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Table 1
Recommendation Status Summary

Senate Budget Subcommittee 2: Resources, Environmental Protection, Energy and Transportation		
Report Number 2011-504		
<i>High-Speed Rail Authority Follow-Up: Although the Authority Addressed Some of Our Prior Concerns, Its Funding Situation Has Become Increasingly Risky and the Authority's Weak Oversight Persists (January 2012)</i>		
RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
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.	Not Fully Implemented*	High-Speed Rail Authority
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.	Fully Implemented	High-Speed Rail Authority
3. To avert possible legal challenges, the Authority should ensure that the independent peer review panel adheres to the Bagley-Keene Open Meeting Act or seek a formal opinion from the Office of the Attorney General regarding whether the panel is subject to this act.	Will Not Implement	High-Speed Rail Authority
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 American Recovery and Reinvestment Act of 2009 requirements.	Fully Implemented	High-Speed Rail Authority
5. In order to ensure that staff receive relevant information on the program's status, the Authority should amend the oversight consultant's work plan to include a critical review of the progress reports for accuracy and consistency. Authority staff should also request that the Program manager revise its progress reports to include information on the status of contract products and services in relationship to what was promised.	Fully Implemented	High-Speed Rail Authority
6. To ensure that it does not misuse public funds and can hold contractors accountable, the Authority should adhere to the conditions of its contracts and work plans, and make any amendments and modifications in writing.	Fully Implemented	High-Speed Rail Authority
7. To add clarification to the first recommendation we made in our prior report that stated, "To ensure that it can respond adequately to funding levels that may vary from its business plan, the Authority should develop and publish alternative funding scenarios that reflect the possibility of reduced or delayed funding from the planned sources. These scenarios should detail the implications of variations in the level or timing of funding on the program and its schedule," the Authority should also present viable alternative funding scenarios for phase one in its entirety that do not assume an increase in the federal funding levels already identified in the 2012 draft business plan. If the Authority does not believe that such alternatives exist, it should publicly disclose this in its 2012 final business plan.	Not Fully Implemented*	High-Speed Rail Authority
8. To ensure that the public and the Legislature are aware of the full cost of the program, the Authority should clearly report total costs, including projected operating and maintenance costs for the program.	Fully Implemented	High-Speed Rail Authority
9. To ensure that the public and the Legislature are aware of the full cost of the program, the Authority should clearly disclose that the 2012 draft business plan assumes that the State will only be receiving profits for the first two years of operation in 2022 and 2023, and potentially not again until 2060 in exchange for the almost \$11 billion the Authority assumes it will receive from the private sector over a four-year period.	Not Fully Implemented*	High-Speed Rail Authority
10. To ensure that it has adequate staff to effectively oversee the program, the Authority should continue to fill its vacant positions.	Fully Implemented	High-Speed Rail Authority
11. To ensure that it has adequate staff to effectively oversee the program, the Authority should conduct a workload analysis to determine the total number of staff it needs as well as the functions those staff should perform.	Fully Implemented	High-Speed Rail Authority

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RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
12. To comply with the political reform act, the Authority should establish written policies and procedures for tracking whether all designated employees and consultants have completed and filed their statements of economic interests on time, thereby identifying any potential conflicts of interest.	Fully Implemented	High-Speed Rail Authority
13. To increase transparency and to ensure that it is aware of any financial interest that a subcontractor may have in the program, the Authority should require subcontractors to file statements of economic interest.	Not Fully Implemented*	High-Speed Rail Authority
14. To ensure that the program manager's monthly progress reports are accurate, consistent, and useful, the Authority should reinstate the oversight consultant's review of the progress reports.	Fully Implemented	High-Speed Rail Authority
15. To ensure that the program manager's monthly progress reports are accurate, consistent, and useful, the Authority should hold the program manager accountable for implementing the oversight consultant's recommendations. For example, the Authority could withhold partial payment of invoices to the program manager until it fully addresses these recommendations.	Fully Implemented	High-Speed Rail Authority
16. To ensure that the program manager's monthly progress reports are accurate, consistent, and useful, the Authority should conduct monthly comparisons of the program manager's and the regional contractors' progress reports to verify that they are consistent with one another and to ensure that the reports include an accurate status of promised deliverables.	Fully Implemented	High-Speed Rail Authority
17. To ensure that the regional contractors' monthly progress reports provide sufficient detail to support the monthly invoices, the Authority should perform a monthly comparison of the regional contractors' invoices with the corresponding progress reports. Specifically, the Authority should ensure that the regional contractors' monthly progress reports describe the work they performed in those areas for which they claimed costs in the corresponding invoices. The Authority should discuss with the program manager any areas that lack sufficient detail in the progress reports to make such determinations.	Fully Implemented	High-Speed Rail Authority
18. To be aware of and respond effectively to circumstances that could significantly delay or halt the program, the Authority should hire a risk manager as soon as possible. Until then, it should designate and require Authority staff to attend risk-management meetings and workshops.	Fully Implemented	High-Speed Rail Authority
19. To be aware of and respond effectively to circumstances that could significantly delay or halt the program, the Authority needs to be involved in the development and implementation of the program manager's risk-management plan and ensure that Authority staff have roles and responsibilities defined in the plan, such as identifying and mitigating risks in the risk register.	Fully Implemented	High-Speed Rail Authority
20. To be aware of and respond effectively to circumstances that could significantly delay or halt the program, the Authority should monitor the program manager's risk management practices to ensure that either it or the program manager identifies and promptly and appropriately addresses risks.	Fully Implemented	High-Speed Rail Authority
21. To effectively manage its contracts, the Authority should develop procedures to detect and prevent contract splitting.	Fully Implemented	High-Speed Rail Authority
22. To effectively manage its contracts, the Authority should begin awarding contracts with a sufficient amount of lead time.	Fully Implemented	High-Speed Rail Authority
23. To effectively manage its contracts, the Authority should immediately begin the process of soliciting competitive bids for its IT services.	Fully Implemented	High-Speed Rail Authority

Report Number 2011-103*California's Mutual Aid System: The California Emergency Management Agency Should Administer the Reimbursement Process More Effectively (January 2012)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
9. If the Federal Emergency Management Agency (FEMA) determines that the calculations and claims identified in the Office of Inspector General's audit report were erroneous, CAL FIRE should revise its method of claiming reimbursement for personnel hours to comply with FEMA's policy.	Fully Implemented	Department of Forestry and Fire Protection
10. If FEMA determines that the calculations and claims identified in the Office of Inspector General's audit report were erroneous, CAL FIRE should collaborate with Cal EMA to establish a system that calculates the maximum number of reimbursable personnel hours in accordance with both FEMA's policy and the California Fire Assistance Agreement.	Fully Implemented	Department of Forestry and Fire Protection

Report Number 2011-123

Oil Spill Prevention and Administration Fund: The Department of Fish and Game and the Office of Spill Prevention and Response Need to Improve Their Administration of the Spill Fund (August 2012)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To prepare and report accurate fund condition statements for inclusion in the governor's budget each year, Fish and Game should ensure that staff in its budget branch follow written procedures to develop fund condition statements.	Fully Implemented	Department of Fish and Wildlife [‡]
2. To prepare and report accurate fund condition statements for inclusion in the governor's budget each year, Fish and Game should train both new and existing staff on how to prepare fund condition statements for inclusion in the governor's budget.	Fully Implemented	Department of Fish and Wildlife [‡]
3. To ensure that three-year projections of the spill fund's revenues, expenditures, and fund balances, all of which are used to determine fee rates, are based on accurate financial information, the spill office should develop written procedures directing staff on how to prepare the three-year projection, including steps to verify the accuracy of the financial information in the projection. In developing these procedures, the spill office should consult with Fish and Game's accounting branch and budget branch to confirm that these procedures are thorough and complete.	Fully Implemented	Department of Fish and Wildlife [‡]
4. To ensure that three-year projections of the spill fund's revenues, expenditures, and fund balances, all of which are used to determine fee rates, are based on accurate financial information, the spill office should consider the reduction in the spill fund's costs, as a result of the recovery of indirect administrative costs, when projecting its fund balance moving forward.	Not Fully Implemented*	Department of Fish and Wildlife [‡]
5. To prevent under- or over-recovery of federal funds, Fish and Game should regularly reassess whether using budgeted expenditures or actual expenditures will produce the most accurate results.	Not Fully Implemented*	Department of Fish and Wildlife [‡]
6. To ensure that the spill office continues to work consistently with other entities to resolve issues with the use of staff and equipment and that it has the necessary resources to carry out its operations, the spill office should develop written policies and procedures with Fish and Game enforcement regarding staffing decisions.	Fully Implemented	Office of Spill Prevention and Response
7. To ensure that the spill office continues to work consistently with other entities to resolve issues with the use of staff and equipment and that it has the necessary resources to carry out its operations, the spill office should develop written policies and procedures with Fish and Game's IT unit regarding the coordination of response to system outages.	Fully Implemented	Office of Spill Prevention and Response
8. To ensure that the spill office continues to work consistently with other entities to resolve issues with the use of staff and equipment and that it has the necessary resources to carry out its operations, the spill office should develop written policies and procedures with the State Lands Commission (State Lands) regarding its disclosure of budget change proposals affecting the spill fund.	Fully Implemented	Office of Spill Prevention and Response
9. To comply with state law, State Lands should develop time sheet review procedures to ensure that its employees charge the spill fund only for oil spill prevention activities and that those charges are accurate.	Fully Implemented	State Lands Commission

Report Number 2011-120

California Department of Transportation: Its Poor Management of State Route 710 Extension Project Properties Costs the State Millions of Dollars Annually, Yet State Law Limits the Potential Income From Selling the Properties (August 2012)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that it collects fair market rents for the SR 710 properties on the State's behalf, Caltrans should, using the fair market rent determinations for all SR 710 properties it recently prepared and excluding those in its affordable rent program, adjust the tenants' rents to fair market after providing them with proper notice.	Not Fully Implemented*	California Department of Transportation
2. To ensure that it collects fair market rents for the SR 710 properties on the State's behalf, Caltrans should make only limited exceptions to charging fair market rent and document the specific public purpose that is served in any case that it does not charge fair market rent.	Not Fully Implemented*	California Department of Transportation
3. To ensure that all taxable fringe benefits or gifts state employees receive are appropriately included in their gross income, Caltrans should establish procedures to notify state employees who rent SR 710 properties that they may be subject to tax implications.	Fully Implemented	California Department of Transportation

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
4. To ensure that all taxable fringe benefits or gifts employees receive are appropriately included in their gross income, Caltrans should continue to work with its information technology division to generate the reports necessary for it to provide the State Controller's Office (state controller) with the value of the state housing for its employees monthly.	Fully Implemented	California Department of Transportation
5. To ensure that all taxable fringe benefits or gifts state employees receive are appropriately included in their gross income, Caltrans should work with the state controller to identify the statute of limitations for employers to report adjustments to employee gross income to the federal Internal Revenue Service and the California Franchise Tax Board.	Fully Implemented	California Department of Transportation
6. To ensure that all taxable fringe benefits or gifts state employees receive are appropriately included in their gross income, Caltrans should work with the state controller to identify the difference between the fair market rental value of the SR 710 housing and the rent state employees paid for that housing during the applicable calendar years related to the federal and state statute of limitations.	Fully Implemented	California Department of Transportation
7. To ensure that all taxable fringe benefits or gifts state employees receive are appropriately included in their gross income, Caltrans should work with the state controller to determine if it needs to revise the W-2 forms for the other employees to whom Caltrans provided housing benefits, including the four employees who worked at its Chilao Maintenance Station.	Fully Implemented	California Department of Transportation
8. To ensure that all taxable fringe benefits or gifts state employees receive are appropriately included in their gross income, Caltrans should provide information to the other state agencies so that they can submit the standard form for reporting the value of the housing provided to their employees for the applicable past calendar years to the state controller. Caltrans should continue to submit this information monthly to the applicable state agencies until the state employees are no longer renting the SR 710 properties at below-market rates.	Fully Implemented	California Department of Transportation
9. To ensure that the affordable rent policy is enforceable and that only eligible tenants receive the benefit of the policy, Caltrans should adopt regulations in accordance with the Administrative Procedure Act (APA) if the director determines that it is appropriate to continue to offer affordable rent to certain tenants.	Not Fully Implemented*	California Department of Transportation
10. To ensure that the affordable rent policy is enforceable and that only eligible tenants receive the benefit of the policy, Caltrans should annually review and document the tenants' household incomes using income certification forms. If tenants no longer qualify for the program because their income exceeds the income requirement or one of the income-producing tenants in the household has been replaced by a new tenant, it should increase their rent to fair market rates after giving proper notice.	Fully Implemented	California Department of Transportation
11. To ensure that the repairs it makes to the SR 710 properties are necessary and reasonable, Caltrans should document its rationale for approving project change orders.	Fully Implemented	California Department of Transportation
12. To ensure that the repairs it makes to the SR 710 properties are necessary and reasonable, Caltrans should conduct annual field inspections of the properties.	Fully Implemented	California Department of Transportation
13. To ensure that the repairs it makes to the SR 710 properties are necessary and reasonable, Caltrans should discontinue performing roofing repairs on properties its roof assessments indicate are in good condition, unless a new assessment indicates a repair is needed.	Fully Implemented	California Department of Transportation
14. To ensure that the repairs it makes to the SR 710 properties are necessary and reasonable, Caltrans should incorporate roof assessments as part of its annual field inspections of the properties.	Fully Implemented	California Department of Transportation
15. To ensure that the repairs it makes to the SR 710 properties are necessary and reasonable, Caltrans should develop a written policy to ensure that it considers the cost-effectiveness of repair costs for historic and nonhistoric projects in relation to the potential rental income for the property. Such a policy should establish the maximum acceptable cost-recovery period for the amount it will spend for repairs, above which the repairs will be considered wasteful.	Fully Implemented	California Department of Transportation
16. To ensure that the repairs it makes to the SR 710 properties are necessary and reasonable, Caltrans should establish a process to ensure it evaluates the cost-effectiveness of any repair before authorizing it.	Fully Implemented	California Department of Transportation
17. To ensure that the repairs it makes to the SR 710 properties are necessary and reasonable, Caltrans should retain in its project files evidence to support the necessity and reasonableness of repairs, such as change orders, annual field inspections, and analyses of cost-effectiveness.	Fully Implemented	California Department of Transportation

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
18. To ensure that the State achieves cost savings for the repairs made to the SR 710 properties, Caltrans should periodically perform more comprehensive analyses of viable options for repairing the properties. If Caltrans determines that General Services is the best option, it should ensure that it properly executes an interagency agreement in accordance with the <i>State Contracting Manual</i> .	Fully Implemented	California Department of Transportation
20. To ensure that General Services performs only necessary repairs and that its costs are reasonable, Caltrans should ensure that its staff adhere to relevant contracting policies, including retaining evidence of its approval of General Services' repair work before and after the completion of a project in the project file.	Fully Implemented	California Department of Transportation
21. To ensure that General Services performs only necessary repairs and that its costs are reasonable, Caltrans should reconcile General Services' estimates for the repair projects with the scope of work the Department of Finance (Finance) approved in the transfer request form, and, if applicable, explain any differences.	Fully Implemented	California Department of Transportation
22. To ensure that General Services performs only necessary repairs and that its costs are reasonable, Caltrans should reconcile the actual work General Services performs to the scope of work approved in the project work plans.	Fully Implemented	California Department of Transportation
23. To ensure that General Services performs only necessary repairs and that its costs are reasonable, Caltrans should reconcile the actual expenditures for the projects listed in the transfer request form approved by Finance and the approved budget in the project work plans with General Services' actual expenditures for each project.	Fully Implemented	California Department of Transportation
24. To ensure that General Services performs only necessary repairs and that its costs are reasonable, Caltrans should modify its March 2012 tracking spreadsheet to ensure that it contains sufficient information for Caltrans to effectively monitor repair costs.	Fully Implemented	California Department of Transportation
39. To comply with the 2007 court ruling and the APA until such time as the Legislature may choose to act, Caltrans should establish regulations to govern the sales process for the SR 710 properties affected by the Roberti Bill.	Not Fully Implemented*	California Department of Transportation
40. To pursue alternatives to its management of the SR 710 properties, Caltrans should prepare a cost-benefit analysis to determine if the State would save money by hiring a private vendor to manage the properties. If such savings would occur, Caltrans should seek an exemption under Government Code, Section 19130 (a), to hire a private vendor.	Not Fully Implemented*	California Department of Transportation
41. To pursue alternatives to its management of the SR 710 properties, Caltrans should perform an analysis to compare the cost of establishing a joint powers authority to its current costs of managing the properties.	Fully Implemented	California Department of Transportation

Report Number I2012-1

Investigations of Improper Activities by State Agencies and Employees: Bribery, Conspiracy to Commit Mail Fraud, Improper Overtime Payments, Improper Use of Lease Proceeds, Improper Travel Expenses, and Other Violations of State Law (December 2012)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
17. Fish and Game should seek either corrective or disciplinary action against the supervisor for his failure to ensure that Fish and Game used lease proceeds in accordance with the terms of the lease and to ensure that these proceeds were accounted for in the State Treasury where necessary.	Fully Implemented	Department of Fish and Wildlife†
18. Fish and Game should amend the terms of its leases either to require that the lessee make lease payments to the State or to include specific improvements and repairs of comparable value that the lessee must perform in lieu of making lease payments. In either instance, Fish and Game should include a provision in the lease for payment if the lessee owes money to the State at the end of the lease period. If it decides that future leases should require a lessee to make specific improvements and repairs, Fish and Game should do the following: <ul style="list-style-type: none"> • Develop a system to track all pertinent information related to a lessee's cost for improvements and repairs to be credited against the lease. • Require the supervisor to reconcile payment records at least annually with each lessee to ensure that the State's records are accurate and that the State receives full benefit from leasing the state property. 	Fully Implemented	Department of Fish and Wildlife†

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
19. Fish and Game should provide training to those involved with the lease to ensure that it properly accounts for and reconciles future work and payments related to the leased property, that it does not pay operational and equipment expenses with proceeds derived from the lease, and that all parties understand what work Fish and Game expects as the result of the agreement.	Partially Implemented	Department of Fish and Wildlife [†]
21. Resources should designate the employee's headquarters as Resources headquarters in Sacramento.	Fully Implemented	California Natural Resources Agency
22. Resources should discontinue reimbursing employees improperly for their commute-related expenses and lodging and for meal expenses incurred within 50 miles of their headquarters.	Fully Implemented	California Natural Resources Agency

Report Number 2012-104

Southeastern Los Angeles County: Various Reasons Affect the Rates Water Suppliers Charge and the Rate Increases They Have Imposed (January 2013)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that it can meet the burden of proof that its water fees comply with Article XIII D of the California Constitution, Downey should be able to provide, upon request, documentation that all transfers out of the Water Fund are for water-related purposes. Such documentation should be sufficiently detailed and understandable to the layperson.	Fully Implemented	Downey Department of Public Works

Report Number 2012-121.1

Department of Parks and Recreation: Weak Procedures Have Led to Inconsistent Budgetary Reporting and Difficulties in Measuring the Impact of Efforts to Keep Parks Open (February 2013)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that it reports consistent amounts to Finance and the State Controller, the department's budget office should develop and implement detailed procedures that describe how to use the year-end financial statements to report prior-year accounting information to Finance. These procedures should include steps to ensure that the ending fund balances reported in the most recent governor's budget and the State Controller's budgetary report agree, and that the subsequent year's beginning fund balances in the governor's budget do not carry forward any differences.	Partially Implemented	Department of Parks and Recreation
2. The department's executive management should monitor the budget process closely to prevent any future variances from established policies and procedures designed to ensure accurate reporting.	Partially Implemented	Department of Parks and Recreation
4. To ensure that any significant changes affecting fund balances proposed by Finance for presentation in the governor's budget are presented accurately and transparently, the department should develop procedures to require higher-level review and approval of such changes by its chief deputy director, director, and potentially the secretary for the Natural Resources Agency. The department should identify levels of significance for the proposed changes in fund balances that would trigger seeking these higher-level approvals.	Partially Implemented	Department of Parks and Recreation
5. To ensure accurate reporting of expenditures and prior-year adjustment amounts to Finance for the governor's budget, the department's budget office should continue its planned efforts to establish policies and procedures. These procedures should include specific steps to identify, investigate, resolve, and document differences in reporting by the budget and accounting offices.	Partially Implemented	Department of Parks and Recreation
7. To ensure that it adheres to the statutory requirement to reduce services or close parks to achieve any required budget reductions in the future, the department should determine the amount necessary to fully operate its 278 parks at the 2010 level. Moreover, the department should document its calculations and ensure that they include all costs associated with the operation of parks in 2010.	Partially Implemented	Department of Parks and Recreation

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
8. To address the possibility of any future park service reductions or closures, the department should develop a detailed process for evaluating the criteria that it must consider in selecting parks for reduced services or park closures. To ensure transparency to the public and to demonstrate that it followed its process, the department should also document the details of its analyses that support its selection of parks for reduced services or closures.	Pending	Department of Parks and Recreation
9. To assure the Legislature and the public that future proposed park service reductions and closures are appropriate to achieve any required budget reduction, the department should develop individual park operating costs and update these costs periodically. These individual park costs should include all direct and indirect costs associated with operating the park, and the aggregated costs of all the individual parks should correspond with the related fiscal year's actual expenditures needed to operate the department's park system. Additionally, when proposing park service reductions or closures in the future, the department should compare the most recent cost estimates to the amount the department determines is necessary to fully operate its 278 parks at the 2010 level to determine the actual amount of the reductions or closures needed.	Partially Implemented	Department of Parks and Recreation

Report Number I2009-0640

California Department of Transportation: Caltrans Employees Engaged in Inexcusable Neglect of Duty, Received Overpayment for Overtime, Falsified Test Data, and Misappropriated State Property (March 2013)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To address the false claims for overtime and differential work hours submitted by Technician A and approved by his supervisor, we recommend that Caltrans seek \$6,834 in reimbursement from Technician A for the overtime and pay differential payments that he received improperly.	Resolved	California Department of Transportation
2. To address the false claims for overtime and differential work hours submitted by Technician B and approved by his supervisor, we recommend that Caltrans seek \$6,954 in reimbursement from Technician B for the overtime and pay differential payments that he received improperly.	Resolved	California Department of Transportation
3. To address the false claims for overtime and differential work hours submitted by technicians A and B and approved by their supervisor, we recommend that Caltrans establish a system to enforce the requirement that specific overtime hours be preapproved for an employee to be compensated for the hours.	Fully Implemented	California Department of Transportation
4. To address the false claims for overtime and differential work hours submitted by technicians A and B and approved by their supervisor, we recommend that Caltrans reinforce with Caltrans supervisors that they have a duty to verify that overtime and specially compensated work actually has been performed prior to authorizing payment for the work.	Fully Implemented	California Department of Transportation
5. To address the false claims for overtime and differential work hours submitted by technicians A and B and approved by their supervisor, we recommend that Caltrans require the hours of overtime and differential work claimed by an employee to be matched with specific projects before they are approved for payment to help ensure that the hours claimed are legitimate.	Fully Implemented	California Department of Transportation
6. To address the lack of controls that allowed the falsification of gamma gamma logging testing data by Technician A and the engineer, we recommend that Caltrans require that Foundation Testing Branch technicians submit to an engineer both the raw data file and log ASCII data file for every gamma gamma logging test performed for a project to help ensure that testing data has not been falsified.	Fully Implemented	California Department of Transportation
7. To address the lack of controls that allowed the falsification of gamma gamma logging testing data by Technician A and the engineer, we recommend that Caltrans implement the recommendations of the GAMDAT peer reviewers intended to improve the gamma gamma logging testing procedures of the Foundation Testing Branch.	Fully Implemented	California Department of Transportation
8. To address the lack of controls that allowed the falsification of gamma gamma logging testing data by Technician A and the engineer, we recommend that Caltrans implement any recommendations made by the GAMDAT team intended to strengthen the integrity of the gamma gamma logging testing performed by the Foundation Testing Branch.	Partially Implemented	California Department of Transportation
9. To address the lack of controls that allowed the falsification of gamma gamma logging testing data by Technician A and the engineer, we recommend that Caltrans implement a policy to ensure that engineers perform analyses on properly collected data and do not misrepresent gamma gamma logging test results.	Fully Implemented	California Department of Transportation

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
10. To address the misappropriation of state property by the supervisor, we recommend that Caltrans obtain an estimate of the value of the materials the supervisor removed from Caltrans facilities and placed on his property (aside from the steel beams) as well as the value of the state employee time spent refashioning and transporting those materials.	Partially Implemented	California Department of Transportation
11. To address the misappropriation of state property by the supervisor, we recommend that Caltrans seek reimbursement from the supervisor for the \$2,000 cost of transporting the steel beams that he placed on his land back to a Caltrans facility.	Partially Implemented	California Department of Transportation
12. To address the misappropriation of state property by the supervisor, we recommend that Caltrans seek reimbursement from the supervisor for the cost of the Caltrans materials (aside from the steel beams) that he transported to his land and the cost of the state employee time spent transporting and refashioning those materials.	Partially Implemented	California Department of Transportation
13. To address the misappropriation of state property by the supervisor, we recommend that Caltrans establish controls to ensure that materials intended for a construction project are tracked properly, and that when materials intended for a federal highway project are not used for the project, the materials are reused for other federal projects or returned to the Highway Administration.	Partially Implemented	California Department of Transportation
14. To address the misappropriation of state property by the supervisor, we recommend that Caltrans establish controls to ensure that scrap materials are recycled and not taken for personal use by Caltrans employees.	Fully Implemented	California Department of Transportation

Report Number 2012-110

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

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that programs supported by special plates receive appropriate amounts of revenues due to them, Motor Vehicles should annually collect all fees for special plates that are no longer on a vehicle but are retained by the plate owner.	Pending	Department of Motor Vehicles
2. Motor Vehicles should ensure that the fees it lists in its application for special plates, as well as any other publications, are supported by the appropriate statutes.	Pending	Department of Motor Vehicles
3. Motor Vehicles should assess the extent to which it has charged fees for special plates that are not consistent with those prescribed in statutes and take appropriate action.	Pending	Department of Motor Vehicles
4. To ensure that it accurately recovers its administrative costs related to special plates, Motor Vehicles should continue to annually calculate the administrative costs for the plates when recovering these costs for the personalized plates through the State's budget process.	Pending	Department of Motor Vehicles
5. Motor Vehicles should periodically assess the cost and benefits of updating its automated systems to reflect current per-plate administrative costs. If Motor Vehicles determines that doing so is cost-effective, it should update its automated systems to reflect the up-to-date administrative costs for all these plates.	Pending	Department of Motor Vehicles
8. To ensure that it properly administers its contract services paid from the antiterrorism fund, Food and Agriculture should verify that it has an executed contract in place before obtaining services under the contract and should monitor its contractors for compliance with provisions of the contracts and with state contracting laws.	Pending	Department of Food and Agriculture
12. To make certain that money from the special plate funds pay only for allowable and supportable activities, Food and Agriculture should ensure that employees submit signed time reports to support the time they spend on antiterrorism-related activities.	Pending	Department of Food and Agriculture
13. To make certain that money from the special plate funds pay only for allowable and supportable activities, Food and Agriculture should use all appropriate funding sources to pay for any expenses that benefit multiple programs in proportion to the benefits those programs actually receive.	Pending	Department of Food and Agriculture
14. To make certain that money from the special plate funds pay only for allowable and supportable activities, Parks and Recreation should ensure that environmental fund money budgeted to its offices is supported by the proportion of the offices' activities that state law allows.	Pending	Department of Parks and Recreation

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
15. To make certain that money from the special plate funds pay only for allowable and supportable activities, Resources should use all appropriate funding sources to pay for any expenses that benefit multiple programs in proportion to the benefits these programs actually receive. Further, it should ensure that its allocation of such expenses to different funds is equitable and supported.	Will Not Implement	California Natural Resources Agency
16. To ensure that the governor and Legislature have sufficient and appropriate information with which to make decisions on the most effective use of environmental fund money, Resources should submit to the governor and Legislature the annual and triennial reports containing the information that state law requires.	Pending	California Natural Resources Agency

Report Number 2012-120

State Water Resources Control Board: It Should Ensure a More Consistent Administration of the Water Quality Certification Program (June 2013)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that regional water boards, as well as the state water board itself, follow a more consistent process when reviewing water quality applications and issuing certifications, and to comply with state and federal requirements, the state water board should remind regional water boards of required application processing time frames and notifications.	Partially Implemented	Water Resources Control Board
2. The state water board should also continue with its effort to adopt a single application form for the certification program.	Partially Implemented	Water Resources Control Board
3. To ensure that applicants pay the correct fee amounts for the certification program, the state water board should direct North Coast as well as the other regional water boards to verify the accuracy of fees that applicants submit to them.	Partially Implemented	Water Resources Control Board
4. North Coast should continue with its plans to collect from Caltrans the underpayment of application fees and to reimburse the overpayment of application fees that we identified. It should also consider reviewing a selection of past application fees it received from Caltrans to determine if other errors exist.	Partially Implemented	Water Resources Control Board
5. The state water board should direct regional water boards to more consistently monitor compliance with water quality certifications and use the water quality database to track their monitoring efforts.	Pending	Water Resources Control Board
6. When regional water boards include staff enforcement costs in the penalty actions they issue, the state water board should require that they use a systematic method for tracking the hours staff spend on enforcement activities related to penalty actions and maintain documentary support for these staff enforcement cost calculations.	Pending	Water Resources Control Board
7. If regional water boards continue to include staff enforcement costs in the penalty actions they issue, the state water board should revise its staff cost rate to reflect actual staff salaries and overhead cost for the certification program.	Pending	Water Resources Control Board
8. To ensure that it accurately records and uses fines it collects for violations of water quality certifications, the state water board should maintain a regular accounting of these fines.	Partially Implemented	Water Resources Control Board
9. To improve its ability to allocate adequate resources to the certification program and better assess whether its budget is sufficient for program operations, the state water board should instruct regional water boards to accurately track staff time spent on the certification program.	Pending	Water Resources Control Board
10. If Caltrans believes that responding to the monitoring requirements and enforcement actions related to the certification program is too costly, it should begin to gather and track these costs using its accounting system. Once it has tracked these costs for a period of time, Caltrans should analyze whether these monitoring and enforcement activities are, in fact, too costly and work with the state and regional water boards to resolve how these costs might be better contained.	Pending	California Department of Transportation
11. Because the water quality database is the primary system for meeting statutory reporting obligations for the certification program, the state water board should resolve its data entry backlog and ensure that the regional water boards enter all relevant information into the system, including information about the applications received, the certifications issued, monitoring activities, water quality violations, and enforcement actions.	Fully Implemented	Water Resources Control Board

Report Number 2012-118**California Public Utilities Commission: Despite Administrative Weaknesses, It Has Generally Awarded Compensation to Intervenors in Accordance With State Law (July 2013)**

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To prevent intervenors from expending resources in proceedings where they are ineligible to receive compensation, the commission should comply with state law by issuing within 30 days preliminary rulings concerning an intervenor's eligibility, when required to do so.	Fully Implemented	Public Utilities Commission
2. The commission should determine the cause of its lack of compliance with state law requiring it to issue award decisions within 75 days of the date an intervenor submits a compensation claim, and it should determine what actions to take to rectify the problem. The commission should ensure that it has sufficient information, such as detailed tracking information regarding claims, to identify where in the process delays are occurring. If the commission determines that the current 75-day statutory period is unreasonable, it should seek a change in state law.	Partially Implemented	Public Utilities Commission
3. To ensure that utilities and commission staff pay the correct amount of interest to intervenors, the commission should complete its effort to develop and distribute a methodology for calculating reasonable interest on compensation decisions issued after the 75-day deadline. The commission should follow the new procedure to ensure that it calculates interest payments appropriately. To the extent reasonable, the commission should recoup the interest overpaid to intervenors.	Partially Implemented	Public Utilities Commission
4. To ensure that it has reliable information concerning its compensation decisions for internal and external reporting, the commission should implement procedures to ensure the accuracy of its award database.	Partially Implemented	Public Utilities Commission
5. To comply fully with state law, the commission should conduct a comprehensive market rate study and update it periodically.	Pending	Public Utilities Commission
6. Commission staff should complete their effort to develop formal procedures to verify and document the qualifications of intervenors' attorneys and experts. The commission should implement the new procedures to ensure that it awards intervenors an appropriate hourly rate based on verified qualifications.	Partially Implemented	Public Utilities Commission
7. To ensure that the commission complies with state law and does not inappropriately compensate intervenors, it should complete its effort to develop procedures for staff to routinely check whether an intervenor that represents the interests of small commercial customers who receive bundled electric service from an electrical corporation may have a conflict of interest arising from prior representation before the commission.	Fully Implemented	Public Utilities Commission
8. The commission should work with intervenors through workshops or other means to clarify any confusion related to how it determines that work intervenors perform is reasonable.	Pending	Public Utilities Commission

Report Number 2012-121.2**Department of Parks and Recreation: Flaws in Its Budget Allocation Processes Hinder Its Ability to Effectively Manage the Park System (September 2013)**

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that districts receive timely budget allocations, the department should establish and implement a formal allocation process by January 2014 that includes the following: <ul style="list-style-type: none"> A timeline that mirrors the State's budget process and describes when the department will provide park districts with draft allocations, revisions to draft allocations, and final allocations. A description of the roles and responsibilities of key staff involved in the process, including budget office staff, the deputy directors and division chiefs for park operations and the Off-Highway Motor Vehicle Recreation division, and district superintendents. 	Partially Implemented	Department of Parks and Recreation
2. To reduce duplicate expenditure tracking and increase the effectiveness of its budget process, the department should develop procedures requiring the districts to prepare and submit spending plans and to periodically submit their total expenditures after reconciling them with the Fiscal Tracking System. The procedures should specify how often districts should provide this information to the department to ensure that the budget office and park management can appropriately oversee the districts' budgets and spending.	Partially Implemented	Department of Parks and Recreation

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
3. To ensure that it can comply with state law in the event that it must close parks or reduce park services in the future, the department should improve its methodology for developing individual park unit budgets and determining and tracking park-level costs. Specifically, the department should update its description of phase one to adequately explain how it will reconcile individual park costs for fiscal year 2010–11 to the department’s total actual expenditures to operate the parks.	Pending	Department of Parks and Recreation
4. To ensure that it can comply with state law in the event that it must close parks or reduce park services in the future, the department should improve its methodology for developing individual park unit budgets and determining and tracking park-level costs. Specifically, the department should develop specific time frames and deliverables for the completion of phases two and three of its plan. These time frames should include specific completion dates for each key component of the phases.	No Action Taken	Department of Parks and Recreation
5. To ensure that it can comply with state law in the event that it must close parks or reduce park services in the future, the department should improve its methodology for developing individual park unit budgets and determining and tracking park-level costs. Specifically, the department should provide training as soon as possible to park operations staff to ensure that they consistently collect the data necessary for phase two.	Pending	Department of Parks and Recreation
6. To ensure that it can comply with state law in the event that it must close parks or reduce park services in the future, the department should improve its methodology for developing individual park unit budgets and determining and tracking park-level costs. Specifically, the department should determine how it will define service levels and measure whether those levels are being met so it can provide budgets for each park unit, as phase three of its process requires.	Pending	Department of Parks and Recreation
7. To ensure that the Legislature has the information necessary to make any future decisions related to service reductions or park closures, beginning in fiscal year 2014–15 the department should provide it with an annual report that details the costs to operate each park unit.	Pending	Department of Parks and Recreation
8. To prevent unauthorized leave buyback transactions, the department should provide training by December 2013 to all department managers and personnel staff who might be involved in leave buyback transactions to ensure that they understand the State’s requirements regarding leave buybacks.	Pending	Department of Parks and Recreation
9. To prevent unauthorized leave buyback transactions, the department should establish written policies and procedures requiring the personnel office’s transactions unit to obtain documentation from managers who request leave buyback transactions. The documentation should specify the authority for the leave buyback and include appropriate authorizing signatures.	Pending	Department of Parks and Recreation
10. To prevent unauthorized leave buyback transactions, the department should increase the level of supervisory review to ensure that transactions unit staff process only authorized and properly coded leave buyback transactions.	Pending	Department of Parks and Recreation
11. To prevent unauthorized leave buyback transactions, the department should limit access for keying transactions to the payroll system only to authorized personnel staff.	Pending	Department of Parks and Recreation
12. To improve the effectiveness of the Executive Personnel Review Committee (EPRC), the department should update its administrative manual by March 2014 to specify the members of the EPRC, the members’ roles and responsibilities, and the personnel actions that the EPRC is responsible for reviewing.	Partially Implemented	Department of Parks and Recreation
13. To improve the effectiveness of the EPRC, the department should establish policies and procedures by March 2014 to govern the EPRC’s decisions on personnel actions. These policies and procedures should include the specific factors and their relative importance that the members must consider when making decisions and should require the EPRC to document its decisions and the reasons for those decisions.	Partially Implemented	Department of Parks and Recreation
14. To improve the effectiveness of the EPRC, by March 2014, the department should require the EPRC to periodically provide a summary report of its decisions to the director’s office so that the director can monitor whether those decisions are consistent with his priorities.	Partially Implemented	Department of Parks and Recreation
15. To improve the effectiveness of the EPRC, the department should establish a process by March 2014 through which the director’s office provides formal direction to the EPRC regarding staffing priorities.	Partially Implemented	Department of Parks and Recreation

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
16. To ensure that its position control unit staff do not circumvent state law to preserve vacant positions, the department should establish procedures that include a process to periodically review any personnel transactions that are not subject to EPRC review. It should provide a summary report of this review to the director's office and the EPRC.	Pending	Department of Parks and Recreation

Report Number 2013-107*Accounts Outside the State's Centralized Treasury System: Processes Exist to Safeguard Money, but Controls for These Accounts Need Strengthening (October 2013)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
8. To safeguard cost recovery program revenue, Cal Fire should, within the next six months, implement adequate segregation of duties for its cost recovery program revenues. For example, it should require that cost recovery payments be mailed to its accounting office, as are other payments.	Pending	Department of Forestry and Fire Protection
9. To safeguard cost recovery program revenue, Cal Fire should, within the next six months, develop policies and procedures requiring personnel not affiliated with the cost recovery program to reconcile expected cost recovery payments to deposits.	Pending	Department of Forestry and Fire Protection
10. To safeguard cost recovery program revenue, Cal Fire should, within the next six months, develop a process to track civil cost recovery cases statewide to monitor compliance with policies as well as monitor collection status.	Pending	Department of Forestry and Fire Protection
11. Cal Fire should continue its efforts to determine what happened to the \$13,470 check that was not deposited in the Wildland Fire Fund.	Pending	Department of Forestry and Fire Protection
12. To ensure that it possesses all equipment purchased with Wildland Fire Fund money, Cal Fire should compile a complete list of equipment purchased with these funds and reconcile it to the attorneys association's accounting records.	Pending	Department of Forestry and Fire Protection
13. To ensure that it possesses all equipment purchased with Wildland Fire Fund money, Cal Fire should tag all equipment purchased through the Wildland Fire Fund.	Partially Implemented	Department of Forestry and Fire Protection
14. To ensure that it possesses all equipment purchased with Wildland Fire Fund money, Cal Fire should perform a periodic inventory of equipment.	Partially Implemented	Department of Forestry and Fire Protection

Report Number 2013-101*Salton Sea Restoration Fund: The State Has Not Fully Funded a Restoration Plan and the State's Future Mitigation Costs Are Uncertain (November 2013)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
6. To ensure that the Legislature has the information necessary to meet the State's restoration goals and to plan for the State's future financial obligations related to mitigation, the Resources Agency should work with Fish and Wildlife and Water Resources to provide a written report to the Legislature on its recommendations for the content of the feasibility study no later than February 1, 2014. It should include in the report the State's progress to date on the Habitat Project.	Pending [‡]	California Natural Resources Agency
7. To ensure that the Legislature has the information necessary to meet the State's restoration goals and to plan for the State's future financial obligations related to mitigation, the Resources Agency should work with Fish and Wildlife and Water Resources to meet with the Legislature regularly to provide updates on the status of its restoration efforts and the feasibility study to ensure that the Legislature has the information necessary to make funding and other informed decisions.	Pending [‡]	California Natural Resources Agency

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
<p>8. To ensure that the Legislature has the information necessary to meet the State's restoration goals and to plan for the State's future financial obligations related to mitigation, the Resources Agency should work with Fish and Wildlife and Water Resources to develop an estimate of the costs, adjusted for inflation, that the State may incur for fulfilling its financial obligations related to mitigation under the QSA. The Resources Agency should include this information in the feasibility study so the Legislature is fully aware of the estimated costs and timing of the State's future financial obligations.</p>	<p>Pending[‡]</p>	<p>California Natural Resources Agency</p>

* Prior to 2014-406, this special report to the Assembly and Budget Subcommittees only reflected the entities' 60-day, six-month, or one-year responses. Beginning this year, we are reporting the most current response we have on file. For audits released between January and October 2012, this may include the entities' annual follow-up responses, which were previously published in our January 2014 report, *Recommendations Not Fully Implemented After One Year: The Omnibus Audit Accountability Act of 2006*. The status comments for these annual follow-up responses only include Fully Implemented, Resolved, Not Fully Implemented, and Will Not Implement.

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

‡ The status of recommendations for audits issued between November and December 2013 is based on the agencies' initial response, which is included in the original audit report, available on the California State Auditor's Web site: www.auditor.ca.gov.