



MEMORANDUM

Date: May 2, 2018 File No.: 8127

To: Karen Ross, Secretary
California Department of Food and Agriculture
1220 N 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 California Department of Food and Agriculture (CDFA). 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 CDFA is conducting its business management functions and services in compliance with state requirements.

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

If you need further information or assistance on this report, please call / e-mail me at (916) 376-5064 / Dennis.Miras@dgs.ca.gov, or Susan Mitchel, Management Auditor, at (916) 376-1909 / Susan.Mitchel@dgs.ca.gov.

Dennis M Miras

DENNIS M MIRAS, CIA
Manager, Office of Audit Services

Attachment

cc: Kari Morrow, Director, Division of Administrative Services
Lance Simmons, Branch Chief, Departmental Services
Glenn Medrano, Manager, Building and Property Management Unit

**GOVERNMENT OPERATIONS AGENCY
DEPARTMENT OF GENERAL SERVICES**

**CALIFORNIA DEPARTMENT OF
FOOD AND AGRICULTURE**

**FOR COMPLIANCE WITH STATE
BUSINESS MANAGEMENT POLICIES
REPORT NO. 8127**

OFFICE OF AUDIT SERVICES

MARCH 2018

**CALIFORNIA DEPARTMENT OF
FOOD AND AGRICULTURE
COMPLIANCE AUDIT
REPORT NO. 8127**

TABLE OF CONTENTS

	<u>PAGE</u>
AUDITOR'S REPORT.....	1

STATE OF CALIFORNIA
DEPARTMENT OF GENERAL SERVICES
AUDITOR'S REPORT

DATE: May 2, 2018

TO: **KAREN ROSS**, Secretary
California Department of Food and Agriculture

This report presents the results of our compliance audit of the business management functions and services of the California Department of Food and Agriculture (CDFA). 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 fleet administration, 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 2017/18 fiscal year.

Based on the audit results of our fieldwork conducted over the period January 17, 2018 through March 22, 2018 we concluded that in most areas CDFA is conducting its business management functions and services in accordance with state requirements. We did though, identify the following areas for improvement:

- CDFA's driver safety and insurance processes are not ensuring that: 1) frequent drivers attend a defensive driver training course once every four years; and, 2) all accidents are reported to the DGS' Office of Risk and Insurance Management within the required 48-hour time frame.

Based on our discussions with CDFA staff and the immediate corrective action taken, the above areas requiring improvement will not be further discussed in this report. In addition, during our review we also identified other matters requiring attention that we discussed with CDFA's management but are not included in this report.

We are pleased with how receptive and responsive CDFA staff and management were to our suggestions for improvement and with the prompt actions taken to address issues identified and discussed during our audit fieldwork. However, we did not perform subsequent effectiveness tests to determine whether the corrective actions were functioning as intended. CDFA'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 CDFA'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
Manager, Office of Audit Services

Staff: Susan Mitchel, Management Auditor

cc: Kari Morrow, Director, Division of Administrative Services
Lance Simmons, Branch Chief, Departmental Services
Glenn Medrano, Manager, Building and Property Management Unit