



MEMORANDUM

Date: September 5, 2012

File No.: 0123

To: J. A. Farrow, Commissioner
California Highway Patrol
P.O. Box 942898
Sacramento, CA 94298-0001

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 California Highway Patrol (CHP). 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.

As noted in the report, we concluded that the CHP is conducting its business management functions and services in compliance with State requirements.

We greatly appreciated the cooperation and assistance provided by the CHP's personnel.

If you have any questions, please call me at (916) 376-5058, or Dennis Miras, Audit Supervisor, at (916) 376-5064.

A handwritten signature in black ink, appearing to read 'Rick Gillam', is written in a cursive style.

RICK GILLAM, CPA, CIA
Chief, Office of Audit Services

Attachment

cc: R. Y. Ikemoto, Inspector General
Erik Knudsen, Chief, Administrative Services Division
Paul Schroeder, Captain, Office of Inspector General
Dennis Boyle, Senior Management Auditor, Office of Inspector General

**STATE AND CONSUMER SERVICES AGENCY
DEPARTMENT OF GENERAL SERVICES**

**AUDIT OF THE
CALIFORNIA
HIGHWAY PATROL**

**FOR COMPLIANCE WITH STATE
BUSINESS MANAGEMENT POLICIES
REPORT NO. 0123**

OFFICE OF AUDIT SERVICES

APRIL 2011

**CALIFORNIA HIGHWAY PATROL
COMPLIANCE AUDIT
REPORT NO. 0123**

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STATE OF CALIFORNIA
DEPARTMENT OF GENERAL SERVICES
AUDITOR'S REPORT

DATE: September 5, 2012

TO: **J. A. FARROW**, Commissioner
California Highway Patrol

This report presents the results of our compliance audit of the business management functions and services of the California Highway Patrol (CHP). 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 the DGS.

As applicable, the scope of our audits of State agencies includes, but is not limited to, compliance with policies governing contracting, fleet administration, small business and disabled veteran business usage, driver safety and insurance, records and forms management, surplus property and real estate. Our audit was conducted in accordance with U.S. generally accepted auditing standards.

Based on the results of our fieldwork conducted over the period June 23, 2010 through April 7, 2011, we concluded that the CHP is conducting its business management functions and services in compliance with State requirements.

During our review we identified a number of areas for improvement with the CHP's policies and procedures. These matters included our concerns that business management policies and procedures were not ensuring the: (1) verification of the accuracy of car rental charges; (2) timely reporting of motor vehicle accidents; (3) completion and annual update of a vehicle certification form by employees who use their own vehicle to conduct State business; and, (4) maintenance of up-to-date records retention schedules.

Prior to the completion of our audit, we verified that appropriate actions had been or were being taken to address the above issues. Therefore, they are not further discussed in this report. We were pleased with the prompt actions taken by the CHP to address findings identified during our audit fieldwork.

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 2009/10 and 2010/11 fiscal years.

We greatly appreciated the cooperation and assistance provided by the CHP's personnel.

If you need further information or assistance on this report, please contact me at (916) 376-5058, or Dennis Miras, Audit Supervisor, at (916) 376-5064.



RICK GILLAM, CPA, CIA
Chief, Office of Audit Services

Staff: Dennis Miras, Audit Supervisor
Rhonda Owen
Miriam Stevens

cc: R. Y. Ikemoto, Inspector General
Erik Knudsen, Chief, Administrative Services Division
Paul Schroeder, Captain, Office of Inspector General
Dennis Boyle, Senior Management Auditor, Office of Inspector General