies of documents and communications which demonstrate corrective measures employed to address each of our recommendations, consistent with CAL FIRE's individual formal responses to our draft report.