COMPREHENSIVE EXTERNAL COMPLIANCE AUDITS

The following information provided below highlights program areas within a department's business and management functions that are subject to be audited for ensuring that state policies are followed.

CONTRACTING PROGRAM

SURVEY

- To gather information needed to conduct audit tests.
- To identify internal control weakness and areas of non-compliance.
- To document the system as needed for understanding.
- To identify issues that may influence testing or audit emphasis.
- To determine the audit resources needed to complete the tests in this section of the audit.

TEST FOR DGS APPROVAL & APPROVED CONTRACTS COMPLIANCE

- To determine that the contracts are being approved.
- To determine whether amendments are being submitted for approval.
- To determine the effectiveness of controls for timely submission of contracts and compliance with criteria not determinable by DGS at the time of approval.

TEST OF DELEGATED CONTRACTS

- To determine the effectiveness of controls for ensuring compliance of sampled contracts with applicable contracting criteria.

TEST OF SMALL DOLLAR VALUE CONTRACTS

- To assess whether small dollar service orders or service authorizations are being used to bypass applicable contracting requirements. Specifically, contracts should normally contain applicable contract language and follow advertising and competitive bidding processes. For service orders or service authorizations that fall within the DGS categorical exemption amount where competition is waived, verify compliance with informal competition guidelines.

TEST OF INTERAGENCY AGREEMENTS

- To determine if interagency agreements comply with the criteria applicable to such agreements.

TEST OF PAYMENTS versus AGREEMENTS

- To determine if the services being paid per the invoice(s) are in accordance with the agreements.

TEST OF ACQUISITIONS OF SERVICES PAID BY CAL-CARD

- To determine if services paid by charges on the CAL-Card are acquired in accordance with applicable contracting criteria.
- To determine if the CAL-Card service transactions are being split to avoid dollar limits.

TEST OF DISABLED VETERAN BUSINESS ENTERPRISES (DVBE) SUB-CONTRACTOR USAGE

- To determine that policies and procedures are in place to ensure that contractors are reporting the actual percentage of DVBE sub-contracting usage within the allowable time frame from receiving final payment under the contract.

FLEET and TRAVEL SERVICES MANAGEMENT

SURVEY

- To gather information needed to conduct audit tests.
- To identify internal control weakness and areas of non-compliance.
- To document the system as needed for understanding.
- To identify issues that may influence testing or audit emphasis.
- To determine the audit resources needed to complete the tests in this section of the audit.

TEST OF FAMS REPORTING

- To determine if the agency has accurately reported all fleet assets and monthly data to Office of Fleet and Asset Management (OFAM) via the Fleet Asset Management System (FAMS).
- To verify that the agency is in compliance with timey reporting requirements per OFAM.

TEST OF THE STATE FLEET CARD PROGRAM

- To determine whether departments have implemented appropriate controls to effectively administer the Fleet Card Program.

TEST OF VEHICLE USERS AND STORAGE

- To determine whether state vehicles are being stored at employees' homes without authorization.

TEST OF RENTAL CAR USAGE COMPLIANCE

- To determine whether departments are obtaining OFAM approval for rental car leases over the allowable period of time.
- To determine whether departments are completing the required documentation for vehicles that exceed the daily contract rate.
- To ensure departments are not circumventing OFAM rules regarding vehicle acquisition by going around the car rental contract (currently approved rental car vendor).

- To ensure departments are not adding vehicles to their inventory through long-term leases.

TEST OF STATEWIDE TRAVEL

- To determine whether departments are making all required travel arrangements through the DGS Statewide Travel Program (STP).

TEST OF TELEMATICS

- To verify the department has installed telematic services on state owned department fleet and determine if the department has implemented effective controls to manage the service.

SMALL BUSINESS and DISABLED VETERAN BUSINESS ENTERPRISES PARTICIPATION

SURVEY

- To gather information needed to conduct audit tests.
- To identify internal control weakness and areas of non-compliance.
- To document the system as needed for understanding.
- To identify issues that may influence testing or audit emphasis.
- To determine the audit resources needed to complete the tests in this section of the audit.

TEST OF SMALL BUSINESS & DISABLED VETERAN BUSINESS ENTERPRISES PARTICIPATION PROGRAMS

- To determine compliance with SB/DVBE reporting requirements.

REAL ESTATE RELATED TRANSACTIONS

SURVEY

- To gather information needed to conduct audit test.
- To identify internal control weakness and areas of non-compliance.
- To document the system as needed for understanding.
- To identify issues that may influence testing or audit emphasis.
- To determine the audit resources needed to complete the test in this section of the audit.

TEST OF REAL ESTATE RELATED DELEGATIONS

- To determine compliance with delegated authority (in both time and value) that may have been granted by the Real Estate Services Division (RESD).
- To verify non-delegated leases initiated by RESD.
- To determine approval of requests for other RESD services (cubicles/alterations).

TEST OF PUBLIC WORKS PROJECTS AND FORM 23S

- To determine the department is obtaining proper RESD approval through the required process for applicable public works projects.
- To ensure the department is obtaining the State Fire Marshall Certificate of Occupancy for completed public works projects.

TEST OF DIRECT LEASES

- To verify that RESD is negotiating all state-owned building leases with private entities.

DRIVER SAFETY and ACCIDENT REPORTING

SURVEY

- To gather information needed to conduct audit tests.
- To identify internal control weakness and areas of non-compliance.
- To document the system as needed for understanding.
- To identify issues that may influence testing or audit emphasis.
- To determine the audit resources needed to complete the tests in this section of the audit.

TEST OF ACCIDENT REPORTING

- To determine if vehicle accidents are being promptly reported and reviewed by management/supervisors.

TEST OF STATE DRIVER REQUIREMENTS

- To determine compliance with SAM for employees who drive on state business. This includes whether employees who frequently drive on state business have attended defensive drivers training; whether employees driving their own vehicles on state business have been authorized to do so; and whether employees are enrolled in the Department of Motor Vehicle (DMV) Pull Notice Program per job duty requirements.

STATE-OWNED SURPLUS PERSONAL PROPERTY SECTION

SURVEY

- To gather information needed to conduct audit tests.
- To identify internal control weakness and areas of non-compliance.
- To document the system as needed for understanding.
- To identify issues that may influence testing or audit emphasis.
- To determine the audit resources needed to complete the tests in this section of the audit.

TEST OF PROPERTY DISPOSALS

- To determine the effectiveness of control of surplus property disposals.
- To determine if the department has policies and procedures in place for the operation of warehouse space.