



MEMORANDUM

Date: October 17, 2023

File No.: 4172

To: J. Clark Kelso, Receiver
California Correctional Health Care Services
8260 Longleaf Drive, Building D3
Elk Grove, CA 95758

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 Correctional Health Care Services' (CCHCS) contracting program. The audit was conducted by CCHCS' Internal Audit Program (IAP).

As a condition of CCHCS' exemption (Exemption Letter No. CCHCS4) from the Department of General Services' (DGS) approval of its contracts under \$150,000, two audits are required to be performed of the department's contracting program during the exemption period of August 1, 2021, through July 31, 2025. On June 15, 2023, IAP issued an audit report which 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 CCHCS' 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 CCHCS' audit staff.

If you need further information on or assistance with this report, please contact me at (916) 376-5058, or Dennis Miras, Audit Manager, at (916) 376-5064.



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Deputy Director, Office of Audit Services

cc: Diana Toche D.D.S., Undersecretary, Health Care Services, CCHCS
Lara Saich, Director, Health Care Policy and Administration, CCHCS
Angela Ponciano, Deputy Director, Business Services, CCHCS
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