

Date: January 18, 2019

File No.: 9164

To: The Honorable Tony Thurmond
State Superintendent of Public Instruction
California Department of Education
1430 N Street
Sacramento, CA 95814

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 Education's (CDE) contracting program. The audit was conducted by CDE's Audits and Investigations Division.

As a condition of CDE's exemption (Exemption Letter No. CDE1) from the Department of General Services' (DGS) approval of its contracts under \$150,000, two audits were required to be performed of the department's contracting program during the exemption period of March 1, 2014 through February 28, 2018. On December 7, 2017, the Audits and Investigations Division issued an audit report which presented the results of the second 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 CDE'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 CDE's audit staff.

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.

ANDY WON
Deputy Director, Office of Audit Services



cc: Lupita Cortez Alcala, Chief Deputy Superintendent of Public Instruction, CDE
Amy Bisson Holloway, General Counsel, CDE
Leisa Maestretti, Director, Fiscal and Administrative Services Division, CDE
Kimberly Tarvin, Director, Audits and Investigations Division, CDE
Mandi Gallardo, Internal Audit Manager, Audits and Investigations Division, CDE
Leslie Lopez, Deputy Director and Chief Counsel, Office of Legal Services, DGS