



MEMORANDUM

Date: July 27, 2017

File No.: 7127

To: Jean Shiomoto, Director
Department of Motor Vehicles
2415 1st Avenue, MS F101
Sacramento, CA 95818

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 Motor Vehicles (DMV). 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 DMV is conducting its business management functions and services in compliance with state requirements.

We sincerely appreciated the cooperation and assistance provided by DMV'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 Eric Kim, Management Auditor, at (916) 376-5071 / Eric.Kim@dgs.ca.gov.

Dennis M Miras

DENNIS M MIRAS, CIA
Manager, Office of Audit Services

Attachment

cc: William Davidson, Chief Deputy Director, Department of Motor Vehicles
Sonia Huestis, Assistant Chief Deputy Director, Department of Motor Vehicles
Bernard C. Soriano, Deputy Director, Enterprise Risk Management
Pam Mizukami, Deputy Director, Administrative Services Division
David Saika, Chief of Audits, Enterprise Risk Management

**GOVERNMENT OPERATIONS AGENCY
DEPARTMENT OF GENERAL SERVICES**

**AUDIT OF THE
DEPARTMENT OF MOTOR VEHICLES**

**FOR COMPLIANCE WITH STATE
BUSINESS MANAGEMENT POLICIES
REPORT NO. 7127**

OFFICE OF AUDIT SERVICES

JUNE 2017

**DEPARTMENT OF MOTOR VEHICLES
COMPLIANCE AUDIT
REPORT NO. 7127**

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STATE OF CALIFORNIA
DEPARTMENT OF GENERAL SERVICES
AUDITOR'S REPORT

DATE: July 27, 2017

TO: Jean Shiomoto, Director
Department of Motor Vehicles

This report presents the results of our compliance audit of the business management functions and services of the Department of Motor Vehicles (DMV). 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, small business and disabled veteran business enterprises 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 and 2016/17 fiscal years.

Based on the results of our fieldwork conducted over the period April 20, 2017 through June 29, 2017, we concluded that DMV is conducting its business management functions and services in compliance with state requirements.

We are pleased with the prompt actions taken by DMV to address all issues identified during our audit fieldwork. However, we did not perform effectiveness tests to determine whether the corrective actions were functioning as intended. The DMV'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 DMV's personnel.

If you need further information or assistance on this report, please contact me at (916) 376-5064, or Eric Kim, at (916) 376-5071.

Dennis M Miras

DENNIS M MIRAS, CIA
Manager, Office of Audit Services

Staff: Eric Kim, Management Auditor

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