

REPORT BY THE  
AUDITOR GENERAL  
OF CALIFORNIA

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**WEAKNESSES IN INTERNAL CONTROLS  
OF STATE AGENCIES**

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REPORT BY THE  
OFFICE OF THE AUDITOR GENERAL  
TO THE  
JOINT LEGISLATIVE AUDIT COMMITTEE

215

WEAKNESSES IN INTERNAL  
CONTROLS OF STATE AGENCIES

MARCH 1982



# California Legislature

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## Joint Legislative Audit Committee

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**WALTER M. INGALLS**  
CHAIRMAN

March 16, 1982

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The Honorable President pro Tempore of the Senate  
The Honorable Speaker of the Assembly  
The Honorable Members of the Senate and the  
Assembly of the Legislature of California

Members of the Legislature:

Your Joint Legislative Audit Committee respectfully submits the Auditor General's report concerning improvements needed in state agencies' systems of internal controls.

Respectfully submitted,

WALTER M. INGALLS  
Chairman, Joint Legislative  
Audit Committee

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## SUMMARY

As part of our examination of the financial statements of the General Fund of the State of California for the year ended June 30, 1981, we studied and evaluated the State's system of internal accounting control as required by generally accepted auditing standards. We noted that 72 of the 96 state agencies or their affiliates that we audited had weaknesses in internal accounting controls as well as internal administrative controls. These weaknesses expose the State to potential loss of resources.

More specifically, the procedures used by some state agencies to handle and account for cash collections prevent the State from earning all potential interest income from General Fund investments. For example, at two campuses of the California State University and Colleges, tuition receipts remained undeposited for one to three weeks. In addition to delaying the use of this money for expenditure purposes, this failure to deposit receipts promptly precluded the State from investing these funds to earn interest income.

Also, inadequate procedures for promptly collecting amounts owed to the State cause the State to forego interest earnings. For example, one department delayed an average of

36 days the requesting of federal reimbursements and reimbursements from counties for their share of program costs. If the department had promptly collected and invested this amount, which totaled approximately \$102 million, the State could have earned approximately \$1,404,000 in interest income.

Moreover, state agencies lack control over revolving fund accounts and accounts receivable. This problem also affects collecting amounts owed to the State. For example, at 17 agencies many advances from the revolving fund for salary and travel have been outstanding for over six months and, in some instances, for a period of a year or longer. The amount of advances outstanding over six months totaled at least \$213,700. Some departments also exceeded the authorized limitations on their revolving fund accounts.

Overall, state agencies' inadequate procedures for collecting receivables and handling cash delayed the receipt and deposit of at least \$184 million in federal and county reimbursements, and in repayments of salary and travel advances. These inadequate procedures prevented the State from realizing at least \$2,640,000 in interest earnings.

In addition, half the state agencies we audited did not adequately monitor expenditures. These agencies did not separate accounting and custodial duties, they committed errors and omitted information in processing and recording attendance, and they did not adequately maintain the signature files used to verify the authenticity of authorizations for expenditures. These weaknesses expose the State to loss of funds from improper and fictitious disbursements.

We reported our findings in management letters to the individual agencies and to the Department of Finance. In our letters, we included recommendations for correcting weaknesses in internal controls and for improving operating procedures. The agencies accepted most of these recommendations for correcting weaknesses and improving procedures. However, because procedures designed to protect the State's assets have not been sufficiently adhered to, we recommend that the Department of Finance monitor state agencies' controls over cash collections, amounts owed the State, and expenditures in order to ensure that the weaknesses are corrected.

## INTRODUCTION

In response to a request by the Joint Legislative Audit Committee, we examined the financial statements of the General Fund of the State of California for the year ended June 30, 1981. As part of this examination, we studied and evaluated the State's system of internal accounting control as required by generally accepted auditing standards. This audit was conducted under the authority vested in the Auditor General by Sections 10527 through 10528 of the Government Code.

The State Administrative Manual specifically identifies the internal control procedures that are applicable to state agencies. All agencies are required to follow the manual unless specifically exempted by permission from the Department of Finance.

In conducting our audits, we interviewed the responsible personnel, tested the accuracy of financial transactions, reviewed applicable laws and regulations, and determined the propriety of transactions for timeliness, adequacy, and sufficiency.



Our study and evaluation was designed solely to determine the nature, timing, and extent of the auditing procedures necessary for expressing an opinion on financial statements of the General Fund. We did not perform tests necessary for expressing an opinion on the State's system of internal accounting control. Also, we did not audit or evaluate internal accounting controls related to other funds accounted for by the State.

The management of state agencies is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, management must use judgment in assessing the expected benefits and related costs of control procedures. The objective of a system of internal accounting control is to provide management with reasonable assurance that assets are safeguarded against loss, that transactions are executed in accordance with management's authorization, and that transactions are recorded properly. Proper recording of transactions permits the preparation of financial statements in accordance with generally accepted accounting principles.

Because of inherent limitations in any system of internal accounting control, errors or irregularities may occur without being detected. Also, projecting an evaluation of the

system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

Our study and evaluation would not necessarily disclose all material weaknesses in the State's system of internal accounting control; thus, we do not express an opinion on this system. Our study and evaluation did not disclose any weaknesses that we believe to be material to the financial statements of the General Fund. However, it did disclose weaknesses material to the financial records of individual agencies as well as certain conditions requiring the attention of the management.

After completing our audits, we communicated our findings to the management of each agency. We included recommendations for correcting the weaknesses in internal controls and for improving operating procedures. We also provided a summary of our findings to the Department of Finance. Appendix B contains the Department of Finance's comments on our summary.

## AUDIT RESULTS

### STATE AGENCIES EXHIBIT WEAKNESSES IN INTERNAL CONTROLS

Our examinations of 96 state agencies disclosed an assortment of internal control weaknesses at 72 different agencies or their affiliates. These weaknesses could prevent the State from making the most efficient use of its resources. Specifically, these weaknesses are as follows:

- Agencies do not always observe required procedures for handling cash;
- Agencies do not have adequate procedures for collecting amounts owed to the State;
- Agencies lack control over revolving fund accounts and accounts receivable; and
- Agencies do not adequately monitor expenditures.

Appendix A shows the distribution of the weaknesses we found in internal controls at the agencies to which we issued management letters.

Agencies Do Not Always  
Observe Required Procedures  
for Handling Cash

Because of a lack of adequate controls, some agencies have exposed cash to loss and misuse. Overall, we noted cash control weaknesses in 43 of the 96 agencies reviewed. Several agencies did not promptly deposit all collections, reconcile cash collections to supporting detailed records, or reconcile bank accounts. In addition, some agencies did not adequately separate certain accounting and cash handling duties.

For example, California State University, Sacramento, and San Jose State University did not promptly deposit all tuition receipts. Some of these collections, which exceeded \$5,000, remained undeposited for one to three weeks. Section 8030.1 of the State Administrative Manual requires collections in excess of \$5,000 to be deposited daily so that the State can earn interest income on money received.

At the Department of Health Services, the June 30, 1981 balance of the uncleared collection account totaled approximately \$13 million. However, only about \$5 million of this amount was supported by a detailed listing. The department would have to analyze detailed records from previous years in order to prepare a listing of the remaining \$8 million. Under the state accounting system, the uncleared

collection account is used to show cash collections that are being checked to determine whether they are to be remitted to a fund in the State Treasury or to be refunded to payers who made erroneous payments. Failure to identify these collections can result in payers not receiving refunds due to them. Additionally, until identification is made, there will be an understatement of funds available for appropriation because no remittance will have been made to the proper fund in the State Treasury. Further, without a detailed listing to support the amounts recorded, these amounts can be misapplied or misused because an inappropriate payment charged to a particular account may never be detected.

In addition, several agencies did not promptly reconcile bank accounts. For example, the Parole and Community Services Division of the Department of Corrections has been unable to reconcile its general checking account since July 1976. At the Department of Rehabilitation, the general checking account has not been in agreement with department records since October 1977. As of February 1981, San Francisco State University had not reconciled its bank account for the last five months.

Finally, because some agencies do not adequately separate certain duties, the same employee may have access both to the blank warrant stock and to the check-signing machine. At one state hospital, this control deficiency permitted an accounting technician to prepare and issue unauthorized disbursements to himself.

To the agencies that did not observe required procedures for handling cash, we recommended that receipts in excess of \$5,000 be deposited daily and that agencies maintain a detailed listing of uncleared collections. We also recommended that agencies reconcile bank accounts promptly and that they separate duties to ensure against improper disbursement of funds. In addition to these recommendations, we recommend that the Department of Finance monitor state agencies to ensure that they correct the weaknesses in procedures for handling cash.

Agencies Do Not Have Adequate  
Procedures for Collecting  
Amounts Owed to the State

A number of state agencies have inadequate procedures for collecting amounts owed to the State. As a result, receivables are either not collected at all or are collected long after they are due. Consequently, the State loses the use of millions of dollars of uncollected amounts as well as the

interest income that would accrue if all receivables were collected and deposited promptly. Twenty-eight of the 96 agencies we audited had weaknesses in their systems for collecting receivables.

One of the more common weaknesses was agencies' failure to request prompt reimbursement. The Department of Health Services, for example, could have increased the State's interest earnings by approximately \$1,404,000 if it had more promptly collected reimbursements totaling approximately \$102 million. These interest earnings were lost because the department did not promptly request federal reimbursements; because it did not promptly sign an interagency contract, which precluded the Department of Social Services from requesting federal funds; and because it did not require prompt reimbursement from counties for their share of program costs.

Also, because of a delay in signing an interagency agreement between the Department of Developmental Services and the Department of Health Services, portions of the federal reimbursement to the State's General Fund, totaling approximately \$43 million, were delayed up to five months. Based upon the interest rate that the State's investments earned during the five-month period involved, the State's General Fund would have earned an additional \$955,000 in interest had this reimbursement been made earlier. Further,

the State's General Fund would have earned an additional \$281,000 in interest if the Department of Social Services had promptly requested approximately \$39 million in reimbursements for the federal share of program costs.

In our management letters, we recommended that state departments involved establish procedures to ensure that federal and county reimbursements are requested as soon as the State is entitled to them. We also recommended that interagency agreements between the state departments mentioned above be executed by July 1 of each fiscal year. Further, we recommend that the Department of Finance monitor the agencies involved to ensure that they promptly collect amounts owed to the State.

Agencies Lack Control Over  
Revolving Fund Accounts  
and Accounts Receivable

At 17 agencies or their affiliates, we found a lack of accountability over revolving fund accounts. Specifically, advances for salary and travel expenses were outstanding for unreasonably long periods, and 13 of the 17 agencies or their affiliates overdrew their revolving fund authorizations. Generally, employees should not have outstanding salary and travel advances for prolonged periods. However, many advances had been outstanding for over six months and, in some



instances, for periods of a year or longer. At these agencies, the amount of advances outstanding over six months was at least \$213,700.

In our management letters, we recommended that the agencies or their affiliates establish procedures to ensure the recovery of salary, travel, and other advance payments within reasonable time limits. Also, each agency should periodically review its revolving fund expenditure levels and, when necessary, request new authorized revolving fund limits to reflect actual needs. We further recommend that the Department of Finance monitor the agencies to ensure that they strengthen controls over revolving fund accounts.

Further, one state hospital, six California State University and College campuses, and six correctional institutions spent more than the authorized total of their revolving funds. All revolving funds have dollar limitations that provide an external control to limit any potential loss. However, agencies can exceed these dollar limitations because agencies' revolving funds are commingled in an account with other state monies and trust funds. Thus, even though an agency may spend the total of the authorized amount of its revolving fund, the agency can, for example, continue to issue checks on the unexpended balance of the commingled funds.

In addition, some departments do not maintain current, adequate, or in some cases, any files on outstanding accounts. Thus, these departments are unable to monitor collection efforts. For example, the Department of Health Services did not adequately document accruals for reimbursements totaling \$4.2 million. As a result, the department could have submitted inaccurate information to the State Controller for use in the State's financial statements. Also, without proper documentation for recorded accounts receivable, the department cannot determine the total amount that is due. Thus, the department may not collect all amounts to which it is entitled.

In cases such as the above, we recommended that agencies establish collection programs that include periodic reviews of delinquent accounts, prompt and systematic follow-ups in cases of nonpayment, and assignment of delinquent accounts to collection personnel when correspondence fails. Also, we recommended that agencies prepare and maintain adequate documentation for the reimbursement balance of their accounts receivable. We further recommend that the Department of Finance monitor agencies to ensure that their procedures for collecting delinquent amounts owed and documenting accruals made are adequate.

Agencies Do Not Adequately  
Monitor Expenditures

Fifty-nine of the agencies we audited did not adequately monitor expenditures. Specifically, there was a lack of separation of accounting and custodial duties, errors and omissions in the processing and recording of attendance, and inadequate maintenance of signature files used to verify the authenticity of authorizations for expenditures.

For example, in over one-third of the agencies we audited, employees who certify employees' attendance and process other payroll documents also receive and distribute salary warrants. Good internal control requires that the duties of processing personnel and payroll documents be separated from those of handling payroll warrants. Unless these duties are separated, an employee could authorize a fictitious payroll transaction and then direct the payment for personal use.

Additionally, several agencies did not accurately post vacation and sick leave to employees' records. At the Correctional Training Facility, for example, the personnel office did not accurately transfer hours used for vacation and sick leave from monthly attendance reports to employees' leave records. A lack of accountability over leave credits may result in overpayments.

Finally, in many instances, files on authorized signatories maintained by the agencies and by the State Controller did not agree. We found that some agencies failed to update certain approved signatories for claim schedules or payroll documents to include separations, retirements, and new or transferred personnel. This condition exposes the agencies to potential loss of payroll, cash, and equipment because unauthorized signatories can be used to direct fraudulent payments.

We recommended that the responsible officials at the agencies strengthen internal controls over payroll operations by separating the responsibilities and duties among employees. We also recommended that the agencies maintain employee leave records on a current basis and that they review files of authorized signatories at scheduled intervals and update these files to agree with the State Controller's records. Further, we recommend that the Department of Finance monitor the agencies to ensure that they have corrected the existing weaknesses and that they have established procedures to monitor expenditures adequately.

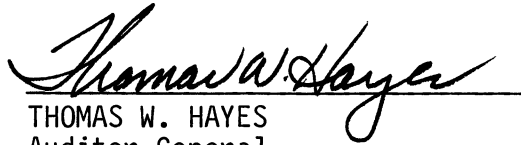
CONCLUSION

While auditing 96 state agencies or their affiliates, we noted an assortment of weaknesses in internal accounting and administrative controls. For the most part, these weaknesses exist because state agencies have not followed procedures prescribed in the State Administrative Manual. Because of these weaknesses, the State could possibly lose both money that is due and potential interest income.

RECOMMENDATION

We recommend that the Department of Finance review the findings we reported in our management letters to the individual agencies and monitor these agencies to ensure that they have corrected the weaknesses we found.

Respectfully submitted,

  
THOMAS W. HAYES  
Auditor General

Date: March 15, 1982

Staff: Curt I. Davis, CPA, Audit Manager  
Jeffrey A. Winston, CPA  
Romero Zamora  
Pat Duncan  
Robyn Graves

DISTRIBUTION OF WEAKNESSES IN INTERNAL  
CONTROLS REPORTED TO THE RESPONSIBLE AGENCIES  
FOR THE YEAR ENDED JUNE 30, 1981<sup>a</sup>

<u>Agency</u>	<u>Agencies Do Not Always Observe Procedures for Handling Cash</u>	<u>Agencies Do Not Have Adequate Procedures for Collecting,<sup>b</sup> Amounts Owed to the State</u>	<u>Agencies Do Not Adequately Monitor Expenditures</u>
Aging, Department of			XX
Air Resources Board, State	XX	XX	XX
California Community Colleges, Board of Governors	XX		XX
California Conservation Corps		XX	XX
California Exposition and State Fair	XX		
California Maritime Academy			XX
California Museum of Science and Industry	XX		
California State University and Colleges			
Bakersfield	XX		XX
Chancellor's Office	XX		XX
Chico			XX
Dominguez Hills		XX	XX
Fresno	XX	XX	XX
Fullerton	XX	XX	XX
Hayward			XX
Humboldt			XX
Long Beach	XX	XX	XX
Los Angeles	XX	XX	
Northridge	XX	XX	XX
Pomona	XX	XX	XX
Sacramento	XX	XX	XX
San Bernardino			XX
San Diego	XX	XX	XX
San Francisco	XX	XX	XX
San Jose	XX	XX	XX
San Luis Obispo	XX	XX	XX
Sonoma	XX		XX
California Youth Authority			
Departmental Administration			XX
El Paso De Robles School			XX
Northern California Youth Center			XX
Northern Reception Center - Clinic			XX
Preston School of Industry			XX
Southern Reception Center - Clinic			XX
Ventura School			XX
Youth Training School			XX

<sup>a</sup> Weaknesses have been noted only once, even though they may have occurred several times within an agency.

<sup>b</sup> This column includes weaknesses relating to agencies' lack of control over revolving fund accounts and accounts receivable.

<u>Agency</u>	<u>Agencies Do Not Always Observe Procedures for Handling Cash</u>	<u>Agencies Do Not Have Adequate Procedures for Collecting Amounts Owed to the State</u>	<u>Agencies Do Not Adequately Monitor Expenditures</u>
Corrections, Department of			
California Correctional Center at Susanville	XX		XX
California Correctional Institution	XX		XX
California Institution for Men	XX		
California Institution for Women	XX		XX
California Medical Facility	XX		XX
California Men's Colony			XX
California State Prison at Folsom	XX		XX
California State Prison at San Quentin			XX
Correctional Training Facility	XX	XX	XX
Departmental Administration	XX		XX
Duel Vocational Institution			XX
Parole and Community Services	XX		XX
Sierra Conservation Center			XX
Developmental Services, Department of		XX	
Diagnostic School for Neurologically Handicapped Children	XX		XX
Education, State Department of			
Employment Development Department	XX	XX	XX
Equalization, Board of	XX	XX	
Fair Employment and Housing, Department of	XX		XX
Forestry, Department of			
Health Services, Department of	XX	XX	
Housing and Community Development, Department of	XX	XX	XX
Insurance, Department of	XX		
Justice, Department of			
Mental Health, Department of	XX	XX	XX
Parks and Recreation, Department of	XX		XX
Rehabilitation, Department of	XX		
Social Services, Department of	XX	XX	
Solid Waste Management Board			XX
State Hospitals			
Agnews	XX	XX	XX
Camarillo			XX
Fairview		XX	
Lanterman		XX	
Patton	XX		XX
Porterville			XX
Sonoma	XX	XX	XX
Veterans Home of California	XX		
Water Resources, Department of	XX	XX	XX
NUMBER OF AGENCIES WHERE WEAKNESSES WERE NOTED	<u>43</u>	<u>28</u>	<u>59</u>

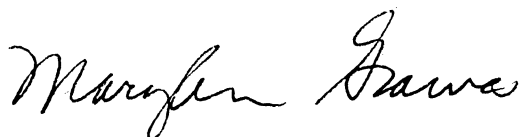




Thomas W. Hayes

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I fully support the concept of improved management through systematic internal control reviews and have implemented a program to carry out this view. I appreciated your sending me a report regarding your findings which we will utilize in our program to ensure that agencies have established and are maintaining effective systems of internal control.

A handwritten signature in cursive script that reads "Mary Ann Graves".

MARY ANN GRAVES  
Director of Finance

Attachment

4480A

DEPARTMENT OF FINANCE  
 FINANCIAL AND PERFORMANCE ACCOUNTABILITY  
 INTERNAL CONTROL/FISCAL COMPLIANCE  
 FIVE-YEAR AUDIT PLAN  
 1981-82 FISCAL YEAR TO 1985-86 FISCAL YEAR

	Agency Code	Estimated Hours	Fiscal Year Audit Schedule					
			1981-82	1982-83	1983-84	1984-85	1985-86	
EDUCATION								
Department of Education								
State Library	611	700	700					
California School for the Blind, Fremont	612	300	300					
California School for the Deaf, Fremont	620	300	300					
California School for Neurologically Handicapped Children, Northern CA	624	300	300					
Diagnostic School for Neurologically Handicapped Children, Central CA	621	300	300					
Diagnostic School for Neurologically Handicapped Children, Southern CA	622	300	300					
CA School for the Deaf, Riverside	623	300	300					
CA Advisory Council on Vocational Education and Technical Training	625	300	300					
CA Occupational Information Coordinating Committee	632	300	300					
Commission for Teacher Preparation and Licensing	633	100	100					
CA Postsecondary Education Commission	636	300	300					
CA Educational Facilities Authority	642	300	300					
University of California	643	300	300					
Hastings College of Law	645	700	700					
CSUC Statewide Programs	660	300	300					
CSUC Systemwide Offices	662	500	500					
CSC, Bakersfield	663	500	500					
CSC, San Bernardino	665	300	300					
CSC, Stanislaus	666	300	300					
CSU, Chico	667	300	300					
CSU, Dominguez Hills	668	300	300					
CSU, Fresno	669	300	300					
CSU, Fullerton	670	300	300					
CSU, Hayward	671	300	300					
Humboldt State University	672	300	300					
CSU, Long Beach	673	300	300					
CSU, Los Angeles	674	300	300					
CSU, Northridge	675	300	300					
CSPU, Pomona	676	300	300					
CSU, Sacramento	677	300	300					
San Diego State University	678	300	300					
San Francisco State University	679	300	300					
San Jose State University	680	300	300					
CSPU, San Luis Obispo	681	300	300					
Sonoma State University	682	300	300					
California Maritime Academy	683	300	300					
Board of Governors of the California Community Colleges	686	300	300					
Student Aid Commission	688	300	300					
	798	300	300					

DEPARTMENT OF FINANCE  
FINANCIAL AND PERFORMANCE ACCOUNTABILITY  
INTERNAL CONTROL/FISCAL COMPLIANCE  
FIVE-YEAR AUDIT PLAN  
1981-82 FISCAL YEAR TO 1985-86 FISCAL YEAR

	Agency Code	Estimated Hours	Fiscal Year Audit Schedule				
			1981-82	1982-83	1983-84	1984-85	1985-86
<b>EXECUTIVE AND CONSTITUTIONAL</b>							
Office of Emergency Services	069	300		300			300
Department of Justice	082	500		500			500
State Controller	084	300	300		300		300
State Board of Equalization	086	500	500		500		500
State Treasurer	095	300		300			300
<b>STATE AND CONSUMER SERVICES</b>							
Museum of Science and Industry	110	300		300			300
Department of Consumer Affairs (Includes tests of selected boards)	111	700	700		700		700
Department of Fair Employment and Housing	170	300	300		300		300
Office of the State Fire Marshal	171	300	300		300		300
Franchise Tax Board	173	500	500		500		500
Department of General Services	177	700	700		700		700
Office of State Architect	179	500	500		500		500
Office of State Printing	180	500	500		500		500
State Personnel Board	188	300	300		300		300
Department of Veterans Affairs	196	300	300		300		300
Veterans Home of California	197	500	500		500		500
<b>BUSINESS, TRANSPORTATION AND HOUSING</b>							
Department of Alcoholic Beverage Control	210	500	500		500		500
State Banking Department	214	300	300		300		300
Department of Corporations	218	300	300		300		300
Department of Housing and Community Development	224	300	300		300		300
Department of Insurance	229	300	300		300		300
Department of Real Estate	232	300	300		300		300
Department of Savings and Loans	234	300	300		300		300
Department of Transportation	266	700	700		700		700
Department of the California Highway Patrol	272	700	700		700		700
Department of Motor Vehicles	274	700	700		700		700
<b>RESOURCES</b>							
California Conservation Corps	334	300	300		300		300
Energy Resources Conservation and Development Commission	336	300	300		300		300
Air Resources Board	340	300	300		300		300
Department of Conservation	349	500	500		500		500
Department of Forestry	354	700	700		700		700
State Lands Commission	356	300	300		300		300
Department of Fish and Game	361	500	500		500		500
Department of Boating and Waterways	368	300	300		300		300
California Coastal Commission	372	300	300		300		300
Department of Parks and Recreation	379	700	700		700		700
Division of Exposition and State Fair	380	300	300		300		300
Department of Water Resources	387	700	700		700		700

DEPARTMENT OF FINANCE  
 FINANCIAL AND PERFORMANCE ACCOUNTABILITY  
 INTERNAL CONTROL/FISCAL COMPLIANCE  
 FIVE-YEAR AUDIT PLAN  
 1981-82 FISCAL YEAR TO 1985-86 FISCAL YEAR

	Agency Code	Estimated Hours	Fiscal Year Audit Schedule					
			1981-82	1982-83	1983-84	1984-85	1985-86	
OTHER GOVERNMENTAL UNITS								
Office of Criminal Justice Planning	810	300	300		300			300
Agricultural Labor Relations Board	830	300	300		300			300
Department of Industrial Relations	835	500	500			500		
Department of Food and Agriculture	858	700	700		700			700
Public Utilities Commission	866	300		300			300	
Department of Finance	887	300		300			300	
Military Department	895	300	300		300			300
TOTALS		48,800	21,600	26,500	22,300	26,500	26,500	22,300

3467A

DEPARTMENT OF FINANCE  
 FINANCIAL AND PERFORMANCE ACCOUNTABILITY  
 INTERNAL CONTROL/FISCAL COMPLIANCE  
 FIVE-YEAR AUDIT PLAN  
 1981-82 FISCAL YEAR TO 1985-86 FISCAL YEAR

	Agency Code	Estimated Hours	Fiscal Year Audit Schedule						
			1981-82	1982-83	1983-84	1984-85	1985-86		
<b>HEALTH AND WELFARE</b>									
Department of Aging	417	300		300					
Department of Alcohol and Drug Programs	420	300	300		300		300		300
Department of Health Services	426	700		700			700		
Department of Developmental Services	431	500	500		500				500
Agnews State Hospital	433	300		300			300		
Camarillo State Hospital	434	300		300			300		
Fairview State Hospital	435	300		300			300		
Napa State Hospital	436	500		500			500		
Frank D. Lanterman State Hospital	437	300	300		300				300
Patton State Hospital	438	300	300		300				300
Porterville State Hospital	439	300	300		300				300
Sonoma State Hospital	440	300		300			300		
Stockton State Hospital	441	300		300			300		
Department of Mental Health	445	300	300		300				300
Atascadero State Hospital	447	300		300			300		
Metropolitan State Hospital	449	300	300		300				300
Employment Development Department	511	700		700			700		
Department of Rehabilitation	516	500		500			500		500
Department of Social Services	518	700		700			700		700
California Health Facilities Commission	519	300		300			300		300
<b>YOUTH AND ADULT CORRECTIONAL AGENCY</b>									
Department of Corrections	525	500	500		500				500
California Correctional Center, Susanville	529	300	300		300				300
California Correctional Institution, Tehachapi	530	500	500		500				500
California Institution for Men, Chino	531	500		500			500		
California Institution for Women, Frontera	532	300		300			300		
California Medical Facility, Vacaville	533	500	500		500				500
California Men's Colony, San Luis Obispo	534	500		500			500		
California Rehabilitation Center, Corona	535	500		500			500		
Correctional Training Facility, Soledad	536	500		500			500		
Deuel Vocational Institution, Tracy	537	300		300			300		
Folsom State Prison	538	500		500			500		
San Quentin State Prison	539	500	500		500				500
Sierra Conservation Center, Jamestown	540	500	500		500				500
Department of the Youth Authority	547	700	700		700				700
Northern Reception Center - Clinic	550	300		300			300		
El Paso de Robles School	552	300		300			300		
Fred C. Nelles School and Southern Reception Center - Clinic	553	300		300			300		
Northern California Youth Center (NCYC) (Includes DeWitt Nelson, Karl Holten, and O. H. Close Schools)	554	500		500			500		500
Preston School	558	300		300			300		
Ventura School	559	300		300			300		
Youth Training School (Includes Oak Glen Camp)	560	300		300			300		
Northern California Youth Authority Conservation Camps (Ben Lomond, Mt. Bullion, Pine Grove and Washington Ridge)	561	300		300			300		

DEPARTMENT OF FINANCE  
 FINANCIAL AND PERFORMANCE ACCOUNTABILITY  
 INTERNAL CONTROL/FISCAL COMPLIANCE  
 FIVE-YEAR AUDIT PLAN  
 1981-82 FISCAL YEAR TO 1985-86 FISCAL YEAR

	Agency Code	Estimated Hours	Fiscal Year Audit Schedule					
			1981-82	1982-83	1983-84	1984-85	1985-86	
OTHER GOVERNMENTAL UNITS								
Office of Criminal Justice Planning	810	300	300		300			300
Agricultural Labor Relations Board	830	300	300		300			300
Department of Industrial Relations	835	500	500	700		500		700
Department of Food and Agriculture	858	700		700			300	
Public Utilities Commission	866	300		300			300	
Department of Finance	887	300		300			300	
Military Department	895	300		300				300
TOTALS		48,800	21,600	26,500	22,300	26,500	26,500	22,300

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cc: Members of the Legislature  
Office of the Governor  
Office of the Lieutenant Governor  
Secretary of State  
State Controller  
State Treasurer  
Legislative Analyst  
Director of Finance  
Assembly Office of Research  
Senate Office of Research  
Assembly Majority/Minority Consultants  
Senate Majority/Minority Consultants  
California State Department Heads  
Capitol Press Corps