



# MEMORANDUM

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**Date:** January 4, 2022 File No. 2166

**To:** **Jared Blumenfeld**, Secretary  
California Environmental Protection Agency  
1001 I Street  
Sacramento, CA 95814

**From:** **Department of General Services**  
**Office of Audit Services**

**Subject:** **AUDIT REPORT: CONTRACTING PROGRAM**

This report presents the results of our audit of the California Environmental Protection Agency's (CalEPA) contracting program. On October 30, 2019, the Director of the Department of General Services (DGS) signed Exemption Letter No. CalEPA 1 which granted CalEPA's request to process contracts without DGS review and approval. In brief, subject to a number of limitations, the exemption allows various types of contracts under \$150,000 to be processed without DGS review and approval during the four-year period of November 1, 2019 through October 31, 2023. As a condition of the exemption, two audits are required to be performed of CalEPA's contracting program during the four-year exemption period. Based on CalEPA's request, DGS' Office of Audit Services agreed to conduct the first audit required under the terms of the exemption.

The objective of our audit was to determine compliance with the terms and conditions of Exemption Letter No. CalEPA 1. In general, the exemption requires that CalEPA maintain an adequate and effective system of internal control over contracting and that the system be sufficient to ensure compliance with the state's contracting laws, policies, and procedures. Our audit was conducted in accordance with U.S. generally accepted auditing standards.

Based on the results of our fieldwork conducted over the period July 7, 2021 through December 10, 2021, we concluded that CalEPA is conducting its contracting program in compliance with the terms and conditions of its exemption. CalEPA's contracting policies and procedures are sufficient to provide reasonable assurance of compliance with the state's contracting laws, policies, and procedures.

Jared Blumenfeld, Secretary

To determine compliance, we reviewed policies and procedures, tested a sample of contracts awarded during the 2019-20 and 2020-21 fiscal years, interviewed parties involved and performed other tests as deemed necessary.

We sincerely appreciated the cooperation and assistance provided by CalEPA'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](mailto:Dennis.Miras@dgs.ca.gov), or Eric Kim at (916) 376-5071/[Eric.Kim@dgs.ca.gov](mailto:Eric.Kim@dgs.ca.gov).

*Dennis M Miras*

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