



MEMORANDUM

Date: March 3, 2017

File No.: 6123

To: William Lightbourne, Director
California Department of Social Services
744 P 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 Social Services (CDSS). 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 CDSS is conducting its business management functions and services in compliance with state requirements.

We greatly appreciated the cooperation and assistance provided by CDSS' 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

Attachment

cc: Cynthia Fair, Chief, Audits Bureau
Andrea Henke, External Audits Coordinator, Audits Bureau

**GOVERNMENT OPERATIONS AGENCY
DEPARTMENT OF GENERAL SERVICES**

**AUDIT OF THE
CALIFORNIA DEPARTMENT
OF SOCIAL SERVICES**

**FOR COMPLIANCE WITH STATE
BUSINESS MANAGEMENT POLICIES
REPORT NO. 6123**

OFFICE OF AUDIT SERVICES

AUGUST 2016

STATE OF CALIFORNIA
DEPARTMENT OF GENERAL SERVICES
AUDITOR'S REPORT

DATE: March 3, 2017

TO: **WILLIAM LIGHTBOURNE**, Director
California Department of Social Services

This report presents the results of our compliance audit of the business management functions and services of the California Department of Social Services (CDSS). 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 2015/16 fiscal year.

Based on the audit results of our fieldwork conducted over the period April 20, 2016 through August 24, 2016 we concluded that CDSS is conducting its business management functions and services in compliance with state requirements. However, we did identify one area for improvement with those functions and services which involved CDSS' business management policies and procedures not ensuring that frequent drivers attend a defensive driver training course once every four years.

Prior to the completion of our audit, we verified that appropriate actions had been taken to address the above issue. Therefore, it is not further discussed in this report.

We are pleased with the prompt actions taken by CDSS 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 CDSS' 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 CDSS' personnel.

William Lightbourne

March 3, 2017

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, Auditor

cc: Cynthia Fair, Chief, Audits Bureau
Andrea Henke, External Audits Coordinator, Audits Bureau