

**Date:** April 2, 2026 File No.: 6168

**To:** Jennifer Lucchesi, Director  
California Department of Conservation  
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**From:** **Department of General Services**  
**Office of Audit Services**

**Subject:** **QUALITY CONTROL REVIEW OF CONTRACT APPROVAL EXEMPTION  
AUDIT**

This report presents the results of our quality control review of an internal audit conducted of the California Department of Conservation's (DOC's) contracting program. The audit was conducted by DOC's Division of Administration.

As a condition of DOC's exemption (Exemption Letter No. DOC 1) from the Department of General Services' (DGS') approval of its contracts under \$150,000, two audits are required to be performed of DOC's contracting program during the exemption period of April 1, 2023, through March 31, 2027. On October 1, 2025, DOC issued an audit report that presented the results of the first audit required under the terms of the exemption. Public Contract Code Section 10352 requires DGS to perform a quality control review of the audit.

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 DOC's management. Based on our interviews of DOC staff, 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 mostly conducted in accordance with DGS' audit guide.

Although the majority of the DGS' audit guide was followed in performing the audit, DOC did not fully meet the Global Internal Auditing Standard 14.6, Engagement Documentation, while conducting the audit. The standards that were not fully met are: 1) names or initials of the individual(s) who performed and supervised the work, 2) workpapers were not cross-referenced, and 3) a written summary for each audit step including details of tests conducted, analyses performed, and conclusions.

Further, the audit report did not contain management's written response to the findings and recommendations, including a commitment to a corrective action plan. The audit report was also missing the auditor's evaluation as to the sufficiency of the response from management to correct the reported problems. At our exit conference, management agreed to take appropriate actions to address the issues.

To ensure all of DOC's exemption requirements are met, and all future audits are in full alignment with the Global Internal Auditing Standards, we respectfully recommend DOC consider engaging a qualified state professional audit organization.

We greatly appreciated the cooperation and assistance provided by DOC's management.

If you need further information or assistance with this report, please contact me at (916) 376-5058, or Lucy Wong, Audit Manager, at (916) 376-5049.



ANDY WON  
Deputy Director, Office of Audit Services

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