

**Date:** May 5, 2025 File No.: 5172

**To:** Kelly Heckman, Director  
Internal Audit Bureau  
Franchise Tax Board  
PO Box 115, MS F388  
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**From:** **Department of General Services**  
**Office of Audit Services**

**Subject:** **QUALITY CONTROL REVIEW OF PURCHASING AUTHORITY DELEGATION  
AUDIT (TIER 4)**

This report presents the results of our quality control review of an internal audit conducted of the Franchise Tax Board's (FTB's) purchasing program (Tier 4). The audit was conducted by FTB's Internal Audit Bureau.

As a condition of FTB's delegation status (Tier 4) from the Department of General Services (DGS), an internal audit is required to be performed of FTB's purchasing program during its delegation period. On April 19, 2024, the Internal Audit Bureau issued an audit report that presented the results of their audit, under the terms of the Tier 4 delegation. Public Contract Code Section 10333 requires DGS to perform compliance audits, including quality control reviews, of state agencies that have been granted delegated purchasing authority.

The objectives of our quality control review were to determine: (1) if the internal audit was conducted in accordance with an audit guide issued by DGS; and, (2) if reported findings are being appropriately addressed by FTB's management. Based on our interviews of audit staff and review of the working papers prepared to support audit tests, and our performance of other procedures as deemed necessary, we concluded that the audit was conducted in accordance with DGS' audit guide and that management indicated a commitment to take appropriate actions to address reported findings.

We greatly appreciated the cooperation and assistance provided by FTB's audit staff.

If you need further information or assistance with this report, please contact me, at (916) 376-5058, or Monica De La Rosa, Management Auditor, at (279) 799-3759.



ANDY WON  
Deputy Director, Office of Audit Services

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