

Report 2014-041

Recommendations Not Fully Implemented After One Year

The Omnibus Audit Accountability Act of 2006

COMMITMENT

INTEGRITY

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January 15, 2015

2014-041

Dear Governor and Legislative Leaders:

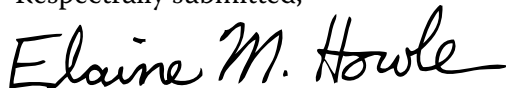
Consistent with the Omnibus Audit Accountability Act of 2006 (California Government Code, sections 8548.7 and 8548.9), the California State Auditor (state auditor) presents this special report to the Joint Legislative Audit Committee, Joint Legislative Budget Committee, and Department of Finance. This report notes that from November 2007 through October 2013, the state auditor issued 118 reports on audits and investigations of state agencies. In those reports, we made 1,486 recommendations and state agencies had fully implemented 1,185, or 80 percent, as of September 2014. After following up with those agencies that had outstanding recommendations, we determined that an additional 43 have been fully implemented and 258 remain outstanding. Similarly, the state auditor issued 13 reports to nonstate entities, such as counties or school districts. In those reports, we made 167 recommendations and as of September 2014 the nonstate entities had implemented 103, or 62 percent of them. Of the remaining 64 recommendations, we determined that 32 have now been fully implemented while 32 remain outstanding. In addition to identifying which recommendations have and have not been fully implemented, the state auditor's Web site contains written responses from each state agency explaining the status of each recommendation. For recommendations that have not been fully implemented, the Web site also provides agency responses regarding when or if these recommendations will be fully implemented.

Our audit and investigative efforts bring the greatest returns when agencies act upon our findings and recommendations. For example, in October 2011 the state auditor reported that the Department of Social Services (department) and child welfare services agencies (agencies) can and must provide better protection and support for abused and neglected children. As of July 2011, the addresses of over 1,000 sex offenders matched individuals who worked or lived in the departments' licensed facilities and foster homes. The department also struggled to visit community care facilities at least once every five years as required. Furthermore, the agencies visited by the state auditor did not always notify the department timely of allegations involving licensees and did not forward required information regarding instances of abuse or neglect to the Department of Justice (Justice). The state auditor made 20 recommendations to the department, including the use of Justice's sex offender registry to identify those who may be inappropriately working or living in the departments' licensed facilities and foster homes.

As of October 2014, the department has implemented 10 recommendations; including following up on the address matches described above and the ongoing use of Justice's registry to identify sex offenders living in licensed facilities or foster homes. In Los Angeles County, we evaluated the impact of the department's follow-up efforts. Although sex offenders were not present in most of the registered addresses that matched the address of children in licensed facilities or foster homes, we found that the department's implementation of our recommendation resulted in two sex offenders being removed from the homes of foster children and also one instance in which foster children were removed from the care of a guardian that had allowed a sex offender to live in her home. Only by comparing the registered address of the sex offender against the address of these foster children was this potentially dangerous situation resolved. Despite the potential benefits—including improvements to the protection and support of abused and neglected children—the department has yet to implement the remaining 10 recommendations, such as completing on-site facility reviews at least once every five years as required by state law and specifying in regulations what types of situations or allegations the agencies should forward to the department's licensing division.

If you would like more information or assistance regarding any of the recommendations or background provided in this report, please contact Margarita Fernández, Chief of Public Affairs, at (916) 445-0255.

Respectfully submitted,



ELAINE M. HOWLE, CPA
State Auditor

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Introduction

As required by the Omnibus Audit Accountability Act of 2006 (Accountability Act), the California State Auditor (state auditor) presents its report on the status of recommendations that are more than one year old and have not been fully implemented by the entities we audited.

RESULTS IN BRIEF

State Entities

From November 2007 through October 2013, the state auditor issued 118 reports that related to audits or investigations of state agencies. These reports were requested through the Joint Legislative Audit Committee, legislation, or as a result of an investigation.¹ The state auditor made 1,486 recommendations to the audited state agencies in those reports.² While the state agencies implemented many of the recommendations, the state auditor identified 301 recommendations made to 44 state agencies that had been outstanding at least one year and not fully implemented. Of the 301 recommendations, 167 appeared in last year's report. Based on recent responses obtained from state agencies, the state auditor determined that 258 of the 301 recommendations remain not fully implemented.

Nonstate Entities

From January 2011 through October 2013, the state auditor issued 13 reports that included nonstate entities, and made 167 recommendations to these entities. While these nonstate entities implemented many of the recommendations, the state auditor identified 64 recommendations made to 15 of these entities that had been outstanding at least one year and not fully implemented. Of the 64 recommendations, 52 appeared in last year's report. Based on recent responses obtained from these nonstate entities, the state auditor determined that 32 of the 64 recommendations remain not fully implemented.

Importance of Implementing Recommendations

Our audit and investigative efforts bring the greatest returns when agencies act upon our findings and recommendations. For example, in October 2011 the state auditor reported that the Department of Social Services (department) and child welfare services agencies (agencies) can and must provide better protection and support for abused and neglected children. As of July 2011, the addresses of over 1,000 sex offenders matched individuals who worked or lived in the departments' licensed facilities


¹ Excludes the statewide single audit (financial and federal compliance audits), which is mandated as a condition of California receiving federal funding. The recommendations made in those audits are followed up and reported each year in the state auditor's annual report on California's Internal Control and State and Federal Compliance. As of January 1, 2010, the state auditor began reporting as required on the status of recommendations made in investigative reports. The state auditor initiated the investigations in response to whistleblower complaints or other information suggesting improper governmental activities.

² Excludes recommendations for legislative changes. We report such recommendations in a separate report to the Legislature.

and foster homes. The department also struggled to visit community care facilities at least once every five years as required. Furthermore, the agencies visited by the state auditor did not always notify the department timely of allegations involving licensees and did not forward required information regarding instances of abuse or neglect to the Department of Justice (Justice). The state auditor made 20 recommendations to the department, including the use of Justice's sex offender registry to identify those who may be inappropriately working or living in the departments' licensed facilities and foster homes.

As of October 2014, the department has implemented 10 recommendations; including following up on the address matches described above and the ongoing use of Justice's registry to identify sex offenders living in licensed facilities or foster homes. In Los Angeles County, we evaluated the impact of the department's follow-up efforts. Although sex offenders were not present in most of the registered addresses that matched the address of children in licensed facilities or foster homes, we found that the department's implementation of our recommendation resulted in two sex offenders being removed from the homes of foster children and also one instance in which foster children were removed from the care of a guardian that had allowed a sex offender, who had been convicted of three counts of lewd acts with a minor under 14, to live in her home and had lied to social workers about the presence of this individual in the home. Only by comparing the registered address of the sex offender against the address of these foster children was this potentially dangerous situation resolved. Despite the potential benefits—including improvements to the protection and support of abused and neglected children—the department has yet to implement the remaining 10 recommendations, such as completing on-site facility reviews at least once every five years as required by state law and specifying in regulations what types of situations or allegations the agencies should forward to the departments' licensing division.

The tables beginning on page 5 summarize and provide information on recommendations issued between November 2007 and October 2013. Table 1 shows recommendations that were not fully implemented as of the agencies' latest response. Because the recommendations shown in Table 1 are from audits issued between November 2007 and October 2008 and are more than five years old, they will not be reassessed by the state auditor in subsequent reports. Table 2, beginning on page 9, summarizes recommendations that have not been fully implemented for audits and investigations issued between November 2008 and October 2013. As indicated on table 2, the state auditor did not always agree with agency assertions that certain recommendations were fully implemented. Two columns in table 2 provide the state auditor's reason for disagreement. Table 3, beginning on page 45, summarizes recommendations that have been fully implemented since last year's report or the agencies' one-year responses. Finally, Table 4, beginning on page 51, summarizes all recommendations more than one year old made to nonstate entities and their current implementation status.

The  symbol appears in the tables next to the audit number whenever an audit has recommendations to more than one agency appearing in this report. Please refer to the index on page 3.

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Reference for Reports Featuring Recommendations to Multiple Entities

	REPORT	NAME OF ENTITY
State Entities With Recommendations—Included in Tables 2 and 3		
A	2009-107.1	California Correctional Health Care Services, California Department of Corrections and Rehabilitation
B	2009-107.2	California Correctional Health Care Services, California Department of Corrections and Rehabilitation
C	2010-116	California Department of Corrections and Rehabilitation, Department of State Hospitals
D	2010-117	Department of Finance, Department of Water Resources
E	2011-111	California Workforce Investment Board, Employment Development Department
F	2011-120	California Department of Transportation, Department of General Services
G	2011-129	Board of State and Community Corrections, Department of Justice
H	2012-105	Department of Public Health, Department of Social Services
I	2012-107	Department of Developmental Services, Department of Public Health
J	2012-110	Emergency Management Agency, Department of Motor Vehicles, California Natural Resources Agency, Department of Parks and Recreation
K	2012-117	Department of Consumer Affairs, State Athletic Commission
L	2012-301	Administrative Office of the Courts, Superior Court of California—Stanislaus County
M	12010-1045	California Correctional Health Care Services, California Department of Corrections and Rehabilitation
Nonstate Entities With Recommendations—Included in Table 4		
N	2010-036	Counties of Amador, Humboldt, Riverside, San Diego, Santa Barbara, Shasta
O	2012-032	Laney College, University of the Pacific
State and Nonstate Entities with Recommendations—Included in Tables 2 and 4		
P	2012-108	California Department of Education, Los Angeles Unified School District, Sacramento City Unified School District
Q	2012-122	Department of Health Care Services, California Mental Health Planning Council, Mental Health Services Oversight and Accountability Commission, Santa Clara County Mental Health Department

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Table 1
Recommendations More Than Five Years Old That Are Still Not Fully Implemented
(Audit Issued Between November 2007 and October 2008)

REPORT TITLE, NUMBER, AND ISSUE DATE	RECOMMENDATION	NUMBER OF YEARS RECOMMENDATION APPEARED IN THIS REPORT	ESTIMATED DATE OF COMPLETION
HIGHER EDUCATION			
California State University			
California State University: It Needs to Strengthen Its Oversight and Establish Stricter Policies for Compensating Current and Former Employees 2007-102.1 (November 2007)	1. To provide effective oversight of its systemwide compensation policies, the university should create a centralized information system structure to catalog university compensation by individual, payment type, and funding source. The university should then use this information to monitor campuses' implementation of systemwide policies and measure the impact of these policies on university finances.	6	Unknown
California State University: It Is Inconsistent in Considering Diversity When Hiring Professors, Management Personnel, Presidents, and System Executives 2007-102.2 (December 2007)	3. To ensure that campuses employ consistent search processes and develop appropriate policies, the university should issue systemwide guidance on the hiring process for management personnel. In developing this guidance, the university should instruct campuses to compare the proportions of women and minorities in the total applicant pool with the proportions in the labor pool to help assess the success of their outreach efforts in recruiting female and minority applicants. To help ensure that they have sufficient data from applicants to effectively compare these proportions, campuses could send reminders to applicants requesting them to submit information regarding their gender and ethnicity.	6	Will Not Implement
	4. To ensure that campuses employ consistent search processes and develop appropriate policies, the university should issue systemwide guidance on the hiring process for management personnel. In developing this guidance, the university should advise campuses to compare and report the gender and ethnicity of their current workforce to the labor pool by separating management personnel positions into groups based on the function of their positions to ensure that placement goals are meaningful and useful to those involved in the hiring process. Direct campuses to have search committees review affirmative action plans so they are aware of the availability and placement goals for women and minorities when planning the search process. The guidance should address the purpose of placement goals and the affirmative action plan in general so that the search committees have the appropriate context and do not misuse the information.	6	Will Not Implement
	5. To ensure that campuses employ hiring practices that are consistent with laws and regulations, the university should issue systemwide guidance on the hiring process for professors. In developing this guidance, the university should devise and implement a uniform method for campuses to use when calculating availability of data to better enable the university to identify and compare availability and placement goals systemwide and among campuses. Additionally, direct campuses to compare and report the gender and ethnicity of their current workforce to the labor pool by individual department to ensure that placement goals are meaningful and useful to those involved in the hiring process.	6	Will Not Implement
	6. To broaden the perspective of the committees and increase the reach of the search for presidential positions, the university should develop policies regarding the diversity of the trustees committee and the advisory committee and consider alternatives on the manner in which to increase committee diversity.	6	Will Not Implement

**NUMBER OF YEARS
RECOMMENDATION
APPEARED IN THIS
REPORT** **ESTIMATED DATE
OF COMPLETION**

REPORT TITLE, NUMBER, AND ISSUE DATE**RECOMMENDATION****HEALTH AND HUMAN SERVICES****Department of Public Health**

REPORT TITLE, NUMBER, AND ISSUE DATE	RECOMMENDATION	NUMBER OF YEARS RECOMMENDATION APPEARED IN THIS REPORT	ESTIMATED DATE OF COMPLETION
Low-Level Radioactive Waste: The State Has Limited Information That Hampers Its Ability to Assess the Need for a Disposal Facility and Must Improve Its Oversight to Better Protect the Public 2007-114 (June 2008)	1. To ensure that the branch uses sufficiently reliable data from its future data system to manage its inspection workload, the department should develop and maintain adequate documentation related to data storage, retrieval, and maintenance.	6	September 2015
	2. To ensure that the branch can sufficiently demonstrate that the fees it assesses are reasonable, the department should evaluate the branch's current fee structure using analyses that consider fiscal and workload factors. These analyses should establish a reasonable link between fees charged and the branch's actual costs for regulating those that pay specific fees. Further, the analyses should demonstrate how the branch calculated specific fees.	6	September 2015
	3. To make certain that it can identify and address existing work backlogs and comply with all of its federal and state obligations, the department should develop a staffing plan for the branch based on current, reliable data. The plan should involve a reevaluation of the branch's assumptions about workload factors, such as how many inspections an inspector can perform annually. The plan should also include the following components: <ul style="list-style-type: none"> • An assessment of all backlogged work and the human resources necessary to eliminate that backlog within a reasonable amount of time. • An assessment of all currently required work and the human resources necessary to accomplish it. 	6	September 2015
	4. To inform the Legislature when it is likely to receive the information to evaluate the State's need for its own disposal facility, the department should establish and communicate a timeline describing when the report required by Section 115000.1 of the Health and Safety Code will be available. The department should also see that its executive management and the branch discuss with appropriate members of the Legislature as soon as possible the specific information required by state law that it cannot provide. Further, to the extent that the department cannot provide the information required by law, it should seek legislation to amend the law.	6	September 2015
	5. To provide greater public transparency and accountability of its decommissioning practices, the department should begin complying with the Executive Order D-62-02 and develop dose-based decommissioning standards formally. If the department believes that doing so is not feasible, it should ask the governor to rescind this 2002 executive order.	6	Will Not Implement
	6. When the Radiological Health Branch has an understanding of the disposal needs for generators in California, it should develop an updated low-level waste disposal plan.	6	Will Not Implement
Department of Public Health: Laboratory Field Services' Lack of Clinical Laboratory Oversight Places the Public at Risk 2007-040 (September 2008)	1. Laboratory Services should perform all its mandated oversight responsibilities for laboratories subject to its jurisdiction operating within and outside California, including, but not limited to the following: <ul style="list-style-type: none"> • Inspecting licensed laboratories every two years. • Sanctioning laboratories as appropriate. • Reviewing and investigating complaints and ensuring necessary resolution. 	6	September 2015

REPORT TITLE, NUMBER, AND ISSUE DATE	RECOMMENDATION	NUMBER OF YEARS RECOMMENDATION APPEARED IN THIS REPORT	ESTIMATED DATE OF COMPLETION
	<p>2. Laboratory Services should adopt and implement proficiency-testing policies and procedures for staff to do the following:</p> <ul style="list-style-type: none"> • Promptly review laboratories' proficiency-testing results and notify laboratories that fail. • Follow specified timelines for responding to laboratories' attempts to correct proficiency-testing failures and for sanctioning laboratories that do not comply. • Monitor the proficiency-testing results of out-of-state laboratories. • Verify laboratories' enrollment in proficiency testing, and ensure that Laboratory Services receives proficiency-testing scores from all enrolled laboratories. 	6	September 2015
	<p>3. To update its regulations, Laboratory Services should review its clinical laboratory regulations and repeal or revise them as necessary. As part of its efforts to revise regulations, Laboratory Services should ensure that the regulations include requirements such as time frames it wants to impose on the laboratory community.</p>	6	September 2015
	<p>4. Laboratory Services should continue its efforts to license California laboratories that require licensure. Further, it should take steps to license out-of-state laboratories that perform testing on specimens originating in California but are not licensed, as the law requires.</p>	6	September 2015
	<p>5. To strengthen its complaints process, Laboratory Services should identify necessary controls and incorporate them into its complaints policies. The necessary controls include, but are not limited to, receiving, logging, tracking, and prioritizing complaints, as well as ensuring that substantiated allegations are corrected. In addition, Laboratory Services should develop and implement corresponding procedures for each control. Further, Laboratory Services should establish procedures to ensure that it promptly forwards complaints for which it lacks jurisdiction to the entity having jurisdiction.</p>	6	September 2015
	<p>6. To strengthen its sanctioning efforts, Laboratory Services should do the following:</p> <ul style="list-style-type: none"> • Maximize its opportunities to impose sanctions. • Appropriately justify and document the amounts of the civil money penalties it imposes. • Ensure that it always collects the penalties it imposes. • Follow up to ensure that laboratories take corrective action. • Ensure that when it sanctions a laboratory it notifies other appropriate agencies as necessary. 	6	September 2015
	<p>7. Public Health, in conjunction with Laboratory Services, should ensure that Laboratory Services has sufficient resources to meet all its oversight responsibilities.</p>	6	September 2015
	<p>8. Laboratory Services should work with its Information Technology Services Division and other appropriate parties to ensure that its data systems support its needs. If Laboratory Services continues to use its internally developed databases, it should ensure that it develops and implements appropriate system controls.</p>	6	September 2015
	<p>9. To demonstrate that it has used existing resources strategically and has maximized their utility to the extent possible, Laboratory Services should identify and explore opportunities to leverage existing processes and procedures. These opportunities should include, but not be limited to, exercising clinical laboratory oversight when it renews licenses and registrations, developing a process to share state concerns identified during federal inspections, and using accreditation organizations and contracts to divide its responsibilities for inspections every two years.</p>	6	September 2015

NUMBER OF YEARS
RECOMMENDATION
APPEARED IN THIS
REPORT ESTIMATED DATE
OF COMPLETION


REPORT TITLE, NUMBER, AND ISSUE DATE	RECOMMENDATION	NUMBER OF YEARS RECOMMENDATION APPEARED IN THIS REPORT	ESTIMATED DATE OF COMPLETION
GENERAL GOVERNMENT			
Department of Veterans Affairs			
Veterans Home of California at Yountville: It Needs Stronger Planning and Oversight in Key Operational Areas, and Some Processes for Resolving Complaints Need Improvement 2007-121 (April 2008)	1. To meet the requirements of federal ADA regulations, the Veterans Home should develop and update as needed a plan that identifies areas of noncompliance and includes the appropriate steps and milestones for achieving full compliance.	6	*

* Contrary to the California State Auditor's determination, the auditee believes it has fully implemented the recommendation.

Table 2

**Recommendations More Than One Year Old That Are Still Not Fully Implemented
(Reports Issued Between November 2008 and October 2013)**

TITLE	RECOMMENDATION	NUMBER OF YEARS RECOMMENDATION APPEARED IN THIS REPORT	ESTIMATED DATE OF COMPLETION	AUDITEE DID NOT SUBSTANTIATE ITS CLAIM OF FULL IMPLEMENTATION	AUDITEE DID NOT ADDRESS ALL ASPECTS OF THE RECOMMENDATION
K THRU 12 EDUCATION					
California Department of Education					
High School Graduation and Dropout Data: California's New Database May Enable the State to Better Serve Its High School Students Who Are at Risk of Dropping Out 2011-117 (March 2012)	3. To improve the utility of CALPADS and fulfill the legislative intent of the system, the department should work with the Legislature, the State Board of Education, and the governor to identify priorities for building upon the system when funding is available. These priorities could include tracking student participation in dropout prevention programs or strategies to measure the effectiveness of those programs or strategies over time.	2	Will Not Implement		
California Department of Education: Despite Some Improvements, Oversight of the Migrant Education Program Remains Inadequate 2012-044 (February 2013)	1. To minimize the potential for disagreement over allowable migrant program costs, Education should better define the criteria by which it will consider program costs allowable and include those criteria in the migrant program fiscal handbook it provides to the regions.	1	December 2014		
	2. To demonstrate its willingness to fairly evaluate regional expenditures, Education should allow San Joaquin to reimburse its general fund for the vehicle purchase Education incorrectly disallowed.	1	Will Not Implement		
	3. To improve its understanding of regional expenditures, Education should increase the level of detail required in its quarterly expenditure reports. The level of detail should allow Education to select expenditures for review.	1	*		●
	4. For regions that have not recently received a federal monitoring review, Education should use the detailed expenditure reports to select a sample of expenditures, request supporting documentation from the regions, and then review the expenditures to determine if they meet applicable federal and state criteria.	1	December 2014		
	5. As part of the reviews based on quarterly reports, Education should verify that regions are using the appropriate accounting codes to classify their expenditures.	1	*		●
	8. To address problems with its methodology for calculating administrative costs, Education should review the regions' current use of accounting codes to identify the areas in which regions differ in accounting for similar migrant program costs.	1	December 2014		
	9. To address problems with its methodology for calculating administrative costs, Education should provide regions with more specific direction about how to charge these expenses.	1	December 2014		

TITLE	RECOMMENDATION	NUMBER OF YEARS RECOMMENDATION APPEARED IN THIS REPORT	ESTIMATED DATE OF COMPLETION	AUDITEE DID NOT SUBSTANTIATE ITS CLAIM OF FULL IMPLEMENTATION	AUDITEE DID NOT ADDRESS ALL ASPECTS OF THE RECOMMENDATION
	10. To address problems with its methodology for calculating administrative costs, Education should revise its list of accounting codes that it considers administrative in light of its review of regional coding.	1	December 2014		
	11. Once it has addressed the underlying issues with regional accounting, provided direction to regions about which expenditures it will consider administrative, and obtained accurate expenditure data, Education should review its administrative cost goal to ensure that this goal is reasonable given the requirements of the migrant program.	1	December 2014		
	12. To address past federal findings that are not yet resolved, Education should respond as recommended in Appendix B of this report.	1	*	●	●
	13. To determine if the statewide migrant education program is effective, Education should finalize its current evaluation of the program and begin developing the capacity to produce a more robust annual evaluation of the program.	1	June 2015		
	14. To address a lack of detailed migrant program service and outcome data, Education should either expand the capabilities of its existing statewide databases or implement additional systems that would allow regions to capture more detailed data about migrant students.	1	June 2015		
	15. To ensure that it receives satisfactory services and outcomes for the funds spent on statewide contracts for the migrant program, Education should develop and execute a plan to monitor each of its contracts and cancel any it determines do not provide adequate or cost-effective services.	1	*		●
 <p>School Safety and Nondiscrimination Laws: Most Local Educational Agencies Do Not Evaluate the Effectiveness of Their Programs, and the State Should Exercise Stronger Leadership 2012-108 (August 2013)</p>	17. To provide stronger leadership with respect to school safety and nondiscrimination laws, Education, with direction from the superintendent of public instruction, should prioritize the review of parent, student, guardian, or interested party appeals to ensure that the EO office follows state regulations by processing appeals more promptly, notifying LEAs of when appeals are filed, and obtaining the investigation files and other documents when reviewing complaint appeals.	1	December 2014		
	19. To provide stronger leadership with respect to school safety and nondiscrimination laws, Education, with direction from the superintendent of public instruction, should use data from the kids survey and reported suspensions and expulsions to evaluate the levels of discrimination, harassment, intimidation, and bullying students encounter and to determine the effectiveness of its own and the LEAs' efforts, and report the results to the Legislature by August 1, 2014.	1	December 2014		

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	21. To provide stronger leadership with respect to school safety and nondiscrimination laws, Education, with direction from the superintendent of public instruction, should within the next six months and annually thereafter, update and replace the resources on its Web site to provide more relevant information on best practices, such as preventing and responding to incidents related to a protected characteristic or that occur through cyberbullying, the U.S. DOE report on state bullying legislation, and best practices in other states, such as the Massachusetts law on LEA staff training requirements.	1	December 2014		
HIGHER EDUCATION					
University of California					
University of California: Although the University Maintains Extensive Financial Records, It Should Provide Additional Information to Improve Public Understanding of Its Operations 2010-105 (July 2011) [†]	1. To address the variations in per student funding of its campuses, the university should complete its reexamination of the base budgets to the campuses and implement appropriate changes to its budget process. As part of its reexamination of the base budget, it should: <ul style="list-style-type: none"> • Identify the amount of general funds and tuition budget revenues that each campus receives for specific types of students (such as undergraduate, graduate, and health sciences) and explain any differences in the amount provided per student among the campuses. • Consider factors such as specific research and public service programs at each campus, the higher level of funding provided to health sciences students, historical funding methods that favored graduate students, historical and anticipated future variations in enrollment growth funding, and any other factors applied consistently across campuses. • After accounting for the factors mentioned above, address any remaining variations in campus funding over a specified period of time. • Make the results of its reexamination and any related implementation plan available to stakeholders, including the general public. 	3	June 2018		
	3. To help improve accountability in the university's budget process, and to help minimize the risk of unfair damage to its reputation, the university should take additional steps to increase the transparency of its budget process. Specifically, the Office of the President should update its budget manual to reflect current practices and make its revised budget manual, including relevant formulas and other methodologies for determining budget amounts, available on its Web site.	3	August 2015		
	8. To ensure that campuses do not inappropriately use revenues generated from student fees imposed by referenda, the university should ensure that it, the regents, and the campuses do not expand the uses for such revenues beyond those stated in the referenda.	3	Will Not Implement		

TITLE	RECOMMENDATION	NUMBER OF YEARS RECOMMENDATION APPEARED IN THIS REPORT	ESTIMATED DATE OF COMPLETION	AUDITEE DID NOT SUBSTANTIATE ITS CLAIM OF FULL IMPLEMENTATION	AUDITEE DID NOT ADDRESS ALL ASPECTS OF THE RECOMMENDATION
University of California, Office of the President: Waste of State Funds I2012-1, Case I2010-1022 (December 2012) ^{1†}	23. To address the improper acts we identified, the university should collect \$1,802 from the official for the wasteful expenses he claimed for lodging and meals during his trip to England, the expenses he incurred within the vicinity of his headquarters, and the business meal expenses.	2	Unknown		
	24. The university should revise the policies to allow employees to claim only actual lodging expenses up to established rates for international travel.	2	Spring 2015		
	27. The university should revise policies to establish defined maximum limits for the reimbursement of domestic lodging costs and establish controls that allow for exceptions to the limits under specific circumstances only.	2	Unknown		

HEALTH AND HUMAN SERVICES**California Mental Health Planning Council**


Mental Health Services Act: The State's Oversight Has Provided Little Assurance of the Act's Effectiveness, and Some Counties Can Improve Measurement of Their Program Performance 2012-122 (August 2013)	15. The Planning Council should document and make public the reviews that it performs of MHSA programs to demonstrate that it is performing all required reviews.	1	January 2015		
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Covered California

New High Risk Entity: Covered California Appears Ready to Operate California's First Statewide Health Insurance Exchange, but Critical Work and Some Concerns Remain 2013-602 (July 2013)	2. To comply with federal requirements, Covered California should develop a plan and procedures for monitoring, recertification, and decertification of qualified health plans.	1	June 2015		
	3. To ensure the success of its outreach effort, Covered California should track the effect on enrollment figures of its planned outreach and marketing activities and of its assister program.	1	June 2015		
	4. To ensure financial sustainability, Covered California should conduct regular reviews of enrollment, costs, and revenue and make prompt adjustments to its financial sustainability plan as necessary.	1	March 2015		

Department of Developmental Services


Department of Developmental Services: A More Uniform and Transparent Procurement and Rate-Setting Process Would Improve the Cost-Effectiveness of Regional Centers 2009-118 (August 2010)	1. To ensure that consumers receive high-quality, cost-effective services that meet the goals of their individual development plans (IPPs) consistent with state law, Developmental Services should require the regional centers to document the basis of any IPP-related vendor selection and specify which comparable vendors (when available) were evaluated.	4	Will Not Implement		
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	2. To ensure that consumers receive high-quality, cost-effective services that meet the goals of their IPPs consistent with state law, Developmental Services should review a representative sample of this documentation as part of its biennial waiver reviews or fiscal audits to ensure that regional centers are complying with state law—and particularly with the July 2009 amendment requiring selection of the least costly available provider of comparable service.	4	Will Not Implement		
 Developmental Centers: Poor-Quality Investigations, Outdated Policies, Leadership and Staffing Problems, and Untimely Licensing Reviews Put Residents at Risk 2012-107 (July 2013)†	3. To ensure adequate guidance to OPS personnel, once the department has amended OPS's policies and procedures to reflect the recommendations we have included here, the department and OPS should place a high priority on completing and implementing its planned updates to the OPS policy and procedure manual.	1	June 2015		
	9. After the department has implemented a formal OPS recruiting program, if it can demonstrate that it is still having trouble filling vacant OPS positions, the department should evaluate how it can reduce some of the compensation disparity between OPS and the local law enforcement agencies with which it competes for qualified personnel.	1	December 2014		
	11. To minimize the need for overtime, the department should reassess its minimum staffing requirements, hire a sufficient number of employees to cover these requirements, and examine its employee scheduling processes.	1	June 2015		
	13. The department should create specific measurable goals for OPS that include existing and new measures associated with each one, such as staffing, overtime, and the timely completion of investigations. In addition, the department should perform a regular review of the quality of OPS's activities and investigations to achieve those goals. The department should track progress in quality measures over time and adjust its training plans to increase OPS law enforcement personnel's skill and compliance with established policies and procedures.	1	June 2015		
Department of Health Care Services					
Departments of Health Care Services and Public Health: Their Actions Reveal Flaws in the State's Oversight of the California Constitution's Implied Civil Service Mandate and in the Departments' Contracting for Information Technology Services 2009-103 (September 2009)	1. To comply with requirements in the State Administrative Manual, Health Care Services should refrain from funding permanent full-time employees with the State's funding mechanism for temporary-help positions.	5	Will Not Implement		
	2. To readily identify active IT and other contracts, Health Care Services should either revise its existing contract database or develop and implement a new contract database.	5	Will Not Implement		

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Department of Health Care Services: It Needs to Streamline Medi-Cal Treatment Authorizations and Respond to Authorization Requests Within Legal Time Limits 2009-112 (May 2010)	2. To ensure that Medi-Cal recipients receive timely access to prescribed drugs, Health Care Services should abolish its policy of responding to drug TARs by the end of the next business day and should instead ensure that prior-authorization requests to dispense drugs are processed within the legally mandated 24-hour period. Alternatively, it should seek formal authorization from CMS to deviate from the 24-hour requirement, and should seek a similar modification to state law. In addition, Health Care Services should begin recording the actual time it receives paper TARs so that it can begin to measure accurately its processing times.	4	Will Not Implement		
	3. To ensure that Medi-Cal recipients are receiving timely medical services from providers, Health Care Services should start tracking prior-authorization medical TARs separately and should ensure that such TARs are processed within an average of five working days. Although state law and regulations specifically require prior authorization for certain medical services, Health Care Services generally does not require prior authorizations in practice. Consequently, Health Care Services should seek legislation to update existing laws and amend its regulations to render them consistent with its TAR practices.	4	Will Not Implement		
Department of Public Health: It Faces Significant Fiscal Challenges and Lacks Transparency in Its Administration of the Every Woman Counts Program 2010-103R (July 2010) ⁵	1. To the extent that Public Health continues to fund its various contracts, it should establish clearer expectations with its contractors concerning how much money is to be spent directly on the different aspects of the EWC program and should monitor spending to confirm that these expectations are being met.	4	Will Not Implement		
	2. To ensure better public transparency and accountability for how the EWC program is administered, Public Health should comply with state law to develop regulations, based on input from the public and interested parties, that will direct how Public Health administers the EWC program. At a minimum, such regulations should define the eligibility criteria for women seeking access to EWC screening services.	4	December 2014		
Intellectual Property: An Effective Policy Would Educate State Agencies and Take Into Account How Their Functions and Property Differ 2011-106 (November 2011)	4. Caltrans, the Energy Commission, Food and Agriculture, and Health Care Services should put in writing those policies and procedures related to intellectual property that they believe are necessary and appropriate to enable their staff to identify, manage, and protect their intellectual property.	2	January 2015		
Medi-Cal Managed Care Program: The Departments of Managed Health Care and Health Care Services Could Improve Their Oversight of Local Initiatives Participating in the Medi-Cal Two-Plan Model 2011-104 (December 2011)	6. Health Care Services should ensure that it performs annual medical audits of local initiatives as required by law.	2	Fall 2015		



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<p>Mental Health Services Act: The State's Oversight Has Provided Little Assurance of the Act's Effectiveness, and Some Counties Can Improve Measurement of Their Program Performance 2012-122 (August 2013)</p>	<p>1. To ensure that it monitors counties to the fullest extent as the MHSAs specifies and that it implements best practices, Health Care Services should draft and enter into a performance contract with each county that contains assurances for effective oversight and furthers the intent of the MHSAs, including demonstration that each of the county's MHSAs programs are meeting the MHSAs intent.</p>	1	September 2014		
	<p>2. To ensure that it monitors counties to the fullest extent as the MHSAs specifies and that it implements best practices, Health Care Services should conduct comprehensive on-site reviews of county MHSAs programs, including verifying county compliance with MHSAs requirements.</p>	1	*	●	
	<p>3. To ensure that counties have the needed guidance to implement and evaluate their MHSAs programs, Health Care Services should coordinate with the Accountability Commission and issue guidance or regulations, as appropriate, for Facilities programs and for other MHSAs requirements, such as a prudent reserve.</p>	1	March 2018		
	<p>5. To ensure that counties have the needed guidance to implement and evaluate their MHSAs programs, Health Care Services should collaborate with the Accountability Commission to develop and issue guidance or regulations, as appropriate, to counties on how to effectively evaluate and report on the performance of their MHSAs programs.</p>	1	Fall 2016		
	<p>6. To ensure that Health Care Services and other state entities can evaluate MHSAs programs and assist the Accountability Commission in its efforts, Health Care Services should collect complete and relevant MHSAs data from the counties.</p>	1	Unknown		
	<p>7. To ensure that Health Care Services and other state entities can evaluate MHSAs programs and assist the Accountability Commission in its efforts, Health Care Services should resolve all known technical issues with the partnership and client services systems and provide adequate and expert resources to manage the systems going forward.</p>	1	March 2015		
	<p>8. Health Care Services should, as soon as is feasible, revise or create a reasonable and justifiable allocation methodology to ensure that counties are appropriately funded based on their identified needs for mental health services. Health Care Services should ensure that it reviews the methodology regularly and updates it as necessary so that the factors and their weighting are appropriate.</p>	1	*	●	

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	18. Health Care Services should develop standardized data collection guidelines or regulations, as appropriate, that will address inconsistencies in the data that counties report to the State. In developing these guidelines or regulations, Health Care Services should consult with the Accountability Commission to ensure that data collected reasonably fulfill statewide evaluation purposes.	1	Fall 2016		
	19. To help ensure county compliance with stakeholder regulations, Health Care Services should provide technical assistance to counties on the MHPA local planning review process and ensure that its guidance to counties is clear and consistent with state regulations.	1	Fiscal Year 2014–15		
Mental Health Services Oversight and Accountability Commission					
 Mental Health Services Act: The State's Oversight Has Provided Little Assurance of the Act's Effectiveness, and Some Counties Can Improve Measurement of Their Program Performance 2012-122 (August 2013)	9. To ensure that counties have needed guidance to implement and evaluate MHPA programs, the Accountability Commission should issue regulations, as appropriate, for Prevention and Innovation programs.	1	Spring 2015		
	11. To fulfill its charge to evaluate MHPA programs, the Accountability Commission should undertake the evaluations specified in its implementation plan.	1	Fiscal Year 2017–18		
Department of Public Health					
Department of Public Health: It Reported Inaccurate Financial Information and Can Likely Increase Revenues for the State and Federal Health Facilities Citation Penalties Accounts 2010-108 (June 2010)	1. To ensure that citation review conferences are completed expeditiously, Public Health should continue to take steps to eliminate its backlog of appeals awaiting a citation review conference.	4	October 2015		
	2. To increase revenue for the penalty accounts, Public Health should seek legislation authorizing it to revise periodically the penalty amounts to reflect an inflation indicator, such as the CPI.	4	October 2015		
	3. To increase revenue for the penalty accounts, Public Health should ensure that it conducts all state surveys of facilities every two years, as required by state law.	4	October 2015		
	4. To ensure that it complies with current state law and increases transparency, Public Health should adopt regulations for the administration of temporary management companies.	4	July 2016		
	5. To increase revenue for the state account, Public Health should seek legislation authorizing it to require facilities that want to contest the monetary penalty to pay the penalty upon its appeal which could then be deposited into an account within the special deposit fund. The original monetary penalty deposited, plus interest accrued in the account, should then be liquidated in accordance with the terms of the decision.	4	Will Not Implement		





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	6. To ensure consistency with federal guidance related to federal requirements, and that it is not creating incentives for facilities to appeal citations issued for noncompliance with state requirements, Public Health should provide guidance to its staff that discourages settling appealed monetary penalties for a better term than had the facility not contested the citation and paid the penalty within the time frame specified in law to receive a 35 percent reduction. If Public Health believes instances occur when it is appropriate to reduce a monetary penalty by more than 35 percent, it should document which statutory or regulatory factors that formed the basis for concluding that the original class of citation and corresponding monetary penalty amount were no longer considered valid or relevant.	4	Will Not Implement			
	7. To increase revenue for the penalty accounts, Public Health should seek legislation specifying a time frame within which facilities with nonappealed citations that do not qualify for a 35 percent reduction must pay their monetary penalties and allowing Public Health to collect interest on late payments of monetary penalties.	4	September 2015			
	Departments of Public Health and Social Services: Weaknesses in the Administration of the Child Health and Safety Fund and the State Children's Trust Fund Limit Their Effectiveness 2012-105 (November 2012)†	7. To ensure that it is able to measure its progress toward fulfilling the requirements of the health and safety fund, Public Health should establish performance measurements for the Kids' Plates Program.	1	September 2015		
	8. To ensure that it is able to measure its progress toward fulfilling the requirements of the health and safety fund, Public Health should periodically assess its progress toward meeting its measurable outcomes.	1	September 2015			
California Department of Public Health: It Needs to Improve Accuracy in Accounting and Charging for Compliance Inspections Designed to Reduce Youth Access to Tobacco and It Could Enhance Its Compliance Inspections 2012-111 (June 2013)	3. When Public Health enters into new contracts with local entities to conduct compliance inspections, it should evaluate its historical costs of conducting these inspections to ensure that the existing rates are adequate to recoup its costs. If it determines that the existing rates are not adequate, it should develop a new rate that accurately reflects its true costs.	1	September 2015			
	4. When Public Health enters into new contracts with local entities to conduct compliance inspections, it should ensure that it maintains adequate documented support for the rate it charges for a compliance inspection.	1	September 2015			
	5. Public Health should amend its recent contract with the city of Los Angeles to correct the rate it charges for a local compliance inspection to reflect its true cost.	1	February 2015			
	6. To ensure that Public Health can more effectively monitor and enforce compliance with the STAKE Act, it should take appropriate steps to ensure that there are no restrictions placed on the use of the data acquired during the annual retailer assessment that would preclude its use for compliance inspection purposes.	1	September 2015			



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Developmental Centers: Poor-Quality Investigations, Outdated Policies, Leadership and Staffing Problems, and Untimely Licensing Reviews Put Residents at Risk 2012-107 (July 2013) [†]	7. To ensure that Public Health can more effectively monitor and enforce compliance with the STAKE Act, it should annually obtain the identifying information regarding the retailers that sold tobacco to minors during the annual retailer assessment and provide that information to the Food and Drug Branch.	1	September 2015		
	8. To ensure that Public Health can more effectively monitor and enforce compliance with the STAKE Act, it should include the retailers that sold tobacco to minors during the annual retailer assessment when selecting the retailers it plans to inspect as part of the statewide compliance inspections.	1	September 2015		
	15. To conduct licensing surveys at required intervals while minimizing additional workload, Public Health should explore further opportunities to coordinate the licensing and certification surveys. If Public Health questions the value of these surveys, it should seek legislation to modify the surveying requirements.	1	September 2015		
	17. To ensure that investigations are conducted on a timely basis across priority levels, Public Health should develop and implement target time frames for the priority levels that lack them. Public Health should ensure that the timelines are being met and, if not, explore new ways to increase efficiency and manage its workload, thereby facilitating timely investigations.	1	Will Not Implement		
	18. To improve its enforcement, each year Public Health should evaluate the effectiveness of its enforcement system across all types of health facilities, including those in developmental centers, prepare the required annual report, and, if called for, recommend legislation to improve the enforcement system and enhance the quality of care.	1	September 2015		
Department of Social Services					
Department of Social Services: For the CalWORKs and Food Stamp Programs, It Lacks Assessments of Cost-Effectiveness and Misses Opportunities to Improve Counties' Antifraud Efforts 2009-101 (November 2009) [†]	2. To make certain that counties receive the greatest benefit from the resources they spend on antifraud efforts related to CalWORKs and food stamp cases, Social Services should, using the results from the recommended cost-effectiveness analysis, determine why some counties' efforts to combat welfare fraud are more cost-effective than others.	4	*	●	
	3. To make certain that counties receive the greatest benefit from the resources they spend on antifraud efforts related to CalWORKs and food stamp cases, Social Services should seek to replicate the most cost-effective practices among all counties.	4	December 2014		
	4. To make certain that counties receive the greatest benefit from the resources they spend on antifraud efforts related to CalWORKs and food stamp cases, Social Services should continue to address the recommendations of the steering committee and promptly act on the remaining recommendations.	4	July 2015		

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	5. To ensure the accuracy and consistency of the information on welfare fraud activities that counties report and that Social Services subsequently reports to the federal government, the Legislature, and internal users, Social Services should take the following steps: Remind counties that they are responsible for reviewing the accuracy and consistency of investigation activity reports before submission.	4	*	●	
	7. To ensure the accuracy and consistency of the information on welfare fraud activities that counties report and that Social Services subsequently reports to the federal government, the Legislature, and internal users, Social Services should continue with regular meetings of its workgroup to further its efforts to clarify its instructions for completing the counties' investigation activity reports.	4	July 2015		
	8. To ensure that counties are consistently following up on all match lists, Social Services should remind counties of their responsibility under state regulations to follow up diligently on all match lists. Further, it should work with counties to determine why poor follow-up exists and address those reasons.	4	*	●	
	9. To ensure that counties are consistently following up on all match lists, Social Services should revive its efforts to work with counties and federal agencies to address the counties' concerns about match list formats and criteria.	4	*	●	
	10. Social Services should track how counties determine prosecution thresholds for welfare fraud cases and determine the effects of these thresholds on counties' decisions to investigate potential fraud, with a focus on determining best practices and cost-effective methods. It should then work with counties to implement the consistent use of these cost-effective methods.	4	*	●	
	11. Social Services should either ensure that counties follow state regulations regarding the use of administrative disqualification hearings or pursue changing the regulations.	4	*	●	
	14. Recognizing that the deterrence effect is difficult to measure, Social Services should develop a method that allows it to gauge the cost effectiveness of SFIS. Social Services should include in its efforts to measure cost effectiveness the administrative cost that counties incur for using SFIS. Based on its results, Social Services should determine whether the continued use of SFIS is justified.	4	Will Not Implement		
Child Welfare Services: California Can and Must Provide Better Protection and Support for Abused and Neglected Children 2011-101.1 (October 2011)	1. To ensure that its licensees, including state-licensed foster homes, foster family agencies, and group homes, are in compliance with applicable requirements and that children are protected, Social Services should complete on-site reviews at least once every five years as required by state law.	3	March 2015		

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	2. To encourage more effective communication from county CWS agencies regarding its licensees, Social Services should specify in regulations what types of situations or allegations the agencies should forward to its licensing division.	3	Will Not Implement		
	3. To ensure that rates paid to foster family agencies are appropriate, Social Services should analyze the rates and provide reasonable support for each component, especially the 40 percent administrative fee it currently pays these agencies.	3	October 2014		
	4. Social Services should create and monitor compliance with clear requirements specifying that children placed with foster family agencies must have elevated treatment needs that would require a group home placement if not for the existence of these agencies' programs. Specifically, Social Services should revise its regulations so licensed foster homes have higher priority than foster family agencies for children that do not have identified treatment needs.	3	October 2014		
	5. Social Services should require county CWS agencies to file in CWS/CMS a detailed justification for any child placed with a foster family agency.	3	October 2017		
	6. Social Services should create a mechanism by which it can efficiently check for compliance with the needs-justification requirement.	3	October 2017		
	7. To encourage continued progress and innovation in keeping children safe, Social Services should add to its current CWS performance metrics a measure of the percentage of investigatory visits (both immediate and 10-day) completed on time that excludes attempted investigatory visits from its calculation of successful outcomes.	3	August 2015		
	8. To determine whether the hold harmless provision has been effective in reducing caseloads and whether it should be revised or rescinded, Social Services should refine and use CWS/CMS to calculate and report county CWS caseloads.	3	Will Not Implement		
	9. To encourage county CWS agencies to conduct formal internal death reviews, Social Services should revise its annual report on child deaths resulting from abuse or neglect to provide information on whether county CWS agencies conducted such a review of child deaths with prior CWS history. To obtain this information, Social Services should revise its regulations to require all county CWS agencies to not only report child deaths resulting from abuse or neglect but to also require a subsequent report indicating whether an internal child death review was completed.	3	Will Not Implement		

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	11. To provide more useful information in its annual report, Social Services should provide child death information broken out by county, not just statewide totals. Further, Social Services should provide more analysis, such as comparing child death information over multiple years and presenting each county's child deaths as a percentage of its total child population.	3	Will Not Implement		
 Departments of Public Health and Social Services: Weaknesses in the Administration of the Child Health and Safety Fund and the State Children's Trust Fund Limit Their Effectiveness 2012-105 (November 2012) [†]	18. To ensure that its efforts funded by the trust fund are preventing or reducing incidences of child abuse and neglect, Social Services should evaluate the performance measurements annually to assess whether the trust fund's programs and services are effective in reducing incidences of child abuse and neglect.	1	July 2015		
Department of State Hospitals II					
 High Risk Update—State Overtime Costs: A Variety of Factors Resulted in Significant Overtime Costs at the Departments of Mental Health and Developmental Services 2009-608 (October 2009)	3. To ensure that all overtime hours worked are necessary, and to protect the health and safety of its employees and patients, Mental Health should implement the Legislative Analyst's suggestion of hiring an independent consultant to evaluate the current staffing model for Mental Health's hospitals. The staffing levels at Mental Health should then be adjusted, depending on the outcome of the consultant's evaluation.	5	Fiscal Year 2015-16		
 Sex Offender Commitment Program: Streamlining the Process for Identifying Potential Sexually Violent Predators Would Reduce Unnecessary or Duplicative Work 2010-116 (July 2011) [†]	2. To eliminate duplicative effort and increase efficiency, Corrections should not make unnecessary referrals to Mental Health. Corrections and Mental Health should jointly revise the structured screening instrument so that the referral process adheres more closely to the law's intent.	3	Will Not Implement		
	6. To reduce costs for unnecessary evaluations, Mental Health should either issue a regulation or seek a statutory amendment to clarify that when resolving a difference of opinion between the two initial evaluators of an offender, Mental Health must seek the opinion of a fourth evaluator only when a third evaluator concludes that the offender meets SVP criteria.	3	Will Not Implement		
CORRECTIONS AND REHABILITATION					
Board of State and Community Corrections					
 Juvenile Justice Realignment: Limited Information Prevents a Meaningful Assessment of Realignment's Effectiveness 2011-129 (September 2012) [†]	1. To improve the usefulness of its reports so that they can be used to assess the outcomes of realignment, the board should work with counties and relevant stakeholders, such as the committee that established performance outcome measures for the block grant, to determine the data that counties should report. To minimize the potential for creating a state mandate, the board should take into consideration the information that counties already collect to satisfy requirements for other grants.	2	Unknown		



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	2. To improve the usefulness of its reports so that they can be used to assess the outcomes of realignment, if the Legislature chooses not to change the law as suggested, or if the counties are unable to report countywide statistics, the board should discontinue comparing outcomes for juveniles who receive block grant services to those who do not in its reports.	2	Will Not Implement		
	3. To maximize the usefulness of the information it makes available to stakeholders and to increase accountability, the board should create policies and procedures that include clear, comprehensive guidance to counties about all aspects of performance outcome and expenditure reporting. At a minimum, such guidance should include specifying how counties should define when a juvenile has received a service and whether certain services, such as training, should qualify as serving juveniles.	2	Unknown		
	4. To maximize the usefulness of the information it makes available to stakeholders and to increase accountability, the board should publish performance outcome and expenditure data for each county on its Web site and in its annual reports.	2	Unknown		
	5. To maximize the usefulness of the information it makes available to stakeholders and to increase accountability, the board should consider verifying the counties' data by conducting regular site visits on a rotating basis or by employing other procedures to verify data that counties submit.	2	Unknown		
	6. To increase the amount of juvenile justice data the counties make available to the public, the board should work with counties on how best to report these data.	2	Unknown		
	11. To assist the Legislature in its effort to revise state law to specify the intended goals of juvenile justice realignment, the board should work with stakeholders to propose performance outcome goals to use to measure the success of realignment.	2	Unknown		
	12. To ensure that counties do not maintain excessive balances of unexpended block grant funds, the board should develop procedures to monitor counties' unspent funds and follow up with them if the balances become unreasonable.	2	Unknown		

California Correctional Health Care Services #



California Department of Corrections and Rehabilitation: Inmates Sentenced Under the Three Strikes Law and a Small Number of Inmates Receiving Specialty Health Care Represent Significant Costs 2009-107.2 (May 2010)


	5. To determine whether the additional expansion of telemedicine is cost-effective within the California correctional system, Prison Health Care Services should identify and collect the data it needs to estimate the savings of additional telemedicine through an analysis of the cost of specialty care visits currently provided outside of the institution that could be replaced with telemedicine.	4	Will Not Implement		
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	6. To determine whether the additional expansion of telemedicine is cost-effective within the California correctional system, Prison Health Care Services should further analyze the cost-effectiveness of telemedicine through a more robust estimate of savings, including considering factors such as the percent of telemedicine consultations that required subsequent in-person visits because the issue could not be addressed through telemedicine.	4	Will Not Implement		
 <p>California Department of Corrections and Rehabilitation and California Correctional Health Care Services: Both Agencies Wasted State Resources by Improperly Accounting for Leave Taken by Their Employees 12010-1045 (June 2013)^{†‡}</p>	11. Establish a system of oversight at headquarters and at each adult correctional facility to ensure that personnel specialists are charging the correct number of leave hours for those nonmanagerial, exempt employees working an alternate work schedule.	1	Unknown		
	13. Establish a system of supervisory oversight that involves reviewing employees' time sheets and leave balances to ensure that personnel specialists are entering information into the leave accounting system correctly.	1	Unknown		
	15. Establish a system for correcting mischarged leave in the leave accounting system and for reviewing errors with the responsible employee whenever mischarged leave hours are discovered.	1	Unknown		
California Department of Corrections and Rehabilitation					
 <p>California Department of Corrections and Rehabilitation: It Fails to Track and Use Data That Would Allow It to More Effectively Monitor and Manage Its Operations 2009-107.1 (September 2009)[†]</p>	<p>1. To help it assess the effect of policy changes and manage operations in a cost-effective manner, Corrections should do the following:</p> <ul style="list-style-type: none"> • Ensure that its new data system will address its current lack of data available for statewide analysis, specifically data related to identifying the custody staffing cost by inmate characteristics such as security level, age, and custody designation. • If implementation of its new system continues to be delayed, or if Corrections determines that the new system will not effectively replace the current assignment and scheduling systems used by the institutions, it should improve its existing data related to custody staffing levels and use the data to identify the related costs of various inmate populations. 	5	December 2014		
	5. To more closely align its operations with state law and its own policy, make certain that inmates are provided with an adequate level of supervision, and protect the health and safety of employees and inmates, Corrections should encourage the Department of Personnel Administration** to negotiate a reduction in the amount of voluntary overtime a correctional officer is allowed to work in future collective bargaining unit agreements, in order to reduce the likelihood that involuntary overtime will cause them to work more than 80 hours of overtime in total during a month.	5	*	●	●



California Department of Corrections and Rehabilitation: Inmates Sentenced Under the Three Strikes Law and a Small Number of Inmates Receiving Specialty Health Care Represent Significant Costs 2009-107.2 (May 2010)

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	6. To more closely align its operations with state law and its own policy, make certain that inmates are provided with an adequate level of supervision, and protect the health and safety of employees and inmates, Corrections should better ensure that it prevents the instances in which correctional officers work beyond the voluntary overtime limit in a pay period.	5	*	●	
	8. To ensure that it can determine whether it is in compliance with state law and can measure the efficacy of its programs in reducing recidivism, Corrections should track, maintain, and use historical program assignment and waiting list data by inmate.	5	December 2014		
	1. To address the erroneous sentencing information and inappropriately assigned convictions in its data system, Corrections should complete its cleanup of data that will be transferred into the new system, ensuring that this review includes a detailed evaluation of convictions that have been assigned outdated sentencing information as well as deleting erroneous sentencing information, before it begins using its new data system.	4	*	●	
	2. To address the erroneous sentencing information and inappropriately assigned convictions in its data system, Corrections should create a schedule for regular checks of the accuracy of existing sentencing information, as well as the accuracy with which sentencing information has been assigned to convictions.	4	*	●	
	10. To better communicate to policy makers the annual cost of incarceration, and to provide a more accurate estimate of expenditures associated with changes in the large leave balances of custody staff—many of whom require relief coverage when they are absent—Corrections should provide a calculation of the annual increase or decrease in its liability for the leave balances of custody staff to better explain the cause of changes in expenditures to the relevant legislative policy and fiscal committees.	4	*		●
	11. To better communicate to policy makers the annual cost of incarceration, and to provide a more accurate estimate of expenditures associated with changes in the large leave balances of custody staff—many of whom require relief coverage when they are absent—Corrections should provide an estimate of the annual cost of leave balances likely to be paid for retiring custody staff to the relevant legislative policy and fiscal committees.	4	*		●
Department of Corrections and Rehabilitation: Improper Overtime Reporting I2010-2, Case I2007-0887 (January 2011) [‡]	1. Corrections should take appropriate disciplinary actions against the employee and pursue collection efforts for the compensation she did not earn.	3	Will Not Implement		

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California Prison Industry Authority: It Can More Effectively Meet Its Goals of Maximizing Inmate Employment, Reducing Recidivism, and Remaining Self-Sufficient 2010-118 (May 2011)	6. As Corrections prepares to move CalParole data into the Strategic Offender Management System (SOMS), it should modify existing employment-related fields and add to SOMS new fields that are currently not available in CalParole so that Corrections can minimize the opportunity for erroneous data entries and make employment data more reliable.	3	January 2015				
	Sex Offender Commitment Program: Streamlining the Process for Identifying Potential Sexually Violent Predators Would Reduce Unnecessary or Duplicative Work 2010-116 (July 2011)	3.	To eliminate duplicative effort and increase efficiency, Corrections should not make unnecessary referrals to Mental Health. For example, Corrections should better leverage the time and work it already conducts by including in its referral process (1) determining whether the offender committed a predatory offense, (2) reviewing results from any previous screenings and evaluations that Mental Health completed and considering whether the most recent parole violation or offense might alter the previous decision, and (3) using STATIC-99R to assess the risk that an offender will reoffend.	3	Will Not Implement		
	4.	To eliminate duplicative effort and increase efficiency, Corrections should not make unnecessary referrals to Mental Health. Corrections and Mental Health should jointly revise the structured screening instrument so that the referral process adheres more closely to the law's intent.	3	Will Not Implement			
Department of Corrections and Rehabilitation: The Benefits of Its Correctional Offender Management Profiling for Alternative Sanctions Program Are Uncertain 2010-124 (September 2011)	1. To ensure that the State does not spend additional resources on COMPAS while its usefulness is uncertain, Corrections should suspend its use of the COMPAS core and reentry assessments until it has issued regulations and updated its operations manual to define how Corrections' use of COMPAS will affect decision making regarding inmates, such as clarifying how COMPAS results will be considered when sending inmates to different prison facilities, enrolling them in rehabilitative programs to address their criminal risk factors, and developing expectations for those on parole.	3	December 2015				
	2.	To ensure that the State does not spend additional resources on COMPAS while its usefulness is uncertain, Corrections should suspend its use of the COMPAS core and reentry assessments until it has demonstrated to the Legislature that it has a plan to measure and report COMPAS's effect on reducing recidivism. Such a plan could consider whether inmates enrolled in a rehabilitative program based on a COMPAS assessment had lower recidivism rates than those provided rehabilitative programming as a result of non-COMPAS factors.	3	*	●	●	
	3.	Once Corrections resumes its use of COMPAS core and reentry assessments, it should provide ongoing training to classification staff representatives, parole agents, and others that may administer or interpret COMPAS assessment results to ensure that COMPAS is a valuable inmate assessment and planning tool.	3	*	●		


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	4. Once Corrections resumes its use of COMPAS core and reentry assessments, it should develop practices or procedures to periodically determine whether its staff are using COMPAS core or reentry assessments as intended. Such a process might include performing periodic site visits to corroborate that COMPAS is being used as required.	3	October 2015		
	5. Once Corrections resumes its use of COMPAS core and reentry assessments, it should develop practices or procedures to periodically compare the demand for certain rehabilitative programs, as suggested by a COMPAS core assessment, to the existing capacity to treat such needs.	3	*	●	
 California Department of Corrections and Rehabilitation and California Correctional Health Care Services: Both Agencies Wasted State Resources by Improperly Accounting for Leave Taken by Their Employees I2010-1045 (June 2013)†‡	2. Conduct an audit of the leave accounting system during the past three years to identify instances of nonmanagerial, exempt employees working an alternate schedule at an adult correctional facility being charged incorrect amounts of leave for missed days of work.	1	May 2015		
	4. Adjust current employees' leave balances in the leave accounting system to correct any improper charging of leave identified by the audit.	1	June 2015		
	6. In instances where the audit has determined that an employee's leave balance was mischarged but the employee subsequently departed state service, take appropriate measures to remedy any resulting incorrect compensation of the employee for unused leave upon his or her departure, including by seeking repayment of any amount overpaid to the employee.	1	June 2015		

TRANSPORTATION

Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun

Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun: It Needs to Develop Procedures and Controls Over Its Operations and Finances to Ensure That It Complies With Legal Requirements 2009-043 (November 2009)†	2. To ensure that its expenditures are appropriate, the board should competitively bid contracts with physicians who perform physical examinations of pilots.	4	Will Not Implement		
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California Department of Transportation

 California Department of Transportation: Its Poor Management of State Route 710 Extension Project Properties Costs the State Millions of Dollars Annually, Yet State Law Limits the Potential Income From Selling the Properties 2011-120 (August 2012)†	1. To ensure that it collects fair market rents for the SR 710 properties on the State's behalf, Caltrans should, using the fair market rent determinations for all SR 710 properties it recently prepared and excluding those in its affordable rent program, adjust the tenants' rents to fair market after providing them with proper notice.	2	Unknown		
	2. To ensure that it collects fair market rents for the SR 710 properties on the State's behalf, Caltrans should make only limited exceptions to charging fair market rent and document the specific public purpose that is served in any case that it does not charge fair market rent.	2	Unknown		

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	39. To comply with the 2007 court ruling and the APA until such time as the Legislature may choose to act, Caltrans should establish regulations to govern the sales process for the SR 710 properties affected by the Roberti Bill.	2	March 2015		
	40. To pursue alternatives to its management of the SR 710 properties, Caltrans should prepare a cost-benefit analysis to determine if the State would save money by hiring a private vendor to manage the properties. If such savings would occur, Caltrans should seek an exemption under Government Code, Section 19130 (a), to hire a private vendor.	2	Unknown		
High-Speed Rail Authority					
High-Speed Rail Authority: It Risks Delays or an Incomplete System Because of Inadequate Planning, Weak Oversight, and Lax Contract Management 2009-106 (April 2010)	1. To ensure that it can respond adequately to funding levels that may vary from its business plan, the Authority should develop and publish alternative funding scenarios that reflect the possibility of reduced or delayed funding from the planned sources. These scenarios should detail the implications of variations in the level or timing of funding on the program and its schedule.	4	*	●	
	3. To avert possible legal challenges, the Authority should ensure that the review group adheres to the Meeting Act or seek a formal opinion from the Office of the Attorney General regarding whether the review group is subject to this act.	4	Will Not Implement		
High-Speed Rail Authority Follow-Up: Although the Authority Addressed Some of Our Prior Concerns, Its Funding Situation Has Become Increasingly Risky and the Authority's Weak Oversight Persists 2011-504 (January 2012)†	1. To ensure that it can respond adequately to funding levels that may vary from its business plan, the Authority should develop and publish alternative funding scenarios that reflect the possibility of reduced or delayed funding from the planned sources. These scenarios should detail the implications of variations in the level or timing of funding on the program and its schedule.	2	*		●
	3. To avert possible legal challenges, the Authority should ensure that the independent peer review panel adheres to the Bagley-Keene Open Meeting Act or seek a formal opinion from the Office of the Attorney General (attorney general) regarding whether the panel is subject to this act.	2	Will Not Implement		

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	7. To add clarification to the first recommendation we made in our prior report that stated, "To ensure that it can respond adequately to funding levels that may vary from its business plan, the Authority should develop and publish alternative funding scenarios that reflect the possibility of reduced or delayed funding from the planned sources. These scenarios should detail the implications of variations in the level or timing of funding on the program and its schedule," the Authority should also present viable alternative funding scenarios for phase one in its entirety that do not assume an increase in the federal funding levels already identified in the 2012 draft business plan. If the Authority does not believe that such alternatives exist, it should publicly disclose this in its 2012 final business plan.	2	*	●	
	9. To ensure that the public and the Legislature are aware of the full cost of the program, the Authority should clearly disclose that the 2012 draft business plan assumes that the State will only be receiving profits for the first two years of operation in 2022 and 2023, and potentially not again until 2060 in exchange for the almost \$11 billion the Authority assumes it will receive from the private sector over a four-year period.	2	*	●	

Department of Motor Vehicles



Special Interest License Plate Funds: The State Has Foregone Certain Revenues Related to Special Interest License Plates and Some Expenditures Were Unallowable or Unsupported 2012-110 (April 2013)

1. To ensure that programs supported by special plates receive appropriate amounts of revenues due to them, Motor Vehicles should annually collect all fees for special plates that are no longer on a vehicle but are retained by the plate owner.	1	Will Not Implement		
2. Motor Vehicles should ensure that the fees it lists in its application for special plates, as well as any other publications, are supported by the appropriate statutes.	1	December 2014		
3. Motor Vehicles should assess the extent to which it has charged fees for special plates that are not consistent with those prescribed in statutes and take appropriate action.	1	December 2014		
5. Motor Vehicles should periodically assess the cost and benefits of updating its automated systems to reflect current per-plate administrative costs. If Motor Vehicles determines that doing so is cost-effective, it should update its automated systems to reflect the up-to-date administrative costs for all these plates.	1	December 2014		

NATURAL RESOURCES

California Natural Resources Agency



Special Interest License Plate Funds: The State Has Foregone Certain Revenues Related to Special Interest License Plates and Some Expenditures Were Unallowable or Unsupported 2012-110 (April 2013)

15. To make certain that money from the special plate funds pay only for allowable and supportable activities, Resources should use all appropriate funding sources to pay for any expenses that benefit multiple programs in proportion to the benefits these programs actually receive. Further, it should ensure that its allocation of such expenses to different funds is equitable and supported.	1	Will Not Implement		
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	16. To ensure that the governor and Legislature have sufficient and appropriate information with which to make decisions on the most effective use of environmental fund money, Resources should submit to the governor and Legislature the annual and triennial reports containing the information that state law requires.	1	*	●	
Department of Forestry and Fire Protection					
Accounts Outside the State's Centralized Treasury System: Processes Exist to Safeguard Money, but Controls for These Accounts Need Strengthening 2013-107 (October 2013)	10. To safeguard cost recovery program revenue, Cal Fire should, within the next six months, develop a process to track civil cost recovery cases statewide to monitor compliance with policies as well as monitor collection status.	1	December 2014		
	11. Cal Fire should continue its efforts to determine what happened to the \$13,470 check that was not deposited in the Wildland Fire Fund.	1	December 2014		
Department of Parks and Recreation					
Department of Parks and Recreation: Weak Procedures Have Led to Inconsistent Budgetary Reporting and Difficulties in Measuring the Impact of Efforts to Keep Parks Open 2012-121.1 (February 2013)	2. The department's executive management should monitor the budget process closely to prevent any future variances from established policies and procedures designed to ensure accurate reporting.	1	October 2014		
	4. To ensure that any significant changes affecting fund balances proposed by Finance for presentation in the governor's budget are presented accurately and transparently, the department should develop procedures to require higher-level review and approval of such changes by its chief deputy director, director, and potentially the secretary for the Natural Resources Agency. The department should identify levels of significance for the proposed changes in fund balances that would trigger seeking these higher-level approvals.	1	*	●	●
Special Interest License Plate Funds: The State Has Foregone Certain Revenues Related to Special Interest License Plates and Some Expenditures Were Unallowable or Unsupported 2012-110 (April 2013)	14. To make certain that money from the special plate funds pay only for allowable and supportable activities, Parks and Recreation should ensure that environmental fund money budgeted to its offices is supported by the proportion of the offices' activities that state law allows.	1	July 2015		
	1. To ensure that districts receive timely budget allocations, the department should establish and implement a formal allocation process by January 2014 that includes the following: <ul style="list-style-type: none"> A timeline that mirrors the State's budget process and describes when the department will provide park districts with draft allocations, revisions to draft allocations, and final allocations. A description of the roles and responsibilities of key staff involved in the process, including budget office staff, the deputy directors and division chiefs for park operations and the OHMVR division, and district superintendents. 	1	*	●	●





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	2. To reduce duplicate expenditure tracking and increase the effectiveness of its budget process, the department should develop procedures requiring the districts to prepare and submit spending plans and to periodically submit their total expenditures after reconciling them with the FTS. The procedures should specify how often districts should provide this information to the department to ensure that the budget office and park management can appropriately oversee the districts' budgets and spending.	1	*	●	●
	3. To ensure that it can comply with state law in the event that it must close parks or reduce park services in the future, the department should improve its methodology for developing individual park unit budgets and determining and tracking park-level costs. Specifically, the department should update its description of phase one to adequately explain how it will reconcile individual park costs for fiscal year 2010–11 to the department's total actual expenditures to operate the parks.	1	*	●	●
	4. To ensure that it can comply with state law in the event that it must close parks or reduce park services in the future, the department should improve its methodology for developing individual park unit budgets and determining and tracking park-level costs. Specifically, the department should develop specific time frames and deliverables for the completion of phases two and three of its plan. These time frames should include specific completion dates for each key component of the phases.	1	*	●	●
	5. To ensure that it can comply with state law in the event that it must close parks or reduce park services in the future, the department should improve its methodology for developing individual park unit budgets and determining and tracking park-level costs. Specifically, the department should provide training as soon as possible to park operations staff to ensure that they consistently collect the data necessary for phase two.	1	*	●	
	6. To ensure that it can comply with state law in the event that it must close parks or reduce park services in the future, the department should improve its methodology for developing individual park unit budgets and determining and tracking park-level costs. Specifically, the department should determine how it will define service levels and measure whether those levels are being met so it can provide budgets for each park unit, as phase three of its process requires.	1	*	●	●
	7. To ensure that the Legislature has the information necessary to make any future decisions related to service reductions or park closures, beginning in fiscal year 2014–15 the department should provide it with an annual report that details the costs to operate each park unit.	1	*	●	●

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	8. To prevent unauthorized leave buyback transactions, the department should provide training by December 2013 to all department managers and personnel staff who might be involved in leave buyback transactions to ensure that they understand the State's requirements regarding leave buybacks.	1	*	●	●
	9. To prevent unauthorized leave buyback transactions, the department should establish written policies and procedures requiring the personnel office's transactions unit to obtain documentation from managers who request leave buyback transactions. The documentation should specify the authority for the leave buyback and include appropriate authorizing signatures.	1	*		●
	10. To prevent unauthorized leave buyback transactions, the department should increase the level of supervisory review to ensure that transactions unit staff process only authorized and properly coded leave buyback transactions.	1	*		●
	11. To prevent unauthorized leave buyback transactions, the department should limit access for keying transactions to the payroll system only to authorized personnel staff.	1	*		●
	12. To improve the effectiveness of the EPRC, the department should update its administrative manual by March 2014 to specify the members of the EPRC, the members' roles and responsibilities, and the personnel actions that the EPRC is responsible for reviewing.	1	*		●
	13. To improve the effectiveness of the EPRC, the department should establish policies and procedures by March 2014 to govern the EPRC's decisions on personnel actions. These policies and procedures should include the specific factors and their relative importance that the members must consider when making decisions and should require the EPRC to document its decisions and the reasons for those decisions.	1	*	●	●
	14. To improve the effectiveness of the EPRC, by March 2014, the department should require the EPRC to periodically provide a summary report of its decisions to the director's office so that the director can monitor whether those decisions are consistent with his priorities.	1	*	●	●
	15. To improve the effectiveness of the EPRC, the department should establish a process by March 2014 through which the director's office provides formal direction to the EPRC regarding staffing priorities.	1	*	●	●
	16. To ensure that its position control unit staff do not circumvent state law to preserve vacant positions, the department should establish procedures that include a process to periodically review any personnel transactions that are not subject to EPRC review. It should provide a summary report of this review to the director's office and the EPRC.	1	*	●	●

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State Lands Commission					
State Lands Commission: Because It Has Not Managed Public Lands Effectively, the State Has Lost Millions in Revenue for the General Fund 2010-125 (August 2011) [†]	1. When the commission determines that it will pursue delinquent lessees itself, it should use a collection agency or a program such as the Franchise Tax Board's Interagency Intercept Collections Program.	3	Will Not Implement		
	2. To ensure that it receives rent from the lessee that reflects the approximate value for the State's property at those times when a lessee disputes a modification to the rental amount after the commission exercises its right to perform a rent review or because the lease expired, the commission should include in its lease agreements a provision that requires lessees to pay the commission's proposed increased rental amount, which would be deposited into an account within the Special Deposit Fund. The increased rental amounts deposited, plus the corresponding interest accrued in the account, should then be liquidated in accordance with the amount agreed to in the final lease agreement.	3	Will Not Implement		
	10. To complete its rent reviews promptly and obtain a fair rental amount for its leases, the commission should conduct rent reviews on each fifth anniversary as specified in the lease agreements or consider including provisions in its leases that allow for the use of other strategies, such as adjusting rents annually using an inflation indicator.	1 ^{††}	December 2014		
	11. To ensure that it is charging rent based on the most current value of its properties, the commission should appraise its properties as frequently as the lease provisions allow—generally every five years.	1 ^{††}	*		●
	21. To ensure that it manages delinquent leases in an effective and timely manner and collects all the amounts owed to it, the commission should develop and adhere to policies and procedures that incorporate the administrative manual's guidance, including the steps staff should take when a lessee is delinquent, time standards for performing those steps, and a process for consistently tracking the status of delinquent leases between divisions.	1 ^{††}	December 2014		
	23. To ensure that as few leases as possible go into holdover, the commission should continue to implement its newly established holdover reduction procedures and periodically evaluate whether its new procedures are having their intended effect of reducing the number of leases in holdover.	1 ^{††}	December 2014		
	24. To ensure that as few leases as possible go into holdover, the commission should consistently assess the 25 percent penalty on expired leases.	1 ^{††}	June 2015		

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Department of Water Resources					
 General Obligation Bonds: The Departments of Water Resources and Finance Should Do More to Improve Their Oversight of Bond Expenditures 2010-117 (May 2011)	4. To provide the public with accurate and complete information on the bond-funded projects it administers, Water Resources should develop and consistently use a formalized, documented review process that will provide greater assurance that project information posted to the Bond Accountability Web site is regularly updated and contains accurate information.	3	Will Not Implement		
ENVIRONMENTAL PROTECTION					
Department of Resources Recycling and Recovery					
Department of Resources Recycling and Recovery: Deficiencies in Forecasting and Ineffective Management Have Hindered the Beverage Container Recycling Program 2010-101 (June 2010)	4. The department should weave benchmarks, coupled with metrics to measure the quality of its activities, into the strategic plan for the beverage program to allow it to better measure progress in meeting goals.	4	2015		
	5. The department should ensure that the strategic plan incorporates all relevant activities of the beverage program.	4	2015		
	19. To improve oversight of grants and ensure that the intended value is received from the grant funds it awards, the department should implement policies to ensure that cities and counties spend grant funds for recycling purposes by requiring periodic reporting of expenses or reporting of how funds were used after the grant ends.	1††	December 2017		
State Water Resources Control Board					
State Water Resources Control Board: It Should Ensure a More Consistent Administration of the Water Quality Certification Program 2012-120 (June 2013)	6. When regional water boards include staff enforcement costs in the penalty actions they issue, the state water board should require that they use a systematic method for tracking the hours staff spend on enforcement activities related to penalty actions and maintain documentary support for these staff enforcement cost calculations.	1	March 2015		
	7. If regional water boards continue to include staff enforcement costs in the penalty actions they issue, the state water board should revise its staff cost rate to reflect actual staff salaries and overhead cost for the certification program.	1	March 2015		
BUSINESS, CONSUMER SERVICES, AND HOUSING					
Department of Consumer Affairs					
 State Athletic Commission: Its Ongoing Administrative Struggles Call Its Future Into Question 2012-117 (March 2013)†	16. To ensure that all designated parties complete statements of economic interests as the law requires, Consumer Affairs should improve its policies and procedures to ensure that it identifies any incomplete statements and promptly notifies the Fair Political Practices Commission when necessary.	1	April 2015		


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Physical Therapy Board					
Physical Therapy Board of California: Although It Can Make Improvements, It Generally Processes Complaints and Monitors Conflict-of-Interest Requirements Appropriately 2011-119 (June 2012)	1. The physical therapy board should explore the feasibility of establishing a state position to perform the duties of its current in-house consultant at a reduced cost.	2	Will Not Implement		
	3. Consumer Affairs should establish procedures for ensuring that board members attend board member orientation and that those individuals and other designated employees receive all required ethics training. In addition, Consumer Affairs should adhere to the record retention period of five years specified by law for the certificates documenting that designated employees received ethics training.	2	*	●	
State Athletic Commission					
State Athletic Commission: Its Ongoing Administrative Struggles Call Its Future Into Question 2012-117 (March 2013) [†]	<p>2. To ensure its future financial stability, the commission should work with Consumer Affairs to establish a long-term financial plan that contains the following:</p> <ul style="list-style-type: none"> • A reasonable annual budget with an accurate forecast of planned expenditures. The commission should determine this budget based in part on its ability or inability to meet the expenditure limitations stipulated in the solvency plan. • The number of inspectors necessary to regulate each type of event. In establishing this number, the commission should take into account the varying size and complexity of the events. It should also determine the cost for each inspector to regulate an event. • An estimate of its costs to regulate different types of events. To arrive at a reasonable estimate, the commission will need to track at least six months of actual expenditures. • The number of staff necessary to perform all of the commission's necessary functions. The commission will need to conduct a workload analysis as soon as possible to determine how many staff it requires and adjust its planned expenditures accordingly. • Funds for athletic inspectors' training that are sufficient to meet the requirement that inspectors receive training within six months of an event that they are scheduled to work. • Strategies to increase revenue. The commission may need to conduct analyses to determine whether the opportunities it is currently considering are legally permissible and fiscally prudent. If so, the commission should take steps to implement those strategies, including seeking any necessary legislative changes. 	1	April 2015		





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	7. To ensure that it adequately tracks critical information related to its basic functions and mission, the commission should work with Consumer Affairs to ensure that the new online program will meet its needs and requirements. Once the program is in place, the commission should use it as its central means for tracking its operations.	1	*	●	
	8. To ensure that it accurately collects revenue, the commission should formalize policies and procedures directing inspectors to take the necessary steps to make sure they correctly and consistently calculate taxes, assessments, and fees in accordance with state law and regulations.	1	January 2015		
	9. To ensure that it accurately collects revenue, the commission should calculate the pension assessment by counting all the complimentary tickets issued, except for working complimentary tickets, not merely the complimentary tickets that are redeemed. If the commission does not agree that it should calculate the pension assessment by counting all the complimentary tickets issued, it should seek a change in its regulations to calculate the fee based only on the number of complimentary tickets redeemed.	1	Will Not Implement		
	22. The commission needs to establish regulations that describe its process for determining its ticket assessment for the neurological account so that it avoids the use of underground regulations.	1	April 2015		
	25. To operate the pension plan effectively and maximize boxers' benefits, the commission should create policies and procedures for its administration to ensure that it transfers funds on a regular basis from the pension fund's state account into its investment account.	1	*	●	
	28. To comply with state law governing the pension plan, the commission needs to, after it has an accurate and complete listing of all licensed athletes and box office information by event type, conduct the analysis to determine the feasibility of expanding the pension plan to cover all athletes and report the results to the Legislature.	1	July 2015		



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LABOR AND WORKFORCE DEVELOPMENT					
California Workforce Investment Board					
Federal Workforce Investment Act: More Effective State Planning and Oversight Is Necessary to Better Help California's Job Seekers Find Employment 2011-111 (March 2012) [†]	2. To assist the governor in the development, oversight, and continuous improvement of California's workforce investment system, the state board should collaborate with state and local workforce investment partners to promptly develop and implement a strategic workforce plan as state law requires. The strategic plan should include, at a minimum, the following elements: clear roles and responsibilities pertaining to the state board, EDD, and other state and local workforce partners; clear definitions for terminology used in the strategic plan, such as quality services; performance measures that are specific to California for evaluating the efficiency and effectiveness of WIA-funded programs and activities; and procedures for approving the addition of data elements to EDD's Web-based system and for the exchange of data between EDD and the state board to facilitate the development and implementation of performance measures that are specific to California.	2	July 2016		
Employment Development Department					
Employment Development Department: Its Unemployment Program Has Struggled to Effectively Serve California's Unemployed in the Face of Significant Workload and Fiscal Challenges 2010-112 (March 2011) [†]	3. To further enhance its corrective action planning process as a means of improving the unemployment program, the department should establish several key performance targets or benchmarks that are tied to each specific corrective action, to effectively gauge the impact of the actions on its goal of achieving the acceptable levels related to the timeliness measures.	3	*	●	●
	4. As part of an overall strategy to limit the number of calls it receives while still providing timely and effective customer service, the department should use existing data and additional data from the new phone system to gain a better understanding of why people request to speak to an agent. Using this information, the department should further develop strategies and measurable goals related to achieving a reduction in call volumes. For example, to ensure that virtually all calls are able to gain access to the voice response portion of its new phone system, the department should monitor the volume of blocked call attempts and work with its phone system vendor if necessary to increase the system's capacity.	3	December 2015		
	5. To evaluate the effectiveness of its other efforts to provide services to claimants in ways that do not require them to speak to agents, such as Web-Cert and Tele-Cert, the department should periodically summarize and assess the more robust management information available under its new phone system.	3	December 2015		

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	Federal Workforce Investment Act: More Effective State Planning and Oversight Is Necessary to Better Help California's Job Seekers Find Employment 2011-111 (March 2012)	4. To assist the state board and other workforce investment partners in the development and implementation of state-specific performance measures, EDD should ensure that it works with the state board to develop procedures for approving the addition of data elements to its Web-based system and for the exchange of data between EDD and the state board.	2	July 2016		
	Employment Development Department: It Needs to Address Data Issues to Better Evaluate and Improve the Performance of Its Employment Programs for Veterans 2013-102 (October 2013)	1. To improve the quality of the performance reporting it submits to Labor, the department should work with Labor to develop reasonable controls to avoid reporting overstated and inaccurate performance measures.	1	*		●
		5. To identify ways to better serve veterans in California, the department should assess the success or struggles of veterans within demographic categories in finding employment, such as age, race, or educational attainment, by comparing veterans' performance to that of nonveterans in the same demographic categories and across demographic categories and use this analysis to determine whether specific populations of veterans could be better served through more targeted efforts and to identify best practices for improving employment outcomes for these specific populations. Further, the department should provide the results of this analysis annually, beginning in 2014, to stakeholders, including local workforce agencies, the state workforce board, the interagency council, the Legislature, and the public.	1	July 2015		
		7. To better optimize its leadership role in the interagency council's employment workgroup, the department should ensure that the employment workgroup develops a timeline for completing its action items and develops a process for measuring its success in improving employment outcomes for veterans. Specifically, the department should take the lead for establishing a time frame for evaluating tools to help assess and translate military skills into finding civilian jobs and establishing a transition assistance program for veterans.	1	Will Not Implement		
		9. To assess whether it is doing enough to take advantage of federal requirements that federal contractors give preference to veterans when hiring, the department should determine why the reported number of veterans receiving employment with federal contractors is so low relative to the number of job referrals made and it should provide appropriate direction to the veterans employment representatives to better leverage the federal contractor job listing.	1	December 2014		

TITLE	RECOMMENDATION	NUMBER OF YEARS RECOMMENDATION APPEARED IN THIS REPORT	ESTIMATED DATE OF COMPLETION	AUDITEE DID NOT SUBSTANTIATE ITS CLAIM OF FULL IMPLEMENTATION	AUDITEE DID NOT ADDRESS ALL ASPECTS OF THE RECOMMENDATION
GOVERNMENT OPERATIONS					
Department of General Services					
Department of General Services: The Division of the State Architect Lacks Enforcement Authority and Has Weak Oversight Procedures, Increasing the Risk That School Construction Projects May Be Unsafe 2011-116.1 (December 2011) [†]	1. To ensure public safety and provide public assurance that school districts construct projects in accordance with approved plans, the department, in conjunction with the division, should pursue legislative changes to the Field Act that would prohibit occupancy in cases in which the division has identified significant safety concerns.	2	Will Not Implement		
 California Department of Transportation: Its Poor Management of State Route 710 Extension Project Properties Costs the State Millions of Dollars Annually, Yet State Law Limits the Potential Income From Selling the Properties 2011-120 (August 2012) [†]	37. To ensure that the construction unit complies with the State's procurement laws and policies, General Services should continue its efforts to implement regulations that govern the small business certification process related to defining and enforcing violations of commercially useful function requirements.	2	Unknown		
Public Utilities Commission					
California Public Utilities Commission: Despite Administrative Weaknesses, It Has Generally Awarded Compensation to Intervenor in Accordance With State Law 2012-118 (July 2013) [†]	5. To comply fully with state law, the commission should conduct a comprehensive market rate study and update it periodically.	1	*		●
Victim Compensation and Government Claims Board, California					
Victim Compensation and Government Claims Board: It Has Begun Improving the Victim Compensation Program, but More Remains to Be Done 2008-113 (December 2008) [†]	1. To ensure that it maximizes its use of CaRES, the board should address the structural and operational flaws that prevent identification of erroneous information and implement edit checks and other system controls sufficient to identify errors.	5	Unknown		
GENERAL GOVERNMENT					
Department of Finance					
 General Obligation Bonds: The Departments of Water Resources and Finance Should Do More to Improve Their Oversight of Bond Expenditures 2010-117 (May 2011)	1. To enhance the value of the Bond Accountability Web site, Finance should require administering agencies to provide information about the actual amounts of bond funds spent on posted projects at least semiannually.	3	Will Not Implement		
	2. To enhance the value of the Bond Accountability Web site, Finance should develop a tracking and review process to periodically assess the completeness of the project information posted to the Web site. Such a process should include a review of whether state agencies are describing, in terms the public can easily understand, the expected or realized benefits of bond-funded projects.	3	Will Not Implement		
Department of Veterans Affairs					
California Department of Veterans Affairs: It Has Initiated Plans to Serve Veterans Better and More Cost-Efficiently, but Further Improvements Are Needed 2012-119 (May 2013)	2. To ensure that it maximizes its ability to generate revenue at all the veterans homes and better cover the costs of providing care to its members, CalVet should analyze its cost-recovery model, including an evaluation of the state laws that limit the amount of revenue that CalVet can collect for the care it provides to its members at the veterans homes.	1	January 2016		


TITLE	RECOMMENDATION	NUMBER OF YEARS RECOMMENDATION APPEARED IN THIS REPORT	ESTIMATED DATE OF COMPLETION	AUDITEE DID NOT SUBSTANTIATE ITS CLAIM OF FULL IMPLEMENTATION	AUDITEE DID NOT ADDRESS ALL ASPECTS OF THE RECOMMENDATION
	5. To better utilize unused space at the veterans homes, and to serve more veterans within legal restrictions, CalVet should use the information in the Yountville veterans home master plan to develop a plan for using unused space at that home to generate revenue and/or serve more veterans.	1	December 2014		
	11. To ensure it is maximizing its ability to serve veterans in the State's veterans homes, CalVet should follow through with its plan to assess the bed capacity of the homes for veterans' needs after the homes in Fresno and Redding are licensed, to determine the most appropriate number of beds for the different levels of care offered at each home.	1	July 2015		
	14. To ensure that it is providing the highest quality of services to veterans, CalVet should improve its tracking system policy by developing oversight controls so that the system is used consistently by all of the veterans homes.	1	October 2014		
	15. To allow for public input and to prevent any legal challenges that its policy of capping members' fees, its \$165 monthly income-retention policy for members, and its age and admission policy are unenforceable underground regulations, CalVet should adopt these policies as regulations in accordance with the Administrative Procedure Act.	1	January 2016		
	16. To more effectively and efficiently meet state purchasing and procurement requirements, CalVet should analyze its current purchasing model to ensure that it is the most efficient and cost-effective to use when purchasing non-IT goods and services for the veterans homes.	1	December 2016		
	17. To more effectively and efficiently meet state purchasing and procurement requirements, CalVet should continue implementing quality assurance policies to strengthen its oversight of its purchasing practices, including conducting on-site reviews of the purchasing practices of the veterans homes.	1	December 2016		
California Department of Veterans Affairs: Wastefulness, Failure to Comply With State Contracting Requirements, and Inexcusable Neglect of Duty I2011-0837 (October 2013)†‡	1. For all contracts that involve recreation fund moneys or involve recreation fund enterprises, as a best practice, institute policies that require the contracts be awarded and administered in a manner consistent with the policies and procedures set forth in the State Administrative Manual and the State Contracting Manual.	1	January 2015		
	3. For all contracts that involve recreation fund moneys or involve recreation fund enterprises, institute policies that require the contracts to be reviewed and approved by the secretary of Veterans Affairs, or upon delegation of the authority to do so, by a deputy secretary, prior to the contracts being executed.	1	January 2015		

TITLE	RECOMMENDATION	NUMBER OF YEARS RECOMMENDATION APPEARED IN THIS REPORT	ESTIMATED DATE OF COMPLETION	AUDITEE DID NOT SUBSTANTIATE ITS CLAIM OF FULL IMPLEMENTATION	AUDITEE DID NOT ADDRESS ALL ASPECTS OF THE RECOMMENDATION
	4. Institute a policy that requires all payments of recreation fund moneys to a person or business in the amount of \$5,000 or more during a fiscal year and any contract involving recreation fund enterprises be presented to the recreation fund advisory board (now known as the Morale, Welfare, and Recreation Committee) at a public meeting for an advisory vote prior to the payment being made.	1	January 2015		
	5. Institute a policy that requires any expenditure of recreation fund moneys to a person or business in the amount of \$5,000 or more during a fiscal year be listed as a separate line item in the budget of the recreation fund as presented to the secretary for approval.	1	January 2015		
	7. Consider legislation to establish increased statutory controls over the management of the recreation fund maintained by each of the veterans homes to require that the funds be managed by the secretary of Veterans Affairs, in consultation with the administrator of each home, and be managed in a manner that is transparent to the public, takes into account the feelings of veterans, is consistent with the mission of the veterans homes, and is fiscally prudent.	1	Unknown		

LEGISLATIVE, JUDICIAL, AND EXECUTIVE

Emergency Management Agency

California's Mutual Aid System: The California Emergency Management Agency Should Administer the Reimbursement Process More Effectively 2011-103 (January 2012)	1. To make certain that emergency response agencies receive reimbursements on time, Cal EMA should establish procedures to ensure that paying entities do not delay reimbursements.	2	Unknown		
	4. To make certain that local agencies calculate correctly their average actual hourly rates, Cal EMA should audit a sample of invoices each year and include in the review an analysis of the accuracy of the local agencies' average actual hourly rates reported in the agencies' salary surveys.	2	*	●	
	5. To make certain that local agencies calculate correctly their average actual hourly rates, if Cal EMA determines that the local agencies' rates are incorrect, it should advise the agencies to recalculate the rates reported in their salary survey. Local agencies that fail to submit accurate average actual hourly rates should be subject to the base rates.	2	*	●	
	7. If FEMA determines that the calculations and claims identified in the Office of Inspector General's audit report were erroneous, Cal EMA should modify the time sheets to track the actual hours that the responding agency works as well as the dates and times that the agency committed to the incident and returned from the incident.	2	Unknown		

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	8. If FEMA determines that the calculations and claims identified in the Office of Inspector General's audit report were erroneous, Cal EMA should ensure that the replacement for its current invoicing system can calculate the maximum number of reimbursable personnel hours under both FEMA's policy and the CFAA.	2	Unknown		
 <p>Special Interest License Plate Funds: The State Has Foregone Certain Revenues Related to Special Interest License Plates and Some Expenditures Were Unallowable or Unsupported 2012-110 (April 2013)</p>	11. To make certain that money from the special plate funds pay only for allowable and supportable activities, Cal EMA should maintain documentation to support its charges to the antiterrorism fund. For example, it should ensure that employees submit signed time reports to support the time they spend on antiterrorism-related activities.	1	*	●	
Department of Justice					
<p>Armed Persons With Mental Illness: Insufficient Outreach From the Department of Justice and Poor Reporting From Superior Courts Limit the Identification of Armed Persons With Mental Illness 2013-103 (October 2013)</p>	23. To reduce the risk that it may not identify an armed prohibited person, Justice should revise its electronic matching process to use all personal identifying numbers available in its databases.	1	*	●	
	24. To ensure that timely information is available for its efforts to identify armed prohibited persons and confiscate their firearms, Justice should manage staff priorities to meet both its statutory deadline for firearms background checks and its internal deadline for initially reviewing potential prohibited persons. Justice should report annually to the Legislature about the backlog of unreviewed potential prohibited persons and what factors have prohibited it from efficiently reviewing these persons.	1	March 2015		
	28. To ensure that it meets its goal of eliminating the historical backlog of reviewing firearms owners by the end of 2016, Justice should manage its staff resources to continually address the backlog, and should notify the Legislature if it believes that it will not be able to fully process this backlog by its goal date. To help guide this effort, Justice should establish benchmarks that will indicate whether it is on track to meet its goal.	1	December 2016		
	33. Justice should update and maintain its system documentation for the mental health and APPS databases to ensure that it can efficiently and effectively address modifications and questions about these databases.	1	*	●	●
	34. To ensure that it fully supports its decision to apply federal prohibition terms to individuals, Justice should review all applicable federal and state laws and continue to seek clarification from the ATF and any other appropriate federal agencies to determine whether California's firearms restoration process meets federal criteria and, if not, why it does not. Justice should issue a report to the Legislature, within one year, detailing the results of its review and, if applicable, communicate why California's restoration process does not meet federal criteria and the impact that it has on prohibited persons who live in California.	1	*		●

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Office of the Secretary of State					
Office of the Secretary of State: It Must Do More to Ensure Funds Provided Under the Federal Help America Vote Act Are Spent Effective 2012-112 (August 2013)	<p>4. To enhance the value of the HAVA spending plan as a transparency and accountability tool for the Legislature, the Office should make the following modifications to its annual HAVA spending plan:</p> <ul style="list-style-type: none"> • Clearly state the methodology used to report prior HAVA expenditures in the HAVA spending plan. Such a methodology should use the financial information contained in its accounting system. • Reconcile the prior HAVA expenditures with the year-end financial reports the Office provides to the California State Controller's Office. • Present prior HAVA expenditures by activity and by specific appropriation. 	1	Will Not Implement		
	<p>5. To ensure the State complies with the NVRA, the Office should take all necessary steps, including seeking any necessary legislative changes, and work with the DMV to modify the driver's license application so that it may simultaneously serve as a form for voter registration.</p>	1	Will Not Implement		
Superior Court of California, County of Sacramento					
Sacramento and Marin Superior Courts: Both Courts Need to Ensure That Family Court Appointees Have Necessary Qualifications, Improve Administrative Policies and Procedures, and Comply With Laws and Rules 2009-109 (January 2011)	<p>6. To make certain that the FCS evaluators are qualified, the Sacramento family court should develop processes to ensure that it signs all FCS evaluator declarations of qualifications annually.</p>	3	Will Not Implement		
	<p>7. To make certain that the FCS evaluators are qualified, the Sacramento family court should ensure that its unlicensed FCS evaluators complete the licensing portion of the annual declarations of qualifications.</p>	3	Will Not Implement		
	<p>8. To make certain that the FCS evaluators are qualified, the Sacramento family court should identify the training each of the FCS evaluators need to satisfy the court rules' requirements and ensure that they attend the trainings.</p>	3	Will Not Implement		
	<p>10. To make certain that the FCS evaluators are qualified, the Sacramento family court should develop processes to ensure that evaluator declarations of qualifications include all relevant information, such as the evaluator's experience.</p>	3	Will Not Implement		
	<p>12. To make certain that the FCS evaluators are qualified, the Sacramento family court should take all reasonable steps to ensure its FCS evaluators meet the minimum qualifications and training requirements before assigning them to any future Family Code Section 3111 evaluations. If necessary, and as soon as reasonably possible, the court should require the FCS evaluators to take additional education or training courses to compensate for the minimum qualifications and training requirements that were not met.</p>	3	Will Not Implement		

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	16. To verify that its private mediator and evaluator panel members meet the minimum qualifications and training requirements before appointment, the Sacramento family court should obtain any missing applications and training records for private mediators and evaluators on its current panel list before appointing them to future cases.	3	Will Not Implement		
	20. To verify that its private mediator and evaluator panel members meet the minimum qualifications and training requirements before appointment, the Sacramento family court should reinstate its local rules for private mediators and evaluators to provide a minimum of three references, and for private evaluators to provide a statement that they have read the court's evaluator guidelines.	3	Will Not Implement		
	23. To make sure that the minor's counsel it appoints meet the additional standards required by the superior court's local rules, the Sacramento family court should obtain any missing applications for minor's counsel before appointing them to any future cases.	3	Will Not Implement		
	42. To strengthen its accounting process for California Family Code Section 3111 evaluations, the Sacramento Superior Court should update its accounting procedures related to billing FCS evaluation costs to include steps for verifying the mathematical accuracy of the FCS summary and the proper allocation of costs between the parties.	3	Will Not Implement		

* Contrary to the California State Auditor's determination, the auditee believes it has fully implemented the recommendation.

† Other recommendations pertaining to this audit, which have been fully implemented, can be found in Table 3.

‡ Before publishing a report of an investigation, the state auditor provides the head of each department or agency involved with a copy of the investigative report, including any recommendations. Therefore, in calculating how long a recommendation has been outstanding, the state auditor uses the date the investigative report was provided to the department or agency, not the date the report was published. The investigative reports for the cases published in I2012-1 were provided to the involved departments and agencies in October 2012. In October 2010, we provided case I2007-0887 to the involved department; and, in May and August of 2013 we provided cases I2010-1045 and I2011-0837 to the involved departments.

§ This audit concerns Every Woman Counts, a program that was transferred from Public Health to Health Care Services effective July 1, 2012.

|| As of July 1, 2012, the California Department of Mental Health became the Department of State Hospitals.


Prison Health Care Services became Correctional Health Care Services effective July 5, 2011.

** As of July 1, 2012, the State Personnel Board was combined with the Department of Personnel Administration to create the California Department of Human Resources.

†† The status of these recommendations changed from fully implemented to not fully implemented as a result of our follow-up reviews during 2014.






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Table 3
Recommendations More Than One Year Old That Were Fully Implemented Since Last Year’s Report or the Entity’s One-Year Response

TITLE	RECOMMENDATION	STATUS	NUMBER OF YEARS RECOMMENDATION APPEARED IN THIS REPORT
K THRU 12 EDUCATION			
California Department of Education			
California’s Charter Schools: Some Are Providing Meals to Students, but a Lack of Reliable Data Prevents the California Department of Education From Determining the Number of Students Eligible for or Participating in Certain Federal Meal Programs 2010-104 (October 2010)	2. To ensure the reliability of the ConApp database fields related to the number of students enrolled at the school level, the number of those enrolled students who are eligible to receive free meals, and the number of those students who are eligible to receive reduced-price meals, Education should establish an internal control process such as a systematic review of a sample of the local educational agencies’ and direct-funded charter schools’ supporting documentation.	Fully Implemented	4
HIGHER EDUCATION			
California Community Colleges			
Affordability of College Textbooks: Textbook Prices Have Risen Significantly in the Last Four Years, but Some Strategies May Help to Control These Costs for Students 2007-116 (August 2008)	1. To increase awareness and transparency about the reasons campus bookstores add markups to publishers’ invoice prices for textbooks, UC, CSU, and the community colleges should reevaluate bookstores’ pricing policies to ensure that markups are not higher than necessary to support bookstore operations. If the campuses determine that bookstore profits are needed to fund other campus activities, the campuses should seek input from students as necessary to determine whether such purposes are warranted and supported by the student body, particularly when higher textbook prices result.	Resolved	6
	2. To increase awareness and transparency about the reasons campus bookstores add markups to publishers’ invoice prices for textbooks, UC, CSU, and the community colleges should direct bookstores to publicly disclose on an annual basis any amounts they use for purposes that do not relate to bookstore operations, such as contributions they make to campus organizations and activities.	Resolved	6
University of California			
University of California: Although the University Maintains Extensive Financial Records, It Should Provide Additional Information to Improve Public Understanding of Its Operations 2010-105 (July 2011)*	5. To increase the transparency of university funds, the Office of the President should make available annually financial information regarding its funds, including beginning and ending balances; revenues, expenses, and transfers; and the impact of these transactions on the balances from year to year.	Fully Implemented	3
University of California, Office of the President: Waste of State Funds I2012-1, Case I2010-1022 (December 2012)*†	26. The university should clarify policies to include a distance test for expenses that employees incur within the vicinity of their headquarters.	Fully Implemented	2
HEALTH AND HUMAN SERVICES			
Department of Developmental Services			
 Developmental Centers: Poor-Quality Investigations, Outdated Policies, Leadership and Staffing Problems, and Untimely Licensing Reviews Put Residents at Risk 2012-107 (July 2013)*	6. As soon as possible, the department should hire a permanent OPS director and permanent OPS commanders that are highly qualified staff capable of performing the administrative functions these positions require.	Fully Implemented	1
Department of Social Services			
Department of Social Services: For the CalWORKs and Food Stamp Programs, It Lacks Assessments of Cost-Effectiveness and Misses Opportunities to Improve Counties’ Antifraud Efforts 2009-101 (November 2009)*	1. To ensure that all counties consistently gauge the cost-effectiveness of their early fraud activities and ongoing investigation efforts for the CalWORKs and food stamp programs, Social Services should work with the counties to develop a formula to regularly perform a cost-effectiveness analysis using information that the counties currently submit.	Fully Implemented	4

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NUMBER OF YEARS
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THIS REPORT

TITLE	RECOMMENDATION	STATUS	NUMBER OF YEARS RECOMMENDATION APPEARED IN THIS REPORT
 Departments of Public Health and Social Services: Weaknesses in the Administration of the Child Health and Safety Fund and the State Children's Trust Fund Limit Their Effectiveness 2012-105 (November 2012)*	17. To ensure that its efforts funded by the trust fund are preventing or reducing incidences of child abuse and neglect, Social Services should ensure that the performance measurements are reflected in the grants it awards.	Fully Implemented	1
Department of State Hospitals[‡]			
 Sex Offender Commitment Program: Streamlining the Process for Identifying Potential Sexually Violent Predators Would Reduce Unnecessary or Duplicative Work 2010-116 (July 2011)*	8. To ensure that the Legislature can provide effective oversight of the program, Mental Health should complete and submit as soon as possible its reports to the Legislature about Mental Health's efforts to hire state employees to conduct evaluations and about the impact of Jessica's Law on the program.	Fully Implemented	3
CORRECTIONS AND REHABILITATION			
California Correctional Health Care Services[§]			
 California Department of Corrections and Rehabilitation: It Fails to Track and Use Data That Would Allow It to More Effectively Monitor and Manage Its Operations 2009-107.1 (September 2009)*	13. To increase the use of the telemedicine system, Health Care Services should continue to implement the recommendations that it has adopted from the consultant's review of telemedicine capabilities.	Fully Implemented	5
California Correctional Health Care Services and Department of Corrections and Rehabilitation: Improper Travel Expenses I2012-1, Case I2009-0689 (December 2012) [†]	1. Correctional Health Services should provide training to the manager and supervisors involved in the claim authorization process regarding the state rules applicable to claiming travel expenses.	Fully Implemented	2
	2. Correctional Health Services should discontinue reimbursing employees for expenses claimed in violation of state regulations.	Fully Implemented	2
 California Department of Corrections and Rehabilitation and California Correctional Health Care Services: Both Agencies Wasted State Resources by Improperly Accounting for Leave Taken by Their Employees I2010-1045 (June 2013)* [†]	1. Conduct an audit of the leave accounting system during the past three years to identify instances of nonmanagerial, exempt employees working an alternate schedule at an adult correctional facility being charged incorrect amounts of leave for missed days of work.	Fully Implemented	1
	3. Adjust current employees' leave balances in the leave accounting system to correct any improper charging of leave identified by the audit.	Fully Implemented	1
	5. In instances where the audit has determined that an employee's leave balance was mischarged but the employee subsequently departed state service, take appropriate measures to remedy any resulting incorrect compensation of the employee for unused leave upon his or her departure, including by seeking repayment of any amount overpaid to the employee.	Fully Implemented	1
	9. Train all nonmanagerial, exempt employees eligible to work an alternate schedule regarding the proper completion of a time sheet to ensure the employees' leave balances are charged correctly for an absence from work.	Fully Implemented	1
California Department of Corrections and Rehabilitation			
 California Department of Corrections and Rehabilitation and California Correctional Health Care Services: Both Agencies Wasted State Resources by Improperly Accounting for Leave Taken by Their Employees I2010-1045 (June 2013)* [†]	8. Train all personnel staff regarding the proper amount of leave to charge those exempt employees working an alternate schedule who miss a day of work.	Fully Implemented	1
	10. Train all nonmanagerial, exempt employees eligible to work an alternate schedule regarding the proper completion of a time sheet to ensure the employees' leave balances are charged correctly for an absence from work.	Fully Implemented	1

TITLE	RECOMMENDATION	STATUS	NUMBER OF YEARS RECOMMENDATION APPEARED IN THIS REPORT
TRANSPORTATION			
Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun			
Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun: It Needs to Develop Procedures and Controls Over Its Operations and Finances to Ensure That It Complies With Legal Requirements 2009-043 (November 2009)*	1. To ensure that it consistently adheres to requirements in state law when licensing pilots, the board should establish and implement a procedure for approving and monitoring board-appointed physicians.	Fully Implemented	4
California Department of Transportation			
 California Department of Transportation: Its Poor Management of State Route 710 Extension Project Properties Costs the State Millions of Dollars Annually, Yet State Law Limits the Potential Income From Selling the Properties 2011-120 (August 2012)*	9. To ensure that the affordable rent policy is enforceable and that only eligible tenants receive the benefit of the policy, Caltrans should adopt regulations in accordance with the Administrative Procedure Act (APA) if the director determines that it is appropriate to continue to offer affordable rent to certain tenants.	Fully Implemented	2
High-Speed Rail Authority			
High-Speed Rail Authority Follow-Up: Although the Authority Addressed Some of Our Prior Concerns, Its Funding Situation Has Become Increasingly Risky and the Authority's Weak Oversight Persists 2011-504 (January 2012)*	13. To increase transparency and to ensure that it is aware of any financial interest that a subcontractor may have in the program, the Authority should require subcontractors to file statements of economic interest.	Fully Implemented	2
NATURAL RESOURCES			
Department of Fish and Wildlife^{II}			
Oil Spill Prevention and Administration Fund: The Department of Fish and Game and the Office of Spill Prevention and Response Need to Improve Their Administration of the Spill Fund 2011-123 (August 2012)	4. To ensure that three-year projections of the spill fund's revenues, expenditures, and fund balances, all of which are used to determine fee rates, are based on accurate financial information, the spill office should consider the reduction in the spill fund's costs, as a result of the recovery of indirect administrative costs, when projecting its fund balance moving forward.	Fully Implemented	2
	5. To prevent under- or over-recovery of federal funds, Fish and Game should regularly reassess whether using budgeted expenditures or actual expenditures will produce the most accurate results.	Fully Implemented	2
Department of Fish and Game: Improper Use of Lease Proceeds I2012-1, Case I2009-1218 (December 2012) [†]	19. Fish and Game should provide training to those involved with the lease to ensure that it properly accounts for and reconciles future work and payments related to the leased property, that it does not pay operational and equipment expenses with proceeds derived from the lease, and that all parties understand what work Fish and Game expects as the result of the agreement.	Fully Implemented	2
State Lands Commission			
State Lands Commission: Because It Has Not Managed Public Lands Effectively, the State Has Lost Millions in Revenue for the General Fund 2010-125 (August 2011)*	3. To ensure that it does not undervalue certain types of leases, the commission should amend its regulations for establishing pipeline rents on state land as staff recommended in the 2010 survey of methods used by agencies in other states to establish pipeline rents.	Fully Implemented	3
	5. The commission should establish a monitoring program to ensure that the funds generated from granted lands are expended in accordance with the public trust.	Fully Implemented	3


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TITLE	RECOMMENDATION	STATUS	NUMBER OF YEARS RECOMMENDATION APPEARED IN THIS REPORT
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BUSINESS, CONSUMER SERVICES, AND HOUSING**Department of Housing and Community Development**

Department of Housing and Community Development: Housing Bond Funds Generally Have Been Awarded Promptly and in Compliance With Law, but Monitoring Continues to Need Improvement 2009-037 (November 2009)	1. To ensure that data maintained in CAPES are accurate and complete, HCD should complete its review of the accuracy of the data transferred to CAPES.	Fully Implemented	4
	2. HCD should ensure that its cleanup efforts are thoroughly documented and retained for future reference.	Fully Implemented	4

State Athletic Commission

 State Athletic Commission: Its Ongoing Administrative Struggles Call Its Future Into Question 2012-117 (March 2013)*	6. To ensure that it adequately tracks critical information related to its basic functions and mission, the commission should ensure that its system for tracking the number of events, the inspectors it assigns to events, and its revenues and expenditures is compatible with the online program Consumer Affairs is developing so that it may easily import this information into the new program when it is complete.	Fully Implemented	1
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LABOR AND WORKFORCE DEVELOPMENT**California Workforce Investment Board**



 Federal Workforce Investment Act: More Effective State Planning and Oversight Is Necessary to Better Help California's Job Seekers Find Employment 2011-111 (March 2012)*	3. To assist the governor in the development, oversight, and continuous improvement of California's workforce investment system, the state board should continue to exercise its legal authority to review the local boards' plans to, among other things, assure the coordination and nonduplication of services to program participants.	Fully Implemented	2
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Employment Development Department

Employment Development Department: Its Unemployment Program Has Struggled to Effectively Serve California's Unemployed in the Face of Significant Workload and Fiscal Challenges 2010-112 (March 2011)*	9. To better track and improve the timeliness of determinations for the training benefits program and to assist claimants in understanding self-arranged training requirements, the department should track and report the number of claimants it determines are both eligible and ineligible for the self-arranged training and the reasons for these determinations, to better focus some of its recommendations toward how it can assist claimants in understanding the program's criteria.	Resolved	3
	10. To better track and improve the timeliness of determinations for the training benefits program and to assist claimants in understanding self-arranged training requirements, the department should track the number of claimants that it finds to be both ineligible for self-arranged training and ultimately ineligible for unemployment benefits and develop strategies to expedite the determination process for these claimants.	Resolved	3

GOVERNMENT OPERATIONS**Department of General Services**

 Department of General Services: The Division of the State Architect Lacks Enforcement Authority and Has Weak Oversight Procedures, Increasing the Risk That School Construction Projects May Be Unsafe 2011-116.1 (December 2011)*	12. To address areas in which its staff do not currently have expertise, the division should finalize its field pilot and take subsequent steps to ensure it has qualified staff to provide oversight of accessibility; fire and life safety; and the mechanical, electrical, and plumbing aspects of construction.	Fully Implemented	2
 California Department of Transportation: Its Poor Management of State Route 710 Extension Project Properties Costs the State Millions of Dollars Annually, Yet State Law Limits the Potential Income From Selling the Properties 2011-120 (August 2012)*	36. To ensure that the construction unit complies with the State's procurement laws and policies, General Services should clarify the waiver process in the administrative order governing the small business participation goal.	Resolved	2

TITLE	RECOMMENDATION	STATUS	NUMBER OF YEARS RECOMMENDATION APPEARED IN THIS REPORT
Public Utilities Commission			
California Public Utilities Commission: Despite Administrative Weaknesses, It Has Generally Awarded Compensation to Intervenor in Accordance With State Law 2012-118 (July 2013)*	2. The commission should determine the cause of its lack of compliance with state law requiring it to issue award decisions within 75 days of the date an intervenor submits a compensation claim, and it should determine what actions to take to rectify the problem. The commission should ensure that it has sufficient information, such as detailed tracking information regarding claims, to identify where in the process delays are occurring. If the commission determines that the current 75-day statutory period is unreasonable, it should seek a change in state law.	Fully Implemented	1
Victim Compensation and Government Claims Board, California			
Victim Compensation and Government Claims Board: It Has Begun Improving the Victim Compensation Program, but More Remains to Be Done 2008-113 (December 2008)*	2. To ensure that the board appropriately carries out its outreach efforts, it should define the specific procedures to accomplish its action strategies for outreach and establish quantitative measures to evaluate the effectiveness of its outreach efforts.	Fully Implemented	5
GENERAL GOVERNMENT			
Department of Veterans Affairs			
California Department of Veterans Affairs: Wastefulness, Failure to Comply With State Contracting Requirements, and Inexcusable Neglect of Duty 12011-0837 (October 2013)*†	2. For all contracts that involve recreation fund moneys or involve recreation fund enterprises, institute policies that require the contracts to be approved by a Veterans Affairs attorney prior to being executed.	Resolved	1
LEGISLATIVE, JUDICIAL, AND EXECUTIVE			
Administrative Office of the Courts			
Administrative Office of the Courts: The Statewide Case Management Project Faces Significant Challenges Due to Poor Project Management 2010-102 (February 2011)	8. Although the Judicial Council has the legal authority to compel the courts to adopt CCMS, to better foster superior court receptiveness to deploying CCMS, the AOC should continue to work with the superior courts that have deployed the civil system to ensure it is addressing their concerns in a timely and appropriate manner.	Fully Implemented	3
	9. Although the Judicial Council has the legal authority to compel the courts to adopt CCMS, to better foster superior court receptiveness to deploying CCMS, the AOC should work with superior courts to address concerns about hosting data at the California Court Technology Center (Technology Center). Further, the AOC should take steps to ensure that superior courts do not lose productivity or efficiencies by hosting data at the Technology Center.	Fully Implemented	3
 Judicial Branch Procurement: Six Superior Courts Generally Complied With the Judicial Branch Contracting Law, but They Could Improve Some Policies and Practices 2012-301 (March 2013)	2. To ensure complete reports to the Legislature, the AOC should review and modify its methodology for excluding certain transactions from the semiannual report to ensure that the AOC is not inadvertently excluding legitimate procurements. Further, the AOC's methodology should ensure that all procurements or contracts—such as those related to court security, court reporters, and interpreters when such services result in payment by a judicial branch entity to a vendor or contractor—are included in the semiannual report unless specifically excluded by state law.	Fully Implemented	1
Department of Justice			
 Juvenile Justice Realignment: Limited Information Prevents a Meaningful Assessment of Realignment's Effectiveness 2011-129 (September 2012)*	7. To ensure the accuracy and completeness of the data the counties submit into the Juvenile Court and Probation Statistical System (JCPSS), Justice should follow its procedure to send annual summaries of the JCPSS data to the counties for review and to conduct occasional field audits of the counties' records.	Resolved	2

TITLE	RECOMMENDATION	STATUS	NUMBER OF YEARS RECOMMENDATION APPEARED IN THIS REPORT
	9. To ensure that its criminal history system contains complete and accurate data related to juvenile offenders, Justice should implement a procedure similar to the one it employs for the JCPSS to verify the accuracy of information the counties submit.	Fully Implemented	2
Superior Court of California, County of Stanislaus			
 Judicial Branch Procurement: Six Superior Courts Generally Complied With the Judicial Branch Contracting Law, but They Could Improve Some Policies and Practices 2012-301 (March 2013)	7. To ensure that transactions reflect the State's priorities regarding businesses owned by disabled veterans, and to comply with requirements in the judicial contracting manual, the courts we reviewed should develop formal policies to implement the DVBE program.	Fully Implemented	1

* Other recommendations pertaining to this audit, which have not been fully implemented, can be found in Table 2.



† Before publishing a report of an investigation, the state auditor provides the head of each department or agency involved with a copy of the investigative report, including any recommendations. Therefore, in calculating how long a recommendation has been outstanding, the state auditor uses the date the investigative report was provided to the department or agency, not the date the report was published. The investigative reports for the cases published in I2012-1 were provided to the involved departments and agencies in October 2012. In May and August of 2013 we provided cases I2010-1045 and I2011-0837 to the involved departments.

‡ As of July 1, 2012, the California Department of Mental Health became the Department of State Hospitals.

§ Prison Health Care Services became Correctional Health Care Services effective July 5, 2011.

|| As of January 1, 2013, the Department of Fish and Game became the Department of Fish and Wildlife.

Table 4
Recommendations More Than One Year Old Made to Nonstate Entities

REPORT TITLE, NUMBER, AND ISSUE DATE	RECOMMENDATION	NUMBER OF YEARS RECOMMENDATION APPEARED IN THIS ANNUAL REPORT	ACTUAL/ ESTIMATED DATE OF COMPLETION	STATE AUDITOR'S ASSESSMENT		
				STATUS	AUDITEE DID NOT SUBSTANTIATE ITS CLAIM OF FULL IMPLEMENTATION	AUDITEE DID NOT ADDRESS ALL ASPECTS OF THE RECOMMENDATION
HIGHER EDUCATION						
Laney College						
 California's Postsecondary Educational Institutions: Some Institutions Have Not Fully Complied With Federal Crime Reporting Requirements 2012-032 (October 2012)	3. To ensure that they comply with the Clery Act by correctly reporting all applicable crimes and disclosing all required campus security policies, institutions should review and adhere to applicable guidance related to the Clery Act, including Education's Office of Postsecondary Education's (OPE) Handbook for Campus Safety and Security Reporting (OPE handbook) and the Federal Bureau of Investigation's Uniform Crime Reporting Handbook.	2	March 2015	Not Fully Implemented		
	9. To ensure that they comply with the Clery Act by correctly reporting all applicable crimes and disclosing all required campus security policies, institutions should thoroughly review the Clery Act crime statistics and security policy disclosures in their annual security reports for accuracy before publication.	2	March 2015	Not Fully Implemented		
	13. To ensure that they comply with the Clery Act by correctly reporting all applicable crimes and disclosing all required campus security policies, institutions should ensure that they have a complete, accessible daily crime log, as required by the Clery Act.	2	December 2013	Fully Implemented		
	17. Institutions should ensure that they properly notify both current and prospective students and employees of the availability of their annual security reports in the manner prescribed by the Clery Act.	2	January 2014	Fully Implemented		
University of the Pacific						
 California's Postsecondary Educational Institutions: Some Institutions Have Not Fully Complied With Federal Crime Reporting Requirements 2012-032 (October 2012)	6. To ensure that they comply with the Clery Act by correctly reporting all applicable crimes and disclosing all required campus security policies, institutions should review and adhere to applicable guidance related to the Clery Act, including Education's Office of Postsecondary Education's (OPE) Handbook for Campus Safety and Security Reporting (OPE handbook) and the Federal Bureau of Investigation's Uniform Crime Reporting Handbook.	2	January 2014	Fully Implemented		

continued on next page . . .

REPORT TITLE, NUMBER, AND ISSUE DATE	RECOMMENDATION	NUMBER OF YEARS RECOMMENDATION APPEARED IN THIS ANNUAL REPORT	ACTUAL/ ESTIMATED DATE OF COMPLETION	STATE AUDITOR'S ASSESSMENT		
				STATUS	AUDITEE DID NOT SUBSTANTIATE ITS CLAIM OF FULL IMPLEMENTATION	AUDITEE DID NOT ADDRESS ALL ASPECTS OF THE RECOMMENDATION
	12. To ensure that they comply with the Clery Act by correctly reporting all applicable crimes and disclosing all required campus security policies, institutions should thoroughly review the Clery Act crime statistics and security policy disclosures in their annual security reports for accuracy before publication.	2	January 2014	Fully Implemented		
	20. Institutions should ensure that they properly notify both current and prospective students and employees of the availability of their annual security reports in the manner prescribed by the Clery Act.	2	January 2014	Fully Implemented		

LOCAL GOVERNMENT

Amador County



Indian Gaming Special Distribution Fund: Local Governments Continue to Have Difficulty Justifying Distribution Fund Grants 2010-036 (February 2011)

- | | | | | | | |
|-----|---|---|------------|-------------------|--|--|
| 1. | To help ensure that they meet the grant requirements established in the Government Code, counties should require that the county auditor review each grant application to ensure a rigorous analysis of a casino's impact and of the proportion of funding for the project provided by the grant. Benefit committees should consider a grant application only when the county auditor certifies that the applicant has quantified the impact of the casino and verifies that the grant funds requested will be proportional to the casino's impact. | 2 | March 2012 | Fully Implemented | | |
| 23. | To help ensure that they meet the grant requirements established in the Government Code, counties should require benefit committee filing officers to avail themselves of the free training provided by the FPPC so that the filing officers are aware of and meet their responsibilities under the political reform act. Counties should also adhere to FPPC guidelines for notifying filers of the need to submit statements of economic interests. | 2 | April 2014 | Fully Implemented | | |

California Statewide Communities Development Authority

Conduit Bond Issuers: Issuers Complied With Key Bond Requirements, but Two Joint Powers Authorities' Compensation Models Raise Conflict-of-Interest Concerns 2011-118/2011-613 (August 2012)


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|----|---|---|--------------------|--------------------|--|--|
| 2. | To be better informed about the compensation of their consultants, including any potential conflicts of interest, California Communities and Municipal Finance should require the consulting firms that staff their organizations to disclose the amount and structure of compensation provided to individual consultants, including disclosing whether any of this compensation is tied to the volume of bond sales. | 2 | Will Not Implement | Will Not Implement | | |
|----|---|---|--------------------|--------------------|--|--|

REPORT TITLE, NUMBER, AND ISSUE DATE	RECOMMENDATION	NUMBER OF YEARS RECOMMENDATION APPEARED IN THIS ANNUAL REPORT	ACTUAL/ ESTIMATED DATE OF COMPLETION	STATE AUDITOR'S ASSESSMENT		
				STATUS	AUDITEE DID NOT SUBSTANTIATE ITS CLAIM OF FULL IMPLEMENTATION	AUDITEE DID NOT ADDRESS ALL ASPECTS OF THE RECOMMENDATION
	4. In implementing its January 2012 contracting policy, California Communities should either periodically subject existing contracts to competitive bidding or perform some other price comparison analysis to ensure that the public funds it oversees are used effectively.	2	September 2014	Not Fully Implemented		
	8. Once the Securities and Exchange Commission (SEC) finalizes its definition of municipal advisor, California Communities should have its legal counsel review whether HB Capital should register with the Municipal Securities Rulemaking Board.	2	July 2014	Fully Implemented		
City of Vernon						
City of Vernon: Although Reform Is Ongoing, Past Poor Decision Making Threatens Its Financial Stability 2011-131 (June 2012)	4. To increase accountability and transparency in its governance, the city should develop a formal policy that describes the circumstances under which revenues can be transferred from its power department, and the limits and permissible uses of transferred revenue.	2	*	Not Fully Implemented	●	
	6. To ensure that it develops complete and appropriate personnel policies and procedures, the new human resources director should ensure that the city's policies and procedures include, at a minimum, requirements for performing and documenting the analyses and justifications for appointments, including promotions, to management positions.	2	November 2012	Fully Implemented		
	7. To ensure that it develops complete and appropriate personnel policies and procedures, the new human resources director should ensure that the city's policies and procedures include, at a minimum, requirements for minimum qualifications, desirable qualifications, and job duties for all city executive positions.	2	September 2013	Fully Implemented		
	8. To ensure that it develops complete and appropriate personnel policies and procedures, the new human resources director should ensure that the city's policies and procedures include, at a minimum, a periodic appraisal process for executives.	2	September 2013	Fully Implemented		

REPORT TITLE, NUMBER, AND ISSUE DATE	RECOMMENDATION	NUMBER OF YEARS RECOMMENDATION APPEARED IN THIS ANNUAL REPORT	ACTUAL/ ESTIMATED DATE OF COMPLETION	STATE AUDITOR'S ASSESSMENT		
				STATUS	AUDITEE DID NOT SUBSTANTIATE ITS CLAIM OF FULL IMPLEMENTATION	AUDITEE DID NOT ADDRESS ALL ASPECTS OF THE RECOMMENDATION
	9. To ensure that it develops complete and appropriate personnel policies and procedures, the new human resources director should ensure that the city's policies and procedures include, at a minimum, an improved methodology for and analysis of future salary surveys, ensuring that they are performed by staff or a consultant with experience and expertise in the area of salary surveys.	2	*	Not Fully Implemented		●
	10. The city should determine whether employees have a vested right to longevity payments and whether it can legally reduce or discontinue the original longevity program as a means to reduce its costs.	2	January 2014	Fully Implemented		
	11. To ensure accurate reporting and payment of retirement benefits, the city should work with California Public Employees' Retirement System (CalPERS) to resolve the reported findings and observation noted in CalPERS April 2012 audit report within a reasonable period of time.	2	December 2014	Not Fully Implemented		
	16. To better control contract expenditures and ensure that it receives the best value for the services it purchases, the city should require that all contracts contain a well-defined scope of work and deliverables that a sufficiently detailed invoice can be measured against.	2	October 2014	Not Fully Implemented		
	18. To better control contract expenditures and ensure that it receives the best value for the services it purchases, the city should also require the finance department to review invoices to identify those that lack sufficient detail and return such invoices to the appropriate contract manager to obtain a revised invoice that is sufficiently detailed.	2	February 2014	Fully Implemented		
	20. To the extent that the city implements policies that affect contracts, the city should also ensure that it reviews all current contracts and amends them, if necessary, to comply with newly established policies.	2	July 2016	Not Fully Implemented		
	21. To improve its internal controls, better control costs, and prevent abuse from occurring, the city should require the finance department to review credit card expenditures for appropriateness.	2	February 2014	Fully Implemented		

REPORT TITLE, NUMBER, AND ISSUE DATE	RECOMMENDATION	NUMBER OF YEARS RECOMMENDATION APPEARED IN THIS ANNUAL REPORT	ACTUAL/ ESTIMATED DATE OF COMPLETION	STATE AUDITOR'S ASSESSMENT		
				STATUS	AUDITEE DID NOT SUBSTANTIATE ITS CLAIM OF FULL IMPLEMENTATION	AUDITEE DID NOT ADDRESS ALL ASPECTS OF THE RECOMMENDATION
	22. To improve its internal controls, better control costs, and prevent abuse from occurring, the city should revise its travel and expense reimbursement policy to be clear about the expenditure limits for meals, and add a limit for lodging accommodations.	2	December 2013	Fully Implemented		
	27. To address the structural deficit in its general fund, the city should seek long-term solutions to balance the general fund's expenditures and revenues and lessen its reliance on transfers from other city funds. These solutions could include revenue increases, such as the proposed increased and new parcel tax, as well as looking for ways to reduce expenditures.	2	July 2015	Not Fully Implemented		
	28. The city should clearly present the general fund structural deficit to the city council and the public in a budget that includes narrative and summary information to help users understand the city's budget process and its priorities and challenges, and that incorporates the elements for improved budgeting practices recommended by the Government Finance Officers Association (GFOA).	2	July 2015	Not Fully Implemented		
	29. To better guide its budget preparation and improve transparency, the city should develop budget policies, particularly for long-term planning, that incorporate the elements that the GFOA recommends and make these policies available to the public on its Web site.	2	February 2014	Fully Implemented		
	31. The city should improve the monitoring of expenditures against the approved budget by establishing a centralized process to regularly monitor and report to the city administrator and the city council on the status of the budget.	2	February 2014	Fully Implemented		
	32. To ensure that it issues debt when doing so is in the best interests of the city and is consistent with its long-term financial goals, the city should establish a comprehensive debt policy that includes the elements that the GFOA recommends and make the debt policy it establishes available on its Web site.	2	February 2014	Fully Implemented		

REPORT TITLE, NUMBER, AND ISSUE DATE	RECOMMENDATION	NUMBER OF YEARS RECOMMENDATION APPEARED IN THIS ANNUAL REPORT	ACTUAL/ ESTIMATED DATE OF COMPLETION	STATE AUDITOR'S ASSESSMENT		
				STATUS	AUDITEE DID NOT SUBSTANTIATE ITS CLAIM OF FULL IMPLEMENTATION	AUDITEE DID NOT ADDRESS ALL ASPECTS OF THE RECOMMENDATION
	33. To ensure that the city council and public are well informed regarding proposed debt decisions, the city should provide summary information that clearly explains the costs, risks, and benefits related to the proposed decisions in its agenda packets, and should provide these in advance on its Web site.	2	February 2014	Fully Implemented		
	34. To ensure that it can demonstrate sufficient analysis and provide justification for its decisions on significant energy-related transactions, the city should develop an integrated energy strategy that examines all elements of its energy needs, sources, and objectives.	2	July 2015	Not Fully Implemented		
	35. To ensure that it can demonstrate sufficient analysis and provide justification for its decisions on significant energy-related transactions, the city should create a formal process and guidelines that include the following: identifying the benefits and risks of proposed transactions, quantifying the benefits and risks of proposed transactions, evaluating and comparing proposed transactions against alternative proposals, quantifying the impact of proposed transactions on short-term and long-term rates paid by the city's energy customers, seeking an independent validation of the fair market value of proposed transactions, and documenting and communicating the findings of the evaluation process to the city council.	2	*	Not Fully Implemented		●
	36. If the city plans to continue to rely on the advice of its consultants when entering significant energy-related transactions, it should develop a process for the consultants to provide written documentation that would enable the city to satisfy the process and guidelines outlined in the previous two recommendations.	2	August 2013	Fully Implemented		
	37. To minimize the continuing financial losses on the two currently outstanding interest rate swaps, the city should develop a clear process for deciding how it will terminate these swaps based on the cost and future risk to the city.	2	February 2014	Fully Implemented		

REPORT TITLE, NUMBER, AND ISSUE DATE	RECOMMENDATION	NUMBER OF YEARS RECOMMENDATION APPEARED IN THIS ANNUAL REPORT	ACTUAL/ ESTIMATED DATE OF COMPLETION	STATE AUDITOR'S ASSESSMENT		
				STATUS	AUDITEE DID NOT SUBSTANTIATE ITS CLAIM OF FULL IMPLEMENTATION	AUDITEE DID NOT ADDRESS ALL ASPECTS OF THE RECOMMENDATION
	38. To ensure that any future decisions to enter into interest rate swaps are carefully considered, the city should develop and follow a process that thoroughly analyzes the risks and benefits of the potential swap transaction.	2	*	Not Fully Implemented		●
	39. To ensure that any future decisions to enter into interest rate swaps are carefully considered, the city should specifically disallow the use of derivatives for speculative purposes and should require the retention of the documents and analyses that support the decision to enter into the swap.	2	*	Not Fully Implemented	●	
Humboldt County						
 Indian Gaming Special Distribution Fund: Local Governments Continue to Have Difficulty Justifying Distribution Fund Grants 2010-036 (February 2011)	2. To help ensure that they meet the grant requirements established in the Government Code, counties should require that the county auditor review each grant application to ensure a rigorous analysis of a casino's impact and of the proportion of funding for the project provided by the grant. Benefit committees should consider a grant application only when the county auditor certifies that the applicant has quantified the impact of the casino and verifies that the grant funds requested will be proportional to the casino's impact.	2	Will Not Implement	Will Not Implement		
	10. To help ensure that they meet the grant requirements established in the Government Code, counties should more rigorously review applications that are to be administered and spent by an entity other than the local government that applies for the funds. Specifically, benefit committees should require that each grant application clearly show how the grant will mitigate the impact of the casino on the applicant agency.	2	July 2012	Fully Implemented		
Los Angeles County Department of Children and Family Services						
Los Angeles County Department of Children and Family Services: Management Instability Hampered Efforts to Better Protect Children 2011-101.2 (March 2012)	2. To ensure that child abuse and neglect allegations receive timely resolution, the department should assess whether it needs to permanently allocate more resources to investigate allegations of child abuse and neglect.	2	Fall 2015	Not Fully Implemented		



REPORT TITLE, NUMBER, AND ISSUE DATE	RECOMMENDATION	NUMBER OF YEARS RECOMMENDATION APPEARED IN THIS ANNUAL REPORT	ACTUAL/ ESTIMATED DATE OF COMPLETION	STATE AUDITOR'S ASSESSMENT		
				STATUS	AUDITEE DID NOT SUBSTANTIATE ITS CLAIM OF FULL IMPLEMENTATION	AUDITEE DID NOT ADDRESS ALL ASPECTS OF THE RECOMMENDATION
	4. To ensure that it is placing children only in safe homes, the department should measure its performance and adjust its practices to adhere to state law, which requires that all homes be assessed prior to the placement of the child.	2	Will Not Implement	Will Not Implement		
	5. To improve its process for placing children with a relative, the department should analyze the best practices used by other county child welfare services agencies for such placements. The department should then implement changes in its practices so that relatives and their homes are approved prior to placement, as required by state law.	2	Will Not Implement	Will Not Implement		
	7. To fully benefit from its death review process, the department should implement the resulting recommendations.	2	March 2014	Fully Implemented		


Los Angeles Unified School District





School Safety and Nondiscrimination Laws: Most Local Educational Agencies Do Not Evaluate the Effectiveness of Their Programs, and the State Should Exercise Stronger Leadership 2012-108 (August 2013)


3.	To ensure that it is effectively preventing and addressing incidents of discrimination, harassment, intimidation, and bullying in its schools, Los Angeles Unified should monitor school sites to ensure that they implement school safety programs.	1	November 2014	Fully Implemented		
4.	To ensure that it is effectively preventing and addressing incidents of discrimination, harassment, intimidation, and bullying in its schools, Los Angeles Unified should measure the effectiveness of its school safety programs at both the district and school site levels.	1	November 2014	Fully Implemented		
5.	To ensure that it is effectively preventing and addressing incidents of discrimination, harassment, intimidation, and bullying in its schools, Los Angeles Unified should ensure that school sites evaluate the effectiveness of the programs they choose to implement.	1	*	Not Fully Implemented	●	
6.	To ensure that it is effectively preventing and addressing incidents of discrimination, harassment, intimidation, and bullying in its schools, Los Angeles Unified should resolve complaints within 60 calendar days regardless of the complaint process selected.	1	*	Not Fully Implemented	●	

REPORT TITLE, NUMBER, AND ISSUE DATE	RECOMMENDATION	NUMBER OF YEARS RECOMMENDATION APPEARED IN THIS ANNUAL REPORT	ACTUAL/ ESTIMATED DATE OF COMPLETION	STATE AUDITOR'S ASSESSMENT		
				STATUS	AUDITEE DID NOT SUBSTANTIATE ITS CLAIM OF FULL IMPLEMENTATION	AUDITEE DID NOT ADDRESS ALL ASPECTS OF THE RECOMMENDATION
Riverside County						
 Indian Gaming Special Distribution Fund: Local Governments Continue to Have Difficulty Justifying Distribution Fund Grants 2010-036 (February 2011)	3. To help ensure that they meet the grant requirements established in the Government Code, counties should require that the county auditor review each grant application to ensure a rigorous analysis of a casino's impact and of the proportion of funding for the project provided by the grant. Benefit committees should consider a grant application only when the county auditor certifies that the applicant has quantified the impact of the casino and verifies that the grant funds requested will be proportional to the casino's impact.	2	Unknown	Not Fully Implemented		
Sacramento City Unified School District						
 School Safety and Nondiscrimination Laws: Most Local Educational Agencies Do Not Evaluate the Effectiveness of Their Programs, and the State Should Exercise Stronger Leadership 2012-108 (August 2013)	8. To ensure that it is effectively preventing and addressing incidents of discrimination, harassment, intimidation, and bullying in its schools, Sacramento City Unified should ensure that school site staff complete the training required under its anti-bullying policy.	1	June 2015	Not Fully Implemented		
	10. To ensure that it is effectively preventing and addressing incidents of discrimination, harassment, intimidation, and bullying in its schools, Sacramento City Unified should measure the effectiveness of its school safety programs at both the district and school site levels.	1	December 2014	Not Fully Implemented		
	11. To ensure that it is effectively preventing and addressing incidents of discrimination, harassment, intimidation, and bullying in its schools, Sacramento City Unified should ensure the impartial resolution of complaints by not assigning the investigation to site administrators or other staff specifically named in the complaint.	1	August 2014	Fully Implemented		
	13. To ensure that it is effectively preventing and addressing incidents of discrimination, harassment, intimidation, and bullying in its schools, Sacramento City Unified should update its policies and procedures to calculate the state-mandated time limit for resolving complaints in accordance with state regulations.	1	October 2014	Not Fully Implemented		

REPORT TITLE, NUMBER, AND ISSUE DATE	RECOMMENDATION	NUMBER OF YEARS RECOMMENDATION APPEARED IN THIS ANNUAL REPORT	ACTUAL/ ESTIMATED DATE OF COMPLETION	STATE AUDITOR'S ASSESSMENT		
				STATUS	AUDITEE DID NOT SUBSTANTIATE ITS CLAIM OF FULL IMPLEMENTATION	AUDITEE DID NOT ADDRESS ALL ASPECTS OF THE RECOMMENDATION
	14. To ensure that it is effectively preventing and addressing incidents of discrimination, harassment, intimidation, and bullying in its schools, Sacramento City Unified should resolve complaints within 60 calendar days regardless of the complaint process selected.	1	August 2014	Fully Implemented		
	15. To ensure that it is effectively preventing and addressing incidents of discrimination, harassment, intimidation, and bullying in its schools, Sacramento City Unified should ensure that school sites follow the complaint procedures established in its policies.	1	*	Not Fully Implemented	●	
Salinas Valley Memorial Healthcare System						
Salinas Valley Memorial Healthcare System: Increased Transparency and Stronger Controls Are Necessary as It Focuses on Improving Its Financial Situation 2011-113 (March 2012)	5. To help reduce its operating costs and improve its overall financial situation, the Health Care System should continue to try to modify its employee benefits, such as paid time off, so they are aligned with industry practice.	2	October 2015	Not Fully Implemented		
San Diego County						
 Indian Gaming Special Distribution Fund: Local Governments Continue to Have Difficulty Justifying Distribution Fund Grants 2010-036 (February 2011)	4. To help ensure that they meet the grant requirements established in the Government Code, counties should require that the county auditor review each grant application to ensure a rigorous analysis of a casino's impact and of the proportion of funding for the project provided by the grant. Benefit committees should consider a grant application only when the county auditor certifies that the applicant has quantified the impact of the casino and verifies that the grant funds requested will be proportional to the casino's impact.	2	Will Not Implement	Will Not Implement		
Probationers' Domestic Violence Payments: Improved Processes for Managing and Distributing These Payments Could Increase Support for Local Shelters 2011-121 (September 2012)	16. Los Angeles County, San Diego County, San Diego Court, and Santa Clara County should improve protocols for reviewing statutes that affect collection and distribution practices so that future changes can be acted upon.	2	August 2014	Fully Implemented		

REPORT TITLE, NUMBER, AND ISSUE DATE	RECOMMENDATION	NUMBER OF YEARS RECOMMENDATION APPEARED IN THIS ANNUAL REPORT	ACTUAL/ ESTIMATED DATE OF COMPLETION	STATE AUDITOR'S ASSESSMENT		
				STATUS	AUDITEE DID NOT SUBSTANTIATE ITS CLAIM OF FULL IMPLEMENTATION	AUDITEE DID NOT ADDRESS ALL ASPECTS OF THE RECOMMENDATION
Santa Barbara County						
 <p>Indian Gaming Special Distribution Fund: Local Governments Continue to Have Difficulty Justifying Distribution Fund Grants 2010-036 (February 2011)</p>	5. To help ensure that they meet the grant requirements established in the Government Code, counties should require that the county auditor review each grant application to ensure a rigorous analysis of a casino's impact and of the proportion of funding for the project provided by the grant. Benefit committees should consider a grant application only when the county auditor certifies that the applicant has quantified the impact of the casino and verifies that the grant funds requested will be proportional to the casino's impact.	2	Will Not Implement	Will Not Implement		
	26. To help ensure that they meet the grant requirements established in the Government Code, counties should require benefit committee filing officers to avail themselves of the free training provided by the FPPC so that the filing officers are aware of and meet their responsibilities under the political reform act. Counties should also adhere to FPPC guidelines for notifying filers of the need to submit statements of economic interests.	2	January 2012	Fully Implemented		
	29. To help ensure that they meet the grant requirements established in the Government Code, counties should ensure that benefit committees' conflict-of-interest codes comply with the political reform act by reviewing the act and their codes, and changing the codes as necessary to meet the act's requirements.	2	December 2013	Fully Implemented		
Santa Clara County Mental Health Department						
 <p>Mental Health Services Act: The State's Oversight Has Provided Little Assurance of the Act's Effectiveness, and Some Counties Can Improve Measurement of Their Program Performance 2012-122 (August 2013)</p>	20. Santa Clara County should review its existing MHSA contracts and by December 31, 2013, or as soon as is feasible, amend them as necessary to include plan goals.	1	July 2014	Fully Implemented		
	21. Santa Clara County should ensure that all MHSA invoices are adequately supported with information that demonstrates that MHSA services were provided.	1	November 2014	Not Fully Implemented		

STATE AUDITOR'S ASSESSMENT

REPORT TITLE, NUMBER, AND ISSUE DATE	RECOMMENDATION	NUMBER OF YEARS RECOMMENDATION APPEARED IN THIS ANNUAL REPORT	ACTUAL/ ESTIMATED DATE OF COMPLETION	STATE AUDITOR'S ASSESSMENT		
				STATUS	AUDITEE DID NOT SUBSTANTIATE ITS CLAIM OF FULL IMPLEMENTATION	AUDITEE DID NOT ADDRESS ALL ASPECTS OF THE RECOMMENDATION
Shasta County						
 Indian Gaming Special Distribution Fund: Local Governments Continue to Have Difficulty Justifying Distribution Fund Grants 2010-036 (February 2011)	6. To help ensure that they meet the grant requirements established in the Government Code, counties should require that the county auditor review each grant application to ensure a rigorous analysis of a casino's impact and of the proportion of funding for the project provided by the grant. Benefit committees should consider a grant application only when the county auditor certifies that the applicant has quantified the impact of the casino and verifies that the grant funds requested will be proportional to the casino's impact.	2	June 2015	Not Fully Implemented		
	14. To help ensure that they meet the grant requirements established in the Government Code, counties should more rigorously review applications that are to be administered and spent by an entity other than the local government that applies for the funds. Specifically, benefit committees should require that each grant application clearly show how the grant will mitigate the impact of the casino on the applicant agency.	2	January 2012	Fully Implemented		
	30. To help ensure that they meet the grant requirements established in the Government Code, counties should ensure that benefit committees' conflict-of-interest codes comply with the political reform act by reviewing the act and their codes, and changing the codes as necessary to meet the act's requirements.	2	June 2015	Not Fully Implemented		

* Contrary to the California State Auditor's determination, the auditee believes it has fully implemented the recommendation.

IMPLEMENTATION OF CHAPTER 452, STATUTES OF 2006 (SB 1452)

The Accountability Act requires state agencies audited or investigated by the state auditor to provide updates on their implementation of audit recommendations. The state auditor's long standing practice, which is consistent with generally accepted government auditing standards, is to request audited entities to provide written updates on their implementing audit recommendations 60 days, six months, and one year after the audit report's public release date. For investigative reports, state law requires state agencies that are the subject of an investigation to provide updates on their implementation of recommendations within 60 days of receiving the report and monthly thereafter until the agency has taken final action. As the state auditor implemented the Accountability Act, it retained these prescribed time frames as the intervals at which agencies must report back on their implementation of audit recommendations.

As a courtesy, in May 2007, the state auditor notified all state agencies of their responsibilities under the Accountability Act and the state auditor's plans for implementing these requirements. In September 2007 the state auditor provided written notice to relevant state agencies regarding recommendations issued since January 1, 2005, that were more than a year old and not fully implemented. The state auditor made this determination using the agencies' one year responses. The state auditor requested that each of the affected agencies notify the state auditor as to whether the agency had fully implemented the recommendation, planned to begin or continue implementation within 90 days and the estimated date of completion, or did not intend to implement the recommendation and the reasons for making that decision. Following this process, on January 16, 2008, the state auditor published its first report on the status of recommendations that are more than a year old and not yet fully implemented.

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In fall 2014 the state auditor provided written notice to audited and investigated entities regarding recommendations that were more than a year old and not fully implemented related to reports issued from November 2007 through October 2013. Table 1, which appears on pages 5 through 8, shows recommendations that were not fully implemented as of the agencies' latest responses. The recommendations shown in Table 1 will not be reassessed by the state auditor in subsequent reports because of the length of time these recommendations have been outstanding. Table 2, which appears on pages 9 through 43, summarizes and provides information on recommendations that the state auditor determined have not been fully implemented. Table 3, beginning on page 45, summarizes information on recommendations that have been fully implemented since last year's report or since the agencies' one year responses. Finally, Table 4, beginning on page 51, summarizes all recommendations more than one year old made to nonstate entities from January 2011 to October 2013 and their current implementation status.

Additional information on each recommendation is available at the state auditor's Web site. The Web site includes each agency's response to the current status of outstanding recommendations. The Web site also includes the audit or investigative report and summary, the text of the recommendation, and the state auditor's assessment of whether the agency has fully implemented the recommendation, based on the agency's response, supporting documentation, and inquiries.