



MEMORANDUM

Date: August 30, 2023 File No.: 3124

To: **Armando Quintero**, Director
Department of Parks and Recreation
715 P Street, 14th Floor
Sacramento, CA 95814

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 Parks and Recreation (DPR). 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).

DPR's written response to our draft report is included in this final report. The report also includes our evaluation of the 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 March 1, 2024.

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 DPR'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.

We sincerely appreciated the cooperation and assistance provided by DPR'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, or Eric Kim, Management Auditor, at (279) 946-8635/Eric.Kim@dgs.ca.gov.

Dennis M Miras

DENNIS M. MIRAS, CIA
Manager, Office of Audit Services

Attachment

cc: Liz Mooney McGuirk, Chief Deputy Director, DPR
Crystal Flores, Assistant Deputy Director, DPR
Sylvia Ortega Hunter, Chief, Audits Office, DPR
Kristal Simpson, Chief, Business Management Services, DPR

**GOVERNMENT OPERATIONS AGENCY
DEPARTMENT OF GENERAL SERVICES**

**AUDIT OF THE
DEPARTMENT OF
PARKS AND RECREATION**

**FOR COMPLIANCE WITH STATE
BUSINESS MANAGEMENT POLICIES
REPORT NO. 3124**

OFFICE OF AUDIT SERVICES

JULY 2023

**DEPARTMENT OF PARKS AND RECREATION
(DPR)**

**COMPLIANCE AUDIT
REPORT NO. 3124**

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STATE OF CALIFORNIA
DEPARTMENT OF GENERAL SERVICES
AUDITOR'S REPORT

DATE: August 30, 2023

TO: **Armando Quintero**, Director
Department of Parks and Recreation

This report presents the results of our compliance audit of the business management functions and services of the Department of Parks and Recreation (DPR). These audits are routinely performed under the authority granted to the Department of General Services (DGS) by Government Code Sections 14615 and 14619. 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 is not limited to, compliance with policies governing fleet and travel services administration, small business and disabled veteran business enterprise usage, driver safety and insurance, surplus property, and real estate. Our audit was conducted in accordance with U.S. generally accepted auditing standards.

While in most areas we concluded that DPR 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 DPR in addressing these issues:

- DPR'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, the State Agency Defensive Driver Training Report is not being submitted to DGS annually as required.

During our review we also identified other matters requiring attention, but that did not pose a significant risk to the business management functions, which were discussed with DPR's management and are not further detailed in this report.

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, DPR's management took prompt actions to address our concerns. However, we did not perform effectiveness tests to determine whether the corrective actions were functioning as intended. DPR's management has the ongoing responsibility for ensuring that its business management 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 DPR's personnel.

If you need further information on or assistance with this report, please contact me at (916) 376-5064/Dennis.Miras@dgs.ca.gov, or Eric Kim, Management Auditor, at (279) 946-8635/Eric.Kim@dgs.ca.gov.

Dennis M Miras

DENNIS M. MIRAS, CIA
Manager, Office of Audit Services

Staff: Eric Kim, Management Auditor

cc: Liz Mooney McGuirk, Chief Deputy Director, DPR
Crystal Flores, Assistant Deputy Director, DPR
Sylvia Ortega Hunter, Chief, Audits Office, DPR
Kristal Simpson, Chief, Business Management Services, DPR

DEPARTMENT OF PARKS AND RECREATION

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 Department of Parks and Recreation (DPR) 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: annual certification and authorization to use privately owned vehicles on state business; attendance of a defensive driver training course by frequent drivers; and submission of an annual defensive driver training report.

This information was developed based on our fieldwork conducted over the period of March 29, 2023 through July 26, 2023. In addition to this written report, as findings were observed and developed during our audit fieldwork, DPR's management was promptly advised of any areas of concern so that they could begin taking corrective action. Further, during our July 26, 2023 audit exit conference, DPR 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 2022-23 fiscal year.

DRIVER SAFETY AND INSURANCE PROGRAM

DPR 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** – 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 tests, a current STD. 261 was not available for 11 (92%) of 12 employees included in our sample tests 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
- **Defensive Driver Training** – our review of a sample of 10 frequent drivers revealed that 5 (50%) 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.
 - **Annual State Agency DDT (Defensive Driver Training) Report** – DPR has not consistently submitted a defensive driver training report that is due to DGS by September 1 of each year (Management Memo 11-04). This report contains defensive driver training information for the preceding fiscal year, including data on the number of employees required to take the training for the reporting fiscal year and the number of employees completing the training.

In general, current policies and procedures not consistently enforced nor fully operating as intended were found to be contributing factors to the above conditions.

Recommendations

1. 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. This process should include periodic notifications to managers/supervisors regarding of their responsibilities for ensuring the completion and updating of the form.

2. Periodically reemphasize or otherwise provide reminders to operating unit managers/supervisors of 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.
3. Implement policies and procedures which will ensure the DDT report is accurately prepared and submitted to DGS by September 1 of each year.

CONCLUSION

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



Date: August 22, 2023

To: Andy Won, Deputy Director
Office of Audit Services
Department of General Services
707 3rd Street, 8th Floor
West Sacramento, CA 95605

Subject: Responses to Draft Audit Report: Compliance with State Business Management Policies

Thank you for the opportunity to respond to the draft audit report. The Department of Parks and Recreation (State Parks) welcomes the oversight of your office and is committed to ensuring that our business management policies fully comply with state requirements per your audit findings.

State Parks agrees with all findings. We have taken or will take the following actions:

1. **Recommendation #1:** 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. This process should include periodic notifications to managers/supervisors regarding their responsibilities for ensuring the completion and updating of the form.

State Parks Response #1: DPR is working to strengthen current policies and procedures to ensure compliance with the annual update of the STD 261. DPR will ensure notifications are sent out periodically throughout the year. A recent notification was issued July 2023.

2. **Recommendation #2:** Periodically reemphasize or otherwise provide reminders to operating unit managers/supervisors of 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.


State Parks Response #2: DPR's Training Office to annually emphasize or otherwise provide reminders to employees, as well as their supervisors, who frequently drive on state business, through our Learning Management to attend an approved defensive driver training course at least once every four years. A recent notification was issued in July 2023. This requirement will also be included in a newly developed Onboarding Reference Guide for both Employees and Supervisors/Managers.

- 3. **Recommendation #3:** Implement policies and procedures which will ensure the DDT report is accurately prepared and submitted to DGS by September 1 of each year.

State Parks Response #3: DPR’s Training Office will implement policies and procedures, which will ensure the DDT report is accurately prepared and submitted to DGS by September 1st of each year.

Thank you again for identifying these findings and for your recommendations. Please do not hesitate to contact me should you have any further questions.

Sincerely,

DocuSigned by:

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Kristal Simpson, Chief Business Management Services

- cc: Armando Quintero, Director
 Liz Mooney McGuirk, Chief Deputy Director
 Crystal Flores, Acting Administrative Services Deputy Director
 Tara Lynch, Chief Legal Counsel
 Sylvia Ortega Hunter, Chief Audits Office

**DEPARTMENT OF PARKS AND RECREATION
(DPR)**

EVALUATION OF DPR'S RESPONSE

We have reviewed the response by the Department of Parks and Recreation (DPR) to our draft audit report. The response to the recommendations is satisfactory and we appreciate the efforts taken and/or planned by DPR 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 DPR's individual formal responses to our draft audit.