

CALIFORNIA STATE AUDITOR

Bureau of State Audits

Recommendations Not Fully Implemented After One Year

The Omnibus Audit Accountability Act of 2006



January 2013 Report 2012-041

SPECIAL REPORT

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Elaine M. Howle
State Auditor
Doug Cordiner
Chief Deputy

CALIFORNIA STATE AUDITOR

Bureau of State Audits

555 Capitol Mall, Suite 300

Sacramento, CA 95814

916.445.0255

916.327.0019 fax

www.bsa.ca.gov

January 15, 2013

2012-041

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 the Department of Finance. This report notes that from November 2005 through October 2011, the state auditor issued 106 reports on audits of state agencies. In those reports, the state auditor made 1,249 recommendations and state agencies had implemented 1,036, or 83 percent as of September 2012. The remaining 213 recommendations made to 36 state agencies had been outstanding for at least a year and not fully implemented. However, based on recent responses obtained from those state agencies, the state auditor determined that 44 have been fully implemented and only 169 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 efforts bring the greatest returns when agencies act upon our findings and recommendations. For example, in April 2011 the state auditor reported that the Commission on Teacher Credentialing (Commission) would better safeguard students if the Commission improved its ability to process alleged misconduct. As of the summer of 2009, the Division of Professional Practices (division) had accumulated a backlog of 12,600 unprocessed reports of arrest and prosecution, resulting from an insufficient number of trained staff, ineffective and inefficient processes, and a lack of an automated system for tracking the division's workload. These conditions appeared to have resulted in delayed processing of alleged misconduct and potentially allowed educators of questionable character to retain a credential. The state auditor made numerous recommendations to the Commission, including that it develop and formalize comprehensive procedures for reviews of reported misconduct and that it provide training and oversight to ensure that case information in its database is complete, accurate, and consistent. The state auditor also provided specific recommendations for the Commission to revisit its processes for overseeing investigations to adequately address the weaknesses in its processing of reports of misconduct and reduce the time elapsed to perform critical steps in the review process. The Commission fully implemented these recommendations by September 2012, which should help ensure that the Commission better protects students from individuals unfit for the duties authorized by the credential.

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 this report on the status of recommendations that are more than one year old and have not been fully implemented by state agencies.

RESULTS IN BRIEF

From November 2005 through October 2011, the state auditor issued 106 reports for audits requested through the Joint Legislative Audit Committee, legislation, or as a result of an investigation.¹ The state auditor made 1,249 recommendations to the audited state agencies in those reports.² While the state agencies implemented many of the recommendations, the state auditor identified 213 recommendations made to 36 state agencies that had been outstanding at least one year and not fully implemented. Of the 213 recommendations, 116 appeared in last year's report. Based on recent responses obtained from state agencies, the state auditor determined that 169 of the 213 recommendations remain not fully implemented.

Our audit efforts bring the greatest returns when agencies act upon our findings and recommendations. For example, in April 2011 the state auditor reported that the Commission on Teacher Credentialing (Commission) would better safeguard students if the Commission improved its ability to process alleged misconduct. As of the summer of 2009, the Division of Professional Practices (division) had accumulated a backlog of 12,600 unprocessed reports of arrest and prosecution, resulting from an insufficient number of trained staff, ineffective and inefficient processes, and a lack of an automated system for tracking the division's workload. These conditions appeared to have resulted in delayed processing of alleged misconduct and potentially allowed educators of questionable character to retain a credential. The state auditor made numerous recommendations to the Commission, including that it develop and formalize comprehensive procedures for reviews of reported misconduct and that it provide training and oversight to ensure that case information in its database is complete, accurate, and consistent. The state auditor also provided specific recommendations for the Commission to revisit its processes for overseeing investigations to adequately address the weaknesses in its processing of reports of misconduct and reduce the time elapsed to perform critical steps in the review process. The Commission fully implemented these recommendations by September 2012, which should help ensure that the Commission better protects students from individuals unfit for the duties authorized by the credential.

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 that audit are followed up and reported each year in the state auditor's annual report on California's Internal Control and State and Federal Compliance. This also excludes American Recovery and Reinvestment Act (ARRA) interim reports related to Federal Compliance, as these are followed up as part of the single audit. We do not include audits where the subject is a local entity, such as a school district or county, nor do we include follow-up audits where there are no new recommendations. Finally, we exclude the following statutorily required non-audit reviews: FisCal Status Letter, Treasurer's Cash Count, Statement of Securities Accountability, Data Reliability Report, and California Medicaid Management Information System Status Letter. As of January 1, 2010, the state auditor began reporting as required on the status of recommendations made in investigative reports. The 106 reports include six investigative reports issued since January 1, 2009.

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

State agencies' failure to fully implement the state auditor's recommendations can inhibit needed improvements. For example, the state auditor reported on the child welfare services (CWS) system in October 2011 and found that the Department of Social Services (Social Services) and county CWS agencies could do more to protect foster children. To ensure that vulnerable individuals, including foster children, are safe, the state auditor recommended that Social Services complete on-site reviews of licensed facilities at least once every five years, as required by state law. The state auditor further recommended that county CWS agencies conduct internal reviews of the services they provided prior to the death of a child in the CWS system (death reviews). While Social Services has implemented some recommendations, such as beginning to conduct comparisons of the addresses of its licensed facilities and approved homes with the addresses of registered sex offenders on a monthly basis, it still has not implemented recommendations related to on-site licensing reviews and ensuring that death reviews are occurring. Specifically, Social Services had more past due on-site reviews in 2012 than when we originally conducted our audit and, although it sent a memo to counties encouraging death reviews, it has refused to take any action to determine whether death reviews are actually occurring. The state auditor also made recommendations regarding the placement of foster children into foster family agencies (FFAs), which cost at least twice as much as licensed foster homes and have a 40 percent administrative fee. Specifically, the state auditor recommended that Social Services analyze and justify the increased rates paid to FFAs, and monitor the local justifications for placement of foster children into FFAs instead of licensed foster homes. However, Social Services has not implemented these recommendations and achieved any of the potential savings. Further, by failing to establish adequate justification for FFA rates—a portion of which is reimbursed by the federal government—Social Services risks financial penalties for using federal funds inappropriately.

The tables beginning on page 3 summarize and provide information on recommendations issued between November 2005 and October 2011. Table 1 shows recommendations that were not fully implemented as of the agencies' latest responses for audits issued between November 2005 and October 2006. The recommendations shown in Table 1 are from audits more than five years old and will not be reassessed by the state auditor in subsequent reports because of the length of time these recommendations have been outstanding. Table 2, beginning on page 5, summarizes recommendations that have not been fully implemented for audits issued between November 2006 and October 2011. As indicated on tables 1 and 2, the state auditor did not always agree with agency assertions that certain recommendations were fully implemented. Two columns in tables 1 and 2 provide the state auditor's reasons for disagreement. Finally, Table 3, beginning on page 23, summarizes recommendations that have been fully implemented since last year's report or the agencies' one-year responses.

Table 1
Recommendations More Than Five Years Old That Are Still Not Fully Implemented
(Audits Issued Between November 2005 and October 2006)

AUDITEE	REPORT TITLE, NUMBER, AND ISSUE DATE	RECOMMENDATION	STATE AUDITOR'S ASSESSMENT			
			NUMBER OF YEARS IN ANNUAL REPORT OF NOT FULLY IMPLEMENTED RECOMMENDATIONS	ESTIMATED DATE OF COMPLETION	AUDITEE DID NOT SUBSTANTIATE ITS CLAIM OF FULL IMPLEMENTATION	AUDITEE DID NOT ADDRESS ALL ASPECTS OF THE RECOMMENDATION
HEALTH AND HUMAN SERVICES						
Department of Health Services*	It Has Not Yet Fully Implemented Legislation Intended to Improve the Quality of Care in Skilled Nursing Facilities 2006-035 (February 2007)	1. Include information on any savings to the General Fund in the reports its licensing division is required to prepare.	5	Will not implement		
Department of Social Services	In Rebuilding Its Child Care Program Oversight, the Department Needs to Improve Its Monitoring Efforts and Enforcement Actions 2005-129 (May 2006)	1. Continue its efforts to make all nonconfidential information about its monitoring visits more readily available to the public.	6	†		●
CORRECTIONS AND REHABILITATION						
California Department of Corrections and Rehabilitation	The Intermediate Sanction Programs Lacked Performance Benchmarks and Were Plagued With Implementation Problems 2005-111 (November 2005)	1. Decide on appropriate benchmarks for monitoring performance, identify the data needed to measure performance against those benchmarks, and ensure that reliable data collection mechanisms are in place. Analyze the data it has collected and, if relevant, use the data in existing databases to monitor and evaluate the program's effectiveness on an ongoing basis.	6	July 2013		

* On July 1, 2007, the Department of Health Services was reorganized and became two departments—the Department of Health Care Services and the Department of Public Health. The Department of Public Health is now responsible for monitoring skilled nursing facilities.

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

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Table 2
Recommendations More Than One Year Old That Are Still Not Fully Implemented
(Audits Issued Between November 2006 and October 2011)

AUDITEE	REPORT TITLE, NUMBER, AND ISSUE DATE	RECOMMENDATION	NUMBER OF YEARS IN ANNUAL REPORT OF NOT FULLY IMPLEMENTED RECOMMENDATIONS	ESTIMATED DATE OF COMPLETION	STATE AUDITOR'S ASSESSMENT	
					AUDITEE DID NOT SUBSTANTIATE ITS CLAIM OF FULL IMPLEMENTATION	AUDITEE DID NOT ADDRESS ALL ASPECTS OF THE RECOMMENDATION
K THRU 12 EDUCATION						
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)†	<ol style="list-style-type: none"> 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. 	2	*	●	●
HIGHER EDUCATION						
California State University	It Needs to Strengthen Its Oversight and Establish Stricter Policies for Compensating Current and Former Employees 2007-102.1 (November 2007)†	<ol style="list-style-type: none"> Work through the regulatory process to develop stronger regulations governing paid leaves of absence for management personnel. The university should also maintain appropriate documentation supporting any leaves of absence it grants. Continue to work with California Faculty Association representatives during the collective bargaining process to strengthen its dual-employment policy by imposing disclosure and approval requirements for faculty, and impose similar requirements for other employees. Create a centralized information system structure to catalog university compensation, and use the data to monitor campuses' implementation of systemwide policies and to measure the impact of these policies on university finances. 	4	January 2013		
California State University	It Is Inconsistent in Considering Diversity When Hiring Professors, Management Personnel, Presidents, and System Executives 2007-102.2 (December 2007)	<ol style="list-style-type: none"> Issue systemwide guidance that directs campuses to develop hiring policies that establish consistency among searches and ensures that searches are conducted in a fair and equitable manner. Issue systemwide guidance that encourages campuses to identify alternatives to broaden the perspectives of search committees and to ensure that women and minorities have equal opportunity to serve on search committees. Issue systemwide guidance that instructs campuses to compare the proportions of women and minorities in the total applicant pool with the proportions in the labor pool to help assess their outreach efforts. Issue systemwide guidance that advises campuses to compare and report the gender and ethnicity of their current workforce, and directs campuses to have search committees review affirmative action plans. Issue systemwide guidance that devises and implements a uniform method for campuses to use when calculating availability of data. 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. 	4	Will not implement		
			4	January 2013		
			4	January 2013		
			4	Will not implement		
			4	Will not implement		
			4	Will not implement		
			4	Will not implement		

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AUDITEE	REPORT TITLE, NUMBER, AND ISSUE DATE	RECOMMENDATION	NUMBER OF YEARS IN ANNUAL REPORT OF NOT FULLY IMPLEMENTED RECOMMENDATIONS	ESTIMATED DATE OF COMPLETION	STATE AUDITOR'S ASSESSMENT	
					AUDITEE DID NOT SUBSTANTIATE ITS CLAIM OF FULL IMPLEMENTATION	AUDITEE DID NOT ADDRESS ALL ASPECTS OF THE RECOMMENDATION
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. Reevaluate bookstore's pricing policies to ensure that markups are not higher than necessary.	4	Unknown		
		2. Direct bookstores to publicly disclose on an annual basis any amounts they use for purposes that do not relate to bookstore operations.	4	Unknown		
California State University, Chancellor's Office	Failure to Follow Reimbursement Policies Resulted in Improper and Wasteful Expenditures 12007-1158 (December 2009)	1. The university should revise its travel policy to establish defined maximum limits for reimbursing the costs of lodging and to establish controls that allow for exceptions to such limits only under specific circumstances.	2	*	●	
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. 	1	Unknown		
		2. 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.	1	Fiscal year 2013-14		
		4. 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.	1	November 2013		
		5. To ensure that the campus financial information published by the Office of the President can be better evaluated by interested stakeholders, the university should disclose instances in which campuses subsidize auxiliary enterprises with revenues from other funding sources and should disclose the sources of that funding.	1	December 2012		
		6. To improve the transparency of its expenses, the university should identify more specific categories for expenses that are recorded under the Miscellaneous Services accounting code and should implement object codes that account for these expenses in more detail.	1	June 2013		
		7. 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.	1	Will not implement		

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					AUDITEE DID NOT SUBSTANTIATE ITS CLAIM OF FULL IMPLEMENTATION	AUDITEE DID NOT ADDRESS ALL ASPECTS OF THE RECOMMENDATION
Department of Public Health Social Services	Safely Surrendered Baby Law: Stronger Guidance From the State and Better Information for the Public Could Enhance Its Impact 2007-124 (April 2008)	1. Work with the Department of Public Health and county agencies to gain access to the most accurate and complete statistics on abandoned babies.	4	January 2013		
		1. Develop and maintain adequate documentation related to data storage, retrieval, and maintenance.	4	2013		
		2. Evaluate the branch's current fee structure using analyses that consider fiscal and workload factors.	4	*		●
		3. Develop a staffing plan for the branch based on current, reliable data. The plan should reevaluate the branch's assumptions about workload factors, assess backlogged work, and assess all currently required work and the human resources necessary to accomplish it.	4	*		●
		4. 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 discuss with appropriate members of the Legislature the specific information required by state law that it cannot provide.	4	*		●
		5. Begin complying with the Executive Order D-62-02 and develop dose-based decommissioning standards formally or ask the governor to rescind this 2002 executive order.	4	Will not implement		
Department of Public Health	Laboratory Field Services Lack of Clinical Laboratory Oversight Places the Public at Risk 2007-040 (September 2008)	6. Develop an updated low-level waste disposal plan.	4	Will not implement		
		1. Perform its mandated oversight responsibilities, including inspecting licensed laboratories every two years, sanctioning laboratories, and handling complaints.	4	June 2015		
		2. Adopt and implement proficiency-testing policies and procedures regarding the review and notification of proficiency-testing results, timelines for responding to laboratories, monitoring of out-of-state laboratories, and verification of laboratories' enrollment and receipt of proficiency-testing scores.	4	June 2015		
		3. Update its regulations, including requirements such as time frames on the laboratory community.	4	June 2015		
		4. Continue its efforts to license California laboratories and take steps to license out-of-state laboratories that use specimens originating in California, as the law requires.	4	June 2015		
		5. Identify necessary controls and incorporate them into its complaints policies. Develop and implement corresponding procedures for each control, and establish procedures to ensure that it promptly forwards complaints.	4	June 2015		
		6. Maximize opportunities to impose sanctions, justify and document money penalties, ensure the collection of penalties, ensure corrective action is taken, and ensure that it notifies appropriate agencies.	4	June 2015		

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Department of Health Care Services		7. Ensure that Laboratory Services has sufficient resources to meet its oversight responsibilities.	4	June 2015			
		8. Work with appropriate parties to ensure that its data systems supports its needs. Develop and implement appropriate controls if Laboratory Services continues to use its internally developed databases.	4	June 2015			
		9. Leverage existing processes and procedures, including developing a process to share state concerns identified during federal inspections.	4	June 2015			
	Departments of Health Care Services and Public Health: Their Actions Reveal Flaws in the State's Oversight of the California Constitutions' Implied Civil Service Mandate and in the Departments' Contracting for Information Technology Services 2009-103 (September 2009)	1. To comply with requirements in the <i>State Administrative Manual</i> , Health Care Services should refrain from funding permanent full-time employees with the State's funding mechanism for temporary-help positions.	3	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.	3	Will not implement			
		1. Public Health should demonstrate its compliance with General Services' policies and procedures. Specifically, in its requests for offer, it should provide potential suppliers with the criteria and points that it will use to evaluate their offers.	3	*			
	Department of Public Health	Departments of Health Care Services and Public Health: Their Actions Reveal Flaws in the State's Oversight of the California Constitutions' Implied Civil Service Mandate and in the Departments' Contracting for Information Technology Services 2009-103 (September 2009)	1. 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.	3	Will not implement		
	Department of Mental Health†	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)					
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.	2	July 2013			
		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.	2	Fall 2015			
		3. Social Services should seek to replicate the most cost-effective practices among all counties.	2	January 2013			
		4. Social Services should continue to address the recommendations of the steering committee and promptly act on the remaining recommendations.	2	Fall 2015			
		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 remind counties that they are responsible for reviewing the accuracy and consistency of investigation activity reports before submission.	2	July 2013			

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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)	7. 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.	2	July 2013		
		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.	2	July 2013		
		9. Social Services should revive its efforts to work with counties and federal agencies to address the counties' concerns about match list formats and criteria.	2	Fall 2015		
		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.	2	Fall 2015		
		11. Social Services should either ensure that counties follow state regulations regarding the use of administrative disqualification hearings or pursue changing the regulations.	2	Fall 2013		
		1. 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.	2	Will not implement		
		2. 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.	2	Will not implement		
		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.	2	Unknown		
		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.	2	January 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.	2	Unknown		
		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.	2	December 2016 or 2017		
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)					

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		<p>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.</p> <p>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.</p> <p>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.</p>	2	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)	<p>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.</p> <p>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.</p>	2	Will not implement		
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)	<p>1. To ensure that consumers receive high-quality, cost-effective services that meet the goals of their individual program plans (IPP) 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.</p> <p>2. 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.</p>	2	Will not implement		

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					AUDITEE DID NOT SUBSTANTIATE ITS CLAIM OF FULL IMPLEMENTATION	AUDITEE DID NOT ADDRESS ALL ASPECTS OF THE RECOMMENDATION
Department of Mental Health†	Sex Offender Commitment Program: Streamlining the Process for Identifying Potential Sexually Violent Predators Would Reduce Unnecessary or Duplicative Work 2010-116 (July 2011)†	1. 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.	1	Will not implement		
		2. 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.	1	Unknown		
		4. 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.	1	January 2013		
		1. To ensure that the insurance fund makes the most efficient use of the State's limited resources, Social Services should use these claims and expenditure data to determine the annual appropriation amount needed for the insurance fund to meet its anticipated liabilities.	1	January 2013		
Department of Social Services	Foster Family Home and Small Family Home Insurance Fund: Expanding Its Coverage Will Increase Costs and the Department of Social Services Needs to Improve Its Management of the Insurance Fund 2010-121 (September 2011)	2. To ensure that the insurance fund makes the most efficient use of the State's limited resources, Social Services should establish a written policy or procedures to guide staff on the appropriate methodology to use when calculating these anticipated liabilities.	1	January 2013		
		3. To ensure that the insurance fund makes the most efficient use of the State's limited resources, Social Services should establish an adequate reserve amount for the insurance fund and reevaluate it annually.	1	January 2013		
		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.	1	Unknown		
Department of Social Services	Child Welfare Services: California Can and Must Provide Better Protection and Support for Abused and Neglected Children 2011-101.1 (October 2011)	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.	1	Unknown		
		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.	1	Unknown		
		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.	1	Unknown		
		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.	1	Unknown		

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		6. Social Services should create a mechanism by which it can efficiently check for compliance with the needs-justification requirement.	1	Unknown		
		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.	1	Unknown		
		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.	1	Unknown		
		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.	1	Unknown		
		10. As part of its instructions related to its outcome review process, Social Services should direct county CWS agencies to include completed internal death reviews in the development of their self-assessments and improvement plans.	1	Unknown		
		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.	1	Unknown		
CORRECTIONS AND REHABILITATION						
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) [†]	1. Corrections should 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.	3	Summer 2013		
		2. Corrections should communicate to the Department of Personnel Administration —which is responsible for negotiating labor agreements with employee bargaining units—the cost of allowing any type of leave to be counted as time worked for the purpose of computing overtime compensation.	3	Unknown		
		3. Corrections should encourage the Department of Personnel Administration to not agree to provisions in bargaining unit agreements that permit any type of leave to be counted as time worked for the purpose of computing overtime compensation.	3	Unknown		

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California Prison Health Care Services [§]		4. 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.	3	Will not implement		
		5. Corrections should better ensure that it prevents the instances in which correctional officers work beyond the voluntary overtime limit in a pay period.	3	Will not implement		
		7. Corrections should track, maintain, and use historical program assignment and waiting list data by inmate.	3	Fall 2013		
		1. To minimize costs through the use of telemedicine, Prison Health Care Services should review the effectiveness of telemedicine consultations to better understand how to use telemedicine.	3	January 2013		
		2. Prison Health Care Services should perform a more comprehensive comparison between the cost of using telemedicine and the cost of traditional consultations, beyond the guarding and transportation costs, so that it can make informed decisions regarding the cost-effectiveness of using telemedicine.	3	January 2013		
		3. To increase the use of the telemedicine system, Prison Health Care Services should continue to implement the recommendations that it has adopted from the consultant's review of telemedicine capabilities.	3	Unknown		
		1. Corrections should complete its cleanup of data that will be transferred into the new system in its data system.	2	Spring 2013		
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) [†]	2. Corrections should create a schedule for regular checks of the accuracy of existing sentencing information in its data system.	2	*		●
		4. 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, Corrections should provide the relevant legislative policy and fiscal committees a calculation of the annual increase or decrease in its liability for the leave balances of custody staff.	2	*		●
		5. Corrections should provide the relevant legislative policy and fiscal committees an estimate of the annual cost of leave balances likely to be paid for retiring custody staff.	2	Will not implement		

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California Prison Health Care Services 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)	1. 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.	2	January 2013		
		2. 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.	2	January 2013		
		3. To ensure that the total amount of overtime worked by custody staff does not unduly reduce their effectiveness and result in unsafe operations, Prison Health Care Services should monitor overtime closely. If its efforts to reduce the number of referrals of inmates to outside specialty services do not reduce the amount of overtime worked by custody staff for the purpose of medical guarding and transportation, Prison Health Care Services should explore other methods of reducing the total amount of overtime worked by custody staff.	2	Unknown		
California Department of Corrections and Rehabilitation	Investigations of Improper Activities by State Employees: Delay in Reassigning an Incompetent Psychiatrist, Misuse of State Resources, Failure to Protect the Security of Confidential Documents, Theft of Registration Fees, and Other Violations of State Law IZ2010-2 (January 2011) [†]	1. Because an employee improperly reported overtime for responding to building alarm activations that never occurred, Corrections should take appropriate disciplinary actions against the employee and pursue collection efforts for the compensation she did not earn.	1	Will not implement		
California Department of Corrections and Rehabilitation	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)	1. To improve the reliability of employment data contained in CalParole, Corrections should ensure that parole agents correctly follow procedures related to populating the data fields of and maintaining CalParole.	1	December 2012		
		2. Supervisors of parole agents should conduct periodic reviews of parolee files to verify whether employment fields are completed appropriately and whether employment is documented adequately.	1	December 2012		
		3. 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.	1	June 2013		

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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)	1. To ensure that it has a uniform set of inmate assignment standards, CALPIA should continue its efforts to issue regulations and complete the amendment of Corrections' operations manual. It should then work with Corrections to implement the changes to the inmate assignment criteria and the assignment process when the regulations take effect.	1	January 2013		
		2. CALPIA should maintain the source documentation used in calculating the savings it brings to the State as well as ensure that an adequate secondary review of its calculation occurs.	1	November 2012		
		3. CALPIA should qualify its savings by stating that employment at CALPIA enterprises may be just one of several factors that contribute to the lower recidivism of its inmates.	1	February 2013		
California Department of Corrections and Rehabilitation	Sex Offender Commitment Program: Streamlining the Process for Identifying Potential Sexually Violent Predators Would Reduce Unnecessary or Duplicative Work 2010-116 (July 2011)	1. 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.	1	Will not implement		
		2. 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.	1	Will not implement		
California Department of Corrections and Rehabilitation	Investigations of Improper Activities by State Agencies and Employees: Waste of State Funds, Misuse of State Resources, Falsification of Records, Inexcusable Neglect of Duty, Failure to Monitor Time Reporting, and Other Violations of State Law IZ011-1 (August 2011)	1. To ensure that the chief psychologist and other Corrections' employees do not misuse state resources, Corrections should establish a system for monitoring whether psychology staff at the correctional facility, including the chief psychologist, are working during specified hours of duty.	1	Unknown		
California 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.	1	June 2013		
		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.	1	*		

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		<p>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.</p> <p>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.</p> <p>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.</p>	1	*	●	●
			1	April 2013		
			1	*	●	●
BUSINESS, TRANSPORTATION AND HOUSING						
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)		2	May 2013		
		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.	2	May 2013		
		2. HCD should ensure that its cleanup efforts are thoroughly documented and retained for future reference.	2	June 2013		
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	June 2013		
		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.	2	*	●	●
		2. To ensure that its expenditures are appropriate, the board should competitively bid contracts with physicians who perform physical examinations of pilots.	2	June 2013		
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)†		2	Will not implement		
		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	Will not implement		
		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.	2	November 2012		
California Department of Transportation	Its Capital Outlay Support Program Should Strengthen Budgeting Practices, Refine Its Performance Measures, and Improve Internal Controls 2010-122 (April 2011)†		1	Unknown		
		1. To improve accountability internally and with the public, Caltrans should create and incorporate an analysis of support cost budget variances in its quarterly report to the agency and in its annual report to the Legislature and the governor. The analysis should report on the number of completed projects with budget variances and on the number of open projects for which the estimates at completion predict budget variances. Further, the analysis should report on the overrun and underrun ratios for those projects, and the portions of the variances due to rates and hours. Also, Caltrans should include in its strategic plan a measurable goal for reducing variances.	1	Unknown		
		4. To improve performance metrics related to the support program, Caltrans should continue to explore the use of additional metrics, such as a measure based on a productivity index as described in a March 2011 draft study by the University of California, Davis.	1	Unknown		

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		<p>5. To ensure that it monitors the status of projects, Caltrans should implement earned value management throughout its districts in a manner similar to the implementation in the Los Angeles district. To allow for performance evaluation of project work, Caltrans should ensure that these performance metrics are available at the task level for both active and completed projects. Caltrans should instruct districts to aggregate this information for all projects by task level, to better assess the effectiveness and efficiency of support costs by task level. Caltrans should also make available to project managers graphical displays of project cost and schedule performance.</p> <p>6. To better address costs associated with the support program, Caltrans should ensure that the PRSM system contains strong controls that ensure employees only charge time to projects and phases for which they are assigned.</p> <p>7. To better address costs associated with the support program, Caltrans should commission an independent study of the costs and benefits of using consultants to address temporary increases in workload and, if the study reveals cost savings, use consultants. To the extent possible, Caltrans should also use temporary staff appointments for temporary increases in workload when consultants are unavailable.</p>	1	June 2013		
NATURAL RESOURCES						
Department of Resources Recycling and Recovery	Deficiencies in Forecasting and Ineffective Management Have Hindered the Beverage Container Recycling Program 2010-101 (June 2010) [†]	<p>2. To improve management of its fraud investigations, the department should formalize the approach used to analyze recycling data for potential fraud and develop criteria for staff to use when deciding whether to refer anomalies for investigation. Because DORIS will be a central data source for recycling activities once it is implemented, the department should continue with its plan to automate the review of recycling data within DORIS to identify potential fraud.</p> <p>3. To improve oversight of grants and ensure that the intended value is received from the grant funds it awards, the department should for recipients of market development grants that are unable to meet the goals of their grants, maintain contact with grantees after the project is completed to determine if the goals may ultimately be achieved.</p> <p>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.</p> <p>5. The department should ensure that the strategic plan incorporates all relevant activities of the beverage program.</p>	2	December 2012		
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)	<p>1. 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.</p>	1	Will not implement		

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Department of Fish and Game ⁶⁷	Investigations of Improper Activities by State Agencies and Employees; Waste of State Funds; Misuse of State Resources; Falsification of Records, Inexcusable Neglect of Duty, Failure to Monitor Time Reporting, and Other Violations of State Law (2011-1 (August 2011))	1. To recover the cost of the improper use of the state vehicle, Fish and Game should follow the guidelines established in state regulations and initiate repayment from the manager for the costs associated with the misuse of the state vehicle.	1	Will not implement		
		2. To recover the cost of the improper travel reimbursements, Fish and Game should seek recovery of the \$595 in lodging and meal reimbursements that were paid to the employee.	1	*	●	
		3. Fish and Game should provide training to the manager and the employee about state rules for the payment of employee travel expenses.	1	*		●
		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.	1	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.	1	Will not implement		
		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.	1	November 2013		
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)	4. To ensure that it does not undervalue certain types of leases, the commission should implement and follow its plan to regularly update its benchmarks for determining rental amounts.	1	June 2013		
		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.	1	November 2013		
		6. To ensure that all of its oil and gas leases have current surety bonds and liability insurance, as required by law and certain lease agreements, the commission should require lessees to provide documentation of their surety bonds and liability insurance. If the commission believes that assessing a monetary penalty will be effective in encouraging lessees to obtain surety bonds or liability insurance, it should seek legislation to provide this authority. Finally, if it obtains this authority, the commission should enforce it.	1	November 2013		
		1. Consider refunding physicians' license fees or consider temporarily reducing them to ensure that its fund balance does not continue to significantly exceed the level established in law.	5	Will not implement		
STATE AND CONSUMER SERVICES	Medical Board of California	It Needs to Consider Curtailing Its Fees or Issuing a Refund to Reduce the Fund Balance of Its Contingent Fund 2007-038 (October 2007)				

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Victim Compensation and Government Claims Board	It Has Begun Improving the Victim Compensation Program, but More Remains to Be Done (December 2008)	1. 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.	3	December 2013		
		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.	3	Unknown		
Department of General Services	It No Longer Strategically Sources Contracts and Has Not Assessed Their Impact on Small Businesses and Disabled Veteran Business Enterprises 2009-114 (July 2010) ¹	1. To ensure that it determines savings to the State going forward for strategically sourced contracts, General Services should examine the State's recent purchasing patterns when determining whether to rebid or extend previously strategically sourced contracts and when estimating expected savings. It should subsequently compare the savings it achieves to the expected savings for those contracts.	2	*		●
LABOR AND WORKFORCE DEVELOPMENT						
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)	1. 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.	1	October 2013		
		2. 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.	1	September 2013		
		3. 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.	1	September 2013		
		4. 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.	1	2016		
		5. 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.	1	February 2014		

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GENERAL GOVERNMENT						
California 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. Develop and update a plan that identifies areas of noncompliance with federal ADA regulations and includes the appropriate steps for achieving full compliance. In addition, the Veterans Home should develop grievance procedures and identify a specific employee as its ADA coordinator.	4	Unknown		
Commission on State Mandates	Operational and Structural Changes Have Yielded Limited Improvements in Expediting Processes and in Controlling Costs and Liabilities 2009-501 (October 2009)	1. To ensure that it resolves sufficiently its backlog of test claims, incorrect reduction claims, and the boilerplate amendment request, the Commission should work with Finance to seek additional resources to reduce its backlog, including test claims and incorrect reduction claims. In doing so, Commission staff should prioritize its workload and seek efficiencies to the extent possible.	3	Unknown		
California Department of Veterans Affairs	Although It Has Begun to Increase Its Outreach Efforts and to Coordinate With Other Entities, It Needs to Improve Its Strategic Planning Process, and Its CalVet Home Loan Program Is Not Designed to Address the Housing Needs of Some Veterans 2009-108 (October 2009)	1. Veterans Services should require the CVSOs to submit information on the number of claims filed for C&P benefits and information on their outreach activities. 2. As Veterans Services expands its efforts to increase veterans' participation in C&P benefits, it should use veterans' demographic information, such as that available through the U.S. Census Bureau, and the information it plans to obtain from the CVSOs using its SAIM system, to focus its outreach and coordination efforts on those counties with the highest potential for increasing the State's rate of participation in C&P benefits. 3. Continue its efforts to pursue the SAIM system to enable it to monitor the quantity and quality of claims processed by the CVSOs, and ensure it meets legal requirements regarding auditing CVSO workload reports and verifying the appropriateness of college fee waivers. To the extent that Veterans Services is unsuccessful in implementing the SAIM system, the department will need to develop other avenues by which to meet its legal requirements. 4. Continue working with the Federal Housing Administration and the Ginnie Mae to lower its interest rates on loans.	3	Summer 2013 Unknown June 2013		
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. 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.	1	Will not implement Will not implement Will not implement		

AUDITEE	REPORT TITLE, NUMBER, AND ISSUE DATE	RECOMMENDATION	NUMBER OF YEARS IN ANNUAL REPORT OF NOT FULLY IMPLEMENTED RECOMMENDATIONS	ESTIMATED DATE OF COMPLETION	STATE AUDITOR'S ASSESSMENT	
					AUDITEE DID NOT SUBSTANTIATE ITS CLAIM OF FULL IMPLEMENTATION	AUDITEE DID NOT ADDRESS ALL ASPECTS OF THE RECOMMENDATION
LEGISLATIVE, JUDICIAL, AND EXECUTIVE						
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>2. To make certain that the Family Court Services (FCS) evaluators are qualified, the Sacramento family court should develop processes to ensure that it signs all FCS evaluator declarations of qualifications annually.</p> <p>3. 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> <p>4. 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> <p>5. 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> <p>6. 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> <p>7. 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.</p> <p>8. 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.</p> <p>9. 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.</p> <p>10. 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.</p>	1	Will not implement		
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AUDITEE	REPORT TITLE, NUMBER, AND ISSUE DATE	RECOMMENDATION	NUMBER OF YEARS IN ANNUAL REPORT OF NOT FULLY IMPLEMENTED RECOMMENDATIONS	ESTIMATED DATE OF COMPLETION	STATE AUDITOR'S ASSESSMENT	
					AUDITEE DID NOT SUBSTANTIATE ITS CLAIM OF FULL IMPLEMENTATION	AUDITEE DID NOT ADDRESS ALL ASPECTS OF THE RECOMMENDATION
Administrative Office of the Courts	The Statewide Case Management Project Faces Significant Challenges Due to Poor Project Management 2010-102 (February 2011) [†]	6. To better manage costs of future IT projects, the AOC should disclose full and accurate cost estimates to the Judicial Council, the Legislature, and stakeholders from the beginning of projects.	1	*	●	
		7. To better manage costs of future IT projects, the AOC should ensure that it has a long-term funding strategy in place before investing significant resources in a project.	1	*	●	
		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.	1	*	●	
		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.	1	*	●	
State Bar of California, Board of Trustees	Its Lawyer Assistance Program Lacks Adequate Controls for Reporting on Participating Attorneys 2011-030 (May 2011)	1. The assistance program should take steps to better gauge its effectiveness. For example, it could measure how long its participants remain in the program and assess the program's impact on any further actions that disciplinary bodies impose on these attorneys. Further, if the assistance program believes that the effectiveness of the program is better measured through other means, it should develop these alternative measures and assess the program's effectiveness in meeting its stated goals.	1	December 2012		

* 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.

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

S 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.

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

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

AUDITEE	REPORT TITLE, NUMBER, AND ISSUE DATE	RECOMMENDATION	NUMBER OF YEARS RECOMMENDATION APPEARED IN THIS ANNUAL 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 that it maximizes the benefits from the State's investment in the Child Nutrition Information and Payment System (CNIPS) database, Education should require the school food authorities to submit a monthly Claim for Reimbursement for each site under their jurisdiction in addition to their consolidated claims.	2	
		3. To ensure that it maximizes the benefits from the State's investment in the CNIPS database, Education should establish a timeline for the school food authorities to comply with the requirement.	2	
		1. The Commission should seek a legal opinion from the attorney general to determine the legal authority and extent to which the committee may delegate to the division the discretionary authority to close investigations of alleged misconduct without committee review, and take all necessary steps to comply with the attorney general's advice.	1	
	Commission on Teacher Credentialing	Despite Delays in Discipline of Teacher Misconduct, the Division of Professional Practices Has Not Developed an Adequate Strategy or Implemented Processes That Will Safeguard Against Future Backlogs 2010-119 (April 2011)	2. Once the Commission has received the attorney general's legal advice regarding the extent to which the Committee of Credentials (committee) may delegate case closures to the division, the Commission should undertake all necessary procedural and statutory changes to increase the number of cases the committee can review each month.	1
			3. The Division of Professional Practices (division) should provide the training and oversight, and should take any other steps needed, to ensure that the case information in its database is complete, accurate, and consistently entered to allow for the retrieval of reliable case management information.	1
			4. To adequately address the weaknesses in its processing of reports of misconduct, the division should revisit management's reports and processes for overseeing the investigations of misconduct to ensure that the reports and practices provide adequate information to facilitate reduction of the time elapsed to perform critical steps in the review process.	1
HIGHER EDUCATION California State University	It Needs to Strengthen Its Oversight and Establish Stricter Policies for Compensating Current and Former Employees 2007-102.1 (November 2007)*	5. The division should ensure that its reports and practices provide adequate information to facilitate prompt requests for information surrounding reports of misconduct from law enforcement agencies, the courts, schools, and knowledgeable individuals.	1	
		6. The division should ensure that its reports and practices provide adequate information to facilitate an understanding of the reasons for delays in investigating individual reports of misconduct without having to review the paper files for the cases.	1	
		2. Strengthen its policy governing the reimbursement of relocation expenses. Additionally, the board should require the chancellor to disclose the amounts of relocation reimbursements to be offered to incoming executives.	4	

continued on next page...

AUDITEE	REPORT TITLE, NUMBER, AND ISSUE DATE	RECOMMENDATION	NUMBER OF YEARS RECOMMENDATION APPEARED IN THIS ANNUAL REPORT
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)*	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 continue its efforts to increase the transparency of its budget process beyond campus administrators to all stakeholders, including students, faculty, and the general public. For example, the Office of the President could make information related to its annual campus budget amounts, such as annual campus budget letters and related attachments, available on its Web site.	1
HEALTH AND HUMAN SERVICES			
Department of Health Services†	Its Licensing and Certification Division Is Struggling to Meet State and Federal Oversight Requirements for Skilled Nursing Facilities 2006-106 (April 2007)	1. To ensure that district offices consistently investigate complaints and include all relevant documentation in the complaint files, Health Services should clarify its policies and procedures, provide training as necessary, and periodically monitor district office performance to ensure compliance. 2. Consider working with the Department of Personnel Administration ⁵ to adjust the salaries of its staff to make them more competitive with those of other state agencies seeking similarly qualified candidates.	5
Department of Health Care Services	Although Notified of Changes in Billing Requirements, Providers of Durable Medical Equipment Frequently Overcharged Medi-Cal 2007-122 (June 2008)	1. Develop an administratively feasible means of monitoring and enforcing current Medi-Cal billing and reimbursement procedures for medical equipment. 2. Design and implement a cost-effective approach that adequately addresses the risk of overpayment and ensures that all providers are potentially subject to an audit.	4
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)*	6. Social Services should provide counties with feedback on how to correct and prevent errors that it detects during this review.	2
Department of Community Services and Development	Delays by Federal and State Agencies Have Stalled the Weatherization Program and Improvements Are Needed to Properly Administer Recovery Act Funds 2009-119.2 (February 2010)	1. Once Community Services has received plans from local service providers, it should make any necessary adjustments in its state plan to accurately reflect average costs per home for weatherization assistance and the estimated number of homes to be weatherized under the program.	2
Department of Mental Health†	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 ensure that it will have enough qualified staff to perform evaluations, Mental Health should continue its efforts to obtain approval for a new position classification for evaluators. If the State Personnel Board ⁶ approves the new classification, Mental Health should take steps to recruit qualified individuals as quickly as possible. Additionally, Mental Health should continue its efforts to train its consulting psychologists to conduct evaluations.	1
CORRECTIONS AND REHABILITATION			
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)*	6. Corrections should develop a staffing plan that allocates teacher and instructor positions at each institution based on the program needs of its inmate population.	3

AUDITEE	REPORT TITLE, NUMBER, AND ISSUE DATE	RECOMMENDATION	NUMBER OF YEARS RECOMMENDATION APPEARED IN THIS ANNUAL REPORT
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)*	3. To ensure that custody staffing meets institutional needs, and to provide staff the opportunity to use the amount of leave that they earn in the future, Corrections should update its staffing formulas to accurately represent each of the factors for which custody staff are unavailable to work, such as vacation or sick leave. In addition, Corrections should create a policy for regularly scheduled reviews of the data used in the staffing formulas.	2
California Department of Corrections and Rehabilitation	Dynamically-Bilingual Services Act: State Agencies Do Not Fully Comply With the Act, and Local Governments Could Do More to Address Their Clients' Needs 2010-106 (November 2010)	1. To ensure that they meet their constituents' language needs, state agencies should make certain that they accurately assess and report their clients' language needs to the State Personnel Board. State agencies should also analyze formally their language survey results and consider other available bilingual resources to determine their true staffing deficiencies. Further, state agencies should establish procedures to identify the written materials that the Act requires them to translate into other languages and ensure that such materials are translated or made accessible to the agencies' LEP clients. Finally, state agencies should develop detailed corrective action plans describing how and when they will address their staffing and written materials deficiencies. In addition, they should submit their corrective action plans to the State Personnel Board as part of the state agencies' overall implementation plans.	1
California Department of Corrections and Rehabilitation	Investigations of Improper Activities by State Employees: Delay in Reassigning an Incompetent Psychiatrist, Misuse of State Resources, Failure to Protect the Security of Confidential Documents, Theft of Registration Fees, and Other Violations of State Law 2010-2 (January 2011)*	2. Public Health and Corrections should develop procedures to detect and prevent contract splitting.	1
California Department of Corrections and Rehabilitation	Investigations of Improper Activities by State Employees: Delay in Reassigning an Incompetent Psychiatrist, Misuse of State Resources, Failure to Protect the Security of Confidential Documents, Theft of Registration Fees, and Other Violations of State Law 2010-2 (January 2011)*	2. Obtain monthly logs from the alarm company and verify that overtime reported for responding to building alarm activations is consistent with the logs.	1
BUSINESS, TRANSPORTATION AND HOUSING			
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)*	2. In order to respond effectively to circumstances that could significantly delay or halt the program, the Authority should ensure that it implements planned actions related to managing risk.	2
California Department of Transportation	Its Capital Outlay Support Program Should Strengthen Budgeting Practices, Refine Its Performance Measures, and Improve Internal Controls 2010-112 (April 2011)*	4. To ensure that it does not run out of funds for administrative and preconstruction tasks prematurely, the Authority should track expenditures for these activities and develop a long-term spending plan for them. It also should develop procedures and systems to ensure that it complies with Recovery Act requirements.	2
California Department of Transportation	Its Capital Outlay Support Program Should Strengthen Budgeting Practices, Refine Its Performance Measures, and Improve Internal Controls 2010-112 (April 2011)*	2. To improve performance metrics related to the support program, Caltrans should devise, use, and publicize a consistent method for reporting the support-to-capital ratio on its Web site and in other reports to the public. Further, Caltrans should recalculate past support-to-capital ratios using the method devised to allow for comparison across years.	1
California Department of Transportation	Its Capital Outlay Support Program Should Strengthen Budgeting Practices, Refine Its Performance Measures, and Improve Internal Controls 2010-112 (April 2011)*	3. To improve performance metrics related to the support program, Caltrans should develop goals—and publicly report on the progress against those goals—for the support-to-capital ratio, based on project type—State Transportation Improvement Program or the State Highway Operation and Protection Program—and project size.	1

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AUDITEE	REPORT TITLE, NUMBER, AND ISSUE DATE	RECOMMENDATION	NUMBER OF YEARS RECOMMENDATION APPEARED IN THIS ANNUAL REPORT
NATURAL RESOURCES	Department of Resources Recycling and Recovery	Deficiencies in Forecasting and Ineffective Management Have Hindered the Beverage Container Recycling Program 2010-101 (June 2010)*	2
STATE AND CONSUMER SERVICES	Department of General Services	<p>1. The department should continue with its efforts to implement regulation changes that will require beverage distributors to register with the department and to notify the department if another entity has agreed to report and make payments on behalf of that beverage distributor.</p> <p>2. To ensure that it maximizes the savings to the State for future purchases, General Services should follow the procedures for identifying strategic sourcing opportunities included in the IAU's procedures manual. To ensure that it is effectively identifying new strategic sourcing opportunities, General Services should work to obtain comprehensive and accurate data on the specific items that state agencies are purchasing, including exploring options for obtaining such data for agencies that do not have enterprise-wide systems and therefore would not be using the additional functionality of the eProcurement system. Until it obtains such data, General Services should work with state agencies to identify detailed purchases for categories that it identifies through the State Contract and Procurement Registration System (SCPRS) as viable opportunities for strategically sourcing. For example, if based on its review of SCPRS data, General Services identifies a particular category that it believes is a good candidate for strategic sourcing, it should work with those state agencies that accounted for the most purchases within the category to determine the types and volume of specific goods purchased to further analyze the types of goods to strategically source. General Services should assess any need for additional resources based on the savings it expects to achieve.</p> <p>3. To provide decision makers with the information necessary to determine the true costs and benefits of strategic sourcing, General Services should evaluate any impact strategic sourcing has on small business and DVBE participation in terms of number of contracts awarded and amounts paid to small businesses and DVBEs within the categories being strategically sourced. Specifically, for goods that were strategically sourced, General Services should compare the number of contracts awarded to small businesses and DVBEs before they were strategically sourced with those awarded through such contracts after they were strategically sourced. This effort should include contracts awarded by General Services and other state agencies.</p> <p>4. To evaluate the effectiveness of the off ramp in providing opportunities for small business and DVBE participation, General Services should track the number and dollar amounts of contracts that state agencies award through the use of the off ramps in strategically sourced and other mandatory statewide contracts. General Services' evaluation also should consider the extent to which an off ramp affects the monetary benefits that result from statewide contracts designed to leverage the State's purchasing power.</p>	2

AUDITEE	REPORT TITLE, NUMBER, AND ISSUE DATE	RECOMMENDATION	NUMBER OF YEARS RECOMMENDATION APPEARED IN THIS ANNUAL REPORT
LABOR AND WORKFORCE DEVELOPMENT Employment Development Department	Dynamilis-Alatorre Bilingual Services Act: State Agencies Do Not Fully Comply With the Act, and Local Governments Could Do More to Address Their Clients' Needs 2010-106 (November 2010)	<p>5. To ensure that small business and DVBE subcontractors comply with the commercially useful function requirements, General Services should develop guidance for state agencies on how to ensure that subcontractors perform commercially useful functions if it believes state agencies making the purchases through statewide contracts should be responsible for this task. In addition, General Services should monitor, on a sample basis, whether state agencies are ensuring compliance with these requirements. General Services could leverage its efforts by working with other state agencies to ensure that subcontractors claiming to have provided the goods and services to the purchasing agency did, in fact, perform the work for which they are invoicing the state agencies.</p> <p>6. To improve the integrity of its monitoring of pricing compliance, General Services should implement procedures to help ensure that usage reports reflect the actual items received and prices paid by the state agencies that purchased the items. For example, on a periodic basis, it could select a sample of purchases from the usage reports and work with purchasing state agencies to confirm that the prices and quantity of items reported reconcile with the invoices submitted by the contractor.</p>	2
		<p>1. To ensure that they meet their constituents' language needs, state agencies should make certain that they accurately assess and report their clients' language needs to the State Personnel Board. State agencies should also analyze formally their language survey results and consider other available bilingual resources to determine their true staffing deficiencies. Further, state agencies should establish procedures to identify the written materials that the Act requires them to translate into other languages and ensure that such materials are translated or made accessible to the agencies' LEP clients. Finally, state agencies should develop detailed corrective action plans describing how and when they will address their staffing and written materials deficiencies. In addition, they should submit their corrective action plans to the State Personnel Board as part of the state agencies' overall implementation plans.</p>	1
GENERAL GOVERNMENT Department of Food and Agriculture	Dynamilis-Alatorre Bilingual Services Act: State Agencies Do Not Fully Comply With the Act, and Local Governments Could Do More to Address Their Clients' Needs 2010-106 (November 2010)	<p>1. To ensure that they meet their constituents' language needs, state agencies should make certain that they accurately assess and report their clients' language needs to the State Personnel Board. State agencies should also analyze formally their language survey results and consider other available bilingual resources to determine their true staffing deficiencies. Further, state agencies should establish procedures to identify the written materials that the Act requires them to translate into other languages and ensure that such materials are translated or made accessible to the agencies' LEP clients. Finally, state agencies should develop detailed corrective action plans describing how and when they will address their staffing and written materials deficiencies. In addition, they should submit their corrective action plans to the State Personnel Board as part of the state agencies' overall implementation plans.</p>	1
		<p>3. To ensure that expenditures were consistent with bond laws and that the project achieved the intended benefits or outcomes agreed to when the project was originally awarded, Finance should conduct audits of, or approve and assure that, Water Resources and other agencies obtain audits of, Strategic Growth Plan bond expenditures.</p>	1
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)*		

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AUDITEE	REPORT TITLE, NUMBER, AND ISSUE DATE	RECOMMENDATION	NUMBER OF YEARS RECOMMENDATION APPEARED IN THIS ANNUAL REPORT
LEGISLATIVE, JUDICIAL, AND EXECUTIVE			
State Controller's Office	State Mandates: Operational and Structural Changes Have Yielded Limited Improvements in Expediting Processes and in Controlling Costs and Liabilities 2009-501 (October 2009)	<ol style="list-style-type: none"> To ensure that it can meet its responsibilities, including a heightened focus on audits of state mandates, the Controller should work with Finance to obtain sufficient resources. The Controller should increase its efforts to fill vacant positions in its Mandated Cost Audits Bureau. 	3
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)*	<ol style="list-style-type: none"> To ensure that its FCS mediators are qualified, the Sacramento superior and family courts should update the current mediators' official personnel files with any missing information. 	1
Administrative Office of the Courts	The Statewide Case Management Project Faces Significant Challenges Due to Poor Project Management 2010-102 (February 2011)*	<ol style="list-style-type: none"> To better manage costs of future IT projects, the AOC should estimate costs at the inception of projects. To better manage costs of future IT projects, the AOC should employ appropriate budget and cost management tools to allow it to appropriately budget, track, manage, and estimate costs. To better manage costs of future IT projects, the AOC should ensure that cost estimates are accurate and include all relevant costs, including costs that superior courts will incur. To better manage costs of future IT projects, the AOC should disclose costs that other entities will likely incur to the extent it can reasonably do so. To better manage costs of future IT projects, the AOC should update cost estimates on a regular basis and when significant assumptions change. To ensure that future major IT projects receive appropriate independent oversight over technical aspects and project management, the AOC should obtain W&V and IPO services at the beginning of the projects and ensure this independent oversight is in place throughout and follows best practices and industry standards appropriate for the size and complexity of the project. 	1

* Other recommendations pertaining to this audit, which have not been fully implemented, can be found in Table 2.
 † On July 1, 2007, the Department of Health Services was reorganized and became two departments—the Department of Health Care Services and the Department of Public Health. The Department of Public Health is now responsible for monitoring skilled nursing facilities.
 ‡ As of July 1, 2012, the California Department of Mental Health became the new Department of State Hospitals.
 § 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.

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

The Accountability Act requires state agencies audited by the state auditor to provide updates on their implementation of audit recommendations. The state auditor's longstanding practice, which is consistent with generally accepted government auditing standards, is to request audited state agencies to provide written updates on their implementation of audit recommendations 60 days, six months, and one year after the audit report's public release date. 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 it 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 were more than a year old and not yet fully implemented.

SIXTH ANNUAL REPORT

In fall 2012 the state auditor provided written notice to state agencies regarding recommendations that were more than a year old and not fully implemented related to audits issued from November 2005 through October 2011. Table 1, which begins on page 3, shows recommendations that were not fully implemented as of the agencies' latest responses for audits issued between November 2005 and October 2006. 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 5 through 22, summarizes and provides information on recommendations that the state auditor determined have not been fully implemented for audits issued between November 2006 and October 2011. Table 3, beginning on page 23, summarizes information on recommendations that have been fully implemented since last year's report or since the agencies' one-year responses.

Additional information on each recommendation is available at the state auditor's Web site. The Web site includes each agency's verbatim response as to the current status of outstanding recommendations. The Web site also includes the audit 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.

cc: Members of the Legislature
Office of the Lieutenant Governor
Little Hoover Commission
Department of Finance
Attorney General
State Controller
State Treasurer
Legislative Analyst
Senate Office of Research
California Research Bureau
Capitol Press