



MEMORANDUM

Date: March 30, 2017

File No.: 7122

To: David Bunn, Director
Department of Conservation
801 K Street
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 Conservation (DOC). 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).

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

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

If you need further information or assistance on this report, please contact me at (916) 376-5064, or Susan Mitchel, Management Auditor, at (916) 376-1909.

Dennis M Miras

DENNIS M MIRAS, CIA
Supervisor, Office of Audit Services

Attachment

cc: Jason Marshall, Chief Deputy Director
Clayton Haas, Deputy Director
Ryan Pressley, Manager, Business Services Office
Judy Morita-Joe, Accounting Administrator
Brian Lacey, Manager, Performance Review Unit

**GOVERNMENT OPERATIONS AGENCY
DEPARTMENT OF GENERAL SERVICES**

**AUDIT OF THE
DEPARTMENT OF CONSERVATION**

**FOR COMPLIANCE WITH STATE
BUSINESS MANAGEMENT POLICIES
REPORT NO. 7122**

OFFICE OF AUDIT SERVICES

JANUARY 2017

**DEPARTMENT OF CONSERVATION
COMPLIANCE AUDIT
REPORT NO. 7122**

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STATE OF CALIFORNIA
DEPARTMENT OF GENERAL SERVICES
AUDITOR'S REPORT

DATE: March 30, 2017

TO: **DAVID BUNN**, Director
Department of Conservation

This report presents the results of our compliance audit of the business management functions and services of the Department of Conservation (DOC). 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 our audits of state agencies includes, but is not limited to, compliance with policies governing contracting, fleet administration, small business (SB) and disabled veteran business enterprises (DVBE) usage, driver safety and insurance, surplus property and real estate. Our audit was conducted in accordance with U.S. generally accepted auditing standards.

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 2016/17 fiscal year.

Based on the audit results of our fieldwork conducted over the period September 16, 2016 through January 26, 2017 we concluded that DOC is conducting its business management functions and services in compliance with state requirements. However, we did identify two areas for improvement with those functions and services which involved DOC's business management policies and procedures not ensuring submission of the Annual State Fleet Card Certification to DGS and completion of the Fleet Card User Agreement.

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 are pleased with the prompt actions taken by DOC to address findings identified during our audit fieldwork. However, we did not perform effectiveness tests to determine whether the corrective actions were functioning as intended. The DOC'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.

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

If you need further information or assistance on this report, please contact me at (916) 376-5064, or Susan Mitchel, at (916) 376-1909.

Dennis M Miras

DENNIS M MIRAS, CIA
Supervisor, Office of Audit Services

Staff: Susan Mitchel, Management Auditor

cc: Jason Marshall, Chief Deputy Director
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