

Date: June 13, 2013

File No.: 2124

To: Brian R. Leahy, Director
Department of Pesticide Regulation
1001 I Street
P.O. Box 4015
Sacramento, CA 95812-4015

From: Department of General Services
Office of Audit Services

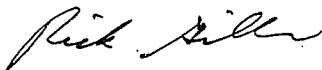
**Subject: AUDIT REPORT: COMPLIANCE WITH STATE BUSINESS
MANAGEMENT POLICIES**

Attached is the final report on our compliance audit of the business management functions and services of the Department of Pesticide Regulation (DPR). 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 DPR is conducting its business management functions and services in compliance with state requirements.

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

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



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

Attachment

cc: Anise Severns, Assistant Director, Administrative Services Division
Lu Saephanh, Chief, Fiscal Services and Business Operations Branch
Samantha Lewis, Manager, Business Services Office
Debbie Shongood, Accounting Administrator, Accounting Office

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

**AUDIT OF THE
DEPARTMENT OF
PESTICIDE REGULATION**

**FOR COMPLIANCE WITH STATE
BUSINESS MANAGEMENT POLICIES
REPORT NO. 2124**

OFFICE OF AUDIT SERVICES

JULY 2012

**DEPARTMENT OF PESTICIDE REGULATION
COMPLIANCE AUDIT
REPORT NO. 2124**

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STATE OF CALIFORNIA
DEPARTMENT OF GENERAL SERVICES
AUDITOR'S REPORT

DATE: June 13, 2013

TO: **BRIAN R. LEAHY**, Director
Department of Pesticide Regulation

This report presents the results of our compliance audit of the business management functions and services of the Department of Pesticide Regulation (DPR). 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.

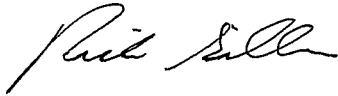
Based on the results of our fieldwork conducted over the period April 4, 2012 through July 10, 2012, we concluded that the DPR is conducting its business management functions and services in compliance with state requirements. However, we did identify one area for further improvement. In brief, the DPR's process for reporting its procurement activities with small businesses (SB) and disabled veteran business enterprises (DVBE) did not ensure the maintenance of complete records and documents to support reported dollar amounts.

Prior to the completion of our audit, the DPR's management indicated that actions would be taken to ensure that an audit trail is maintained to allow the independent validation of reported SB/DVBE usage information. The DPR is responsible and accountable for adequately and effectively addressing this issue. We were pleased with the DPR's commitment to improve compliance with state requirements.

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 2011/12 fiscal year.

We greatly appreciated the cooperation and assistance provided by the DPR'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
Christopher Harris

cc: Anise Severns, Assistant Director, Administrative Services Division
Lu Saepanh, Chief, Fiscal Services and Business Operations Branch
Samantha Lewis, Manager, Business Services Office
Debbie Shongood, Accounting Administrator, Accounting Office