



MEMORANDUM

Date: July 7, 2023 File No.: 3120

To: **Eileen Sobeck**, Executive Director
State Water Resources Control Board
1001 I Street, 25th 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 State Water Resources Control Board (SWRCB). 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).

SWRCB'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 to us by January 8, 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 SWRCB'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 SWRCB'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 Larisa Samoylovich, Management Auditor, at (279) 799-3730/Larisa.Samoylovich@dgs.ca.gov.

Dennis M Miras

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

Attachment

cc: John Russell, Deputy Director, SWRCB
Eric Lau, Assistant Deputy Director, SWRCB
James Bradley, Chief, Business Operations, SWRCB

**GOVERNMENT OPERATIONS AGENCY
DEPARTMENT OF GENERAL SERVICES**

**AUDIT OF THE
CALIFORNIA STATE WATER
RESOURCES CONTROL BOARD**

**FOR COMPLIANCE WITH STATE
BUSINESS MANAGEMENT POLICIES
REPORT NO. 3120**

OFFICE OF AUDIT SERVICES

MAY 2023

**CALIFORNIA STATE WATER RESOURCES CONTROL BOARD
(SWRCB)**

**COMPLIANCE AUDIT
REPORT NO. 3120**

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STATE OF CALIFORNIA
DEPARTMENT OF GENERAL SERVICES
AUDITOR'S REPORT

DATE: July 7, 2023

TO: **Eileen Sobeck**, Executive Director
State Water Resources Control Board

This report presents the results of our compliance audit of the business management functions and services of the California State Water Resources Control Board (SWRCB). 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 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, and real estate. Our audit was conducted in accordance with U.S. generally accepted auditing standards.

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

- SWRCB's fleet management and travel services programs are not ensuring full compliance with state policies and procedures, including the: (1) reporting of fleet asset usage information into DGS' Fleet Asset Management System in a consistent, accurate and timely manner; (2) compliance with the State Fleet Card Program; (3) storage of state vehicles at employees' residences are justified and properly authorized; and (4) completion of a justification form when renting a vehicle at a rate higher than the contracted rate.

- SWRCB'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.
- Contracting program policies and procedures are not ensuring that contractor evaluations (STD. Form 4) are completed and maintained within 60 days of the completion of consulting services contracts of \$5,000 or more.
- Surplus personal property policies and procedures are not ensuring that: (1) sufficient documentation is maintained on the process used to dispose of surplus personal property; (2) dispositions of property are approved ahead of time and certified afterwards; (3) a Property Survey Board is duly appointed; and (4) guidelines are established and followed for the use of warehouse space managed by SWRCB.

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 SWRCB'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, SWRCB'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 the corrective actions were functioning as intended. SWRCB'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 SWRCB'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 Larisa Samoylovich, Management Auditor, at (279) 799-3730/Larisa.Samoylovich@dgs.ca.gov.

Dennis M Miras

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

Staff: Larisa Samoylovich, Management Auditor

cc: John Russell, Deputy Director, SWRCB
Eric Lau, Assistant Deputy Director, SWRCB
James Bradley, Chief, Business Operations, SWRCB

CALIFORNIA STATE WATER RESOURCES CONTROL BOARD

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 State Water Resources Control Board (SWRCB) 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: administration of fleet and travel management operations; driver safety and insurance program; contracting for services; and disposition of surplus personal property.

This information was developed based on our fieldwork conducted over the period of October 11, 2022 through May 2, 2023. In addition to this written report, as findings were observed and developed during our audit fieldwork, SWRCB's management was promptly advised of any areas of concern so that they could begin taking corrective action. Further, during our May 2, 2023 audit exit conference, SWRCB 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 2021-22 and 2022-23 fiscal years.

FLEET MANAGEMENT AND TRAVEL SERVICES PROGRAMS

SWRCB needs to strengthen its oversight of the department's fleet and travel services programs. Specifically, the following areas need further attention:

- ***Fleet Asset Management System (FAMS) Reporting***¹ – SWRCB'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.

¹ These conditions previously existed and were included in our Compliance Audit Report to SWRCB dated September 2017

We found that SWRCB (which at the time of our audit field work had a fleet of 156 owned and leased vehicles) was not correctly updating information into FAMS on a monthly basis. This has led to an increasing number of FAMS Data Gaps over the last few years, currently totaling 259 data gaps and 302 usage gaps. As a result, SWRCB is not meeting OFAM reporting requirements.

SAM (State Administrative Manual) Sections 4120.1 and 4125 require state agencies to update their fleet asset information into FAMS monthly, including fuel and utilization data. This is necessary 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.

It must be noted that responsible fleet management personnel had been aware of the above condition and have been working with OFAM to address this issue. According to SWRCB management, not having fully transitioned into FISCAL and a shortage of staff have contributed to the above noted concern.

- **State Fleet Card Program**¹ – SWRCB needs to more actively enforce its current policies and procedures to ensure the satisfactory control of all its state fleet cards. Fleet cards are primarily used by state employees to purchase fuel for vehicles used for official state business. Briefly, 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 51 employees with frequent access to using a state fleet card revealed that 10 (20%) did not have a signed fleet card user agreement on file prior to our request, acknowledging they understand the policies and procedures regarding usage; 5 (10%) of these did later sign the agreement subsequent to our request during testing.

The State Fleet Card Program requires that participating departments comply with several requirements including: (1) implementing written oversight procedures; (2) designating a coordinator to closely manage the use of the program; (3) submitting to OFAM 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.

It is clear that current policies and procedures are not fully operating as intended.

- **Vehicle Home Storage Permits** – SWRCB has not implemented policies and procedures to adequately manage its Vehicle Home Storage Permits (VHSPs) and certification program as outlined in SAM Section 4109. A VHSP is required for any employee who stores a state vehicle at or in the vicinity of his/her home on a frequent basis.

Specifically, our review of all seven VHSPs that SWRCB had in place resulted in the following:

- Six (86%) did not meet the justification criteria of “essential or cost-effective”.
- Five (71%) were expired and had not been renewed and approved by a “department head, deputy, or chief administrative officer” as required.
- SWRCB did not submit an annual certification to DGS for the most recent 2022 reporting period (OFAM STD. 162 - VHSP Certification Form).

SWRCB personnel explained that the seven VHSPs were issued during the “COVID-19” pandemic due to insufficient safe and secure parking at the affected district offices where these vehicles would normally be parked, resulting in excessive and/or repeated vandalism; while understandable, these are not justifiable reasons based on VHSP requirements and related instructions. We encourage SWRCB to work with OFAM to seek an exemption based on the above circumstances if these conditions persist.

- **Rental Car Usage Compliance** ¹ – SWRCB’s policies and procedures are not ensuring that an SCO Justification Form is being completed for those rental car transactions that exceed the daily or weekly contracted rate. Our review of 11 transactions revealed five (45%) car rentals that exceeded the state contracted rate; however, a justification form was not on file as required by current travel notices. DGS Travel Bulletin 21-01 requires employees to obtain supervisory approval prior to renting a vehicle larger than the intermediate size by using the SCO Justification Form, which then needs to accompany the invoice to SCO for payment.

It is evident that supervisors/managers are not consistently enforcing appropriate use of the justification form when required.

Recommendations

1. Continue to work with DGS OFAM and FI\$Cal to record all fleet asset information on a monthly basis as required. This will assist the department in staying current with FAMS reporting and will aid in addressing the number of vehicle information and usage gaps that presently exist.
2. Update as needed and reinforce existing policies and procedures that will ensure the adequate control of all State Fleet Cards, including requiring all card users to sign the agreement addressing compliance with usage policies and procedures.
3. Develop and disseminate policies and procedures that will ensure the adequate management and reporting of Vehicle Home Storage Permits (VHSPs) in accordance with SAM Section 4109. Additionally, work with OFAM to seek an exemption based on any special circumstances which may exist. These actions should address all of the weaknesses noted above within the VHSPs section.
4. Update current policies and procedures to ensure the SCO Justification Form is completed and submitted with the invoice when rental car transactions exceed the daily or weekly contracted rate. Management personnel and their staff should be reminded of the need to complete the form and obtain prior supervisory approval as warranted.

DRIVER SAFETY AND INSURANCE PROGRAM ¹

SWRCB 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 nine (43%) of 21 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

Apparently, supervisors/managers/staff are not prioritizing this once-a-year process.

Recommendation

5. 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 notification(s) to managers/supervisors regarding their responsibilities for ensuring the completion and updating of the form.

CONTRACTING PROGRAM

Overall, we determined that SWRCB was conducting its contracting program in compliance with state requirements. However, our sample tests of the various types of contracts ² processed disclosed one area for improvement that needs to be addressed to fully comply with the state's service contracting requirements. These requirements are primarily contained in Consolidated State Contracting Manual (SCM) Volume 1.

Current policies and procedures are not ensuring that contractor evaluations are performed. Our test of a sample of five completed consulting services contracts disclosed that no contract evaluations were completed for any of the sampled contracts.

² The types of contracts tested for compliance included both contracts subject to DGS review and approval (generally contracts of an amount of \$50,000 or more) and those delegated to SWRCB to directly execute (generally contracts of an amount under \$50,000).

As provided in SCM Volume 1, Section 3.02.5, a Contract/Contractor Evaluation form (STD. 4), must be prepared within 60 days of the completion of a consulting service contract valued at \$5,000 or more. This form is used to document the performance of a contractor in doing the work or in delivering the services for which the contract was awarded.

Public Contract Code Sections 10367 through 10370 provide that post-evaluations shall be performed and maintained in the file at the offices of the awarding state agency for a period of 36 months following contract completion. Further, a copy of any unsatisfactory evaluation is to be sent to the contractor within 15 days and to the DGS - Office of Legal Services within 5 days of completion of the evaluation.

Lack of staff awareness of applicable contracting rules and regulations while processing these kinds of transactions contributed to the above condition.

Recommendation

6. Implement policies and procedures which ensure that contractor performance evaluations are completed for consulting services contracts of \$5,000 or more. This process should ensure that contract managers are periodically reminded of their responsibility for completing the evaluations.

DISPOSAL OF SURPLUS PERSONAL PROPERTY

Policies and procedures have not been properly implemented which ensure that sufficient documentation is maintained on the process used to dispose of surplus personal property. Our tests of a sample of 13 property survey reports (STD. 152) processed during the 2022-23 fiscal year disclosed a number of areas for improvement that need to be addressed to fully comply with state-owned surplus personal property requirements.

The types of exceptions noted included the following weaknesses involving property disposal practices (applicable criteria provided) [applicable exception/deviation rate noted]:

- No completed certification of disposition or back-up documentation on file. As a result, we were unable to verify the date of disposition; if it was completed timely (ie: within 30 days); and/or who the items were donated to. (SAM Section 3520.9 and STD. 152 Instructions) [69%]

- No duly appointed Property Survey Board that, among other things, approves all surplus personal property disposals and is responsible for determining that (when disposing of surplus property) the decision to do so serves the best interests of the state. (SAM Section 3520.2)
- Policies and procedures have not been established for the use of the warehouse space SWRCB manages in Northern and Southern California. (Management Memo 13-08)

It appears that these above noted conditions exist due to a general lack of: established policies and procedures to follow; experience, knowledge, and awareness of all applicable requirements; and resources (ie: staff).

Recommendation

7. Strengthen existing, implement additional, and disseminate all surplus personal property program policies and procedures which will ensure that complete documentation is maintained on the approval, status, and method used to dispose of surplus personal property departmentwide. These measures should include, but not be limited to, the: formal appointment of a Property Survey Board, memorialized in writing; manner and date of disposals be certified in writing; timely and authorized disposal of all property being surplus; and development of and adherence to warehouse space utilization guidelines.

CONCLUSION

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



State Water Resources Control Board

June 28, 2023

Mr. Dennis M. Miras, CIA
Office of Audit Services
Department of General Services
707 3rd Street, 8th Floor
West Sacramento, CA 95605

Dear Mr. Miras,

The State Water Resources Control Board (Water Board) has reviewed the draft report of the Department of General Services, Office of Audit Services (DGS, OAS) compliance audit review. We agree with the findings and recommendations. Below are the corrective measures to remedy the noted deficiencies in our business management program. We appreciate the time and collaboration the DGS OAS Auditor had with Board staff and management during the audit review as it was instrumental in providing further improvements to our business management functions and services of the Water Board.

We submit the following responses to address the recommendations by DGS, OAS. We plan to implement all of the solutions identified below within the next six to eight months.

Fleet Management and Travel Program

Recommendation # 1: Continue to work with DGS Office of Fleet and Asset Management (OFAM) and FI\$Cal to record all fleet asset information on a monthly basis as required. This will assist the department in staying current with Fleet Asset Management System (FAMS) reporting and will aid in addressing the number of vehicle information and usage gaps that presently exist.

Response: The Water Board is establishing written policies and procedures to update FI\$Cal with fleet asset information monthly. The Water Board's fleet liaison will gather all the monthly mileage reports for all owned vehicles and input into FAMS monthly to remain current.

E. JOAQUIN ESQUIVEL, CHAIR | EILEEN SOBEEK, EXECUTIVE DIRECTOR

Recommendation # 2: Update as needed and reinforce existing policies and procedures that will ensure the adequate control of all State Fleet Cards, including requiring all card users to sign the agreement addressing compliance with usage policies and procedures.

Response: The Water Board will establish guidelines and send reminders as needed to fleet liaisons to maintain current documentation. The Water Board is developing policies outlining that the Fleet Card User Agreement (FCUA) will be in the onboarding packet of forms for all new employees. New employees will be required to complete this form unless their manager explicitly states they will never drive a state vehicle.

Recommendation # 3: Develop and disseminate policies and procedures that will ensure the adequate management and reporting of Vehicle Home Storage Permits (VHSPs) in accordance with the State Administrative Manual (SAM) Section 4109.

Additionally, work with OFAM to seek an exemption based on any special circumstances which may exist. These actions should address all of the weaknesses noted above within the VHSPs section.

Response: The Water Board will establish written policies and procedures to ensure the adequate management and reporting of VHSPs in accordance with SAM Section 4109. The Water Board's fleet coordinator will have an annual practice of:

- Checking all current VHSPs during the first week of December.
- Reaching out to all current VHSP holders to see if business needs require them to renew.
- Ensuring all renewals are signed and filed by January 1st.
- Allowing existing VHSPs to expire if there is no longer a business need.

The Water Board will work with OFAM to seek an exemption based on special circumstances which may exist for any of the VHSPs that we currently hold.

Recommendation # 4: Update current policies and procedures to ensure the State Controller's Office (SCO) Justification Form is completed and submitted with the invoice when rental car transactions exceed the daily or weekly contracted rate.

Management personnel and their staff should be reminded of the need to complete the form and obtain prior supervisory approval as warranted.

Response: The Water Board will update our procedures to clearly convey the requirement for the Short-Term Vehicle Justification Form (OFAM 100) to be completed and approved prior to staff booking a vehicle in Concur when appropriate. This was one

of the main topics our Travel Unit discussed in the quarterly Administrative Officer Meeting held in May 2023. A PowerPoint presentation of this discussion will be published on our Travel Intranet page, and we plan to hold regular trainings on this in the future. We also plan to send out noncompliance email reminders to staff, their direct supervisor, and their management whenever this requirement is not met.

Driver Safety and Insurance Program

Recommendation # 5: 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 notification(s) to managers/supervisors regarding their responsibilities for ensuring the completion and updating of the form.

Response: To strengthen our current STD 261 policies, the Water Board has implemented bi-annual checks of all STD 261 forms. Annually, every May and November the Water Board's fleet coordinator will remind managers to submit documentation stating their team is within compliance with all STD 261s.

Contracting Program

Recommendation # 6: Implement policies and procedures which ensure that contractor performance evaluations are completed for consulting services contracts of \$5,000 or more. This process should ensure that contract managers are periodically reminded of their responsibility for completing the evaluations.

Response: The Water Board's Contract management team is conducting a training workshop to train our contract managers on how, when, and who to submit their Contractor Evaluations. The Contract support unit is adding this as an item to follow-up, track, and collect these evaluation forms to their Standard Operating Procedures to ensure we are compliant. Since this finding, we have created a file separate from our contract files to store these evaluations. The added operations will strengthen the knowledge of current policies and procedures to ensure compliance with the contracting Criteria, specifically:

- State Contracting Manual Volume 1 Section: 3.02.5
- Public Contracting Codes: 10367, 10369 (f), and 10370

Disposal of Surplus Personal Property

Recommendation # 7: Strengthen existing, implement additional, and disseminate all surplus personal property program policies and procedures which will ensure that complete documentation is maintained on the approval, status, and method used to dispose of surplus personal property departmentwide. These measures should include, but not be limited to, the: formal appointment of a Property Survey Board, memorialized

in writing; manner and date of disposals to be certified in writing; timely and authorized disposal of all property being surplus; and development of and adherence to warehouse space utilization guidelines.

Response: The Water Board will establish written policies and procedures according to SAM sections 3520.1, 3520.2, and 3520.3. The Water Boards will submit to the State Surplus Personal Property Inventory a Property Survey Report (STD 152) as needed. Once direction and approval for the submitted STD 152 is received, the timely method of disposal will be tracked and signed. A Property Survey Board will be established that is a sufficient number to represent both business management and program responsibilities.

The Water Board is using the resources found in SAM MM13-08 as well as SAM sections, 3535, 8650.1, 8650.2, and 8652 to establish and strengthen existing warehouse space utilization guidelines and policies that describe what categories of items are authorized for storage in a warehouse, and length of time they should be stored and also establishing a contact list of those employees tasked with sending items to and/or tracking items in the warehouse. The Water Board is developing an inventory review schedule and documenting processes for required periodic review. Further, the Water Board will analyze the ongoing business need for continued storage usage and consider opportunities to reduce unneeded space through cooperation with other agencies on a temporary or ongoing basis.

Finally, the Water Board is committed to conducting its business management functions and services in compliance with DGS's policies. We will continue to take actions to improve and monitor business management functions to ensure compliance with all applicable state laws, policies and procedures.

If you have further questions or need assistance, please contact James M. Bradley, Business Operations Branch Chief, at (916) 341-5058 or via email at James.Bradley@waterboards.ca.gov.

Sincerely,



John Russell
Deputy Director
Division of Administrative Services

cc: Eileen Sobek
Executive Director
State Water Resources Control Board

Eric Oppenheimer
Chief Deputy Director
State Water Resources Control Board

Eric Lau
Assistant Deputy Director
Division of Administrative Services

James M. Bradley
Chief, Business Operations Branch
Division of Administrative Services

Eric Jarvis
Assistant Secretary
California Environmental Protection Agency, Fiscal and Admin Programs

CALIFORNIA STATE WATER RESOURCES CONTROL BOARD (SWRCB)

EVALUATION OF SWRCB'S RESPONSE

We have reviewed the response by the State Water Resources Control Board (SWRCB) to our draft audit report. The response to the recommendations is satisfactory and we appreciate the efforts taken and/or planned by SWRCB 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 SWRCB's individual formal responses to our draft audit.