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**Table 1**  
**Recommendation Status Summary**

<b>Senate Budget Subcommittee 4: State Administration and General Government</b>		
<b>Report Number 2011-504</b>		
<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
24. To ensure that the Authority is complying with state contracting rules and is following the guidelines of the <i>State Contracting Manual</i> , General Services should conduct a procurement audit of the Authority by January 1, 2013.	Fully Implemented	Department of General Services

  

<b>Report Number 2011-103</b>		
<i>California's Mutual Aid System: The California Emergency Management Agency Should Administer the Reimbursement Process More Effectively (January 2012)</i>		
RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To make certain that emergency response agencies receive reimbursements on time, Cal EMA should establish procedures to ensure that paying entities do not delay reimbursements.	Not Fully Implemented*	Emergency Management Agency
2. To ensure that it receives reimbursements on time, Cal EMA should identify ways to reduce the amount of time it takes to submit project worksheets to the Federal Emergency Management Agency (FEMA) and to draw down funds.	Fully Implemented	Emergency Management Agency
3. To ensure that it receives reimbursements on time, Cal EMA should establish procedures for submitting project worksheets to FEMA and drawing down funds that reflect the time-saving measures resulting from its efforts to implement recommendation 1.2.a.	Fully Implemented	Emergency Management Agency
4. To make certain that local agencies calculate correctly their average actual hourly rates, Cal EMA should audit a sample of invoices each year and include in the review an analysis of the accuracy of the local agencies' average actual hourly rates reported in the agencies' salary surveys.	Not Fully Implemented*	Emergency Management Agency
5. To make certain that local agencies calculate correctly their average actual hourly rates, if Cal EMA determines that the local agencies' rates are incorrect, it should advise the agencies to recalculate the rates reported in their salary survey. Local agencies that fail to submit accurate average actual hourly rates should be subject to the base rates.	Not Fully Implemented*	Emergency Management Agency
6. To make certain that local agencies calculate correctly their average actual hourly rates, if Cal EMA does not believe that it has the statutory authority and resources to audit the average actual hourly rates reported in the local agencies' salary surveys, it should either undertake the necessary steps to obtain both the authority and the necessary resources or obtain statutory authority to request that the State Controller's Office perform the audits.	Resolved	Emergency Management Agency
7. If FEMA determines that the calculations and claims identified in the Office of Inspector General's audit report were erroneous, Cal EMA should modify the time sheets to track the actual hours that the responding agency works as well as the dates and times that the agency committed to the incident and returned from the incident.	Not Fully Implemented*	Emergency Management Agency
8. If FEMA determines that the calculations and claims identified in the Office of Inspector General's audit report were erroneous, Cal EMA should ensure that the replacement for its current invoicing system can calculate the maximum number of reimbursable personnel hours under both FEMA's policy and the California Fire Assistance Agreement.	Not Fully Implemented*	Emergency Management Agency

**Report Number 2011-116.2**

*Department of General Services: Strengthening the Division of the State Architect's Workload Management and Performance Measurements Could Help It Avoid Delays in Processing Future Increases in Workload (May 2012)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To better gauge the timeliness of its plan review and better communicate with design professionals, the division should develop goals for the time spent on the plan review phase, in the style of those used by the Office of Statewide Health Planning and Development, and measure and report its success at meeting these goals.	Fully Implemented	Department of General Services
2. In order to avoid delays in plan review, the division should develop a policy that defines when it will expedite plan review using its statutory authority to contract for additional plan review resources.	Fully Implemented	Department of General Services
3. To more accurately report on its plan review activities to stakeholders and provide relevant information to management, the division should provide current information on its performance, by phase, at the time of the reporting period.	Fully Implemented	Department of General Services
4. To more accurately report on its plan review activities to stakeholders and provide relevant information to management, the division should exclude zero values from its calculations related to projects that did not have activity in a particular phase.	Fully Implemented	Department of General Services
5. To more accurately report on its plan review activities to stakeholders and provide relevant information to management, the division should exclude projects from client phase calculations that were not returned to the division for back check within the division's deadlines.	Fully Implemented	Department of General Services
6. To appropriately oversee changes to approved plans, the division should develop policies and procedures to ensure that it receives all relevant plan changes.	Fully Implemented	Department of General Services
7. To appropriately oversee changes to approved plans, the division should develop policies and procedures to ensure that it reviews and approves all relevant plan changes before the start of related construction.	Fully Implemented	Department of General Services
8. To appropriately oversee changes to approved plans, the division should develop policies and procedures to ensure that it documents its approval of all relevant plan changes.	Fully Implemented	Department of General Services
9. To ensure that the division performs a final review in all disciplines, the division should require and provide a means for recording final plan review of fire and life safety and access compliance-related work in the database.	Fully Implemented	Department of General Services
10. To ensure that staff are current on building standards, the division should document its staff's participation in building standards update trainings by maintaining attendance rosters.	Fully Implemented	Department of General Services

**Report Number 2011-119**

*Physical Therapy Board of California: Although It Can Make Improvements, It Generally Processes Complaints and Monitors Conflict-of-Interest Requirements Appropriately (June 2012)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. The physical therapy board should explore the feasibility of establishing a state position to perform the duties of its current in-house consultant at a reduced cost.	Not Fully Implemented*	Physical Therapy Board
2. To make certain that it provides effective services to consumers, the physical therapy board should develop a means of formally evaluating its expert consultants against performance measures and benchmarks. Furthermore, the physical therapy board should conduct these evaluations regularly and document them fully.	Fully Implemented	Physical Therapy Board
3. Consumer Affairs should establish procedures for ensuring that board members attend board member orientation and that those individuals and other designated employees receive all required ethics training. In addition, Consumer Affairs should adhere to the record retention period of five years specified by law for the certificates documenting that designated employees received ethics training.	Not Fully Implemented*	Physical Therapy Board
4. To ensure that board members disclose in a timely manner potential conflicts of interest on their Form 700s, the physical therapy board should notify Consumer Affairs' filing officer promptly when board members are appointed or when they indicate that they intend to leave office.	Fully Implemented	Physical Therapy Board

**Report Number 2011-131**

*City of Vernon: Although Reform Is Ongoing, Past Poor Decision Making Threatens Its Financial Stability (June 2012)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To increase accountability and transparency in its governance, the city should ensure that specific reforms are appropriately implemented. Specifically, it should develop an implementation plan containing sufficient detail to establish the activities and coordination required to successfully implement an alternative new employment system so that its nonunion employees are no longer at-will employees of the city council.	Fully Implemented	City of Vernon
2. To increase accountability and transparency in its governance, the city should determine whether it will continue to own housing and communicate its decision to the public as soon as appropriate. Should the city decide to retain ownership of the housing, it should continue the effort to develop policies and procedures that are necessary to ensure fairness and impartiality in its management of city-owned housing.	Fully Implemented	City of Vernon
3. To increase accountability and transparency in its governance, the city should continue the effort to develop a comprehensive plan to construct additional housing in the city.	Fully Implemented	City of Vernon
4. To increase accountability and transparency in its governance, the city should develop a formal policy that describes the circumstances under which revenues can be transferred from its power department, and the limits and permissible uses of transferred revenue.	No Action Taken	City of Vernon
5. To ensure that it develops complete and appropriate personnel policies and procedures, the city should continue its efforts to hire an experienced human resources director.	Fully Implemented	City of Vernon
6. To ensure that it develops complete and appropriate personnel policies and procedures, the new human resources director should ensure that the city's policies and procedures include, at a minimum, requirements for performing and documenting the analyses and justifications for appointments, including promotions, to management positions.	Partially Implemented	City of Vernon
7. To ensure that it develops complete and appropriate personnel policies and procedures, the new human resources director should ensure that the city's policies and procedures include, at a minimum, requirements for minimum qualifications, desirable qualifications, and job duties for all city executive positions.	Partially Implemented	City of Vernon
8. To ensure that it develops complete and appropriate personnel policies and procedures, the new human resources director should ensure that the city's policies and procedures include, at a minimum, a periodic appraisal process for executives.	Partially Implemented	City of Vernon
9. To ensure that it develops complete and appropriate personnel policies and procedures, the new human resources director should ensure that the city's policies and procedures include, at a minimum, an improved methodology for and analysis of future salary surveys, ensuring that they are performed by staff or a consultant with experience and expertise in the area of salary surveys.	Partially Implemented	City of Vernon
10. The city should determine whether employees have a vested right to longevity payments and whether it can legally reduce or discontinue the original longevity program as a means to reduce its costs.	Partially Implemented	City of Vernon
11. To ensure accurate reporting and payment of retirement benefits, the city should work with the California Public Employees' Retirement System (CalPERS) to resolve the reported findings and observation noted in CalPERS April 2012 audit report within a reasonable period of time.	Partially Implemented	City of Vernon
12. To better control contract expenditures and ensure that it receives the best value for the services it purchases, the city should require that all city contracts be entered into its enterprise resource planning (ERP) system so that the contract managers and the city can more efficiently and effectively track the city's contract expenditures.	Fully Implemented	City of Vernon
13. To better control contract expenditures and ensure that it receives the best value for the services it purchases, the city should also begin using the ERP system's uniquely assigned contract numbers for tracking and generating a list of contracts.	Fully Implemented	City of Vernon
14. To better control contract expenditures and ensure that it receives the best value for the services it purchases, the city should require all contracts to have expenditure limits and starting and ending dates for services performed.	Fully Implemented	City of Vernon
15. To better control contract expenditures and ensure that it receives the best value for the services it purchases, the city should require contract managers to use logs to monitor payments and the contractor's progress toward completion of required deliverables.	Fully Implemented	City of Vernon

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
16. To better control contract expenditures and ensure that it receives the best value for the services it purchases, the city should require that all contracts contain a well-defined scope of work and deliverables that a sufficiently detailed invoice can be measured against.	Partially Implemented	City of Vernon
17. To better control contract expenditures and ensure that it receives the best value for the services it purchases, the city should ensure that contracts include language requiring contractors to provide invoices with sufficient detail so that contract managers can determine whether the services provided are consistent with the scope of work.	Fully Implemented	City of Vernon
18. To better control contract expenditures and ensure that it receives the best value for the services it purchases, the city should also require the finance department to review invoices to identify those that lack sufficient detail and return such invoices to the appropriate contract manager to obtain a revised invoice that is sufficiently detailed.	Partially Implemented	City of Vernon
19. To better control contract expenditures and ensure that it receives the best value for the services it purchases, the city should continue its efforts to develop and implement policies and procedures for a competitive bidding process, including clearly defining the circumstances under which forgoing competitive bidding is appropriate.	Fully Implemented	City of Vernon
20. To the extent that the city implements policies that affect contracts, the city should also ensure that it reviews all current contracts and amends them, if necessary, to comply with newly established policies.	Partially Implemented	City of Vernon
21. To improve its internal controls, better control costs, and prevent abuse from occurring, the city should require the finance department to review credit card expenditures for appropriateness.	No Action Taken	City of Vernon
22. To improve its internal controls, better control costs, and prevent abuse from occurring, the city should revise its travel and expense reimbursement policy to be clear about the expenditure limits for meals, and add a limit for lodging accommodations.	No Action Taken	City of Vernon
23. To comply with the Political Reform Act (reform act), the city should ensure that the city administrator and city clerk are appropriately trained to administer its conflict-of-interest code (conflict code).	Fully Implemented	City of Vernon
24. To comply with the reform act, the city should continue to ensure that all city executives file statements of economic interests, as its conflict code requires.	Fully Implemented	City of Vernon
25. To comply with the reform act, with regard to consultants, the city should review its existing contracts and have the city administrator determine which consultants should file statements of economic interests. The city should retain documentation of the city administrator's determinations and also forward them to the city council for review.	Fully Implemented	City of Vernon
26. To comply with the reform act, the city should ensure that any consultants identified by the city administrator as needing to file statements of economic interests submit the forms as soon as possible.	Fully Implemented	City of Vernon
27. To address the structural deficit in its general fund, the city should seek long-term solutions to balance the general fund's expenditures and revenues and lessen its reliance on transfers from other city funds. These solutions could include revenue increases, such as the proposed increased and new parcel tax, as well as looking for ways to reduce expenditures.	Partially Implemented	City of Vernon
28. The city should clearly present the general fund structural deficit to the city council and the public in a budget that includes narrative and summary information to help users understand the city's budget process and its priorities and challenges, and that incorporates the elements for improved budgeting practices recommended by the Government Finance Officers Association (GFOA).	Partially Implemented	City of Vernon
29. To better guide its budget preparation and improve transparency, the city should develop budget policies, particularly for long-term planning, that incorporate the elements that the GFOA recommends and make these policies available to the public on its Web site.	No Action Taken	City of Vernon
30. The city should ensure that its budgets include the information required in the city code.	Fully Implemented	City of Vernon
31. The city should improve the monitoring of expenditures against the approved budget by establishing a centralized process to regularly monitor and report to the city administrator and the city council on the status of the budget.	Partially Implemented	City of Vernon
32. To ensure that it issues debt when doing so is in the best interests of the city and is consistent with its long-term financial goals, the city should establish a comprehensive debt policy that includes the elements that the GFOA recommends and make the debt policy it establishes available on its Web site.	No Action Taken	City of Vernon

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
33. To ensure that the city council and public are well informed regarding proposed debt decisions, the city should provide summary information that clearly explains the costs, risks, and benefits related to the proposed decisions in its agenda packets, and should provide these in advance on its Web site.	Pending	City of Vernon
34. To ensure that it can demonstrate sufficient analysis and provide justification for its decisions on significant energy-related transactions, the city should develop an integrated energy strategy that examines all elements of its energy needs, sources, and objectives.	No Action Taken	City of Vernon
35. To ensure that it can demonstrate sufficient analysis and provide justification for its decisions on significant energy-related transactions, the city should create a formal process and guidelines that include the following: identifying the benefits and risks of proposed transactions, quantifying the benefits and risks of proposed transactions, evaluating and comparing proposed transactions against alternative proposals, quantifying the impact of proposed transactions on short-term and long-term rates paid by the city's energy customers, seeking an independent validation of the fair market value of proposed transactions, and documenting and communicating the findings of the evaluation process to the city council.	No Action Taken	City of Vernon
36. If the city plans to continue to rely on the advice of its consultants when entering significant energy-related transactions, it should develop a process for the consultants to provide written documentation that would enable the city to satisfy the process and guidelines outlined in the previous two recommendations.	Partially Implemented	City of Vernon
37. To minimize the continuing financial losses on the two currently outstanding interest rate swaps, the city should develop a clear process for deciding how it will terminate these swaps based on the cost and future risk to the city.	Partially Implemented	City of Vernon
38. To ensure that any future decisions to enter into interest rate swaps are carefully considered, the city should develop and follow a process that thoroughly analyzes the risks and benefits of the potential swap transaction.	Partially Implemented	City of Vernon
39. To ensure that any future decisions to enter into interest rate swaps are carefully considered, the city should specifically disallow the use of derivatives for speculative purposes and should require the retention of the documents and analyses that support the decision to enter into the swap.	Pending	City of Vernon

**Report Number 2012-042**

*Children's Hospital Program: Fund Disbursements Are Appropriate, but Estimates of Cash Needs Have Been Consistently High (July 2012)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To avoid contributing to the State's financial strain, the authority should limit future bond sales to the level of disbursements it reasonably expects to make during the following six-month period.	Fully Implemented	California Health Facilities Financing Authority
2. The authority should reduce its current cash balance by continuing to make disbursements to hospitals while refraining from requesting additional bond sales. If the authority believes it needs to retain a portion of its cash balance as a contingency reserve for unforeseen circumstances, it should perform and document an analysis demonstrating the appropriateness of the reserve level it adopts.	Fully Implemented	California Health Facilities Financing Authority
3. To allow for more accurate planning of upcoming cash needs, the authority should refine its cash-projection process to more accurately reflect its near-term cash needs. Specifically, the authority should refrain from requesting additional bond sales for projects that have not yet received project approval from the authority.	Fully Implemented	California Health Facilities Financing Authority
4. For hospitals with existing projects, the authority should request written confirmation from hospitals that detail when the hospitals will submit disbursement requests for approved funds.	Fully Implemented	California Health Facilities Financing Authority

## 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
19. To ensure that it appropriately executes interagency agreements with other state agencies, General Services should provide training to construction unit staff.	Fully Implemented	Department of General Services
25. To ensure that it charges its clients appropriately for the work it performs, General Services should reassess the construction unit's methodologies for determining the hourly burden rate and direct administration fees.	Fully Implemented	Department of General Services
26. To ensure that it charges its clients appropriately for the work it performs, General Services should ensure that the construction unit's methodologies are sound and that it can properly support them.	Fully Implemented	Department of General Services
27. To determine if the construction unit's use of casual laborers to perform work not in their job specifications, such as procurement, is cost-effective, General Services should perform an analysis comparing the cost of paying the casual laborers at the prevailing wage rate and the cost of paying permanent civil service employees. If it finds that using permanent employees is cost-effective for the State, General Services should seek approval for additional permanent employees to perform those functions.	Fully Implemented	Department of General Services
28. To ensure that the casual laborers charge only for their actual hours worked on projects, General Services should require that the civil service supervisor who has knowledge of the time the casual laborer works approve the casual laborer's daily time report and the Activity Based Management System time charges.	Fully Implemented	Department of General Services
29. To ensure that the casual laborers charge only for their actual hours worked on projects, General Services should ensure that the daily time reports for casual laborers contain the appropriate task codes, the laborer's signature, and the approval of a civil service supervisor.	Fully Implemented	Department of General Services
30. To ensure that the casual laborers charge only for their actual hours worked on projects, General Services should update its construction unit manual to formalize its standard practice of using daily job reports for each project.	Fully Implemented	Department of General Services
31. To ensure that the casual laborers charge only for their actual hours worked on projects, General Services should retain the daily job reports and the daily time reports in the project files.	Fully Implemented	Department of General Services
32. To ensure that it complies with its nepotism policy, General Services should have its office of human resources review and approve its existing temporary authorization appointments for casual laborers. If the office of human resources finds that personal relationships exist, General Services should take appropriate action in accordance with its policy.	Fully Implemented	Department of General Services
33. To ensure that the construction unit complies with the State's procurement laws and policies, General Services should require the construction unit to immediately discontinue its current procurement practices that are inconsistent with the State's procurement laws and policies.	Fully Implemented	Department of General Services
34. To ensure that the construction unit complies with the State's procurement laws and policies, General Services should require the construction unit to modify the procurement section of its manual to conform to the State's procurement laws and policies.	Resolved	Department of General Services
35. To ensure that the construction unit complies with the State's procurement laws and policies, General Services should provide training to its construction unit employees regarding the State's procurement laws and policies.	Resolved	Department of General Services
36. To ensure that the construction unit complies with the State's procurement laws and policies, General Services should clarify the waiver process in the administrative order governing the small business participation goal.	Not Fully Implemented*	Department of General Services
37. To ensure that the construction unit complies with the State's procurement laws and policies, General Services should continue its efforts to implement regulations that govern the small business certification process related to defining and enforcing violations of commercially useful function requirements.	Not Fully Implemented*	Department of General Services
38. To ensure that the construction unit complies with the State's procurement laws and policies, General Services should conduct an investigation of the small businesses we discussed in the report to determine if they are performing a commercially useful function.	Fully Implemented	Department of General Services



Report Number 2012-106		
<i>City of San José: Some Retirement Cost Projections Were Unsupported Although Rising Retirement Costs Have Led to Reduced City Services (August 2012)</i>		
RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that stakeholders receive consistent and reliable information, San José should report the official retirement cost projections that were developed using the assumptions approved by the boards of the two retirement plans. If San José does not use the official retirement cost projections, it should develop projections that are supported by accepted actuarial methodologies, report this information in the correct context, and disclose significant assumptions that differ from those in the boards' retirement cost projections.	Fully Implemented	City of San José

Report Number 2011-118/2011-613		
<i>Conduit Bond Issuers: Issuers Complied With Key Bond Requirements, but Two Joint Powers Authorities' Compensation Models Raise Conflict-of-Interest Concerns (August 2012)</i>		
RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. The FPPC should adopt regulations that clarify whether the analysis in the McEwen advice letter is intended to apply to the factual circumstances presented in this audit.	Fully Implemented	Fair Political Practices Commission
2. To be better informed about the compensation of their consultants, including any potential conflicts of interest, California Communities and Municipal Finance should require the consulting firms that staff their organizations to disclose the amount and structure of compensation provided to individual consultants, including disclosing whether any of this compensation is tied to the volume of bond sales.	Will Not Implement	California Statewide Communities Development Authority
3. To be better informed about the compensation of their consultants, including any potential conflicts of interest, California Communities and Municipal Finance should require the consulting firms that staff their organizations to disclose the amount and structure of compensation provided to individual consultants, including disclosing whether any of this compensation is tied to the volume of bond sales.	Fully Implemented	California Municipal Finance Authority
4. In implementing its January 2012 contracting policy, California Communities should either periodically subject existing contracts to competitive bidding or perform some other price comparison analysis to ensure that the public funds it oversees are used effectively.	Not Fully Implemented*	California Statewide Communities Development Authority
5. Municipal Finance should follow its July 2012 policy that describes how it will select contractors and periodically review existing contractors' services and prices to ensure the public funds it oversees are used effectively.	Fully Implemented	California Municipal Finance Authority
6. As suggested by the Government Finance Officers Association (GFOA) guidance, California Communities and Municipal Finance should include provisions in their contracts prohibiting consultants from engaging in activities on behalf of the issuers that produce a direct or indirect financial gain to the consultants, other than the agreed-upon compensation, without the issuer's informed consent.	Fully Implemented	California Statewide Communities Development Authority
7. As suggested by the GFOA guidance, California Communities and Municipal Finance should include provisions in their contracts prohibiting consultants from engaging in activities on behalf of the issuers that produce a direct or indirect financial gain to the consultants, other than the agreed-upon compensation, without the issuer's informed consent.	Fully Implemented	California Municipal Finance Authority
8. Once the Securities and Exchange Commission (SEC) finalizes its definition of municipal advisor, California Communities should have its legal counsel review whether HB Capital should register with the Municipal Securities Rulemaking Board.	Not Fully Implemented*	California Statewide Communities Development Authority
9. To provide more accessible venues for citizens to understand the financing of projects and to voice their opinions, the Health Financing Authority should either hold local approval hearings in each jurisdiction in which a project will be built or create a cost-effective technological solution (streaming video, teleconference, etc.) to provide more public accessibility.	Fully Implemented	California Health Facilities Financing Authority

**Report Number 2012-037***Department of Housing and Community Development: Awards of Housing Bond Funds Are Appropriate, but Cash Balances Are High and Monitoring Continues to Need Improvement (October 2012)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
3. Going forward, to the extent that Finance or HCD believes the State needs to issue bonds in excess of cash needs, it should document an analysis demonstrating the appropriateness of the bond sale amount and the circumstances.	Fully Implemented	Department of Finance
1. To ensure that it does not exceed the maximum amount specified in state law for administrative costs for the BEGIN Program, HCD should continue to reevaluate, as appropriate, its administrative support costs projection and continue to monitor its future costs.	Fully Implemented	Department of Housing and Community Development
2. Going forward, to the extent that Finance or HCD believes the State needs to issue bonds in excess of cash needs, it should document an analysis demonstrating the appropriateness of the bond sale amount and the circumstances.	Fully Implemented	Department of Housing and Community Development
4. HCD should continue its efforts to monitor sponsors that receive awards of housing bond funds by requiring staff to follow its procedures related to centrally tracking advances to sponsors under the CalHome Program.	Fully Implemented	Department of Housing and Community Development
5. HCD should continue its efforts to monitor sponsors that receive awards of housing bond funds by ensuring that it receives, reviews, and centrally tracks required status reports from sponsors under its CalHome and BEGIN programs.	Fully Implemented	Department of Housing and Community Development
6. HCD should continue its efforts to monitor sponsors that receive awards of housing bond funds by, upon finalizing monitoring procedures for the BEGIN Program, ensuring that staff implement and follow them.	Fully Implemented	Department of Housing and Community Development
7. As it relates to selecting which sponsors to monitor, HCD should continue its efforts to monitor sponsors that receive awards of housing bond funds by adopting a risk-based, on-site monitoring approach for its CalHome and BEGIN programs. For the CalHome Program, HCD should evaluate the criteria in its risk assessment tool and require staff to use a centralized tracking log for on-site monitoring visits, which should indicate when findings are resolved.	Fully Implemented	Department of Housing and Community Development

**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
15. The athletic commission immediately should cease paying the 18 athletic inspectors discussed in the report an overtime rate for work they perform and inform all athletic inspectors that it will compensate them at the classification's straight-time rate unless their work meets the criteria for receiving overtime under the Fair Labor Standards Act of 1938.	Fully Implemented	State Athletic Commission
16. The athletic commission should make greater efforts to broaden its hiring and increase the number of applicants who are not full-time state employees by posting hiring announcements at locations where the athletic commission has a presence, such as gyms and venues at which it holds events.	Fully Implemented	State Athletic Commission

**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
3. To ensure transparency and accurate reporting, in those instances when Finance believes it is necessary to adjust amounts that departments have reported for presentation in the governor's budget, causing them to be different from the amounts reported to the State Controller, Finance should develop a policy and procedures to fully disclose the need for the adjustments it makes, including a reconciliation to the amounts reported by the State Controller.	Fully Implemented	Department of Finance
6. Finance should establish a documented process for ensuring that its staff demonstrate that they have verified that departments completed budget documents correctly. For example, Finance could establish a checklist that its staff complete to communicate that they followed specified procedures to ensure the accuracy of amounts reported by departments.	Partially Implemented	Department of Finance

**Report Number 2012-117**

*State Athletic Commission: Its Ongoing Administrative Struggles Call Its Future Into Question (March 2013)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To increase transparency and to ensure that commissioners provide a sufficient level of oversight over the commission's operations and budget process, the executive officer should work with the commissioners to establish written policies and procedures that delineate the executive officer's responsibilities related to communicating with the commissioners.	Fully Implemented	State Athletic Commission
2. To ensure its future financial stability, the commission should work with Consumer Affairs to establish a long-term financial plan that contains the following: <ul style="list-style-type: none"> <li>A reasonable annual budget with an accurate forecast of planned expenditures. The commission should determine this budget based in part on its ability or inability to meet the expenditure limitations stipulated in the solvency plan.</li> <li>The number of inspectors necessary to regulate each type of event. In establishing this number, the commission should take into account the varying size and complexity of the events. It should also determine the cost for each inspector to regulate an event.</li> <li>An estimate of its costs to regulate different types of events. To arrive at a reasonable estimate, the commission will need to track at least six months of actual expenditures.</li> <li>The number of staff necessary to perform all of the commission's necessary functions. The commission will need to conduct a workload analysis as soon as possible to determine how many staff it requires and adjust its planned expenditures accordingly.</li> <li>Funds for athletic inspectors' training that are sufficient to meet the requirement that inspectors receive training within six months of an event that they are scheduled to work.</li> <li>Strategies to increase revenue. The commission may need to conduct analyses to determine whether the opportunities it is currently considering are legally permissible and fiscally prudent. If so, the commission should take steps to implement those strategies, including seeking any necessary legislative changes.</li> </ul>	Partially Implemented	State Athletic Commission
3. The commission should establish a formal policy to ensure that it assigns inspectors to events based primarily on their proximity to the events.	Fully Implemented	State Athletic Commission
4. To ensure that it adequately tracks critical information related to its basic functions and mission, the commission should develop and implement procedures and written guidelines to ensure that it consistently tracks information related to all events and their associated revenues and expenditures. These guidelines should also ensure that it tracks the inspectors it assigns to events and the athletes it licenses.	Fully Implemented	State Athletic Commission
5. To ensure that it adequately tracks critical information related to its basic functions and mission, the commission should, once it has developed a reliable listing of the events it regulates, conduct an analysis to determine the manner in which events affect its financial condition. For example, the commission could compile the expenditures related to each event, including inspectors' wages and travel, and compare its expenditures to the revenue it received. Although the commission may need to regulate small events to ensure that it meets its responsibilities, it should still consider the cost of doing so in order to ensure that it stays within its spending authority.	Fully Implemented	State Athletic Commission

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
6. To ensure that it adequately tracks critical information related to its basic functions and mission, the commission should ensure that its system for tracking the number of events, the inspectors it assigns to events, and its revenues and expenditures is compatible with the online program Consumer Affairs is developing so that it may easily import this information into the new program when it is complete.	Pending	State Athletic Commission
7. To ensure that it adequately tracks critical information related to its basic functions and mission, the commission should work with Consumer Affairs to ensure that the new online program will meet its needs and requirements. Once the program is in place, the commission should use it as its central means for tracking its operations.	Pending	State Athletic Commission
8. To ensure that it accurately collects revenue, the commission should formalize policies and procedures directing inspectors to take the necessary steps to make sure they correctly and consistently calculate taxes, assessments, and fees in accordance with state law and regulations.	Partially Implemented	State Athletic Commission
9. To ensure that it accurately collects revenue, the commission should calculate the pension assessment by counting all the complimentary tickets issued, except for working complimentary tickets, not merely the complimentary tickets that are redeemed. If the commission does not agree that it should calculate the pension assessment by counting all the complimentary tickets issued, it should seek a change in its regulations to calculate the fee based only on the number of complimentary tickets redeemed.	Pending	State Athletic Commission
10. To ensure that it accurately collects revenue, the commission should seek legislation, with the assistance of Consumer Affairs, that requires promoters to submit their broadcast contracts and authorizes the commission to impose penalties on those promoters who refuse to submit these contracts. Once the commission has received a sufficient number of broadcast contracts, it needs to conduct an analysis to determine whether the maximum fee of \$25,000 on broadcast contracts is appropriate in light of the amounts of the contracts or whether the fee structure should be increased through a change in state law.	Resolved	State Athletic Commission
11. To ensure that it accurately collects revenue, the commission should continue its efforts to ensure that promoters, inspectors, and staff are aware of their responsibilities related to the accurate reporting of box office information and the submission of key documents that substantiate the reported information.	Fully Implemented	State Athletic Commission
12. To ensure that it accurately collects revenue, the commission should take steps to ensure that promoters adhere to its new process of certifying in writing that the information they provide is complete and accurate.	Fully Implemented	State Athletic Commission
13. To ensure that it accurately collects revenue, the commission should adhere to its regulations by establishing a process for approving ticket printers and maintain a list of those it has approved.	Fully Implemented	State Athletic Commission
14. To correct the deficiencies in its processing of revenue, the commission should continue to ensure the appropriate separation of duties. In addition, the commission should continue to require staff to track revenues received from events and reconcile those amounts to the events' box office reports.	Fully Implemented	State Athletic Commission
15. To ensure that designated employees and officers disclose potential conflicts of interest on their statements of economic interests as the law requires, the commission should notify Consumer Affairs' filing officer promptly when these employees or officers assume or leave office.	Fully Implemented	State Athletic Commission
16. To ensure that all designated parties complete statements of economic interests as the law requires, Consumer Affairs should improve its policies and procedures to ensure that it identifies any incomplete statements and promptly notifies the Fair Political Practices Commission when necessary.	Pending	Consumer Affairs, Department of
17. To ensure that it maintains adequate documentation to demonstrate that it has regulated events in accordance with state law, the commission needs to update its policies and procedures to ensure that inspectors prepare and submit key documents after events.	Fully Implemented	State Athletic Commission
18. To ensure that inspectors receive training as state law requires, the commission should conduct trainings every six months, or within six months of an event at which inspectors are scheduled to work.	Fully Implemented	State Athletic Commission
19. To ensure that inspectors receive training as state law requires, the commission should formalize a process to track inspectors' training status.	Fully Implemented	State Athletic Commission
20. To ensure that inspectors receive training as state law requires, the commission should continue to evaluate more cost-effective ways of providing training.	Fully Implemented	State Athletic Commission

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
21. To ensure that it uses the neurological account as the Legislature intended, the commission needs to conduct a thorough analysis that identifies the average cost of neurological examinations and the number of athletes whom it licenses. If, after performing such an analysis, the commission determines that it cannot comply with the law as it is currently written, it needs to work with Consumer Affairs' legal counsel and the Legislature to determine a reasonable alternative use of the neurological account.	Fully Implemented	State Athletic Commission
22. The commission needs to establish regulations that describe its process for determining its ticket assessment for the neurological account so that it avoids the use of underground regulations.	Pending	State Athletic Commission
23. To operate the pension plan effectively and maximize boxers' benefits, the commission should create policies and procedures for its administration to ensure that it continues to take action to locate eligible boxers, such as issuing periodic press releases.	Fully Implemented	State Athletic Commission
24. To operate the pension plan effectively and maximize boxers' benefits, the commission should create policies and procedures for its administration to ensure that it establishes a formal process that will enable it to better track boxers' mailing addresses.	Fully Implemented	State Athletic Commission
25. To operate the pension plan effectively and maximize boxers' benefits, the commission should create policies and procedures for its administration to ensure that it transfers funds on a regular basis from the pension fund's state account into its investment account.	Pending	State Athletic Commission
26. To comply with state law governing the pension plan, the commission needs to limit its expenditures for administering the pension plan to 20 percent of the average of the prior two years' contributions to the plan.	Fully Implemented	State Athletic Commission
27. To comply with state law governing the pension plan, the commission needs to discontinue paying the pension plan's administrative costs from its athletic commission fund. It should ensure that it pays those costs only from the pension fund.	Fully Implemented	State Athletic Commission
28. To comply with state law governing the pension plan, the commission needs to, after it has an accurate and complete listing of all licensed athletes and box office information by event type, conduct the analysis to determine the feasibility of expanding the pension plan to cover all athletes and report the results to the Legislature.	No Action Taken	State Athletic Commission
29. To ensure that it promptly addresses the report's findings, the commission should work with Consumer Affairs to develop an action plan to prioritize and resolve its most significant deficiencies within a specified time frame. At the very least, the commission should commit to the following within one year: <ul style="list-style-type: none"> <li>Establishing policies and procedures that clearly delineate the roles and responsibilities of the commissioners, the executive officer, and commission staff in the commission's administrative processes, such as developing and approving its budget.</li> <li>Developing a long-term financial plan based on its actual event revenues and expenditures that includes practical cost-cutting and revenue-enhancing strategies.</li> <li>Setting up systems to track key information, including revenues, expenditures, events, inspectors, and licensees.</li> <li>Formalizing administrative policies, procedures, and controls that relate to revenue collection, revenue processing, and separation of duties.</li> </ul>	Pending	State Athletic Commission

**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
6. To the extent that it continues to expend money from the antiterrorism fund through contracts, Cal EMA should properly monitor its contracts to ensure compliance with their terms.	Fully Implemented	Emergency Management Agency
7. To the extent that it continues to expend money from the antiterrorism funds through contracts, Cal EMA should ensure that the expenses contractors claim comply with the contracts' terms, including the allowability of the expenses. For example, it should obtain adequate support for invoices contractors submit before issuing payment to ensure that the contractor has performed the work as expected and that the amount claimed is sufficiently supported.	Fully Implemented	Emergency Management Agency

9. To make certain that money from the special plate funds pay only for allowable and supportable activities, Cal EMA should monitor the administrative expenses it charges to the antiterrorism fund and work with Finance to ensure that these expenses, coupled with additional administrative costs Finance charges, do not exceed 5 percent of the money from the antiterrorism fund appropriated to it during each fiscal year.	Resolved	Emergency Management Agency
10. To make certain that money from the special plate funds pay only for allowable and supportable activities, Cal EMA should ensure that it only allows grantees to claim expenses for activities directly related to fighting terrorism and not for ancillary services.	Partially Implemented	Emergency Management Agency
11. To make certain that money from the special plate funds pay only for allowable and supportable activities, Cal EMA should maintain documentation to support its charges to the antiterrorism fund. For example, it should ensure that employees submit signed time reports to support the time they spend on antiterrorism-related activities.	Partially Implemented	Emergency Management Agency
17. To demonstrate that all participants in the scholarship program are eligible to participate, Victim Compensation should establish and document the eligibility of the three participants for whom it currently lacks such documentation.	Resolved	California Victim Compensation and Government Claims Board

**Report Number 2012-109**

*City of San Diego: Although It Generally Followed Requirements for Reviewing Permits, It Could Do More to Protect Historical Resources and to Notify the Public Properly About Its Actions (April 2013)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that it properly identifies potential historical resources for the structures on project sites and conducts reviews in accordance with the municipal code, Development Services should require applicants to submit documentation, such as the county's property records when available, with their applications or it should obtain the information directly from the county so that it can determine whether the project requires a historical resource review.	Fully Implemented	City of San Diego Mayor's Office
2. To comply with the municipal code requirements for construction permits such as building permits, Development Services should align Information Bulletin 118, issued in June 2011, which describes its process for construction changes to approved plans, with the municipal code requirements for issuing permits and conducting historical resource reviews.	Partially Implemented	City of San Diego Mayor's Office
3. To provide the public proper notice of San Diego's decision that a project is exempt from CEQA, Development Services should ensure that the exemption notice includes the information outlined in the CEQA guidelines.	Partially Implemented	City of San Diego Mayor's Office
4. To provide the public proper notice of San Diego's decision that a project is exempt from CEQA, Development Services should submit exemption notices to the county within five business days after the date all rights to appeal its decision have elapsed, in accordance with its procedures.	Pending	City of San Diego Mayor's Office
5. To provide the public proper notice of San Diego's decision that a project is exempt from CEQA, Development Services should retain documentation demonstrating that it posts the appeal notices in accordance with the municipal code.	Pending	City of San Diego Mayor's Office
6. To provide the public proper notice of San Diego's environmental determinations within five days of the final approval of a project in accordance with the CEQA guidelines, Development Services should develop procedures to ensure that its staff file the determination notices in a timely manner. For example, to avoid delays, Development Services should require its staff to collect and submit to the county the filing fee for each determination notice within five business days of the final approval of a project.	Pending	City of San Diego Mayor's Office
7. To provide the public proper notice of San Diego's environmental determinations in accordance with its municipal code, Development Services should seek an amendment to the municipal code to clarify its belief that environmental determinations made by a hearing officer are not subject to the appeal notice requirement. In the interim, Development Services should post appeal notices for projects subject to permit review Process Three.	Partially Implemented	City of San Diego Mayor's Office
8. To ensure that its designated employees disclose their financial interests in a timely manner, Development Services should ensure that its filing liaisons and payroll staff develop and implement procedures for notifying the filing liaisons when designated employees assume or leave their positions.	Fully Implemented	City of San Diego Mayor's Office
9. To ensure that its designated employees disclose their financial interests in a timely manner, Development Services should ensure that the filing liaisons promptly notify the city clerk when designated employees assume or leave their positions.	Fully Implemented	City of San Diego Mayor's Office



RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
10. To ensure that San Diego's unclassified employees attend ethics training as required by the city council, the commission should either follow the city council's policy or seek a change to align the policy with its current practice.	Fully Implemented	City of San Diego Ethics Commission

**Report Number 2012-119**

*California Department of Veterans Affairs: It Has Initiated Plans to Serve Veterans Better and More Cost-Efficiently, but Further Improvements Are Needed (May 2013)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that it maximizes its ability to generate revenue at all the veterans homes and better cover the costs of providing care to its members, CalVet should continue to implement standardized policies and procedures throughout the veterans homes to increase revenue, including its policies and procedures for identifying and enrolling eligible members into federal, state, and private insurance programs, such as the Medicare and Medi-Cal programs.	Pending	Department of Veterans Affairs
2. To ensure that it maximizes its ability to generate revenue at all the veterans homes and better cover the costs of providing care to its members, CalVet should analyze its cost-recovery model, including an evaluation of the state laws that limit the amount of revenue that CalVet can collect for the care it provides to its members at the veterans homes.	Pending	Department of Veterans Affairs
3. To better ensure that the veterans homes are providing quality care as cost-efficiently as possible, CalVet should continue monitoring the nurse-to-member ratios in the homes and work with the homes as necessary to help them meet the targeted ratios.	Fully Implemented	Department of Veterans Affairs
4. CalVet should provide similar oversight to the veterans homes in implementing the standardized staffing model, once it is finalized.	Partially Implemented	Department of Veterans Affairs
5. To better utilize unused space at the veterans homes, and to serve more veterans within legal restrictions, CalVet should use the information in the Yountville veterans home master plan to develop a plan for using unused space at that home to generate revenue and/or serve more veterans.	Pending	Department of Veterans Affairs
6. To better utilize unused space at the veterans homes, and to serve more veterans within legal restrictions, CalVet should develop and implement procedures for periodically evaluating all of the veterans homes to identify opportunities to enhance use of unused space and increase revenue generation, including documenting the results of its evaluations.	Pending	Department of Veterans Affairs
7. To better utilize unused space at the veterans homes, and to serve more veterans within legal restrictions, CalVet should develop a formal process for identifying, securing, and evaluating public-private partnership agreements with other entities that could provide services to more veterans than it currently serves, and update its tracking matrix to include the dates when such efforts were initiated or the date of the most recent status of those efforts.	Pending	Department of Veterans Affairs
8. To better utilize unused space at the veterans homes, and to serve more veterans within legal restrictions, CalVet should identify measures to facilitate monitoring the success of its public-private partnership agreement with the Pathway Home at the Yountville veterans home, as well as its agreements with New Directions and Salvation Army Haven at the West Los Angeles veterans home.	Pending	Department of Veterans Affairs
9. To better utilize unused space at the veterans homes, and to serve more veterans within legal restrictions, CalVet should, as part of its 2013 renegotiations with Pathway Home, document its review and evaluation of any legal restrictions that may limit this agreement.	Partially Implemented	Department of Veterans Affairs
10. To better utilize unused space at the veterans homes, and to serve more veterans within legal restrictions, CalVet should, for any future public-private partnership agreements, specify measures in the agreements that will allow it to monitor and assess the success of the agreements, and it should document its review and evaluation of any legal restrictions that may limit its authority to enter into the agreements.	Partially Implemented	Department of Veterans Affairs
11. To ensure it is maximizing its ability to serve veterans in the State's veterans homes, CalVet should follow through with its plan to assess the bed capacity of the homes for veterans' needs after the homes in Fresno and Redding are licensed, to determine the most appropriate number of beds for the different levels of care offered at each home.	Pending	Department of Veterans Affairs

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
12. To better reach a larger number of veterans who might not otherwise learn about and take advantage of benefits and services to which they are entitled, CalVet should continue to use technology, including implementing CalVet Connect.	Pending	Department of Veterans Affairs
13. To ensure that it is providing the highest quality of services to veterans, CalVet should implement oversight and guidance policies to ensure that its veterans homes are providing adequate and appropriate referral options to veterans who have been placed on the waiting list or denied admission into a home.	Pending	Department of Veterans Affairs
14. To ensure that it is providing the highest quality of services to veterans, CalVet should improve its tracking system policy by developing oversight controls so that the system is used consistently by all of the veterans homes.	Pending	Department of Veterans Affairs
15. To allow for public input and to prevent any legal challenges that its policy of capping members' fees, its \$165 monthly income-retention policy for members, and its age and admission policy are unenforceable underground regulations, CalVet should adopt these policies as regulations in accordance with the Administrative Procedure Act.	Pending	Department of Veterans Affairs
16. To more effectively and efficiently meet state purchasing and procurement requirements, CalVet should analyze its current purchasing model to ensure that it is the most efficient and cost-effective to use when purchasing non-IT goods and services for the veterans homes.	No Action Taken	Department of Veterans Affairs
17. To more effectively and efficiently meet state purchasing and procurement requirements, CalVet should continue implementing quality assurance policies to strengthen its oversight of its purchasing practices, including conducting on-site reviews of the purchasing practices of the veterans homes.	Pending	Department of Veterans Affairs

**Report Number 2012-112*****Office of the Secretary of State: It Must Do More to Ensure Funds Provided Under the Federal Help America Vote Act Are Spent Effectively***  
(August 2013)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that the public, county registrars, and potential voting system developers understand how the secretary of state will make voting system approval decisions, the Office should make it a priority to develop regulations describing voting system standards in accordance with state law. It should begin the formal rule-making process by January 2014.	Pending	Office of the Secretary of State
2. To comply with federal requirements for record retention, the Office should revise its record retention policy for long-term federal awards such as HAVA.	Pending	Office of the Secretary of State
3. To ensure that the State has maximum flexibility in how it spends the remaining HAVA funds, the Office should do the following: <ul style="list-style-type: none"> <li>Formally renegotiate its agreement with Justice by discussing the need to pursue VoteCal and obtaining clarity as to what aspect of the current CalVoter system, if any, does not meet HAVA's requirements.</li> <li>Report, by December 2013, the results of these discussions with Justice to the Legislature. If the Office continues to believe it is compliant with Title III requirements, it should take the necessary steps to maximize the Legislature's flexibility to decide how best to appropriate remaining HAVA funds.</li> </ul>	Pending	Office of the Secretary of State
4. To enhance the value of the HAVA spending plan as a transparency and accountability tool for the Legislature, the Office should make the following modifications to its annual HAVA spending plan: <ul style="list-style-type: none"> <li>Clearly state the methodology used to report prior HAVA expenditures in the HAVA spending plan. Such a methodology should use the financial information contained in its accounting system.</li> <li>Reconcile the prior HAVA expenditures with the year-end financial reports the Office provides to the California State Controller's Office.</li> <li>Present prior HAVA expenditures by activity and by specific appropriation.</li> </ul>	Pending	Office of the Secretary of State
5. To ensure the State complies with the NVRA, the Office should take all necessary steps, including seeking any necessary legislative changes, and work with the DMV to modify the driver's license application so that it may simultaneously serve as a form for voter registration.	Pending	Office of the Secretary of State



**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
1. Within the next 60 days, the state controller should implement the policies and procedures it developed to ensure the receipt of outside account reports in each reporting period and to enhance monitoring efforts.	Fully Implemented	Controller's Office, State
2. Within the next six months, the state controller should develop policies and procedures to maintain a list of all outside accounts and reconcile its list annually with the state treasurer's list.	Fully Implemented	Controller's Office, State
3. Within the next 60 days, the state treasurer should implement the policies and procedures it developed to ensure the receipt of outside account reports in each reporting period and to enhance monitoring efforts.	Fully Implemented	State Treasurer's Office
4. Within the next six months, the state treasurer should develop policies and procedures to maintain a list of all outside accounts and reconcile its list annually with the state controller's list.	Fully Implemented	State Treasurer's Office
5. Within the next 60 days, the Department of Finance should implement the policies and procedures it developed to ensure the receipt of outside account reports in each reporting period and to enhance monitoring efforts.	Fully Implemented	Department of Finance
6. To ensure that all outside accounts have proper authority, over the next six months, Finance should continue to pursue and resolve the 35 identified unresolved cases in which adequate authority could not be confirmed.	Partially Implemented	Department of Finance

**Report Number I2011-0837**

***California Department of Veterans Affairs: Wastefulness, Failure to Comply With State Contracting Requirements, and Inexcusable Neglect of Duty (October 2013)***

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. For all contracts that involve recreation fund moneys or involve recreation fund enterprises, as a best practice, institute policies that require the contracts be awarded and administered in a manner consistent with the policies and procedures set forth in the <i>State Administrative Manual</i> and the <i>State Contracting Manual</i> .	No Action Taken	Department of Veterans Affairs
2. For all contracts that involve recreation fund moneys or involve recreation fund enterprises, institute policies that require the contracts to be approved by a Veterans Affairs attorney prior to being executed.	No Action Taken	Department of Veterans Affairs
3. For all contracts that involve recreation fund moneys or involve recreation fund enterprises, institute policies that require the contracts to be reviewed and approved by the secretary of Veterans Affairs, or upon delegation of the authority to do so, by a deputy secretary, prior to the contracts being executed.	Pending	Department of Veterans Affairs
4. Institute a policy that requires all payments of recreation fund moneys to a person or business in the amount of \$5,000 or more during a fiscal year and any contract involving recreation fund enterprises be presented to the recreation fund advisory board (now known as the Morale, Welfare, and Recreation Committee) at a public meeting for an advisory vote prior to the payment being made.	No Action Taken	Department of Veterans Affairs
5. Institute a policy that requires any expenditure of recreation fund moneys to a person or business in the amount of \$5,000 or more during a fiscal year be listed as a separate line item in the budget of the recreation fund as presented to the secretary for approval.	Pending	Department of Veterans Affairs
6. Work with the Governor's Office to take appropriate disciplinary action against the administrator.	Partially Implemented	Department of Veterans Affairs

\* 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.