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Table 1
Recommendation Status Summary

**Senate Budget Subcommittee 2 on Resources,
Environmental Protection, Energy and Transportation**

Report Number 2012-104		
<i>Southeastern Los Angeles County: Various Reasons Affect the Rates Water Suppliers Charge and the Rate Increases They Have Imposed (January 2013)</i>		
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
2. If it believes that the mechanisms available to consumers in southeastern Los Angeles County to protect against unreasonable rates or rate increases are not sufficient, the Legislature should consider enacting additional consumer protection mechanisms. Mechanisms to consider include ratepayer advocacy positions similar to those used by the CPUC and LADWP.	No Action Taken	Legislature

Report Number 2012-121.1		
<i>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)</i>		
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.	Fully 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.	Not Fully 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.	Fully 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.	Resolved	Department of Parks and Recreation
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.	Resolved	Department of Parks and Recreation

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
<p>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.</p>	Fully 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
<p>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. (See I2009-0640, p. 23)</p>	Resolved	Department of Transportation
<p>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. (See I2009-0640, p. 23)</p>	Resolved	Department of Transportation
<p>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. (See I2009-0640, p. 23)</p>	Fully Implemented	Department of Transportation
<p>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. (See I2009-0640, p. 23)</p>	Fully Implemented	Department of Transportation
<p>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. (See I2009-0640, p. 23)</p>	Fully Implemented	Department of Transportation
<p>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. (See I2009-0640, p. 24)</p>	Fully Implemented	Department of Transportation
<p>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. (See I2009-0640, p. 24)</p>	Fully Implemented	Department of Transportation
<p>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. (See I2009-0640, p. 24)</p>	Resolved	Department of Transportation
<p>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. (See I2009-0640, p. 24)</p>	Fully Implemented	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. (See I2009-0640, p. 24)	Resolved	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. (See I2009-0640, p. 24)	Resolved	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. (See I2009-0640, p. 24)	Resolved	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. (See I2009-0640, p. 24)	Resolved	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. (See I2009-0640, p. 24)	Fully Implemented	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.	Will Not Implement	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.	Not Fully Implemented	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.	Not Fully Implemented	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.	Fully Implemented	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.	Not Fully Implemented	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.	Fully Implemented	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.	Fully Implemented	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.	Fully Implemented	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.	Not Fully Implemented	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.	Not Fully Implemented	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.	Fully 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.	Fully 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.	Fully 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.	Fully 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.	Fully Implemented	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.	Not Fully Implemented	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.	Not Fully Implemented	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.	Fully 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.	Fully Implemented	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.	Fully Implemented	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.	Fully 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.	Fully 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.	Fully Implemented	Public Utilities Commission
5. To comply fully with state law, the commission should conduct a comprehensive market rate study and update it periodically.	Partially Implemented	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.	Fully 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.	Fully Implemented	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 OHMVR division, and district superintendents. 	Pending	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 FTS. The procedures should specify how often districts should provide this information to the department to ensure that the budget office and park management can appropriately oversee the districts' budgets and spending.	No Action Taken	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.	No Action Taken	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.	No Action Taken	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.	No Action Taken	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.	No Action Taken	Department of Parks and Recreation
12. To improve the effectiveness of the EPRC, the department should update its administrative manual by March 2014 to specify the members of the EPRC, the members’ roles and responsibilities, and the personnel actions that the EPRC is responsible for reviewing.	No Action Taken	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.	No Action Taken	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.	No Action Taken	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.	No Action Taken	Department of Parks and Recreation
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.	No Action Taken	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.	Fully Implemented	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.	Fully Implemented	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.	Partially Implemented	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.	Fully Implemented	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.	Fully 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.	Fully 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
1. To ensure that the feasibility study it recently funded will provide it with meaningful and timely information, the Legislature should enact legislation that contains specific guidance to the Resources Agency regarding the Legislature's priorities for restoring the Salton Sea so that the Resources Agency can address those priorities when developing the feasibility study.	Legislation Proposed But Not Enacted	Legislature
2. To ensure that the feasibility study it recently funded will provide it with meaningful and timely information, the Legislature should enact legislation that provides a deadline for the completion of the feasibility study and submission of a restoration plan.	No Action Taken	Legislature
3. To ensure that the feasibility study it recently funded will provide it with meaningful and timely information, the Legislature should enact legislation that requires the feasibility study to analyze and include the extent to which restoration activities could lessen the State's future financial obligations for mitigation under the QSA.	No Action Taken	Legislature
4. To ensure that the feasibility study it recently funded will provide it with meaningful and timely information, the Legislature should enact legislation that once the Legislature has approved a restoration plan, it should hold a budget hearing to consider the appropriate funding mechanism.	No Action Taken	Legislature
5. The Legislature should designate the Resources Agency as the implementing entity responsible for coordinating the efforts of all entities involved in the restoration and mitigation activities for the Salton Sea.	Legislation Proposed But Not Enacted	Legislature
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.	Fully Implemented	California Natural Resources Agency

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
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.	Partially Implemented	California Natural Resources Agency
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.	Pending	California Natural Resources Agency

Report Number 2013-115

Disabled Veteran Business Enterprise Program: Meaningful Performance Standards and Better Guidance by the California Departments of General Services and Veterans Affairs Would Strengthen the Program (February 2014)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
6. To ensure it has maximized the effectiveness of the DVBE incentive, Caltrans should implement measures to help ensure that it applies the DVBE incentive to all applicable contracts and procurements and that these measures include documented policies and procedures and/or training to procurement staff on properly applying the DVBE incentive.	Pending	Department of Transportation
8. To help ensure that Caltrans does not incorrectly report businesses that are not certified DVBEs, it should verify, at least on a sample basis for high-value contracts, the certification status of the DVBE firms before submitting their DVBE activity reports to General Services	Fully Implemented	Department of Transportation

Report Number 2013-109

California Public Utilities Commission: Improved Monitoring of Balancing Accounts Would Better Ensure That Utility Rates Are Fair and Reasonable (March 2014)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure proper oversight of balancing accounts to protect ratepayers from unfair rate increases, the Legislature should amend the California Public Utilities Code, Section 792.5, to require the California Public Utilities Commission (commission) to develop a risk-based approach for reviewing all balancing accounts periodically to ensure that the transactions recorded in the balancing accounts are for allowable purposes and are supported by appropriate documentation, such as invoices.	No Action Taken	Legislature
2. To ensure that it has the necessary information to provide appropriate oversight of the balancing accounts, the commission should maintain accurate and timely information on utility balancing accounts. Specifically, it should review the accuracy and completeness of the data it has obtained from utilities to ensure that it has a complete list of balancing accounts.	Pending	Public Utilities Commission
3. To ensure that it has the necessary information to provide appropriate oversight of the balancing accounts, the commission should maintain accurate and timely information on utility balancing accounts. Specifically, it should regularly update its list of balancing accounts when the commission issues decisions authorizing opening new balancing accounts or closing existing balancing accounts, when utilities file balancing account updates, and when the commission performs reviews of balancing accounts.	Pending	Public Utilities Commission
4. To ensure that it has the necessary information to provide appropriate oversight of the balancing accounts, the commission should maintain accurate and timely information on utility balancing accounts. Specifically, it should use the list to guide its efforts to oversee balancing accounts more effectively, by using a risk-based approach to select a sufficient number of balancing accounts, as well as those with the most potential impact on ratepayers, for review each year to provide appropriate coverage over all regulated utilities.	Pending	Public Utilities Commission

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
5. To ensure that it efficiently and effectively monitors energy utilities balancing accounts to protect ratepayers from unfair rate increases, the commission should direct its Energy Division to perform in-depth reviews of balancing accounts to verify that account balances contain only allowable transactions and are supported. These reviews should include ensuring that transactions recorded in a balancing account are supported by appropriate documentation, such as invoices.	Pending	Public Utilities Commission
6. To ensure that it efficiently and effectively monitors energy utilities' balancing accounts to protect ratepayers from unfair rate increases, the commission should direct its Energy Division to coordinate with the Office of Ratepayer Advocates (Ratepayer Advocates) to identify which balancing accounts Ratepayer Advocates plans to review during the year to avoid duplicating efforts.	Fully Implemented	Public Utilities Commission
7. To further its mission to obtain the lowest possible rates for reliable and safe utility service for ratepayers through its reviews of balancing accounts, Ratepayer Advocates should use the commission's list of balancing accounts to guide its selection of the number, size, and type of balancing accounts to review so that its review coverage is more proportional across all utilities.	Will Not Implement	Office of Ratepayer Advocates
8. To further its mission to obtain the lowest possible rates for reliable and safe utility service for ratepayers through its reviews of balancing accounts, Ratepayer Advocates should document the method used for its selection of balancing accounts to review.	Pending	Office of Ratepayer Advocates
9. To further its mission to obtain the lowest possible rates for reliable and safe utility service for ratepayers through its reviews of balancing accounts, Ratepayer Advocates should coordinate with the commission's Energy Division to avoid duplicating review efforts.	Fully Implemented	Office of Ratepayer Advocates
10. To ensure that findings and conclusions resulting from the reviews of balancing accounts are appropriate, complete, and supported, Ratepayer Advocates should, within six months, develop policies that clearly describe how analysts are to document their reviews of balancing accounts, including all work reviewed and conclusions reached for each sampled item that supports their conclusions.	Pending	Office of Ratepayer Advocates
11. To ensure that findings and conclusions resulting from the reviews of balancing accounts are appropriate, complete, and supported, Ratepayer Advocates should, within six months, develop a document retention policy for all documents related to, among other things, balancing account reviews for a minimum of three years after the completion of these reviews.	Pending	Office of Ratepayer Advocates
12. To ensure that findings and conclusions resulting from the reviews of balancing accounts are appropriate, complete, and supported, Ratepayer Advocates should, within six months, implement a formalized and documented method to ensure that supervisors approve analysts reviews of balancing accounts by checking the accuracy and completeness of the work that analysts prepare to support the conclusions of their reviews, including any proposed reductions in recoveries.	Pending	Office of Ratepayer Advocates
13. To ensure that findings and conclusions resulting from the reviews of balancing accounts are appropriate, complete, and supported, the commission's Division of Water and Audits should remind analysts to document their reviews properly and remind supervisors to formally indicate that they checked the accuracy and completeness of reviews.	Fully Implemented	Public Utilities Commission
14. The commission should follow the requirement in state law to inspect and audit the accounting records of utilities it regulates within required time frames. If the commission chooses to continue to meet this requirement through the general rate case process, it should ensure that all utilities file a general rate case on a regular schedule so as to comply with the state law's audit requirement. However, the commission should follow alternate methods to comply with the audit requirement when a utility will not be filing for its general rate case in time to be audited within three or five years, depending on the timing of the required audit for that utility.	Pending	Public Utilities Commission
15. The Legislature should amend California Public Utilities Code, Section 314.5, to remove the requirement that the commission provide audit reports to California State Board of Equalization.	No Action Taken	Legislature

Report Number 2013-501*Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun: It Continues to Lack Sufficient Controls Over Certain Travel Reimbursements (March 2014)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that its expenditures are appropriate, the board should develop and implement a policy that requires the Bar Pilots to submit documentation demonstrating that they booked the most economical refundable airfare and made travel arrangements in the best interest of the State before the board reimburses travel costs. To the extent that the Bar Pilots cannot demonstrate that they booked the most economical refundable fare, the board should reimburse the Bar Pilots only the equivalent of the most economical fare.	Fully Implemented	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun
2. To ensure that its expenditures are appropriate, the board should develop and implement a process for reviewing travel reimbursement invoices, such as requiring the Bar Pilots to submit original receipts and disallowing individual costs for extended travel that exceed the costs for required travel.	Fully Implemented	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun
3. To ensure that it consistently adheres to requirements in state law when licensing pilots, the board should revise its checklist for processing license renewals to include all requirements specified in state law, including evidence that pilots piloted vessels in the past year, and retain copies of pilots continuing education training evaluations.	Fully Implemented	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun
4. To ensure that it consistently adheres to requirements in state law when licensing pilots, the board should develop and use a checklist for issuing original licenses that includes all requirements specified in state law.	Fully Implemented	Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun

Report Number 2013-130*California Public Utilities Commission: It Fails to Adequately Ensure Consumers' Transportation Safety and Does Not Appropriately Collect and Spend Fees From Passenger Carriers (June 2014)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure carrier and public safety, the commission should ensure that the branch develops policies and procedures for receiving complaints and investigating passenger carriers by December 31, 2014. These policies and procedures should ensure that all complaints are entered into the complaints database.	Fully Implemented	Public Utilities Commission
2. To ensure that it resolves complaints against passenger carriers in a timely manner, the commission should establish a method for prioritizing complaints and it should implement a policy specifying the maximum amount of time between the receipt of a complaint and the completion of the subsequent investigation. Further, the commission should require branch management to monitor and report regularly on its performance in meeting that policy.	Partially Implemented	Public Utilities Commission
3. To ensure that the branch conducts thorough investigations of passenger carriers, the commission should establish standards specifying the types of evidence that it considers sufficient to determine whether a passenger carrier is operating illegally.	Fully Implemented	Public Utilities Commission
4. To ensure that the branch conducts thorough investigations of passenger carriers, the commission should implement a policy that directs investigators to obtain sufficient evidence to justify determinations and to verify carrier claims that they are no longer operating or are not operating illegally.	Fully Implemented	Public Utilities Commission
5. To ensure that the branch conducts thorough investigations of passenger carriers, the commission should require investigators to review passenger carriers for compliance with each state law relating to passenger carrier requirements.	Fully Implemented	Public Utilities Commission
6. To ensure that the branch conducts thorough investigations of passenger carriers, the commission should implement a formal training program to ensure that all investigators have adequate knowledge and skills related to regulating passenger carriers.	Partially Implemented	Public Utilities Commission

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
7. To better ensure passenger carrier and public safety, the commission should create a system to determine when a carrier merits a penalty and what the magnitude of the penalty should be. In addition, to be an effective deterrent, the amount of such penalties should be more consistent with what state law permits.	Partially Implemented	Public Utilities Commission
8. The commission should require staff to examine and formally report on the feasibility of impounding the vehicles of passenger carriers that refuse to comply with commission orders or that refuse to pay citation penalties and also on the feasibility of making use of the Tax Board's program for intercepting income tax refunds, lottery winnings, and unclaimed property payments to collect unpaid citation penalties.	Pending	Public Utilities Commission
9. To ensure that passenger carriers submit accurate fee payments, the commission should require its fiscal staff to implement a process to verify passenger carrier fee payments and associated revenue.	Partially Implemented	Public Utilities Commission
10. To ensure that it complies with state law and uses passenger carrier fees appropriately, the commission should implement a process to ensure that passenger carrier fee revenues more closely match related enforcement costs.	Pending	Public Utilities Commission
11. To ensure that it does not further overcharge the transportation account, the commission should require the branch to review annually all branch staff funding distributions and align them with recent time charges.	Pending	Public Utilities Commission
12. To detect and deter carriers from operating illegally at airports, the branch should use as intended the five positions added for passenger carrier enforcement at airports. If the branch chooses not to designate five positions solely for this purpose, then it must be prepared to demonstrate regularly that an equivalent number of full-time positions are working on this activity.	Pending	Public Utilities Commission
13. To strengthen its leadership and ensure passenger carrier and public safety, the branch should produce a draft strategic plan by December 31, 2014, with a final strategic plan completed as the commission specifies. The strategic plan should include goals for the program; strategies for achieving those goals, including strategies for staff development and training; and performance measures to assess goal achievement.	Partially Implemented	Public Utilities Commission

Report Number 2013-126

Antelope Valley Water Rates: Various Factors Contribute to Differences Among Water Utilities (July 2014)

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that water customers are able to have an understanding of how rate increases are determined, Quartz Hill Water District should include information in its public notices providing reasonably sufficient details of the basis of its fee methodology.	No Action Taken	Quartz Hill Water District
2. To provide guidance to local public agencies in implementing the notice requirements of Proposition 218, the Legislature should enact a statute that specifies the level of detail required to satisfy the requirement that the notice specify the basis upon which the amount of the proposed fee or charge was calculated.	Pending	Legislature
3. To ensure that Los Angeles County Waterworks, District 40 can demonstrate that it complies with the public notification requirements of Proposition 218, it should retain documentation demonstrating that it mailed required Proposition 218 notifications of pass-through rate increases to water customers during the period that the increased rates are in effect.	No Action Taken	Los Angeles County Waterworks, District 40
4. To ensure that Quartz Hill Water District can demonstrate that it complies with the public notification requirements of Proposition 218, it should retain documentation demonstrating that it mailed required Proposition 218 notifications of pass-through rate increases to water customers during the period that the increased rates are in effect.	Fully Implemented	Quartz Hill Water District
5. To ensure that water customers are aware of pass-through rate increases, Quartz Hill Water District should adopt a schedule of fees showing how these increases will affect its tiered usage charges before the new rates take effect.	No Action Taken	Quartz Hill Water District

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
6. To ensure that its water customers have access to Quartz Hill Water District's rate methodology and other factors that help it determine rate increases, the utility should keep all documentation it uses to calculate or otherwise explain the need for rate increases for as long as the rate increases are in effect.	Partially Implemented	Quartz Hill Water District
7. To show water customers that they are attempting to keep rates reasonable, the California Water Service Company should maintain documentation to demonstrate any cost savings expected or achieved as a result of its cost-saving efforts.	Partially Implemented	California Water Service Company
8. To show water customers that they are attempting to keep rates reasonable, Los Angeles County Waterworks, District 40 should maintain documentation to demonstrate any cost savings expected or achieved as a result of its cost-saving efforts.	Fully Implemented	Los Angeles County Waterworks, District 40
9. To show water customers that they are attempting to keep rates reasonable, Palmdale Water District should maintain documentation to demonstrate any cost savings expected or achieved as a result of its cost-saving efforts.	Fully Implemented	Palmdale Water District
10. To show water customers that they are attempting to keep rates reasonable, Quartz Hill Water District should maintain documentation to demonstrate any cost savings expected or achieved as a result of its cost-saving efforts.	Fully Implemented	Quartz Hill Water District
11. To assist low-income water customers, Los Angeles County Waterworks, District 40 should work with its governing body to consider the feasibility of using revenues from sources other than water rates to implement rate assistance programs for low-income water customers.	Fully Implemented	Los Angeles County Waterworks, District 40
12. To assist low-income water customers, Palmdale Water District should work with its governing body to consider the feasibility of using revenues from sources other than water rates to implement rate assistance programs for low-income water customers.	Fully Implemented	Palmdale Water District
13. To assist low-income water customers, Quartz Hill water District should work with its governing body to consider the feasibility of using revenues from sources other than water rates to implement rate assistance programs for low-income water customers.	Will Not Implement	Quartz Hill Water District

Report Number 2014-501*State Lands Commission—Follow-Up Review (July 2014)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that the commission is performing rent reviews in a timely manner, it should review its database and correct the "Next Rent Review" date so that rent reviews are scheduled to take place every five years.	Fully Implemented	State Lands Commission

Report Number 2013-122*California Department of Toxic Substances Control: Its Lack of Diligence in Cost Recovery Has Contributed to Millions in Unbilled and Uncollected Costs (August 2014)*

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
1. To ensure that it maximizes opportunities to recover its costs, by January 2015, the department should develop a reporting function in its project management database to track and monitor the statute of limitations expiration dates for its projects.	Pending	Department of Toxic Substances Control
2. To improve the accuracy of the outstanding costs in its billing system, by January 2015, the department should establish a process to track its settlement agreements to ensure that department staff can verify they have updated information for outstanding costs that reflects all adjustments made for settlements paid and reduced in the billing system.	Partially Implemented	Department of Toxic Substances Control
3. To ensure that it maximizes the recovery of its costs from responsible parties, by October 2014, the department should establish processes to monitor and verify that responsible party searches are properly reviewed and approved according to its procedures.	Fully Implemented	Department of Toxic Substances Control
4. To ensure that it maximizes the recovery of its costs from responsible parties, by October 2014, the department should develop written procedures for updating and monitoring its collection letter log.	Fully Implemented	Department of Toxic Substances Control

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
5. To ensure that it maximizes the recovery of its costs from responsible parties, by October 2014, the department should continue its plan to update policies and procedures for using liens whenever appropriate.	Partially Implemented	Department of Toxic Substances Control
6. To improve the department's efforts to recover its costs promptly, the Legislature should revise state law to allow the department to use a higher interest rate for late payments. For example, the department could be allowed to use an interest rate similar to that used by the Board of Equalization.	No Action Taken	Legislature
7. To improve its ability to more effectively recover costs, the Legislature should give the department the authority to require financial information from potentially responsible parties.	No Action Taken	Legislature
8. To ensure it loads only accurate billing data into FISCAL, the department should continue evaluating projects with outstanding costs in its billing system to meet the July 2015 implementation date.	Pending	Department of Toxic Substances Control
9. To improve the accuracy of its outstanding costs related to the CLEAN loan program and federal grants, the department should follow through with its plan to update its written procedures to include the changes in billing procedures for the CLEAN loan program.	Partially Implemented	Department of Toxic Substances Control
10. To improve the accuracy of its outstanding costs related to the CLEAN loan program and federal grants, the department should continue to identify and remove outstanding costs for the federal grants when it determines it has already received funding.	Partially Implemented	Department of Toxic Substances Control
11. The department should continue to resolve its questions about its authority to write off outstanding costs under \$5,000. To the extent that it determines it cannot write off outstanding costs, it should pursue collecting the costs.	Pending	Department of Toxic Substances Control

Report Number 2014-110

California Department of Resources Recycling and Recovery: The Beverage Container Recycling Program Continues to Face Deficits and Requires Changes to Become Financially Sustainable (November 2014)

RECOMMENDATION	STATUS OF RECOMMENDATION*	ENTITY
1. To better ensure the Beverage Container Recycling Program (beverage program) is financially sustainable, the Legislature should consider enacting statutory changes that increase revenue, reduce costs, or a combination of both. Our report lists some specific proposals for the Legislature's consideration in Table 3, which begins on page 19 of our report.	No Action Taken	Legislature
2. To ensure it can demonstrate that its fraud prevention efforts are maximizing financial recoveries for the beverage program, CalRecycle should both modify and annually update its fraud management plan to include the following: <ul style="list-style-type: none"> • By December 31, 2014, formally establish a systematic process for analyzing, monitoring, and responding to the risk of fraudulent recycling of out-of-state beverage containers. • Develop fraud estimates—by type of fraudulent activity—that quantify the potential financial losses to the beverage program and the methodology CalRecycle used to develop these estimates. • Identify the amount of actual fraud in the prior year by type of fraudulent activity, such as the financial losses resulting from the redemption of out-of-state beverage containers or the falsification of reports used to substantiate program payments. • Identify the amount actually recovered for the beverage program in the form of cash for restitution and penalties resulting from fraud. 	Pending	Department of Resources Recycling and Recovery
3. To allow for public input and to prevent any legal challenges claiming that its policies and procedures regarding prepayment holds constitute unenforceable underground regulations, CalRecycle should adopt these policies and procedures as regulations in accordance with the Administrative Procedure Act.	No Action Taken	Department of Resources Recycling and Recovery

RECOMMENDATION	STATUS OF RECOMMENDATION	ENTITY
4. To ensure that all appropriate redemption payments are identified and made to the beverage program, CalRecycle should do the following: <ul style="list-style-type: none"> • Contract with the California Board of Equalization (Equalization) to determine the feasibility and cost of transferring its revenue collections duties and audit reviews to Equalization. • Should CalRecycle find that it is feasible and cost effective, it should pursue legislative changes that enable Equalization to collect revenues for the beverage program at the point-of-sale and remit the money to the beverage program. 	Pending	Department of Resources Recycling and Recovery
5. To ensure it effectively uses resources, CalRecycle should renegotiate its agreement with the California Department of Justice (Justice) to pay based on the cases CalRecycle refers, limiting costs to investigations over a predefined period of time. CalRecycle could agree to increase the budget for a particular investigation if Justice demonstrates that it has developed promising leads.	Will Not Implement	Department of Resources Recycling and Recovery
6. To ensure that CalRecycle has consistent evidence of the results of completed prosecutions and the amounts ordered in restitution, it should develop a status report to be issued quarterly by the Attorney General's Office (attorney general) that summarizes, among other things, the status of pending cases, recently closed cases, and amounts of restitution that are due to the beverage program as a result of the attorney general's prosecutions.	Pending	Department of Resources Recycling and Recovery

Report Number I2014-1*Investigations of Improper Activities by State Agencies and Employees (December 2014)*

RECOMMENDATION	STATUS OF RECOMMENDATION*	ENTITY
8. Seek reimbursement of \$415 from the transportation engineer for his misuse of the state vehicle.	Pending	Department of Transportation
13. Make reasonable efforts to recover the outstanding \$994 from the manager.	Pending	Water Resources Control Board
14. Contact the state agency that currently employs the manager to coordinate appropriate disciplinary action, to make certain the manager is not in a position to misuse or embezzle additional state funds, and to ensure that the manager's personnel file includes appropriate documentation of her misconduct.	Pending	Water Resources Control Board
15. Refer the matter to the district attorney in the jurisdiction where the embezzlement occurred for potential prosecution.	Pending	Water Resources Control Board
16. Establish a formal policy for recycling its surplus state property. This policy should include a strict prohibition against obtaining cash for recycled state property and a requirement that staff log all recycling activities so that its accounting office periodically can reconcile those activities with accounting receipts. The policy also should include specific instructions regarding who may engage in recycling activities and detailed procedures for carrying out those responsibilities, starting with identifying the need to recycle state property and ending with delivering the recycling proceeds to the accounting office.	Pending	Water Resources Control Board

* The status of recommendations for audits issued between November and December 2014 is based on the agencies' initial response, which is included in the original audit report, available on the California State Auditor's (state auditor) Web site: www.auditor.ca.gov.